



BMCE BANK OF AFRICA

2017





SHANGHAI TOWER : BMCE BANK OF AFRICA HEADQUARTERS



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

BMCE
BANK
OF
AFRICA



COMPOSITION OF THE 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.



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 and was then reappointed at the Annual General Meeting of 26 May 2010.

³ As an intuitu personae director, Michel Lucas represented BFCM from 2005 to 2017.

Othman BENJELLOUN

Chairman & Chief Executive Officer

Date initially appointed: 1995¹

Current term of office: 2013-2019

BANQUE FEDERATIVE 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 BENSAID

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 du premier mandat : 2018

Mandat actuel : 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 BENSOUA

Independent Director

Date initially appointed: 2017

Current term of office: 2017-2023

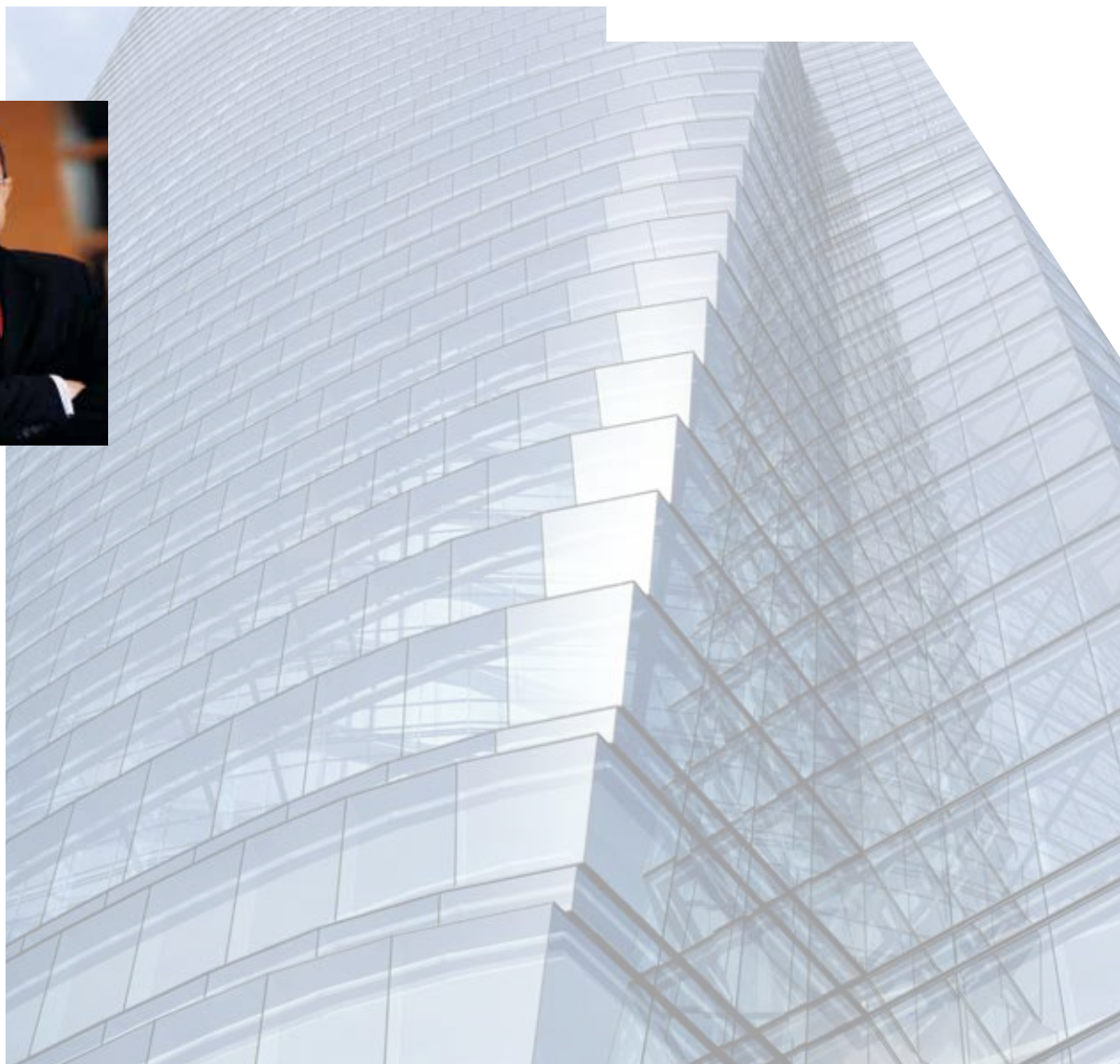
Brahim BENJELLOUN - TOUIMI

Group Executive Managing Director

Date initially appointed: 2004

Current term of office: 2016-2022

SENIOR MANAGEMENT



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

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.

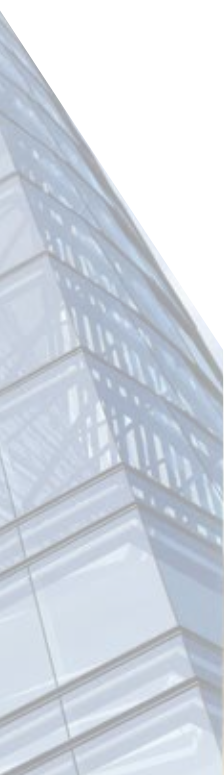
Within the framework of strategic partnerships with reference shareholders, Mr Brahim BENJELLOUN-TOUIMI is a Director of RMA, an insurance company and FinanceCom, its holding company. He is also Chairman of the Supervisory Board of EurAfric Information, a technology company and Director of Euro Information 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.



SENIOR MANAGEMENT



From left to right

MAMOUN BELGHITI
Chairman and Chief Executive Officer, RM Experts

DRISS BENJELLOUN
Deputy Chief Executive Officer responsible for Group Finance

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-Ivory Coast, a subsidiary of BOA Group.

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.

MR. DRISS BENJELLOUN

Mr Driss BENJELLOUN is Deputy Chief Executive Officer responsible for BMCE Bank Group Finance. He is also a Director of BMCE BANK Group subsidiaries including BOA Group, BOA Bénin, BOA Madagascar and BMCE Capital.

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

After BMCE Bank was privatised in 1995, Mr Driss BENJELLOUN became Head of the Banking Production division. In 1998, he was appointed as Deputy 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.

SENIOR MANAGEMENT



From left to right

M'FADEL EL HALAISSI

Deputy Chief Executive Officer responsible for Corporate Banking, Morocco

MOUNIR CHRAIBI

Deputy Chief Executive Officer responsible for Group Operations



MR. M'FADEL EL HALAISSI

Mr M'fadel EL HALAISSI is Deputy Chief Executive Officer 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.

MR. MOUNIR CHRAIBI

Mr Mounir Chraibi is Deputy Chief Executive Officer 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, 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.

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 as 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.

SENIOR MANAGEMENT



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.

NEARLY 60 YEARS OF GROWTH AND DEVELOPMENT
IN MOROCCO AND OVERSEAS

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

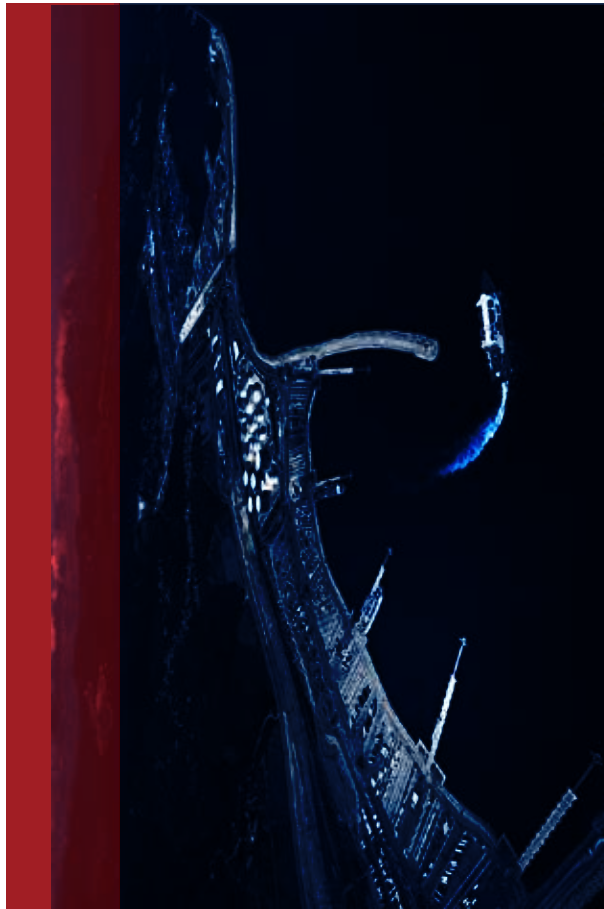
- ◆ 3rd bank in terms of total assets with market shares loans 14.08% and deposits 15.09%, respectively
- ◆ 2nd bank-insurer with a 34.53% penetration rate
- ◆ 3rd asset manager with a market share of 15%

...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%

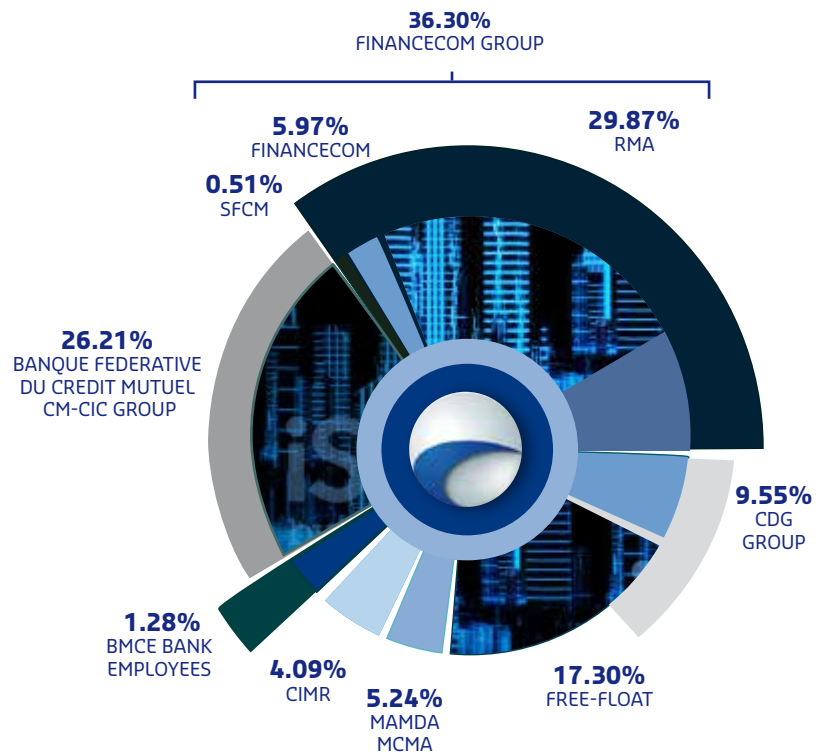
EUROPE

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



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.

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.

■ '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 (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.

CONSOLIDATED FINANCIAL STATEMENTS

Net income attributable to shareholders of the parent company

Net income attributable to shareholders of the parent company unchanged at MAD 2 billion in 2017, weighed down by the exceptional non-recurring performance from market operations in 2016.

Increasingly diversified revenues and earnings with overseas operations accounting for almost 40% of the Group's net income attributable to shareholders of the parent company. BMCE Bank of Africa, underlining its reputation as one of the leading banking institutions in Africa, is now the second largest pan-African banking group in terms of geographical coverage.

Net banking income

Net banking income rose by just under 3% year-on-year to MAD 13.4 billion, driven by

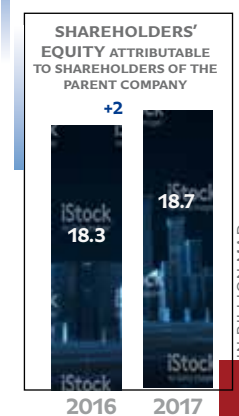
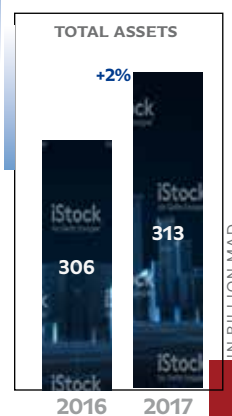
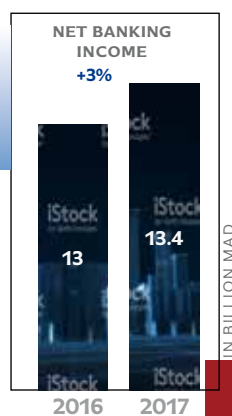
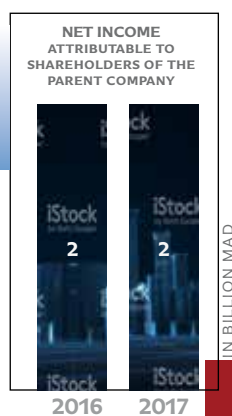
the core business, with net banking income from commercial banking operations 6.4% ahead on a consolidated basis and a significant contribution from net interest income and fee income, accounting for 90.5% of the Group's consolidated net banking income.

Total assets

Consolidated total assets rose by 2% year-on-year from MAD 306 billion at 31 December 2016 to MAD 313 billion at 31 December 2017.

Shareholders' equity attributable to shareholders of the parent company

The Group's financial position bolstered with shareholders' equity up 2% from MAD 18.3 billion at 31 December 2016 to MAD 18.7 billion at 31 December 2017.



PARENT FINANCIAL STATEMENTS

Parent Net Income

Double-digit growth (+12.3%) in BMCE Bank S.A.'s net income to MAD 1.5 billion at 31 December 2017 versus MAD 1.3 billion at 31 December 2016.

Parent Net Banking Income

Net banking income rose by 1.2% in 2017 from MAD 6,136 million in 2016 to MAD 6,208 million in 2017. This was due to a combination of factors:

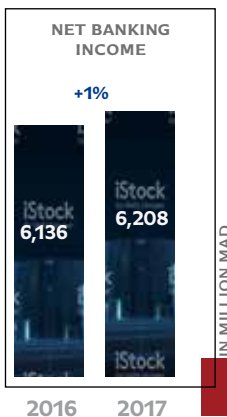
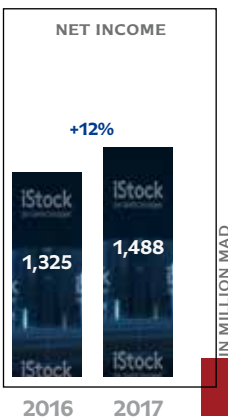
- A 42% decline in income from market operations, after the exceptional performance in 2016.
- Net interest income up 11%, fee income 5% ahead and other income up 43%, the latter due to a MAD 133 million increase in dividends received in 2017.
- General expenses rose by 3.7% from MAD 3,493 million at 31 December 2016 to MAD 3,621 MDH at 31 December 2017.
- Net banking income rose by 1.2% in 2017, impacted by a decline in income from market operations, after the exceptional performance in 2016.
- Healthy performance from the core business with net interest income up 11% and fee income 5% ahead in 2017.
- General operating expenses well contained, rising by only 3.7%, growing at their slowest pace over the past 10 years, underlining the Bank's commitment to improving operational efficiency.



MARKET SHARES - DEPOSITS

	2017	2016
TOTAL DEPOSITS	15.09%	14.93%
Cheque accounts	13.39%	13.57%
Current accounts	14.18%	12.83%
Savings book accounts	14.74%	14.68%
Term deposits	17.96%	18.29%
Deposits from Moroccans living abroad	10.45%	10.63%

MARKET SHARES - LOANS

	2017	2016
TOTAL LOANS	14.08%	14.91%
Loans to finance companies	13.06%	18.86%
Operating loans	15.71%	17.95%
Equipment loans	10.17%	10.71%
Consumer loans	19.02%	20.16%
Loans to real estate developers	17.45%	15.79%
Mortgage loans	15.11%	15.16%





Risk management is a fundamental pillar of the Bank's growth strategy. Over and above the regulatory requirements, it actively enables the Bank to secure its assets, guarantee its long-term future and protect its reputation.

The effectiveness of the Bank's risk system is derived from regularly reviewing the Bank's and the Group's risk profile, the extent to which monitoring measures are appropriate and employee training. The aim is to ensure that Group-wide risks are managed consistently.

SOUND MANAGEMENT AND INCREASED STEERING OF LOAN COMMITMENTS

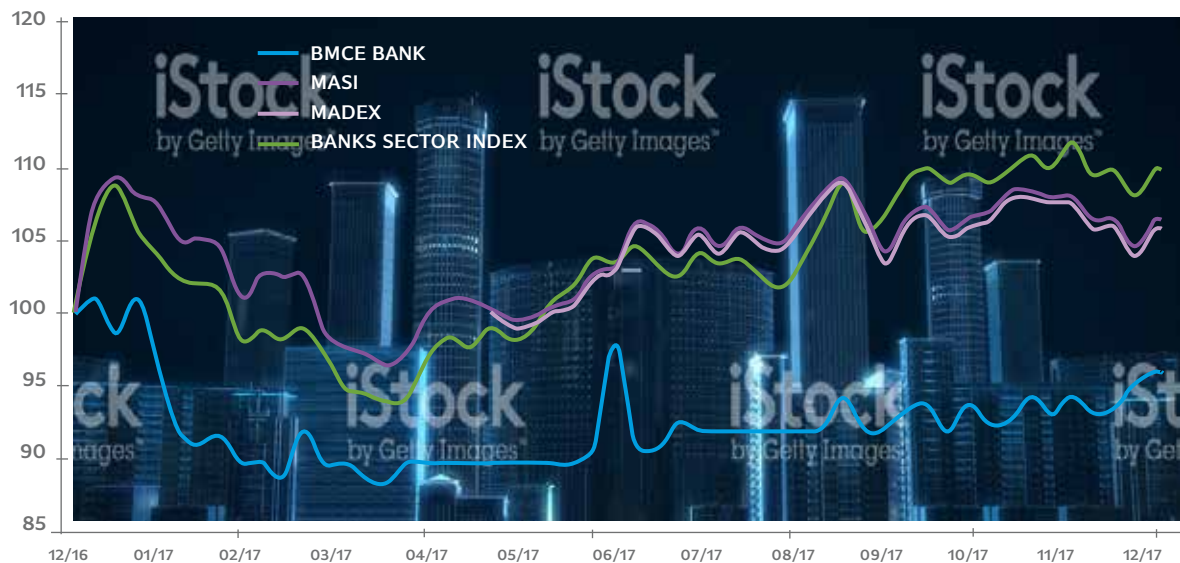
The cost of risk was -MAD 2,054 million in 2017 versus -MAD 1,616 million in 2016, an increase of 27%. This was due to efforts made to increase the Bank's non-performing loan coverage ratio and recognition of a MAD 250 million gross (MAD 157.50 million net) risk provision for non-operating assets.

The overall cost of risk was MAD 769 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 and a 10.7% fall in loan loss provisions from MAD 1,142 million in 2017 to MAD 1,020 million in 2017.

GROUP RISK COMMUNITY

The Group Risk Community has now reached a significant level of maturity as a result of the commitment shown by its members. The main achievements in 2017 related primarily to training and steering. 51 French- and English-speaking employees were awarded the Associate in Risk Management ARM 54* certificate and 18 French-speaking employees the ARM* and ARM 56* certificates.

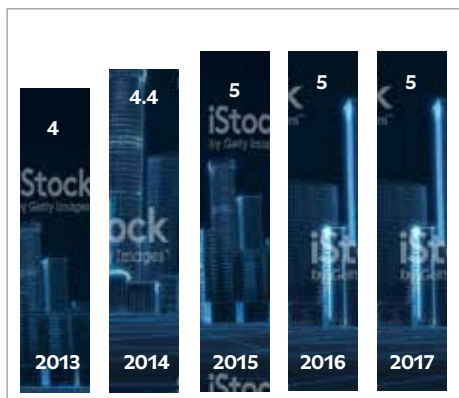
BMCE BANK'S SHARE PRICE PERFORMANCE



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%



PERSONAL AND PROFESSIONAL BANKING

PERSONAL BANKING A STRONG FOOTHOLD IN THE YOUNG PERSONS SEGMENT

The Young Persons 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 National 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 program, 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 program, 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.bmceagence directe.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 ENTERPRISES 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.

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 UNDERSTANDABLE 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 covering 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.





SPECIALISED FINANCIAL SUBSIDIARIES

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.

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.

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.

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.



2ND PAN-AFRICAN GROUP IN TERMS OF GEOGRAPHICAL COVERAGE

 **BOA-BENIN**
1989
Number of branches: 49

 **BOA-FRANCE**
2010
Number of branches: 3

 **BMCE BANK SA MOROCCO**
1959
Number of branches: 733

 **TUNISIA**
2006
BMCE Capital Tunisie

East Africa
Central Africa
Southern Africa
West Africa
North Africa

 **BOA-BURKINA FASO**
1987
Number of branches: 50

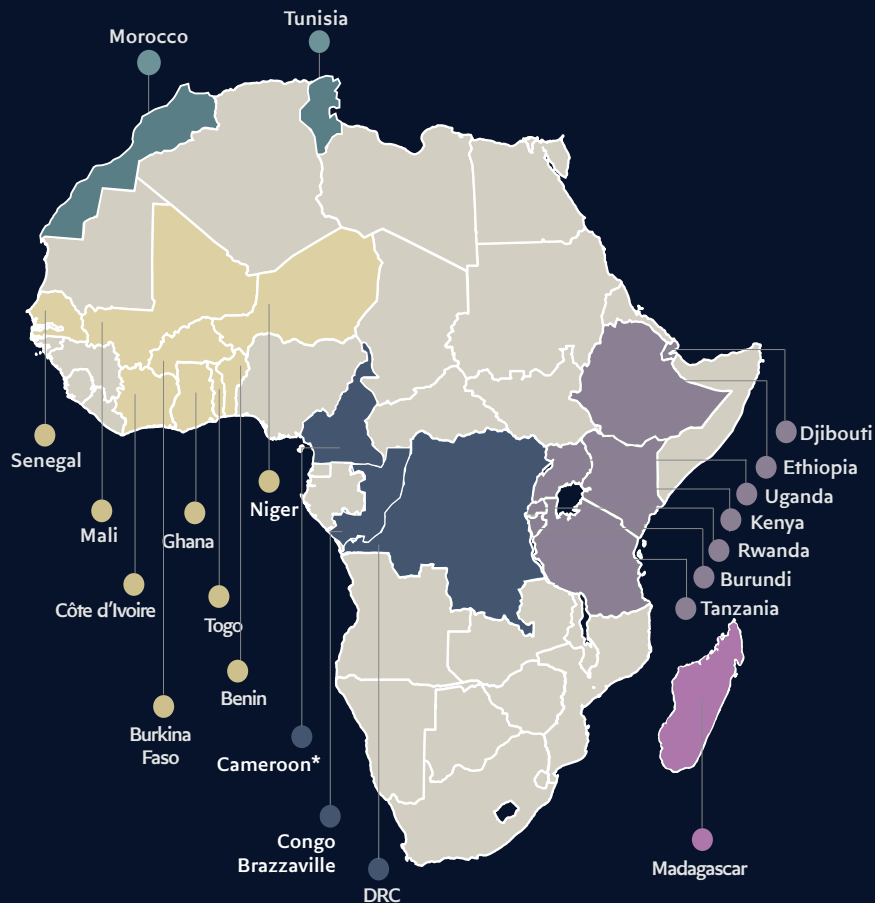
 **BOA-CÔTE D'IVOIRE**
1996
Number of branches: 36

 **BOA-GHANA**
2011
Number of branches: 26


 **BOA-MALI**
1983
Number of branches: 61

 **BDM SA-MALI**
1983
Number of branches: 54

 **BOA-NIGER**
1994
Number of branches: 28



(*) In progress


 **BOA-MER ROUGE**
2010
Number of branches: 8

 **BANQUE DE CRÉDIT DE BUJUMBURA**
2008
Number of branches: 21

 **BOA-UGANDA**
2006
Number of branches: 35

 **BOA-TANZANIA**
2010
Number of branches: 26


 **BOA-KENYA**
2004
Number of branches: 32


 **BOA-RWANDA**
2015
Number of branches: 14

 **BOA-TOGO**
2013
Number of branches: 12

 **BOA-SENEGAL**
2001
Number of branches: 55

 **BOA-DRC**
2010
Number of branches: 15

 **LCB BANK**
2004
Number of branches: 20

 **BOA-MADAGASCAR**
1999
Number of branches: 92

 **ETHIOPIA**
2014
Representative office

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.

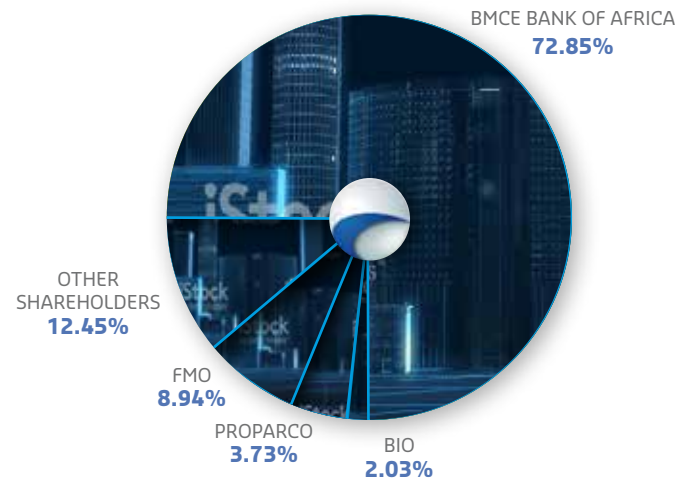
Since 2010, Bank of Africa Group has been majority-owned by BMCE BANK which provides it with enormous strategic and operational support. In 2017, Bank of Africa bolstered its core banking business by opening 30 new branches and registering a 13% increase in new account openings, taking the total number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

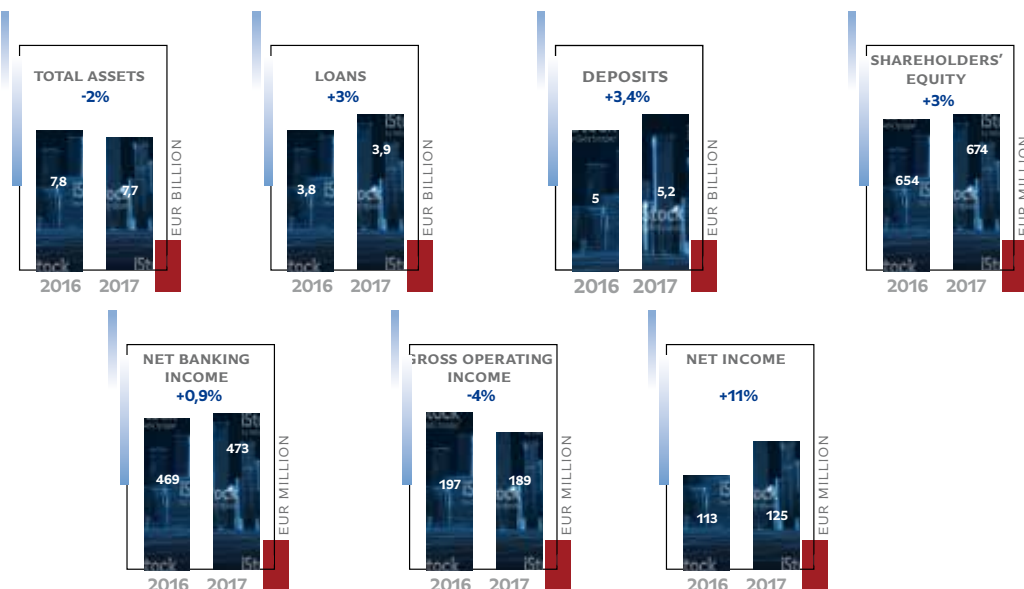
The rise in general operating expenses was contained at +1.1% at 31 December 2017.

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



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 respectively in 2016
- Total assets were broadly unchanged at around CFA F 710 billion between 2016 and 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.



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.

BMCE BANK INTERNATIONAL LONDON AND PARIS

In 2017, BMCE Bank International 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.



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 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)



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.

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



BUSINESS-RELATED EVENTS : TRADE FAIRS AND EXHIBITIONS

As usual, the Bank participated in a variety of business-related events aimed at fostering closer relations with different economic agents in sectors with strong growth potential. These included the 10th International Trade Fair in Ethiopia, the 7th Study in France Expo, the 8th Women's Tribune,

Council of Religious Notaries and the National Convention of General Medical Practitioners. The Bank also participated in events organised by the Moroccan Business Climate Centre, the British Chamber of Commerce and the Spanish Chamber of Commerce.



CULTURAL EVENTS

In 2017, the Bank provided financial support by sponsoring several major national and international festivals such as the 6th Nador Festival of International Cinema and Collective Memory, the 11th Salé International Women's Film Festival, the 9th Agadir International Festival of Documentary Film (FIDADOC), the inaugural Casablanca Festival, the 14th Essaouira Atlantic Andalusian Festival, the 17th Alizés Music Festival and the Tourate Al Madina Association.

the 2nd Morocco, Capital Markets Days at the Casablanca Stock Exchange, the 3rd financial information meeting on the theme of Alternative Financial Instruments, the 39th Board meeting of the Union of Northern Port Authorities (UAPNA), the Partnership Summit National Convention as exclusive banking partner, the 2nd China Africa Investment Forum (CAIF), the inaugural National Convention of Prosthetists, the 2nd AMIP Pharma Days, the 2nd Olympiadors by the Association of Friends of Fez's Faculty of Medicine and Pharmacy, the 8th Cremai trade fair, the Religious

SOCIAL EVENTS

BMCE Bank of Africa contributes to civic life by providing financial support to various charitable organisations such as the El Adwatain Music Association, the Allal Fassi Foundation, the Al Anamil Ad-dahabia Association for Global Development, Operation Smile Morocco, partially subsidising the annual running costs of the Riad Zitoun School, the Manbar Al Mouak Association for Development, the Al Ihssane Association, the Morocco Comme Chiens et Chats Association, the Medical and Humanitarian Assistance Charitable Association, the Association of Guinean Student Interns in Morocco, the Inouraz O'zawane Association, the Moroccan Pharmaceuticals Industry Association (AMIP), the National Association of Public Sector Doctors in Fez and the ENSET School, the Dar Taliba Ouezzane Association, the Moroccan Association of Hearing and Personal Development, the SOS Burns Association, the American Chamber of Commerce in Morocco (AMCHAM) and the American International Women's Club of Casablanca.

SPORTING EVENTS

The Bank's commitment to sponsoring sport is reflected, in particular, in its support for associations, clubs and academies as well as young athletes with proven potential. The Bank sponsored a number of sporting initiatives in 2017 such as the 12th Rabat Bouregreg Jet Ski Club, the Mohammed VI Football Academy, the Royal Moroccan Federation for Equestrian Sports, the 44th Hassan II Golf Trophy, the 14th Fez International Bridge Festival, the Airports' Cultural and Sports Club's Tennis Tournament, the 8th Marrakesh Moulay El Hassan International Automobile Circuit Grand Prix, the Tibu Morocco Association, the Marrakesh International Bridge Meet, the World Paralympics Championship and the Archimedia Open golf tournament.



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 certainly 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



	2017			Change 17-16	2016
	Euros	USD	MAD		MAD
ASSETS					
Cash and balances with central banks, the Treasury and post office accounts	525	630	5 879	42%	4 148
Loans and advances to credit institutions and similar establishments	2 262	2 713	25 310	3%	24 563
Loans and advances to customers	10 479	12 569	117 240	1%	115 991
Trading securities and available-for-sale securities	3 029	3 633	33 890	-12%	38 601
Held-to-maturity securities	241	289	2 693	-34%	4 059
Long-term investments and similar	926	1 110	10 358	17%	8 864
Intangible assets	17	21	192	-63%	517
Property, plant and equipment	476	571	5 325	1%	5 295
Other assets	389	467	4 357	51%	2 884
TOTAL ASSETS	18 344	22 004	205 244	0,16%	204 922
LIABILITIES					
Amounts owing to credit institutions and similar establishments	1 831	2 196	20 482	-21%	25 767
Customer deposits	12 139	14 561	135 815	4%	131 124
Debt securities issued	1 123	1 347	12 566	4%	12 077
Provisions	61	74	686	25%	549
Subordinated debt	1 023	1 227	11 447	13%	10 086
Shareholders' equity	1 362	1 634	15 237	11%	13 692
Other liabilities	805	966	9 011	-22%	11 627
TOTAL LIABILITIES	18 344	22 004	205 244	0,16%	204 922
INCOME STATEMENT					
Net interest income	357	429	3 997	11%	3 609
Fee income	93	112	1 044	5%	995
Income from market operations	62	75	696	-42%	1 202
Net income from other activities	42	50	470	43%	329
Net banking income	555	666	6 208	1%	6 136
Income from transactions in long-term investments	2	3	26	-87%	204
General operating expenses	324	388	3 621	4%	3 493
Gross operating income	242	290	2 708	0%	2 696
Provisions net of write-backs	55	66	612	-25%	821
Corporation tax	54	65	608	11%	550
Net income	133	160	1 488	12%	1 325

Exchange rate at 31 December 2016

EUR/MAD : 11,1885

USD/MAD : 9,3276

	2017			Change 17-16	2016
ASSETS	Euros	USD	MAD		MAD
Cash and balances with central banks, the Treasury and post office accounts	1 385	1 662	15 498	27%	12 156
Financial assets at fair value	3 039	3 645	34 003	-13%	38 891
Available-for-sale financial assets	941	1 129	10 531	27%	8 318
Loans and advances to credit institutions and similar establishments	2 250	2 699	25 177	19%	21 221
Loans and advances to customers	16 429	19 707	183 815	2%	179 774
Held-to-maturity investments	2 057	2 468	23 016	-8%	25 137
Investment property	342	410	3 824	2%	3 746
Property, plant and equipment	653	783	7 303	4%	6 989
Intangible assets	84	101	938	13%	829
Goodwill	76	91	852	0%	852
Other assets	750	899	8 387	5%	8 010
TOTAL ASSETS	29 411	31 078	313 344	2%	305 923
LIABILITIES					
Amounts owing to credit institutions and similar establishments	4 018	4 820	44 959	-10%	49 708
Customer deposits	17 767	21 311	198 784	5%	190 050
Debt securities issued	1 350	1 619	15 101	15%	13 186
Provisions	74	89	832	21%	685
Subordinated debt and special guarantee funds	1 023	1 227	11 449	9%	10 493
Shareholders' equity	2 206	2 646	24 683	5%	23 582
Shareholders' equity attributable to shareholders of the parent company	1 672	2 006	18 707	2%	18 260
Shareholders' equity attributable to minority interests	534	641	5 976	12%	5 322
Other liabilities	1 567	1 880	17 536	-4%	18 219
TOTAL LIABILITIES	29 411	31 078	313 344	2%	305 923
INCOME STATEMENT					
Net interest income	865	1 037	9 675	5%	9 246
Fee income	216	259	2 417	14%	2 117
Income from market operations	66	79	735	-39%	1 213
Net income from other activities	0	0		-100%	415
Net banking income	1 195	1 433	13 368	3%	12 990
General operating expenses	627	752	7 015	5%	6 678
Depreciation, amortisation and provisions	67	80	747	7%	697
Gross operating income	501	601	5 605	-0%	5 615
Cost of risk	160	192	1 794	11%	1 617
Operating income	341	409	3 811	-5%	3 998
Pre-tax income	343	411	3 838	-3%	3 959
Corporation tax	89	107	994	-12%	1 124
Net income	254	305	2 844	0%	2 834
Net income attributable to minority interests	72	87	807	1%	799
Net income attributable to shareholders of the parent company	182	218	2 036	0%	2 036

Exchange rate at 31 December 2016

EUR/MAD : 11,1885

USD/MAD : 9,3276