



BMCE Bank of Africa Group's history is that of a pioneer in overseas expansion, characterised, above all, by an unprecedented openness toward Africa. The Group has contributed actively to the Kingdom's growing footprint in Africa, both in economic and human terms.

Forever committed to creating economic as well as social value, our Group delivered another solid set of financial results in financial year 2017, with net income attributable to shareholders of the parent company unchanged at MAD 2 billion.

By fostering strong ties between Morocco and Africa, the focal point of our every action, our Group is well-placed to steer and support investment from Morocco, Africa and overseas towards a continent which possesses a wealth of tangible and intangible resources; it similarly encourages humanity-based initiatives that improve the quality of life of the most disadvantaged sections of Africa's population.

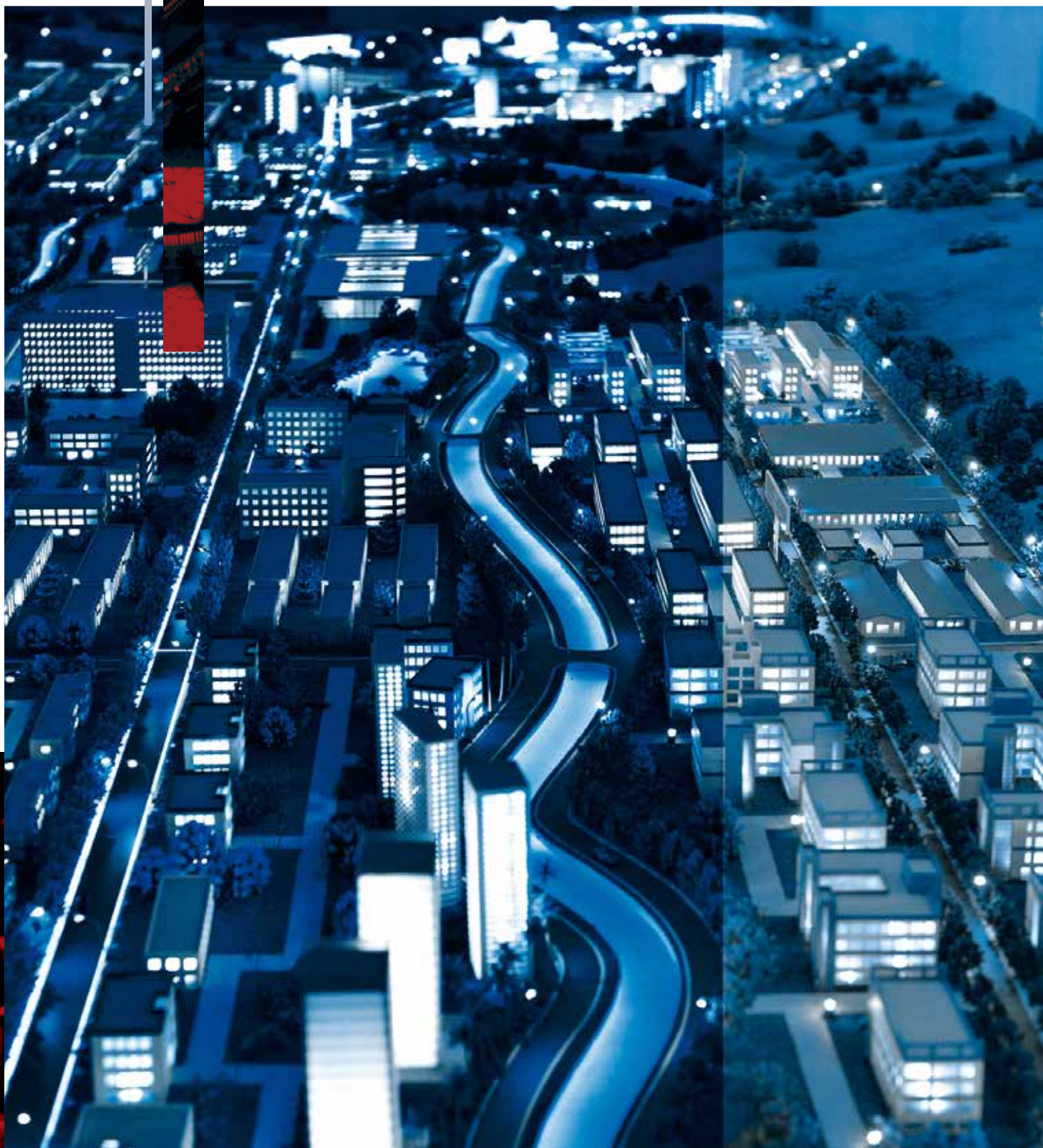
Incorporating Asia into our Group's corporate strategy and its development priorities provides the Group with an exceptional opportunity to expand its operations and its sphere of influence, as well as enhancing the Kingdom's global status. After opening our first office in Beijing nearly two decades ago, our Group is now making preparations to establish a new subsidiary in the People's Republic of China, BMCE Bank International Shanghai, by the end of 2018.

This strategic approach is underpinned by a project to design and build the Mohammed VI Tangier Tech City, spearheaded by His Majesty himself, a modern futuristic industrial city which BMCE Bank Group is voluntarily sponsoring alongside some of the Kingdom's other leading institutions. This city is expected to be a blueprint for cooperation between Africa, Asia and Europe and to generate several hundred thousand jobs over the coming decade.

We remain committed to supporting the peoples of Africa, whose youngsters are the continent's very lifeblood. Through BMCE Bank Foundation's solid programme of providing education to schoolchildren in Morocco and other African countries and the Group's African Entrepreneurship Award, which is promoting entrepreneurship in Africa, we continue to demonstrate our ability to make a sustainable and positive environmental impact in every geographical region in which our Group has operations.

Similarly, our commitment to Sustainable Finance, by adhering to principles advocated by international initiatives such as Positive Impact Finance, an area in which our banking group is a role model in Morocco and Africa, underlines the extent to which our Group is strategically wedded to sustainable development, as the sole means of preserving our domestic, African, environmental and human heritage for future generations.

Othman Benjelloun
Chairman & Chief Executive Officer



MOHAMMED VI CITY TANGER TECH

AFRICA

CORE BUSINESS

- ▶ **BMCE Bank:** A universal bank that is Morocco's third private sector bank with market shares loans 14.3% and deposits 14.2%, respectively
- ▶ **RMA:** One of Morocco's leading insurance companies with a 16% total market share
- ▶ **RMA Capital Holding:** RMA's asset management company

REAL ESTATE

- ▶ **CAP ESTATE:** The Group's real estate subsidiary with MAD 225 million of share capital
- ▶ **REVLÝ'S:** A joint-venture between FinanceCom Group and AmanResort, specialising in financing tourism projects
- ▶ **Argan Capital:** A real estate investment management company

INTERNATIONAL

- ▶ **FinanceCom International:** A subsidiary overseeing the Group's asset management and real estate companies around the world

GROWTH DRIVERS

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

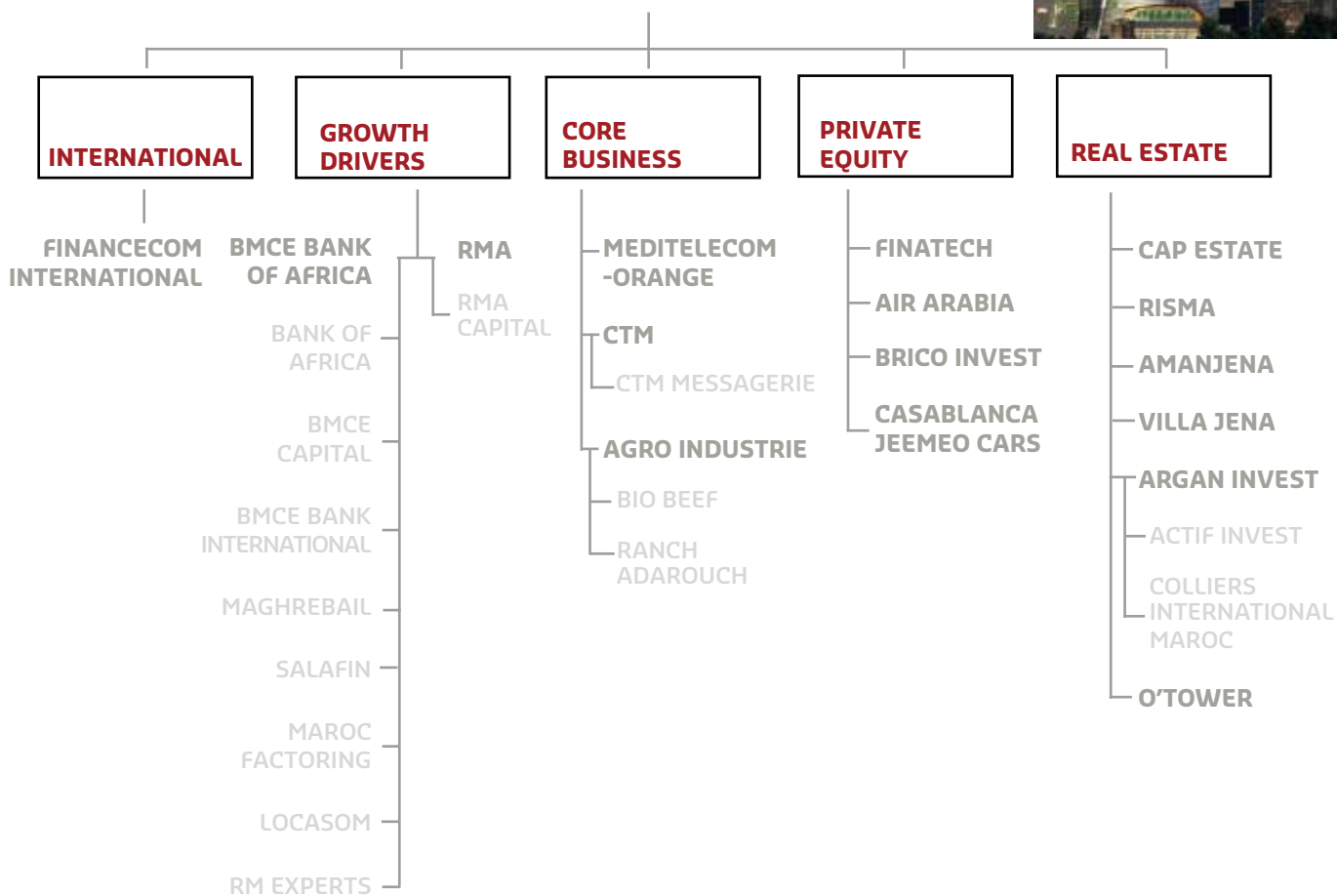
PRIVATE EQUITY

- ▶ **Finotech:** A group of companies specialising in new information technologies structured around two main business lines: the Energy & Infrastructure Division and the Systems Technologies Division
- ▶ **Other investments:** CTM, Air Arabia Maroc, Casablanca Jeemo Cars and Brico Invest





FINANCE COM



BOARD OF DIRECTORS



from left to right

Othman BENJELLOUN

Lucien MIARA

Abdellatif ZAGHNOUN

Zouheir BENSÂÏD

Hicham EL AMRANI

Michel LUCAS

Azeddine GUESSOUS

François HENROT

Brian C. McK. HENDERSON

Philippe DE FONTAINE VIVE

Christian de BOISSIEU

Abdou BENSOUDA

Brahim BENJELLOUN-TOUIMI

BMCE Bank Group's Board of Directors comprises thirteen Directors, four of whom are Independent Directors



OTHMAN BENJELLOUN

Chairman & Chief Executive Officer
Date initially appointed: 1995¹
Current term of office: 2013-2019

BANQUE FÉDÉRATIVE DU CREDIT MUTUEL- CM-CIC GROUP

Represented by Lucien MIARA
Date initially appointed: 2005
Current term of office: 2014-2020

CAISSE DE DEPOT ET DE GESTION

Represented by Abdellatif ZAGHNOUN
Date initially appointed²: 1966
Current term of office: 2016-2022

RMA

Represented by Zouheir Bensaïd
Date initially appointed: 1994
Current term of office: 2013-2019

FINANCECOM

Represented by Hicham EL AMRANI
Date initially appointed: 2001
Current term of office: 2015-2021

Michel LUCAS³

Intuitu Personae
Date initially appointed: 2018
Current term of office: 2018-2024

Azeddine GUESSOUS

Intuitu Personae
Date initially appointed: 2017
Current term of office: 2017-2023

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

Abdou BENSOUDA

Intuitu Personae
Date initially appointed: 2018
Current term of office: 2018-2024

Brahim BENJELLOUN - TOUIMI

Group Chief Executive Officer
Date initially appointed: 2004
Current term of office: 2016-2022

¹ 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.

² CDG had a seat on BMCE Bank's Board of Directors from 1966 to 1997 before being reappointed at the Annual General Meeting of 26 May 2010.

³ Mr Michel Lucas, who represented BFCM from 2005 à 2017, is now an *intuitu personae* Director

OPERATIONS IN 32 countries

MORE THAN 1,600 POINTS OF SALE

MORE THAN 6,000,000 CUSTOMERS

MORE THAN 14,800 EMPLOYEES

(*) in progress



- ♦ 1ST BANK TO ESTABLISH INTERNATIONAL OPERATIONS WHEN IT OPENED A BRANCH OFFICE IN PARIS IN 1972
- ♦ 1ST BANK TO ESTABLISH OPERATIONS IN SUB-SAHARAN AFRICA AFTER CLEANING UP BANQUE DE DÉVELOPPEMENT DU MALI IN 1989
- ♦ 1ST MOROCCAN BANK TO HAVE OPERATIONS IN EAST AFRICA AND SOUTHERN AFRICA
- ♦ 1ST MOROCCAN BANK TO OPEN A REPRESENTATIVE OFFICE IN BEIJING, CHINA IN 2000
- ♦ 1ST MOROCCAN BANK TO ISSUE GDRs IN 1996
- ♦ 1ST CORPORATE IN MOROCCO TO ISSUE A EUROBOND IN 2013
- ♦ 1ST MOROCCAN BANK TO BE LISTED ON 3 STOCK MARKETS – CASABLANCA, LONDON AND LUXEMBURG
- ♦ 1ST ISSUER OF A GREEN BOND IN 2016



A PRIVATE SECTOR GROUP WITH MOROCCAN ROOTS

- ◆ 3rd bank in terms of total assets with market shares loans 14.08% and deposits 15.09%, respectively
- ◆ 2nd bank-insurer with a 34.53% penetration rate
- ◆ 3rd asset manager with a market share of 15%

...AN INTERNATIONAL PROFILE

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

... AND PAN-AFRICAN AMBITIONS

- ◆ 2nd pan-African Group in terms of geographical coverage with operations in 21 countries, covering 4 out of 5 of the continent's economic regions.
- ◆ 1st bank to establish operations in sub-Saharan Africa after cleaning up Banque de Développement du Mali in 1989
- ◆ 1st Moroccan bank to have operations in East Africa and Southern Africa
- ◆ Owns stakes in three leading African subsidiaries - Bank Of Africa (acquired in 2008, 73% stake, Banque de Développement du Mali (acquired in 1983, 32.4% stake), La Congolaise de Banque (acquired in 2009, 37% stake)



MOROCCO

COMMERCIAL BANKING

- ✦ BMCE BANK SA

SPECIALISED FINANCIAL SERVICES

- ✦ Maroc Factoring 100%
- ✦ Maghrébail 52.5%
- ✦ Salafin 74.8%
- ✦ RM Experts 100%

INVESTMENT BANKING

- ✦ BMCE Capital 100%
- ✦ BMCE Capital Gestion 100%
- ✦ BMCE Capital Bourse 100%

OTHERS

- ✦ Locasom 97.4%
- ✦ Euler Hermes Acmar 20%
- ✦ Eurafic Information 41%
- ✦ Conseil Ingénierie
et Développement 38.90%
- ✦ Africa Morocco Links 51%

INTERNATIONAL

AFRICA

- ✦ Bank Of Africa 72.85%
- ✦ LCB Bank 37%
- ✦ Banque de Développement
du Mali 32.4%

EUROPE

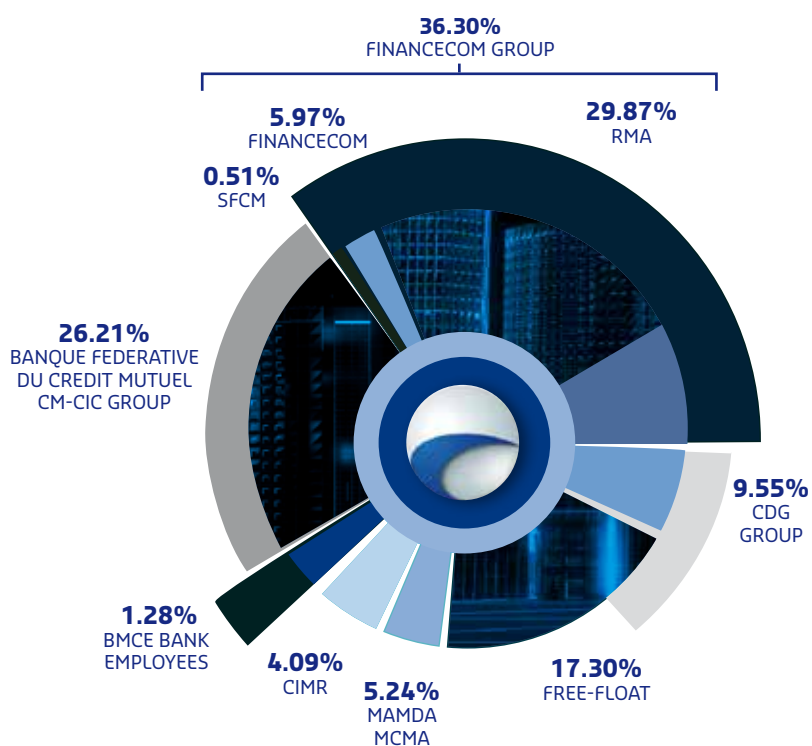
- ✦ BMCE International
Holding 100%
- ✦ BMCE Euroservices 100%



SHANGHAI

BMCE BANK'S SHAREHOLDERS

AT END-MARCH 2018



FinanceCom

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

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 investment management.

BFCM-CM-CIC Group

A major player in retail Banking, bank-insurance, electronic banking segment and banking for professionals in France.

RMA

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.

TAN
GER
THEC

The universal banking business model adopted by BMCE Bank of Africa provides it with renewed impetus to pursue its domestic as well as international growth strategy. The latter is executed via operations in Africa, under the Bank Of Africa Group umbrella, in Europe, via BMCE International Holding, which brings together the Group's two European subsidiaries in London and Madrid and BMCE EuroServices, a payments institution serving the Moroccan and African diaspora, in Asia, including China, via BMCE Bank's Shanghai-based subsidiary, in North America and in the United Arab Emirates.

The banking group's new 2020 strategy represents continuity while endeavouring to identify new growth drivers. It aims to sustain the Group's performance by continuing to grow organically and by acquisition, while enhancing the Group's organisational infrastructure in support of its cross-border development.

Proud of serving local communities, customer care is an absolute priority for BMCE Bank of Africa and is primordial in developing Retail Banking and Corporate Banking operations. The Group, which is constantly setting itself new goals, provides each customer segment with innovative, specialised and well-adapted products and services by drawing on the expertise of each business line and capitalising on new promising niches such as participatory banking and green business.

Digitising services, consolidating the Group's leadership both in Morocco and overseas and building on past achievements, these are just some of the measures that will enable BMCE Bank of Africa to continue to be successful in each of its markets over the long term.

BMCE Bank of Africa continues to generate commercial as well as operational intra-Group synergies across business lines and geographical regions, while remaining firmly committed to corporate social responsibility, positive impact finance in Africa and promoting entrepreneurship in Africa through the African Entrepreneurship Award (AEA). This underpins the proactive approach to sustainable development that the Bank has adopted ever since it was privatised.



■ BMCE Bank of Africa, for the 8th time since 2000, named 'Best Bank in Morocco - Moroccan Bank of the Year' by the prestigious magazine, The Banker, a Financial Times publication.

■ Certified 'Top Employer in Morocco' by the Top Employers Institute, a global certification company recognising excellence in the working conditions created by employers for their employees.

■ Awarded 'Best Customer Service Award 2018', with customer satisfaction improving sharply from 81% in 2016 to 94% in 2017.

■ First Moroccan bank to be OHSAS 18001-certified by Bureau Veritas for its occupational health and safety management system.

■ Gold Sabre Award winner and Certificate of Excellence in the North Africa region for the Bank's social media campaign to promote the 'African Entrepreneurship Award programme'.

■ Awarded the bronze medal in the 'Best Integral Phygital Campaign' category for its 'Connected bank' communications campaign to promote and broadcast the Bank's entire range of innovative solutions and services.

■ An award winner for the 4th consecutive year at the CSR Arabia Awards 2017 and the only bank in the Arab world to receive an award in the Financial Services category.

■ 'Top Performer, CSR Morocco', awarded by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category.

■ Developer of the tallest tower in Africa located in Rabat in partnership with China Railway Construction Corporation International (CRCCI), a Chinese company, and the Moroccan group TGCC. The 250 metres-tall building will comprise offices, a hotel and residential units.

■ Contributed to Morocco's alliance with China by assuming the role of investor and banker in the Mohammed VI Tangier-Tech City project, presided over by His Majesty the King, after signing a partnership agreement with HAITE Group, a Chinese company and the region of Tangier Tétouan-Al Hoceima.

■ A signatory to 'Principles for Positive Impact Finance', a set of guidelines governing a new financing paradigm based on a methodology for identifying, evaluating and reporting on Positive Impact Finance. This includes mitigating negative risks by taking into consideration the three pillars of sustainable development when deciding to grant credit or designing sustainable finance solutions.

■ BMCE Bank obtained the prize for the best stand during its participation in the 10th edition of the international Trade Fair in Addis Ababa.



■ '2017 Sustainable Energy Gold Award' awarded at the 26th EBRD Annual Meeting and Business Forum in May 2017 in Cyprus on the theme of 'Targeting Green and Inclusive Growth'.

■ Named 'Most active partner in Morocco' by the EBRD in the context of its trade assistance program.



PERSONAL BANKING A STRONG FOOTHOLD IN THE YOUTH SEGMENT

The Youth market is strategically important for the Bank as it enables it to attract potential customers.

As a result, a number of initiatives were carried out, including signing a partnership agreement with ISCAE Group to establish a banking-related educational area within the Institute, consisting of an educational bank branch and a general incubator aimed at supporting budding entrepreneurs.

As far as partnerships are concerned, a new approach was taken with the Mohammed VI Foundation for the Promotion of Education & Training to establish a process making it easier for selected diploma-holders to receive scholarships.

The Young Professionals segment also has considerable potential. The Bank has therefore developed an attractive product offering consisting of a premium package at a 30% discount over the first three years, an on-demand Young Professionals loan for contract and non-contract customers and a variable rate mortgage.

PROFESSIONAL BANKING AN EXTENSIVE RANGE OF TAILOR-MADE PRODUCTS AND SERVICES

There is significant potential to increase product penetration in the Professional Banking market segment, mainly among small businesses.

In the wake of the Moroccan government introducing auto-entrepreneur status and since signing an agreement with Barid Al-Maghrib in January 2016, BMCE Bank has emerged as a dynamic player enjoying a strong regional presence.

In 2017, the Bank responded to the needs of Professional Banking customers by enhancing its range of products and services with the launch of an amortisable cash loan, support for companies submitting tenders for public and private sector contracts, professional indemnity insurance, day-to-day facilities for managing routine transactions and business payment solutions.

As well as the various marketing initiatives carried out so as to appeal to entrepreneurs, BMCE Bank has been offering specific support measures for these customers and enhance the Bank's expertise in advising and helping these economic agents to develop their businesses.

In addition, in order to foster its reputation as partner to the healthcare and legal professions, BMCE Bank participated in a growing number of trade fairs. These included Officine Expo, the International Pharma Congress, the 2nd Safi National Pharmaceuticals Symposium, the Spring Pharmacy Workshops, Medical Industry Expo 2017, the National General Medical Congress, the inaugural Congress of Dental Prosthetists, a seminar organised by the International Association of Lawyers, an open day for the recently established religious notary professions and the Constitutive Congress of the African Association of Bailiffs.



PRIVATE BANKING A MARKET SEGMENT WITH EXPLOSIVE GROWTH POTENTIAL

The Bank has enhanced its market offering for private banking clients by (i) expanding the range of target clients eligible for Mastercard World, an international bank card (ii) finalising BMCE Exclusive, a comprehensive range of banking and non-banking services for private clients (iii) increasing penetration of BMCE Visa Infinite cards and (iv) organising exclusive sales deals in partnership with renowned real estate developers to promote flagship developments to private clients.

Private Banking also carried out a number of other initiatives including organising regional tours in partnership with the Economic Intelligence Centre. These focused on the latest regulatory and tax-related developments introduced under the 2018 Finance Act. It also acted as an interface with the Foreign Business Service Centre for all transfers received as part of the tax amnesty initiative.

MIGRANT BANKING WORKING ON BEHALF OF MOROCCANS LIVING ABROAD

In line with the Bank's international development strategy and, in addition to opening a second representative office in Dubai, a number of partnership agreements were signed in 2017 with money exchange houses in Gulf countries.

The Bank also expanded its European network by opening three new branches in Spain, a branch in Nice (in progress) and a BMCE Euroservices branch in Dusseldorf.

In addition, BMCE Bank's Montreal representative office moved into more spacious and better-adapted premises.

As far as sales and marketing was concerned, in 2017, the Bank fine-tuned its segmentation strategy for expatriate customers, implemented a high-performance loyalty programme, bolstered both its digital and traditional distribution strategy and organised a number of important sales and marketing initiatives focusing on Moroccans living abroad.

As well as focusing on the migrant investor segment, BMCE Bank has also been targeting Young Moroccan Professionals living abroad with MRE First, a well-adapted and well-packaged product offering.

In addition, in order to foster customer loyalty and enhance expatriate customers' satisfaction, BMCE Fidelios, a loyalty programme, was launched in August 2017. The latter offers a number of attractive features for money transfers, over-the-counter currency exchange and card-based transfers.

DIGITAL BANKING DEVELOPING A RANGE OF REMOTE BANKING SERVICES

As part of the process of implementing Agence Directe, an online branch, which is one of the cornerstone projects of its multi-channel banking strategy, the Bank designed, developed and launched its dedicated website, www.bmceagencedirecte.ma.

Using feedback about the prototype version for migrant customers, the online branch was launched, targeting Moroccans and foreigners living in Morocco. This consists of a tailor-made range of digital services, more attractive pricing and a mobile banking option. An intensive communications campaign has been carried out since December 2017 to support the launch.

Similarly, the digital banking range was enhanced with new functionality added to BMCE Direct and ATMs (paying invoices, booking meetings online etc.). The increased emphasis on upgrading the BMCE Direct mobile application is fully consistent with the Mobile First vision.



BANK-INSURANCE BUSINESS CONTINUES TO EXPAND

With the intention of growing its bank-insurance business, an insurance open day was organised to promote the Property & Casualty and Personal Protection insurance ranges.

To meet the specific needs of professional customers and small businesses, two products have been developed to enhance the Property & Casualty and Personal Protection insurance ranges: insurance for 'personal accidents' and 'workplace accidents'.

PAYMENT CARDS ONGOING GROWTH

In 2017, payment cards in circulation rose by 2% year-on-year to 1.15 million cards at 31 December 2017. As a result of a trend towards democratising Premium card usage, the number of payment cards has increased thirteen-fold over the past three years.

Similarly, BMCE Bank registered double-digit growth (+19.5%) in the volume of domestic card-based payments, while cross-border foreign currency-denominated transaction volumes rose by 29.5%.

CORPORATE BANKING ROBUST GROWTH AT THE COMMERCIAL LEVEL

In 2017, Corporate Banking, via its two main components, Large Enterprises and the Corporate Network, posted further growth at the commercial level against a backdrop of increased discipline in risk management.

Corporate Banking deposits rose by 7.5% to almost MAD 35 billion in 2017 versus MAD 32 billion in 2016, outperforming the banks sector which registered deposit growth of 2.1%.

Corporate Banking loans, excluding non-performing loans, amounted to MAD 65 billion at 31 December 2017 versus MAD 71 billion at 31 December 2016.

FOREIGN TRADE HEALTHY PERFORMANCE AT THE COMMERCIAL LEVEL

In 2017, Corporate Banking surpassed its targets for foreign trade flows, which amounted to MAD 158 billion versus MAD 146 billion at 31 December 2016, an increase of 8.5% versus +7.5% at the industry level. Import flows rose by 7.5% versus +6.3% at the industry level while export flows grew by 9.7% versus +9.3% at the industry level.

PROJECT FINANCE FINANCING MAJOR PROJECTS

In 2017, BMCE Bank continued to help corporates to launch flagship projects as arranger or by providing partial financing or syndicated loans.

BMCE Bank's main focus in 2017 was on sales and marketing with the aim of bolstering the Investments and Structured Finance business.

Sale and marketing initiatives carried out included: (i) sponsoring a research report conducted by CGEM entitled 'Financial Assistance for Moroccan Investors in Africa' (ii) setting up, in cooperation with the Sustainable Development and Corporate Social Responsibility Division, a database of existing and potential customers to market its 'Waste recovery' green facility (iii) working with various organisations such as the CGEM, the Moroccan Investment Development Agency, the Casablanca-Settat Regional Investment Centre, the Moroccan Aerospace Industries Association and the Public-Private Partnership Club, in addition to (iv) participating in various business events such as the Annual AmCham Gala, the Private Equity Conference, the Automotive Subcontracting Fair, Casa Smart City Expo, Foreign Exchange breakfast meetings, the Euler Hermes International Trade Observatory and Aerospace Meetings Morocco.



LARGE ENTREPRISES GROWING PENETRATION OF THIS MARKET SEGMENT

As part of its business development strategy for large enterprises, BMCE Bank drew up an action plan with the aim of bolstering its presence in this market segment, fostering customer loyalty and maintaining market share.

BMCE Bank's strategy in this market segment is focused on three main areas: (i) bolstering its sales and marketing capabilities to grow its share of the loan market, particularly business investment loans (ii) making organisational changes including introducing sector benchmarks to deal more effectively with specific sector characteristics, regulations and banking needs, in addition to (iii) implementing a cash management and business-to-business marketing strategy.



SME MARKET SEGMENT INCREASED PRODUCT PENETRATION

To improve product penetration within the Small Enterprises segment and to raise the latter's contribution to net banking income generated by the SME segment, BMCE Bank enhanced its product offering with the launch of Entreprise Maîtrisé, a package for corporates and two other new solutions for corporates, Pack Casablanca Finance City for those corporate customers which have CFC status and Pack CM-CIC for SME customers which are also customers of CM-CIC.

In line with the business development strategy for the SME market segment, new sales-support solutions were made available to the Corporate Network to facilitate the roll-out of a system for steering sales, support and monitor new customer relationships, introduce a new database of potential customers with new features such as balance sheet data and financial ratios, as well as implementing a new interactive web platform to enable users to access the OMPIC database.

GENERATING ADDITIONAL SYNERGIES WITH THE GROUP'S OTHER BUSINESS LINES

In line with the Bank's stated objectives, BMCE Bank of Africa carried out a number of initiatives in 2017 aimed at developing synergies in the corporate segment, with Maghrebail in leasing, Maroc Factoring in factoring, Locasom in vehicle leasing and with the Bank Of Africa network in sub-Saharan Africa.

Similarly, the Morocco Business Lines Synergies desk continued to support many of BMCE Bank's existing and prospective customers that are exploring the sub-Saharan African market, regardless of their stage of development - researching the market, setting up or even expanding.

Various synergies with Bank of Africa Group's network were generated as a result which included relationship-building, finance requests, account openings by prospective B2B customers and networking with local partners.



BMCE CAPITAL MARKETS A RESPECTABLE PERFORMANCE

BMCE Capital Markets' performance was more than respectable in 2017. In its money market and fixed income businesses, BMCE Capital Markets successfully rose to the challenge of growing its market share and improving its ranking to become the second-ranked broker in Treasury securities on the domestic market. This was achieved in spite of the challenging operating environment with bank liquidity tight and a steepening yield curve in 2017.

BMCE CAPITAL BOURSE FURTHER MARKET GAINS

Benefiting from a more benign stock market environment overall, albeit one which remains challenging, BMCE Capital Bourse's performance was more than respectable, with overall revenues ahead on the previous year. Trading volume recorded by BMCE Capital Bourse rose sharply (+17.8%) to MAD 18.3 million, enabling it to consolidate its position with a 14.4% share of the market at 31 December 2017.

BMCE CAPITAL GESTION STRONG OPERATING PERFORMANCE

In 2017, against a backdrop of stiffer competition, BMCE Capital Gestion consolidated its position as a major player in Morocco's asset management industry by attracting more than MAD 61 billion of assets under management, resulting in a 15% share of the market.

BMCE CAPITAL GESTION PRIVEE EARNINGS SUSTAINABILITY

In 2017, BMCE Capital Gestion Privée managed to achieve its financial goals while completing a number of cornerstone business development projects including developing wealth management diagnostic systems, upgrading portfolio management and analysis systems as well as renewing its ISO 9001:2015 certification.

BMCE CAPITAL TITRISATION A STEADY PIPELINE

The crowning success of 2017 was the completion of its inaugural securitisation transaction, amounting to MAD 600 million, for a customer in the real estate development industry. An application for approval was also filed for a second MAD 1.4 billion securitisation transaction for another client in the same industry.

BMCE CAPITAL CONSEIL HIGHER RESULTS

Although the financial environment remained challenging in 2017, BMCE Capital Conseil successfully completed a number of advisory mandates.

BMCE CAPITAL TITRES CUSTODIAN PERFORMING WELL

BMCE Capital's custody business posted an excellent set of results in 2017 with the Securities business line performing strongly and the Post-trade processing business posting a welcome recovery. With the operating environment benign, BMCE Capital Titres' assets under custody rose modestly to MAD 217 billion at 31 December 2017

versus MAD 214 billion at 31 December 2016, resulting in a 25% share of the mutual fund market.

Trading volume rose by 60% from MAD 12.3 billion in 2016 to MAD 20 billion in 2017, resulting in a 16% share of the overall market in 2017, 3 points higher compared to 2016.

BMCE CAPITAL SOLUTIONS REORGANISATION UNDERWAY

As a pioneer in outsourcing the post-trade processing of securities market transactions in Morocco, 2017 proved to be an excellent year for BMCE Capital Solutions, as evidenced by its main performance indicators.

The volume of transactions handled grew by 20%, the number of customers rose up 28% and business handled with the dealing room increased by 13%.

BMCE CAPITAL RESEARCH A PERFECTLY UNDERSTAN- DABLE BUSINESS MODEL

In 2017, BMCE Capital Research bolstered the range of services provided to each of the Division's business lines, particularly in terms of debt origination and credit research. The research department also continued to focus on the equity sell side although it reduced its coverage to the 40 most important stocks which account for 98% of market capitalisation.

Adopting a pan-African approach, BMCE Capital Research also published a number of reports on behalf of BMCE Capital Tunisia, covering 8 stocks in addition to providing coverage of the Abidjan Regional Stock Exchange. These reports were published under the generic ASN® brand.





BMCE CAPITAL ASSET MANAGEMENT SUCCESSFUL RESTRUCTURING

The Tunisian asset management company saw its name changed to BMCE Capital Asset Management in 2017.

As a result of the new organisational structure, additional synergies were generated with BMCE Bank of Africa Group, resulting in a number of market transactions which had a positive impact on assets under management.

BOA CAPITAL ASSET MANAGEMENT FRESH IMPETUS

Despite the challenging operating environment marked by (i) stiffer competition (ii) a stock market correction (iii) an outbreak of socio-political troubles in a number of countries within the sub-region and (iv) the Central Bank imposing tighter refinancing conditions, BOA Capital Asset Management was able to consolidate its position in the market with assets under management up by 7.2%, resulting in market share of 13.6%.

BMCE CAPITAL SECURITIES BACK IN THE BLACK

In Tunisia, BMCE Capital Securities returned to the black in 2017 despite the challenging political and economic context, which put a damper on investor interest. BMCE Capital Securities saw its market share rise by 1% to 4.6% versus 3.6% at 31 December 2016.

CONSEIL-TUNISIE IMPROVED RESULTS

The Tunisian business registered a modest recovery in 2017 due to the country's improved economic and financial situation and an emphasis on sales and marketing.



BOA CAPITAL SECURITIES A CHALLENGING OPERATING ENVIRONMENT

In 2017, BOA Capital Securities was impacted by a challenging operating environment marked by a decline in various markets including the Regional Stock Exchange, which fell by 16.8%, a contraction in volumes and a sluggish bond market, together with the non-recurrence of the various M&A deals seen in 2016.

BOA CAPITAL CONSEIL A YEAR OF BUSINESS DEVELOPMENT

BOA Capital implemented a number of new marketing initiatives focusing on mandates in search of funding for business investment projects and M&A deals.



MAROC FACTORING

In 2017, the Group's factoring subsidiary bolstered its credit and operational risk management systems, which resulted in an improvement in the quality of the loan portfolio.

Maroc Factoring's net income declined by 42% to MAD 8.8 million in 2017 following a change in the way in which factoring is managed between BMCE Bank and its subsidiary. Maroc Factoring's new role is to be a Centre of Expertise for the Factoring Business for BMCE Bank of Africa Group entities.

RM EXPERTS

RM Experts significantly improved its internal processes thanks to a combination of amicable reminder measures, enforced debt recovery procedures, the realism of its staff and by adopting a more disciplined and responsible management approach.

In 2017, RM Experts' performance was more than respectable with (i) MAD 402 million of capital recovered and (ii) overall write-backs of more than MAD 306 million, an increase on the previous year.

SALAFIN

Salafin consolidated its financial position and profitability by posting net income of MAD 140 million in 2017, an increase of 1.2% compared to the previous year, with return on equity of 21.7% at 31 December 2017.

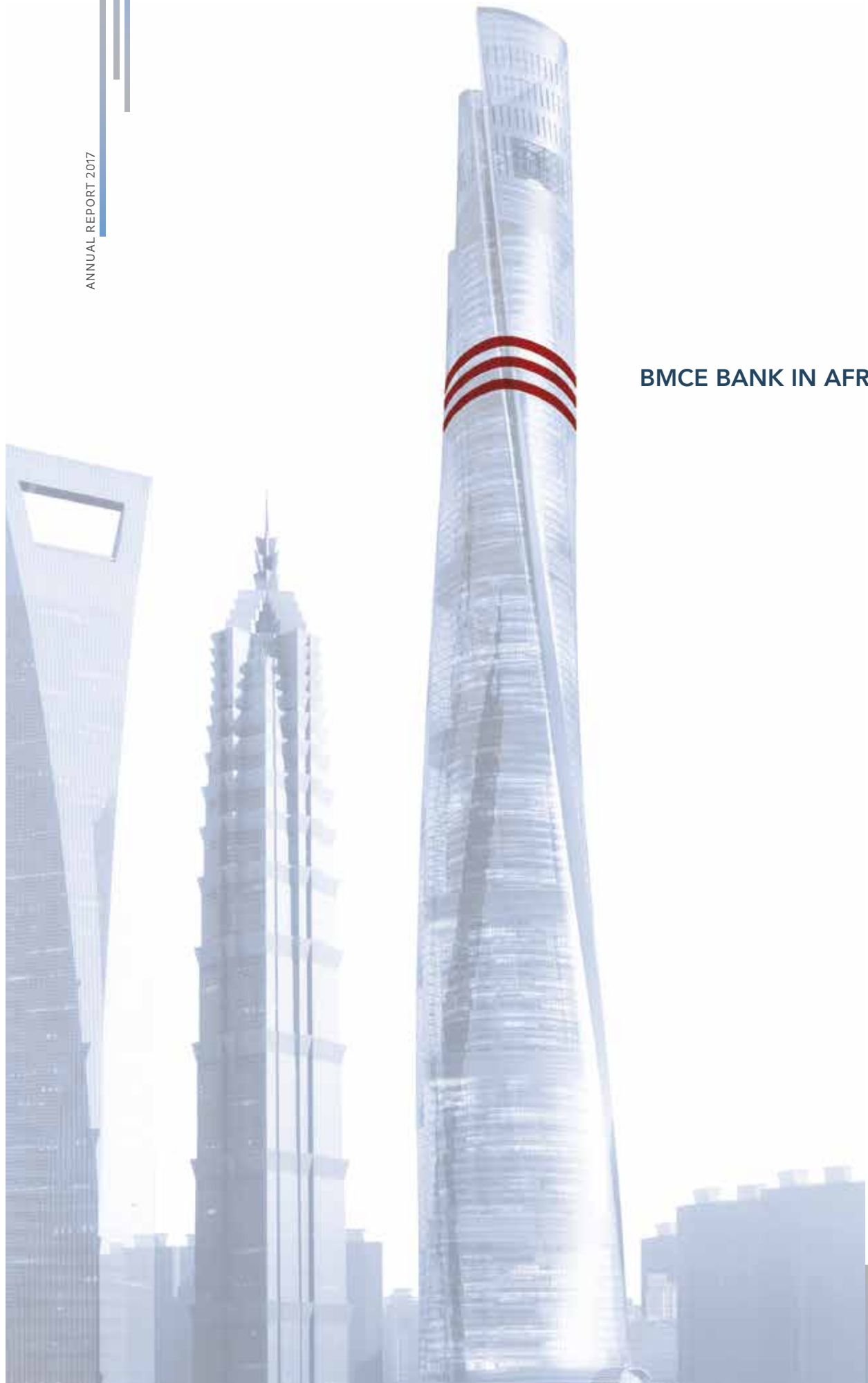
Salafin's net banking income rose by 2.9% to MAD 382 million in 2017.

MAGHREBAIL

Maghrebail's net income rose by 7% to MAD 93.3 million while leased assets grew by 9% to MAD 11.8 billion in 2017.

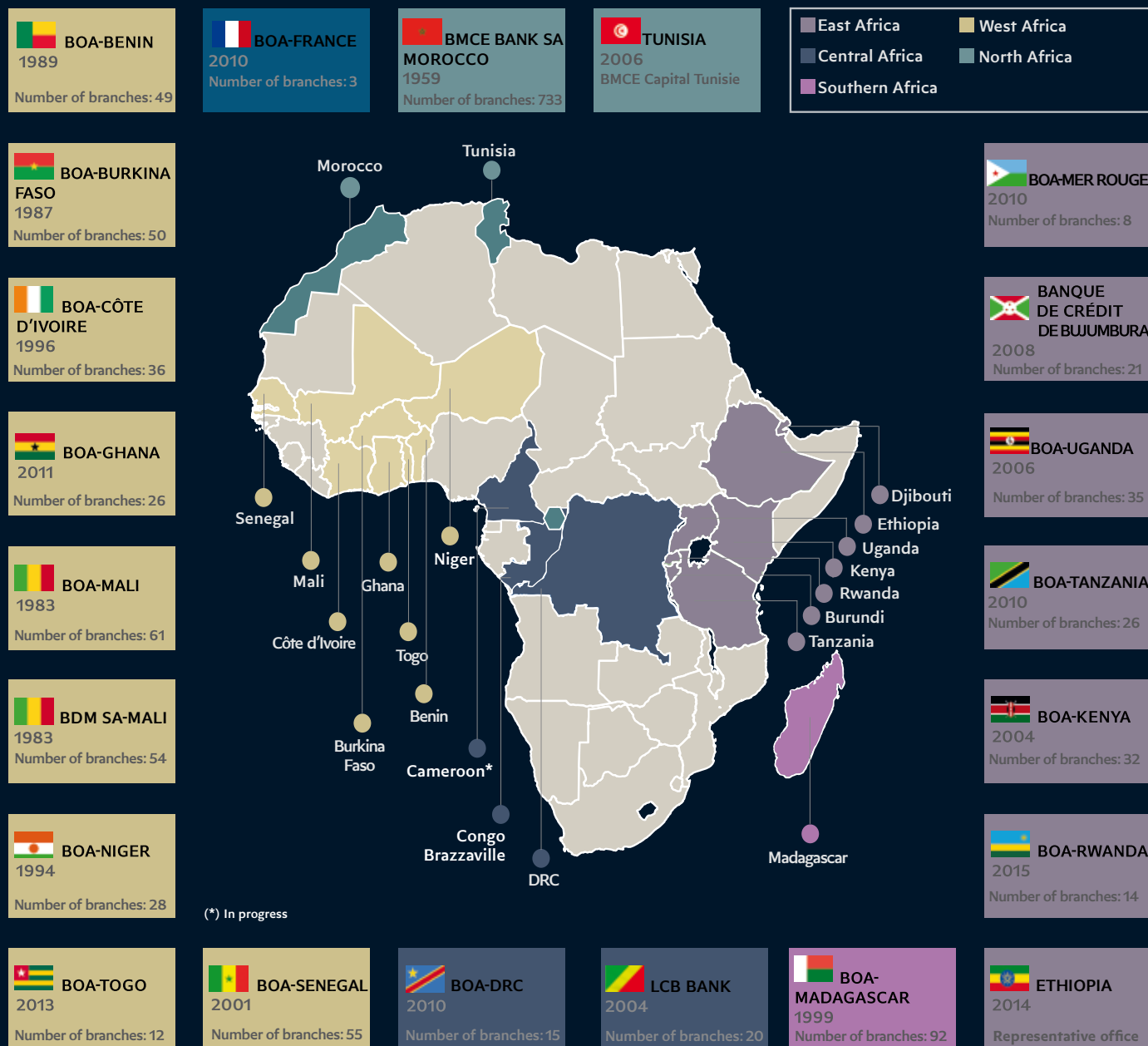
In addition, Maghrebail established a branch office in Tangier Free Zone so as to market tax-free foreign currency-denominated lease finance to businesses located within the Zone.





BMCE BANK IN AFRICA

2ND PAN-AFRICAN GROUP IN TERMS OF GEOGRAPHICAL COVERAGE



Operations in **21** countries
 Coverage of **4** economic regions within the African continent
 Nearly **640** branches in sub-Saharan Africa
 Nearly **4** million bank accounts

The history of Bank of Africa Group dates back to 1982 when the original Bank of Africa was established in Mali. Thirty-five years later, Bank of Africa Group is one of the largest pan-African groups with operations in 20 or so countries.

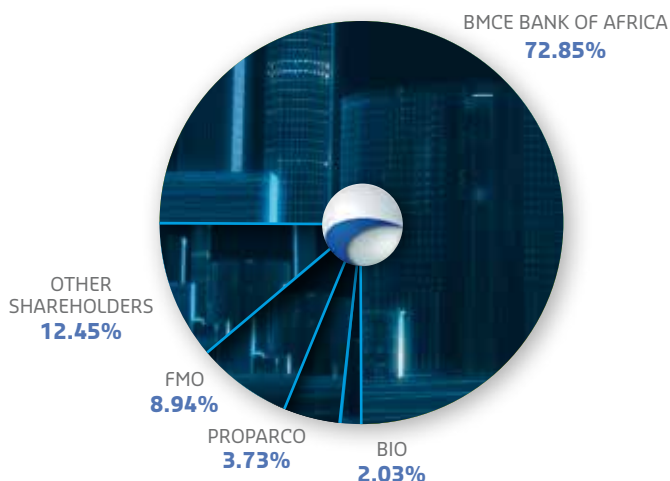
Since 2010, Bank of Africa Group has been majority-owned by BMCE BANK which provides it with enormous strategic and operational support. In 2017, Bank of Africa bolstered its core banking business by opening 30 new branches and registering a 13% increase in new account openings, taking the total number of accounts to 3.5 million. Outstanding loans grew by 3% and outstanding deposits by 3.4%.

Against such a backdrop, BOA Group's consolidated net banking income stood at EUR 473 million at 31 December 2017 versus EUR 469 million in 2016, up by a modest 0.9%, with net interest income 3.7% higher and fee income 16% ahead.

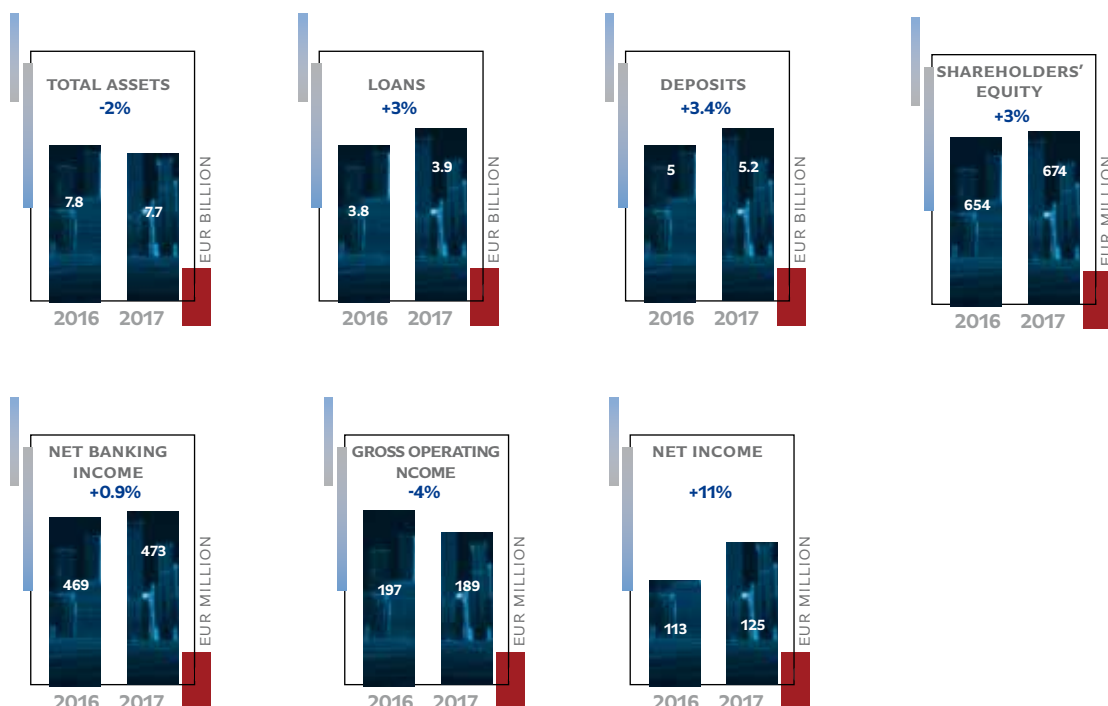
The rise in general operating expenses was contained at +1.1% at 31 December 2017.

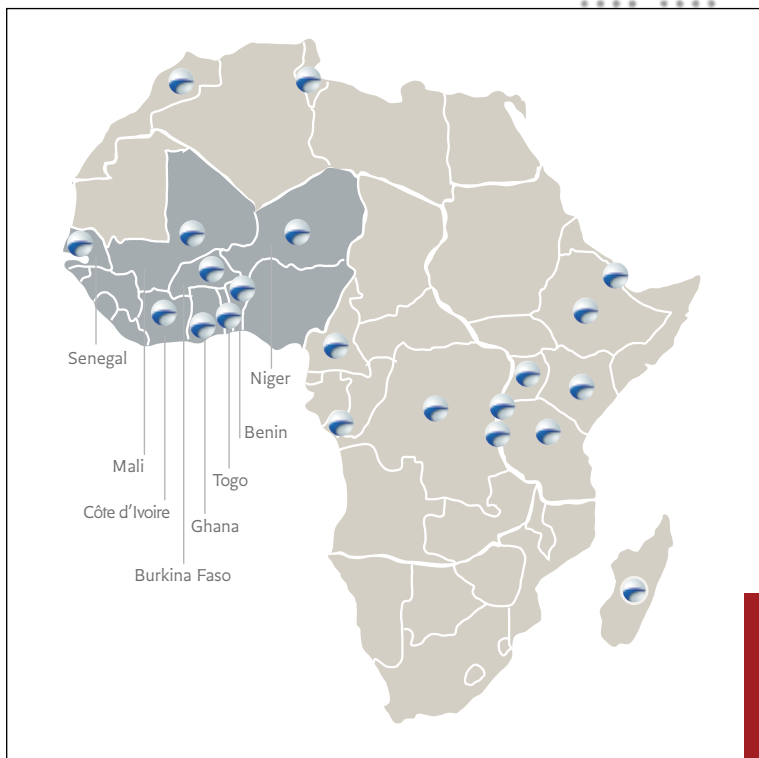
Consolidated net income attributable to shareholders of the parent company grew by 11% to EUR 125 million in 2017 versus EUR 113 million the previous year.

SHAREHOLDERS AT 31 DECEMBER 2017



BOA GROUP'S CONSOLIDATED FIGURES AT 31 DECEMBER 2017





WAEMU region overview

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, Côte d'Ivoire, 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 that is attractive to investors.

BOA has operations in 7 countries within the WAEMU region as well as in Ghana, which is not a WAEMU member.

West African Economic and Monetary Union (WAEMU) The continent's most dynamic region

In 2017, the WAEMU region maintained the robust growth trend of recent years with the economy growing by 6.4%. Every country within the region registered growth of more than 5%, the exception being Niger (+4.2%), due to a strong performance by the primary sector and another year of robust growth by the construction, transportation and communications industries.

Inflation remained under control at 1.2%, largely due to good rainfall. As far as public finances were concerned, the region's budget deficit stood at 4.6% of GDP in 2017.



CONTRASTING RESULTS

In 2017, customer loans rose by 19% to EUR 607 million while customer deposits were unchanged at EUR 823 million. As a result, total assets increased by 4% to EUR 1,486 million.

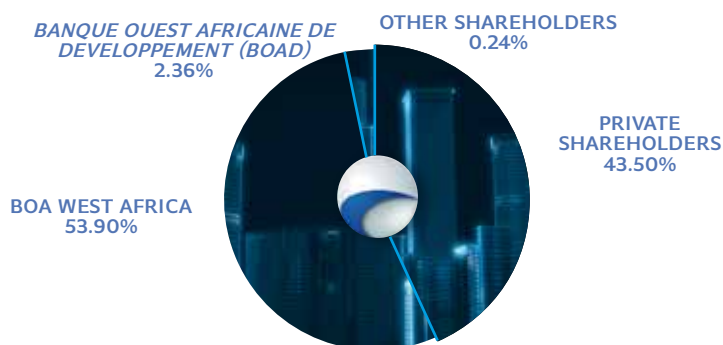
Bank of Africa-Benin's net banking income rose by 0.7% to EUR 60.4 million in 2017 versus EUR 60 million in 2016. Net income fell by 8% year-on-year.

HIGHLIGHTS

- New Chief Executive Officer appointed
- Bank of Africa-Benin named 'Best Bank in Benin' in 2017 for the 7th time by The Banker magazine
- BHB acquired by BOA-Benin
- Two new branches opened in Abomey and Cove, two towns to the north of Cotonou

KEY FIGURES 2017

Total assets	€ 1 486 Million
Customer loans	€ 607 Million
Customer deposits	€ 823 Million
Net banking income	€ 60 Million
Net income	€ 23 Million
Employees	549
Branch network	49
1 Euro = 655.957 F CFA	



BALANCE SHEET BOLSTERED

In 2017, Bank of Africa-Burkina Faso registered positive growth in its main operating and financial indicators.

Customer deposits grew by 21.7% to EUR 799 million.

Loans grew at a faster pace, reaching EUR 643 million in 2017.

The balance sheet was bolstered, with total assets growing by 6% to EUR 1,154 million. The Bank registered an improvement in its capital adequacy ratios with shareholders' equity up 7.9%.

A DECENT SET OF RESULTS

Net banking income increased by 10% to EUR 56 million in 2017, driven primarily by net interest income (+66%) and fee income (+31%).

Net income rose by 21.1% year-on-year as a result of positive growth in the Bank's main P&L indicators while the cost of risk remained broadly unchanged and there was a tax optimisation effect on income from available-for-sale securities.

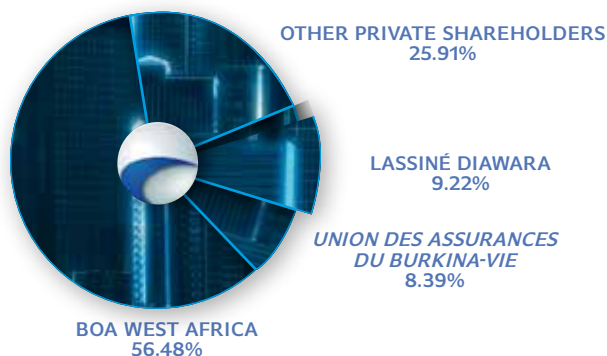
HIGHLIGHTS

- New Chief Executive Officer appointed
- Increase in share capital from CFA F 11 billion to CFA F 22 billion (EUR 33.5 million) due to a stock split
- ISO 9001:2015 renewed for cash transactions, domestic transactions, foreign transactions, credit financing, bank card operations and cash management

KEY FIGURES 2017

Total assets	€ 1 154 Million
Customer loans	€ 643 Million
Customer deposits	€ 799 Million
Net banking income	€ 56 Million
Net income	€ 23 Million
Employees	472
Branch network	50
1 Euro = 655.957 F CFA	

SHAREHOLDING AT 31 DECEMBER 2017



EARNINGS ENHANCED

In 2017, deposits and loans rose by 17.7% year-on-year and 16.1% year-on-year to EUR 614 million and EUR 521 million respectively.

Total assets grew by 3.1% to EUR 979.5 million. Shareholders' equity stood at EUR 64.6 million at 31 December 2017.

Net banking income increased by 4.9% year-on-year to EUR 46 million in 2017. General operating expenses rose by 13.3%, resulting in a modest deterioration in the cost-to-income ratio which advanced from 49.1% in 2016 to 53.1% in 2017.

Net income increased by 6.9% year-on-year to EUR 16.5 million.

Return on assets and Return on equity were 1.7% and 26.6% respectively.

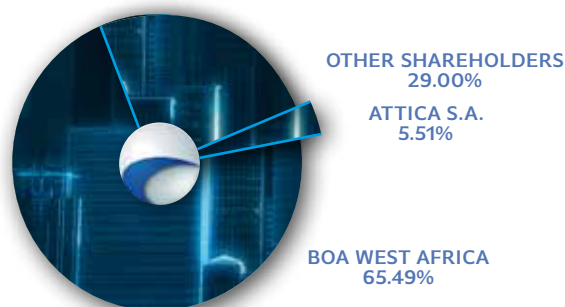
HIGHLIGHTS

- Increase in share capital from CFA F 10 billion to CFA F 20 billion (EUR 30.5 million)
- Three branch openings in three of Abidjan's districts, Riviera, Koumassi Mairie and Deux Plateaux
- Centrale and Elite branches reopened after renovation

KEY FIGURES 2017

Total assets	€ 979 Million
Customer loans	€ 520.8 Million
Customer deposits	€ 614.4 Million
Net banking income	€ 46.4 Million
Net income	€ 15.5 Million
Employees	403
Branch network	36
1 Euro = 655.957 F CFA	

SHAREHOLDING AT 31 DECEMBER 2017



2017 RESULTS

2017 saw further improvement in Bank of Africa-Togo's indicators, following on from last year's strong performance.

In what was a highly competitive environment, the Bank posted positive growth and expanded its market shares, delivering satisfactory results overall in second half.

- Customer deposits rose by 76% to EUR 87.2 million while loans increased by 3% year-on-year to EUR 86.6 million.
- Total assets reached EUR 190 million, propelling BOA-Togo to 8th place out of 13 banks within the industry. It is worth recalling that BOA-Togo only commenced operations in 2013.
- Net banking income rose by 53% to EUR 8.3 million in 2017, enabling it to cover its general operating expenses entirely. The Bank's cost-to-income ratio also improved, down from 107% the previous year to 85%.
- After being operational for three years, the Bank made a profit of EUR 0.33 million in 2017.

HIGHLIGHTS

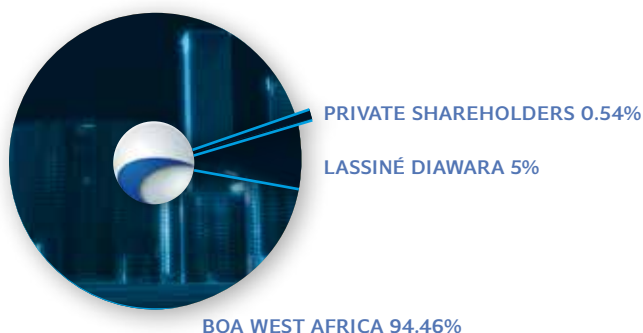
- Partner to a 'Project to support job creation and the employment of youngsters in high-growth sectors – Agricultural finance'
- Participated in an international symposium on business law reform at Lomé University
- Branch opening on 13th January Boulevard, one of the capital's main trunk roads and an inaugural branch opening in Kara, a city located more than 400 km to the north of Lomé

KEY FIGURES 2017

Total assets	€ 190 Million
Customer loans	€ 86,7 Million
Customer deposits	€ 87 Million
Net banking income	€ 8,3 Million
Net income	€ 0.33 million
Employees	132
Branch network	12

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2017



2017 RESULTS

Despite the challenging macroeconomic environment marked by a steep decline in commodity prices, Bank of Africa-Niger registered positive growth in its operating and financial indicators.

Total assets rose by 2.7% year-on-year to CFA F 294.5 billion.

Loans increased by 3.5% year-on-year to CFA F 170 billion. Growth was restrained in a context of restructuring the balance sheet. The SME portfolio grew by 23% year-on-year. Deposits increased 8.4% year-on-year to CFA F 157.5 billion.

Net banking income rose by 2.8% year-on-year to CFA F 19.6 billion, driven by an increase in the net interest margin (+4.8%) in line with loan growth.

The cost-to-income ratio remained under control at 49.5% despite higher operating expenses.

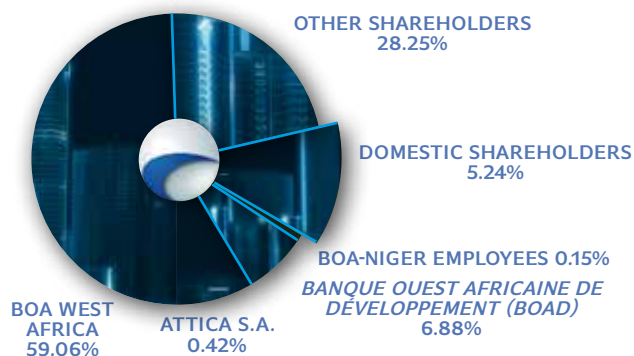
Boosted by a 28.2% decline in the cost of risk, net income rose by 10.4% to CFA F 7.3 billion, enabling BOA-Niger to post an ROE of 25.5%. The Bank's capital adequacy ratio, the main indicator of its financial solidity, remained at a respectable and reassuring 19.6%.

KEY FIGURES 2017

Total assets	€ 449 Million
Customer loans	€ 259 Million
Customer deposits	€ 240 Million
Net banking income	€ 29.9 Million
Net income	€ 11 Million
Employees	266
Branch network	28

1 Euro = 655.957 F CFA

SHAREHOLDING AT 31 DECEMBER 2017



HIGHLIGHTS

- New Chief Executive Officer appointed
- Increase in share capital from CFA F 10 billion to CFA F 13 billion (EUR 19.8 million)
- Credit agreement signed with Société Africaine des Travaux Publics to finance a project to develop the Bagaroua-Illela highway at a cost of CFA F 10 billion (EUR 15 million)



2017 RESULTS

After opening 13 branches in 2017, Bank of Africa-Senegal now has the second largest banking network in the country. In a fiercely competitive environment, the Bank saw customer loans rise by a modest 2.7% to CFA F 242 billion in 2017. To fund its lending, customers deposits stood at CFA F 273 billion at 31 December 2017 versus CFA F 319 billion the previous year.

As far as its key indicators were concerned, net banking income grew by 15.1% year-on-year to CFA F 25 billion in 2017.

After factoring in fixed costs, gross operating income rose by a modest 3.3% compared to 2016 to CFA F 11 billion in 2017. Despite higher general expenses as a result of opening 22 new branches in two years and an increase in staff numbers, the cost-to-income ratio stood at 56.2% at 31 December 2017.

In a context of cleaning up the loan portfolio, the cost of risk was 0.2% in 2017. Net income increased by 149.6% year-on-year to CFA F 10 million in 2017.

Total assets stood at CFA F 463 billion versus CFA F 521 billion the previous year due to the relative growth rates for loans and deposits.

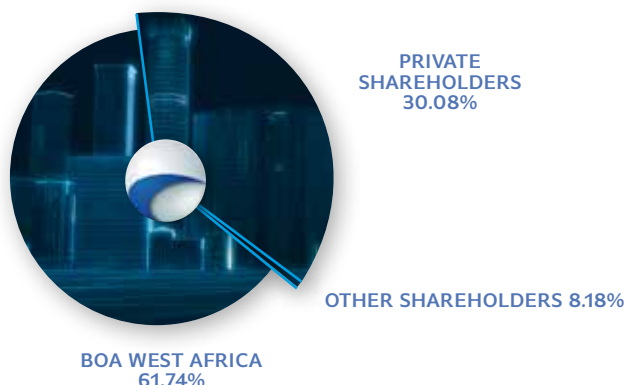
HIGHLIGHTS

- Agreement signed with SAHAM ASSURANCE relating to insurance cover for BOA products
- Participated in the 2nd Africa Health Business Symposium, an promotional event for the private health sector in Africa and SEN Habitat Dakar, the 2nd Senegal International Housing Conference in Dakar
- 15 branch openings including 8 in Dakar and 5 in the regions

KEY FIGURES 2017

Total assets	€ 705.9 Million
Customer loans	€ 368.6 Million
Customer deposits	€ 415.8 Million
Net banking income	€ 38.6 Million
Net income	€ 15.4 Million
Employees	420
Branch network	55
1 Euro = 655.957 F CFA	

SHAREHOLDING AT 31 DECEMBER 2017



ONGOING IMPROVEMENT IN COMMERCIAL ACTIVITY

Customer deposits increased significantly (+30.2%) to EUR 167 million in 2017. Customer loans stood at EUR 93.6 million at 31 December 2017, an increase of 10.7% compared to 31 December 2016.

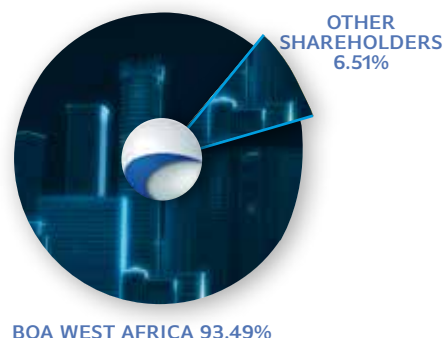
Total assets grew by 17.4% year-on-year to EUR 254 million at 31 December 2017.

Bank of Africa-Ghana's net banking income rose by 9% to EUR 23 million. Net interest income fell by 0.3% despite a 21% year-on-year decline in the cost of risk.

HIGHLIGHTS

- New branch opening at the head office in Accra
- Participated in the 15th Ghana Banking Awards
- Forum organised for SMEs and large enterprises on the theme of the impact of policy-making on business

SHAREHOLDING AT 31 DECEMBER 2017



KEY FIGURES 2017

Total assets	€ 254 Million
Customer loans	€ 93.6 Million
Customer deposits	€ 167 Million
Net banking income	€ 23 Million
Net income	€ 4.5 Million
Employees	356
Branch network	26
1 Euro = 5.29620 GHS	

BOA-MALI

A LESS THAN CONVINCING SET OF RESULTS

In 2017, customer deposits at BOA-Mali grew by 4% to EUR 499 million while customer loans contracted by 5% to EUR 374 million versus EUR 393 million a year earlier.

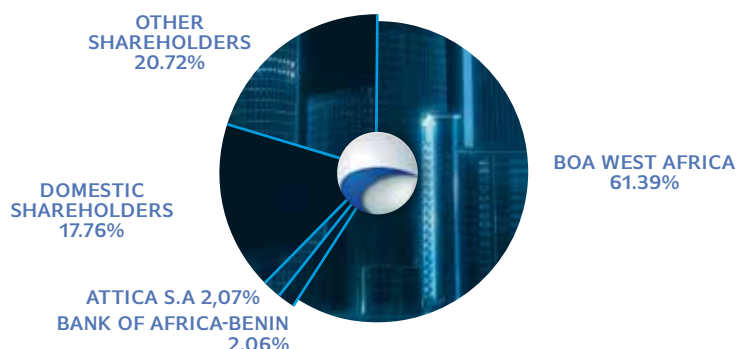
Total assets declined by 20% to EUR 697.3 million at 31 December 2017 versus EUR 784 million at 31 December 2016.

Bank of Africa-Mali's net banking income was broadly unchanged at EUR 45 million while net income fell by 20% compared to the previous year.

KEY FIGURES 2017

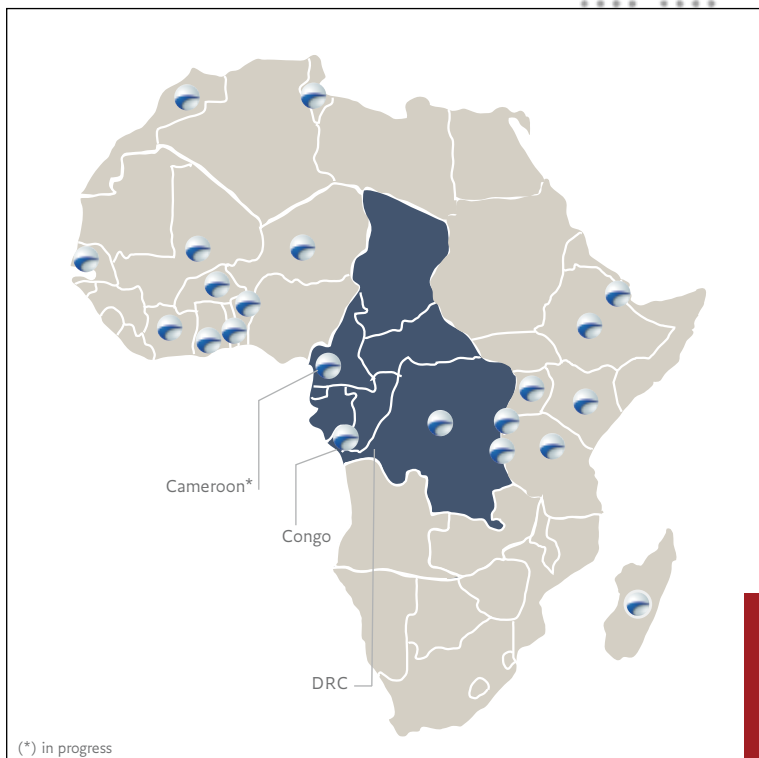
Total assets	€ 697.3 Million
Customer loans	€ 373.6 Million
Customer deposits	€ 499 Million
Net banking income	€ 45 Million
Net income	€ 11.5 Million
Employees	385
Branch network	63
1 Euro = 655.957 F CFA	

SHAREHOLDING AT 31 DECEMBER 2017



HIGHLIGHTS

- Increase in share capital from CFA F 10.3 billion to CFA F 15.4 billion (EUR 23.5 million)
- Partnership agreement signed with MoneyGram, a money transfer company
- Sotuba branch opening in Bamako



CEMAC Region overview

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

CEMAC, regional growth hampered by ongoing weaknesses

Thanks to the modest pick-up in commodity prices, the economy registered slight growth from -0.6% in 2016 to 0.3% in 2017. Regional growth was hampered by negative or weak economic growth by a number of countries including Congo (-3.6%), Gabon (1%), Equatorial Guinea (-7.4%) and Chad (0,6%), countries that are dependent on oil revenues.

By contrast, Cameroon and Central African Republic proved more resilient with growth of 4% and 4.7% respectively.



2017 RESULTS

As was the case last year, the Democratic Republic of Congo faced a number of challenges in 2017, despite the recovery of the global economy.

The depreciation of the Congolese franc, which had started in 2016, accelerated during 2017 with the currency weakening by 33% over the year.

As far as the banks sector was concerned, outstanding loans fell by 14% while asset quality deteriorated significantly. Deposits grew by 8%.

The following factors characterised Bank of Africa-DRC's business activity and results:

- Outstanding loans contracted in 2017 due to a slowdown in loan production. Despite this decline, BOA-DRC's share of the loan market increased from 5.9% to 6.0%.

- Total assets reached the equivalent of USD 206 million versus USD 183 million in 2016, an increase of 13%.

- Total revenues from customer transactions increased by almost USD 1 million, which was more than in 2016 (USD 0.7 million), despite weak loan production, due to a revised fee and pricing schedule in first half 2017.

HIGHLIGHTS

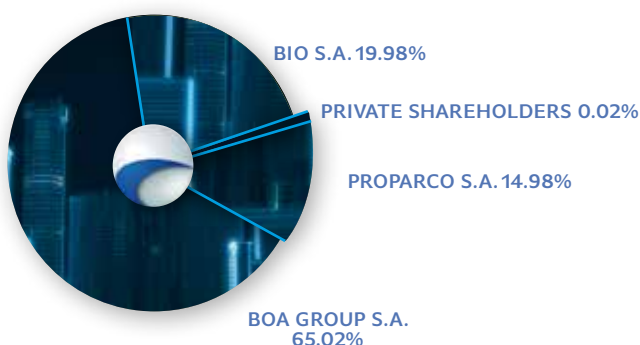
- 4 new branches opened in Kinshasa, Lubumbashi, Goma and Kisangani
- Two counters opened on the border with Angola to collect customs duties
- 1st business centre opened in Kinshasa's Gombe district

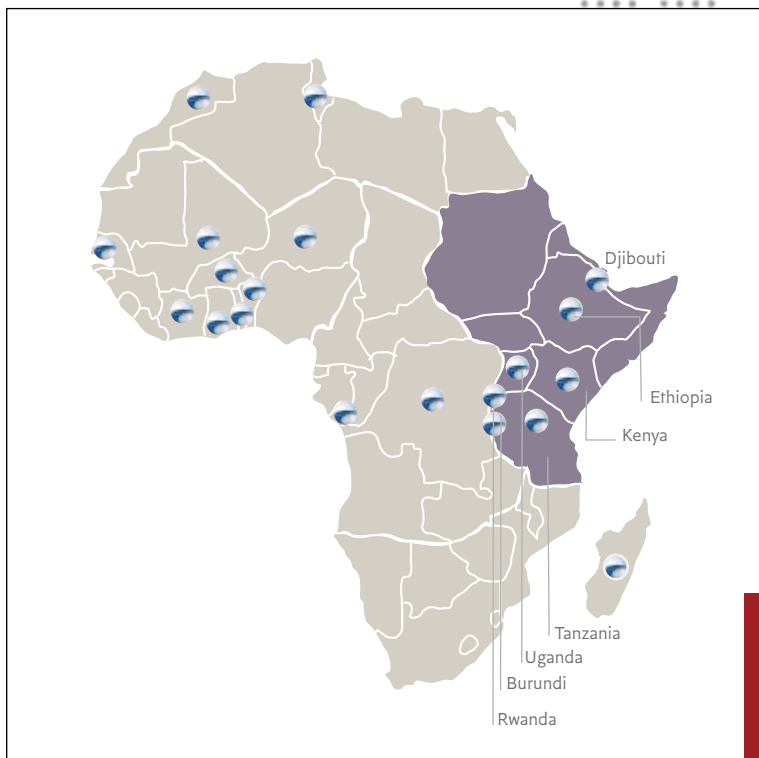


KEY FIGURES 2017

Total assets	€ 172.7 Million
Customer loans	€ 101.9 Million
Customer deposits	€ 98 Million
Net banking income	€ 15 Million
Net income	€ -3 Million
Employees	220
Branch network	15
1 Euro = 1 902.10230 CDF	

SHAREHOLDING AT 31 DECEMBER 2017





EAC region overview

The East African Community (EAC) is a regional inter-governmental organisation founded in 1967, dissolved in 1977 and then re-established on 7th July 2000. It brings together the republics of Burundi, Kenya, Rwanda, Tanzania and Uganda and South Sudan. 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 5 out of the 8 countries within the region.

East Africa, highly resilient thanks to the services sector and public investment

Despite adverse weather conditions and political tensions, East Africa's economy continued on its virtuous growth cycle, registering growth of 5.4% in 2017.

Kenya's economy grew by 5%, driven by private consumption, public investment and major infrastructure projects. The same was true for Rwanda, which registered growth of 6.2% thanks to private and public investment in major infrastructure projects such as the port of Bugesera.



2017 RESULTS

Bank of Africa-Kenya posted net income of KES 67.6 million in 2017 versus a net loss of KES 10.4 million in 2016.

The main drivers of this strong performance were:

- Net income increased by 544% from KES 10.4 million in 2016 to KES 67.6 million in 2017. This was largely due to an increase in investment revenues (KES 510 in 2017 versus KES 257 in 2016) and an increase in income from investments in associates (KES 229 in 2017 versus KES 136 in 2016).

- In addition, fee income rose from KES 681 million in 2016 to KES 704 million in 2017 due to an increase in credit line fees.

- Operating expenses decreased by 9% in 2017, largely due to an improvement in the Bank's profitability.

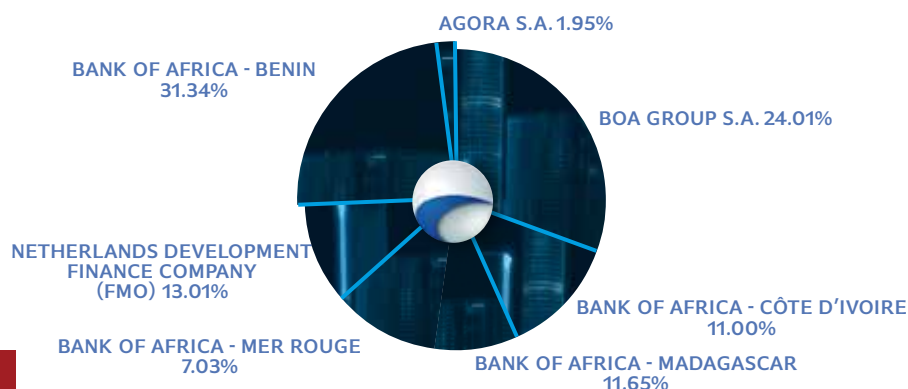
HIGHLIGHTS

- Bank's new head office inaugurated in the west of Nairobi
- Golf tournament organised in four of the country's golf clubs to raise awareness about the BOA brand and foster closer ties with customers
- 4th Angaza Kifafa Bank of Africa caravan organised, a campaign designed to demonstrate that epilepsy is a neurological disorder which can be treated

KEY FIGURES 2017

Total assets	€ 438 Million
Customer loans	€ 223 Million
Customer deposits	€ 255 Million
Net banking income	€ 20 Million
Net income	€ 0.5 Million
Employees	415
Branch network	32
1 Euro = 124.01 KES	

SHAREHOLDING AT 31 DECEMBER 2017



2017 RESULTS

The Bank saw its total assets grow by 9.8% thanks to a 9.2% increase in loans and advances, the latter accounting for 42.4% of its total assets. This growth was funded thanks to customer deposits, which rose by 13.4%.

Net banking income increased by 5.2% in a context of declining yields and weak growth of the loan portfolio.

In addition, fee income rose by 15.7% due to higher investment revenues, resulting in a threefold increase in net banking income. Operating expenses remained under control, registering only an insignificant increase after the Bank adopted cost-cutting measures during the year.

As a result, net income leapt by 37%. The Bank will continue to focus on SMEs and retail customers to drive loan growth and digital transformation, which is likely to result in improved services and solutions for customers.

KEY FIGURES 2017

Total assets	€ 173.2 Million
Customer loans	€ 73.3 Million
Customer deposits	€ 124.6 Million
Net banking income	€ 19.5 Million
Net income	€ 3.8 Million
Employees	421
Branch network	35
1 Euro = 4 365.816 XUGX	

SHAREHOLDING AT 31 DECEMBER 2017



BOA-TANZANIA

2017 RESULTS

Bank of Africa-Tanzania delivered a mixed set of results. Pre-tax income was TZS 4.9 billion in 2017 versus TZS 5.6 billion in 2016.

Customer deposits stood at TZS 394 billion in 2017 versus TZS 394 billion in 2016, a decline of 6.2% year-on-year.

The Bank's portfolio of net loans contracted by 7.4% to TZS 301 billion versus TZS 325 billion in 2016, resulting in a 9% fall in total assets from TZS 629 billion in 2016 to TZS 558 billion in 2017.

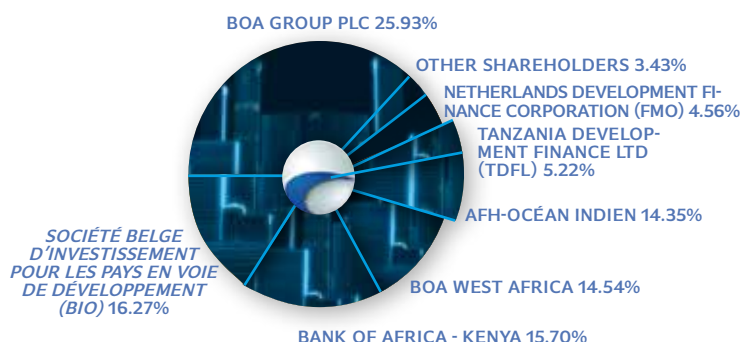
HIGHLIGHTS

- Two new branch openings, in Morogoro, a city 200 km to the west of Dar es Salaam and in Mwanza, a port city 1,000 km from the country's economic capital
- Participated in African Business Connect organised by Maroc Export in partnership with BMCE Bank
- Participated in the 41st Dar Es Salaam International Trade Fair

KEY FIGURES 2017

Total assets	€ 208.1 Million
Customer loans	€ 112.2 Million
Customer deposits	€ 137.8 Million
Net banking income	€ 19 Million
Net income	€ 1.1 Million
Employees	342
Branch network	26
1 Euro = 2 679.765 TZS	

SHAREHOLDING AT 31 DECEMBER 2017



BALANCE SHEET BOLSTERED

As far as BOA-Mer Rouge's commercial performance was concerned, deposits and loans grew by 19.9% and 2.6% to EUR 454 million and EUR 111.6 million respectively. The network now comprises 7 branches and 1 business centre and the Bank employs more than 150 staff.

Total assets grew by 17.7% and shareholders' equity by 5.5%.

HIGHLIGHTS

- Sponsored the distribution of food parcels for destitute persons during Ramadan, an initiative launched by the Secretary of State for Social Affairs (SEAS)
- Participated in the 3rd Morocco-Ethiopia Economic Forum and the 10th Ethiopia International Trade Fair
- Participated in the 6th African Islamic Finance summit
- Participated in the Djibouti International Trade Fair

KEY FIGURES 2017

Total assets	€ 518 Million
Customer loans	€ 111.5 Million
Customer deposits	€ 454 Million
Net banking income	€ 20 Million
Net income	€ 7 Million
Employees	155
Branch network	8

1 Euro = 213.53178 DJF

SHAREHOLDING AT 31 DECEMBER 2017



BOA GROUP PLC 80%

PROPARCO 20%

BOA-RWANDA

2017 RESULTS

With Bank of Africa-Rwanda commencing commercial banking operations as recently as 2016, the Bank is still in a growth phase.

The investment programme begun in 2016 continued in 2017 with the acquisition of premises and miscellaneous equipment.

In 2017, business activity expanded, and two new branches opened.

Total assets rose by 58% and customer loans by 55%. Similarly, fixed assets increased by 48% and customer deposits by 117%.

HIGHLIGHTS

- Participated in African Business Connect, an initiative aimed at promoting trade between Morocco and Africa, organised by Maroc Export in partnership with BMCE Bank
- Two new branch openings in Kayanza, a province in the east of the country and in Gisozi, in Kigali
- 4 branches relocated in Kigali (Kimironko, Huye, Rusizi and Musanze) to improve customer service

KEY FIGURES 2017

Total assets	€ 26 Million
Customer loans	€ 13 Million
Customer deposits	€ 18 Million
Net banking income	€ 2 Million
Net income	€ -2 Million
Employees	159
Branch network	14

1 Euro = 1 005.54643 Francs Rwandais

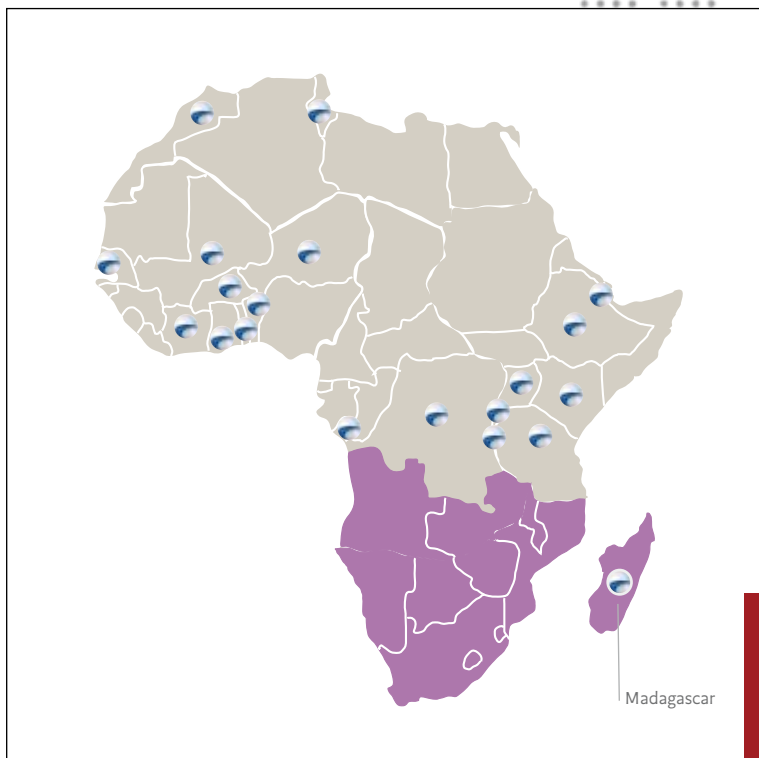
SHAREHOLDING AT 31 DECEMBER 2017



BOA GROUP PLC 90%

PRIVATE
SHAREHOLDERS
10%

20
17



SADC region overview

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-Madagascar (Indian Ocean), the Group's largest subsidiary in terms of the number of branches.

Southern Africa (SADC) on the road to recovery

Economic growth in southern Africa leapt from 0.9% in 2016 to 1.6% in 2017. This was due to a recovery in the region's three main commodity-exporting countries, South Africa (+0.9%), Angola (+2.1%) and Zambia (+4.1%).

An anticipated expansion of the agricultural sector, mining and the services sector is likely to have a positive impact on the overall economy which is expected to grow by around 2% in 2018.



2017 RESULTS

Bank of Africa-Madagascar delivered another strong performance in 2017 with deposits and loans again registering strong growth. The Bank's financial situation was also significantly bolstered as a result of the improvement in profitability.

Customer loans rose by 13.5% year-on-year, breaching the MGA 1,000 billion mark to reach MGA 1,132 billion at 31 December 2017 while short-term loans rose at a more rapid pace (+30.3%)

Customer deposits leapt by 11.3% to MGA 1,879 billion at 31 December 2017 with sight deposits contributing strongly (+20.6%) and savings accounts registering further growth (+9.6%).

Total assets grew by 12.2% year-on-year to MGA 2,335 billion at 31 December 2017.

In line with the Bank's strong commercial performance, net banking income rose by 17.3% year-on-year to MGA 203.1 billion in 2017. Due to increased operational efficiency, the cost-to-income ratio improved significantly, down by more than 5 points in just a year from 59.3% in 2016 to 53.9% in 2017.

Net income increased by 32.1% to MGA 70.2 billion in 2017.

HIGHLIGHTS

■ ISO 9001:2015 certification obtained for loan transactions, international operations and purchase and sale transactions on the interbank foreign exchange market

■ 2nd African Business Connect, jointly organised with BMCE Bank of Africa and Maroc Export, an initiative aimed at connecting Moroccan and African companies

■ Agreement signed with the Ministry of Civil Service, Administrative Reform, Labour and Social Legislation to provide banking services to civil servants and IT services to the civil service

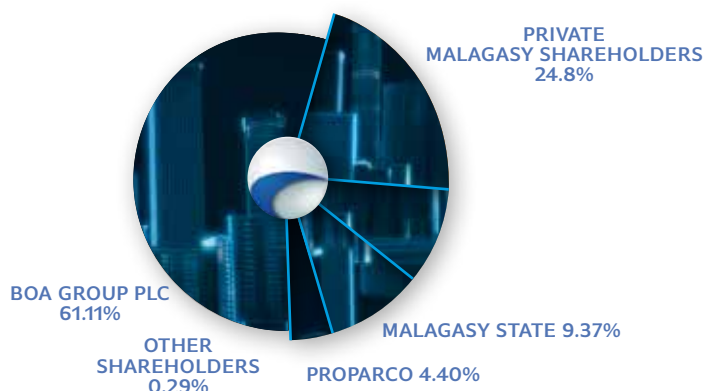
■ Through the BOA Foundation and in partnership with the World Health Organisation (WHO), the Bank provided MGA 250 million of sponsorship to a programme to prevent and combat Madagascar's plague epidemic

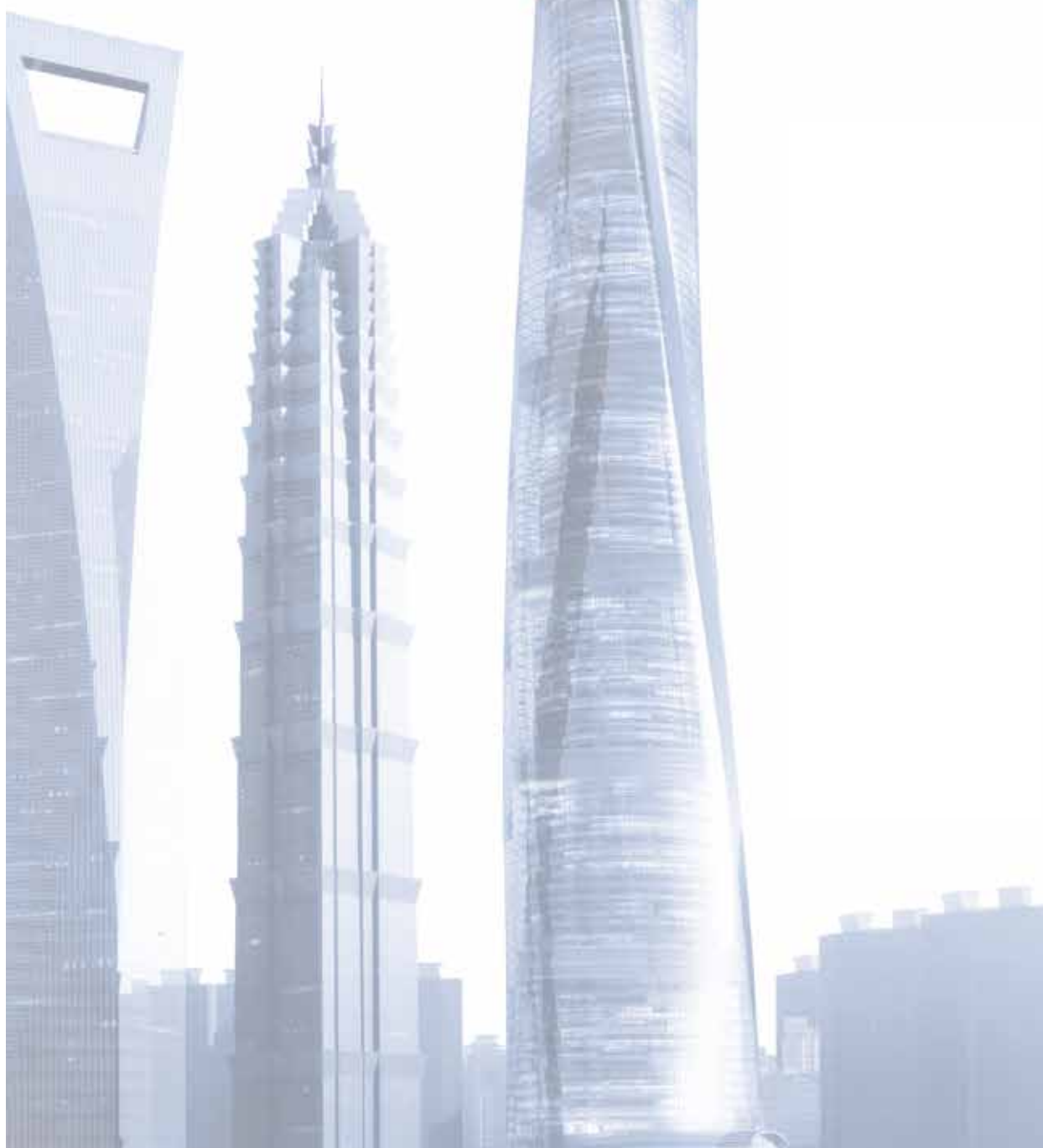


KEY FIGURES 2017

Total assets	€ 604 Million
Customer loans	€ 293 Million
Customer deposits	€ 486 Million
Net banking income	€ 52.6 Million
Net income	€ 18 Million
Employees	881
Branch network	92
1 Euro = 3 862,920 MGA	

SHAREHOLDING AT 31 DECEMBER 2017





OTHER AFRICAN SUBSIDIARIES

BANQUE DE DÉVELOPPEMENT DU MALI

Banque de Développement du Mali, Mali's leading bank with more than 50 branches and more than 70 points of sale around the country, aims to become a major regional player within the WAEMU zone. It is pursuing a strategy of regional expansion through its three subsidiaries, BDU-Bissau, BDU-Ivory Coast and BDU-Burkina Faso, gradually extending its coverage in those countries in which Mali's economic interests are best served, either at the corporate level or in retail banking. At the same time, the Bank remains open to any appropriate opportunity.

In 2017, BDM retained its status as market leader with some strong performances:

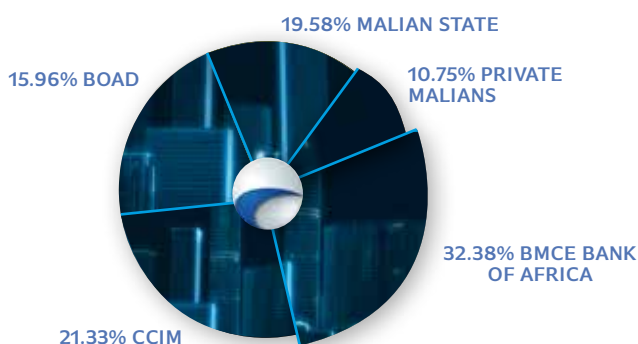
- Customer loans and deposits grew by 7% and 5% to CFA F 355 billion and CFA F 462 billion respectively in 2017 versus CFA F 332 billion and CFA F 441 billion respectively in 2016

- Total assets were broadly unchanged at around CFA F 710 billion between 2016 and 2017

KEY FIGURES 2017

Total assets	FCFA 709 Milliard
Customer loans	FCFA 355 Milliard
Customer deposits	FCFA 462 Milliard
Net banking income	FCFA 35 Milliard
Net income	FCFA 11 Milliard
Employees	467
Branch network	51
1 Euro = 655.957 F CFA	

SHAREHOLDING AT 31 DECEMBER 2017



LCB BANK

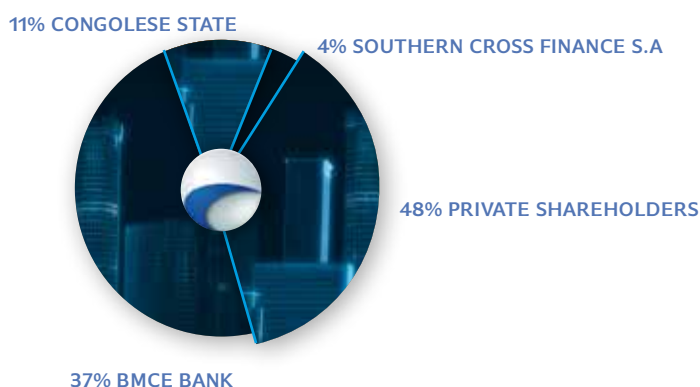
LCB Bank, one of Congo Brazzaville's leading banks, has the largest branch network in the country. In 2017, its share of the deposit market rose sharply (+52 basis points) from 12.64% at 31 December 2016 to 13.06% at 30 November 2017 while its share of the loan market was unchanged over the same period at 14.56%.

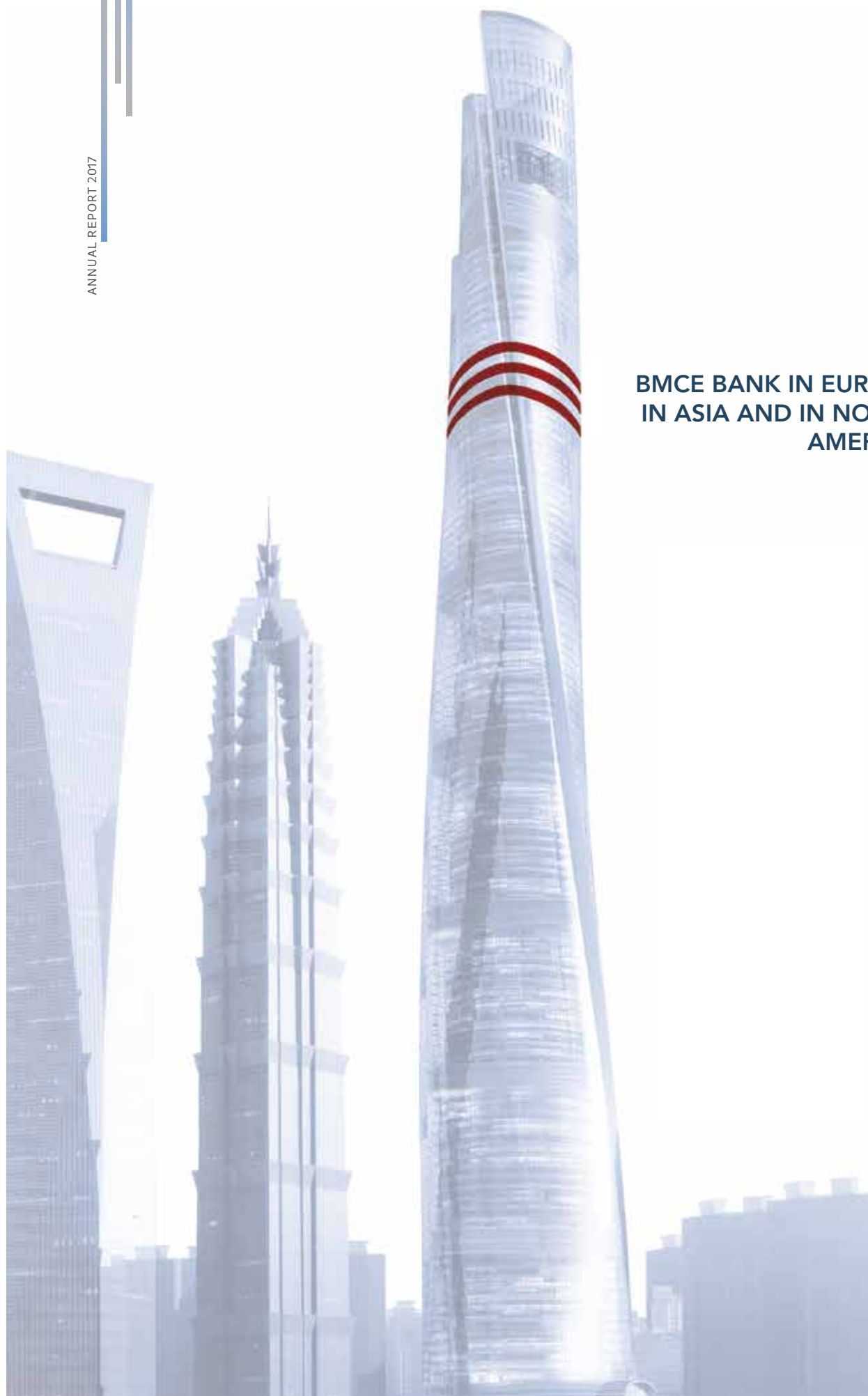
In 2017, the Group's Congolese subsidiary launched a digital banking project in conjunction with GNS Technologies, inspired by a model that had been successfully implemented in Morocco with DAMANE Cash. The marketing phase for the first digital banking products and services will soon be underway under the LCB Cash brand.

KEY FIGURES 2017

Total assets	FCFA 230 Milliards
Customer loans	FCFA 175 Milliard
Customer deposits	FCFA 185 Milliard
Net banking income	19 Milliard
Net income	2 Milliard
Employees	288
Branch network	19
1 Euro = 194.444 DJF	

SHAREHOLDING AT 31 DECEMBER 2017





**BMCE BANK IN EUROPE
IN ASIA AND IN NORTH
AMERICA**



BMCE BANK INTERNATIONAL LONDON AND PARIS

In 2017, BMCE Bank International Plc London or 'BBI Plc London' continued to adopt a strategy of developing its various business lines, implementing an ambitious IT transformation programme and prudently managing the its main banking and capital adequacy ratios.

In terms of business development, BBI Plc London pursued a business diversification strategy by business sector, geographical region and funding sources. The customer portfolio was bolstered with the subsidiary signing a number of partnership agreements in trade finance and project finance. New countries were targeted such as Ethiopia, Kenya, Tanzania, Egypt and Turkey. There was also a significant increase in funding from non-Group partners.

BBI Plc London continued to improve its regulatory framework vis-à-vis the UK's Prudential Regulation Authority (PRA) by entirely revamping its regulatory reporting processes including the Internal Liquidity Adequacy Assessment Process and the Internal Capital Adequacy Assessment Process. It also adopted the new IFRS 9 accounting standard, implemented the Net Stable Funding Ratio, a new regulatory requirement and established a Data Quality team.



BMCE BANK INTERNATIONAL MADRID

Against a backdrop of stronger economic growth in Spain, BMCE Bank posted a positive set of results in 2017. Net income grew by 30.7% year-on-year to EUR 5.4 million in 2017, mainly due to the significant improvement in the cost of risk (-40%). Return on Equity was 7.9% versus 6.4% in 2016.

These results were achieved due to BBI Madrid's corporate strategy, which is focused on four pillars: (i) bolstering correspondent banking relations with major international brokers and large European corporate accounts, (ii) extending its competitive advantage in trade finance with banking correspondents in Africa and the Middle East (iii) geographically diversifying its loan portfolio with an increased emphasis on Latin American countries and (iv) expanding its range of commercial transactions to include other currencies such as the Chinese yuan, pound sterling and the Emirati dirham.

BEIJING REPRESENTATIVE OFFICE

In 2017, the main achievements of BMCE Bank's Representative Office in were to foster closer economic and commercial ties through information exchange between businesses from both continents, Asia and Africa and to develop Chinese investment in Morocco and the rest of Africa.

BMCE Beijing has also assumed the role of intermediary with China's regulatory authority regarding the setting up BMCE Bank's branch office in Shanghai, underlining its close working relationship with the China Banking Regulatory Commission (CBRC).

In terms of business development and, entirely in keeping with the Group's international strategy, the Beijing Representative Office admirably fulfilled its task of generating business for other Group entities by organising meetings and visits by delegations in both China and Morocco.

BMCE Bank's Representative Office in Beijing also participated in a number of seminars and events for Chinese, Moroccan and international businesses.

CANADA REPRESENTATIVE OFFICE

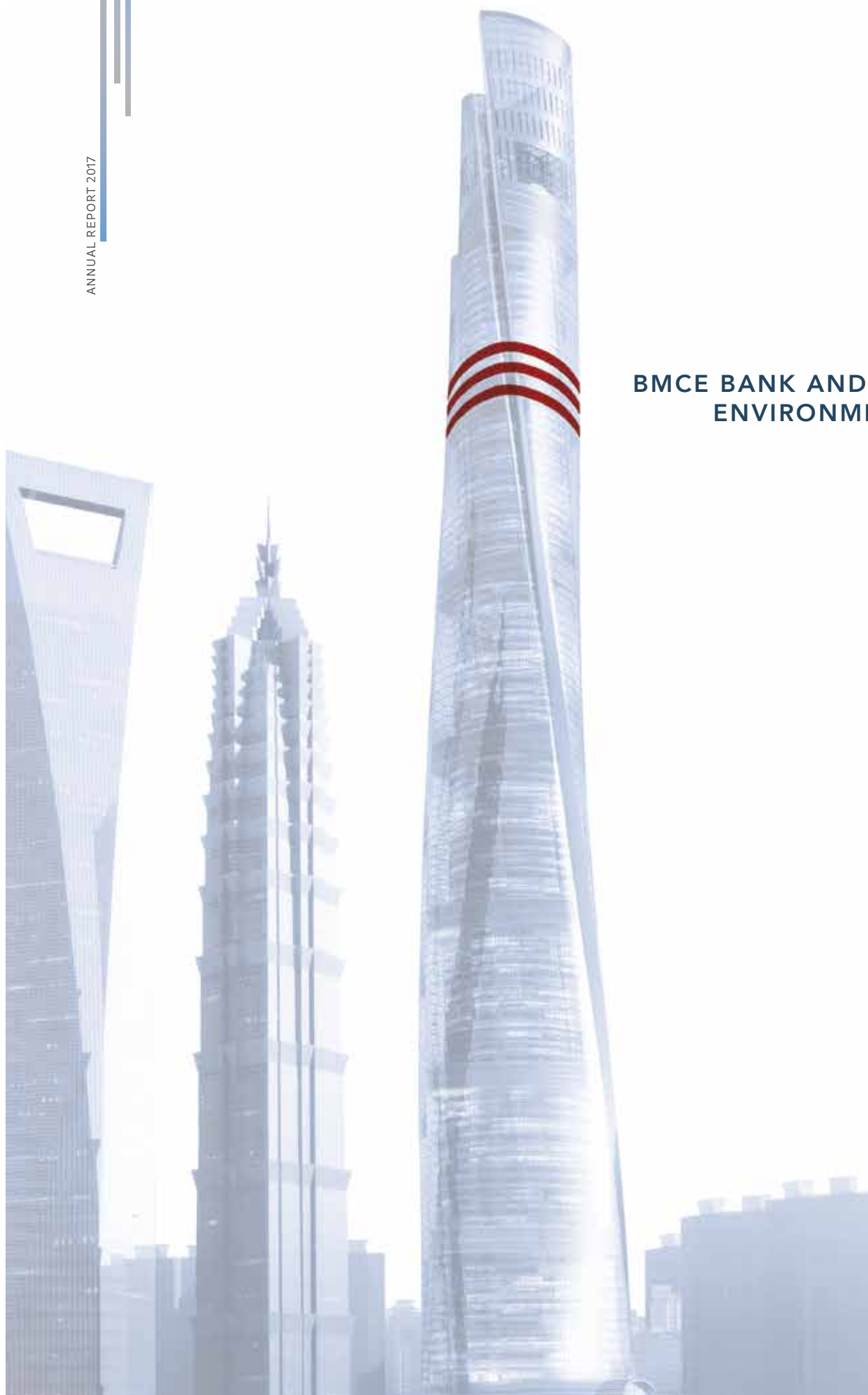
BMCE Bank's Representative Office in Canada supports Moroccans living in Canada, students and investors by providing transaction banking services on preferential, rapid and secure terms.

In 2017, BMCE Bank's Representative Office in Canada received the Atlas Media Award 2017 from Atlas Media Group for Best Moroccan Bank in Canada, in recognition of its socially-responsible initiatives and past and current achievements.

In 2017, the Office carried out various marketing initiatives including: (i) participating in the mobile consular tour organised by the Consulate General of the Kingdom of Morocco in the cities of Toronto, Quebec and Edmonton, and (ii) on behalf of BMCE Bank, signing the Guest Book of Montreal City in the presence of Montreal City Council's Chairman and several other Canadian and Moroccan dignitaries.

The Canada Representative Office also sponsored (i) cultural week and an evening to celebrate the 15th anniversary of the Association of Moroccans in Toronto, (ii) the Throne Day ceremony, and (iii) the first Laval Moroccan festival.





BMCE BANK AND ITS ENVIRONMENT

2017, virtuous cycle continues



The recovery in the global economy, which had begun in the middle of 2016, accelerated through 2017. Global growth was estimated to be 3.7% in 2017, up 0.5 percentage points compared to the previous year.

EURO AREA UNCHARACTERISTICALLY ROBUST

In 2017, the Euro Area broke with its low-growth trend, expanding at a rate of 2.4%. Household spending, a beneficiary of strong job creation (+2.8 million) in 2017 i.e. +36% year-on-year. Monetary policy also remained accommodative despite the European Central Bank reducing its asset purchases by half. Inflation remains low and below its 2% target despite a number of factors that are liable to push up the inflation rate: low key interest rate, quantitative easing and a fall in unemployment.

UNITED STATES SOLID PERFORMANCE LIKELY TO CONTINUE IN THE SHORT TERM

The energy, construction and industrial manufacturing sectors were primarily responsible for the US growth rate accelerating to 2.3% in 2017.

In the short term, the Tax Cut and Jobs Act is expected to generate additional aggregate growth of 1.2% over the next three years. The effect of US monetary policy normalisation¹, however, together with an expected decrease in the federal budget of more than USD 1,400 billion over 10 years, are likely to impact the US economy in 2020.

EMERGING COUNTRIES A CYCLICAL RECOVERY

Growth in emerging and developing countries increased to 4.7% in 2017, driven by a rebound in Chinese demand as well as an increase in foreign demand and commodity prices.

In addition, a strong rebound of 5.9% in 2017 in goods and services exports from emerging countries incited export-oriented companies to expand production capacity through increased investment. This strategy is predicated on increased future demand given the positive outlook for the global economy in 2018.

SUB-SAHARAN AFRICA TWO-SPEED GROWTH

In 2017, economic activity in the sub-Saharan region enjoyed a growth spurt with growth rebounding to 2.7% after slowing to 1.4% in 2016. This was primarily due to higher oil prices, which saw in a number of oil-producing countries come out of recession¹.

The vast majority of countries within the region were not exposed, however, to such external factors. Excluding Nigeria and South Africa, economic growth in sub-Saharan Africa was 4.4%, underlining the region's relative resilience and ability to diversify in the face of exogenous shocks.



Moroccan economy's fundamentals increasingly solid

The Moroccan economy benefited in 2017 from an exceptional crop year with the cereal harvest reaching 96 million quintals as well as a positive global context, which resulted in increased demand for Moroccan goods. GDP grew by 4% in 2017 after registering more modest growth of 1.1% in 2016.

BUDGET DEFICIT CONTINUES TO TREND DOWN

In 2017, the improvement in the budget deficit, which reached 3.5% of GDP versus 4% in 2016, was primarily due to the ongoing rise in tax receipts – direct taxes up 8.1%, indirect taxes up 6.7% and non-tax receipts 1.5% ahead – with current expenditure held in check.

SLOWDOWN IN INFLATION

At 31 December 2017, the inflation rate was 0.7% compared to 1.6% at 31 December 2016. This was largely due to stable food prices, despite higher oil prices.

TRADE DEFICIT WIDENS DUE TO ENERGY COSTS

The trade deficit widened modestly to 2.6% at 31 December 2017 with imports rising by 9%. Energy costs rose by almost 27% due to higher international oil prices. Exports grew by 15%.

MODEST RISE IN UNEMPLOYMENT

The unemployment rate increased from 9.9% at 31 December 2016 to 10.2% at 31 December 2017. The categories that were most impacted were women, young people aged 15-24 years and graduates. Unemployment rose more in urban areas – from 14.2% to 14.7% – than in rural areas.

MOROCCO'S GLOBALLY-COMPETITIVE INDUSTRIES INCREASINGLY IMPORTANT

AUTOMOTIVE INDUSTRY, MOROCCO'S LEADING EXPORT SECTOR

The automotive industry generated export revenues of MAD 58.6 billion versus MAD 54.6 billion in 2016. Exports were mainly driven by construction (+5.5%) and cabling (+7.8%). 375 000 vehicles were produced in 2017, an increase of almost 10% compared to 2016. The local sourcing ratio stood at 50% and is targeted to reach 80% by 2020.

AERONAUTICAL INDUSTRY NOW A KEY SECTOR OF THE ECONOMY

With MAD 11.1 billion of export revenues and a local sourcing ratio of 29% at 31 December 2017, the aeronautical industry is on track to reach goals set under the Industrial Acceleration Plan (export revenues of MAD 16 billion and 35% local sourcing ratio). As a result, the latter has been revised up to 42%.

TEXTILE & CLOTHING INDUSTRY IN THE SAME RICH VEIN OF FORM AS 2016

The textile & clothing industry registered export revenue growth of 6% in 2017, benefiting from the benign international environment and China's gradual retreat in the face of the rise of fast-fashion. In 2017, more than 70 investment agreements were signed with the State worth MAD 4.13 billion.



TELECOMMUNICATIONS SECTOR DRIVEN BY DIGITAL AND INTERNET SEGMENTS

Mobile and internet subscriptions rose sharply in 2017. The total number of fixed line and mobile subscribers reached 22.2 million, an increase of 30.1% compared to 2016, resulting in a penetration rate of 63.67%. Mobile subscribers increased by 5.8%, resulting in a penetration rate of 126%, with 4G mobile internet registering remarkable growth of 143%.

With voice traffic and revenues on the decline, largely as a result of the development of VOIP, average revenue per minute (ARPU) was broadly unchanged at MAD 0.23, exclusive of taxes. This highlights the need for telecoms operators to continue to invest in digital technologies as well as improving 4G services such as download speeds.

TOURISM INDUSTRY PLAYING CATCH-UP

The tourism sector performed well in 2017 with the number of tourists rising by 10% year-on-year to 11.35 million, driven by European tourist arrivals as well as American (+29%) and Chinese (+151%). Foreign currency-denominated tourism receipts rose by 8.5% to MAD 69.7 billion.

BANKING SECTOR: MAJOR REGULATORY DEVELOPMENTS

In 2017, bank loans registered further growth (+3.53% year-on-year), reaching MAD 844 billion. Deposits increased by 5.76% to MAD 901 billion. The non-performing loan ratio increased modestly from 7.72% in 2016 to 7.57% while the coverage ratio rose from 68.22% to 69.55%.

In 2017, the banking industry saw a number of developments such as the expansion of digital banking and the introduction of participatory banking. New regulations regarding mobile payments and mobile banking, approved in 2017, are likely to come into effect in 2018.

DOMESTIC ECONOMY TO BENEFIT FROM A RESILIENT GLOBAL ECONOMY IN 2018

The robust growth seen in 2017 is expected to continue through 2018 and 2019 with the global economy projected to grow by 3.9% on average in each of the next two years.

Assuming an average cereal harvest of about 70 million quintals and no change to the rate of growth of non-agricultural activity, Morocco's GDP is likely to slow to about 3% in 2018.

The introduction of a more flexible exchange rate system in early 2018 – which will see the dirham trade within a much wider exchange rate band – is a major step forward in opening up the Moroccan economy and should have a positive impact on economic growth over the long term.



BMCE BANK AND ITS GOVERNANCE

WORK OF THE BOARD OF DIRECTORS

BMCE Bank's Board of Directors met on 6 occasions during 2017 to discuss the following issues:

- Approve the financial statements for the periods ended 31 December 2017 and 30 June 2017 and review the financial statements for the periods ended 31 March 2017 and 30 September 2017;
- Propose appropriation of income in respect of financial year 2016;
- Review the Strategic Development Plan 2016-20;
- Adjust the composition of the Board of Directors;
- Authorise a programme to issue a perpetual subordinated bond with a loss absorption provision, in one or more tranches, amounting to no more than MAD 1.4 billion and set the terms and features of the first MAD 1 billion tranche of the said bond;
- Set the terms and features of the second tranche of the subordinated bond, authorised by the 2017 Annual General Meeting, amounting to MAD 400 million;
- Propose the appointment and renewal of the Statutory Auditors;
- Prepare the Management Report, Agenda and Resolutions to be put before the Annual General Meeting of Shareholders;
- Propose the Agenda and Resolutions to be put before the Annual General Meeting of Bondholders;
- Review the Specialised Committees' recommendations;
- Related party agreements.

BMCE BANK'S BOARD OF DIRECTORS - BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL'S CHANGE IN PERMANENT REPRESENTATIVE AND DIRECTORS' APPOINTMENT

Following Mr Michel Lucas' departure from Crédit Mutuel CIC Group due to retirement, BMCE Bank's Board of Directors acknowledged the change in Permanent Representative of Banque Fédérative du Crédit Mutuel, which will now be represented by Mr Lucien Miara.

Mr Lucien Miara has been Chairman of Fédération du Crédit Mutuel Méditerranéen for the past 3 years. He is an experienced banker who has worked at Crédit Mutuel for 44 years.

Mr Michel Lucas, who has sat on BMCE Bank's Board of Directors since 2005, was appointed by the Annual General Meeting of 24th May 2018 as an Intuitu Personae Director upon the Board's proposal.

PERPETUAL SUBORDINATE BOND ISSUANCE PROGRAMME BY PUBLIC OFFERING WITH A LOSS ABSORPTION PROVISION

As part of the process of supporting the Strategic Development Plan 2016-2020 with capital, BMCE Bank's Annual General Meeting authorised a programme to issue, by public offering, a perpetual subordinated bond with a loss absorption provision and a mechanism for cancelling interest payments, comprising one or more tranches, amounting to no more than 1,400,000,000 dirhams.

BMCE Bank's Board of Directors, with shareholder authorisation, issued a first tranche amounting to MAD 1 billion in June.

This issue was a great success. Comprising two unlisted tranches, MAD 200 million was raised in Tranche A, which has a floating rate that is adjustable every 10 years, and MAD 800 million in Tranche B, which has an annually adjustable rate.

ISSUE OF THE SECOND TRANCHE OF THE SUBORDINATED BOND AUTHORISED IN 2016

It is worth recalling that, upon the Board's proposal of March 2016, the Annual General Meeting of 30th May 2016 had authorised the issue of a non-convertible subordinated bond, with a maturity of at least 5 years, comprising one or more tranches, amounting to no more than MAD 3.5 billion.

This subordinated bond issuance programme is designed to help the Group implement its Strategic Development Plan 2016-20 and support BMCE Bank Group's growth strategy in Morocco and overseas.

After issuing the first MAD 2 billion tranche in 2016, the Bank issued a second MAD 400 million tranche, the terms of which were set by the Board of Directors.

This bond issue was a great success, particularly with institutional investors, underlining the high level of confidence in BMCE Bank Group. The entire amount was allotted to the unlisted Tranche B, which has an annually adjustable rate.

STRATEGIC DEVELOPMENT PLAN 2016-2020

The Board of Directors undertook a review of BMCE Bank of Africa Group's Strategic Development Plan 2016-2020 to ensure that the commercial and financial goals set has been attained.

GOVERNANCE PRINCIPLES

BOARD OF DIRECTORS' RESPONSIBILITIES

The primary responsibility of the Board of Directors is to maintain a balance between shareholders' interests and growth prospects, long-term value creation and depositor protection.

This responsibility rests on two fundamental factors: decision-making and monitoring. The decision-making function consists of drawing up, in concertation with General Management, fundamental policies and strategic goals as well as approving a number of important decisions. The monitoring function involves assessing General Management's decisions, ensuring compliance of systems and controls and implementing policies.

The Board of Directors has a quadruple responsibility. It determines corporate strategy, appoints the directors responsible for managing the company within the confines of this strategy, chooses the method of organisation, controls the management process and monitors the quality of the information provided to shareholders and the market by means of the financial statements or when there is a major corporate action.

The Board of Directors has the following responsibilities: (i) Strategic planning, (ii) Determining and managing risk, (iii) Internal control, (iv) Corporate governance, and (v) Corporate Social Responsibility

REMUNERATION POLICY

In accordance with the responsibilities entrusted to it, the Corporate Governance Committee proposes to the Board of Directors a remuneration policy for Directors based on relevant and objective criteria defined by this committee.

Once validated by the Board of Directors, this remuneration policy will specify an annual budget for Directors' fees which the General Meeting may then allocate to the Directors as remuneration for their work.

The fees will be made up of two components:

- A fixed component
- A variable component divided among the Directors in consideration for the work that they have accomplished as Chairman or as a member of the Board's Specialised Committees.

Directors' fees will be recognised under the Bank's operating expenses.

Expenses incurred with regard to Directors' travel, accommodation, meals and missions for Board meetings or committee meetings are borne by the Bank and reimbursed on presenting receipts.



MR OTHMAN
BENJELLOUN,
Chairman and Chief
Executive Officer





Mr Othman BENJELLOUN is Chairman and Chief Executive Officer of BMCE Bank Of Africa Group, dubbed Banque Marocaine du Commerce Extérieur at its inception, which was privatised in 1995. He is also Chairman of FinanceCom, the Bank's holding company.

He has been the Chairman of the Moroccan Banking Association (GPBM) since 1995 and was Chairman of the Union of North African Banks from 2007 to 2009.

Mr BENJELLOUN founded BMCE Bank Foundation with a two-fold mission – education, primarily fighting illiteracy by building and managing community schools in rural areas in Morocco and Africa and environmental protection. Mr BENJELLOUN was appointed as Chancellor of Al Akhawayn University of Ifrane between 1998 and January 2004 by His Majesty the late King Hassan II. In 2007, he was awarded an Honorary Fellowship by King's College, London. Since 1981, he has been an Adviser to the Washington-based Center for Strategic International Studies (CSIS) chaired by Dr Henry Kissinger. In 2013, the CSIS conferred upon him the prestigious title of Honorary Trustee.

Mr BENJELLOUN has received a number of decorations including Officer of the Order of the Throne by His Majesty the late King Hassan II and Commander of the Order of the Polar Star by His Majesty the King of Sweden.

Other distinctions include Commander of the National Order of the Republic of Senegal, Commander by Number of the Order of Isabella the Catholic by His Majesty King Juan Carlos of Spain, Commander of France's Order of Arts and Letters and, more recently, Commander of the Order of the Grand Star by the Republic of Djibouti.

On 7th April 2010, Mr BENJELLOUN was elevated to the rank of Commander of the Order of the Throne by his Majesty King Mohammed VI.

Born in 1932 in Casablanca, he pursued his studies at École Polytechnique Fédérale de Lausanne in Switzerland.

Mr BENJELLOUN is married to Dr Leïla Mezian Benjelloun who is an ophthalmologist. They have two children, Dounia and Kamal.



MR LUCIEN MIARA

Mr Lucien MIARA, Banque Fédérative du Crédit Mutuel's Permanent Representative

Mr Lucien Miara has been the Chairman of Fédération du Crédit Mutuel Méditerranéen and Caisse Régionale du Crédit Mutuel Méditerranéen since 2014.

He began his career at Crédit Mutuel du Centre in 1973 before moving to Crédit Mutuel Méditerranée in 1978. From 1995 to 2014, he was Chief Executive of Crédit Mutuel Méditerranéen.

He has also been a Director of Confédération Nationale du Crédit Mutuel since 1994 and Chairman of Confédération Nationale du Crédit Mutuel's Risk Committee since 2016

He is a technology graduate of the University of Nice Alpes Maritime with an elective in corporate administration.

LUCIEN MIARA,
Banque Fédérative du Crédit Mutuel's
Permanent Representative



MR ABDELLATIF ZAGHNOUN

Mr Abdellatif ZAGHNOUN has been Chairman and Chief Executive Officer of Caisse de Dépôt et de Gestion since 2015.

After graduating in 1982 from the Ecole Mohammedia des Ingénieurs with a specialisation in mining, Abdellatif ZAGHNOUN began his career at the Office Chérifien des Phosphates (OCP), where he held a number of positions of responsibility until 2004.

In 2004, he was appointed as head of the Directorate General of Customs and Indirect Taxes. In 2007, Mr ZAGHNOUN became Vice-Chairman of the World Customs Organization (WCO) and Chairman of the WCO MENA region. In 2008, he was appointed as Chairman of the World Customs Organization's Audit Committee. In 2010, he became Director-General of the Directorate General of Taxes.

In January 2015, Mr ZAGHNOUN was appointed by His Majesty as Chief Executive Officer of the Caisse de Dépôt et de Gestion (CDG).

Mr Abdellatif ZAGHNOUN is married and has 3 children.

ABDELLATIF ZAGHNOUN,
Caisse de Dépôt et de Gestion's Permanent Representative



MR ZOUHEIR BENSAÏD

Mr Zouheir BENSAÏD is currently Chief Executive Officer of RMA, the insurance arm of FinanceCom Group, of which he was Deputy Chief Executive Officer between January 2005 and December 2014. He sits on the Boards of several companies including BMCE Bank, Maghrebail, RISMA, LYDEC, CTM and other Group subsidiaries, as well as being a member of several audit committees.

Mr Zouheir BENSAÏD has a wealth of experience spanning more than 33 years of the banking, financial and manufacturing industries. In the mid '80s, after assuming responsibility for financial institutions at CITIBANK Maghreb, he spearheaded the expansion of ABN AMRO's branch network.

In 1994, after a three-year period in which he headed up an agri-business, Mr Zouheir BENSAÏD returned to the financial sector and played an active role in reforming Morocco's capital markets. He became Chief Executive Officer of Maroc Inter Titres (MIT), BMCE Bank's brokerage firm, where he

oversaw the latter's first capital-raising deals as well as being involved in privatisations and initial public offerings on the Moroccan Stock Exchange.

Mr Zouheir BENSAÏD was Vice-Chairman of the Professional Association of Brokerage Firms (APSB) between 1996 and 1998. Between 1998 and 1999, he was Chairman of the Casablanca Stock Exchange, overseeing the modernisation of Morocco's capital markets.

A former student of Cornell, Mr Zouheir BENSAÏD graduated in Finance from the University of Nevada in 1985. He is a member of the Phi Kappa Phi Honour Society.

ZOUHEIR BENSAÏD,
RMA's Permanent Representative



MR HICHAM EL AMRANI

Mr Hicham EL AMRANI has more than 20 years' experience of private equity investment, financing and corporate strategy across a wide variety of industries.

When FinanceCom was founded in 2001, Mr EL AMRANI assumed responsibility for the Technologies & Telecommunications division. Appointed as Director of Strategy & Development between 2005 and 2008, Mr EL AMRANI was then promoted to the post of Deputy Chief Executive Officer in 2008. He then went on to become the holding company's Chief Executive Officer in June 2010. He has been responsible for adopting best practice in steering the performance of the various entities within the holding company's portfolio.

He also spearheaded a number of M&A deals, LBOs and restructurings as part of a process of rationalising the holding company's portfolio and reducing debt.

In 2009, Mr EL AMRANI coordinated the process that enabled Portugal Télécom and Telefónica to acquire a stake in Medi Telecom and the sale of a 40% stake in this company to France Telecom Orange in 2010. He is a Director and standing member of Medi Telecom-Orange's various governing bodies.

In addition to these roles, Mr EL AMRANI is a Director of RMA, CTM, Risma, Finattech, Colliers International Morocco and a member of Air Arabia Morocco's Audit Committee.

Mr Hicham EL AMRANI is an engineering graduate of Ecole Hassania des Travaux Publics and holds an MBA and a Graduate Certificate in Manufacturing and Service Management from Southern New Hampshire University. He has also participated in Singularity University's Executive Program.

Born in 1973, Mr EL AMRANI is married and has two children.

HICHAM EL AMRANI,
FinanceCom's Permanent Representative



MR MICHEL LUCAS

Mr Michel LUCAS is Confédération Nationale du Crédit Mutuel's Honorary Chairman. He was Chairman of Crédit Mutuel-CIC Group until 2016. Mr Michel LUCAS joined Crédit Mutuel de Strasbourg in 1971 and ensured that Crédit Mutuel gained a head-start in customer management.

He actively participated in the bank's geographical expansion and its foray into the insurance business. He helped set up the current Fédération Centre-Est-Europe Centre-Est-Europe, the largest of its kind. In 1992, he oversaw the demutualisation of Assurances du Crédit Mutuel, providing them with increased margin for manoeuvre in their development.

In January 1998, Mr Michel LUCAS became Chief Executive Officer of Crédit Mutuel Group, while retaining his previous functions. In April 1998, he oversaw Fédération Centre-Est-Europe's acquisition of Crédit Industriel et Commercial (CIC), a non-mutual bank.

Michel Lucas was also Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chairman of Assurances du Crédit Mutuel and Chairman of CIC's

Supervisory Board. In October 2010, he was appointed as Chairman of Confédération Nationale and Fédération Centre-Est-Europe.

Born in 1939, Mr Michel LUCAS is an engineering graduate from Lille's Institut Industriel du Nord-Ecole Centrale.

MICHEL LUCAS,
Intuitu Personae Director



MR AZEDDINE GUESSOUS

Mr Azeddine GUESSOUS has been Chairman and Chief Executive Officer of Maghrébail since 2004. He also sits on the Boards of a number of companies including RMA, BMCE Bank, Bank of Africa, BMCE Bank International Madrid, Risma, Al Mada (formerly Société Nationale d'Investissement), Sonasid, Lydec and Imperial Tobacco Morocco. He is also a director of Al Akhawayn University.

Between 2010 and 2012, Mr GUESSOUS was Chairman of Risma's Supervisory Board. In 2001, he became Chairman and Chief Executive Officer of Al Watanya, an insurance company and, in 1995, Caisse Interprofessionnelle Marocaine de Retraite (CIMR).

Between 1978 and 1994, Mr GUESSOUS held a number of senior government positions including Minister of Trade, Industry and Tourism in 1978, Minister responsible for relations with the European Economic Community in 1985 and Morocco's Ambassador to Spain between 1986 and 1995.

Mr GUESSOUS has received a number of decorations including Officer of the Order of Wissam, Spain's Order of Civil Merit and Grand Cross, France's National Order of Merit and the Order of the British Empire.

Mr GUESSOUS was born in 1941.

AZEDDINE GUESSOUS,
Intuitu Personae Director



MR FRANÇOIS HENROT

Mr François HENROT is a leading figure in the world of European finance. He has held several important positions within the Rothschild Group including Chairman of the investment bank and Vice-Chairman of Rothschild & Co.'s Supervisory Board, of which he is currently a non-voting member. He is also an Advisory Director and Vice-Chairman of the Board of Rexel, a global leader in the distribution of low-voltage electrical products, Chairman of the Board of COPEBA, a Belgian privately-held investment company and Chairman of the Board of Yam, a Dutch privately-held investment company.

He began his career in the public sector at France's Council of State and then at the Directorate General for Telecommunications before moving to the private sector with Compagnie Financière de Paribas and, for the past 20 years, Rothschild Group.

Having a keen interest in cultural affairs, Mr HENROT was Chairman of France's Ecole Nationale Supérieure des Arts Décoratifs and is a member of the Association pour le Rayonnement de l'Opéra de Paris.

He has co-authored a number of works including 'the Banker and the Philosopher' which deals with the 2008 financial crisis.

Born in 1949, Mr François HENROT is a graduate of Ecole Nationale d'Administration (ENA) and Stanford University.

FRANÇOIS HENROT,
Independent Director



MR BRIAN C.MCK. HENDERSON

Mr Brian C. McK. HENDERSON is the Founding Partner of Henderson International Advisors, LLC. During a career spanning 43 years in international banking, he has forged significant client relationships in both the private and public sectors as well as acquiring expertise in management and corporate governance.

At Merrill Lynch, where he spent a large part of his career, Mr HENDERSON held several positions of responsibility including Executive Assistant to the Chairman and Chief Executive Officer, Vice-Chairman of Merrill Lynch Europe, Middle East and Africa and Chairman of the Global Public-Sector division. He also served as Chairman of Prime Merrill S.p.a Italy and as member of the Board of Merrill Lynch South Africa Pty Ltd.

Mr HENDERSON began his career at Chase Manhattan Bank where he held a number of important positions within the Group's European Institutions division, including Vice-Chairman and Director of the sub-Saharan Africa region as well as within the Investment Banking division. He was also a Board member of Banque Ivoirienne du Développement Industriel and Chase Bank Cameroon SA.

He is currently non-executive Chairman of Augustea Bunge Maritime Ltd., Malta, Advisor to Cremades & Calvo Sotelo, Madrid and Senior Advisor to Rockefeller Capital Management.

His public engagements include those of Vice-Chairman and Treasurer of the Atlantic Council of the United States, the Chatham House Foundation, Honouring Nations' Board of Governors, American-Indian Economic Development at Harvard University's JFK School of Government and Director of the Fort Apache Heritage Foundation.

Mr HENDERSON holds a Bachelor of Science degree in International Economic Relations from Georgetown University, School of Foreign Service, Washington DC.

BRIAN MCK HENDERSON,
Independent Director



MR PHILIPPE DE FONTAINE VIVE

Mr Philippe DE FONTAINE VIVE was Vice-Chairman of the European Investment Bank where he was responsible for operations in France, the Mediterranean region, the innovation sector and matters relating to corporate social responsibility. He is currently Senior Advisor at Oliver Wyman, a consulting firm.

During his career, he has held several important positions within the Ministry of the Economy, Finance and Industry and the Treasury Department, where he was successively responsible for Banks, Insurance, Transport and Urban Planning, Debt and Emerging Markets Development, State Holdings and Financing the State and the Economy. He was also Vice-Chairman of the Paris Club, Adviser on International Affairs to France's Minister of the Economy and Finance, International Affairs Advisor to the Ministry of Economy and Finance in Paris and Senior Adviser at the World Bank in Washington.

Born in 1959, Mr Philippe DE FONTAINE VIVE is a graduate of the Ecole Nationale d'Administration and the Institut d'Etudes Politiques in Paris. He holds a degree in econometrics.

PHILIPPE DE FONTAINE VIVE,
Independent Director



MR CHRISTIAN DE BOISSIEU

Mr Christian DE BOISSIEU is an Emeritus Professor at Paris I (Panthéon-Sorbonne) and at the College of Europe in Bruges. As consultant to international and multi-lateral financial institutions, he has carried out a number of assignments for the Moroccan and Tunisian monetary authorities. He has a reputation for having contributed to developing conceptual frameworks in international finance and the work accomplished by France's Economic Advisory Council, which he chaired between 2003 and 2012. He also served as a member of the Attali Commission for stimulating economic growth and the 'Big Loan' Commission, as well as being a Board member of France's Financial Markets Regulator (AMF).

Christian DE BOISSIEU has written numerous books and articles on money, finance and banking, economic policy issues, European integration, international monetary issues and on emerging countries and development.

He is Commander of the Legion of Honour, Commander of the Ouissam Alaouite, Grand Officer of Senegal's Order of the Lion and Officer of the British Empire (OBE) in addition to a number of other French and foreign distinctions. He is also a member of France's National Academy of Technologies and the Royal Academy of Belgium.

Mr Christian DE BOISSIEU is Senior Advisor to Amundi and sits on the Board of Aaqius Geneva and SUNU Participations Holding in Paris. He is also Chairman of the Institute of Finance and Governance's Advisory Board in Beirut.

Mr Christian DE BOISSIEU, born in 1947, is a Doctor of Economic Science, holds a professorial diploma in Law and Economic Sciences, a higher educational degree in Public Law and is a graduate of Institut d'Etudes Politiques de Paris. He was a post-doctoral fellow at Northwestern University and at Harvard in 1973-1974 and was subsequently Visiting Scholar on a number of occasions to the Federal Reserve in Washington.

CHRISTIAN DE BOISSIEU,
Independent Director



MR ABDOU BENSOUDA

Mr Bensouda has more than 20 years' experience of a number of disciplines including asset management, private equity, mergers & acquisitions and corporate restructuring.

He is currently Chief Executive Officer of FinanceCom International, a company which steers FinanceCom Group's overseas asset management and investment advisory operations.

Since 2008, Mr Bensouda has held a number of positions of responsibility within FinanceCom Group including those of Chairman & Chief Executive Officer of Finatech Group, a systems integrator specialising in digital and energy infrastructure. Prior to this, he was a founding partner of Finaventures Advisors in California where he helped set up a technology fund in partnership with TL Ventures, an asset management company. His experience in private equity dates back to 1995 in New York.

He began his career at Westinghouse where he worked as an engineer and project leader.

Mr Bensouda has a degree in information systems engineering from Boston University and a Master of Business Administration (MBA) specialising in finance and entrepreneurship from Babson College, Massachusetts.

ABDOU BENSOUDA
Intuitu Personae Director

**MR BRAHIM BENJELLOUN-TOUIMI**

Mr Brahim BENJELLOUN-TOUIMI is Chief Executive Officer 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 Bank of Africa Group, a banking group in which BMCE Bank Group has a stake of just under 73% with operations in 19 countries in Africa. He is also Director of the Group's European banking subsidiaries.

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

Within the framework of strategic partnerships with reference shareholders, Mr Brahim BENJELLOUN-TOUIMI is a Director of RMA, an insurance company and FinanceCom, its holding company. He is also Chairman of the Supervisory 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 Brahim 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 as well as being a Director of the Casablanca Stock Exchange.

Born in 1960, 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.

He is married and has 3 children.

BRAHIM BENJELLOUN-TOUIMI
Group Chief Executive Officer and Chairman of Bank of Africa Group



MR MAMOUN BELGHITI

Mr BELGHITI is Chairman and Chief Executive Officer of RM Experts, the Group's specialised loan recovery subsidiary. He is also a director of BOA-Côte d'Ivoire, a subsidiary of BOA Group.



MR DRISS BENJELLOUN

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.

Mr Mamoun BELGHITI began his career in 1972 within the General Services and Inspectorate Division. In 1981, he assumed responsibility for the Credit and Treasury Division and in 1991, the Investment and Credit Division. In 1996, he became Head of the Financial Affairs Division, where he played a key role in implementing the Bank's strategic development plan and reorganisation. In the same year, Mr BELGHITI was promoted to the post of Deputy General Chief Executive Officer.

In February 1988, he was appointed as Chief Executive Officer responsible for Financial Affairs and for the Domestic Banking Network. In April 2002, he became Senior Adviser to the Chairman with responsibility for representing the Bank in its dealings with domestic and international institutions and with the monetary authorities. He also sits on the governance bodies of companies in which the Bank is a shareholder.

In March 2004, Mr BELGHITI was appointed as Chief Executive Officer of Remedial Management Group.

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 Chief Executive Officer 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.

MAMOUN BELGHITI
Chairman and Chief Executive Officer, RM Experts

DRISS BENJELLOUN
Delegate General Manager responsible for Group Finance



MR M'FADEL EL HALAISSI

Mr M'fadel EL HALAISSI 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 Chief Executive Officer responsible for Corporate Banking, a division which was then subsequently expanded to include overseas operations.

Mr M'fadel EL HALAISSI is a Doctor of Economics from Lille University.

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

MOUNIR CHRAIBI
Delegate General Manager responsible for Group Operations



MR MOUNIR CHRAIBI

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.

Mr 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, 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.



From left to right

OMAR TAZI

Deputy Chief Executive Officer responsible for Personal and Professional Banking

MOHAMMED AGOUMI

Deputy Chief Executive Officer responsible for Coordinating Overseas Operations

KHALID LAABI

Deputy Chief Executive Officer responsible for Group General Control

MR OMAR TAZI

Mr Omar TAZI is Deputy Chief Executive Officer responsible for Personal and Professional Banking

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 Chief Executive Officer, 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

Mr Mohammed AGOUMI is Deputy Chief Executive Officer responsible for Coordinating Overseas Operations.

As such, he is responsible for coordinating the Group's various overseas subsidiaries and, in some cases, has direct responsibility for them. He has direct responsibility for all of the Group's European corporate entities and its offshore network in Morocco. He is also responsible for LCB Bank and BDM.

He chairs BBI Madrid's Board of Directors and is a member of the Board of BOA, BBI Plc, BIH, LCB and BDM. He joined BMCE Bank Group in 2012, after a long international career in audit and consulting.

Prior to that, he held a number of functions and positions of responsibility at Credit Agricole France (CAS). He was appointed Deputy Chief Executive Officer of Le Crédit Lyonnais (LCL) in 2006. In 2008, he became a member of CASA Group's Executive Committee with responsibility for 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.

MR KHALID LAABI

In 2018, Mr Khalid LAABI was appointed as Deputy Chief Executive Officer responsible for Group General Control.

Mr LAABI has a wealth of experience acquired over more than 33 years within BMCE Bank, during which he has held a number of positions of responsibility, including Director of inspection of central services, of the branch network and the overseas network and Chief Director responsible for the Audit and General Inspection Division.

As far as his functions are concerned, he is Associate Member and Secretary of the Bank's and the Group's Audit and Internal Control Committee and Vice-Chairman of the Group Internal Control Coordination Committee.

He is also a Permanent Member of the Audit and/or Risks Committees of several BMCE Bank Group subsidiaries, particularly in sub-Saharan Africa, as well as being a Director of BOA Mali.

Since 2015, he has overseen implementation of the Convergence Programme for the Internal Control functions within 25 subsidiaries. This is a major programme aimed at structuring the Group.

In addition, he has been a keynote conference speaker, sharing his expertise on a wide range of subjects including finance, risk management, internal audit, internal control and compliance.

Mr Khalid LAABI is an Economic Science graduate specialising in The Theory of the Firm. He has undertaken training in a variety of disciplines, both in Morocco and overseas.

He is married and has two children.

EUROPE

BMCE INTERNATIONAL UK-FRANCE



HOUSSAM BARAKAT
Chief Executive Officer

BMCE EUROSERVICES



MOHAMED AFRINE
Chief Executive Officer

AFRICA

BANK OF AFRICA



AMINE BOUABID
Chief Executive Officer

LCB BANK



MOHAMED ESSAID BENJELLOUN-TOUIMI
Chief Executive Officer

BANQUE DE DEVELOPPEMENT DU MALI



BRÉHIMA AMADOU HAÏDARA
Chief Executive Officer

BMCE CAPITAL TUNISIE



ABDELMALEK BENABDELJALIL
Chief Executive Officer

ASIA

BMCE SHANGHAI



SAID ADREN

BMCE BEIJING



ADIL ZELLOU

INVESTMENT BANKING**BMCE CAPITAL**

Investment banking

Chairman of the Supervisory Board
KHALID NASR**BMCE CAPITAL MARKETS**

Capital markets

Director

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 BOUAZZAOU**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 CHERKAOU**MAROC FACTORING**

Factoring

Chairman of the Supervisory Board

YOUSSEF HAMIRIFOU**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**EULER HERMES ACMAR**

Credit insurance

Chief Executive Officer
TAWFIK BENZAKOUR**CONSEIL INGENIERIE & DEVELOPPEMENT**

Consulting engineering

Chief Executive Officer
MONCEF ZIANI

CORPORATE GOVERNANCE COMMITTEE

COMPOSITION

CHAIRMAN

Mr Michel LUCAS, Intuitu Personae Director

STANDING MEMBERS

- François HENROT, Independent Director
- Philippe DE FONTAINE VIVE, Independent Director

INVITED MEMBERS

The Corporate 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.

COMMITTEE SECRETARY

Managing Director, Group Executive

MEETINGS

Annually, or whenever necessary, at the discretion of members of the Committee.

RESPONSIBILITIES

The Corporate 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:

- 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;
- Examine and make recommendations on the composition, responsibilities and work of the Board of Directors and its specialist committees;
- 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;
- Propose procedures for co-opting Directors and members of General Management and make recommendations to the Board concerning the appointment of new members;
- Propose the remuneration policy for Directors and members of General Management in line with criteria established by the Board of Directors.

WORK OF THE CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

The Committee met in January 2018 with all members attending.

At this meeting, the Committee reviewed the amount allocated for directors' fees and proposed the sum of MAD 5.85 million on the basis of the principles drawn up at the preceding GNR Committee meeting.

In addition, in accordance with regulatory requirements and the provisions of BMCE Bank's Governance Corpus, each director received an appraisal questionnaire regarding the performance of the Board of Directors and the Specialised Committees. The Committee Members acknowledged the questionnaire's findings and noted that they were satisfied with the results obtained.

As part of the process of managing conflicts of interest on a preventive basis, the Committee acknowledged the findings on related party agreements which were submitted prior to being authorised by the Board of Directors and then approved by the Annual General Meeting of Shareholders.

The Committee also acknowledged that a Social Responsibility Charter would soon be adopted. In adopting a Social Responsibility Charter, BMCE Bank has formalised its commitment of more than 20 years to promoting social and environmental development. The Charter is aimed at meeting the United Nations' Sustainable Development goals. BMCE Bank of Africa, fully aware of its responsibility towards future generations, sees this as a tremendous opportunity to promote the values that it cherishes. BMCE Bank's commitment to these global commitments is a way of ensuring that it attains the highest level of responsibility and conducts its business across all business lines in accordance with universally-recognised principles.

GROUP RISKS COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES AND REMIT
CHAIRMAN Philippe DE FONTAINE VIVE, Independent Director STANDING MEMBERS • RMA, represented by Mr Zouheir BENSAID • FinanceCom represented by Mr Hicham EL AMRANI • Mr Azeddine GUESSOUS, Intuitu Personae Director • Mr François HENROT, Independent Director • Mr Brian C. McK. HENDERSON, Independent Director • Mr Christian DE BOISSIEU, Independent Director ASSOCIATE MEMBERS • Managing Director, Group Executive • Managing Director responsible for Group Finance • Adviser to General Management • Group General Controller • Deputy Managing Director responsible for Group Risks • Head of Finance & Investments INVITED MEMBERS • 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. COMMITTEE SECRETARY Group Risks Division	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. 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. The Group Risks Committee assumes the following responsibilities on a permanent basis: - Advise the Board of Directors about risk strategy and the Group's risk aversion profile; - 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; - Assesses the quality of the risk measurement policy and control and monitoring of risks at Bank and Group level; - Ensures that risk information systems and communications are appropriate with regard to the risks incurred both; - Assesses the human and other resources allocated to the risk management and control function and ensures its independence; - Assesses that capital and liquidity are adequate given the degree of risk aversion and risk profile of the Bank and Group; - Inform 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; - 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; - Inform the Board of Directors of the results of risk monitoring from a regulatory perspective and the potential impact on the Bank and the Group; - Advise the Board of Directors about appointing or dismissing the head of the risk management and control function - 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). - Examines the summary report of the Group Risk Steering and Management Committee.
WORK OF THE GROUP RISKS COMMITTEE In 2017, the Group Risks Committee met on four occasions. At these meetings, the Committee reviewed the main credit risk indicators on a parent and consolidated basis, the maximum concentration risk ratio at the parent and consolidated levels, market risks indicators, capital ratios and the strategy for managing non-operating real estate assets. In the light of the Group issuing perpetual subordinated bonds with a loss absorption provision in June 2017, the Committee reviewed the projected capital adequacy ratios on an 18-month time horizon to ensure that they complied with regulatory requirements. Similarly, the Committee acknowledged the main impact on the Group's WAEMU subsidiaries from adopting Basel II/III regulatory provisions. In addition, in the context of adopting IFRS 9, the Committee monitored the analytical work carried out and operational implementation.		

GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

COMPOSITION

CHAIRMAN

Azeddine GUESSOUS, Intuitu Personae Director

STANDING MEMBERS

- RMA, represented by Mr Zouheir BENSAID
- François HENROT, Independent Director
- Philippe DE FONTAINE VIVE, Independent Director
- Christian de BOISSIEU, Independent Director

ASSOCIATE MEMBERS

- Managing Director, Group Executive
- Managing Director responsible for Group Finance
- Adviser to General Management
- Group General Controller
- Deputy Managing Director responsible for Group Risks
- Head of Finance & Investments

INVITED MEMBERS

- External auditors;
- Heads of Permanent Control and Compliance;
- 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.

COMMITTEE SECRETARY

- Mr Khalid LAABI, General Controller of BMCE Bank Group

MEETINGS

Quarterly

WORK OF THE GROUP AUDIT AND INTERNAL CONTROL COMMITTEE IN 2017

In 2017, the Group Audit and Internal Control Committee met on 4 occasions.

The Committee reviewed, among other things, the Group's and the Bank's commercial and financial performance and the Statutory Auditors' reports incorporating the new legal provisions, the strategy and systems for managing risk and controlling market transactions and the strategy for managing the subsidiaries' portfolio.

As far as internal control was concerned and, in compliance with Bank Al-Maghrib's requirements, the Committee approved the consolidated annual report on internal control, covering all subsidiaries within BMCE Bank of Africa Group's scope of consolidation.

At these meetings, the Statutory Auditors also highlighted the main developments regarding the Group's general internal control system, including bolstering the composition of the Board and the Specialised Committees by appointing new Independent Directors, the ongoing Convergence Programme and amending the calculation methods used ahead of adopting IFRS 9.

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;

- 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 and consolidated financial statements prior to submitting them to the Board of Directors for approval.

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

CHAIRMAN

Chairman and Chief Executive Officer

VICE-CHAIRMAN

Managing Director, Group Executive

STANDING MEMBERS

- Chief Executive Officer of BOA Group
- Managing Director of RM Experts, Intuitu Personae
- Deputy Chief Executive Officer, responsible for Group Finance
- Deputy Chief Executive Officer, responsible for Corporate Banking, Morocco
- Deputy Chief Executive Officer, responsible for Group Operations
- Deputy Chief Executive Officer, responsible for Retail Banking, Morocco
- Deputy Chief Executive Officer, responsible for International Coordination
- Chairman of BMCE Capital's Executive Board

COMMITTEE SECRETARY

Head of Group Risks

MEETINGS

Quarterly, or whenever necessary, at the request of the Chairman or, by delegation, the Vice-Chairman of the Committee.

RESPONSIBILITIES

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.

STEER THE GROUP'S CORPORATE STRATEGY

Initiate and execute strategy and launch major intra-Group projects:

- Ensure that strategy is aligned across all Group entities in Morocco and overseas;
- Ensure proper implementation of the Group's corporate strategy
- Identify and launch major keystone projects that will transform the Group;

Evaluate new strategic operations on behalf of the Board:

- Opportunities for growth, investment, strategic equity investment and synergies for BMCE Bank Group;
- Opportunities to extend BMCE Bank Group's scope of activities (organic growth, growth by acquisition, disposals, diversification);
- Manage investment risk and allocate capital and other financial resources accordingly.

Ensure the Group's profitability and financial control:

MONITOR RISK MANAGEMENT

- Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate;
- Ensure risks are comprehensively hedged by adopting the required measures.

HUMAN RESOURCES

- Examine policy for staff remuneration, training, mobility and recruitment;
- Carefully manage the career progression of high-potential executives.

GENERAL MANAGEMENT COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
CHAIRMAN Chief Executive Office, Group Executive STANDING MEMBERS • Managing Director of RM Experts • Chief Executive Officer of BOA Group • Deputy Chief Executive Officer, responsible for Group Finance • Deputy Chief Executive Officer, responsible for Corporate Banking, Morocco • Deputy Chief Executive Officer, responsible for Group Operations • Deputy Chief Executive Officer, responsible for Retail Banking, Morocco • Deputy Chief Executive Officer, responsible for International Coordination • Group General Controller • Chairman of BMCE Capital's Executive Board • Adviser to General Management • Deputy Managing Director responsible for Group Risks • Head of Finance & Investments • Deputy Chief Executive Officer, responsible for International Development Programmes • Deputy Chief Executive Officer, Head of Group Communications • Deputy Chief Executive Officer, responsible for Market Development • Deputy Chief Executive Officer • Head of Group Governance & Development • Head of Group Compliance • Head of Group Human Capital COMMITTEE SECRETARY Head of Group Governance & Development	Weekly, every Wednesday	The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures. STEERING THE BUSINESS • Steer corporate strategy in line with Group Executive Committee decisions, draw up clear budgetary targets and ensure that strategy is implemented; • Encourage and assess the state of progress concerning implementation of major intra-Group projects that impact the Bank's operations and development; • Validate annual budgets, monitor their allocation and ensure that resources are optimised; • Monitor budget implementation and ensure that corrective measures are taken in the event of deviating from budget; • Determine pricing policy for products and services while ensuring that business lines remain profitable; • Assess opportunities for launching new activities, products or services and ensure their monitoring and implementation; • Rule on operational issues that are within the remit of divisions, departments and internal committees and set objectives; • Ensure organisational efficiency by implementing necessary measures relating to human resources, organisation, IT, logistics and security which contribute to the Bank's development. INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT • Ensure risk monitoring and management, determine the Bank's level of risk appetite and regularly assess whether it is appropriate; • Regularly monitor implementation of corporate policies and strategy and take corrective action if required; • Ensure compliance with prudential ratios and regulations in respect of internal control, risk and compliance; • 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; • Assess major commitments exceeding 5% of the Bank's capital as well as loans on the watch and weak lists; • Make recommendations on measures to be taken on high risk accounts; • Ensure that the sales network undertakes effective initiatives and regularises major commitments. HUMAN RESOURCES • Examine policy for staff remuneration, training, mobility and recruitment • Ensure that recruitment and training policies are appropriate given operational priorities; • Carefully manage the career progression of high-potential executives. OTHER RESPONSIBILITIES • ENSURE A COHERENT COMMERCIAL, INSTITUTIONAL and financial communications policy; • Rule on potential conflicts of interests and unresolved cases within the remit of committees and entities at Group level; • Make proposals to the Group Strategic Committee about corporate strategy.
WORK OF THE GENERAL MANAGEMENT COMMITTEE IN 2017 At these meetings, the Committee, among other things, focused on speeding up initiatives to clean up and recover commitments showing anomalies, optimise capital utilisation and optimise the investment portfolio. In terms of sales efficiency, the Committee's work has been focused in particular on continuing to develop new business growth niches, launching bti Bank, a participatory bank, developing a blend of different distribution channels, enhancing the range of products and services as well as continuing to generate intra-Group sales synergies in Morocco and overseas. In terms of operational efficiency, the Committee noted that significant progress had been made in a what is a fast-changing and rapidly-evolving environment requiring the Bank to be responsive and flexible. The Bank has broadened its range of initiatives including converting the Business Services Centres into subsidiaries, adopting an integrated risk management approach, implementing the IT plan and having appropriate control systems. The Committee also analysed the challenges faced by the Group in terms of human capital, including improving employee relations, fostering loyalty and fast-tracking high-potential employees and ensuring that remuneration was consistent with the Bank's strategic priorities.		

OPERATING COMMITTEE

COMPOSITION

CHAIRMAN

- Deputy Chief Executive Officer, responsible for Group Operations

STANDING MEMBERS

- 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

COMMITTEE SECRETARY

Group Quality

ASSOCIATE MEMBERS

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.

MEETINGS

Weekly and whenever necessary

RESPONSIBILITIES

The Operating Committee is a body that is responsible for reporting, information-sharing and ruling on any issue related to the Bank's operations.

It therefore provides operational as well as technical expertise and makes recommendations to the General Management Committee to assist with decision-making.

- Ensure the rationalisation of the Bank's project portfolio (organisation, IT, logistics, quality etc.) and the sharing of available resources;
- Rule on project priorities, postponements and stoppages as a function of corporate strategy and allocated budgets;
- Monitor the state of progress of project implementation and the impact on the Bank's operations and development;
- 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;
- Monitor the state of progress of the expansion of the branch network (branch openings, installation of off-site ATMs, branch closures etc.);
- Regularly analyse the Bank's main operating indicators (quality, incidents, production etc.) and operational risk and propose corrective action;
- Rule on decisions regarding operational aspects relating to technical, organisational and logistical issues;
- 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
- Monitor implementation of recommendations from Group General Control relating to these competences.

WORK OF THE OPERATING COMMITTEE IN 2017

In 2017, the Operating Committee's work consisted of reviewing import documentary credit arrangements, managing change in relation to the Customer Relationship Management system, unblocking cheque-letters, qualifying warranties, renewing warranties on expiry, the Damane Express warranty, pricing for mass transfers, centralising the system for making funds available, third-party data reliability, closing balances on accounts closed at the customer's or the Bank's request.

The Committee's work focused also centred on a number of business development aspects such as Project Branch's 'Morocco guarantee' module, confirming customs bonds digitally, the performance of the bank cards business, after-sales service for bank cards, reviewing the system for paying vehicle tax and the Fatourati service.

GROUP RISK STEERING AND MANAGEMENT COMMITTEE

COMPOSITION	MEETINGS	RESPONSIBILITIES
CHAIRMAN - Managing Director, Group Executive STANDING MEMBERS - Deputy Chief Executive Officer, responsible for Group Finance - Chief Executive Officer of BOA Group - Deputy Chief Executive Officer, responsible for Corporate Banking, Morocco - Deputy Chief Executive Officer, responsible for Retail Banking, Morocco - Deputy Chief Executive Officer, responsible for Group Operations - Deputy Chief Executive Officer, responsible for International Coordination - Chairman of BMCE Capital's Executive Board - Adviser to General Management - Group General Controller - Deputy Managing Director responsible for Group Risks - Head of Finance & Investments Division. COMMITTEE SECRETARY - Head of Group Risk Management. ASSOCIATE MEMBERS - 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	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. 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. 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.
WORK OF THE GROUP RISK STEERING AND MANAGEMENT COMMITTEE IN 2017 The various projects undertaken by this Committee included reviewing the impact from applying Basel III prudential standards on operations in Morocco and the WAEMU region, trends in the main risk indicators at the parent and consolidated levels, regulatory ratios, projected capital adequacy ratios on an 18-month time horizon on a parent and consolidated basis prior to publication, having been reviewed by the Specialised Committees and the Board of Directors and amending the procedure for managing guarantees.		

GROUP INTERNAL CONTROL COORDINATION COMMITTEE

COMPOSITION

CHAIRMAN

Chairman of the Group General Management Committee and, in his absence, the Group General Controller.

STANDING MEMBERS

- Deputy Chief Executive Officer, responsible for Group Finance
- Deputy Chief Executive Officer, responsible for Group Operations
- Group General Controller
- Deputy Managing Director responsible for Group Risks
- Head of Finance & Investments
- Head of Group Compliance
- Head of Group Permanent Control

COMMITTEE SECRETARY

Head of Group Compliance

ASSOCIATE MEMBERS

- Head of Subsidiaries' Risk, Internal Control and Compliance functions, depending on the items to be discussed on the Committee's agenda.
- Group Governance and Development division;
- 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.

MEETINGS

Quarterly, or whenever necessary

WORK OF THE GROUP INTERNAL CONTROL COODINATION COMMITTEE IN 2017

In 2017, the Committee focused primarily on the progress made by head office departments in implementing the permanent control system, the whistle-blower's charter, implementing the SironFATCA software solution, reviewing supply interfaces, redesigning the Know Your Customer process, implementing compliance systems within the European subsidiaries and identifying ad hoc customers.

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 1st and 2nd 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.

COMITE ALM GROUPE

COMPOSITION

CHAIRMAN

- Managing Director, Group Executive

STANDING MEMBERS

- Deputy Chief Executive Officer, responsible for Group Finance
- Deputy Chief Executive Officer, responsible for Corporate Banking, Morocco
- Deputy Chief Executive Officer, responsible for Retail Banking, Morocco
- Deputy Chief Executive Officer, responsible for International Coordination
- Chairman of BMCE Capital's Executive Board
- Adviser to General Management
- Deputy Managing Director responsible for Group Risks
- Head of Finance & Investments

COMMITTEE SECRETARY

- Finance & Investments

ASSOCIATE MEMBERS

- 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

MEETINGS

Quarterly, or whenever necessary

RESPONSIBILITIES

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:

- 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.);
- 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.
- 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);
- Ensure that subsidiaries' profits are protected against exchange rate fluctuations;
- Monitor transfer pricing within the Group in relation to lending/borrowing operations;
- 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);
- 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;
- Examine, on a frequent basis, the results of stress tests conducted using hypothetical scenarios and incorporating internal as well as external factors;
- 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;
- Analyse the impact from macro-economic, regulatory and legislative changes on the Group.

WORK OF THE GROUP ALM COMMITTEE IN 2017

In 2017, this Committee reviewed the entire series of ALM indicators in respect of the 2016 financial year, interest rate and liquidity risk indicators, foreign currency-denominated refinancing lines of credit and the LCR ratio, in a context in which Bank Al-Maghrib has increased the regulatory minimum.

BMCE BANK AND ITS SHAREHOLDERS

CHANGES IN SHARE CAPITAL

	Type of transaction	Share capital before transaction (MAD)	Number of shares issued	Increase in value (MAD)	Share capital after transaction (MAD)	Net value (MAD)	Issue price (MAD)
1992	Bonus issue	750 000 000	750 000	75 000 000	825 000 000	100	NA
1992	Cash subscription	825 000 000	1 750 000	175 000 000	1 000 000 000	100	200.00
1996	Bonus issue	1 000 000 000	2 857 142	285 714 200	1 285 714 200	100	NA
1996	Issue reserved for foreign institutional investors	1 285 714 200	1 369 394	136 939 400	1 422 653 600	100	330.00
1996	Issue reserved for foreign institutional investors	1 422 653 600	205 409	20 540 900	1 443 194 500	100	330.00
2000	Bonus issue	1 443 194 500	1 443 194	144 319 400	1 587 513 900	100	NA
2008	Stock split	1 587 513 900	158 751 390		-1 587 513 900	1-for-10 split	NA
2010	Share capital increase reserved for BFCM	1 587 513 900	10 712 000	107 120 000	1 694 633 900	10	235.00
2010	Share capital increase reserved for Group employees	1 694 633 900	2 500 000	25 000 000	1 719 633 900	10	200.00
2012	Share capital increase reserved for cornerstone shareholders	1 719 633 900	7 500 000	75 000 000	1 794 633 900	10	200.00

CHANGES IN SHARE OWNERSHIP

ACQUISITION OF EQUITY HOLDINGS

Year	Shareholder	Number of shares	% of share capital	Purchase price per share (MAD)
2000	Banco Espirito 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 COMPAHIA 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, Financecom, 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 HOLDINGS

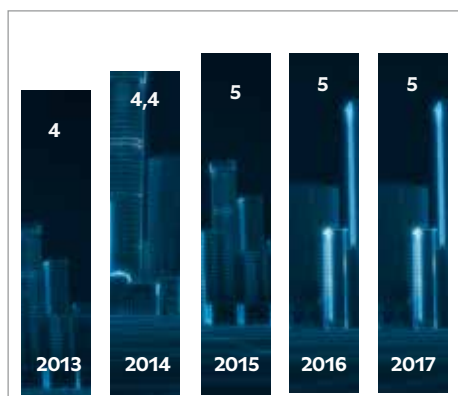
Year	Shareholder	Number of shares	% of share capital	Purchase price per share (MAD)
2001	Nomura	323 597	2.24%	400
2002	Interfina	652 210	4.11%	420
2003	Commerzbank	1 595 345	10.05%	400
	Interfina	750 000	4.72%	400
2004	Commerzbank	792 169	4.99%	400
	Finance.com	1 587 514	10.00%	500
2005	Share buyback programme	664 507	4.19%	At various prices
	Group employees	356 266	2.24%	At various prices
2006	Group employees	367 093	2.31%	At various prices
	Union Bancaire Privée	132 765	0.84%	At various prices
	Banco Espirito 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%	At various prices
2008	CIC	23 875 040	15.04%	270
	Group employees	-	1.98%	At various prices
2009	Share buyback programme	6 350 000	4.00%	290
	RMATATANYA	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 Espirito 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
2016	Banco Espirito Santo	5 096 108	2.84%	210



At 31 December 2017, BMCE Bank's share price stood at 214 MAD, a fall of 4% compared to 31 December 2016, while the Banks sector index rose by 9.9% to 14,620.56 points over the same period.

The MASI and MADEX indices gained 6.39% and 5.79% to 12,388.82 points and 10,100.32 points respectively.

DIVIDEND PER SHARE



MAIN SHARE PRICE INDICATORS

	2017	2016
Closing price	214 MAD	223 MAD
Market capitalisation	MAD 38.4 B	MAD 40.2 B
High	225 MAD	230 MAD
Low	197 MAD	200 MAD
Weighted average price	207,9 MAD	214 MAD
Share price performance	-4.04%	4.21%
PER	18.9	19.7
Dividend yield	2.34%	2.24%

MAIN RATIOS IN 2017

	LIQUIDITY	VOLATILITY
6 MONTHS	7.0%	13.9%
1 YEAR	16.2%	17.4%
5 YEARS	83.0%	17.4%

BMCE BANK'S 2017 SHARE PRICE PERFORMANCE

BMCE BANK	MASI	MADEX	BANKS SECTOR INDEX
-4.04%	6.39%	5.79%	9.85%

MONTHLY SHARE PRICE PERFORMANCE AND VOLUME* IN 2017

	High**	Low **	Number of shares	Amount	Number of sessions
January	225	208.5	1 065 993	234 230 268.3	716
February	210	199.9	526 790	107 750 025.7	523
March	205	198	576 387	115 777 290.2	435
April	202	197	153 039	30 497 490.8	330
May	200	199	686 285	137 223 041.2	290
June	218	200	2 102 628	432 356 885.7	359
July	213	200.5	253 830	51 760 204.5	373
August	205,1	204	157 762	32 284 687.9	258
September	210,0	205	828 226	170 435 532.3	255
October	209,8	205	237 709	49 229 781.4	262
November	212,9	205.2	662 833	138 155 492.9	159
December	214	205.3	1 715 496	364 766 322.6	459

*Central Market

**Highs and lows based on the closing price

GDR PROGRAMME

In 1996, BMCE Bank increased its share capital via a USD 60 million issue of global depositary receipts (GDRs) listed on the London Stock Exchange. The aim, which was to open up part of BCME Bank's share capital to foreign shareholders, gave the Bank greater financial solidity compared to other emerging market banks.

GDR PROGRAMME AT 31 DECEMBER 2017

GDR Type	Reg S*
Ticker	BMED
Number of shares	23 370
GDR Type	144 A**
Ticker	BQMCY
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.

DESCRIPTION	Financial year (MAD millions) 2017	Net income (parent)	Net income attributable to shareholders of the parent	% change
Net income	1 247			+24.84%
Attributable to shareholders of the parent	2 036			+0%
Total dividends	897.3	44.07%	71.96%	
Dividend per share	5 MAD			
	2016			
Net income	999			+19.44%
Attributable to shareholders of the parent	2 036			+4.14%
Total dividends	897.3	44.07%	89.82%	
Dividend per share	5 MAD			
	2015			
Net income	836.4			-13.3%
Attributable to shareholders of the parent	1 955			+0.62%
Total dividends	897.3	45.89%	107%	
Dividend per share	5 MAD			

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 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.

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 21st day preceding the AGM, the Bank shall make available to its shareholders, on its website, the information and documents listed in Article 121(ii) 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.

Moody's, July 2017

BANK DEPOSITS IN DIRHAMS: BA1
 FOREIGN CURRENCY BANK DEPOSITS:
 BA2
 FINANCIAL STRENGTH: D
 OUTLOOK: STABLE

Fitch Ratings July 2017

LONG-TERM FOREIGN CURRENCY
 DEPOSITS: BB+
 SHORT-TERM FOREIGN CURRENCY
 DEPOSITS: B
 LONG-TERM LOCAL CURRENCY DEPO-
 SITS: BB+-
 SHORT-TERM LOCAL CURRENCY
 DEPOSITS: B
 VIABILITY RATING: B+
 OUTLOOK: STABLE

Capital Intelligence September 2017

SHORT-TERM FOREIGN CURRENCY
 DEPOSITS: A3
 LONG-TERM FOREIGN CURRENCY
 DEPOSITS: BBB-
 FINANCIAL STRENGTH RATING: BBB-
 SUPPORT RATING: 2
 OUTLOOK: STABLE

INVESTOR RELATIONS

In 2017, the Group's reputation was enhanced by holding one-one-one meetings with foreign investors at various events such as the 7th EFG Hermes London MENA & Frontier Conference, the Credit & Equities Emerging Markets Conference in London and the 3rd One-on-One Equity Conference in Marrakesh.

Similarly, BMCE Bank bolstered relations with credit rating agencies by monitoring and reviewing the rating reports published about the Bank and, in conjunction with BMCE Capital, preparing information packs for the perpetual subordinated bond issue in June 2017 and the subordinated bond issue in November 2017.

A comprehensive public relations programme was organised to extend the Bank's sphere of influence, as well as within the Group, providing high valued-added content so as to enhance BMCE Bank of Africa Group's reputation.

The Bank cultivated an extensive network of media partners, organised numerous meetings and participated in industry events and press conferences. In publishing a series of articles and briefings, developing a system for monitoring media relations and public opinion and organising financial results presentations, BMCE Bank was able to constantly engage with the financial community.

In 2017, the Investor Relations department embarked on a project to create a new financial communications website. The latter, which will be an essential means of communicating with investors, will also include a motion design feature when it is completed in first half 2018.

MARCH 2018

- Board of Directors' meeting
- Annual results published for the year ended 31 December 2017

APRIL 2018

- Meeting with analysts and the media to present BMCE Bank's performance for the year ended 31 December 2017

MAY 2018

- Shareholders' Annual General Meeting

JUNE 2018

- Board of Directors' meeting
- Annual Report and Sustainable Development Report 2017 published in French

JULY 2018

- Quarterly results published for the quarter ended 31 March 2018

AUGUST 2018

- Annual Report and Sustainable Development Report 2017 published in English

SEPTEMBER 2018

- Abridged Annual Report 2017 published in Arabic, Tamazight, French, English, Spanish and Mandarin Chinese
- Board of Directors' meeting
- Interim results published for the half-year ended 30 June 2018
- Meeting with analysts and the media to present BMCE Bank's performance for the half year ended 30 June 2018

OCTOBER 2018

- Publication of the Annual Report and CSR Report 2017 in Arabic

NOVEMBER 2018

- Board of Directors' meeting
- Quarterly results published for the quarter ended 30 September 2018

RISK MANAGEMENT ORGANIZATION

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 BODY

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 Deputy Chief Executive Officer as Vice-Chairman. It is subdivided 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 (CCR) meets on a weekly basis. The dates for holding Regional Credit Committee meetings are decided by each region's Regional Director and notices are sent to all members.

COMMITTEE FOR MONITORING ACCOUNTS SHOWING ANOMALIES

As part of its portfolio monitoring remit, the Committee for Monitoring Accounts Showing Anomalies (main committee or select committee) meets on a monthly basis to monitor the rehabilitation of high-risk accounts.

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 Risks 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 that procedures are complied with.

SYSTEM FOR MONITORING AND STEERING CREDIT RISKS

The system for monitoring and steering credit risks provides second level control. It operates independently of monitoring carried out by sales units on a daily basis.

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 customer 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 function.

The main operational responsibilities of the Group Risks Division, as part of its remit for monitoring and steering credit risks, may be summarised as follows:

- Monitor commitments' regularity: 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 of risk resulting when credit approval is given as well as those arising 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, the external auditors, the Audit and Internal Control Committee and the Group Risks Committee.

CORRECTIVE MANAGEMENT OF THE PORTFOLIO

The Bank has adopted a policy of recovery by amicable means so as 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 SYSTEM

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

This internal ratings system is operationally embedded in the Bank's various business lines and subsidiaries e.g. the system is used for delegating, pricing and sales and marketing targeting as well as simplifying the credit approval decision-making process.

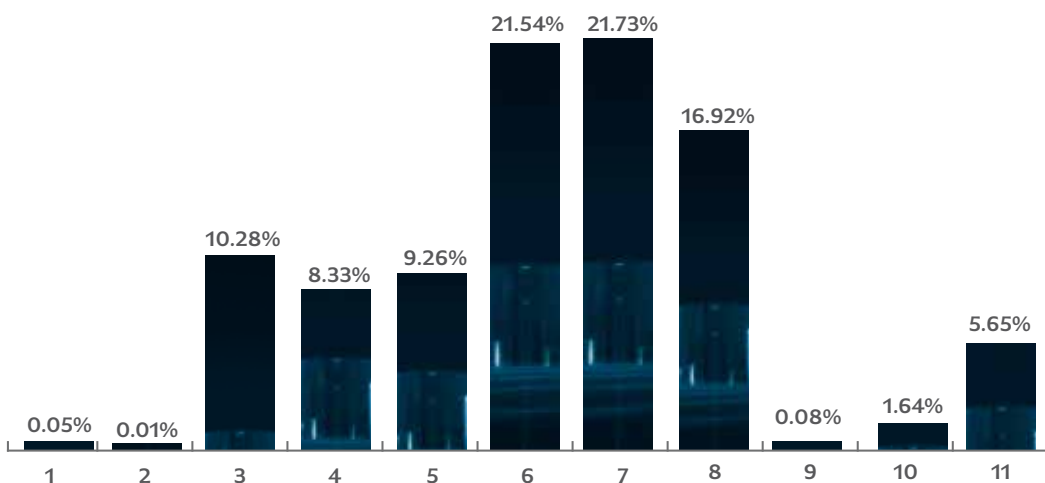
A rating is attributed to each customer. Each customer is treated as a Group third party code. The ratings process is carried out for each Group third party code. A third party has one and only one rating.

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.

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;
	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;
Sub-investment grade	High risk	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;
		9	Incapable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions;
	Very high risk	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 at 31 December 2017



RATING RETAIL CUSTOMERS

Rating retail customers consists of statistically modelling retail customers in default as well as their risk behaviour.

A behavioural scoring matrix (Basel II standard) for customers in employment has been operational since 2013. The matrix is displayed in the Customer Relationship Management (CRM) system with additional remarks provided. It is updated on a daily basis.

A credit approval scoring matrix for retail customers with an instant loan employed by companies with whom the Bank has an arrangement has been modelled. The Corporate ratings model is linked to the Retail Customer ratings model by the ratings model for company arrangements.

A credit approval system for consumer credit has been developed and approved by the Bank.

A risk-adjusted delegation system has been approved by the Bank. A test phase was carried out with three pilot groups. A delegation adjustment was proposed, and a pilot test is being conducted for one month. The general roll-out is scheduled for second half 2018.

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.

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 chosen 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.

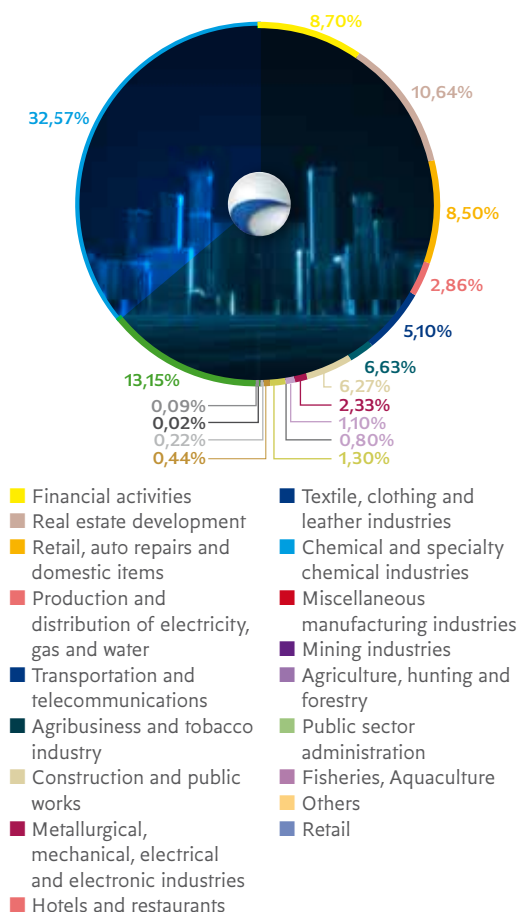
The objective is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

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.

BREAKDOWN OF THE GROUP'S OUTSTANDING CUSTOMER COMMITMENTS (DOMESTIC ACTIVITY) BY BUSINESS SECTOR AT 31 DECEMBER 2017



Stress tests

BMCE Bank of Africa Group conducts half-yearly stress tests so as 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 of 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-BALANCED SHEET ITEMS

CREDIT RISK-WEIGHTED ASSETS

Type of Exposure	Risk-Weighted Assets post CRM
Balance-sheet items	151 492 990
Off balance sheet items: financing commitments	5 633 606
Off balance sheet items: guarantee commitments	10 404 375
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	289 940
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	269 457
Other assets / Other items	26 453 633
Settlement Risk	250 736
Total	194 544 001

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:

Foreign exchange products	Change cash
	FX spot
	FX forwards
	FX derivatives
	FX swaps
Equity products	Equities
	Equity/index derivatives
	Equity mutual funds
	I- Corporate and interbank loans/ borrowings
	• Fixed rate (MAD and foreign currencies)
Fixed income products	• Floating rate (MAD and foreign currencies)
	II- Negotiable debt securities and other debt securities
	II-1 Sovereign securities
	• Fixed rate (MAD)
	• Floating rate (MAD and foreign currencies)
	II-2 Securities issued by credit institutions and companies
	• Fixed rate (MAD)
	• Floating rate (MAD and foreign currencies)
	III- Stock lending/borrowing
	• Stock lending/borrowing
	• Repos/ Reverse repos
	IV- Interest rate derivatives
	• Interest rate swaps
	• Swap futures
	• Forward Rate Agreement
Commodity derivatives and credit derivatives	V- Fixed income mutual funds
	• Money market mutual funds
	• Bond mutual funds
	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 defines Group market risk management policy and approves any change in steering risks in market operations implemented by any of the Group's entities;

■ The Group Market Risks Committee, which ensures that the system for monitoring BMCE Bank of Africa Group's market risks is effective and consistent with policy for managing the Group's market risks;

■ The Group Market Risks Department which, as a separate department from the Group's front-office, centralises management of BMCE Bank of Africa Group's market risk; this gives it maximum objectivity in steering market risks and in arbitrating between the different market activities;

■ The Risk management units of BMCE Bank of Africa Group entities which ensure first level control of market activities within their own entities and report back to Group Risk Management;

■ Internal Audit, which ensures implementation of 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.

MANAGING 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.

The market limits adopted by BMCE Bank are based on a VaR approach and comprise the following:

- 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.

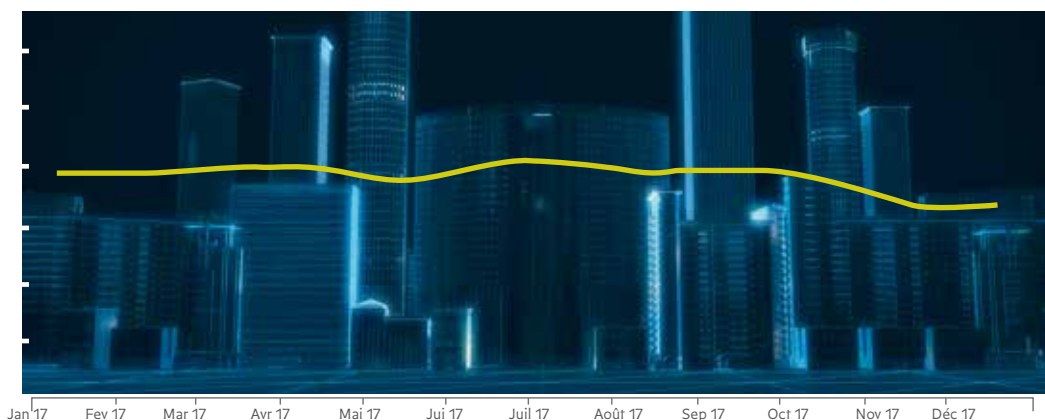
MONITORING MARKET RISK INDICATORS

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.

CHANGES IN VAR (1 DAY) GENERAL RISK IN 2017



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 enables it to meet regulatory requirements in terms of reporting and monitor capital requirements regarding the Group's trading portfolio.

The Group's consolidated capital requirements in respect of market risk at 31 December 2017 were as follows:

CAPITAL REQUIREMENTS	CAPITAL REQUIRED
Capital required for fixed income risk	616 419
Capital required for equity risk	116 014
Capital required for foreign exchange risk	11 958
Total capital required in respect of market risk	744 391
Total market risk-weighted assets	9 304 885

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, 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

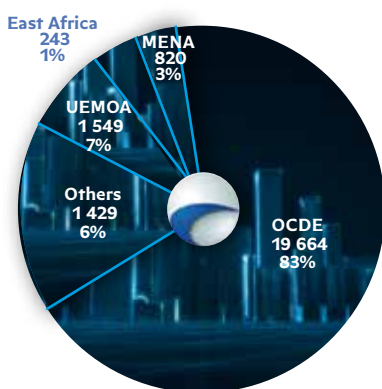
Monthly reporting by overseas subsidiaries and the parent company enables the Group Risks Division to assess each country's potential risk factors and help to establish risk-mitigation strategies.

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

BREAKDOWN OF COUNTRY RISK EXPOSURE BY GEOGRAPHICAL REGION:



CONSOLIDATION

Country risk commitments are identified in such a way as to establish a position for each subsidiary as well as for the Group, 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 Monthly Report.

An additional module monitors country risk trends and consists of specific research 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;
 - Risk appetite;
 - 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 TESTS

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 ORGANIZATION

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 such as Salafin, Maghrébail, Maroc Factoring, RM Experts, BMCE Capital, Tangier Offshore (TOS), BMCE Bank International Plc, BMCE International Madrid, La Congolaise des Banques, BOA France, BMCE Euro Services and Eurafric Information (EAI), BOA France, BOA Senegal, BOA Mali, BOA Benin, BOA Ivory Coast, BOA Niger, BOA Togo, BOA Burkina Faso, BOA Madagascar, BOA RDC, BOA Mer Rouge, BOA Kenya, BOA Uganda, BOA Ghana and BOA Tanzania.

GOVERNANCE OF OPERATIONAL RISK MANAGEMENT

Governance of operational risks within BMCE Bank Group is organised by three operational risk Committees:

- Group Operational Risk Committee – incorporated within the Group Risks 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 senior management of the entity in question, General Management and the Board of Directors are regularly notified of operational risk exposure and any losses incurred.

The management system is 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, its Moroccan subsidiaries and, increasingly, its African subsidiaries. To support its implementation, a number of awareness-raising and training initiatives were organised for operational risk 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 funds that 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).

COMPOSITION OF SHARE CAPITAL AND CAPITAL ADEQUACY

MAIN CHARACTERISTICS OF ITEMS CONSTITUTING SHAREHOLDERS' EQUITY

At 31 December 2017, BMCE Bank's share capital stood at MAD 1,794,633,900 made up of 1,794,633,900 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 2017, fixed maturity subordinated debt stood at almost MAD 6.6 billion.

MEASUREMENT OF CAPITAL ADEQUACY

BMCE Bank Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib (BAM) circulars:

Since 30 June 2014, capital adequacy ratios have been calculated in accordance with Basel III regulatory standards as defined by BAM.

The method for calculating capital was reviewed in the light of these new regulations and temporary measures have been adopted for a period until 2019.

The circulars governing these declarations are as follows:

- 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 relating to capital requirements for credit institutions

COMPOSITION OF CAPITAL AND CAPITAL ADEQUACY RATIO

Fonds propres de base	19 045 920
Eléments à inclure dans les fonds propres de base	22 295 260
Capital social ou dotation	1 794 634
Réserves consolidées y compris les primes liées au capital et non compris dans les réserves latentes	14 772 499
Report à nouveau créateur	
Résultat net bénéficiaire du dernier exercice comptable	1 139 005
Intérêts minoritaires créditeurs	4 589 122
Elément à déduire des fonds propres	3 249 340
Goodwill	852 310
Autres Ajustements des CET1	1 609 535
Immobilisations	573 559
Autres déductions	213 936
Fonds propres additionnels	2 200 000
Dettes subordonnées à durée indéterminée	2 200 000
Elément à déduire des fonds propres	191 186
Immobilisations	191 186
Fonds propres complémentaires	7 533 434
Dettes subordonnées à durée déterminée	6 580 888
Ecart de réévaluation	748 058
Réserves latentes	204 488
Elément à déduire des fonds propres	220 186
Immobilisations	191 186
Autres déductions	29 000
Total	28 367 982
Capital Requirements by Risk Type	Déc. 2017
Risk-weighted credit risks	194 544 001
Risk-weighted market risks	9 304 885
Risk-weighted operational assets	22 597 721
Total risk-weighted assets	226 446 607
Tier 1 Capital	21 054 734
Tier 1 Capital ratio	9,3%
Total admissible capital	28 367 982
Capital adequacy ratio	12.5%

BMCE Bank Group's capital adequacy ratio stood at 12.5% at 31 December 2017.

Parent company	dec-17	june-18	dec-18	june-19
Tier 1 capital	12 124	12 271	12 403	13 138
Total capital ratio	17 532	17 880	18 413	19 389
Total risk-weighted assets	127 923	128 514	128 930	132 089
Tier 1 capital ratio	9.50%	9.50%	9.60%	9.90%
Capital adequacy ratio	13.70%	13.90%	14.30%	14.70%

Group	dec-17	june-18	dec-18	june-19
Tier 1 capital	21 055	21 629	21 945	23 738
Total capital ratio	28 368	28 775	29 492	31 119
Total risk-weighted assets	226 447	232 197	237 947	247 341
Tier 1 capital ratio	9.30%	9.30%	9.20%	9.60%
Capital adequacy ratio	12.50%	12.40%	12.40%	12.60%

MONITORING OVERSEAS SUBSIDIARIES

The Convergence Programme's implementation phase progressed well in 2017 in line with the Group's goals. This involved new subsidiaries continuing to implement systems so as to expand geographical coverage to the entire Group.

CREDIT RISK MANAGEMENT SYSTEM

Batch 1: Organisation, scheme of delegation, steering and reporting

The roll-out of the credit risk management system was completed at 15 BOA subsidiaries (Burkina Faso, Benin, Ivory Coast, Senegal, Niger, Madagascar, Mali, Kenya, Uganda, Tanzania, Mer Rouge, Ghana, DRC, Togo and France), the Moroccan subsidiaries (Salafin. Maghrebail and Maroc Factoring), LCB and BBI London.

A number of key change management initiatives were carried out throughout 2017 at each subsidiary.

The system will be rolled out at BCB during first half 2018.

The roll out at BBI Madrid is scheduled to be completed in first half 2018.

The reengineering of 'lending' processes were completed at 14 BOA subsidiaries (Benin, Burkina-Faso, Ivory Coast, Niger, Senegal, Madagascar, Togo, Red Sea, Kenya, Uganda, DRC, Mali, Tanzania and Ghana).

The roll-out of Batch 1 at BOA Rwanda and BCB is scheduled to begin in 2018.

In addition, IT-related work on the Third-party and Group Commitments Database was completed by BMCE IT staff. This Group database is an essential tool in steering and monitoring credit risk at the consolidated level:

■ Third-party and Group Commitments data from BMCE Bank Group's 23 subsidiaries (BMCE Bank, 16 BOA subsidiaries, 3 Moroccan subsidiaries, LCB, BBI Madrid and BBI London) were integrated into the Group Commitments Database, which now covers more than 98% of the Group's commitments.

■ In addition, so as to meet Bank Al-Maghrib's regulatory requirements, Basel II/Basel III regulatory requirements for the WAEMU region and BMCE Bank Of Africa Group's internal steering needs, the Group Risks Division, working closely with the IT and Risk departments of two pilot subsidiaries, BOA Burkina Faso and BOA Benin pilots, set up a back-up solution as part of the business continuity plan for the Group Commitments Database at these two subsidiaries.

■ This back-up solution will be rolled out at other BOA subsidiaries from March 2018.

Batch 2: Stress tests and concentration limits

Work carried out during 2017 resulted in a new and more simplified model for managing concentration limits.

The initial results regarding concentration limits and stress tests for the BOA Benin pilot site were presented at the Risk Seminar held in May 2017.

A roll-out schedule has been approved so as to provide support to subsidiaries in 2018. A roll-out kit comprising a presentation about methodology, calculation tools and procedures regarding stress tests and concentration limits will be produced and distributed to BOA Group. The roll-out will be completed by June 2018 at the 7 WAEMU regional subsidiaries and before the end of 2018 for the remaining subsidiaries.

The roll-out at the Maroc Factoring subsidiary was completed at the end of 2017 and is scheduled for second half 2018 for the other Moroccan subsidiaries.

OPERATIONAL RISK MANAGEMENT SYSTEM

Batch 1: Payment means, Customer accounts management, Loans, International Operations and Accounting

The roll-out of the operational risk management system was completed at 15 BOA subsidiaries (Burkina Faso, Benin, Ivory Coast, Senegal, Niger, Madagascar, Mali, Kenya, Uganda, Tanzania, Mer Rouge, Ghana, DRC, Togo and France), the Moroccan subsidiaries (Salafin, Maghrebaï, Maroc Factoring, BMCE Capital), BMCE Euroservices, LCB, BBI Madrid and BBI London.

Batch 1 operational risk mapping is scheduled for first half 2018 at BOA Rwanda.

Batch 2: HR, IT, General means, Savings, Remote banking, Financial management, Legal, Marketing & Communications, Cash management, Debt recovery, Security & Insurance

In 2017, operational risk mapping was extended to all other remaining areas within Batch 2 and completed for all French- and English-speaking BOA subsidiaries except BOA DRC and Rwanda. The roll-out of Batch 2 operational risk mapping at the latter is scheduled for first half 2018.

The roll-out of areas not covered by BMCE Bank, the Moroccan subsidiaries and BBI London are scheduled to be finalised in early 2018.

GROUP RISK COMMUNITY

The Group Risk Community has now reached a certain level of maturity as a result of a common set of risk policies and practices. The Group Risk Community's main achievements in 2017 were as follows:

- Training leading to the Group Risk Community's Associate in Risk Management (ARM) certificate provided by the Business Risk Academy
- The 3rd Group Risk Community Annual Seminar held in May 2017 in Casablanca to foster a risk culture across the Group.

GROUP RISK PROJECTS STEERING

RISK PROJECTS MANAGEMENT POLICY

The Group Risks Division centralises project steering and management and Group systems administration within a dedicated Group Risk Projects 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 BMCE Bank of Africa Group's divisional strategy.

Responsibilities of the Group Risk Projects Steering unit

The Group Risk Projects Steering unit, consistent with the Group Risks Division's strategy, has the following responsibilities:

- Assume a project management role for all internal and regulatory projects in relation to risk management at the Bank level
- Centralise the Group risk projects portfolio – ensure that projects are complete, identify the extent to which projects are interdependent, help select and prioritise projects, maintain a consolidated roadmap etc.
- Steer and oversee the design, production and implementation of risk management IT systems at BMCE Bank SA and at the Group's subsidiaries
- Ensure that the needs of business lines are catered for in risk projects and draw up appropriate strategies in conjunction with the Risk and TPOG functions
- Help design and improve risk management processes and procedures
- Present a project status report to the Group Risks Division's management (provide feedback on decisive issues, arbitrages and alerts and produce indicators on the consolidated projects portfolio)
- Assume day-to-day administration of the Group Commitments Database
- Monitor data reliability initiatives as part of the Risk Data Quality Committee

Risk projects portfolio:

The various Group Risk projects are structured into four blocks:

1. Standards and methods
2. Organisation and processes
3. IT systems
4. Risk functions

These projects relate to the work carried out by the Group Risks Division's different departments in relation to BMCE Bank SA as well as Group projects.

The Group Risks Division's project portfolio consists of about 40 projects.

A dozen or so projects were completed in 2017 while the others remain outstanding.

The main risk projects overseen in 2017 were as follows:

- Back-up solution rolled out as part of the business continuity plan for the Group Commitments Database so as to meet Bank Al-Maghrib's regulatory requirements, Basel II/Basel III regulatory requirements for the WAEMU region and BMCE Bank Of Africa Group's internal steering needs:

- Solution rolled out at two pilot sites, BOA Burkina Faso and BOA Benin

- To be rolled out at other BOA subsidiaries within the WAEMU region from March 2018

- Migration project from Fermat to Risk Authority (software solution for calculating capital requirements and for producing regulatory declarations):

- Solution rolled out at BMCE Bank SA

- To be rolled out at other BOA subsidiaries within the WAEMU region from March 2018

- Work involving cleaning up accounts in arrears within the loan downgrading system with the help of consulting firm Mazars

- Work involving the introduction of a new scheme of delegation for credit approval and overshoots

- Work involving implementing new ratings models

- Work involving stabilising and improving the OSCA solution for monitoring accounts showing anomalies

- Work involving enhancing and cleaning up the BGI incidents database – automating processes for dealing with frozen accounts and persistent overshoots

- Work involving migration towards the new version of MEGA GRC for operational risk management



COMPLIANCE GROUP

BMCE BANK OF AFRICA GROUP's every action systematically complies with provisions that are specific to banking and financial operations, regardless of whether they are legislative or regulatory by nature, as well as the ethical and professional principles and standards in force. Compliance with these standards and principles underlines the Group's strong commitment to protecting all stakeholders, particularly customers.

Upholding such commitments is not simply the responsibility of a group of experts but, rather, a culture and state of mind that guides the Group's entire staff at all times.

COMPLIANCE SYSTEM:

Non-Compliance Risk Non-compliance risk, as defined by the Group's Compliance Policy, is the risk of judicial, administrative or disciplinary sanction, significant financial loss or damage to one's reputation, resulting from non-compliance with provisions that are specific to banking and financial operations, regardless of whether they are legislative or regulatory by nature, ethical and professional standards or instructions established by the Group Executive Committee in application of the corporate strategy approved by BMCE Bank of Africa Group's Board of Directors.

In accordance with the Compliance policy approved by the Board of Directors, Group Compliance's involvement at the BMCE Bank Group level is part of a process of managing, controlling and mitigating non-compliance risk, primarily in relation to:

- Anti-money laundering and countering the financing of terrorism;
- Complying with financial embargoes;
- Combatting corruption and fraud;
- Complying with ethics and professional conduct;
- Preventing conflicts of interest and market abuse;
- Protecting personal data;
- Mitigating non-compliance risk relating to new products and business lines;

To ensure that these guidelines are adhered to, the Group has adopted a Compliance system comprising an organisational structure, a standard framework, procedures and information systems.

2017 provided an opportunity to bolster the Group's existing systems so as to incorporate the latest regulatory developments while continuing to foster a common compliance culture among staff working in Compliance.

In 2017, revisions were made to Bank Al Maghrib's Circular No. 2/G/2012 regarding the duty of vigilance incumbent upon credit institutions. With the new Circular No. 5/W/2017 coming into force 24th July 2017, various compliance-related projects were initiated. These involved bolstering Know Your Customer requirements, bolstering customer transaction monitoring, bolstering compliance-related training and awareness and introducing a procedure for appraising the Bank's risk policy in relation to money laundering and terrorism financing.

ORGANISATION AND GOVERNANCE OF THE COMPLIANCE FUNCTION

ORGANISATION OF THE COMPLIANCE FUNCTION

Group Compliance is a separate function that specialises exclusively in managing, controlling and mitigating non-compliance risk. It carries out its duties directly at both the Group and BMCE Bank levels. Group Compliance, which reports to the Group General Management Committee, consists of three distinct entities:

- BMCE Bank Compliance, which is responsible for managing and mitigating non-compliance risk at the BMCE Bank level;
- Group standards and advisory, whose main responsibility is to devise Group Compliance standards, ensure that they are updated as a function of permanent regulatory developments and oversee projects that have an impact at the Group level;
- Group coordination/steering, whose main responsibility is to ensure coordination between the Group and its different entities regarding Compliance matters.

Heads of Compliance of each of the Group's fully consolidated subsidiaries report to Group Compliance.

Governance: Group Compliance, from an operational perspective, reports to:

- Group General Management Committee
- Group Audit and Internal Control Committee
- Group Internal Control Coordination Committee

Compliance function's responsibilities: The Compliance function is responsible for devising and implementing the system for managing non-compliance risk at the Group level.

After an initial phase during which the key tenets of Compliance policy were established, 2017 was a consolidation year in which the Compliance function focused more on compliance-related preventive and advisory aspects:

- Financial security, which encompasses issues such as anti-money laundering (AML) and countering the financing of terrorism (CFT), Know Your Customer (KYC) and compliance with financial embargoes;
- Compliance with international regulations such as FATCA.
- Ethics and professional conduct, which encompasses matters relating to rules of proper conduct, managing conflicts of interest, insider trading incidents, whistle-blowing, the prevention of fraud and corruption and personal data protection;
- Compliance-related advisory, which aims to provide operational entities with the necessary support to perform their duties domestically and overseas and mitigate non-compliance risk
- Group Compliance steering, which is responsible for enforcing Group standards at the subsidiary level and providing them with assistance and support. Group Compliance organises and carries out compliance checks in conjunction with the other compliance-related functions and coordinates the Compliance function at the Group level by providing practical support to each Group entity domiciled in Morocco or overseas.

Anti-money laundering and countering the financing of terrorism (AML/CFT): Given its size, the diversity of its businesses and the strong expansion of its overseas operations, BMCE Bank Group is faced with a major risk in terms of money laundering and terrorism financing. Its financial and geographical diversity means that the Group is also confronted with a risk of contagion and damage to its reputation should one of its entities become involved in a money laundering or terrorist financing incident.

The Group is liable to be inspected by regulators or incur financial and/or administrative penalties in the different countries in which it has operations.

With the regulatory environment changing constantly, Group Compliance is permanently faced with the task of having to improve its AML/CFT system on an ongoing basis by:

- Bolstering AML/CFT standards
- Upgrading AML/CFT-related procedures
- Upgrading its systems and controls: 2017 provided an opportunity to improve the system already in place regarding customer profiling and enhance customer transaction monitoring
- introducing a procedure for appraising the Bank's risk policy in relation to money laundering and terrorism financing.

Know Your Customer (KYC): considered to be the core component of any effective compliance system, the KYC operating system was inspired by international standards and best practice regarding the procedural aspects as well as systems: the body of KYC procedures is regularly updated, so too, technical resources such as lists for identifying politically-exposed persons, data dictionary etc.

2017 provided an opportunity to continue to work on the data reliability project for existing customer data.

Financial embargoes and sanctions: Group Compliance is responsible for ensuring that the Group complies with sanctions lists and adopts a system whereby each entity fully takes on board the restrictions announced by the different international sanctions programmes.

The Group Compliance System ensures that all subsidiaries adhere strictly to the applicable sanctions programmes and regularly maintain updated sanctions lists.

Compliance with FATCA: as part of its standard practice of complying with international regulations, the Group complies with FATCA in Morocco and in every country in which it has operations.

The Group is registered with the US tax authority, the Internal Revenue Service (IRS), for all FATCA-eligible subsidiaries and branches. The compliance system currently being set up is intended to identify FATCA-eligible customers and file the requisite information about their assets with the US tax administration on an annual basis.

Ethics and professional conduct: Compliance with ethics and professional conduct is a key aspect of the rules of conduct to which all Group employees must adhere. Proper application of procedures by internal and external resources – service providers, temporary staff and interns – is closely monitored. Training and awareness initiatives relating to ethics and professional conduct are regularly organised for staff by Group Compliance.

Group Compliance is responsible for establishing the ethical principles adopted by BMCE Bank of Africa Group which underpin its Code of Ethics, Rules of Proper Conduct and Gift Policy etc. A Code of Ethics was drawn up by Group Compliance specifying the rules of ethics and professional conduct to be adopted by BMCE Bank of Africa Group when carrying out its duties. The goal is protect the Group's good reputation and ensure that best practice in rules of ethics and professional conduct is applied by the entire staff. Any incident of non-compliance with the requirements of the Code is reported to Management.

Preventing, detecting and managing conflicts of interest: A system for preventing (policies, internal procedures), detecting (whistle-blowing, declaring conflicts of interest) and managing conflicts of interest (internal committees, management rules) is implemented by Compliance in conjunction with other control functions.

Personal data protection: Group Compliance is working on introducing an appropriate system to ensure that the Group complies with the regulatory requirements regarding personal data protection – defining the criteria for processing personal data and obligations regarding respect for the rights of the persons in question when processing and transferring their data.

Prevention of fraud and corruption: Fraud prevention is first and foremost the responsibility of the operational and functional entities and their supervisors.

The fraud prevention system established by the Group is based on developing an attitude of vigilance regarding the risk of fraud, identifying different types of fraud, frequently appraising fraud risks, incorporating the risk of fraud in operating systems, implementing employee management policies aimed at bolstering fraud prevention and informing staff about any penalties incurred. 2017 also provided an opportunity to adopt a proactive approach to combating corruption, domestically as well as overseas (OECD Convention, UN Convention, FCPA, Bribery Act etc.), by bolstering initiatives aimed at preventing corruption by establishing:

- A new anti-corruption policy at the Group level
- Corruption risk-mapping
- An action plan for all the Group's subsidiaries providing details of the initiatives to be implemented in terms of training, raising awareness, communication, control and formalising the Bank's commitments.

Compliance-related advisory and regulatory monitoring:

The Compliance function ensures that regulations within its remit are monitored. It is underpinned by a decentralised system which it established, which impacts various functions (General Control, Permanent Control, Risks, Finance) so as to ensure that new regulations applicable to each subsidiary are reported on a regular basis.

Appraising non-compliance risk relating to new products and activities:

With the aim of being totally transparent when marketing new products and activities and acting the best interest of customers, Group Compliance analyses the impact from any new product, service or activity proposed by the Group in compliance terms.

The Compliance appraisal procedure for new products and activities provides a framework ensuring that all products and activities marketed by the various distribution channels comply with legal and regulatory requirements. This procedure ensures that Group Compliance approves any new product or activity or any material transformation of an existing product. Group Compliance may issue a notice blocking any new release if there is a material risk to the institution, its customers or its partners.

Advising operational entities: Either Group Compliance or local Compliance functions may be consulted by operational entities to answer any of their enquiries on any compliance-related issue when carrying out their operational activities.

Training: In 2017, efforts were made to enhance compliance-related training and awareness initiatives via various channels: face-to-face training, e-learning, awareness notes distributed, theme-based seminars organised etc.

2018 OUTLOOK

2018 will see the Compliance function fully integrated across the Group by:

- Pursuing initiatives to foster a compliance-based culture and ensuring the transition in communication and training channels from a 'classic' approach towards a 'connected' approach
- Promoting a Group-wide approach by standardising Group-wide compliance systems, particularly for subsidiaries/ branches that have been recently acquired by the Group
- Pursuing efforts to comply with international regulations at Group level
- Continuing to devise ways of rationalising systems within the Group

In 2018, Group Compliance will continue to strive to protect the Bank's and the Group's reputation by mitigating non-compliance risk along the entire value chain.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

BMCE Bank Foundation for Education and the Environment, under the aegis of its Chairman, Dr Leila Mezian Benjelloun, is pursuing a comprehensive educational programme to develop high-quality primary education, particularly in rural areas.

AN EXTENSIVE PROGRAMME OF PROFESSIONAL TRAINING AND QUALIFICATIONS

In tandem with the Institut Français, a training programme was organised for teaching staff to improve their command of French. As with French and Tamazight teachers, Arabic language teachers also received training in the very latest teaching methods.

INTERNATIONAL SYMPOSIUM ON PRE-SCHOOL EDUCATION IN MOROCCO

The BMCE Foundation organised an international symposium on pre-school education in Morocco on the theme of 'Pre-school education in Morocco – ensuring fairness and high quality for everyone'. The symposium was attended by a number of Ministers of State, as well as the Ambassadors of countries participating in the symposium's opening sessions.

DEVELOPING COMMUNICATION AND INFORMATION SYSTEMS

Two documentary films were produced, one illustrating the progress made in pre-school education, the second about the teaching of French. In addition, computer applications were upgraded in schools to manage pupils' educational careers more effectively.

PROMOTING EXCELLENCE

A ceremony was organised to present awards for excellence to those high school graduates achieving the highest grades. As usual, pupils from the Medersat.com Network qualified for the finals of the National Award for Excellence in Mandarin Chinese.

MEETINGS WITH THE MINISTRY OF NATIONAL EDUCATION

A meeting was held with the Minister of National Education, attended by the Foundation's Chairman, Dr Leila Mezian Benjelloun, to discuss developing the partnership between the public and private sectors. In November 2017, a meeting was held with the Interim Minister about allocating human resources to bolster the Medersat.com Network.

EXTRA-CURRICULAR ACTIVITIES

In organising extra-curricular activities, the Foundation aims to develop pupils' artistic sensitivity as well as instilling in them a set of values. World Environment Day and World No Tobacco Day were just some of the events celebrated.

EXPANDING THE MEDERSAT.COM NETWORK IN SUB-SAHARAN AFRICA

In July 2017, BMCE Bank Foundation and the Imbuto-Rwanda Foundation signed a partnership agreement to set up a 'Medersat.com Rwanda' school in Kigali Province.

BMCE BANK FOUNDATION STRIVING TO POSITIVELY IMPACT THE ENVIRONMENT

As part of the 'Eco-schools' programme, an environmental partnership agreement was signed in May 2017 between the Mohammed VI Foundation and BMCE Bank Foundation. The aim of this project is to provide young school children with the basic concepts of sustainable development.

KEY FIGURES

- Nearly 200 pre-school and primary school educational units built and fully equipped, covering the Kingdom of Morocco's 12 regions
- 5 schools in Africa – in Senegal, Congo Brazzaville, Mali and Rwanda
- 1 socio-educational centre in Senegal
- In September 2017, 62 schools admitted approximately 10,300 pupils from underprivileged backgrounds in pre-school and primary school
- 450 teachers, 48% of whom are women, supervised by 12 regional educational supervisors
- 22,000 pupils, 50% of whom are girls, including 800 high-school graduates enrolled for the 2017 academic year alone
- 230 hours per year of in-service teacher training in various subject areas (languages/sciences/pre-school)

Group Human Capital continued to bolster the HR function's Group-wide dimension so as manage employees' careers more effectively.

NEW HR CERTIFICATIONS

BMCE Bank obtained several certifications including that of 'Top Employer Morocco 2018 from the Top Employers Institute. This certification was obtained after undergoing a comprehensive inspection of all human resources processes.

BOLSTERING THE GROUP'S HR DIMENSION

The goal is to establish a strong HR capability. The Group HR Committee therefore met on a number of occasions to discuss topics such as presenting the HR Development Plan.

NETWORK EXPANSION

The expansion of the Commercial Network saw eleven Personal and Professional Banking branches opened and one Business Centre. In addition, more than 172 employees were promoted.

FOSTERING EMPLOYABILITY

At the operational level, 1,607 employees changed career path in 2017, involving either a change of occupation and/or position. Similarly, 1,392 trainees joined the Group.

TRAINING INITIATIVES FOR BUSINESS

To support banking and similar business lines, nearly 719 employees were enrolled for e-learning courses. In addition, approximately 363 employees attended language-learning courses.

INITIATIVES PROMOTING HEALTHY LABOUR RELATIONS

To improve employees' well-being, agreements were signed with partner companies in the hospitality industry, the real estate sector and other business sectors. Employee health benefits were also improved while sports activities were developed for employees' children.

KEY FIGURES

- 5,370 employees at 31 December 2017, an increase of 2.7% on average per year over the last 5 years
- The Commercial Network accounts for almost three-quarters of total staff
- 384 new employees recruited to BMCE Bank in 2017
- Women account for 42% of the workforce
- Average age of employees is 37 years
- 81% of workforce ≤45 years

AN INTERNATIONAL COMMITMENT TO POSITIVE IMPACT FINANCE

In January 2017, BMCE Bank of Africa signed up to 'Principles for Positive Impact Finance', a set of guidelines governing a new financing paradigm based on a methodology for identifying, evaluating and reporting on Positive Impact Finance.

This approach is now being applied to managing the environmental and social (E&S) risks in lending and for monitoring the performance of the Bank's green and sustainable products and the Green Bond.

Similarly, the Bank participated in the launch of Principles for Positive Impact Finance in Africa, co-organised by the CFC and UNEP FI. An assignment was also carried out with BOA Senegal to develop a 'Resource Efficiency' facility – energy, water, waste and transport – for the African market which is being developed in partnership with the EIB.

AN AWARD IN RECOGNITION OF THE BANK'S ENDEAVOURS IN PROMOTING RENEWABLE ENERGY

BMCE Bank of Africa-MorSEFF received the '2017 Sustainable Energy Gold Award' at the 26th EBRD Annual Meeting and Business Forum in May 2017 in Cyprus on the theme of 'Targeting Green and Inclusive Growth'.

FUNCTIONAL ORGANISATIONAL APPROACH UNDERPINNED BY ENVIRONMENTAL, ENERGY AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

The Bank saw its ISO 14001 certification renewed for its entire operations and it carried out a carbon footprint assessment for the second year in succession. The 7% reduction in CO2 emissions per employee justifies the approach taken by the Bank, which is underpinned by ISO 14001 and ISO 50001 certifications.

As part of the process of obtaining OHSAS 18001 certification – occupational health and safety – in March 2018, 126 managers from the Casa North region received training from Group Human Capital in psychosocial risk factors. Morning meetings were also organised for each of the Bank's service providers to raise awareness about on-site risks.

A REPORTING-BASED APPROACH GROWING MATURITY

The publication of the 2016 Sustainable Development and CSR Report, which includes a table of indicators based on the Global Reporting Initiative's GRI Standards and the Equator Principles-IFC's annual report illustrate the progress made in terms of performance indicators and increased transparency.

KEY FIGURES

- New Positive Impact methodology adopted with E&S risks factored into credit risk policy
- Applied to Category A and B+ projects of more than USD 5 million and all sustainable finance lines
- E&S Tracking System introduced with the support of the FMO, the Dutch Development Bank, for all projects financed
- Global Compact reporting: BMCE Bank of Africa's first 'Communication on Progress' report published, in compliance with the 10 UN principles relating to human rights, labour standards, environmental protection and anti-corruption - having obtained 'Global Compact Active COP' status.

The African Entrepreneurship Award was held for a third consecutive year in 2017. This pan-African award was launched by BMCE Bank of Africa Group's Chairman in November 2014 at the Global Entrepreneurship Summit in Marrakesh.

This Award, which has an annual budget of USD 1 million, aims to promote entrepreneurship in Africa, by rewarding the projects that are most likely to make a sustainable impact on society.

The African Entrepreneurship Award, over its first three years, attracted nearly 12,000 entrepreneurs from 132 countries, including all 54 African countries. The Award has also seen its network of partner-mentors grow from 100 to 400 in just two years. These partner-mentors are entrepreneurs, business angel investors, venture capitalists, business owners and coaches from 40 countries from every continent (Africa, Europe, Asia, North America, South America and Oceania).

Since its launch, the African Entrepreneurship Award has invited the 112 entrepreneur-finalists from 32 countries to a boot-camp, enabling them to benefit from personalised coaching and mentoring in a collegial and informal setting.

The programme has a dedicated team responsible for monitoring the award-winning projects to ensure that targets are met. Prize-money is released to the award-winners on a gradual basis when certain milestones, agreed beforehand between the entrepreneurs and their mentors, are met. Therefore, over and above offering simply a monetary reward, the unique so-called 'post-Award' approach adopted enables the winning entrepreneurs to benefit from personalised mentoring during each growth and development phase of their companies.

The AEA programme contributes positively to Africa's development by transforming the award-winning projects and start-ups into sustainable revenue-generating enterprises.

The 2018 AEA programme, now in its fourth year, launched on 1st March 2018, contains a number of new award categories, including innovation and entrepreneurial sport. This year, the Award has attracted interest from 4,900 entrepreneurs who will join the race to receive mentorship and the chance to share in the USD 1 million prize-money.

KEY FIGURES

- 12,000 entrepreneurs from 132 countries, including all 54 African countries
- Nearly 500 mentors from about 30 countries
33 winners from 13 countries
USD 3 million awarded
- Impact on award-winning companies:
264,000 new customers
2281 jobs created
- Fourfold increase in post-award* annual revenue

(*) After the AEA Award has been awarded to the winners



FINANCIAL REPORT

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Annual General Meeting of Shareholders in accordance with the Memorandum and Articles of Association and the amended and completed Act 17-95 relating to limited companies 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 2017 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 within 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 2.4% year-on-year to MAD 313.3 billion at 31 December 2017.

BMCE Bank Group's shareholders' equity increased by 2.5% to MAD 18.7 billion at 31 December 2017 versus MAD 18.3 billion at 31 December 2016.

The scope of consolidation was broadly stable between 2016 and 2017, the exception being the inclusion of Africa Morocco Link, in which the Group has a 51%, and which is accounted for under the equity method.

Consolidated outstanding loans grew by 2.2% from MAD 179.8 billion in 2016 to MAD 183.8 billion in 2017. Restated for repurchase agreements, loans and advances to customers grew by 2%.

Customer deposits increased by 4.6% over the same period to MAD 198.8 billion versus MAD 190 billion in 2016.

To bolster its equity, the Bank issued a MAD 1 billion perpetual subordinated loan with a loss absorption provision on the domestic market in June 2017 and a MAD 400 million subordinated loan in November 2017, which enabled it to bolster its capital adequacy ratio.

As far as its consolidated financial performance was concerned, net banking income rose by 3% year-on-year to MAD 13,368 million in 2017 versus MAD 12,990 million in 2016. It is worth noting that net interest income and fee income grew by 5% and 14% respectively while income from market operations fell by 39%, after what was an exceptional performance in 2016.

Gross operating income was broadly unchanged at around MAD 5.6 billion.

The cost of risk was -MAD 1,794 million in 2017 versus -MAD 1,616 million in 2016, an increase of 11%. Net income attributable to shareholders of the parent company was MAD 2,036 million in 2017, unchanged on 2016. Consolidated ROE was 11.7%.

Net income (Group) rose by 0.3% to MAD 2,622 million year-on-year to MAD 2,844 million in 2017.

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:

CONTRIBUTIONS TO NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	Dec 17	% Str	Dec 16	% Str	Change
MOROCCO	1 245	61%	1 192	59%	4.4%
BMCE BANK	974	48%	815	40%	19.5%
SUBSIDIARIES	272	13%	378	19%	-28.0%
SPECIALISED FINANCIAL SERVICES	179	9%	188	9%	-4.7%
INVESTMENT BANKING & ASSET MANAGEMENT	121	6%	141	7%	-14.2%
OTHERS	-28	-1%	49	2%	na
OVERSEAS OPERATIONS	791	39%	844	41%	-6.3%
EUROPE	138	7%	183	9%	-24.7%
AFRICA	653	32%	661	32%	-1.2%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	2 036	100%	2 036	100%	0.0%

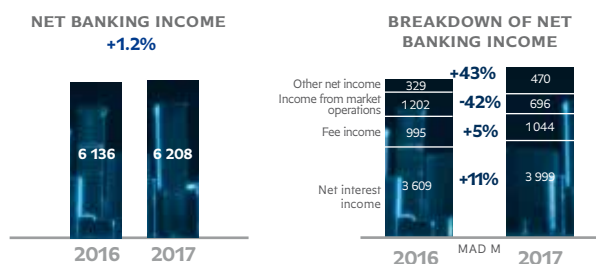
Moroccan operations accounted for 61% of total net income attributable to shareholders of the parent company versus 59% last year.

Overseas operations accounted for 39% of total net income attributable to shareholders of the parent company versus 41% in 2016.

African operations accounted for 32% of total net income attributable to shareholders of the parent company, unchanged on 2016.

Results and contributions from BMCE BANK Plc's operations

BMCE Bank Plc's total assets were broadly unchanged at around MAD 205 billion at 31 December 2017, up by a modest 0.2%.



The Bank's net banking income rose by 1.2% from MAD 6,136 million at 31 December 2016 to MAD 6,208 million at 31 December 2017. This was due to a combination of factors:

- A 42% decline in income from market operations, after what was an exceptional performance last year;

- Net interest income up 11%, fee income up 5% and other income up 43%, the latter due to a MAD 133 million increase in dividends received in 2017.

General operating expenses rose by 3.7% from MAD 3,493 million at 31 December 2016 to MAD 3,621 million at 31 December 2017.

Gross operating income grew by 0.4% to MAD 2,708 million in 2017.



The total cost of risk was MAD 612 million at 31 December 2017 versus MAD 821 million at 31 December 2016 due to:

- A 42.4% increase in write-backs to MAD 544 million in 2017 versus MAD 382 MDH in 2016;

- A 10.7% fall in loan loss provisions from MAD 1,142 million in 2017 to MAD 1,020 million in 2017.

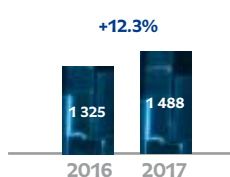
A general risk provision of MAD 132.3 million net (MAD 210 million gross) was also booked in 2017 versus MAD 59 million net (MAD 93 million gross) in 2016.

BMCE Bank Plc's net income rose by 12.3% to MAD 1,488 million at 31 December 2017 versus MAD 1,325 million at 31 December 2016.

TOTAL COST OF RISK



PARENT NET INCOME



Highlights of the bank's Moroccan operations

• The Bank's funding sources

The Bank's funding sources rose by 6.4% year-on-year to MAD 143 billion at 31 December 2017 versus MAD 135 billion at 31 December 2016, resulting in a 0.16% gain in market share to 15.09% at 31 December 2017 versus 14.93% at 31 December 2016.

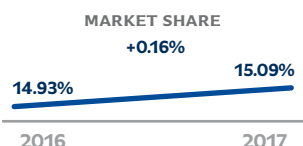
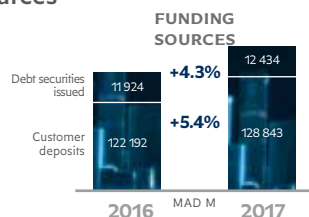
Customer deposits grew by 5.4% to MAD 129 billion at 31 December 2017 versus MAD 122 billion at 31 December 2016, resulting in a market share of 14.59% at 31 December 2017, up 0.07%.

In terms of the structure of the Bank's funding sources, non-interest-bearing deposits accounted for almost 54% of total funding sources at 31 December 2017 versus 52% at 31 December 2016.

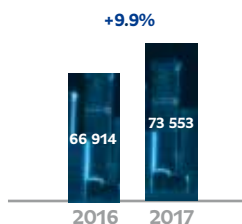
Sight deposit accounts in credit grew by 9.9%. Cheque accounts rose by 6.8% from MAD 49 billion at 31 December 2016 to MAD 52 billion at 31 December 2017. Similarly, current accounts increased by 18.5% to MAD 21.2 billion at 31 December 2017 versus MAD 17.9 billion at 31 December 2016.

The Bank's market share of sight deposit accounts in credit rose by 0.25% from 13.36% at 31 December 2016 to 13.61% at 31 December 2017.

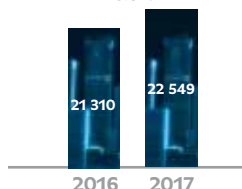
Passbook savings accounts grew by 5.8% (versus +5.3% at industry level) to almost MAD 22 billion at 31 December 2017 versus MAD 21 billion at 31 December 2016.



SIGHT DEPOSIT ACCOUNTS



SAVINGS ACCOUNTS



The Bank's market share of passbook savings accounts was 14.74% at 31 December 2017 versus 14.68% at 31 December 2016.

Term deposits declined to MAD 29 billion at 31 December 2017.

The Bank's market share of term deposits was 17.96% at 31 December 2017 versus 18.29% at 31 December 2016.

• Customer loans

Bank loans fell by 2.3% to MAD 116 billion at 31 December 2017 versus MAD 119 billion at 31 December 2016. In terms of market share, the Bank's share of customer loans similarly declined from 14.91% at 31 December 2016 to 14.08% at 31 December 2017.

Retail loans grew by 2.3% or almost MAD 0.9 billion from MAD 38.5 billion at 31 December 2016 to MAD 39.4 billion at 31 December 2017.

This was primarily due to a 3.7% or MAD 1.1 billion increase in retail mortgages.

The Bank's market share of retail mortgages fell modestly to 15.11% at 31 December 2017. Consumer loans saw their market share fall by 1.14% to 19.02% at 31 December 2017.

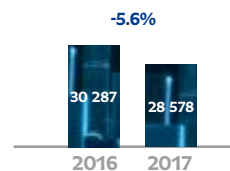
Corporate loans fell by 4% year-on-year to MAD 57 billion at 31 December 2017, primarily due to a decline of almost MAD 4.6 billion in operating loans. By contrast, real estate development loans and equipment loans registered increases of MAD 1.5 billion and MAD 0.7 billion respectively in 2017.

The Bank's market share of real estate development loans rose by 1.66% to 17.45% at 31 December 2017. Its market share of operating loans and equipment loans, however, contracted to 12.75% at 31 December 2017 versus 14.29% at 31 December 2016.

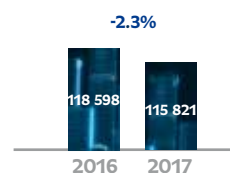
• Net banking income

BMCE Bank Plc's net banking income rose by 1.2% to MAD 6,208 million in 2017 versus MAD 6,136 million in 2016.

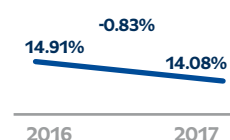
TERM DEPOSITS



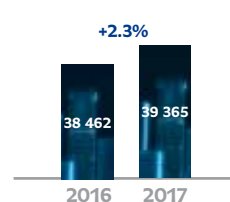
CUSTOMER LOANS



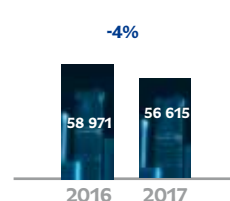
MARKET SHARE



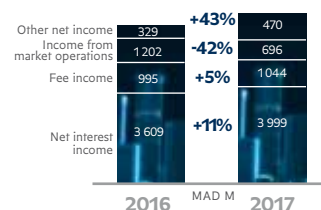
CUSTOMER LOANS



CORPORATE LOANS



BREAKDOWN OF NET BANKING INCOME



• Net interest income

Net interest income grew by almost 11% year-on-year from MAD 3,609 million in 2016 to MAD 3,999 million in 2017, due to growth of almost 14% in the Bank's intermediation margin on customer loans as a result of:

- 12.5% growth (+MAD 7.5 billion) in average non-interest-bearing deposits, driven primarily by an increase in cheque accounts (+9.2% or +MAD 4 billion) followed by current accounts (+20% or +MAD 2.8 billion). At the same time, the average remuneration rate on interest-bearing accounts fell sharply (35 basis points), particularly on term deposits (3.17% at 31 December 2017 versus 3.68% at 31 December 2016), certificates of deposit (2.83% versus 3.22%) and passbook savings accounts (1.84% versus 1.88%).

- In addition, average outstanding loans grew by 10.6% (+MAD 11.3 billion) in 2017, primarily driven by average outstanding equipment loans (+MAD 5 billion), average outstanding operating loans (+MAD 3.2 billion) and average outstanding mortgages (+MAD 1.6 billion).

• Fee income

Fee income rose by almost 5% to MAD 1,043 million at 31 December 2017 versus MAD 995 million at 31 December 2016, surpassing the MAD 1 billion level for the first time. This was primarily due to:

- An 18% (+MAD 25 million) increase in fees from foreign trade due to a 12.9% rise in import and export volumes generated by the Business Centre network;

- 4.4% (+MAD 18 million) growth in fees from and packages, payment cards and account management primarily due to:

- An 8.3% (+MAD 25 million) increase in fees from packages in 2017, in line with the increase in the stock of packages (+41,587);

- Growth of nearly 2% in account management fees with 136,643 new accounts opened in 2017;

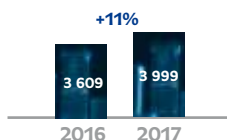
- A -5.7% (-MAD 8.5 million) fall in loan fees, mainly due to lower project finance fees (MAD 1.8 million versus MAD 17.7 million in 2016), offset, however, by booking fresh factoring fees amounting to almost MAD 1.7 million in 2017 on the debt portfolio ceded by Maroc Factoring.

• Income from market operations

Income from market operations declined by 42% to MAD 696 million at 31 December 2017 versus MAD 1,202 million at 31 December 2016 due to:

- A decline in the mutual fund portfolio's yield, resulting in a MAD 211 million fall in capital gains in 2017, after the portfolio's exceptional performance in 2016.

NET INTEREST INCOME



- An unrealised capital loss on the Treasury bond portfolio's valuation in 2017.

• General operating expenses

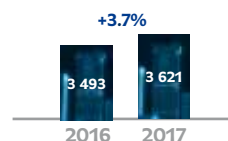
General operating expenses rose by 3.7% to MAD 3,621 million at 31 December 2017 versus MAD 3,493 million at 31 December 2016.

- Employee expenses increased by 4.6% to MAD 1,611 million in 2017 due to a rise in the number of employees (+76 FTE), taking the total number of staff to 5,370 employees at 31 December 2017, in addition to an increase in staff bonuses.

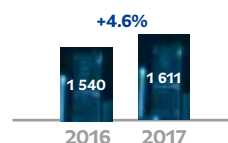
- Other operating expenses rose by 2.9% from MAD 1,953 million in 2016 to MAD 2,010 million in 2017, mainly due to an increase in the number of branches (11 new branches were opened), which resulted in additional operating expenses (lease purchase agreements, specialised lines etc.).

The cost-to-income ratio was 58.3% at 31 December 2017 versus 56.9% at 31 December 2016 as a result of general operating expenses rising more rapidly than net banking income.

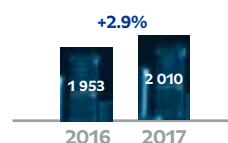
GENERAL OPERATING EXPENSES



EMPLOYEE EXPENSES



OTHER OPERATING EXPENSES



• Cost of risk

The overall cost of risk was MAD 612 million at 31 December 2017 versus MAD 821 million at 31 December 2016.

- Loan loss provisions fell by 4.1% to MAD 1,152 million at 31 December 2017 versus MAD 1,201 million at 31 December 2016, including a general risk provision of MAD 132.3 million net in 2017 versus MAD 59 million net in 2016.

- Write-backs rose by 42.3% to MAD 544 million in 2017 versus MAD 382 million in 2016.

- The loan-loss provision coverage ratio declined from 72.47% at 31 December 2016 to 66.02% at 31 December 2017.

- The non-performing loan ratio was 6.60% at 31 December 2017 versus 6.46% at 31 December 2016.

- Outstanding provisions for non-performing loans fell by 10% from MAD 5,556 million in 2016 to MAD 5,003 million in 2017.

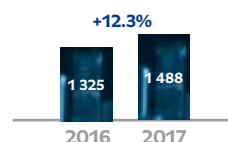
ADDITIONAL LOAN LOSS PROVISIONS AND WRITE-BACKS



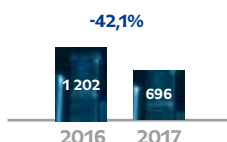
• Net income

BMCE Bank S.A.'s net income rose by 12.3% to MAD 1,488 million at 31 December 2017 versus MAD 1,325 million at 31 December 2016.

NET INCOME



INCOME FROM MARKET OPERATIONS



Specialised financial services

Contribution	SFS		SALAFIN		Maghrébaïl		M.Factoring		RM Experts		Euler Hermes Acmar	
SFS	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	753	785	259	246	459	464	32	70	2.1	4.8	na	na
Change		-4%		5.4%		-0.9%		-54%		-57%		
General expenses	-227	-232	-88	-93	-85	-82	-19	-18	-36.4	-39.1	na	na
Change		-2%		-5.9%		4%		6%		-7%		
Cost of risk	-210	-86	-66	-47	-140	-47	-3.5	7.2	na	na	na	na
Change		143%		42%		200%						
Net income attributable to shareholders of the parent	179	188	99	95	66	72	8.5	17.8	1.0	0.3	4.4	2.3
Change		-5%		4%		-9%		-52%				87%

The Specialised Financial Services business line accounted for 9% of net income attributable to shareholders of the parent company. Its contribution fell by 5% compared to 31 December 2016.

Salafin saw its parent net income rise by 1.2% to MAD 140 million in 2017. Its earnings were negatively impacted by a 41% increase in net provisions for irrecoverable loans due to impairment of the customer portfolio, although the impact was contained thanks to loan recovery efforts and tighter credit approval criteria. Salafin's contribution to net income attributable to shareholders of the parent company increased by 4% year-on-year.

Maghrébaïl's parent net income increased by 7% year-on-year to MAD 93.3 million. Its contribution to net income attributable to shareholders of the parent company fell by 9%, however, due to the impact from the cost of risk under IFRS following an exceptional write-back in 2016.

Maroc Factoring's parent net income fell by 35% to MAD 9.8 million in 2017 as a result of it transferring a portion of its business to BMCE Bank. Its contribution to consolidated net income attributable to shareholders of the parent company declined by 52% due to the impact from the cost of risk under IFRS following an exceptional write-back in 2016.

RM Experts' parent net income was MAD 2.6 million in 2017 versus MAD 6.3 million in 2016.

Euler Hermes ACMAR, a subsidiary specialising in credit insurance in which the Group has a 20% stake and which is accounted for under the equity method, saw its parent net income rise substantially (+87% year-on-year) to MAD 21.8 million, due to a sharp fall in claims settled.

Investment banking and asset management

Contribution	GABA		BMCE Capital		BK Bourse		BK Gestion	
Investment Banking & Asset Management	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	364.3	393.9	187.1	195.7	23.3	35.1	154.0	163.1
Change		-8%		-4%		-34%		-6%
General expenses	-281.7	-288.0	-220.9	-229.6	-15.6	-16.2	-45.2	-42.2
Change		-2%		-4%		-4%		7%
Cost of risk	0.5	-1.5	0.0	-1.5	0.0	0.0	0.5	0.0
Change								
Net income attributable to shareholders of the parent	121.1	141.1	56.4	56.5	1.6	12.2	63.1	72.3
Change		-14%		-0.2%		-87%		-13%

The Investment Banking & Asset Management business line accounted for almost 6% of net income attributable to shareholders of the parent company. Its contribution fell by 14% from MAD 141 million in 2016 to MAD 121 million in 2017 as a result of an exceptional transaction at BMCE Capital Bourse in 2016.

BMCE Capital saw its parent net income grow by 13.5% in 2017. By contrast, its contribution to consolidated net income attributable to

shareholders of the parent company was broadly unchanged at around MAD 56 million, as a result of having to restate a dividend of MAD 5.85 million paid by BMCE Capital Bourse to BMCE Capital in 2017.

BMCE Capital Bourse returned to its normalised earnings level after the exceptional transaction in 2016, which had enabled it to generate a capital gain on disposing of its stake in the Casablanca Stock Exchange as well as having received an exceptional dividend as a shareholder in the Exchange.

BMCE Capital Gestion's parent net income fell by 13% to MAD 63 million in 2017 versus MAD 72 million in 2016, primarily due to a decline in variable management fees as a result of the exceptional market conditions in 2016.

Other Moroccan operations

BMCE Bank Group's 'Other operations' include Locasom, EAI, CID and, for the first time, Africa Morocco Link which, accounted for under the equity method, was included within the scope of consolidation.

Contribution	Others		Locasom		EAI		CID		AML	
Other Moroccan operations	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	147.0	142.7	147.0	142.7	na	na	na	na	na	na
Change		3.0%		3.0%						
General expenses	-89.7	-77.8	-89.7	-77.8	na	na	na	na	na	na
Change		15.3%		15.3%						
Cost of risk	-0.4	-1.3	-0.4	-1.3	na	na	na	na	na	na
Change										
Net income attributable to shareholders of the parent	-28.3	48.8	37.6	39.1	-1.7	-2.8	11.2	12.4	-75.4	
Change		na		-4%		40%		-10%		

Locasom, a subsidiary specialising in vehicle leasing, saw its parent net income rise by 7% to MAD 30 million. Its contribution to net income attributable to shareholders of the parent company fell by 4% to MAD 37.6 million in 2017 versus MAD 39 million in 2016.

EAI, a technology subsidiary, contributed -MAD 1.7 million to net income attributable to shareholders of the parent company in 2017 versus -MAD 2.8 million in 2016.

CID, a subsidiary in which the Bank has a 38.9% stake, and which is accounted for under the equity method, saw its parent net income fall by 10% in 2017. Its contribution to net income attributable to shareholders of the parent company was MAD 11.2 million in 2017.

AML, founded in 2016 as a joint venture with a Greek shipping company, Attica Group, is a subsidiary specialising in maritime transport. Its contribution to net income attributable to shareholders of the parent company was -MAD 75.4 million in 2017.

Results and contributions from overseas operations

Contribution	International		Europe		Africa	
Overseas operations	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	6 399	6 143	536	501	5 863	5 642
Change		4%		7%		4%
General expenses	-3 798	-3 518	-217	-202	-3 581	-3 316
Change		8%		7%		8%
Cost of risk	-878	-870	-50	-30	-828	-840
Change		1%		69%		-1.5%
Net income attributable to shareholders of the parent	791	844	138	183	653	661
Change		-6%		-25%		-1%

In 2017, the contribution from overseas operations to consolidated net income attributable to shareholders of the parent company fell by 6% from MAD 844 million to MAD 791 million, accounting for 39% of total net income attributable to shareholders of the parent company.

This was due to a 25% decline in the contribution from European operations while the contribution from African operations was broadly unchanged.

EUROPEAN OPERATIONS

BMCE International Holding (BIH) saw its contribution to net income attributable to shareholders of the parent company fall by 25% year-on-year to MAD 138 million in 2017. Its parent net income was GBP 11 million in 2017 versus GBP 13.4 million in 2016, down 18% in local currency terms.

BMCE Bank International Madrid's parent net income in local currency terms grew by 31% to EUR 5.4 million.

BMCE Bank International London saw its parent net income decline by 34% to GBP 5.7 million in 2017 versus GBP 8.6 million in 2016. This was due to a 3% fall in net banking income as a result of higher refinancing costs and a decline in dollar-denominated revenues (steep fall in USD/GBP). This subsidiary also incurred a number of exceptional charges as a result of it having to update its information systems as well as for regulatory projects. The effective tax rate was 20% in 2017 versus 5.5% in 2016.

African operations

Contribution	Africa		BOA		LCB		BDM	
African operations	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	5 863	5 642	5 554	5 318	309	324	na	na
Change		4%		4%		-4%		
General expenses	-3 581	-3 316	-3 369	-3 114	-212	-201	na	na
Change		8%		8%		5%		
Cost of risk	-828	-840	-759	-728	-69	-112	na	na
Change		-1%		4%		-39%		
Net income attributable to shareholders of the parent	653	661	582	577	8	4	63	80
Change		-1%		1%		111%		-21%

Bank of Africa Group's contribution to net income attributable to shareholders of the parent company was broadly unchanged on 2016 at around MAD 582 million. It accounted for 29% of total net income attributable to shareholders of the parent company in 2017.

Its contribution to overall net banking income grew by 4% to MAD 5,554 million. BOA Group's contribution to the cost of risk, after restatements under IFRS, totalled -MAD 759 million in 2017 versus -MAD 728 million in 2016.

BOA Group's net income attributable to shareholders of the parent company, based on local accounting standards, grew by 13% to EUR 76 million in 2017 versus EUR 67.3 million in 2016.

LCB Bank saw its parent net income fall by 77% to EUR 0.7 million in 2017 versus EUR 3 million in 2016, primarily due to a 7% decline in its net banking income as a result of an 8% fall in customer outstandings. Its contribution to net income attributable to shareholders of the parent company declined doubled to MAD 8 million, however, due to a steep reduction in its cost of risk under IFRS.

Lastly, *Banque de Développement du Mali*, accounted for under the equity method, saw its contribution to net income attributable to shareholders of the parent company fall by 21% to MAD 63 million in 2017.

Subsidiaries' contributions to the bank's net income attributable to shareholders of the parent company

Contribution	Dec-17	STR %	Dec-16	STR %	VAR
MOROCCAN OPERATIONS	1 245	61%	1 192	59%	4%
BMCE BANK	974	48%	815	40%	20%
SUBSIDIARIES	272	13%	378	19%	-28%
SPECIALISED FINANCIAL SERVICES	179	9%	188	9%	-5%

SALAFIN	99	5%	95	5%	4%
MAGHREBAIL	66	3%	72	4%	-9%
MAROC FACTORING	9	0%	18	1%	-52%
RM EXPERTS	1	0%	0.3	0%	214%
ACMAR	4	0%	2.3	0%	87%
INVESTMENT BANKING & ASSET MANAGEMENT	121	6%	141	7%	-14%
BMCE CAPITAL	56	3%	57	3%	-0.2%
BMCE CAPITAL BOURSE	2	0%	12	1%	-87%
BMCE CAPITAL GESTION	63	3%	72	4%	-13%
OTHERS	-28	-1%	49	2%	na
LOCASOM	38	2%	39	2%	-4%
EAI	-2	0%	-3	0%	40%
CID	11	1%	12	1%	-10%
OVERSEAS OPERATIONS	-75	-4%			
EUROPE	791	39%	844	41%	-6%
AFRICA	138	7%	183	9%	-25%
BOA	653	32%	661	32%	-1%
LCB	582	29%	577	28%	1%
BDM	8	0%	4	0%	111%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	63	3%	80	4%	-21%
RESULTAT NET PDG	2 036	100%	2 036	100%	0.0%

THE BANK'S GROWTH PROSPECTS

BMCE Bank of Africa Group intends to boost growth:

- i) in Morocco, by attracting new customers and fostering customer loyalty as well as continuing to grow its deposit base;
- ii) overseas, by leveraging the Group's presence in Europe and bolstering its African operations.

In what was a growth environment, the Bank bolstered its capital in 2017 by issuing a MAD 1 billion perpetual subordinated bond with a loss absorption provision in addition to MAD 400 million of additional subordinated debt. This came in the wake of MAD 2 billion of issuance in both 2016 and 2015.

The Bank is also committed to continuing to make every effort to reduce costs despite increased staffing so as to support the development of the branch network and bolster head office functions. The Bank will also pursue its efforts at credit recovery and in cleaning up the loan portfolio so as to contain the cost of risk both in Morocco and overseas.

ASSET-LIABILITY MANAGEMENT at 31 December 2017

Liquidity risk :

The Liquidity Coverage Ratio (LCR) was 238% on a parent basis and 179% on a consolidated basis at 31 December 2017, comfortably above the 80% regulatory limit set by Bank Al-Maghrib for 2017.

Interest rate risk :

The results of stress tests carried out at 31 December 2017 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 91 million or 1.5% of projected 2017 net banking income, well 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 1,153 million or 6.8% of regulatory capital, which was also well below the ALCO limit of 20%.

Having been convened by Mr Othman Benjelloun, Chairman & Chief Executive Officer, BMCE Bank's Annual General Meeting of Shareholders met validly at 11 o'clock on Thursday 24 May 2018 at the company's Head Office, 140 Avenue Hassan II, Casablanca; the shareholders, present or represented, and those having voted by correspondence, own 132.156.654 shares or 73.6% of the company's share capital and voting rights.

FIRST RESOLUTION

The Annual General Meeting, having been read the Board of Directors' Management Report and the Statutory Auditors' General and Special Reports, shall unreservedly approve these documents in their entirety. It shall also approve the financial statements for the financial year ended 31 December 2017.

The Annual General Meeting shall acknowledge that the individual financial statements as well as the results 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 2017, reflect the Bank's entire operations.

SECOND RESOLUTION

The Annual General Meeting shall acknowledge that annual income in respect of the financial year ended 31 December 2017 is as follows:

For the Moroccan operations	1,246,870,393.49 MAD
For the Paris branch office	
Dirham equivalent of foreign currency value	-
For the BMCE Bank Offshore branch office	
Dirham equivalent of foreign currency value	241,267,506.24 MAD
Resulting in net income of	1,488,137,899.73 MAD
As a result, the Annual General Meeting shall decide to appropriate income in respect of financial year 2017 as follows:	
Net income	1,488,137,899.73 MAD
Ordinary dividend of 6%	107,678,034.00 MAD
Balance	1,380,459,865.73 MAD
Extraordinary dividend of 44%	789,638,916.00 MAD
Balance	590,820,949.73 MAD
Balance brought forward	16,274.62 MAD
Balance	590,837,224.35 MAD
To extraordinary reserves	590,800,000.00 MAD
Balance to be carried forward	37,224.35 MAD

The portfolio of subsidiaries and long-term investments generated dividends of MAD 645 million in financial year 2017.

Net write-backs for equity securities amounted to MAD 30 million. All the above items have been included in the parent financial statements.

The Annual General Meeting shall set the dividend distribution at 5 dirhams per share.

This dividend will be paid on or after 10 July 2018 at the company's head office, 140 Avenue Hassan II, Casablanca, BMCE Capital Titres. The dividend payment will be made by the transfer of coupon payments into BMCE BANK's account held in the ledgers of MAROCLEAR.

THIRD RESOLUTION

The Annual General Meeting shall set the overall net amount of Directors' fees in relation to the financial year ended 31 December 2017 at five million eight hundred and fifty thousand dirhams (MAD 5,850,000).

FOURTH RESOLUTION

The Annual General Meeting, having been read 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, shall approve the conclusions of the said report and the related party agreements mentioned therein.

FIFTH RESOLUTION

The Annual General Meeting shall acknowledge that the Bank's Statutory Auditors, KPMG and ERNST & YOUNG, will have completed their assignments in respect of the financial year ended 31 December 2017 in accordance with the applicable legal and statutory requirements.

SIXTH RESOLUTION

The Annual General Meeting shall wholly and unreservedly discharge the Directors of their management responsibilities in respect of the financial year ended 31 December 2017.

SEVENTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mr Michel LUCAS, a French citizen, as a Director 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 2023.

EIGHTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mr Abdou BENSOUDA, a Moroccan citizen, as a Director 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 2023.

NINTH RESOLUTION

The Annual General Meeting shall acknowledge:

- The change in Permanent Representative of Banque Fédérative du Crédit Mutuel, which will henceforth be represented by Mr Lucien MIARRA; and
- The resignation of Mrs Hadeel IBRAHIM as an Independent Director – the AGM shall wholly and unreservedly discharge her of her management responsibilities and thank her for her contribution to the work of the Board of Directors.

As a result, the company's Board of Directors will be composed of the following thirteen Directors:

1. Mr Othman BENJELLOUN, Chairman & Chief Executive Officer
2. Banque Fédérative du Crédit Mutuel – BFCM –Crédit Mutuel Group – CIC, represented by Mr Lucien MIARA
3. Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHNOUN
4. RMA, represented by Mr Zouheir BENSAID
5. FinanceCom, represented by Mr Hicham EL AMRANI
6. Mr Michel LUCAS
7. Mr Azeddine GUESSOUS
8. Mr François HENROT
9. Mr Brian C. MCK. HENDERSON
10. Mr Philippe DE FONTAINE-VIVE
11. Mr Christian de BOISSIEU
12. Mr Abdou BENSOUDA
13. Mr Brahim BENJELLOUN-TOUIMI

TENTH RESOLUTION

The Annual General Meeting shall give full powers to the bearer of the original or copy of this report to carry out all legal formalities.

VOTING RESULTS

The shareholders, present or represented, and those having voted by correspondence, own 132.156.654 shares or 73.6% of the company's share capital and voting rights.

		Votes 'For'	Votes 'Against'	Abstentions	Number of shares for which voting intentions have been expressed	Proportion of the share capital represented by 'For' votes
Resolution	Type	Numbers of votes				
1	Ordinary	132 156 654	-	-	132 156 654	73.6%
2	Ordinary	85 127 600	-	47 029 054	85 127 600	47.4%
3	Ordinary	132 156 654	-	-	132 156 654	73.6%
4	Ordinary	132 156 654	-	-	132 156 654	73.6%
5	Ordinary	132 156 654	-	-	132 156 654	73.6%
6	Ordinary	132 156 654	-	-	132 156 654	73.6%
7	Ordinary	132 156 654	-	-	132 156 654	73.6%
8	Ordinary	132 156 654	-	-	132 156 654	73.6%
9	Ordinary	132 156 654	-	-	132 156 654	73.6%
10	Ordinary	132 156 654	-	-	132 156 654	73.6%



37, Bd Abdellatif Benkaddour
20050 Casablanca
Morocco

To the Shareholders of
BMCE BANK
140 Avenue Hassan II
Casablanca



11, Avenue Bir Kacem Souissi
Rabat - Morocco

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

We have audited the attached consolidated financial statements of BMCE Bank of Africa and its subsidiaries (BMCE Bank of Africa Group), comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and notes providing a summary of the main accounting policies and other explanatory notes for the period from 1 January to 31 December 2017. These financial statements show consolidated shareholders' equity of MAD 24,684,424 K, including consolidated net income of MAD 2,843,781 K.

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 regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement as a result of fraud or error and for making accounting estimates that are reasonable under the circumstances.

AUDITORS' 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 as a result of fraud or error.

In making these risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as 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

BMCE Bank of Africa possesses a stock of non-operating real estate assets, acquired as dation-in-payment, worth MAD 5.5 billion at 31 December 2017. Given the risks inherent in these real estate assets, particularly uncertainties about their resale value and the period of time required to liquidate them, we are therefore unable to give an opinion about the value of these assets at 31 December 2017.

Pending the outcome of the situation described above, in our opinion, the consolidated 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 of Africa Group, comprising the persons and entities included within the scope of consolidation at 31 December 2017 as well as its financial performance and cash flows over the same period, in accordance with International Financial Reporting Standards (IFRS).

Casablanca, 20 April 2018

The Statutory Auditors

ERNST & YOUNG


37 Bd. Abdellatif Benkaddour
20050 Casablanca
Tél: 212 5 37 63 37 11
Abdeslam BERRADA ALLAM
Associé

KPMG


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Jamal SAAD EL IDRISSI
Associé

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 27 march 2017.

ASSETS	NOTES	2017	2016
Cash and amounts due from central banks and post office banks	4.1	15 497 685	12 155 637
Financial assets at fair value through profit or loss	4.2	34 002 616	38 890 923
Derivatives used for hedging purposes		-	2 938
Available-for-sale financial assets	4.3	10 531 128	8 317 725
Loans and receivables due from credit institutions	4.4	25 177 051	21 221 229
Loans and receivables due from customers	4.5	183 814 990	179 774 222
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	23 016 078	25 136 170
Current tax assets	4.8	855 725	414 191
Deferred tax assets	4.8	793 123	521 548
Accrued income and other assets	4.9	6 095 077	6 440 776
Non current assets held for sale		-	-
Investment associates	4.10	643 037	631 268
Investment property	4.11	3 824 439	3 746 146
Property, plant and equipment	4.11	7 302 800	6 988 825
Intangible assets	4.11	937 808	828 970
Goodwill	4.12	852 310	852 310
TOTAL ASSETS		313 343 867	305 922 878

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	2017	2016
Due to Central Banks and Post Office Banks		-	-
Financial liabilities at fair value through profit or loss	4.2	1 768 686	2 098 276
Derivatives used for hedging purposes		6 008	-
Due to credit institutions	4.4	44 958 940	49 708 268
Due to customers	4.5	198 783 598	190 050 335
Debt securities	4.6	15 101 490	13 186 303
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	740 856	641 287
Deferred tax liabilities	4.8	1 598 944	1 198 242
Accrued expenses and other liabilities	4.9	13 419 677	14 278 900
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	832 490	685 204
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	11 448 754	10 493 376
TOTAL DEBTS		288 659 443	282 340 191
Capital and related reserves		13 748 403	13 299 090
Consolidated reserves		-	-
- Attributable to parent		2 427 415	2 934 250
- Non-controlling interests		4 625 624	4 520 991
Unrealized or deferred gains or losses, attributable to parent		495 942	-9 794
Unrealized or deferred gains or losses, non-controlling interests		543 259	3 323
Net Income		-	-
- Attributable to parent		2 036 321	2 036 186
- Non-controlling interests		807 460	798 641
TOTAL CONSOLIDATED SHAREHOLDERS'S EQUITY		24 684 424	23 582 687
TOTAL		313 343 867	305 922 878

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	NOTES	2017	2016
+ Interests and similar income		14 895 644	14 505 242
- Interests and similar expense		-5 220 279	-5 259 644
Net Interest income	2.1	9 675 365	9 245 598
+ Fees received and commission income		2 732 308	2 572 675
- Fees paid and commission expense		-315 612	-455 730
Net fee income	2.2	2 416 696	2 116 945
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	506 845	982 990
+/- Net gains or losses on available for sale financial assets	2.4	228 257	229 923
Income from market transactions		735 102	1 212 913
+ Other banking revenues	2.5	1 036 084	884 515
- Other banking expenses	2.5	-495 692	-469 956
Net Banking Income		13 367 555	12 990 015
- General Operating Expenses	2,9	-7 015 278	-6 678 453
- Allowances for depreciation and amortization PE and intangible assets	2,9	-747 408	-696 947
Gross Operating Income		5 604 869	5 614 615
- Cost of Risk	2.6	-1 794 180	-1 616 531
Operating Income		3 810 689	3 998 084
+/- Share in net income of companies accounted for by equity method		12 827	103 652
+/- Net gains or losses on other assets	2.7	14 815	-111 741
+/- Change in goodwill		-	-31 514
Pre-tax earnings		3 838 331	3 958 481
+/- Corporate income tax	2.8	-994 550	-1 123 654
Net income		2 843 781	2 834 827
Non-controlling interests		807 460	798 641
Net income attributable to parent		2 036 321	2 036 186
Earnings per share		11,35	11,35
Diluted Earnings per share		11,35	11,35

(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	2017	2016
Net income	2 843 781	2 834 827
Currency translation adjustment	1 098 161	-79 054
Reevaluation of available for sale financial assets	-31 826	-4 909
Reevaluation of hedging instruments	1 129 987	-74 145
Reevaluation of fixed assets	1 129 987	-74 145
Actuarial gains and losses on defined plans	-49 166	0
Proportion of gains and losses directly recognised in shareholders equity on companies consolidated under equity method	-49 166	0
Total gains and losses directly recognised in shareholders equity	1 048 995	-79 054
Net income and gains and losses directly recognised in shareholders equity	3 892 776	2 755 773
attributable to parent	2 542 057	1 960 805
Non-controlling interests	1 350 719	794 968

(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 12.31.2015	1 794 634	11 104 784	0	4 057 036	65 587	17 022 041	5 087 511	22 109 552
Change in the accounting methods						0		0
Beginning Balance of adjusted Shareholder's Equity 12.31.2015	1 794 634	11 104 784	0	4 057 036	65 587	17 022 041	5 087 511	22 109 552
Operations on capital		399 672		-399 672		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-947 308		-947 308	-455 689	-1402 997
Net income				2 036 186		2 036 186	798 641	2 834 827
Financial instruments change in fair value and transfer to earnings					-70 472	-70 472	-3 673	-74 145
Conversion depths					-4 909	-4 909		-4 909
Unrealized or deferred gains or losses	0	0	0	0	-75 381	-75 381	-3 673	-79 054
Change in the scope of consolidation				94 400		94 400	-68 140	26 260
Others				129 794		129 794	-35 695	94 099
Ending Balance of Shareholder's Equity 12.31.2016	1 794 634	11 504 456	0	4 970 436	-9 794	18 259 732	5 322 955	23 582 687
Impact of changes in accounting methods						0		0
Ending Balance of adjusted Shareholder's Equity 12.31.2016	1 794 634	11 504 456	0	4 970 436	-9 794	18 259 732	5 322 955	23 582 687
Operations on capital		449 313		-449 313		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-523 494	-1420 811
Net income				2 036 321		2 036 321	807 460	2 843 781
Financial instruments change in fair value and transfer to earnings					-408 252	-408 252	442 957	34 705
Conversion depths					-31 826	-31 826		-31 826
Unrealized or deferred gains or losses	0	0	0	0	-440 078	-440 078	442 957	2 879
Change in the scope of consolidation				-92 449		-92 449	25 910	-66 539
Others				-158 128		-158 128	-99 445	-257 573
Ending Balance of adjusted Shareholder's Equity 12.31.2017	1 794 634	11 953 769	0	5 409 550	-449 872	18 708 081	5 976 343	24 684 424

1.5. CASH FLOW STATEMENTS AS OF DECEMBER 31ST, 2017

1.5.1. Cash Flow Statement

CASH FLOW STATEMENT	NOTE	2017	2016
Pre-tax net income		3 838 331	3 958 481
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2.9	747 408	696 947
+/- Impairment of goodwill and other non- current assets		-	31 514
+/- Impairment of financial assets		-16 898	-39 470
+/- Net allowances for provisions	2.6	561 456	1 633 772
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-12 827	-103 652
+/- Net loss (income) from investing activities		-930 281	-1 061 663
+/- Net loss (income) from financing activities		-	-
+/- Other movements		-1 406 990	-541 722
Non monetary items included in pre-tax net income and other adjustments		-1 058 132	615 726
+/- Cash flows related to transactions with credit institutions		2 079 434	59 915
+/- Cash flows related to transactions with customers		2 736 592	-1 497 240
+/- Cash flows related to transactions involving other financial assets and liabilities		9 438 124	-3 358 590
<i>Flows related to other operations affecting the transaction securities</i>		<i>5 563 288</i>	<i>-2 216 271</i>
+/- Cash flows related to transactions involving non financial assets and liabilities		-1 645 793	701 528
<i>Flows related to other operations affecting debt securities borrowed</i>		<i>-1 401 950</i>	<i>-560 317</i>
+/- Taxes paid		11 206 408	-4 654 704
Net Cash Flows from Operating Activities		13 986 607	-80 497
+/- Cash Flows related to financial assets and equity investments		-1 166 373	-1 425 337
+/- Cash flows related to investment property	4.11	-81 056	-728 257
+/- Cash flows related to PP&E and intangible assets	4.11	-372 909	-1 003 781
Net Cash Flows from Investing Activities		-1 620 338	-3 157 375
+/- Cash flows related to transactions with shareholders		-1 425 511	-1 088 198
+/- Cash flows generated by other financing activities		2 950 430	6 291 591
Net Cash Flows from Financing Activities		1 524 919	5 203 393
Effect of movements in exchange rates on cash and equivalents		434 796	-233 206
Net Increase in Cash and equivalents		14 325 984	1 732 315
Beginning Balance of Cash and Equivalents		7 689 262	5 956 947
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	12 155 637	10 403 196
Net Balance of demand loans and deposits- credit institutions		-4 466 375	-4 446 249
Loan and loan of cash		-1 153 270	-2 877 349
Ending Balance of Cash and Equivalents		22 015 246	7 689 262
Net Balance of cash accounts and accounts with central banks and post office banks	4.1	15 497 685	12 155 637
Net Balance of demand loans and deposits- credit institutions		6 517 561	-4 466 375
Loan and loan of cash		3 016 602	-1 153 270
Net increase in cash and equivalents		14 325 984	1 732 315
		2017	2016
Dividends received	2.4	228 662	240 014
Dividends paid	1.5	-1 420 811	-1 402 997
Interest received		12 337 665	12 532 242
Interest paid		-3 878 943	-3 771 219

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 as 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.

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.

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 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 2017

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	2017			2016		
	Income	Expense	Net	Income	Expense	Net
Customer Items	10 861 834	2 829 142	8 032 692	10 346 197	3 163 407	7 182 790
Deposits, loans and borrowings	10 168 896	2 698 581	7 470 315	9 688 738	3 062 214	6 626 524
Repurchase agreements		130 561	-130 561		101 193	-101 193
Finance leases	692 938		692 938	657 459		657 459
Interbank items	915 842	1 320 489	-404 647	825 329	1 292 729	-467 400
Deposits, loans and borrowings	682 078	1 257 872	-575 794	606 763	1 172 157	-565 394
Repurchase agreements	233 764	62 617	171 147	218 566	120 572	97 994
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
Trading book	1 469 297	1 070 648	398 649	1 908 668	803 508	1 105 160
Fixed income securities	1 469 297	664 645	804 652	1 908 668	463 711	1 444 957
Repurchase agreements			0			0
Loans/borrowings			0			0
Debt securities	0	406 003	-406 003	0	339 797	-339 797
Available for sale financial assets			0			0
Held to maturity financial assets	1 648 671		1 648 671	1 425 048		1 425 048
TOTAL	14 895 644	5 220 279	9 675 365	14 505 242	5 259 644	9 245 598

(In thousand MAD)

2.2. NET FEE INCOME

NET FEE INCOME	2017			2016		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	1 999 586	121 990	1 877 596	1 900 141	242 909	1 657 232
With credit institutions			-			-
With customers	1 534 862		1 534 862	1 336 588		1 336 588
On custody	219 209	43 129	176 080	267 138	112 548	154 590
On foreign exchange	245 515	78 861	166 654	296 415	130 361	166 054
On financial instruments and off balance sheet			-			-
Banking and financial services	732 722	193 622	539 100	672 534	212 821	459 713
Income from mutual funds management			-			-
Income from electronic payment services	355 604	72 706	282 898	365 244	55 540	309 704
Insurance			-			-
Other	377 118	120 916	256 202	307 290	157 281	150 009
NET FEE INCOME	2 732 308	315 612	2 416 696	2 572 675	455 730	2 116 945

(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.

	2017			2016		
NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	499 400		499 400	976 350		976 350
Derivative instruments	7 098	347	7 445	6 746	-106	6 640
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	506 498	347	506 845	983 096	-106	982 990

(In thousand MAD)

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	2017	2016
Fixed income securities	0	0
Disposal gains and losses		
Equity and other variable-income securities	228 257	229 923
Dividend income	228 662	240 014
Impairment provisions	0	-10 091
Net disposal gains	-405	0
TOTAL	228 257	229 923

(In thousand MAD)

2.5. NET INCOME FROM OTHER ACTIVITIES

NET INCOME FROM OTHER ACTIVITIES	2017			2016		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			-			-
Net income from investment property	-	-	-	-	-	-
Net income from assets held under operating leases	284 277	120 712	163 565	270 114	111 298	158 816
Net income from property development activities	-	-	-	-	-	-
Other banking income & expenses	269 334	294 523	-25 189	258 049	96 299	161 750
Other operating income	482 473	80 457	402 016	356 352	262 359	93 993
TOTAL NET INCOME FROM OTHER ACTIVITIES	1 036 084	495 692	540 392	884 515	469 956	414 559

(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	2017	2016
Impairment provisions	-2 964 249	-2 355 213
Impairment provisions on loans and advances	-2 778 762	-2 310 117
Impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Provisions on off balance sheet commitments	-38 106	-8 643
Other provisions for contingencies and charges	-147 381	-36 453
Write back of provisions	2 402 843	721 441
Write back of impairment provisions on loans and advances	2 231 922	669 887
Write back of impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Write back of provisions on off balance sheet commitments		
Write back of other provisions for contingencies and charges	170 921	51 554
Changes in provisions	-1 232 774	17 241
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	-1 268 763	-11 102
Discount on restructured products		
Recoveries on amortized loans and advances	35 989	28 343
Losses on off balance sheet commitments		
Other losses		
Cost of Risk	-1 794 180	-1 616 531

(In thousand MAD)

Cost of risk for the period

COST OF RISK FOR THE PERIOD	2017	2016
Net allowances to impairment	-561 406	-1 633 772
Recoveries on loans and receivables previously written off	35 989	28 343
Irrecoverable loans and receivables not covered by impairment provisions	-1 268 763	-11 102
TOTAL COST OF RISK FOR THE PERIOD	-1 794 180	-1 616 531

(In thousand MAD)

Cost of risk for the period asset type

COST OF RISK FOR THE PERIOD ASSET TYPE	2017	2016
Loans and Receivables due from credit institutions		
loans and receivables due from customers	-1 779 614	-1 622 989
Available for sale financial assets		
Held to maturity financial assets		
Financial assets from market transactions		
Others		
Commitments and others	-14 566	6 458
Total cost of risk for the period	-1 794 180	-1 616 531

(In thousand MAD)

2.7. NET GAINS ON OTHER ASSETS

	2017	2016
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
Capital losses on disposals	0	0
Others*	14 815	-111 741
Net Gain/Loss on Other Assets	14 815	-111 741

(In thousand MAD)

2.8. INCOME TAX

2.8.1. Current and deferred tax

CURRENT AND DEFERRED TAX	2017	2016
Current tax	855 725	414 191
Deferred tax	793 123	521 548
Current and deferred tax assets	1 648 848	935 739
Current tax	740 856	641 287
Deferred tax	1 598 944	1 198 242
Current and deferred tax liabilities	2 339 800	1 839 529

(In thousand MAD)

2.8.2. Net income tax expense

NET INCOME TAX EXPENSE	2017	2016
Current tax expense	-1 063 443	-1 078 191
Net deferred tax expense	68 893	-45 463
Net Corporate income tax expense	-994 550	-1 123 654

(In thousand MAD)

2.8.3. Effective tax rate

EFFECTIVE TAX RATE	2017	2016
Net income	2 843 782	2 834 827
Net corporate income tax expense	-994 550	-1 123 654
Average effective tax rate	35,0%	39,6%

(In thousand MAD)

Analysis of effective tax rate

ANALYSIS OF EFFECTIVE TAX RATE	2017	2016
Standard tax rate	37,0%	37,0%
Differential in tax rates applicable to foreign entities		
Reduced tax rate		
Permanent differences		
Change in tax rate		
Reportable deficit		
Other items	-2,0%	2,6%
Average effective tax rate	35,0%	39,6%

(In thousand MAD)

2.9 - GENERAL OPERATING EXPENSES

GENERAL OPERATING EXPENSES	2017	2016
Staff expenses	3 698 510	3 511 125
Taxes	122 816	120 407
External expenses	1 616 331	1 585 442
Other general operating expenses	1 577 621	1 461 479
Allowances for depreciation and provisions of tangible and intangible assets	747 408	696 947
General operating expenses	7 762 686	7 375 400

(In thousand MAD)

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 (Maghrébaïl), 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	2017			Total
			Specialised financial services	Others	International activities	
Net interest Income	4 196 358	45 549	723 380	-17 713	4 727 791	9 675 365
Net Fee income	1 108 878	169 119	15 322		1 123 377	2 416 696
Net Banking Income	5 704 128	364 293	752 916	146 951	6 399 267	13 367 555
General Operating Expenses & allowances for depreciation and amortization	-3 366 046	-281 741	-227 367	-89 695	-3 797 837	(7 762 686)
Operating Income	2 338 082	82 552	525 549	57 256	2 601 430	5 604 869
Corporate income tax	-556 552	-51 216	-162 388	-16 732	-207 662	(994 550)
Net Income Attributable to shareholders of the parent	973 512	121 063	179 094	-28 253	790 905	2 036 321
EARNINGS BY BUSINESS LINE	Activity in morocco	Investment Banking	2016			Total
			Specialised financial services	Others	International activities	
Net interest Income	3 645 136	69 037	761 297	-16 351	4 786 479	9 245 598
Net Fee income	1 030 566	169 988	12 501		903 890	2 116 945
Net Banking Income	5 525 326	393 864	784 994	142 682	6 143 149	12 990 015
General Operating Expenses & allowances for depreciation and amortization	-3 260 377	-288 018	-231 504	-77 796	-3 517 705	(7 375 400)
Operating Income	2 264 949	105 846	553 490	64 886	2 625 444	5 614 615
Corporate income tax	-605 905	-47 661	-181 653	-17 920	-270 515	(1 123 654)
Net Income Attributable to shareholders of the parent	814 518	141 073	188 023	48 758	843 814	2 036 186

(In thousand MAD)

3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

	2017					
	Activity in morocco	Investment Banking	Specialised financial services	Others	International activities	Total
Total assets	205 255 697	693 752	11 259 161	(415 344)	96 550 601	313 343 867
Assets items						
Available for sale assets	3 498 038	97 719	20 398	21 517	6 893 456	10 531 128
Customer loans	118 209 182	96	14 713 386		50 892 326	183 814 990
Financial assets at fair value	33 809 849	192 764	3		0	34 002 616
Held to maturity assets	3 289 659				19 726 419	23 016 078
Liabilities & shareholders equity items						
Customer deposits	135 672 596	17 076	739 090		62 354 836	198 783 598
Shareholder's Equity	15 121 735	358 467	1 470 727	(639 611)	8 373 106	24 684 424
	2016					
Total assets	205 383 601	979 684	9 234 390	183 128	90 142 075	305 922 878
Assets items						
Available for sale assets	2 249 497	101 026	19 718	20 464	5 927 020	8 317 725
Customer loans	117 079 106	121	14 702 011		47 992 984	179 774 222
Financial assets at fair value	38 499 389	208 390	207		182 937	38 890 923
Held to maturity assets	4 188 468				20 947 702	25 136 170
Liabilities & shareholders equity items						
Customer deposits	131 000 917	17	908 600		58 140 801	190 050 335
Shareholder's Equity	15 463 646	315 561	1 478 662	(32 906)	6 357 724	23 582 687

(In thousand MAD)

3.3. BREAKDOWN OF LOANS AND RECEIVABLES

Breakdown of loans and receivables to credit institutions by geographical region

	2017			2016		
	PERFORMING LOANS	NPLS	PROVISIONS	PERFORMING LOANS	NPLS	PROVISIONS
Morocco	16 374 543	58 620	58 615	13 781 032	58 620	58 620
Europe	4 898 673	0	0	3 145 671	0	0
Sub-saharan Africa	3 860 055	53 911	10 136	4 275 686	27 760	8 920
Total	25 133 271	112 531	68 751	21 202 389	86 380	67 540
Allocated debts						
Provisions						
Net Value	25 133 271	112 531	68 751	21 202 389	86 380	67 540

(In thousand MAD)

Breakdown of loans to customer by geographical region

	2017				2016			
	PERFORMING LOANS	NPLS	INDIVIDUAL PROVISIONS	COLLECTIVE PROVISIONS	PERFORMING LOANS	NPLS	INDIVIDUAL PROVISIONS	COLLECTIVE PROVISIONS
Morocco	129 391 653	9 326 713	3 535 604	2 260 098	128 534 813	9 353 560	4 358 705	1 748 430
Europe	4 172 269	151 978	75 869	0	3 885 045	205 958	85 332	0
Sub-saharan Africa	44 872 553	5 277 709	3 248 939	257 375	41 432 888	5 150 768	2 424 641	171 702
Net Value	178 436 475	14 756 400	6 860 412	2 517 473	173 852 746	14 710 286	6 868 678	1 920 132

(In thousand MAD)

Change in impairment for loans due from customers

	2017	2016
TOTAL PROVISIONS AT BEGINNING OF THE PERIOD	8 788 810	7 363 756
Provisions	3 018 123	2 369 128
Write-backs of provisions	-2 304 862	-708 909
Use of provisions	0	-174 476
Change in currency parities and other	-124 186	-60 689
TOTAL PROVISIONS AT END OF THE PERIOD	9 377 885	8 788 810

(In thousand MAD)

Change in impairment for loans due from credit institutions

	2017	2016
TOTAL PROVISIONS AT BEGINNING OF THE PERIOD	67 540	66 267
Provisions	1 211	1 273
Write-backs of provisions		
Use of provisions	-	-
Change in currency parities and other		
TOTAL PROVISIONS AT END OF THE PERIOD	68 751	67 540

(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2016**4.1. CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE**

	2017	2016
Cash	3 645 258	3 391 893
Central banks	10 561 672	7 922 511
Treasury	1 006 777	836 575
Giro	283 978	4 658
Central banks, treasury, giro	11 852 427	8 763 744
Cash, central banks, treasury, giro	15 497 685	12 155 637

(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.

	2017			2016		
	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	13 997 669		13 997 669	16 099 331		16 099 331
Treasury bills and other eligible for central bank refinancing	13 486 149		13 486 149	14 101 323		14 101 323
Other negotiable certificates of deposits	511 520		511 520	1 998 008		1 998 008
Bonds	1 133 601		1 133 601	3 231 539		3 231 539
Government bonds	475 893		475 893	881 003		881 003
Other bonds	657 708		657 708	2 350 536		2 350 536
Equities and other variable income securities	18 854 122		18 854 122	19 533 271		19 533 271
Repurchase agreements	-		-	-		-
Loans	-		-	-		-
To credit institutions						
To corporate customers						
To private individual customers						
Trading Book Derivatives	17 224		17 224	26 782		26 782
Currency derivatives	16 647		16 647	26 205		26 205
Interest rate derivatives	577		577	577		577
Equity derivatives						
Credit derivatives						
Other derivatives						
Total financial assets at fair value through profit or loss	34 002 616		34 002 616	38 890 923		38 890 923
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		1 731 592	1 731 592		2 037 621	2 037 621
Credit institutions		1 731 592	1 731 592		2 037 621	2 037 621
Corporate customers						
Debt securities						
Trading Book Derivatives	37 094		37 094	60 655		60 655
Currency derivatives	37 094		37 094	60 655		60 655
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
Total financial liabilities at fair value through profit or loss	37 094	1 731 592	1 768 686	60 655	2 037 621	2 098 276

(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.

	2017	2016
Negotiable certificates of deposit	0	0
Treasury bills and other bills eligible for central bank refinancing		
Other negotiable certificates of deposit		
Bonds	5 193 149	5 501 553
Government bonds	3 950 352	3 970 101
Other bonds	1 242 797	1 531 452
Equities and other variable-income securities	5 769 164	3 251 983
Of which listed securities	332 931	316 103
Of which unlisted securities	5 436 233	2 935 880
Total available-for-sale financial assets, before impairment provisions	10 962 313	8 753 536
Of which unrealized gains and losses	-431 185	-435 811
Of which fixed-income securities		
Of which loaned securities	-431 185	-435 811
Total available-for-sale financial assets, net of impairment provisions	10 531 128	8 317 725
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**

	2017	2016
Demand accounts	8 291 678	4 992 941
Loans	13 523 250	13 446 232
Including cash loans DD	186 045	24 826
Repurchase agreements	3 430 874	2 846 445
Total loans and receivables due from credit institutions, before impairment provisions	25 245 802	21 285 618
Provisions for impairment of loans and receivables due from credit institutions	-68 751	-64 389
Total loans and receivables due from credit institutions, net of impairment provisions	25 177 051	21 221 229

(In thousand MAD)

Amounts due to credit institutions

	2017	2016
Demand accounts	4 874 113	2 801 428
Borrowings	30 481 573	32 330 639
Including cash loans DD	168 500	1 153 270
Repurchase agreements	9 603 254	14 576 201
TOTAL	44 958 940	49 708 268

(In thousand MAD)

4.5. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

Loans and receivables due from customers	2017	2016
Demand accounts	24 743 400	24 688 644
Loans to customers	142 472 636	138 932 342
Repurchase agreements	12 203 716	11 561 531
Finance leases	13 773 123	13 380 515
Total loans and receivables due from customers, before impairment provisions	193 192 875	188 563 032
Impairment of loans and receivables due from customers	-9 377 885	-8 788 810
Total loans and receivables due from customers, net of impairment provisions	183 814 990	179 774 222

Breakdown of amounts due from customers by business activity	2017	2016
Activity in Morocco	118 209 182	117 079 106
Specialized Financial Services	14 713 386	14 702 011
International Activities	50 892 326	47 992 984
Investment Banking	96	121
Other Activities	-	-
Total	183 814 990	179 774 222
Allocated Debts		
Value at Balance sheet	183 814 990	179 774 222

Breakdown of amounts due from customers by geographical region	2017	2016
Morocco	132 922 664	131 781 238
Sub-saharan Africa	46 643 948	43 987 312
Europe	4 248 378	4 005 672
Total	183 814 990	179 774 222
Allocated Debts		
Value at Balance sheet	183 814 990	179 774 222

Amounts due to customers	2017	2016
On demand deposits	119 258 376	108 326 940
Term accounts	40 101 156	40 965 156
Savings accounts	23 497 437	22 391 034
Cash certificates	5 210 624	5 085 322
Repurchase agreements	3 592 561	4 218 496
Other items	7 123 444	9 063 387
Total loans and receivables due to customers	198 783 598	190 050 335

Breakdown of amounts due to customers by business activity	2017	2016
Activity in Morocco	135 672 596	131 000 907
Specialized Financial Services	739 090	908 610
International Activities	62 354 836	58 140 801
Investment Banking	17 076	17
Other Activities	0	0
Total	198 783 598	190 050 335
Allocated Debts		
Value at Balance sheet	198 783 598	190 050 335

Breakdown of amounts due to customers by geographical region	2017	2016
Morocco	136 428 762	131 909 534
Sub-saharan Africa	60 741 686	56 390 289
Europe	1 613 150	1 750 512
Total	198 783 598	190 050 335
Allocated Debts		
Value at Balance sheet	198 783 598	190 050 335

(In thousand MAD)

4.6. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	2017	2016
Other debt securities	15 101 490	13 186 303
Negotiable certificates of deposit	14 601 490	12 686 303
Bond issues	500 000	500 000
Subordinated debts	11 446 992	10 183 703
Subordinated debt	11 446 992	10 183 703
Redeemable subordinated debt	9 446 992	8 183 703
Undated subordinated debt	2 000 000	2 000 000
Subordinated Notes	0	0
Redeemable subordinated notes	0	0
Undated subordinated notes	0	0
Public Funds and special guarantee funds	1 762	309 673
Total	26 550 244	23 679 679

(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

	2017	2016
Negotiable certificates of deposit	4 525 696	5 669 715
Treasury bills and other bills eligible for central bank refinancing	4 525 696	5 669 715
Other negotiable certificates of deposit		
Bonds	18 490 382	19 466 455
Government bonds	13 902 825	14 331 242
Other bonds	4 587 557	5 135 213
Total held-to-maturity financial assets	23 016 078	25 136 170

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAXES

	2017	2016
Current taxes	855 725	414 191
Deferred taxes	793 123	521 548
Current and deferred tax assets	1 648 848	935 739
Current taxes	740 856	641 287
Deferred taxes	1 598 944	1 198 242
Current and deferred tax liabilities	2 339 800	1 839 529

(In thousand MAD)

Deferred Taxes by Category

	2017				2016			
	Deferred tax assets	Deferred tax liabilities	DT/ Impact on G&PL	DT/ Impact on income	Deferred tax assets	Deferred tax liabilities	ID / Impact G&PL	ID / Impact Income
Available-for-sale financial assets	6 763	-428 562	-373 118	-0	3 917	-72 580	-25 077	404
Property, plant and equipment, Intangible assets and Investment property	108 649	-607 294	-	-7 231	112 226	-596 010		-11 613
Loans	470 374	-532 105	-	29 290	240 147	-489 953		-153 950
Staff benefits	157 185	-	51 122	6 332	119 748		24 417	1 992
Others	-	-30 983	-	-5 043	-1 953	-39 699		-5 156
Deferred taxes relating to consolidation and IFRS restatements	742 971	-1 598 944	-321 996	23 347	474 085	-1 198 242	-660	-168 323
Loss carry forwards	50 152				47 463			

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

	2017	2016
Guarantee deposits and bank guarantees paid	45 921	40 950
Settlement accounts related to securities transactions	113 893	71 213
Collection accounts	473 609	397 441
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	573 641	517 122
Other debtors and miscellaneous assets	4 560 301	5 087 235
Inter-related Accounts	327 712	326 815
TOTAL ACCRUED INCOME AND OTHER ASSETS	6 095 077	6 440 776
Guarantee deposits received	32 333	20 247
Settlement accounts related to securities transactions	5 524 109	7 261 686
Collection accounts	1 242 262	1 304 298
Accrued expenses and deferred income	481 157	1 154 763
Other creditors and miscellaneous assets	6 139 816	4 537 906
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	13 419 677	14 278 900

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

	2017	2016
Euler Hermes Acmar	20 215	19 447
Banque de Développement du Mali	403 094	387 973
Eurafric Information	-14 273	-12 202
Société Conseil Ingénierie et Développement	-4 607	
Investments in equity methods companies belonging to subsidiaries	152 052	148 585
Investments in associates	86 556	87 465
Investments in associates	643 037	631 268

(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	496 359	175 352	21 838	4 368
Banque de Développement du Mali	12 071 085	580 853	200 216	63 538
Eurafric Information	276 356	-95 247	-147 834	-75 395
Société Conseil Ingénierie et Développement	158 804	294 200	337	-1 658
Société Conseil Ingenierie et Développement	689 449	226 304	28 800	11 203

(In thousand MAD)

4.11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

	2017			2016		
	Gross Value	Accu- mulated depreciation amortization and impair- ment	Carrying Amount	Gross Value	Accu- mulated depreciation amortization and impair- ment	Carrying Amount
PP&E	13 109 310	5 806 510	7 302 800	12 320 654	5 331 829	6 988 825
Land and buildings	4 031 041	423 811	3 607 230	3 797 644	380 388	3 417 256
Equipment, furniture and fixtures	4 018 645	2 497 926	1 520 719	3 837 324	2 357 522	1 479 802
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	5 059 624	2 884 773	2 174 851	4 685 686	2 593 919	2 091 767
Intangible Assets	2 078 628	1 140 820	937 808	2 162 892	1 333 922	828 970
Purchased software	1 463 476	874 855	588 621	1 684 757	1 096 920	587 837
Internally-developed software	0	0	0	0	0	0
Other intangible assets	615 152	265 965	349 187	478 135	237 002	241 133
Investment Property	3 906 376	81 937	3 824 439	3 841 315	95 169	3 746 146

(In thousand MAD)

Change in property, plant and equipment

	2017	2016
Net value as of January, 1st	6 988 824	6 521 829
Acquisition of the year	827 768	859 988
Entrance in the scope	-	-
Depreciation, Amortization of impairment	(511 081)	(470 711)
Disposal of the year	(199 179)	(328 668)
Reclassifications	196 468	406 387
NET VALUE AT END OF PERIOD	7 302 800	6 988 825

(In thousand MAD)

Change in intangible assets

	2017	2016
Net value as of January, 1st	828 970	703 525
Acquisition of the year	288 055	324 337
Entrance in the scope	-	-
Depreciation, Amortization of impairment	(205 450)	(173 905)
Disposal of the year	(16 550)	(13 633)
Reclassifications	42 783	(11 354)
NET VALUE AT END OF PERIOD	937 808	828 970

(In thousand MAD)

Investment properties

	2017	2016
Net value as of January, 1st	3 746 146	3 035 131
Acquisition of the year	188 529	744 004
Entrance in the scope	-	-
Depreciation, Amortization of impairment	(8 769)	(18 306)
Disposal of the year	(101 467)	(13 643)
Reclassifications	-	(1 040)
NET VALUE AT END OF PERIOD	3 824 439	3 746 146

(In thousand MAD)

4.12. GOODWILL

	2017	2016
Gross value at start of period	852 310	852 310
Accumulated impairment at start of period		
Carrying amount at start of period	852 310	852 310
Acquisitions		
Disposals		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements	0	0
Gross value at end of period	852 310	852 310
Accumulated impairment at end of period		
CARRYING AMOUNT AT END OF PERIOD	852 310	852 310

(In thousand MAD)

The following table provides a breakdown of goodwill :

	2017 book Value	2016 book Value
Maghrébaïl	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 (Madrid)	3 354	3 354
Bank Of Africa	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
TOTAL GROUP	852 310	852 310

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.

EBITDA

Estimates of EBITDA and operating margins have been made on the basis of historical data.

Cost-to-income ratio

La projection du coefficient d'exploitation est en forte corrélation avec la croissance des charges spécialement celles relatives à l'ouverture d'agences pour accompagner la conquête de nouveaux clients.

Sensitivity to changes in assumptions

BANK OF AFRICA	
Cost of capital	18%
Unfavorable change of 200 basis points	-1 236 269
Favorable change of 200 basis points	1 592 527
LOCASOM	
Cost of capital	8,5%
Unfavorable change of 200 basis points	-184 361
Favorable change of 150 basis points	395 773

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-17	dec-16
Total provisions at start of period	685 204	650 913
Additions to provisions	279 774	51 674
Reversals of provisions	-170 869	-51 024
Effect of movements in exchange rates and other movements	38 381	33 641
TOTAL PROVISIONS AT END OF PERIOD	832 490	685 204

	Legal and fiscal risks	Obligations for post-employment benefits	Loan commitments and guarantees	Onerous contracts	Other provisions	Total book value
Total provisions at start of period	20 695	329 668	16 126	0	318 715	685 204
Net additions to provisions	16 339	95 156	38 106	0	130 173	279 774
Provisions used	-16 031	0	0	0	-154 838	-170 869
Effect of movements in exchange rates	422	0	-29 883	0	67 842	38 381
Other movements	21 425	424 824	24 349	0	361 892	832 490
TOTAL PROVISIONS AT END OF PERIOD	20 695	329 668	16 126	0	318 715	685 204

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 2016 and 2014.

	2017	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	12 799 712	12 807 778
Securities classified as loans and receivables	0	0
Available-for-sale assets	392 721	394 181
Total	13 192 433	13 201 959

	2016	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	14 338 028	14 329 475
Securities classified as loans and receivables	0	0
Available-for-sale assets	460 221	459 843
Total	14 798 249	14 789 318

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 2016 :

	2017		2016	
	Book value	Estimated market value	Book value	Estimated market value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	25 177 051	25 181 726	21 221 229	21 235 707
Loans and receivables due from customers	183 814 990	184 590 561	179 774 222	180 516 425
Placements détenus jusqu'à leur échéance	23 016 078	23 098 261	25 136 170	25 438 896
Immeubles de placement	3 824 439	3 894 079	3 746 146	3 807 973
FINANCIAL LIABILITIES				
Loans and receivables due to credit institutions	44 958 940	44 958 940	49 708 268	49 708 268
Loans and receivables due to customers	198 783 598	198 783 598	190 050 335	190 050 335
Debt securities	15 101 490	15 101 490	13 186 303	13 186 303
Subordinated debts	11 448 754	11 448 754	10 493 376	10 493 376

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 21.2 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 9.4 billion, amortisable over a short period, with a fair value that is MAD 14.5 million higher than the carrying amount.

Loans and receivables due from customers

Outstandings of loans and receivable due from customers totalled MAD 179 billion at 31 December 2016, 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 7.2 years.

The sensitivity analysis of the Bank's fixed rate loan book shows a fair 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 49.7 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 190 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 13.2 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 10.5 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-17			Total
	Level 1	Level 1	Level 1	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	34 002 616	-	-	34 002 616
of which financial assets at-fair-value through profit or loss	34 002 616			34 002 616
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			10 531 128	10 531 128
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	1 768 686	-	1 768 686
of which financial assets at-fair-value through profit or loss		1 731 592		1 731 592
of which derivative financial instruments		37 094		37 094
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-

	dec-16			Total
	Level 1	Level 1	Level 1	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	38 890 923	-	-	38 890 923
of which financial assets at-fair-value through profit or loss	38 890 923			38 890 923
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			8 317 725	8 317 725
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	2 098 276	-	2 098 276
of which financial assets at-fair-value through profit or loss		2 037 621		2 037 621
of which derivative financial instruments		60 655		60 655
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.

- 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 :

67% of the portfolio is measured using the net asset value method and 21% using the comparable model (similar equity transactions).

Table of changes in available-for-sale financial assets under Level 3 :

	dec-17		
	Debt	Equity	
CARRYING AMOUNT at 1st January	5 501 553	2 816 172	8 317 725
Profits and losses recognised in the P&L	-	-	-
Profits and losses recognised in equity	-29 165	1 433 432	1 404 267
Acquisitions	746 527	1 140 092	1 886 619
Disposals	-1 079 547	-61 007	-1 140 554
Transfers	-	-	-
Translation differences	53 781	9 290	63 071
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	5 193 149	5 337 979	10 531 128

	dec-16		
	Debt	Equity	
CARRYING AMOUNT at 1st January	4 112 359	2 734 213	6 846 572
Profits and losses recognised in the P&L	-	16 656	16 656
Profits and losses recognised in equity	-	13 334	13 334
Acquisitions	1 753 241	116 854	1 870 095
Disposals	-336 055	-63 613	-399 668
Transfers	-	-	-
Translation differences	-27 992	-1 272	-29 264
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	5 501 553	2 816 172	8 317 725

4.15.3. Fair value hierarchy of assets and liabilities recognised at amortised cost

2017				
	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			25 181 726	25 181 726
Loans and receivables due from customers			184 590 561	184 590 561
Held-to-maturity financial assets	4 452 911		18 645 350	23 098 261
LIABILITIES				
Due to credit institutions			44 958 940	44 958 940
Due to customers			198 783 598	198 783 598
Debt securities issued			15 101 490	15 101 490
Subordinated debt			11 448 754	11 448 754

2016				
	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			21 235 707	21 235 707
Loans and receivables due from customers			180 516 425	180 516 425
Held-to-maturity financial assets	5 456 267		19 982 629	25 438 896
LIABILITIES				
Due to credit institutions			49 708 268	49 708 268
Due to customers			190 050 335	190 050 335
Debt securities issued			13 186 303	13 186 303
Subordinated debt			10 493 376	10 493 376

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

	2017	2016
Financing commitments given	13 008 783	13 452 970
- To credit institutions	1 349 684	
- To customers:	11 659 099	13 452 970
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	1 906 864	2 181 683
From credit institutions	1 906 864	2 181 683
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.

5.2. GUARANTEE COMMITMENTS

	2017	2016
Guarantee commitments given	31 435 965	31 627 218
To credit institutions	10 577 462	11 933 231
To customers :	20 858 503	19 693 988
Sureties provided to tax and other authorities, other sureties		
Guarantee commitments received		
From credit institutions	97 117 142	75 147 878
From the State and guarantee institutions	95 421 642	73 902 914
From the State and other guarantee institutions	1 695 500	1 244 964

- 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

	2017	2016
Retirement allowances and equivalents	424 824	329 668
Special seniority premiums allowances		
Other		
TOTAL	424 824	329 668

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	-10 410	9 454
Wage growth	9 525	-10 389
Long service awards	-50 bp change in the rate	+50 bp change in the rate
Discount rate	-12 791	11 860
Wage growth	13 191	-14 127
Economic assumptions	31/12/17	
Discount rate	3.30%	
Taux de croissance des salaires long terme (inflation Incluse)	3%	
Long-term wage growth	10.61%	
	10.96%	

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

	2017	2016
Normal cost	4 893	25 161
Interest cost	12 220	11 626
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses		
Additional allowances	17 112	36 787
Other		
Net cost of the period		

6.2.4. Changes in the provision recognised on the balance sheet

	2017	2016
Actuarial liability, beginning of the period	329 668	323 091
Normal cost	26 105	25 161
Interest cost	12 220	11 626
Experience gains/ losses	72 177	-
Other actuarial gains/ losses	-	-
Depreciation of net gains/losses		
Paid benefits	-21 212	-30 210
Additional benefits		
Other	5 866	
Actuarial liability, end of the period	424 824	329 668
Including fees related to retirement and similar		
Including others...		

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 2015	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2016	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2017	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.

	2017	2016
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)	2 036 321 801	2 036 185 656
Basic earnings per share (in MAD)	11.35	11.35
Diluted earnings per share (in MAD)	11.35	11.35

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	74,76%	74,76%	Full Consolidation
BMCE EUROSERVICES	Financial institution	100,00%	100,00%	Full Consolidation
LCB BANK	Banking	37,00%	37,00%	Full Consolidation
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Full Consolidation
BOA GROUP	Banking	72,85%	72,85%	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 ACMAR	Insurance	20,00%	20,00%	Equity Method
EURAFRIC INFORMATION	Technology Service	41,00%	41,00%	Equity Method
CONSEIL INGENIERIE ET DEVELOPPEMENT AFRICA MOROCCO	Bureau d'études	38,90%	38,90%	Equity Method
LINKS	Study office	51,00%	51,00%	Equity Method

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.

	2017	2016
Short-term benefits	20 278	14 342
Post-employment benefits	634	631
Other long-term benefits	4 846	5 298

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

	2017			2016		
	Gross Amount	With holding tax	Net amount paid	Gross amount	Tax with holding	Net amount paid
Natural and legal persons Resident in Morocco	3 353	503	2 850	2 985	735	2 250
Physical and legal persons non Resident in Morocco	2 092	692	1 400	588	88	500
TOTAL	5 445	1 195	4 250	3 573	823	2 750

Loans granted to the main Executive Corporate Officers

	2017	2016
Consumer loans	18 087	19 765
Mortgage loans	9 331	12 393
Total	27 418	32 158

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 (FINANCE- COM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
Assets				
Loans, advances and securities	-	3 383 713	215 683	10 704 492
On demand accounts		2 063 672	189 691	9 724 541
Loans		761 872	25 992	608 632
Securities		558 170		371 318
Lease financing				
Other assets				27 099
Total	-	3 383 713	215 683	10 731 591
Liabilities				
Deposits	357 092	1 914 051	9 250	10 140 252
On demand accounts	357 092	1 914 051	9 250	9 985 984
Other borrowings				154 268
Debt securities				347 615
Other liabilities				243 724
Total	357 092	1 914 051	9 250	10 731 591
Financing and guarantee commitments given				
Commitments given				2 055 967
Commitments received				
				2 055 967

Related party profit and loss items

	Parent company (FI- NANCE- COM)	Sister compa- nies	Compa- nies con- solidated under the equity method	Fully con- solidated companies
Interest and similar income		-34 657	-1 433	-343 418
Interest and similar expenses				439 909
Fees (income)		-48 413		-363 728
Fee (expenses)				71 565
Services provided				
Services procured	39 500			
Lease income		-70 587	-7 091	-174 307
Other		83 498		369 964

7.5. LEASES

Information concerning finance leases

	Gross Investissement	Present value of minimum lease payments under the lease	Unguaranteed residual value accruing to the lessor
≤ 1 an	2 982 197	525 926	88 619
> 1 an ≤ 5 ans	9 946 983	5 888 696	320 481
> 5 ans	5 323 246	4 363 988	637 665
TOTAL	18 252 426	10 778 610	1 046 765

Information concerning operating leases

	Present value of minimum lease payments under the lease	Total contingent rents recognized as income in the period
≤ 1 an	250 000	
> 1 an ≤ 5 ans	1 000 000	
> 5 ans		
TOTAL	1 250 000	-

The portion of the residual value in the total of the financing amounts is 58.11%.

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Rabat

To the Shareholders of
BMCE BANK
140 Avenue Hassan II,
Casablanca

**STATUTORY AUDITORS' GENERAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the attached financial statements of BMCE Bank of Africa, 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 2017. These financial statements show shareholders' equity and equivalent of MAD 26,683,739 K, including net income of MAD 1,488,138 K.

Management's responsibility

It is Management's responsibility to draw up 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 regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement and for making accounting estimates that are reasonable under the circumstances.

Auditors' 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 regarding the drawing up and presentation of the financial statements so as 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

BMCE Bank of Africa possesses a stock of non-operating real estate assets, acquired as dation-in-payment, worth MAD 5.5 billion at 31 December 2017. Given the risks inherent in these real estate assets, particularly uncertainties about their resale value and the period of time required to liquidate them, we are therefore unable to give an opinion about the value of these assets at 31 December 2017.

Pending the outcome of the situation described above, 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 2017 and of the financial position of BMCE Bank of Africa in accordance with the generally-accepted accounting principles and procedures applicable in Morocco.

Specific checks and information

We also carried out specific checks required by law and we are satisfied that the Bank's financial statements are consistent with the information provided in the Board of Directors' management report for shareholders.

Furthermore, in accordance with the provisions of Article 172 of Act 17-95 as amended and completed, we hereby inform you that, in 2017, the Bank:

- Established a participatory bank named 'Bank Al-Tamweel Wa Al-Inma' with a share capital of MAD 400,000 K, in which the Bank has a 51% stake;
- Acquired an 80% stake in 'Société d'Aménagement Tanger TECH' for MAD 62,500 K;
- Acquired a stake in 'IKAMAT TILILA' for a symbolic 1 dirham. The company's share capital is MAD 100 K and is wholly owned by the Bank;
- Established a subsidiary named 'MOURAD IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'AKENZA IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SAISS IMMO NEJMA' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL PRIMERO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL SECONDO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL TERCIO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'NOUACER CITY IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'MOHIT IMMO' with a share capital of MAD 10 K, wholly owned by the Bank

Casablanca, 20 April 2018

ERNST & YOUNG



Abdeslam BERRADA ALLAM
Associé

The Statutory Auditors

KPMG



Jamal SAAD EL IDRISSI
Associé



37, Bd Abdellatif Benkaddour
20050 Casablanca
Morocco

To the Shareholders of
BMCE BANK
140 Avenue Hassan II,
Casablanca



11, Avenue Bir Kacem Souissi
Rabat

STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

As your company's statutory auditors, 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 their application decrees.

It is our responsibility to present to you the main terms and conditions of the agreements that have been disclosed to us by the Chairman of the Board or ascertained when carrying out our assignment, without our commenting on their relevance or substance or our searching 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 was consistent with the underlying documents.

1. AGREEMENTS ENTERED INTO DURING 2017

1.1. Agreement to retrocede placing fees to BMCE Bank of Africa as book runner for LABEL'VIE's new share issue

Person(s) concerned:

Mr Zouheir BENSALD, a Director of BMCE Capital Bourse, is also a Director of BMCE Bank of Africa.

Main terms and conditions:

The purpose of this agreement between BMCE Bank of Africa, BMCE Capital Bourse, Valoris Securities and Capital Trust Securities is to determine the terms and conditions for cooperation and retrocession in accordance with the terms outlined in the prospectus relating to Label'Vie's new share issue of 31 January 2017.

The agreement shall remain in place until the transaction is complete, upon full and final receipt by BMCE Bank of book runner fees as well as the reference amount by Capital Trust Securities and Valoris Securities.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

1.2. Agency agreement between BMCE Bank of Africa and Damane Cash, a money transfer company, relating to transactions carried out by credit institutions

Person(s) concerned:

Mr Mounir CHRAÏBI, Chairman of the Board of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAÏSSI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa shall entrust to Damane Cash, a wholly-owned indirect subsidiary of the Bank, an agency mandate relating to transactions carried out by credit institutions within the framework of marketing domestic and international prepaid bank cards to BMCE Bank of Africa customers and to approved partners within the Damane Cash network which shall undertake to comply with the Bank's vigilance and compliance requirements.

This is a five-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

1.3. Sales and lease-back agreement financed by MAGHREBAIL in favour of BMCE Bank of Africa

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of Maghrebail, is also a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSALD and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail, are also respectively Chairman and Chief Executive Officer, Director and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAÏSSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of the agreement, BMCE Bank of Africa shall enter into a sale and lease-back transaction with MAGHREBAIL relating to a series of IT programmes and solutions.

The agreement, entered into at end-December 2017, relates to equipment lease finance of MAD 561,938 K inclusive of taxes over a 60-month period, with the unitary rental payment set at MAD 8,794 K exclusive of taxes.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 468,281 K for the period ended 31 December 2017.

1.4. Agreement between BMCE Bank and RM EXPERTS relating to the cession of premises**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, a Director of RM EXPERTS, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of RM EXPERTS, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement, BMCE Bank of Africa shall cede to RM EXPERTS a jointly-owned office on the 3rd floor of an office building and four car parking spaces in the Casablanca Zénith district, located at No. 2 and No. 2B Sidi Maarouf, Taoufik plot, with the title deeds Nos. 19.780/47, 19.627/47 and 19.633/47 and having a total surface area of 424 m², 31m² and 29 m² respectively.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 7,208 K for the period ended 31 December 2017.

2. AGREEMENTS ENTERED INTO DURING PREVIOUS YEARS WHICH REMAINED IN FORCE DURING 2017**2.1. Agreement between BMCE Bank of Africa and BMCE Capital Bourse****Person(s) concerned:**

Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into in February 2016, BMCE Capital Bourse shall delegate to BMCE Bank of Africa the operational and technical handling of its asset custody business.

In consideration, BMCE Capital Bourse shall pay an annual fee of MAD 50,000 exclusive of taxes. Furthermore, it shall remain liable to Maroclear for all membership fees and taxes.

This is a one-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.2. Advisory mandate between BMCE Bank of Africa and BMCE Capital Titrisation relating to the securitisation of mortgage-backed securities**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement, BMCE Bank of Africa shall entrust to BMCE Capital Titrisation the securitisation of the Group's mortgage-backed securities.

This agreement is for a 12-month period taking effect on the date that it is signed and will be automatically renewed by further 3-month periods if required.

In terms of remuneration, a flat-rate fee of MAD 1 million exclusive of taxes will be charged on the date that the agreement is signed and shall end as soon as the deal is completed.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.3. Mandate between BMCE Bank of Africa and BMCE Capital Titrisation to arrange a real estate asset securitisation deal**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

In a context of optimising limited resources, BMCE Bank intends to manage its balance sheet as effectively as possible in relation to its sizeable real estate assets.

By transferring its real estate assets, BMCE Bank will be able to: (i) free up a portion of the capital mobilised on its balance sheet under liabilities in respect of these assets and (ii) generate fresh cash reserves by ceding these assets.

Under the terms of this agreement, BMCE Capital Titrisation shall be appointed as arranger for the Group's first real estate securitisation deal. This inaugural deal will be for a sum of between MAD 500 million and MAD 1 billion exclusive of taxes.

This agreement is for a 12-month period taking effect on the date that it is signed. It will be automatically renewed by additional 3-month periods, if required, and shall end as soon as the deal is completed.

As far as the structuring fee is concerned, a retainer fee of MAD 1 million exclusive of taxes will be charged on the date that the mandate is signed. A success fee of 0.4% exclusive of taxes will be paid in the event that the deal is completed successfully.

As far as the placing fee is concerned, remuneration of 0.2% exclusive of taxes of the total deal size will be paid at the delivery/settlement date.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.4. Management agreement between BMCE Bank of Africa and Maroc Factoring

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa has embarked on a project aimed at revising its policy of distributing factoring products and services within the Group. In such a context, factoring outstandings will be divided between BMCE Bank of Africa and Maroc Factoring based on a number of criteria including balance sheet size and capital. As a result, BMCE Bank of Africa will record the factoring transactions in its ledgers with management entrusted to Maroc Factoring.

This management agreement will consist of Maroc Factoring proposing factoring applications to BMCE Bank of Africa based on the existing delegated blueprint, providing the Bank with technical assistance in transactions such as checking invoices at the operational level, introducing legal mechanisms for substituting or ceding accounts receivable and monitoring the recovery of the factoring receivables financed.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 14,743 K for the period ended 31 December 2017.

In this regard, a number of contracts were signed between BMCE Bank of Africa and its subsidiary for the assignment of receivables:

- Contract dated 31 March 2017 relating to a single contract totalling MAD 17,751 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 24,999 K for the period ended 31 December 2017
- Contract dated 30 June 2017 relating to 53 contracts totalling MAD 252,919 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 489,936 K for the period ended 31 December 2017
- Contract dated 30 September 2017 relating to 10 contracts totalling MAD 117,058 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 58,848 K for the period ended 31 December 2017
- Contract dated 31 December 2017 relating to 8 contracts totalling MAD 48,990 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 86,840 K for the period ended 31 December 2017

2.5. Addendum to the agreement relating to the management of financial market and custody operations

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAD, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

This addendum, entered into 29 April 2016, aims to amend the scope of delegated activities to enable BMCE Capital to provide to BMCE Bank of Africa with any type of specialised service or benefit in terms of research, analysis or financial appraisal.

This agreement is for an indefinite period.

The annual remuneration shall remain unchanged at 15% of the surplus, by comparison with MAD 100 million, of the gross operating income generated by BMCE Bank's capital market operations and will be between MAD 20 million and MAD 30 million.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 59,685 K in respect of the variable remuneration component of MAD 31,140 K for the period ended 31 December 2017.

2.6. Agreement between BMCE Bank of Africa and FinanceCom to provide assistance and services**Person(s) concerned:**

Mr Othman BENJELLOUN, Chairman of FinanceCom, is also Chairman and Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID is a Director of both companies

Mr Brahim BENJELLOUN-TOUIMI, a Director of FinanceCom, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of the agreement entered into by BMCE Bank of Africa and FinanceCom, the latter shall undertake to provide BMCE Bank of Africa with assistance in drawing up its Strategic Plans, research, implementing partnerships in Morocco and overseas, generating commercial synergies and support.

This agreement is automatically renewable.

Remuneration shall amount to 0.3% of BMCE Bank of Africa's net banking income, in addition to re-invoicing for FinanceCom staff seconded to the Bank for a pre-determined period and any justifiable expenses incurred.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 41,025 K for the period ended 31 December 2017.

2.7. Shareholders' current account advance agreement in favour of O TOWER between FINANCECOM, BMCE Bank of Africa and RMA**Person(s) concerned:**

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE Bank of Africa, is also Chairman of O TOWER's Board
- Mr Mounir CHRAIBI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of O TOWER
- Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also a Director of O TOWER

Main terms and conditions:

Under the terms of this agreement entered into 1 January 2015, BMCE Bank of Africa, FINANCECOM and RMA WATANYA, shareholders in O TOWER, with FINANCECOM holding a 55% stake and RMA WATANYA and BMCE Bank of Africa each holding a 22.5% stake, shall accept to provide O TOWER with a shareholders' current account advance at 4.5% interest. The purpose of this current account advance is to provide temporary funding for O TOWER's operations.

This agreement has been entered into 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.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 1,354 K for the period ended 31 December 2017.

2.8. Loan contract between BMCE Bank of Africa and BOA GROUP**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman and Chief Executive Officer of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE Bank of Africa

Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohamed AGOUMI, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa entered into 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 exclusive of taxes.

The contract also specifies the main characteristics and repayment terms of the loan.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 6,440 K for the period ended 31 December 2017.

2.9. Addendum to the agreement between Salafin and BMCE Bank of Africa relating to establishing a customer file recovery management system

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Mamoun BELGHITI and Amine BOUABID, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Messrs Driss BENJELLOUN and Omar TAZI, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

As part of the project for adopting a joint approach to loan recovery, BMCE Bank of Africa and Salafin entered into a framework agreement 15 September 2008, subsequently modified 5 June 2009, which shall define 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 by 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 exclusive of 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 exclusive of taxes per customer.

Text messages are invoiced at the same rate as for customer files not managed by Salafin.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 10,095 K for the period ended 31 December 2017.

2.10. Deed of sale of the current account between ALLIANCES DARNA and BMCE Bank of Africa

Person(s) concerned:

Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RIYAD ALNOUR

Main terms and conditions:

Previously, ALLIANCES DARNA held a shareholders' current account with a balance of MAD 250,143 K against RIYAD ALNOUR, a real estate developer in which BMCE Bank of Africa 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 of Africa, as a result of which the latter became owner of the said shareholder current account.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 5,605 K for the period ended 31 December 2017.

2.11. Services agreement between BMCE Bank of Africa and BMCE Capital

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSaid, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa and BMCE Capital entered into a services agreement 27 November 2015 effective 1 January 2015.

This agreement shall provide for legal and regulatory assistance in carrying out specific transactions within BMCE Bank of Africa Group and

the drawing up of deeds in BMCE Bank of Africa's name and on its behalf.

This is a one-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.12. Shareholder current account agreement between RIYAD ALNOUR and BMCE Bank of Africa

Person(s) concerned:

Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RIYAD ALNOUR.

Main terms and conditions:

Under the terms of this agreement entered into 22 December 2015, BMCE Bank of Africa shall agree to provide RIYAD ALNOUR with a shareholders' current account advance of MAD 221,500 K with 2.21% interest. The purpose of this advance is to enable RIYAD ALNOUR to entirely clear its debts towards BMCE Bank of Africa regarding 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.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 4,963 K for the period ended 31 December 2017.

2.13. Addendum to the agreement between BMCE Bank of Africa and BMCE Capital relating to financial market and custody operations

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Zouheir BENSALD, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Members of BMCE Capital's Supervisory Board

Main terms and conditions:

This addendum, entered into 18 December 2014, amends the terms and conditions for remunerating BMCE Capital in respect of its management of BMCE Bank of Africa's financial market and custody operations as stipulated in the initial contract of 1999 and in subsequent amendments.

This is a one-year automatically-renewable addendum.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 3,114 K for the period ended 31 December 2017.

2.14. Shareholder current account advance agreement between BMCE Bank of Africa and BMCE IMMOBILIER (ex MABANICOM)

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 13 February 2014, BMCE Bank of Africa shall agree to provide BMCE IMMOBILIER (ex MABANICOM) with a shareholders' current account advance in the total net sum of MAD 38,000,000 with 2.21% statutory interest in respect of the period ended 31 December 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.

Entered into for a renewable one-year period, the agreement shall expire when BMCE IMMOBILIER (ex MABANICOM) has repaid BMCE Bank of Africa in full.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 851 K for the period ended 31 December 2017.

2.15. Cooperation agreement between BMCE Bank of Africa and BMCE IMMOBILIER

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into 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 of Africa in respect of leasing, purchasing or selling real estate assets owned by or on behalf of BMCE Bank of Africa and BMCE Bank of Africa Group;
- Collecting rents and lease payments due to BMCE Bank of Africa and BMCE Bank of Africa 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 of Africa and BMCE Bank of Africa Group;

This agreement shall be for a period of 3 years.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 7,897 K for the period ended 31 December 2017.

2.16. Draft agreement between BMCE Bank of Africa and Medi Télécom SA relating to establishing an operational partnership regarding the Mobile Money service

Person(s) concerned:

Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE Bank of Africa, is also a Director of MEDI TELECOM

Mr Zouheir BENSALD, a Director of MEDI TELECOM, is also a Director of BMCE Bank of Africa

Main terms and conditions:

This draft agreement, entered into 26 June 2012, prior to establishing a definitive contract, shall establish the project's purpose, strategic guidelines and principles for doing business.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.17. Delegated responsibility agreement between BMCE Bank of Africa and BMCE International SAU relating to the management of BMCE EuroServices

Person(s) concerned:

Mr Mohamed AGOUMI, Chairman of BMCE International SAU's Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa and a Director of BMCE EuroServices

Messrs Azzedine GUESSOUS and Mohammed BENNANI are Directors of BMCE Bank of Africa and of BMCE International SAU

Mr Brahim BENJELLOUN-TOUIMI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of BMCE International SAU and Chairman of the Board of BMCE EuroServices

Main terms and conditions:

The purpose of this contract, entered into 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 EuroServices, its wholly-owned subsidiary, under the orders of BMCE Bank of Africa, of which the former is indirectly a wholly-owned subsidiary.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.18. Management mandate between BMCE Bank of Africa and BOA France

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Azzedine GUESSOUS is a Director of BOA Group and of BMCE Bank of Africa

Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohamed AGOUMI, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

This agreement, entered into 6 June 2012 between BMCE Bank of Africa and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BMCE Bank of Africa mandates BOA France, in consideration for the payment of fees, to handle on its behalf financial transactions for Moroccan customers living abroad. The contract shall also define the operating terms and conditions of the BMCE Bank of Africa account held in the ledgers of BOA France.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.19. Agreement between BMCE Bank of Africa and BMCE Capital Gestion Privée to manage structured product margin calls**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under this agreement, entered into 29 June 2012, BMCE Capital Gestion Privée shall undertake to monitor the risk of fluctuation in the 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 of Africa is based on dirham-denominated money market rates.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.20. Services contract between BMCE Bank of Africa and RMA**Person(s) concerned:**

Mr Othman BENJELLOUN, Chairman of RMA's Supervisory Board is also Chairman and Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID is Chairman of RMA's Supervisory Board and a Director of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI is a Member of RMA's Supervisory Board and is Deputy Chief Executive Officer of BMCE Bank of Africa.

Main terms and conditions:

Entered into in April 2012 effective 1 October 2011, this contract shall define general and specific terms and conditions regarding the provision of premises, miscellaneous services and equipment by BMCE Bank of Africa to RMA.

It also establishes the terms and conditions of use by the latter of the resources made available in consideration for a flat-rate payment.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 121 K for the period ended 31 December 2017.

2.21. Technical support agreement between BMCE Bank of Africa and AFH Services**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of AFH Services

Main terms and conditions:

Under the terms of this one-year automatically-renewable agreement entered into in 2012, BMCE Bank of Africa shall provide intra-Group technical support to AFH aimed at providing BOA Group with business line expertise.

In consideration, AFH shall be invoiced for these services on the basis of man days, at a rate of €1,200 exclusive of taxes per man day.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.22. Services agreement between BMCE Bank of Africa and BMCE Capital**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive of BMCE Bank of Africa

Mr Amine BOUABID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Zouheir BENSARD, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Main terms and conditions:

Entered into 20 November 2012 effective 1 January 2012, this one-year automatically-renewable agreement establishes the terms and conditions by which BMCE Bank of Africa shall remunerate 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.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.23. Subordinated loan contract between BMCE Bank of Africa and BMCE Bank International (BBI)

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 30 May 2010, BMCE Bank of Africa shall provide BBI with a subordinated loan in the euro equivalent sum of £15,000,000 at an annual fixed rate of 4% in respect of Tier 2 capital.

The loan's repayment date shall be ten years after the agreement's effective date under the terms of an amendment entered into 25 July 2012.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 8,015 K for the period ended 31 December 2017.

2.24. Agreements between BMCE Bank of Africa and SALAFIN

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Mamoun BELGHITI and Amine BOUABID are members of Salafin's Supervisory Board and Directors of BMCE Bank of Africa

Messrs Omar TAZI and Driss BENJELLOUN are members of Salafin's Supervisory Board and Deputy Chief Executives of BMCE Bank of Africa

Services contract between BMCE Bank of Africa and SALAFIN

This three-year automatically-renewable services contract, entered into in 2009, shall define the terms and conditions by which BMCE BANK shall provide SALAFIN with a certain number of services and equipment as well as the terms governing usage.

BMCE BANK shall receive a flat royalty payment of MAD 1,000 inclusive of taxes per desk. Royalties are paid on a quarterly basis in advance.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 84 K for the period ended 31 December 2017.

Agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE Bank of Africa's customer files as well as hosting a management system on an ASP basis (via its ORUS subsidiary)

Entered into in 2011, the purpose of this agreement between BMCE Bank of Africa 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 of Africa with a maintenance centre.

The remuneration paid by BMCE Bank of Africa is calculated on the basis of the number of customer files actually processed by the system based on a pricing structure.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 212 K for the period ended 31 December 2017.

Agreement between BMCE Bank of Africa and Salafin relating to services, technical support and application hosting

Entered into 15 January 2009, this agreement relates to the implementation of a recovery service by which SALAFIN shall undertake to carry out the assignments entrusted to it by BMCE Bank of Africa (recovery system support and set-up, provision of a user licence for the manage-

ment module for attributing portfolios to agents and the telecommunications management module, development of interfaces with BMCE Bank of Africa's information systems, dedicated hosting and running of the recovery software solution on a daily basis and the provision of a maintenance centre).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 1,081 K for the period ended 31 December 2017.

Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE Bank of Africa's customer files

Entered into 1 July 2011, this amendment to the agreement between BMCE Bank of Africa and SALAFIN modifies the remuneration terms, established by the distribution agreement entered into 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.

Amount(s) recognised:

Regarding this agreement and its amendment, BMCE Bank of Africa recognised an expense of MAD 112,646 K and total income of MAD 14,979 K for the period ended 31 December 2017.

2.25. Agreements between BMCE Bank of Africa and Eurafric Information (EAI)

Draft agreement between BMCE Bank of Africa and Eurafric Information (EAI) relating to invoicing software licences and related services

Entered into 2 December 2011, the purpose of this agreement is for EAI to provide BMCE Bank of Africa 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 of Africa 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 of Africa 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 of Africa and EAI

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSALD, a Director of BMCE Bank of Africa, is also a member of EAI's Supervisory Board

Messrs Driss BENJELLOUN and Mounir CHRAIBI, Directors of EAI, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BMCE Bank of Africa 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.

Amount(s) recognised:

In respect of both these agreements entered into with EAI in 2011, BMCE Bank of Africa recognised the following amounts for the period ended 31 December 2017:

Recurring services (expenses): MAD 59,759 K

Maintenance (expenses): MAD 10,073 K

Non-recurring services (non-current assets): MAD 49,868 K

2.26. Agreement between BMCE Bank of Africa and Global Network Systems SA ("GNS") relating to Carte MPOST - Passport

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BMCE Bank of Africa.

Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Technologies

Main terms and conditions:

Entered into 1 February 2011, the purpose of this agreement is for BMCE Bank of Africa 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 of Africa. All other expenses are debited against the card's balance.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.27. Services contract between BMCE Bank of Africa and Eurafric GED Services**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into 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 of Africa 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 of Africa (prices quoted exclude taxes).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 1,363 K for the period ended 31 December 2017.

2.28. Partnership agreement between BMCE Bank of Africa and BMCE Bank International Plc (BBI) relating to sub-contracting clearing services**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International shall provide BMCE Bank of Africa with a number of banking services including:

Cheques drawn on French- or foreign-domiciled banks

Inter-bank transfers to BMCE Bank of Africa or its customers

International SWIFT transfers

Bills of exchange domiciled with BMCE Bank of Africa and payable in France

Documentary credit confirmations

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.29. Agreement between BMCE Bank of Africa and BMCE Capital Gestion to promote and market mutual funds via the BMCE Bank of Africa branch network**Person(s) concerned:**

Mr Amine BOUABID, a Director of BMCE Capital Gestion, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of BMCE Capital Gestion

Main terms and conditions:

Entered into 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 Africa of a specific number of BMCE Capital Gestion products via the BMCE Bank of Africa 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 of Africa'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.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.30. Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Nature	Localisation	Amount 2017 (MAD K)
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II aux 4th, 7th and 8th floor, Casablanca	2 957
MEDITELECOM	01/08/2012	Building patio	Essaouira	103
BMCE Capital	01/07/2002	Office space	BMCE Bank of Africa Branch, Agadir Ville	337
EURAFRIC INFORMATION	15/10/2009	279 m ² apartment. TF No.36929/C, property known as « GAMECOUR ».	243 Bd Mohamed V, Casablanca	Not applicable Contract cancelled 30/09/16
EURAFRIC INFORMATION	01/10/2016	Office space Block A2 – 3,624m ²	Bouskoura Green City TF No.18827/47	4 356
EURAFRIC INFORMATION	01/10/2016	Office space Block B2 – 3,822m ²	Bouskoura Green City TF No.18827/47	4 582
EURAFRIC INFORMATION	01/01/2017	DATA CENTER 1,735 M2	Bouskoura Green City TF No.18827/47	2,080 Premises partially unoccupied

The leases shall be renewed automatically.

2.31. Three-party agreement relating to the transfer of leases relating to acquiring and developing office premises in Avenue Imam Malik, Rabat

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of the Board of Maghrebaïl, is also a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSALD and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebaïl, are also respectively Chairman and Chief Executive Officer, Director and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSALD, a Director of BMCE Bank of Africa, is also a member of BMCE Capital's Supervisory Board

Messrs Driss BENJELLOUN and M'Fadel EL HALAÏSSI, members of BMCE Capital's Supervisory Board are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into 16 March 2011 between BMCE CAPITAL, the initial lessee, BMCE Bank of Africa, the current lessee and MAGHREBAÏL, the lessor, this agreement shall provide for the transfer of leases to BMCE Bank in consideration for a monthly rental payment of MAD 68,453.70 exclusive of taxes and a total fixed cost of MAD 7,200,000 in relation to funding costs of which MAD 720,000 relates to the estimated land value.

Amount(s) recognised:

This contract is for a period of 97 months from 25 April 2011 to 24 May 2019.

Regarding this contract, BMCE Bank of Africa recognised a total expense of MAD 821 K for the period ended 31 December 2017.

2.32. Amendment to the BMCE EDIFIN agreement between BMCE Bank of Africa and GLOBAL NETWORK SYSTEMS (GNS), now GNS TECHNOLOGIES SA

Person(s) concerned:

Mr Mounir CHRAÏBI, Chairman of the Board of GNS Holding, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs M'Fadel EL HALAÏSSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Holding

Main terms and conditions:

Entered into 2 April 2010 and 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 of Africa shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, entered into 30 December 2011 and effective January 2012, sees the annual payment made by BMCE Bank of Africa to the service provider reduced to MAD 2,750,000 exclusive of taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 2,921 K for the period ended 31 December 2017.

2.33. Services contract between BMCE Bank of Africa and RM Experts relating to debt recovery

Person(s) concerned:

Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RM Experts

Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RM Experts

Main terms and conditions:

Entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BMCE Bank of Africa, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BMCE Bank of Africa.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BMCE Bank of Africa shall undertake 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 of Africa.

BMCE Bank of Africa will invoice the service provider for these employees' salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BMCE Bank of Africa for "managing 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 of Africa will be invoiced for the sum of five hundred dirhams exclusive of taxes in respect of related expenses. RM EXPERTS shall also receive from BMCE Bank of Africa success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BMCE Bank of Africa shall undertake to reimburse RM EXPERTS for all actual costs incurred by the latter.

Amount(s) recognised:

BMCE Bank of Africa paid RM EXPERTS success fees of MAD 39,905 K and management fees of MAD 3,478 K for the period ended 31 December 2017.

2.34. Agreement between BMCE Bank of Africa and Maghrebail

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of Maghrebail, is a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSaid and Brahim BENJELLOUN-TOUIMI, Members of the Board of Maghrebail, are respectively Chairman, Directors and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing BMCE Bank of Africa's marketing 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 of Africa.

The terms and conditions of this agreement are as follows:

MAGHREBAIL shall pay BMCE Bank of Africa agency fees as set out in a price list

MAGHREBAIL shall undertake to pay quarterly agency fees in respect of BMCE Bank of Africa's remuneration.

MAGHREBAIL shall undertake to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee.

MAGHREBAIL shall undertake to remunerate BMCE Bank of Africa 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 of Africa (financial outstandings x proportion of bank guarantee).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 11,990 K for the period ended 31 December 2017.

2.35. Partnership agreement between BMCE Bank of Africa and Budget Locasom

Person(s) concerned:

Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE BANK and Mr Azeddine GUESSOUS, a Director of BMCE Bank of Africa, are also Directors of Budget Locasom

Main terms and conditions:

Entered into 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BMCE Bank of Africa of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BMCE Bank of Africa 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 of Africa branch network.

The terms and conditions of this agreement are as follows:

BMCE Bank of Africa shall solely undertake to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)

BMCE Bank of Africa shall receive a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.36. Services contract between BMCE Bank of Africa and BMCE EuroServices**Person(s) concerned:**

Mr Brahim BENJELLOUN-TOUIMI, Chairman of the Board of BMCE EuroServices, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into in 2013, this contract aims to clarify the underlying terms and conditions by which BMCE Bank of Africa 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 of Africa in the Moroccans living abroad segment and a percentage of the funds transferred to BMCE Bank of Africa accounts in Morocco.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 170,762 K for the period ended 31 December 2017.

2.37. Commercial lease contract between BMCE Bank of Africa and GNS TECHNOLOGIES**Person(s) concerned:**

Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Technologies

Main terms and conditions:

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BMCE Bank of Africa 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 m² 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 K for the first year, MAD 19.3 K for the second year and MAD 22 K 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.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 293 K for the period ended 31 December 2017.

Casablanca, 20 April 2018

The Statutory Auditors**ERNST & YOUNG**

ERNST & YOUNG
37 Bd. Abdelkrim El Khadour
Casablanca
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Abdeslam BERRADA ALLAM
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KPMG

K.P.M.G.
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Jamal SAAD EL IDRISSI
Associé

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)

Any transactions or balances between group entities are eliminated on consolidation.

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 downgrading 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 or movable assets.

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 recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the 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 charges and accrued interest.

Securities transferred from the "Portfolio securities" and "Equity securities and Investments in related companies" categories are valued either prior to or at the time of transfer based on the rules relating to their 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. 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 denominated in foreign currencies

The 'closing rate' method is used to translate financial statements denominated 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 rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional 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 and provisions, 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 by comparison with 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 banking operations which cannot be currently identified or accurately measured.

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	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non 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 a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and 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 on 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.

Fee income

Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

2.13 Non-recurring income and expenditure

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.14 Retirement obligations

Retirement obligations (Wissam Al Choghl, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

ASSETS	2017	2016
Cash, central banks, treasury, giro accounts	5 878 612	4 147 681
Loans to credit institutions and equivalent	25 310 048	24 562 762
. Demand	8 842 973	2 623 461
. Time	16 467 075	21 939 301
Loans and advances to customers	117 240 319	115 990 730
. Cash and consumer loans	36 762 530	40 791 247
. Equipment loans	22 310 597	19 100 535
. Mortgage loans	40 478 952	37 725 042
. Other loans	17 688 240	18 373 906
Advances acquired by factoring	860 845	668 926
Transaction and marketable securities	33 890 104	38 601 321
. Treasury bonds and equivalent securities	14 291 200	15 957 201
. Other debt securities	926 552	3 313 509
. Title deeds	18 672 352	19 330 611
Other assets	2 692 565	1 948 439
Investment securities	3 190 421	4 059 152
. Treasury bonds and equivalent securities	964 189	1 559 544
. Other debt securities	2 226 232	2 499 608
Equity investments and equivalent uses	10 357 921	8 864 040
Subordinated loans	202 745	193 101
Fixed assets leased and rented	103 119	74 000
Intangible fixed assets	191 871	516 958
Tangible fixed assets	5 325 367	5 295 196
Total Assets	205 243 937	204 922 306

(In thousand MAD)

LIABILITIES	2017	2016
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	20 482 268	25 767 091
. Demand	2 620 616	7 412 683
. Time	17 861 652	18 354 408
Customer deposits	135 815 145	131 124 421
. Demand deposits	75 986 426	71 264 402
. Savings deposits	22 621 427	21 371 211
. Time deposits	31 159 953	32 746 734
. Other deposits	6 047 339	5 742 074
Debt securities issued	12 565 911	12 076 677
. Negotiable debt securities	10 156 422	9 512 638
. Bond loans	2 409 489	2 564 039
. Other debt securities issued	-	-
Other liabilities	9 010 886	10 695 318
Contingent liabilities	685 988	549 139
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	11 447 182	10 085 536
Revaluation reserve	-	-
Reserves and premiums related to capital	11 953 769	11 504 457
Capital	1 794 634	1 794 634
Shareholders Unpaid-up Capital (-)	-	-
Retained earnings (+/-)	16	62
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	1 488 138	1 324 971
Total Liabilities	205 243 937	204 922 306

(In thousand MAD)

OFF-BALANCE SHEET**2017****2016**

Given commitments	22 867 740	23 635 989
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
Financing commitments on behalf of customers	6 934 207	8 773 032
Guarantee commitments given to credit institutions and equivalent	5 109 213	5 123 121
Guarantee commitments given to customers	9 131 162	8 991 909
Securities repos purchased	78 357	78 357
Other securities to be delivered	1 145 060	298 773
Received commitments	18 874 748	11 053 701
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	17 915 756	10 670 880
Guarantee commitments received from the State and various guarantee bodies	947 160	381 273
Securities repos sold	-	-
Other securities to be received	11 832	1 548

(In thousand MAD)

**INCOME STATEMENT
AGGREGATED ACTIVITY****2017****2016**

Bank operating revenues	10 675 594	10 877 012
Interests and assimilated revenues on transactions with credit institutions	688 569	640 634
Interests and assimilated revenues on transactions with customers	5 913 159	5 412 511
Interests and assimilated revenues on debt securities	528 858	550 943
Revenues on title deeds	727 474	574 946
Revenues from leased and rented fixed assets	12 362	-
Fees on provided services	1 123 474	1 041 214
Other banking revenues	1 681 698	2 656 764
Bank operating expenses	4 467 464	4 740 639
Interests and assimilated expenses on transactions with credit institutions	1 074 001	880 482
Interests and assimilated expenses on transactions with customers	1 602 087	1 743 350
Interests and assimilated expenses on debt securities issued	457 840	370 761
Expenses on leased and rented fixed assets	10 466	-
Other banking expenses	1 323 070	1 746 046
Net Banking Income	6 208 130	6 136 373
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	279 491
General operating expenses	3 621 263	3 493 169
Staff expenses	1 611 041	1 540 320
Tax expenses	97 581	99 018
External expenses	1 544 669	1 491 136
Other general operating expenses	8 996	10 022
Allowances for depreciation and provisions for intangible and tangible fixed assets	358 976	352 673
Allowances for provisions and loan losses	2 246 036	1 225 203
Allowances for non performing loans and commitments	985 587	1 134 947
Loan losses	1 077 416	8 862
Other allowances for provisions	183 033	81 394
Provision write-backs and recovery on amortised debts	1 611 098	626 712
Provision write-backs on non performing loans and commitments	1 566 196	356 319
Recovery of amortised debts	21 387	28 343
Other provision write-backs	23 515	242 050
Current income	2 096 274	1 875 333
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	2 096 274	1 875 333
Corporate tax	608 137	550 362
Net Earnings For The Year	1 488 138	1 324 971

(In thousand MAD)

EARNINGS FORMATION TABLE

	2017	2016
+ Interests and assimilated revenues	7 130 587	6 604 087
- Interests and assimilated expenses	3 133 927	2 994 594
Net interest income	3 996 660	3 609 493
+ Revenues from leased and rented fixed assets	12 362	-
- Expenses on leased and rented fixed assets	10 466	-
Profit from leasing and renting operations	1 896	-
+ Fees received	1 323 913	1 296 907
- Fees paid	279 924	301 734
Net fee income	1 043 989	995 173
± Income from operations on transaction securities	431 048	933 900
± Income from transactions on marketable securities	28 223	20 704
± Income from exchange transactions	229 468	241 039
+ Income from derivatives transactions	7 097	6 746
Income from market transactions	695 836	1 202 389
+ Other miscellaneous banking revenues	727 474	574 946
- Other miscellaneous banking expenses	257 723	245 633
Net banking income	6 208 130	6 136 373
± Net income from equity investments	-25 679	203 177
+ Other non-banking operating revenues	215 861	110 043
- Other non-banking operating expenses	68 879	260 170
- General operating expenses	3 621 263	3 493 170
Gross operating income	2 708 172	2 696 248
± Allowances for non performing loans and commitments (net of write-backs)	-475 422	-759 142
+ Other allowances net of provision write-backs	-136 476	-61 774
Current income	2 096 273	1 875 332
Non-current income	-	-
- Corporate tax	608 137	550 362
Net earnings for the year	1 488 138	1 324 971

(In thousand MAD)

CASH FLOW

	2017	2016
+ Net earnings for the year	1 488 138	1 324 971
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	358 976	352 673
+ Allowances for provisions for equity investments depreciation	30 424	6 800
+ Allowances for provisions for general risks	132 300	58 900
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	7 383	229 230
- Capital gains on disposals of intangible and tangible fixed assets	114 912	25 691
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	-	67
+ Capital losses on disposals of equity investments	2 638	19 321
- Write-backs of investment subsidies received	-	-
+ Financing capacity	1 890 181	1 507 676
- Dividends distributed	897 317	897 317
+ Cash-flow	992 864	610 359

(In thousand MAD)

STATEMENT OF CASH FLOW**2017****2016**

1. (+) Operating income received from banking operations	8 868 707	9 786 279
2. (+) Recovery of amortised debts	21 387	28 343
3. (+) Non-banking revenues received	215 861	110 111
4. (+) Banking operating expenses paid	4 964 271	4 821 763
5. (+) Non-banking operating expenses paid	71 516	279 491
6. (+) General operating expenses paid	3 262 287	3 140 496
7. (+) Corporate tax paid	608 137	550 362
I - Net Cash Flows from the Income Statement	199 744	1 132 622
Change in :		
8. (+) Loans to credit institutions and equivalent	-747 286	-67 569
9. (+) Loans to customers	-1 441 508	-2 662 105
10. (+) Debt and marketable securities	5 579 948	-11 642 841
11. (+) Other assets	-744 126	-71 170
12. (+) Fixed assets leased and rented out	-29 119	-
13. (+) Liabilities to credit institutions and equivalent	-5 284 823	-5 477 145
14. (+) Customer deposits	4 690 724	9 918 618
15. (+) Debt securities issued	489 234	2 622 057
16. (+) Other liabilities	-1 684 432	8 037 624
II - Balance of Changes in Operating Assets and Liabilities	828 612	657 469
III - Net Cash Flows from Operating Activities (I + II)	1 028 356	1 790 091
17. (+) Revenues from equity investments	-	47 964
18. (+) Revenues from disposals of intangible and tangible fixed assets	600 624	43 039
19. (+) Acquisitions of equity investments	-	159 903
20. (+) Acquisitions of intangible and tangible fixed assets	685 680	1 638 835
21. (+) Interests received	548 090	579 088
22. (+) Dividends received	635 095	511 645
IV - Net Cash Flows from Investment Activities	1 098 129	-617 002
23. (+) Subsidies, public funds and guarantee funds received	-	-
24. (+) Issues of subordinated debts	-	-
25. (+) Stock issues	1 361 646	1 878 636
26. (+) Repayment of shareholders equity and equivalent	-	-
27. (+) Interests paid	-	-
28. (+) Dividends paid	859 884	706 366
V - Net Cash Flows from Financing Activities	897 317	897 317
VI - Net Change In Cash (III + IV + V)	-395 555	274 953
VII - Cash & Cash Equivalent at Beginning of Year	1 730 931	1 448 042
VIII - Cash & Cash Equivalent at Year-end	4 147 681	2 699 639
VIII. Cash at Year - end	5 878 612	4 147 681

(In thousand MAD)

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 2017	Total 2016
Ordinary accounts in debit	4 314 236	1 646 441	541 723	5 412 900	11 915 300	6 726 072
Securities received as pledges	-	3 426 909	-	-	3 426 909	2 844 215
- Overnight	-	3 016 602	-	-	3 016 602	-
- Time	-	410 307	-	-	410 307	2 844 215
Short-term loans	-	-	778 631	3 497 350	4 275 981	5 565 352
- Overnight	-	-	345 119	2 098 699	2 443 818	-
- Time	-	-	433 512	1 398 651	1 832 163	5 565 352
Financial loans	-	1 162 377	7 082 374	139 914	8 384 665	10 384 377
Other loans	2 895 759	237 865	-	39 543	3 173 167	3 168 941
Receivables accrued interest	2 923	2 625	3 405	3 685	12 638	21 486
Non performing loans	-	-	-	-	-	-
TOTAL	7 212 918	6 476 217	8 406 133	9 093 392	31 188 660	28 710 443

Comment : pl 480 MMAD : 2 895 759 included in « Other loans »

(In thousand MAD)

LOANS TO CUSTOMERS

Claims	Public sector	Private Sector			Total 2017	Total 2016
		Financial companies	Non financial companies	Other customers		
Short-term loans	209 261	1 415 473	23 648 025	1 488 850	26 761 609	31 743 678
- Deposit accounts in debit	179 004	1 415 473	15 614 012	1 415 612	18 624 101	18 160 493
- Commercial loans in Morocco	18 399	-	3 839 816	-	3 858 215	4 183 463
- Export loans	-	-	360 299	-	360 299	765 296
- Other cash loans	11 858	-	3 833 898	73 238	3 918 994	8 634 426
Consumer loans	-	-	-	9 586 255	9 586 255	9 742 758
Equipment loans	4 949 694	-	17 118 958	-	22 068 652	18 909 914
Mortgage loans	-	-	10 632 047	29 778 220	40 410 267	37 666 171
Other loans	11 858	13 480 407	1 613 093	-	15 105 358	15 153 673
Advances acquired by factoring	-	-	860 845	-	860 845	668 927
Receivables accrued interest	31 952	92 077	343 881	257 384	725 294	654 304
Non performing loans	-	5 066	1 777 976	799 843	2 582 885	2 120 232
- Substandard loans	-	5 042	328 173	114 736	447 951	240 662
- Doubtful loans	-	-	621 412	97 394	718 806	866 216
- Loss loans	-	24	828 391	587 713	1 416 128	1 013 353
TOTAL	5 202 765	14 993 023	55 994 825	41 910 552	118 101 165	116 659 656

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

	Credit Institutions and Equivalent	Public Issuers	Private Issuers		Total 2017	Total 2016
			Financial companies	Non financial companies		
Quoted securities	814 533	15 178 231	18 709 123	195 401	34 897 287	40 050 355
- Treasury bonds and equivalent securities	-	15 178 231	-	-	15 178 231	17 410 813
- Bonds	203 774	-	36 771	195 401	435 946	1 640 956
- Other debt securities	610 759	-	-	-	610 759	1 667 976
- Title deeds	-	-	18 672 352	-	18 672 352	19 330 611
Unquoted securities	1 792 323	84 079	103 638	203 197	2 183 237	2 610 118
- Treasury bonds and equivalent securities	-	-	-	-	-	-
- Bonds	1 777 962	-	-	-	1 777 962	2 000 036
- Other debt securities	-	-	-	201 001	201 001	350 935
- Title deeds	-	-	-	-	-	-
Accrued interest	14 361	84 079	103 638	2 196	204 274	259 147
TOTAL	2 606 855	15 262 310	18 812 761	398 598	37 080 524	42 660 473

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	33 687 544	33 684 733	33 684 733	-	-	2 811
Treasury bonds and equivalent securities	14 187 876	14 185 068	14 185 068	-	-	2 808
Bonds	208 974	208 974	208 974	-	-	-
Other debt securities	618 339	618 339	618 339	-	-	-
Title deeds	18 672 354	18 672 352	18 672 352	-	-	3
Marketable securities	205 371	205 371	205 371	-	-	-
Treasury bonds and equivalent securities	106 132	106 132	106 132	-	-	-
Bonds	-	-	-	-	-	-
Other debt securities	99 239	99 239	99 239	-	-	-
Title deeds	-	-	-	-	-	-
Investment securities	3 191 887	3 190 420	3 137 781	-	52 640	1 467
Treasury bonds and equivalent securities	964 189	964 189	921 393	-	42 796	-
Bonds	1 969 629	1 968 163	1 958 319	-	9 844	1 467
Other debt securities	258 069	258 069	258 069	-	-	-
TOTAL	37 084 801	37 080 524	37 027 884	-	52 640	4 278

(In thousand MAD)

DETAIL OF OTHER ASSETS

	2017	2016
Optional instruments	2 667	25 806
Miscellaneous transactions on securities	170 848	57 401
Other Debtors	1 311 808	638 436
- Sums due by the state	733 591	471 412
- Sums due by provident companies	-	-
- Receivables from staff	88 230	78 918
- Receivable for non-banking services	-	-
- Other debtors	489 987	88 106
Other securities and assets	6 412	7 425
Adjustment accounts	1 200 830	1 219 371
Off-balance sheet adjustment accounts	10 087	102 135
Currency discrepancy accounts	-	-
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	181 255	235 046
Liaison accounts between the head office, subsidiaries and branches in Morocco	326 508	326 815
Accrued income and prepayment	269 285	185 124
Accrued income	10 778	4 227
Prepayment	258 507	180 897
Transitory accounts	-	-
Other adjustment accounts	413 695	370 251
Non performing loans on miscellaneous transactions	-	-
TOTAL	2 692 565	1 948 439

(In thousand MAD)

EQUITY INVESTMENTS AND EQUIVALENT

AS OF DECEMBER 31ST, 2017

Name of the issuing company	Sector of activity	Number of shares	Share capital	Equity holding as %	Overall acquisition price	Provisions	Net book value
Equity Investment Securities							
RADIO MEDITERRANEE	Media	708 260	196 650 000	36,02	70 827	0	70 827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	0	50 000
TANGER MED ZONES	Development company	443 396	506 650 000	8,75	44 340	0	44 340
EMAT	Holding Company	80 473	8 047 300	100,00	30 365	30 365	0
FONCIERE EMERGENCE	Real Estate	338 436	420 059 000	8,06	33 844	0	33 844
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000	0	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payment management	109 990	98 200 000	11,20	11 000	0	11 000
FONDS DE GARANTIE DE LA COMMANDE PUBLIQUE	Investment funds	100 000	100 000 000	10,00	10 000	0	10 000
MOROCCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650	0	5 650
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	971	971	0
AFRICA CO-DEVELOPMENT GROUP	Insurance	20 001	10 000 000	20,00	500	0	500
MITC CAPITAL	Fund MNF	4 000	2 000 000	20,00	400	0	400
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375	375	0
					270 271	31 710	238 560
511 Equity Affiliates							
Securities related companies							
BOA GROUP	Foreign credit institution	437 837	93 154 535	72,85	3 047 545	0	3 047 545
BBI	Foreign credit institution	157 659 285	157 659 285	100,00	1 995 882	0	1 995 882
STE SALAFIN	Consumer credit	1 790 432	239 449 700	74,77	628 635	0	628 635
LITTORAL INVEST	Leasing	26 000	2 600 000	100,00	450 000	0	450 000
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	0	370 770
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	0	336 882
AFRICA MOROCCO LINKS	Maritime transport	1 632 000	320 000 000	51,00	163 200	30 000	133 200
O TOWER	Development company	1 560 000	260 000 000	60,00	156 000	0	156 000
BANK ALTAMWEEL WA AL-INMA - BTI	Participative Bank	2 040 000	400 000 000	51,00	153 000	0	153 000
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	25 000 000 FCFA	32,38	141 121	0	141 121
HANOITY	Distribution	76 486	16 767 900	45,60	121 815	121 815	0
BMCE CAPITAL	Investment Bank	100 000	100 000 000	100,00	100 000	0	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	155 437	40 000 000	38,85	90 192	0	90 192
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 FCFA	37,00	78 599	0	78 599
RIYAD ALNOUR	Hotel	3 000	300 000	100,00	78 357	0	78 357
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	4 000 000	500 000 000	80,00	62 500	0	62 500
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	0	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	0	46 591
EUROSERVICES	Service company	3 768	4 831 000	78,00	42 158	0	42 158
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	0	29 700
RM EXPERT	Debt collection	200 000	20 000 000	100,00	20 000	0	20 000
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	0	19 000
ACMAR	Service company	100 000	50 000 000	20,00	10 001	0	10 001
SONORMA	Reak estate	600	100 000	60,00	8 280	0	8 280
BMCE CAPITAL BOURSE (maroc inter titres)	Stock brokerage	67 500	10 000 000	67,50	6 750	0	6 750
STE FINANCIERE ITALIE	Financial institution	600 000	600 000 EURO	100,00	6 713	6 713	0
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100,00	6 443	6 443	0
EURAFRIC INFORMATIQUE	Service company	41 000	10 000 000	41,00	4 100	0	4 100
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025	3 025	0
IT International service	IT	3 100	31 000 EURO	100,00	347	0	347
MORAD IMMO	Real estate	100	10 000	100,00	10	0	10
AKENZA IMMO	Real estate	100	10 000	100,00	10	0	10
SAIS IMMO NEJMA	Real estate	100	10 000	100,00	10	0	10
SUX HILL PRIMERO	Real estate	100	10 000	100,00	10	0	10
SUX HILL SECONDO	Real estate	100	10 000	100,00	10	0	10
SUX HILL TERCIO	Real estate	100	10 000	100,00	10	0	10
NOUACER CITY IMMO	Real estate	100	10 000	100,00	10	0	10

MOHIT IMMO	Real estate	100	10 000	100,00	10	0	10
IKAMAT TILILA	Real estate	1 000	100 000	100,00	0	0	0
512 Equity Investments					8 229 505	158 528	8 070 976
Securities / Activities Of The Portfolio							
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	179 514	0	179 514
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	178 394	178 394	0
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	153 568	153 568	0
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	74 116	0	74 116
AMETHIS FINANCE Luxembourg	Investment company in risk capital	4 868	238 095 238 EUR	2,10	54 454	0	54 454
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	31 373	0	31 373
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	15 000	7 566	7 434
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	13 991	0	13 991
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7,17	10 750	5 395	5 355
INMAA SA	Service company	53 333	20 000 000	26,67	5 333	2 323	3 010
AFREXIM BANK (AFRICAN IMPORT EXPORT)	Credit institution /foreign	30	378 488 000 USD	0,079	2 877	0	2 877
FONDS MONETAIRE ARABE (ARAB TRADE FINANCING PROGRAM)	Financial institution	50	986 880 000 USD	0,03	2 798	0	2 798
FIROGEST	Investment fund	2 500	2 000 000	12,50	250	0	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BAN-CAIRE	Guarantee funds	588	1 000 000	5,88	59	0	59
515 Securities/Activities of the portfolio					722 478	347 245	375 233
Other							
CFG GROUP	Investment Bank	285 065	367 762 900	7,75	103 997	0	103 997
Mutandis SCA	Investment fund	832 458	680 405 100	12,23	96 807	0	96 807
Mutandis AUTOMOBILE SCA	Investment fund	846 892	630 000 000	13,44	91 359	0	91 359
ROYAL RANCHES MARRAKECH	Promot. Immobilière et touristique	106 667	800 000 000	13,33	60 000	0	60 000
VIGEO	Financial advisory	24 000	12 054 940 EUR	3,98	5 370	0	5 370
SOGEPPOS	Development company	46 216	35 000 000	13,20	4 622	0	4 622
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	0
SMAEX	Insurance and service	22 563	50 000 000	4,51	1 690	0	1 690
FRUMAT	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	0
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 267	0	1 267
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real Estate	10 000	60 429 000	1,65	1 000	0	1 000
MAROCLEAR	Central Custodian	803	100 000 000	4,02	803	0	803
STE IPE	Edition & printing	8 013	10 000 000	8,01	801	0	801
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	500	0	500
GECOTEX	Industry	5 000	10 000 000	5,00	500	500	0
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500	0
DAR ADDAMANE	Guarantee bodies	9 610	75 000 000	0,64	481	0	481
PORNET	Service Company	1 800	6 000 000	3,00	180	0	180
SINCOMAR	Agribusiness	494	37 440 000	0,13	49	49	0
SWIFT	Service Company	23	434 020 000 EUR	0,01	24	0	24
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	9	9	9
RMA WATANYA	Insurance	5	1 796 170 800	0,00	2	0	2
RISMA	Tourism	10	1 432 694 700	0,00010	2	0	2
516-9 Other Equity Investment					374 807	5 893	368 915
Associates current account							
RYAD ENNOUR					471 643	0	471 643
MORAD IMMO					372 314	0	372 314
O TOWER					244 049	0	244 049
AKENZA IMMO					46 784	0	46 784
SUX HILL SECONDO					47 954	0	47 954
SAISS IMMO NEJMA					42 650	0	42 650
BMCE IMMOBILIER					38 000	0	38 000
SUX HILL PRIMERO					25 684	0	25 684
SUX HILL TERCIO					14 437	0	14 437
MARTCO					1 500	1 500	0
Siège G.P.B.M.					723	0	723
ALLICOM MAROC					552	552	0
Others					1 306 289	2 052	1 304 237
TOTAL					10 903 350	545 429	10 357 921

SUBORDINATED DEBTS

	Amount			Included linked and related Companies	
	31/12/17		31/12/16	31/12/17	31/12/16
	Gross	Provisions	Net	Net	Net
Subordinated loans to credit institutions and similar	198 036		198 036	188 576	198 036
Subordinated loans to customers	-		-		188 576
TOTAL	198 036		198 036	188 576	198 036

(In thousand MAD)

TANGIBLE AND INTANGIBLE FIXED ASSETS

Fixed Assets	Gross amount at the beginning of the year	Gross reclassification of the year	Acquisitions of the year	Disposals or withdrawals of the year	Gross amount at the end of the year	Depreciation and/or Provisions					Net amount at the end of the year
						Depreciation and/or provisions at the beginning of the year	Reclassification of the year	Allowances for the year	Depreciation on fixed assets withdrawn	Total	
Intangible fixed assets	1 292 105		222 835	823 374	691 566	775 147	-	114 492	389 943	499 696	191 870
Leasehold rights	95 906		1 208	-	97 113	-	-	-	-	-	97 113
Investment in research and development	-		-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	1 196 199		221 628	823 374	594 453	775 147	-	114 492	389 943	499 696	94 757
Non-operating intangible fixed assets	-		-	-	-	-	-	-	-	-	-
Tangible fixed assets	8 781 327		462 844	196 394	9 047 777	3 486 131	-	245 020	8 740	3 722 410	5 325 367
Operating buildings	1 287 722	5 491	67 833	41 940	1 319 106	352 569	-	28 047	1 585	379 031	940 075
Operating land	185 399	5 491	-	2 024	183 375	-	-	-	-	-	183 375
Operating buildings offices	1 102 323		67 833	39 916	1 135 731	352 569	-	28 047	1 585	379 031	756 699
Operating buildings. Staff housing	-		-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 773 082		99 665	46 981	1 825 766	1 498 982	-	64 091	1 149	1 561 924	263 842
Operating office furniture	479 232		63 454	46 817	495 868	339 350	-	19 782	1 000	358 132	137 736
Operating office equipment	193 000		10 261	-	203 261	168 713	-	9 390	-	178 103	25 158
Computer equipment	943 979		23 617	19	967 577	893 464	-	21 906	19	915 351	52 226
Operating vehicles	54 294		440	144	54 589	17 225	-	9 758	130	26 853	27 736
Other operating equipment	102 576		1 894	-	104 470	80 230	-	3 254	-	83 484	20 986
Other operating tangible fixed assets	1 983 104	-5 491	66 037	-	2 043 651	1 403 106	-	114 996	-	1 518 103	525 548
Non operating tangible fixed assets	3 737 419		229 309	107 473	3 859 255	231 472	-	37 886	6 006	263 352	3 595 903
Non-operating land	2 998 548		101 706	94 353	3 005 901	-	-	-	-	-	3 005 901
Non-operating buildings	614 037		86 823	13 120	687 740	135 100	-	31 855	6 006	160 950	526 790
Non-operating furniture and equipment	56 869		37 871	-	94 740	42 925	-	3 029	-	45 954	48 786
Other non-operating tangible fixed assets	67 965		2 909	-	70 874	53 447	-	3 002	-	56 448	14 426
TOTAL	10 073 432	-	685 680	1 019 768	9 739 343	4 261 277	-	359 512	398 684	4 222 106	5 517 238

(In thousand MAD)

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
01/02/17	APARTMENTS	3 600	993	2 607	3 000	393	
19/06/17	VILLA	850	434	416	1 180	764	
16/06/17	VILLA	850	434	416	1 050	634	
22/06/17	ROLLING STOCK ATTACHED TO THE HOLDING	130	130	-	20	20	
28/06/17	OPERATING OFFICE FURNITURE	1 000	1 000	-	100	100	
30/06/17	VILLA	3 400	1 219	2 181	2 700	519	
30/06/17	APARTMENTS	402	78	324	1 080	756	
30/06/17	VILLA	7 700	2 927	4 773	8 500	3 727	
30/06/17	IMMEUBLE	3 666	1 089	2 577	7 208	4 631	
30/06/17	TERRAIN NU	80 000	-	80 000	85 000	5 000	
28/07/17	APARTMENTS	208	40	168	540	372	
15/09/17	APARTMENTS	208	40	168	500	332	
01/10/17	COMPUTER PROGRAMS AND SOLUTIONS	769 919	389 943	379 975	468 281	88 306	
05/12/17	APARTMENTS	197	38	159	540	381	
06/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	4	-	4	4	-	
07/12/17	APARTMENTS	1 159	300	859	1 620	761	
13/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	5	-	5	5	-	
22/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	5	-	5	5	-	
31/12/17	GROUND	11 073	-	11 073	19 290	8 217	
		884 376	398 665	485 711	600 624	114 912	-

(In thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Credit institutions and equivalent in Morocco				Total 2017	Total 2016
	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco	Credit institutions abroad		
Ordinary credit accounts	-	1 107 047	360 245	984 743	2 452 035	551 091
Securities pledged	9 500 072	-	-	-	9 500 072	14 574 835
- Overnight	-	-	-	-	-	5 708 194
- Time	9 500 072	-	-	-	9 500 072	8 866 641
Cash Borrowings	-	669 335	4 833 448	692 764	6 195 547	9 979 388
- Overnight	-	419 740	-	279 827	699 567	1 153 270
- Time	-	249 595	4 833 448	412 937	5 495 980	8 826 118
Financial borrowings	12 641	-	2 265 519	297	2 278 457	515 928
Other debts	8 962	399	14 551	-	23 912	106 338
Payable accrued interests	15 013	2 802	11 784	2 646	32 245	39 511
TOTAL	9 536 688	1 779 583	7 485 547	1 680 450	20 482 268	25 767 091

(In thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private Sector			Total 2017	Total 2016
		Financial companies	Non financial companies	Other companies		
Demand acredit accounts	1 437 634	1 124 263	16 831 138	54 032 503	73 425 538	67 871 649
Saving accounts	-	59	7 792	23 428 480	23 436 331	22 062 817
Time Deposits	4 509 000	6 459 058	3 621 242	14 257 770	28 847 070	30 656 495
Other credit accounts (*)	2 925 079	3 701 220	2 543 277	470 325	9 639 901	9 957 404
Payable accrued interests	30 565	38 878	79 252	317 611	466 305	576 056
TOTAL	8 902 278	11 323 478	23 082 701	92 506 689	135 815 145	131 124 421

Comment : (*) Including PL 480 for MAD 2 895 759

(In thousand MAD)

DEBT SECURITIES ISSUED

Type of securities	Starting Date	Maturity Date	Characteristics Nominal unit value	Rate
CD BMCE	09/04/14	09/04/18	2,64%	65 000,00
CD BMCE	30/04/14	30/04/18	4,40%	170 000,00
CD BMCE	30/04/14	30/04/19	4,55%	365 000,00
CD BMCE	08/05/14	08/05/19	4,50%	12 000,00
CD BMCE	04/02/15	04/02/18	3,10%	430 000,00
CD BMCE	11/04/16	11/04/18	2,45%	690 000,00
CD BMCE	18/04/16	18/04/18	2,45%	220 000,00
CD BMCE	15/07/16	16/07/18	2,63%	350 000,00
CD BMCE	28/11/16	28/11/18	2,70%	120 000,00
CD BMCE	20/12/16	20/12/19	3,00%	350 000,00
CD BMCE	29/03/17	28/03/18	2,55%	610 000,00
CD BMCE	29/03/17	29/03/19	2,75%	200 000,00
CD BMCE	29/03/17	29/03/20	2,80%	250 000,00
CD BMCE	13/04/17	13/04/19	2,75%	250 000,00
CD BMCE	13/04/17	12/04/18	2,55%	105 000,00
CD BMCE	18/04/17	17/04/18	2,55%	420 000,00
CD BMCE	18/04/17	18/04/19	2,75%	295 000,00
CD BMCE	02/05/17	02/05/19	2,75%	460 000,00
CD BMCE	08/05/17	07/05/19	2,55%	30 000,00
CD BMCE	08/05/17	08/05/19	2,75%	50 000,00
CD BMCE	02/06/17	01/06/18	2,55%	220 000,00
CD BMCE	02/06/17	02/06/19	2,82%	250 000,00
CD BMCE	13/07/17	12/07/18	2,65%	300 000,00
CD BMCE	23/11/17	24/05/18	2,38%	116 000,00
CD BMCE	23/11/17	22/11/18	2,52%	135 000,00
CD BMCE	23/11/17	23/11/19	2,62%	134 000,00
CD BMCE	23/11/17	23/11/20	2,75%	681 000,00
CD BMCE	18/12/17	18/06/18	2,50%	28 700,00
CD BMCE	18/12/17	17/12/18	2,70%	682 000,00
CD BMCE	18/12/17	18/12/19	2,90%	415 500,00
CD BMCE	18/12/17	18/12/20	3,00%	120 000,00
CD BMCE	25/12/17	17/12/18	2,75%	500 000,00
CD BMCE	26/12/17	25/12/18	2,75%	500 000,00
CD BMCE	28/12/17	29/03/18	2,55%	500 000,00
			TOTAL	10 024 200,00

DETAIL OF OTHER LIABILITIES

LIABILITIES	2017	2016
Optional Instruments Sold	531	6 445
Miscellaneous Transactions on Securities	5 826 824	7 535 825
Other Creditors	1 592 830	1 364 281
State debt	1 058 941	789 529
Social security and provident societies debts	47 640	52 852
Staff debt	197 053	189 594
Shareholders and partners debt	3 662	3 610
Supply of goods and services	18 718	18 044
Other creditors	266 816	310 652
Accrual Accounts	1 590 701	1 788 767
Adjustment accounts of off-balance sheet transactions	58 623	171 191
Currencies and securities differential accounts	-	-
Profit on hedging instruments	-	-
Liaison accounts between the head office, branches and Moroccan branches	162 623	162 939
Expenses payable and prepaid income	201 567	234 471
Other accruals	1 167 888	1 220 166
TOTAL	9 010 886	10 695 318

(In thousand MAD)

PROVISIONS

	Amount 2016	Allowances	Write backs	Other changes	Outstanding 2017
Provisions, deducted from assets, on :	6 094 119	1 020 719	1 588 703	33 443	5 559 578
Loans to credit institutions and equivalent	58 621		5		58 616
Loans and advances to customers	5 523 140	985 149	1 557 096	-1 000	4 950 192
Doubtful interest	9 733	-	8 671	-	1 062
Marketable securities	15 995	5 146	15 548	-2 782	2 811
Equity investments and equivalent assets	480 219	30 424	2 248	37 034	545 429
Leased and rented fixed assets	-	-	-	-	-
Other assets	6 411	-	5 135	191	1 467
Provisions Recorded under liabilities	549 140	152 608	16 133	373	685 989
Provisions for risks of fulfilment of commitments	8 815	12 512	8 543	-	12 784
Contingent liabilities	-	-	-	-	-
Provisions for general risks	514 705	132 300	-	-	647 005
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	25 620	7 796	7 590	373	26 200
Regulated provisions	-	-	-	-	-
TOTAL	6 643 259	1 173 327	1 604 836	33 816	6 245 567

(In thousand MAD)

SUBORDINATED DEBTS

Currency	Debt amount	closing ex- change rate (1)	Interest rate	Term (2)	Conditions for anticipated reimbursement, subordinated and convertibility	Debt amount in thousands MAD
MAD	1 000 000	1	3,26%	10 years		1 000 000
MAD	150 000	1	5,95%	Perpetual		150 000
MAD	850 000	1	3,29%	Perpetual		850 000
MAD	950 000	1	2,90%	Perpetual		950 000
MAD	50 000	1	5,30%	Perpetual		50 000
MAD	160 000	1	6,18%	10 years		160 000
MAD	50 000	1	6,18%	10 years		50 000
MAD	790 000	1	3,85%	10 years		790 000
MAD	154 500	1	5,64%	10 years		154 500
MAD	845 500	1	3,45%	10 years		845 500
MAD	626 000	1	4,74%	10 years		626 000
MAD	1 374 000	1	2,98%	10 years		1 374 000
MAD	447 200	1	3,74%	10 years		447 200
MAD	78 900	1	3,74%	10 years		78 900
MAD	1 473 900	1	2,77%	10 years		1 473 900
MAD	200 000	1	7,05%	Perpetual		200 000
MAD	800 000	1	5,52%	Perpetual		800 000
MAD	400 000	1	3,13%	5 years		400 000
EUR	70 000	11,1885	5,86%	10 years		783 195
EUR	5 000	11,1885	5,90%	10 years		55 943

SHAREHOLDER'S EQUITY

	Amount 2016	Allocation of earning	Other changes	Amount 2017
Revaluation reserve	-	-	-	-
Additional paid-in capital	11 504 457	427 700	21 612	11 953 768
Legal reserve	460 306	-	-	460 306
Other reserves	6 137 732	427 700	21 612	6 587 044
Issuance, merger and contribution premiums	4 906 418	-	-	4 906 418
Capital	1 794 634	-	-	1 794 634
Called-up capital	1 794 634	-	-	1 794 634
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	62	46	-	16
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1 324 971	-	-	1 488 138
TOTAL	14 624 123	427 746	21 612	15 236 556

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS

	2017	2016
Financing and guarantee commitments given	21 644 322	23 258 857
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	469 741	370 797
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	6 934 207	8 773 032
- Import letters of credit	3 370 929	3 863 524
- Payment acceptances or commitments	935 026	2 005 076
- Opening of confirmed credit	1 807 607	1 408 419
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	820 645	1 496 013
Guarantee commitments for credit institutions and equivalent	5 109 213	5 123 120
- Confirmed export letters of credit	93 528	236 419
- Payment acceptances or commitments	30 722	30 926
- Credit guarantees given	-	-
- Other securities, endorsements and guarantees given	4 984 963	4 855 775
- Non performing commitments	-	-
Guarantee commitments for customers	9 131 161	8 991 908
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 850 864	6 656 264
- Other securities and guarantees given	2 280 297	2 335 644
- Non performing commitments	-	-
Financing and guarantee commitments received	18 862 916	11 052 153
Financing commitments received from credit institutions and equivalent	-	-
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
Guarantee commitments received from credit institutions and equivalent	17 915 756	10 670 880
- Credit guarantees	2 301 176	2 238 337
- Other guarantees received	15 614 580	8 432 543
Guarantee commitments received from the state and other guarantee institutions	947 160	381 273
- Credit guarantees	30 773	30 773
- Other guarantees received	916 387	350 500

(In thousand MAD)

COMMITMENTS ON SECURITIES

	AMOUNT
Given commitments	1 223 417
Securities repos purchased	78 357
Other securities to be delivered	1 145 060
Reveived commitments	11 832
Securities repos sold	-
Other securities to be received	11 832

(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES

	Holding transaction		Other transaction of BMCE Paris and Offshore bank	
	2017	2016	2017	2016
Forward exchange transactions	14 802 386	29 613 493	10 366 377	14 118 430
Currency to be received	4 146 333	12 981 829	2 423 342	3 810 970
Currency to be delivered	1 133 975	1 230 698	1 467 980	2 643 575
Dirhams to be received	6 204 754	13 549 691	3 708 997	4 406 225
Dirhams to be delivered	3 317 324	1 851 275	2 766 058	3 257 660
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	7 440 435	5 072 202	179 016	300 879
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	2 666 447	3 735 623	179 016	277 003
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	4 369 484	1 251 017	-	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	404 504	85 562	-	23 876

(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	10 130 046		
Other securities	6 249 617		
Mortgages	76 640 196		
Other securities received as collateral	197 212 706		
TOTAL	290 232 565		

Securities given 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	11 411 142		
Other securities	1 601 479	T. Bills repo	
Mortgages	-		
Other securities received as collateral	-	Other securities delivered on repo	
TOTAL	13 012 621		

(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
Assets						
Loans to credit institutions and equivalent	4 307 504	3 196 192	2 125 200	5 097 675	1 740 504	16 467 075
Loans and advances to customers	17 979 308	14 198 416	8 219 739	27 912 269	30 383 174	98 692 906
Debt securities	33 363 315	1 459 851	1 967 502	277 561	12 296	37 080 525
Subordinated loans	-	-	-	-	-	-
Leasing and equivalent	778	1 564	7 186	51 856	37 860	99 244
TOTAL	55 650 905	18 856 023	12 319 627	33 339 361	32 173 834	152 339 750
Liabilities						
Liabilities to credit institutions and equivalent	10 322 509	3 192 004	2 259 138	2 074 100	13 901	17 861 652
Debts to customers	4 816 951	5 801 962	17 717 186	2 161 511	662 343	31 159 953
Debt securities issued	1 540 000	2 034 700	2 587 000	3 862 500	-	10 024 200
Subordinated borrowings	-	1 000 000	839 138	-	6 400 000	8 239 138
TOTAL	16 679 460	12 028 666	23 402 462	8 098 111	7 076 244	67 284 943

(In thousand MAD)

CONCENTRATION RISK ON THE SAME BENEFICIARY

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
22	42 351 509	28 536 072	5 434 998	565 674

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY

	2017	2016
Assets	34 705 856	37 466 593
Cash, central banks, treasury, giro accounts	178 487	89 255
Loans to credit institutions and equivalent	20 730 361	21 876 951
Loans and advances to customers	6 072 181	7 367 376
Transaction, marketable and investment securities	2 271 182	2 572 122
Other assets	143 035	147 012
Equity investments and equivalent uses	5 110 504	5 223 178
Subordinated loans	198 036	188 576
Fixed assets leased and rented	-	-
Intangible and tangible fixed assets	2 070	2 123
Liabilities	28 560 281	33 995 416
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	20 624 102	25 503 707
Customer deposits	5 093 451	5 027 823
Debt securities issued	1 909 489	2 064 039
Other liabilities	94 101	494 257
Subordinated debts	-	-
Subsidies, assigned public funds and special guarantee funds	839 138	905 590
Off-Balance Sheet	9 258 456	9 894 341
Given commitment	6 686 390	8 428 061
Received commitment	2 572 066	1 466 280

(In thousand MAD)

NET INTEREST INCOME

	2017	2016
Interest received	7 130 586	6 604 088
Interest and similar income on transactions with credit institutions	688 569	640 634
Interest and similar income on transactions with customers	5 913 159	5 412 511
Interest and similar income on debt securities	528 858	550 943
Interest paid	3 133 928	2 994 593
Interest and similar fees on transactions with credit institutions	1 074 001	880 482
Interest and similar fees on transactions with customers	1 602 087	1 743 350
Interest and similar fees on debt securities	457 840	370 761

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES

	2017	2016
Equity Securities	9 905	17 106
Equity in affiliates	645 095	511 645
Equity in portfolio	-	-
Other securities	72 474	46 196
TOTAL	727 474	574 947

(In thousand MAD)

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS

	Credit lines	Signed Com- mitments	Total	Provisions for credit lines
Pre-doubtful loans	515 030	-	515 030	67 079
Non performing loans	1 388 224	-	1 388 224	669 418
Doubtful debts	5 689 502	-	5 689 502	4 273 374
TOTAL	7 592 757	-	7 592 757	5 009 870

(In thousand MAD)

COMMISSIONS

	2017	2016
Fees received	1 323 913	1 296 907
On transactions with credit institutions	-	-
On transactions with customers	536 266	517 972
Concerning operations on the primary securities markets	200 439	255 693
On derivatives	44 612	35 300
On transactions on securities under management and custody	-	-
On means of payment	25 078	26 940
On consulting and assistance	353 749	318 759
On sales of insurance products	-	-
On other services	45 885	48 413
Fees paid	117 884	93 830
On transactions with credit institutions	279 924	301 735
On transactions with customers	-	-
Concerning operations on the primary securities markets	-	-
On derivatives	144 382	187 926
On transactions on securities under management and custody	-	-
On means of payment	381	1 143
On consulting and assistance	28 690	23 197
On sales of insurance products	72 217	55 191
On other services	-	-
On sales of insurance products	-	-
On other services	34 254	34 278

(In thousand MAD)

INCOME FROM MARKET TRANSACTIONS

	2017	2016
Revenues	1 481 259	2 401 073
Gains on transactions securities	459 395	984 856
Capital gains on disposals of marketable securities	143 812	94 472
Provision write-backs on depreciation of marketable securities	15 548	44 249
Gains on derivatives	351 900	482 826
Gains on exchange transactions	510 604	794 670
Expenses	785 423	1 198 684
Losses on transaction securities	28 347	50 955
Capital losses on disposals of marketable securities	125 990	102 021
Provisions for depreciation of marketale securities	5 147	15 996
Losses on derivatives	122 432	476 081
Losses on exchange transactions	503 507	553 631
Earning	695 836	1 202 389

(In thousand MAD)

GENERAL OPERATING EXPENSES

	2017	2016
Staff expenses	1 611 041	1 540 320
Taxes	97 581	99 018
External expenses	1 553 665	1 501 158
Allowances for depreciation and provision for intangible and tangible fixed assets	358 976	352 673

(In thousand MAD)

OTHER REVENUES AND EXPENSES**2017****2016**

Revenues and expenses		
Other banking revenues and expenses	358 628	910 718
Other banking revenues	1 681 698	2 656 764
Other banking expenses	1 323 070	1 746 046
Non-banking operating revenues and expenses	144 345	-169 380
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	279 491
Other expenses		
Allowances for provisions and loan losses	2 246 036	1 225 203
Other revenues		
Provision write-backs and recoveries on amortised debts	1 611 098	626 712

(In thousand MAD)

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS**Amount**

I- Net Book earning	
Net gain	1 488 138
Net loss	
II- Tax Reintegration	800 777
1- Current	192 640
Donations and grants	16 399.09
Gifts	11 771.95
Non-deductible cars depreciation	6 539.42
Non-deductible expenses	25 630.00
Provision for general risks	132 300.00
2- Non-current	608 137
Corporate taxes	608 137
III- Tax deductions	645 095
1- Current	645 095
Dividends	645 095
2- Non-current	
IV- Net income tax	1 643 820
Corporate taxes	608 137
V- Net income tax	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX**Amount**

I. Earnings determination	
. Current earnings according to the income statement	2 096 274
. Tax reintegrations on current transactions	192 640
. Tax deductions on current transactions	645 302
. Current earnings theoretically taxable	1 643 612
. Theoretical tax on current earnings	608 137
. Current earnings after tax	1 488 137
II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions	

(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	VAT claims for the fiscal year 3
A. VAT Collected	98 694	792 717	782 219	109 191
B. VAT to be Recovered	69 846	253 878	261 657	62 067
* On expenses	58 903	197 770	207 476	49 197
* On fixed assets	10 943	56 108	54 181	12 870
C. T.V.A = (A - B)	28 848	538 839	520 562	47 124

(In thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL AS OF DECEMBER 31ST, 2017

Amount of the capital : 1 794 633 900

Amount of the uncalled committed capital : -

Nominal value : 10.00

Nominal value : 10.00

Name of the main shareholders	Address	Number of shares		(%) of capital held	(%) of voting rights
		2016	2017		
A- Moroccan shareholders					
RMA	67 Avenue des FAR - Casablanca	53 541 983	53 600 192	29,87%	29,87%
SFCM	239, Bd Mohamed V	907 205	907 205	0,51%	0,51%
FINANCECOM	69 Avenue des FAR - Casablanca	10 705 351	10 705 251	5,97%	5,97%
CIMR	100, Bd Abdelmoumen - Casablanca	7 348 804	7 371 263	4,11%	4,11%
CDG **		17 138 328	17 138 328	9,55%	9,55%
MAMDA/ MCMA	16 Rue Abou Inane -Rabat	8 112 366	9 395 899	5,24%	5,24%
Personnel BMCE		2 330 943	2 481 327	1,38%	1,38%
SBVC and others		32 349 356	30 834 871	17,18%	17,18%
TOTAL (1)		132 434 336	132 434 336	73,79%	73,79%
B- Foreign shareholders					
Banque Fédérative du Crédit Mutuel		47 029 054	47 029 054	26,21%	26,21%
TOTAL		179 463 390	179 463 390	100%	100%

* Including RMA UCITS

** Following CDG confirmation dated on 05/12/2014

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of 27 May 2015			
Retained earnings	62	legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 324 971	Other allocations	427 716
Withdrawals from earnings	-		
Other withdrawals	-		
TOTAL A	1 325 033	TOTAL B	1 325 033

(In thousand MAD)

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS

	Exercise 2017	Exercise 2016	Exercise 2015
Equity capital and equivalent	26 683 739	24 709 660	22 410 398
Operations and earnings for the fiscal year	-	-	-
1- Net banking income	6 208 130	6 136 373	5 374 331
2- Pre-tax earnings	1 938 774	1 875 332	1 622 471
3- Corporate tax	608 137	550 362	318 435
4- Dividends distributed	897 317	897 317	789 639
5- Earnings not distributed	-	-	-
Earnings per share (in MAD)	-	-	-
Net earnings per share	-	-	-
Earnings distributed per share	5	5	4
Staff	-	-	-
Gross remunerations for the year	1 611 041	1 540 320	1 455 087
Average number of staff employed during the fiscal year	5 370	5 031	4 909

(In thousand MAD)

DATING AND SUBSEQUENT EVENTS**I. DATING**

. Date of the end of the fiscal year (1)	31 december 2017
. 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
. Favorable	
. Unfavorable	

STAFF NUMBERS

	2017	2016
Staff remunerated	5 370	5 031
Staff employed	5 370	5 031
Equivalent full time staff	5 370	5 031
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	3 575	3 337
Employees (full-time equivalent)	1 795	1 694
Of which employees working abroad	46	49

(In thousand MAD)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY

	Number of accounts		Amounts	
	2017	2016	2017	2016
Securities of which the institution is custodian	36 446	8 748	240 190 877	244 880 382
Securities managed under mandate	-	-	-	-
Mutual funds of which the institution is custodian	85	85	107 258 226	99 232 765
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(In thousand MAD)

NETWORK**2017****2016**

Permanent branches	733	723
Temporary branches	-	-
ATMs	878	848
Main branches and branches abroad	39	39
Representative offices abroad	5	5

(In number)

NUMBER OF CUSTOMER ACCOUNTS**2017****2016**

Customer accounts	110 204	101 319
Current accounts	286 947	281 612
Check accounts excluding Moroccan expatriates	1 211 682	1 139 063
Moroccan expatriates accounts	-	-
Factoring accounts	889 960	840 156
Savings accounts	10 360	10 810
Time deposits	1 574	1 521
Interest-bearing notes	-	-

(In number)

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

NATURE	Ending FY : 31 December 2017									
	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
					Deprecia-tion	Total Deprecia-tions	Provi-sions	Write-backs	Total provisions	
Fixed Leasing Assets	74 000	32 872	-	106 872	10 466	10 466	-	-	-	96 406
Leasing on intangible assets	-	-	-	-	-	-	-	-	-	-
Furniture leasing	74 000	-	-	74 000	10 466	10 466	-	-	-	63 534
- In progress	-	-	-	-	-	-	-	-	-	-
- Leased	74 000	-	-	74 000	10 466	10 466	-	-	-	63 534
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-
Real leased leasing	-	32 686	-	32 686	-	-	-	-	-	32 686
- In progress	-	32 686	-	32 686	-	-	-	-	-	32 686
- Leased	-	-	-	-	-	-	-	-	-	-
- Non leased after termination	-	-	-	-	-	-	-	-	-	-
Leased to perceive	-	186	-	186	-	-	-	-	-	186
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple lease	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
TOTAL	74 000	32 872	-	106 872	10 466	10 466	-	-	-	96 406

The following statements post "non applicable" mention for the 2017 fiscal year :

- Derogatory statements
- Summary of changing methods
- Subsidies, assigned public funds and special guarantee funds

DOMESTIC ACTIVITY
BALANCE SHEET**ASSETS****2017****2016**

Cash, central banks, treasury, giro accounts	5 876 724	4 145 522
Loans to credit institutions and equivalent	28 609 971	28 616 951
. Demand	7 634 329	2 148 282
. Time	20 975 642	26 468 669
Loans and advances to customers	114 744 201	113 572 633
. Cash and consumer loans	36 595 598	40 200 395
. Equipment loans	19 981 411	17 282 066
. Mortgage loans	40 478 952	37 725 042
. Other loans	17 688 240	18 365 130
Advances acquired by factoring	860 845	668 926
Transaction and marketable securities	32 838 845	36 834 750
. Treasury bonds and equivalent securities	13 672 249	14 394 967
. Other debt securities	926 552	3 313 509
. Title deeds	18 240 044	19 126 274
Other assets	2 505 406	2 115 446
Investment securities	1 392 162	2 036 226
. Treasury bonds and equivalent securities	964 189	1 559 544
. Other debt securities	427 973	476 682
Equity investments and equivalent uses	9 829 628	8 338 825
Subordinated loans	202 745	193 101
Fixed assets leased and rented	96 406	74 000
Intangible fixed assets	189 037	516 315
Tangible fixed assets	5 323 902	5 293 716
TOTAL ASSETS	202 469 872	202 406 411

(In thousand MAD)

LIABILITIES**2017****2016**

Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	19 951 796	25 204 383
. Demand	1 943 829	7 413 143
. Time	18 007 967	17 791 240
Customer deposits	134 321 974	129 888 105
. Demand deposits	74 789 919	70 445 511
. Savings deposits	22 621 427	21 371 211
. Time deposits	30 890 951	32 376 779
. Other deposits	6 019 677	5 694 604
Debt securities issued	12 565 911	12 076 677
. Negotiable debt securities	10 156 422	9 512 638
. Bond loans	2 409 489	2 564 039
. Other debt securities issued	-	-
Other liabilities	9 136 368	10 917 583
Contingent liabilities	685 417	548 576
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	11 447 182	10 085 536
Revaluation reserve	-	-
Reserves and premiums related to capital	11 319 704	10 892 004
Capital	1 794 634	1 794 634
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	16	62
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	1 246 870	998 851
TOTAL LIABILITIES	202 469 872	202 406 411

(In thousand MAD)

OFF-BALANCE SHEET

	2017	2016
Given commitments	22 193 940	23 029 364
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
Financing commitments on behalf of customers	6 934 207	8 773 032
Guarantee commitments given to credit institutions and equivalent	4 448 512	4 784 658
Guarantee commitments given to customers	9 118 063	8 962 052
Securities repos purchased	78 357	78 357
Other securities to be delivered	1 145 060	60 468
Received commitments	17 856 500	10 281 321
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	17 167 750	9 898 500
Guarantee commitments received from the State and various guarantee bodies	676 918	381 273
Securities repos sold	-	-
Other securities to be received	11 832	1 548

(In thousand MAD)

**DOMESTIC ACTIVITY
INCOME STATEMENT**

	2017	2016
Bank operating revenues	9 998 823	9 971 197
Interests and assimilated revenues on transactions with credit institutions	537 874	470 114
Interests and assimilated revenues on transactions with customers	5 802 966	5 348 873
Interests and assimilated revenues on debt securities	375 738	393 093
Revenues on title deeds	725 622	574 526
Revenues from leased and rented fixed assets	12 362	-
Fees on provided services	1 114 506	1 034 788
Other banking revenues	1 429 755	2 149 803
Bank operating expenses	4 158 804	4 185 001
Interests and assimilated expenses on transactions with credit institutions	1 019 612	850 283
Interests and assimilated expenses on transactions with customers	1 594 945	1 740 154
Interests and assimilated expenses on debt securities issued	457 840	370 761
Expenses on leased and rented fixed assets	10 466	-
Other banking expenses	1 075 941	1 223 803
Net banking income	5 840 020	5 786 196
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	266 867
General operating expenses	3 615 119	3 488 022
Staff expenses	1 607 436	1 537 315
Tax expenses	97 581	99 018
External expenses	1 543 188	1 489 855
Other general operating expenses	8 996	10 022
Allowances for depreciation and provisions for intangible and tangible fixed assets	357 918	351 812
Allowances for provisions and loan losses	2 245 502	1 225 185
Allowances for non performing loans and commitments	985 323	1 134 947
Loan losses	1 077 146	8 844
Other allowances for provisions	183 033	81 394
Provision write-backs and recovery on amortised debts	1 589 688	540 025
Provision write-backs on non performing loans and commitments	1 545 412	354 630
Recovery of amortised debts	21 387	28 343
Other provision write-backs	22 889	157 052
Current income	1 713 431	1 456 258
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	1 713 431	1 456 258
Corporate tax	466 562	457 407
Net earnings for the year	1 246 870	998 851

(In thousand MAD)

EARNINGS FORMATION TABLE

	2017	2016
+ Interests and assimilated revenues	6 716 579	6 212 080
- Interests and assimilated expenses	3 072 396	2 961 199
Net interest income	3 644 183	3 250 881
+ Revenues from leased and rented fixed assets	12 362	-
- Expenses on leased and rented fixed assets	10 466	-
Profit from leasing and renting operations	1 896	-
+ Fees received	1 314 653	1 290 101
- Fees paid	277 336	299 296
Net fee income	1 037 317	990 805
± Income from operations on transaction securities	426 728	933 774
± Income from transactions on marketable securities	670	35 622
± Income from exchange transactions	254 301	240 032
+ Income from derivatives transactions	6 861	6 159
Income from market transactions	688 560	1 215 587
+ Other miscellaneous banking revenues	725 622	574 526
- Other miscellaneous banking expenses	257 558	245 606
Net banking income	5 840 020	5 786 196
± Net income from equity investments	-26 305	118 179
+ Other non-banking operating revenues	215 861	110 043
- Other non-banking operating expenses	68 879	247 546
- General operating expenses	3 615 119	3 488 023
Gross operating income	2 345 578	2 278 846
± Allowances for non performing loans and commitments (net of write-backs)	-495 671	-760 814
+ Other allowances net of provision write-backs	-136 476	-61 774
Current income	1 713 431	1 456 258
Non-current income	-	-
- Corporate tax	466 562	457 407
Net earnings for the year	1 246 870	998 851

(In thousand MAD)

CASH-FLOW

	2017	2016
+ Net earnings for the year	1 246 870	998 851
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	357 918	351 812
+ Allowances for provisions for equity investments depreciation	30 424	6 800
+ Allowances for provisions for general risks	132 300	58 900
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	6 757	144 232
- Capital gains on disposals of intangible and tangible fixed assets	114 912	25 691
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	-	67
+ Capital losses on disposals of equity investments	2 638	19 321
- Write-backs of investment subsidies received	-	-
± Financing capacity	1 648 481	1 265 694
- Dividends distributed	-	-
+ Cash-flow	1 648 481	1 265 694

(In thousand MAD)

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Loan recovery

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- 2017**
- BMCE Bank of Africa, for the 8th time since 2000, named 'Best Bank in Morocco - Moroccan Bank of the Year' by the prestigious magazine, The Banker, a Financial Times publication.
 - Certified 'Top Employer in Morocco' by the Top Employers Institute, a global certification company recognising excellence in the working conditions created by employers for their employees.
 - Awarded 'Best Customer Service Award 2018', with customer satisfaction improving sharply from 81% in 2016 to 94% in 2017.
 - '2017 Sustainable Energy Gold Award' awarded at the 26th EBRD Annual Meeting and Business Forum in May 2017 in Cyprus on the theme of 'Targeting Green and Inclusive Growth'.
 - Named 'Most active partner in Morocco' by the EBRD in the context of its trade assistance program.
 - First Moroccan bank to be OHSAS 18001-certified by Bureau Veritas for its occupational health and safety management system.
 - Gold Sabre Award winner and Certificate of Excellence in the North Africa region for the Bank's social media campaign to promote the 'African Entrepreneurship Award programme'.
 - Awarded the bronze medal in the 'Best Integral Phygital Campaign' category for its 'Connected bank' communications campaign to promote and broadcast the Bank's entire range of innovative solutions and services.
 - An award winner for the 4th consecutive year at the CSR Arabia Awards 2017 and the only bank in the Arab world to receive an award in the Financial Services category.
 - 'Top Performer, CSR Morocco', awarded by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category.
 - Developer of the tallest tower in Africa located in Rabat in partnership with China Railway Construction Corporation International (CRCC), a Chinese company, and the Moroccan group TGCC. The 250 metres-tall building will comprise offices, a hotel and residential units.
 - Contributed to Morocco's alliance with China by assuming the role of investor and banker in the Mohammed VI Tangier-Tech City project, presided over by His Majesty the King, after signing a partnership agreement with HAITE Group, a Chinese company and the region of Tangier Tétouan-Al Hoceïma.
 - A signatory to 'Principles for Positive Impact Finance', a set of guidelines governing a new financing paradigm based on a methodology for identifying, evaluating and reporting on Positive Impact Finance. This includes mitigating negative risks by taking into consideration the three pillars of sustainable development when deciding to grant credit or designing sustainable finance solutions.
- 2016**
- Contributed to Morocco's alliance with China, assuming the role of investor and banker as part of the Cité Mohammed VI Tanger-Tech project, presided over by His Majesty the King, following the signing of a partnership agreement with HAITE Group, a Chinese group and the region of Tangier Tétouan-Al Hoceïma;
 - Participated in the official launch of 'Principles for positive impact finance', organised by Europlace and UNEP FI; this is a common global framework to help the finance community assess the sustainability of their assets;
 - 'Let's Dream of a New World', an advertising film, won the award for Best Film in the Corporate category at the US International Film & Video Festival, Gold Camera awards for Cinematography and Direction and a Silver Screen award for Music;
 - More recognition for 'Let's Dream of a New World', the advertising film, at the Mobius Awards for Advertising in Los Angeles in the 'Visual Effects' and 'Art Direction' categories. It was also nominated in the Best Film category at the American Advertising Festival.
 - 'Top Performer, CSR Morocco', awarded by Vigeo-Eiris, a non-financial ratings agency, for the 4th consecutive year in the 'Environment' category
 - BMCE Bank of Africa became the first Moroccan bank to issue green bonds by public offering to help finance eco-responsible projects at home and abroad and support private and public sector initiatives aimed at preserving natural resources.
 - First Moroccan bank to sign up to the United Nations Global Compact, underlining its commitment and support for the ten principles relating to human rights, labour standards, environmental protection and anti-corruption.
 - Signed up to the 'Mainstreaming Climate Action within Financial Institutions' initiative in conjunction with the EIB, the AfDB, the EBRD, HSBC, Yes Bank and others financial institutions.
 - BMCE Bank Of Africa included in the EirisVigeo Emerging 70 Index specialising in emerging countries in recognition of best practice in CSR
 - BMCE Capital Gestion Privée became the first financial institution in Morocco to obtain ISO 9001:2008 certification for its private portfolio management operations;
 - BMCE Capital Gestion obtained Service Commitments and ISO 9001: 2015 certifications in May 2016;
 - BMCE Bank Of Africa an award winner for the 3rd consecutive year at the CSR Arabia Awards 2016
 - First bank in the MENA region to obtain ISO 50001 certification for its Energy Management System
 - First Moroccan bank and the second in Africa to be awarded HEQ certification from Cerway International Certification for the new BMCE Bank Of Africa Academy head office – design and implementation phases
 - MOU signed with the AfDB and the EIB for Africa's first ever credit facility totalling EUR 20 million for financing Climate Change Adaptation.
- 2015**
- BMCE Bank OF AFRICA' adopted as the group's new corporate name, emphasising its African profile
 - Celebrating the 55th 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 9th edition of the African Banker Awards
 - «Top Performer CSR» awarded by Vigeo for the 2nd 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 Maghrebaïl 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**
- Acquisition 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 Maghrébaïl 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**
- 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»



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- 2003**
 - Launch of the CAP CLIENT interprise 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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Fax : 05 22 20 05 12
Capital : 1 794 633 900 dirhams
Swift : bmce ma mc
Telex : 21.931 - 24.004
Trade register : casa 27.129
PO checking account : Rabat 1030
Social security : 10.2808.5
Fiscal ID N° : 01085112
Trading license : 35502790

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