



# BMCE BANK OF AFRICA



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LET'S DREAM  
OF A NEW WORLD...



## CHAIRMAN'S MESSAGE



In 2015, BMCE Bank of Africa Group successfully completed its Strategic Development Plan 2012-2015. This coincided with the Bank celebrating its 20<sup>th</sup> anniversary since privatisation and the 60<sup>th</sup> anniversary since the Kingdom regained its independence.

Earnings have doubled since 2011 with net income attributable to shareholders of the parent company approaching the MAD 2 billion mark, implying average annual growth of 23% over the period. Operating performance has also been impressive with net banking income registering average annual growth of 10%, reaching almost MAD 12 billion.

Overseas, BMCE Bank of Africa Group is now the second banking group in Africa by geographical coverage with operations in 20 countries in four of Africa's five main economic regions. Our reputation

as a pan-African banking group can also be seen in our financial performance. One-third of the Group's earnings is generated by Bank of Africa Group, Banque de Développement du Mali and La Congolaise de Banque.

Another highlight of 2015 was that we bolstered corporate governance by appointing four new independent directors. These new board members, who have an international profile, hail from a variety of geographical and professional backgrounds. Their experience and expertise will enable our Group to embark on the next phase of its development over the coming years.

As a leading pan-African Group with a strong commitment to developing sustainable and inclusive finance and promoting entrepreneurship across the

continent, we are proud to have pioneered the African Entrepreneurship Award this past year. USD 1 million of prize-money was awarded to 10 winners selected from more than 5,000 candidates from 54 African countries, in recognition of the best entrepreneurship projects in Africa relating to education, the environment and innovation.

The Group's commitment to corporate social responsibility is also reflected in the work accomplished by the BMCE Bank Foundation whose innovation and pioneering educational initiatives in rural areas earned it a number of distinctions in 2015.

Against such a backdrop, we reiterate our statement of belief in the future of Morocco, a country in which our Group has deep roots and in a continent which now provides us with additional scope, a continent on whose behalf we are mobilising our entire human and financial resources and all our overseas operations.



Othman BENJELLOUN  
Chairman and Chief Executive Officer

## CORE BUSINESS

- ◆ BMCE Bank: A universal bank, third private sector bank in Morocco with a 14.3% share of the loan market and a 14.2% share of the deposit market
- ◆ RMA Watanya: One of Morocco's leading insurance companies with an 18.2% share of earned premiums
- ◆ RMA Capital Holding: RMA WATANYA's asset management company

## GROWTH DRIVERS

- ◆ Méditel: Morocco's second telecommunications operator with 13.7 million subscribers
- ◆ Agribusiness: Adarouch Ranch, Africa's largest producer of beef and organic beef, Morocco's largest red meat slaughtering, cutting and processing operation

## PRIVATE EQUITY

- ◆ Finatech: A group of companies specialising in new information technologies structured around four main business lines: (i) Infrastructure & Networks, (ii) Payment Systems & Security, (iii) Offshoring & IT services and (iv) Innovation Technologies
- ◆ Other investments: CTM, Air Arabia Maroc, Casablanca Jeemo Cars and Brico Invest

## REAL ESTATE

- ◆ CAP ESTATE: The Group's real estate subsidiary with MAD 225 million of share capital
- ◆ REVLY'S: A joint venture between FinanceCom Group and Aman Resort, specialising in financing tourism projects
- ◆ Argan Capital: FinanceCom Group's investment funds management division

## INTERNATIONAL

- ◆ FinanceCom International: Subsidiary overseeing the Group's asset management and real estate companies at a global level

BMCE



FINANCE COM

INTERNATIONAL	GROWTH DRIVERS	CORE BUSINESS		PRIVATE EQUITY	REAL ESTATE
FINANCECOM INTERNATIONAL	MEDITELECOM	BMCE BANK	RMA WATANYA	FINATECH	CAP ESTATE
FINANCECOM CAPITAL	AGRIBUSINESS	BMCE CAPITAL	RMA CAPITAL HOLDING	OTHER EQUITY	RISMA
FCOM-L	BIO BEEF	MAGHRE-BAIL		CTM	COLLIERS INTERNATIONAL MAROC
	RANCH ADAROUCH	SALAFIN		AIR ARABIA	REVLY'S/AMANJENA
		BMCE BANK INTERNATIONAL		BRICO INVEST	ARGAN INVEST
		BANK OF AFRICA		CASABLANCA JEEMEO CARS	
		MAROC FACTO-RING			
		LOCASOM			

## BOARD OF DIRECTORS



*from left to right*  
Othman BENJELLOUN  
Michel LUCAS  
Abdellatif ZAGHNOUN  
Azzeddine GUESSOUS  
Zouheir BENAÏD  
Brahim BENJELLOUN-TOUIMI  
François HENROT  
Brian C. McK. HENDERSON  
Philippe DE FONTAINE VIVE  
Christian DE BOISSIEU

Four new directors were appointed as Independent Directors at a meeting of BMCE Bank's Board of Directors in March 2016. These individuals, who enjoy a highly international profile, hail from a variety of geographical and professional backgrounds.

The Board of Directors of BMCE Bank Group now numbers ten directors, five of whom are foreign.

**Othman BENJELLOUN**  
Chairman and Chief Executive Officer  
Date initially appointed: 1995\*  
Current term of office: 2013-2019

**BANQUE FEDERATIVE DU CREDIT MUTUEL - CM-CIC GROUP**  
Represented by Michel LUCAS  
Date initially appointed: 2005  
Current term of office: 2014-2020

**CAISSE DE DEPOT ET DE GESTION**  
Represented by Abdellatif ZAGHNOUN  
Date initially appointed\*\*: 1966  
Current term of office: 2016-2022

**RMA WATANYA**  
Represented by Azeddine GUESSOUS  
Date initially appointed: 1994  
Current term of office: 2013-2019

**FINANCECOM**  
Represented by Zouheir BENSAÏD  
Date initially appointed: 2001  
Current term of office: 2015-2021

**Brahim BENJELLOUN-TOUIMI**  
Group Executive Managing Director  
Date initially appointed: 2004  
Current term of office: 2016-2022

**François HENROT**  
Independent Director  
Date initially appointed: 2016  
Current term of office: 2016-2022

**Brian C. McK. HENDERSON**  
Independent Director  
Date initially appointed: 2016  
Current term of office: 2016-2022

**Philippe DE FONTAINE-VIVE**  
Independent Director  
Date initially appointed: 2016  
Current term of office: 2016-2022

**Christian DE BOISSIEU**  
Independent Director  
Date initially appointed: 2016  
Current term of office: 2016-2022

(\*) Each term of office shall take effect from the date on which the Annual General Meeting is convened to rule on the previous year's financial statements.

(\*\*) CDG had a seat on BMCE Bank's Board of Directors from 1966 to 1997 and was then reappointed at the Annual General Meeting of 26 May 2010. Mr Zaghoun was co-opted onto the Board of Directors 20 March 2015.



## OTHER GOVERNANCE BODIES

### **Governance Committee**

Reporting directly to the Board of Directors, the Governance Committee advises and makes recommendations to the Board on how to adopt and maintain a good governance policy.

### **Group Risk Committee**

The Group Risk Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.

### **Group Audit and Internal Control Committee (Group CACI)**

The Group Audit and Internal Control Committee assists the Board of Directors in matters such as internal control while ensuring that (i) the internal control system and resources are adequate to be able to monitor and control risk within the Bank and at subsidiary level and produce information required by regulatory authorities as part of the monitoring process of the consolidated entity; (ii) the financial information intended for the Board of Directors is reliable and accurate such that the legitimate interests of shareholders, depositors and other stakeholders are safeguarded; and (iii) examine the parent company and consolidated financial statements prior to submitting them to the Board of Directors for approval.

### **Group Executive Committee**

The Group Executive Committee, which is chaired by Mr Othman BENJELLOUN, is responsible for steering the Group's corporate strategy. It is the operational relay for the Board of Directors by making strategic proposals, implementing strategic decisions taken by the Board and closely monitoring Group risk management. It steers Group activities and rules on operational and functional issues that come under the remit of the Bank's entities and internal committees.

## General Management Committee

The General Management Committee is BMCE Bank's management body which lies at the very heart of the banking group's functioning in Morocco. The General Management Committee, which is an operational relay for the Group Executive Committee, is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

## Operating Committee

The Operating Committee is a body that is responsible for reporting, information-sharing and ruling on any issue relating to the Bank's operations. It therefore provides business line expertise and makes recommendations to the General Management Committee to assist with decision-making relating to these issues.

## Group Risk Steering and Management Committee

The Group Risk Steering and Management Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level, group risk steering policy and ensures that the Group's activities comply with risk policy and the limits set.

## Internal Control Coordination Committee

The Group Internal Control Coordination Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level, control systems at Group level.

## Group ALM Committee

The Group ALM Committee is the body responsible for drawing up and implementing the Group's asset-liability management strategy in line with the strategy determined by the Board of Directors.



## 20 YEARS OF GROWTH AND DEVELOPMENT IN MOROCCO AND OVERSEAS



## A PRIVATE GROUP WITH MOROCCAN ROOTS ...

- **3<sup>rd</sup> bank in terms of total assets** with a 14.3% share of the loan market and a 14.2% share of the deposit market
- **2<sup>nd</sup> bank-insurer** with a 36.4% penetration rate
- **3<sup>rd</sup> asset manager** with a market share of 16.2%

## ... WITH AN INTERNATIONAL PROFILE

- 1<sup>st</sup> bank to establish international operations when it opened a branch office in Paris in 1972
- 1<sup>st</sup> Moroccan bank to issue GDRs in 1996
- 1<sup>st</sup> corporate in Morocco to issue a Eurobond in 2013
- 1<sup>st</sup> Moroccan bank to be listed on 3 stock markets – Casablanca, London and Luxemburg
- 1<sup>st</sup> Moroccan bank to open a representative office in Beijing, China in 2000

## ...AND PAN-AFRICAN AMBITIONS

- 2<sup>nd</sup> pan-African Group in terms of geographical coverage with operations in 20 countries covering 4 out of 5 of the continent's economic regions
- 1<sup>st</sup> bank to establish operations in sub-Saharan Africa after cleaning up Banque de Développement du Mali in 1989
- The only Moroccan bank to have operations in East Africa and southern Africa
- Owns stakes in three leading African subsidiaries – Bank of Africa (acquired in 2008, 75% stake), Banque de Développement du Mali (acquired in 1983, 32% stake), La Congolaise de Banque (acquired in 2009, 37% stake)



# A UNIVERSAL MULTI-BRAND MULTI-NATIONAL BANKING GROUP

## MOROCCO

### SPECIALISED FINANCIAL SERVICES

- ♦ Salafin **74.76%**
- ♦ Maghrébail **52.47%**
- ♦ Maroc Factoring **100%**
- ♦ RM experts **100%**
- ♦ Euler Hermes Acmar **20%**

### INVESTMENT BANKING

- ♦ BMCE Capital SA **100%**
- ♦ BMCE Capital Bourse **100%**
- ♦ BMCE Capital Gestion **100%**

### OTHERS

- ♦ Locasom **97.31%**
- ♦ Eurafric Information **41%**
- ♦ Conseil Ingénierie et Développement **38.9%**

## INTERNATIONAL

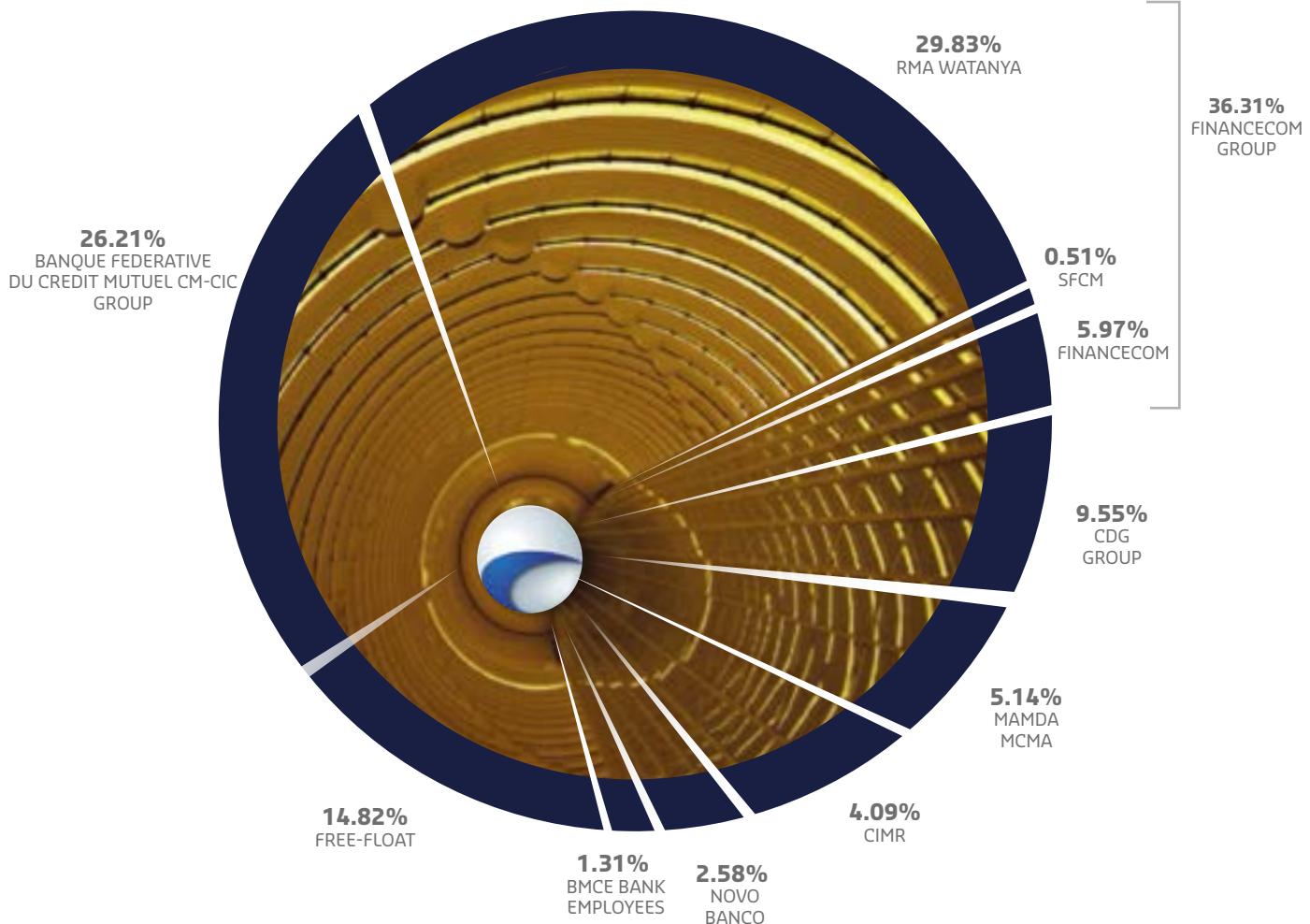
### SUB-SAHARAN AFRICA

- ♦ Bank Of Africa **74.98%**
- ♦ La Congolaise de Banque **37%**
- ♦ Banque de Développement Du Mali **32.38%**

### EUROPE

- ♦ BMCE International Holding **100%**
- ♦ BBI Madrid **100%**
- ♦ BBI London **100%**
- ♦ BMCE Euroservices **100%**

**BMCE BANK'S SHAREHOLDERS**  
AT END-JUNE 2016



**FinanceCom**

A leading private sector Moroccan Group with pan-African coverage, FinanceCom has operations in a number of high growth sectors including banking, insurance, technology, telecoms and media.

**RMA Watanya**

A key player in the insurance and bank-insurance market, RMA Watanya is one of North Africa's leading companies with an extensive and solid distribution network.

**CDG Group**

CDG Group is Morocco's leading institutional investor and a benchmark domestic institution with interests in businesses such as public investment finance and managing savings.

**BFCM-CM-CIC Group**

France's 2<sup>nd</sup> retail bank with more than 13 million customers and the country's leading bank-insurer, BFCM-CM-CIC Group is a market leader in the electronic banking segment and a major player in banking for professionals.



## BMCE BANK GROUP'S STRATEGY

BMCE Bank of Africa's development strategy is driven by both organic and acquisition-led growth with 40-50 new branches opened each year. It aims to grow its deposit base and increase market share domestically as well as expanding its overseas presence, particularly in sub-Saharan Africa through BOA Group, Banque de Développement du Mali and La Congolaise de Banque as well as in North Africa and in Asia.

The Group is also developing its core business by gaining market share in segments such as SME banking, young persons, Moroccans living abroad and Africans living abroad, working hand-in-hand with the Group's African subsidiaries. In addition, the Group is entering new high-growth niches such as participatory banking and e-banking.

Furthermore, the Group will continue to improve its financial position still further by endeavouring to lower its cost-to-income ratio and bolster the key functions of risk management, finance and compliance within the Group both domestically and overseas.

## 2015 HIGHLIGHTS

- ♦ BMCE BANK OF AFRICA' ADOPTED AS THE GROUP'S NEW CORPORATE NAME, EMPHASISING ITS AFRICAN PROFILE
- ♦ CELEBRATING THE 55<sup>TH</sup> ANNIVERSARY SINCE THE BANK WAS FOUNDED AND THE 20<sup>TH</sup> ANNIVERSARY SINCE BMCE BANK FOUNDATION WAS FOUNDED
- ♦ STAKE RAISED IN BOA GROUP TO 75%, IN *BANQUE DE DÉVELOPPEMENT DU MALI* TO 32.4% AND IN *LA CONGOLAISE DE BANQUE* TO 37%
- ♦ BANK OF AFRICA EXPANDS INTO RWANDA IN NOVEMBER 2015, THROUGH THE ACQUISITION OF AGASEKE BANK
- ♦ MANDARIN CHINESE INTRODUCED INTO THE BMCE BANK FOUNDATION'S MEDERSAT.COM SCHOOLS NETWORK
- ♦ EXPANSION OF THE MEDERSAT.COM NETWORK WITH A NEW SCHOOL OPENED IN BÉNI CHIGUER IN NADOR, THEREBY STRENGTHENING THE FOUNDATION'S SCHOOLS NETWORK WITHIN THE REGION
- ♦ INAUGURAL AFRICAN ENTREPRENEURSHIP AWARD SEES BMCE BANK AWARD PRIZES TO 10 WINNERS IN AFRICA IN RECOGNITION OF THEIR BEST IDEAS FOR ENTREPRENEURIAL PROJECTS
- ♦ BMCE BANK NAMED "BANK SOCIALLY RESPONSIBLE BANK OF THE YEAR " AT THE 9<sup>TH</sup> EDITION OF THE AFRICAN BANKER AWARDS
- ♦ «TOP PERFORMER CSR» AWARDED BY VIEGO FOR THE 2<sup>ND</sup> TIME
- ♦ CSR ARABIA AWARDS 2015 - CATEGORY FINANCIAL SERVICES – THE ONLY COMPANY LISTED ON THE CASABLANCA STOCK EXCHANGE TO OBTAIN THE HIGHEST SCORES IN 7 SOCIAL RESPONSIBILITY TOPICS
- ♦ ISAE 3402 TYPE II CERTIFICATION OF BMCE CAPITAL GESTION ASSIGNED BY PWC AND THIS FOR THE SECOND TIME IN DEDICATION TO SAFE WORK ENVIRONMENT

# STRONG FINANCIAL PERFORMANCE

## CONSOLIDATED FINANCIAL STATEMENTS

### Net income attributable to shareholders of the parent company

Net income attributable to shareholders of the parent company rose by +1% to almost MAD 2 billion, despite a steep decline (-45%) in income from market operations.

### Net banking income

Consolidated net banking income was up almost +3% at MAD 11.8 billion, impacted by non-recurring items relating to market operations. The contribution to net banking income from commercial banking – recurring net banking income – rose +9% thanks to net interest income (+10%).

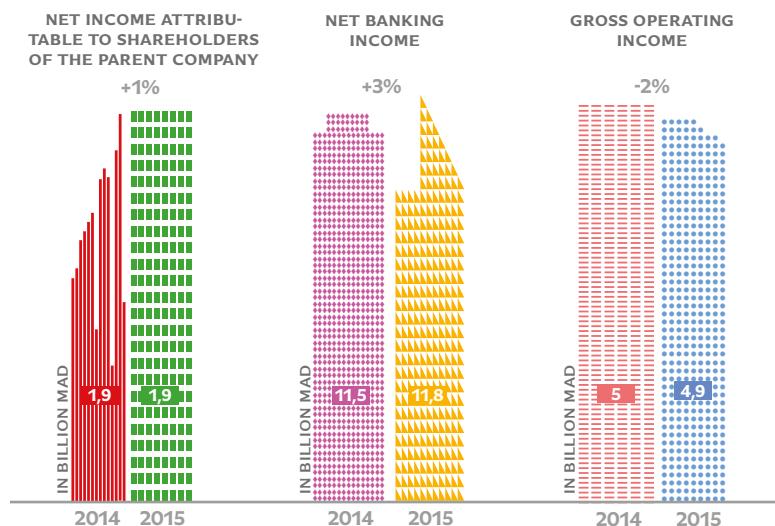
The quality of the Group's revenues improved with the core business – interest-generating operations and fee income – generating almost 90% of the Group's consolidated net banking income.

### Total assets

The Group's total assets saw further growth (+13%) to MAD 279 billion.

### Shareholders' equity attributable to shareholders of the parent company

The Group's financial position was further bolstered with a +6% increase in shareholders' equity to MAD 17 billion in 2015 versus MAD 16 billion in 2014.



## PARENT FINANCIAL STATEMENTS

### Parent Net Income

Parent net income rose by +8.3% to MAD 1,304 million in 2015 versus MAD 1,204 million in 2014.

### Parent Net Banking Income

Parent net banking declined by a modest -2.6% to MAD 5,374 million due to a -45% fall in income from market operations after the exceptional performance in 2014, against a backdrop of declining yields; this was offset by a healthy performance from the core business with net interest income up +8.0% and strong growth (+13.3%) in fee income.

### Loans and Deposits

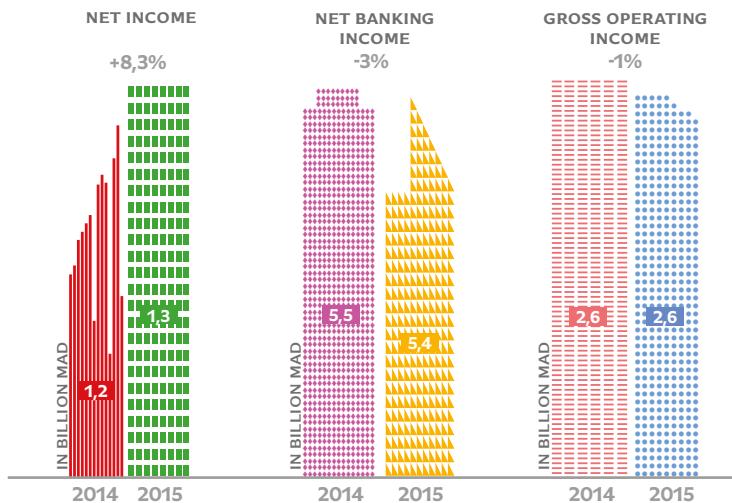
The market shares of customer loans (+60 basis points) and customer deposits stood at 14.3% and 14.2% respectively at end-December 2015.

### MARKET SHARES OF CUSTOMER DEPOSITS

	2015	2014
<b>TOTAL RESOURCES</b>	<b>14.23%</b>	<b>14.02%</b>
Check accounts	13.48%	13.14%
Current accounts	11.45%	11.71%
Savings book accounts	14.62%	14.75%
Term deposits	16.38%	14.73%
Debt securities issued	18.99%	21.65%

### MARKET SHARES OF CUSTOMER LOANS

	2015	2014
<b>TOTAL LOANS</b>	<b>14.28%</b>	<b>13.62%</b>
<b>Loans to retail customers</b>		
Consumer	20.35%	19.23%
Property	15.00%	14.44%
<b>Loans to corporate customers</b>		
Operating	16.13%	15.08%
Capital goods	9.23%	8.95%
Real estate development	15.63%	15.12%
<b>Loans to finance companies</b>	<b>20.23%</b>	<b>18.88%</b>



# STRATEGIC DEVELOPMENT PLAN 2012-2015

## ACHIEVED OBJECTIVES

### **Earnings up by more than Doubled**

- ◆ Net Income attributable to the Parent more than doubled brushing the bar of MAD 2 billion, which is a compound annual growth rate -CAGR - of +23%.
- ◆ Significant profitability improvement, with consolidated ROE from 7.2% in 2011 to 12.8% in 2015, reaching beyond the 12% target level set by the Strategic Development Plan -SDP- and protruding upper the average for the banking sector.

### **Improved Operational and Commercial Efficiency**

- ◆ Significant increase in bank operating activity since 2011, with an average increase of the consolidated net banking income of over +10% per year, approaching the threshold of MAD 12 billion.
- ◆ Improving operational efficiency, as evidenced by the downward trend in consolidated cost to income ratio decreases from 63% in 2011 to 58.7% in 2015 and that, while deploying significant investment efforts, both organic and external.

### **Strengthening the African Dimension of the Group**

- ◆ BMCE Bank of Africa, 2<sup>nd</sup> banking group in terms of presence in Africa, operates in 20 countries covering 4 of the 5 main economic areas of the continent.
- ◆ Group branch network increased on the Continent by fifty branches per year, increasing its global size to 1 230 branches, and in Morocco, to 700.

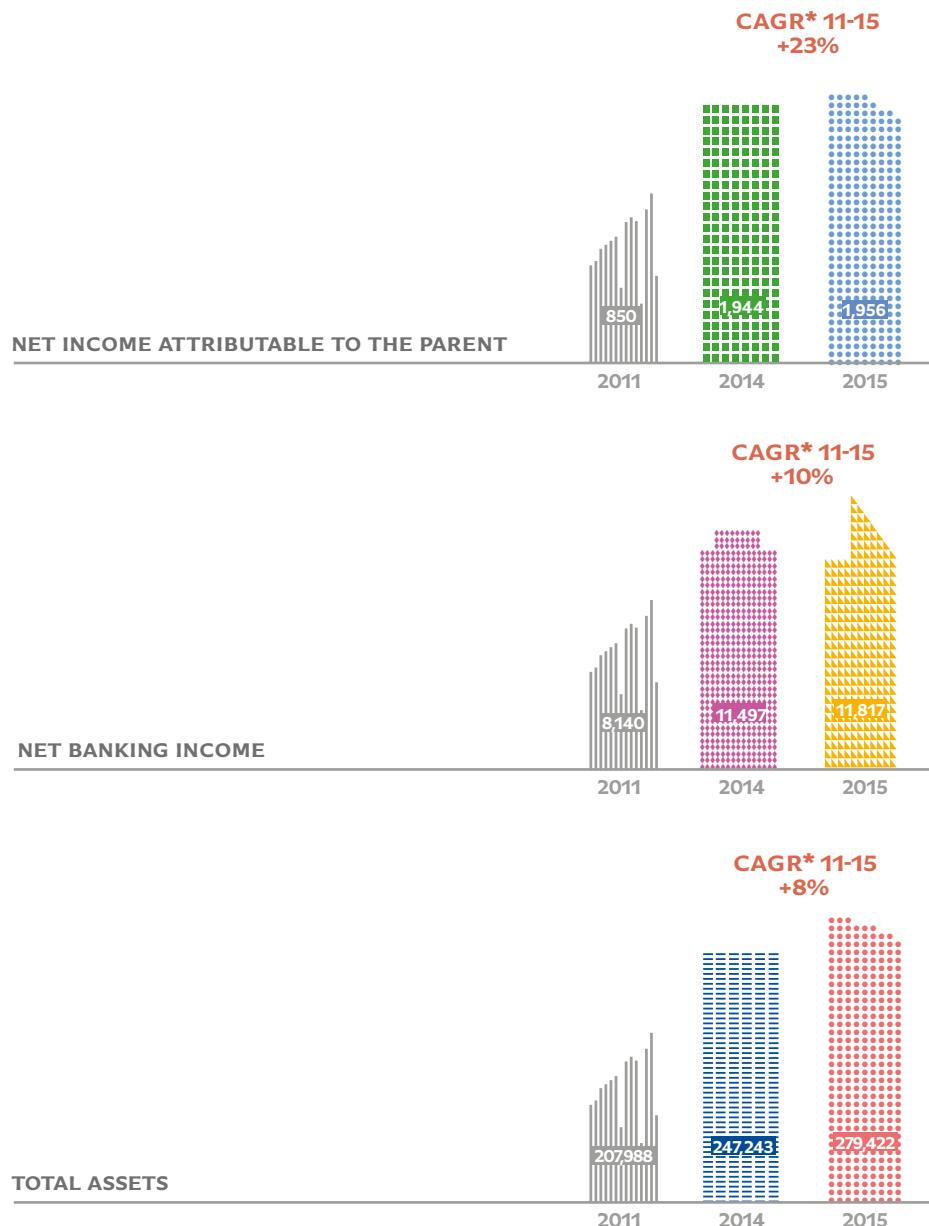
◆ Strong development of the business with the opening of 2 million accounts on the continent over the same period of 4 years.

◆ Anchored DNA pan-African banking group: one third of the results generated jointly by the African Group activities and whose contribution has increased steadily since 2011 by +18% a year.

### **European Platform on track to being profitable on a sustainable basis**

- ◆ European platform, now 3<sup>rd</sup> Group's profit center, generating 9% of the results against 1% in 2011, after 5 years of losses since its inception.
- ◆ Since 2012, the Net Income of BBI London has increased from 6 to £ 7.8 million in 2015.

## BMCE BANK GROUP'S CONSOLIDATED FIGURES (IN MAD)



\* Compound Annual Growth Rate

## REMARKABLE RESULTS OVER THE PAST 5 YEARS

In 2015, BMCE Bank Group successfully completed its strategic development plan 2012-2015. Every undertaking given was honoured. Earnings more than doubled over the period (CAGR 2011-2015 of +23%) with net income attributable to shareholders of the parent company approaching the MAD 2 billion mark. These results, in addition to a significant rise of 37% in the Group's shareholder's equity since 2011, which has risen from MAD 12.4 billion to MAD 17 billion, enabled BMCE Bank Group to register an increase in underlying profitability. This upward trajectory in Group earnings, the result of the various organisational and operational projects undertaken in recent years, would appear to justify the initiatives undertaken by senior management and the strategic choices made within the framework of the initial development plan 2012-2015.

### BMCE BANK GROUP HAS HONoured ALL THE UNDERTAKINGS GIVEN IN THE STRATEGIC DEVELOPMENT PLAN 2012-2015

#### IMPROVEMENT IN THE GROUP'S PROFITABILITY

##### Level of profitability, which is above the industry average, continues to rise

- ◆ Net income attributable to shareholders of the parent company more than doubled to just below the MAD 2 billion mark, resulting in average annual growth of +23%;
- ◆ Significant improvement in profitability with consolidated ROE up from 7.2% in 2011 to 12.8% in 2015;
- ◆ Parent net income was 2.4 times higher, surpassing the MAD 1.3 billion mark in 2015, resulting in an CAGR of +24%;
- ◆ Constant improvement in the Bank's ROE, up from 5.2% in 2011 to 10.1% in 2015.

#### IMPROVEMENT IN OPERATIONAL AND COMMERCIAL EFFICIENCY

##### The Group continues to see an improvement in operational efficiency

- ◆ Downward trend in the consolidated cost-to-income ratio, down from 62.9% in 2011 to 58.7% in 2015 and from 64.9% to 60.5% at the parent level;
- ◆ Growth in general operating expenses contained at +8% on average for the Group and +5.4% for BMCE Bank in Morocco versus average growth in consolidated

and parent net banking income of +10% and +7.2% respectively.

#### The core business is performing well

- ◆ The core business is performing well: (i) Average annual growth of +11% in consolidated net income and +9% in parent net income, (ii) Average annual growth of +10.5% in fee income at the parent level and +8% at the consolidated level in an environment in which customers are now exempt from paying fees on about fifteen banking services within the WAEMU region, while (iii) income from market operations fell by -45% at the consolidated level and by -4.5% at the parent level, as a result of the exceptional performance in 2014 due to a fall in bond yields.

#### Improvement in the quality of the Group's revenues

- ◆ Market operations' contribution to net banking income down from 14% in 2011 to 6% in 2015 at the consolidated level and from 21% to 13% at the parent level; by contrast, the core business – interest-generating operations and fee income – has seen its contribution rise from 82% to 89% at the consolidated level and from 76% to 81% at the parent level.
- ◆ Interest income accounts for 72% of consolidated net banking income.

#### Growth in general operating expenses contained over the past 4 years

- ◆ Average annual growth of +5.4% in general operating expenses over the period 2011-2015 despite the high level of organic as well as acquisition-led investment following (i) acceleration in the branch network expansion programme in 2014-2015 in Morocco with 20 branch openings on average over the past 4 years, and (ii) an expansion of the overseas network with new branch openings in Europe and North America for Moroccans living abroad.

#### Increased exposure to SME market segment

- ◆ Contribution from the SME segment to net banking income up from 17% in 2011 to 21% in 2015. The net banking income generated by this segment has grown at an average annual rate of +13% versus +7% for the Bank;
- ◆ The core business has grown strongly since 2011 with the customer base more than doubling from 4,200 customers to 9,300 customers and 7 new specialised SME business centres added, taking the total size of the network to 30.

#### Share of the loan market surpasses the 15% target

- ◆ 130 basis points gain in the Bank's share of the loan market, up to 15.2% in 2015 versus 13.9% in 2011.

## EUROPEAN OPERATIONS REORGANISED

### The European platform has become the Group's 3<sup>rd</sup> largest profit centre

- ◆ BMCE Bank International Holding has become the Group's 3<sup>rd</sup> largest profit centre after the parent company and Bank of Africa;
- ◆ The restructuring plan, which has been initiated and implemented in recent years, has proved successful. The European platform, bringing together BMCE Bank International Holding, BBI London, BBI Paris and BBI Madrid, accounted for 9% of net income attributable to shareholders of the parent company in 2015 versus -1% in 2011 and -32% in 2010;
- ◆ Since 2012, BBI's parent net income has risen 5.5 times, reaching GBP 7.8 million in 2015.

## AFRICAN OPERATIONS BOLSTERED

### BMCE Bank Group continues to make inroads into Africa

- ◆ BMCE Bank of Africa is now the second largest banking group in Africa after Ecobank in terms of the number of countries in which it has operations (20 vs. 30 countries)
- ◆ The Group has raised its stakes significantly in its African subsidiaries: BOA (from 59.4% to 75%), Banque de Développement du Mali (from 27.4% to 32.4%) and La Congolaise de Banque (from 25% to 37%);
- ◆ Over the period 2012-2015, the Group has expanded into another three countries in sub-Saharan Africa – Ethiopia, Rwanda and Togo;
- ◆ Since 2011, Africa has seen its contribution to Group earnings rise each year by an average

+19.5% and its contribution to Group revenue rise each year by an average +13.5%;

- ◆ Solid performance from BOA Group since BMCE Bank Group acquired control in 2011:
  - Consolidated net income attributable to shareholders of the parent company and net banking income have almost doubled to EUR 55 million and EUR 440 million respectively
  - Average annual growth of +14% for deposits and +20% for loans
  - BOA Group's customer portfolio has grown by 469,712 new accounts each year
  - Further expansion of the branch network with 50 or so new branch openings in 2015, taking the total number of branches to 495, almost double that of 2011.

## IMPROVEMENT IN THE RISK PROFILE

### One of the best's risk profile of the industry

- ◆ The Bank's non-performing loan ratio stood at 5.4% in 2015 versus 5.7% in 2014 and 4.9% in 2011 in a worsening risk outlook for the banking industry over the past 4 years (from 5% in 2011 to 7.2% in 2015) ;
- ◆ The Bank's cost of risk has been stable at 1% over the past 3 years.

## LONGSTANDING COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

- ◆ Over the period during which the Strategic Development Plan 2012-2015 was implemented, BMCE Bank of Africa Group bolstered its CSR policy. The latter was adopted as many as 20 years ago, 10 years before any of the other domestic banks had made such a commitment; The Bank is currently making inclusive and sustainable finance the bedrock of its African operations;

- ◆ The Group's systematic approach to incorporating social, environmental and governance criteria into its business practices was reflected in the maintain of its ISO 14001 certification;

- ◆ As far as product innovation is concerned, BMCE Bank launched Cap Energie and, in doing so, became the first bank within the region to finance sustainable energy sources in partnership with a consortium comprising the EBRD, the EIB, the AFD and the KfW. It also developed, through its BMCE Capital Gestion subsidiary, Morocco's first ever SRI fund;

- ◆ The Group's aim of becoming a major pan-African Group led it, under the impetus of its Chairman, Mr Benjelloun, to launch the African Entrepreneurship Award on the occasion of the GES held in Marrakesh in November 2014;

- ◆ This award, with USD 1 million of prize money, recognises Africa's best entrepreneurship projects in terms of their social and sustainable impact. In 2015, the first year in which the competition was held, more than 5,000 candidates from 54 African countries and the African diaspora participated. Ten winners, from among 34 finalists, shared the prize money across three different categories – education, the environment and themes relating to untapped potential. In February 2016, the Bank began to organise the next year's competition.





## PERSONAL AND PROFESSIONAL BANKING

In 2015, the Personal and Professional Banking segment again saw satisfactory growth due to the efforts made to attract new customers and foster customer loyalty among existing customers.

The target market segments were primarily young people, salaried persons and civil servants. Marketing was focused on developing closer relations and building loyalty with high growth potential customers.

A number of initiatives were also directed at the self-employed customer segment, regarded as a strategically important for the Bank. This segment was given special treatment with constant monitoring from customer relationship managers and branch managers, backed up by a well-targeted sales approach.

### PERSONAL BANKING An enhanced range of products and services for young people

To complement the existing product range for retail customers, three products were launched in 2015, targeting the young persons' segment: (i) an insurance option on the Crédit Enseignement education loan, enabling customers to repay the outstanding balance of school fees (ii) Crédit Études à l'Etranger, to finance higher educational studies abroad with all expenses authorised by the Office des Changes and (iii) Carte FlexyJeunes, which has an in-built renewable credit line providing young persons with a cash reserve.

An extensive communications campaign was launched in two phases. The first focused on promoting solutions for parents who want to give their children a good education (student loans, rental deposit and tuition transfers). The second phase focused on the entire product range,

the www.jesuisjeune.ma website and the various deals advertised as well as the free-of-charge Young Campus Pack.

Furthermore, banks have been increasingly targeting the young professionals segment with a specialised product offering. This segment comprises salaried workers between the ages of 18 and 39 years, 49% of whom have monthly incomes of at least MAD 5,000. These young professionals, who are in the process of developing their professional careers, are heavy consumers of banking products.

### Salaried persons segment given a boost

A number of initiatives were organised in 2015 aimed at boosting sales in the salaried persons segment including: (i) renewing instant loan applications which had expired or were about to expire, (ii) organising events promoting the Car Loan, Bank-Insurance Savings and Assistance 2015 products and (iii) a leveraged loan in the form of an advance to finance the acquisition of shares in Total Maroc and AFMA Group. Other initiatives envisaged include launching Crédit Déclic in partnership with Salafin. This is a pre-authorised loan available on demand via a number of different channels to enable borrowers to deal quickly with unforeseen events. In Fine will enable customers to benefit from tax incentives, reduce monthly repayments and maintain borrowing power. The *Avance Retraite* loan completes the range of new product offerings for this market segment.

### Seniors, an increasingly coveted market segment

As at 31 December 2015, the customer portfolio included 182,000 seniors i.e. 14% of the personal banking customer portfolio. During 2015, 5,733 new contacts were made. Seniors account for 23% of assets. Each senior subscribes for 2.4 products on average. 43% of seniors are active and 12% are relatively inactive.

A qualitative study was also initiated in December 2014 to gain a better understanding of the needs and expectations of this target segment, develop a suitable range of products and services and adopt an appropriate communications strategy.





## Rapidly growing payment card business

In 2015, the Bank also bolstered its payment card portfolio and made market share gains as a result. Its stock of cards in circulation rose by over 15% to more than one million payment cards at end December 2015.

This performance was driven by a dynamic sales approach, best illustrated by the launch of next generation Premium bank cards. A broad section of the population now has access to premium quality international bank cards with innovative functionality for overseas usage.

## Bank-Insurance continues to register growth

A number of new products were developed in partnership with RMA Watanya as part of the ongoing development of the bank-insurance business. BMCE Assur 'Auto, a new product, was developed in 2015 and launched in January 2016. This product enables customers to take out a short-term loan on attractive terms to finance their car insurance contract. This product complements what is already a unique product range within the banking industry and is an example of the Bank being able to differentiate itself from its peers.

Similarly, two niche products were launched for Professional Banking customers: (i) BMCE Épargne Pro, a medium- to long-term life insurance product enabling professional customers to grow their capital to provide them with a pension and (ii) Sécuri Pro (re-designedGlobale Pro), a multi-risk insurance policy, insuring against damage to professional property and the many risks to which customers are exposed at work.

In 2015, the bank-insurance business registered growth of +11.4% in terms of the number of contracts sold and +11.9% in terms of revenue, which reached MAD 2 billion. The bank-insurance penetration rate rose to 36.38% at

end-December 2015 versus 31.3% the previous year.

## PROFESSIONAL BANKING Commercial development

The Bank's main goals for the Professional Banking segment in 2015 were to attract new customers and increase product penetration of the existing professional and private customer base.

A new range of products and services was introduced to meet the needs of professional customers: (i) daily account management in all-in-one package (BMCE Hissabi Pro, BMCE Forfait Privé, BMCE Forfait Business and BMCE Forfait TPE) and an e-banking offering (BMCE Direct Pro and BMCE Direct Valeurs), (ii) help customers to grow their capital and fulfil their personal ambitions (BMCE Habitat Pro, BMCE Damane Assakane and BMCE Conso Pro) with a range of amortisable loans, (iii) support customers' cash flow requirements through a range of operating loans covered by the Damane Express guarantee, (iv) fund the purchase of equipment to help them to develop their business via a range of leasing options (BMCE Probail) and (v) grow their savings and provide health insurance and cover against professional risks, with an extensive range of bank-insurance products.

A number of communications-based initiatives were also conducted including: (i) a 'Caravan for Shopkeepers and Craftsmen', a communications campaign which involved meeting professional banking customers around the country (ii) a digital campaign via the [www.bmcepro.ma](http://www.bmcepro.ma) dedicated website (editorial partnerships, social networks etc.) and (iii) a media campaign (radio, press, billboards etc.).

A number of sales initiatives were organised including the "Insurance Pro" event in the wake of the launch of a new bank-insurance package for professionals. A particular focus was given to the leasing market to enable the branch network to meet its

objectives in this segment. This involved weekly monitoring of the performance, including new business, of the customer portfolio and then reporting back to the branch network.

## New products and agreements

The special offering for lawyers was extended due to its success with some of the Bank's long-standing partners, namely the various bar associations across the Kingdom.

As part of its sales development strategy, Professional Banking introduced a product range for RMA Watanya and Damane Cash agents.

Given the Bank's expertise in its dealings with the legal profession, an attractive offering was developed for bailiffs. This was also the case for pharmacists, a segment in which the Bank gained market share after updating its product offering. Very competitive terms were offered to pharmacists in a bid to meet their personal and professional needs.

## PRIVATE BANKING Product range enhanced

Private Banking played an important role in coordinating the Bank's different entities in 2014 when the Kingdom of Morocco introduced a with holding tax. This was followed up in 2015 with the introduction of a post-amnesty action plan focusing on tax-related issues. Services introduced included a process enabling taxpayers to declare income on financial assets, a range of foreign currency investment accounts domiciled in the Tangier Offshore zone for customers given an amnesty and a service for managing and monitoring taxpayers' requests as part of the post-amnesty process.

The Private Banking division adopted a synergistic approach targeting business owners by continuing to work in partnership with the Personal & Professional Banking division on the one hand and the Business Centres and Corporate division on the other.

A number of initiatives carried out in 2015 were bolstered in 2016 by introducing regional sales targets to attract business owners, drawing up a POS advertising and communications campaign and monitoring and steering the performance of the branch network on a monthly basis.

A variety of initiatives were conducted in partnership with RMA Watanya. The product range was enhanced by introducing unit-linked products, the process for handling RMA Watanya applications relaxed and assistance was provided by RMA Watanya experts to the branch network's sales teams.

## **MIGRANT BANKING A strong performance from the Moroccans living abroad business**

In 2015, the migrant banking business registered respectable growth. Receipts from Moroccans living abroad (MLAs) rose by 3% compared to 2014 to reach MAD 61.7 billion. MLA deposits at industry level increased by 5.6% compared to 31 December 2014 to MAD 8.6 billion.

Savings collected by BMCE Bank grew by 16.4% year-on-year, resulting in a market share gain of +96 basis points.

In addition, transfers processed by the Bank rose by +10.5% to MAD 3,182 million due to the expanded overseas network's strong sales clout – two new branches opened in Molenbeek, Belgium and in Malaga, Spain as well as a representative office in Abu Dhabi.

In addition to welcoming Moroccans living abroad who returned home during the summer months, the Bank conducted a major campaign targeting MLA investors

in Morocco. *BMCE MRE Invest* was launched, with the aim of encouraging MLAs to invest in Morocco and maintain economic and financial ties with their country of origin. The product is a medium- to long-term loan for expatriates, enabling them to make fresh investments or expand existing projects within the manufacturing, manufacturing-related services, education, hospitality and health sectors. A programme of regional seminars was also organised providing MLA customers with an opportunity to discuss with Bank representatives and with experts the country's economic prospects, opportunities and ways to invest in Morocco, as well as assistance and government support for investment from MLAs within the framework of promoting MLA investment in Morocco.

## **Marketing beefed up**

A number of sales and marketing initiatives and large-scale events were carried out for Moroccans living abroad in support of the domestic and overseas branch networks with the aim of improving performance in this market segment e.g. SMAP, joint sales initiatives with both networks.

In 2015, the overseas network participated in the 5<sup>th</sup> SMAP Immoexpo in Brussels, renamed the Moroccan Property Expo, as well as the 12<sup>th</sup> SMAP Paris and the 1<sup>st</sup> SMAP Düsseldorf.

## **Enhanced product range**

During 2015, improvements were made to the product range for migrant banking customers. Pack Dawli Plus, a product exclusively for Moroccans living abroad, was revised to include various benefits from the Bank's partners as well as a financial bonus on transfers.

The BMCE Salama assistance product was also enhanced, enabling policyholders and their families to enjoy maximum protection from medical, legal, technical and on-death assistance.

In addition, a new product dedicated to MLA was launched "BMCE MRE Invest", designed to encourage MLA's to invest in Morocco and to sustain the economic and financial links with their home country.

"BMCE MRE Invest" is a medium to long-term loan for the realization of new investment projects or expansion projects by MLAs in industry sectors, and related services industry, education, hospitality, and health.



A photograph of a man in a dark suit and tie, seen from behind, looking out over a body of water towards a city skyline at sunset. A large suspension bridge, similar to the Manhattan Bridge, spans the frame. The sky is filled with warm, golden clouds. The overall mood is contemplative and professional.

BMCE BANK IN MOROCCO

ANNUAL  
REPORT

## CORPORATE BANKING

### Growth in sales

BMCE Bank offers its corporate and SME customers all the benefits of a local bank in addition to remote banking facilities. Through its sales network of specialist business centres and its Banking for Large Enterprises department, the Bank offers corporate customers a range of products and services that are based on a sophisticated understanding of each customer's needs.

Corporate Banking loans rose 2.7% year-on-year to MAD 67.1 billion versus MAD 65.3 billion at end-2014.

Corporate Banking deposits saw significant growth (+16.7%), reaching MAD 27.7 billion at end-2015 versus MAD 23.7 billion at end-2014.

Corporate Banking pursued a number of initiatives in 2015 aimed at boosting sales, resulting in more than 1,600 new account openings by the Corporate Banking network in 2015.

2015 saw a number of organisational changes take place in relation to processing investment applications from the regions. A support unit was officially set up.

As part of the Bank's commitment to increase its proximity to its customers, the Enterprise Network was expanded by opening three new Business Centres strategically located, bringing the number of units to 33.

### Increased foreign trade flows

Foreign trade flows reached MAD 127.9 billion in 2015 versus MAD 105.5 billion the previous year, an increase of 21% year-on-year and well above the industry level, which registered a 3.1% contraction.

By market segment, foreign trade flows generated by large companies rose 24.1% year-on-year to MAD 64.3 billion in 2015. This was due to 32.4% growth in export flows and a 19.1% increase in import flows.

Flows booked by the Corporate Network rose by 18.5% year-on-year to MAD 63.6 billion in 2015 versus MAD 53.6 billion the previous year. This was due to 9.3% growth in import flows and a 29.5% increase in export flows.

### Strong support for sustainable development

Consistent with its strategy of supporting sustainable economic development, BMCE Bank signed a number of partnership agreements to finance, support and subsidise investment in energy efficiency and renewable energy.

Among the most important agreements was the one signed 17 March 2015 with four international sponsors – the EBRD, the EIB, the AFD and the KfW relating to the MorSEFF (Morocco Sustainable Financial Facility) credit agreement. The latter provides businesses with EUR 20 million of funding. Other agreements signed included those with the Société d'Investissement Energétique, the Association Marocaine pour l'Industrie et le Commerce de l'Automobile and the l'Association Marocaine des Industries du Textile de l'Habillement, primarily aimed at organising meetings. Focus groups help to raise awareness among companies about energy efficiency through use of renewable energy sources and how to obtain appropriate funding.



## BMCE BANK IN MOROCCO

In the same vein, BMCE Bank launched a new solution, BMCE Cap Energie, a first ever in Morocco. This is designed to help businesses to acquire energy-saving equipment or renovate their existing industrial plant or hospitality facilities by adopting an energy efficient approach.

### Product range diversification

In partnership with Maroc PME, Morocco's SME federation, BMCE Bank launched IMTIAZ-CROISANCE in July 2015, the latest version of its IMTIAZ programme. This updated version includes some novel features, to broaden its appeal to other prospective companies that could potentially benefit from the programme.

Furthermore, in order to diversify its range of financing products for SMEs, new products were launched such as *Tréso Plus* and *Avance*, enabling customers to secure advances on amortisable loans.

In addition, to maintain sales momentum in products and services for SMEs, the branch network was provided with the necessary sales support by organising and participating in a number of events. These included the 2<sup>nd</sup> Palmarès Prospection, the Tangiers Automotive Subcontracting Exhibition, the First African Conference for Transport and Logistics, Pollutec, the SME Forum, MidestMaroc, Medinit, Ener Event and Aerospace Meetings Casablanca.

By participating in all these events, the Bank has been able to develop its database of contacts and enhance its universe of prospective customers. Initial contact was made with some of them.

### Partnership reinforced with the Caisse Centrale de Garantie

As a result of strong sales momentum in applications for guarantees from the Caisse Centrale de Garantie (CCG), BMCE Bank was ranked as the leading bank overall in terms of guarantees provided (all categories) in 2015. The Bank was ranked second in terms of outstanding commitments guaranteed by the CCG and third in the Damane Express category.

### SME Club – initial results positive after 3 years

The SME Club has met with enormous success since it was launched in 2012. Training has been provided to eleven classes, benefiting 145 SMEs. A customer satisfaction survey revealed that 82% of the SMEs participating in the programme found the training content to be beneficial when carrying out their day-to-day business and 91% would certainly recommend Club membership to other companies known to them.

### Synergies and network expansion

Four plenary meetings were held with all the heads of Corporate Banking (regional, Business Centers, GE and head office) to monitor Corporate Banking's actions plans and growth targets. These meetings provided an opportunity for information sharing and discussions with Corporate Bank's sales network.

### Foreign trade

In 2015, the Foreign Trade business registered very strong sales. Measures were taken to bolster the steering of the business and support the Network's sales efforts.

On the commercial front, Corporate Banking's performance was noteworthy in terms of the foreign trade flows captured. Indicators relating to this business show that import flows rose by +14% and export flows by +31%.

Working groups were organised with BANK OF AFRICA Group representatives in partnership with Maroc Export to leverage intra-Group synergies. The aim was to help customers to develop business in Africa.

As a result, Passeport Africa was launched, a multi-service foreign trade package for BMCE Bank and BANK OF AFRICA customers. In addition, twice-yearly trade missions are to be organised with Maroc Export for the Bank's customers.

Furthermore, as part of support efforts for the Network, BMCE Bank participated in a number of major international events in Morocco and overseas. These included the Morocco-Ivory Coast Economic Forum in Marrakesh, Halieutis, a fisheries event in Agadir and the France-Morocco Partnership Forum at the Bourse de Commerce in Paris.

## **Cash Management**

Several sales initiatives were carried out in 2015 as previously scheduled in Cash Management's annual action plan. 200 contracts were signed as a result while 35 contracts are in the process of being signed. Product promotion initiatives were also organised at grassroots level by the Business Centres and Large Enterprises department.

The Cash Management business enjoyed a number of successes in 2015. These included equipping 300 customers out of a total of 1,200 with the so-call *G Flux* application for making mass payments and implementing a funds collection service for customers.

## **Business line synergies between the Bank and its Moroccan subsidiaries**

With the help of a consulting firm, research was conducted into the synergies existing between BMCE Bank Group and its subsidiaries and into possibilities for further cooperation.

Given that the scope is potentially very large, a decision was taken to identify which business line synergies should be prioritised between the parent company and its subsidiaries, Maroc Factoring, Maghrebail, Locasom, Salafin, BMCE Assurances and Euler Hermes.

The research department explored a number of areas including strategic analysis of existing synergies with each subsidiary, common goals with data and the operational drivers for achieving synergies, a business plan containing financial indicators up until 2020 and the organisational structure of a new division called Business Line Synergies in Morocco (SMM).





## INVESTMENT BANKING

### BMCE CAPITAL MARKETS Performance exceeds expectations

Ongoing efforts were made to boost sales and enhance BMCE Capital Markets' communications strategy via a number of different channels. As a result of all such initiatives, the penetration rate of the electronic channel's portfolio rose by 11%.

In 2015, the sales desk endeavoured to develop its commodities business by organising workshops and seminars about the energy and agricultural sectors.

The sales desk also carried out a series of marketing initiatives to reach the targets set. Regional tours and customer workshops were organised which emphasised the BMCE FX-Direct platform.

In 2015, BMCE Capital Markets focused all of its efforts on improving the second version of BMCE FX-Direct, an electronic forex trading system. Macroeconomic indicators are now included and trades are automatically posted to the Kondor management system. In addition, software was developed to be able to calculate the P&L digitally.

A new version of the technical analysis application was introduced, providing more precision on buy and sell signals for stocks listed on the Casablanca Stock Exchange. In addition, a securities lending business was launched and a number of agreements were signed with various institutions.

As part of an ongoing process to improve financial market operations and customer relations, BMCE Capital Markets began a number of quality-based projects in 2015 including introducing 'BKustomer', a sales desk CRM tool for automating the Treasury desk's BAM settlement system flows in dirhams. A paperless system was also introduced for Kondor tickets as part of BMCE Capital's 'zero paper' project.

Strategic analysis was conducted during 2015 into the sales function, resulting in an overhaul of BMCE Capital's organisational procedures. Several specific initiatives were also carried out. These included special monitoring of the GINA projects, helping to redesign BMCE Capital's corporate website and drawing up service level agreements with support entities.

In relation to the BMCE FX-Direct platform, a number of initiatives were undertaken such as quantitative performance monitoring, ongoing training for customers and prospective customers, sending out a monthly newsletter about the platform as well as integrating new modules with enhanced functionality and developing a dedicated dynamic web page.

### BMCE CAPITAL BOURSE Market share respectable

After what was a promising start to 2015, market euphoria rapidly dissipated due to the economic challenges faced by a number of industries and businesses. Despite this prolonged period of lethargy, BMCE Capital underlined its resilience by maintaining its overall market share at a respectable 14%, generating about MAD 12 billion of trading volume.

BMCE Capital Bourse also initiated a number of rationalisation measures. These included adopting a quality management system which resulted in it obtaining ISO 9001:2008 certification in October 2015, pursuing a cost reduction policy and developing a diversified regional product range for global customers with emphasis on brokerage and custody.

On the sales front, there were a number of major deals in 2015 including, in particular, share buy-back plans, IPOs and equity offerings.



### BMCE CAPITAL GESTION Another year of strong performance and innovation

With the business environment favourable, BMCE Capital Gestion posted recorded results, registering significant growth (+27%) in assets under management. This was primarily due to a net inflow of funds of almost MAD 10 billion, the largest by any asset management company within the industry. Consistent with market trends, the fixed income asset class accounted for nearly the entire inflow.

In addition, in order to offer customers innovative solutions on a constant basis, five new funds were marketed in 2015 – FCP Capital Combo, FCP Global Macro, FCP Capital ISR, FCP Capital Afrique and FCP Capital Monétaire Plus.

Furthermore, by launching OPCVM Direct in 2015, Morocco's first ever mutual funds trading platform, BMCE Capital Gestion underlined its status as the most innovative company within the domestic industry. In addition, BMCE Capital Gestion launched its new website, providing customers with the very latest information about the company's products.

In 2015, BMCE Capital Gestion received a number of awards, underlining its reputation for expertise and performance. These included: (i) ISO 9001:2008 and ISAE Type II certification for a second time, receiving special commendation for the performance of the Quality Management System and compliance of the internal control system, (ii) Fitch Ratings affirming its 'Highest Standards (mar)' rating, reflecting the effectiveness of its operational processes and its high quality standards and (iii) Standard & Poors affirming its 'Af' rating for the FCP Capital Monétaire fund in recognition of its asset portfolio's credit quality.

### BMCE CAPITAL GESTION PRIVÉE Clearly growing in stature

Despite the challenging operating environment, BMCE Capital Gestion Privée managed to not only maintain but expand its business. The firm's corporate strategy has been astute, founded upon developing strong customer relationships, offering private clients a bespoke service and product differentiation and exclusivity.

In 2015, the Kondor-Commando system was finalised, enabling the company to generate daily portfolio valuations, which contributed to enhanced performance.

The improved CRM system enabled the company to develop closer relations with its clients by offering a high quality service and better reports as well as structuring the sales approach more effectively.

Lastly, a brochure outlining the products and services available to customers was completed, providing the company with a distinct visual identity in the eyes of prospective customers.

As part of the strategy of expanding operations in Africa, the range of services provided by BMCE Capital Gestion Privée will be extended to the African continent with the creation of BKGP International.

A number of cornerstone projects were completed. These included acquiring CFC status, recruiting staff for BMCE Capital Gestion Privée International, analysing the competitive environment within WAEMU, drawing up BMCE Capital Gestion Privée International's 2015 budget and introducing an agency contract with BMCE Capital's various business lines.

### BMCE CAPITAL CONSEIL 2015, a year of diversification

The activities carried out by BMCE Capital Conseil in 2015 were diverse and included restructuring and M&A advisory, corporate debt transactions and project finance. A number of deals were executed on BOA Capital's behalf in sub-Saharan Africa.

Several projects were initiated in 2015 related to organisational matters such as introducing systems for managing prospective customers and monitoring current deals, finalising the company's institutional brochure and generating sales synergies with other BMCE Capital entities.

Priority was also given to adopting a customer-centric approach as can be seen in the creation of a sales prospection unit and specialist committees. These are supported by systems enabling users to monitor prospective customers and current deals.

## BMCE CAPITAL TITRES

### Another strong set of results

Despite the challenging operating environment, BMCE Capital Titres' assets under custody reached MAD 196 billion, broadly unchanged on the previous year. Market share was unchanged at 27%. Assets on deposit remained on an upward trend, reaching MAD 90 billion at end-2015, up 12% on the year.

It is worth noting that the number of funds reached 83 with 15 new funds launched during the year. Two new asset management companies became customers, taking the total number to 9.

Outstanding institutional assets rose by 5% to MAD 54.7 billion at end-2015 versus MAD 52.3 billion at end-2014.

Trading volume handled by BMCE Capital Titres as part of the settlement of stock market trades reached MAD 15 billion, an increase of 60% on 2014. As a result, the company made significant market share gains across all segments. Its overall market share rose from 12% in 2014 to 19% in 2015.

The volume of triangular trades by overseas institutional customers rose by 68% compared to 2014 to reach MAD 462 million. Investments in overseas assets by mutual funds totalled MAD 1 billion at 31 December 2015, an increase of 10% compared to end-2014.

## BMCE CAPITAL RESEARCH

### Further synergies

In 2015, the initial signs were encouraging for the Research business line in what was its maiden year, despite being unable to monetise the business due to the market being relatively immature.

BMCE Capital Research remained focused on improving its publications in qualitative and quantitative terms. It faced a new challenge of extending coverage to other African markets.

In such a context, BMCE Capital Research generated the maximum synergies possible with BMCE Capital's various business lines, producing a variety of publications on a regular and ad hoc basis.

Another highlight of 2015 was the successful expansion of the business to other African countries consistent with BMCE Capital Group's 'GINA' African strategy. A pan-African approach was deployed by Group subsidiaries participating in the African Securities Network (ASN) project. Its publications were well received in those countries in which they were distributed.





## RESOURCES AND MEANS

### **HUMAN CAPITAL** **Supporting Business development**

In 2015, more than 150 new recruits joined the Bank including a number from sub-Saharan Africa as part of Project Network 2016. The aim was to ensure operational sustainability by beefing up the Bank's sales efforts significantly. Likewise opportunities for in-company transfers and promotions were given to suitable candidates at both the parent and subsidiary levels.

2015 also saw the completion of the Leadership Continuity Programme, the 4<sup>th</sup> HR development programme for 46 employees from head office departments identified as 'high-fliers'. This 18-month programme consists of a series of practical and fun modules, delivered by renowned speakers, in specialised areas such as management, communications and personal development.

In addition, almost 58% of staff participated in e-learning courses, primarily at the network level. This is a preferred and cost-effective means of delivering training on regulatory, technical and customer care aspects.

2015 also saw the continuation of the M4Banking programme. This programme, which is intended for Business Centre Heads, Group Assistant Directors and Branch Managers, aims to foster a common and collective managerial culture, instil a sense of value creation in participants, boost teamwork and reinforce interpersonal skills.

### **Maintaining healthy employer-employee relations and promoting a corporate culture**

With the full backing of the trade unions, a number of initiatives were carried out aimed at improving staff benefits and staff well-being to create a harmonious environment as the basis of sustainable growth.

As is customary, BMCE Bank Club organised a series of cultural and sporting activities for employees' children such as Swimming School and Music School as well as a morning for handicapped children.

The Group continued to develop a sense of belonging in staff by producing a range of publications and guidebooks and organising corporate events.

A number of guidebooks were published informing staff about various topical issues. In addition, numerous events were organised such as International Women's Day, Earth Day and seminars on issues such as Corporate Relationship Managers.

### **ECONOMIC INTELLIGENCE AND CUSTOMERS** **Domestic context**

#### **Economic and industry knowledge, to generate more synergies with Bank Of Africa**

Through its economic and industry research, the Economic Intelligence Centre contributed, among other things, to the Bank's international development strategy.

Two new country fact sheets, Rwanda and Senegal, were added. In addition, brochures were distributed at the African Business Connect conference discussing the economic, industrial and investment environment in Mali and Senegal. Seven issues of African Trends were published, covering the African continent's structural developments.

Sector research was enhanced through the publication of 11 new research reports and two studies about the renewable energy and real estate sectors as well as a sector review covering 17 sectors.

The department also carries out ongoing analysis for the purpose of monitoring sovereign and sector risk, modelling the main economic and banking indicators etc.

#### **Regional knowledge, to support the Bank's regionalisation strategy**

In addition to the deliverables shared with the Network to identify business opportunities at points of sales and help with the network's development, regional knowledge provides regional divisions with appropriate analysis.

In preparation for regional visits, numerous documents were produced for Casablanca North, Casablanca South and the Central region e.g. monographs, regional atlases, key indicators, customer indicators, which provided a wealth of information about business opportunities and competitive threats.

#### **Customer knowledge, to identify new value added market segments**

In 2015, customer knowledge helped head office and the regions identify market segments with growth potential. As a result, the Bank conducted in-company analysis and market research focusing on seniors, professionals, young workers and inactive customers.

Scalable regional analysis and a standalone report focusing on the Casa North region helped boost sales and generate customer loyalty.



## **Observatoire de l'Entrepreneurat (ODE), cruising speed reached**

In 2015, the ODE was able to leverage its influence and generate business opportunities for BMCE Bank Group. A series of conferences on the theme of 'Moroccans, World Citizens' was organised in July and August 2015, which resulted in the Bank attracting substantial savings. Similarly, conferences for entrepreneurs drew large audiences in Casablanca and the Central and North Mediterranean regions.

## **GROUP COMMUNICATIONS Corporate and event-based communications**

### **A new corporate identity**

In 2015, the BMCE Bank of Africa brand was launched with an inaugural 'New World' campaign. Two key themes were highlighted, which were the Bank's African dimension and expansion overseas and the Chairman's optimism and visionary nature.

A number of press and TV advertising campaigns were broadcast extensively including the "Let's dream of a New World" advertising film. More than 230 'tease and reveal' commercials were broadcast on national channels (2M, Média1, Al Aoula, Amazigh TV and Al Maghribia) over a one-month period.

Similarly, feature supplements were published using novel insert formats such as sleeves and banners while just under 250 advertising inserts were published in full-page format. The radio was also an effective medium with more than 3,150 commercials broadcast on 15 national and regional stations.

The 'New World' film was broadcast in all the main cinemas (Megarama, Imax and Lynx) with 70-180 second commercials, 360 digital billboards and 180 trailers promoting the brand. The film received two awards – the 'Golden Camera' award for its cinematography and production and the 'Silver Screen' award in recognition of its original soundtrack.

The Bank's corporate identity was also bolstered by domestic and international press coverage (interviews, editorials and special supplements on Morocco in prestigious publications).

### **A major sponsor of cultural events**

A variety of arts events were sponsored by the Bank including the Mawazine Rhythms of the World Festival, the Fez Festival of World Sacred Music, the Essaouira-Gnaoua and World Music Festival, the Agadir Timitar Festival and the Marrakesh International Film Festival.

The Bank also helped to organise a number of in-company and external events such as the Contemporary Morocco exhibition at the Arab World Institute in Paris, the Pharell Williams evening at Mawazine, the diploma awards ceremony for HEC Paris graduates at the BMCE Club and a press conference to launch the New World campaign.

## **SALES- AND MEDIA-BASED COMMUNICATIONS Strategic campaigns**

In 2015, more than a hundred communications-related initiatives were carried out targeting a number of different market segments including young people, professionals, shopkeepers, craftsmen, businesses and Moroccans living abroad. The sales communications unit produced (i) 58 creative concepts (ii) 148 versions/productions (iii) 315 content editorials (iv) 10 street-marketing initiatives covering the entire country (v) 54 initiatives in support of the Network (vi) 28 event-based initiatives and (vii) 5 payment cards.

## **DIGITAL COMMUNICATIONS A strong online presence**

BMCE Bank of Africa's campaigns, whether ad hoc or annual, online or via Media Online partnerships, generated, in aggregate, more than 900 million onlineclicks in 2015. As a result, BMCE Bank was top-ranked within Morocco's banking industry in terms of online visibility.

The main source of such visibility in 2015 was the annual campaign which alone generated more than half the clicks. The second source was ad hoc campaigns, followed by the "Let's dream of a new world" corporate campaign which generated more than 600,000 clicks.

In 2015, the Bank also bolstered its presence on social media networks through the community management of three sites, that is, the BMCE Bank website, [www.jesuisjeune.ma](http://www.jesuisjeune.ma) and the African Entrepreneurship Award website.

BMCE Bank currently has the largest community of fans (300,000 fans) with 4,190,923 pages viewed on its corporate website.

## **COMPLIANCE SYSTEM INTRODUCED Strategy implemented**

BMCE Bank Group introduced a Group-wide compliance system with an action plan adapted to each subsidiary.

The following measures were also adopted: (i) organisational standards for the Compliance function (ii) standards relating to financial security and advice in matters of compliance (iii) general policies and operational procedures (iv) non-compliance risk mapping and conflicts of interest at Group level and (v) customer classification and profiling indicators.

## IT CONVERGENCE

### More emphasis on the Group aspect

In terms of Group-wide convergence, the Bank continues to help subsidiaries to develop their information systems. As a result, worked continued overseas on BMCE EuroServices' IT systems.

The BBI London subsidiary continued to implement a project to standardise and reduce IT expenditure. The aim is to establish a secure integrated information system which enables users to focus their efforts on their core business, resulting in improved performance.

The first phase of the project, launched in May 2013, was completed and implemented in October 2014 with the introduction of branch modules and profiling and repository qualification. The second phase, which is being run in parallel, is scheduled to be implemented in first quarter 2016. It will comprise a regulatory reporting system for BBI Paris and London.

## DEVELOPING OPERATIONAL PROCESSES AND MEANS

### Towards greater operational efficiency

In terms of the development of operational processes, much of 2015 was spent on behavioural change. This resulted in enhanced and increased usage of customer relationship management (CRM) systems by the Network. The aim was to improve operational efficiency and management of the migrant banking portfolio with the Personal and Professional Banking network updating their records on an ongoing basis.

Recurring activities consisted of implementing the Personal and Professional Banking division's action plan for IT and organisational projects, assisting and handling feedback and malfunctions from the Network and monitoring branch openings.

## PROJECT BRANCH

### Successfully implemented

'Project Branch' continued to be implemented through 2015. A number of new modules were introduced including 'cash vouchers' and 'risk management'. The 'term deposits' and 'cheque remittance management' modules are currently in the implementation phase. Preparation is underway for work to begin on the 'OTC foreign exchange' module while the 'account closure upon the customer's initiative' module is being designed.

## CUSTOMER RELATIONS CENTRE

### Contributing to sales

In 2015, all the different types of contact handled by the customer relations centre (incoming calls, outgoing calls and emails) enabled the Bank to generate 32,155 product subscriptions, 34% of which were for payment cards, 14% for bank-insurance products and 14% for remote banking services. The CRC also managed to reactivate 44% of the holders of inactive accounts with whom contact had been made and 9% of inactive payment card holders. CRC action also resulted in 33% of customers collecting their payment cards from the branch. The unit also set up more than 40,000 meetings across the branch network, resulting in an 11% bounce rate.

Over the year, more than 500,000 calls were made as part of ongoing and ad hoc campaigns, an increase of 56% compared to 2014. The ongoing campaigns, which accounted for 66% of total call flow, focused on three main areas – making initial contact, payment cards and reactivating inactive accounts. The ad hoc campaigns accounted for 34% of total call flow while the domestic network accounted for 34% on average and BMCE EuroServices 31%. At the Group level, a number of outgoing call campaigns were conducted jointly between BMCE Bank, RMA Watanya and Salafin.

Other initiatives included Bureau Veritas renewing its certification of the services level agreement with zero deviation. The information system was stabilised with the introduction of an interactive voice response (IVR) facility. Lastly, the process of downloading campaign files and data files was automated.

## FOREIGN TRADE BUSINESS OVERHAULED

### Position bolstered

To bolster its position in the foreign trade segment, the Bank conducted a strategic review of its foreign trade business (organisation, processes, information systems etc.). The aim was to improve service quality, risk management and productivity.

The first steps were taken to implement a strategic project aimed at overhauling foreign trade information systems across the entire Network. This involved implementing the 'managing import title domiciliation' and 'import documentary credit' modules.

This project also consisted of overhauling the foreign trade business' organisational structure and processes, the goal being to centralise the business and reduce the branch network's administrative load.





## SPECIALISED FINANCIAL SERVICES

### MAGHREBAIL

In 2015, production rose by 5% to MAD 3,209 million, largely driven by a 24.6% increase in the property leasing division.

Maghrebail gained 100 basis points of market share to 23.8% at end-2015 due to a number of factors: the experience acquired over forty years, its membership of BMCE Bank Group which enables it to reduce its funding costs and market its products, the enhancements made to its risk analysis system, the progress made on the loan recovery front and having a diversified source of earnings. As a result, it became the 3<sup>rd</sup> ranked player in the leasing market.

In 2015, a representative office opened in the *Tangier Free Zone* offering tax-free foreign currency-denominated lease finance solutions to businesses within the zone.

### SALAFIN

In 2015, Salafin's overall production was broadly stable at MAD 1,178 million although it gained market share in the personal loan segment. Its market share was 11.2% at end-2015 versus 10.6% in 2014. Personal loans rose by 7% to MAD 623 million.

The consumer credit subsidiary's financial outstandings reached MAD 2,359 million at end-2015, up +2.1%. This was largely due to a healthy +9.7% rise in personal loan outstandings to MAD 1,223 million versus a -2.7% contraction at the industry level. In terms of its financial performance, Salafin's net banking income rose by +14.7% to MAD 354.5 million, registering a strong performance across the board.

Likewise Net Income rose by +18.5% to MAD 125 million.

### MAROC FACTORING

Maroc Factoring's revenue was significantly impacted by a number of factoring contracts maturing and the risk-averse environment. Sales initiatives were carried out to foster customer loyalty and attract new business as part of a diversification strategy primarily aimed at SMEs.

### RM EXPERTS

Adopting a more hands-on and robust approach to steering the business within an adaptable and progressive strategic framework, RM EXPERTS registered significant growth in its business in 2015, demonstrating a proven mastery of loan recovery processes and practices.

This savoir-faire was underlined with RM EXPERTS seeing its ISO 9001 certification renewed following an audit of its various units in 2015. It received an 'excellence' rating with zero deviation and no areas of weakness.

RM EXPERTS' information systems were also enhanced, enabling information to be processed more rapidly and accurately and the company to respond to its customers' needs.

As a result, MAD 601 million of debt was recovered in 2015, versus MAD 497 million in 2014, an increase of 20%.





## AFRICAN OPERATIONS

Operations in **20** countries

Coverage of **4** economic regions within the African continent

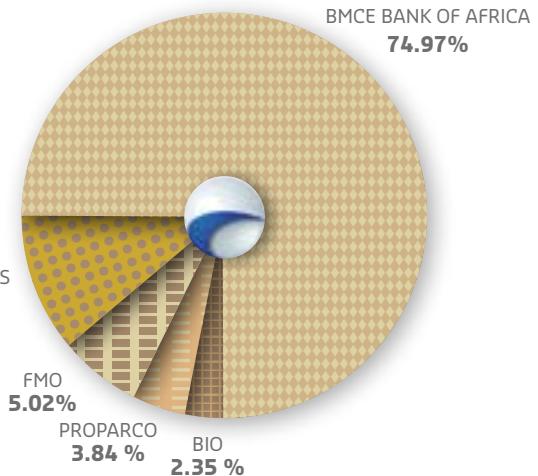
Nearly **560** branches in sub-Saharan Africa

Nearly **3** million customers in Africa (excluding Morocco)

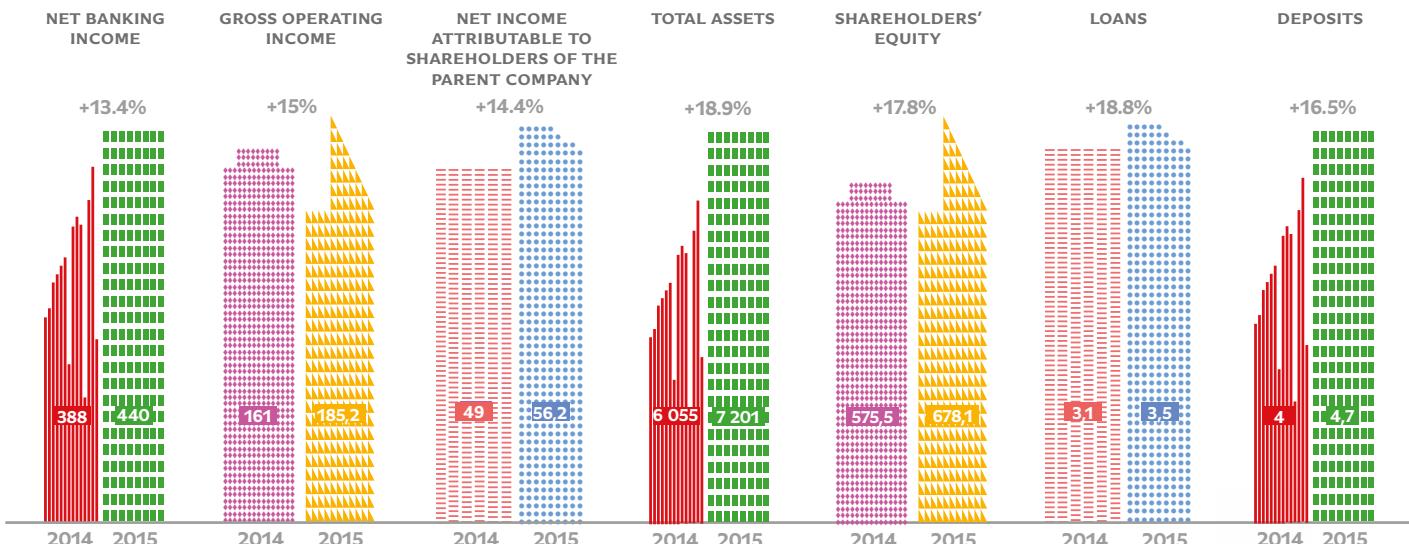
## PROFILE OF BANK OF AFRICA GROUP

The history of BANK OF AFRICA Group dates back to 1982 when the original BANK OF AFRICA was established in Mali as an almost entirely private entity. Thirty years later, BOA Group is one of the largest pan-African groups with operations in 18 countries, 17 of which are in Africa. Since 2010, BANK OF AFRICA Group has been majority owned by BMCE BANK, Morocco's third largest bank. BMCE Bank provides BOA Group with powerful strategic and operational support.

## SHAREHOLDERS



## BOA GROUP'S CONSOLIDATED FIGURES IN 2015 (EUR MILLIONS)



BMCE BANK IN AFRICA

2<sup>nd</sup> pan-African group in terms of geographical coverage



ANNUAL REPORT

## BANK OF AFRICA

### Robust growth in commercial activity

In 2015, BOA Group registered robust growth in its core business as illustrated by: (i) 469,712 new accounts opened, taking the total number of accounts to almost 2.7 million at end-2015 (+21.4%), (ii) increased sales to existing customers, (iii) expansion of the branch network with 34 new branch openings, taking the total number of branches to 495 and (iv) growth in consolidated deposits and loans of 13.1% and 12.9% respectively.

339 employees were recruited to BOA Group's banking staff on a net basis, taking the total number of banking staff to 5,413 persons at end-2015 versus 5,074 a year earlier.

Average outstanding deposits reached EUR 4.4 billion at end-2015, up 13.1% compared to end-2014. This was due to a healthy performance by sight deposits (+EUR 266 million), which accounted for 51.2% of total deposits in 2015 versus 51% in 2014.

Average outstanding loans rose from EUR 2.8 billion in 2014 to EUR 3.1 billion in 2015, an increase of 12.9%. The loan-to-deposit ratio was slightly down at 74.7% in 2015 versus 77.8% the previous year.

BOA Group's total consolidated assets grew +19% to EUR 7.2 billion at end-2015 versus EUR 6.1 billion at end-2014, reflecting dynamic growth by the majority of its banking subsidiaries.

### A convincing financial performance

Consolidated net banking income registered growth of 13.4% to €440 million in 2015, driven by investment income (+25.2%), net interest income (+8%) and increased income from foreign exchange dealings due to closer monitoring by the Treasury division.

Net income attributable to shareholders of the parent company stood at EUR 56.2 million at end-2015, up +14.4% compared to the previous year, resulting in an ROE of 13.7%. BOA Group earnings were impacted by a 39.9% increase in the net cost of risk to EUR 72 million despite a high level of loan recoveries and write-offs.

In addition, BOA Group expanded its coverage in 2015 by starting operations in Rwanda with the acquisition of Agaseke Bank, a Rwandan bank specialising in microfinance. The latter was renamed BOA-Rwanda.

With increased integration of BOA Group entities within BMCE Bank of Africa Group and to ensure that consolidating what has now become a multi-business banking group with a global profile and a focus on Africa is carried out in an orderly way, the Bank reinforced its strategic alliances with leading domestic and international partners. A partnership agreement was recently signed with Saham Group aimed at pooling resources and skills to facilitate and accelerate access to banking and insurance services for African citizens.



BOA Group's Board of Directors appointed Mr Brahim Benjelloun-Touimi, BMCE Bank Group's Chief Executive Officer as the new Chairman of BOA Group's Board of Directors and confirmed the appointment of Mr Amine Bouabid as Chief Executive Officer.

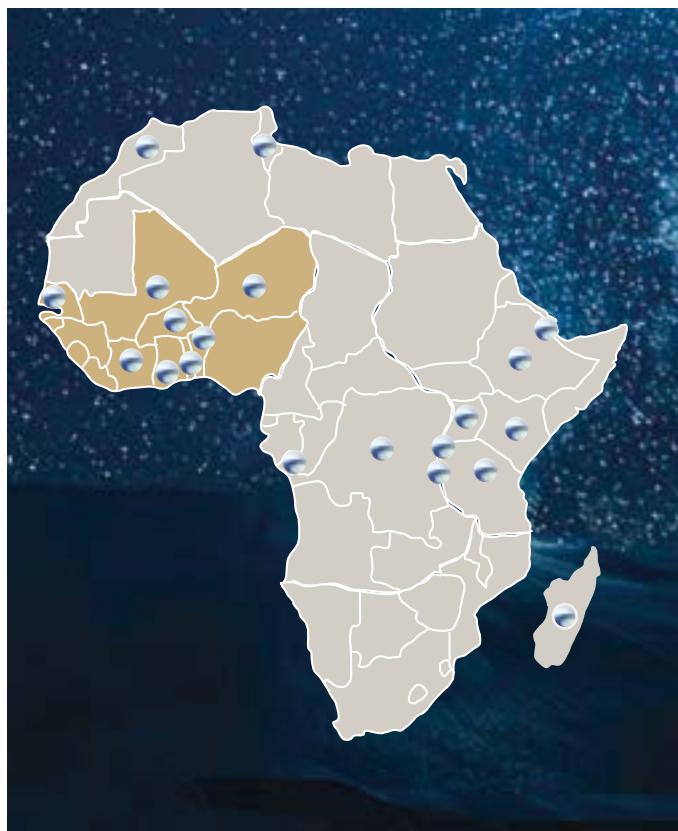
## WEST AFRICA

### WAEMU

◆ Established in 1994, the West African Economic and Monetary Union is a sub-regional international organisation with its headquarters in Ouagadougou (Burkina Faso), bringing together 8 countries in West Africa – Benin, Burkina Faso, Ivory Coast, Guinea Bissau, Mali, Niger, Senegal and Togo.

◆ WAEMU aims to promote economic integration between its member states by means of an open and competitive market, adoption of a common standardised legal framework and integration of domestic economies, the goal being to transform the Union into a single market which is attractive to investors.

◆ BOA has operations in 7 countries within the WAEMU region and in Ghana, which is not a member of WAEMU.



### ECONOMIC GROWTH STILL ROBUST

◆ WAEMU economies registered robust GDP growth of more than 6% in 2015, despite the fragile security situation and a less favourable external environment. This was due to strong growth in Ivory Coast and Senegal and by increased government spending.

◆ The medium-term growth outlook for Ivory Coast, the region's largest economy, is positive with real GDP growth estimated at 8.5% in 2015 and about 8% in 2016 with inflation contained; Senegal's growth prospects have been revised up to 6.5% in 2015 and 6.6% in 2016. Mali's GDP growth rate is likely to be stable at an estimated 6.1% in 2015 before stabilising at about 4.5% over the coming years.

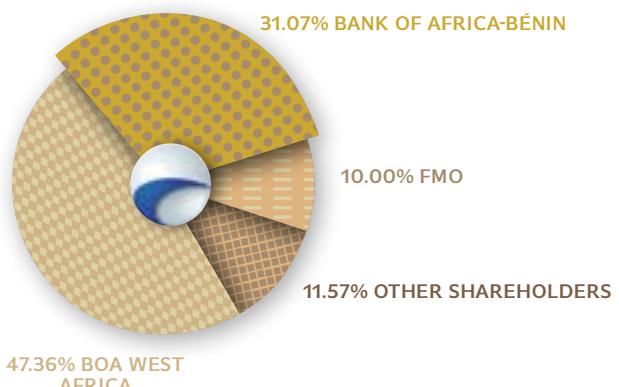
## BANQUE DE L'HABITAT DU BÉNIN

Established in 2004 as part of a public sector initiative, Banque de l'Habitat du Bénin subsequently became a private sector institution. Banque de l'Habitat du Bénin was established to enable Beninese to acquire housing through long-term loans at attractive interest rates. The Bank lends directly to retail customers as well as to real estate developers.

### KEY FIGURES 2015

BANQUE DE L'HABITAT DU BÉNIN	
Total assets	€ 42,9 million
Customer deposits	€ 30 million
Customer loans	€ 33 million
Euro 1 = F CFA 655.957	

### SHAREHOLDERS AT 31 DECEMBER 2015



## STRONG top line growth

Bank of Africa's operations in Benin saw total assets grow by +10% to € 1,297 million at 31 December 2015.

Shareholders' equity rose from € 52 million at end-2014 to € 62.8 million at 31 December 2015, an increase of 19.85%. The Bank's capital adequacy ratio stood at 14.64% at end-December 2015, up 4.26 percentage points compared to the previous year.

Customer deposits increased by 7.4%, surpassing the FCFA 500 billion level. Customer deposits rose from € 733 million at end-2014 to € 787.7 million at end-2015.

Customer loans remained stable over the period at EUR 401 million.

## SOLID financial performance

In 2015, net banking income rose by 13.7% to € 59.7 million.

As a result, the cost-to-income ratio contracted by 2.1 points to 48.8% at 31 December 2015.

Net income grew by 5% to € 19 million at end-December 2015.

## 2015 HIGHLIGHTS

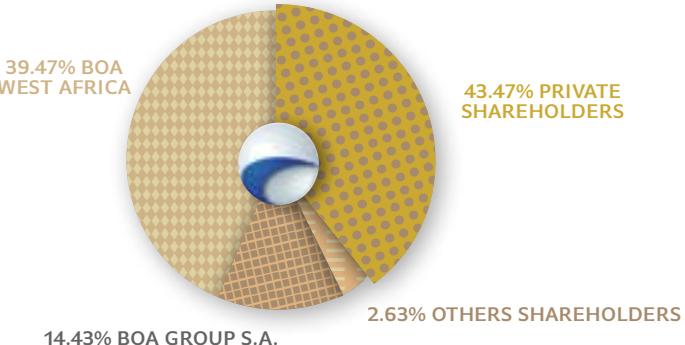
- ◆ Crédit-bail and MTN Mobile Money launched
- ◆ A satellite branch opened at Abomey-Calavi (UAC) University, 20 km north of Cotonou
- ◆ Customer deposits surpassed the EUR 760 million mark with more than EUR 20 million of net income

## KEY FIGURES 2015

Total assets	€ 1 297 million
Customer deposits	€ 787.6 million
Customer loans	€ 400 million
Net banking income	€ 59.7 million
Net income	€ 19 million
Employees	561
Branch network	45

1 Euro = 655.957 F CFA

## SHAREHOLDERS AT 31 DECEMBER 2015



## STOCK MARKET DATA-BOA-BENIN

	2013	2014	2015	CAGR*
Closing price at 31/12	60 150	82 005	130 000	47,0%
Performance	9,4%	36,3%	58,5%	149,5%
Earnings per share (F CFA)	5 494	11 854	12 443	50,49%
Book value per share (F CFA)	52 450	52 450	64 603	10,98%
Market capitalisation at 31/12 (FCFA billions)	60,59	82,60	130,95	47,0%
Dividend per share (FCFA)	3 576	7 716	8 100	50,5%
PER (Price Earnings Ratio)	7,7x	14,9x	11,0x	
P/B (Price to Book Ratio)	1,0x	1,7x	2,2x	
Dividend yield (%)	5,95%	9,41%	6,23%	

(\*) Compound Annual Growth Rate

1 Euro = 655.957 F CFA

## BOA IN BURKINA FASO

### STRONG commercial performance

In 2015, Bank of Africa in Burkina Faso registered a positive performance in its main business indicators, illustrated by a 21% increase in customer deposits to € 597.6 million. Loan growth was also strong at +3%, reaching € 532 million.

Similarly, total assets rose by 32% to EUR 1 billion. This significant increase was also accompanied by an improvement in the Bank's capital base with shareholders' equity growing by 12%.

### RESULTS convincing

Net banking income rose by 17% to € 48 million, primarily driven by net interest income (64%) and fee and miscellaneous income (34%).

General expenses rose by 15%, albeit less rapidly than net banking income.

This positive performance, in addition to a -0.7% contraction in the cost of risk, enabled BOA in Burkina Faso to generate net income of € 18.3 million, up 15% compared to the previous year. This resulted in a positive impact on the Bank's profitability indicators.

The cost-to-income ratio was 44.8%, one of the best within Burkina Faso's banking industry.

### A STRONG COMMITMENT to corporate social responsibility

In 2015, BOA in Burkina Faso continued to pursue socially responsible initiatives in a number of different ways: (i) socially, by supporting socio-educative, sporting and cultural activities in schools, institutes and adult training centres; (ii) economically, by financing projects in numerous sectors including food-processing, energy and hydrocarbons, health, telecommunications and construction; and (iii) environmentally, by organising the planting of 1,000 trees in an urban park in the heart of the city in response to the government's annual appeal.

### KEY FIGURES 2015

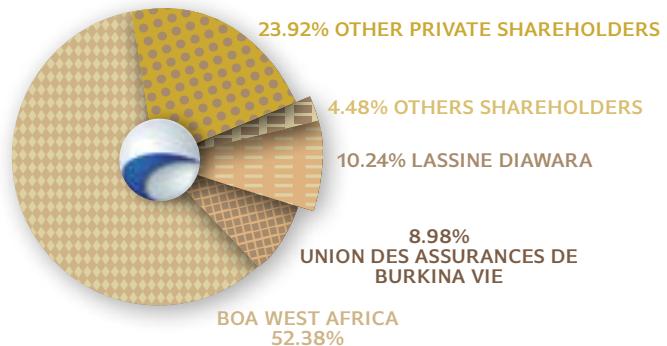
2015	
<b>Total assets</b>	€ 1 001 million
Customer deposits	€ 597.5 million
<b>Customer loans</b>	€ 533 million
Net banking income	€ 48 million
<b>Net income</b>	€ 18 million
Employees	376
Branch network	48

1 Euro = 655.957 F CFA

### 2015 HIGHLIGHTS

- ◆ Three branches opened in the capital and a further three in large towns around the country
- ◆ Business Centre relocated to modern premises in Ouagadougou
- ◆ Funding agreement signed with Société Burkinabé de Télédiffusion to deploy digital terrestrial TV.

### SHAREHOLDERS AT 31 DECEMBER 2015



### STOCK MARKET DATA - BOA-BURKINA FASO

	2013	2014	2015	CAGR*
Closing price at 31/12	81 000	90 000	120 000	21,7%
Performance	84,1%	11,1%	33,3%	39,7%
Earnings per share (F CFA)	7 916	10 153	9 526	9,7%
Book value per share (F CFA)	28 955	27 049	40 116	17,7%
Market capitalisation at 31/12 (FCFA billions)	81,00	99,00	132,00	27,7%
Dividend per share (FCFA)	6 209	5 845	6 692	3,8%
PER (Price Earnings Ratio)	10,2x	8,9x	12,6x	
P/B (Price to Book Ratio)	2,8x	3,3x	3,0x	
Dividend yield (%)	7,67%	6,49%	5,58%	

(\* ) Compound Annual Growth Rate

1 Euro = 655.957 F CFA

## BOA IN IVORY COAST

### CONSTANT PROGRESS on the sales front

In 2015, BOA in Ivory Coast opened 4 new branches, taking the total number of branches to 28 with an average staff of 326. Deposits rose by +10% to € 460 million. Deposit growth was outpaced by loan growth, with the latter rising by +28.7% to € 395 million in what was a highly competitive operating environment.

Total assets increased by 23.6% to € 926 million, surpassing the symbolic FCFA 600 billion mark. With € 32 million of regulatory capital, BOA in Ivory Coast's capital adequacy ratio stood at 9.2%, versus the minimum 8% regulatory requirement.

### RESULTS satisfactory

In 2015, net banking income was € 38.5 million, broadly unchanged (+1%) on 2014, which included € 7.6 million of extraordinary income, arising on an investment transaction.

General operating expenses increased by +19% with the opening of four new branches in 2015. As a result, the cost-to-income ratio rose by 7 points to 53.3%. The cost of risk has been contained at less than 1% in each of the last two financial periods. Net income rose by 2% year-on-year to € 12.6 million.

Return on assets and return on equity were 1.5% and 25.9% respectively.

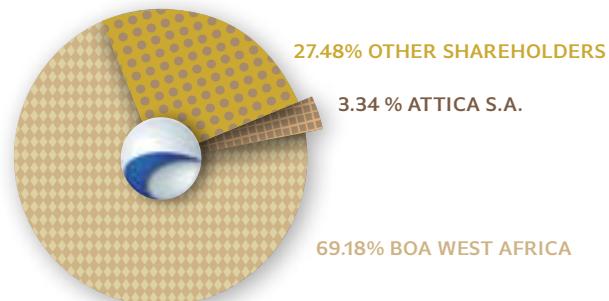
### 2015 HIGHLIGHTS

- ◆ Agreement signed with the National Police Pension Fund (FPPN), making it easier for police officers to gain access banking products and loans and at preferential rates
- ◆ Four new branches opened in Abidjan – Cocody Technical College, Lafrille, Treichville Zone 2 and Rue des Jardins
- ◆ Two bank-insurance products launched: CmaChance, in partnership with Sunu Assurance and Avenir Etudes, in partnership with Belife Insurance

### KEY FIGURES 2015

Total assets	€ 926 million
Customer deposits	€ 460 million
Customer loans	€ 395 million
Net banking income	€ 38.5 million
Net income	€ 12.6 million
Employees	326
Branch network	28
1 Euro = 655.957 F CFA	

### SHAREHOLDERS AT 31 DECEMBER 2015



### STOCK MARKET DATA - BOA IVORY COAST

	2013	2014	2015	CAGR*
Closing price at 31/12	64 500	90 000	125 000	39,2%
Performance	79,2%	39,5%	38,9%	51,4%
Earnings per share (F CFA)	4 332	7 015	9 850	50,8%
Book value per share (F CFA)	24 829	23 979	38 427	24,4%
Market capitalisation at 31/12 (FCFA billions)	46,44	64,80	102,50	48,6%
Dividend per share (FCFA)	4 400	6 200	6 200	18,7%
PER (Price Earnings Ratio)	14,9x	12,8x	12,7x	
P/B (Price to Book Ratio)	2,6x	3,8x	3,3x	
Dividend yield (%)	6,82%	6,89%	4,96%	

(\* ) Compound Annual Growth Rate

1 Euro = 655.957 FCFA

## BOA IN MALI

### A LEADING PLAYER in financing Mali's economy

In 2015, Bank Of Africa in Mali continued to be a major player in financing the domestic economy and the development of the private sector. It retained its status as market leader in loans disbursed with a market share of 14.0%. Customer loans totalled € 394 million at end-December 2015 versus € 339 million at 31 December 2014.

In 2015, the Bank continued to clean up its portfolio by setting aside a high level of loan loss provisions. As a result, the loan loss coverage ratio rose from 62.6% in 2014 to 75.0% in 2015.

Customer deposits grew by 23.4% year-on-year to € 488 million. This significant increase in deposits was primarily due to a 30.2% rise in term deposits and a 20.0% advance in retail savings.

In terms of total assets, BOA in Mali retained its second-placed ranking within Mali's banking industry. At the year-end, total assets stood at € 816.6 million, an increase of 6.7% on 2014, with shareholders' equity up 30.5% to € 44.6 million.

### NET INCOME sharply higher

Net bank income grew by 14.4% to € 46 million in 2015 versus € 40 million the previous year.

Net income rose sharply, by 77.2% year-on-year, surpassing the symbolic FCFA 7 billion mark in 2015. Net income was € 10.8 million versus € 6 million in 2014.

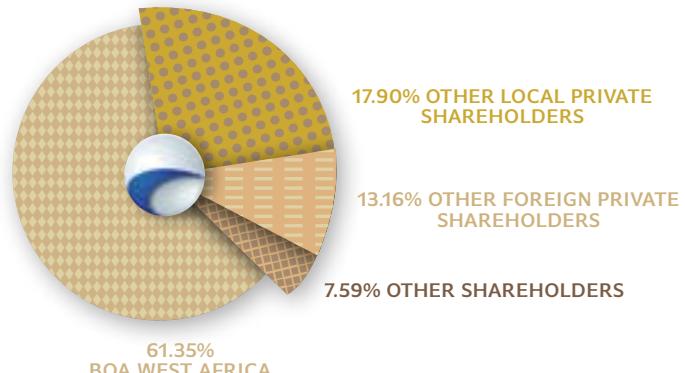
### 2015 HIGHLIGHTS

- ◆ New Chief Executive Officer appointed
- ◆ Loan guarantee partnership agreement signed with USAID and the Swedish International Development Cooperation Agency to finance SMEs and a partnership contract signed with MONEYGRAM
- ◆ Branch opens in Boulkassoum-bougou, a district of Bamako
- ◆ Public offering of 400,000 new shares on the Regional Securities Exchange (BRVM), resulting in the Bank's share capital expanding from € 12.6 million to € 15.7 million

### KEY FIGURES 2015

Total assets	€ 816.6 million
Customer deposits	€ 488 million
Customer loans	€ 394 million
Net banking income	€ 46 million
Net income	€ 10.8 million
Employees	358
Branch network	52
1 Euro = 655.957 F CFA	

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN NIGER

### DYNAMIC commercial performance

Despite the slowdown in the domestic economy, Bank Of Africa in Niger continued to register strong growth in commercial activity, driven by a 15% year-on-year increase in customer deposits to EUR 219 million.

Customer loans grew by 8% from € 216 million in 2014 to € 233.5 million in 2015.

Total assets rose by 13% in 2015 to reach € 401 million versus € 355 million the previous year.

### IMPROVEMENT in financial performance

In 2015, net banking income rose by 25.8% to EUR 27.5 million, primarily driven by growth of 33% in fee income and of 47% in income from financial operations.

Net income stood at EUR 8.8 million in 2015, an increase of 14% compared to 2014.

There was an improvement in both the cost-to-income ratio and the cost of risk. The cost-to-income ratio stood at 45.23% versus 46.93% the previous year while the cost of risk was -0.6% versus -0.4% in 2014.

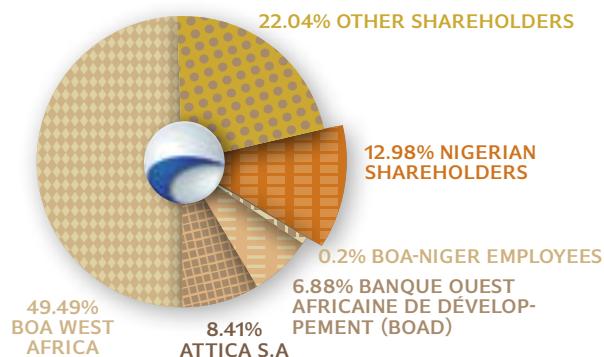
### 2015 HIGHLIGHTS

- ◆ Three new branches opened, including two in Niamey and one in Konni, east of Niamey in the Tahoua region
- ◆ Main domestic bank to have participated in funding infrastructure work on the Hamani Dori interchange, the modernisation of the Kafako market and the development and tarmac of Niamey's public roads
- ◆ CmaChance launched, a new bank-insurance product

### KEY FIGURES 2015

2015	
Total assets	€ 401 million
Customer deposits	€ 219 million
Customer loans	€ 233.5 million
Net banking income	€ 27.5 million
Net income	€ 8.8 million
Employees	230
Branch network	25
1 Euro = 655.957 F CFA	

### SHAREHOLDERS AT 31 DECEMBER 2015



### STOCK MARKET DATA - BOA-NIGER

	2013	2014	2015	CAGR*
Cours de clôture	43 200	87 000	85 000	40,3%
Performance	18,4%	101,4%	-2,3%	32,5%
Bénéfice par action (F CFA)	3 699	4 068	5 364	20,4%
Fonds propres par action (F CFA)	23 048	21 263	26 498	7,2%
Capitalisation boursière à la clôture (en milliards FCFA)	36,72	82,65	80,75	48,3%
Dividende (FCFA)	2 960	3 492	4 817	27,6%
PER (Price Earning Ratio)	11,7x	21,4x	15,8x	-
P/B (Price to Book)	1,9x	4,1x	3,2x	-
Rendement du dividende	6,85%	4,01%	5,67%	-

(\*) Compound Annual Growth Rate

1 Euro = 655.957 FCFA

## BOA IN SENEGAL

## COMMERCIAL ACTIVITY showing resilience

In a fiercely competitive operating environment and despite efforts at cleaning up the portfolio, Bank Of Africa in Senegal registered deposit growth of +41.6% and loan growth of +15.1% to EUR 314 million and EUR 294 million respectively in 2015.

As a result, total assets rose by +26.9% to EUR 552 million.

In terms of profitability, the Bank's ROA was 0.6%, down 0.8 points on the previous year.

## EARNINGS somewhat disappointing

As far as the key profit indicators were concerned, net banking income rose by 5.1% to EUR 26 million in 2015. After factoring in overheads, gross operating income fell by 9.3% year-on-year to EUR 10 million in 2015. The cost-to-income ratio was 60.7% at 31 December 2015, a 6.3 points deterioration on the previous year.

After taking on board the recommendations made by the Banking Commission, the cost of risk was 2.1% in 2015, resulting in a -38.4% drop in net income compared to 2014.

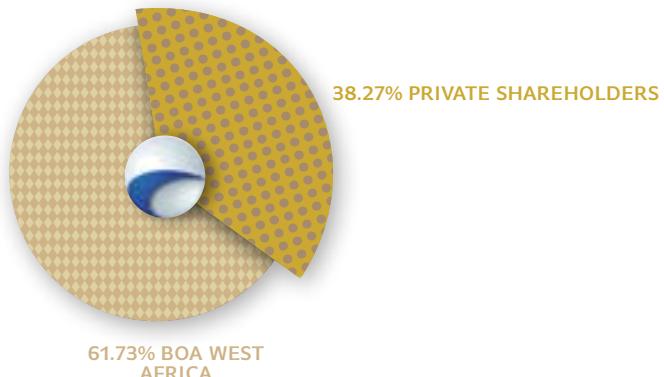
## 2015 HIGHLIGHTS

- ◆ LIBCARD, a prepaid Visa card launched as well as a new version of "Pack Mon Business"
- ◆ Participated in the "African Business Connect" initiative, the result of a partnership between Bank Of Africa and Maroc Export aimed at bringing together Moroccan and sub-Saharan African companies
- ◆ Partnership agreement signed with the Priority Investment Guarantee Fund (FONGIP) to provide a loan guarantee for "Pack Mon Business"

## KEY FIGURES 2015

<b>Total assets</b>	<b>€ 552 million</b>
Customer deposits	€ 314 million
<b>Customer loans</b>	<b>€ 294 million</b>
Net banking income	€ 26 million
<b>Net income</b>	<b>€ 3.2 million</b>
Employees	323
<b>Branch network</b>	<b>33</b>

## SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN GHANA

### STRONG EARNINGS growth

In 2015, BOA in Ghana registered net income of € 6.6 million, while gross operating income rose by +42.2% to € 9.5 million compared to 2014. This was due to a solid performance by all product lines and rigorous cost control throughout the entire year despite the challenging operating environment.

Net banking income jumped 42.8% from € 22 million in 2014 to € 31.6 million in 2015, primarily driven by 47% growth in income from market operations and a 24.6% increase in net interest income due to gains on Treasury bond investments and loans to state-owned enterprises.

Operating expenses rose by 21.9% from € 12 million in 2014 to € 14.9 million in 2015, primarily due to inflationary pressures, a hike in the price of public services and the sharp depreciation of the cedi against major currencies in 2015. As a result, the cost-to-income ratio improved sharply, to 47.4% in 2015 thanks to a higher evolution of the Net Banking Income compared to the general expenses.

### GROWTH in commercial activity

Total assets grew by 24.35% year-on-year from € 222 million to € 276.1 million. This was primarily driven by customer deposits and customer loans which increased by 14.13% and 14.5% to € 150.6 million and € 93.3 million respectively. The balance sheet remains solid with productive assets accounting for 82% of total assets.

At end-2015, the Bank's ROE was 23.0% and its ROA 2.7%. Shareholders' equity grew by 25.3% to € 33.4 million, primarily due to retained earnings.

BOA in Ghana continues to maintain a sufficient level of capital for it to sustain its commercial activities, illustrated by a capital adequacy ratio of 23.3%. This is well above the regulatory requirement of 10% and provides it with a sufficient cushion to withstand potential shocks.

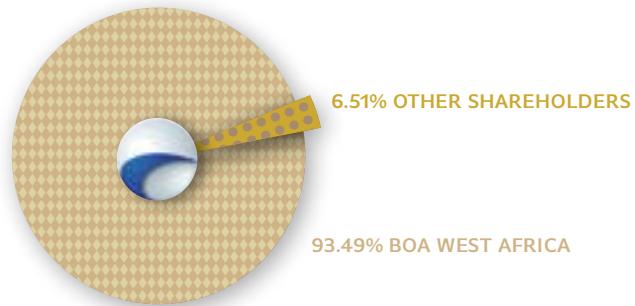
### 2015 HIGHLIGHTS

- ◆ Two new branches opened in Kejetia and Suamein the town of Kumasi
- ◆ Ranked second in the 'Customer advisory services category of the 14<sup>th</sup> Ghana Banking Awards
- ◆ MoneyGram money transfer service launched

### KEY FIGURES 2015

<b>Total assets</b>	€ 276 million
Customer deposits	€ 150.6 million
<b>Customer loans</b>	€ 93.3 million
Net banking income	€ 31.6 million
<b>Net income</b>	€ 6.6 million
Employees	385
<b>Branch network</b>	23
1 Euro = 4.153 GHS	

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN TOGO

## ONGOING commercial development

Ever since it was founded, Bank Of Africa in Togo has been acquiring-solid fundamentals. These were underlined in 2015. With operating conditions challenging and competition increasingly tough, BOA in Togo continued to deliver positive growth and gain market share. Its earnings, which were in line with estimates, were encouraging overall.

Customer deposits rose by 120% to € 43 billion while customer loans increased by 257% to € 63 million. The branch network now comprises 8 branches.

Total assets stood at EUR 132 million, giving BOA in Togo and 8<sup>th</sup> placed ranking out of 13 banks by assets, only 2 years since it began operations.

Net banking income reached € 4 million, enabling the Bank to cover almost its entire overheads which totalled EUR 4.4 million.

Risk-weighted assets totalled € 45 million, resulting in a capital to risk-weighted assets ratio of 20.2% versus a regulatory requirement of 8%.

Net provisions for the period stood at € 32,014, resulting in a cost of risk ratio of 0.05%, well below the industry average.

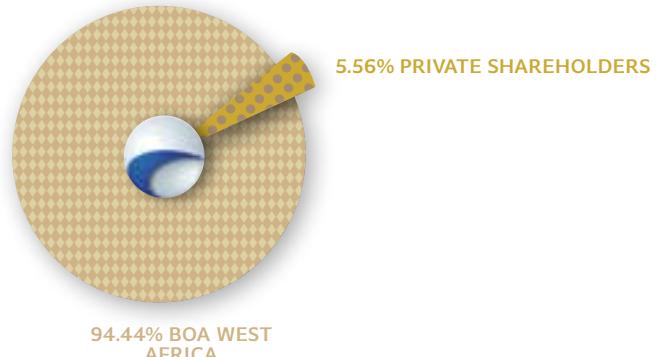
## 2015 HIGHLIGHTS

- ◆ Two new branches opened within the confines of Lomé Port and in Agoè, to the north of the capital
- ◆ Fonxionaria package launched for new recruits to the national police force
- ◆ New website launched

## KEY FIGURES 2015

<b>Total assets</b>	<b>€ 132.5 million</b>
Customer deposits	€ 42.9 million
<b>Customer loans</b>	<b>€ 63 million</b>
Net banking income	€ 4 million
<b>Net income</b>	<b>€ -1.6 million</b>
Employees	95
<b>Branch network</b>	<b>8</b>

## SHAREHOLDERS AT 31 DECEMBER 2015



## CENTRAL AFRICA

### CEMAC REGION

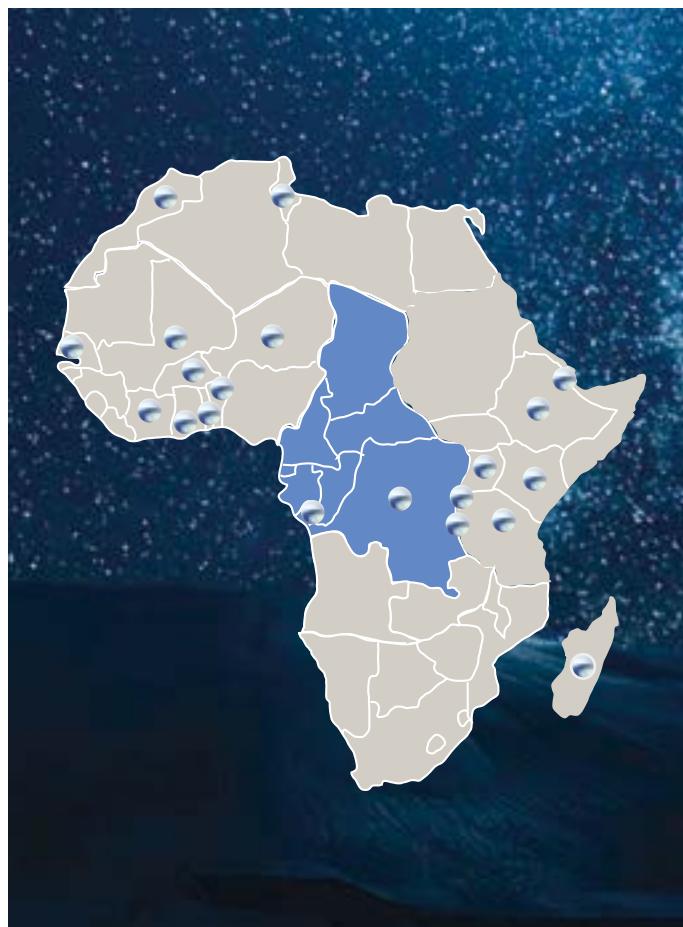
◆ The Economic and Monetary Community of Central Africa (CEMAC) was established on 16 March 1994, bringing together 6 countries: Cameroon, Congo, Gabon, Guinea Equatorial, Central African Republic and Chad

◆ CEMAC aims to promote harmonious growth of its member states within a framework of a genuinely common market while ensuring price stability and a secure economic and business environment.

◆ La Congolaise de Banque and BOA-RDC operate within the CEMAC region

### ECONOMIES UNDER PRESSURE BY THE SLUMP IN OIL PRICES

◆ CEMAC countries have been severely impacted by the slump in the price of oil, which accounts for about 70% of exports and more than one-third of budgetary receipts; as a result, economic growth within the CEMAC region is likely to be weak in 2016 at less than 2%, broadly unchanged on 2015 (1.7%)



◆ Gabon's economic growth rate is likely to slow to 3.2% in 2016 versus 4% in 2015, primarily due to the impact from lower oil production. Cameroon's economy is proving resilient in the face of security threats. Economic growth is expected to be 5.9% in 2015 before slowing to 4.9% in 2016 due to a stabilisation of oil production.

## BOA IN RDC

### ONGOING IMPROVEMENT in commercial activity

In 2015, BANK OF AFRICA in DRC saw strong growth in customer deposits and loans to large enterprises and SMEs. Customer deposits rose by 36.02% with corporate customer deposits rising by 72% and loans by 42%, giving the Bank a 5.1% share of the loan market versus 4.2% in 2014. As a result, the net banking margin rose by as much as 55.8%.

### SUBSTANTIAL RISE in earnings

Net banking income rose by 41% in 2015. The cost-to-income ratio registered a sharp improvement, reaching 69% in 2015 versus 76.5% in 2014.

In 2015, net income reached EUR 2.3 million versus EUR 0.3 million, an increase of 721%.

Return on equity was high at 14.2% in 2015.

The Bank's capital-to-risk-weighted-assets ratio was comfortable at 13.5%, despite strong growth in its business operations.

The Bank will continue to implement its existing corporate strategy in 2016 and will expand the branch network with the opening of 5 new branches.

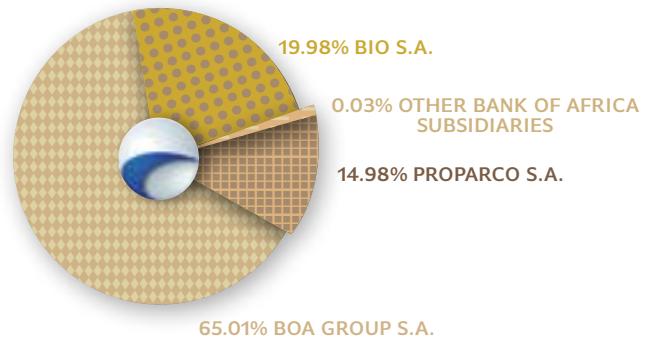
### 2015 HIGHLIGHTS

- ◆ 'Savings campaign 2015' launched
- ◆ Participated in the 2<sup>nd</sup> Kinshasa French Week and the 5<sup>th</sup> Access to Finance Forum for small businesses and SMEs
- ◆ New website launched

### KEY FIGURES 2015

2015	
Total assets	€ 156 million
Customer deposits	€ 80.6 million
Customer loans	€ 111.7 million
Net banking income	€ 15.7 million
Net income	€ 2.3 million
Employees	191
Branch network	10
Euro 1 = CDF 1 010 905	

### SHAREHOLDERS AT 31 DECEMBER 2015



## EAST AFRICA

### EAC

◆ The East African Community (EAC) is a regional inter-governmental organisation founded in 1967, dissolved in 1977 and then re-established on 7 July 2000. It brings together the republics of Burundi, Kenya, Rwanda, Tanzania and Uganda. It is headquartered in Arusha, Tanzania.

◆ After acquiring Agaseke Bank, a Rwandan bank, Bank of Africa now covers the entire EAC region with a subsidiary in every country

### POSITIVE ECONOMIC OUTLOOK DESPITE THE RISK OF POLITICAL INSTABILITY

◆ The economic growth outlook for East African countries is positive overall, although growth will slow. Regional growth is likely to be 6.3% in 2015 before a modest-picking up to almost 6.4% in 2016, according to the AfDB.

◆ Kenya's growth forecasts were revised down from 6% to 5.6% in 2015 and from 6.8% to 6.5% in 2016 due to the postponement of a number of road infrastructure investments, a fall in tourism receipts and volatility in foreign capital flows.

◆ Growth prospects remain strong for Ethiopia despite the effects of the drought. The economy is forecast to grow by 8.1% in 2015-2016, according to the government, primarily driven by domestic demand and ongoing public infrastructure projects. Growth could slow, however, to 7.7% in 2016-2017.



◆ The growth outlook for Uganda in 2015-2016 has been modestly revised down to 5%, with the political environment stable.

## BANQUE DE CREDIT BUJUMBURA (BCB)

### REMARKABLE results

In 2015, net banking income grew by 8% to EUR 17.5 million while net income rose by a remarkable 175.4%, reaching EUR 2.9 million versus EUR 1.1 million in 2014.

BANQUE DE CRÉDIT DE BUJUMBURA's customer deposits and customer loans rose by 9% to EUR 156.9 million and by 2.4%, to EUR 75.5 million respectively, compared to 2014.

Total assets contracted by a modest -0.3%.

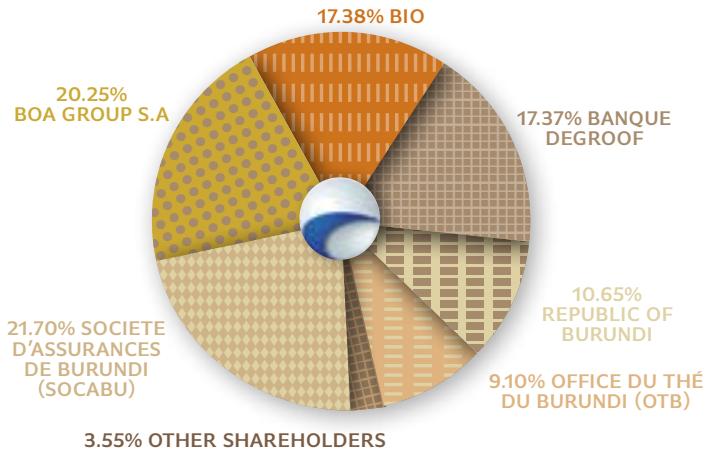
### 2015 HIGHLIGHTS

- ◆ Inauguration of the new Kayanza branch building, 59 km to the north of Bujumbura
- ◆ AUDEC campaign launched, an automatic overdraft facility on the SESAME card

### KEY FIGURES 2015

KEY FIGURES 2015	
Total assets	€ 183.7 million
Customer deposits	€ 156.9 million
Customer loans	€ 75.5 million
Net banking income	€ 17.5 million
Net income	€ 2.9 million
Employees	342
Branch network	21
Euro 1 = BIF 1,767.523	

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN KENYA

### EARNINGS under pressure

In 2015, total assets rose by 11.3%, driven by customer deposits and shareholders' equity, which rose by +13.9% and +7.3% respectively.

Following a € 15 million share capital increase, shareholders' equity grew by 7.3% compared to 2014.

Customer deposits advanced by 13.9%, driven by an increase in the number of new account openings and an expansion of the retail banking network.

The Bank opened 7 new branches in 2015, taking the total number of branches to 37 as well as 2 business centres.

Net banking income rose by 26.9% year-on-year due to an increase in net interest income and fee income as well as an improvement on the cost front.

BOA in Kenya registered a net loss of € 9 million in 2015 as a result of the high level of loan-loss provisions. This was due to the relatively challenging macroeconomic environment and a number of large customers delaying the repayment of their loans.

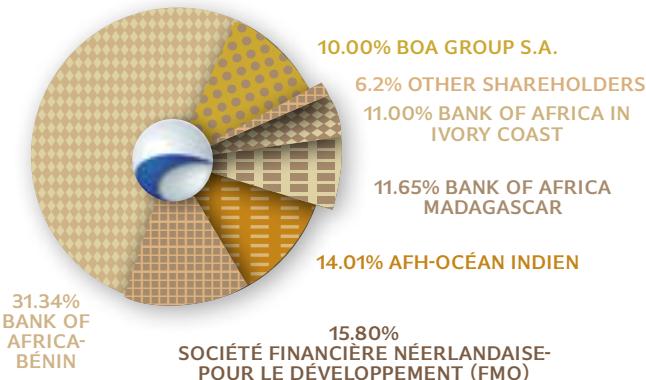
The Bank also cleaned up its loan portfolio in compliance with the Group's convergence principles, which resulted in a rise in doubtful loans.

BOA in Kenya remains optimistic for 2016. It intends to continue to improve the quality of its loan portfolio and recover doubtful loans.

### KEY FIGURES 2015

Total assets	€ 622.7 million
Customer deposits	€ 426.8 million
Customer loans	€ 339.7 million
Net banking income	€ 38.6 million
Net income	€ -9.2 million
Employees	513
Branch network	42
1 Euro = KES 111.240	

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN UGANDA

### EARNINGS relatively disappointing

Despite economic uncertainty, BOA in Uganda saw an improvement in its financial performance in 2015. Net banking income rose by 17% to € 15.8 million due to a steep rise in net interest income and in fee income of 31% and 64% respectively.

The rise in the Bank's cost of risk was due to asset impairment despite an improvement in the quality of the loan portfolio.

### COMMERCIAL PLAN on track

Customer deposits and loans rose by 27% and 9% respectively to € 118 million and € 72 million. Total assets grew by 27% to € 171 million in 2015 versus € 135 million the previous year.

Furthermore, in 2016, BOA in Uganda's underlying strategy will be to ensure effective customer engagement by introducing radical distribution channels which will redefine customers' experience.

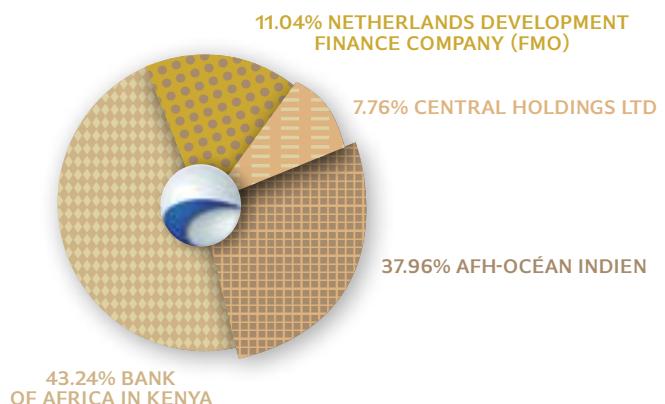
In addition, the recruitment of skilled staff, particularly in the areas of customer service and mobile banking services, will help to optimise human resources and improve the Bank's financial position.

### KEY FIGURES 2015

KEY FIGURES 2015	
Total assets	€ 171 million
Customer deposits	€ 118 million
Customer loans	€ 72 million
Net banking income	€ 15.8 million
Net income	€ 0.1 million
Employees	418
Branch network	36

1 Euro = 3 671.663 UGX

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN TANZANIA

### EARNINGS RISE by almost 30%

Bank of Africa in Tanzania's performance in 2015 was a significant improvement on the previous year. Gross operating income rose by 29% to € 3 million versus € 2.4 million the previous year.

In 2015, net banking income increased by 20% to € 18 million, driven by 33% growth in net interest income to € 12 million versus € 9 million in 2014.

Net income rose by 29% to € 2 million versus € 1.2 million in 2014.

### ONGOING IMPLEMENTATION of the commercial plan

The Bank's customer loan portfolio grew by 12% to € 130.6 million while total assets increased by 16% to € 244.8 million. Customer deposits also rose by 12% year-on-year to € 149 million in 2015.

BOA in Tanzania continued to implement its branch network expansion strategy with an emphasis on SMEs and retail banking. Two new branches were opened in 2015, taking the total number of branches to 23. The Bank now has branches in 11 regions within the country and in Zanzibar. Despite expenses increasing, the cost-to-income ratio saw a modest improvement, down from 78.5% in 2014 to 77.7% in 2015.

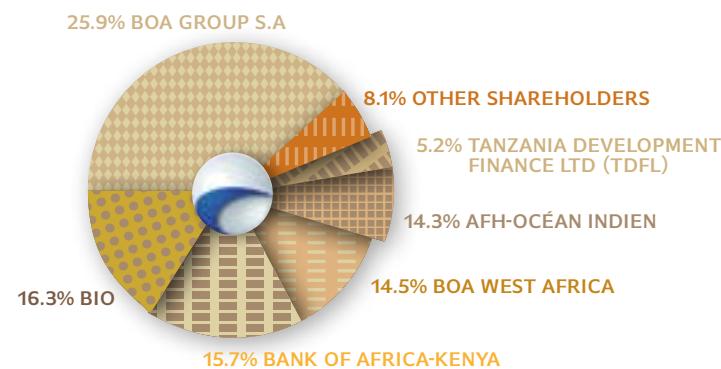
Five new branch openings are planned over the next 12 months.

### KEY FIGURES 2015

Total assets	€ 244.8 million
Customer deposits	€ 149 million
Customer loans	€ 130.6 million
Net banking income	€ 18 million
Net income	€ 2 million
Employees	289
Branch network	23

1 Euro = 2 350.000 TZS

### SHAREHOLDERS AT 31 DECEMBER 2015



## BOA IN DJIBOUTI

### EXCEPTIONAL performance at the net level

Net banking income fell by -5.9% to EUR 19 million in 2015 versus EUR 20.6 million in 2014 while gross operating income declined by -10.4% to EUR 9 million in 2015 from EUR 10 million the previous year.

Net income stood at EUR 6.7 million in 2015 versus EUR 1.5 million in 2014, a steep increase of 358.6%. The cost-to-income ratio improved to 50% at end-December 2015 versus 53% the previous year.

The net cost of risk saw a sharp contraction in 2015 (-99%). This had a positive impact on net income in 2015 which rose by 358.6%.

### DOUBLE-DIGIT GROWTH in commercial activity

At 31 December 2015, the Bank's balance sheet was relatively stable with total assets of EUR 468.5 million versus EUR 374.9 million at end-2014, an increase of 25%.

Customer deposits grew by 25.8% to EUR 408.7 million in 2015 versus EUR 324.8 million in 2014. Outstanding customer loans also rose sharply, reaching EUR 112.7 million at end-2015.

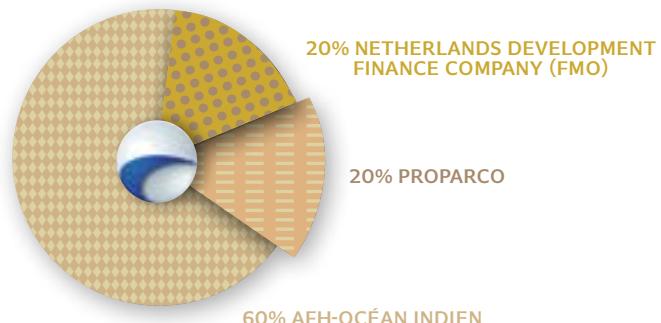
### 2015 HIGHLIGHTS

- ◆ Participated in the "Convergence Programme" seminar
- ◆ Participated in the 4<sup>th</sup> African Conference on Islamic Finance Summit, a global event attended by Islamic economists and business leaders

### KEY FIGURES 2015

2015	
Total assets	€ 468.5 million
Customer deposits	€ 408.7 million
Customer loans	€ 112.7 million
Net banking income	€ 19.4 million
Net income	€ 6.7 million
Employees	167
Branch network	7
Euro 1 = DJF 194.445	

### SHAREHOLDERS AT 31 DECEMBER 2015





## ADDIS ABABA REPRESENTATIVE OFFICE, ETHIOPIA

A representative office was opened in Addis Ababa, Ethiopia in 2014

- The Ethiopian office is managed by BOA-MER ROUGE, the Djiboutian subsidiary

<b>Surface area (thousands of km2)</b>	<b>1 104.3</b>
Population	99 390 750
<b>Banking penetration rate</b>	<b>10%</b>
GDP (USD billions)	61.535
<b>Real GDP growth rate</b>	<b>9.6%</b>
Number of banks	19

## SOUTHERN AFRICA

### SADC

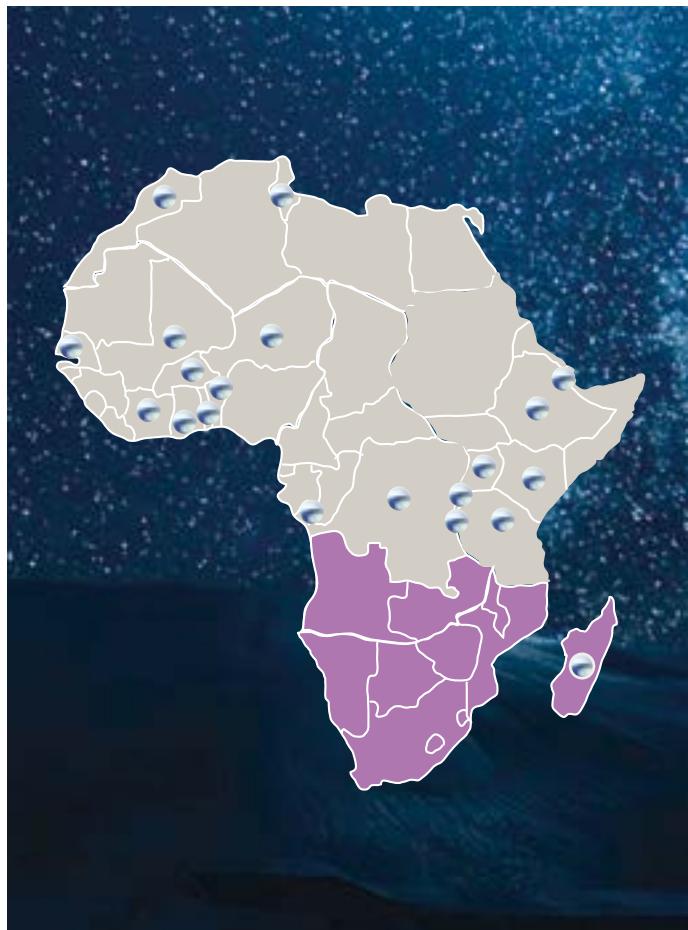
◆ The SADC is a Free Trade Area comprising 15 southern African states. It is an economic space with 243 consumers. With aggregate GDP of USD 424 billion (EUR 336.5 billion), it is the largest economic area in sub-Saharan Africa. The regional economy is driven by South Africa. SADC is currently negotiating a free trade agreement with the European Union within the framework of the economic partnership agreements (EPA) scheme.

◆ Bank of Africa Group's is exposed to the SADC region via BOA in Madagascar (Indian Ocean), the Group's largest subsidiary in terms of the number of branches.

### GROWTH PROSPECTS IMPACTED BY THE SLUMP IN GLOBAL COMMODITY PRICES AND ADVERSE WEATHER CONDITIONS

◆ Economic growth in southern Africa is likely to slow due to an unfavourable global environment, characterised by a fall in commodity prices and drought. Regional economic growth is expected to be weak in 2016 at 1.9% versus 2.2% in 2015.

◆ The South African economy, which is the region's largest, remains in the doldrums and may even see its growth forecast revised down to 0.1% in 2016 due to a lack of rainfall and the depreciation of the rand.



◆ Similarly, Madagascar's economic growth was again relatively weak in 2015 at 3% due to a steep decline in commodity prices. Growth is expected to be 4.1% in 2016, primarily due to an increase in agricultural and industrial output together with a pick-up in government spending and private consumption.

## BOA IN MADAGASCAR

### COMMERCIAL ACTIVITY constantly improving

There were a number of noteworthy changes to the Bank's balance sheet structure in 2015 with deposits, loans and total assets registering year-on-year growth of +13.9%, +11.3% and 12.7% respectively.

The Bank's capital adequacy ratio stood at +11.4% at 31 December 2015 versus a minimum regulatory ratio of 8%.

The Bank's distribution network totalled 90 branches with 6 branch openings in 2015 in addition to a second business centre in Toamasina, Madagascar's economic capital. Staff numbers fell by -6.8% over the year to 953 employees at end-December 2015. The Bank has the largest banking network within the country and within the BANK OF AFRICA Group.

### EARNINGS modestly down

Net banking income rose by 5.2% year-on-year, primarily due to fee income (+19%) while the net banking margin registered a modest fall (-2%). With general operating expenses rising by +11.2%, gross operating income and net income fell by -4.4% and -0.5% respectively. The cost-to-income ratio increased by more than 3 points year-on-year.

Loan recovery efforts together with a provision write-back on a sizeable non-performing loan saw the cost of risk decline by -1.7% in 2015.

Return on assets (ROA) and return on equity (ROE) were 3.2% and 27.3% respectively at 31 December 2015 versus 3.6% and 31.7% at 31 December 2014. This was due to a modest decline in net income in the face of a rise in average assets and equity over the financial period.

### AN ONGOING COMMITMENT to corporate social responsibility

The BOA in Madagascar Foundation remains committed to corporate social responsibility as seen in a number of initiatives: (i) partnership renewed with the FERT to help fund the Ambalavao Agricultural College by MGA 60 million each year; (ii) participated in the Group's 'Let's all go to school' campaign, donating 64,000 exercise books to more than 10,000 primary school pupils in state and private schools; (iii) donated foodstuffs and equipment worth MGA 15 million to the National Office for Risk and Catastrophe Management for the victims of the Chedza cyclone, in partnership with the Bank; and (iv) donated school supplies worth MGA 1.7 million to 2,300 pupils from 5 state primary schools in the Diana region, in partnership with the Bank.

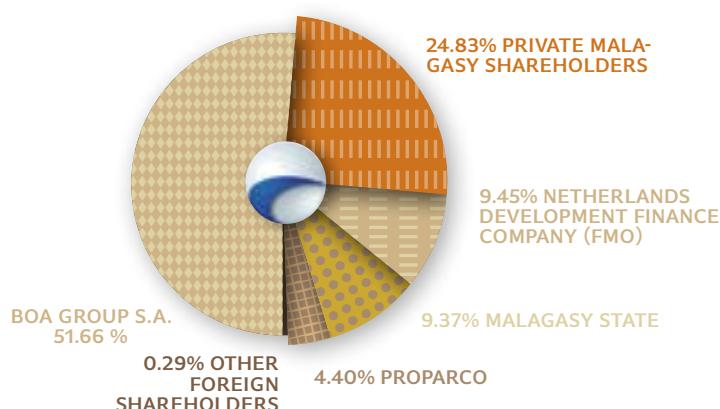
### 2015 HIGHLIGHTS

- ◆ 7 new branches opened around the country
- ◆ Agreement signed with the Ministry of Finance and Budgetary Affairs to provide products and services to Ministry staff
- ◆ Signed two partnership agreements with Air Madagascar, the country's airline

### KEY FIGURES 2015

2015	
Total assets	€ 531.9 million
Customer deposits	€ 422 million
Customer loans	€ 258 million
Net banking income	€ 44.6 million
Net income	€ 15.9 million
Employees	953
Branch network	90
Euro 1 = MGA 3 497.620	

### SHAREHOLDERS AT 31 DECEMBER 2015





**OTHER AFRICAN  
SUBSIDIARIES**

## LA CONGOLAISE DE BANQUE

BMCE Bank raised its stake to 37% in La Congolaise de Banque, a market leader in credit distribution in Congo and the country's largest bank in terms of branch network size. The latter aims to become a leading regional bank in Central Africa.

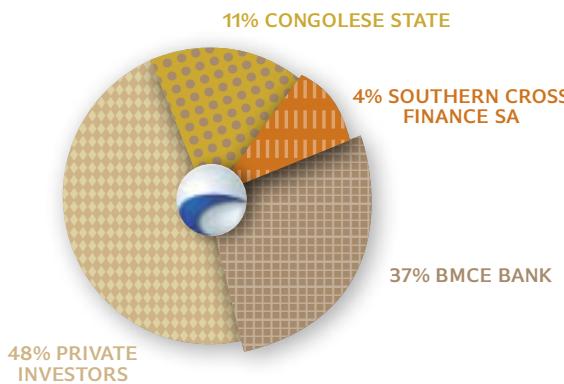
The contribution from La Congolaise de Banque to net income attributable to shareholders of the parent company was EUR 2.9 million while parent net income was EUR 5.3 million in 2015.

The process is underway to establish a leasing subsidiary in partnership with Maghrebail in order to support LCB Bank's customers in their development projects and in investment financing. This is likely to generate intra-Group synergies within Africa.

### KEY FIGURES 2015

Total assets	€ 425 million
Customer deposits	€ 366 million
Customer loans	€ 249 million
Net banking income	€ 28 million
Net income	€ 5.35 million
Employees	295
Branch network	19
Euro 1 = F CFA 655.957	

### SHAREHOLDERS AT 31 DECEMBER 2015



## BANQUE DE DÉVELOPPEMENT DU MALI

Banque de Développement du Mali, Mali's leading bank with more than 50 branches, registered a very strong performance in 2015 compared to 2014.

Banque de Développement du Mali's net income tripled to EUR 21.2 million, resulting in an improvement in the ROE to a healthy level of above 26%. Net banking income rose by 7.5% to EUR 45 million in 2015 while total assets increased by 11.4% from EUR 834 million to EUR 929 million in 2015.

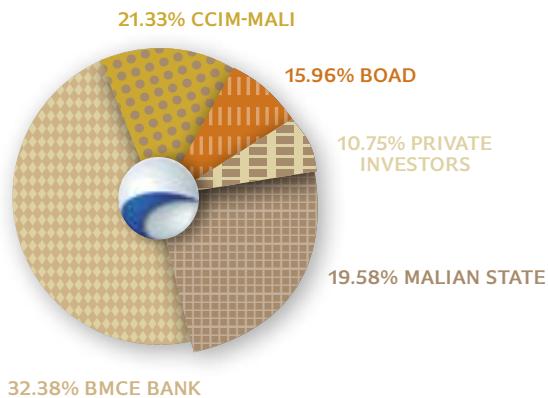
Improvements in governance were made with the appointment of a new Board of Directors and a new management team. BMCE Bank Group raised its stake in BDM to 32.4% in April 2015.

### KEY FIGURES 2015

	
<b>Total assets</b>	€ 929 million
Customer loans	€ 430 million
<b>Customer deposits</b>	€ 591.2 million
Net banking income	€ 44.7 million
<b>Net income</b>	€ 21.2 million
Branch network	48

Euro 1 = F CFA 655.957

### SHAREHOLDERS AT 31 DECEMBER 2015





## BMCE BANK IN EUROPE

The European platform, which is now the Group's 3<sup>rd</sup> largest profit centre saw net income and net banking income grow rapidly in 2015. Net income rose by 37% to EUR 12.2 million and net banking income by 21% to EUR 28 million. BMCE International Holding's contribution to net income attributable to shareholders of the parent company rose significantly (+36%) compared to 2014, reaching MAD 171 million in 2015 versus MAD 126 million in 2014. The European platform saw positive year-on-year earnings growth due to the performance of the BBI London and BBI Madrid entities.

### BMCE BANK INTERNATIONAL MADRID

Against a backdrop of economic recovery in Spain, BMCE Bank International Madrid's commercial and financial performance was positive in 2015. This can be seen in its earnings and balance sheet indicators at end-2015 : net income +44%, net banking income +39%, gross operating income +56%, total assets +30%, shareholders' equity +10% and ROE 14%.

The strong commercial performance was due to the subsidiary implementing a strategy focused on strengthening Correspondent Banking relations, participating in international syndicated loans, developing commercial relations with large Spanish and European customers, cross-selling and diversifying risk in geographical terms.

In addition, BBI Madrid improved its operational efficiency, illustrated by its cost-to-income ratio which contracted by 8 basis point to 27% at end-2015 versus 35% at end-2014.

### BMCE BANK INTERNATIONAL LONDON & PARIS

In a global environment characterised by slower economic growth, high volatility on African markets, a drop in commodity prices and the resulting impact on the budgets of several African states, particularly oil-producer nations, the commercial and financial performance of BMCE Bank International Plc London was positive in 2015.

Net banking income rose to £16.2 million in 2015 versus £14.1 million in 2014, an increase of +14.6%, resulting in an CAGR of +12.7% over the period 2013-2015. This was due to strong commercial development, diversifying the loan portfolio into new geographical markets and business sectors and developing intra-Group synergies with BMCE Bank of Africa Group entities.

Net income rose by 36% compared to 2014 to £7.8 million, 2.8 times the level seen in 2013. As a result, ROE was 16.5% in 2015 versus 14% in 2014.

In addition, BBI Plc London made major progress in qualitative terms by diversifying its funding sources, attaining healthy liquidity and capital adequacy ratios and reinforcing internal governance.





## BMCE BANK IN ASIA AND NORTH AMERICA

### BEIJING REPRESENTATIVE OFFICE

In 2015, BMCE Bank's Beijing representative office continued to develop its activities and missions by promoting economic diplomacy. This primarily consisted of creating economic ties and facilitating the exchange of information between economic agents in Asia and Africa.

Meetings were organised with Chinese partners with regard to major projects in Morocco in the renewable energy, gas, cement and pneumatics sectors.

In addition, in conjunction with the China Africa Joint Chamber of Commerce and Industry (CAJCCI), meetings were organised between the Moroccan Embassy in China, the Moroccan Development and Investment Agency (AMDI) and Chinese companies to promote commercial cooperation and investment between Moroccan and Chinese companies.

The representative office also continued to promote BMCE Bank Group's brand image and international stature by participating in a number of economic events including: (i) the China Overseas Investment New Year Forum, (ii) the Marrakesh Sino African Entrepreneurs Summit, (iii) the INTERTEXTIL fair, attended by a Moroccan delegation under the aegis of Maroc Export and (iv) the World Tourism Cities Federation, attended by Morocco's National Tourism Office (ONMT).

The Beijing representative office also helped establish Correspondent Banking relations with China Industrial Bank and CITIC Bank as part of ongoing efforts to develop intra-Group synergies.

### CANADIAN REPRESENTATIVE OFFICE

After signing a partnership agreement with Le Mouvement Desjardins in March 2014, BMCE Bank opened a representative office in Montreal to foster closer relations with North America's resident Moroccan community.

This agreement enables BMCE Bank to provide support to Moroccans living in Canada, students and investors and meet their financial needs by offering preferential, rapid and secure banking terms.

Both parties have established a full range of services with particularly attractive terms for Moroccans living abroad as well as students.



BMCE BANK AND ITS ENVIRONMENT



## GLOBAL ECONOMY

### GLOBAL ECONOMY : global growth slowdown and a gradual recovery in sub-Saharan African economies

Global economic growth forecasts have been revised down by 0.2 points for 2015 and 2016 to 3.1% and 3.2% respectively. This revision can be explained by the challenges facing emerging and developed countries, in particular, the rebalancing of China's economy and, to a lesser extent, the modest and uneven recovery of advanced economies. Growth in sub-Saharan Africa will pick up gradually but will be below the level seen over the past decade.

### EURO AREA Recovery evident but modest

With growth of 1.6% in 2015 after 0.9% in 2014, the Euro Area posted its best performance for 4 years, boosted by investment and government spending, supported by lower oil prices, low interest rates and currency depreciation.

The recovery is likely to continue in 2016 with growth of 1.5% expected, against a backdrop of strong consumer spending and an accommodative monetary stance by the European Central Bank. Germany is expected to be in the middle of the pack while France will likely play catch up with growth projected to be 1.1% in 2016.

### UNITED STATES GROWTH Hampered by lower oil prices and dollar appreciation

US GDP growth, estimated at 0.7% in fourth quarter 2015, was below expectations. Full-year 2015 growth was only 2.4%, unchanged on 2014.

This slowdown was primarily due to a slowdown in consumer spending, a decline in corporate investment which fell -1.8% year-on-year, particularly in the energy sector due to a fall in oil prices and a drop in exports, which were hampered by dollar appreciation.

Despite an accommodative monetary policy and a pick-up in the housing and labour markets, the United States economy is expected to post only moderate annual growth in 2016 and 2017 of between 2.4% and 2.5%.

### EMERGING AND DEVELOPING COUNTRIES Grappling with a growth slowdown

Growth forecasts for the majority of emerging and developing countries suggest a smaller than expected rebound due to the fall in commodity prices and tighter financial conditions. GDP growth for these economies has been revised down to 4% in 2015, which is at a record low since the crisis of 2008-2009.

These figures, however, conceal sharp disparities between countries. In China, growth is likely to go from 6.9% in 2015 to 6.5% in 2016, primarily due to a drop in investment as well as the rebalancing of the economy. India is expected to grow at a rate of 7.3% in 2015 and at 7.5% in 2016 while economic growth in other emerging Asian countries is likely to remain robust overall.

The majority of Latin America and Caribbean countries should see positive albeit slower growth due to recession in Brazil. Middle Eastern economies are likely to grow although the fall in oil prices and geopolitical tensions continue to dampen prospects.

In emerging European countries, growth is likely to remain more

or less stable. Russia's economy, which continues to adjust to lower oil prices and sanctions imposed by the West, is expected to remain in recession. GDP is forecast to contract by -1.8% in 2016 after a -3.7% contraction in 2015.

### SUB-SAHARAN AFRICA A gradual growth recovery but not as strong as in the past

According to the IMF, the majority of sub-Saharan African countries are likely to register a growth recovery but at a slower pace than over the past decade due to a fall in commodity prices and higher borrowing costs.

In such a context, regional GDP is expected to be 3% in 2016 and 4% in 2017 versus 3.4% in 2015 and 5% in 2014. Nigeria, the continent's most powerful economy, is likely to grow at a rate of 2.3% in 2016 versus 2.7% the previous year although it remains highly exposed to a slump in oil prices. South Africa's economy is close to recession with 2016 growth forecasts revised down to 0.6% versus 1.3% in 2015.



The short term risks for growth in sub-Saharan Africa are generally related to a slowdown in China's economy, the region's largest trading partner, and an anticipated rise in the value of the dollar, which will impact local African currencies.

### WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)

#### Economic growth remains robust

Despite the fragile security situation and a less favourable external environment, WAEMU economies registered robust GDP growth of more than 6% in 2015. This was due to strong growth in Ivory Coast and Senegal and increased government spending.

The medium-term growth outlook for Ivory Coast, the region's largest economy, is positive with real GDP growth estimated at 8.5% in 2015 and 2016, with inflation contained. The budget deficit is likely to improve to 3.1% of GDP in 2016 versus 3.2% in 2015.

Senegal's growth prospects have been revised up to 6.5% in 2015 i.e. 1.4% above initial forecasts and to 6.6% in 2016. This is due to the oil prices lump and a strong performance from the manufacturing and services sectors as well as implementation of the Emerging Senegal Plan and an overhaul of the country's infrastructure.

Mali's economic recovery ran into a third consecutive year. After registering strong growth of 7.5% in 2014, with agricultural output returning to normal levels and the manufacturing sector seeing a sharp recovery, the economy is likely to grow at a rate of more than 5% over the coming years, despite the country having to deal with volatile gold and cotton prices as well as a fragile security situation.

### EAST AFRICA

#### Economic outlook positive despite the risk of political instability

East African countries, which are less exposed to a fall in commodity prices and, despite a challenging political climate in a number of countries, continue to register positive growth, albeit at a slower pace. According to the AfDB, regional growth is expected to be moderate in 2015 at 5.6% before accelerating in 2016 to 6.7%.

Against such a backdrop, the IMF revised down its growth forecasts for Kenya for 2015 and 2016 to 5.6% and 6% respectively versus 6.5% and 6.8% previously. This was due to the postponement of a number of road infrastructure investments, a decline in tourism receipts and volatility in external capital flows.

The IMF predicts economic growth of 10.2% for Ethiopia in 2015-16 versus 4.5% in 2014-15, mainly driven by domestic demand, ongoing public infrastructure projects and agricultural output. A number of causes for concern persist, however, such as the high level of inflation, drought, a decline in external demand, a tightening of financial conditions and wider social disparities.

Uganda, which recently held turbulent presidential and parliamentary elections, has seen its growth outlook for 2015-2016 revised down to 5.3% versus an initial forecast of 5.8%. GDP growth is likely to remain at this level, reflecting tighter credit conditions and relatively ineffective fiscal stimulus. Potential political tensions could also potentially hamper economic growth.

### CEMAC ECONOMIES

#### Challenged by the fall in oil prices

CEMAC countries have been severely impacted by the slump in oil prices, which account for about 70% of their exports and more than one-third of budgetary receipts; as a result, economic growth within the CEMAC region, according to the Bank of Central African States (BEAC), was 2.4% in 2015, two and a half points down on 2014. Against such a backdrop, Gabon's economic growth rate dropped to 4% in 2015, well below the average 6% level seen over the period 2010-14. At the same time, government debt has risen from 20% of GDP in 2012 to 45% of GDP in 2015. Overall growth, however, could rebound to 4.5% on average over the period 2016-20 provided that the country is able to diversify its economy by implementing the Emerging Gabon Strategic Plan.

By contrast, Cameroon's economy, which is the largest among CEMAC countries, is proving resilient in the face of a double whammy of falling oil prices and security threats. Cameroon's government expects the economy to grow by 6.4% in 2015, well above the IMF's forecast of 5.9%. GDP is likely to slow, however, to 5.2% in 2016 due to a stabilisation in oil production.

## MOROCCAN ECONOMY

### A marked improvement in macroeconomic fundamentals

2015 was a year in which external factors proved to be extremely positive. The Kingdom was faced with a unique set of macroeconomic conditions including the major impact from constantly falling hydrocarbon prices, down 60% in dirham terms since peaking in 2012. At the same time, phosphate prices have recovered by 70% since 2010, which has had a positive impact on the Subsidy Fund's budget.

In addition, the high level of rainfall, very important to the economy, and the excellent performance of Morocco's sunrise industries – automobiles, aeronautics and offshoring – resulted in strong economic growth and a contraction in the balance of payments deficit.

The agricultural sector's value added rose by more than 14% in 2015 due to an excellent agricultural crop year, totalling more than 110 million quintals. At the same time, the non-agricultural sector was faced with a far less benign operating environment with cutbacks in government spending and a slowdown in European consumer spending. As a result, non-agricultural growth slowed to 1.8% in 2015 versus 2.6% in 2014, resulting in overall growth of 4.5%.

### Ongoing contraction in the budget deficit

After the record deficit of 2012 due to high oil prices and a high level of government spending, Morocco embarked on what could be described as a counter-cyclical fiscal approach, aimed at bringing down the budget deficit to 3% of GDP.

As a result, the budget deficit was MAD 42.7 billion, down by almost MAD 1 billion or -2.2%.

The primary deficit was MAD 15.7 billion or 1.5% of GDP, underli-

ning a qualitative improvement in the government's finances.

The MAD 4.9 billion shortfall in government receipts, down -1.8% on 2014, was offset by MAD 12.9 billion of savings on government expenditure. The latter declined by 4.2% compared to 2014 to about MAD 201 billion.

This was primarily due to a sharp decline (-57.2%) in the Subsidy Fund's budget to MAD 14 billion. The modest decline in receipts was due to the non-recurrence of a number of exceptional items resulting from the disposal, in 2014 of the State's holdings in Maroc Telecom and Centrale Laitiere and a fall in CCG's investments from MAD 6.8 billion in 2014 to MAD 584 million in 2015.

### Price inflation driven by higher food prices

A lack of rainfall in autumn 2015 and at the start of the winter period resulted in a 2.7% year-on-year rise in food prices.

In addition, ONEE's ongoing price optimisation strategy resulted in a 3.3% increase in the cost of electricity and water, despite a steep decline in the price of hydrocarbons and coke.

Both these aggregates contributed to price inflation of almost 1.6% versus 0.4% in 2014. By contrast, producer prices continue to decline, down -4.6% in 2015, due to the impact from lower commodity prices.

### Sharp improvement in the trade balance

Due to a combination of lower hydrocarbon prices, a recovery in phosphate prices and growth in finished merchandise exports, the trade balance improved sharply in 2015.

The deficit contracted by 18.7% compared to 2014 or MAD 35 billion to MAD 152.3 billion, resulting in a foreign trade coverage ratio of about 60%.

Imports fell by -5.6% to MAD 366.5 billion. Savings totalling more than MAD 32 billion were generated on energy imports (MAD 26 billion) and food imports (MAD 6 billion).

As far as exports were concerned, three product categories accounted for the entire 6.6% or MAD 13.3 billion rise in exports. Strong sales of passenger cars (+MAD 8.3 billion), food products, including shellfish and molluscs, fish and olive oil (+MAD 4.5 billion) and phosphates and derivatives (+MAD 6 billion), put Morocco on the right track.

As far as financial flows were concerned, receipts from foreign direct investment and tourism were broadly unchanged with the former up 2.6% and the latter down 1.4%. By contrast, receipts from Moroccans living abroad rose by 3%, surpassing the MAD 60 billion mark (MAD 60.1 billion).



## Drop in unemployment due to the performance of the non-agricultural sector

The ongoing reform of Morocco's labour market (contraction in the informal economy) resulted in the loss of 32,000 unpaid jobs in the agricultural sector in 2015. This was offset by the creation of 86,000 jobs in the services, construction and manufacturing sectors. On aggregate, a total of 33,000 net new jobs were created by the domestic economy.

Due to a drop in the active population, the unemployment rate improved by 0.2 percentage points to 9.7% in 2015 versus 9.9% in 2014.

## MINING, A successful phosphates strategy

OCP's strategy of regulating phosphate prices continues to produce the intended results with raw material prices recovering by more than 70% since reaching a historic low in 2010. This is in stark contrast to the prices of other raw materials. Sales, despite stagnating in volume terms, grew by 15.6% by value.

## CONSTRUCTION Sector boosted by a pick-up in cornerstone projects

As the employment figures show, the construction industry is beginning to boost the domestic economy due to a pick-up in cornerstone projects. Even if quasi-governmental corporations continue to reduce investment, the government itself is expected to at least maintain if not increase public investment.

While cement sales fell by -1.3% in first half 2015, full-year 2015 sales were 1.4% ahead, after declining by -5.4% in 2014. The regions showing the strongest demand were Doukkala-Abda and Souss-Massa-Draa.

## TELECOMMUNICATIONS A more straightforward offering in a mature market

2015 proved to be a year of fundamental change for the telecoms sector which, hitherto a growth market, reached maturity. A 1 million drop in the total number of mobile subscribers to 43.1 million marked the first contraction seen in the overall market. At the same time, post-paid subscribers rose by more than 14% to almost 2.7 million.

Meditel's decision to rationalise its product offering and adopt a more straightforward marketing approach attracted customers in the post-paid segment. Average revenue per user (ARPU) in the mobile segment fell by 15% in 2015, while the contraction was even greater in the post-paid mobile segment (-19%).

The spread of new technologies remains rapid. The total number of internet subscribers rose by as much as 65.3% to 14.5 million subscribers, while the penetration rate reached 42.7%.

## TOURISM A victim of circumstances

Despite the highly uncertain regional environment, Morocco's tourism industry continues to show strong resistance. With the number of tourists visiting the North African region down by almost 8% in 2015, according to the World Tourism Organisation, the number of tourists visiting Morocco was broadly unchanged (-1%).

By contrast, the impact was most keenly felt in terms of the choice of category of residence. Overnight stays in classified accommodation fell by more than 6% and the occupancy rate reached its lowest level in 5 years at just 40%. The reason for this is the growing popularity of alternative forms of accommodation such as homestays and riads.

## BANKING SECTOR Increased liquidity

In 2015, the banking sector was faced with a somewhat unfamiliar situation in which demand for both liquidity and credit declined. The improved balance of payments situation resulted in more abundant bank liquidity and the potential pool of more than MAD 35 billion was left untapped.

By contrast, the growth of loans to the economy continued to slow to 2.7% in 2015. This was largely due to a decline in investment in Morocco, particularly from state-owned enterprises.

Against such a backdrop, to assume their responsibility as a lynchpin of the economy, the banking sector turned its attention to supporting retail banking customers and SMEs.

## 2016 prospects hampered by low rainfall

2016 is likely to reveal a paradoxical set of circumstances. On the one hand, economic growth prospects will be hampered by late rainfall. On the other, the currently low level of oil prices will enable the Kingdom to make further progress on the deficit reduction front.

While a cereal harvest of approximately 35 million quintals should result in GDP growth of about 1.5%, a favourable trend in commodity prices should enable the Kingdom to attain the levels last seen prior to the 2008 crisis in terms of the budget deficit and current account balance.

**BMCE BANK  
AND ITS GOVRNANCE**

## ACTIVITIES OF THE BOARD OF DIRECTORS

### Group structuring – on-going implementation of the Convergence Programme

BMCE Bank continued to implement the Convergence Programme across all Group entities in Morocco and overseas in order to ensure consistent performance.

As a group which conducts cross-border business in Africa and in Europe, BMCE Bank is subject to supervision and regulation on both continents. Its main regulator, however, is Bank Al-Maghrib.

Given the current operating environment, BMCE Bank is duty-bound to reinforce its governance bodies and system. This is the underlying aim of the Convergence Programme which endeavours to structure the Group's business lines along the lines of Risks, Internal Control, IT, Finance, Compliance and Human Resources.

As a result, BOA Group adopted a new mode of governance by separating powers between the functions of Chairman of the Board of Directors and Chief Executive Officer and by appointing Mr Brahim Benjelloun-Touimi as the new Chairman of BOA Group's Board of Directors and Mr Amine Bouabid as Chief Executive Officer.

### Appointment of four Independent Directors

As part of its endeavours at constantly improving its governance, BMCE Bank appointed a number of Independent Directors as new members of its Board of Directors in accordance with Bank Al Maghrib guidelines.

After conducting a proactive search for highly experienced Moroccan and foreign individuals hailing from a variety of geographical and professional backgrounds, four new directors, representing more than one-third of Board members, were appointed as Independent Directors by BMCE Bank's Board. A resolution was put to the vote at the Annual General Meeting:

- Mr François Henrot, Vice-Chairman of Rothschild's Supervisory Board;
- Mr Brian C. McK. Henderson, who has held a number of senior posts over four decades at Merrill Lynch and Chase Manhattan Bank;
- Mr Philippe De Fontaine Vive, until recently Vice-Chairman of the European Investment Bank; and
- Mr Christian De Boissieu, Emeritus Professor.

The appointment of four new directors is also intended to reinforce the independence of the Specialised Committees.

### **International ratings agency Vigeo's audit**

For a second time since 2004, BMCE Bank mandated Vigeo, a ratings agency, to conduct a general audit of its corporate social responsibility system and its management of related risks. This was to ensure that CSR initiatives are integrated as much as possible into the Bank's corporate strategy.

This audit involved assessing BMCE Bank's managerial system with reference to corporate social responsibility issues based on global social and environmental standards and the very latest corporate-governance guidelines (United Nations, International Labour Organisation, OECD Principles of Corporate Governance, UK Corporate Governance Code and ISO 26000).

The ratings agency covered six themes encompassing all areas of BMCE Bank's corporate social responsibility: human rights, human resources, the environment, customer/supplier relations, community involvement and corporate governance.

In its report, the ratings agency highlighted the considerable progress made by the Bank in bolstering its governance system by introducing a Corporate Governance Handbook and formalising rules governing the workings of the Board of Directors and the Ethics Charter.

The auditor also appreciated the fact that there were specialised committees reporting directly to BMCE Bank's Board of Directors.





## **The work of the Board of Directors**

In 2015, BMCE Bank's Board of Directors met on three occasions to discuss the following issues:

- Assess BMCE Bank's domestic and overseas business activity and results in view of the Group's corporate strategy 2012-2015;
- Approve the financial statements for the financial periods ended 31 December 2014 and 30 June 2015;
- Propose appropriation of income in respect of financial year 2014;
- Reappoint FinanceCom as a Director;
- Approve an amendment to BMCE Bank's company name to 'BMCE Bank of Africa';
- Governance system resulting from new regulatory requirements;
- Compliance Charter and Group compliance policies;
- Issuance of up to MAD 2 billion of subordinated debt;
- Examine the recommendations of the specialised committees;
- Related party agreements.

## **Reappointment of FinanceCom as a Director**

The Board of Directors reappointed Banque FinanceCom as a Director for a period of 6 years, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2020.

The Board also acknowledged the resignation of Mr Adil DOUIRI and of Novo Banco.

## **Issuance of up to MAD 2 billion of subordinated debt**

The Board of Directors submitted a resolution to the Annual General Meeting requesting authorisation to issue up to MAD 2 billion of subordinated debt. The notes, to be issued within 5 years via a public offering, may or may not be listed on the Casablanca Stock Exchange. The notes are in registered form, registered with the central securities depositary and in the ledgers of authorised affiliates.

This issue was intended to bolster the Bank's capital to enable it to meet its prudential and capital adequacy ratios vis-a-vis implementing its Strategic Growth Plan 2016-2020 as well as supporting BMCE Bank Group's growth strategy in Morocco and overseas.

This bond issue was a great success with total subscriptions reaching the MAD 2 billion ceiling with MAD 626 million allotted to Tranche A and MAD 1,374 million to Tranche B.

## **BMCE Bank's corporate name – 'BMCE Bank of Africa' an additional choice**

As part of its overseas development, BMCE Bank Group is undergoing a major transition in terms of developing and expanding its business activities and human resources. It intends to mark this important milestone in its history.

To underline BMCE Bank Group's African credentials and, capitalising on Bank of Africa's strong brand image, it was decided to extend the BMCE Bank brand to include Bank of Africa.

Upon the proposal of the Board of Directors, an Extraordinary General Meeting agreed on the use of an additional company name for BMCE Bank. Subsequently, in addition to the currently used 'BMCE Bank', the Bank may also be known as 'BMCE Bank of Africa'.

The new company names are 'BMCE Bank' – 'BMCE Bank of Africa'. Either name may be used alternatively or the two may be used together.

## **Compliance Charter and Group compliance policies**

Introduced in 2015, the Compliance Charter outlines the fundamental ethical principles which apply to BMCE Bank Group and underline its commitment to upholding an integrity policy for its business dealings.

This Charter enables all BMCE Bank Group companies, in Morocco and around the world, to foster and maintain public confidence in the Group's administrative body, management and business activities within the context of its global remit. The codes of behaviour and policies adopted set out the main principles of this integrity policy and form the cornerstone of BMCE Bank Group's governance.

Furthermore, Group Compliance's policies are derived from the corpus of legal and regulatory texts and are based on a set of ethical values which are inspired by universal principles of professional ethics, drawing on best practice at home and abroad.

These policies deal with conflicts of interest, financial embargoes, the fight against money laundering and terrorist financing, fraud and corruption, personal data and new products and activities.

## **Ongoing implementation of the Group Governance system by domestic subsidiaries a priority**

The second phase of the project to restructure Group Governance was launched, aimed at developing and disseminating best governance practice within the Group. A participatory approach was adopted involving, first and foremost, all Moroccan subsidiaries.

One of the major issues identified was the convergence of governance practices, a major prerequisite for building BMCE Bank Group Of Africa in a sustainable and integrated manner. Other challenges include enhancing efficiency at all levels of the Group's organisational structure by adopting appropriate governance policies and practices and enhancing the brand image of the Group and its entities by establishing a system of exemplary governance across the entire continent.

At the operational level, spokespersons appointed by subsidiaries are responsible for reporting. The work required by each subsidiary consists of preparing an inventory of existing policies based on pre-defined areas of analysis, drawing up a list of regulatory requirements and major guidelines and defining an action plan in accordance with the intended governance system.





## SENIOR MANAGEMENT



**BRAHIM BENJELLOUN-TOUIMI**  
Group Executive Managing Director and Chairman of BOA Group

**Mr Brahim BENJELLOUN-TOUIMI** is Group Executive Managing Director of BMCE Bank. He is Chairman of the General Management Committee, Vice-Chairman of the Group Executive Committee and Vice-Chairman of the Senior Credit Committee.

As part of BMCE Bank Group's overseas strategy, Mr Brahim BENJELLOUN-TOUIMI is Chairman of BOA Group, a banking group in which BMCE Bank Group has a stake of just under 75% with operations in 19 countries, primarily in sub-Saharan Africa. He is also a Director of the Group's European banking subsidiaries.

As for his other functions, he is either Chairman or Director of a number of Group companies in Morocco in the areas of investment banking, specialised financial services – factoring, consumer credit, leasing and loan recovery – and insurance brokerage.

Within the framework of strategic partnerships with benchmark shareholders, Mr. BENJELLOUN-TOUIMI is a Director of RMA Watanya, an insurance company and FinanceCom, its holding company.

He is also Chairman of the Board of EurAfric Information, a technology company and Director of Euro Information in France, a technology subsidiary of Crédit Mutuel Group. Reflecting the Group's commitment to corporate social responsibility, Mr BENJELLOUN-TOUIMI is a Director of BMCE Bank Foundation for Education and the Protection of the Environment.

He also sits on the Board of Proparco, a development finance institution & Director of the Casabanca Stock Exchange "Société de la Bourse des Valeurs de Casablanca".

Mr Brahim BENJELLOUN-TOUIMI is a Doctor of Money, Finance and Banking from Université Paris I Panthéon Sorbonne. He began his career in financial markets in France and went on to become Head of Research within the Securities division at one of France's leading investment banks. He joined BMCE Bank in 1990.





## SENIOR MANAGEMENT



**MAMOUN BELGHITI**  
Chairman & Chief Executive Officer of RM Experts

**DRISS BENJELLOUN**  
Delegate General Manager responsible for Group Finance

**M'FADEL EL HALAISI**  
Delegate General Manager responsible for Corporate Banking, Morocco

**Mr. Mamoun Belghiti** is the Delegate General Manager of RM Experts. Mr. Belghiti began his career with the Bank in 1972 in general services, and later in the inspection division.

He was appointed manager of the credit and treasury division in 1981, and of the investment and credit division in 1991. In this capacity and on behalf of the Bank, Mr. Belghiti negotiated several credit lines, in particular with the World Bank, IFC, IMF, EIB and ADB. In early 1996, he became manager of the financial affairs division where he actively participated in the establishment of the development strategy plan and reorganization of the Bank. The same year, along with the Chairman and other senior executives, he participated in the GDR issue enabling the Bank to raise capital on the international capital markets and was promoted Deputy General Manager.

In February 1998, he was appointed General Manager in charge of the financial affairs division as well as retail banking. In April 2002, he became the main adviser to the Chairman in charge of representation of the Bank to national and international institutions as well as relations with monetary authorities. He sits on the Boards of the entities in which the Bank holds direct and indirect interests.

In March 2004, Mr. Belghiti was appointed Director and General Manager in charge of the Remedial Management Group. He also participated in several seminars held in Morocco and abroad.

Mr. Belghiti is married and father of two children.

**Mr. Driss BENJELLOUN** is Delegate General Manager responsible for BMCE Bank Group Finance. He is also a Director of BMCE BANK Group subsidiaries including BOA Group, BOA Bénin, BOA Madagascar and BMCE Capital.

After joining BMCE Bank Group in 1986, Mr Driss BENJELLOUN was asked to oversee the project to set up a Management Control entity aimed at improving the steering of operations. In 1990, he assumed responsibility for the project to set up an Audit and Management Control department.

After BMCE Bank was privatised in 1995, Mr Driss BENJELLOUN became Head of the Banking Production division. In 1998, he was appointed as Deputy General Manager responsible for a number of departments that make up the Bank's Group Support division: Banking Production, Information Systems, Organisation, General Services and Safety.

In 2003, Mr Driss BENJELLOUN became Head of the Group Financial Division with a remit to integrate BMCE Bank's various subsidiaries in Morocco, Europe and Africa. He also participated in the restructuring of BDM and steered the latter's merger with BMCD.

Mr BENJELLOUN is a Doctor of Finance from Université Paris Dauphine in addition to postgraduate studies in accounting.

**Mr. M'fadel EL HALAISI** is Delegate General Manager responsible for Corporate Banking, Morocco.

This division, which comes within General Management's remit, brings together corporate customers, SMEs and Large Enterprises. This specific responsibility for corporate banking was entrusted to him after a career spanning more than 25 years in credit, investment finance, loan restructuring and long-term financing solutions.

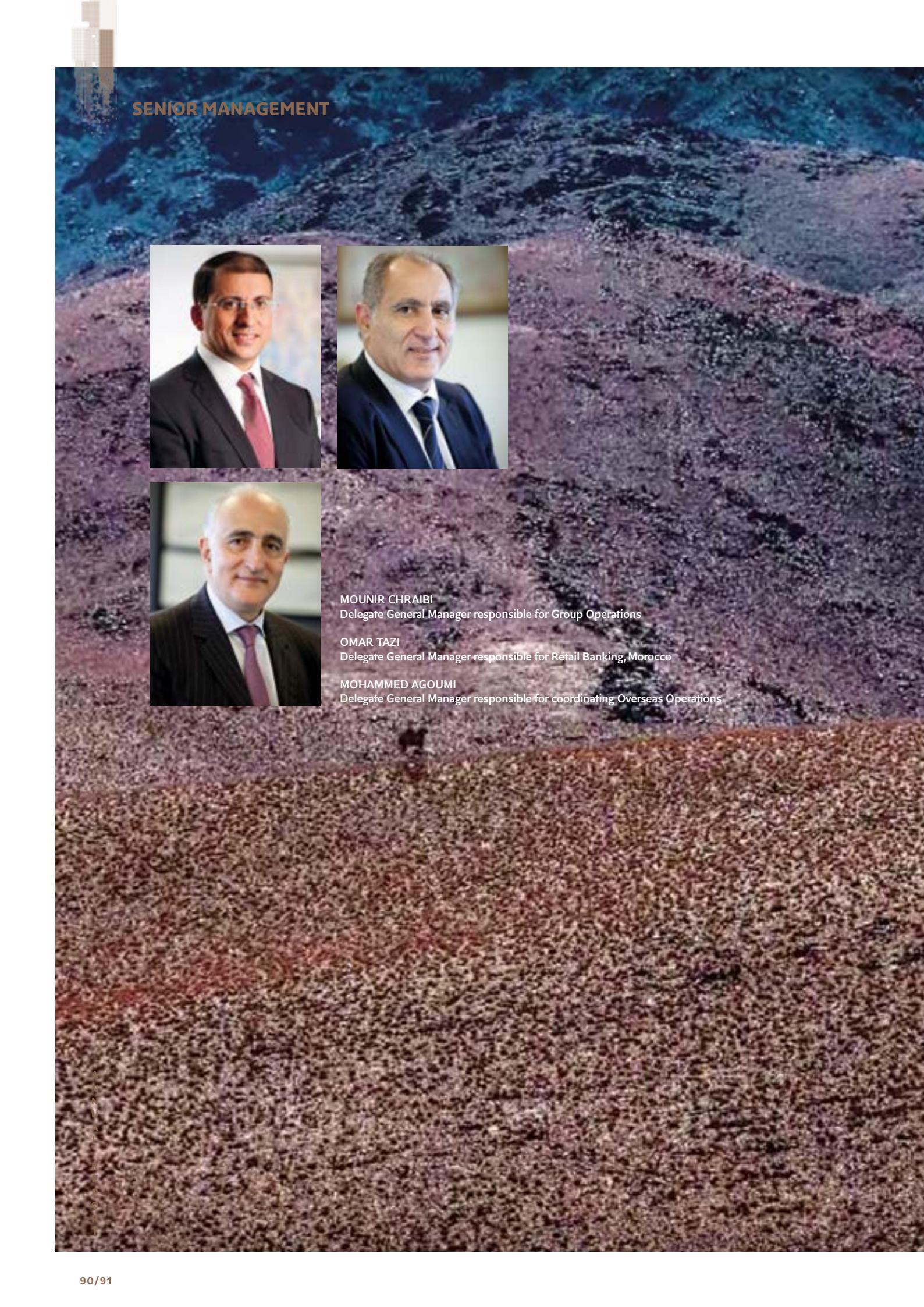
On joining BMCE Bank, he was entrusted with the responsibility of setting up the investment loans restructuring department.

He subsequently went on to become Head of Investment and Corporate Markets division in 1998.

In April 2002, he was appointed as Deputy General Manager responsible for Corporate Banking, a division which was then subsequently expanded to include overseas operations.

M. M'fadel EL HALAISI is a Doctor of Economics from Université de Lille.





## SENIOR MANAGEMENT



**MOUNIR CHRAIBI**

Delegate General Manager responsible for Group Operations

**OMAR TAZI**

Delegate General Manager responsible for Retail Banking, Morocco

**MOHAMMED AGOUMI**

Delegate General Manager responsible for coordinating Overseas Operations

**Mr. Mounir CHRAIBI** is Delegate General Manager responsible for Group Operations. He joined BMCE Bank in 2010.

Mr Mounir CHRAIBI is responsible for all of BMCE Bank's technology, legal affairs, logistics, quality and banking processing divisions.

As such, he oversees strategic projects such as designing the Banking and Insurance information system (SIBEA), converging the information systems of BMCE Bank's overseas subsidiaries and automating the Bank's back offices.

M. CHRAIBI is Chairman of the Board of BMCE Immobilier, a subsidiary responsible for actively managing BMCE Bank's non-operating real estate portfolio and Chairman of the Board of Damancash, a Morocco-based money transfer company which joined the BMCE Bank fold in 2014 when it was acquired by GNS Technologie, a Group subsidiary.

He began his career in 1987 as Project Manager of Crédit du Maroc's information systems master plan and then, from 1989 to 1994, he was made Head of Organisation and Information Systems of the Office d'Exploitation des Ports.

In 1994, he was appointed Chief Executive Officer of the Office de la Formation Professionnelle et de la Promotion du Travail and then in 2001 as the Chief Executive Officer of the Caisse Nationale de la Sécurité Sociale.

In 2005, Mr CHRAIBI was appointed Wali (governor) of the Marrakesh Tensift Al Haouz region which, during his tenure, attracted high levels of private sector investment and saw the launch of several major flagship public projects.

Mr Mounir CHRAIBI is a graduate engineer of Ecole Polytechnique de Paris and Ecole Nationale Supérieure des Télécommunications de Paris. He was decorated Commander of the Order of Wissam Al Arsh by His Majesty the King in 2008. He is also a Commander of Belgium's Order of Leopold.

**Mr. Omar TAZI** is Delegate General Manager responsible for Retail Banking, Morocco.

Mr Omar TAZI began his career at the Banque de Développement du Canada. In 1992, he joined Wafa Bank as Head of Treasury.

From 1993 to 2005, Mr Omar TAZI held a number of posts of responsibility within Société Générale Marocaine de Banques (SGMB), including Head of the Investment Loans department, Head of the network for retail, professional and corporate banking and then Deputy General Manager, Commercial Banking.

During this period, he was also Director, Vice Chairman or Chairman of a number of SGMB subsidiaries, including SOGEBOURSE, GESTAR, SOGECREDIT, SOGEFINANCEMENT and ACMAR Morocco

From 2005 to 2010, Mr Omar TAZI was Chief Executive Officer of AFMA Group.

Mr Omar TAZI joined BMCE Bank Group in June 2011 with a remit to boost retail banking operations and improve the effectiveness of the Bank's sales force. In 2012, he was appointed as Member of Salafin's Supervisory Board and Director of BMCE EuroServices.

Mr Omar TAZI holds a Masters degree in Finance from the University of Sherbrooke, Canada.

**Mr. Mohammed AGOUMI** is Delegate General Manager responsible for coordinating Overseas Operations.

As such, he is responsible for the synergy between the various entities of the Group's international activities and provides for certain a direct responsibility.

Namely, he has direct responsibility for all European Corporate entities as well as the offshore network of the Group in Morocco. He also assumes responsibility for LCB and BDM.

He chairs the Board of BBI Madrid and is on the boards of BOA, BBI PLC, BIH, LCB and BDM.

He joined BMCE Bank Group in 2012, after having a long career in the audit and advisory at the international level.

He then joined the Group Crédit Agricole France -CASA where he held various positions and responsibilities. He was appointed Delegate General Manager Officer of Le Crédit Lyonnais (LCL) in 2006 and was a member of CASA Group's Executive Committee with responsibility for operations and strategy of the Loan Commitments department as well as overseeing the Group's overseas development. In 2010, he founded Europa Corporate Business Group (ECBG). He is also the Chairman of ECBG's Moroccan subsidiary, Financing Access Morocco.

Mr Mohammed AGOUMI is a graduate of ESSEC (1979) and holds a DEA in Mathematical Economics and Econometrics (1980). He qualified as a chartered accountant in Paris in 1993 and taught for two years at ESSEC.



## MANAGEMENT OF OVERSEAS OPERATIONS

### EUROPE

#### BMCE INTERNATIONAL UK/FRANCE



MOHAMED AFRINE  
Chief Executive Officer

### AFRICA

#### BANK OF AFRICA



AMINE BOUABID  
Director & Chief Executive  
Officer

### ASIA

#### BMCE BEIJING



ADIL ZELLOU

#### BMCE INTERNATIONAL ESPAGNE



RADI HAMUDEH  
Chief Executive Officer

#### LA CONGOLAISE DE BANQUE



MOHAMED TAHRI  
Chief Executive Officer

#### BMCE EUROSERVICES



ADIL MESBAHI  
Chief Executive Officer

#### BANQUE DE DEVELOPPEMENT DU MALI



AMADOU SIDIBÉ  
Chief Executive Officer

#### AXIS CAPITAL



KHALID NASR  
Chief Executive Officer (interim basis)

## MANAGEMENT OF MOROCCAN SUBSIDIARIES

### INVESTMENT BANKING OPERATIONS



#### **BMCE CAPITAL** Investment banking

Chairman of the Supervisory Board  
**KHALID NASR**

#### **BMCE CAPITAL MARKETS**

Capital markets  
General Manager  
**ABDELMALEK BENABDELJALIL**

#### **BMCE CAPITAL BOURSE** Securities brokerage

Chief Executive Officer  
**ANAS MIKOU**

#### **BMCE CAPITAL GESTION**

Asset management  
Chief Executive Officer  
**AMINE AMOR**

#### **BMCE CAPITAL GESTION PRIVÉE** Portfolio management

Chief Executive Officer  
**MERYEM BOUAZZAOUI**

#### **BMCE CAPITAL CONSEIL** Corporate finance advisory

Chairman of the Supervisory Board  
**MEHDI JALIL DRAFATE**

### SPECIALISED FINANCIAL SUBSIDIARIES



#### **MAGHREBAIL** Leasing

Chairman and Chief Executive Officer  
**AZEDDINE GUESSOUS**



#### **RM EXPERTS**

Loan recovery  
Chairman and Chief Executive Officer  
**MAMOUN BELGHITI**



#### **SALAFIN**

Consumer credit  
Chairman of the Supervisory Board  
**AZIZ CHERKAOUI**



#### **MAROC FACTORING**

Factoring  
Chairman of the Supervisory Board  
**YOUSSEF HAMIRIFOU**



#### **EULER HERMES ACMAR**

Credit insurance  
Chief Executive Officer  
**TAWFIK BENZAKOUR**

### OTHER OPERATIONS

#### **EURAFRIC INFORMATION** Technology services

Chairman of the Supervisory Board  
**YOUNES KARKOURI**

#### **BMCE ASSURANCES**

Insurance consulting  
Chief Executive Officer  
**FAYCEL ASSARI**

#### **LOCASOM**

Vehicle leasing  
Chief Executive Officer  
**YOUNES SENHAJI**

#### **CONSEIL INGENIERIE & DEVELOPPEMENT** Consulting engineering

Chief Executive Officer  
**MONCEF ZIANI**



# CORPORATE GOVERNANCE

## GOVERNANCE COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
<b>CHAIRMAN</b> BFCM - Groupe Crédit Mutuel - CIC, represented by Mr Michel LUCAS	Yearly, and whenever necessary, at the discretion of members of the Committee	The Governance Committee is a body reporting directly to the Board of Directors. It advises and makes recommendations to the Board on how to adopt and maintain a good governance policy. In this regard, its responsibility is to:
<b>STANDING MEMBERS</b> <ul style="list-style-type: none"><li>• François HENROT*</li><li>• Philippe DE FONTAINE VIVE*</li><li>• Brahim BENJELLOUN-TOUIMI, Managing Director, Group Executive</li></ul> <p>(*) Since May 2016</p>		<ul style="list-style-type: none"><li>• Ensure compliance with good governance principles and the statutory and regulatory provisions in force and inform shareholders of these matters, especially in terms of the independence of Directors;</li><li>• Examine and make recommendations on the composition, responsibilities and work of the Board of Directors and its specialist committees;</li><li>• Anticipate and ensure resolution of potential conflicts of interest that arise between members of the Board of Directors relating to operations or transactions involving directors or shareholders;</li><li>• Propose procedures for co-opting Directors and members of General Management and make recommendations to the Board concerning the appointment of new members;</li><li>• Propose the remuneration policy for Directors and members of General Management in line with criteria established by the Board of Directors.</li></ul>
<b>INVITED MEMBERS</b> The Governance Committee may invite at its discretion any member or non-member of BMCE Bank or of the Group, depending on the items for discussion on the Committee's agenda, including those proposed by committees relating to agreements, appointments or remuneration		
<b>COMMITTEE SECRETARY</b> Managing Director, Group Executive		
<b>WORK OF THE GOVERNANCE COMMITTEE</b>		
The Governance Committee, meeting in March 2016, examined the proposals to appoint independent Directors and discussed the findings of the external assessment of its CSR strategy.		
With the aim of making the Board more independent, as required by Bank Al-Maghrib, and given the resignation of two Directors in September 2015, the Committee recommended the appointment of the following Independent Directors – Messrs François Henrot, Brian McK Henderson, Philippe de Fontaine Vive and Christian De Boissieu. Furthermore, for a second time since 2004, the Bank invited Europe's leading non-financial ratings agency to conduct a general audit of its Corporate Social Responsibility system and its management of related risks. This was to ensure that CSR initiatives are integrated as much as possible into the Bank's corporate strategy. Regarding the audit of the Group's governance system, the agency fully appreciated the measures that had already been adopted by the Board of Directors in the Governance Corpus and incorporated within its operations. The Bank will ensure ongoing and gradual implementation of the CSR system at Group level in terms of governance as well as integrating risks related to CSR and environmental issues.		
<b>A N N U A L  R E P O R T</b>		

## GROUP RISKS COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES AND REMIT
<b>CHAIRMAN</b> • Philippe DE FONTAINE VIVE*	Quarterly	BMCE Bank Group's Risk Committee is a body reporting directly to the Board of Directors whose remit has been extended to subsidiaries and other entities included within the Group's scope of consolidation.
<b>EX-OFFICIO MEMBERS</b> • BFCM - Groupe Crédit Mutuel - CIC • RMA Watanya, represented by Azeddine GUES-SOUS • FinanceCom represented by Zouheir BENSAID • François HENROT • Brian C. McK. HENDERSON* • Christian DE BOISSIEU* (*) Since May 2016		The Group Risks Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.
<b>ASSOCIATE MEMBERS</b> • Managing Director, Group Executive • Managing Director responsible for Group Finance • Adviser to General Management • Group General Controller • Head of Group Risks • Head of Finance & Investments		The Group Risks Committee assumes the following responsibilities on a permanent basis:
<b>INVITED MEMBERS</b> • The committee may invite any person who is a member of the Group's managing staff or any manager whose functions are within its remit, depending on the items for discussion on the Committee's agenda.		<ol style="list-style-type: none"> <li>i. Advises the Board of Directors about risk strategy and the Group's risk aversion profile;</li> <li>ii. Ensures that the level of risks incurred is contained within the limits set by the Management Body in accordance with the risk aversion profile defined by the Board of Directors;</li> <li>iii. Assesses the quality of the risk measurement policy and control and monitoring of risks at Bank and Group level;</li> <li>iv. Ensures that risk information systems and communications are appropriate with regard to the risks incurred both;</li> <li>v. Assesses the human and other resources allocated to the risk management and control function and ensures its independence;</li> <li>vi. Assesses that capital and liquidity are adequate given the degree of risk aversion and risk profile of the Bank and Group;</li> <li>vii. Informs the Board of Directors at least twice a year of the situation regarding non-performing loans, the results of measures taken to recover such loans by amicable means, restructured and sensitive loans and provides a progress report on their repayment;</li> <li>viii. Ensures that stress-tests are carried out on the portfolios of subsidiaries in Morocco and overseas covering the economic and operating environments as well as any potential impact on the Group;</li> <li>ix. Informs the Board of Directors of the results of risk monitoring from a regulatory perspective and the potential impact on the Bank and the Group;</li> <li>x. Assists the Board of Directors in examining loans to related parties including the terms and conditions offered, repayment in accordance with the schedule, payment delays and consolidations undertaken (which must be reported to the Board of Directors).</li> <li>xi. Examines the summary report of the Group Risk Steering and Management Committee.</li> <li>xii. Is responsible for the risk management and control function.</li> </ol>
<b>COMMITTEE SECRETARY</b> Group Risks		
<b>WORK OF THE GROUP RISKS COMMITTEE</b>		
In 2015, the work of the Group Risks Committee focused on analysing changes to the main credit risk indicators at both the consolidated and parent company levels in terms of credit distribution, portfolio quality, stress-testing results and sector and Group limits. The Committee also closely monitored the effective use of capital and trends in prudential ratios. It also examined Group policy on market risk limits and trends in market and operational risks. As well as analysing BMCE Bank of Africa Group's risks, the Committee conducted a risk assessment by geographical region - Africa, Europe and Morocco.		

## GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

COMPOSITION	MEETINGS
<b>CHAIRMAN</b> Azeddine GUESSOUS, representative of RMA Watanya	Quarterly
<b>EX-OFFICIO MEMBERS</b> <ul style="list-style-type: none"><li>• BFCM - Groupe Crédit Mutuel – CIC</li><li>• FinanceCom, represented by Zouheir BENSAID</li><li>• François HENROT</li><li>• Philippe DE FONTAINE VIVE</li><li>• Christian DE BOISSIEU</li></ul>	
<b>ASSOCIATE MEMBERS</b> <ul style="list-style-type: none"><li>• Managing Director, Group Executive</li><li>• Managing Director responsible for Group Finance</li><li>• Adviser to General Management</li><li>• Group General Controller</li><li>• Head of Group Risks</li><li>• Head of Finance &amp; Investments</li></ul>	
<b>INVITED MEMBERS</b> <ul style="list-style-type: none"><li>• External auditors;</li><li>• Heads of Permanent Control and Compliance;</li><li>• The committee may invite any person who is a member of the managing staff or any manager whose functions are within its remit, depending on the items for discussion on the Committee's agenda.</li></ul>	
<b>COMMITTEE SECRETARY</b> <ul style="list-style-type: none"><li>• Mr Khalid LAABI, General Controller of BMCE Bank Group</li></ul>	

### WORK OF THE GROUP AUDIT AND INTERNAL CONTROL COMMITTEE IN 2015

In 2015, the Group Audit and Internal Control Committee (Group CACI) examined the performance of the Bank and the Group and the Statutory Auditors' reports as well as overseeing preparation of the 2016-20 action plan.

Group CACI also noted the new provisions of Bank Al-Maghrib's circular on Internal Control and the Directive on governance within credit institutions as well as reviewing implementation of the previous recommendations made by itself, Bank Al-Maghrib and the statutory auditors.

As far as internal control was concerned, Group CACI examined the consolidated Annual Internal Control Report prior to it being filed with Bank Al-Maghrib, the Group General Control action plan in terms of audit and inspection missions, the findings and recommendations of the audit missions carried out at subsidiary level, management of customer complaints as well as the conclusions and recommendations of the Group Internal Control Coordination Committee.

Group CACI worked on a number of other major issues such as the missions, structure and systems of the various Group internal control functions, including new Group Compliance and Permanent Control policies.

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## RESPONSIBILITIES AND REMIT

The Group Audit and Internal Control Committee (Group CACI) is a body reporting directly to the Board of Directors whose remit has been extended to subsidiaries and other entities included within the Group's scope of consolidation.

The Group Audit and Internal Control Committee assists the Board of Directors in matters such as internal control while ensuring that:

- The internal control system and resources are:
  - Appropriate and compatible to be able to monitor and control risk within the Bank and at subsidiary level and produce information required by regulatory authorities as part of the monitoring process of the consolidated entity;
  - Adapted to the Group's organisational structure as well as the activities of entities under its control;
  - Presents reliable and accurate financial information to the Board of Directors and third parties, such that the legitimate interests of shareholders, depositors and other stakeholders are preserved;
  - Examines financial and consolidated statements before submission to the Board.

The Group Audit and Internal Control Committee shall ensure, on a permanent basis, that the following responsibilities are assumed in their entirety:

**A. Regarding Internal Audit and Control, the Group Audit and Internal Control Committee:**

i. Assesses the quality of the internal control system within the Bank and at subsidiary level by ensuring that, on a permanent basis:

- The accounting policies adopted by the Bank for preparing the parent company and consolidated financial statements are relevant, sustainable and accurate;
- The process for collecting, handling and storing accounting and financial data is reliable;
- Operating units are strictly set apart from control units;
- Assesses whether internal control procedures are consistent and adequate;
- Procedure manuals are established by departments or operating units, setting out the procedures for recording and handling operations and accounting-related processes;
- Procedures for carrying out operations should comprise, as an integral part, appropriate control procedures and audit trails;

ii. Assesses whether the corrective measures proposed or implemented are appropriate to overcome any shortcoming or inadequacy in the internal control system;

iii. Approves the Group's Internal Audit Charter and assesses the audit plan and the human and other resources allocated to the Internal Audit activity;

iv. Assesses the human and other resources allocated to the periodic control, permanent control and compliance functions and ensures that they are independent from the Bank and its subsidiaries;

v. Examines proposals to appoint or reappoint Statutory Auditors for Group entities and analyse their extent of coverage;

vi. Defines minimal risk areas to be covered by internal auditors or Statutory Auditors;

vii. Requests that an internal or external audit be carried out if deemed necessary;

viii. Informs the Board of Directors of the results of monitoring matters related to internal control from a regulatory perspective and the potential impact on the Bank and the Group;

ix. Prior to submitting them to the Board of Directors, examines the activity reports and recommendations of the internal audit, permanent control, compliance, risk management and control functions, the statutory auditors and the supervisory authorities as well as the corrective action taken;

x. Examines the annual report on Internal Control on a consolidated basis, to be submitted to Bank Al Maghrib;

xi. Examines the statutory auditors' report for filing with Bank Al Maghrib and ensures that the resulting recommendations are implemented;

xii. Assist the Board of Directors in analysing corporate and social responsibility (CSR) risk mapping;

xiii. Examines the summary report of the work of the Group Coordination and Internal Control Committee.

**B. Regarding monitoring information systems and communications, the Group Audit and Internal Control Committee:**

Ensures that information systems and communications are effective and appropriate with regard to the risks incurred both on an individual as well as consolidated basis by:

- Periodically assessing the security of information systems and, if necessary, the quality of the corrective action undertaken;
- Checking the availability of information security procedures to ensure business continuity;
- Safeguarding the probity and confidentiality of accounting and financial information;
- Checking the policy for publishing information, ensuring that accurate, appropriate and comprehensible information is communicated at the right time regarding material aspects of the Bank's activity in order to encourage transparency with regard to shareholders, the general public, staff, supervisory authorities, investors and other stakeholders.

**C. Regarding monitoring Group Compliance policy, the CACI:**

The Group Audit and Internal Control Committee examines the compliance situation within the Group and the state of progress in respect of compliance-related initiatives for each Group entity;

i. The Committee ensures implementation of a formal policy for preventing and dealing with conflicts of interest. In this regard, it:

- Ensures that a policy for preventing and managing conflicts of interest is adopted and enforced operationally. This policy must comprise a whistle-blowing mechanism,

appropriate standards for supervising related party transactions, clear demarcation of reporting lines and responsibilities of members of the management body, a definition of delegation of powers and procedures for dealing with cases of non-compliance with these policies and procedures;

- Ensures that the General Management Committee applies procedures prohibiting or restricting, in an appropriate manner, activities, relations or situation likely to harm the quality of governance such as:

- Loans, especially to members of administrative or management bodies or to shareholders, on terms which do not reflect standard market conditions or on terms different to those enjoyed by all staff as employee benefits;
- Preferential treatment given to related parties or to other favoured entities;

ii. Regarding monitoring the risk of non-compliance to which the Group is exposed, the CACI:

- Ensures that operations carried out and internal procedures comply with the legal and regulatory provisions in force as well as with industry and ethical standards and practices;
- Ensures that the Group Compliance function has adequate technical human resources and skills including knowledge of markets and products and that the employees in question have regular access to appropriate training.

**D. Group Permanent Control**

The Group Audit and Internal Control Committee assesses the permanent control policy, the reliability and security of transactions and compliance with procedures at branched, head office departments and financial entities under the Group's control.



## GROUP EXECUTIVE COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
<b>CHAIRMAN</b> Chairman and Chief Executive Officer	Quarterly, or whenever necessary, at the request of the Chairman or, by delegation, the Vice-Chairman of the Committee.	This Committee, under the authority of the Chairman, is responsible for steering the Group's corporate strategy. It is the operational relay for the Board of Directors in making strategic proposals, implementing strategic decisions taken by the Board and closely monitoring Group risk management. It steers Group activities and rules on operational and functional issues that come under the remit of the Bank's entities and internal committees.
<b>VICE-CHAIRMAN</b> Managing Director, Group Executive		<b>STEER THE GROUP'S CORPORATE STRATEGY</b> Initiate and execute strategy and launch major intra-Group projects: <ul style="list-style-type: none"> <li>• Ensure that strategy is aligned across all Group entities in Morocco and overseas;</li> <li>• Ensure proper implementation of the Group's corporate strategy</li> <li>• Identify and launch major keystone projects that will transform the Group;</li> </ul>
<b>MEMBERS</b> <ul style="list-style-type: none"> <li>• Director &amp; Chief Executive Officer of BOA Group</li> <li>• Chairman &amp; CEO of RM Experts, Intuitu Personae</li> <li>• Delegate General Manager, responsible for Group Finance</li> <li>• Delegate General Manager, responsible for Corporate Banking, Morocco</li> <li>• Delegate General Manager, responsible for Group Operations</li> <li>• Delegate General Manager, responsible for Retail Banking, Morocco</li> <li>• Delegate General Manager, responsible for International Coordination</li> <li>• Chairman of BMCE Capital's Executive Board</li> </ul>		Evaluate new strategic operations on behalf of the Board: <ul style="list-style-type: none"> <li>• Opportunities for growth, investment, strategic equity investment and synergies for BMCE Bank Group;</li> <li>• Opportunities to extend BMCE Bank Group's scope of activities (organic growth, growth by acquisition, disposals, diversification);</li> <li>• Manage investment risk and allocate capital and other financial resources accordingly.</li> </ul>
<b>COMMITTEE SECRETARY</b> Head of Group Risks		Ensure the Group's profitability and financial control:
		<b>MONITOR RISK MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate;</li> <li>• Ensure risks are comprehensively hedged by adopting the required measures.</li> </ul>
		<b>HUMAN RESOURCES</b> <ul style="list-style-type: none"> <li>• Examine policy for staff remuneration, training, mobility and recruitment;</li> <li>• Carefully manage the career progression of high-potential executives.</li> </ul>
		<b>WORK OF THE GROUP EXECUTIVE COMMITTEE</b> <p>The work of the Group Executive Committee revolved around the Group's cornerstone programme to standardise and harmonise BMCE Bank Group's risk management and internal control functions in addition to IT and human capital management functions. The Committee's work also involved closely monitoring initiatives to clean up the loan portfolio and recover loans as well as drafting the Group's Strategic Development Plan 2016-20 and other overseas development projects in Africa, Europe and Asia.</p>

## GENERAL MANAGEMENT COMMITTEE

COMPOSITION	MEETINGS	MISSIONS
<b>CHAIRMAN</b> Managing Director, Group Executive	Weekly, every Wednesday	The work carried out by the Group General Management Committee in 2015 to enhance the Group's human capital consisted of redesigning the HR appraisal system and introducing a new variable remuneration system designed to boost sales by promoting a performance-based culture and healthy risk management. The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.
<b>STANDING MEMBERS</b> <ul style="list-style-type: none"> <li>Chairman &amp; CEO of RM Experts</li> <li>Chief Executive Officer of BOA Group</li> <li>Delegate General Manager, responsible for Group Finance</li> <li>Delegate General Manager, responsible for Corporate Banking, Morocco</li> <li>Delegate General Manager, responsible for Group Operations</li> <li>Delegate General Manager, responsible for Retail Banking, Morocco</li> <li>Delegate General Manager, responsible for International Coordination</li> <li>Chairman of BMCE Capital's Executive Board</li> <li>Adviser to General Management</li> <li>Group General Controller</li> <li>Deputy General Manager, responsible for Conciliation, Financial Engineering &amp; Restructuring</li> <li>Head of Group Risks</li> <li>Head of Finance &amp; Investments</li> <li>Deputy General Manager, responsible for International Development Programmes</li> <li>Deputy General Manager, Head of Group Communications</li> <li>Deputy General Manager, responsible for Market Development</li> <li>Deputy General Manager, responsible for Investments and Financial Engineering</li> <li>Head of Group Governance &amp; Development</li> <li>Head of Group Compliance</li> <li>Head of Group Human Capital</li> </ul>	<b>STEERING THE BUSINESS</b> <ul style="list-style-type: none"> <li>Steer corporate strategy in line with Group Executive Committee decisions, draw up clear budgetary targets and ensure that strategy is implemented;</li> <li>Encourage and assess the state of progress concerning implementation of major intra-Group projects that impact the Bank's operations and development;</li> <li>Validate annual budgets, monitor their allocation and ensure that resources are optimised;</li> <li>Monitor budget implementation and ensure that corrective measures are taken in the event of deviating from budget;</li> <li>Determine pricing policy for products and services while ensuring that business lines remain profitable;</li> <li>Assess opportunities for launching new activities, products or services and ensure their monitoring and implementation;</li> <li>Rule on operational issues that are within the remit of divisions, departments and internal committees and set objectives;</li> <li>Ensure organisational efficiency by implementing necessary measures relating to human resources, organisation, IT, logistics and security which contribute to the Bank's development.</li> </ul>	
<b>COMMITTEE SECRETARY</b> Head of Group Governance & Development		<b>INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT</b> <ul style="list-style-type: none"> <li>Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate;</li> <li>Regularly monitor implementation of corporate policies and strategy and take corrective action if required;</li> <li>Ensure compliance with prudential ratios and regulations in respect of internal control, risk and compliance;</li> <li>Regularly inform the Audit and Internal Control Committee and the Board of Directors of the key issues and main findings from analysing and monitoring risks related to the Group's activity and results;</li> <li>Assess major commitments exceeding 5% of the Bank's capital as well as loans on the watch and weak lists;</li> <li>Make recommendations on measures to be taken on high risk accounts;</li> <li>Ensure that the sales network undertakes effective initiatives and regularises major commitments.</li> </ul>
<b>WORK OF THE GENERAL MANAGEMENT COMMITTEE IN 2015</b>		<b>HUMAN RESOURCES</b> <ul style="list-style-type: none"> <li>Examine policy for staff remuneration, training, mobility and recruitment</li> <li>Ensure that recruitment and training policies are appropriate given operational priorities;</li> <li>Carefully manage the career progression of high-potential executives.</li> </ul>
In 2015, the Group General Management Committee steered the Group's senior management in implementing corporate strategy as determined by the Board of Directors. The Group General Management Committee's work consisted of reviewing the Strategic Development Plan 2012-15 and drawing up a new plan for the period 2016-20, ensuring compliance with Bank Al-Maghrib's regulatory provisions in relation to governance and internal control, accelerating implementation of the Convergence Programme, monitoring subsidiaries by head office units and bolstering CSR across the Group. The Committee also made recommendations on commercial aspects, designed to bolster BMCE Bank's market share and enhance its brand image in various market segments. It also supported overseas business development by consolidating the European platform. In terms of developing intra-Group synergies, the Committee encourages all types of initiative and synergy which could benefit individual business lines such as BOA Group, BMCE Capital, BMCE Assurances and Salafin.		<b>OTHER RESPONSIBILITIES</b> <ul style="list-style-type: none"> <li>Ensure a coherent commercial, institutional and financial communications policy;</li> <li>Rule on potential conflicts of interests and unresol-</li> </ul>
The work carried out by the Group General Management Committee in 2015 to enhance the Group's human capital consisted of redesigning the HR appraisal system and introducing a new variable remuneration system designed to boost sales by promoting a performance-based culture and healthy risk management. The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.		

## OPERATING COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
<b>CHAIRMAN</b> • Delegate General Manager, responsible for Group Operations	Weekly and whenever necessary	The Operating Committee is a body that is responsible for reporting, information-sharing and ruling on any issue related to the Bank's operations.
<b>STANDING MEMBERS</b> • Group General Control • Finance and Investments • Personal and Professional Banking • Corporate Banking • Group Risks • Group Human Capital • Technology Processes and Group Organisation • Risk management Morocco • Casa North Regional Division • Casa South Regional Division • Ex-Casa Regional Divisions • Governance and Management		It therefore provides operational as well as technical expertise and makes recommendations to the General Management Committee to assist with decision-making.
<b>COMMITTEE SECRETARY</b> Group Quality		<ul style="list-style-type: none"> <li>• Ensure the rationalisation of the Bank's project portfolio (organisation, IT, logistics, quality etc.) and the sharing of available resources;</li> <li>• Rule on project priorities, postponements and stoppages as a function of corporate strategy and allocated budgets;</li> <li>• Monitor the state of progress of project implementation and the impact on the Bank's operations and development;</li> <li>• Ensure a rapid development cycle for new products and services, particularly in terms of time-to-market and resolve any related operational or functional issue;</li> <li>• Monitor the state of progress of the expansion of the branch network (branch openings, installation of off-site ATMs, branch closures etc.);</li> <li>• Regularly analyse the Bank's main operating indicators (quality, incidents, production etc.) and operational risk and propose corrective action;</li> <li>• Rule on decisions regarding operational aspects relating to technical, organisational and logistical issues;</li> <li>• Report to the General Management Committee on potential conflicts of interest as well as on all unresolved customer files within the remit of the Bank's entities and internal committees</li> <li>• Monitor implementation of recommendations from Group General Control relating to these competences.</li> </ul>
<b>ASSOCIATE MEMBERS</b> In addition to the above standing members, associate members include all divisional and departmental heads. They attend meetings to discuss those issues that they have submitted to the Operating Committee for deliberation.		
<b>WORK OF THE OPERATING COMMITTEE IN 2015</b>		
In 2015, the Operating Committee dealt with about 30 issues, 17 of which were completed. The work of the Operating Committee included reviewing customer complaints, redesigning cash voucher processing, streamlining loan agreement processing, transactions pending in the fund management business, cleaning up import titles, reviewing procedures for dealing with inheritance, overseeing the road tax payment process, processing methods for opening and paying import documentary credit arrangements as well as revising the processing procedures on a weekly basis or whenever necessary.		
A N N U A L  R E P O R T		

## GROUP INTERNAL CONTROL COORDINATION COMMITTEE

COMPOSITION	MEETINGS
<b>CHAIRMAN</b> Chairman of the Group General Management Committee and, in his absence, the Group General Controller.	Quarterly, or whenever necessary
<b>STANDING MEMBERS</b> <ul style="list-style-type: none"><li>• Delegate General Manager, responsible for Group Finance</li><li>• Delegate General Manager, responsible for Group Operations</li><li>• Group General Controller</li><li>• Head of Group Risks</li><li>• Head of Finance &amp; Investments</li><li>• Head of Group Compliance</li><li>• Head of Group Permanent Control</li></ul>	
<b>COMMITTEE SECRETARY</b> Head of Group Compliance	
<b>ASSOCIATE MEMBERS</b> <ul style="list-style-type: none"><li>• Head of Subsidiaries' Risk, Internal Control and Compliance functions, depending on the items to be discussed on the Committee's agenda.</li><li>• Group Governance and Development division;</li><li>• The Committee may invite, at its discretion, any member or non-member of BMCE Bank or of the Group, depending on the items to be discussed on the Committee's agenda.</li></ul>	
<b>WORK OF THE GROUP INTERNAL CONTROL COORDINATION COMMITTEE IN 2015</b>	<p>In 2015, the Group Internal Control Coordination Committee examined the Group's procurement policy, its knowledge of customers and qualifying data on initial customer contact, AML alerts, the automation of the Permanent Control portal at head office departments, the new internal control system and the reporting of the latest recommendations from the Supervisory Authority on compliance issues.</p> 

## RESPONSIBILITIES

The Group Internal Control Coordination Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level, control systems at Group level. In this regard, its responsibility is to:

- Monitor, on a permanent basis, the overall and actual functioning of internal control systems at Group level;
- Ensure consistency and standardisation of those items constituting internal control systems, the means employed to implement them (procedures, internal control tools etc.), rules ensuring that these systems are ring-fenced from operational units and the various responsibility levels under 1<sup>st</sup> and 2<sup>nd</sup> level control;
- Ensure that authority and responsibility levels and the remit of operational entities of the Bank and of its subsidiaries are clearly outlined and demarcated by means of procedures for executing operations;
- Take the necessary measures, in good time, to remedy any identifiable deficiency or failing, while implementing recommendations to make good deficiencies or failings identified by the internal control system of the Bank and Group subsidiaries;
- Periodically review the internal control handbook of the Bank and its subsidiaries with a view to amending its provisions to account for legislative and regulatory changes as well as changes to the Group's business operations and business lines;
- Coordinate preparation of the annual report on internal control in respect of regulatory provisions and ensure compliance with the principles governing the interaction of those parties contributing to its preparation;
- Analyse internal control reports, examine the main malfunctions and propose to the Group General Management Committee the necessary corrective action for reducing risk as much as possible;
- Coordinate the process for preparing the permanent control and compliance annual plans of the Bank and Group subsidiaries and ensure that they are updated;
- Ensure, on a regular basis, that the information systems used by the Bank and its subsidiaries for accounting and information processing satisfy the general objectives of prudence and security and that they comply with current accounting standards;
- Ensure that the information and communications systems are effective, reliable and well-adapted, covering all the main activities and the risks incurred, measuring and monitoring, permanently, on an individual as well as consolidated basis, exposure to the various risks;
- Closely monitor the accounting control system, ensuring the quality, reliability and completeness of financial data and of the accounting principles and standards adopted as well as the availability of information at any time.

## GROUP RISK STEERING AND MANAGEMENT COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
<b>CHAIRMAN</b> • Managing Director, Group Executive	Bi-monthly, or whenever necessary	The Group Risk Steering and Management Committee is a sub-committee of BMCE Bank Group's General Management Committee. It helps the latter manage and monitor, at the operational level: • The risk steering policy of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Ensures that the Group's activities comply with risk policy and limits set by the Group, BMCE Bank S.A. and its direct and indirect subsidiaries.
<b>STANDING MEMBERS</b> • Delegate General Manager, responsible for Group Finance • Chief Executive Officer of BOA Group • Delegate General Manager, responsible for Corporate Banking, Morocco • Delegate General Manager, responsible for Retail Banking, Morocco • Delegate General Manager, responsible for Group Operations • Delegate General Manager, responsible for International Coordination • Chairman of BMCE Capital's Executive Board • Adviser to General Management • Group General Controller • Head of Group Risks Division • Head of Finance & Investments Division		The Group Risk Steering committee ensures that the risk steering policy of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries is effective and consistent with risk management policy relating to credit, market and operational risks.
<b>COMMITTEE SECRETARY</b> • Head of Group Risk Management		In this respect, its responsibility is to: • Determine global risk strategy and ensure that it is governed by policy and procedures which allow for measuring, controlling and monitoring risk both on an individual as well as a consolidated basis; • Define limits for general levels of risk incurred in accordance with the risk aversion profile determined by the Board of Directors and the overall operational thresholds set by the Group General Management Committee and ensure that they are complied with, while taking into consideration the capital of BMCE Bank S.A. and the Group's direct and indirect subsidiaries (prudential ratios); • Examine internal risk measurement models; • Analyse the causes of potential overruns of global risk limits and propose corrective action; • Establish a policy for managing non-performing loans, periodically examine their progress and draw up action plans to manage them; • Monitor risk management at a regulatory level and in terms of methodology; • Monitor inter-Group organisational and IT projects related to risk steering; • Validate any change related to risk steering implemented by the Group or any of its subsidiaries; • Directly implement the policy for measuring, controlling and monitoring the risks incurred and report back to the Group General Management Committee on any changes to the appraisal criteria in each risk category at the levels of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Oversee the system for ensuring adequate internal capital levels in light of the risk aversion profile of the Group, BMCE Bank S.A. and its direct and indirect subsidiaries; • Monitor, on a regular basis, the quality of the risk steering policy implemented within the Group, BMCE Bank S.A. and its direct and indirect subsidiaries.
<b>ASSOCIATE MEMBERS</b> • The Chairmen and Chief Executive Officers of the subsidiary in question • Any other person in connection with the topic to be discussed by the Committee		
<b>WORK OF THE GROUP RISK STEERING AND MANAGEMENT COMMITTEE IN 2015</b>		
In 2015, the work of the Group Risk Steering and Management Committee consisted of weighting the Group's exposures to guarantees issued by governments and central banks denominated in local currency for foreign subsidiaries, particularly Moroccan banks with operations in sub-Saharan Africa, portfolio diversification in respect of counterparty risk by funding SMEs, monitoring operational risk mapping, cancelling one-cent liabilities and reviewing credit approval policy guidelines.		



## GROUP ALM COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
<b>CHAIRMAN</b> • Managing Director, Group Executive	Quarterly, or whenever necessary	The Group ALM Committee is the body responsible for drawing up and implementing the Group's asset-liability management strategy in line with the strategy determined by the Board of Directors. In this regard, its responsibility is to:
<b>STANDING MEMBERS</b> • Delegate General Manager, responsible for Group Finance • Delegate General Manager, responsible for Corporate Banking, Morocco • Delegate General Manager, responsible for Retail Banking, Morocco • Delegate General Manager, responsible for International Coordination • Chairman of BMCE Capital's Executive Board • Adviser to General Management • Head of Group Risks • Head of Finance & Investments		<ul style="list-style-type: none"> <li>• Draw up and implement ALM strategy, enabling BMCE Bank Group to meet its obligations on a permanent basis in line with the strategy determined by the Board of Directors (return on equity, risk appetite etc.);</li> <li>• Ensure that a uniform and efficient system exists and is implemented, for identifying, measuring, controlling and mitigating ALM risks at Group level, while implementing best practices (sharing best practices among subsidiaries). In this regard, it approves asset-liability management procedures.</li> </ul>
<b>COMMITTEE SECRETARY</b> • Finance & Investments		<ul style="list-style-type: none"> <li>• Examine, on a frequent basis, the Group's risk profile in respect of internal as well as statutory limits or those established by stakeholders (interest rate and liquidity risks as well as foreign currency risk resulting from exposure to instruments denominated in major foreign currencies and in dirhams);</li> <li>• Ensure that subsidiaries' profits are protected against exchange rate fluctuations;</li> <li>• Monitor transfer pricing within the Group in relation to lending/borrowing operations;</li> <li>• Examine the impact on the Group's short-, medium- or long-term financial position from launching new products or business activities that carry interest rate or liquidity risks (such as compliance with current limits);</li> <li>• Establish a course of action and priorities in all matters relating to liquidity, in the various currencies, while ensuring the efficiency of the Group's Liquidity Contingency Plan in the event of a liquidity problem;</li> <li>• Examine, on a frequent basis, the results of stress tests conducted using hypothetical scenarios and incorporating internal as well as external factors;</li> <li>• Update, on a regular basis, the assumptions incorporated within the system for measuring balance sheet risks (such as run-off assumptions, interest rate forecasts etc.) and ensure that they are back-tested;</li> <li>• Analyse the impact from macro-economic, regulatory and legislative changes on the Group.</li> </ul>
<b>ASSOCIATE MEMBERS</b> • Head of Group ALM • Heads of Group subsidiaries or their appointed proxies, depending on the items for discussion on the agenda • Any person, at the Committee's discretion, depending on the items for discussion on the agenda		
<b>WORK OF THE GROUP ALM COMMITTEE IN 2015</b>		
In 2015, the Group ALM Committee examined and made recommendations about (i) the 2015 refinancing plan, (ii) the international bond issue against a backdrop of positive foreign currency liquidity conditions, (iii) the Bank's internal settlement interest rate policy and (iv) the 2015 interest rate table for term deposit.		

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BMCE BANK  
& ITS SHAREHOLDERS

## BMCE BANK SHARES

### CHANGES IN SHARE CAPITAL

	Type of transaction	Number of shares issued	Increase in share capital MAD	Share capital after increase (MAD)
1990	Cash subscription	1 200 000	120 000 000	500 000 000
1991	Bonus issue	750 000	75 000 000	575 000 000
1991	Cash subscription	1 750 000	175 000 000	750 000 000
1992	Bonus issue	750 000	75 000 000	825 000 000
1992	Cash subscription	1 750 000	175 000 000	1 000 000 000
1996	Bonus issue	2 857 142	285 714 200	1 285 710 000
1996	Issue reserved for foreign institutional investors	1 369 394	136 939 400	1 422 653 600
2000	Bonus issue	1 443 194	144 319 400	1 587 513 900
2010	Cash subscription reserved for CM-CIC Group	10 712 000	107 120 000	1 694 633 900
2010	Cash subscription reserved for Group employees	2 500 000	25 000 000	1 719 633 900
2012	Cash subscription reserved for cornerstone shareholders	7 500 000	75 000 000	1 794 633 900

### CHANGES IN SHARE OWNERSHIP

ACQUISITION OF EQUITY STAKES		Shareholders	Number of shares	% of share capital	Purchase price per share in MAD	
Year						
2000	Banco Espírito Santo		400 113	2,52%	670	
2001	Commerzbank		800 000	5,04%	450	
	Union Bancaire Privée		184 200	1,16%	425	
2002	Finance.com		652 210	4,11%	420	
	Interfina		489 914	3,09%	At various prices	
2003	Finance.com		800 107	5,04%	400	
	Share buyback programme		795 238	5,01%	400	
	Public offer of sale reserved for Group employees		750 000	4,72%	400	
	Al Wataniya		250 000	1,57%	400	
2004	Finance.com		792 169	4,99%	400	
	Crédit Industriel et Commercial		1 587 514	10,00%	500	
	Morgan Stanley		476 000	3,00%	445	
2005	Public offer of sale reserved for Group employees		530 129	3,34%	525	
2006	Share buyback programme		448 142	2,82%	At various prices	
	BES / FUNDO PENSOES		400 402	2,52%	985	
2007	Caja de Ahorros del Mediterraneo		793 757	5,00%	1869,15	
	Share buyback programme		327 670	2,06%	2750	
2008	CIC		800 000	5,04%	3000	
	BFCM		23 875 040	15,04%	270	
	Share buyback programme		-	3,11%	At various prices	
2009	BFCM		7 778 762	4,90%	290	
	Share buyback programme		5 564 981	3,05%	At various prices	
2010	CDG		12 700 111	8,00%	267	
2010	Groupe Crédit Mutuel-CIC		10 712 000	5,00%	235	
2010	Group employees		2 500 000	1,64%	200	
2011	Finance.com		7 937 500	4,62%	200	
2012	BES VIDA COMPANHIA DE SEGUROS SA		4 401 240	2,56%	192	
2012	BFCM		2 300 000	1,34%	200	
2012	Increase in share capital reserved for RMAWatanya, Finance.com, CIMR, CDG, MAMDA/MCMA, BES, BFCM		7 500 000	4,36%	200	
2013	CDG		2 691 957	1,57%	200	
2014	CDG		897 317	0,5%	200	
2015	CDG		1 951 456	1%	At various prices	

DISPOSAL OF EQUITY STAKES		Shareholders	Number of shares	% of share capital	Disposal price per share in MAD	
Year						
2001	Nomura		323 597	2,24%	400	
2002	Interfina		652 210	4,11%	420	
2003	Commerzbank		1 595 345	10,05%	400	
	Interfina		750 000	4,72%	400	
2004	Commerzbank		792 169	4,99%	400	
	Finance.com		1 587 514	10,00%	500	
2005	Share buyback programme		664 507	4,19%	Divers cours	
	Group employees		356 266	2,24%	Divers cours	
2006	Group employees		367 093	2,31%	Divers cours	
	Union Bancaire Privée		132 765	0,84%	Divers cours	
	Banco Espírito Santo		400 402	2,52%	985	
2007	Share buyback programme		793 757	5,00%	1869,15	
	Group employees		327 670	2,06%	2750	
	CIMR		115 205	0,73%	Divers cours	
2008	CIC		23 875 040	15,04%	270	
	Group employees		-	1,98%	Divers cours	
2009	Share buyback programme		6 350 000	4,00%	290	
	RMAWATANYA		1 428 762	0,90%	290	
2010	Share buyback programme		12 589 826	7,93%	267	
2011	Caja de Ahorros del Mediterraneo		7 937 500	4,62%	200	
2012	Banco Espírito Santo		397 220	0,23%	192	
2012	BES / FUNDO PENSOES		4 004 020	2,33%	192	
2012	Finance.Com		2 300 000	1,34%	200	
2013	Finance.Com		2 691 957	1,57%	200	
2014	Finance.Com		897 317	0,5%	200	

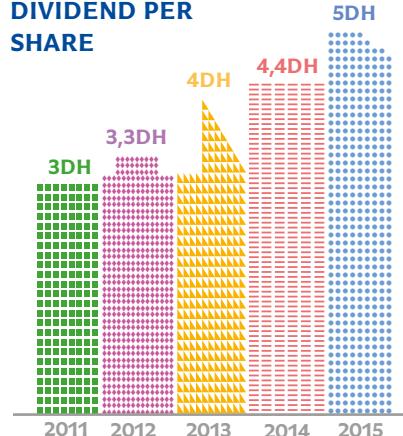
## BMCE BANK'S SHARE PRICE PERFORMANCE



In 2015, BMCE Bank's share price performed in line with the Banks sector index, falling by -2.73% to 214 MAD versus a -2.74% decline in the sector benchmark to 11,230.25.

The MASI and MADEX indices fell by -7.22% to 8,925.71 points and by -7.49% to 7,255.21 points respectively.

### DIVIDEND PER SHARE



### MAIN SHARE PRICE INDICATORS

	2015	2014
Closing price	214 MAD	220 MAD
Market capitalisation at 31/12/2015	38,4 billion MAD	39,5 billion MAD
High	240 MAD	225 MAD
Low	210 MAD	201,5 MAD
Weighted average price	220 MAD	212,6 MAD
Share price performance	0%	+7,6%
PER	19,6	20,3
Dividend yield	2,26%	2,46%

BMCE Bank's shareholder remuneration policy aims to deliver positive annual dividend growth.

### MAIN RATIOS 2015

	LIQUIDITY	VOLATILITY
6 MONTHS	6.6%	16.0%
1 YEAR	21.0%	16.8%
5 YEARS	101.9%	23.1%

### BMCE BANK'S SHARE PRICE PERFORMANCE IN 2015

BMCE BANK	MASI	MADEX	BANKS SECTOR INDEX
-2.73%	-7.22%	-7.49%	-2.74%



#### TABLE OF MONTHLY SHARE PRICE PERFORMANCE AND VOLUME\* IN 2015

	High*	Low **	Number of shares	Amount	Number of transactions
January	229,0	215,0	246 219	54 457 502	229
February	238,9	218,0	791 955	179 221 911	334
March	240,0	230,0	561 789	133 360 912	401
April	228,0	219,1	80 385	17 866 471	203
May	222,9	217,0	61 349	13 516 494	147
June	229,0	219,9	4 455 737	980 545 757	194
July	220,0	215,0	168 786	36 417 101	249
August	225,0	216,0	190 633	41 531 088	148
September	220,0	210,0	224 743	48 264 348	237
October	218,7	213,1	167 917	36 252 777	179
November	219,8	213,0	184 816	39 892 928	227
December	219,8	213,0	2 013 842	431 243 677	207

\*Central Market

\*\*Highs and lows are based on the closing price

#### GDR PROGRAMME

In 1996, BMCE Bank increased its share capital via a USD 60 million issue of global depository receipts (GDRs) listed on the London Stock Exchange. The aim, which was to open up part of BMCE Bank's share capital to foreign shareholders, resulted in the Bank acquiring a more solid financial base compared to other emerging market banks.

#### GDR PROGRAMME AT 31 DECEMBER 2015

GDR Type	Reg S*
Ticker	BMED
Number of shares	1 409 370
Type de GDR	144 A**
Ticker	691R
Number of shares	180

(\*) Reg S: GDRs which may be held by retail or corporate investors domiciled outside the United States.

(\*\*) 144A: GDRs which are reserved solely for "Qualified Institutional Buyers" (QIBs) domiciled within the United States. QIBs are institutions holding at least USD 100 million of securities for their own account. QIBs may not be retail investors.

## SHAREHOLDERS' RIGHTS

The shareholder, as the owner of an equity security, is entitled to a number of rights such as a right of access to information, a right to contribute to the smooth running of the company by participating in collective decision-making and an entitlement to earnings.

BMCE Bank's shares are listed on the Casablanca Stock Exchange. Each share has a nominal value of ten (10) dirhams.

### Right to access information

BMCE Bank complies strictly with all requirements relating to publicity and information as prescribed by current legislation regarding communicating with shareholders, regardless of the size of shareholdings, about major corporate events and, in particular, any fresh news likely to bring about a change in the Bank's stock price.

Shareholders have a right to access information on a permanent and temporary basis. The annual financial statements for the previous three fiscal years are available to shareholders at the Bank's head office and on its corporate website.

Similarly, every year, in addition to the parent company financial statements, the management report and Statutory Auditors' general and special reports, the list of Directors, the list of agreements under Articles 56 et seq. and the proposed allocation of the previous financial year's earnings are made available at least fifteen days before the Annual General Meeting.

Furthermore, for an uninterrupted period beginning no later than the 21<sup>st</sup> day preceding the AGM, the Bank shall make available to its shareholders, on its website, the information and documents listed in Article 121(ii) of Act No. 17-95 relating to limited companies as amended and completed.

In addition, the fact that BMCE Bank is a public limited company, the Board of Directors' Management Report must highlight the value and appropriateness of investments made by the Bank and their foreseeable impact on its development. It must also make mention, where appropriate, of the risks inherent in the said investments; it must indicate and assess risks and events known to the company's Management or the Board of Directors which are likely to exert a positive or negative influence on the Bank's financial position.

Lastly, the Bank's shareholders may ask questions of the management during a General Meeting or submit written questions beforehand to the Board of Directors.

### Voting rights

Each of the Bank's shareholders is entitled to participate in collective decision-making either in person or via an authorised proxy, another shareholder, an ascendant or descendant, spouse or any legal entity involved in portfolio management.

At a General Meeting, the principle of one vote per ordinary share held applies.

Voting rights are exercised at least once a year at the Ordinary General Meeting, convened to rule on the financial statements for the financial year in question.

One or more shareholders representing at least 5% of the share capital has/have the right to request inclusion of one or more draft resolutions on the agenda of the said Meetings.

### Dividend entitlement

Each shareholder is entitled to the distribution of profits generated by the Bank in the form of a dividend, provided that distributable profits have been made and that their distribution has been approved by the Annual General Meeting.

Distributable profit is composed of the net income for the period less previous losses as well as amounts posted to reserves plus retained profits brought forward from previous periods.





DESCRIPTION	Financial year (MAD millions)	Parent income	Morocco income	Variations 14/15
<b>2015</b>				
Morocco income	836,4			-13,3%
Parent income	1 304			+8,4%
Total dividends	897,3	68,81%	107%	
Dividend per share	MAD 5			
<b>2014</b>				
Morocco income	965,1			+14,5%
Parent income	1 203			+8,5%
Total Dividendes	789,6	65,6%	81,8%	
Dividend per share	MAD 4,4			
<b>2013</b>				
Morocco income	842,8			+34%
Parent income	1 109			+56%
Total dividends	717,8	64,7%	85,2%	
Dividend per share	MAD 4			

## INVESTOR RELATIONS

BMCE Bank of Africa Group's financial communications activity is particularly important given (i) the Group's rapid overseas development (ii) the growing interest shown by foreign investors in Morocco as a frontier market and (iii) the introduction of new regulatory requirements (Basel III, full IFRS and the potential reporting of earnings on a quarterly basis). BMCE Bank is the only Moroccan company listed on two European stock exchanges, those of London and Luxembourg.

In 2015, BMCE Bank bolstered its investor relations activity, holding more than twenty one-on-one meetings with foreign investors at its head office as well as taking part in roadshows at home and abroad. It also participated in the second One-on-One Equity Conference

organised by CFG Group in Marrakesh and the 7<sup>th</sup> MENA & Frontier Markets Conference.

The Financial Communications unit also helped to monitor the strategic transactions in which the Bank was involved in 2015 such as the partial redemption of the Eurobond listed on the Luxembourg Stock Exchange and the issue of a MAD 2 billion subordinated note on the domestic market. The Financial Communications unit also bolstered relations with rating agencies, helping with and monitoring BMCE Bank ratings reports.

In 2015, media relations and public opinion were reinforced by developing and maintaining an extensive network of partners who wrote articles about the Bank, producing content for the website, social media and press

releases as well as developing analytics-based materials such as Q&A documentation or standard industry reports for earnings releases.

Other initiatives undertaken included monitoring and tracking press releases, developing a system for monitoring media relations and public opinion and organising conferences to present BMCE Bank's financial results. The Bank is required to prepare appropriate materials for all such events such as a press kit and evaluation pack, containing a media plan, a budgetary approach, press review analysis and industry data.

## BMCE BANK'S RATING

Moody's, June 2016	Fitch August 2016	Capital Intelligence August 2016
<p>BANK DEPOSITS IN DIRHAMS: BA1/NP        FOREIGN CURRENCY BANK DEPOSITS: BA2/NP        FINANCIAL STRENGTH: D        OUTLOOK: STABLE</p> <p>"The stabilisation of the ratings outlook reflects our view that the stabilisation of the Moroccan operating environment combined with improving asset quality on the sub-Saharan asset portfolio reduce the possible tension on the bank's limited loss-absorption capacity. The stabilisation also incorporates our assessment of the bank's more selective loan growth, which increasingly focuses on the retail and SME segment, therefore reducing gradually portfolio concentrations."</p>	<p>LONG-TERM FOREIGN CURRENCY DEPOSITS: BB+        SHORT-TERM FOREIGN CURRENCY DEPOSITS: B        LONG-TERM LOCAL CURRENCY DEPOSITS: BB+        SHORT-TERM LOCAL CURRENCY DEPOSITS: F3        VIABILITY RATING: B+        OUTLOOK: STABLE</p> <p>"BMCE's profitability is sound and ahead by comparison with peers. Fitch expects this trend to continue, supported by BMCE Bank's activities in sub-Saharan Africa and cost reduction at BOA."</p>	<p>SHORT-TERM FOREIGN CURRENCY DEPOSITS: A3        LONG-TERM FOREIGN CURRENCY DEPOSITS: BBB-        FINANCIAL STRENGTH RATING: BBB-        SUPPORT RATING: 2        OUTLOOK: STABLE</p> <p>"BMCE enjoys a strong position within the Moroccan banking industry, with high market shares in assets, deposits and loans. It is ranked third in terms of its share of the loan and deposit markets in Morocco. BMCE Bank's profitability again improved in 2014 due to growth in net interest income. Operating expenses remain well contained."</p>





## FINANCIAL COMMUNICATIONS AGENDA 2016

### MARCH

Board of Directors' meeting on 25 March 2016  
Press release and annual results for the year ended 31 December 2015  
Publication of annual financial statements under IFRS for the year ended 31 December 2015  
Meeting with analysts and the press: presentation of BMCE Bank's performance for the year ended 31 December 2015

### MAY

Mixed General Meeting on 30 May 2016

### JUNE

Publication of the abridged multilingual Report 2015 in Arabic, Tamazight, French, English and Spanish

### AUGUST

Publication of the Annual Report and Sustainable Development Report 2015 in French

### SEPTEMBER

Publication of the Annual Report and Sustainable Development Report 2015 in English  
Press release and interim results for the half year ended 30 June 2016  
Publication of first half 2016 financial statements under IFRS  
Meeting with analysts and the press: presentation of BMCE Bank's performance for the first half ended 30 June 2016

### OCTOBER

Publication of the Annual Report and Sustainable Development Report 2015 in Arabic



**RISK MANAGEMENT  
ORGANISATION**

# RISK MANAGEMENT ORGANISATION

## RISK MANAGEMENT ORGANISATION

### Control Bodies

Group General Control is responsible for conducting inspections and audits across the Group's various operational entities both in Morocco and overseas.

### Group Risks Division

The Group Risks Division ensures that credit, market and operational risks are monitored and controlled. The Division is responsible for:

- Defining BMCE Bank Group's risk policy;
- Implementing a risk control system relating to credit, market and operational risks;
- Defining and managing the credit approval and monitoring processes.

The Group Risks Division comprises six units:

- Group Risk Management Division
- Commitments Monitoring
- Commitments Analysis
- Group Risk Convergence
- Group Risk Consolidation & Steering
- Group Risk Projects Steering

### GOVERNANCE BODIES

#### Group Risks Committee

BMCE Bank Group's Risk Committee is a body reporting directly to the Board of Directors whose remit extends to the Bank, its direct and indirect subsidiaries and other entities included within the Group's scope of consolidation. The Group Risks Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.

#### Audit and Internal Control Committee

The Group Audit and Internal Control Committee (Group CACI) is a body reporting directly to the Board of Directors whose remit extends to the Bank, its subsidiaries and other entities included within the Group's scope of consolidation.

The CACI assists the Board of Directors in matters such as internal control, corporate strategy and risk management while ensuring that:

- The internal control system and resources are:
  - Consistent and compatible to be able to monitor and control risk within the Bank and produce information required by regulatory authorities;
  - Adapted to the Bank's organisational structure as well as the activities of entities under the Bank's control;
- The financial information intended for the Board of Directors is reliable and accurate such that the legitimate interests of shareholders, depositors and other stakeholders are safeguarded;
- Examine the parent company financial statements prior to submitting them to the Board of Directors for approval.

#### General Management Committee

The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

This Committee, which meets weekly, is also responsible for steering the Bank's business, managing its internal control and risk management systems, monitoring HR and overseeing commercial, institutional and financial communications.

#### Group Risk Steering and Management Committee

The Group Risk Steering and Management Committee is a sub-committee of BMCE Bank of Africa Group's General Management Committee. It helps the latter manage and monitor, at the operational level:

- Group risk steering policy;
- And ensures that the Group's activities comply with risk policies and the limits set.

This Committee ensures that BMCE Bank Group's risk steering policy is effective and consistent with risk management policy relating to credit, market, country and operational risks.

#### Credit Committees

##### • Senior Credit Committee

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Executive Managing Director reporting to the Chairman in the role of Vice-Chairman. It is sub-divided by market segment into two committees, one specialising in Corporate Banking, the other in Personal and Professional Banking.

These committees meet twice-weekly and include senior managers of the Bank.

##### • Regional Credit Committee

The Regional Credit Committee meets on a weekly basis. The dates for holding RCCs are decided by each region's Regional Director and notices are sent to all members.

## Committee for Monitoring and Downgrading Accounts Showing Anomalies

As part of its portfolio monitoring remit, the Committee for Monitoring and Downgrading Accounts Showing Anomalies (central or select committee) meets on a monthly basis to monitor the cleaning-up of risky accounts and decide on whether doubtful loans to the relevant non-performing loan categories.

## CREDIT RISK

The Bank's credit division operates in accordance with the general credit policy approved by the Group's senior management. The Group's requirements in terms of ethics, reporting lines, compliance with procedures and discipline in risk analysis are guiding principles.

This general policy is further divided into specific policies and procedures depending on the character of specific operations or counterparties.

## Decision-making procedure

BMCE Bank has adopted a dual approach to the credit approval process as follows:

**1-** A standardised approach for retail products within the framework of Product Programs which define, for each product, risk management rules governing product marketing. Risk policy may be implemented in two ways:

- Use of a self-check form with formatted approval criteria as the basis of risk assessment; this self-check form lists credit approval criteria and checks compliance with credit standards. A credit application must be rejected if it does not comply with these standards unless exemption has been granted by the Committee.
- A delegation system by which credit approval decisions are delegated to different levels of power. This ensures consistency in credit decision-making and a high

level of integrity from the person to whom powers have been delegated. Each credit application is processed by subordinate entities prior to its approval by the duly responsible decision-making entity.

**2-** An individualised approach based on the particular characteristics and requirements of corporates based on three fundamental principles:

- Management of the loan portfolio which provides Senior Management with enough information to be able to assess the customer's risk profile;
- The delegation of authority to employees, assigned intuitu personae on the basis of their decision-making ability, experience, personal skills, professional skills and training;
- The balance of powers, granted on the judgement of at least three people known as a 'troika'.

For certain risk levels, approval must be sought from the Senior Credit Committee or the Bank's Chairman.

The Group Risk and Coordination Division monitors risk management quality and ensures compliance with internal rules and procedures.

It is also worth noting that Group General Control and the external auditors provide additional objective control of credit quality and ensure compliance with procedures.

## System for monitoring and steering credit risks

The system for monitoring and steering credit risks provides second level control. It operates independently of daily monitoring carried out by sales units. The system may be adapted to the specific character of each subsidiary in concertation with the Group Risks Division. Responsibility for risk monitoring is entirely incumbent on sales units. Daily monitoring of transaction-related risks is the responsibility of the sales person in charge of the cus-

tomer relationship. To help sales units fulfil their responsibilities, they are assisted by the Group Risks Division which provides alerts. The controls carried out by the Group Risks Division are primarily aimed at ensuring that the advanced alert system is effective both in terms of risk management and sales units anticipating the potential risks so that the Bank's loan portfolio is managed appropriately.

The Group Risks Division is not responsible for checking and approving each transaction executed by an approved and validated facility. This task belongs to an independent back-office responsible for executing the transaction with the agreement of the sales unit. The main operational responsibilities of the Group Risks Division, within its remit for monitoring and steering credit risks, may be summarised as follows:

- Monitor the regularity of commitments: compliance with the initially-stated purpose of the loan and with credit limits, examining payment incidents, reviewing customer files for which payments are due etc.
- Detect loans showing persistent signs of weakness;
- Monitor, in partnership with the branch network, developments in relation to the Bank's main risks (problem loans, largest or most sensitive commitments);
- Determine which customer files are eligible for downgrade as required by regulations governing non-performing loans.
- Monitor on a permanent basis credit risk indicators including healthy loans, troubled loans and non-performing loan mentioning provisioning, non-performing loan ratios and hedging ratios.





## Steering the loan portfolio

The loan portfolio of the Group and its entities is steered using a number of indicators regarding risks that may result when credit approval has been given as well as those that may arise during the life of the loan.

Multi-criteria analysis of the loan portfolio is a way of controlling risks retrospectively. This consists of identifying and tracking all loan commitments of the Group and its entities based on a number of criteria such as products, maturities, customers, business groups, customer segments, counterparty ratings, asset categories (healthy and non-performing), business sectors, agencies, geographical areas, types of security etc. Multi-criteria analysis is a credit risk management tool.

The Credit Risks unit is responsible for carrying out multi-criteria analysis of the loan portfolio. It is also responsible for reporting on credit risks, both within the Group to the Risk Committees and to senior management, and externally, to regulators.

## Monitoring high-risk accounts

High-risk accounts relate to those for which the risk is likely to subsequently increase, thereby resulting in a cost to the Bank. They consist of commitments which show either a visible deterioration in risk quality as measured against quantitative criteria or a potential deterioration in risk quality as measured against qualitative criteria. Assessment, intervention and the complementary nature of the Commercial and Risks Divisions remain the determining factors for identifying high-risk accounts.

## Loan classification

On carrying out the monthly review of the Bank's portfolio and analysis of high-risk accounts, each subsidiary reviews its regulatory loan classification as required by local regulatory requirements. This review is finalised by the committees responsible for monitoring high-risk accounts on the recommendation of each entity's Risks Division. The latter is also responsible for implementing these decisions by monitoring and transferring these accounts from the "healthy" to the "non-performing, requires provisioning" category. Provisioning is checked and monitored by Group General Control, external auditors and the Audit and Internal Control Committee.

## Corrective Management of the Portfolio

The Bank has adopted a policy of recovery by amicable means in order to make the recovery of problem loans more effective. Two entities oversee this policy, one specialising in Corporate Banking activities, the other in Personal and Professional Banking loans. These entities have the following responsibilities:

- Permanently monitor the regularity and quality of the Bank's commitments;
- Monitor, primarily via the branch network or directly with the customers in question, the settlement of accounts for which payments are due;
- Adopt a pro-active approach to avoid non-performing loan impairment.

## INTERNAL RATINGS MODEL

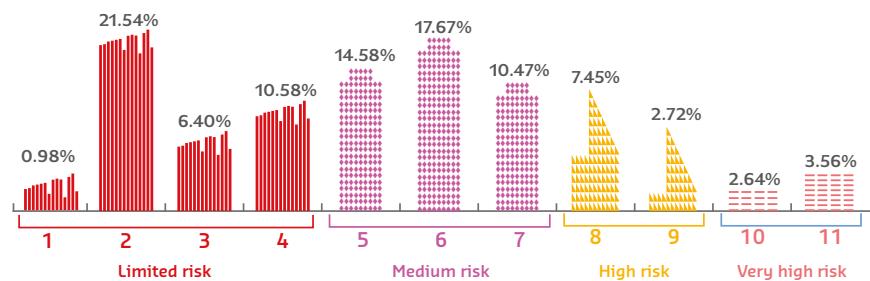
The Bank has an internal ratings model covering the entire BMCE Bank Group, including local subsidiaries.

The aim is to embed the internal ratings model within the day-to-day operations of the Bank's various business lines and subsidiaries e.g. using the internal ratings system for delegating, pricing and sales and marketing targeting, as well as simplifying the credit approval decision-making process. A rating is attributed to each customer, who is treated as a Group third party code. The ratings process is carried out for each Group third party code. A third party has one and only one note. In compliance with regulatory principles, ratings attributions and their subsequent revisions must be carried out or approved by a party which does not directly benefit from the approval of the loan. This concept of integrity is a central feature of the credit risk management charter and is intended to reinforce and an independent ratings process.

### Description of the characteristics of the internal ratings matrix by risk category

	CATEGORY	CLASS	DEFINITION
Investment grade	Limited risk	1	Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions;
		2	Very stable short- and medium- term; stable long-term; sufficiently solvent despite persistently negative events;
		3	Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term;
		4	Very stable short-term; no expected change to threaten the loan in the coming year; sufficiently solid medium-term to be able to survive; long-term outlook still uncertain;
Sub-investment grade	Medium risk	5	Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term;
		6	Ability limited to withstand unexpected negative developments;
		7	Ability very limited to withstand unexpected negative developments;
		8	Ability limited to repay interest and principal on time; any change in internal and external economic and commercial conditions will make it difficult to fulfil obligations;
Sub-investment grade	High risk	9	Incable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions;
		10	Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital;
		11	Total default in repayment of interest and capital.

### Breakdown of commitments by risk category in December 2015



## RATING RETAIL CUSTOMERS

Rating retail customers consists of statistically modelling retail customers in default as well as their risk behaviour. A behavioural score matrix for salaried customers who have contracted a consumer loan is displayed on the Customer Relationship Management (CRM) system with additional remarks provided. The ratings are updated on a daily basis.

A specific credit approval ratings system is used for retail customers who have contracted a government-backed on-demand loan. Behavioural ratings are also used for professional banking customers and Moroccans living abroad.

## Guarantees and Securities

The Group receives various types of guarantee as loan collateral. As a general rule, collateral requirements are governed by two factors: the type of credit requested and the quality of the counterparty. The Group systematically mortgages all property which it has financed (housing loans and loans for property development) and requests that customers take out insurance cover. Mortgage guarantees are systematically assessed, prior to their being accepted, by an independent specialised agency or by the relevant department, whenever the value declared by the customer exceeds six hundred thousand dirhams. Similarly, funding for public procurement of goods, capital equipment and business premises are systematically guaranteed by pledges on the items funded and insurance cover is also required.

In addition to these guarantees, the Group generally strengthens its position by requesting personal guarantees from counterparties whenever it is deemed necessary, depending on the quality of the latter.

## Concentration limits

The Bank's risk policy is constantly focused on loan portfolio diversification. Credit risk management is based on a system in which a risk opinion and formal risk limits are attributed to strategic initiatives at the business line level, such as in the event of a new business or product launch. For BMCE Bank of Africa Group, the risk of credit risk concentration may result from exposure to individual counterparties, interest groups or counterparties belonging to the same business sector.

## INDIVIDUAL COUNTERPARTIES

The Group monitors individual concentrations at the parent and consolidated levels on a monthly basis. It closely monitors the commitments of its largest 10, 20 and 100 customers by commitment.

## INTEREST GROUPS

Portfolio diversification by counterparty is monitored on a regular basis, particularly within the framework of the Group's individual concentration policies. Credit risk exposure to counterparties or groups of counterparties with relatively sizeable loans, of more than 5% of the Bank's capital, are specifically monitored, both on an individual and consolidated basis.

Furthermore, controlling major risks also ensures that the aggregate risk incurred for each beneficiary does not exceed 20% of the Group's net consolidated capital, as required by Moroccan banking industry regulations. BMCE Bank of Africa Group ensures that it complies with the concentration thresholds stipulated in the Bank Al-Maghrib directive.

## Counterparties belonging to the same business sector

The adopted methodology for setting sector limits is based on a statistical model which includes historical default rates and the number of counterparties by business sector and by risk category (rating).

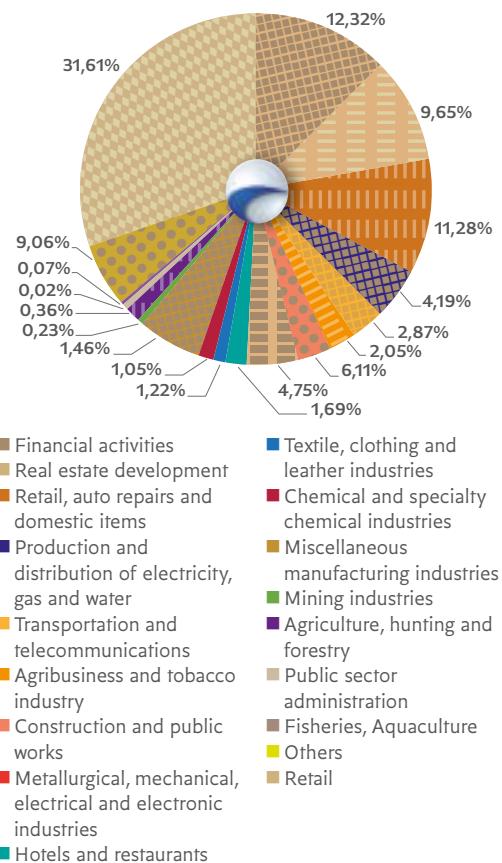
The objective is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

This procedure is based on the assumption that counterparties are independent and that the defaulting events are not correlated. The key concept underlying this methodology is the probability of default for a given counterparty. This probability is measured by using the rate of default of the rating-business sector pair.

The model also enables the Bank to identify priority sectors for credit expansion in the context of the Bank's development plan as well as bad loan experience by sector. This approach, adopted by the Group Risks Division, is complemented by back-testing the model every six months.

Sector-specific limits are reviewed every six months in consultation with sales units and the Bank's Economic Intelligence Centre which provide operational experience as well as estimates of macroeconomic and industry growth. The opinions of these entities help to challenge and provide further confirmation of the model's suitability in a given economic context.

The breakdown of the Group's outstanding customer commitments (domestic activity) by business sector at 31 December 2015 is as follows:



### Stress tests

BMCE Bank of Africa Group conducts half-yearly stress tests in order to evaluate the vulnerability of its loan portfolio in the event of a change in circumstances or deterioration in the quality of counterparties. Stress tests are conducted in order to assess the Group's resilience in the face of unexpected, extreme events. Operationally, they consist of simulating scenarios in the event of default of a certain percentage of the Group's counterparties. The ultimate aim is to quantify the impact on provisioning and, as a result, on profitability and on the Group's consolidated Tier 1 capital.

An assessment is conducted twice a year to ensure that the various scenarios chosen are appropriate. This assessment is conducted on the basis of anticipated goals for carrying out stress tests and each time that market conditions suggest that a potentially unfavourable change is likely to seriously impact the Group's ability to withstand it.

### Level of exposure to counterparty risk based on methods applied to off-balance sheet items

CREDIT RISK-WEIGHTED ASSETS	
Type of Exposure	Risk-Weighted Assets post CRA
Balance-sheet items	144 128 457
Off balance sheet items: financing commitments	3 366 331
Off balance sheet items: guarantee commitments	8 797 639
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	428 621
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	666 695
Other assets / Other items	17 555 892
Settlement Risk	376 734
<b>Total</b>	<b>175 320 370</b>

## MARKET RISK

Market risk management at BMCE Bank Group adheres to regulatory standards as defined by supervisory authorities in application of best international management practices as defined by the Basel Accords.

### Types of market risk

The Bank differentiates between four types of market risk:

- Interest rate risk;
- Equity risk;
- Foreign currency risk;
- Commodities risk;

And three types of credit risk for market transactions:

- Issuer risk;
- Counterparty risk;
- Settlement risk.

### Financial Instruments Mapping

The following table shows products traded as part of BMCE Bank Group's trading portfolio, mapped by risk factor:

<b>Foreign exchange products</b>	FX spot FX forwards FX derivatives FX swaps
<b>Equity products</b>	Equities Equity/index derivatives Equity mutual funds
<b>Fixed income products</b>	I- Corporate and interbank loans/borrowings <ul style="list-style-type: none"><li>• Fixed rate (MAD and foreign currencies)</li><li>• Floating rate (MAD and foreign currencies)</li></ul> II- Negotiable debt securities and other debt securities <ul style="list-style-type: none"><li>II-1 Sovereign securities<ul style="list-style-type: none"><li>• Fixed rate (MAD)</li><li>• Floating rate (MAD and foreign currencies)</li></ul></li><li>II-2 Securities issued by credit institutions and companies<ul style="list-style-type: none"><li>• Fixed rate (MAD)</li><li>• Floating rate (MAD and foreign currencies)</li></ul></li></ul> III- Stock lending/borrowing <ul style="list-style-type: none"><li>• Stock lending/borrowing</li><li>• Repos/Reverse repos</li></ul> IV- Interest rate derivatives <ul style="list-style-type: none"><li>• Interest rate swaps</li><li>• Swap futures</li><li>• Forward Rate Agreement</li></ul> V- Fixed income mutual funds <ul style="list-style-type: none"><li>• Money market mutual funds</li><li>• Bond mutual funds</li></ul>
<b>Commodity derivatives and credit derivatives</b>	Commodity futures Commodity futures and options Credit default swaps (CDS) Credit linked notes (CLN)

## Governance

The main contributors to BMCE Bank of Africa Group's market risk management policy are as follows:

- General Management, which implements market risk management strategies and policies approved by the Board of Directors;
- The Group Risks Committee, which ensures effective implementation of BMCE Bank of Africa Group's market risk management policy and its appropriateness in view of the Group's overall risk management policy;
- Group Market Risk Department, which, as a separate department independent of the Group's front-office, centralises management of BMCE Bank Group's market risk; this gives it maximum objectivity in managing market risks;
- Risk management units of BMCE Bank Group entities which control market activities within their own entities and report back to Group Risk Management;
- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

### Market risk management system

BMCE Bank Group's market risk management system is based on three main factors:

- Management of limits;
- Risk indicators;
- Capital requirements.

## MANAGEMENT OF LIMITS

### • Counterparty limits in market transactions

The approval process for counterparty limits and applications to overrun those limits in market transactions is governed within BMCE Bank Group of Africa via a system of delegation of powers within a framework of procedures specific to each counterparty type. Monitoring authorised counterparty limits and overruns is carried out individually by the risk management unit within each BMCE Bank Group entity on a daily basis as well as overall by the risk management entity responsible for monitoring and consolidating the Group's exposure in market transactions.

### • Market limits

In order to control market risk within BMCE Bank Group of Africa and to diversify the trading portfolio, a set of market limits has been jointly adopted by Group Risk Management and each entity's risk management unit. These market limits reflect BMCE Bank Group's risk profile and help to steer market risk management by arbitrating between its various market activities.

BMCE Bank Group's market risk limits are as follows:

- Stop-loss limits
- Position limits
- Overall VaR limits
- Capital requirement limits
- Transaction limits

### • Regulatory limits

In addition to limits adopted for internal purposes, BMCE Bank Group of Africa also complies with regulatory limits defined by Bank Al-Maghrib including:

- Limits on foreign currency positions which should not exceed 10% of shareholders' equity;
- Limits on the overall foreign exchange position which should not exceed 20% of shareholders' equity.

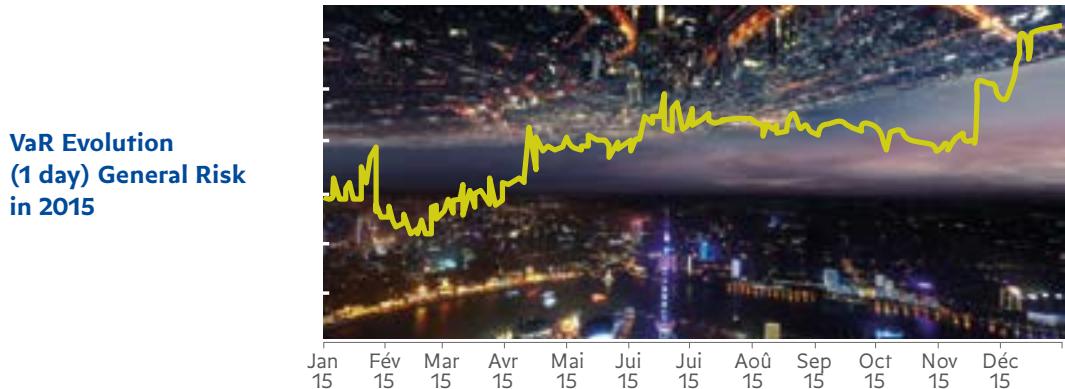
## MONITORING RISK INDICATORS

### • Overall Value-at-Risk (VaR)

Value-at-Risk is a technique used to quantify overall market risk. It helps to quantify the risk incurred by calculating the potential loss over a given time horizon and the degree of probability. Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration portfolio diversification.

BMCE Bank Group of Africa uses software to calculate overall Value-at-Risk and VaR by asset class on a daily basis as well as carrying out daily back-testing for a number of methods.





- **Stress-testing by risk factor :**

A series of stress tests are conducted on a daily basis for each of the trading portfolio's activities. These stress tests replicate the impact of an extreme situation on the current portfolio by applying hypothetical scenarios or identifying the worst possible situations for the Bank.

The results of stress tests are used to quantify the impact on the Bank's net banking income, capital levels, capital adequacy ratios and Tier 1 capital ratio.

Regulatory stress tests are also conducted on a half-yearly basis as stipulated in technical notice No.01-DSB-2012.

## CAPITAL REQUIREMENTS

BMCE Bank Group of Africa uses the Fermat software solution to calculate capital requirements under the standardised approach for market risks. This satisfies regulatory requirements in terms of reporting and monitoring capital requirements regarding the Group's trading portfolio.

The Group's consolidated capital requirements at 31 December 2015 were as follows:

CAPITAL REQUIREMENTS	CAPITAL REQUIRED
Fixed income risk	627 971
Equity risk	105 728
Foreign exchange risk	102 990
Commodity risk	4 537
Total capital required in respect of market risk	841 227

## METHOD FOR VALUING TRADING PORTFOLIO SECURITIES

### Dirham-denominated fixed income and money market instruments

Market values of fixed income and money market assets are calculated on Kondor+ using the dirham yield curve for fixed income and money market assets on the basis of the dirham rate curve published by Bank Al-Maghrib and on each transaction's characteristics.

### Money market and fixed income mutual funds

A number of mutual funds publish net asset values on a daily basis while others are updated weekly. Mutual funds are valued on the basis of net asset value calculated on a daily or weekly basis.

### Foreign currency-denominated fixed income products

Foreign currency-denominated fixed income products are valued on Kondor+ on the basis of the yield curves for the foreign currencies in question and on each transaction's characteristics.

### Foreign exchange options

Foreign exchange options are valued on the following basis: volatility curve, yield curves (EUR, MAD and USD) and foreign exchange crosses for the three currencies.

The foreign exchange options position is included in the overall foreign exchange position using the delta equivalent method.

### Overall foreign exchange position

The value of foreign exchange positions does not include the 0.2% levied by Bank Al Maghrib on each spot trade.

Branch-based foreign exchange transactions are executed at BMCE Bank's fixing rate (non-negotiable rate).

A final statement of orders awaiting execution is transmitted to the Foreign Exchange Desk on day "N" which deals with it immediately. On "N+1" in the morning, the Middle Office receives a statement comprising possible amendments to branch network positions and updates Kondor+.

### Positive Fair Value of Contracts (Guarantees)

Guarantees relating to market risks relate to "repo" agreements. The latter are securities sold under repurchase agreements in order to raise funds.

## COUNTRY RISK

In a constantly changing world and within the constraints of the Group's overseas growth strategy and regulatory requirements (Directive 1/G/2008), the introduction of a country risk management system will enable the Group to identify, measure and control its cross-border risks.

The Country Risk unit's adopted methodology is based on the following points:



### Country risk management policy

The country risk management policy aims to define a framework for overseeing all overseas business activities that generate risks for the Bank. It establishes management standards and rules in order to harmonise regulatory requirements and in-company governance.

### Country risk reporting

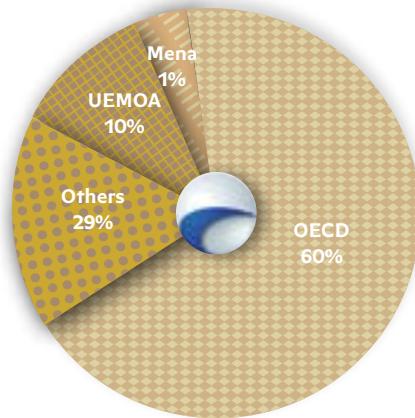
Monthly reporting by overseas subsidiaries and the parent company enables the Group Risks Division to assess each country's potential risk factors and help to establish risk-mitigation strategies.

### Identifying cross-border risks

BMCE Bank Group is exposed to international risks through the various types of commitment made by the Bank to non-resident counterparties in dirhams or in foreign currencies. These include:

- Loans to non-residents
- Trade finance business
- Foreign assets
- Market operations

## Concentration of country risk exposure



### Consolidation

Country risk commitments are identified in order to draw up a position at the parent company, subsidiary or Group levels, providing an overview of the Group's overall exposure to cross-border risks.

### Introduction of an alerts system

This system consists of monitoring regulatory, economic and financial factors by tracking all the prominent events occurring during the week. These items are disseminated to all interested parties in a Country Risk Flash.

An additional module monitors country risk trends and consists of specific research, a country risk weekly review and in-company requests.

### Ratings system

BMCE Bank Group bases its country risk assessments on the ratings of external agencies such as Coface, S&P and Moody's.



## Setting limits

When establishing country limits for loan commitments, BMCE Bank Group takes into consideration:

- An assessment of an issuer's risk profile;
- The breakdown and diversification of the loan portfolio of each subsidiary and of the Group, while complying with the maximum permitted concentration by country based on a percentage of Tier 1 capital. These limits are monitored on a permanent basis.
- Requests to exceed country limits are assessed on the basis of the levels of decision-making powers in force.

## Stress testing

Stress tests are conducted on a regular basis to ensure that the Bank is able to withstand scenarios of extreme deterioration in country risk and to quantify the impact on the Bank's balance sheet and profitability.

## Provisioning

A provision is recognised for country risk whenever it materialises, in the event of debt rescheduling, a political crisis or any other factor which may negatively impact the Bank's profitability.

An annual review is systematically carried out to reassess the country supposedly in default, which may potentially require the Group to recognise a provision.

## OPERATIONAL RISK

### Operational risk management policy

The Group has adopted an operational risk management policy that aims to:

- Identify, measure and evaluate operational risks;
- Control the risks and evaluate the controls;
- Steer and monitor implementation of preventive and/or corrective action for major risks.

### Classification

Operational risks or losses may be analysed and categorised on the basis of three factors: cause, effect (financial impact or otherwise) and event type under Basel.

### Links to credit and market risks

The management of operational risks is potentially linked to managing credit and market risks at two levels:

- At a general level, analysis of the Bank's overall level of risk aversion (in terms of allocation of capital) must be carried out and "trans-risks" monitored;
- At a specific level, some operational risks can be directly linked to market risk and credit risk management.

## Operational risk management organisation

The framework governing operational risk management within BMCE Group of Africa is based on two main objectives:

- Define a target policy consistent with BMCE Bank Group's business organisation inspired by best practice;
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management.

Operational risk management at BMCE Bank Group involves four major entities:

- BMCE Bank's Group Operational Risk Department;
- BMCE Bank's branch network;
- BMCE Bank's business divisions;
- Subsidiaries.

Operational risks coordinators have been appointed by the aforementioned entities. These include:

- Operational Risk Correspondents (CRO);
- Operational Risk Coordinators (CORO);
- Operational Risk Liaison Officers (RRO).

The operational risk management's remit also extends to Group subsidiaries including Salafin, Maghrébail, Maroc Factoring, RM Experts, BMCE Capital, Tangier Offshore (TOS), BMCE Bank International Plc, BMCE International Madrid, La Congolaise de Banque, BOA France, BMCE EuroServices and Eurafric Information (EAI).

### Governance of operational risk management

Governance of operational risks within BMCE Bank Group is organised by three operational risk Committees:

- Group Operational Risk Committee;
- Operational Risk Monitoring (Business Lines) Committee;
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in operational risk exposure and in the environment for controlling such risks;
- Identifying the main areas of risk in terms of activities and risk types;
- Defining preventive and corrective action required and its monitoring to contain the level of risk;
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the cost of insurance.

## Fundamental methodology principles

BMCE Bank Group's operational risk management policy has two strategic objectives:

- Reduce exposure to operational risks;
- Optimise capital requirements relating to hedging operational risks.

The internal system for measuring operational risks is closely linked to the Group's day-to-day risk management process via:

- Collecting risk events;
- Mapping operational risks;
- Key risk indicators.

The management of the entity in question, General Management and the Board of Directors are regularly notified of operational risk exposure and any losses incurred.

Management systems are properly documented, ensuring compliance with a formalised set of controls and internal procedures and corrective measures in the event of non-compliance.

Internal and/or external auditors are invited to periodically review management processes and systems for measuring operational risk. These audits relate to units' activities and the independent operational risk management function.

Management of operational risks at BMCE Bank Group of Africa has been entirely automated by means of specialised software. This software is used to collect risk events and map operational risks and key risk indicators by the Bank level, its Moroccan subsidiaries and, increasingly, its African subsidiaries. To support its implementation, a number of training initiatives were organised for as many as 866 staff across the entire Group.

Internal data usage will become a major feature of the in-house model for calculating shareholders' equity. Internal data must therefore satisfy the following criteria:

- Completeness: internal loss data take into account all activities and exposures of business lines, units and departments in all the geographical regions in question;
- Consolidation: historical loss data are reproduced under two categories relating to the eight types of business line and the seven risk categories advocated by the Basel Committee in accordance with properly documented objective criteria.

The operational risk management policy is liable to change as a function of developments in operational risk management methodologies.

The same is true for the Operational Risk Management Compendium which has been produced to ensure consistency in implementing policy at Group level as well as acting as a useful reference guide.

## Operational risk control and mitigation

Several types of action may be taken to manage operational risks:

- Reinforce checks;
- Hedge risks, especially via insurance contracts;
- Avoid risks, in particular, by redeploying activities;
- Draw up business continuity plans.

BMCE Group of Africa has a very strong control policy, resulting in a significant reduction in operational risks.

However, in terms of operational risk management, over and above its risk control policy, the Group is at liberty to find the best possible solution on a case by case basis, depending on the different types of risks described above.

Additionally, the Group has insurance policies to mitigate risks such as damage to office buildings, fraud, theft of valuable items and third-party liability cover etc.

Every major risk identified is reported to the Bank's senior management and will result in a corrective and/or preventive action plan whose implementation is monitored by the Operational Risk Monitoring Committee which meets on a quarterly basis.

## Risk Aggregation

Under the organisational policy adopted by the Bank which is based on Operational Risk Correspondents, risk events are reported by Basel type (eight business lines) and by loss category for all business lines as well as for Group subsidiaries.

## Business Continuity Plan

The Business Continuity plan is a response to the rising demand to minimise the impact in the event of any interruption to the Bank's activities. This is due to increasing reliance on the resources underpinning those activities including human, IT or logistics resources.

The business continuity plan is a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, maintains essential services in fail-soft mode on a temporary basis, prior to a planned resumption of normal operations.

The strategic principles underpinning the business continuity plan are as follows:

- BMCE Bank has a moral responsibility to allow its customers access to the money which they have entrusted to it. Any breach of this obligation in times of crisis may have an impact on public order. This principle prevails above any other;
- BMCE Bank must guarantee its commitments towards Morocco's interbank clearing system;
- BMCE Bank intends, first and foremost, to comply with all existing legal and contractual commitments entered into (relating to loans and other commitments) prior to entering into any other commitment;
- BMCE Bank intends to maintain its international credibility by guaranteeing, first and foremost, its commitments vis-à-vis foreign correspondents;

BMCE Bank of Africa Group's existing customers take priority over all others.

Services are executed in their entirety, beginning in the front-office and culminating in the back-office (e.g. from branch level up until recognition in accounting terms).

#### MONITORING OVERSEAS SUBSIDIARIES

Consistent with BMCE Bank of Africa's corporate strategy aimed at developing the Group's overseas business and bolstering corporate governance and risk management systems, in 2015, the Group Risks Division continued to focus its efforts on projects relating to the Group Convergence Programme. This programme aims to standardise and deploy common risk management and control standards across the Group. The ultimate operational objective for the Group Risks Division is to ensure effective monitoring, which involves controlling, anticipating and optimising the risks to which all overseas subsidiaries are exposed.

The initiatives undertaken regarding implementation of the Group's Credit Risks policy aim to ensure that the Group Risks Division's strategic goals comply with Bank Al Maghrib's regulatory requirements and the Group's standard policy. These initiatives are divided into two categories:

- Category 1, which involve supporting subsidiaries in their implementation of BMCE Bank of Africa Group common standards in terms of organisation, processes and systems for managing and steering credit risks (organisational structure and chain of delegation, review of credit processes and procedures, internal ratings system and control panels).
- Category 2, which involve implementing systems for measuring and monitoring risk concentration limits and stress tests.

These initiatives also include establishing a Group Commitments database, which is an essential tool to enable the Group Risks function to steer and monitor credit risks at the consolidated level.

Furthermore, implementation of the Operational Risks system is also a means of bolstering operational risk control and improving performance in the five key areas of Credit, Payment means, Customer account management, Accounting and International.

#### STEERING GROUP RISK PROJECTS

##### Risk projects management policy

The Group Risks Division centralises project steering and management and Group systems administration within a dedicated Group Risk Project Steering unit. This provides a comprehensive overview of the progress made at the Group level in terms of the Group's cornerstone projects.

The Risk projects management policy, which is implemented across the entire Group, aims to ensure effective and efficient management of Risk projects in line with divisional strategy.

##### Responsibilities of the Group Risk Project Steering unit

The Group Risk Project Steering unit has the following responsibilities:

- Administer, from a functional perspective, the Group Risks' management systems (Group Third Party database, Group Commitments database etc.) – centralise data, settings, control, handling and reporting
- Centralise the Group risk project portfolio – determine the stakeholders and schedules and identify the extent to which projects are interdependent
- Steer risk projects, select and prioritise projects and monitor the state of progress of all initiatives
- Draw up project factsheets which comprise goals, deliverables and detailed project implementation plans
- Manage alerts and arbitrage applications
- Plan key stages and control project delivery schedules
- Organise, prepare and steer corporate governance bodies
- Monitor data qualification and reliability initiatives

#### COMPOSITION OF SHARE CAPITAL AND CAPITAL ADEQUACY

##### Main characteristics of items constituting shareholders' equity

At 31 December 2015, BMCE Bank's share capital stood at MAD 1,719,633,900 made up of 171,963,390 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At 31 December 2015, fixed maturity subordinated debt stood at almost MAD 5.3 billion.

### Measurement of capital adequacy

BMCE Bank Group has opted for the standardised approach as prescribed by Bank Al Maghrib circulars (BAM):

Since June 30, 2014, the solvency statements are made according to regulatory standards Basel III defined by BAM.

Thus, the calculation of equity has been revised in light of the new regulations and the transitional measures that have been put in place over a period with a time window up to 2019.

The circulars governing such statements are:

- Circular No. 26/G/2006 relating to calculating capital requirements based on the standardised approach for hedging credit institutions' credit, market and operational risks;
- Circular No. 8/G/2010 relating to calculating capital requirements based on internal approaches for hedging credit institutions' credit, market and operational risks;
- Circular No. 14/G/13 of 13 August 2013 relating to capital requirements for credit institutions

### Composition of capital and capital adequacy ratio

<b>Tier 1 capital</b>	<b>18 268 894</b>
<b>Items to be included in Tier 1 capital</b>	<b>20 289 809</b>
Share Capital	1 794 634
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	13 142 557
Retained earnings	
Net income for the previous period	1 072 770
Minority interests	4 279 848
<b>Items to be deducted from Tier 1 capital</b>	<b>2 020 915</b>
Goodwill	852 310
Other adjustments to Tier 1 capital	752 927
Other deductions	415 678
<b>Additional core capital</b>	<b>1 475 225</b>
Perpetual subordinated debt	1 600 000
<b>Items to be deducted from capital</b>	<b>124 775</b>
Non-current assets	124 775
<b>Tier 2 capital</b>	<b>5 935 957</b>
Perpetual subordinated debt	5 301 782
Revaluation differences	304 189
Investment subsidies	200 438
Hidden reserves	254 323

<b>Items to be deducted from capital</b>	<b>124 775</b>
Non-current assets	124 775
<b>Total</b>	<b>25 680 076</b>
<b>Capital Requirements by Risk Type</b>	<b>2015</b>
Risk-weighted credit risks	178 444 863
Risk-weighted market risks	10 515 339
Risk-weighted operational assets	19 833 301
Total risk-weighted assets	208 793 503
Tier 1 Capital	19 744 119
Tier 1 Capital ratio	9,46%
Total admissible capital	25 680 076
Capital adequacy ratio	12,30%

BMCE Bank Group's capital adequacy ratio stood at 12.3% at 31 December 2015.





## SOCIAL AND ENVIRONMENTAL RESPONSABILITY

## BOLSTERING EDUCATIONAL INITIATIVES Within the Medersat.com network

In 2015, a new educational policy was adopted by Medersat.Com schools consisting of standardising textbooks, implementing a new approach to teaching French, introducing the teaching of Maths and Natural Sciences in French, implementing a standardised Tamazight textbook, encouraging teachers to use of ICT in lessons, training teachers in the latest teaching methods, especially in French and Tamazight, revising the school timetable and managing spaces and classrooms as a function of different grade levels while respecting the time allotted to schooling.

## PARTNERSHIP STRENGTHENED With the Ministry of Education

To improve management of staff working in Medersat.Com network schools, the Foundation implemented a new system of coordination with the HR department at the Ministry of National Education (MEN). As a result, an ongoing process of consultation and mutual assistance between the HR department and the Foundation was established, and the Foundation-MEN joint committee was given a new lease of life.

Similarly, the Ministry intervened on a number of specific occasions to ensure stability in the number of teachers working in network schools, particularly at the start of the academic year 2015-16.

## ENCOURAGING AND ESTEEMING The teaching body

In 2015, training sessions were organised for teachers of French and Tamazight and coordination meetings for directors and educational supervisors.

A Merit Award was introduced to give encouragement to teachers, administrative staff and educational supervisors working in Medersat.com schools. This is an educational and environmental distinction, awarded annually to the school with the best record.

This award primarily aims to foster healthy competition between schools and reward the efforts of the most deserving teams of teachers. Several schools have already submitted their candidacy for the Merit Award 2015-16.

## BMCE BANK FOUNDATION A growing interest in other languages

Tamazight textbooks were harmonised and revised for the 2015-2016 academic year. New information and communication technologies (NICT) were introduced that make use of digital resources in Tamazight, edited by the Royal Institute of Amazigh Culture (IRCAM).

The schools now use the same textbooks but use different teaching methods for teaching Tamazight.

From 2017-18, the BMCE Bank Foundation aims to draw up a plan to teach Tamazight in all Medersat.com network schools.

The teaching of Mandarin Chinese was introduced to three Medersat.Com network schools – Ouled Larbi School, Wahdaha School in Nador and Bouskoura School in Nouaceur. This was the result of a collaborative partnership between the Foundation and the Chinese embassy in Morocco.

## MEDERSAT.COM NETWORK Expansion and renovation

In 2015, the Foundation's Madam Chairman inaugurated a new Medersat.com school in BéniChiguer in Nador, thereby strengthening the Foundation's schools network within the region. The inauguration ceremony was attended by BMCE Bank Group's Chairman and other dignitaries.

Similarly, in order to maintain the network of existing schools, more than 30 supervisory school visits were carried out on behalf of the Madam Chairman by the Medersat.com Programme's Director to ensure the proper functioning of schools, establish direct contact with teachers, make the Foundation's presence felt in schools, ensure that the new teaching methods were introduced into the schools network from 2015 and meet the needs of schools in terms of teaching materials and school equipment.

In addition, the Foundation continued to pursue its programme of renovating and consolidating school buildings by renovating three schools. 20 schools have already been renovated.

Three schools were renovated in 2015, El Bouyed School, OuledBelghali School in Taounate and Figuig School.



**SOCIAL AND ENVIRONMENTAL RESPONSABILITY**



## **COMMITMENT REITERATED To environmental causes**

The Foundation underlined its commitment to environmental causes by approving a programme to equip three schools – Bouskoura School, BéniChiguer School and Laazib School – with a next-generation solar photovoltaic system.

In addition, in 2015, two Medersat.com schools – Al Manar School and El Mesqa School – from five candidates, obtained the Eco-School label. There are now five network schools accredited by the Mohammed VI Foundation for the Environment – Begdour, Al Manar, El Mesqa, Laâzib and Tarmigte.

## **PROMOTING CO-CURRICULAR ACTIVITIES Developing artistic awareness**

In order to develop a sense of cultural and artistic awareness in pupils attending Medersat.com schools and extend the schools' outreach to the pupils' social environment, various co-curricular activities were organised in network schools with parental involvement.

In 2015, national and international days were celebrated in Medersat.com network schools in accordance with a list of such days sent by internal circular to all network schools.

One of the highlights of 2015 was the National Olympiads of Tifinagh, held 4-8 August 2015 in Tafraout, at which Medersat.Com pupils obtained the 3<sup>rd</sup> prize.

Medersat.com network pupils also participated in the ceremony to celebrate the 20<sup>th</sup> anniversary of the founding of the BMCE Bank Foundation and the 50<sup>th</sup> anniversary of BMCE Bank with a show highlighting the various

social initiatives undertaken by the BMCE Bank Foundation.

## **PUPILS' RESULTS Highly satisfactory**

For the 2014-2015 academic year, the results obtained by pupils attending Medersat.Com schools were highly satisfactory for pupils earning the end of primary certificate and high school leaving diploma. An analysis of these results shows the excellent quality of teaching offered by the Foundation.

As many as 1,096 pupils, 50% of whom were girls, successfully passed their end of course exams, enabling them to continue with their middle school studies for the 2014-2015 academic year.



A photograph of a man standing in a vast, cloudy landscape. He is positioned in the lower center, looking towards a tall, modern skyscraper that rises vertically through the clouds. The sky is filled with soft, white and grey clouds, creating a sense of depth and scale. The man is silhouetted against the lighter sky.

## SOCIAL AND ENVIRONMENTAL RESPONSABILITY

### CSR BEST PRACTICE embedded during the year

Due to the growing emphasis on CSR-related issues, project management responsibilities, hitherto managed by the SD&CSR unit, have now been replaced by a more coordinated and cross-functional approach encompassing all of the Bank's CSR-related functions.

As well as adopting this cross-synergistic approach aimed at incorporating CSR criteria into the Bank's business lines, the Bank was more attentive to its stakeholders. Non-financial reporting was introduced based on global standards.

### A CLEAR COMMITMENT To sustainable finance

Having reached a certain level of maturity, BMCE Bank has successfully managed to integrate its social and environmental commitment within its economic model by adopting a risk-oriented approach.

BMCE Bank was able to demonstrate to Vigeo, an international ratings agency, the attributes that constitute the Bank's ADN - a strong sense of belonging, respect for the freedom of association and collective bargaining, promoting dialogue with trade unions, respect for customers' interests, contributions to community causes, corporate governance and environmental management (supported by HQE certification by Cerway).

In 2015, the Group's commitment to social causes was also marked by the launch of Morocco's first ever SRI fund by BMCE Capi-

tal Gestion, the Group's asset management subsidiary. In doing so, the latter incited its peers to give serious thought to developing socially responsible funds. In addition, by signing the first ever partnership within the SEMED region with the EBRD, the EIB, the AFD and the KfW in March 2015 to finance sustainable energy sources, BMCE Bank emerged as a key player within the banking industry in its endeavours to promote sustainable finance.

### FIRST EVER RESPONSIBLE AND SUSTAINABLE FINAN- CING

#### Within the Moroccan banking industry

In the wake of the successful launch of Cap Energie at end-2014 within the framework of the MorSEFF programme, BMCE Bank is now regarded by the EBRD as a role model within the MENA region.

In 2015, 88% or MAD 175 million of the credit line had already been used with several other applications underway which are potentially worth MAD 115 million.

### MORE INTERNATIONAL Awards

BMCE Bank of Africa's sustainable development strategy is embodied in a strong and well-rooted CSR system which enables it to go beyond simple regulatory and universal models, taking inspiration from best international practice.

The commitment of the entire staff to CSR resulted in the Bank being named Socially Responsible Bank of the Year in 2015 by the African Banker and Best

CSR Arabia 2015 in the financial services category. It was the only quoted company on the Casablanca Stock Exchange to have received the highest scores in seven social responsibility themes.

### THE BANK'S ENVIRON- TAL PERFORMANCE ISO 14001 compliant

BMCE Bank's Environmental Management System (EMS) retained its ISO 14001 certification, capping a 3-year cycle of positive performance in environmental management due to the mobilisation of all the Bank's entities and Network.

This process, in conjunction with Group Human Capital and Group Logistics, facilitated the introduction of diagnostics related to international standards, OHSAS 18001 (Health and Safety at Work) and ISO 50001 (Energy), with a view to establishing an integrated management system (IMS).

Each of its initiatives reinforces the belief that practising responsible finance offers increased opportunities to create wealth and jobs across the African continent, especially for youngsters.



## SUPPORTING Business development

In 2015, 153 new hires joined the Bank including a dozen from sub-Saharan Africa to ensure the continuity of commercial activities, replace departed staff and reinforce core and support functions at both the parent and subsidiary levels.

Furthermore, following on from the initiatives undertaken in 2014 in support of the Network Project 2016, designed to engineer a wholesale improvement in the effectiveness of the Bank's commercial strategy, about twenty members of staff were promoted to the post of Group Assistant Director to meet the Bank's need for additional resources.

## STRONG EMPHASIS On developing skills

13,650 man-hours of training (vs. 9,563 in 2014) were provided in 2015, benefiting 43% of the Bank's workforce. Almost 60% of training initiatives were orientated towards banking business lines (vs. 47% the previous year), followed by support training for new hires (18%) and regulatory-related training (10%).

In addition, almost 58% of staff participated in e-learning courses which are now a preferred and cost-effective means of delivering training modules on regulatory, technical and customer care aspects.

As far as diploma-based training was concerned, nearly 70 employees pursued their studies for the ITB and Banking Diploma. To support the Group's increasingly international profile, nearly 270 employees, 5% of the workforce, attended English and Spanish classes.

Similarly, 2015 saw the continuation of the M4Banking programme. This programme is intended to foster a common and shared managerial culture, instil a sense of value creation in participants, boost teamwork and reinforce interpersonal skills. A hundred or so staff have benefited from this programme.

The Group-wide programme launched in 2014 for twenty or so BMCE Bank Group executives, under the aegis of HEC Paris, was completed, resulting in a second class of certified 'graduates'.

In 2015, a Risk Academy was established in conjunction with the Association in Risk Management (AMRAE) as a way of bolstering the risk control culture across the Group.

2015 also saw the completion of the Leadership Continuity Programme, the 4<sup>th</sup> HR development programme for 46 employees from head office departments identified as 'high-fliers'. This 18-month programme consists of a series of practical and fun modules, delivered by renowned speakers, specialising in areas such as management, communications and personal development.

## MAINTAINING HEALTHY EMPLOYER-EMPLOYEE RELA- TIONS Characterised by a strong commitment

With the full backing of the trade unions, a number of initiatives were carried out aimed at improving staff benefits and staff well-being, thereby creating a harmonious environment as the basis for sustainable growth.

About fifteen agreements were signed with quality partners, resulting in a rise in the number of available places in summer holiday centres.

As is customary, BMCE Bank Club organised a series of cultural and sporting activities for employees' children such as Swimming School, Music School as well as a morning for handicapped children.

BMCE Bank was once again awarded the 'Tobacco-free company' label by the Lalla Salma Foundation, as a result of its commitment to combating the adverse effects of smoking in the workplace.

All BMCE Bank employees were invited to participate in an employee satisfaction survey. The participation rate was 49% (vs. 32% in 2011) while the overall

satisfaction rate rose to 71% versus 59% in 2011. This reflects the efforts made to constantly improve working conditions within the institution.

## PROMOTING A strong corporate culture

The Group continues to foster a sense of belonging by publishing a range of information brochures and guides as well as organising corporate events.

A series of publications inform employees about various contemporary issues. A number of events were also organised such as Women's Day, Earth Day and a seminar for Corporate Account Managers.

## ONGOING IMPROVEMENT In HR benefits

The highlight of 2015 was the renewed certification for all HR activities with zero deviation. The audit highlighted several points including (i) management's commitment to implementing, maintaining and improving the Quality Management System, (ii) customer orientation and (iii) deploying a standardised Project Management system.

## A MAJOR CONTRIBUTION To cultural and social development

The importance of art and tradition as an integral part of Morocco's cultural heritage and contemporary cultural life prompted BMCE Bank to continue to help to preserve them by sponsoring festivals. The latter provide a meeting point for manifold nationalities and bridges between diverse cultures.

Highlights of 2015 included sponsoring the 18<sup>th</sup> Gnaoua and World Music Festival, the 21<sup>st</sup> Fez Festival of World Sacred Music, the 12<sup>th</sup> Timitar Festival, the Signs and Culture Festival and the 15<sup>th</sup> International Film Festival.

BMCE Bank also continued to support charitable and social organisations across the country by responding generously to appeals in support of humanitarian and community-based causes. This support took the form of donations and purchasing tickets for charity shows, dinners and galas.

The Bank continued to focus its efforts on supporting causes of social and environmental responsibility and solidarity such as the 2<sup>nd</sup> Com Sup Symposium on the theme of 'the duality of a constantly evolving city', the 6<sup>th</sup> Casa Fashion Show dedicated to international fashion in Morocco, the 1<sup>st</sup> Tous au Parc event, the 1<sup>st</sup> Handicap Maroc Forum (Pack Confort), the 1<sup>st</sup> Enduro race, the Milan World Expo 2015 competition and the 5<sup>th</sup> Great Business Days roadshow.

Other events relating to music and song were sponsored including the Tarab Al Assil Musical Evening, the 22<sup>nd</sup> International Festival of Music and Song in Educating Children, the 8<sup>th</sup> Festival of Women's Voices and the 2<sup>nd</sup> Pause Musicale.

BMCE Bank continued to support to socially responsible initiatives undertaken by the Diplomatic Foundation, Operation Smile Morocco, the British Chamber of Commerce for Morocco and the

American Chamber of Commerce in Morocco.

The Bank also made a considerable contribution to the Clean Beaches campaign, providing technical as well as financial assistance, aimed at cleaning up and livening up the beaches in the town of El Harhoura.

## A FLAIR For Sport

In 2015, BMCE Bank continued to support the country's sports scene by sponsoring sporting events, thereby reinforcing its image as a universal bank supporting Morocco's sporting aspirations.

BMCE Bank maintained its support for the Rabat Bouregreg Jet Ski Club, the Mohammed VI Football Academy and the Royal Moroccan Federation for Equestrian Sports with an annual contribution.

It also sponsored the 42<sup>nd</sup> Hassan II Golf Trophy, the 3<sup>rd</sup> Automobile Industry's International Golf Trophy, the 2<sup>nd</sup> Agribusiness Industry's Open Golf Tournament, the Nomads Rabat Golfing Society Tournament, the 6<sup>th</sup> Marrakesh Moulay El Hassan International Automobile Circuit Grand Prix, the Airports' Cultural and Sports Club's Tennis Tournament and the 5<sup>th</sup> Marrakesh International Bridge Meet.

## A STRONG SHOWING At trade exhibitions and fairs

In 2015, BMCE Bank participated in a number of flagship events such as the 10<sup>th</sup> Meknes International Agricultural Trade Fair (SIAM), the 2<sup>nd</sup> Olive Industry Trade Fair, the 13<sup>th</sup> Fruit and Vegetables Trade Fair (SIFEL), the 12<sup>th</sup> Pharmacists' International Trade Fair (Officine Expo), the 16<sup>th</sup> Medical Industry Expo 2015, the Moroccan Dental Meeting, the 3<sup>rd</sup> Aerospace Meeting, the 9<sup>th</sup> International Trade Fair for Electricity, Lighting, Electro-technology and Industrial Automation (Elec Expo 2015), the 7<sup>th</sup> International Trade Fair for Environmental Equipment, Technologies and Services (PollutecMaroc 2015), the

1<sup>st</sup> African Transport and Logistics Conference (CATL 2015), the Sakane Expo Property Trade Fair, the 2<sup>nd</sup> and 4<sup>th</sup> Regional Meetings of the Housing Industry and the 6<sup>th</sup> Italian Design and Technologies Trade Fair (Medinit Expo 2015).

In its endeavours to promote entrepreneurship, BMCE Bank participated in the 2<sup>nd</sup> Med Lab Entrepreneurship, the 1<sup>st</sup> African Entrepreneurship Award (AEA) and the 1<sup>st</sup> Sino African Entrepreneurs Summit (SAES).

In order to raise its profile among young persons, BMCE Bank participated in the 5<sup>th</sup> Study in France Expo, Regional Student Forums, the A2 International Forum on Studying Abroad, the 1<sup>st</sup> Engineering Sciences Olympiad (ENSAM Students Association), the 24<sup>th</sup> International Student Forum, the 13<sup>th</sup> International Forum for Masters Courses and Vocational Training for Postgraduate Students and the 7<sup>th</sup> Canada EDU Expo.

The Bank also sponsored the 1<sup>st</sup> Financial Information Meeting and the 6<sup>th</sup> Women's Tribune.



## AFRICAN ENTREPRENEURSHIP AWARD

### **A Bank Which is Promoting Entrepreneurship in Africa**

A new award, the African Entrepreneurship Award, was launched by BMCE Bank of Africa Group's Chairman in November 2014 at the Global Entrepreneurship Summit in Marrakesh. This award is designed to promote entrepreneurship in Africa as a logical step in the Group's commitment to CSR. A USD 1 million budget has been earmarked to reward Africa's best entrepreneurship projects which have a lasting and sustainable social impact.

In 2015, this award attracted more than 5,000 candidates from the entire continent as well as Africans from the diaspora. Due diligence was carried out and about hundred on-site visits were made by staff working on the award to 8 countries to assess the projects at first hand.

In this its first year, BMCE Bank awarded prizes to 10 winners from among 34 finalists who shared the USD 1 million prize in three different categories – education, the environment and untapped markets. The prizes ranged from USD 25,000 to USD 150,000.

In 2015, a dedicated website was also launched providing all necessary information relating to the Award in four languages – English, French, Arabic and Portuguese. A web platform was also set up to enable entrepreneurs to exchange ideas with experienced mentors who are able to advise them and share their experience and expertise during the entire process. Similarly, the award winners of this inaugural competition will benefit from a bespoke mentoring service as their companies grow and develop.

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**FINANCIAL REPORT**

# MANAGEMENT REPORT

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Combined General Meeting of Shareholders in accordance with the Memorandum and Articles of Association and Law 17-95 relating to limited companies, amended by Law 20-05, particularly Chapters IV and V, including Articles 107 and seq. and Articles 29 and seq. of BMCE Bank's Memorandum and Articles of Association in order to report on BMCE Bank's business activity and results for the period ended 31 December 2015 and its future prospects and to submit, for your approval, the balance sheet and financial statements for the said period.

These financial statements are attached to this report.

The statutory notices have been sent to you on a regular basis and all documents and items required by current regulations are made available to shareholders for the requisite periods.

## CONSOLIDATED RESULTS AND BALANCE SHEET INDICATORS

### ◆ BMCE Bank of Africa Group's financial performance

BMCE Bank of Africa Group's total assets rose by 13% to MAD 279.4 billion at 31 December 2015 versus MAD 247.2 billion at 31 December 2014.

BMCE Bank Group's shareholders' equity rose by 6% to MAD 17,022 million at 31 December 2015 versus MAD 16,063 million the previous year.

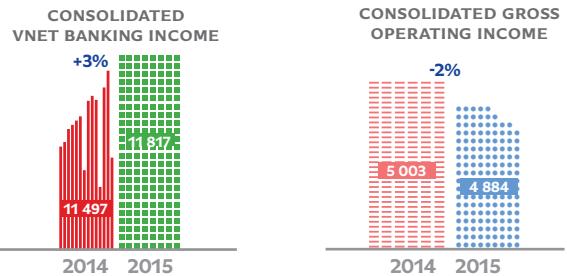
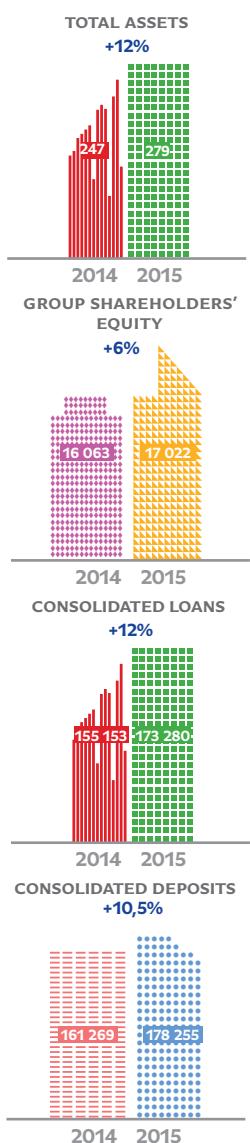
The scope of consolidation was broadly stable from one financial period to the next. The Group raised its stake in BDM (32.38% versus 27.38% in 2014) and in LCB (37% versus 25% in 2014).

The Bank also participated in two equity offerings, one in BOA Group, in which it raised its stake to almost 75% versus 72.7% in 2014 and the other in Maghrébail, in which it raised its stake to 52.47% in 2015 versus 51% in 2014.

Consolidated loans grew by 12% from MAD 155.1 billion in 2014 to MAD 173.3 billion in 2015. Restated for money market repurchase agreements, loans increased by 6.5%.

Customer deposits grew by 10.5% over the same period to MAD 178.2 billion versus MAD 161.2 billion in 2014.

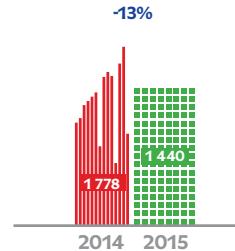
Regarding the consolidated financial performance, net banking income rose by 3% over the period to MAD 11,817 million versus MAD 11,497 million in 2014.



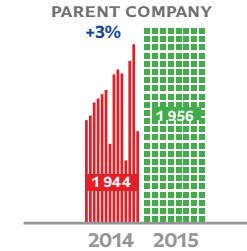
Gross operating income registered a decline of almost 2% to just under MAD 4.9 billion at 31 December 2015.

The cost of risk fell by 19% to MAD 1.440 million in 2015 versus MAD 1.778 million last year.

### CONSOLIDATED COST OF RISK



### NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY



Net income attributable to shareholders of the parent company rose by 1% to MAD 1.956 million in 2015 versus MAD 1.944 million in 2014.

Net income Group was stable by comparison with 2014 at MAD 2,655 million versus MAD 2,692 million in 2014.

### ◆ Contribution to net income attributable to shareholders of the parent company by business line

Contributions to BMCE Bank Group's net income attributable to shareholders of the parent company by business line are shown below:

Consolidates Contributions	Dec. 15% SHARE	Déc. 14% SHARE	VAR
<b>MOROCCAN OPERATIONS</b>	<b>1 177</b>	<b>60%</b>	<b>1 297</b> <b>67%</b> <b>-9%</b>
BMCE BANK	845	43%	993 51% -15%
<b>SUBSIDIARIES ACTIVITIES</b>	<b>331</b>	<b>17%</b>	<b>304</b> <b>16%</b> <b>9%</b>
SPECIALISED FINANCIAL SERVICES	174	9%	145 7% 20%
INVESTMENT BANKING & ASSET MANAGEMENT	110	6%	107 5% 3%
OTHERS	48	2%	51 3% -8%
<b>OVERSEAS OPERATIONS</b>	<b>779</b> <b>40%</b>	<b>647</b> <b>33%</b> <b>20%</b>	
EUROPE	171	9%	126 6% 36%
AFRICA	608	31%	521 27% 17%
<b>NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>1 956</b> <b>100%</b>	<b>1 944</b> <b>100%</b>	<b>1%</b>

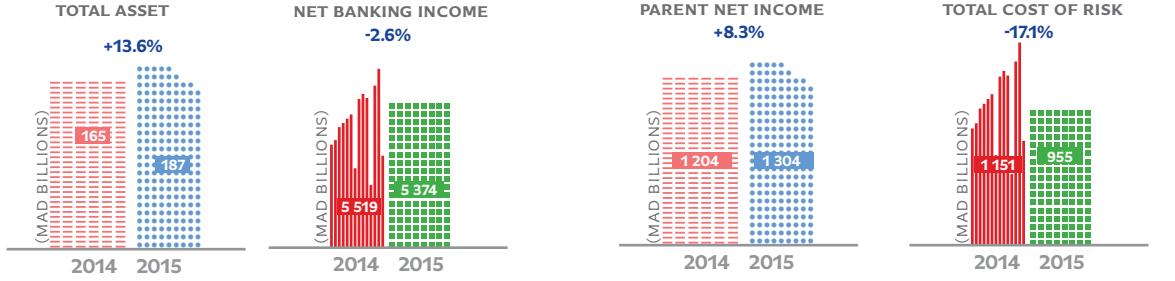
Moroccan operations accounted for 60% of total net income attributable to shareholders of the parent company versus 67% in 2014.

Overseas operations saw their contribution to total net income attributable to shareholders of the parent company rise by 20% to 40% due to a positive performance from BIH, up 36%.

African operations accounted for 31% of total net income attributable to shareholders of the parent company, up 17% on 2014.

### ◆ Results and contributions from BMCE Bank sa's operations

BMCE Bank SA's total assets rose by 13.8% to MAD 187.0 billion at 31 December 2015 versus MAD 164.5 billion at 31 December 2014.



The Bank's net banking income declined by 2.6% from MAD 5,519 million in 2014 to MAD 5,374 million in 2015. This was due to a combination of factors:

- A 45% year-on-year decline in income from market operations. The latter had performed exceptionally well in 2014 due to the impact from a fall in Treasury bond yields and key lending rates;
- An 8.0% rise in net interest income;
- 13.3% growth in fee income;
- A rise of 21.2% or MAD 80 million in dividends to MAD 423 million in 2015 versus MAD 349 million in 2014.

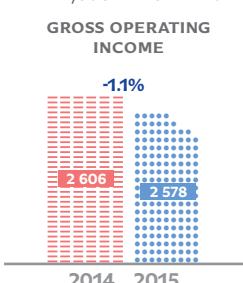
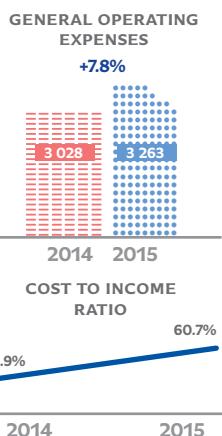
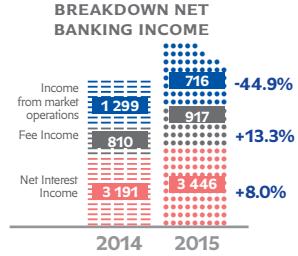
General expenses rose by 7.8% from MAD 3,028 million in 2014 to MAD 3,263 million in 2015 due to:

- The Bank undertaking a number of flagship projects aimed at raising productivity in its core banking operations;
- Significant investment in restructuring subsidiaries and major efforts made in terms of adaptation and support;
- An expansion of the branch network with 35 new branches opened;
- A strong commitment to corporate social responsibility with the Bank receiving a large number of requests as a result of its reputation and image, the stature of its Chairman and the CSR values which govern its operations;
- Completion of the 2012-2015 Strategic Development Plan which coincided with celebrations to commemorate 20 years since BMCE Bank's privatisation.

Gross operating income fell by 1.1% from MAD 2,606 million in 2014 to MAD 2,578 million in 2015.

The total cost of risk was MAD 955 million versus MAD 1,151 million at 31 December 2015.

- Loan loss provisions stood at MAD 1,304 million at 31 December 2015 (excluding a general risk provision of MAD 103 million gross or MAD 65 million net in 2015) versus MAD 1,590 million in 2014, down 18%;



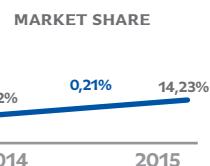
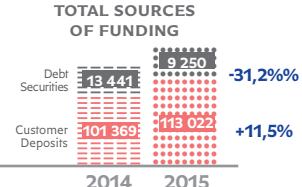
- Write-backs rose by 95.4% to MAD 424 million in 2015 versus MAD 217 million in 2014.

Parent net income rose by 8.3% to MAD 1,304 million at 31 December 2015 versus MAD 1,204 million in 2014.

#### ◆ Highlights of the bank's Moroccan operations

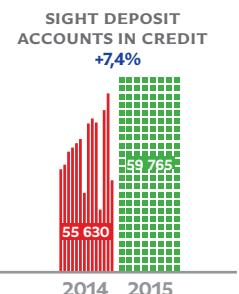
##### • Bank's funding sources

The Bank's funding sources – customer deposits and debt securities issued – rose by 6.5% to MAD 123 billion at 31 December 2015 versus MAD 115 billion in 2014, resulting in a 0.21% market share gain to 14.23% in 2015 versus 14.02% in 2014.



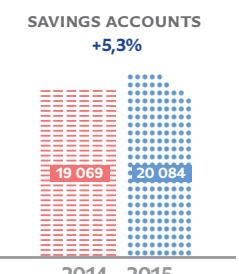
In terms of the deposit breakdown (inclusive of certificates of deposit issued by the Bank and international bonds), interest-bearing deposits accounted for almost 47% of total deposits at 31 December 2015 versus 49% in 2014.

Sight deposit accounts with a credit balance increased by 7.4%. Cheque accounts rose by 8.8% (versus +5.6% at industry level) from MAD 41 billion in 2014 to MAD 44.6 billion in 2015. Current accounts rose by 3.5% to MAD 15.2 billion at 31 December 2015.

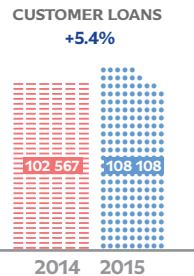
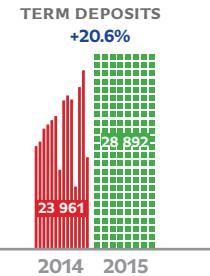


The market share of sight deposit accounts with a credit balance rose by 0.17% to 12.9% at 31 December 2015 versus 12.73% at 31 December 2014.

Passbook savings accounts grew by 5.3% (versus +6.5% at industry level) to MAD 21.1 billion in 2015 versus MAD 19.1 billion in 2014.



The market share of passbook savings accounts was 14.62% at 31 December 2015 versus 14.75% in 2014.



Term deposits increased by 20.6% to MAD 29 billion at 31 December 2015, enabling the Bank to bolster its liquidity coverage ratio.

The market share of term deposits was 16.38% at 31 December 2015 versus 14.73% at 31 December 2014.

#### • Customer loans

Bank loans rose by 5.4% (versus -0.2% at industry level) to MAD 108.1 billion at 31 December 2015 versus MAD 102.6 billion at 31 December 2014. In terms of market share, customer loans increased by 0.66% from 13.62% at 31 December 2014 to 14.28% in 2015.

Retail loans grew by 9.8% or MAD 3.3 billion from MAD 33.2 billion in 2014 to MAD 36.5 billion at 31 December 2015.

This was primarily due to a 9.3% or MAD 2.3 billion increase in retail property loans (versus +4.6% at industry level) while consumer loans rose by 11.3% or almost MAD 1 billion.

The market share of retail property loans rose by 0.56% to 15.0% at 31 December 2015 from 14.44% in 2014. Consumer loans saw their market share rise by 1.12% to 20.35% at 31 December 2015.

Corporate loans increased by 1.6% year-on-year to MAD 52.7 billion in 2015. Operating loans increased by 3.2% or MAD 0.9 billion and equipment loans by 2.9% or MAD 0.4 billion. Real estate development loans, by contrast, fell by 4.6% (versus -8.2% at industry level) or MAD 5 billion in 2015.

The market share of operating loans and equipment loans was 12.83% at 31 December 2015 versus 12.20% in 2014. Real estate development loans saw their market share rise by 0.51% to 15.63% in 2015 versus 15.12% in 2014.

### ◆ Net banking income

BMC Bank SA's net banking income fell by 2.6% to MAD 5,374 million in 2015 versus MAD 5,519 million in 2014.

#### • Net interest income

Net interest income rose by 8.0% year-on-year from MAD 3,191 million in 2014 to MAD 3,446 million in 2015. This was due to:

- A 12 basis points improvement in the intermediation margin on customer loans due to a 27 basis points decline in the cost of funding to 1.80% in 2015 versus 2.07% in 2014. The decline was at a faster rate than the drop in average mortgage rates (-15 basis points), reaching 5.3% in 2015.

The decline in funding costs was primarily due to an 11.3% increase (+MAD 5.5 billion) in average non-interest-bearing deposits (+MAD 5.5 billion). This was primarily due to a 10.1% or MAD 3.7 billion rise in cheque accounts as well as an improvement in average remuneration rates on passbook savings accounts (2.28% in 2015 versus 3.52% in 2014) and certificates of deposit (3.52% in 2015 versus 4.25% in 2014).

- Improvement in the cash margin in 2015, resulting in a decrease in refinancing via BAM advances and resorting to the money markets less often. As a result, interest expenses fell by MAD 200 million against a backdrop of growth in customer deposits and long-term borrowings, including the MAD 2 billion subordinated bond issued in June 2015.

- The very significant contribution from TOS operations of MAD 132 million to growth in net interest income in 2015, driven primarily by income from investments in foreign currency-denominated investment securities.

#### • Fee income

Fee income rose by 13.3% to MAD 917 million in 2015, primarily due to:

- Fees from loans rose by a notable 61% or MAD 46 million after the introduction in August 2014 of fees for personal loan overruns, which rose from MAD 31 million in 2014 to MAD 83.4 million in 2015;

- An 11% or MAD 35 million rise in fees from account maintenance, bank cards and packages due to:

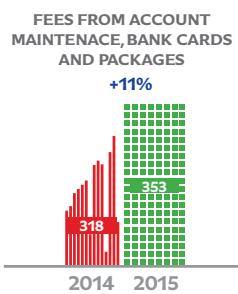
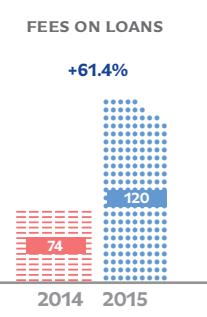
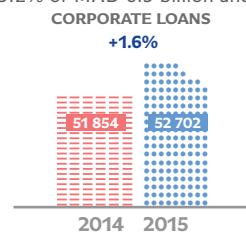
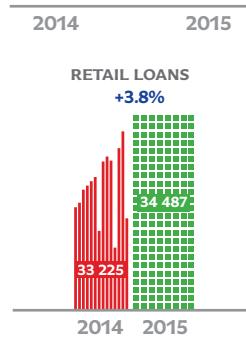
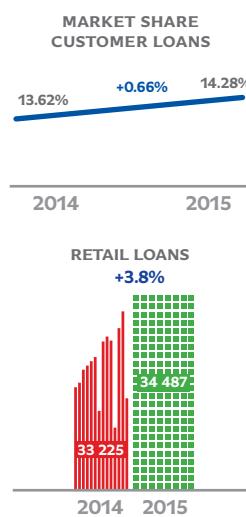
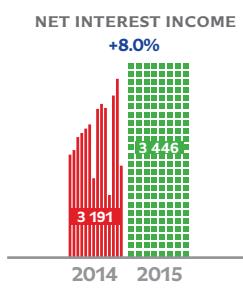
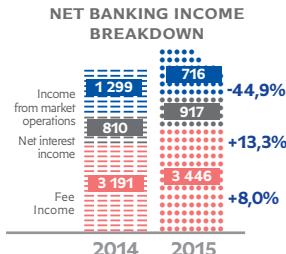
- A 9% or MAD 11 million increase in account maintenance fees following amendments to the pricing schedule in second half 2015;

- 22% or MAD 23 million growth in fees from packages in 2015 due to an increase of almost 26% or 87,548 packages in the inventory of packages sold which rose from 332,201 packages to 419,749 packages at 31 December 2015.

#### • Income from market operations

Income from market operations fell by 45% to MAD 716 million at 31 December 2015 versus MAD 1,299 million at 31 December 2014. This drop in income was due to:

- A decline in income from fixed income products in 2015 due to the



non-recurrence of the exceptional capital gains generated in 2014; - The impact from the redemption of almost one-third of the USD 300 million global bond issued in 2013 as a result of an improvement in the Bank's medium-term foreign currency liquidity profile.

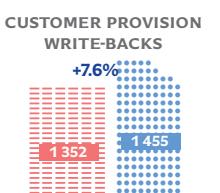
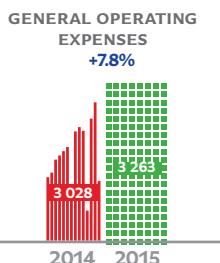
#### ◆ Long-term investment income

Long-term investment income stood at MAD 379.1 million in 2015 versus MAD 11 million in 2014, primarily due to an MAD 380 million provision write-back on its holding in BIH.



#### ◆ General operating expenses

- General operating expenses rose by 7.8% to MAD 3,263 million at 31 December 2015 versus MAD 3,028 million in 2014;
- Employee expenses increased by 7.6% to MAD 1,455 million in 2015 due to the full-year effect of the collective wage hike in July 2014 (almost MAD 18 million) and bonuses.
- Other operating expenses rose by 7.9% from MAD 1,676 million at 31 December 2014 to MAD 1,808 million in 2015, mainly due to:
- A 5.3% increase in the number of branches (29 new branches were opened), taking the total number of branches to 697 at 31 December 2015, resulting in additional operating expenses;
- The Bank undertaking a number of flagship projects aimed at raising productivity in its core banking operations;
- Significant investment in restructuring subsidiaries and major efforts made in terms of adaptation and support;
- A strong commitment to corporate social responsibility with the Bank receiving a large number of requests as a result of its reputation and image, the stature of its Chairman and the CSR values which govern its operations;
- Completion of the 2012-2015 Strategic Development Plan which coincided with celebrations to commemorate 20 years since BMCE Bank's privatisation.



#### ◆ Cost of risk

The total cost of risk fell by 17% to MAD 955 million at 31 December 2015 versus MAD 1,151 million.

The cost of risk net of write-backs (including the gross general risk provision) declined by 3.2% to MAD 984 million in 2015 versus MAD 1,017 million in 2014.

- Loan loss provisions fell by 18% to MAD 1,304 million at 31 December 2015 versus MAD 1,590 million in 2014;
- Write-backs rose by 95.4% to MAD 424 million in 2015 versus MAD 217 million in 2014;

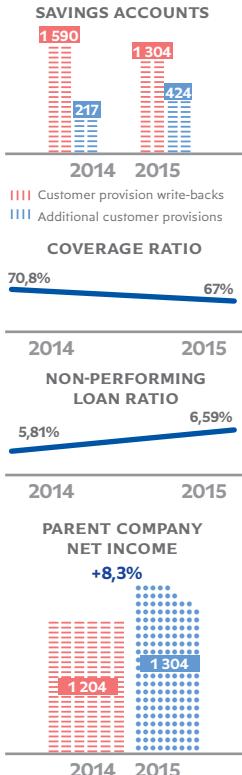
Outstanding provisions for non-performing loans increased by 13.3% from MAD 4,216 million at 31 December 2014 to MAD 4,776 million in 2015;

- The loan-loss provision coverage ratio contracted from 70.8% at 31 December 2014 to 67% at 31 December 2015.

- The non-performing loan ratio increased from 5.81% at 31 December 2014 to 6.59% at 31 December 2015.

#### ◆ Net income

Net income rose by 8.3% to MAD 1,304 million at 31 December 2015 versus MAD 1,204 million in 2014.



#### ◆ Specialised financial services

Contribution	SFS	SALAFIN	Maghrébail	M.Factoring	RM Experts	Euler Hermes Acmar						
SFS	Dec'15	Dec'14	Dec'15	Dec'14	Dec'15	Dec'14	Dec'15	Dec'14	Dec'15	Dec'14		
Consolidated net banking income	644	744	249,8	228,3	300,4	382,4	94,0	133,1	0,0	-0,1	na	na
Change	-13%	9%	-21%	-27%	-29%							
General expenses	-219	-193	-91,0	-79,2	-70,7	-63,9	173	-15,2	-39,8	-34,4	na	na
Change	13%	15%	11%	13%	13%	16%						
Cost of Risk	45%	-148	-52,9	-45,2	91	-95	6,5	-7,6	0,0	0,0	na	na
Change	-130%	17%	-196%	-196%	-196%	-185%						
Net income	174	145	87,1	77,5	59,7	41,3	20,9	25,1	0,7	-1,0	5,5	2,5
Change	20%	12%	44%	44%	44%	44%	17%	17%	17%	17%	122%	

The Specialised Financial Services business line accounted for 9% of net income attributable to shareholders of the parent company. Its contribution increased by 19% in 2015.

Salafin saw parent net income rise by 18% to MAD 125 million, resulting in an ROE of 20%. This performance was due to 14.6% growth in net banking income to MAD 345.4 million and sound ongoing control of general operating expenses. The cost-to-income ratio improved by 302 basis points to 29.2%. Its contribution to net income attributable to shareholders of the parent company increased by almost 12% year-on-year from MAD 77.5 million to MAD 87.1 million.

Maghrébail's contribution to net income attributable to shareholders of the parent company rose by 44% to MAD 60 million in 2015 versus MAD 41 million in 2014 due to the positive impact from restating loan loss provisions under IFRS. It is worth noting the improvement in the net cost of risk with MAD 13.5 million of net write-backs at 31 December 2015 versus net provisions of MAD 61.3 million at 31 December 2014.

Maroc Factoring's parent net income declined by 49% to MAD 15.5 million in 2015. This decline was primarily due to a 30% fall in parent net banking income to MAD 46 million in 2015 versus MAD 66 million in 2014 as a result of a 22% drop in factoring revenue due to a number of factoring contracts reaching maturity. Maroc Factoring booked net provisions of MAD 2.5 million at 31 December 2015 versus a net write-back of MAD 1.2 million the previous year. Its contribution to net income attributable to shareholders of the parent company fell by 17% to MAD 21 million in 2015 versus MAD 25 million in 2014.

RM Experts saw parent net income rise by 14% year-on-year to MAD 8.4 million in 2015.

#### ◆ Investment banking and asset management

The Investment Banking & Asset Management business line accounted for 5.6% of net income attributable to shareholders of the parent company. Its contribution rose by 3.3% from MAD 107 million in 2014 to MAD 110.1 million in 2015, driven by a strong performance from BMCE Capital Gestion, which saw its net income rise by 23%.

Contribution	IBAM	BMCE Capital	BK Bourse	BK Gestion				
Investment Banking & Asset Management	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14
Consolidated net banking income	344	352	185,0	213,3	17,9	19,9	141,5	118,5
Change	-2%		-13%		-10%		19%	
General expenses	-268	-245	-216,5	-195,7	-13,0	-15,9	-38,2	-33,6
Change	9%		11%		-18%		14%	
Cost of Risk	-6	-15	-6,4	-14,8	0,0	0,0	0,0	0,0
Change	-57%		-57%					
Net income	110,1	106,6	48,2	56,7	1,0	0,4	60,9	49,4
Change	3%		-15%				23%	

BMCE Capital's consolidated net income attributable to shareholders of the parent company fell by 18% to MAD 48 million in 2015 versus MAD 59 million the previous year.

BMCE Capital Bourse showed resilience in the face of stock market conditions sluggish, posting parent net income of MAD 0.5 million in 2015, broadly unchanged on 2014. After a brisk start to the year in 2015, market euphoria rapidly evaporated due to a disappointing corporate results season and the lack of fresh paper.

BMCE Capital Gestion's parent net income rose by 23% to MAD 60.9 million in 2015 versus MAD 49.4 million in 2014. In addition, its contribution to consolidated net banking income increased by 19% from MAD 118.5 million to MAD 141.5 million in 2015.

This strong financial performance was driven by an increase in fund inflows as well as by the exceptional investment management performance seen in 2015.

#### ◆ Other operations in morocco

Contribution	Others	Locasom	EAI	CID				
Other operations	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14
Consolidated net banking income	147	159	147,3	159,0	na	na	na	na
Change	-7%		-7%					
General expenses	-77	-87	-77,3	-87,1	na	na	na	na
Change	-11%		-11%					
Cost of Risk	-1	-2	-1,2	-2,4	na	na	na	na
Change	-49%		-49%					
Net income	47,5	51,4	37,6	27,7	-1,1	-1,1	11,7	24,9
Change	8%		36%		-48%		-53%	

BMCE Bank Group's "Other operations" includes entities such Locasom, EAI and CID, accounting for 2.4% of net income attributable to shareholders of the parent company.

Locasom saw its parent net income rise by 8.5%.

Its contribution to net income attributable to shareholders of the parent company, however, increased by 36% to MAD 37.6 million in 2015 versus MAD 27.7 million in 2014.

EAI posted a parent net loss of MAD 0.4 million.

CID, a subsidiary in which the Bank owns a 38.9% stake, contributed MAD 11.7 million to net income attributable to shareholders of the parent company, down 53% on the previous year. CID saw its parent net income fall by 53% compared to 2014, an exceptional year, to MAD 30 million.

#### ◆ Results and contributions from overseas operations

In 2015, the contribution from overseas operations to net income attributable to shareholders of the parent company rose by 20% from MAD 647 million to MAD 779 million, accounting for 40% of total net income attributable to shareholders of the parent company versus 33% in 2014.

Contribution	International	Europe	Afrique					
African operations	Déc-15	Déc-14	Déc-15	Déc-14	Déc-15	Déc-14		
Consolidated net banking income	5 800	5 280	446,1	343,2	5 354	4 937		
Change	10%		30%		8%			
General expenses	-3 333	-3 092	-208,9	-157,9	-3 124	-2 934		
Change	8%		32%		6%			
Cost of Risk	-929	-701	-25,0	-40,9	-904	-660		
Change	33%		-39%		37%			
Net income	779	647,0	171,1	125,5	608,0	521,5		
Change	20%		36%		17%			

This sharp rise was due to (i) a 36% increase in the contribution from European operations, accounting for 9% of total net income attributable to shareholders of the parent company and (ii) a 17% rise in the contribution from African operations to almost 31% of total net income versus 27% in 2014.

#### ◆ European operations

BIH saw its contribution to net income attributable to shareholders of the parent company rise by as much as 36% year-on-year to MAD 171 million in 2015 versus MAD 126 million in 2014. The European platform registered positive year-on-year earnings growth due to the performance of its two entities, BBI London and BBI Madrid.

BMCE International Madrid's contribution was MAD 65 million in 2015 versus MAD 47 million in 2014, up 40%. Against a backdrop of economic recovery in Spain, BBI Madrid's net income rose by 44% to almost EUR 6.1 million, resulting in an ROE of 14%. This was primarily due to a 39% increase in net banking income, in the black for the first time, at EUR 17 million. This was the result of its strategy of portfolio diversification, strengthening ties with large enterprises and strongly developing its trade finance business.

BBI London saw its contribution to net income attributable to shareholders of the parent company rise steeply (+35%) to MAD 106 million in 2015 versus MAD 79 million in 2014. Net income was GBP 7.8 million at 31 December 2015, up 36% compared to 2014, due to a 16% rise in net banking income to GBP 16.2 million and GBP 1.1 million of net write-backs at 31 December 2015. General operating expenses rose by 31.9% year-on-year to GBP 10.5 million, due to a number of exceptional and non-recurring expenses in 2015.

## ◆ African operations

Contribution	Africa	BOA	LCB	BDM			
African operations	Déc-15	Déc-14	Déc-15	Déc-14	Déc-15	Déc-14	Déc-15
Consolidated net banking income	5 354	4 937	5 038	4 612	315,6	325,2	na
Change	8%	9%	-3%				
General expenses	-3 124	-2 934	-2 918	-2 721	-205,2	-213,5	na
Change	6%	7%	-4%				
Cost of Risk	-904	-660	-907	-695	3,1	35,1	na
Change	37%	31%	-91%				
Net income	608	521,5	498,2	437,5	30,8	32,9	79,0
Change	17%	14%	-6%				55%

Bank of Africa saw its contribution to net income attributable to shareholders of the parent company reach almost MAD 500 million in 2015, up 14% compared to the same period last year. As a result, its contribution accounted for 25% of total net income attributable to shareholders of the parent company in 2015.

BOA's net income attributable to shareholders of the parent company grew by 14.4% compared to 2014 to EUR 56.2 million, driven by a 13.4% increase in consolidated net banking income to EUR 440 million. The cost-to-income ratio improved to 61.7% in 2015 versus 62.9% the previous year. Total assets and consolidated shareholders' equity rose by 19% and 18% respectively in 2015.

Bank of Africa's contribution to total net banking income grew by 9% to MAD 5,038 million, accounting for 43% of total net banking income. Its contribution to the cost of risk, after restatements under IFRS, totalled MAD 907 million in 2015 versus MAD 695 million in 2014, an increase of 31%.

La Congolaise de Banque saw its contribution to consolidated net banking income fall by 3% from MAD 325.2 million in 2014 to MAD 316 million in 2015.

The contribution from La Congolaise de Banque to net income attributable to shareholders of the parent company declined by 6%. Parent net income fell by 41% to MAD 57 million in 2015 versus MAD 98 million in 2014.

Lastly, Banque de Développement du Mali, consolidated under the equity method, saw its contribution to net income attributable to shareholders of the parent company rise from MAD 51 million in 2014 to MAD 79 million in 2015. This was largely due to a 5% rise in the take-up rate to 32.38% in 2015.

## SUBSIDIARIES' CONTRIBUTIONS TO NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

Contribution	Déc. 14	% STR	Déc. 14	% STR	VAR
<b>Moroccan operations</b>	<b>1 177</b>	<b>60%</b>	<b>1 297</b>	<b>67%</b>	<b>-9%</b>
BMCE Bank	845	43%	993	51%	-15%
Subsidiaries' operations	331	17%	304	16%	9%
SFS	174	9%	145	7%	20%
SALAFIN	87	4%	78	4%	12%
MAGHREBAIL	60	3%	41	2%	44%
MAROC FACTORING	21	1%	25	1%	-17%
RM EXPERTS	1	0%	-1	0%	-167%
EULER HERMES ACMAR	6	0%	2	0%	122%
<b>IBAM</b>	<b>110</b>	<b>6%</b>	<b>107</b>	<b>5%</b>	<b>3%</b>
BMCE CAPITAL	48	2%	57	3%	-15%
BMCE CAPITAL BOURSE	1	0%	0	0%	
BMCE CAPITAL GESTION	61	3%	49	3%	23%
<b>OTHERS</b>	<b>48</b>	<b>2%</b>	<b>51</b>	<b>3%</b>	<b>-8%</b>
LOCASOM	38	2%	28	1%	36%
EAI	-2	0%	-1	0%	48%
CID	12	1%	25	1%	-53%

INTERNATIONAL OPERATIONS	779	40%	647	33%	20%
EUROPE	171	9%	126	6%	36%
AFRICA	608	31%	521	27%	14%
BOA	498	25%	438	23%	14%
LCB	31	2%	33	2%	-6%
BDM	79	4%	51	3%	55%
<b>RESULTAT NET PDG</b>	<b>1 956</b>	<b>100%</b>	<b>1 944</b>	<b>100%</b>	<b>1%</b>

## ◆ Asset-liability management at 31 december 2015

### • Liquidity risk

The liquidity ratio was 110% at 31 December 2015, above the 100% regulatory limit.

The Liquidity Coverage Ratio (LCR) was 98% at parent company level and 122% on a consolidated basis at 31 December 2015, above the 60% regulatory limit set by Bank Al-Maghrib for 2015.

### • Interest rate risk

The results of stress tests carried out at 31 December 2015 on the impact from a 200 basis points change in interest rates on net interest income and the economic value of shareholders' equity complied with the limits set by the ALCO committee.

The impact from a 200 basis points change in interest rates on net interest income was estimated to be MAD 53 million or 0.9% of estimated 2015 net banking income, below ALCO's 5% limit.

The change in the economic value of shareholders' equity in the event of a 200 basis points shock was estimated to be MAD 944 million or 6% of regulatory shareholders' equity, which was also below the ALCO limit of 20%.

## THE BANK'S GROWTH PROSPECTS

Within the framework of the strategic development plan 2015-2018, BMCE Bank Group intends to deliver ongoing growth:

- (i) In Morocco, by continuing to expand its branch network and
- (ii) Overseas, by enhancing the Group's European presence and further strengthening operations in Africa.

It is worth recalling that, given the Bank's growth potential, in order to support its lending business and finance any prospective strategic acquisition, it decided to bolster its shareholders' equity in 2015 by issuing a MAD 2 billion subordinated bond. This follows two issues, each of MAD 1 billion, in January 2013 and September 2014.

The Bank remains committed to further cost reduction and improved risk control both in Morocco and overseas.

# RESOLUTIONS

## THE ANNUAL GENERAL MEETING SHALL RULE ON THE FOLLOWING

### FIRST RESOLUTION

The Annual General Meeting, after listening to the Board of Directors' Management Report and the Statutory Auditors' Reports, approves these documents in their entirety and unreservedly. It also approves the financial statements for the financial year ended 31 December 2015.

The Annual General Meeting acknowledges that the individual financial statements as well as the balance sheets relating to BMCE BANK's domestic operations, branch offices and subsidiaries and related statements of income (income statement and management accounting statement) drawn up at 31 December 2015, reflect the Bank's entire operations.

### SECOND RESOLUTION

The Annual General Meeting acknowledges that annual income for the financial year ended 31 December 2015 is as follows:

For the Moroccan operations MAD 836,397,114.38

For the Paris branch

MAD 168,363,583.83

For the BMCE BANK Offshore branch

MAD 299,274,598.40

Foreign currency equivalent in dirhams

For the BMCE BANK Offshore branch MAD 299,274,598.40

Foreign currency equivalent in dirhams

MAD 299,274,598.40

**Resulting in net income of MAD 1,304,035,296.61**

As a result, the Annual General Meeting decides to appropriate income in respect of financial year 2015 as follows:

Net income MAD 1,304,035,296.61

Ordinary dividend of 6% MAD 107,678,034.00

**Balance** MAD 1,196,357,262.61

Extraordinary dividend of 44% MAD 789,638,916.00

Balance MAD 406,718,346.61

Balance brought forward MAD 43,582.60

**Balance** MAD 406,761,929.21

To extraordinary reserves MAD 406,700,000.00

Balance to be carried forward MAD 61,929.21

The portfolio of subsidiaries and long-term investments generated dividends of MAD 423 million in financial year 2015.

Net write-backs for equity securities stood at MAD 380 million. All the above items have been included in the parent financial statements.

The Annual General Meeting sets the dividend distribution at 5 dirhams per share.

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This dividend will be paid on or after 13 July 2016 at the Bank's registered office, 140 Avenue Hassan II, Casablanca, BMCE Capital Titres. The dividend payment will be made by transfer of coupons paid into the BMCE BANK account held in the ledgers of MAROCLEAR.

### THIRD RESOLUTION

The Annual General Meeting shall set the total gross amount of directors' fees for the financial year ended 31 December 2015 at three million nine hundred thousand dirhams (MAD 3,900,000).

### FOURTH RESOLUTION

The Annual General Meeting, after listening to the Statutory Auditors' Special Report on related party agreements referred to in Article 56 et seq. of Act No. 17-95, as amended and completed, relating to limited companies and Article 26 of the Memorandum and Articles of Association, approves the conclusions of the said report and the related party agreements stated therein.

### FIFTH RESOLUTION

The Annual General Meeting acknowledges that the Bank's Statutory Auditors, KPMG and FIDAROC GRANT THORNTON, have completed their assignments in respect of the financial year ended 31 December 2015 in accordance with the current legal and statutory requirements.

### SIXTH RESOLUTION

The Annual General Meeting acknowledges the expiry of the terms of office of Caisse de Dépôt et de Gestion and Messrs Mohamed BENNANI, Mamoun BELGHITI and Brahim BENJELLOUN-TOUIMI as Directors.

The Annual General Meeting decides to reappoint Caisse de Dépôt et de Gestion and Messrs Mohamed BENNANI, Mamoun BELGHITI and Brahim BENJELLOUN-TOUIMI as Directors for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2021.

### SEVENTH RESOLUTION

The Annual General Meeting acknowledges the resignation of Novo Banco and Messrs Adil DOUIRI and Amine BOUABID as Directors, wholly and unreservedly discharges them of their management responsibilities and thanks them for their contribution to the work of the Board of Directors.

### EIGHTH RESOLUTION

The Annual General Meeting decides, upon the proposal of the Board of Directors, to appoint the following persons as Independent Directors for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2021.

- Mr François HENROT, a French citizen
- Mr Brian C. McK. HENDERSON, an American citizen
- Mr Philippe DE FONTAINE VIVE, a French citizen and
- Mr Cristian DE BOISSIEU, a French citizen

As a result, BMCE BANK's Board of Directors will be composed of the following ten Directors:

1. M. Othman BENJELLOUN, Chairman and Chief Executive Officer
2. Banque Fédérative du Crédit Mutuel (BfCM) - Groupe Crédit Mutuel - CIC, represented by Mr Michel LUCAS
3. Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHOUN
4. RMA Watanya, represented Mr Azeddine GUESSOUS
5. FinanceCom, represented by Mr Zouheir BENSAID
6. Mr François HENROT
7. Mr Brian C. McK. HENDERSON
8. Mr Philippe DE FONTAINE VIVE

9. Mr Christian DE BOISSIEU  
10. Mr Brahim BENJELLOUN-TOUIMI

## NINTH RESOLUTION

The Annual General Meeting wholly and unreservedly discharges the Directors of their management responsibilities in respect of the financial year ended 31 December 2015.

## TENTH RESOLUTION

The Annual General Meeting, after listening to the Board of Directors' Report, authorises the Board or any other person duly authorised by it for this purpose to carry out one or more non-convertible subordinated note issues of up to three billion five hundred million dirhams (MAD 3,500,000,000) for a minimum 5-year period, in accordance with the provisions of Articles 292-315 of Act No. 17-95 relating to limited companies, as amended and completed.

The issue(s) may be sub-divided into one or more tranches within a three-year (3) period.

The subordinated note issue amount may be limited to the amount subscribed by investors in compliance with the provisions of Article 298 of Act No. 17-95 relating to limited companies.

## ELEVENTH RESOLUTION

The Annual General Meeting shall delegate full powers, by virtue of Article 294 of Act No. 17-95, as amended and completed by Act No. 20-05, to the Board of Directors and to any other person duly authorised by it for this purpose:

- a.To decide on and set the characteristics and final terms of the subordinated note issue(s) authorised above;
- b.To carry out the subordinated note issue(s) authorised above;
- c.And, generally, to ensure that these bond issues comply with the current legal and regulatory requirements.

## TWELFTH RESOLUTION

The Annual General Meeting gives full powers to the bearer of the original or copy of this report to carry out all legal formalities.

## THE EXTRAORDINARY GENERAL MEETING SHALL RULE ON THE FOLLOWING RESOLUTIONS

### THIRTEENTH RESOLUTION

The Extraordinary General Meeting, after listening to the Board of Directors' Report, decides to renew the three-year authorisation of an option to convert amounts owing under a EUR 70 million subordinated loan from the IFC into equity in accordance with the undertakings given by the company to the IFC.

### FOURTEENTH RESOLUTION

As a consequence of the above resolution and, provided that the resolution regarding the cancellation of other shareholders' preferential subscription rights is adopted, the Extraordinary General Meeting authorises the company to increase its share capital by up to the dirham equivalent amount of EUR 70 million in consideration of the amounts owing under the subordinated loan granted by the International Finance Corporation (IFC).

## FIFTEENTH RESOLUTION

The Extraordinary General Meeting, after listening to the Statutory Auditors' Special Report, decides to cancel the preferential subscription rights of other shareholders in relation to the increase in authorised share capital in favour of International Finance Corporation.

## SIXTEENTH RESOLUTION

The Annual General Meeting gives full powers to the Board of Directors for the following:

- Increase the company's authorised share capital in accordance with the terms of the above resolutions;
- Determine the terms of this share capital increase including the definitive price at which the new shares will be issued;
- Carry out the share capital increase and amend the company's Memorandum and Articles of Association accordingly; and
- Generally, take all necessary measures and complete the formalities required for conducting a successful share capital increase; and, accomplish all these tasks in compliance with the current legal and regulatory requirements for issuing new shares in favour of the IFC.

## SEVENTEENTH RESOLUTION

The Extraordinary General Meeting decides to reconcile the company's Memorandum and Articles of Association with the provisions of Act No. 78-12, complemented by Act No. 17-95 relating to limited companies and the provisions of Act No. 103-12 relating to credit institutions and similar establishments (revoking Act No. 34-03).

In this regard, the Extraordinary General Meeting decides to:

- Insert, into its header, references indicating that the Bank is an authorised credit institution;
- Delete all references to Act No. 34-03;
- Amend Articles 1, 7, 16, 18, 26, 27, 29, 34, 35, 39, 41 and 43 as follows:

"Article 1 - Formation – Reconciliation – Applicable legislation (...)

Under the terms of the minutes of the deliberations of the Extraordinary General Meeting 30 May 2016, the company's Memorandum and Articles of Association have been reconciled with:

- The provisions of Act No. 78-12, amending and completing Act No. 17-95 relating to limited companies, and
- The provisions of Act No. 103-12 relating to credit institutions and similar institutions (revoking the aforementioned Act No. 34-03). (...)"

-----  
"Article 7 – Changes to share capital (...)"

The General Meeting, which decides on the share capital increase, may cancel preferential subscription rights in favour of one or more persons. It shall rule on the Board of Directors' and the Statutory Auditors' reports. Failure to do so will render the deliberations null and void.

The company shall send the Statutory Auditors the Board of Directors' report at least forty-five (45) days prior to the scheduled date of the General Meeting, convened to rule on the share capital



increase. This report must also be made available to shareholders at the company's head office or on its website prior to the date of publishing the summons to the Annual General Meeting, convened to rule on the share capital increase. (...)"

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#### "Article 16 – Board of Directors

I. The company is administered by a Board of Directors comprising no fewer than six (6) members and no more than fifteen (15) members, chosen from among the shareholders and appointed by the General Meeting.

The company is obliged to appoint independent Directors or members to its Board of Directors in accordance with the terms of the provisions of current regulations. The Directors are appointed or reappointed to their posts by the Annual General Meeting of Shareholders. (...)

IV. The Board of Directors may set up specialised committees that are responsible for examining specific issues submitted to them for their opinion.

In application of Article 106 (ii) of Act No. 17-95 and of Article 78 of Act No. 103-12, the Board of Directors is obliged to set up:

- An audit committee responsible for monitoring and assessing implementation of internal control measures. This Committee, whose composition is fixed by the Board of Directors, comprises Directors, to the exclusion of those who carry out other functions within the company
- A risk committee responsible for monitoring the risk identification and management process."

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#### "Article 18 – Number of shares required to fulfil the functions of Director (...)"

The independent Directors or members must not own shares in the company, regardless of whether or not they have voting rights. (...)"

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#### "Article 26 – Agreements referred to in Articles 56 et seq. of Act No. 17-95

I. Any agreement between the company and one of its Directors or Chief Executive Officer, or, as the case may be, one of its Delegate General Managers or shareholders, owning, directly or indirectly, more than five per cent (5%) of the company's capital or voting rights, either directly or indirectly, or by proxy, is conditional upon the Board of Director's prior authorisation and the approval procedure outlined in Articles 56 et seq. of the Act.

II. The same is true for agreements to which one of the persons referred to in the first paragraph above is indirectly an interested party or in which it has dealings with the company by proxy.

Agreements between the company and another company are also conditional upon the Board of Director's prior authorisation and the approval procedure if one of the Directors, Chief Executive Officer, or, as the case may be, one of the Delegate General Managers or shareholders, is owner, an unlimited liability partner, manager, director, managing director, member of the board, of the executive board or of the supervisory board of the said company.

The aforementioned provisions do not apply to agreements relating to the company's existing operations, concluded under normal conditions.

However, the interested party must inform the Chairman of the Board of any such agreement, unless the latter is deemed immaterial for either party in terms of its purpose or financial implications.

The Chairman shall provide Board members and the Statutory Auditors with a list comprising the purpose and the conditions of the said agreements within sixty (60) days of the end of the financial period.

The Director, General Manager, Delegate General Manager or interested shareholder is obliged to inform the Board of Directors as soon as he or she is aware that authorisation for an agreement has been requested. He or she may not participate in voting on the requested authorisation.

The persons referred to above must also provide the Board of Directors with sufficient information to enable the latter to assess their interests in concluding the aforementioned agreements and, in particular, the type of relationship that exists between the parties to the said conventions and the economic reasons for concluding them as well as their different characteristics.

This information must be published within three (3) days from the date on which the agreement is concluded by any means permitted by the Moroccan Capital Markets Authority. Failure to do so may result in a fine as stated in Article 420 of the Act.

The Chairman of the Board informs the Statutory Auditors of all authorised agreements referred to above within thirty (30) days from the date they are concluded and submits them to the next Annual General Meeting for approval. The Statutory Auditors shall present a special report about these agreements to the Annual General Meeting which will rule on this report. The interested party may not participate in the voting. His or her shares are not taken into consideration when calculating the quorum and the majority.

The Statutory Auditors' Special Report must be published in accordance with the terms set by the Moroccan Capital Markets Authority. (...)"

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#### "Article 27 – Statutory Auditors

The outgoing Statutory Auditors may be reappointed. Statutory auditors who have fulfilled their duties in the same institution for two consecutive terms of three years, may only be reappointed after a period of three years following the completion of the most recent term, subject to the approval of Bank Al-Maghrib.

In cases of misconduct or incapacity, they may be removed from office in accordance with the procedure stated in Article 179 of Act No. 17-95." (...)"

#### "Article 29 – Convening meetings - Place of meetings

II. General Meetings are convened by publishing a notice in a journal authorised to publish official legal notices at least thirty (30) days prior to the scheduled date of the said meeting. The notice must contain the information stated in section 124 of the Act, the text of the draft resolutions to be submitted by the Board to the General Meeting as well as a precise description of the procedures that

shareholders must follow to participate and vote at the Meeting, in particular, voting arrangements by proxy or by correspondence.

The meeting notice does not need to include the information listed above if it is published on the company's website prior to the date on which the said meeting notice is published. In this case, the latter shall mention the address of the aforementioned website. (...)"

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"Article 34 - Quorum – Voting – Number of votes

V. Given the above exceptions, each shareholder shall have as many votes as the number of shares the he or she owns or represents.

The results of the voting must be published on the company's website within fifteen (15) days of the date of the General Meeting."

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"Article 35 - Minutes of the deliberations of General Meetings - Copies - Excerpts

I. The deliberations of General Meetings are recorded in minutes indicating the particulars stated in Article 136 of the Act, which are registered or bundled in a specially initialled and maintained register in accordance with legislation and regulations.

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"Article 39 – Shareholders' right to information

Every shareholder has the right to receive information and the Board of Directors is obliged to send or make available to him or her the documents required to make informed decisions about the company's management and functioning.

The type of documents and conditions for sending or making them available to shareholders are determined by the relevant legislation and decrees regarding their application.

In application of these provisions:

I. Shareholders have the right to examine the following documents, which shall be made available at the company's head office at least fifteen (15) days prior to the date of the Annual General Meeting:

1. The agenda of the General Meeting;
2. The list of Directors;
3. The text and explanatory memorandum regarding the draft resolutions listed on the agenda;
4. If necessary, a notice about the candidates standing for membership of the Board;
5. The Board of Directors' and Statutory Auditors' reports which are to be submitted to the General Meeting;
6. The list of agreements under Article 56 of the Act. However, shareholders may obtain a copy of the said agreements at their own expense;
7. The list stated in Article 57;
8. In the case of the Annual General Meeting, the inventory and the financial statements for the previous financial year approved by the Board of Directors, the management report prepared by the latter

and the proposed appropriation of earnings;

9. Details of any proposed merger details, if the agenda includes a review of such a project;

10. The list of shareholders holding registered shares (with an indication of the number and the class of shares held by each shareholder) as at the sixteenth day prior to the said meeting and established on the basis of registration certificates presented to the company.

For a continuous period beginning no later than the twenty-first day prior to the General Meeting, the Company shall publish the following information on its website:

- The notice mentioned in Article 29.II above;
- The total number of existing voting rights and the number of shares constituting the Company's share capital as at the date of publication of the notice referred to in Article 29.II above, specifying, if applicable, the number of shares and existing voting rights on that date for each class of shares;
- The documents to be presented to the General Meeting;
- The text of the draft resolutions to be presented to the Assembly.
- The draft resolutions submitted or filed by shareholders shall be added to the website as soon as they have been received by the company;
- Postal voting and proxy voting forms, unless the company sends these forms to all shareholders.

The right to access the above documents belongs to owners of indivisible shares, bare owners and the usufructuary of the shares."

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« Article 41 - Inventory – income statement and balance sheet  
(...)

The financial statements must be prepared on an individual as well as consolidated or sub-consolidated basis. They must be prepared at the end of the first half of each financial period."

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« Article 43 – Dividend payments

Dividend payment terms, voted by the General Meeting, are set by the latter or, failing that, by the Board of Directors."

## EIGHTEENTH RESOLUTION

The Annual General Meeting gives full powers to the bearer of the original, copy or extract of this report to carry out the necessary legal formalities.

# STATUTORY AUDITORS' GENERAL REPORT



47, rue Allal Ben Abdellah  
20 000 Casablanca  
Maroc



11, Avenue Bir Kacem Souissi  
Rabat

To the Shareholders of  
**BMCE BANK**  
140, Avenue Hassan II  
Casablanca

We have audited the attached consolidated financial statements of Banque Marocaine du Commerce Extérieur and its subsidiaries, BMCE Bank Group, comprising the balance sheet at 31 December 2015, the income statement, the statement of changes in shareholders' equity and the cash flow statement as well as notes containing a summary of main accounting policies and other explicative notes. These financial statements show consolidated shareholders' equity and equivalent of MAD 22,109,552 thousand, including consolidated net income of MAD 2,654,730 thousand.

## MANAGEMENT'S RESPONSIBILITY

It is Management's responsibility to prepare and present these financial statements to give a true and fair view of the company's financial position in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control procedures relating to the preparation and presentation of the financial statements to ensure that they are free of material misstatement due to fraud or error and for making accounting estimates that are reasonable under the circumstances.

## AUDITOR'S RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements due to fraud or error.

In making those risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity relating to the preparation and presentation of the financial statements in order to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the financial position of BMCE Bank Group, comprising the persons and entities included within the scope of consolidation as at 31 December 2015 as well as its financial performance and cash flows over the same period, in accordance with the accounting principles and procedures described in the consolidated additional information statement.

Casablanca, 12 April 2016

The Statutory Auditors

**FIDAROC GRANT THORNTON**

FIDAROC GRANT THORNTON  
Bureau de l'Agence Grant Thornton  
International  
47, Rue Ben Abdellah - Casablanca  
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Rachid BOUMEHRAZ  
Associate

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**KPMG**

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Télecopie : 212 5 37 63 37 11  
Jamal SAAD EL IDRISI  
Associate

## I. CONSOLIDATED BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CASH FLOW STATEMENT AND SUMMARY OF ACCOUNTING POLICIES

### 1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 31 december 2015 were approved by the board of directors on 25 march 2016.

ASSETS	NOTES	2015	2014
Cash and amounts due from central banks and post office banks	4.1	10 403 090	9 966 747
Financial assets at fair value through profit or loss	4.2	25 760 228	28 609 790
Derivatives used for hedging purposes		7 207	-
Available-for-sale financial assets	4.3	6 846 572	4 891 427
Loans and receivables due from credit institutions	4.4	20 971 036	16 072 610
Loans and receivables due from customers	4.5	173 279 696	155 152 943
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	24 559 458	18 153 337
Current tax assets	4.8	63 550	199 008
Deferred tax assets	4.8	473 814	445 733
Accrued income and other assets	4.9	5 364 187	4 978 851
Non current assets held for sale		-	-
Investment associates	4.10	585 787	513 766
Investment property	4.11	3 035 131	835 047
Property, plant and equipment	4.11	6 516 029	5 847 075
Intangible assets	4.11	703 525	744 273
Goodwill	4.12	852 310	832 470
<b>TOTAL ASSETS</b>		<b>279 421 620</b>	<b>247 243 077</b>

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	2015	2014
Due to Central Banks and Post Office Banks		-	-
Financial liabilities at fair value through profit or loss	4.2	2 046 594	2 745 648
Derivatives used for hedging purposes		-	2 018
Due to credit institutions	4.4	51 176 027	33 142 978
Due to customers	4.5	178 255 021	161 268 876
Debt securities	4.6	8 967 697	13 170 353
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	131 027	55 341
Deferred tax liabilities	4.8	1 130 452	1 099 810
Accrued expenses and other liabilities	4.9	6 315 040	7 636 569
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	650 913	523 011
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	8 639 297	6 795 304
<b>TOTAL DEBTS</b>		<b>257 312 068</b>	<b>226 439 908</b>
Capital and related reserves		12 899 418	12 488 381
Consolidated reserves		-	-
- Attributable to parent		2 101 501	1 481 861
- Non-controlling interests		4 381 320	4 000 114
Unrealized or deferred gains or losses, attributable to parent		65 587	149 436
Unrealized or deferred gains or losses, non-controlling interests		6 996	-8 802
Net Income		-	-
- Attributable to parent		1 955 535	1 943 864
- Non-controlling interests		699 195	748 315
<b>TOTAL CONSOLIDATED SHAREHOLDERS'S EQUITY</b>		<b>22 109 552</b>	<b>20 803 169</b>
<b>TOTAL</b>		<b>279 421 620</b>	<b>247 243 077</b>

(In thousand MAD)

## 1.2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	NOTES	2015	2014
+ Interests and similar income		13 502 956	12 701 901
- Interests and similar expense		-4 962 142	-4 959 094
<b>Net Interest income</b>	<b>2.1</b>	<b>8 540 814</b>	<b>7 742 807</b>
+ Fees received and commission income		2 290 577	2 247 263
- Fees paid and commission expense		-339 423	-333 395
<b>Net fee income</b>	<b>2.2</b>	<b>1 951 154</b>	<b>1 913 868</b>
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	441 412	1 093 341
+/- Net gains or losses on available for sale financial assets	2.4	211 536	100 886
<b>Income from market transactions</b>		<b>652 948</b>	<b>1 194 227</b>
+ Other banking revenues	2.5	1 044 522	1 022 668
- Other banking expenses	2.5	-372 633	-376 343
<b>Net Banking Income</b>		<b>11 816 805</b>	<b>11 497 227</b>
- General Operating Expenses	2.9	-6 261 222	-5 827 763
- Allowances for depreciation and amortization PE and intangible assets	2.9	-672 006	-666 100
<b>Gross Operating Income</b>		<b>4 883 577</b>	<b>5 003 364</b>
- Cost of Risk	2.6	-1 439 956	-1 778 322
<b>Operating Income</b>		<b>3 443 621</b>	<b>3 225 042</b>
+/- Share in net income of companies accounted for by equity method		97 733	81 621
+/- Net gains or losses on other assets	2.7	74 609	17 306
+/- Change in goodwill			-
<b>Pre-tax earnings</b>		<b>3 615 963</b>	<b>3 323 969</b>
+/- Corporate income tax	2.8	-961 233	-631 790
<b>Net income</b>		<b>2 654 730</b>	<b>2 692 179</b>
<b>Non-controlling interests</b>		<b>699 195</b>	<b>748 315</b>
<b>Net income attributable to parent</b>		<b>1 955 535</b>	<b>1 943 864</b>
<b>Earnings per share</b>		<b>10,90</b>	<b>10,8</b>
<b>Diluted Earnings per share</b>		<b>10,90</b>	<b>10,8</b>

(In thousand MAD)

## 1.3. STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY	2015	2014
<b>Net income</b>	<b>2 654 730</b>	<b>2 692 179</b>
<b>Currency translation adjustment</b>	<b>-68 049</b>	<b>50 497</b>
Reevaluation of available for sale financial assets	-1 354	-6 334
Reevaluation of hedging instruments	-66 695	56 831
Reevaluation of fixed assets	-66 695	56 831
<b>Actuarial gains and losses on defined plans</b>	<b>0</b>	<b>0</b>
Proportion of gains and losses directly recognised in shareholders equity on companies consolidated under equity method	0	0
Total gains and losses directly recognised in shareholders equity	<b>-68 049</b>	<b>50 497</b>
<b>Net income and gains and losses directly recognised in shareholders equity attributable to parent</b>	<b>2 586 680</b>	<b>2 742 677</b>
Non-controlling interests	714 993	757 291

(In thousand MAD)

#### 1.4. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of Shareholder's Equity 12.31.2013	1 794 634	10 309 544	-35 727	2 722 605	107 914	14 898 970	4 244 486	19 143 458
Change in the accounting methods					0			0
<b>Beginning Balance of adjusted Shareholder's Equity 12.31.2013</b>	<b>1 794 634</b>	<b>10 309 544</b>	<b>-35 727</b>	<b>2 722 605</b>	<b>107 914</b>	<b>14 898 970</b>	<b>4 244 486</b>	<b>19 143 458</b>
Operations on capital	384 203			-384 203		0		0
Share-based payment plans						0		0
Operations on treasury stock		35 727				35 727		35 727
Dividends			-717 829		-717 829	-337 936	-1055 764	
<b>Net income</b>	<b>1 943 846</b>				<b>1 943 846</b>	<b>748 315</b>	<b>2 692 161</b>	
PP&E and intangible assets : Revaluations and disposals (A)						0		0
Financial instruments : change in fair Value and transfer to earnings (B)					47 856	47 856	8 976	56 831
Currency translation adjustments : Changes and transfer to earnings (C)					-6 334	-6 334		-6 334
Avantages au personnel						0		0
<b>Unrealized or deferred gains or losses (A) + (B) + (C)</b>				<b>0</b>	<b>41 522</b>	<b>41 522</b>	<b>8 976</b>	<b>50 497</b>
Change in the scope of consolidation				-18 092	-18 092	200 689		182 597
Others			-120 620		-120 620	-124 903		-245 524
Ending Balance of Shareholder's Equity 12.31.2014	1 794 634	10 693 747	0	3 425 707	149 436	16 063 524	4 739 627	20 803 152
Impact of changes in accounting methods						0		0
<b>Ending Balance of adjusted Shareholder's Equity 12.31.2014</b>	<b>1 794 634</b>	<b>10 693 747</b>	<b>0</b>	<b>3 425 707</b>	<b>149 436</b>	<b>16 063 524</b>	<b>4 739 627</b>	<b>20 803 152</b>
Operations on capital	411 037			-411 037		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends			-788 651		-788 651	-452 274	-1240 925	
<b>Net income</b>	<b>1 955 535</b>				<b>1 955 535</b>	<b>699 195</b>	<b>2 654 730</b>	
PP&E and intangible assets: Revaluations and disposals (E)						0		0
Financial instruments: change in fair Value and transfer to earnings (F)					-82 495	-82 495	15 799	-66 695
Currency translation adjustments: Changes and transfer to earnings (G)					-1354	-1354		-1354
Unrealized or deferred gains or losses (E) + (F) + (G)				<b>0</b>	<b>-83 849</b>	<b>-83 849</b>	<b>15 799</b>	<b>-68 049</b>
<b>Change in the scope of consolidation (*)</b>				<b>-68 567</b>	<b>-68 567</b>	<b>83 181</b>	<b>14 614</b>	
Others			-55 951		-55 951	1 983		-53 968
<b>Ending Balance of adjusted Shareholder's Equity 12.31.2015</b>	<b>1 794 634</b>	<b>11 104 784</b>	<b>0</b>	<b>4 057 036</b>	<b>65 587</b>	<b>17 022 041</b>	<b>5 087 511</b>	<b>22 109 553</b>

##### (\*) Change in the consolidation scope 2015

It is the acquisition of new stakes in BOA Group and Maghrébail, la Banque de Développement du Mali et La Congolaise de Banque.

## 1.5. CASH FLOW STATEMENTS AS OF DECEMBER 31<sup>st</sup>, 2015

### 1.5.1. Cash Flow Statement

CASH FLOW STATEMENT	NOTE	2015	2014
<b>Pre-tax net income</b>		<b>3 615 961</b>	<b>3 323 969</b>
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2.9	672 212	3 463 904
+/- Impairment of goodwill and other non- current assets		-	-
+/- Impairment of financial assets		46 758	173 473
+/- Net allowances for provisions	2.6	952 970	1 106 319
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-97 733	-65 808
+/- Net loss (income) from investing activities		-822 557	-1 346 058
+/- Net loss (income) from financing activities		-	-
+/- Other movements		-165 751	58 543
<b>Non monetary items included in pre-tax net income and other adjustments</b>		<b>585 900</b>	<b>3 390 373</b>
+/- Cash flows related to transactions with credit institutions		6 870 435	-2 073 872
+/- Cash flows related to transactions with customers		-355 618	3 260 835
+/- Cash flows related to transactions involving other financial assets and liabilities		-3 575 435	-6 036 643
<i>Dont Flux liés aux autres opérations affectant les titres de transaction</i>		-2 235 371	-4 059 340
+/- Cash flows related to transactions involving non financial assets and liabilities		-1 992 029	-4 488 481
<i>Dont Flux liés aux autres opérations affectant les dettes sur titres Empruntés</i>		-1 884 371	-4 355 730
+/- Taxes paid		-581 529	-806 052
<b>Net Increase (Decrease) in cash related to assets and liabilities generated by operating activities</b>		<b>365 823</b>	<b>-10 144 213</b>
<b>Net Cash Flows from Operating Activities</b>		<b>4 567 685</b>	<b>-3 429 871</b>
+/- Cash Flows related to financial assets and equity investments		-2 474 166	-732 356
+/- Cash flows related to investment property	4.11	-2 211 410	-187
+/- Cash flows related to PP&E and intangible assets	4.11	-1 361 288	-849 669
<b>Net Cash Flows from Investing Activities</b>		<b>-6 046 864</b>	<b>-1 582 212</b>
+/- Cash flows related to transactions with shareholders		-667 738	-909 304
+/- Cash flows generated by other financing activities		-2 947 262	1 844 774
<b>Net Cash Flows from Financing Activities</b>		<b>-3 615 000</b>	<b>935 470</b>
Effect of movements in exchange rates on cash and equivalents		-164 613	-252 118
<b>Net Increase in Cash and equivalents</b>		<b>-5 258 792</b>	<b>-4 328 731</b>
<b>Beginning Balance of Cash and Equivalents</b>		<b>11 215 740</b>	<b>15 544 470</b>
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	9 966 853	11 870 837
Net Balance of demand loans and deposits- credit institutions		1 248 887	3 673 632
<i>Dont Prêt et Emprunt de trésorerie JJ</i>		489 872	791 325
<b>Ending Balance of Cash and Equivalents</b>		<b>5 956 947</b>	<b>11 215 740</b>
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	10 403 196	9 966 853
Net Balance of demand loans and deposits- credit institutions		-4 446 249	1 248 887
<i>Dont Prêt et Emprunt de trésorerie JJ</i>		-2 877 349	489 872
<b>Net increase in cash and equivalents</b>		<b>-5 258 792</b>	<b>-4 328 731</b>
(in thousand MAD)			
		2015	2014
Dividends received	2.4	218 305	229 525
Dividends paid	1.5	-1 240 925	-1 055 764
Interest received		12 290 029	12 489 250
Interest paid		-3 366 255	-4 523 402

## 1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

### 1.6.1. Applicable accounting standards

The first consolidated financial statements to be prepared by BMCE Bank Group in accordance with international accounting standards (IFRS) were those for the period ended 30 June 2008 with an opening balance on 1 January 2007.

The consolidated financial statements of BMCE Bank Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as approved by the IASB.

The Group has not opted for early adoption of the new standards, amendments and interpretations adopted by the IASB where retrospective application is permitted.

### 1.6.2. Consolidation principles

#### a. Scope of consolidation

The scope of consolidation includes all Moroccan and foreign entities in which the Group directly or indirectly holds a stake.

BMCE Bank Group includes within its scope of consolidation all entities, whatever their activity, in which it directly or indirectly holds 20% or more of existing or potential voting rights. In addition, it consolidates entities if they meet the following criteria:

- The subsidiary's total assets exceed 0.5% of the parent company's;
- The subsidiary's net assets exceed 0.5% of the parent company's;
- The subsidiary's banking income exceeds 0.5% of the parent company's;
- "Cumulative" thresholds which ensure that the combined total of entities excluded from the scope of consolidation does not exceed 5% of the consolidated total.

#### b. Consolidation methods

The method of consolidation adopted (fully consolidated or accounted for under the equity method) will depend on whether the Group has full control, joint control or exercises significant influence.

At 31 December 2015, no Group subsidiary was jointly controlled.

#### c. Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

#### Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

#### Translation of financial statements prepared in foreign currencies

BMCE Bank Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the

balance sheet date. Income and expenditures are translated at the average rate for the period.

#### d. Business combinations and measurement of goodwill

##### Cost of a business combination

The cost of a business combination is measured as the aggregate fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company. Costs attributable to the acquisition are recognised through income.

##### Allocating the cost of a business combination to the assets acquired and liabilities incurred or assumed

The Group allocates, at the date of acquisition, the cost of a business combination by recognising those identifiable assets, liabilities and contingent liabilities of the acquired company which meet the criteria for fair value recognition at that date.

Any difference between the cost of the business combination and the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

##### Goodwill

At the date of acquisition, goodwill is recognised as an asset. It is initially measured at cost, that is, the difference between the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

The Group has adopted from 2012 the "full goodwill" method for new acquisitions. This method consists of measuring goodwill based on the difference between the cost of the business combination and minority interests over the fair value of the identifiable assets, liabilities and contingent liabilities.

It is worth noting that the Group has not restated business combinations occurring before 1 January 2008, the date of first-time adoption of IFRS, in accordance with IFRS 3 and as permitted under IFRS 1.

##### Measurement of goodwill

In accordance with IAS 36, impairment tests must be conducted whenever there is any indication of impairment that a unit may be impaired and at least once a year to ensure that the goodwill recognised for each CGU does not need to be written down.

At 31 December 2015, the Group conducted impairment test to ensure that the carrying amount of cash-generating units was still lower than the recoverable amount.

The recoverable amount of a cash-generating unit is the higher of the net fair value of the unit and its value in use.

Fair value is the price that is likely to be obtained from selling the CGU in normal market conditions.

Value in use is based on an estimate of the current value of future cash flows generated by the unit's activities as part of the Bank's market activities:

- If the subsidiary's recoverable amount is more than the carrying amount, then there is no reason to book an impairment charge;
- If the subsidiary's recoverable amount is less than the carrying amount, the difference is recognised as an impairment charge. It will be allocated to goodwill as a priority and subsequently to other assets on a pro-rata basis.



The Bank has employed a variety of methods for measuring CGU value in use depending on the subsidiary. These methods are based on assumptions and estimates:

- A revenue-based approach, commonly known as the "dividend discount model", is a standard method used by the banking industry. The use of this method depends on the subsidiary's business plan and will value the subsidiary based on the net present value of future dividend payments. These flows are discounted at the cost of equity.
- The "discounted cash flow method" is a standard method for measuring firms in the services sector. It is based on discounting available cash flows at the weighted average cost of capital.

#### **Step acquisitions**

In accordance with revised IFRS 3, the Group does not calculate additional goodwill on step acquisitions once control has been obtained.

In particular, in the event that the Group increases its percentage interest in an entity which is already fully consolidated, the difference at acquisition date between the cost of acquiring the additional share and share already acquired in the entity is recognised in the Group's consolidated reserves.

### **1.6.3. Financial assets and liabilities**

#### **a. Loans and receivables**

##### **Loans and receivables include credit provided by the Group.**

Loans and receivables are initially measured at fair value or equivalent, which, as a general rule, is the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees and commission included in the initial value of the loan, is calculated using the effective interest method and taken to income over the life of the loan.

#### **b. Securities**

##### **Classification of securities**

Securities held by the Group are classified under one of three categories.

##### **Financial assets at fair value through P&L**

This category includes financial assets and liabilities held for trading purposes. They are measured at fair value at the balance sheet date under "financial assets at fair value through P&L". Changes in fair value are recognised in the income statement under "Net gains or losses on financial instruments at fair value through P&L".

It is worth noting that the Group has not designated, on initial recognition, non-derivative financial assets and liabilities at fair value through income using option available under IAS 39.

An instrument may only be designated at fair value through profit or loss if the following conditions are met:

- If designation were to eliminate or significantly reduce any inconsistency in the instrument's measurement or recognition which would arise if designated otherwise;
- If a group of financial assets, financial liabilities or both were to

be managed and its performance assessed on a fair value basis in accordance with a documented risk management or investment strategy;

- If the economic characteristics and risks of an embedded derivative were not closely related to those of the host contract (see Appendix A, paragraphs AG30 and AG33);

Financial assets and financial liabilities at fair value through profit or loss are recognised in the balance sheet at fair value.

Changes in the fair value of financial assets and liabilities are recognised as losses or gains in the P&L.

Interest income is recognised under interest income and expenses while dividends are recognised under other operating income if the right to payment has been established.

It is worth underlining that the Group has not designated, on initial recognition, any non-derivative financial asset or liability at fair value through profit or loss per the option offered by IAS 39.

In 2013, the Bank issued a USD 300 million fixed rate international bond. This bond is hedged by a swap with the same characteristics as those of the bond (a fixed rate versus a variable rate). This transaction is qualified as a fair value hedging relationship.

The bond and the swap are therefore recognised at fair value through profit or loss.

The change in the fair value attributable to changes in credit risk resulted in a gain of MAD 1.6 million. The cumulative impact is MAD 19 million. Own credit default risk is calculated on the basis of historical data on default rates and that of credit ratings agencies.

The amount that the Bank will be obliged to pay at maturity is MAD 27.5 million more than the current carrying amount.

##### **Held-to-maturity financial assets**

Held-to-maturity financial assets include securities with fixed or determinable payments and fixed maturity securities that the Group has the intention and ability to hold until maturity.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount, corresponding to the difference between the asset's purchase price and redemption value and acquisition costs, if material. They may be written down, if applicable, in the event of issuer default. Income earned from this category of assets is included in "Interest and similar income" in the income statement.

##### **Available-for-sale financial assets**

Available-for-sale financial assets are fixed income and floating rate securities other than those classified under the two previous categories.

Assets included in the available-for-sale category are initially recognised at fair value plus transaction costs, if material. At the balance sheet date, they are re-measured at fair value, with changes in fair value shown on a separate line in shareholders' equity. Upon disposal, these unrealised gains and losses are transferred from shareholders' equity to the income statement, where they are shown on the line "Net gains or losses on available-for-sale financial assets". The same applies in the event of impairment.

Income recognised using the effective interest method for fixed income available-for-sale securities is recorded under "Interest and similar income" in the income statement.

Dividend income from floating rate securities is recognised under

"Net gains or losses on available-for-sale financial assets" when the Group's right to receive payment is established.

#### **Temporary acquisitions and sales**

##### **Repurchase agreements**

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

#### **Securities lending and borrowing transactions**

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

#### **Date of recognition of securities transactions**

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

#### **c. Foreign currency transactions**

##### **Monetary assets and liabilities denominated in foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

#### **d. Impairment and restructuring of financial assets**

##### **Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments**

At each balance sheet date, the Group determines whether there is objective evidence of impairment to a financial asset or group of financial assets as a result of an event or several events occurring after initial recognition, whether this event affects the amount or timing of future cash flows and whether the consequences of the event can be reliably measured.

The Group assesses, in the first instance, whether there is objective evidence of impairment on an individual basis for individually material assets or on a collective basis for financial assets which are not individually material.

If the Group determines that there is no objective evidence of impairment to a financial asset, whether considered individually material or not, it includes this asset within a group of financial assets with a similar credit risk profile and subjects them to an impairment

test on a collective basis.

At an individual level, objective evidence that a financial asset is impaired includes observable data relating to the following events:

- The existence of accounts which are past the due date;
- Any knowledge or evidence that the borrower is experiencing significant financial difficulty, such that a risk can be considered to have arisen, regardless of whether the borrower has missed any payments;
- Concessions in respect of the credit terms granted to the borrower that the lender would not have considered had the borrower not been experiencing financial difficulty.

Impairment is measured as the difference between the carrying amount and the present value, discounted at the asset's original effective interest rate, of those components (principal, interest, collateral, etc.) regarded as recoverable.

The Group's portfolio doubtful loan portfolio is categorised as follows :

**Individually material loans :** Each of these loans is reviewed individually in order to estimate recovery payments and determine recovery schedules. Impairment under IFRS relates to the difference between amounts owing and the net present value of expected recovered payments.

**Non-individually material loans :** Loans not reviewed on an individual basis are segmented into different risk categories having similar characteristics and are assessed using a statistical model, based on historical data, of annual recovery payments by each risk category.

##### **Counterparties not showing any evidence of impairment**

These loans are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon historical data, adjusted if necessary to reflect circumstances prevailing at the balance sheet date. This analysis enables the Group to identify counterparty groups which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio but without it being possible at that stage to allocate the impairment to individual counterparties.

This analysis also estimates the loss relating to the portfolios in question, taking account of trends in the economic cycle during the assessment period.

Based on the experienced judgement of the Bank's divisions or Risk Division, the Group may recognise additional collective impairment provisions in respect of an economic sector or geographical region affected by exceptional economic events. In this regard the Group established watch lists of the accounts at risk.

Provisions and provision write-backs are recognised in the income statement under "Cost of risk" while the theoretical income earned on the carrying amount of impaired loans is recognised under "Interest and similar income" in the income statement.

##### **Forbearance**

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans. The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstated under net interest income over the remaining term of the loan.



#### **Impairment of available-for-sale financial assets**

Impairment of "available-for-sale financial assets", which mainly comprise equity instruments, is recognised through income if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

The Group has determined two types of non-cumulative impairment for equity instruments recorded under "available-for-sale financial assets". The first one is a significant decline in the security's price. By "significant" is implied a fall of more than 40% from the acquisition price. The second is a prolonged decline, defined as an unrealised loss over a one-year period.

For financial instruments quoted on a liquid market, impairment is determined using quoted prices and, for unquoted financial instruments, is based on valuation models.

For unquoted equity instruments, the impairment criteria applied are as follows :

- The growing likelihood that the debtor could become bankrupt or undertake any other financial reorganisation;
- The disappearance of an active market for that financial asset because of the debtor's financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group.

Impairment losses taken against equity securities are recognised as a component of net banking income under "Net gains or losses on available-for-sale financial assets" and may only be reversed through income after these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in through income.

In the case of debt instruments, impairment is assessed on the basis of the same criteria applied to loans and receivables, that is, on an individual basis if there is objective evidence of impairment or on a collective basis if there is no evidence of impairment.

Given the characteristics of its portfolio, the Group is not concerned by debt instruments.

#### **Restructuring of assets classed as "Loans and receivables"**

An asset classified in "Loans and receivables" is considered to be restructured due to the borrower's financial difficulty when the Group, for economic or legal reasons related to the borrower's financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

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The decrease in the asset value is recognised through income under "Cost of risk".

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

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The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net

of amortisation, is recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

#### **e. Issues of debt securities**

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group's treasury shares.

In the Group's case, this concerns certificates of deposit issued by Group banks such as BMCE BANK and BANK OF AFRICA as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

#### **f. Treasury shares**

The term "treasury shares" refers to shares of the parent company, BMCE BANK SA and its fully consolidated subsidiaries.

"Treasury shares" refer to shares issued by the parent company, BMCE Bank SA, or by its fully consolidated subsidiaries. Treasury shares held by the Group are deducted from consolidated shareholders' equity regardless of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement.

As of December 31, 2015, the Group does not hold any treasury shares.

#### **g. Derivative instruments**

All derivative instruments are recognised in the balance sheet on the trade date at the trade price and are re-measured to fair value on the balance sheet date.

Derivatives held for trading purposes are recognised "Financial assets at fair value through income" when their fair value is positive and in "Financial liabilities at fair value through income" when their fair value is negative.

Realised and unrealised gains and losses are recognised in the income statement under "Net gains or losses on financial instruments at fair value through income".

#### **h. Fair value measurement of own credit default risk (DVA) / counterparty risk (CVA)**

Since the value of derivative products has not been material until now, the Bank will continue to monitor the extent to which this factor is significant in order to take into consideration fair value adjustments relating to its own credit default risk (DVA) / counterparty risk (CVA).

#### **i. Determining the fair value of financial instruments**

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets classified under "Financial assets at fair value through income" and "Available-for-sale financial assets" are measured at fair value.

Fair value in the first instance relates to the quoted price if the financial instrument is traded on a liquid market.

If no liquid market exists, fair value is determined by using valuation techniques (internal valuation models as outlined in Note 4.15 on fair value).

Depending on the financial instrument, these involve the use of data taken from recent arm's length transactions, the fair value of substantially similar instruments, discounted cash flow models or adjusted book values.

Characteristics of a liquid market include regularly available prices for financial instruments and the existence of real arm's length transactions.

Characteristics of an illiquid market include factors such as a significant decline in the volume and level of market activity, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

#### j. Income and expenses arising from financial assets and liabilities

The effective interest rate method is used to recognise income and expenses arising from financial instruments, which are measured at amortised cost.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

#### k. Cost of risk

"Cost of risk" includes impairment provisions net of write-backs and provisions for credit risk, losses on irrecoverable loans and amounts recovered on amortised loans as well as provisions and provision write-backs for other risks such as operating risks.

#### I. Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 1.6.4. Property plant and equipment and intangible assets

#### a. Property, plant and equipment

The Group has opted for the cost model to measure property, plant and equipment and intangible assets.

It is worth noting that, in application of the option provided under IFRS 1, the Group has chosen to measure certain items of property, plant and equipment at the transition date at their fair value and use this fair value as deemed cost at this date.

In accordance with IAS 23, borrowing costs directly attributable to the acquisition are included in the acquisition cost of items of property, plant and equipment.

As soon as they are available for use, items of property, plant and equipment are amortised over the asset's estimated useful life.

Given the character of BMCE Bank Group's property, plant and equipment, it has not adopted any residual value except for transport equipment owned by LOCASOM, a subsidiary.

In respect of the Group's other assets, there is neither a sufficiently liquid market nor a replacement policy over a period that is considerably shorter than the estimated useful life for any residual value to be adopted.

This residual value is the amount remaining after deducting from the acquisition cost all allowable depreciable charges.

Given the Group's activity, it has adopted a component-based approach for property. The option adopted by the Group is a component-based amortised cost method by applying using a component-based matrix established as a function of the specific characteristics of each of BMCE Bank Group's buildings.

#### Component-based matrix adopted by BMCE Bank

	Head office property		Other property	
	Period	QP	Period	QP
Structural works	80	55%	80	65%
Façade	30	15%		
General & technical installations	20	20%	20	15%
Fixtures and fittings	10	10%	10	20%

#### Impairment

The Group has deemed that impairment is only applicable to buildings and, as a result, the market price (independently-assessed valuation) will be used as evidence of impairment.

#### b. Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both. An investment property generates cash flows that are largely independent from the company's other assets in contrast to property primarily held for use in the production or supply of goods or services.

The Group qualifies investment property as any non-operating property.

BMCE Bank Group has opted for the cost method to value its investment property. The method used to value investment property is identical to that for valuing operating property.

In accordance with the requirements of paragraph 79(e) of IAS 40, the Group has investment properties whose acquisition cost is deemed to be substantially material valued by external surveyors at each balance sheet date (cf. 4.15 on fair value).

#### c. Intangible assets

Intangible assets are initially measured at cost which is equal to the amount of cash or cash equivalent paid or any other consideration given at fair value to acquire the asset at the time of its acquisition or construction.

Subsequent to initial recognition, intangible assets are measured at cost less cumulative amortisation and impairment losses.

The amortisation method adopted reflects the rate at which future economic benefits are consumed.

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is assessed at each balance sheet date.

Given the character of the intangible assets held, the Group considers that the concept of residual value is not relevant in respect of its intangible assets. As a result, residual value has not been adopted.



## 1.6.5. Leases

Group companies may either be the lessee or the lessor in a lease agreement.

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

### a. Lessor accounting

#### Finance leases

In a finance lease, the lessor transfers the substantial portion of the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable.

The net income earned from the lease by the lessor is equal to the amount of interest on the loan and is taken to the income statement under "Interest and other income". The lease payments are spread over the lease term and are allocated to reducing the principal and to interest such that the net income reflects a constant rate of return on the outstanding balance. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

#### Operating leases

An operating lease is a lease under which the substantial portion of the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over the lease term. The depreciable amount excludes the asset's residual value. The lease payments are taken to the income statement in full on a straight-line basis over the lease term.

Lease payments and depreciation expenses are taken to the income statement under "Income from other activities" and "Expenses from other activities".

### b. Lessee accounting

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

#### Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease.

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

#### Operating leases

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the lessee's income statement on a straight-line basis over the lease term.

## 1.6.6. Non-current assets held for sale and discontinued activities

An asset is classified as held for sale if its carrying amount is obtained through the asset's sale rather than through its continuous use in the business.

At 31 December 2015, the Group did not recognise any assets as held for sale or discontinued activities.

## 1.6.7. Employee benefits

### Classification of employee benefits

#### a. Short-term benefits

Short-term benefits are due within twelve months of the close of the financial year in which employees provided the corresponding services. They are recognised as expenses in the year in which they are earned.

#### b. Defined-contribution post-employment benefits

The employer pays a fixed amount in respect of contributions into an external fund and has no other liability. Benefits received are determined on the basis of cumulative contributions paid plus any interest and are recognised as expenses in the year in which they are earned.

#### c. Defined-benefit post-employment benefits

Defined-benefit post-employment benefits are those other than defined-contribution schemes. The employer undertakes to pay a certain level of benefits to former employees, whatever the liability's cover. This liability is recognised as a provision.

The Group accounts for end-of-career bonuses as defined-benefit post-employment benefits: these are bonuses paid on retirement and depend on employees' length of service.

#### d. Long-term benefits

These are benefits which are not settled in full within twelve months after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

#### e. Termination benefits

Termination benefits are made as a result of a decision by the Group to terminate a contract of employment or a decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

### Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

#### a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of

the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

#### **b. Accounting principles**

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under "Salaries and employee benefits" in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund's investments (gross rate of return) ;
- The effect of any plan curtailments or settlements.

#### **1.6.8. Share-based payments**

The Group offers its employees the possibility of participating in share issues in the form of share purchase plans.

New shares are offered at a discount on the condition that they retain the shares for a specified period.

The expense related to share purchase plans is spread over the vesting period if the benefit is conditional upon the beneficiary's continued employment.

This expense, booked under "Salaries and employee benefits", with a corresponding adjustment to shareholders' equity, is calculated on the basis of the plan's total value, determined at the allotment date by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account performance-based criteria relating to the BMCE Bank share price. The plan's total expense is determined by multiplying the unit value per option or bonus share awarded by the estimated number of options or bonus shares acquired at the end of the vesting period, taking into account the conditions regarding the beneficiary's continued employment.

#### **1.6.9. Provisions recorded under liabilities**

Provisions recorded under liabilities on the Group's balance sheet, other than those relating to financial instruments and employee benefits mainly relate to restructuring, litigation, fines, penalties and

tax risks.

A provision is recognised when it is probable that an outflow of resources providing economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made about the obligation's amount. The amount of such obligations is discounted in order to determine the amount of the provision if the impact of discounting is material.

A provision for risks and charges is a liability of uncertain timing or amount.

The accounting standard provides for three conditions when an entity must recognise a provision for risks and charges:

- A present obligation towards a third party ;
- An outflow of resources is probable in order to settle the obligation;
- The amount can be estimated reliably.

#### **1.6.10. Current and deferred taxes**

The current income tax charge is calculated on the basis of the tax laws and tax rates in force in each country in which the Group has operations.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax liability is a tax which is payable at a future date. Deferred tax liabilities are recognised for all taxable temporary differences other than those arising on initial recognition of goodwill or on initial recognition of an asset or liability for a transaction which is not a business combination and which, at the time of the transaction, has not impact on profit either for accounting or tax purposes.

A deferred tax asset is a tax which is recoverable at a future date. Deferred tax assets are recognised for all deductible temporary differences and unused carry-forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

The Group has opted to assess the probability of recovering deferred tax assets.

Deferred taxes assets are not recognised if the probability of recovery is uncertain. Probability of recovery is ascertained by the business projections of the companies concerned.

#### **1.6.11. Cash flow statement**

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and the net balances of sight loans and deposits with credit institutions.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable debt instruments.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to subordinated debt, bonds and debt



securities (excluding negotiable debt instruments).

#### **1.6.12. Use of estimates in the preparation of the financial statements**

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the time of preparation of the financial statements when making their estimates.

The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates depending on market conditions. This may have a material impact on the financial statements.

Those estimates which have a material impact on the financial statements primarily relate to:

- Impairment (on an individual or collective basis) recognised to cover credit risks inherent in banking intermediation activities ;

Other estimates made by the Group's management primarily relate to :

- Goodwill impairment tests ;
- Provisions for employee benefits;
- The measurement of provisions for risks and charges.

## II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

### 2.1. NET INTEREST INCOME

includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), available for sale financial assets and held-to-maturity financial assets.

NET INTEREST INCOME	2015			2014		
	Income	Expense	Net	Income	Expense	Net
<b>Customer Items</b>	<b>9 885 496</b>	<b>3 089 650</b>	<b>6 795 846</b>	<b>9 620 309</b>	<b>2 924 519</b>	<b>6 695 790</b>
Deposits, loans and borrowings	9 361 634	2 973 026	6 388 608	9 008 184	2 852 671	6 155 513
Repurchase agreements		116 624	-116 624		71 848	-71 848
Finance leases	523 862		523 862	612 125		612 125
<b>Interbank items</b>	<b>887 565</b>	<b>916 517</b>	<b>-28 952</b>	<b>748 342</b>	<b>965 111</b>	<b>-216 769</b>
Deposits, loans and borrowings	623 683	877 403	-253 720	508 162	889 165	-381 003
Repurchase agreements	263 882	39 114	224 768	240 180	75 946	164 234
Debt securities issued	0	0	0	0	0	0
Cash flow hedge instruments	0	0	0	0	0	0
Interest rate portfolio hedge instruments	0	0	0	0	0	0
<b>Trading book</b>	<b>1 341 654</b>	<b>955 975</b>	<b>385 679</b>	<b>1 252 489</b>	<b>1 069 464</b>	<b>183 025</b>
Fixed income securities	1 341 654	623 022	718 632	1 252 489	756 372	496 117
Repurchase agreements			0			0
Loans/borrowings			0			0
Debt securities	0	332 953	-332 953	0	313 092	-313 092
Available for sale financial assets			0			0
<b>Held to maturity financial assets</b>	<b>1 388 241</b>	<b>1 388 241</b>	<b>1 080 761</b>	<b>1 080 761</b>		
<b>TOTAL</b>	<b>13 502 956</b>	<b>4 962 142</b>	<b>8 540 814</b>	<b>12 701 901</b>	<b>4 959 094</b>	<b>7 742 807</b>

(In thousand MAD)

As of December 31, 2015, the net interest income increased by 10.3% compared as of December 31, 2014 and amounted 8 541 million MAD. This variation is mainly due to an increase of 28.5% of income related to customers loans, which amounted 1 388 million MAD as of December 31, 2015 versus 1 081 million MAD as of December 31, 2014 and an increase of 45% of fixed income securities (719 million MAD as of December 31, 2015 versus 496 million MAD as of December 31, 2014).

### 2.2. NET FEE INCOME

COMMISSIONS NETTES	2015			2014		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	1 575 303	164 300	1 411 003	1 498 023	135 079	1 362 944
With credit institutions			-			-
With customers	1 125 822		1 125 822	1 046 050		1 046 050
On custody	196 168	97 622	98 546	165 947	96 320	69 627
On foreign exchange	253 313	66 678	186 635	286 026	38 759	247 267
On financial instruments and off balance sheet			-			-
Banking and financial services	715 274	175 123	540 151	749 240	198 316	550 924
Income from mutual funds management			-			-
Income from electronic payment services	361 150	49 371	311 779	341 856	42 803	299 053
Insurance			-			-
Other	354 124	125 752	228 372	407 384	155 513	251 871
<b>NET FEE INCOME</b>	<b>2 290 577</b>	<b>339 423</b>	<b>1 951 154</b>	<b>2 247 263</b>	<b>333 395</b>	<b>1 913 868</b>

(In thousand MAD)

Net fee income covers fees from interbank market and the money market, customer transactions, securities transactions, foreign exchange transactions, securities commitments, financial transactions derivatives and financial services.

### 2.3. NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This entry includes all items of income (excluding interest income and expenses, classified under «Net interest income» as described above) relating to financial instruments managed within the trading book.

This covers gains and losses on disposals, gains and losses related to mark-to-market, as well as dividends from variable-income securities.

NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	Trading Book	2015		2014	
		Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option
Fixed income and variable income securities	466 807		466 807	1 092 286	
Derivative instruments	-27 077	1 682	-25 395	1 055	
Repurchase agreements					
Loans					
Borrowings					
Remeasurement of interest rate risk hedged portfolios					
Remeasurement of currency positions					
<b>TOTAL</b>	<b>439 730</b>	<b>1 682</b>	<b>441 412</b>	<b>1 093 341</b>	<b>0</b>
(In thousand MAD)					

As of December 31, 2015, net gains on financial instruments at fair value through profit rose by 59.7% compared to December 31, 2014.

This variation is mainly due to an increase of yield of fixed and variable income of 57% from 1 092 million MAD in 2014 to 467 million MAD in 2015.

### 2.4. NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

This section includes :

- Dividends and other income from equities and other floating rate securities classified as financial assets available for sale ;
- Gains and losses on disposals of fixed and floating rate securities classified as available for sale financial assets ;
- Impairment provisions on floating rate securities, classified as available for sale financial assets.

NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	2015	2014
Fixed income securities	0	0
Disposal gains and losses		
Equity and other variable-income securities	<b>211 536</b>	<b>100 886</b>
Dividend income	218 305	229 525
Impairment provisions	-5 314	-122 065
Net disposal gains	-1 455	-6 574
<b>TOTAL</b>	<b>211 536</b>	<b>100 886</b>
(In thousand MAD)		

As of December 31, 2015, net gains on available for sale financial assets rose by -38% compared to December 31, 2014 and amounted 212 million MAD. This variation is mainly due the decrease of impairments amounting 122 millions MAD in 2014 versus 5 million MAD in 2015.

## 2.5. NET INCOME FROM OTHER ACTIVITIES

NET INCOME FROM OTHER ACTIVITIES	2015			2014		
	Income	Expense	Ner	Income	Expense	Net
Net income from insurance activities			-			-
Net income from investment property	-	-	-	-	-	-
Net income from assets held under operating leases	269 116	104 725	164 391	274 345	98 551	175 794
Net income from property development activities	-	-	-	-	-	-
Other banking income & expenses	383 325	218 872	164 453	357 964	222 374	135 590
Other operating income	392 081	49 036	343 045	390 359	55 418	334 941
<b>TOTAL NET INCOME FROM OTHER ACTIVITIES</b>	<b>1 044 522</b>	<b>372 633</b>	<b>671 889</b>	<b>1 022 668</b>	<b>376 343</b>	<b>646 325</b>

(In thousand MAD)

## 2.6. COST OF RISK

Includes expenses arising from the manifestation of credit risk and counterparty disputes inherent in the banking business conducted with stakeholders. Net impairment non covered by such risk allocations are classified in the income statement according to their type.

### Cost of risk for the period

COST OF RISK FOR THE PERIOD	2015	2014
<b>Impairment provisions</b>	<b>-2 571 528</b>	<b>-1 934 231</b>
Impairment provisions on loans and advances	-2 444 843	-1 806 846
Impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Provisions on off balance sheet commitments	-13 059	-433
Other provisions for contingencies and charges	-113 626	-126 952
<b>Write back of provisions</b>	<b>1 618 558</b>	<b>627 707</b>
Write back of impairment provisions on loans and advances	1 475 347	570 908
Write back of impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Write back of provisions on off balance sheet commitments	1 575	58
Write back of other provisions for contingencies and charges	141 636	56 741
<b>Changes in provisions</b>	<b>-486 986</b>	<b>-471 798</b>
Losses on counterparty risk on available for sale financial assets (fixed income securities)		
Losses on counterparty risk held to maturity financial assets		
Loss on irrecoverable loans and advances not covered by impairment provisions		
Loss on irrecoverable loans and advances covered by impairment provisions	-529 326	-493 375
Discount on restructured products		
Recoveries on amortized loans and advances	42 340	21 577
Losses on off balance sheet commitments		
Other losses		
<b>Cost of Risk</b>	<b>-1 439 956</b>	<b>-1 778 322</b>

(In thousand MAD)

### Cost of risk for the period

COST OF RISK FOR THE PERIOD	2015	2014
Net allowances to impairment	-952 971	-1 306 523
Recoveries on loans and receivables previously written off	42 340	21 577
Irrecoverable loans and receivables not covered by impairment provisions	-529 325	-493 376
<b>TOTAL COST OF RISK FOR THE PERIOD</b>	<b>-1 439 956</b>	<b>-1 778 322</b>

(In thousand MAD)

### Cost of risk for the period asset type

COST OF RISK FOR THE PERIOD ASSET TYPE	2015	2014
Loans and Receivables due from credit institutions		
Loans and receivables due from customers	-1 456 481	-1 707 737
Available for sale financial assets		
Held to maturity financial assets		
Financial assets from market transactions		
Others		
Commitments and others	16 525	-70 585
<b>Total cost of risk for the period</b>	<b>-1 439 956</b>	<b>-1 778 322</b>

(In thousand MAD)

## 2.7. NET GAINS ON OTHER ASSETS

	2015	2014
PP&E and intangible assets used in operations	0	0
Capital gains on disposals		
Capital losses on disposals		
Equity interests	0	0
Capital gains on disposals	0	0
Capital losses on disposals	0	0
Others*	74 609	17 306
<b>Net Gain/Loss on Other Assets</b>	<b>74 609</b>	<b>17 306</b>

(In thousand MAD)

Net gains or losses on other assets increased amounting from 17.3 million MAD at the end of 2014 to 74.6 million MAD at the end of 2015

## 2.8. INCOME TAX

### 2.8.1. Current and deferred tax

CURRENT AND DEFERRED TAX	2015	2014
Current tax	63 550	199 008
Deferred tax	473 814	445 733
Current and deferred tax assets	<b>537 364</b>	<b>644 741</b>
Current tax	131 027	55 341
Deferred tax	1 130 452	1 099 810
Current and deferred tax liabilities	<b>1 261 479</b>	<b>1 155 151</b>

(In thousand MAD)

### 2.8.2. Net income tax expense

NET INCOME TAX EXPENSE	2015	2014
Current tax expense	-790 809	-660 266
Net deferred tax expense	-170 424	28 476
Net Corporate income tax expense	<b>-961 233</b>	<b>-631 790</b>

(In thousand MAD)

### 2.8.3. Effective tax rate

EFFECTIVE TAX RATE	2015	2014
Net income	2 654 730	2 692 179
Net corporate income tax expense	-961 233	-631 790
Average effective tax rate	<b>36.2%</b>	<b>23.5%</b>

(In thousand MAD)

### Analysis of effective tax rate

ANALYSIS OF EFFECTIVE TAX RATE	2015	2014
Standard tax rate	37.0%	37.0%
Differential in tax rates applicable to foreign entities		
Reduced tax rate		
Permanent differences		
A Change in tax rate		
N Other items	-0.8%	-13.5%
<b>N Average effective tax rate</b>	<b>36.2%</b>	<b>23.5%</b>

(In thousand MAD)

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## 2.9 - GENERAL OPERATING EXPENSES

GENERAL OPERATING EXPENSES	2015	2014
Staff expenses	3 275 478	3 030 005
Taxes	104 508	83 586
External expenses	1 486 180	1 383 487
Other general operating expenses	1 395 056	1 330 685
Allowances for depreciation and provisions of tangible and intangible assets	672 006	666 100
General operating expenses	<b>6 933 228</b>	<b>6 493 863</b>

(In thousand MAD)

General operating expenses increased by 6.77% between 2014 and 2015 from 6 494 million MAD as of December 31, 2014 to 6 933 million MAD as of December 31, 2015.

This variation is explained by an increase in staff expenses of 8.1% from 3 030 million MAD in 2014 to 3 275 million MAD in 2015, and by the increase in other operating expenses (including taxes and expenses, depreciation and other external expenses) by 5.6% from 3 464 million MAD in 2014 to 3 658 million MAD in 2015.

## III. SEGMENT INFORMATION

**BMCE Bank Group is composed of four core business activities for accounting and financial information purposes:**

- Banking in Morocco :** includes BMCE Bank's Moroccan business;
- Asset management and Investment banking :** includes investment banking (BMCE Capital), securities brokerage (BMCE Capital Bourse) and asset management (BMCE Capital Gestion) ;
- Specialised financial services :** includes consumer credit (Salafin), leasing (Maghrébail), factoring (Maroc Factoring), recovery (RM Experts) and credit insurance (Acmar) ;
- International activities :** includes BMCE International (Madrid), Banque de Développement du Mali, La Congolaise de Banque, BMCE Bank International and Bank Of Africa.

## 3.1. EARNINGS BY BUSINESS LINE

EARNINGS BY BUSINESS LINE	Activity in morocco	Investment Banking	Specialised financial services	Others	2015	
					International activities	Total
Net interest Income	3 517 004	32 488	620 546	-17 635	4 388 411	8 540 814
Net Fee income	963 811	150 168	13 519	0	823 656	1 951 154
Net Banking Income	4 880 905	344 371	644 205	147 277	5 800 047	11 816 805
General Operating Expenses & allowances for depreciation and amortization	-3 037 457	-267 747	-218 765	-77 284	-3 331 975	(6 933 228)
Operating Income	1 843 447	76 625	425 441	69 993	2 468 071	4 883 577
Corporate income tax	-464 940	-48 930	-151 203	-16 773	-279 387	(961 233)
Net Income Attributable to shareholders of the parent	845 170	110 059	173 887	47 536	778 883	1 955 535
2014						
Net interest Income	3 163 049	49 612	719 859	-18 399	3 828 686	7 742 807
Net Fee income	827 661	126 444	14 292	0	945 471	1 913 868
Net Banking Income	4 939 564	351 681	743 701	158 698	5 303 583	11 497 227
General Operating Expenses & allowances for depreciation and amortization	-2 731 382	-245 162	-192 747	-87 142	-3 237 430	(6 493 863)
Operating Income	2 208 182	106 519	550 954	71 556	2 066 153	5 003 364
Corporate income tax	-229 409	-47 704	-124 596	-11 943	-218 138	(631 790)
Net Income Attributable to shareholders of the parent	992 887	106 593	145 484	51 426	647 474	1 943 864

(In thousand MAD)



### 3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

ASSETS AND LIABILITIES BY BUSINESS ACTIVITY	2015					
	Activity in morocco	Investment Banking	Specialised financial services	Others	International activities	Total
TOTAL ASSETS	187 904 186	724 956	7 343 858	214 288	83 234 332	279 421 620
ASSETS ITEMS						
Available for sale assets	2 141 161	107 685	17 265	20 365	4 560 096	6 846 572
Customer loans	113 592 597	109	14 680 785	0	45 006 205	173 279 696
Financial assets at fair value	25 275 085	122 281	207	0	362 655	25 760 228
Held to maturity assets	4 328 349	0	0	0	20 231 109	24 559 458
LIABILITIES & SHAREHOLDERS EQUITY ITEMS						
Customer deposits	121 110 279	2 616	1 107 886	0	56 034 240	178 255 021
Shareholder's Equity	14 966 626	263 520	1 422 829	( 35 622)	5 492 199	22 109 552
2014						
TOTAL ASSETS	164 934 033	763 527	8 090 081	178 767	73 276 669	247 243 077
ASSETS ITEMS						
Available for sale assets	1 569 636	132 554	17 166	21 026	3 151 045	4 891 427
Customer loans	99 370 301	179	14 867 010	0	40 915 453	155 152 943
Financial assets at fair value	28 476 818	80 444	2 368	0	50 160	28 609 790
Held to maturity assets	2 317 968	0	0	0	15 835 369	18 153 337
LIABILITIES & SHAREHOLDERS EQUITY ITEMS						
Customer deposits	109 986 007	0	1 225 018	0	50 057 851	161 268 876
Shareholder's Equity	14 527 416	216 015	1 252 591	( 41 433)	4 848 580	20 803 169

(In thousand MAD)

### 3.3. BREAKDOWN OF LOANS AND RECEIVABLES

#### Breakdown of loans and receivables to credit institutions by geographical region

	BREAKDOWN OF LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS BY GEOGRAPHICAL REGION						
	2015	PERFORMING LOANS	NPL	PROVISIONS	2014	PERFORMING LOANS	NPLS
Morocco	13 272 891	58 616	58 616	58 616	10 437 608	58 669	58 669
Europe	3 127 517	0	0	0	2 371 474	0	0
Subsaharan Africa	4 554 179	24 100	7 651	7 651	3 243 617	29 595	9 684
<b>Total</b>	<b>20 954 587</b>	<b>82 716</b>	<b>66 267</b>	<b>66 267</b>	<b>16 052 699</b>	<b>88 264</b>	<b>68 353</b>
Allocated debts							
Provisions							
<b>Net Value</b>	<b>20 954 587</b>	<b>82 716</b>	<b>66 267</b>	<b>66 267</b>	<b>16 052 699</b>	<b>88 264</b>	<b>68 353</b>

(In thousand MAD)

#### Breakdown of loans to customer by geographical region

	BREAKDOWN OF LOANS TO CUSTOMER BY GEORGGRAPHICAL REGION								
	dec-15	PERFORM-ING LOANS	NPL	PROVI-SIONS	PERFORM-ING LOANS	NPLS	PROVI-SIONS	PROVISIONS INDIVIDUELLES	PROVISIONS COLLECTIVES
A	Morocco	125 168 158	8 419 017	3 904 848	1 408 836	112 108 604	7 238 376	383 916 8,162	1 270 321
N	Europe	3 816 758	110 303	32 658	0	3 323 611	173 250	117 524	
N	Subsaharan Africa	38 924 773	4 204 443	1 936 574	80 840	36 226 993	2 959 669	156 035 9,428	90 188
U	<b>Net Value</b>	<b>167 909 689</b>	<b>12 733 763</b>	<b>5 874 080</b>	<b>1 489 676</b>	<b>151 659 208</b>	<b>10 371 295</b>	<b>5 517 052</b>	<b>1 360 508</b>
A									
L									

(In thousand MAD)

## Change in impairment for loans due from customers

	2015	2014
<b>TOTAL PROVISIONS AT BEGINNING OF THE PERIOD</b>	<b>6 877 560</b>	<b>6 306 060</b>
Provisions	2 464 842	1 806 846
Write-backs of provisions	-1 421 577	-570 908
Use of provisions	-522 094	-520 872
Change in currency parities and other	-34 975	-143 566
<b>TOTAL PROVISIONS AT END OF THE PERIOD</b>	<b>7 363 756</b>	<b>6 877 560</b>

(In thousand MAD)

## Change in impairment for loans due from credit institutions

	2015	2014
<b>TOTAL PROVISIONS AT BEGINNING OF THE PERIOD</b>	<b>68 353</b>	<b>40 205</b>
Provisions	28 333	28 333
Write-backs of provisions	-2 086	-
Use of provisions	-	-
Change in currency parities and other	-185	-
<b>TOTAL PROVISIONS AT END OF THE PERIOD</b>	<b>66 267</b>	<b>68 353</b>

(In thousand MAD)

## IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2015

## 4.1. CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE

CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE	2015	2014
Cash	3 562 741	3 356 387
Central banks	5 998 648	6 083 895
Treasury	836 959	521 727
Giro	4 742	4 738
Central banks, treasury, giro	<b>6 840 349</b>	<b>6 610 360</b>
Cash, central banks, treasury, giro	<b>10 403 090</b>	<b>9 966 747</b>

(In thousand MAD)



## 4.2. ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities recognised at fair value through income consist of negotiated transactions for trading purposes.

ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	2015			2014		
	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable certificates of deposits	4 746 066	0	4 746 066	4 014 284	0	4 014 284
Treasury bills and other eligible for central bank refinancing	4 235 874		4 235 874	2 789 392		2 789 392
Other negotiable certificates of deposits	510 192		510 192	1 224 892		1 224 892
Bonds	1 518 833	0	1 518 833	2 295 130	0	2 295 130
Government bonds	616 244		616 244	565 681		565 681
Other bonds	902 589		902 589	1 729 449		1 729 449
Equities and other variable income securities	19 490 636	0	19 490 636	22 319 502	0	22 319 502
Repurchase agreements	0	0	0	0	0	0
Loans	0	0	0	0	0	0
To credit institutions						
To corporate customers						
To private individual customers						
Trading Book Derivatives	4 693	0	4 693	-19 126	0	-19 126
Currency derivatives	4 089		4 089	-19 703		-19 703
Interest rate derivatives	604		604	577		577
Equity derivatives						
Credit derivatives						
Other derivatives						
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	25 760 228	0	25 760 228	28 609 790	0	28 609 790
Of which loaned securities						
Excluding equities and other variable-income securities						
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling						
Repurchase agreements						
Borrowings	0	1 999 324	1 999 324	0	2 696 352	2 696 352
Credit institutions		1 999 324	1 999 324		2 696 352	2 696 352
Corporate customers						
Debt securities						
Trading Book Derivatives	47 270	0	47 270	49 296	0	49 296
Currency derivatives	47 270		47 270	49 296		49 296
Interest rate derivatives			0			0
Equity derivatives			0			0
Credit derivatives						
Other derivatives						
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	47 270	1 999 324	2 046 594	49 296	2 696 352	2 745 648

(In thousand MAD)

#### 4.3. AVAILABLE-FOR- SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets other than those classified as:

- a) Loans and receivables;
- b) Held-to-maturity financial assets;
- c) Financial assets at fair value through profit or loss.

AVAILABLE-FOR- SALE FINANCIAL ASSETS	2015	2014
Negotiable certificates of deposit	0	0
Treasury bills and other bills eligible for central bank refinancing		
Other negotiable certificates of deposit		
Bonds	4 112 360	2 737 896
Government bonds	2 833 016	1 957 528
Other bonds	1 279 344	780 368
Equities and other variable-income securities	3 153 573	2 561 896
Of which listed securities	319 930	325 463
Of which unlisted securities	2 833 643	2 236 433
<b>Total available-for-sale financial assets, before impairment provisions</b>	<b>7 265 933</b>	<b>5 299 792</b>
Of which unrealized gains and losses	-419 361	-408 365
Of which fixed-income securities		
Of which loaned securities	-419 361	-408 365
<b>Total available-for-sale financial assets, net of impairment provisions</b>	<b>6 846 572</b>	<b>4 891 427</b>
Of which fixed-income securities, net of impairment provisions		

(In thousand MAD)

#### 4.4. INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	2015	2014
Demand accounts	5 630 176	3 923 290
Loans	12 839 340	12 169 796
Repurchase agreements	2 567 788	47 877
Total loans and receivables due from credit institutions, before impairment provisions	21 037 304	16 140 963
Provisions for impairment of loans and receivables due from credit institutions	-66 268	-68 353
<b>Total loans and receivables due from credit institutions, net of impairment provisions</b>	<b>20 971 036</b>	<b>16 072 610</b>

(In thousand MAD)

AMOUNTS DUE TO CREDIT INSTITUTIONS	2015	2014
Demand accounts	2 081 821	2 254 051
Borrowings	34 683 456	26 604 762
Repurchase agreements	14 410 750	4 284 165
<b>TOTAL</b>	<b>51 176 027</b>	<b>33 142 978</b>

(In thousand MAD)

#### 4.5. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS		
	2015	2014
<b>Loans and receivables due from customers</b>		
Demand accounts	25 697 536	24 271 477
Loans to customers	124 431 972	116 381 173
Repurchase agreements	18 162 143	9 467 823
Finance leases	12 351 801	11 910 030
<b>Total loans and receivables due from customers, before impairment provisions</b>	<b>180 643 452</b>	<b>162 030 503</b>
Impairment of loans and receivables due from customers	-7 363 756	-6 877 560
<b>Total loans and receivables due from customers, net of impairment provisions</b>	<b>173 279 696</b>	<b>155 152 943</b>
<b>Breakdown of amounts due from customers by business activity</b>		
Activity in Morocco	113 592 596	99 346 209
Specialized Financial Services	14 680 785	14 867 010
International Activities	45 006 206	40 939 545
Investment Banking	109	179
Other Activities	0	0
<b>Total</b>	<b>173 279 696</b>	<b>155 152 943</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>173 279 696</b>	<b>155 152 943</b>
<b>Breakdown of amounts due from customers by geographical region</b>		
Morocco	128 273 490	114 213 398
Sub saharan Africa	41 111 803	37 560 208
Europe	3 894 403	3 379 337
<b>Total</b>	<b>173 279 696</b>	<b>155 152 943</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>173 279 696</b>	<b>155 152 943</b>
<b>Amounts due to customers</b>		
On demand deposits	100 028 015	89 254 190
Term accounts	40 871 554	35 948 532
Savings accounts	21 017 845	19 993 183
Cash certificates	4 666 140	4 488 643
Repurchase agreements	2 481 744	3 246 264
Other items	9 189 723	8 338 064
<b>TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS</b>	<b>178 255 021</b>	<b>161 268 876</b>
<b>Breakdown of amounts due to customers by business activity</b>		
Activity in Morocco	121 110 279	109 986 007
Specialized Financial Services	1 107 886	1 225 018
International Activities	56 034 240	50 057 851
Investment Banking	2 616	0
Other Activities	0	0
<b>Total</b>	<b>178 255 021</b>	<b>161 268 876</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>178 255 021</b>	<b>161 268 876</b>
<b>Breakdown of amounts due to customers by geographical region</b>		
Morocco	122 220 781	111 211 025
Sub saharan Africa	54 445 069	48 544 736
Europe	1 589 171	1 513 115
<b>Total</b>	<b>178 255 021</b>	<b>161 268 876</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>178 255 021</b>	<b>161 268 876</b>

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(In thousand MAD)

#### 4.6. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS	2015	2014
<b>Other debt securities</b>	<b>8 967 697</b>	<b>13 170 353</b>
Negotiable certificates of deposit	8 967 697	13 170 353
Bond issues		
<b>Subordinated debts</b>	<b>8 436 745</b>	<b>6 568 309</b>
Subordinated debt	8 436 745	6 568 309
Redeemable subordinated debt	6 436 745	4 568 309
Undated subordinated debt	2 000 000	2 000 000
Subordinated Notes	0	0
Redeemable subordinated notes		
Undated subordinated notes	0	0
<b>Public Funds and special guarantee funds</b>	<b>202 552</b>	<b>226 995</b>
<b>Total</b>	<b>17 606 994</b>	<b>19 965 657</b>

(In thousand MAD)

Special purpose public funds and special guarantee funds only relate to BOA Group.

They are non-repayable funds aimed at subsidising lending rates and provisioning for credit losses in specific sectors and business activities.

#### 4.7. HELD-UNTIL-MATURITY FINANCIAL ASSETS

HELD-UNTIL-MATURITY FINANCIAL ASSETS	2015	2014
<b>Negotiable certificates of deposit</b>	<b>6 095 691</b>	<b>5 977 747</b>
Treasury bills and other bills eligible for central bank refinancing	6 095 691	5 977 747
Other negotiable certificates of deposit	0	
<b>Bonds</b>	<b>18 463 767</b>	<b>12 175 590</b>
Government bonds	12 802 119	8 666 272
Other bonds	5 661 648	3 509 319
<b>Total held-to-maturity financial assets</b>	<b>24 559 458</b>	<b>18 153 337</b>

(In thousand MAD)

#### 4.8. CURRENT AND DEFERRED TAXES

CURRENT AND DEFERRED TAXES	2015	2014
Current taxes	63 550	199 008
Deferred taxes	473 814	445 733
Current and deferred tax assets	<b>537 364</b>	<b>644 741</b>
Current taxes	131 027	55 341
Deferred taxes	1 130 452	1 099 810
Current and deferred tax liabilities	<b>1 261 479</b>	<b>1 155 151</b>

(In thousand MAD)

#### Impôts Différents Par Catégorie

	Deferred tax assets	Deferred tax liabilities	dec-15	DT/Impact on G&PL	DT/Impact on income	Deferred tax assets	Deferred tax liabilities	dec-14	DT/Impact on G&PL	DT/Impact on income
Available-for-sale financial assets		-65 558	-67 229	404	1 655	-90 745	-90 628	11 671		
Property, plant and equipment, Intangible assets and Investment property	106 593	-592 036	-	-11 613	93 872	-610 526	-	-	-15 758	
Loans	229 607	-441 044	-	-153 950	257 919	-402 113	-	-	19 772	
Staff benefits	99 272	-135	-6 225	1 992	85 443	-135	-6 225	3 267		
Others	950	-31 679	-	-5 156	6 844	3 709	-	-	-3 191	
Deferred taxes relating to consolidation and IFRS restatements	436 422	-1 130 452	-73 454	-168 324	445 733	-1 099 810	-96 853	15 761		
Loss carry forwards		37 392								

(In thousand MAD)

#### 4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES	2015	2014
Guarantee deposits and bank guarantees paid	82 020	117 027
Settlement accounts related to securities transactions	43 028	46 853
Collection accounts	656 493	426 519
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	479 608	388 464
Other debtors and miscellaneous assets	3 794 891	3 532 614
Inter-related Accounts	308 147	467 374
<b>TOTAL ACCRUED INCOME AND OTHER ASSETS</b>	<b>5 364 187</b>	<b>4 978 851</b>
Guarantee deposits received	16 786	29 033
Settlement accounts related to securities transactions	14 974	2 017 148
Collection accounts	1 417 640	1 209 401
Accrued expenses and deferred income	1 078 145	621 937
Other creditors and miscellaneous assets	3 787 495	3 759 050
<b>TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>6 315 040</b>	<b>7 636 569</b>

(In thousand MAD)

#### 4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	2015	2014
Euler Hermes Acmar	25 114	19 577
Banque de Développement du Mali	347 072	275 226
Eurafriic Information	-9 728	-7 954
Société Conseil Ingénierie et Développement	142 354	150 475
Investments in equity methods companies belonging to subsidiaries	80 975	76 442
Investments in associates	585 787	513 766

(In thousand MAD)

#### FINANCIAL DATA OF THE MAIN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

	Total Assets	Net Banking Income or Net Revenues	Company Income	Net income
Euler Hermes Acmar	422 984	143 544	27 683	5 537
Banque de Développement du Mali	10 068 251	523 743	243 263	79 056
Eurafriic Information	152 925	205 803	-397	-1 692
Société Conseil Ingénierie et Développement	589 439	230 120	30 022	11 658

(In thousand MAD)

#### 4.11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

IMMOBILISATIONS DE PLACEMENT ET D'EXPLOITATION	Gross Value	Accumulated depreciation amortization and impairment	2015		2014	
			Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	11 455 252	4 939 223	6 516 029	10 437 505	4 590 430	5 847 075
Land and buildings	2 860 401	112 969	2 747 432	2 036 095	454 328	1 581 767
Equipment, furniture and fixtures	4 023 357	1 980 130	2 043 227	3 871 866	1 687 683	2 184 183
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	4 571 494	2 846 124	1 725 370	4 529 544	2 448 419	2 081 475
Intangible Assets	1 866 540	1 163 015	703 525	1 711 352	967 079	744 273
Purchased software	1 423 019	930 976	492 043	1 045 026	563 703	481 323
Internally-developed software	0	0	0	0	0	0
Other intangible assets	443 521	232 039	211 482	666 326	403 376	262 950
Investment Property	3 116 213	81 082	3 035 131	941 187	106 140	835 047

(In thousand MAD)

**CHANGE IN PROPERTY, PLANT AND EQUIPMENT**

	2015	2014
<b>Net value as of January, 1<sup>st</sup></b>	<b>5 847 075</b>	<b>5 465 769</b>
Acquisition of the year	2 172 198	897 659
Depreciation, Amortization of impairment	(853 088)	(471 483)
Disposal of the year	(677 373)	(85 430)
Reclassifications	27 217	40 560
<b>NET VALUE AT END OF PERIOD</b>	<b>6 516 029</b>	<b>5 847 075</b>

(In thousand MAD)

**CHANGE IN INTANGIBLE ASSETS**

	2015	2014
<b>Net value as of January, 1<sup>st</sup></b>	<b>744 273</b>	<b>770 522</b>
Acquisition of the year	181 642	165 550
Depreciation, Amortization of impairment	(186 771)	(173 581)
Disposal of the year	(10 950)	(79 465)
Reclassifications	(24 669)	61 247
<b>NET VALUE AT END OF PERIOD</b>	<b>703 525</b>	<b>744 273</b>

(In thousand MAD)

**INVESTMENT PROPERTIES**

	2015	2014
<b>Net value as of January, 1<sup>st</sup></b>	<b>835 047</b>	<b>905 729</b>
Acquisition of the year	2 242 743	102 631
Depreciation, Amortization of impairment	(4 828)	(22 452)
Disposal of the year	(29 943)	(175 311)
Reclassifications	(7 888)	24 450
<b>NET VALUE AT END OF PERIOD</b>	<b>3 035 131</b>	<b>835 047</b>

(In thousand MAD)

**4.12. GOODWILL**

	2015	2014
<b>GOODWILL</b>		
Gross value at start of period	832 470	832 470
Accumulated impairment at start of period	0	0
Carrying amount at start of period	832 470	832 470
Acquisitions	19 840	0
Disposals	0	0
Impairment losses recognized during the period	0	0
Translation adjustments	0	0
Subsidiaries previously accounted for by the equity method	0	0
Other movements	0	0
Gross value at end of period	852 310	832 470
Accumulated impairment at end of period	0	0
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>852 310</b>	<b>832 470</b>

(In thousand MAD)



**The following table provides a breakdown of goodwill :**

	2015 book Value	2014 book Value
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	5 174	5 174
Maroc Factoring	1 703	1 703
BMCE Capital Bourse	2 618	2 618
BMCE International (Ma- drid)	3 354	3 354
Bank Of Africa	711 976	692 136
LOCASOM	98 725	98 725
CID	14 555	14 555
<b>TOTAL</b>	<b>852 310</b>	<b>832 470</b>

**Goodwill impairment tests**

The recoverable amount of a cash-generating unit has been determined on the basis of value in use.

An intrinsic value approach has been adopted to determine value in use at BOA and Locasom as follows:

- At BOA, the "dividend discount model" (hereafter, the "DDM") has been adopted. This is a standard method used by the banking industry to determine an activity's value by reference to the net present value of dividends that the activity is likely to generate in the future. The value thus calculated corresponds to the value in shareholders' equity;
- At Locasom, the "discounted cash flow method" (hereafter, the "DCF" method) has been adopted. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

Cash-flow projections are based on financial estimates over a three-year period approved by management.

	Bank of Africa	Locasom
	%	%
Discount rate	18%	8.5%
Growth rate	2%	3%

A certain number of assumptions of estimated net banking income, the cost-to-income ratio, the costs of risk and risk-weighted assets (hereafter, "RWA") underpin the DDM, which is used to determine recoverable value. These are taken from medium-term (3-year) business plans for the first three years, representing the duration of the economic cycle to which the banking industry is sensitive and then in perpetuity, based on sustainable growth rates to calculate terminal value.

Key cash flow variables are EBITDA and the operating margin which underpin the DCF method. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

**Discount rate**

The indirect approach has been used to determine the cost of capital. The indirect approach consists of adjusting the cost of capital of a reference country (France) by a country risk

factor, reflecting the specific risks relating to the economic, political, institutional and financial conditions of the country in which the company has its operations.

BOA's cost of capital has been determined on the basis of the observed average discount rate, calculated by weighting the discount rate of each bank by net banking income, in each of the countries in which BOA has operations. The discount rate ranges from 16% to 18% for BOA and from 7% to 8.5% for Locasom.

**Growth rate**

BOA's business forecasts have been prepared using the CFA Franc. The CFA Franc is guaranteed by the French Treasury and has a fixed exchange rate against the euro. As a result, the long-term growth rate adopted by BOA is 2%, in line with estimates of inflation in France.

Locasom's growth rate has been set at 3%, in line with assumptions for the rate of growth of its sector in Morocco.

**Regulatory capital requirements**

BOA's risk weighted assets must satisfy Core Tier One regulatory capital requirements over the entire period for which BOA has made estimates.

**Net banking income**

Estimates of net banking income have been made on the basis on the currently low level of bank penetration in Africa and, as a result, the strong growth potential.

**L'EBITDA**

Estimates of EBITDA and operating margins have been made on the basis of historical data.

**Cost-to-income ratio**

Estimates of the cost-to-income ratio are highly correlated with growth in expenses, particularly those relating to the opening of branches, which are required in order to attract new customers.

**Sensitivity to changes in assumptions**

BANK OF AFRICA	
<b>Cost of capital</b>	<b>18%</b>
Unfavorable change of 200 basis points	-1 272 400
Favorable change of 200 basis points	1 654 509
LOCASOM	
<b>Cost of capital</b>	<b>8.50%</b>
Unfavorable change of 200 basis points	-171 328
Favorable change of 150 basis points	366 598

For the cash-generating units in question, there is no reason to amortise goodwill, even after factoring in, for impairment tests, the most adverse change in the cost of capital, considered by management to be the assumption most sensitive to any reasonable change.

#### 4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

				dec-15	dec-14
<b>Total provisions at start of period</b>				<b>523 011</b>	<b>456 573</b>
Additions to provisions				222 915	129 384
Reversals of provisions				-147 234	-45 024
Effect of movements in exchange rates and other movements				57 128	-12 682
Gross value at end of period				-4 907	-5 240
<b>TOTAL PROVISIONS AT END OF PERIOD</b>				<b>650 913</b>	<b>523 011</b>
	Legal and fiscal risks	Obligations for post-employment benefits	Loan commitments and guarantees	Onerous contracts	Other provisions
				Total book value	
<b>Total provisions at start of period</b>	15 735	230 928	8345	0	268 003
Net additions to provisions	12 539	92 162	13 059	0	11831
Provisions used	-3 044	0	-1575	0	59 640
Effect of movements in exchange rates	0	0	0	0	-56 421
Other movements	-63	0	-226	0	0
<b>TOTAL PROVISIONS AT END OF PERIOD</b>	25 167	323 090	19 603	0	283 053
					650 913

#### 4.14. TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions.

The liabilities associated with securities temporarily sold under repurchase agreements consist of amounts owing from credit institutions and customers under "Repurchase agreements".

##### Transferred financial assets not derecognised

These include repurchase agreements or securities lending transactions resulting in a transfer of securities without them being derecognised.

##### The assets that have been transferred by the Group are:

- Treasury securities
- Certificates of deposit
- Bonds

##### Transfers of derecognised financial assets

These include securitisation transactions resulting in a transfer of securities leading to de-recognition.

There have been no significant transfers of derecognised securities by the Group in 2015 and 2014.

	Dec-15	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		0
Repurchase agreements		
Securities at fair value through profit or loss	13 288 374	13 282 129
Securities classified as loans and receivables	0	0
Available-for-sale assets	691 953	691 060
<b>Total</b>	<b>13 980 326</b>	<b>13 973 188</b>
	Dec-14	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations	0	0
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	6 747 577	6 737 664
Securities classified as loans and receivables	0	0
Available-for-sale assets	795 808	786 700
<b>Total</b>	<b>7 543 385</b>	<b>7 524 364</b>

#### 4.15. FAIR VALUE

##### 4.15.1. Fair value of financial instruments carried at amortised cost

The information supplied in this note must be used and interpreted with the greatest caution because these fair values are an estimate of the value of the relevant instruments as of 31 December 2014. They are liable to fluctuate from day to day as a result of changes in different variables such as interest rates and credit quality of the counterparty.

In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instruments on the assumption that BMCE Bank Group remained a going concern.

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the BMCE Bank Group.

Fair value is based on prices quoted on a liquid market when these are available. In other cases, fair value is determined using commonly-used valuation techniques.



The table below shows the fair value of the Group's financial assets and liabilities at 31 December 2015 :

	Dec-15		Dec-14	
	Book value	Estimated market value	Book value	Estimated market value
<b>FINANCIAL ASSETS</b>				
Loans and receivables due from credit institutions	20 971 036	20 998 500	16 072 610	16 091 488
Loans and receivables due from customers	173 279 696	173 621 762	155 152 943	155 241 867
Placements détenus jusqu'à leur échéance	24 559 458	24 444 821	18 153 337	18 168 855
Immeubles de placement	3 035 131	3 096 958	835 047	894 300
<b>FINANCIAL LIABILITIES</b>				
Loans and receivables due to credit institutions	51 176 027	51 176 027	33 142 978	33 142 978
Loans and receivables due to customers	178 255 021	178 255 021	161 268 876	161 268 876
Debt securities	8 967 697	8 967 697	13 170 353	13 170 353
Subordinated debts	8 639 297	8 639 297	6 795 304	6 795 303

The techniques and assumptions used to determine fair value for each category are described hereafter:

#### Loans and receivables

The fair value of receivables is determined by estimating the fair value of assets held after conducting sensitivity analysis on each asset class on the basis of each instrument's duration and convexity by observing historical returns as a function of changes in market conditions.

In the absence of a market yield curve reflecting actual rates along the different segments of the curve, average yields on origination for the financial year in question have been used as indicative of actual market rates.

In the case of loans and receivables that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, fair value equates to the carrying amount due to their limited sensitivity to changes in rates or by the simple fact that they are granted on the basis of actual market conditions.

#### Loans and receivables due from credit institutions

Loans and receivables due from credit institutions totalled MAD 20.9 billion with a fair value close to the carrying amount. This is due to the predominance of short-term money market transactions (in the form of cash loans, interbank loans and repurchase agreements).

Outstandings of loans to finance companies totalled MAD 8.4 billion, amortisable over a short period, with a fair value that is MAD 27.3 million higher than the carrying amount.

#### Loans and receivables due from customers

Outstandings of loans and receivable due from customers totalled MAD 173 billion at 31 December 2015, consisting primarily of cash loans, overdraft facilities and floating rate loans.

Outstandings of fixed-rate loans primarily consist of consumer loans amortisable over a short period (average maturity 2.3 years) and fixed-rate mortgage loans amortisable over an average period of almost 7.1 years.

The sensitivity analysis of the Bank's fixed rate loan book shows a faire value that is 333 million MAD higher than the carrying amount.

#### Financial liabilities

In the case of financial liabilities that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, or for an indefinite period (as is the case for perpetual subordinated debt) as well as most regulated savings products, fair value equates to the carrying amount.

#### Amounts due to credit institutions

Amounts due to credit institutions totalled MAD 51 billion and are recognised at their carrying amount. They consist primarily of short-term cash borrowing transactions in the form of 7-day advances from the Central Bank, interbank borrowings and borrowings from local banks or foreign correspondent banks in addition to repurchase agreements.

#### Amounts due to customers

Amounts due to customers totalled MAD 178 million, consisting primarily of non-interest-bearing sight deposits in the form of cheque accounts, current accounts in credit and immediate-access regulated savings account.

Repurchase agreements with customers, particularly in respect of mutual funds, are also recognised under "Amounts due to customers".

Outstandings of term deposits totalled MAD 41 billion, with an average maturity of less than one year consisting due to the predominance of 3-month, 6-month and 12-month maturities.

In the case of customer term deposits, fair value equates to the carrying amount.

#### Debt securities

Outstandings of debt securities totalled MAD 9 billion, consisting primarily of certificates of deposit issued by the Bank with predominantly 3-month, 6-month and 12-month maturities.

In the case of debt securities, fair value equates to the carrying amount.

## Subordinated debt

Outstandings of subordinated debt, which totalled MAD 8.6 billion, are recognised at the carrying amount due to the predominance of floating-rate issues and perpetual subordinated debt outstandings.

### 4.15.2. Breakdown by measurement method of financial instruments recognised at fair value presented in accordance with IFRS 7 recommendations

	dec-15			
	Level 1	Level 2	Level 3	Total
<b>FINANCIAL ASSETS</b>				
Financial instruments at-fair-value through profit or loss held for trading	25 760 228	-	-	25 760 228
of which financial assets at-fair-value through profit or loss	25 760 228			25 760 228
of which derivative financial instruments				-
<b>Financial instruments designated as at-fair-value through profit or loss</b>				-
Derivatives used for hedging purposes				-
Available for sale financial assets	6 846 572	6 846 572		
<b>FINANCIAL LIABILITIES</b>				
Financial instruments at-fair-value through profit or loss held for trading	-	2 046 594	-	2 046 594
of which financial assets at-fair-value through profit or loss	1 999 325		1 999 325	
of which derivative financial instruments	47 270		47 270	
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
	dec-14			
	Level 1	Level 2	Level 3	Total
<b>FINANCIAL ASSETS</b>				
Financial instruments at-fair-value through profit or loss held for trading	28 609 790	-	-	28 609 790
of which financial assets at-fair-value through profit or loss	28 609 790		28 609 790	
of which derivative financial instruments				-
<b>Financial instruments designated as at-fair-value through profit or loss</b>				-
Derivatives used for hedging purposes				-
Available for sale financial assets	325 463	4 565 963	4 891 427	
<b>FINANCIAL LIABILITIES</b>				
Financial instruments at-fair-value through profit or loss held for trading	2 745 648	-	-	2 745 648
of which financial assets at-fair-value through profit or loss	2 696 352		2 696 352	
of which derivative financial instruments	49 295		49 295	
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-

The Bank has transferred its bonds from Level 1 to Level 2 of the fair value hierarchy. This transfer was made to comply

with the hierarchy criteria for each level as defined by IFRS 13.

Unquoted available-for-sale financial assets classified as Level 3 assets under the fair value hierarchy are measured using the following methods:

- Carrying amount
- Adjusted net asset value
- Net asset value
- Pricing – corporate events

The Group primarily uses the 'net asset value' and 'carrying amount' valuation methods.

The above methods are preferred due to these securities' illiquidity and/or a lack of comparable transactions.

Different methods are used to measure variable income securities such as :

50% of the portfolio is measured using the net asset value method and 22% using the comparable model (similar equity transactions).

### Table of changes in available-for-sale financial assets under Level 3 :

	dec-15		
	Debt	Equity	
<b>CARRYING AMOUNT at 1<sup>st</sup> January</b>	<b>2 402 295</b>	<b>2 163 669</b>	<b>4 565 963</b>
Profits and losses recognised in the P&L	-	-1114	-1114
Profits and losses recognised in equity	-	-57 090	-57 090
Acquisitions	1 764 179	1 016 438	2 780 617
Disposals	-418 168	-67 306	-485 474
Transfers	-	-	-
Translation differences	-64 527	108 195	43 668
Reclassifications	-	-	-
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>3 683 779</b>	<b>3 162 793</b>	<b>6 846 571</b>

	déc-14		
	Debt	Equity	
<b>CARRYING AMOUNT at 1<sup>st</sup> January</b>	<b>1 425 414</b>	<b>1 894 390</b>	<b>3 319 804</b>
Profits and losses recognised in the P&L	-	-121 455	-121 455
Profits and losses recognised in equity	-	38 907	38 907
Acquisitions	503 351	343 827	847 177
Disposals	-424 410	-37 120	-461 530
Transfers	-	-	-
Translation differences	-33 296	45 120	11 824
Reclassifications	931 236	-	931 236
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>2 402 295</b>	<b>2 163 669</b>	<b>4 565 963</b>





#### 4.15.3. Fair value hierarchy of assets and liabilities recognised at amortised cost

	dec-15			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Loans and receivables due from credit institutions		20 998 500	20 998 500	
Loans and receivables due from customers		173 621 762	173 621 762	
Held-to-maturity financial assets	4 762 514		19 682 307	24 444 821
<b>LIABILITIES</b>				
Due to credit institutions		51 176 027	2 046 594	
Due to customers		178 255 021	1 999 325	
Debt securities issued		8 967 697	47 270	
Subordinated debt		8 639 297		
	dec-14			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
Loans and receivables due from credit institutions		16 091 488	16 091 488	
Loans and receivables due from customers		155 241 867	155 241 867	
Held-to-maturity financial assets	2 836 803		15 332 052	18 168 855
<b>LIABILITIES</b>				
Due to credit institutions		33 142 978	33 142 978	
Due to customers		161 268 876	161 268 876	
Debt securities issued		13 170 353	13 170 353	
Subordinated debt		6 795 303	6 795 303	

#### Fair value measurement of financial instruments

Financial instruments measured at fair value are classified at three levels in accordance with IFRS 7 :

##### ► Level 1 :

Quoted prices on liquid markets for identical assets or liabilities :

This level includes financial instruments with quoted prices in a liquid market that can be used directly.

For BMCE Bank Group, it includes listed equities, mutual funds, bonds and Treasury bonds.

##### ► Level 2 :

Observable inputs other than Level 1 quoted prices for the asset or liability in question either directly (prices) or indirectly (price-derived inputs):

This level includes financial instruments quoted on markets considered insufficiently liquid as well as those traded on over-the-counter markets. Prices published by an external source, derived from the measurement of similar instruments, are considered to be price-derived inputs.

The Group does not have any financial instruments measured at Level 2.

##### ► Level 3 :

Inputs relating to the asset or liability that are not based on

observable market data (non-observable inputs) : Given the diversity of instruments and the reasons for including them in this category, calculating the sensitivity of fair value to changes in variables would appear to be of little relevance.

This level includes unlisted equities valued by various methods including the net carrying amount, net adjusted asset value, net asset value, stock market multiples and equity issue pricing.

Level 3 inputs are inputs relating to assets or liabilities which are not based on observable market-based data (unobservable data). Given the diversity of instruments and the reasons for including them within this category, calculating the sensitivity of fair value to changes in the inputs would likely generate information of limited relevance.

The fair values of held-to-maturity financial assets are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to the instrument being illiquid as well as significant model risk. An unobservable input is a parameter for which there are no market data available. It is therefore derived from in-house assumptions about the data used by other market participants. Assessing whether a product is illiquid or subject to significant model risk is a matter of judgment.

Held-to-maturity financial assets classified under Level 3 are primarily bonds held by banks in sub-Saharan Africa.

## V/ FINANCING AND GUARANTEE COMMITMENTS

### 5.1. FINANCIAL COMMITMENT

	dec-15	dec-14
<b>Financing commitments given</b>	<b>9 846 296</b>	<b>10 122 682</b>
- To credit institutions	1 023 096	1 257 036
- To customers:	8 823 200	8 865 646
Confirmed letters of credit		
Other commitments given to customers		
<b>Financing commitments received</b>	<b>2 491 359</b>	<b>2 347 719</b>
From credit institutions	2 491 359	2 347 719
From customers	-	-

##### ► Financing commitments given to credit and similar institutions

This entry relates to commitments to make liquidity facilities available to other credit institutions such as refinancing agreements and back-up commitments on securities issuance.

##### ► Financing commitments given to customers

This entry relates to commitments to make liquidity facilities available to customers such as confirmed credit lines and commitments on securities issuance.

##### ► Financing commitments received from credit and similar institutions

This entry relates to financing commitments received from credit and similar institutions such as refinancing agreements and back-up commitments on securities issuance.

**Financing commitments** rose by -2.73% from MAD 10 123 million at 31 December 2014 to MAD 9 846 million at 31 December 2015. Similarly, financing commitments almost increased by 6.1% from MAD 2 348 million to MAD 2 491 million.

## 5.2. GUARANTEE COMMITMENTS

	31-dec-15	31-dec-14
<b>Guarantee commitments given</b>	<b>27 255 712</b>	<b>21 930 665</b>
To credit institutions	8 380 362	5 885 648
To customers :	18 875 350	16 045 017
Sureties provided to tax and other authorities, other sureties		
Guarantee commitments received		
From credit institutions	68 162 828	52 736 107
From the State and guarantee institutions	65 458 883	51 735 698
From the State and other guarantee institutions	2 703 945	1 000 409

### ► Guarantee commitments given to credit and similar institutions

This entry relates to commitments to assume responsibility for an obligation entered into by a credit institution if the latter is not satisfied with it. This includes guarantees, warranties and other guarantees given to credit and similar institutions.

### ► Guarantee commitments given to customers

This entry relates to commitments to assume responsibility for an obligation entered into by a customer if the latter is not satisfied with it. This includes guarantees given to government institutions and real estate guarantees, among others. les cautions immobilières, etc.

### ► Guarantee commitments received from credit and similar institutions

This entry includes guarantees, warranties and other guarantees received from credit and similar institutions.

### ► Guarantee commitments received from the State and other organisations

This entry relates to guarantees received from the State and other organisations.

## VI. SALARY AND EMPLOYEE BENEFITS

### 6.1. DESCRIPTION OF CALCULATION METHOD

Employee benefits relate to long-service awards and end-of-career bonuses.

The method used for calculating the liability relating to both these benefits is the "projected unit credit" method as recommended by IAS 19.

### ► Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) scheme

The Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) is a private mutual insurance company. The company reimburses employees for a portion of their medical, pharmaceutical, hospital and surgical expenses. It is a post-employment scheme providing medical cover for retired employees.

The CMIM is a multi-employer scheme. As BMCE Bank is unable to determine its share of the overall liability (as is the case for all other CMIM members), under IFRS, expenses are recognised in the year in which they are incurred. No provision is recognised in respect of this scheme.

## 6.2. SUMMARY OF PROVISIONS AND DESCRIPTION OF EXISTING SCHEMES

### 6.2.1. Provisions in respect of post-employment and other long-term benefits provided to employees

	dec-15	dec-14
Retirement allowances and equivalents	323 091	230 928
Special seniority premiums allowances		
Other		
<b>TOTAL</b>	<b>323 091</b>	<b>230 928</b>

### 6.2.2. Basic assumptions underlying calculations

An analysis of sensitivity to the two main actuarial assumptions used to calculate the cost of benefit plans (post-employment benefits, long service awards) at 31 December 2015 is presented in the following table :

Post-employment benefits	-50 bp change in the rate	+50 bp change in the rate
Discount rate	-6 966	6 328
Wage growth	6 401	-6 984
Long service awards	-50 bp change in the rate	+50 bp change in the rate
Discount rate	-10 254	9 495
Wage growth	10 585	-11 355
Economic assumptions		31/12/15
Discount rate		3.75%
Long-term wage growth		3%
Demographic assumptions		
Retirement terms		Voluntary Retirement
Retirement age		60 years
Mortality table		Men 60/64 – Women 60/64

The discount rate is based on secondary market Treasury benchmark bond yields - Duration: about 22 years.



### 6.2.3. Cost of post-employment plans

	dec-15	dec-14
Normal cost	17 474	16 644
Interest cost	12 475	11 689
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses		
Additional allowances	29 949	28 334
Other		
Net cost of the period		

### 6.2.4. Changes in the provision recognised on the balance sheet

	dec-15	dec-14
Actuarial liability, beginning of the period	230 928	218 134
Normal cost	17 474	16 644
Interest cost	12 475	11 689
Experience gains/ losses	-	-
Other actuarial gains/ losses	82 815	
Depreciation of net gains/losses		
Paid benefits	-20 601	-15 539
Additional benefits		
Other		
Actuarial liability, end of the period	323 091	230 928

## VII. ADDITIONAL INFORMATION

### 7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

#### 7.1.1. Share capital transactions

Transactions on capital	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2013	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2014	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2015	179 463 390	10	1 794 633 900

#### 7.1.2. Earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

	dec-15	dec-14
SHARE CAPITAL (IN MAD)	1 794 633 900	1 794 633 900
Number of common shares outstanding during the year	179 463 390	179 463 390
NET INCOME ATTRIBUTABLE TO THE SHAREHOLDER'S OF THE PARENT (IN MAD)	1 955 534 700	1 943 864 261
BASIC EARNINGS PER SHARE (IN MAD)	10,90	10,83
DILUTED EARNING PER SHARE (IN MAD)	10,90	10,83

The Bank does not have any dilutive instruments for conversion into ordinary shares. As a result, diluted earnings per share equates to basic earnings per share.

### 7.2. SCOPE OF CONSOLIDATION

Company	Activity	% of voting interests	% of ownership interests	Method
BMCE BANK	Banking			Parent Company
BMCE CAPITAL	Investment Bank	100,00%	100,00%	Full Consolidation
BMCE CAPITAL GESTION	Asset management	100,00%	100,00%	Full Consolidation
BMCE CAPITAL BOURSE	Financial intermediation	100,00%	100,00%	Full Consolidation
MAROC FACTORING	Factoring	100,00%	100,00%	Full Consolidation
MAGHREBAIL	Leasing	52,47%	52,47%	Full Consolidation
SALAFIN	Consumer loans	74,50%	74,50%	Full Consolidation
BMCE EUROSERVICES	Financial institution	100,00%	100,00%	Full Consolidation
LA CONGOLAISE DES BANQUES	Banking	37,00%	37,00%	Full Consolidation
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Full Consolidation
BANK OF AFRICA	Banking	74,97%	74,97%	Full Consolidation
LOCASOM	Car rental	100,00%	97,39%	Full Consolidation
RM EXPERTS	Debt collection	100,00%	100,00%	Full Consolidation
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity Method
EULER HERMES	Insurance	20,00%	20,00%	Equity Method
ACMAR	Technology Service	41,00%	41,00%	Equity Method
EURAFRIC INFORMATION	Study office	38,90%	38,90%	Equity Method
CONSEIL INGENIERIE ET DEVELOPPEMENT				

BMCE Bank of Africa holds 37% of La Congolaise de Banque's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

**Power:** BMCE Bank of Africa derives its effective rights from the management contract entrusted to it by the other shareholders. It has a majority on the Board of Directors with three directors followed by the Congolese State which has two directors.

**Returns:** BMCE Bank of Africa is exposed, or has rights, to the profits generated by LCB pro-rata to its shareholding in the company.

**Link between power and returns :** BMCE Bank of Africa is responsible for appointing LCB's senior management as well as being able to influence this entity's returns.

### 7.3. COMPENSATION PAID TO THE MAIN EXECUTIVE CORPORATE OFFICERS

#### Remuneration paid to the main directors

By "main directors" is meant the members of the bank's general management team

	dec-15	dec-14
Short-term benefits	21 971	18 976
Post-employment benefits	730	302
Other long-term benefits	4 442	4 264

Short-term benefits relate to the fixed remuneration inclusive of social security contributions received by the main Executive Corporate Officers in respect of the 2013 financial year.

Post-employment benefits relate to end-of-career bonuses and other long-term benefits relate to long-service awards.

#### Directors' fees paid to members of the board of directors

	2015			2014		
	Gross Amount	With holding tax	Net amount paid	Gross amount	Tax with holding	Net amount paid
Natural and legal persons Resident in Morocco	2 388	588	1 800	1 291	318	973
Physical and legal persons non Resident in Morocco	471	71	400	254	38	216
<b>TOTAL</b>	<b>2 859</b>	<b>659</b>	<b>2 200</b>	<b>1 545</b>	<b>356</b>	<b>1 190</b>

#### Loans granted to the main Executive Corporate Officers

	déc-15	déc-14
Consumer loans	2 285	2 141
Mortgage loans	15 361	16 791
<b>Total</b>	<b>17 646</b>	<b>18 931</b>

#### 7.4. RELATIONS WITH RELATED PARTIES

##### Relations between BMCE Bank and fully-consolidated companies and the parent company

Transactions and period-end balances between fully-consolidated entities are of course eliminated. Period-end balances resulting from transactions between companies accounted for under the equity method and the parent company are maintained in the consolidated financial statements.

##### Related-party balance sheet items

	Parent company (FINANCECOM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
<b>Assets</b>				
Loans, advances and securities	<b>1 269 189</b>	<b>3 364 895</b>	<b>54 163</b>	<b>14 060 300</b>
On demand accounts	769 189	1 222 966	27 603	11 969 655
Loans	500 000	530 829	26 560	309 843
Securities	1 611 100			1 780 802
Lease financing				
Other assets			<b>1 297</b>	
<b>Total</b>	<b>1 269 189</b>	<b>3 364 895</b>	<b>54 163</b>	<b>14 061 597</b>
<b>Liabilities</b>				
Deposits	-	<b>628 482</b>	-	<b>12 063 530</b>
On demand accounts		628 482		11 968 007
Other borrowings				95 523
Debt securities			<b>1 791 937</b>	
Other liabilities			<b>206 131</b>	
<b>Total</b>	-	<b>628 482</b>	-	<b>14 061 597</b>
Financing and guarantee commitments given				
Commitments given				1 802 434
Commitments received				1 802 434

#### Related party profit and loss items

	Parent company (FINANCECOM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
Interest and similar income	-39 354	-51 012	-8 268	-415 056
Interest and similar expenses				499 980
Fees (income)	-45 865			-285 938
Fee (expenses)				36 399
Services provided				
Services procured				
Lease income	-116 473			-154 684
Other	108 622			319 285

#### 7.5. LEASES

##### Information concerning finance leases

	Gross Investment	Present value of minimum lease payments under the lease	Unguaranteed residual value accruing to the lessor
≤ 1 years	2 882 564	432 068	63 626
> 1 year ≤ 5 years	8 355 789	4 886 328	290 582
> 5 years	4 166 393	3 435 611	421 305
<b>TOTAL</b>	<b>15 404 745</b>	<b>8 754 008</b>	<b>775 514</b>

##### Information concerning operating leases

	Present value of minimum lease payments under the lease	Total contingent rents recognized as income in the period
≤ 1 year	220 000	
> 1 year ≤ 5 years	900 000	
> 5 years		
<b>TOTAL</b>	<b>1 120 000</b>	-

La quote-part de la valeur résiduelle dans le total des montants de financement est de 55%.

# STATUTORY AUDITORS' GENERAL REPORT



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To the Shareholders of  
**BMCE BANK**  
140, Avenue Hassan II  
Casablanca

## STATUTORY AUDITORS' GENERAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

In compliance with the assignment entrusted to us by your Annual General Meeting of 27 May 2015, we have audited the attached financial statements of Banque Marocaine du Commerce Extérieur, 'BMCE Bank', comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the financial year ended 31 December 2015. These financial statements show shareholders' equity and equivalent of MAD 22,410,398 thousand, including net income of MAD 1,304,036 thousand.

### MANAGEMENT'S RESPONSIBILITY

It is Management's responsibility to prepare and present these financial statements to give a true and fair view of the company's financial position in accordance with the generally-accepted accounting principles and procedures applicable in Morocco. This responsibility includes drawing up, implementing and maintaining internal control procedures relating to the preparation and presentation of the financial statements to ensure that they are free of material misstatement and for making accounting estimates that are reasonable under the circumstances.

### AUDITOR'S RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements.

In making those risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity relating to the preparation and presentation of the financial statements in order to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the income from operations for the financial year ended 31 December 2015 and of the financial position of Banque Marocaine du Commerce Extérieur in accordance with the generally-accepted accounting principles and procedures applicable in Morocco.

### SPECIFIC CHECKS AND INFORMATION

We have also performed the specific checks required by law and we are satisfied as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to the shareholders, including the company's financial statements.

Furthermore, in accordance with the provisions of Article 172 of Law 17-95 as amended and completed, we hereby inform you that, in 2015, the Bank acquired:

- The entire capital of RIYAD ALNOUR for MAD 78 million;
- A 36% stake in RADIO MEDITERRANEE INTERNATIONALE (RMI) for MAD 71 million;
- A 13.3% stake in ROYAL RANCHES MARRAKECH for MAD 60 million;
- An additional 12% stake in LA CONGOLAISE DE BANQUE for MAD 59 million. As a result of this acquisition, the Bank's stake in this company is now 37%;
- A 21.8% stake in ECOPARC DE BERRECHID for MAD 12 million;
- A 30% stake in SONORMA for MAD 30 thousand.

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Casablanca, 12 April 2016

The Statutory Auditors

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## STATUTORY AUDITORS' SPECIAL REPORT



47, rue Allal Ben Abdellah  
20 000 Casablanca  
Morocco



11, Avenue Bir Kacem Souissi  
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To the Shareholders of  
**BMCE BANK**  
140, Avenue Hassan II  
Casablanca

### **STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

In our capacity as the statutory auditors of your company, we hereby present to you our report on related party agreements in accordance with the provisions of Articles 56-59 of Act No. 17-95 as amended and completed by Act No. 20-05 and Act No. 78-12 and its application decree.

It is our responsibility to present to you the main terms and conditions of agreements that have been disclosed to us by the Chairman of the Board or that we may have discovered in carrying out our assignment, without our commenting on their relevance or substance or looking for any undisclosed agreements. Under the provisions of the above act, it is your responsibility to determine whether these agreements should be approved.

We performed the procedures that we deemed necessary in accordance with Moroccan accounting standards. These procedures consisted of checking that the information given to us is consistent with the underlying documents.

#### **1. AGREEMENTS CONCLUDED DURING 2015**

##### **1.1. Shareholders' current account advance agreement between FINANCECOM, BMCE BANK, RMA WATANYA and O TOWER**

Under the terms of this agreement concluded 1 January 2015, BMCE BANK, FINANCECOM and RMA WATANYA, shareholders in O TOWER, with FINANCECOM holding a 55% stake and RMA WATANYA and BMCE BANK each holding a 22.5% stake, accept to provide O TOWER with a shareholders' current account advance with 4.5% interest. The purpose of this current account advance is to provide temporary funding for O TOWER's activities. The fully paid up amount at 31 December 2015 was MAD 5,942 thousand. This agreement has been concluded for a twelve-month (12) period beginning 1 January 2015. Subsequently, it will be automatically renewed by further one-year (1) periods on 31 December of each year.

Regarding this agreement, BMCE BANK recognised income of MAD 151 thousand for the period ended 31 December 2015.

##### **Persons concerned:**

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE BANK, is also Chairman of O TOWER's Board
- Mr Mounir CHRAIBI, Delegate General Manager of BMCE BANK, is also a Director of O TOWER
- Mr Zouheir BENSAID, Director of BMCE BANK, is also a Director of O TOWER

##### **1.2. Advisory mandates between BMCE BANK and BMCE CAPITAL CONSEIL**

- The purpose of this advisory mandate, concluded 14 April 2015, is to conduct due diligence, review the business plan, draw up an evaluation report and information memorandum and set up an electronic data room regarding BOA Group. This mandate is for a twelve-month (12) period unless extended by mutual agreement.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,100 thousand for the period ended 31 December 2015.

- A second advisory mandate, concluded 15 April 2015, appoints BMCE CAPITAL CONSEIL as advisor and global coordinator for the MAD 2 billion public offering of subordinated notes. This is an eighteen-month (18) automatically-renewable mandate.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 2,000 thousand for the period ended 31 December 2015.

##### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISI a member of BMCE Capital's Supervisory Board, is also Delegate General Managers of BMCE BANK

##### **1.3. Services agreement between BMCE BANK and BMCE Capital**

BMCE BANK concluded a services agreement with BMCE CAPITAL on 23 May 2015 regarding implementation of BMCE BANK's investment strategy in Africa. The purpose of this agreement was to provide services in relation to establishing a 'market' strategy for investing in Africa as well as creating and developing a portfolio of securities with exposure to Africa.

This agreement expired 31 December 2015 with the payment of remuneration totalling MAD 20,000 thousand.

##### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

#### **1.4. Loan contract between BMCE BANK and BOA GROUP**

BMCE BANK concluded a contract 22 June 2015 to grant BOA Group a EUR 20 million loan with a 7-year maturity and an interest-free option to defer repayment of the capital by 2 years. The loan will earn annual interest at a variable rate equivalent to 6-month Euribor plus a 350 basis points margin excluding taxes.

The contract also specifies the main characteristics and repayment terms of the loan.

Regarding this agreement, BMCE BANK recognised income of MAD 5,390 thousand for the period ended 31 December 2015.

#### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman and Chief Executive Officer of BOA Group, is also Director & Delegate General Manager of BMCE BANK
- Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE BANK
- Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE BANK
- Mr Driss BENJELLOUN, Director of BOA Group, is also Delegate General Manager of BMCE BANK
- Mr Mohamed AGOUMI, a Director of BOA Group, is also Delegate General Manager of BMCE BANK

#### **1.5. Addendum to the agreement between Salafin and BMCE BANK relating to the adoption of a customer file recovery management system**

As part of the project for adopting a joint approach to loan recovery, BMCE BANK and Salafin concluded a framework agreement 15 September 2008, subsequently modified 5 June 2009, which defines the terms for establishing a dedicated loan recovery system. The revised loan recovery policy at the commercial level recommends that the banking network becomes involved with the latter now assuming responsibility for the first and second missed payments for all types of product. The purpose of this amendment is to define the new terms and remit of each party. Regarding remuneration, since 1 July 2015, Salafin will intervene from the third missed payment and will invoice 13% of the amount recovered with a minimum payment of 60 dirhams excluding taxes per customer. A customer file is managed on the Salafin system until all arrears have been recovered or transferred to those entities defined under the recovery strategy. In the event that the number of customers in arrears is halved, the remuneration will be 5% of the amount recovered with a minimum payment of 60 dirhams excluding taxes per customer. Text messages are invoiced at the same rate as for customer files not managed by Salafin.

Regarding this agreement, BMCE BANK recognised income of MAD 5,156 thousand for the period ended 31 December 2015.

#### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Messrs Mamoun BELGHITI and Amine BOUABID, members of SALAFIN's Supervisory Board, are also Directors of BMCE BANK

Messrs Driss BENJELLOUN and Omar TAZI, members of SALAFIN's Supervisory Board, are also Delegate General Managers of BMCE BANK.

#### **1.6. Deed of sale of the current account between ALLIANCES DARNA and BMCE BANK**

Previously, ALLIANCES DARNA held a shareholders' current account with a balance of MAD 250,143 against RIYAD ALNOUR, a real estate developer in which BMCE BANK acquired a holding as part of a sale with a buy-back option. A deed of transfer was signed 21 July 2015 by Alliances Darna and BMCE BANK, as a result of which the latter became owner of the said shareholder current account. The sale was agreed in the sum of MAD 250,143 thousand.

Regarding this agreement, BMCE BANK recognised income of MAD 4,558 thousand for the period ended 31 December 2015.

#### **Person concerned:**

- Mr M'Fadel ELHALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RIYAD ALNOUR

#### **1.7. Services agreement between BMCE BANK and BMCE Capital**

BMCE BANK and BMCE Capital concluded a services agreement 27 November 2015 effective 1 January 2015. This agreement provides for legal and regulatory assistance for carrying out specific transactions within BMCE BANK Group and drawing up deeds in the name and on behalf of BMCE BANK.

This is a one-year automatically-renewable agreement.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 600 thousand for the period ended 31 December 2015.

#### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK

- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISI, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

#### **1.8. Shareholder current account agreement between RIYAD ALNOUR and BMCE BANK**

Under the terms of this agreement 22 December 2015, BMCE BANK accepts to provide RIYAD ALNOUR with a shareholders' current account advance of MAD 221,500 thousand with 4% interest. The purpose of this advance is to enable RIYAD ALNOUR to entirely clear its debts towards BMCE BANK in respect of short- and medium-term loans and overdrawn balances. The amount advanced under the shareholders' current account will be fully repaid in fine on exercising the buy-back option.

Regarding this agreement, BMCE BANK recognised income of MAD 4,036 thousand for the period ended 31 December 2015.

##### **Person concerned:**

- Mr M'Fadel ELHALAISI, Delegate General Manager of BMCE BANK, is also a Director of RIYAD ALNOUR

#### **2. AGREEMENTS CONCLUDED DURING PREVIOUS FINANCIAL PERIODS WHICH CONTINUED TO BE IMPLEMENTED DURING 2015**

##### 2.1. Addendum to the agreement between BMCE BANK and BMCE Capital relating to financial market and custodial operations

This addendum, concluded 18 December 2014, amends the terms and conditions for remunerating BMCE Capital in respect of its management of BMCE BANK's financial market and custodial operations as stipulated in the initial contract of 1999 and in subsequent amendments.

This is a one-year automatically-renewable addendum. Regarding this agreement, BMCE BANK recognised a total expense of MAD 59,225 thousand regarding the delegated management component and MAD 23,690 thousand regarding the variable compensation component for the period ended 31 December 2015.

##### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSAID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Messrs Driss BENJELLOUN and M'Fadel EL HALAISI, Delegate General Managers of BMCE BANK, are also Members of BMCE Capital's Supervisory Board

#### **2.2. IT transfer and services agreement between BMCE BANK, BMCE BANK International and IT International Services**

Under the terms of this agreement concluded 28 February 2014, BMCE BANK International Plc shall transfer its IT platform to IT International Services, a subsidiary of BMCE BANK, with the latter providing IT services in consideration.

In respect of 2014, the price relating to this transfer amounted to EUR 2,989,438.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

##### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI is Director & Delegate General Manager of BMCE BANK and Director of BMCE BANK International Plc
- Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK and Director of IT International Services
- Mr Mounir CHRAIBI, Delegate General Manager of BMCE BANK, is also a Director of IT International Services

#### **2.3. Shareholders' current account advance agreement between BMCE BANK and BMCE Immobilier (ex MABANICOM)**

Under the terms of this agreement concluded 13 February 2014, BMCE BANK accepts to provide BMCE IMMOBILIER (ex MABANICOM) with a shareholders' current account advance in the total net sum of MAD 39,000,000 with 3.45% statutory interest in respect of the financial period 2013.

The advance has been agreed for a one-year renewable period and it will be repaid by appropriating income arising on the sale of property units acquired by means of the said advance to the company Pack Energy on a gradual basis.

Concluded for a renewable one-year period, the agreement shall expire when BMCE IMMOBILIER (ex MABANICOM) has repaid BMCE BANK in full.

Regarding this agreement, BMCE BANK recognised a total expense of MAD 1,378 thousand for the period ended 31 December 2015.

##### **Persons concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK
- Mr Omar TAZI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK



## **2.4 Cooperation agreement between BMCE BANK and BMCE IMMOBILIER**

Concluded 3 February 2014, the purpose of this agreement is to carry out the following assignments in consideration for remuneration on an individual assignment basis:

- Real estate brokerage services when requested or required by BMCE BANK in respect of leasing, purchasing or selling real estate assets owned by or on behalf of BMCE BANK and BMCE BANK Group;
- Collecting rents and lease payments due to BMCE BANK and BMCE BANK Group;
- Providing real estate valuation services, researching real estate projects, and notifying the customer of special conditions when requested or required in respect of valuing real estate assets on behalf of BMCE BANK and BMCE BANK Group.

This agreement shall be for a period of 3 years.

Regarding this agreement, BMCE BANK recognised an expense of MAD 6,454 thousand for the period ended 31 December 2015.

### **Persons concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISSI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK
- Mr Omar TAZI, Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegate General Manager of BMCE BANK

## **2.5 Draft agreement between BMCE BANK and Medi Télécom SA relating to establishing an operational partnership regarding the Mobile Money service**

This draft agreement, concluded 26 June 2012, prior to establishing a definitive contract, relates to this partnership and establishes the project's strategic guidelines and principles for doing business.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

### **Persons concerned:**

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE BANK, is also a Director of MEDI TELECOM
- Mr Zouheir BENAID, Director of MEDI TELECOM, is also a Director of BMCE BANK

## **2.6 Delegated responsibility agreement between BMCE BANK and BMCE International SAU relating to the management of BMCE Euroservices**

The purpose of this contract, concluded 10 April 2012, is to formalise intra-Group relations between the parties regarding the responsibility assumed by BMCE INTERNATIONAL SAU in relation to services carried out by BMCE Euro Services, its wholly-owned subsidiary, under the orders of BMCE BANK, of which the former is indirectly a wholly-owned subsidiary.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

### **Persons concerned:**

- Mr Mohamed AGOUMI, Chairman of BMCE International SAU's Board, is also Delegate General Manager of BMCE BANK and Director of BMCE Euroservices
- Messrs Azeddine GUESSOUS and Mohammed BENNANI are Directors of BMCE BANK and of BMCE International SAU
- Mr Brahim BENJELLOUN-TOUIMI, Director & Delegate General Manager of BMCE BANK, is also a Director of BMCE International SAU and Chairman of the Board of BMCE Euroservices

## **2.7. Management mandate between BMCE BANK and BOA France**

This agreement, concluded 6 June 2012 between BMCE BANK and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BMCE BANK mandates BOA France, in consideration for the payment of fees, to handle on its behalf financial transactions for Moroccan customers living abroad. The contract also defines the operating terms and conditions of the BMCE BANK account held in the ledgers of BOA France.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

### **Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE BANK
- Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE BANK
- Mr Driss BENJELLOUN, a Director of BOA Group, is also Delegate General Manager of BMCE BANK
- Mr Mohamed AGOUMI, a Director of BOA Group, is also Delegate General Manager of BMCE BANK

## **2.8. Agreement between BMCE BANK and BMCE Capital Gestion Privée to manage structured product margin calls**

Under this agreement, concluded 29 June 2012, BMCE Capital Gestion Privée undertakes to monitor the risk of fluctuation in structured

products contracted between the Parties by adopting a margin call system for the said structured products. Remuneration for margin calls on behalf of BMCE BANK is based on dirham-denominated money market rates.

This agreement did not have any impact on BMCE BANK's financial statements for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE BANK
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISI, a member of BMCE Capital's Supervisory Board, is also Delegate General Manager of BMCE BANK

**2.9. Services contract between BMCE BANK and RMA Watanya**

Concluded in April 2012 effective 1 October 2011, this contract defines general and specific terms and conditions regarding the provision of premises, miscellaneous services and equipment by BMCE BANK to RMA WATANYA. It also establishes the terms and conditions of use by the latter of the resources made available in consideration for a flat-rate payment.

Regarding this agreement, BMCE BANK recognised income of MAD 141 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Othman BENJELLOUN, Chairman of RMA WATANYA's Supervisory Board is also Chairman and Chief Executive Officer of BMCE BANK
- Mr Zouheir BENSAID is Chairman of RMA WATANYA's Supervisory Board and Director of BMCE BANK
- Mr Brahim BENJELLOUN-TOUIMI is a Member of RMA WATANYA's Supervisory Board and is Director & Delegate General Manager of BMCE BANK

**2.10 Technical support agreement between BMCE BANK and AFH Services**

Under the terms of this one-year automatically-renewable agreement concluded in 2012, BMCE BANK provides intra-Group technical support to AFH aimed at providing BOA Group with business line expertise.

AFH is invoiced for these services on the basis of man days at a rate of €1,200 excluding taxes per man day.

Regarding this agreement, BMCE BANK recognised income of MAD 209 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Director & Delegate General Manager of BMCE BANK
- Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also a Director of AFH Services

**2.11. Services agreement between BMCE BANK and BMCE Capital**

Concluded 20 November 2012 effective 1 January 2012, this one-year automatically-renewable agreement establishes the terms and conditions by which BMCE BANK remunerates BMCE Capital for technical support provided to BOA Group via its legal division.

Remuneration for the said services, invoiced on an annual basis, is calculated on the basis of man days at a rate of €100 per man day.

Regarding this agreement, BMCE BANK recognised income of MAD 1,285 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Mr Amine BOUABID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSAID, Director of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also Member of BMCE Capital's Supervisory Board
- Mr M'Fadel EL HALAISI, Delegate General Manager of BMCE BANK, is also Member of BMCE Capital's Supervisory Board

**2.12. Amendment to a subordinated loan contract between BMCE BANK and BMCE International**

Under this agreement concluded 30 May 2010, BMCE BANK shall make available to BBI a subordinated loan for the euro equivalent of £15,000,000 at an annual fixed rate of 4% in respect of Tier 2 capital.

The loan's repayment date is ten years after the agreement's effective date.

Regarding this agreement, BMCE BANK recognised income of MAD 7,796 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK International Plc, is also Director & Delegate General Manager of BMCE BANK
- Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK

**2.13. Agreements between BMCE BANK and SALAFIN**

- Services contract between BMCE BANK and SALAFIN

This three-year automatically-renewable services contract, concluded in 2009, defines the terms and conditions by which BMCE BANK provides SALAFIN with a certain number of services and equipment as well as the terms governing usage. BMCE BANK receives a flat royalty payment of MAD 1,000 including taxes per desk. Royalties are paid on a quarterly basis in advance.

Regarding this agreement, BMCE BANK recognised income of MAD 84 thousand for the period ended 31 December 2015.

- Agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE BANK's customer files as well as hosting a management system on an ASP basis (via its ORUS subsidiary)

Concluded in 2011, the purpose of this agreement between BMCE BANK and SALAFIN is to establish a back-office system to ensure customer file compliance, send reminders to the network to correct non-compliant customer files and report on operational risks. The system also centralises and processes customer declarations of death and disability insurance subscriptions and digitises and archives customer loan files that have been transferred to an entity appointed by the Bank.

The agreement also relates to hosting, running and maintaining on a daily basis a customer file management system based on the Immédiat system which is interfaced with the Bank's information systems as well as providing BMCE BANK with a maintenance centre.

The remuneration paid by BMCE BANK is calculated on the basis of the number of customer files actually processed by the system based on a pricing structure.

Regarding this agreement, BMCE BANK recognised an expense of MAD 210 thousand for the period ended 31 December 2015.

- Agreement between BMCE BANK and Salafin relating to services, technical support and application hosting

Concluded 15 January 2009, this agreement relates to the implementation of a recovery service by which SALAFIN undertakes to carry out the assignments entrusted to it by BMCE BANK (recovery system support and set-up, provision of a user licence for the management module for attributing portfolios to agents and the telecommunications management module, development of interfaces with BMCE BANK's information systems, dedicated hosting and running of the recovery software solution on a daily basis and the provision of a maintenance centre).

Regarding this agreement, BMCE BANK recognised an expense of MAD 1.078 thousand for the period ended 31 December 2015.

- Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE BANK's customer files

Concluded 1 July 2011, this amendment to the agreement between BMCE BANK and SALAFIN modifies the remuneration terms, established by the distribution agreement concluded in 2006, by ensuring joint management by both Parties in respect of new consumer loans distributed to retail customers. As a result, interest income will be split as follows: 80% to the entity which bears the risk and 20% to the other entity. This amendment also specifies the services provided by SALAFIN for all outstandings managed by one or both Parties.

Regarding this agreement and its amendment, BMCE BANK recognised an expense of MAD 95,551 thousand and income of MAD 13,037 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK
- Messrs Mamoun BELGHITI and Amine BOUABID are members of Salafin's Supervisory Board and Directors of BMCE BANK
- Messrs Omar TAZI and Driss BENJELLOUN are members of Salafin's Supervisory Board and Delegate General Managers of BMCE BANK

**2.14 Agreements between BMCE BANK and Eurafric Information (EAI)**

- Draft agreement between BMCE BANK and Eurafric Information (EAI) relating to the invoicing of software licences and related services

Concluded 2 December 2011, the purpose of this agreement is for EAI to provide BMCE BANK with a certain number of licences as described in the contract (Briques GRC, E-Banking Cyber Mut, Poste Agence Lot 1) for use by the latter's employees.

In consideration, BMCE BANK must pay EAI the dirham equivalent of €4,800,370.40 for CRM services, €3,303,063.20 for CRM licences, €201,976.60 for the Poste Agence Lot 1 licence, €729.504 for Poste Agence Lot 1 services, €500,000 for E-Banking licences and €768,672 for E-Banking services. These amounts exclude taxes, to which must be added an additional 10% in respect of a government withholding tax deducted at source.

BMCE BANK must also pay licence maintenance costs including €545,004.80 for CRM maintenance, €105,694 for the Poste Agence Lot 1 contract and €162,801 for maintenance of E-banking Cyber Mut.

- Amendment No.2 APPENDIX III to the services contract between BMCE BANK and Eurafric Information

Concluded 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BMCE BANK as well as the pricing structure and the terms and conditions of payment. The amendment offers the possibility of revising on an annual basis the man-hour rate

applicable to services provided under the initial contract.

In respect of both these agreements concluded with EAI in 2011, BMCE BANK recognised the following amounts for the period ended 31 December 2015:

- Recurring services (expenses): MAD 41,206 thousand
- Maintenance (expenses): MAD 8,998 thousand
- SIBEA CRM project (non-current assets): MAD 47,567 thousand
- Non-SIBEA project (non-current assets): MAD 16,388 thousand

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also a Director & Delegate General Manager of BMCE BANK
- Mr Zouheir BENSAID, Director of BMCE BANK, is also a member of EAI's Supervisory Board
- Messrs Driss BENJELLOUN and Mounir CHRAIBI, Directors of EAI, are also Delegate General Managers of BMCE BANK

**2.15. Agreement between BMCE BANK and Global Network Systems SA ("GNS") relating to Carte MPOST – Passport**

Concluded 1 February 2011, the purpose of this agreement is for BMCE BANK to provide GNS with prepaid cards as well as determining the terms for recharging, personalising and using these cards.

For each card delivered, the Bank is credited an amount previously agreed by both Parties.

The cost of recharging the card is debited against the customer's bank account held with BMCE BANK. All other expenses are debited against the card's balance.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

**Persons concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegate General Manager of BMCE BANK.
- Messrs M'Fadel EL HALAISI and Driss BENJELLOUN, Delegate General Managers of BMCE BANK, are also Directors of GNS Technologies

**2.16. Services contract between BMCE BANK and Eurafric GED Services SAS**

Concluded in 2011 for an initial three-month automatically-renewable period prior to establishing a definitive contract when authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BMCE BANK entrusts to Eurafric GED Services document digitisation services.

Monthly invoices are issued based on volume. The cost is 0.86 dirhams per digitised page, 0.68 dirhams per video-encoded document, 5 dirhams per document for the return of any previously unreturned document to the service provider, 3 dirhams per document communicating the index in the event that the document has been returned to BMCE BANK (prices quoted exclude taxes).

Regarding this agreement, BMCE BANK recognised an expense of MAD 1.613 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Director & Delegate General Manager of BMCE BANK

**2.17. Partnership agreement between BMCE BANK and BMCE BANK International Plc relating to sub-contracting clearing services**

Under the terms of this agreement concluded 4 October 2011, BMCE BANK International provides BMCE BANK with a number of banking services including:

- Cheques drawn on French- or foreign-domiciled banks;
- Inter-bank transfers to BMCE BANK or its customers;
- International SWIFT transfers;
- Bills of exchange domiciled with BMCE BANK and payable in France;
- Documentary credit confirmations

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK International Plc, is also Director & Delegate General Manager of BMCE BANK
- Mr Mohammed AGOUMI, Director of BMCE BANK International Plc, is also Delegate General Manager of BMCE BANK

## **2.18. Agreement between BMCE BANK and BMCE Capital Gestion to promote and market mutual funds via the BMCE BANK branch network**

Concluded 1 March 2011 for an automatically-renewable 12-month period, the purpose of this agreement is to determine the terms and conditions for cooperation between the Parties relating to the marketing by BMCE BANK of a specific number of BMCE Capital Gestion products via the BMCE BANK branch network. In this regard, the Parties give a mutual undertaking to allocate the necessary human, material, technical and logistical resources to develop and promote the mutual funds. BMCE BANK's remuneration is calculated on the basis of the volume of subscriptions/redemptions generated by the branch network with BMCE CAPITAL GESTION retroceding a share of the entry/exit fees at the rates set out in an appendix to the agreement.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

### **Persons concerned:**

- Mr Amine BOUABID, Director of BMCE Capital Gestion, is also a Director of BMCE BANK
- Mr Driss BENJELLOUN, Delegate General Manager of BMCE BANK, is also a Director of BMCE Capital Gestion

## **2.19. Agreements relating to leasing premises**

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Type	Location	Amount 2015 (KMAD)
EAI	01/03/2011	Office space	49 & 51 rue Ali Ibnou Abi Taleb Ground floor, 1st to 7th floors, car park and basement, Casablanca	8,626
RM Experts	01/01/2011	Office space	Immeuble Zénith, No.2 and 2 bis, Lofissement Taoufik, roundabout route de Marrakech and Bouskoura, Casablanca	1,095
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II, 4th floor, Casablanca - Essaouira	2,755
MEDITELECOM	01/08/2012	Building patio	Essaouira	97
BMCE Capital	01/07/2002	Office space	Agence BMCE BANK Agadir Ville	33
EURAFRIC INFORMATION	15/10/2009	279 m <sup>2</sup> apartment TF No.36929/C, property known as "GAMECOUR"	Casablanca 243 Bd Mohamed V	318

The leases are renewed automatically.

## **2.20. Tripartite agreement on the transfer of lease agreements related to the acquisition and management of an office use local based in Rabat Avenue Imam Malik**

Concluded March 16, 2011 between BMCE CAPITAL, the original lessee, BMCE Bank, the lessee and MAGHREBAIL, the Landlord, this agreement provides for the benefit of BMCE Bank transfer credits mentioned above lease for a monthly rent excluding tax 68,453.70 MAD and a global and fixed cost related to financing of 7,200,000.00 MAD of which MAD 720,000 corresponds to the estimated value of the land.

This contract is concluded for a period of 97 months from 25 April 2011 to 24 May 2019.

Under this agreement BMCE Bank recorded during fiscal 2015 an overall charge of 846 thousands MAD.

### **Persons concerned :**

- The Chairman of the Board of Maghrebail, Mr. Azzedine GUESSOUS is Director of BMCE Bank
- The Directors of Maghrebail and gentlemen Othman Benjelloun, Zouheir BENSAID and Brahim Benjelloun-TOUIMI are respectively Chairman and CEO, Director and Group Executive Managing Director of BMCE Bank
- The Chairman of BMCE Capital Supervisory Board, Mr. Brahim Benjelloun-TOUIMI is also Group Executive Managing Director of BMCE Bank
- Mr. Zouheir BENSAID, Director of BMCE Bank, is a member of BMCE Capital Supervisory Board
- Member of the Supervisory Board of BMCE Capital Driss Benjelloun and M'Fadel EL HALASSI are Delegate General Managers of BMCE Bank

## **2.21. Amendment to the BMCE EDIFIN agreement between BMCE BANK and Global Network Systems ("GNS")**

Concluded 2 April 2010 effective 1 January 2010, the purpose of this amendment, as part of the Bank's policy to extend BMCE EDIFIN services to all commercial relations and enhance profitability, is to revise the monthly payment for GNS' Value-Added Network services. In this regard, BMCE BANK shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, concluded 30 December 2011 effective January 2012, sees the annual payment made by BMCE BANK to the service provider reduced to MAD 2,750,000 excluding taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Regarding this agreement, BMCE BANK recognised an expense of MAD 2,835 thousand for the period ended 31 December 2015

**Persons concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Holding, is also Delegate General Manager of BMCE BANK
- Messrs M'Fadel EL HALAISSI and Omar TAZI, Delegate General Manager of BMCE BANK, are also Directors of GNS Holding

**2.22. Contract between BMCE BANK and RM Experts relating to debt recovery**

Concluded 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BMCE BANK, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BMCE BANK.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BMCE BANK undertakes to make available to the service provider, on a secondment basis, all staff working in the Remedial Management Division from the contract date.

These employees will be paid directly by BMCE BANK.

BMCE BANK will invoice the service provider for these employees' salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BMCE BANK for "management of its human resources".

As part of this agreement, for each customer file for which the amount to be recovered is less than two hundred thousand dirhams, BMCE BANK will be invoiced for the sum of five hundred dirhams excluding taxes in respect of related expenses. RM EXPERTS also receives from BMCE BANK success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BMCE BANK undertakes to reimburse RM EXPERTS for all actual costs incurred by the latter.

BMCE BANK paid RM EXPERTS success fees of MAD 40,675 thousand and management fees of MAD 1,891 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BMCE BANK
- Mr Brahim BENJELLOUN-TOUIMI, Director & Delegate General Manager of BMCE BANK, is also a Director of RM Experts
- Mr M'Fadel EL HALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RM Experts

**2.23. Agreement between BMCE BANK and Maghbail**

Concluded 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BMCE BANK of MAGHREBAIL's formatted lease products, the BMCE Bail product, the BMCE Immobail Entreprise product and standard leasing products, regardless of whether or not they are severally and jointly backed by BMCE BANK.

The terms and conditions of this agreement are as follows:

- MAGHREBAIL pays BMCE BANK agency fees as set out in a price list;
- MAGHREBAIL undertakes to pay quarterly agency fees in respect of BMCE BANK's remuneration;
- MAGHREBAIL undertakes to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee;
- MAGHREBAIL undertakes to remunerate BMCE BANK for its guarantee at the annual rate of interest in respect of formatted products. The rate of interest charged on the guarantee is determined on a case-by-case basis in respect of standard leasing products, regardless of whether or not they are severally and jointly backed; it is calculated annually on the amount of MAGHREBAIL's financial outstandings guaranteed by BMCE BANK (financial outstandings x proportion of bank guarantee).

Regarding this agreement, BMCE BANK recognised income of MAD 5,283 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Azeddine GUESSOUS, Chairman of Maghbail, is a Director of BMCE BANK
- Messrs Othman BENJELLOUN, Zouheir BENAID and Brahim BENJELLOUN-TOUIMI, Members of the Board of Maghbail, are respectively Chairman, Directors and Delegate General Manager of BMCE BANK
- Mr M'Fadel EL HALAISSI, Director of Maghbail, is also Delegate General Manager of BMCE BANK

**2.24. Partnership agreement between BMCE BANK and Locasom**

Concluded 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BMCE BANK of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BMCE BANK will steer its customers towards this product while LOCASOM will follow up with interested customers by providing the necessary support. This product will be marketed via the BMCE BANK branch network.

The terms and conditions of this agreement are as follows:

- BMCE BANK solely undertakes to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)
- BMCE BANK receives a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2015.

**Persons concerned:**

- Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Delegate General Managers of BMCE BANK and Mr Azzedine GUESSOUS, Director of BMCE BANK, are also Directors of Budget Locasom

**2.25. Services contract between BMCE BANK and BMCE EuroServices**

Concluded in 2013, this contract aims to clarify the underlying terms and conditions by which BMCE BANK will pay half-yearly fees to the Service Provider in consideration for the latter developing the Moroccans living abroad customer segment in Morocco.

Remuneration of Head Office and Branch Offices will be based on two criteria: a percentage of the net banking income earned by BMCE BANK in the Moroccans living abroad segment and a percentage of the funds transferred to BMCE BANK accounts in Morocco.

Regarding this agreement, BMCE BANK recognised an expense of MAD 127,109 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of the Board of BMCE EuroServices, is also Director & Delegate General Manager of BMCE BANK
- Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Delegate General Manager of BMCE BANK
- Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Delegate General Manager of BMCE BANK

**2.26. Commercial lease contract between BMCE BANK and GNS Technologies**

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BMCE BANK shall lease to GNS Technologies office space on the 2nd floor of a building located at 239 Boulevard Mohammed V in Casablanca whose land title number is No.36.829/C with a surface area of 276 m<sup>2</sup> whose land title number is in turn No.75.965/C, a property known as "GAMECOUR 4".

The monthly rental payment relating to this office space is set at MAD 16.6 thousand for the first year, MAD 19.3 thousand for the second year and MAD 22 thousand for the third year. To that is added a local council tax of 10.5% payable monthly as well as rental charges to maintain and manage the building's common areas which are invoiced pro-rata to the surface area rented.

Regarding this agreement, BMCE BANK recognised income of MAD 293 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegate General Manager of BMCE BANK
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegate General Managers of BMCE BANK, are also Directors of GNS Technologies

**2.27. Commercial lease contract between BMCE BANK and RM EXPERTS**

Under the terms of this agreement, effective 1 March 2013 for an automatically-renewable 3-year period, BMCE BANK shall lease to RM Experts office space on the 3rd floor of a building located at Casablanca Zénith No.2 et 2A Sidi Maarouf, Taoufik land plot, whose land title number is No.19.779/47 with a surface area of 235 m<sup>2</sup> whose land title number is in turn No. 19.779/47.

The monthly rental payment is MAD 31.2 thousand excluding management company and maintenance charges.

Regarding this agreement, BMCE BANK recognised income of MAD 374 thousand for the period ended 31 December 2015.

**Persons concerned:**

- Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS is also a Director of BMCE BANK
- Mr Brahim BENJELLOUN-TOUIMI, Director & Delegate General Manager of BMCE BANK, is also a Director of RM Experts
- Mr M'Fadel El HALAISSI, Delegate General Manager of BMCE BANK, is also a Director of RM Experts

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Jamal SAAD EL IDRISI

Associate

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, PRINCIPLES AND VALUATION METHODS ADOPTED BY THE BANK

## 1 - FUNDAMENTAL ACCOUNTING PRINCIPLES

1.1 - Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.

1.2 - Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.

1.3 - When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.

1.4 - In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.

1.5 - In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

1.6 - The main fundamental accounting principles adopted are listed hereafter :

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

## 2.1. Presentation

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Tangier Offshore)

Les opérations et soldes significatifs internes entre les différentes entités sont éliminés.

## 2.2 General principles

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BMCE Bank's financial statements complies with Accounting Standards for Credit Institutions.

## 2.3 Amounts due from credit institutions and customers and signature loans

General presentation of amounts due

- Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose :
  - Demand or term deposits in the case of credit institutions;
  - Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.
- Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.
- Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).
- Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.
- Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

- Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.
- The main applicable provisions can be summarised as follows:
  - Non-performing loans and advances are, depending on the level of risk, classified as "substandard", "doubtful" or "irrecoverable".
  - After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:
    - 20% in the case of substandard loans;
    - 50% in the case of doubtful loans;
    - 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

- On reclassifying healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.
- Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.
- Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

## 2.4 Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;
- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities.

Interest accrued on these payables is recognised under "Related payables" through the income statement.

## 2.5 Securities portfolio

### 2.5.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

## 2.5.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;
- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;
- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;
- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are carried at cost acquisition excluding transaction costs and, when appropriate, accrued interest included. Transaction costs are directly recognized in income. The shares sold are valued using these same rules.

## 2.5.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus costs and accrued interest.

Securities transferred from the "Portfolio securities" and "Equity securities and Investments in related companies" categories are valued either before or at the time of transfer based on the rules relating to the original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the "Held-to-maturity securities" category are reclassified at their net carrying amount at the time of transfer.

## 2.5.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

## 2.5.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;
- Investments in related companies;
- Portfolio securities
- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

## 2.5.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet and the amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

## 2.6 Foreign currency-denominated transactions

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

## 2.7 Translation of financial statements prepared in foreign currencies

The closing rate method is used to translate financial statements prepared in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rates prevailing at the closing date.

Shareholders' equity (excluding the net income for the financial year) is measured at various historical rates (charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference from the average exchange rate method.

## 2.8 General risk provisions

These provisions are booked, at the discretion of the management, to address future risks relating to the banking activity which cannot be currently identified or accurately measured.

The provisions booked are added back for taxation purposes.

## 2.9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and

depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods :

Category	Amortisation period
Lease rights	Not amortisable
Patents and brands	Period of patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	on amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods :

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

## 2.10 Deferred charges

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

## 2.11 Statutory provisions

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The decision as to whether or not to book such provisions is effectively a management decision motivated, in particular, by the desire to reduce the tax charge.

If criteria for booking and utilising such provisions have been satisfied and that they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

## 2.12 Recognition of interest income and fee income in the income statement

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.



## AGGREGATED ACTIVITY

ASSETS	2015	2014
<b>Cash, central banks, treasury, giro accounts</b>	<b>2 699 639</b>	<b>1 485 051</b>
<b>Loans to credit institutions and equivalent</b>	<b>24 495 193</b>	<b>19 189 919</b>
. Demand	3 100 756	3 277 067
. Time	21 394 437	15 912 852
<b>Loans and advances to customers</b>	<b>113 328 625</b>	<b>99 394 236</b>
. Cash and consumer loans	39 141 837	36 332 382
. Equipment loans	16 069 234	15 874 715
. Mortgage loans	36 374 131	34 902 957
. Other loans	21 743 423	12 284 182
<b>Advances acquired by factoring</b>	<b>-</b>	<b>-</b>
<b>Transaction and marketable securities</b>	<b>25 429 973</b>	<b>28 818 673</b>
. Treasury bonds and equivalent securities	5 325 413	3 917 123
. Other debt securities	709 167	2 671 234
. Title deeds	19 395 393	22 230 316
<b>Other assets</b>	<b>1 877 269</b>	<b>1 817 097</b>
<b>Investment securities</b>	<b>5 587 659</b>	<b>4 186 530</b>
. Treasury bonds and equivalent securities	1 642 527	1 658 770
. Other debt securities	3 945 132	2 527 760
<b>Equity investments and equivalent uses</b>	<b>8 735 714</b>	<b>6 795 302</b>
<b>Subordinated loans</b>	<b>195 461</b>	<b>198 777</b>
<b>Fixed assets leased and rented</b>	<b>-</b>	<b>-</b>
<b>Intangible fixed assets</b>	<b>464 103</b>	<b>465 661</b>
<b>Tangible fixed assets</b>	<b>4 418 365</b>	<b>2 221 952</b>
<b>Total Assets</b>	<b>187 232 001</b>	<b>164 573 198</b>

(In thousand MAD)

LIABILITIES	2015	2014
<b>Central banks, treasury, giro accounts</b>	<b>-</b>	<b>-</b>
<b>Liabilities to credit institutions and equivalent</b>	<b>31 244 236</b>	<b>16 381 512</b>
. Demand	8 527 146	1 284 814
. Time	22 717 090	15 096 698
<b>Customer deposits</b>	<b>121 205 803</b>	<b>110 102 437</b>
. Demand deposits	63 460 442	58 971 097
. Savings deposits	20 159 145	19 170 935
. Time deposits	31 043 262	26 758 529
. Other deposits	6 542 954	5 201 876
<b>Debt securities issued</b>	<b>9 454 620</b>	<b>13 734 518</b>
. Negotiable debt securities	7 427 788	11 021 963
. Bond loans	2 026 832	2 712 555
. Other debt securities issued	-	-
<b>Other liabilities</b>	<b>2 433 750</b>	<b>3 950 602</b>
<b>Contingent liabilities</b>	<b>483 194</b>	<b>409 099</b>
<b>Regulated provisions</b>	<b>-</b>	<b>-</b>
<b>Subsidies, assigned public funds and special guarantee funds</b>	<b>-</b>	<b>-</b>
<b>Subordinated debts</b>	<b>8 206 900</b>	<b>6 303 067</b>
<b>Revaluation reserve</b>	<b>-</b>	<b>-</b>
<b>Reserves and premiums related to capital</b>	<b>11 104 784</b>	<b>10 693 747</b>
<b>Capital</b>	<b>1 794 634</b>	<b>1 794 634</b>
<b>A Shareholders Unpaid-up Capital (-)</b>	<b>-</b>	<b>-</b>
<b>N Retained earnings (+/-)</b>	<b>44</b>	<b>10</b>
<b>U Net earnings being appropriated (+/-)</b>	<b>-</b>	<b>-</b>
<b>A Net earnings for the year (+/-)</b>	<b>1 304 036</b>	<b>1 203 572</b>
<b>L Total Liabilities</b>	<b>187 232 001</b>	<b>164 573 198</b>

(In thousand MAD)

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**OFF-BALANCE SHEET**

	<b>2015</b>	<b>2014</b>
<b>Given commitments</b>		
Financing commitments on behalf of credit institutions and equivalent	18 830 322	15 707 834
Financing commitments on behalf of customers	940 029	1 010 948
Guarantee commitments given to credit institutions and equivalent	4 805 370	5 135 737
Guarantee commitments given to customers	3 643 050	2 475 877
Securities repos purchased	9 361 412	7 051 626
Other securities to be delivered	78 357	-
<b>Received commitments</b>	<b>8 331 036</b>	<b>6 069 533</b>
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	8 089 828	5 880 341
Guarantee commitments received from the State and various guarantee bodies	30 773	30 773
Securities repos sold	-	-
Other securities to be received	210 435	158 419

(In thousand MAD)

**INCOME STATEMENT  
AGGREGATED ACTIVITY**

	<b>2015</b>	<b>2014</b>
<b>Bank operating revenues</b>		
Interests and assimilated revenues on transactions with credit institutions	10 822 117	10 802 567
Interests and assimilated revenues on transactions with customers	705 261	545 344
Interests and assimilated revenues on debt securities	5 378 909	5 388 763
Revenues on title deeds	490 961	566 720
Revenues from leased and rented fixed assets	489 124	417 379
Fees on provided services	942 600	825 886
Other banking revenues	2 815 262	3 058 475
<b>Bank operating expenses</b>	<b>5 447 786</b>	<b>5 284 035</b>
Interests and assimilated expenses on transactions with credit institutions	802 951	928 695
Interests and assimilated expenses on transactions with customers	1 779 179	1 739 036
Interests and assimilated expenses on debt securities issued	547 152	641 688
Expenses on leased and rented fixed assets	-	-
Other banking expenses	2 318 504	1 974 616
<b>Net Banking Income</b>	<b>5 374 331</b>	<b>5 518 532</b>
Non-banking operating revenues	134 333	153 683
Non-banking operating expenses	48 713	55 594
<b>General operating expenses</b>	<b>3 262 976</b>	<b>3 028 122</b>
Staff expenses	1 455 087	1 352 127
Tax expenses	85 230	63 553
External expenses	1 383 566	1 273 849
Other general operating expenses	41	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	339 052	338 593
<b>Allowances for provisions and loan losses</b>	<b>1 734 984</b>	<b>2 154 538</b>
Allowances for non performing loans and commitments	1 283 564	1 584 999
Loan losses	373 676	459 926
Other allowances for provisions	77 744	109 613
<b>Provision write-backs and recovery on amortised debts</b>	<b>1 160 482</b>	<b>1 020 744</b>
Provision write-backs on non performing loans and commitments	733 941	649 958
Recovery of amortised debts	42 340	21 577
Other provision write-backs	384 201	349 209
<b>Current income</b>	<b>1 622 471</b>	<b>1 454 705</b>
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	1 622 471	1 454 705
Corporate tax	318 435	251 133
<b>Net Earnings For The Year</b>	<b>1 304 036</b>	<b>1 203 572</b>

(In thousand MAD)

## AGGREGATED MANAGEMENT BALANCES STATEMENT

<b>EARNINGS FORMATION TABLE</b>		<b>2015</b>	<b>2014</b>
+ Interests and assimilated revenues		6 575 131	6 500 827
- Interests and assimilated expenses		3 129 281	3 309 419
<b>Net interest income</b>		<b>3 445 850</b>	<b>3 191 408</b>
+ Revenues from leased and rented fixed assets		-	-
- Expenses on leased and rented fixed assets		-	-
<b>Profit from leasing and renting operations</b>		-	-
+ Fees received		1 131 043	1 031 764
- Fees paid		213 808	222 188
<b>Net fee income</b>		<b>917 235</b>	<b>809 576</b>
± Income from operations on transaction securities		358 569	993 937
± Income from transactions on marketable securities		92 069	86 205
± Income from exchange transactions		292 469	211 126
+ Income from derivatives transactions		-27 076	7 801
<b>Income from market transactions</b>		<b>716 031</b>	<b>1 299 070</b>
+ Other miscellaneous banking revenues		489 124	417 379
- Other miscellaneous banking expenses		193 910	198 902
<b>Net banking income</b>		<b>5 374 330</b>	<b>5 518 531</b>
± Net income from equity investments		379 101	11 076
+ Other non-banking operating revenues		134 333	153 563
- Other non-banking operating expenses		47 258	48 899
- General operating expenses		3 262 977	3 028 123
<b>Gross operating income</b>		<b>2 577 529</b>	<b>2 606 148</b>
± Allowances for non performing loans and commitments (net of write-backs)		-880 960	-1 373 389
+ Other allowances net of provision write-backs		-74 098	221 946
<b>Current income</b>		<b>1 622 471</b>	<b>1 454 705</b>
<b>Non-current income</b>		-	-
- Corporate tax		318 435	251 133
<b>Net earnings for the year</b>		<b>1 304 036</b>	<b>1 203 572</b>

(In thousand MAD)

<b>CASH FLOW</b>		<b>2015</b>	<b>2014</b>
<b>+ Net earnings for the year</b>		<b>1 304 036</b>	<b>1 203 572</b>
+ Allowances for depreciation and provisions for intangible and tangible fixed assets		339 052	338 594
+ Allowances for provisions for equity investments depreciation		-	91 385
+ Allowances for provisions for general risks		65 205	13 423
+ Allowances for regulated provisions		-	-
+ Non-current allowances		-	-
- Provisions write-backs		380 555	109 035
- Capital gains on disposals of intangible and tangible fixed assets		63 644	45 791
+ Capital losses on disposals of intangible and tangible fixed assets		-	250
- Capital gains on disposals of equity investments		-	121
+ Capital losses on disposals of equity investments		1 455	6 694
- Write-backs of investment subsidies received		-	-
<b>+ Financing capacity</b>		<b>1 265 549</b>	<b>1 498 971</b>
- Dividends distributed		789 639	717 854
<b>+ Cash-flow</b>		<b>475 910</b>	<b>781 117</b>

(In thousand MAD)

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<b>STATEMENT OF CASH FLOW</b>		
	<b>2015</b>	<b>2014</b>
1. (+) Operating income received from banking operations	9 884 270	9 881 735
2. (+) Recovery of amortised debts	42 340	21 577
3. (+) Non-banking revenues received	134 333	153 683
4. (+) Banking operating expenses paid	5 502 164	5 732 078
5. (+) Non-banking operating expenses paid	48 713	55 594
6. (+) General operating expenses paid	2 923 924	2 689 528
7. (+) Corporate tax paid	318 435	251 133
<b>I - Net Cash Flows from the Income Statement</b>	<b>1 267 708</b>	<b>1 328 662</b>
<b>Change in :</b>		
8. (+) Loans to credit institutions and equivalent	-5 305 274	-3 184 550
9. (+) Loans to customers	-13 934 389	3 254 232
10. (+) Debt and marketable securities	1 987 571	-382 505
11. (+) Other assets	-60 172	-382 886
12. (+) Fixed assets leased and rented out	-	-
13. (+) Liabilities to credit institutions and equivalent	14 862 724	-9 064 995
14. (+) Customer deposits	11 103 366	7 499 152
15. (+) Debt securities issued	-4 279 898	1 958 058
16. (+) Other liabilities	-1 531 270	-4 152 956
<b>II - Balance of Changes in Operating Assets and Liabilities</b>	<b>2 842 658</b>	<b>-4 456 450</b>
<b>III - Net Cash Flows from Operating Activities (I + II)</b>	<b>4 110 366</b>	<b>-3 127 788</b>
17. (+) Revenues from equity investments	-	3 984
18. (+) Revenues from disposals of intangible and tangible fixed assets	95 103	71 284
19. (+) Acquisitions of equity investments	1 608 499	86 788
20. (+) Acquisitions of intangible and tangible fixed assets	2 565 211	394 303
21. (+) Interests received	514 412	571 616
22. (+) Dividends received	423 145	342 216
<b>IV - Net Cash Flows from Investment Activities</b>	<b>-3 141 051</b>	<b>508 009</b>
23. (+) Subsidies, public funds and guarantee funds received	-	-
24. (+) Issues of subordinated debts	-	-
25. (+) Stock issues	1 903 833	882 070
26. (+) Repayment of shareholders equity and equivalent	-	-
27. (+) Interests paid	-	-
28. (+) Dividends paid	868 921	946 924
<b>V - Net Cash Flows from Financing Activities</b>	<b>789 639</b>	<b>717 853</b>
<b>VI - Net Change In Cash ( III + IV + V )</b>	<b>245 273</b>	<b>-782 707</b>
<b>VII - Cash &amp; Cash Equivalent at Beginning of Year</b>	<b>1 214 588</b>	<b>-3 402 486</b>
<b>VIII - Cash &amp; Cash Equivalent at Year-end</b>	<b>1 485 051</b>	<b>4 887 537</b>
<b>VIII. Cash at Year - end</b>	<b>2 699 639</b>	<b>1 485 051</b>

(In thousand MAD)

## STATEMENT OF ADDITIONAL INFORMATION

### MAIN VALUATION METHODS APPLIED

VALUATION METHODS APPLIED BY BMCE BANK  
Cf : Accounting Principles.

### LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

Claims	Bank Al-Maghrib Treasury and giro accounts	Banks in Morocco	Other credit institutions and equivalent in Morocco	Foreign credit institutions	Total 2015	Total 2014
<b>Ordinary accounts in debit</b>	<b>1 216 564</b>	<b>1 230 836</b>	<b>2 037 317</b>	<b>1 271 325</b>	<b>5 756 042</b>	<b>4 747 487</b>
<b>Securities received as pledges</b>	-	-	<b>2 554 737</b>	-	<b>2 554 737</b>	<b>45 210</b>
- Overnight	-	-	-	-	-	-
- Time	-	-	<b>2 554 737</b>	-	<b>2 554 737</b>	<b>45 210</b>
<b>Short-term loans</b>	-	-	<b>4 539 650</b>	<b>934 661</b>	<b>5 474 311</b>	<b>4 100 656</b>
- Overnight	-	-	-	-	-	-
- Time	-	-	<b>4 539 650</b>	<b>934 661</b>	<b>5 474 311</b>	<b>4 100 656</b>
<b>Financial loans</b>	-	<b>758 542</b>	<b>9 419 286</b>	<b>46 203</b>	<b>10 224 031</b>	<b>8 761 190</b>
<b>Other loans</b>	<b>2 895 759</b>	<b>227 183</b>	-	<b>43 549</b>	<b>3 166 491</b>	<b>3 004 045</b>
<b>Receivables accrued interest</b>	<b>2 908</b>	<b>1 568</b>	<b>13 120</b>	<b>1 624</b>	<b>19 220</b>	<b>16 382</b>
<b>Non performing loans</b>	-	-	-	-	-	-
<b>TOTAL</b>	<b>4 115 231</b>	<b>2 218 129</b>	<b>18 564 110</b>	<b>2 297 362</b>	<b>27 194 832</b>	<b>20 674 970</b>

Comment : pl 480 MMAD : 2 895 759 included in « Other loans »

(In thousand MAD)

### LOANS TO CUSTOMERS

Claims	Public sector	Financial companies	Private Sector Non financial companies	Other customers	Total 2015	Total 2014
<b>Short-term loans</b>	<b>580 422</b>	<b>1 771 147</b>	<b>27 429 606</b>	<b>52 314</b>	<b>29 833 489</b>	<b>27 461 801</b>
- Deposit accounts in debit	544 439	1 771 147	16 282 102	41 204	18 638 892	17 053 584
- Commercial loans in Morocco	20 078	-	3 344 752	2 106	3 366 936	3 581 140
- Export loans	-	-	545 927	-	545 927	331 211
- Other cash loans	15 905	-	7 256 825	9 004	7 281 734	6 495 866
<b>Consumer loans</b>	-	-	-	<b>9 328 888</b>	<b>9 328 888</b>	<b>8 395 860</b>
<b>Equipment loans</b>	<b>3 584 875</b>	-	<b>12 301 604</b>	-	<b>15 886 479</b>	<b>15 642 922</b>
<b>Mortgage loans</b>	-	-	<b>9 183 256</b>	<b>27 136 464</b>	<b>36 319 719</b>	<b>34 852 464</b>
<b>Other loans</b>	<b>233 702</b>	<b>18 260 237</b>	<b>391 276</b>	-	<b>18 885 215</b>	<b>10 547 433</b>
<b>Advances acquired by factoring</b>	-	-	-	-	-	-
<b>Receivables accrued interest</b>	<b>28 593</b>	<b>130 200</b>	<b>320 477</b>	<b>237 357</b>	<b>716 626</b>	<b>756 595</b>
<b>Non performing loans</b>	<b>10 417</b>	<b>11 559</b>	<b>1 355 151</b>	<b>981 082</b>	<b>2 358 209</b>	<b>1 737 161</b>
- Substandard loans	-	-	75 443	191 308	266 751	401 251
- Doubtful loans	10 369	141	1 032 182	148 601	1 191 293	575 064
- Loss loans	48	11 418	247 526	641 173	900 165	760 845
<b>TOTAL</b>	<b>4 438 009</b>	<b>20 173 143</b>	<b>50 981 369</b>	<b>37 736 105</b>	<b>113 328 625</b>	<b>99 394 236</b>

(In thousand MAD)

### BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

	Credit Institutions and Equivalent	Public Issuers	Private Issuers		Total 2015	Total 2014
			Financial companies	Non financial companies		
<b>A Quoted securities</b>	<b>1 418 864</b>	<b>7 002 856</b>	<b>19 464 976</b>	<b>512 881</b>	<b>28 399 578</b>	<b>29 749 787</b>
N - Treasury bonds and equivalent securities	-	6 938 416	-	-	6 938 416	5 489 415
N - Bonds	1 418 864	64 441	69 583	512 881	2 065 769	2 030 056
U - Other debt securities	-	-	-	-	-	-
A - Title deeds	-	-	19 395 393	-	19 395 393	22 230 316
<b>L Unquoted securities</b>	<b>2 444 658</b>	<b>45 005</b>	<b>125 096</b>	<b>3 296</b>	<b>2 618 055</b>	<b>3 255 415</b>
- Treasury bonds and equivalent securities	-	-	-	-	-	-
R - Bonds	2 025 839	-	-	-	2 025 839	1 000 146
E - Other debt securities	389 914	-	-	-	389 914	2 089 384
P - Title deeds	-	-	-	-	-	-
O Accrued interest	28 905	45 005	125 096	3 296	202 302	165 885
<b>R TOTAL</b>	<b>3 863 522</b>	<b>7 047 862</b>	<b>19 590 072</b>	<b>516 177</b>	<b>31 017 632</b>	<b>33 005 202</b>

(In thousand MAD)

**BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES**

	<b>Gross book value</b>	<b>Current value</b>	<b>Redemption price</b>	<b>Unrealised capital gains</b>	<b>Unrealised capital losses</b>	<b>Provisions</b>
<b>Transaction securities</b>	<b>25 113 079</b>	<b>25 069 522</b>	<b>25 069 522</b>	-	-	<b>43 556</b>
Treasury bonds and equivalent securities	5 167 017	5 124 516	5 124 516	-	-	42 501
Bonds	168 871	168 871	168 871	-	-	-
Other debt securities	380 742	380 742	380 742	-	-	-
Title deeds	19 396 449	19 395 393	19 395 393	-	-	1 056
<b>Marketable securities</b>	<b>360 451</b>	<b>360 451</b>	<b>360 451</b>	-	-	-
Treasury bonds and equivalent securities	200 897	200 897	200 897	-	-	-
Bonds	-	-	-	-	-	-
Other debt securities	159 554	159 554	159 554	-	-	-
Title deeds	-	-	-	-	-	-
<b>Investment securities</b>	<b>5 594 605</b>	<b>5 587 659</b>	<b>5 512 034</b>	-	<b>75 624</b>	<b>6 947</b>
Treasury bonds and equivalent securities	1 642 527	1 642 527	1 580 844	-	61 683	-
Bonds	3 477 947	3 471 000	3 457 059	-	13 941	6 947
Other debt securities	474 131	474 131	474 131	-	-	-
<b>TOTAL</b>	<b>31 068 135</b>	<b>31 017 632</b>	<b>30 942 007</b>	-	<b>75 624</b>	<b>50 503</b>

(In thousand MAD)

**DETAIL OF OTHER ASSETS**

	<b>2015</b>	<b>2014</b>
<b>Optional instruments</b>	<b>4 089</b>	<b>19 703</b>
<b>Miscellaneous transactions on securities</b>	<b>91 776</b>	<b>83 631</b>
<b>Other Debtors</b>	<b>560 921</b>	<b>366 480</b>
- Sums due by the state	405 921	282 423
- Sums due by provident companies	-	-
- Receivables from staff	81 578	72 596
- Receivable for non-banking services	-	-
- Other debtors	73 422	11 461
<b>Other securities and assets</b>	<b>4 822</b>	<b>6 501</b>
<b>Adjustment accounts</b>	<b>1 215 661</b>	<b>1 340 782</b>
Off-balance sheet adjustment accounts	78 753	163 114
Currency discrepancy accounts	-	-
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	182 255	112 904
Liaison accounts between the head office, subsidiaries and branches in Morocco	308 147	466 224
Accrued income and prepayment	210 163	210 056
Accrued income	1 468	38 151
Prepayment	208 695	171 905
Transitory accounts	-	-
Other adjustment accounts	436 343	388 484
<b>Non performing loans on miscellaneous transactions</b>	-	-
<b>TOTAL</b>	<b>1 877 269</b>	<b>1 817 097</b>

(In thousand MAD)



## EQUITY INVESTMENTS AND EQUIVALENT

AS OF DECEMBER 31<sup>st</sup>, 2015

Name of the issuing company	Sector of activity	Number of shares	Share capital	Equity holding as %	Overall acquisition price	Provisions	Net book value
<b>Equity Investment Securities</b>							
<u>RADIO MEDITERRANEE</u>							
CASABLANCA FINANCE CITY AUTHORITY	Media	708 260	196 650 000	36,02	70 827	-	70 827
TANGER ZONE FRANCHE	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	-	50 000
EMAT	Development company	545 892	644 150 000	8,47	34 991	-	34 991
MAGSHORE	Holding Company	44 828	8 047 300	55,71	30 355	30 355	-
FONCIERE EMERGENCE	Offshoring	1 498	300 000	50,00	19 250	19 250	-
ECOPARC DE BERRECHID	Real Estate	193 392	240 033 800	8,06	18 131	-	18 131
CENTRE MONETIQUE INTERBANCAIRE	Development company	120 000	55 000 000	21,82	12 000	-	12 000
FONDS DE GARANTIE DE LA COMMANDE PUBLIQUE	Electronic payment management	109 984	98 200 000	11,20	11 000	-	11 000
MOROCAN INFORMATION TECHNO PARC CIE	Fonds d'investissement	100 000	100 000 000	10,00	10 000	-	10 000
MARTIKO (MAGHREB ARAB TRADING C°)	Real estate management	56 500	46 000 000	12,28	5 650	-	5 650
MITC CAPITAL	Financial institution	12 000	600 000 USD	20,00	971	-	-
SITE RECOLS	Fund MNF	4 000	2 000 000	20,00	400	-	400
O TOWER	Debt collection	3 750	2 500 000	15,00	375	375	-
<b>511 Equity Affiliates</b>		2 250	1 000 000	22,50	225	-	225
				264 174	50 950	213 223	
<b>Securities related companies</b>							
BOA GROUP	Foreign credit institution	437 662	90 489 465	74,97	2 935 301	-	2 935 301
BBI	Foreign credit institution	144 839 000	144 839 000	100,00	2119 710	207 300	1912 410
SITE SALAFIN	Consumer credit	1790 432	239 49 700	74,77	628 635	-	628 635
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	-	370 770
LITTORAL INVEST	Real Estate	26 000	2 600 000	100,00	450 000	-	450 000
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	-	336 882
HANOUTY	Distribution	76 486	16 767 900	45,60	121 815	121 815	-
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 723	10 000 429 600 FCFA	32,38	136 006	-	136 006
BMCE CAPITAL	Investment Bank	1 000 000	100 000 000	100,00	100 000	-	100 000
STÉ CONSEIL INGÉNIERIE ET DÉVELOPPEMENT	Service Office	155 437	40 000 000	38,85	90 192	-	90 192
RIYAD ALNOUR (VAR)	Hotel	3 000	300 000	100,00	78 357	-	78 357
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	-	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	-	46 591
EUROSERVICES	Financial Institution	3 768	4 831 000	78,00	40 630	-	40 630
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	-	29 700
RM EXPERT	Debt collection	199 996	20 000 000	100,00	20 000	-	20 000
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37,00	75 751	-	75 751
ACMAR	Service company	100 000	50 000 000	20,00	10 001	-	10 001
BMCE CAPITAL BOURSE (MAROC INTER TITRES)	Stock brokerage	67 500	10 000 000	67,50	6 750	-	6 750
STÉ FINANCIÈRE Italie	Financial institution	600 000	600 000 EURO	100,00	6 470	6 470	-
BMCE CAPITAL GESTION (MAREIN)	Mutual fund management	50 000	5 000 000	100,00	6 443	-	6 443
EURAFRIC INFORMATIQUE	Service company	40 998	10 000 000	41,00	4 100	-	4 100
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	-	19 000
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025	-	3 025
IT International service	IT	3 100	31 000 EURO	100,00	334	-	334
EURAFRIC GED SERVICES	Service company	937	2 200 000	4,26	94	-	94
SONORMA	Reak estate	300	100 000	30,00	30	30	
<b>512 Equity Investments</b>				7 688 406	335 340	7 352 566	
<b>Securities / Activities Of The Portfolio</b>							
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	173 008	-	173 008
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	171 928	159 851	12 077

<b>ESI</b>	Foreign credit institution	467 250	500 400 000 EUR	0,93	748 002	134 973	13 029
UBA ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	71 430	-	71 430
AMETHIS FINANCE Luxembourg	Foreign credit institution	1 790	56 702 294	3,16	37 803	-	37 803
<b>BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT</b>	Credit institution	6 000	150 000 000 USD	4,00	14 851	-	14 851
<b>FONDS D'INVESTISSEMENT DE L'ORIENTAL</b>	Investment fund	107 500	300 000 000	7,17	10 750	3 906	6 844
MAROC NUMERIC FUND	Investment fund	50 000	50 000 000	20,00	10 000	2 265	7 735
INMAA SA	Service company	53 333	20 000 000	26,67	5 333	2 323	3 010
<b>AFREXIM BANK (AFRICAN IMPORT EXPORT)</b>	Foreign credit	30	175 621 000 USD	0,20	3 054	-	3 054
<b>FONDS MONÉTAIRE ARABE (ARAB TRADE FINANCING PROGRAM)</b>	Financial institution	50	500 000 000 USD	0,05	2 970	-	2 970
<b>FROGEST</b>	Investment fund	2 500	2 000 000	12,50	250	-	250
<b>SOCIÉTÉ MAROCAINE DE GESTION DES FONDS DE GARANTIE</b>	Guarantee funds	588	1 000 000	5,88	59	59	59
<b>515 Securities/Activities of the portfolio</b>				<b>649 438</b>	<b>303 319</b>	<b>346 120</b>	
<b>Other</b>							
<b>CFG GROUP</b>	Investment Bank	285 065	288 956 500	9,87	103 997	-	103 997
<b>MUTANDIS SCA</b>	Investment fund	582 354	619 264 100	9,40	64 752	-	64 752
<b>MUTANDIS AUTOMOBILE SCA</b>	Investment fund	592 451	630 000 000	9,40	65 874	-	65 874
<b>ROYAL RANCHES MARRAKECH</b>	Promot. Immobilière et touristique	106 667	800 000 000	13,33	60 000	-	60 000
<b>VIGEO</b>	Financial advisory	24 000	11 965 940 EUR	4,01	5 176	-	5 176
<b>SOGEPOS</b>	Development company	46 216	35 000 000	13,20	4 622	-	4 622
<b>LA CELLULOSE DU MAROC</b>	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	-
<b>SMAEX</b>	Insurance and service	16 900	37 500 000	4,51	1 690	-	1 690
<b>FRUMAT</b>	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	-
<b>SITÉ IMMOBILIÈRE SIEGE GPBM</b>	Real Estate	12 670	19 005 000	6,67	1 267	-	1 267
<b>STÉ D'AMÉNAGEMENT DU PARC INDUSTRIE</b>	Real estate	10 000	60 429 000	1,65	1 000	-	1 000
<b>MAROCLEAR</b>	Central Custodian	8 030	20 000 000	4,02	803	-	803
<b>Experian Maroc</b>	Service Company	27 000	90 000 000	3,00	2 700	2 700	-
<b>SECOTEX</b>	Industry	5 000	10 000 000	5,00	500	500	-
<b>SOCIÉTÉ ALICOM MAROC</b>	Industry	5 000	20 000 000	2,50	500	500	-
<b>DAR ADDAMANE</b>	Guarantee bodies	9 610	75 000 000	0,64	481	-	481
<b>STÉ IPE</b>	Print	4 000	5 440 000	7,35	400	-	400
<b>SINCOMAR</b>	Agri-industry	494	37 440 000	0,13	49	-	-
<b>PORNET</b>	IT	1 800	6 000 000	0,03	180	-	180
<b>SWIFT</b>	Service Company	23	434 020 000 EUR	0,01	23	-	23
<b>DYAR AL MADINA</b>	Real Estate	640	20 000 000	0,32	9	-	9
<b>RIMA WATANYA</b>	Insurance	5	1 796 170 800	0,00	2	-	2
<b>RISMA</b>	Tourism	10	795 941 500	0,00010	2	-	2
<b>516.9 Other Equity Investment</b>				<b>318 870</b>	<b>8 553</b>	<b>310 277</b>	
<b>Associates current account</b>							
<b>RYAD ENNOUR</b>				471 643	-	471 643	
<b>BMCE IMMOBILIER</b>				38 000	-	38 000	
<b>O TOWER</b>				3 163	-	3 163	
<b>MARTCO</b>				1 500	1 500	-	
<b>Siège G.P.B.M.</b>				723	-	723	
<b>MAGHSHORE</b>				2 248	2 248	-	
<b>ALLICOM MAROC</b>				552	552	-	
<b>514 OTHERS</b>				<b>517 828</b>	<b>4 300</b>	<b>513 528</b>	
<b>TOTAL</b>							
				<b>9 438 715</b>	<b>703 001</b>	<b>8 735 714</b>	

## TANGIBLE AND INTANGIBLE FIXED ASSETS

Fixed Assets	Gross amount at the beginning of the year	Acquisi-tions of the year	Dispos-als or with-drawals of the year	Depreciation and/or Provisions			Deprecia-tion on fixed assets with-drawn	Total	Net amount at the end of the year
				Gross amount at the end of the year	Deprecia-tion and/or provisions at the begin-ning of the year	Allow-ances for the year			
<b>Intangible fixed assets</b>	<b>995 354</b>	<b>116 028</b>	-	<b>1 111 382</b>	<b>529 693</b>	<b>117 587</b>	-	<b>647 280</b>	<b>464 102</b>
- Leasehold rights	89 955	4 950	-	94 905	-	-	-	-	94 905
- Investment in research and development	-	-	-	-	-	-	-	-	-
- Other operating intangible fixed assets	905 399	111 078	-	1 016 477	529 693	117 587	-	647 280	369 197
- Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-
<b>Tangible fixed assets</b>	<b>5 272 089</b>	<b>2 449 183</b>	<b>36 843</b>	<b>7 684 429</b>	<b>3 050 137</b>	<b>221 308</b>	<b>5 382</b>	<b>3 266 063</b>	<b>4 418 366</b>
- Operating buildings	1 097 202	17 180	2 311	1 112 071	310 382	20 909	950	330 341	781 730
- Operating land	186 016	-	457	185 559	-	-	-	-	185 559
- Operating buildings offices	911 186	17 180	1 854	926 512	310 382	20 909	950	330 341	596 171
- Operating buildings. Staff housing	-	-	-	-	-	-	-	-	-
- Operating furniture and equipment	1 610 493	61 512	3 829	1 668 176	1 382 433	64 059	3 828	1 442 664	225 512
- Operating office furniture	413 379	38 256	-	451 635	303 896	18 444	-	322 340	129 295
- Operating office equipment	175 656	5 377	3 792	177 241	158 340	6 479	3 792	161 027	16 214
- Computer equipment	904 877	12 488	-	917 365	837 202	32 920	-	870 122	47 243
- Operating vehicles	19 634	2 263	-	21 897	9 130	2 957	-	12 087	9 810
- Other operating equipment	96 947	3 128	37	100 038	73 864	3 259	36	77 087	22 951
- Other operating tangible fixed assets	1 781 944	122 641	-	1 904 585	1 175 572	113 825	-	1 289 397	615 188
- Non operating tangible fixed assets	782 450	2 247 850	30 703	2 999 597	181 750	22 515	604	203 661	2 795 936
- Non-operating land	379 838	2 194 604	30 099	2 544 343	-	-	-	-	2 544 343
- Non-operating buildings	292 523	48 138	604	340 057	98 001	15 526	604	112 923	227 134
- Non-operating furniture and equipment	48 911	1 585	-	50 496	37 581	2 764	-	40 345	10 151
- Other non-operating tangible fixed assets	61 178	3 523	-	64 701	46 169	4 225	-	50 394	14 307
<b>TOTAL</b>	<b>6 267 443</b>	<b>2 565 211</b>	<b>36 843</b>	<b>8 795 811</b>	<b>3 579 830</b>	<b>338 895</b>	<b>5 382</b>	<b>3 913 343</b>	<b>4 882 468</b>

(In thousand MAD)

## DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Assets sold	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
26/02/15	OFFICE SUPPLIES	1 290	1 290	-	129	129	
23/03/15	ISAAC & ALENDA	778	-	778	31 076	30 298	
29/04/15	OFFICE SUPPLIES	1 702	1 702	-	170	170	
03/06/15	APARTMENT YOUSSEUFIA	877	219	658	1 880	1 222	
15/06/15	OFFICE SUPPLIES	800	800	-	80	80	
30/06/15	FARM SIDI MESSAOUD	15 000	-	15 000	20 000	5 000	
24/07/15	VILLA AGADIR STREET DAKAR	734	604	130	4 900	4 770	
08/10/15	CYCLE PARK	37	36	1	2	1	
08/12/15	NADOR APARTMENT	1 434	731	703	1 458	755	
31/12/15	TAGHAZOUT LOT A117-A118	190	-	190	1 408	1 218	
31/12/15	ABDELMOUMEN GROUND	14 000	-	14 000	34 000	20 000	
		36 842	5 382	31 460	95 103	63 643	-

(In thousand MAD)

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## DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Credit institutions and equivalent in Morocco			Credit institutions abroad	Total 2015	Total 2014
	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco			
Ordinary credit accounts	-	3 436	24 880	255 128	283 444	234 612
Securities pledged	5 259 343	8 365 596	-	782 748	14 407 687	4 278 100
- Overnight	2 916 242	2 450 008	-	-	5 366 250	-
- Time	2 343 101	5 915 588	-	782 748	9 041 437	4 278 100
Cash Borrowings	3 710 000	4 356 390	4 406 240	2 446 817	14 919 447	10 189 470
- Overnight	-	3 028 507	182 625	372 994	3 584 126	1 595 494
- Time	3 710 000	1 327 883	4 223 615	2 073 823	11 335 321	8 593 976
Financial borrowings	81 581	-	540 406	891 355	1 513 342	1 544 528
Other debts	9 820	399	34 803	-	45 022	68 089
Payable accrued interests	21 888	30 741	12 094	10 571	75 294	66 713
<b>TOTAL</b>	<b>9 082 632</b>	<b>12 756 562</b>	<b>5 018 423</b>	<b>4 386 619</b>	<b>31 244 236</b>	<b>16 381 512</b>

(In thousand MAD)

## CUSTOMER DEPOSITS

Deposits	Public sector	Private Sector			Total 2015	Total 2014
		Financial companies	Non financial companies	Other companies		
Demand credit accounts	1 167 099	731 355	14 568 437	45 237 556	61 704 447	56 389 337
Saving accounts	-	-	38 353	20 696 987	20 735 340	19 484 747
Time Deposits	4 482 560	4 936 691	2 952 854	16 765 631	29 137 736	25 248 615
Other credit accounts (*)	3 002 771	2 525 728	3 310 908	185 292	9 024 699	8 448 142
Payable accrued interests	43 633	41 047	103 262	415 639	603 581	531 595
<b>TOTAL</b>	<b>8 696 063</b>	<b>8 234 821</b>	<b>20 973 814</b>	<b>83 301 105</b>	<b>121 205 803</b>	<b>110 102 437</b>

Comment : (\*) Including PL 480 for MAD 2 895 759

(In thousand MAD)

## SUBORDINATED DEBTS

	Amount				INCLUDED LINKED AND RELATED COMPANIES	
	12/31/2015			12/31/2014	12/31/2015	12/31/2014
	Gross	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	190 859	-	190 859	194 160	190 859	194 160
Subordinated loans to customers	-	-	-	-	-	-
<b>TOTAL</b>	<b>190 859</b>	-	<b>190 859</b>	<b>194 160</b>	<b>190 859</b>	<b>194 160</b>

(In thousand MAD)

### DEBT SECURITIES ISSUED

Type of securities	Starting Date	Date	Characteristics	Rate	Repayment method	Volume
CD BMCE	21/03/14	21/03/16	100	4,10%	Infini	705 000
CD BMCE	18/04/14	18/04/17	100	4,25%	Infini	420 000
CD BMCE	01/04/14	01/04/16	100	4,10%	Infini	60 000
CD BMCE	09/04/14	09/04/18	100	3,85%	Infini	65 000
CD BMCE	07/04/14	07/04/17	100	4,25%	Infini	443 000
CD BMCE	30/04/14	30/04/17	100	4,20%	Infini	310 000
CD BMCE	30/04/14	30/04/18	100	4,40%	Infini	170 000
CD BMCE	30/04/14	30/04/19	100	4,55%	Infini	365 000
CD BMCE	08/05/14	08/05/17	100	4,15%	Infini	70 000
CD BMCE	08/05/14	08/05/19	100	4,50%	Infini	12 000
CD BMCE	13/05/14	13/05/16	100	3,90%	Infini	200 000
CD BMCE	15/05/14	15/05/17	100	4,20%	Infini	210 000
CD BMCE	27/10/14	27/10/16	100	3,35%	Infini	143 000
CD BMCE	11/11/14	11/11/16	100	3,35%	Infini	370 000
CD BMCE	19/01/15	18/01/16	100	2,85%	Infini	1 895 000
CD BMCE	19/01/15	19/01/17	100	2,95%	Infini	105 000
CD BMCE	04/02/15	03/02/16	100	2,85%	Infini	520 000
CD BMCE	04/02/15	04/02/18	100	3,10%	Infini	430 000
CD BMCE	09/03/15	07/03/16	100	2,80%	Infini	180 000
CD BMCE	27/04/15	25/04/16	100	2,95%	Infini	150 000
CD BMCE	08/10/15	06/10/16	100	2,94%	Infini	400 000
						<b>7 223 000</b>

## DETAIL OF OTHER LIABILITIES

LIABILITIES	2015	2014
<b>Optional Instruments Sold</b>	<b>9 253</b>	<b>11 279</b>
<b>Miscellaneous Transactions on Securities</b>	<b>414 092</b>	<b>2 251 953</b>
<b>Other Creditors</b>	<b>1 193 397</b>	<b>1 140 525</b>
State debt	598 259	559 114
Social security and provident societies debts	49 996	51 841
Staff debt	181 879	162 670
Shareholders and partners debt	3 599	3 588
Supply of goods and services	38 861	23 069
Other creditors	320 803	340 243
<b>Accrual Accounts</b>	<b>817 007</b>	<b>546 844</b>
Adjustment accounts of off-balance sheet transactions	24 725	150 827
Currencies and securities differential accounts	-	-
Profit on hedging instruments	-	-
Liaison accounts between the head office, branches and Moroccan branches	73 406	90 551
Expenses payable and prepaid income	211 733	209 824
Other accruals	507 143	95 642
<b>TOTAL</b>	<b>2 433 750</b>	<b>3 950 602</b>

(In thousand MAD)

PROVISIONS	Amount 2014	Allowances	Write backs	Other changes	Amount 2015
<b>Provisions, deducted from assets, on :</b>	<b>5 356 292</b>	<b>1 327 120</b>	<b>1 114 549</b>	<b>-2 712</b>	<b>5 566 151</b>
Loans to credit institutions and equivalent	58 669	-	53	-	58 616
Loans and advances to customers	4 192 992	1 283 564	733 941	1 683	4 744 298
Doubtful interest	9 733	-	-	-	9 733
Marketable securities	-	43 556	-	-	43 556
Equity investments and equivalent assets	1 087 389	-	380 000	-4 388	703 001
Leased and rented fixed assets	-	-	-	-	-
Other assets	7 509	-	555	-7	6 947
<b>Provisions Recorded under liabilities</b>	<b>409 098</b>	<b>77 744</b>	<b>3 646</b>	<b>-3</b>	<b>483 193</b>
Provisions for risks of fulfilment of commitments	1 757	-	1 575	-	182
Contingent liabilities	-	-	-	-	-
Provisions for general risks	390 600	65 205	-	-	455 805
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	16 741	12 539	2 071	-3	27 206
Regulated provisions	-	-	-	-	-
<b>TOTAL</b>	<b>5 765 390</b>	<b>1 404 864</b>	<b>1 118 195</b>	<b>-2 715</b>	<b>6 049 344</b>

(In thousand MAD)

SUBORDINATED DEBTS AS OF DECEMBER 31<sup>ST</sup> 2015

Currency	Debt amount	closing exchange rate (1)	Inter- est rate	Term (2)	Debt amount in thousands MAD
DH	1 000 000	1	4.38%	10 years	1 000 000
DH	150 000	1	5.95%	Perpetual	150 000
DH	850 000	1	3.95%	Perpetual	850 000
DH	950 000	1	4.23%	Perpetual	950 000
DH	50 000	1	5.30%	Perpetual	50 000
DH	160 000	1	6.18%	10 years	160 000
DH	50 000	1	6.18%	10 years	50 000
DH	790 000	1	5.08%	10 years	790 000
DH	154 500	1	5.64%	10 years	154 500
DH	845 500	1	4.22%	10 years	845 500
DH	626 000	1	4.74%	10 years	626 000
DH	1 374 000	1	3.69%	10 years	1 374 000
EUR	70 000	10.78	5.86%	10 years	754 810
EUR	25 000	10.78	5.90%	10 years	269 575

SHAREHOLDER'S EQUITY	Amount 2014	Allocation of earning	Other changes	Amount 2015
<b>Revaluation reserve</b>	-	-	-	-
<b>Additional paid-in capital</b>	<b>10 693 747</b>	<b>413 900</b>	<b>-2 863</b>	<b>11 104 784</b>
Legal reseve	460 306	-	-	460 306
Other reserves	5 327 023	413 900	-2 863	5 738 060
Issuance, merger and contribution premiums	4 906 418	-	-	4 906 418
<b>Capital</b>	<b>1 794 633</b>	-	-	<b>1 794 633</b>
Called-up capital	1 794 633	-	-	1 794 633
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
<b>Retained earnings (+/-)</b>	<b>10</b>	<b>34</b>	<b>-</b>	<b>44</b>
<b>Net earnings being appropriated (+/-)</b>	-	-	-	-
<b>Net earnings for fiscal year(+/-)</b>	<b>1 203 572</b>	-	-	<b>1 304 036</b>
<b>TOTAL</b>	<b>13 691 962</b>	<b>413 934</b>	<b>-2 863</b>	<b>14 203 497</b>

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	2015	2014
<b>Financing and guarantee commitments given</b>	<b>18 749 860</b>	<b>15 674 188</b>
<b>Financing commitments on behalf of credit institutions and equivalent</b>	<b>940 029</b>	<b>1 010 948</b>
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	940 029	1 010 948
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
<b>Financing commitments on behalf of customers</b>	<b>4 805 370</b>	<b>5 135 737</b>
- Import letters of credit	2 204 722	1 840 429
- Payment acceptances or commitments	758 904	668 394
- Opening of confirmed credit	1 350 790	2 322 282
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	490 954	304 632
<b>Guarantee commitments for credit institutions and equivalent</b>	<b>3 643 050</b>	<b>2 475 877</b>
- Confirmed export letters of credit	606 302	32 356
- Payment acceptances or commitments	4 347	4 186
- Credit guarantees given	-	-
- Other securities, endorsements and guarantees given	3 032 401	2 439 335
- Non performing commitments	-	-
<b>Guarantee commitments for customers</b>	<b>9 361 411</b>	<b>7 051 626</b>
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 932 541	5 097 562
- Other securities and guarantees given	2 428 870	1 954 064
- Non performing commitments	-	-
<b>Financing and guarantee commitments received</b>	<b>8 120 601</b>	<b>5 911 114</b>
<b>Financing commitments received from credit institutions and equivalent</b>	-	-
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
<b>Guarantee commitments received from credit institutions and equivalent</b>	<b>8 089 828</b>	<b>5 880 341</b>
- Credit guarantees	2 145 021	2 079 268
- Other guarantees received	5 944 807	3 801 073
<b>Guarantee commitments received from the state and other guarantee institutions</b>	<b>30 773</b>	<b>30 773</b>
- Credit guarantees	30 773	30 773
- Other guarantees received	-	-

(In thousand MAD)

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L	<b>Given commitments</b>
R	Securities repos purchased
E	Other securities to be delivered
P	<b>Received commitments</b>
O	Securities repos sold
R	Other securities to be received
T	(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES	Holding transaction		Other transaction of BMCE Paris and Offshore bank	
	2015	2014	2015	2014
Forward exchange transactions	23 271 896	16 670 787	17 383 899	9 980 955
Currency to be received	10 657 909	6 700 118	4 406 126	3 837 802
Currency to be delivered	1 771 813	1 036 054	3 221 145	2 364 861
Dirhams to be received	9 841 559	7 327 725	5 448 309	2 642 017
Dirhams to be delivered	1 000 615	1 606 890	4 308 319	1 136 275
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	6 627 031	5 623 714	269 265	473 290
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	3 137 597	3 730 389	242 731	473 290
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	2 594 819	915 161	-	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	894 615	978 164	26 534	2 939

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL			
Securities received as collateral	Net book value	Loans or given commitments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	5 167 909		
Other securities	549 626		
Mortgages	62 401 159		
Other securities received as collateral	158 988 618		
<b>TOTAL</b>	<b>227 107 312</b>		
Securities given as collateral	Net book value	Debts or received commitments posted to liabilities or to off balance sheet	Amount of debts or received commitments
Treasury bills and equivalent	13 422 632	T-bills given as repo	
Other securities	916 461		
Mortgages	-	Securities given as repos	
Other securities given as collateral	-		
<b>TOTAL</b>	<b>14 339 093</b>		

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES						
	D < 1 month	1 month < D < 3 months	3 months < D < 1 year	1 year < D < 5 years	D > 5 years	Total
<b>Assets</b>						
Loans to credit institutions and equivalent	7 884 331	3 144 279	2 493 456	7 343 168	529 203	21 394 437
Loans and advances to customers	27 095 179	6 589 152	9 258 492	24 096 110	26 468 371	93 507 304
Debt securities	23 732 777	107 259	3 594 440	2 072 875	1 510 281	31 017 632
Subordinated loans	-	-	-	-	-	-
Leasing and equivalent	-	-	-	-	-	-
<b>TOTAL</b>	<b>58 712 287</b>	<b>9 840 690</b>	<b>15 346 388</b>	<b>33 512 153</b>	<b>28 507 855</b>	<b>145 919 373</b>
<b>Liabilities</b>						
Liabilities to credit institutions and equivalent	12 558 208	5 276 912	3 819 791	763 682	298 497	22 717 090
Debts to customers	6 324 166	5 385 077	16 514 828	2 819 191	-	31 043 262
Debt securities issued	1 895 000	1 405 000	1 323 000	2 600 000	-	7 223 000
Subordinated borrowings	-	-	-	2 024 385	4 000 000	6 024 385
<b>TOTAL</b>	<b>20 777 374</b>	<b>12 066 989</b>	<b>21 657 619</b>	<b>8 207 258</b>	<b>4 298 497</b>	<b>67 007 737</b>

(In thousand MAD)

CONCENTRATION RISK ON THE SAME BENEFICIARY AS OF DECEMBER 31, 2015				
Number	Total amount of risks	Amount of risk by passing 5% of capital		
		Operating loans	Contracting loans	Amount of securities held in the capital of the beneficiary
20	39 877 309	30 586 047	4 640 469	492 665

(In thousand MAD)

## BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY

2015

<b>Assets</b>	<b>37 007 061</b>
Cash, central banks, treasury, giro accounts	80 456
Loans to credit institutions and equivalent	20 596 417
Loans and advances to customers	6 457 679
Transaction, marketable and investment securities	4 260 570
Other assets	139 086
Equity investments and equivalent uses	5 281 994
Subordinated loans	190 859
Fixed assets leased and rented	-
Intangible and tangible fixed assets	-
<b>Liabilities</b>	<b>32 628 878</b>
Central banks, treasury, giro accounts	-
Liabilities to credit institutions and equivalent	26 349 494
Customer deposits	3 190 136
Debt securities issued	2 026 832
Other liabilities	38 031
Subordinated debts	-
Subsidies, assigned public funds and special guarantee funds	1 024 385
<b>Off-Balance Sheet</b>	<b>6 601 304</b>
Given commitment	6 393 273
Received commitment	208 031

(In thousand MAD)

## NET INTEREST INCOME

2015 2014

<b>Interest received</b>	<b>6 575 131</b>	<b>6 500 827</b>
Interest and similar income on transactions with credit institutions	705 261	545 344
Interest and similar income on transactions with customers	5 378 909	5 388 763
Interest and similar income on debt securities	490 961	566 720
<b>Interest paid</b>	<b>3 129 281</b>	<b>3 309 419</b>
Interest and similar fees on transactions with credit institutions	802 951	928 695
Interest and similar fees on transactions with customers	1 779 179	1 739 036
Interest and similar fees on debt securities	547 152	641 688

(In thousand MAD)

## REVENUES FROM INVESTMENT SECURITIES

2015 2014

Equity Securities	22 108	16 978
Equity in affiliates	423 435	349 216
Equity in portfolio	-	-
Other securities	43 582	51 185
<b>TOTAL</b>	<b>489 126</b>	<b>417 379</b>

(In thousand MAD)

## NON-PERFORMING LOANS TO SOCIAL CUSTOMERS

	<b>Credit lines</b>	<b>Signed Commitments</b>	<b>Total</b>	<b>Provisions for credit lines</b>
Pre-doubtful	289 846	-	289 846	23 095
Doubtful loans	1 939 431	-	1 939 431	748 138
Irrecoverable	4 941 580	-	4 941 580	4 041 414
<b>TOTAL</b>	<b>7 170 857</b>	<b>-</b>	<b>7 170 857</b>	<b>4 812 647</b>

(In thousand MAD)

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COMMISSIONS	2015	2014
<b>Fees received</b>	<b>1 131 043</b>	<b>1 031 765</b>
On transactions with credit institutions	169	
On transactions with customers	444 409	367 607
Concerning operations on the primary securities markets	188 443	205 878
On derivatives	34 687	28 040
On transactions on securities under management and custody	-	-
On means of payment	27 269	26 639
On consulting and assistance	308 911	286 131
On sales of insurance products	-	-
On other services	50 306	49 826
Fees paid	77 018	67 474
<b>On transactions with credit institutions</b>	<b>213 808</b>	<b>222 187</b>
On transactions with customers		
Concerning operations on the primary securities markets	-	-
On derivatives	129 718	126 248
On transactions on securities under management and custody	-	-
On means of payment	4 591	5 276
On consulting and assistance	1 778	19 444
On sales of insurance products	49 012	42 447
On other services	-	-
On sales of insurance products	-	-
On other services	28 707	28 772

(In thousand MAD)

INCOME FROM MARKET TRANSACTIONS	2015	2014
<b>Revenues</b>	<b>2 626 818</b>	<b>2 852 596</b>
Gains on transactions securities	469 773	1 065 354
Capital gains on disposals of marketable securities	356 831	174 222
Provision write-backs on depreciation of marketable securities	-	-
Gains on derivatives	952 418	1 188 156
Gains on exchange transactions	847 796	424 863
<b>Expenses</b>	<b>1 910 787</b>	<b>1 553 526</b>
Losses on transaction securities	111 204	71 417
Capital losses on disposals of marketable securities	221 205	88 017
Provisions for depreciation of marketable securities	43 557	-
Losses on derivatives	979 494	1 180 355
Losses on exchange transactions	555 327	213 737
<b>Earning</b>	<b>716 031</b>	<b>1 299 070</b>

(In thousand MAD)

GENERAL OPERATING EXPENSES	2015	2014
Staff expenses	1 455 087	1 352 127
Taxes	85 230	63 553
External expenses	1 383 607	1 273 849
Allowances for depreciation and provision for intangible and tangible fixed assets	339 052	338 593

(In thousand MAD)

OTHER REVENUES AND EXPENSES	2015	2014
<b>Revenues and expenses</b>		
Other banking revenues and expenses	496 758	1 083 859
Other banking revenues	2 815 262	3 058 475
Other banking expenses	2 318 504	1 974 616
<b>Non-banking operating revenues and expenses</b>	<b>85 620</b>	<b>98 089</b>
Non-banking operating revenues	134 333	153 683
Non-banking operating expenses	48 713	55 594
<b>Other expenses</b>		
Allowances for provisions and loan losses	1 734 984	2 154 538
<b>Other revenues</b>		
Provision write-backs and recoveries on amortised debts	1 160 482	1 020 744

(In thousand MAD)

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS		Amount
<b>I- Net Book earning</b>		
Net gain		1 304 036
Net loss		
<b>II- Tax Reintegration</b>		447 251
1- Current		128 816
Donations and subsidies		6 336
Gifts		7 570
Non deductible expenses		22 065
Toys grants		1 625
Car depreciation		8 946
Contribution to social cohesion		65 205
Provision for general risks		17 069
2- Non-current		318 435
Corporate tax		318 435
<b>III- Tax deductions</b>		423 435
1- Current		423 435
Dividends		423 435
Liquidation proceeds		-
Products not subject to corporate tax		
2- Non-current		1 327 853
Products not subject to corporate tax		318 435
<b>VI- Net earnings</b>		-
Corporate tax		-

(In thousand MAD)

DETERMINATION OF CURRENT EARNINGS AFTER-TAX		Amount
<b>I. Earnings determination</b>		
. Current earnings according to the income statement		1 622 471
. Tax reintegrations on current transactions		128 816
. Tax deductions on current transactions		423 435
. Current earnings theoretically taxable		1 327 853
. Theoretical tax on current earnings		491 305
. Current earnings after tax		1 131 166
<b>II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions</b>		

(In thousand MAD)

DETAIL ON VALUE ADDED TAX				
Category	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	End of year balance (1+2-3=4)
<b>A. VAT Collected</b>	93 138	613 945	614 068	93 014
<b>B. VAT to be Recovered</b>	91 480	445 259	437 384	99 356
* On expenses	86 047	388 709	386 108	88 648
* On fixed assets	5 433	56 550	51 276	10 707
<b>C. T.V.A = (A - B )</b>	1 657	168 685	176 684	-6 342

(In thousand MAD)

**DISTRIBUTION OF THE SHARE CAPITAL AS OF DECEMBER 31<sup>ST</sup>, 2015**

Amount of the capital : 1 794 633 900

Amount of the uncalled committed capital :-

Nominal value : 10,00

Name of the main shareholders	Address	Number of shares		(% of capital held	(% of voting rights
		31 dec 2014	31 dec 2015		
<b>A- Moroccan shareholders</b>					
RMA WATANYA*	67 Avenue des FAR - Casablanca	53 814 091	53 559 056	29,84	29,84
SFCM	239, Bd Mohamed V	907 205	907 205	0,51	0,51
FINANCECOM	69 Avenue des FAR - Casablanca	10 705 347	10 705 351	5,97	5,97
CIMR	100, Bd Abdelemoumen - Casablanca	7 348 804	7 348 804	4,09	4,09
CDG **		15 186 872	17 138 328	9,55	9,55
MAMDA/ MCMA	16 Rue Abou Inane -Rabat	9 220 533	9 220 533	5,14	5,14
Personnel BMCE		2 620 016	2 355 167	1,31	1,31
SBVC et divers		27 997 360	26 565 784	14,80	14,80
<b>TOTAL (1)</b>		<b>127 800 228</b>	<b>127 800 228</b>	<b>71,21</b>	<b>71,21</b>
<b>B- Foreign shareholders</b>					
BES VIDA COMPANHIA DE SEGUROS SA		4 634 108	4 634 108	2,58	2,58
Banque fédérative du crédit mutuel		47 029 054	47 029 054	26,21	26,21
<b>TOTAL</b>		<b>179 463 390</b>	<b>179 463 390</b>	<b>100</b>	<b>100</b>

\* Y compris OPCVM DE RMA WATANYA

\*\* Suivant confirmation CDG datée du 12/05/2014

**ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR**

A- Origin of the earnings allocated	Amount	B- Results allocation		Amount
		Decision of 27 May 2015		
Retained earnings	10	legal reserves		-
Net earnings being allocated	-	Dividends		789 639
Net earnings for the fiscal year	1 203 572	Other allocations		413 943
Withdrawals from earnings				
Other withdrawals	-			
<b>TOTAL A</b>	<b>1 203 582</b>	<b>TOTAL B</b>		<b>1 203 582</b>

(In thousand MAD)



## EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS

	Exercice 2015	Exercice 2014	Exercice 2013
<b>Equity capital and equivalent</b>	<b>22 410 398</b>	<b>19 995 030</b>	<b>18 633 841</b>
<b>Operations and earnings for the fiscal year</b>	<b>-</b>	<b>-</b>	<b>-</b>
1- Net banking income	5 374 331	5 518 532	4 809 284
2- Pre-tax earnings	1 622 471	1 454 706	1 480 987
3- Corporate tax	318 435	251 133	372 362
4- Dividends distributed	789 639	717 854	592 229
5- Earnings not distributed	-	-	-
<b>Earnings per share (in MAD)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net earnings per share	4,4	4	3
<b>Staff</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gross remunerations for the year	1 455 087	1 352 127	1 308 295
Average number of staff employed during the fiscal year	4 909	4 955	4 883

(In thousand MAD)

## DATING AND SUBSEQUENT EVENTS

### I. Dating

. Date of the end of the fiscal year (1) 31 december 2015

. Date of financial statements performance (2)

(1) Justification in case of a change in the date of the end of the fiscal year

(2) Justification in the case of an overrun on the statutory period of three months allowed for drawing up the financial statements

### II. Events occurring subsequent to the end of the fiscal year not charged to this year and known before the 1st external Disclosure of the financial statements

#### Dates Event's Indication

. Favorables

. Unfavorables

## STAFF NUMBERS

	2015	2014
Staff renumerated	4 909	4 955
Staff employed	4 909	4 955
Equivalent full time staff	4 909	4 955
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	3 158	3 052
Employees (full-time equivalent)	1 751	1 903
Of which employees working abroad	49	34

(In thousand MAD)

Securities of which the institution is custodian	9 840	10 480	2 209 807 585	195 865 090
Securities managed under mandate	-	-	-	-
Mutual funds of which the institution is custodian	83	68	90 090 939	78 929 048
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(In thousand MAD)

Permanent branches	697	665
Temporary branches	-	-
ATMs	824	702
Main branches and branches abroad	1	1
Representative offices abroad	39	29

(In number)

Customer accounts	91 571	84 735
Current accounts	268 489	255 591
Check accounts excluding Moroccan expatriates	1 051 872	1 061 654
Moroccan expatriates accounts	-	-
Factoring accounts	780 521	774 586
Savings accounts	11 214	10 834
Time deposits	1 965	2 179
Interest-bearing notes	-	-

(In number)

The following statements post "non applicable" mention for the 2014 fiscal year :

- Derogatory statements
- Summary of changing methods
- Assets leased under finance or operating leases with option to purchase and standard lease agreement
- Subsidies, assigned public funds and special guarantee funds

# DOMESTIC ACTIVITY BALANCE SHEET

AS OF DECEMBER 31<sup>st</sup>, 2015

ASSETS	2015	2014
<b>Cash, central banks, treasury, giro accounts</b>	<b>2 696 160</b>	<b>1 481 611</b>
<b>Loans to credit institutions and equivalent</b>	<b>26 834 499</b>	<b>23 743 456</b>
. Demand	3 149 726	3 352 058
. Time	23 684 773	20 391 398
<b>Loans and advances to customers</b>	<b>112 128 523</b>	<b>98 491 083</b>
. Cash and consumer loans	38 846 783	36 297 029
. Equipment loans	15 171 241	15 013 695
. Mortgage loans	36 374 131	34 902 957
. Other loans	21 736 368	12 277 402
<b>Advances acquired by factoring</b>	<b>-</b>	<b>-</b>
<b>Transaction and marketable securities</b>	<b>24 393 296</b>	<b>27 149 397</b>
. Treasury bonds and equivalent securities	4 315 981	2 888 771
. Other debt securities	709 167	2 671 234
. Title deeds	19 368 148	21 589 392
<b>Other assets</b>	<b>2 079 546</b>	<b>1 815 482</b>
<b>Investment securities</b>	<b>3 561 820</b>	<b>4 013 804</b>
. Treasury bonds and equivalent securities	1 642 527	1 658 770
. Other debt securities	1 919 293	2 355 034
<b>Equity investments and equivalent uses</b>	<b>8 160 611</b>	<b>6 432 937</b>
<b>Subordinated loans</b>	<b>195 461</b>	<b>198 777</b>
<b>Fixed assets leased and rented</b>	<b>-</b>	<b>-</b>
<b>Intangible fixed assets</b>	<b>462 997</b>	<b>464 654</b>
<b>Tangible fixed assets</b>	<b>4 416 862</b>	<b>2 220 054</b>
<b>TOTAL ASSETS</b>	<b>184 929 775</b>	<b>166 011 255</b>

(In thousand MAD)

LIABILITIES	2015	2014
<b>Central banks, treasury, giro accounts</b>	<b>-</b>	<b>-</b>
<b>Liabilities to credit institutions and equivalent</b>	<b>30 652 736</b>	<b>20 498 643</b>
. Demand	8 537 607	1 293 387
. Time	22 115 129	19 205 256
<b>Customer deposits</b>	<b>120 251 764</b>	<b>108 042 294</b>
. Demand deposits	62 765 534	58 208 801
. Savings deposits	20 159 145	19 170 935
. Time deposits	30 796 912	25 470 293
. Other deposits	6 530 173	5 192 265
<b>Debt securities issued</b>	<b>9 454 620</b>	<b>13 734 518</b>
. Negotiable debt securities	7 427 788	11 021 963
. Bond loans	2 026 832	2 712 555
. Other debt securities issued	-	-
<b>Other liabilities</b>	<b>2 764 747</b>	<b>4 193 070</b>
<b>Contingent liabilities</b>	<b>482 629</b>	<b>408 531</b>
<b>Regulated provisions</b>	<b>-</b>	<b>-</b>
<b>Subsidies, assigned public funds and special guarantee funds</b>	<b>-</b>	<b>-</b>
<b>Subordinated debts</b>	<b>8 206 900</b>	<b>6 303 067</b>
<b>Revaluation reserve</b>	<b>-</b>	<b>-</b>
<b>Reserves and premiums related to capital</b>	<b>10 485 304</b>	<b>10 071 404</b>
<b>Capital</b>	<b>1 794 634</b>	<b>1 794 634</b>
<b>Shareholders unpaid-up capital (-)</b>	<b>-</b>	<b>-</b>
<b>Retained earnings (+/-)</b>	<b>44</b>	<b>10</b>
<b>Net earnings being appropriated (+/-)</b>	<b>-</b>	<b>-</b>
<b>Net earnings for the year (+/-)</b>	<b>836 397</b>	<b>965 084</b>
<b>TOTAL LIABILITIES</b>	<b>184 929 775</b>	<b>166 011 255</b>

(In thousand MAD)

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## OFF-BALANCE SHEET

	2015	2014
<b>Given commitments</b>		
Financing commitments on behalf of credit institutions and equivalent	17 993 220	15 351 703
Financing commitments on behalf of customers	940 029	1 010 948
Guarantee commitments given to credit institutions and equivalent	4 805 077	5 135 737
Guarantee commitments given to customers	2 812 887	2 125 528
Securities repos purchased	9 354 766	7 045 844
Other securities to be delivered	78 357	-
<b>Received commitments</b>	<b>6 661 049</b>	<b>5 318 861</b>
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	6 419 841	5 129 670
Guarantee commitments received from the State and various guarantee bodies	30 773	30 773
Securities repos sold	-	-
Other securities to be received	210 435	158 418

(In thousand MAD)

DOMESTIC ACTIVITY  
INCOME STATEMENT

	2015	2014
Bank operating revenues	9 998 694	10 463 129
Interests and assimilated revenues on transactions with credit institutions	524 896	469 714
Interests and assimilated revenues on transactions with customers	5 333 961	5 348 621
Interests and assimilated revenues on debt securities	357 491	492 041
Revenues on title deeds	488 610	416 738
Revenues from leased and rented fixed assets	-	-
Fees on provided services	936 609	822 577
Other banking revenues	2 357 127	2 913 438
<b>Bank operating expenses</b>	<b>4 949 106</b>	<b>5 160 837</b>
Interests and assimilated expenses on transactions with credit institutions	740 583	901 778
Interests and assimilated expenses on transactions with customers	1 773 754	1 734 041
Interests and assimilated expenses on debt securities issued	547 152	641 689
Expenses on leased and rented fixed assets	-	-
Other banking expenses	1 887 617	1 883 329
Net banking income	5 049 588	5 302 292
Non-banking operating revenues	134 333	140 378
Non-banking operating expenses	48 713	55 594
General operating expenses	3 237 226	3 003 989
Staff expenses	1 451 934	1 349 725
Tax expenses	85 230	63 553
External expenses	1 361 845	1 253 075
Other general operating expenses	41	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	338 176	337 636
Allowances for provisions and loan losses	1 734 958	2 139 368
Allowances for non performing loans and commitments	1 283 564	1 583 260
Loan losses	373 650	459 918
Other allowances for provisions	77 744	96 190
Provision write-backs and recovery on amortised debts	991 563	972 274
Provision write-backs on non performing loans and commitments	733 941	649 959
Recovery of amortised debts	42 340	21 577
Other provision write-backs	215 282	300 738
Current income	1 154 584	1 215 993
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	1 154 584	1 215 993
Corporate tax	318 187	250 907
Net earnings for the year	836 397	965 086

(In thousand MAD)

## DOMESTIC ACTIVITY MANAGEMENT BALANCES STATEMENT

### EARNINGS FORMATION TABLE

	2015	2014
+ Interests and assimilated revenues	6 216 348	6 310 376
- Interests and assimilated expenses	3 061 489	3 277 508
<b>Net interest income</b>	<b>3 154 859</b>	<b>3 032 868</b>
+ Revenues from leased and rented fixed assets	-	-
- Expenses on leased and rented fixed assets	-	-
<b>Profit from leasing and renting operations</b>	<b>-</b>	<b>-</b>
+ Fees received	1 124 802	1 028 138
- Fees paid	211 921	221 421
<b>Net fee income</b>	<b>912 881</b>	<b>806 717</b>
± Income from operations on transaction securities	358 449	975 106
± Income from transactions on marketable securities	64 677	57 096
± Income from exchange transactions	289 489	200 021
+ Income from derivatives transactions	-25 524	12 612
<b>Income from market transactions</b>	<b>687 091</b>	<b>1 244 836</b>
+ Other miscellaneous banking revenues	488 610	416 738
- Other miscellaneous banking expenses	193 854	198 867
<b>Net banking income</b>	<b>5 049 587</b>	<b>5 302 292</b>
± Net income from equity investments	210 182	-37 337
+ Other non-banking operating revenues	134 333	140 257
- Other non-banking operating expenses	47 258	48 899
- General operating expenses	3 237 226	3 003 990
<b>Gross operating income</b>	<b>2 109 618</b>	<b>2 352 323</b>
± Allowances for non performing loans and commitments (net of write-backs)	-880 934	-1 371 642
+ Other allowances net of provision write-backs	-74 098	235 311
<b>Current income</b>	<b>1 154 584</b>	<b>1 215 992</b>
<b>Non-current income</b>	<b>-</b>	<b>-</b>
- Corporate tax	318 187	250 908
<b>Net earnings for the year</b>	<b>836 397</b>	<b>965 084</b>

(In thousand MAD)

### CASH-FLOW

	2015	2014
+ Net earnings for the year	836 397	965 084
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	338 176	337 636
+ Allowances for provisions for equity investments depreciation	-	91 385
+ Allowances for provisions for general risks	65 205	-
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	211 636	60 622
- Capital gains on disposals of intangible and tangible fixed assets	63 644	45 791
+ Capital losses on disposals of intangible and tangible fixed assets	-	250
- Capital gains on disposals of equity investments	-	121
+ Capital losses on disposals of equity investments	1 455	6 694
- Write-backs of investment subsidies received	-	-
± Financing capacity	965 953	1 294 515
- Dividends distributed	-	-
+ Cash-flow	965 953	1 294 515

(In thousand MAD)

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**BMCE BANK  
INTERNATIONAL  
NETWORK**

**BMCE BANK GROUP  
SUBSIDIARIES**

# BMCE BANK BRANCH NETWORK, REPRESENTATIVE OFFICES AND DESKS ABROAD

## FRANCE

### Asnières

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### Bordeaux

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33200 - Bordeaux  
Tel. : +33 5 56 02 62 60  
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### Dijon

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21000 - DIJON  
Tel. : +33 3 80 60 59 00  
Fax : +33 3 80 60 59 01

### Lille

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59800 - LILLE  
Tel. : +33 3 20 40 12 00  
Fax : +33 3 20 12 98 08

### Lyon

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69003 - LYON  
Tel. : +33 4 72 34 38 07  
Fax : +33 4 78 54 24 04

### Mantes-la-jolie

34 Boulevard du Marechal Juin  
78200 - MANTES LA JOLIE  
Tel. : +33 1 39 29 25 30  
Fax : +33 1 39 29 25 44

### Marseille

20 Boulevard Dugommier  
13001 - MARSEILLE  
Tel. : 33 4 91 64 04 31  
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### Montpellier

59 Cours Gambetta  
34000 - MONTPELLIER  
Tel. : +33 4 67 58 06 18  
Fax : +33 4 67 58 58 06

### Orléans

6/8 Place de l'indien  
45100 - ORLEANS  
Tel. : +33 2 38 25 31 90  
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### Paris

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75017 - PARIS  
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### Strasbourg

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STRASBOURG  
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### Toulouse

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31500 - TOULOUSE  
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## SPAIN

### Almérica

Calle Lentisco N°27 Local 5  
04007 - Almería  
Tel. : +34 950 28 23 28  
Fax : +34 950 15 25 76

### Barcelona

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08015 - Barcelona  
Tel. : +34 933 25 17 50  
Fax : +34 934 23 26 05

### Madrid

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28002 - Madrid  
Tel. : +34 915 64 58 34  
Fax : +34 915 64 59 11

### Malaga

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C.P. 29006 Malaga  
Tel. : +34 951 56 07 00  
Fax : +34 951 76 72 22

### Murcia

Calle Bolos 6 bajo 2  
30005 - Murcia  
Tel. : +34 968 29 06 73  
Fax : +34 968 29 12 63

### Tarragona

Rambla Nova 125 bajo 3  
43001 - Tarragona  
Tel. : +34 977 24 85 24  
Fax : +34 977 21 37 32

### Valence

Plaza Alfonso el Magnánimo 3 - 1<sup>a</sup> pl  
46003 - VALENCIA  
Tel. : +34 963 53 44 41  
Fax : +34 963 94 24 39

## ITALY

### Bologna

Viale Pietro Pietramellara, 35  
40121 - Bologna  
Tel. : +39 5 12 49 824  
Fax : +39 2 89 69 16 283

### Milano

Viale Nazario Sauro 5  
20124 - MILANO  
Tel. : +39 2 89 28 17 00  
Fax : +39 2 89 69 16 28

### Padova

Corso Del Popolo, 1  
35131 - PADOVA  
Tel. : +39 4 97 80 03 01  
Fax : +39 4 97 80 61 94

### Torino

Piazza della Repubblica, 19  
10152 - TORINO  
Tel. : +39 11 43 77 89  
Fax : +39 11 43 75 18

## UNITED KINGDOM

### London

19 Craven Road W2  
3Bp - London  
Tel. : +44 20 75 18 82 52  
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## UNITED ARAB EMIRATES

### Bureau de représentation aux Emirats

### Arabes Unis

BP 4066 - ABU DHABI  
PO BOX 107 335  
Tel. : +971 24 41 55 61/62

## GERMANY

### Düsseldorf

Eller Strasse 104  
40227 - DUSSELDORF  
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### Frankfurt

BASELER Str 35-37  
60329 - FRANKFURT  
Tel. : +49 6 92 74 03 40  
Fax : +49 6 92 74 03 44

## BELGIUM

### Bruxelles

30 Boulevard Maurice Lemonnier  
1000 - Bruxelles  
Tel. : +32 22 13 19 90  
Fax : +32 22 13 19 99

### Bruxelles Molenbeek

139, chaussée de Gand  
1080 Molenbeek - Bruxelles  
Tel. : +32 24 41 49 45

### Anvers

Borgerhout, Drink 7/3  
2140 - ANVERS  
Tel. : +32 32 70 04 13

## CANADA

### BMCE Bank office in Canada

1241 rue Peel (coin Sainte Catherine)  
H3B 5L4  
Montréal (Québec)  
CANADA  
Tel. : +1 514 224 1451

## CHINA

### BMCE Bank office in Beijing

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Units 1202/1203/1204  
18, Jian Guo Men Nei Avenue  
100 005 Beijing, PR China  
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Fax : +861 065 18 23 53

## NETHERLANDS

### Amsterdam

183 Johan Huizingalaan  
1065 JA  
AMSTERDAM

### Rotterdam

Vieroombachtstraat 98 b,  
3023AS, Rotterdam  
Tel. : +31 10 2 37 18 52 à 55

## BMCE BANK GROUP SUBSIDIARIES

### **BMCE CAPITAL**

#### CHAIRMAN OF THE EXECUTIVE BOARD

M. Khalid NASR

#### BUSINESS PURPOSE

Investment bank

#### HEAD OFFICE

Tour BMCE, rond point Hassan II,  
20 039 Casablanca

TEL : 0522 49 89 78

FAX : 0522 22 47 41/48

#### WEBSITE

[www.bmcecapital.com](http://www.bmcecapital.com)

#### SECRETARY GENERAL

M. Mohamed IDRISI

TEL : 0522 46 20 01

FAX : 0522 22 47 48

#### BMCE CAPITAL MARKETS

M. Abdelmalek BENABDELJALIL

TEL : 0522 49 82 04

FAX : 0522 43 01 34

### **BMCE CAPITAL BOURSE**

#### MANAGING DIRECTOR

M. Anas MIKOU

#### BUSINESS PURPOSE

Securities broker

#### HEAD OFFICE

Tour BMCE, rond point Hassan II,  
20 039 Casablanca

TEL : 0522 49 81 01

FAX : 0522 48 10 07

#### WEBSITE

[www.bmcecapital.com](http://www.bmcecapital.com)

### **BMCE CAPITAL GESTION**

#### MANAGING DIRECTOR

M. Amine AMOR

#### BUSINESS PURPOSE

Asset management

#### HEAD OFFICE

Tour BMCE, rond point Hassan II,  
20 039 Casablanca

TEL : 0520 36 43 00

FAX : 0522 47 10 97

#### WEBSITE

[www.bmcecapital.com](http://www.bmcecapital.com)

### **BMCE CAPITAL GESTION PRIVÉE**

#### MANAGING DIRECTOR

Mme. Meryem BOUAZZAOUI

#### BUSINESS PURPOSE

Portfolio management

#### HEAD OFFICE

Tour BMCE, rond point Hassan II,  
20 039 Casablanca

TEL : 0522 49 89 65

FAX : 0522 48 13 77

#### WEBSITE

[www.bmcecapital.com](http://www.bmcecapital.com)

### **MAGHREBAIL**

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

M. Azeddine GUESSOUS

#### BUSINESS PURPOSE

Leasing

#### HEAD OFFICE

45, Bd Moulay Youssef,  
20 000 Casablanca

TEL : 0522 48 65 00

FAX : 0522 27 44 18

#### WEBSITE

[www.maghbail.co.ma](http://www.maghbail.co.ma)

### **RM EXPERTS**

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

M. Mamoun BELGHITI

#### BUSINESS PURPOSE

Loan recovery

#### HEAD OFFICE

Lotissement Zénith Millenium -  
Immeuble 2 bis  
3ème étage - Sidi Maârouf

Casablanca

TEL : 05 22 20 42 91 78 / 79

FAX : 05 22 58 09 87

### **SALAFIN**

#### CHAIRMAN OF THE EXECUTIVE BOARD

M. Aziz CHERKAOUI

#### BUSINESS PURPOSE

Consumer credit

#### HEAD OFFICE

Zénith Millenium  
Immeuble 8, Sidi Maârouf  
Casablanca

TEL : 0522 97 44 55

FAX : 0522 97 44 77

#### WEBSITE

[www.salafin.com](http://www.salafin.com)

### **MAROC FACTORING**

#### CHAIRMAN OF THE EXECUTIVE BOARD

M. Youssef HAMIRIFOU

#### BUSINESS PURPOSE

Factoring

#### HEAD OFFICE

Bd. Moulay Youssef, n° 63,  
résidence Adriana, 1er étage

TEL : 0520 42 76 32/37

FAX : 0522 20 62 77

#### WEBSITE

[www.maroc-factoring.co.ma](http://www.maroc-factoring.co.ma)



## HISTORY

**2015**

- BMCE Bank OF AFRICA' adopted as the group's new corporate name, emphasising its African profile
- Celebrating the 55<sup>th</sup> anniversary since the Bank was founded and the 20th anniversary since BMCE Bank Foundation was founded
- Stake raised in boa group to 75%, in banque de développement du mali to 32.4% and in la congolaise de banque to 37%
- BANK OF AFRICA expands into Rwanda in November 2015, through the acquisition of agaseke bank
- Mandarin chinese introduced into the BMCE Bank Foundation's Medersat.Com schools network
- Expansion of the Medersat.Com network with a new school opened in Béni Chiguer in Nador, thereby strengthening the Foundation's schools network within the region
- Inaugural African entrepreneurship award sees BMCE Bank award prizes to 10 winners in Africa in recognition of their best ideas for entrepreneurial projects
- BMCE Bank named "Bank Socially Responsible Bank of the Year" at the 9<sup>th</sup> edition of the African Banker Awards
- «Top Performer CSR» awarded by Vigeo for the 2<sup>nd</sup> time
- CSR Arabia Awards 2015 - Category Financial Services – the only company listed on the Casablanca Stock Exchange to obtain the highest scores in 7 Social Responsibility topics
- ISAE 3402 Type II Certification of BMCE Capital Gestion assigned by PWC and this for the second time in dedication to safe work environment
- Issue of a subordinated note of 2 billion MAD

**2014**

- Representative office opened in Canada
- Two BMCE Euroservices branches opened in the Netherlands
- Organization of the first edition of the China Africa Investment Meetings in cooperation with the China Africa Joint Chamber of Commerce and Industry
- Launching of BOA Capital with the CFC status in partnership with BMCE Capital
- Issue of a subordinated note of 2 billion MAD
- Launch of the African Entrepreneurship Award, a 1 million dollar distinction for young african entrepreneurs

**2013**

- Strengthening the participation of BMCE Bank in the capital of the Pan African Group Bank of Africa from 65% to 72.6% in 2013
- Restructuring BMCE International Holding now combining the two European subsidiaries BBI London and Madrid, in the service of Africa
- Creating BMCE Euroservices subsidiary which offers to MLA a diverse range of products & services
- Successful Issue of the first Moroccan Corporate Eurobond, subscribed by sixty foreign investors for the amount of \$ 300 million.

**2012**

- Capital increase of 1.5 billion dirhams for the benefit of shareholders in November 2012
- BMCE Bank acquired additional capital in Bank of Africa Group to 65%
- Obtaining for the second consecutive year, the label «BMCE Bank- No Tobacco Company » Gold Level, awarded by the Lalla Salma Association against Cancer
- BMCE Bank awarded «Best Trade Finance Bank in Morocco» by the magazine Global Trade Review and «Socially Responsible Bank of the Year» by The African Awards
- « Top Performers CSR Morocco » awarded by Vigeo for the environmental strategy of BMCE Bank and its social commitment in January 2012
- Issue of a subordinated debt of 1 billion MAD in the local market

**2011**

- Increase of the bank's equity stake in BOA to 59,39%
- Reinforcement of the bank's holding in Maghrebail and Locasom to 51% and 89,5%, respectively
- BMCE Bank named for the second time "Best Bank in Morocco" by the British Magazine EMEA Finance
- First bank in Morocco and the MENA Region to be ISO 14001 certified for the environment

**2010**

- Aquisition by CDG Group of a 8% equity stake in BMCE Bank
- Capital increase of 2.5 billion MAD, issue premium included, reserved to Credit Mutuel - CIC, through its Holding BFCM
- Launch of the first tranche of capital increase of 500 mMAD, issue premium included, reserved to BMCE Bank employees
- Takeover of Bank of Africa , following the increase of BMCE Bank's stake to 55.8%
- Increase of BMCE Bank's stake in Maghrébail from 35.9% to 51%

**2009**

- Reinforcement of CIC Group's equity stake in the capital of BMCE Bank, through its holding company, BFCM, from 15.05% to 19.94%
- Issue of a MAD 1 billion perpetual subordinated debt on the local market

**2008**

- Acquisition of an additional equity stake of 5% by CIC in BMCE Bank, bringing it to 15,04%.
- Issue of a 70 million Euros perpetual subordinated debt to International Financial Corporation (IFC)
- Issue of a 50 million Euros Subordinated debt to Proparco
- Issue of a MAD 1 billion Perpetual Subordinated debt
- BMCE Bank's stock split, bringing the nominal value of shares from MAD 100 to MAD 10
- Increase of the Group's equity stake in Bank of Africa from 35 % to 42.5%
- Transfer of CIC's equity stake in BMCE Bank through its holding, La Banque Fédérative du Crédit Mutuel

**2007**

- Acquisition of a 5% stake in the Bank's capital by Caja Mediterraneo following a strategic partnership agreement
- Alliance between BMCE Bank and AFH/Bank of Africa ; BMCE Bank being the reference shareholder in the capital of Bank of Africa with an equity stake of 35%
- Start of the business activities of MediCapital Bank, the London based affiliate of BMCE Bank Group
- Award of the first prize in Human Resources for BMCE Bank by «HR Management and Training Association» (AGEF).
- Winning for the second time in a row of the first prize in financial communication, awarded by the Moroccan Financial Analysts Association to BMCE Bank as the first ranked bank and listed company, all categories combined.

**2006**

- Obtaining of the « Investment Grade » rating on Banking deposits denominated in dirhams, awarded by the international rating agency Moody's
- ISO 9001 Certification for project Finance & Recovery activities
- «Bank of the year-Morocco» granted for the 5th time since 2000 and the 3rd consecutive time, by the Banker Magazine
- Inauguration of Axis Capital, the Tunisian Investment Bank
- Obtaining by BMCE Bank Foundation of the « Excellence » prize for the sustained Development, granted by the Morocco-Switzerland

## Foundation

**2005** • Foundation  
• BMCE Bank creating a new visual identity on the occasion of its 10th anniversary celebrations since privatisation  
• Launch of a branch opening programme with 50 branch to be opened each year  
• Signing of an agreement with the BEI for the establishment of a 30 million euros credit line without sovereign guarantee  
• Launch of BMCE Bank Group of its 2nd stock employee programme  
• Issue of the second tranche of a MAD 500 million subordinated bond  
• BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

**2004** • Acquisition of CIC of a 10% stake in BMCE Bank  
• 1st non-European bank to receive a social responsibility rating in Morocco  
• BMCE Bank awarded «Bank of the Year - Morocco» by the magazine «The Banker»

**2003** • Launch of the CAP CLIENT enterprise project  
• Issue of a stock employee programme of 4.72% of the Bank's share capital  
• Issue of MAD 500 million subordinated debt  
• Inauguration of BMCE Capital Dakar

**2002** • Implementation of a new customer-oriented organisation  
• ISO 9001 certification for all activities related to custody  
• Change of status of the Tangier Free Zone Branch, becoming an offshore bank  
• Stock repurchase Programme of 1.5 million BMCE shares, representing 9.45% of the Bank's share capital

**2001** • Opening of the Barcelona Representative Office  
• ISO 9001 certification for the quality management system introduced for foreign activity and electronic banking.  
• BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

**2000** • Opening of Representative Offices in London and Beijing  
• Creation of the holding company FinanceCom  
• BMCE Bank awarded the title of «Bank of the Year - Morocco» by «The Banker» magazine

**1999** • Equity investment in AL WATANIYA, giving birth to a leading insurance company  
• Equity investment of 20% in the first private telecoms operator MEDI TELECOM

**1998** • Creation of BMCE CAPITAL, the Group's investment bank

**1997** • Creation of SALAFIN, a consumer credit company

**1996** • Launching of a 60 million dollar issue of GDR shares, the first of its kind, in international financial markets

**1995** • Privatisation of the Bank

**1994** • Creation of BMCE Bank's first capital market companies : MIT and MARFIN

**1989** • Opening of BMCE Internacional in Madrid

**1988** • Creation of a factoring company, MAROC FACTORING

**1975** • Listing on the Stock Exchange

**1972** • BMCE becomes the first Moroccan bank to establish an overseas presence by opening a branch in Paris

**1965** • Opening of the Tangier Free Zone Branch

**1959** • Creation of BMCE Bank by the Public Authorities







## **BMCE BANK**

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Tel : 05 22 20 04 92 / 96  
Fax : 05 22 20 05 12  
Capital : 1 794 633 900 dirhams  
Swift : bmce ma mc  
Télex : 21.931 - 24.004  
Trade register : casa 27.129  
PO checking account : Rabat 1030  
Social security : 10.2808.5  
Fiscal ID Nº : 01085112  
Trading license : 35502790

## **GOVERNANCE AND DEVELOPMENT GROUP - FINANCIAL COMMUNICATION**

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## **BMCE BANK WEB SITE**

[www.bmcebank.ma](http://www.bmcebank.ma)

## **INTERNATIONAL TRADE WEB SITE**

[www.bmcetrade.com](http://www.bmcetrade.com)

## **INVESTMENT BANK WEB SITE**

[www.bmcecapital.com](http://www.bmcecapital.com)





# BMCE BANK OF AFRICA

