BMCE BANK OF AFRICA

Half Year Financial Report

30 june 2019

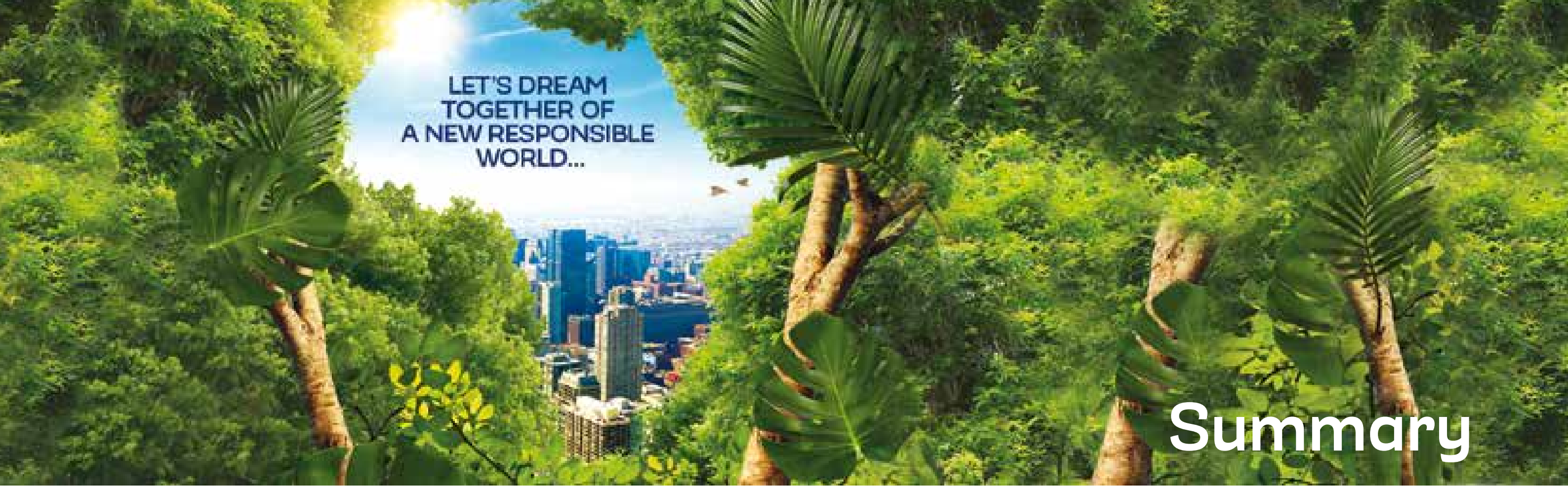
BMCE BANK
140, Avenue Hassan II
PO. BOX 20 039 Casa Principale
Phone : 05 22 20 04 92 / 96
Fax : 05 22 20 05 12
Swift : bmce ma mc
Telex : 21.931 - 24.004
Trade Register : casa 27.129
CCP : Rabat 1030
CNSS : 10.2808.5
Tax Identification Number : 01085112
Trading tax : 35502790

GOVERNANCE & DEVELOPMENT GROUP-FINANCIAL COMMUNICATION
Tél : 05 22 49 80 03 / 05 22 46 28 06
Fax : 05 22 26 49 65
E-mail : relationsinvestisseurs@bmcebank.co.ma

BMCE BANK PORTAIL : www.bmcebank.ma

INTERNATIONAL TRADE WEB SITE : www.bmcetrade.com

BMCE CAPITAL PORTAIL : www.bmcecapital.com



Summary

THREE-YEAR STRATEGIC DEVELOPMENT PLAN 2019-21
OFF TO A POSITIVE START

BMCE Bank's Board of Directors, chaired by Mr Othman BENJELLOUN, met on Friday 27th, September 2019 at the Bank's head office in Casablanca. It reviewed the business activity of the Bank and of the Group for first half 2019 and drew up the financial statements for the period in question.

The first half 2019 financial report is published on the Bank's website www.ir-bmcebankofafrica.ma.

CONSOLIDATED RESULTS IN LINE WITH CORPORATE STRATEGY

Growth recovery, as illustrated by the 4% increase in net income attributable to shareholders of the parent company, driven by a **7.4% rise in net banking income,** with growth in **general operating expenses contained at +2.8%.**

Net income attributable to shareholders of the parent company by geographical region shows that the international business accounted for 41% at 30 June 2019 versus 43% at 30 June 2018 with Africa's contribution at 35%, **broadly unchanged over the past two years.**

Consolidated net banking income rose by 7.4%, driven primarily by **net interest income (+4.5%)** and **income from market operations (+63%).** By geographical region, net banking income generated by Moroccan operations increased by 8% versus +7% for international operations, which accounted for just under half of the Group's revenues, underlining the latter's **well-diversified business mix.**

Strong commercial performance across all business lines and geographical regions with **consolidated customer loans up by almost 1.8% to MAD 182.5 billion and customer deposits growing by 1.1%** to MAD 194.6 billion at 30 June 2019.

Growth in consolidated general expenses contained at +2.8% due to an operating cost reduction programme at Group level, resulting in a **2.5 percentage points improvement in the cost-to-income ratio,** which fell from 57.7% at 30 June 2018 to **55.2% at 30 June 2019.**

Consolidated cost of risk increased by 34% to MAD 872 million at 30 June 2019, due to the **substantial effort made** to clean up the balance sheet, which resulted in increased loan-loss provisioning at a number of sub-Saharan subsidiaries.

Shareholders' equity attributable to shareholders of the parent company unchanged at MAD 18.4 billion at 30 June 2019. Subsequent to the first half book-closing, BMCE Bank raised a total of MAD 1.7 billion from a capital increase in two tranches, in cash and via a dividend conversion.

The Group's capital ratios remain above the minimum regulatory requirements with a **Tier 1 capital ratio of 9.2%** and a **capital adequacy ratio of 12.2%** at 30 June 2019.

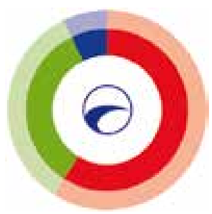
POSITIVE PROFIT GROWTH AT PARENT LEVEL

BMCE Bank SA's net banking income rose by 5.3% thanks, in particular, to income from market operations (+53%) and fee income (+7%).

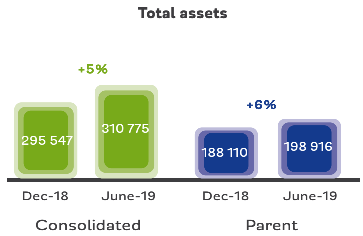
5.4% increase in parent net income to MAD 1,059 million at 30 June 2019 versus MAD 1,005 million at 30 June 2018, in a context of increased loan-loss provisioning.

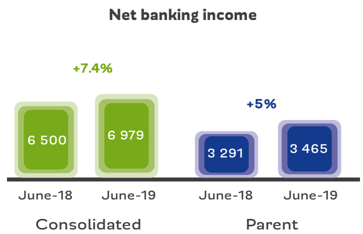
Improvement in Banking in Morocco's operational efficiency in first half 2019, a major priority of the Group's transformation programme, with **stable general operating expenses** (-0.1%), resulting in a drop of nearly 3 percentage points in the **cost-to-income ratio** from 53% at 30 June 2018 to **50.2%** at 30 June 2019.

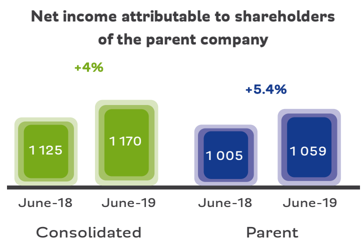
Net income attributable to shareholders of the parent company
at 30 June 2019 by geographical region



FIRST HALF 2019 RESULTS (MAD M)







BMCE BANK OF AFRICA LAUNCHES AN ARRAY OF NEW SERVICES

Premium offering enhanced by (i) the ***Platinum Mastercard,*** which may be used in Morocco and abroad and which also offers a variety of non-financial benefits, (ii) the new ***Platinum Plus*** package, which charges a flat rate for an unlimited number day-to-day transactions and (iii)) an **exclusive bank card offering various non-bank benefits** including enabling holders to enjoy preferential treatment (private concierge service).

2nd edition of the Entrepreneurship Club launched, offering entrepreneurs tailor-made training that enables them to enhance their skills in a number of areas.

Financial education initiative for customers with *auto-entrepreneur* status, organised in conjunction with the **Moroccan Financial Education Foundation.**

Advisory seminars organised for Moroccan investors living overseas as well as social events (sport, music and hospitality), taking account of regional differences.

Mezzanine PME launched, a new **finance facility developed by the CCG (Central Guarantee Fund),** targeting companies encountering difficulties.

IS Factor **developed, a new factoring service** for private sector companies that enables them to settle their corporation tax liabilities.

BMCE Bank's status underlined as lead-arranger, co-arranger or agent in arranging a number of **structured finance transactions** that provide support to businesses from a variety of industries with their large-scale investment projects.

DIGITALISATION INCREASINGLY EMBEDDED IN THE GROUP'S SERVICES

Online account opening process revamped for both Moroccans living abroad and Moroccan residents.

Mortgage application process digitalised, enabling existing or prospective customers to obtain a personalised commercial proposal with an agreement in principle provided immediately online.

Chatbot introduced, with **a 'virtual' agent available to answer any questions and requests for assistance from customers.**

Callbot also introduced **for information or marketing purposes,** enabling **voice messages to be delivered to customers.**

New 'BMCE *Business Online*' portal established, a specialised remote banking platform for corporate customers, providing **comprehensive management of day-to-day domestic and international trade finance and cash management transactions,** thereby enabling customers to carry out a variety of banking operations at a distance.

In'Pulse intrapreneurship and internal innovation programme launched, a **flexible and pragmatic** approach that enables the Bank to **co-design** innovative solutions by leveraging its employees' expertise and creativity.

LEADERSHIP MAINTAINED IN SUSTAINABLE DEVELOPMENT AND IMPACT FINANCE

New Medersat.com school opens in Ketama, Al Hoceima Province, with 150 pupils enrolled at the start of the 2019-20 academic year, spanning 6 years of primary education as well as pre-school.

Medersat.com school in Rwanda operational after construction work completed and the school fitted out, with **278 pupils enrolled, 52% of whom are girls.** These pupils span six years of compulsory primary education in Rwanda.

Ongoing consolidation and renovation programme for Medersat.Com network schools with **two Medersat.com schools renovated,** the Ait Hammou Ou Said Casbah school in Zagora, and the Icharmaouen Medersat.com school in Essaouira.

Programme launched to build preschool units within state schools, with 6 fully-built and equipped preschool units inaugurated in Nador Province, under the aegis of the Eastern Regional Academy for Education and Training.

Photovoltaic solar power unit installed at the National Library of the Kingdom of Morocco (BNRM) in Rabat, satisfying up to 40% of electricity demand at the BNRM's Tower.

BMCE Bank of Africa signs the Responsible Banking Principles by which it undertakes to **strategically align its operations to the UN's Sustainable Development Goals and the Paris Agreement on Climate Change.** The Bank joins 130 banks from around the world in an initiative that heralds the start of the largest partnership to date between the global banking sector and the UN.

Signs up to the Chinese Belt & Road (BRI) initiative's 'Green Investment Principles' (GIP), making BMCE Bank the first African bank to support the GIPs, joining thirty or so financial institutions from around the world. Launched in November 2018, **the GIPs help financial institutions and businesses adopt best practices** in environmental and social risk management, green finance and supply chain management when investing and doing business within the Belt and Road region.

Joint Group CSR Charter bolstered, formalising BMCE Bank of Africa's sustainable development and CSR strategy, with subsidiaries implementing the various undertakings.

Participates in the **ceremony to launch the EBRD's pioneering 'Women in Business' funding line in the Tangier-Tetouan-Al Hoceima and Eastern regions.** Supported by the European Union, this initiative is designed to encourage female entrepreneurship. BMCE Bank is the first bank to offer a product exclusively for women entrepreneurs that combines financing with non-financial services.

BANK OF AFRICA

BOA's consolidated net banking income grew by 10%, driven by a 10% rise in fee income and a 6% increase in net interest income.

Net income attributable to shareholders of the parent company fell by 17% due to efforts made to clean up the balance sheet as well as an increase in loan-loss provisioning at a number of sub-Saharan subsidiaries.

Strong performance from BOA Group's core banking business with **cumulative customer deposits up 6%** at 30 June 2019 and **customer loans 2% ahead,** despite the number of branches remaining broadly unchanged during first half 2019.

HIGHLIGHTS

BMCE Bank successfully raised a total of MAD 1,734,032,700 from a capital increase in two tranches, by converting the 2018 dividend and via a cash contribution.

Equity offering reserved exclusively for British group, CDC Group plc, authorised 4 September 2019 by the Extraordinary General Meeting of shareholders. On 18 June, a strategic partnership agreement was signed between BMCE Bank Of Africa and CDC Group plc focusing on Africa, providing for the **acquisition of a MAD 1.9 billion stake or just under 5% in the Bank** by this UK development finance institution.

Branch office opening in Shanghai, symbolising an Africa-China alliance that aims to promote the co-development of Africa's economy, making BMCE Bank one of the first African banks to obtain authorisation to open a branch office in Shanghai.

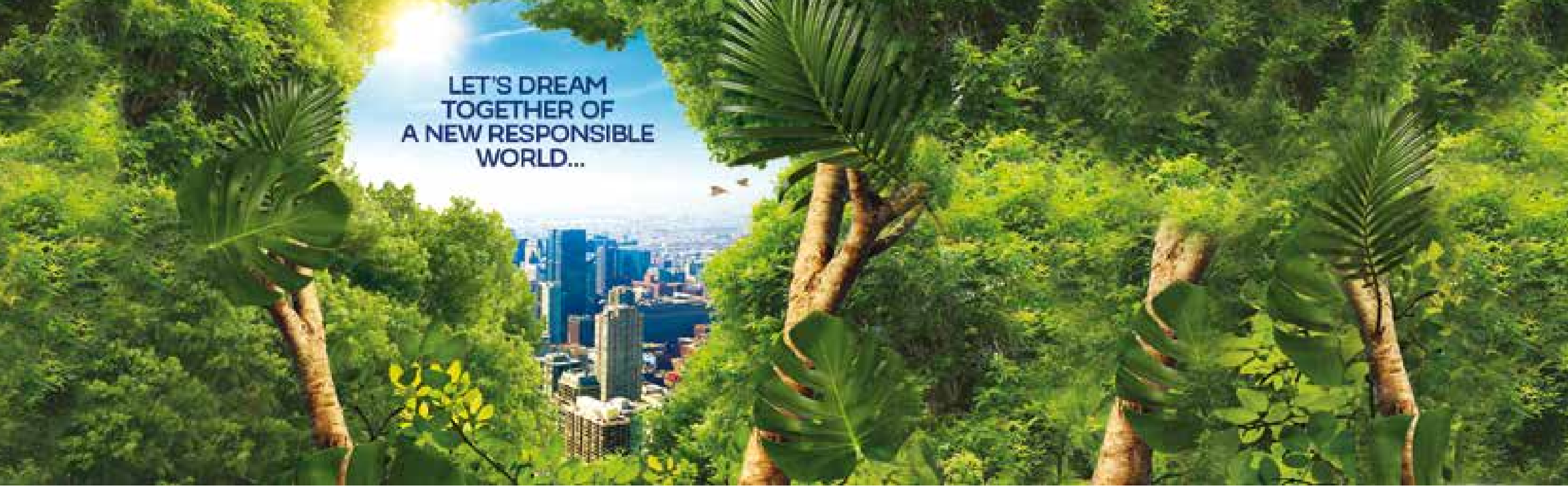
ISO 37001 certification awarded to BMCE Bank, the first of its kind in Africa, for its **Anti-Corruption Management System.** This underlines the Bank's social commitment to proactively help combat this scourge as well as ensuring, first and foremost, that the principle of business ethics is the main goal of its Social Responsibility Charter.

BMCE Bank receives a **special award for its pioneering contribution to the MorSEFF programme,** and for its leadership in Sustainable Finance, at an awards ceremony for energy projects funded by MorSEFF - EBRD, EIB, AFD and KFW, with EU support.

ISO 14001 certification obtained for its management of environmental impacts **for the 8th consecutive year and OHSAS 18001** certification for occupational health, safety and well-being **for the 2nd consecutive year.**

BMCE Bank of Africa named **'Most Active Partner Bank in Morocco in 2018'** by the EBRD.

Digital version of the Annual Report 2018 published for the 1st time, an unprecedented initiative in the domestic banking and financial industry. The digital version, which is **contemporary, innovative and interactive,** has been enhanced with additional digital age features, with more intuitive navigation and adaptable to every type of screen.



Established in 1959 and privatised in 1995, BMCE Bank is a universal bank which offers a diversified range of products and services through a domestic network of 731 branches. BMCE Bank, Morocco's third largest bank in terms of market share for deposits and loans, currently has operations in about thirty countries in sub-Saharan Africa, Europe and Asia.

BMCE Bank's activities primarily include commercial banking, specialised financial services, asset management, investment banking and international activities.

BMCE Bank in Morocco

BMCE Bank's activities in Morocco include:

- Retail Banking, sub-divided by market specialisation – retail customers, professional banking customers, private clients and Moroccans living abroad;

- Corporate Banking, including SMEs and large enterprises.

It is worth noting that BMCE Bank has embarked on a regional strategy aimed at moving the decision-making process closer to the customer and improving the Bank's impact from a commercial perspective. The Bank's distribution network, now organised on a regional basis and enjoying greater independence, encompasses both Retail Banking as well as Corporate Banking activities.

- BMCE Capital, the Bank's investment banking subsidiary, is organised by business line on an integrated basis which include asset management, wealth management, brokerage and capital markets activities as well as M&A and other corporate advisory services.

- Specialised financial services, whose products are primarily marketed via the branch network, the aim being to develop intra-Group commercial and operational synergies – consumer credit, leasing, bank-insurance, factoring and vehicle leasing. RM Experts, subsidiary specialising in recovery, was established in 2010.

BMCE Bank's international activities

In 2019, BMCE created a new subsidiary covering all services and banking processing in order to improve the quality of its services.

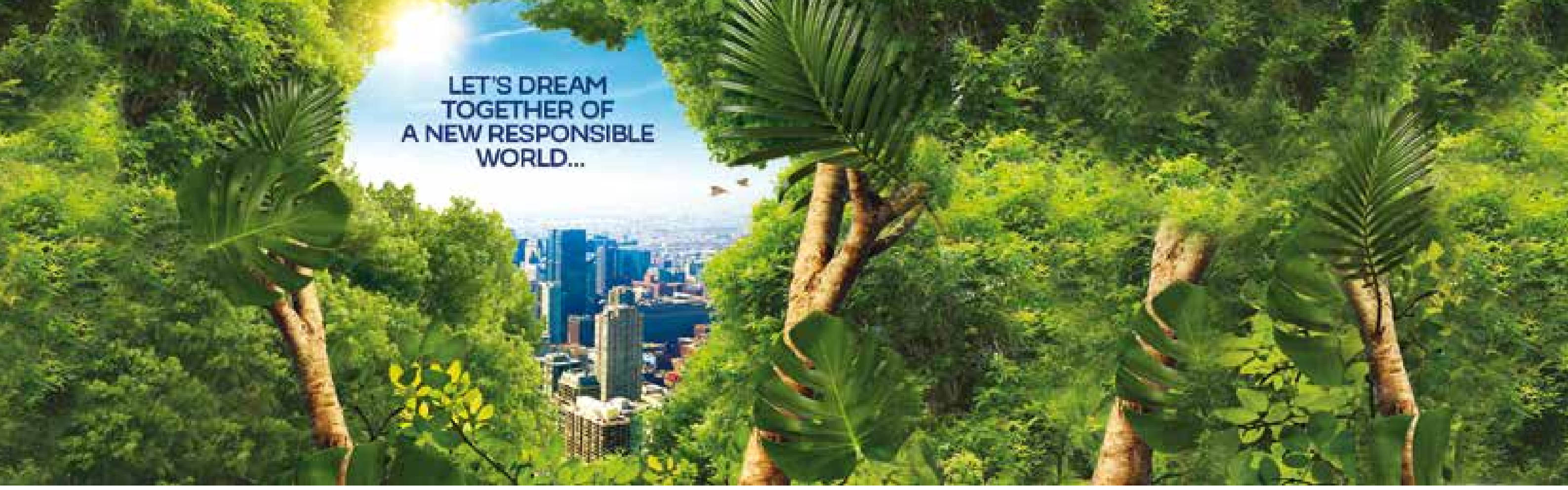
BMCE Bank's international vocation can be traced back to its origins as a bank specialising in foreign trade. The Bank rapidly turned to international markets by building a strong presence in Europe. In 1972, it became the first Moroccan bank to open a branch in Paris. The Group's European activities are conducted through BMCE Bank International in London, Paris and Madrid, which constitute the Group's European platform for investing in Africa.

The Bank also has twenty or so representative offices providing banking services to Moroccans living abroad. The Bank recently established BMCE Euroservices as a result of the recent re-organisation of its European business. This entity, which is responsible for banking for expatriates, will work closely with the domestic branch network.

BMCE Bank has also developed, since the 1980s, sizeable operations in the African market following the restructuring of Banque de Développement du Mali, the country's leading bank, in which it has a 32.4% stake.

Similarly, in 2003, in Congo Brazzaville, BMCE Bank acquired a 25% stake in La Congolaise de Banque 37% as of december 31st, 2015 which it restructured, resulting in it becoming the undisputed market leader in its industry.

BMCE Bank's development accelerated in 2008 following the acquisition of a 35% stake in Bank of Africa which has operations in 18 countries. BMCE Bank has since increased its stake in the pan-African bank to 73%.



EY
Building a better working world

37, Bd Abdellatif Ben Kaddour
20 050 Casablanca
Maroc

KPMG

11, Avenue Bir Kacem
Souissi
10 000 Rabat - Maroc

LIMITED EXAMINATION CERTIFICATE OF THE CONSOLIDATED INTERMEDIATE SITUATION FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2019

We have audited the attached consolidated financial statements of BMCE Bank of Africa and its subsidiaries (BMCE Bank of Africa Group), comprising consolidated financial statement, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and other explanatory notes for the period from 1 January to 30 June 2019. These financial statements show consolidated shareholders' equity of MAD 23,675,568 K, including consolidated net income of MAD 1,636,215 K.

We conducted our limited review in accordance with professional standards applicable in Morocco. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. A limited review includes mainly interviews with the company employees and analytical examination applied to financial data; it therefore provides a lower level of assurance than an audit. We did not perform an audit and, accordingly, we do not express an audit opinion.

BMCE BANK OF AFRICA has a stock of non-operating real estate assets, acquired by way of deposits, for a total amount of MAD 4.8 billion as of 30 June, 2019. Taking into account the risks involved in these real estate assets, and in particular uncertainties related to their realizable values and timing, we are unable to pronounce the value of these assets as of 30 June, 2019.

Based on our limited review and subject to the impact of the situation described above, the consolidated financial statements referred to in the paragraph above give, in all their significant aspects, a fair view of the financial position of BMCE Bank Group composed of entities included in the consolidation as of 30 June 2019, in accordance with international accounting standards (IAS/IFRS).

Casablanca, 27 September 2019

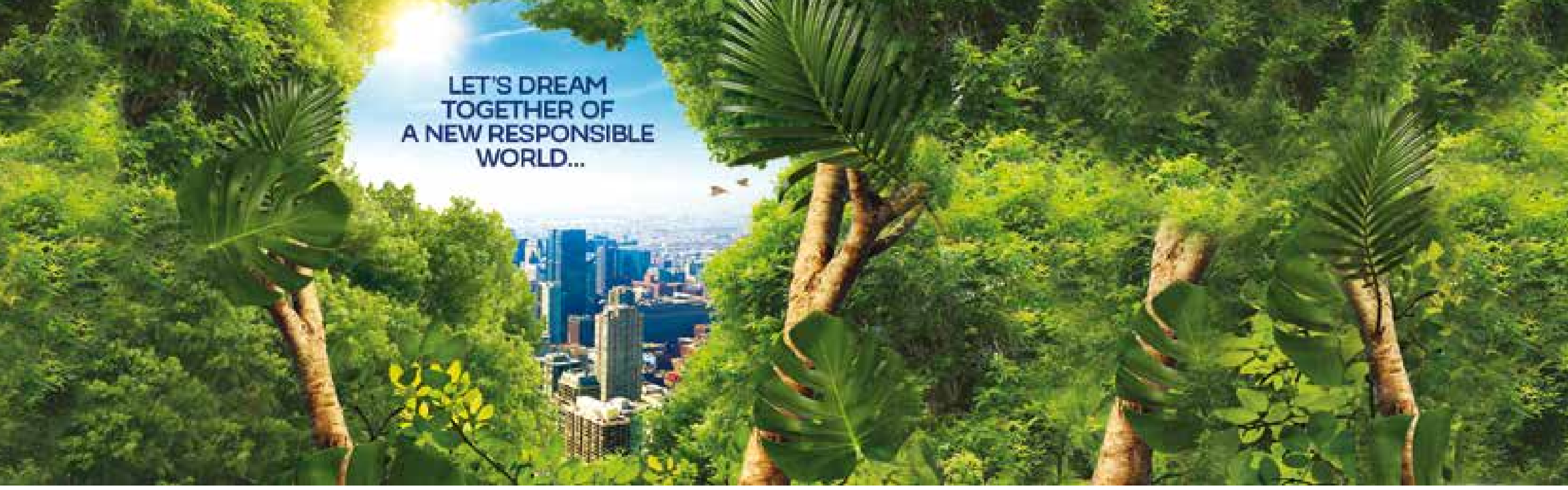
The Statutory Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
Associé

KPMG

Fouad LAHGAZI
Associé



I. CONSOLIDATED BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CHASH FLOW STATEMENT AND SUMMARY OF ACCOUTING POLICIES

1.1. CONSOLIDATED BALANCE SHEET

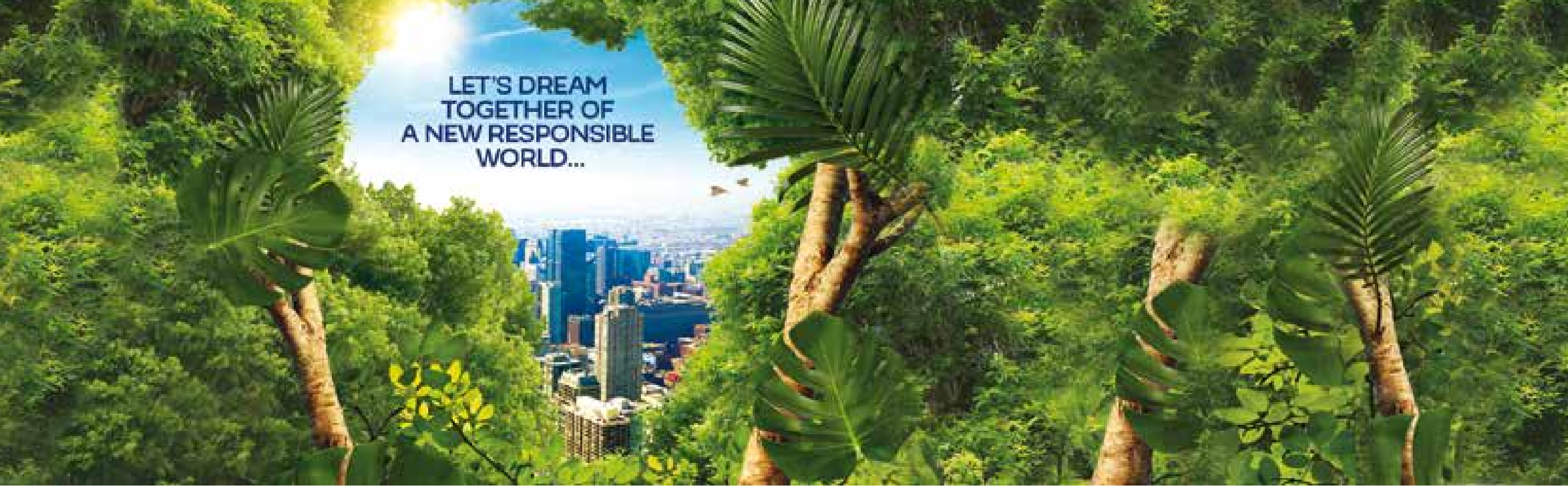
The consolidated financial statements at 30 june 2018 were approved by the board of directors on 27 september 2019.

IFRS ASSETS	Note	30/06/19	31/12/18
Cash and amounts due from central banks and post office banks	**4.1**	**13 156 071**	**14 310 554**
Financial instruments at fair value through profit or loss			
- Financial assets held for trading	4.2	35 785 807	25 104 686
- Other financial assets at fair value through profit or loss	4.2	876 278	1 011 536
Derivatives used for hedging purposes			
Financial assets at fair value through equity			
- Debt instruments recognised at fair value through recyclable equity	**4.3**	**1 335 974**	**1 402 639**
- Equity instruments reported at fair value through non-recyclable equity	4.3	4 249 633	3 986 053
Securities at amortized cost	4.4	30 082 601	25 315 848
Loans and receivables from credit institutions and similar, at amortized cost	**4.5**	**17 245 480**	**21 250 394**
Loans and receivables from customers, at amortized cost	**4.5**	**182 479 262**	**179 302 874**
Revaluation difference of hedged portfolios			
Investments in insurance activities			
Current tax asset	**4.8**	**547 436**	**783 556**
Deferred tax asset	**4.8**	**1 811 918**	**1 615 532**
Accruals and other assets	**4.9**	**7 276 574**	**7 199 267**
Non-current assets held for sale			
Investments in companies accounted for by the equity method	**4.10**	**865 042**	**874 360**
Investment properties	**4.11**	**3 803 176**	**3 730 378**
Property, plant and equipment	**4.11**	**9 091 301**	**7 640 031**
Intangible assets	**4.11**	**1 136 682**	**987 571**
Goodwill	**4.12**	**1 032 114**	**1 032 114**
TOTAL IFRS ASSETS		**310 775 349**	**295 547 393**

(In thousand MAD)

IFRS LIABILITIES		30/06/2019	31/12/18
Central Banks, Treasury, Postal Check Service			
Financial liabilities at fair value through profit or loss			
- Financial liabilities held for trading purposes			
- Financial liabilities at fair value through profit or loss on option			
Derivatives hedging			
Debt securities issued	**4.7**	**14 340 289**	**13 582 981**
Debts due to credit institutions and similar	**4.5**	**51 216 495**	**43 725 210**
Debts to customers	**4.6**	**194 589 893**	**192 474 205**
Revaluation difference of hedged portfolios			
Current tax liability	**4.8**	**1 094 958**	**769 014**
Deferred tax liability	**4.8**	**1 162 223**	**1 179 765**
Accruals and other liabilities	**4.9**	**14 087 099**	**9 350 024**
Debts related to non-current assets held for sale			
Liabilities relating to insurance activity contracts			
Provisions for risks and charges	**4.13**	**1 120 598**	**1 039 395**
Subsidies - public funds allocated and special guarantee funds			
Subordinated debt	**4.6**	**9 488 226**	**9 585 289**
TOTAL DEBTS		**287 099 781**	**271 705 883**
Equity			
Capital and related reserves	**1.3**	**14 817 453**	**14 365 774**
Consolidated reserves			
- Group share	1.3	1 823 885	1 584 607
- Minority share	1.3	4 281 927	3 977 575
Gains and losses recognized directly in equity			
- Group share	1.3 - 1.4	605 481	593 531
- Minority share	1.3 - 1.4	510 607	511 300
Earning for the exercise			
- Group share	1.3	1 170 430	1 831 171
- Minority share	1.3	465 785	977 552
TOTAL CONSOLIDATED EQUITY		**23 675 568**	**23 841 510**
TOTAL LIABILITIES IFRS		**310 775 349**	**295 547 393**

(In thousand MAD)



1.2. CONSOLIDATED INCOME STATEMENT

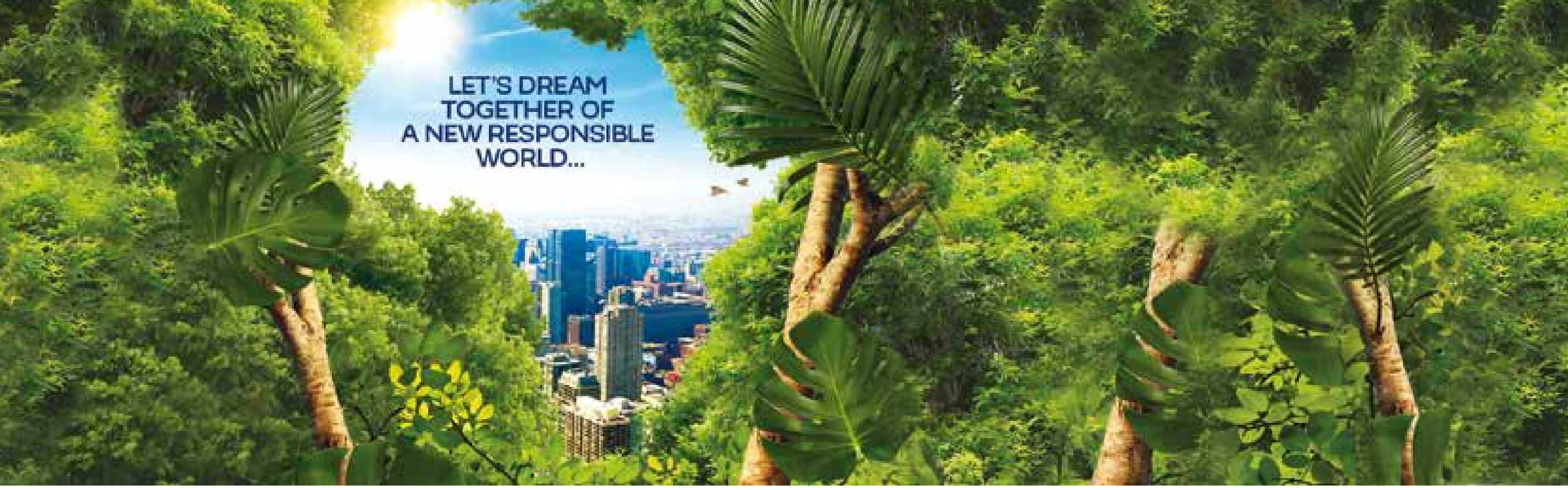
	NOTES	30/06/2019	30/06/2018
Interest and similar income		7 419 178	7 260 430
Interest and similar expense		-2 556 964	-2 608 376
Net Interest income	**2,1**	**4 862 214**	**4 652 054**
Fees received and commission income		1 492 146	1 443 194
Fees paid and commission expense		-208 136	-211 832
Net fee income	**2,2**	**1 284 010**	**1 231 362**
Net gains or losses resulting from net position hedges			
Net gain on financial instruments at fair value through profit or loss	**2,3**	**311 607**	**125 725**
Net gains or losses on transaction assets/liabilities		298 894	123 467
Net gains or losses on other assets/liabilities at fair value through profit or loss		12 713	2 258
Net gains on financial instruments at fair value through equity	**2,4**	**214 674**	**197 171**
Net gains or losses on debt instruments recorded as recyclable CP		12 611	
Remuneration of equity instruments recognised as non-recyclable CP		202 063	197 171
Net gains on derecognised financial assets at amortised cost			
Gains or losses resulting from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss			
Gains or losses resulting from the reclassification of financial assets by CP as financial assets at fair value through profit or loss			
Net income from insurance activities			
Net income from other activities	2,5	559 923	525 574
Expenses from other activities	2,5	-253 875	-231 943
Net Banking Income		**6 978 553**	**6 499 943**
General Operating Expenses	2.6	-3 391 472	-3 442 863
Allowances for depreciation and amortization PE and intangible assets	2.6	-463 010	-305 167
Gross Operating Income		**3 124 071**	**2 751 913**
Cost of Risk	2.6	-872 271	-648 891
Operating Income		**2 251 800**	**2 103 022**
Share in net income of companies accounted for by equity method		42 787	20 390
Net gains or losses on other assets	2.8	-8 378	44 281
Change in goodwill		-	-
Pre-tax earnings		**2 286 209**	**2 167 693**
Corporate income tax	2.9	-649 994	-541 841
Tax Net income from discontinued activities or operations held for sale		-	
Net Income		**1 636 215**	**1 625 852**
Non-controlling interests		465 785	500 697
Net income attributable to parent		**1 170 430**	**1 125 155**

(In thousand MAD)

1.3. STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

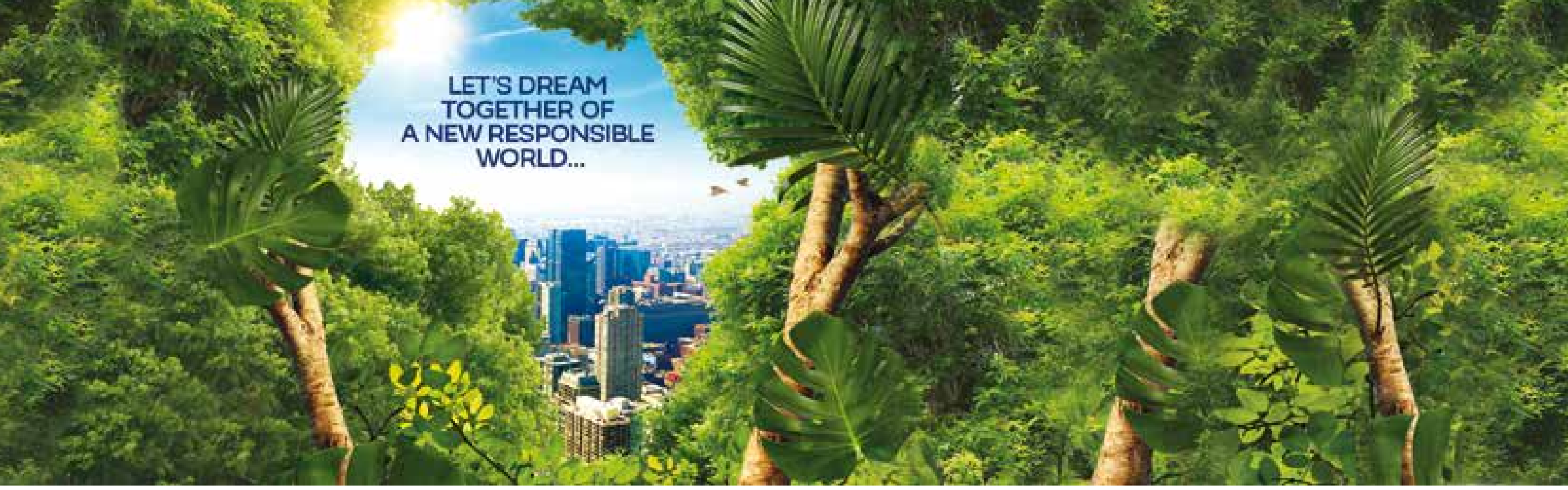
	june-19	june-18
Net income (loss)	**1 636 215**	**1 625 852**
Gains and losses recognised directly in equity and subsequently reclassified to income	**63 759**	**15 676**
Transfer to earnings	63 759	15 676
Financial assets at fair value through recyclable equity		
Revaluation differences		
Gains and losses recognised directly in equity and which will not subsequently be reclassified to income	**37 841**	**23 945**
Actuarial gains and losses on defined benefit plans		
Items measured at fair value through non-recyclable equity	37 841	23 945
Share of gains and losses recognised directly in equity on companies accounted for by the equity method		
Total gains and losses recognized directly in equity	**101 600**	**39 621**
Net income and gains and losses recognised directly in equity	**1 737 815**	**1 665 473**
Group share	1 237 967	1 167 967
Minority interests' share	499 848	497 506

(In thousand MAD)



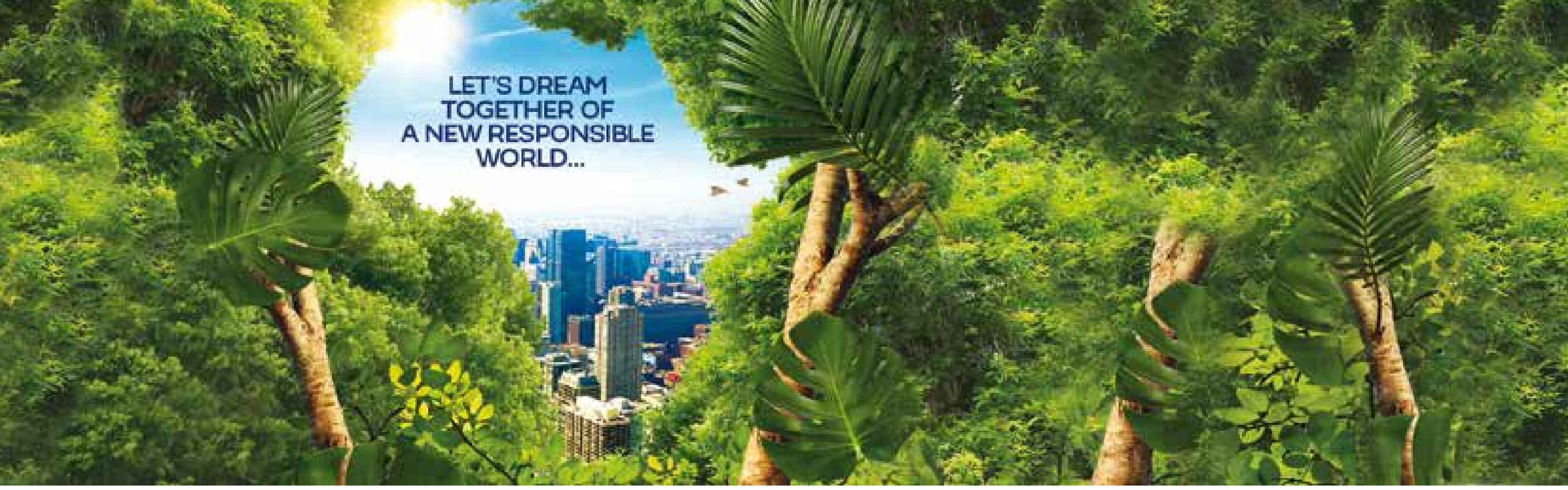
1.4. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	CHANGES IN EQUITY 30/06/2019							
	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 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**
Change in the accounting methods						0		0
Beginning Balance of 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**
Operations on capital		617 371		-617 371		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-563 957	-1 461 274
Net Income				**1 831 171**		**1 831 171**	**977 552**	**2 808 723**
Changes in assets and liabilities recognised directly in equity					-409	-409	-371	-780
Transfer to earnings					-40 068	-40 068	-42 226	-82 295
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**-40 478**	**-40 478**	**-42 597**	**-83 075**
Change in the scope of consolidation				**194 375**		**194 375**	**257 949**	**452 325**
Others				**153 346**		**153 346**	**-126 372**	**26 974**
Ending balance of Shareholder's Equity 12.31.2018	**1 794 634**	**12 571 140**	**0**	**4 499 659**	**-490 350**	**18 375 083**	**5 466 427**	**23 841 511**
Recognition of expected credit losses (on financial instruments)								
Beginning balance of Shareholder's Equity 01.01.2019	**1 794 634**	**12 571 140**	**0**	**4 499 659**	**-490 350**	**18 375 083**	**5 466 427**	**23 841 511**
Operations on capital		451 679		-451 679		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-599 603	-1 496 920
Net Income				**1 170 430**		**1 170 430**	**465 785**	**1 636 215**
Changes in assets and liabilities recognised directly in equity					37 061	37 061		37 061
Transfer to earnings					-10 002	-10 002	-8 534	-18 536
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**27 059**	**27 059**	**-8 534**	**18 525**
Change in the scope of consolidation						**0**		**0**
Others				**-258 006**		**-258 006**	**-65 756**	**-323 762**
Ending balance of Shareholder's Equity 06.30.2019	**1 794 634**	**13 022 819**	**0**	**4 063 087**	**-463 291**	**18 417 249**	**5 258 319**	**23 675 569**



1.5. CASH FLOW STATEMENTS AS OF JUNE 30, 2019

	NOTE	30/06/19	31/12/18
Net Income Before Tax		**2 286 210**	**3 652 296**
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2,6	464 106	630 876
+/- Impairment of goodwill and other non- current assets		-	-
+/- Impairment of financial assets		27 037	-15 026
+/- Net allowances for provisions		73 544	1 523 643
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-42 349	-61 366
+/- Net loss (income) from investing activities		-743 209	-465 450
+/- Net loss (income) from financing activities		-	-
+/- Other movements		-803 309	470 864
Non monetary items included in pre-tax net income and other adjustments		**-1 024 180**	**2 083 541**
+/- Cash flows related to transactions with credit institutions		7 909 310	217 244
+/- Cash flows related to transactions with customers		-5 559 968	-7 885 804
+/- Cash flows related to transactions involving other financial assets and liabilities		-11 720 020	10 541 583
+/- Cash flows related to transactions involving non financial assets and liabilities		5 924 347	-4 878 370
+/- Taxes paid		-502 105	-641 628
Net decrease / (increase) in assets and liabilities from operating activities		**-3 948 436**	**-2 646 975**
Net Cash Flows from Operating Activities		**-2 686 406**	**3 088 862**
+/- Cash Flows related to financial assets and equity investments		350 661	-418 474
+/- Cash flows related to investment property		-85 526	95 806
+/- Cash flows related to PP&E and intangible assets		-677 618	-477 724
Net Cash Flows from Investing Activities		**-412 483**	**-800 392**
+/- Cash flows related to transactions with shareholders		-1 542 052	-949 034
+/- Cash flows generated by other financing activities		788 254	-5 109 235
Net Cash Flows from Financing Activities		**-753 798**	**-6 058 269**
Effect of movements in exchange rates on cash and equivalents		-20 893	-248 827
Net increase/(decrease) in cash and cash equivalents		**-3 873 580**	**-4 018 626**
Net Balance of demand loans and deposits- credit institutions		**16 989 829**	**21 008 455**
Loan and loan of cash	4.1	14 310 554	14 490 894
Ending Balance of Cash and Equivalents		2 679 275	6 517 561
Net Balance of cash accounts and accounts with central banks and post office banks		**13 116 249**	**16 989 829**
Net Balance of demand loans and deposits- credit institutions	4.1	13 156 071	14 310 554
Loan and loan of cash		-39 822	2 679 275
Net increase in cash and equivalents		**-3 873 580**	**-4 018 626**



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 1st 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.

The consolidated financial statements at 30 June 2019 have been prepared in accordance with IFRS standards, with first-time application of two new IFRS standards as of 1 January 2019:

· The IFRIC 23 interpretation, which clarifies the manner in which uncertainty over income tax treatments must be accounted for in the Group's financial statements;

· IFRS 16, which changes the way in which leases are accounted for.

IFRIC Interpretation 23:

This interpretation is intended to clarify IAS 12 'Income taxes', which contains measures relating to recognition and measurement of current or deferred tax assets or liabilities.

This interpretation deals with income tax-related risks. The interpretation is to be applied to determine income tax-related items when there is uncertainty over income tax treatments by an entity under the applicable tax provisions. Tax risk naturally arises from uncertainty regarding a tax position adopted by the entity that might be questioned by the tax authority.

The interpretation provides a choice of two transition methods as follows:

· Full retrospective approach, provided that the company is in possession of the necessary information without taking into account circumstances that have occurred over time; or

· Modified retrospective approach, by recognising the cumulative impact under opening shareholders' equity for the financial period in which the interpretation is first applied, in which case, the comparative information for the financial period in which the interpretation is first applied is not restated.

BMCE Bank Of Africa Group has opted for the modified retrospective approach in respect of this interpretation by recognising the cumulative impact under opening shareholders' equity at 1 January 2019.

IFRS 16:

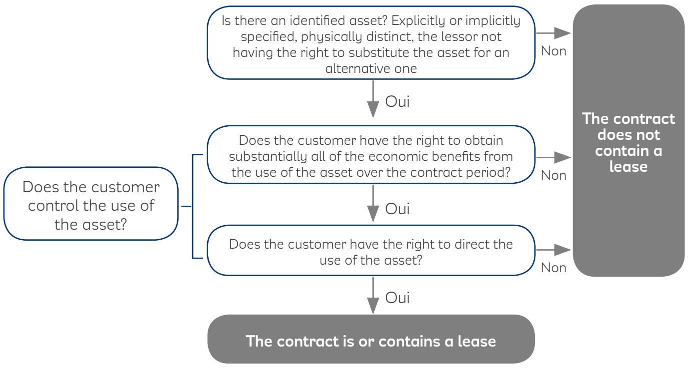
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

For all lease agreements, the lessee will be required to recognise a right-of-use asset on its balance sheet representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. In its income statement, the lessee will separately recognise the depreciation of the right-of-use asset and the interest expense on the lease liability. This treatment, which is currently applied by lessees to finance-lease transactions, will subsequently be extended to operating leases.

Policies adopted:

The transition method chosen by BMCE Bank Of Africa Group is the modified retrospective approach by which the lease liability is recognised at the present value of remaining lease payments at the time of first-time application (01/01/2019) with a right-of-use asset of an equivalent amount recognised at the same time. Consequently, first-time application of IFRS 16 had no impact on shareholders' equity.

To identify leases that fall within the scope of this standard, the following criteria shall apply:



The Group has adopted two simplification measures provided for under IFRS 16 regarding short-term contracts (up to 12 months) and contracts whose underlying assets are of limited value. The IASB recommends a guideline threshold of USD 5,000 or less.

The lease period:

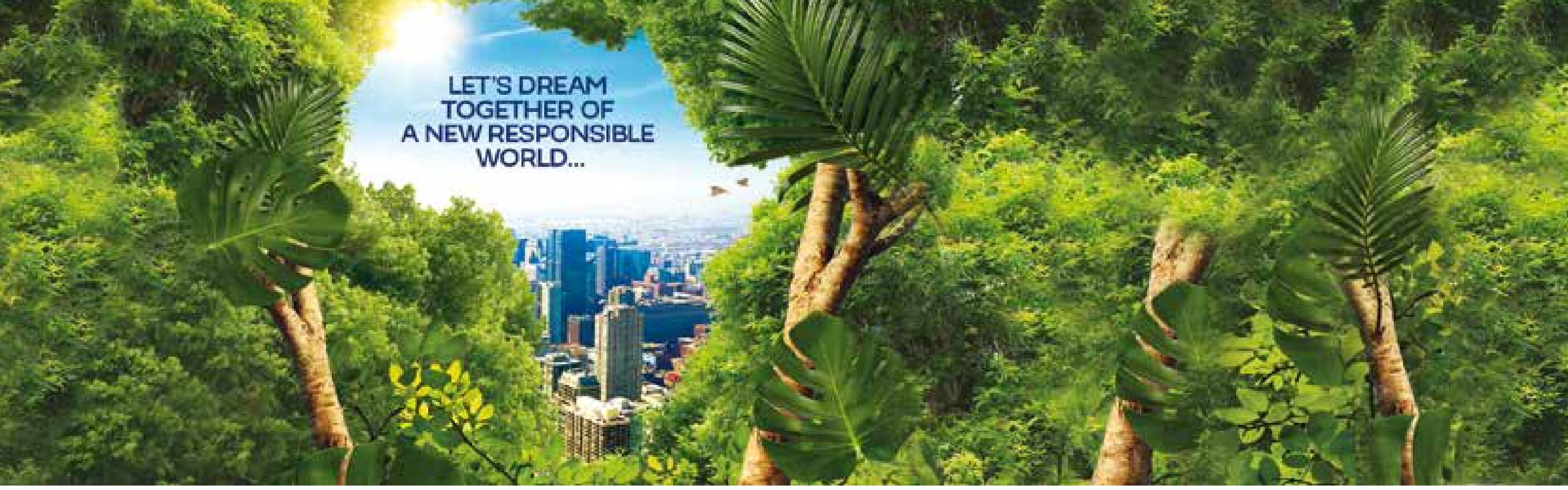
The period during which the Group has previously used particular types of property (leased or owned) and the underlying economic reasons thereof have been used to determine whether the group is reasonably certain of exercising an option or not.

The lease periods applied therefore depend on the type of property:

- For commercial leases, a period of 9 years on average has been applied;

- For residential leases, a period of 3 years;

- For leased vehicles, the period applied is that of the contract.



The liability related to the lease is equal to the present value of the lease payments and estimated payments at the end of the contract (early termination penalties if applicable and/or residual value guarantees if applicable).

The rate used to discount these payments is the incremental borrowing rate which is the rate of interest that a lessee would have to pay to borrow over a similar term to that of the lease liability.

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 30 june 2019, 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

Following initial recognition, goodwill is measured at cost less cumulative impairment.

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.

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.

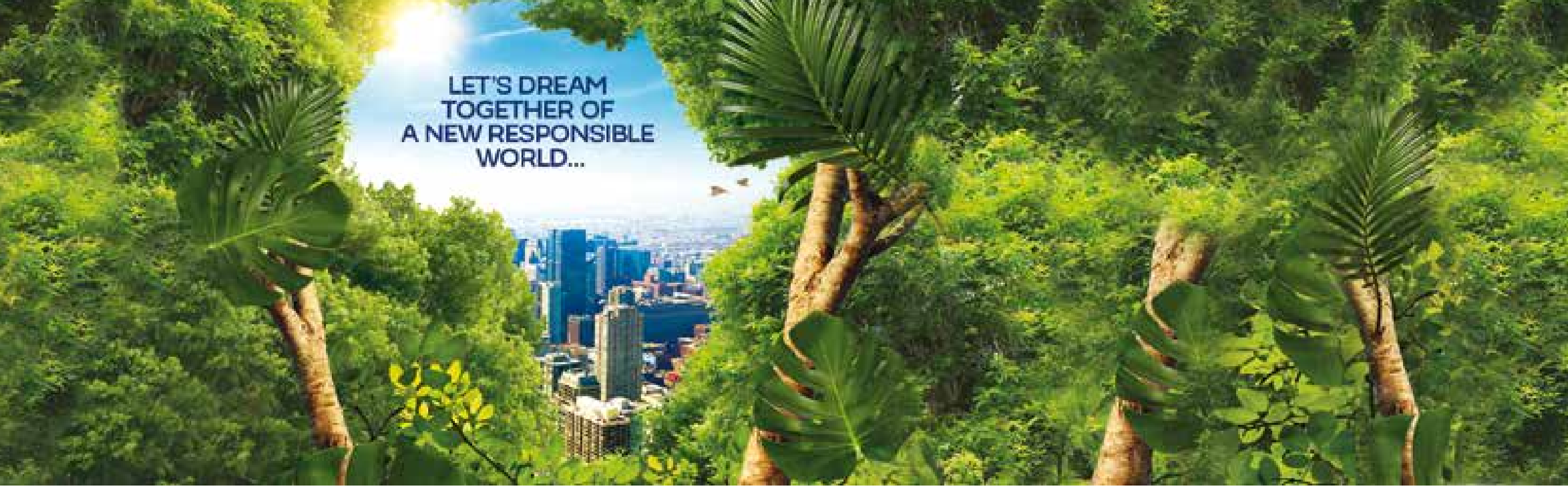
Value in use is based on an estimate of the current value of future cash flows generated by the unit's activities as part of the Bank's market activities:

- 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

IFRS 9 replaces the classification and valuation models for financial assets provided for in IAS 39 by a model comprising only 3 accounting categories :

- Depreciated cost;

- Fair value through equity: changes in fair value of the financial instrument are impacted in «other items of the comprehensive income» («fair value by OCI»);

- Fair value through profit or loss: changes in the fair value of the instrument are impacted in net income.

The classification of a financial asset in each category is based on:

- business model defined by the company

- and the characteristics of its contractual cash flows (the «cash flow» criterion) solely payments of principal and interest», or «SPPI»).

The management methods relate to the way the company manages its financial assets in order to generate cash flows and create cash flow and value. The business model is specified for an asset portfolio and does not constitute an intention on a case-by-case basis for an individual financial asset.

IFRS 9 distinguishes three management models:

- The collection of contractual cash flows, the business model «Collection»;

- The collection of contractual flows and the sale of assets, the model of management « Collection and Sale «;

- Other management intentions, i.e. the «Other / Sale» management model.

The second criterion («SPPI» criterion) is analysed at the contract level. The test is satisfied when the funding is only eligible for reimbursement of the principal and when the payment of interest received reflects the value of the time of money, credit risk associated with the instrument, other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

The criteria for classifying and measuring financial assets depend on the nature of the financial asset, as qualified:

- debt instruments (i.e. loans and fixed or determinable income securities)

; or

- equity instruments (i.e. shares).

The classification of a debt instrument in one of the asset classes is a function of the management model applied to it by the company and the characteristics of the contractual cash flows of the instrument (SPPI criterion). Debt instruments that respond to the SPPI criterion and the «Collection» management model are classified as follows amortised cost. If the SPPI criterion is verified but the business model is the collection and sale, the debt instrument is classified at fair value by equity (with recycling). If the SPPI criterion is not verified and the business model is different, the debt instrument is classified as fair value value by result.

Under IFRS 9, equity instruments held by (stocks) are:

- always measured at fair value through profit or loss,

- except those not held for trading for which the standard allows the irrevocable election to be made at the time of recognition of each financial asset, to recognise it at fair value by counterpart of other comprehensive income (fair value through profit or loss OCI), with no possibility of recycling by result. Assets classified in this category will not be depreciated. In the event of a transfer, these changes are not recycled to the income statement, the gain or loss on disposal is recognised in shareholders' equity. Only dividends are recognised in result.

IFRS 9 provides for models for classifying and measuring financial liabilities according to 3 accounting categories:

- financial liability at amortised cost;

- financial liability at fair value through profit or loss;

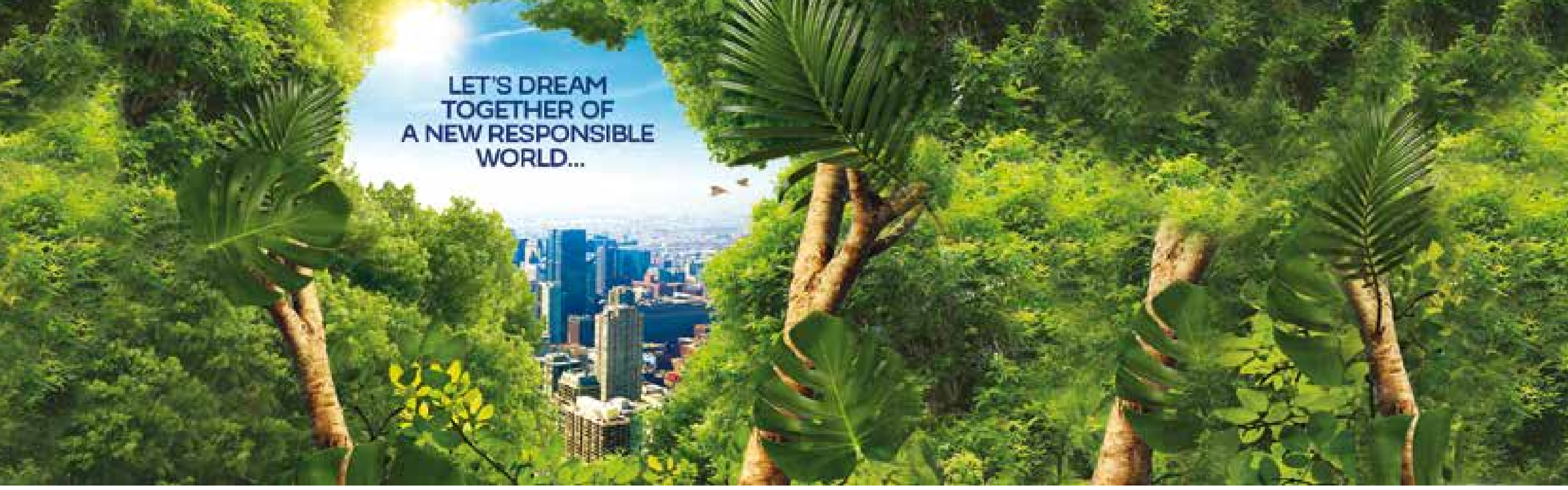
- financial liability at fair value through profit or loss on option.

On the initial recognition date, a financial liability may be designated, on irrevocable option, at fair value through profit or loss:

- under certain conditions when the liability contains embedded derivatives

; or

- if this leads to more relevant information as a result of the elimination or the significant reduction of a distortion of accounting treatment (« mismatch»); or



- whether the liabilities are managed with other financial instruments that are measured and managed at fair value in accordance with an investment policy or risk management and that information is communicated on this to key management personnel within the meaning of IAS 24.

In addition, for these liabilities, the standard allows for the recognition of the change in fair value attributable to the change in credit risk in other comprehensive income. However, this processing is only possible to the extent that it does not contribute to creating or aggravate an accounting mismatch

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.

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

IFRS 9 introduces a new model for the recognition of impairment of financial assets based on expected credit losses. This model represents a change from the IAS 39 model that is based on proven credit losses.

Under IFRS 9, the portfolio is segmented into three Buckets in using the notion of significant degradation from the beginning:

- Bucket 1» consists of all sound financial assets that do not are not significantly degraded since the beginning and for which it will be calculated an expected credit loss within 1 year.

- Bucket 2» includes assets for which the credit risk has significantly increased since the beginning. A credit loss must then be calculated over the remaining useful life of the asset, or residual maturity.

- «Bucket 3» corresponds to all assets in default or those for which credit quality will deteriorate to the point that the recoverability of the is threatened. Bucket 3 corresponds to the scope of the provision under IAS 39. The entity recognises a demonstrated credit loss at maturity. Thereafter, if the conditions for the classification of instruments financial instruments in bucket 3 are no longer respected, these instruments are reclassified as bucket 2 and then as bucket 1 depending on the improvement of credit risk quality.

The definition of default is consistent with the one outlined in Circular 19G with a rebuttable assumption of default occurring when amounts are no later than 90 days past due.

The definition of default is used consistently to assess whether there is an increase in credit risk and to measure expected credit losses.

The monitoring of risk degradation is based on the monitoring systems of the internal risks, including in particular the monitoring of receivables and unpaid bills.

The significant increase in credit risk may be assessed on an individual or collective basis (by grouping together financial instruments based on common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

Each instrument is assessed to ascertain whether there has been a significant increase in credit risk based on indicators and thresholds that vary depending on the kind of exposure and counterparty type.

A financial asset is also considered to have undergone a significant increase in credit risk if one or more of the following criteria are met:

· Financial asset placed on the watchlist

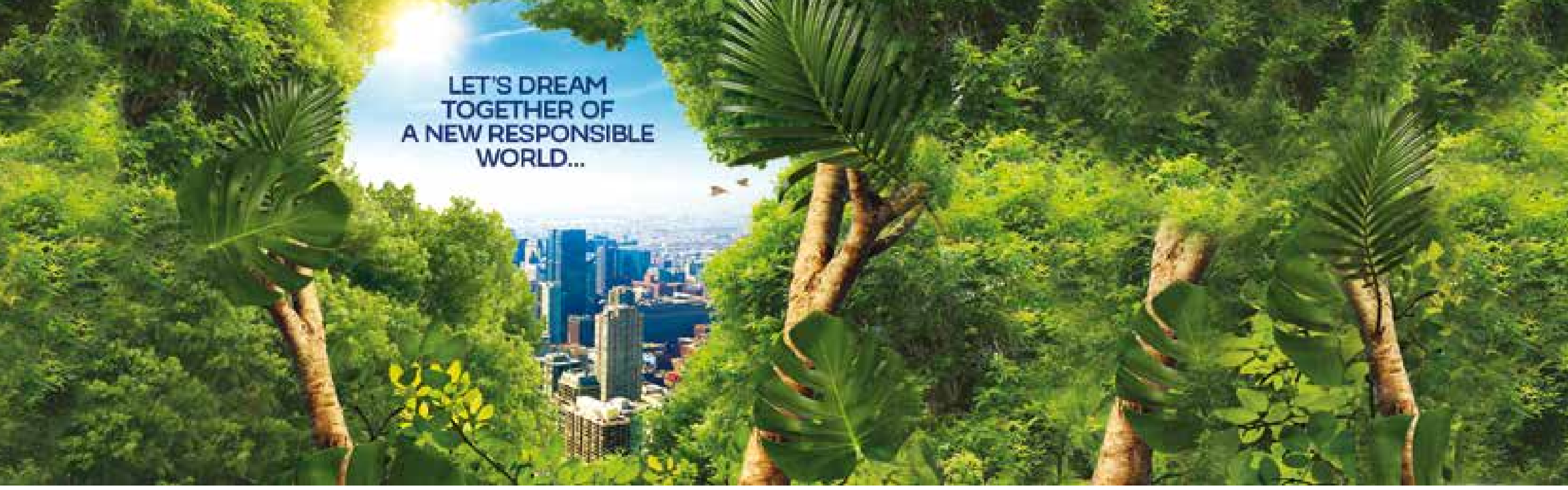
· Reorganised due to payment difficulties, although not defaulting

· Past-due event

· There are material adverse changes in the borrower's economic, commercial or financial operating environment

· Risks of financial difficulties have been identified, etc.

In order to compensate for the fact that some factors or indicators may not be available at a financial instrument level, on an individual basis, the



standard allows for the entity to carry out an assessment as to whether there has been a significant increase in credit risk on appropriate groups or portions of a portfolio of financial instruments.

Shared credit risk characteristics may be used to constitute portfolios for the purpose of carrying out an assessment as to whether there has been a significant increase in credit risk on a collective basis. Shared credit risk characteristics include instrument type, credit risk ratings, collateral type, date of initial recognition, remaining term to maturity, industry, the borrower's geographical location, the value of the collateral relative to the financial asset if it has an impact on the probability of default occurring (for example, non-recourse loans in some countries, or on loan-to-value ratios), the distribution channel, the reason for raising finance, etc..

Expected credit losses are defined as being an estimate of credit losses weighted by the probability of their occurring over the financial instrument's expected lifetime. They are measured on an individual basis, for each exposure.

The calculation of impairment losses is based on three main criteria:

Probabilities of Default (PD)

The Probability of Default (PD) is the likelihood of a borrower defaulting on its financial obligations over the subsequent 12 months (1-year PD) or over the contract's remaining maturity (lifetime PD). The PD is the probability of a borrower defaulting over a particular time horizon 't'. The PD used to estimate expected losses according to IFRS 9 is calculated for each homogeneous risk class.

For financial assets that are in 'Bucket 1' (i.e. healthy, non-sensitive), a 12-month PD is calculated i.e. the probability of default occurring in the 12 months following the reporting date.

For financial assets in 'Bucket 2' (i.e. healthy, sensitive), a PD to maturity is calculated. And, by definition, financial assets in 'Bucket 3' (i.e. defaulting) have a PD of 1.

In order to calculate the 1-year PD for a given loan, BMCE Bank has divided the portfolios' loans into homogeneous risk classes that are segmented on the basis of external ratings or delinquency classes.

Lifetime PDs are calculated by applying rating migration matrices to 1-year PDs, the latter resulting from external credit rating systems or delinquency classes. Rating migration matrices are determined by modelling, for each portfolio, how defaults develop between the date of initial recognition and a contract's maturity. Rating migration matrices are developed on the basis of statistical observations.

Loss Given Default (LGD)

The Loss Given Default (LGD) is the expected credit loss as a percentage of the exposure at default. The Loss Given Default is expressed as a percentage of EAD and is calculated using Global Recovery Rates (GRRs). GRRs are assessed by homogeneous risk class for a certain type of collateral based on historical recovery rates.

For sizeable loans in difficulty, if statistical modelling is not possible (limited number of observations, special characteristics, etc.), the expected future recoverable flows are estimated by BMCE Bank Group's recovery subsidiary. The LGD is the difference between the contractual cash flows and the estimated expected cash flows (including principal and interest).

Exposure At Default (EAD)

It is based on the amount to which the Group expects to be actually exposed at the time of default, either over the subsequent 12 months or over the remaining period to maturity.

The Group draws on existing concepts and systems to set these parameters. Expected credit losses on financial instruments are measured as the product of these three parameters.

Under IFRS 9, recognition of expected credit losses is based on forward-looking macroeconomic conditions.

The parameters are adjusted after factoring in the prevailing economic conditions based on macroeconomic research provided by in-company industry experts. As a result of this research and the expert opinion provided, PDs may be revised (upwards or downwards depending on the outlook) over a three-year horizon. The inclusion of other macroeconomic indicators is currently being phased in.

The organisational and management approach used to determine these scenarios is the same as that adopted for the budgeting process. These are reviewed annually based on suggestions from the economic research team and are validated by the General Management Committee.

For securities (which are overwhelmingly sovereign securities), the calculation of the depreciation is determined according to the following principles:

- When acquiring shares: all shares are considered as part of Bucket 1 regardless of the issuer's rating,

- In subsequent evaluations:

- In the event of a downgrade of the issuer's rating, the security changes to bucket 2

- On the basis of credit losses proven to be at maturity if the counterparty is in default - Bucket 3

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 reinstatedunder net interest income over the remaining term of the loan.

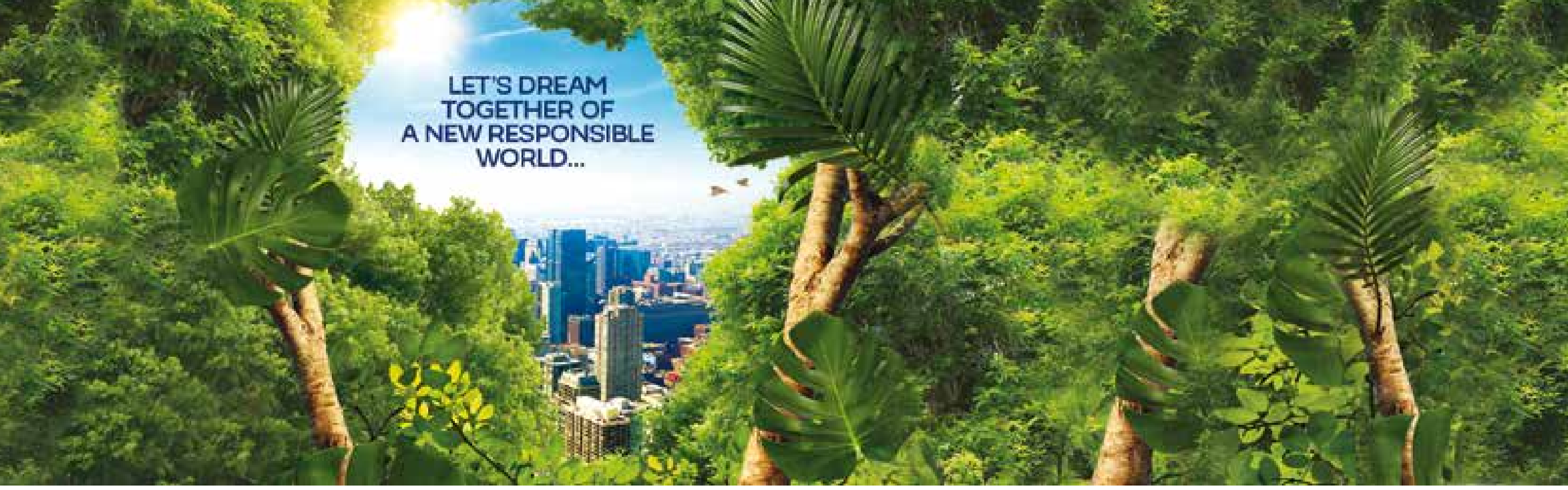
Restructuring of assets classed as "Loans and receivables"

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 june 30th, 2019, the Group does net 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.

l. 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

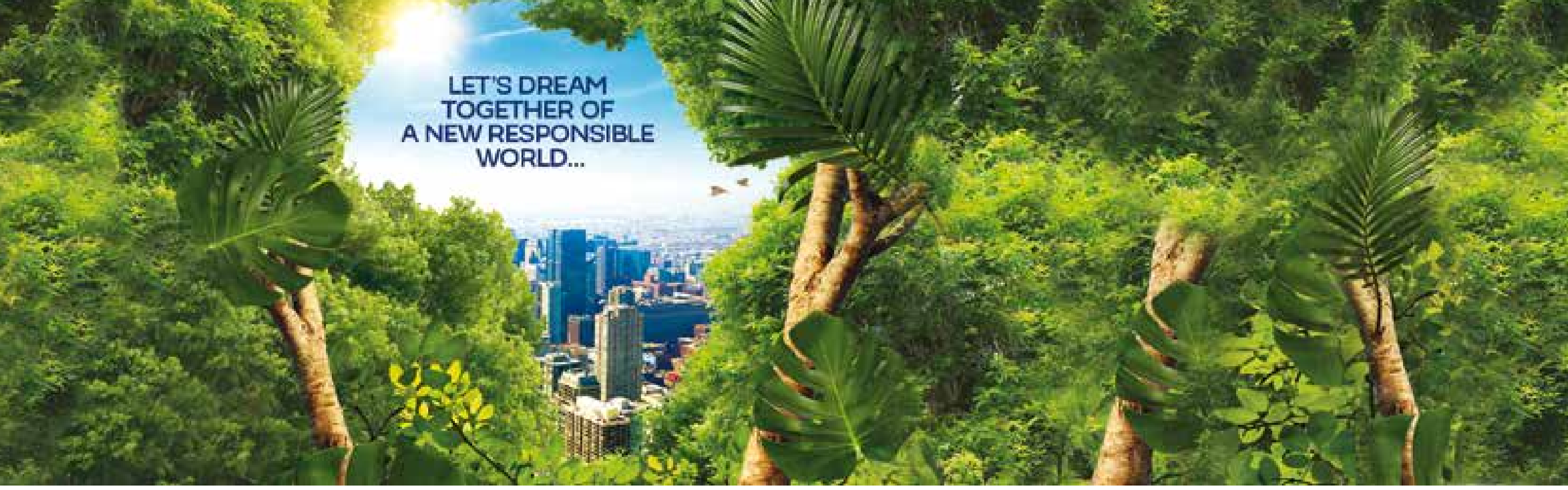
a. Property, plant and equipment

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	Share	Period	Share
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 assesses 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".

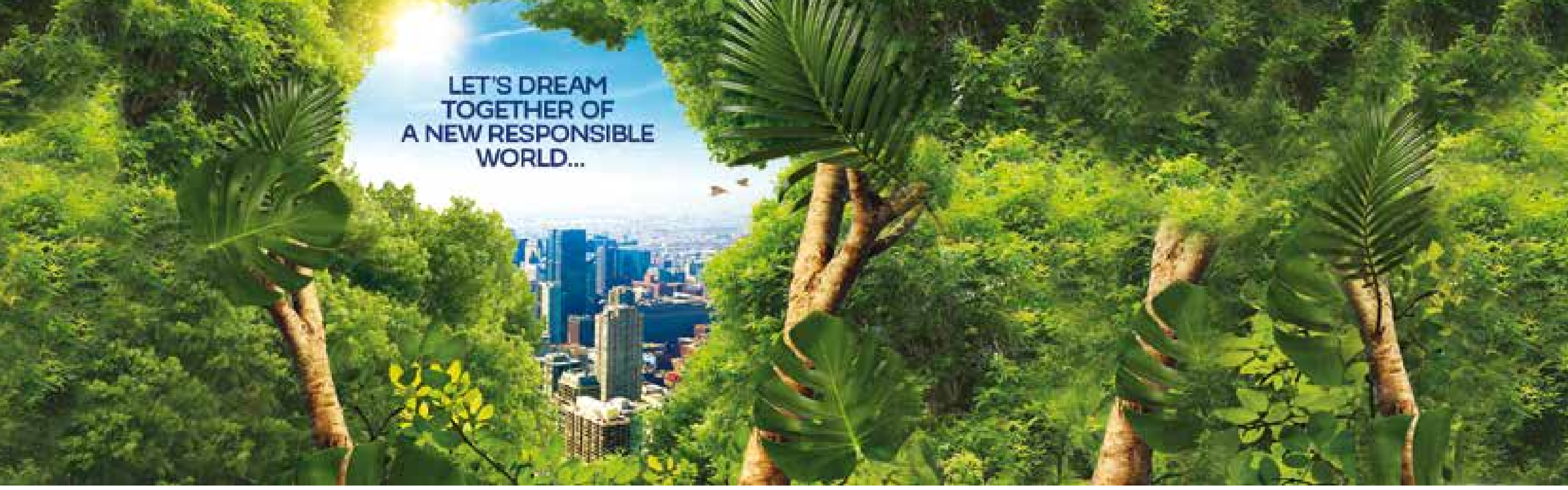
b. Lessee accounting

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 30th june 2019, 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

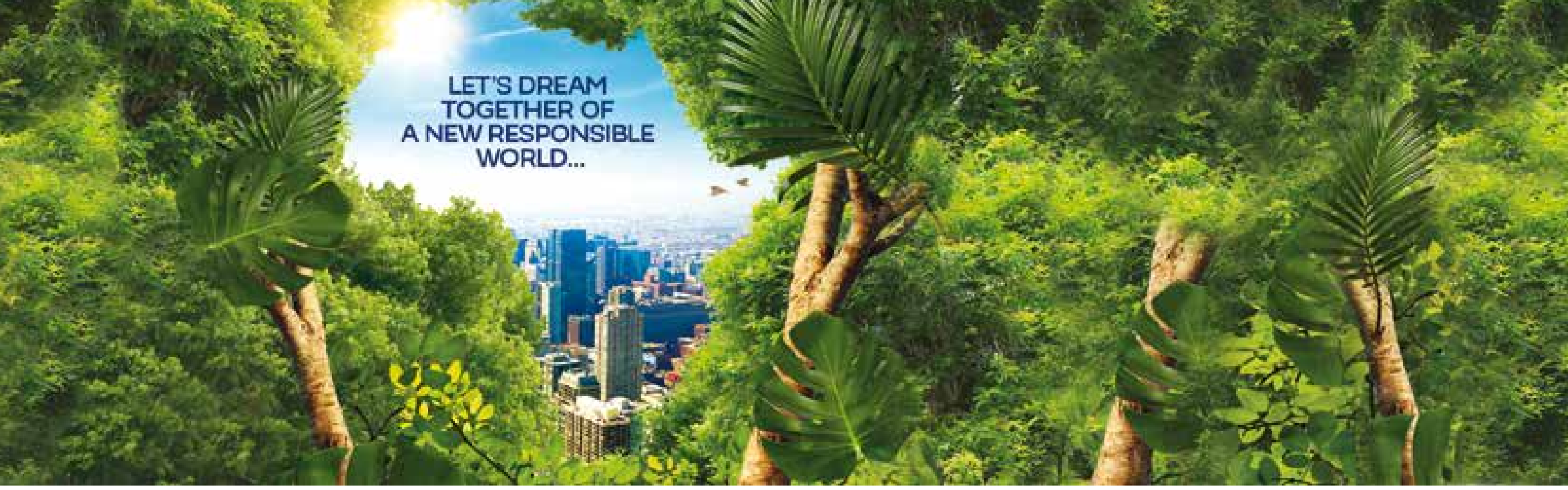
The Group offers its employees the possibility of participating in share issues in the form of share purchase plans.

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:

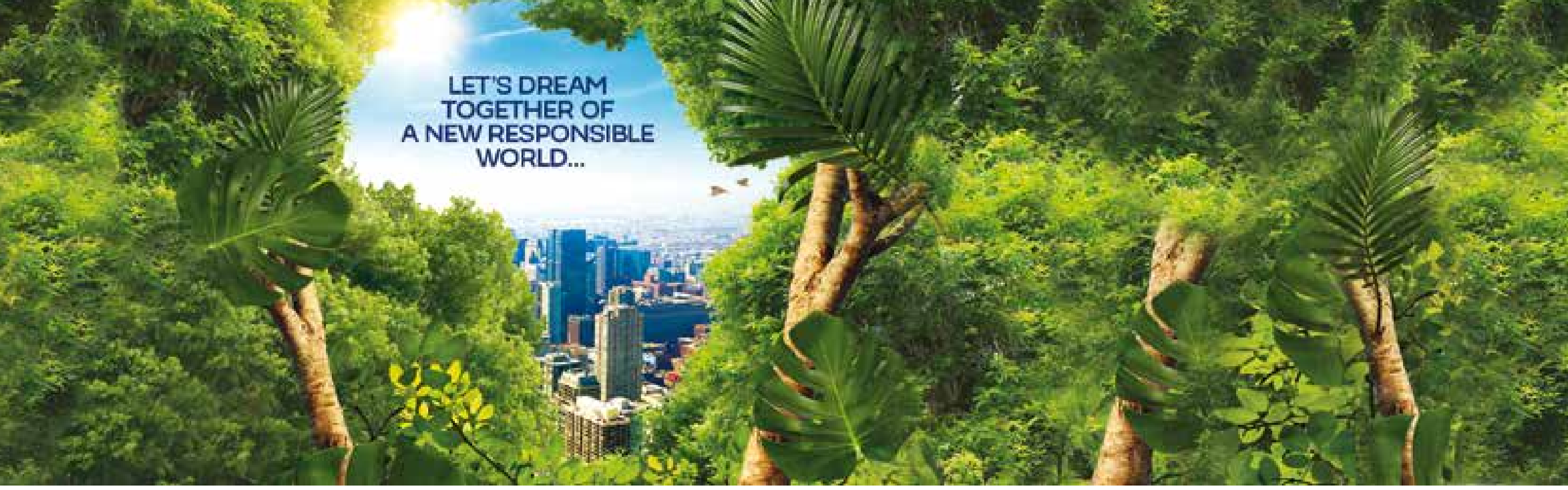
- Impairment (on an individual or collective basis) recognised to cover credit risks inherent in banking intermediation activities ;

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 30 JUNE 2019

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.

	june-19			june-18		
	Income	Expense	Net	Income	Expense	Net
Customer Items	**5 283 341**	**1 360 701**	**3 922 640**	**5 387 169**	**1 446 759**	**3 940 410**
Deposits, loans and borrowings	4 946 618	1 347 144	3 599 474	5 044 918	1 426 006	3 618 912
Repurchase agreements	0	13 557	-13 557	0	20 753	-20 753
Finance leases	336 723	0	336 723	342 251	0	342 251
Interbank Items	**636 005**	**793 851**	**-157 846**	**471 409**	**662 229**	**-190 820**
Deposits, loans and borrowings	524 064	639 254	-289 452	364 901	654 353	-289 452
Repurchase agreements	111 941	154 597	98 632	106 508	7 876	98 632
Borrowings issued by the Group		**402 412**	**-402 412**		**499 389**	**-499 389**
Instruments at fair value through equity			**0**			**0**
Debt instruments	**1 499 832**		**1 499 832**	**1 401 853**		**1 401 853**
TOTAL INTEREST INCOME/(EXPENSE)	**7 419 178**	**2 556 964**	**4 862 214**	**7 260 430**	**2 608 376**	**4 652 054**

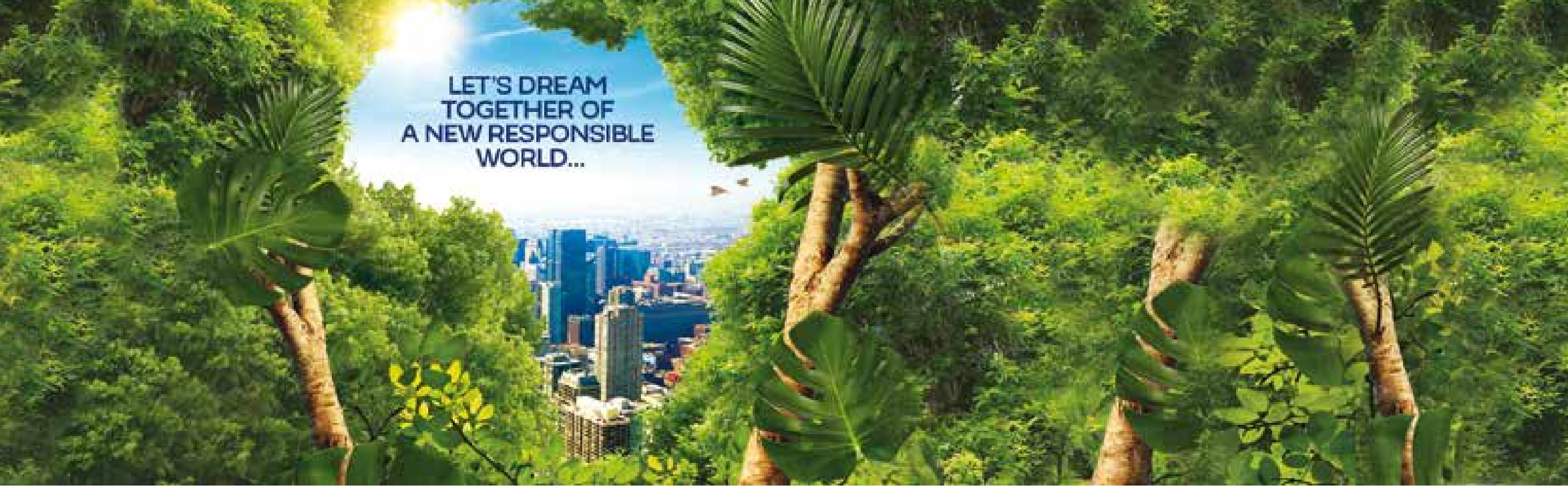
(In thousand MAD)

2.2. NET FEE INCOME

	june-19			june-18		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	**1 082 447**	**99 561**	**982 886**	**1 066 522**	**80 823**	**985 699**
With credit institutions			-			-
With customers	735 416		735 416	821 845		821 845
On custody	104 211	31 792	72 419	113 185	36 979	76 206
On foreign exchange	242 820	67 769	175 051	131 492	43 844	87 648
On financial instruments and off balance sheet			-			-
Banking and financial services	**409 699**	**108 575**	**301 124**	**376 672**	**131 009**	**245 663**
Income from mutual funds management			-			-
Income from electronic payment services	200 159	38 641	161 518	174 006	38 179	135 827
Insurance			-			-
Other	209 540	69 934	139 606	202 666	92 830	109 836
NET FEE INCOME	**1 492 146**	**208 136**	**1 284 010**	**1 443 194**	**211 832**	**1 231 362**

(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.

	june-19			june-18		
	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	342 219	12 713	354 932	188 307	2 258	190 565
Derivative instruments	-43 325	0	-43 325	-64 840	0	-64 840
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	**298 894**	**12 713**	**311 607**	**123 467**	**2 258**	**125 725**

(In thousand MAD)

2.4. NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

	june-19	june-18
Remuneration of equity instruments recognised as non-recyclable equity instruments (Dividends)	202 063	197 171
TOTAL	**202 063**	**197 171**

2.5. NET INCOME FROM OTHER ACTIVITIES

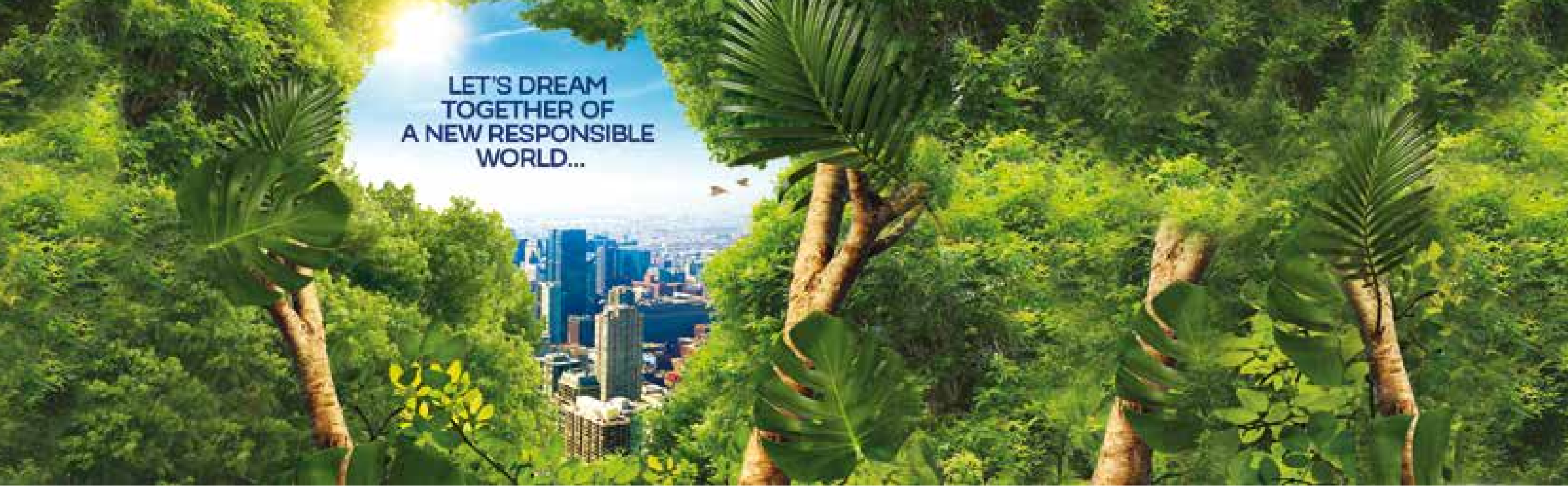
	june-19			june-18		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities						
Net income from investment property						
Net income from assets held under operating leases	126 168	60 115	66 053	137 244	60 496	76 748
Net income from property development activities						
Other banking income & expenses	268 885	163 282	105 603	276 767	162 891	113 876
Other operating income	164 870	30 478	134 392	111 563	8 556	103 007
TOTAL NET INCOME FROM OTHER ACTIVITIES	**559 923**	**253 875**	**306 048**	**525 574**	**231 943**	**293 631**

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

	juin-19	juin-18
Staff expenses	1 879 296	1 800 591
Taxes	147 820	149 611
External expenses	1 272 928	1 412 685
Other general operating expenses	91 428	74 162
Allowances for depreciation and provisions of tangible and intangible assets	463 010	310 981
General Operating Expenses	**3 854 482**	**3 748 030**

(In thousand MAD)

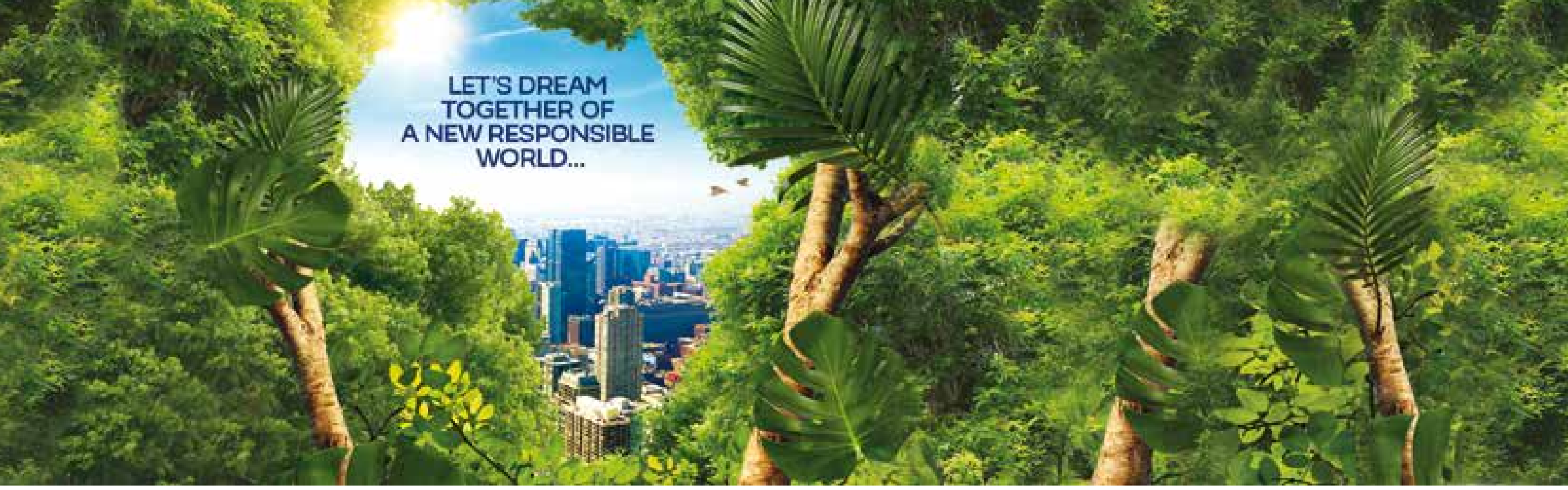


2.7 COST OF RISK

	30/06/2019
Net allocations for depreciations	**-42 973**
Bucket 1	**-51 938**
Including loans and receivables on EC and OA	1 715
Including customer loans and receivables	48 353
Including off-balance-sheet commitments	-28 764
Including debt instruments	-72 439
Including debt instruments accounted for by JV and recyclable CP	-803
Bucket 2	**82 348**
Including loans and receivables on EC and OA	-
Including customer loans and receivables	83 474
Including off-balance-sheet commitments	-1 613
Including debt instruments	487
Including debt instruments accounted for by JV and recyclable CP	-
Bucket 3	**-73 383**
Including loans and receivables on EC and OA	-
Including customer loans and receivables	-71 110
Including off-balance-sheet commitments	-2 273
Including debt instruments	-
Including debt instruments accounted for by JV and recyclable CP	
Amounts recovered from amortized loans	30 982
Losses on bad debt	-822 913
Other	-37 367
Cost of risk	**-872 271**

2.8. NET GAINS ON OTHER ASSETS

	june-19	june-18
PP&E and intangible assets used in operations	4 412	0
Capital gains on disposals	4 412	
Capital losses on disposals		
Others	-12 790	44 281
Net Gain/Loss on Other Assets	**-8 378**	**44 281**



2.9. INCOME TAX

2.9.1. Current and deferred tax

	june-19	june-18
Current tax	547 436	783 556
Deferred tax	1 811 918	1 615 532
Current and deferred tax assets	**2 359 354**	**2 399 088**
Current tax	1 094 958	769 014
Deferred tax	1 162 223	1 179 765
Current and deferred tax liabilities	**2 257 181**	**1 948 779**

(In thousand MAD)

2.9.2. Net income tax expense

	june-19	june-18
Current tax expense	-629 349	-504 091
Net deferred tax expense	-20 645	-37 750
Net Corporate income tax expense	**-649 994**	**-541 841**

(In thousand MAD)

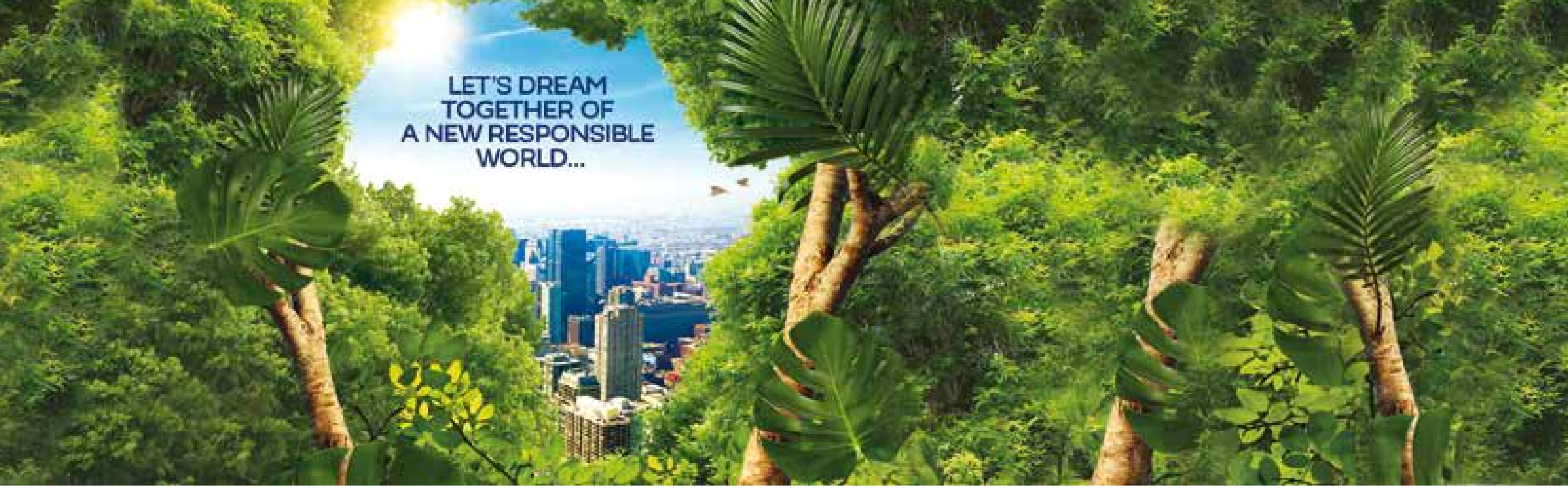
2.9.3. Effective tax rate

	june-19	june-18
Net income	2 286 209	2 167 693
Net corporate income tax expense	-649 994	-541 841
Average effective tax rate	**28,4%**	**25,0%**

(In thousand MAD)

Analysis of effective tax rate

	june-19	june-18
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	-8,6%	-12,0%
Average effective tax rate	**28,4%**	**25,0%**



III. SEGMENT INFORMATION

BMCE Bank Group is composed of four core business activities for accounting and financial information purposes:

- **Banking in Morocco :** BMCE Bank's Moroccan business;
- **Asset management and Investment banking :** BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion;
- **Specialised financial services :** Salafin, Maghrébail, Maroc Factoring, RM Experts and Acmar;
- **International activities :** BMCE International Holding, Banque de Développement du Mali, La Congolaise de Banque, BMCE Bank International and Bank Of Africa.

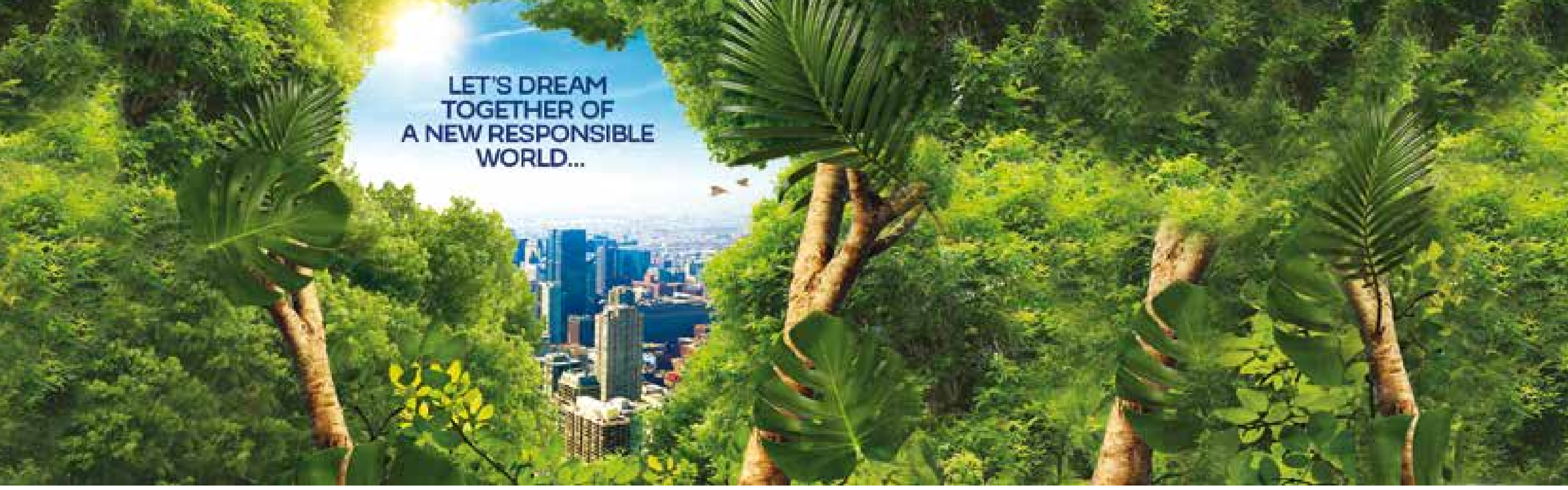
3.1. Earnings by business line

	june-19					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	2 006 550	42 520	343 903	-7 588	2 476 829	4 862 214
Net Fee income	606 449	77 309	12 739	0	587 513	1 284 010
Net Banking Income	**2 971 999**	**168 147**	**361 862**	**58 465**	**3 418 080**	**6 978 553**
General Operating Expenses & allowances for depreciation and amortization	-1 600 306	-130 579	-131 129	-38 743	-1 953 725	(3 854 482)
Operating Income	**1 371 693**	**37 568**	**230 733**	**19 722**	**1 464 355**	**3 124 071**
Corporate income tax	-326 151	-23 084	-82 418	-6 611	-211 730	(649 994)
Net Income Attributable to shareholders of the parent	**565 437**	**62 919**	**65 787**	**-5 091**	**481 378**	**1 170 430**

(In thousand MAD)

	june-18					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	2 058 116	-9 636	322 014	-7 314	2 288 874	4 652 054
Net Fee income	565 746	84 981	7 710	0	572 925	1 231 362
Net Banking Income	**2 716 513**	**181 639**	**333 456**	**70 059**	**3 198 276**	**6 499 943**
General Operating Expenses & allowances for depreciation and amortization	-1 547 173	-136 964	-115 027	-43 782	-1 905 084	(3 748 030)
Operating Income	**1 169 340**	**44 675**	**218 429**	**26 277**	**1 293 192**	**2 751 913**
Corporate income tax	-267 247	-27 281	-75 113	-7 628	-164 572	(541 841)
Net Income Attributable to shareholders of the parent	**490 635**	**65 314**	**80 697**	**460**	**488 049**	**1 125 155**

(In thousand MAD)



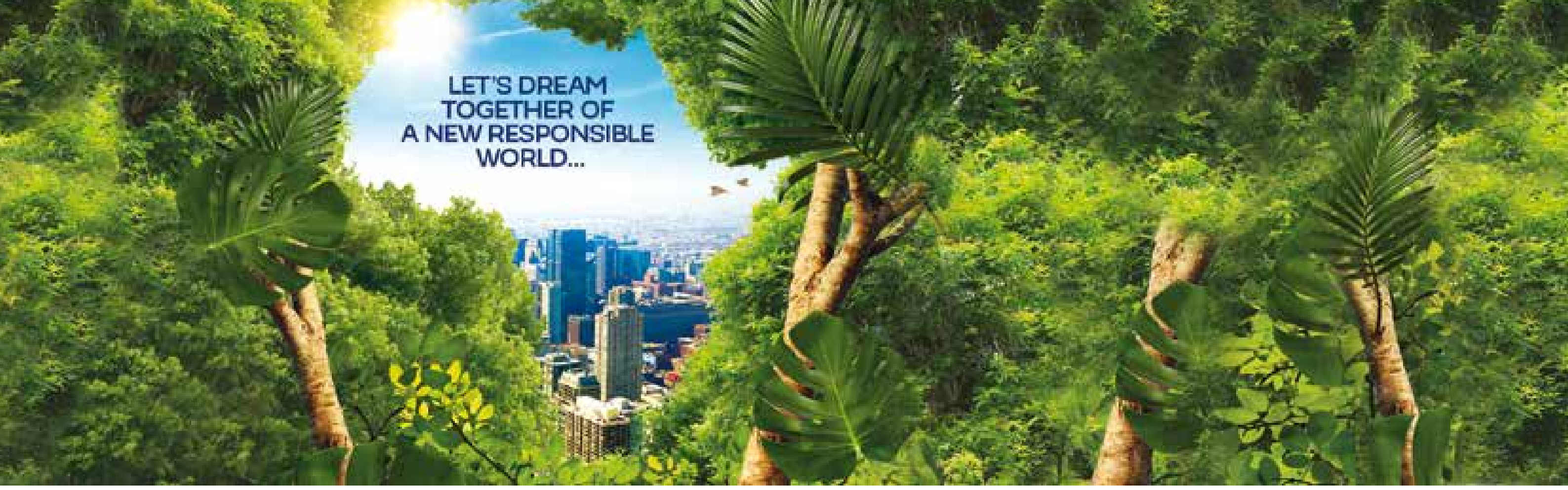
3.2. Assets and liabilities by business activity

	june-19					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
TOTAL ASSETS	**190 593 402**	**1 053 129**	**17 517 856**	**247 421**	**101 363 541**	**310 775 349**
ASSETS ITEMS						
Available for sale assets	2 562 726	7 443	20 768	22 550	2 972 120	**5 585 607**
Customer loans	115 474 732	49	15 747 273	0	51 257 208	**182 479 262**
Financial assets at fair value	35 785 805	130 700	861	0	744 719	**36 662 085**
Held to maturity assets	4 778 835	0	0	0	25 303 766	**30 082 601**
LIABILITIES & SHAREHOLDERS EQUITY ITEMS						
Customer deposits	127 387 057	0	949 465	0	66 253 371	**194 589 893**
Shareholder's Equity	14 875 610	362 914	1 548 761	(162 087)	7 050 370	**23 675 568**

(In thousand MAD)

	dec.-18					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
TOTAL ASSETS	**178 593 133**	**863 975**	**17 876 020**	**200 249**	**98 014 015**	**295 547 392**
ASSETS ITEMS						
Available for sale assets	2 325 525	6 823	19 618	22 550	3 014 176	5 388 692
Customer loans	112 536 900	70	16 132 363	0	50 633 541	179 302 874
Financial assets at fair value	25 104 686	97 566	861	0	913 109	26 116 222
Held to maturity assets	3 832 558	0	0	0	21 483 289	25 315 847
LIABILITIES & SHAREHOLDERS EQUITY ITEMS	0	0	0	0	0	
Customer deposits	128 441 420	0	895 925	0	63 136 860	192 474 205
Shareholder's Equity	14 761 599	363 228	1 730 403	(132 498)	7 118 779	23 841 511

(In thousand MAD)



IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2019

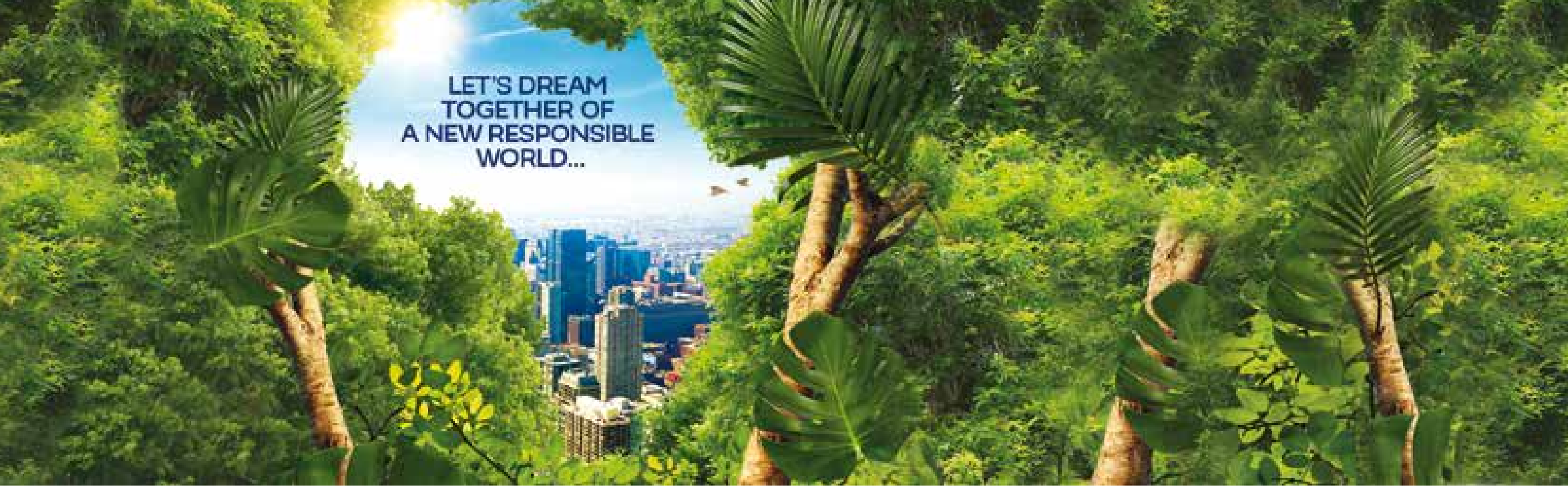
4.1. CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE

	june-19	june-18
Cash	**3 886 037**	**4 283 818**
CENTRAL BANKS	8 948 237	9 703 011
TREASURY	317 112	318 964
GIRO	4 686	4 761
CENTRAL BANKS, TREASURY, GIRO	9 270 034	10 026 736
Cash, Central Banks, Treasury, Giro	**13 156 071**	**14 310 554**

(In thousand MAD)

4.2. ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/19			31/12/18		
	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	**13 960 537**		**13 960 537**	**7 850 145**		**7 850 145**
Treasury bills and other eligible for central bank refinancing	12 821 528		12 821 528	7 577 675		7 577 675
Other negotiable certificates of deposits	1 139 009		1 139 009	272 470		272 470
Bonds	**1 464 332**		**1 464 332**	**1 432 273**		**1 432 273**
Government bonds	729 418		729 418	999 176		999 176
Other bonds	734 914		734 914	433 096		433 096
Equities and other variable income securities	**20 351 135**	**876 278**	**21 227 413**	**15 832 484**	**1 011 536**	**16 844 020**
Repurchase agreements	-		-	-		-
Loans	-		-	-		-
To credit institutions			0			0
To corporate customers			0			0
To private individual customers			0			0
Trading Book Derivatives	**9 802**		**9 802**	**-10 215**		**-10 215**
Currency derivatives	9 802		9 802	-10 215		-10 215
Interest rate derivatives			0			0
Equity derivatives			0			0
Credit derivatives			0			0
Other derivatives			0			0
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**35 785 807**	**876 278**	**36 662 085**	**25 104 686**	**1 011 536**	**26 116 222**
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						
Credit institutions						
Corporate customers						
Debt securities						
Trading Book Derivatives						
Currency derivatives						
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						



4.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

	30/06/19			31/12/18		
	Balance Sheet Value	unrealised gains	Unrealized losses	Balance Sheet Value	unrealised gains	Unrealized losses
Debt instruments recognised at fair value through recyclable equity	1 335 974	13 677	977	1 402 639	901	17 345
Equity instruments recognised at fair value through non-recyclable equity	4 249 633	1 641 529	539 000	3 986 053	1 582 357	545 052

(In thousand MAD)

4.4. SECURITIES AT AMORTISED COST

	30-june-19	31-dec-18
Treasury bills and other bills mobilisable with central banks	**8 663 953**	**5 066 899**
Treasury bills and other bills mobilisable with central banks	8 627 417	5 023 497
Other negotiable debt securities	**36 536**	**43 402**
Bonds	**21 643 384**	**20 397 838**
Government bonds	18 231 264	16 420 029
Other Bonds	3 412 120	3 977 809
Depreciations	**-224 736**	**-148 889**
TOTAL DEBT INSTRUMENTS VALUED AT AMORTISED COST	**30 082 601**	**25 315 848**

(In thousand MAD)

4.5. INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

Loans and receivables due from credit institutions

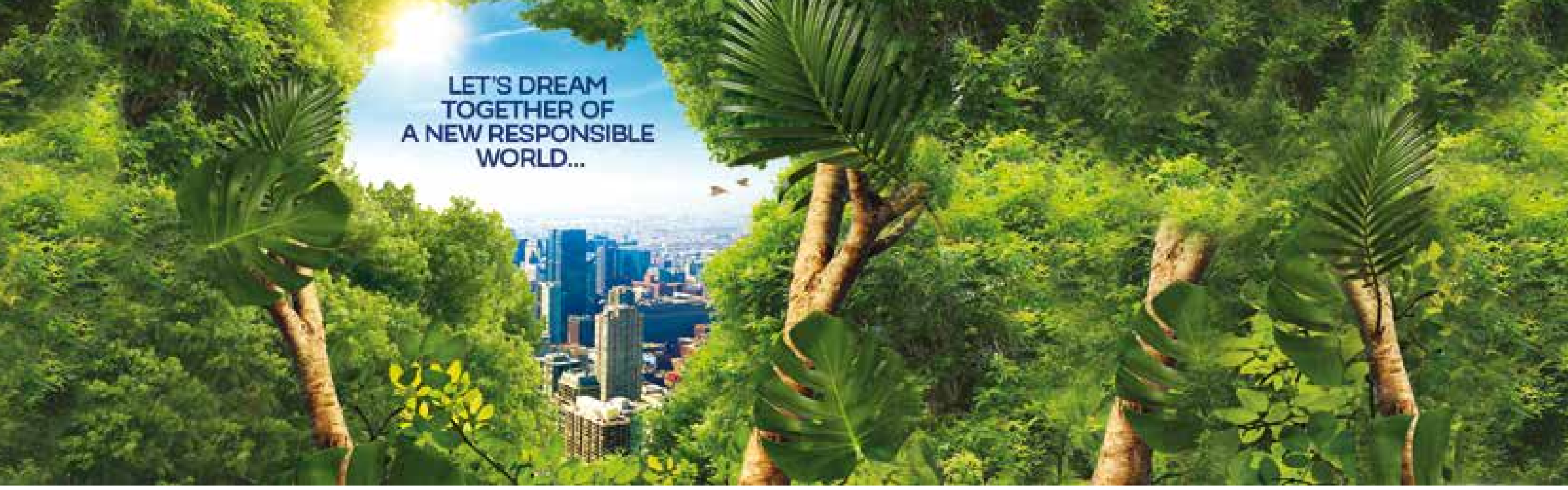
	30-june-19	31-dec-18
Demand accounts	4 699 310	7 339 328
Loans	12 453 371	13 968 918
Including cash loans	*148 398*	*304 165*
Repurchase agreements	187 300	37 630
Total loans and receivables due from credit institutions, before impairment provisions	**17 339 981**	**21 345 876**
Provisions for impairment of loans and receivables due from credit institutions	-94 501	-95 482
Total loans and receivables due from credit institutions, net of impairment provisions	**17 245 480**	**21 250 394**

(In thousand MAD)

Amounts due to credit institutions

	30-june-19	31-dec-18
Demand accounts	3 767 789	2 905 998
Borrowings	30 062 864	28 317 243
Including cash borrowings	*3 013 170*	*1 047 509*
Repurchase agreements	17 385 842	12 501 969
TOTAL	**51 216 495**	**43 725 210**

(In thousand MAD)



4.6. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

	30-june-19	31-june-18
Demand accounts	22 650 727	22 879 106
Loans to customers	147 674 375	145 939 070
Repurchase agreements	11 622 465	9 815 519
Finance leases	14 357 707	14 594 299
Total loans and receivables due from customers, before impairment provisions	**196 305 274**	**193 227 994**
Impairment of loans and receivables due from customers	-13 826 012	-13 925 120
Total loans and receivables due from customers, net of impairment provisions	**182 479 262**	**179 302 874**

(In thousand MAD)

Breakdown of loans & receivables and commitments by BUCKET

	Receivables and commitments 30/06/19			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	**1 336 642**	**-**	**-**	**1 336 642**
Debt instruments accounted for by JV at recyclable CP	1 336 642			1 336 642
Financial assets at amortized cost	**210 653 106**	**16 675 956**	**16 623 530**	**243 952 592**
Loans and receivables from credit institutions	17 274 358		65 623	17 339 981
Loans and receivables from customers	163 172 023	16 575 344	16 557 907	196 305 274
Debt instruments	30 206 725	100 612		30 307 337
Total assets	**211 989 748**	**16 675 956**	**16 623 530**	**245 289 234**
Total off-balance sheet	**41 587 663**	**322 634**	**140 759**	**42 051 056**

Breakdown of amortization by BUCKET

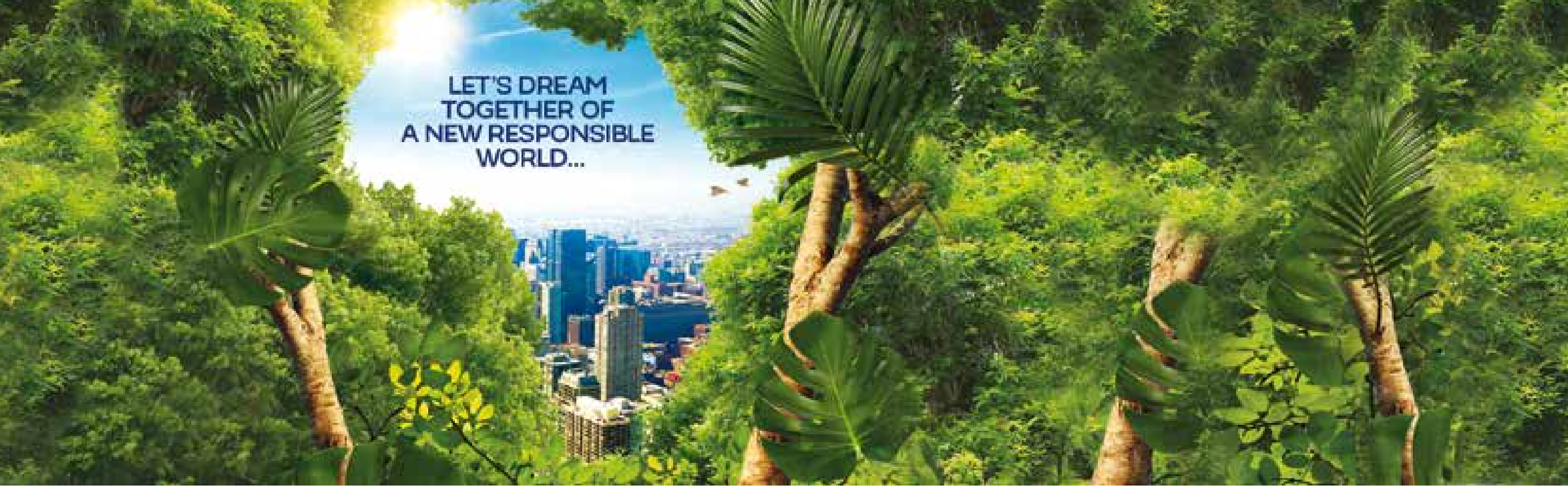
	Depreciation 30/06/19			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	**668**	**-**	**-**	**668**
Debt instruments accounted for by JV at recyclable CP	668			668
Financial assets at amortized cost	**1 469 776**	**2 149 375**	**10 526 098**	**14 145 249**
Loans and receivables from credit institutions	30 890		63 611	94 501
Loans and receivables from customers	1 215 040	2 148 485	10 462 487	13 826 012
Debt instruments	223 846	890		224 736
Total assets	**1 470 444**	**2 149 375**	**10 526 098**	**14 145 917**
Total off-balance sheet	**194 602**	**3 181**	**114 637**	**312 420**

Breakdown of loans & receivables and commitments by BUCKET

	Receivables and commitments 31/12/18			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	**1 403 746**	**-**	**-**	**1 403 746**
Debt instruments accounted for by JV at recyclable CP	1 403 746			1 403 746
Financial assets at amortized cost	**206 823 803**	**17 375 491**	**15 839 314**	**240 038 608**
Loans and receivables from credit institutions	21 282 989		62 887	21 345 876
Loans and receivables from customers	160 551 174	16 900 393	15 776 427	193 227 995
Debt instruments	24 989 640	475 097		25 464 737
Total assets	**208 227 549**	**17 375 491**	**15 839 314**	**241 442 354**
Total off-balance sheet	**41 302 875**	**167 523**	**143 605**	**41 614 003**

Breakdown of amortization by BUCKET

	Depreciation 31/12/18			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	**1 107**	**-**	**-**	**1 107**
Debt instruments accounted for by JV at recyclable CP	1 107			1 107
Financial assets at amortized cost	**1 441 164**	**2 235 683**	**10 492 645**	**14 169 492**
Loans and receivables from credit institutions	32 606		62 876	95 482
Loans and receivables from customers	1 263 393	2 231 959	10 429 769	13 925 121
Debt instruments	145 165	3 724		148 889
Total assets	**1 442 271**	**2 235 683**	**10 492 645**	**14 170 599**
Total off-balance sheet	**165 838**	**1 568**	**122 802**	**290 209**



Amounts due to customers

	30-june-19	31-dec-18
On demand deposits	105 931 608	104 025 228
Term accounts	35 362 242	35 272 676
Savings accounts	37 773 418	36 360 381
Cash certificates	5 399 699	6 216 003
Repurchase agreements	805 422	914 037
Other items	9 317 504	9 685 880
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	**194 589 893**	**192 474 205**

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	30-june-19	31-dec-18
Other debt securities	**14 340 289**	**13 582 981**
Negotiable certificates of deposit	13 840 289	13 082 981
Bond issues	500 000	500 000
Subordinated debts	**9 488 226**	**9 585 289**
Subordinated debt	9 488 226	9 585 289
Redeemable subordinated debt	6 488 226	6 585 289
Undated subordinated debt	3 000 000	3 000 000
Subordinated Notes	**0**	**0**
Redeemable subordinated notes		
Undated subordinated notes	**0**	**0**
Public Funds and special guarantee funds		
Total	**23 828 515**	**23 168 270**

(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.

4.8. CURRENT AND DEFERRED TAXES

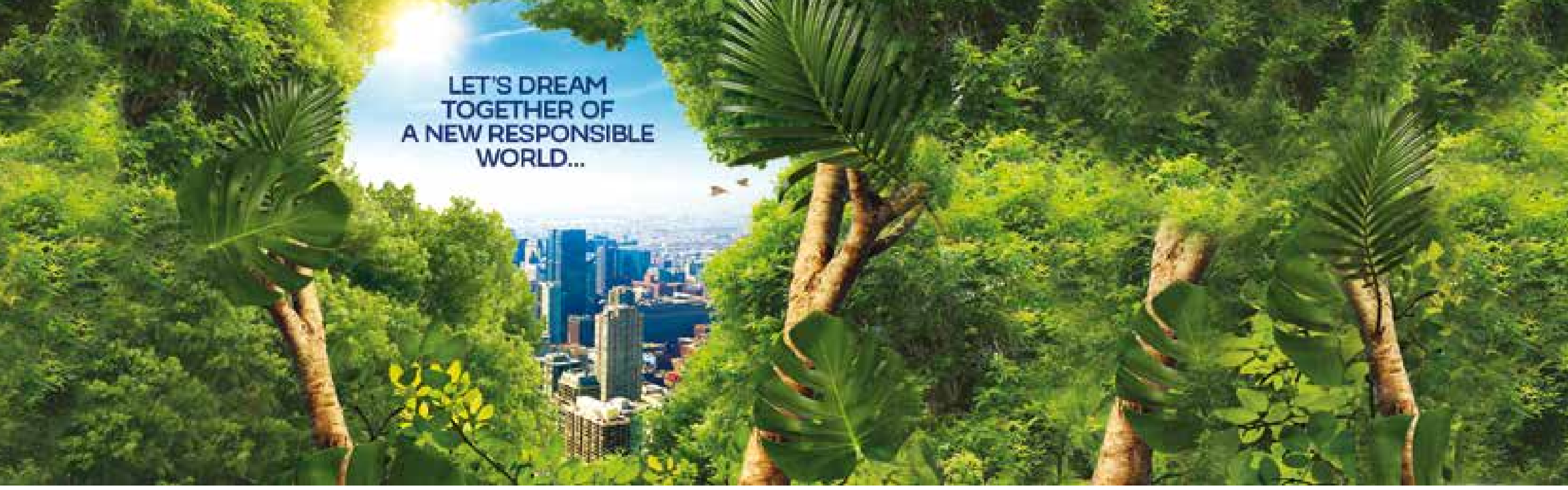
	30-june-19	31-dec-18
Current taxes	547 436	783 556
Deferred taxes	1 811 918	1 615 532
Current and deferred tax assets	**2 359 354**	**2 399 088**
Current taxes	1 094 958	769 014
Deferred taxes	1 162 223	1 179 765
Current and deferred tax liabilities	**2 257 181**	**1 948 779**

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

	30-june-19	31-dec-18
Guarantee deposits and bank guarantees paid	145 146	144 340
Settlement accounts related to securities transactions	198 027	86 594
Collection accounts	404 676	405 489
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	1 530 259	811 606
Other debtors and miscellaneous assets	4 855 278	5 301 929
Inter-related Accounts	143 188	449 310
TOTAL ACCRUED INCOME AND OTHER ASSETS	**7 276 574**	**7 199 268**
Guarantee deposits received	14 973	20 444
Settlement accounts related to securities transactions	3 075 506	1 009 167
Collection accounts	2 342 427	1 410 897
Accrued expenses and deferred income	1 216 524	1 088 065
Other creditors and miscellaneous assets	7 437 669	5 821 451
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**14 087 099**	**9 350 024**

(In thousand MAD)



4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

	30-june-19	31-dec-18
Euler Hermes Acmar	22 900	21 586
Banque de Développement du Mali	553 969	537 969
Eurafric	-21 017	-20 949
Africa Morocco Link	-16 351	-9 600
Société Conseil Ingenierie et Développement	149 244	153 270
Bank Al Tamwil wal Inmaa	92 102	107 288
Inverstments in equity methods companies belonging to subsidiaries	84 195	84 796
Investments in associates	**865 042**	**874 360**

Financial data of the main companies accounted for under the equity method

	Total Assets	Net Banking Income or Net Revenues as of June 2019	Company Income	Contribution in Net Income attributable to the parent company as of June 2019
Acmar	577 232	100 214	6 568	1 314
Banque de Développement du Mali	13 425 547	353 057	160 459	51 832
Africa Morocco Link	259 643	100 833	-13 236	-6 750
Eurafric	240 701	106 281	1 905	-112
Société Conseil Ingenierie et Développement	696 655	128 588	4 692	1 825
Bank Al Tamwil wal Inmaa	320 191	2 422	-29 777	-15 186

(In thousand MAD)

4.11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

	30-juin-19			31-déc-18		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	**15 631 749**	**6 540 448**	**9 091 301**	**13 776 687**	**6 136 656**	**7 640 031**
Land and buildings	5 443 988	481 660	4 962 328	3 844 214	261 415	3 582 799
Equipment, furniture and fixtures	4 373 189	2 822 801	1 550 388	4 349 154	2 731 219	1 617 935
Plant and equipment leased as lessor under operating leases	-	-	-	-	-	-
Other PP&E	5 814 572	3 235 987	2 578 585	5 583 319	3 144 022	2 439 297
Intangible Assets	**2 280 008**	**1 143 326**	**1 136 682**	**2 083 805**	**1 096 234**	**987 571**
Purchased software	1 489 547	909 385	580 162	1 346 753	872 690	474 063
Internally-developed software	-	-	-	-	-	-
Other intangible assets	790 461	233 941	556 520	737 052	223 544	513 508
Investment Property	**3 918 483**	**115 307**	**3 803 176**	**3 822 825**	**92 447**	**3 730 378**

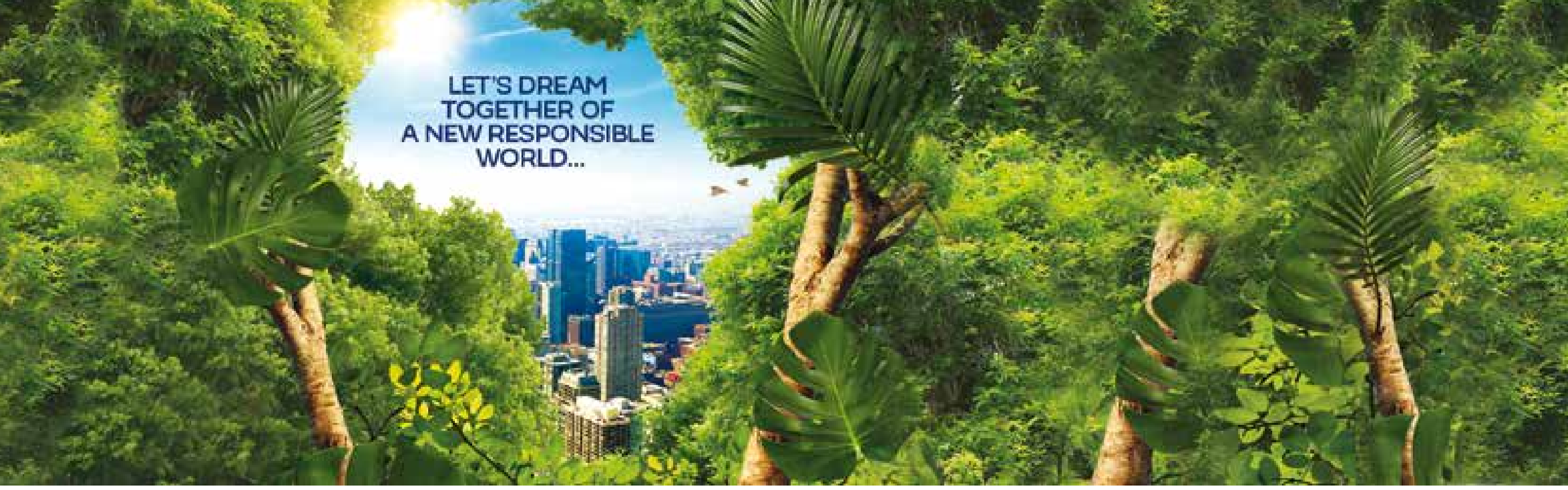
(In thousand MAD)

VARIATION OF THE RIGHT OF USE

	01-Jan-19	Increases	Decreases	Other	30-Jun-19
Real Estate					
Gross value	1 343 300	46 802	-1 506		1 388 596
Depreciation and amortization -		-116 665	1 506		-115 158
Total Real Estate	**1 343 300**	**-69 862**	**-**	**-**	**1 273 438**
Furniture					
Gross value					
Depreciation and amortization					
Total furniture	-	-	-	-	-
Total rights of use	**1 343 300**	**-69 862**	**-**	**-**	**1 273 438**

VARIATION OF RENTAL DEBT

	01-Jan-19	Increases	Decreases	Other	30-Jun-19
Rental debt	1 343 300	53 564	-137 626		1 259 238
Total rental debt	**1 343 300**	**53 564**	**-137 626**	**-**	**1 259 238**



CHARGES OF RENTAL CONTRACTS

	30-Jun-19
Interest expense on rental debts	-23 118
Depreciation charges for user fees	-116 665

ASSET RELATED TO RIGHTS OF USE

	30-Jun-19	31-Dec-18
Property, plant and equipment	9 091 301	7 640 031
Including rights of use	1 273 438	

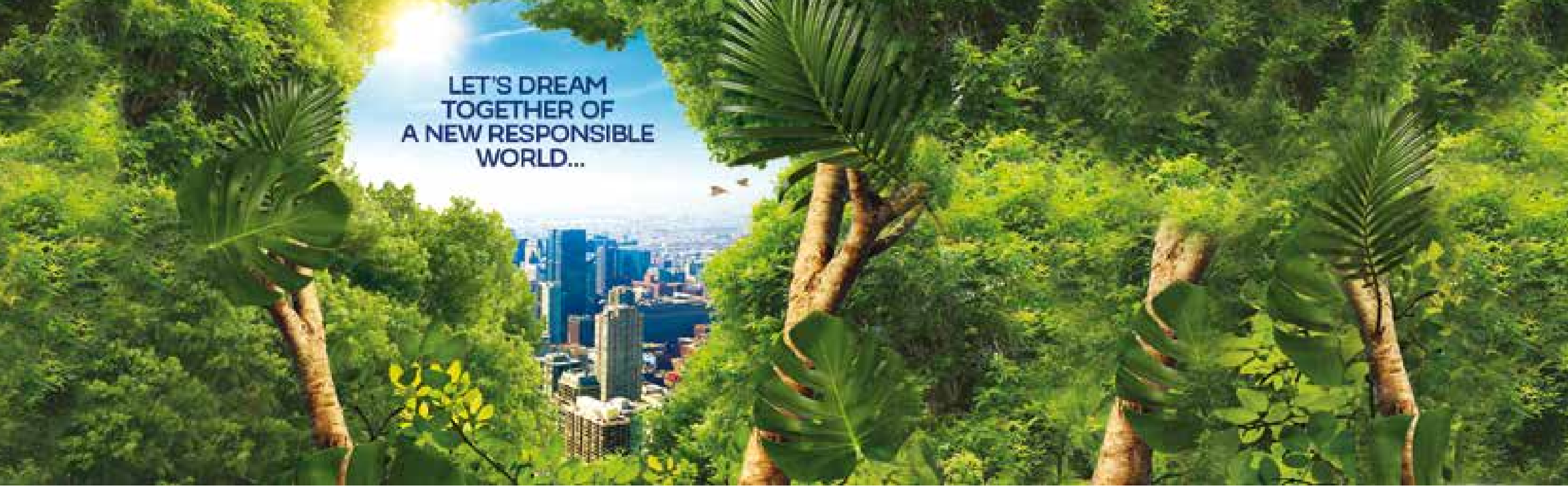
LIABILITIES RELATED TO RENTAL DEBT

	30-Jun-19	31-Dec-18
Adjustment account and other liabilities	14 087 099	9 350 024
Including rental debt	1 259 238	

4.12. GOODWILL

	30-june-19	31-june-18
Gross value at start of period	**1 032 114**	**852 310**
Accumulated impairment at start of period		
Carrying amount at start of period	**1 032 114**	**852 310**
Acquisitions		
Cessions		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements		179 804
Gross value at end of period	**1 032 114**	**1 032 114**
Accumulated impairment at end of period		
CARRYING AMOUNT AT END OF PERIOD	**1 032 114**	**1 032 114**

(In thousand MAD)



The following table provides a breakdown of goodwill :

	Net book value 30/06/2019	Net book value 31/12/2018
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	184 978	184 978
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 GROUPE	**1 032 114**	**1 032 114**

4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

	30-june-19	31-dec-18
Total provisions at start of period	**1 039 395**	**1 087 637**
Additions to provisions	133 848	109 315
Reversals of provisions	-40 250	-152 609
Effect of movements in exchange rates and other movements	-12 395	-4 947
TOTAL PROVISIONS AT END OF PERIOD	**1 120 598**	**1 039 395**

V. FINANCING ANG GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	30-june-19	31-dec-18
Financing commitments given	10 463 633	10 433 663
- To credit institutions	355 452	1 152 550
- To customers:	10 108 181	9 281 113
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	2 270 873	2 518 082
From credit institutions	2 270 873	2 518 082
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

	30-june-19	31-dec-18
Guarantee commitments given	31 587 424	31 180 340
To credit institutions	11 304 759	10 742 293
To customers :	20 282 665	20 438 048
Sureties provided to tax and other authorities, other sureties		
Autres garanties d'ordre à la clientèle		
Guarantee commitments received	98 512 423	97 549 646
From credit institutions	96 570 819	95 300 914
From the State and guarantee institutions	1 941 604	2 248 732

◗ **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, real estate guarantees, 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

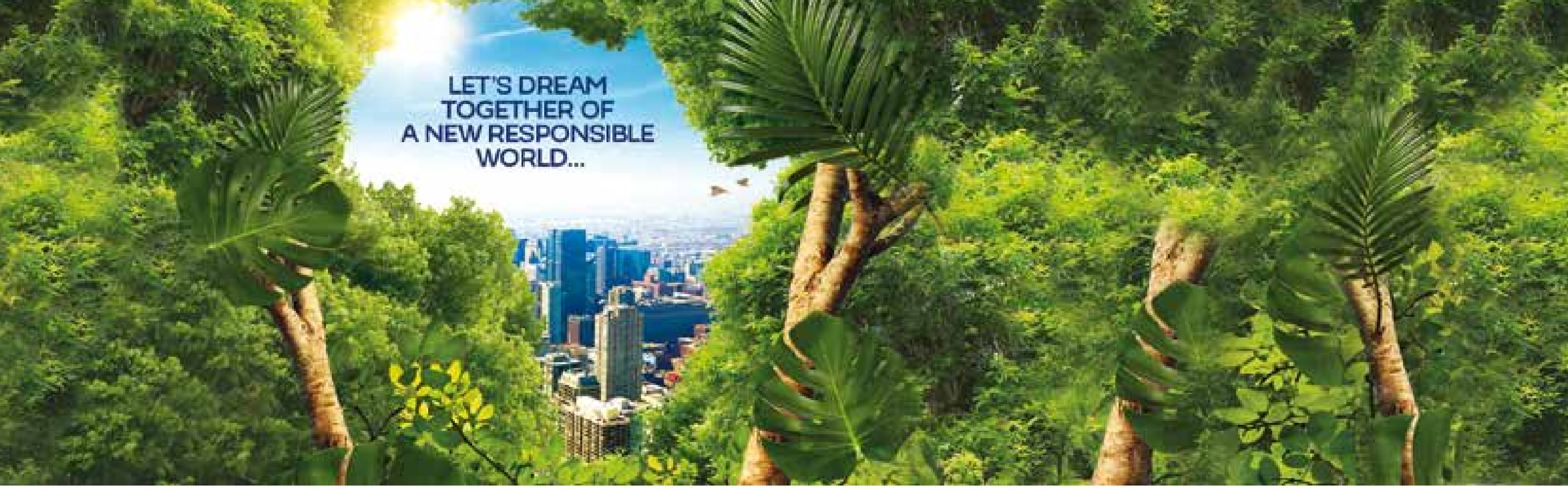
Employee benefits relate to long-service awards and end-of-career bonuses.

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. SYNTHESIS AND DESCRIPTION OF PROVISIONS OF EXISTING SCHEMES

6.2.1. Provisions in respect of post-employment and other long-term benefits provided to employees

	juin-19	déc-18
Retirement allowances and equivalents	456 365	441 583
Special seniority premiums allowances		
Other		
TOTAL	**456 365**	**441 583**

NB : the provision for employee benefits measured in accordance with IAS 19 is recognised in the «Provisions for contingencies and charges» caption of the liabilities item.

6.2.2. Basic assumptions underlying calculations

Economic assumptions	31/12/18
Discount rate	3,30%
Long-term wage growth (inflation included)	3%
Rate of employers contributions	10,61%-10,96%
Demographic assumptions	
Retirement terms	Départ Volontaire
Retirement age	60 ans
Mortality table	PM 60/64 - PF 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

	juin-19	déc-18
Normal cost	7 697	3 224
Interest cost	7 085	13 536
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses		
Additional allowances	14 782	16 760
Other		
Net cost of the period		

6.2.4. Changes in the provision recognised on the balance sheet

	juin-19	déc-18
Actuarial liability, beginning of the period	**441 584**	**424 824**
Normal cost	16 800	32 526
Interest cost	7 085	13 536
Experience gains/ losses	–	-
Other actuarial gains/ losses		-
Depreciation of net gains/losses		-
Paid benefits	-9 103	-29 302
Additional benefits	0	0
Other	–	-
Actuarial liability, end of the period	**456 366**	**441 584**
Whose relative cost to the assimilated retirement benefits		
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 2017	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2018	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2019	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 share s by the weighted average number of ordinary shares outstanding during the period.

	30/06/19	30/06/18
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 SHARHOLDER'S OF THE PARENT (IN MAD)	1 170 431 617	1 125 194 865
BASIC ERNINGS PER SHARE (IN MAD)	6,52	6,27
DILUTED EARNING PER SHARE (IN MAD)	6,52	6,27

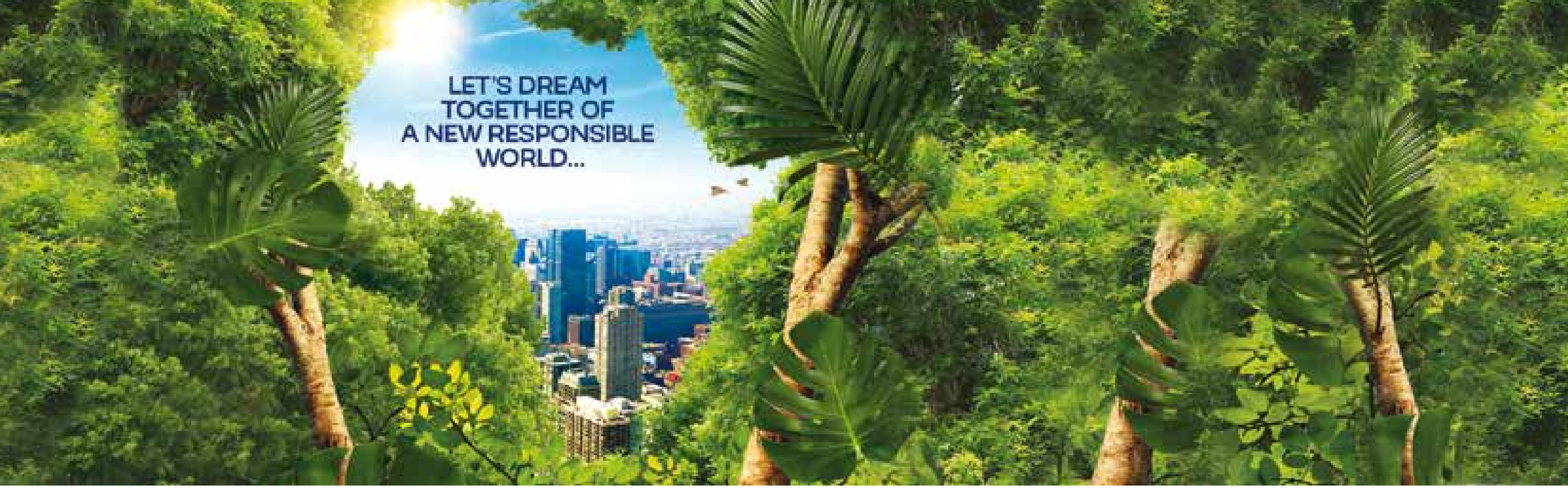
The Bank does not have any dilutive instruments for conversion into ordinary shares. As a result, diluted earnings per share equates to basic earnings per share.

7.2. SCOPE OF CONSOLIDATION

denomination	Business line	% of control	% of interest	Consolidation method
BMCE BANK	Bank			Mère
BMCE CAPITAL	Investment Bank	100,00%	100,00%	F.C
BMCE CAPITAL GESTION	Assets Management	100,00%	100,00%	F.C
BMCE CAPITAL BOURSE	Stock Brokerage	100,00%	100,00%	F.C
MAROC FACTORING	Factoring	100,00%	100,00%	F.C
MAGHREBAIL	Leasing	52,47%	52,47%	F.C
SALAFIN	Consumer Loan	74,76%	74,76%	F.C
BMCE EUROSERVICES	Financial Institution	100,00%	100,00%	F.C
LCB BANK	Bank	37,00%	37,00%	F.C
BMCE BANK INTERNATIONAL HOLDING	Bank	100,00%	100,00%	F.C
BOA GROUP	Banking Holding	72,85%	72,85%	F.C
LOCASOM	Car Rental	100,00%	97,39%	F.C
RM EXPERTS	Debt Collection	100,00%	100,00%	F.C
BANQUE DE DEVELOPPEMENT DU MALI	Bank	32,38%	32,38%	E.M
EULER HERMES ACMAR	Insurance	20,00%	20,00%	E.M
EURAFRIC INFORMATION	IT System	41,00%	41,00%	E.M
CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering	38,90%	38,90%	E.M
AFRICA MOROCCO LINKS	Maritime Transport	51,00%	51,00%	E.M
BANK AL TAMWIL WAL INMAA	Participating Bank	51,00%	51,00%	E.M

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.

4.3. RELATED-PARTY BALANCE SHEET ITEMS

Relationship between BMCE Bank and consolidated companies and the Parent Company.

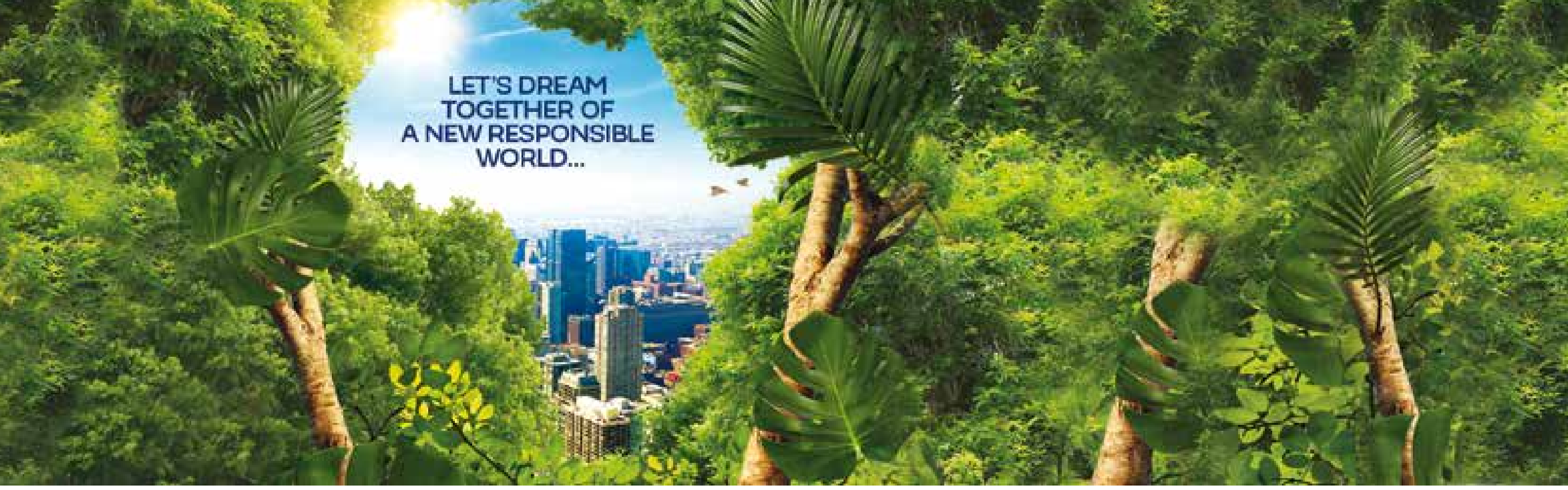
Naturally transactions with consolidated companies are fully eliminated with regard to the outstandings at the end of the period. Outstandings at end of period under transactions with companies consolidate under the equity method and the Parent Company are maintained in the consolidated financial statements.

Related party balance sheet items

	Companies consolidated under the equity method	Fully consolidated companies
Assets		
Loans, advances and securities	**65 060**	**11 320 285**
On demand accounts	26 495	3 383 810
Loans	32 384	7 280 006
Securities		0
Lease financing		
Other assets		**17 017**
Total	**65 060**	**11 329 115**
Liabilities		
Deposits	**20 043**	**11 121 711**
On demand accounts	8 077	1 000 046
Other borrowings		9 667 865
Debt securities		
Other liabilities		**12 921**
Total	**20 043**	**11 329 115**
Financing and guarantee commitments given		
Commitments given		717 870
Commitments received		717 870

Related party profit and loss items

	Companies consolidated under the equity method	Fully consolidated companies
Interest and similar income	-292	-186 130
Interest and similar expenses		224 794
Fees (income)		-182 257
Fee (expenses)		33 666
Services provided		
Services procured		
Lease income	-5 170	-106 344
Other		216 273



37, Bd Abdellatif Ben Kaddour
20 050 Casablanca
Maroc

11, Avenue Bir Kacem
Souissi
10 000 Rabat - Maroc

AUDITORS' LIMITED EXAMINATION CERTIFICATE OF THE CONSOLIDATED INTERMEDIATE SITUATION FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2019

In accordance with the provisions of the Dahir Law No. 1-93-212 of September 21, 1993, as amended and completed, we have audited the intermediate financial statements of BMCE Bank of Africa, comprising the balance sheet, the off-balance sheet, the income and expense account, balance statement, the cash flow statement and the statement of complementary information (ETIC) for the period from 1 January to 30 June 2019. These intermediary financial statements that show shareholders' equity of MAD 25,364,592 K, including net income of MAD 1,058,834 K, are the responsibility of the management bodies of the issuer.

We conducted our limited review in accordance with professional standards applicable in Morocco. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. A limited review includes mainly interviews with the company employees and analytical examination applied to financial data; it therefore provides a lower level of assurance than an audit. We did not perform an audit and, accordingly, we do not express an audit opinion.

BMCE BANK OF AFRICA has a stock of non-operating real estate assets, acquired by way of deposits, for a total amount of MAD 4.8 billion as of 30 June, 2019. Taking into account the risks involved in these real estate assets, and in particular uncertainties related to their realizable values and timing, we are unable to pronounce the value of these assets as of 30 June, 2019.

Based on our limited review and subject to the impact of the situation described above, the consolidated financial statements referred to in the paragraph above give, in all their significant aspects, a fair view of the financial position of BMCE Bank Group composed of entities included in the consolidation as of 30 June 2019, in accordance with international accounting standards (IAS/IFRS).

Casablanca, 27 September 2019

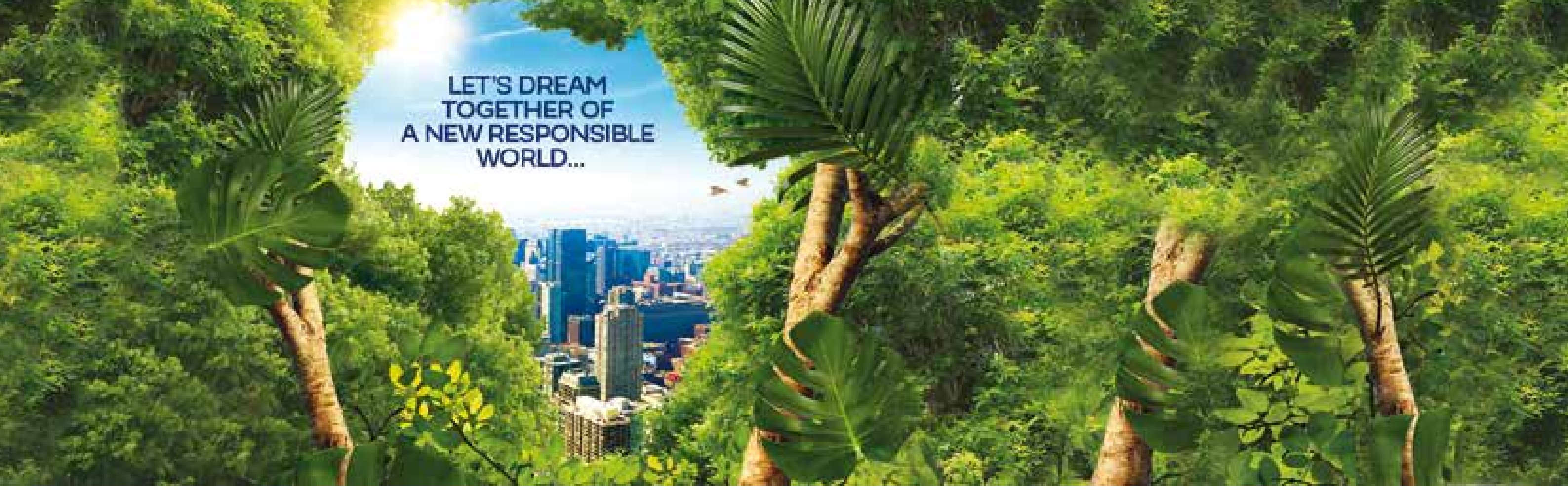
The Statutory Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
Associé

KPMG

Fouad LAHGAZI
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.

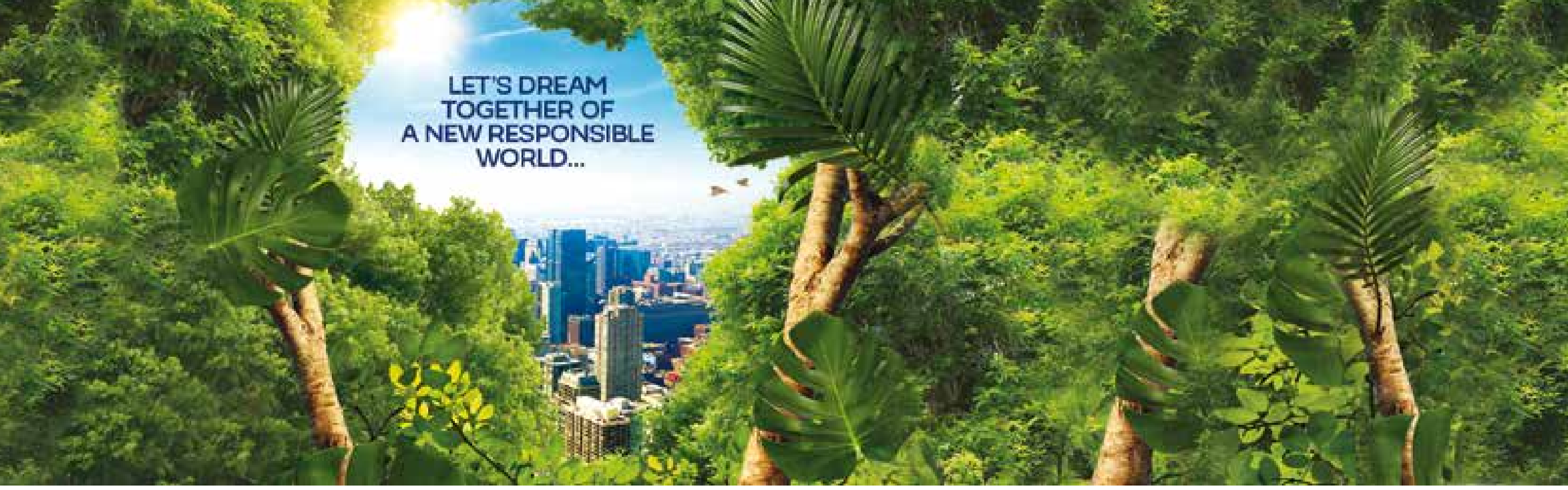
2.4 Amounts owing to credit institutions and customers

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.

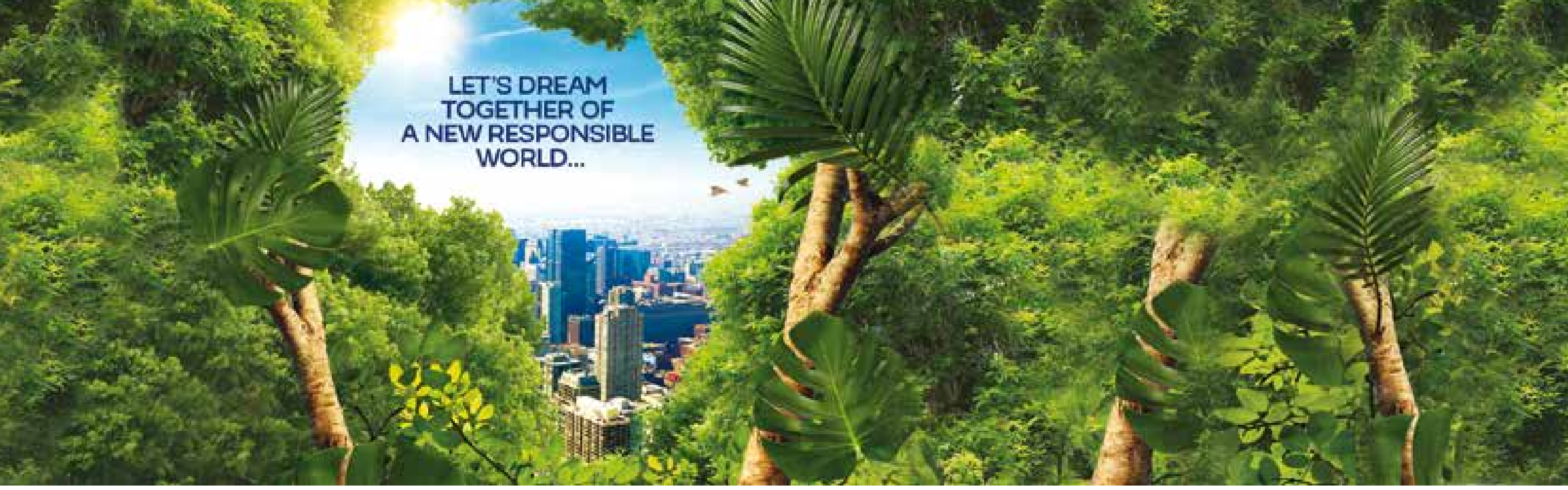
Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

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

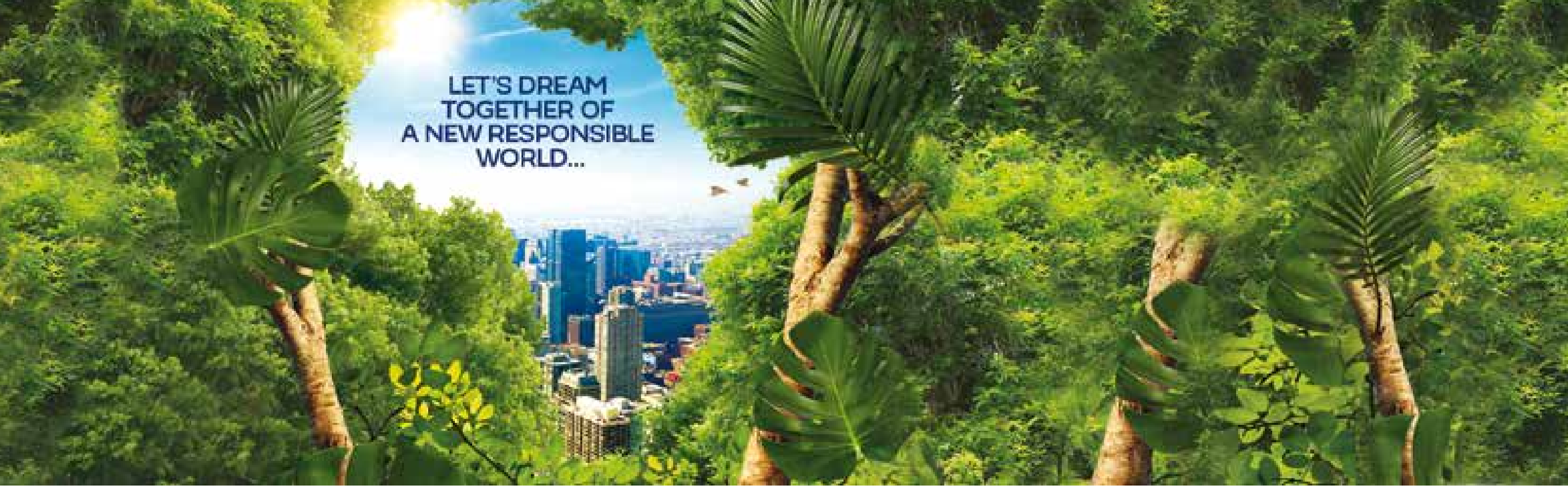
Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

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.

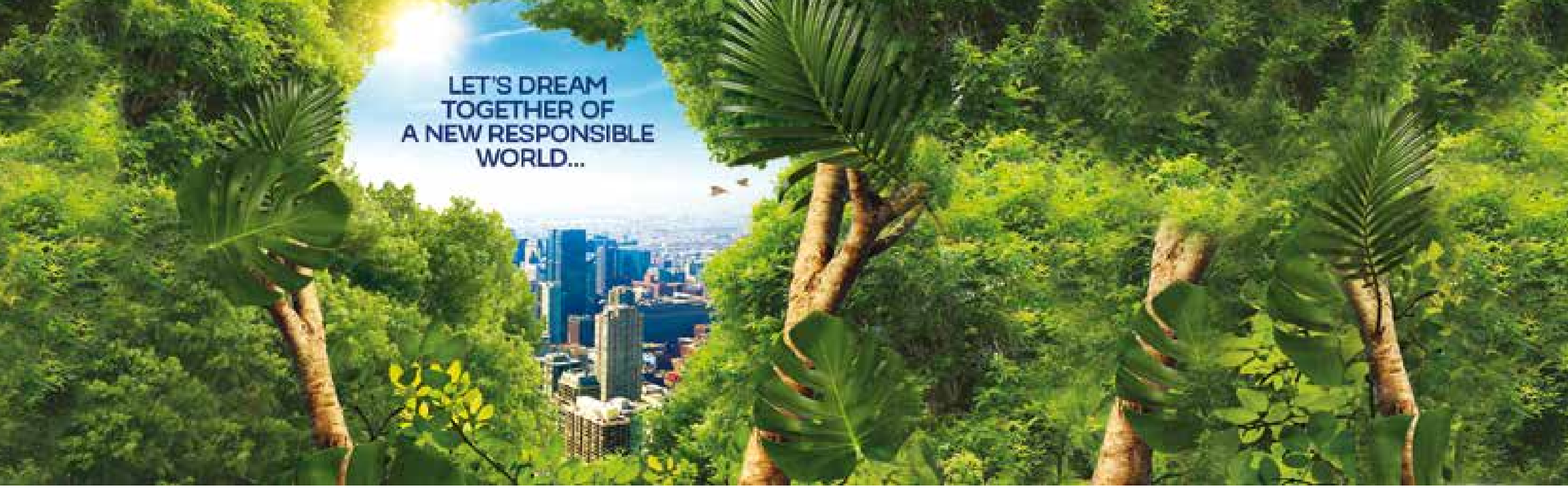


ASSETS	30/06/19	31/12/18
Cash, central banks, treasury, giro accounts	**5 546 302**	**5 625 922**
Loans to credit institutions and equivalent	**17 074 589**	**20 645 443**
. Demand	5 042 827	5 076 685
. Time	12 031 762	15 568 758
Loans and advances to customers	**113 438 144**	**109 721 074**
. Cash and consumer loans	34 013 740	33 015 606
. Equipment loans	21 867 348	21 811 901
. Mortgage loans	40 617 369	40 456 856
. Other loans	16 939 687	14 436 711
Advances acquired by factoring	**2 213 950**	**2 515 204**
Transaction and marketable securities	**35 827 056**	**25 180 944**
. Treasury bonds and equivalent securities	14 053 446	8 643 121
. Other debt securities	1 306 670	610 039
. Title deeds	20 371 640	15 832 484
. Sukuks Certificates	95 300	95 300
Other assets	**3 592 048**	**4 205 962**
Investment securities	**4 734 079**	**3 770 452**
. Treasury bonds and equivalent securities	2 152 264	1 453 364
. Other debt securities	2 581 815	2 317 088
. Sukuks Certificates	-	-
Equity investments and equivalent uses	**10 349 757**	**10 719 322**
. Investments in joint ventures	8 287 589	8 121 778
. Other equity securities and similar assets	2 062 168	2 597 544
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	**201 338**	**198 469**
Placed investment deposits	**-**	**-**
Leased and rented fixed assets	**171 399**	**151 266**
Ijara leased assets	**-**	**-**
Intangible fixed assets	**365 303**	**232 960**
Tangible fixed assets	**5 401 883**	**5 143 410**
TOTAL ASSETS	**198 915 851**	**188 110 428**

(In thousand MAD)

LIABILITIES	30/06/19	31/12/18
Central banks, treasury, giro accounts	**-**	**-**
Liabilities to credit institutions and equivalent	**28 887 082**	**19 869 938**
. Demand	4 795 417	1 441 442
. Time	24 091 665	18 428 496
Customer deposits	**127 407 997**	**128 759 406**
. Demand deposits	74 957 068	74 862 064
. Savings deposits	24 058 763	23 519 703
. Time deposits	22 707 735	23 982 912
. Other deposits	5 684 431	6 394 727
Customer borrowings and deposits on participatory products	**-**	**-**
Debt securities issued	**8 758 694**	**8 595 966**
. Negotiable debt securities	8 258 694	8 095 966
. Bond loans	500 000	500 000
. Other debt securities issued	-	-
Other liabilities	**7 538 742**	**4 727 486**
Provisions for liabilities and charges	958 744	863 291
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	9 488 227	9 584 871
Received investment deposits	-	-
Revaluation reserve	**-**	**-**
Reserves and premiums related to capital	**13 022 822**	**12 571 143**
Capital	**1 794 634**	**1 794 634**
Shareholders unpaid-up capital (-)	**-**	**-**
Retained earnings (+/-)	**75**	**37**
Net earnings being appropriated (+/-)	**-**	**-**
Net earnings for the year (+/-)	**1 058 834**	**1 343 654**
TOTAL LIABILITIES	**198 915 851**	**188 110 428**

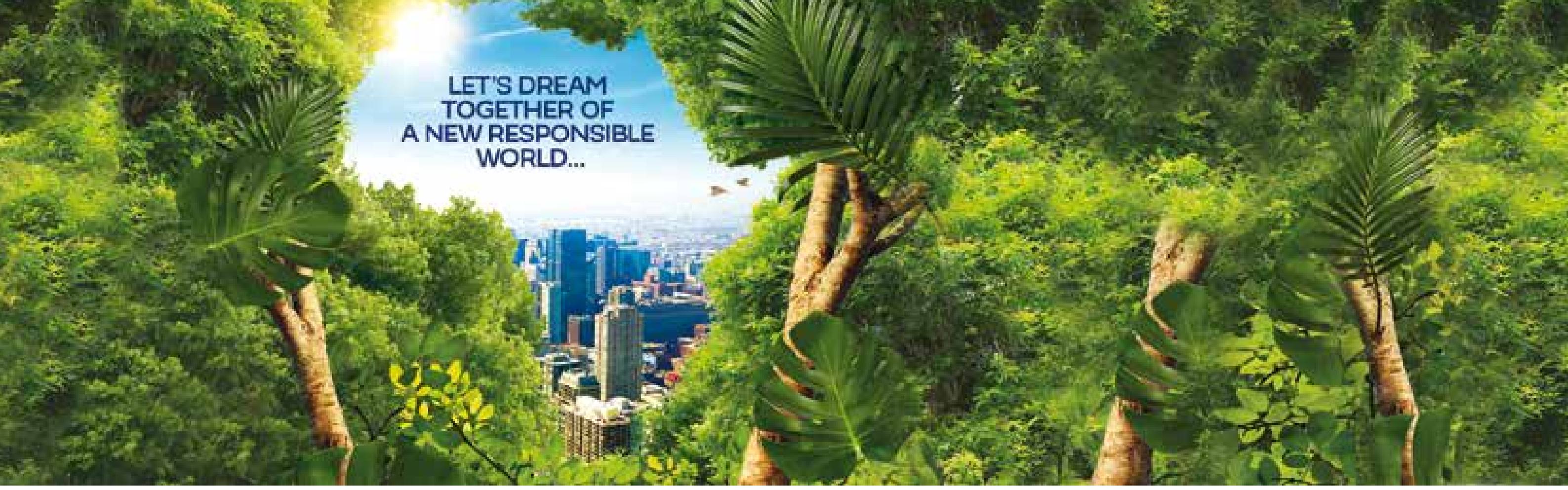
(In thousand MAD)



OFF-BALANCE SHEET	30/06/19	31/12/18
Given commitments	**24 795 919**	**22 457 705**
Financing commitments on behalf of credit institutions and equivalent	1 067	628 306
Financing commitments on behalf of customers	5 351 690	4 828 204
Guarantee commitments given to credit institutions and equivalent	3 369 398	3 587 105
Guarantee commitments given to customers	9 797 191	10 295 288
Securities repos purchased	78 357	78 357
Other securities to be delivered	6 198 216	3 040 445
Received commitments	**15 989 743**	**18 181 253**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	14 260 013	16 072 674
Guarantee commitments received from the State and various guarantee bodies	1 721 760	1 892 562
Securities repos sold	-	-
Other securities to be received	7 970	216 017
Moucharaka and Moudaraba securities to be received	-	-

INCOME STATEMENT AGGREGATED ACTIVITY	30/06/19	30/06/18
BANK OPERATING INCOME	**5 472 291**	**5 581 629**
Interests and assimilated revenues on transactions with credit institutions	357 910	275 836
Interests and assimilated revenues on transactions with customers	2 713 413	2 806 336
Interests and assimilated revenues on debt securities	235 149	256 248
Revenue from property securities (1) and Sukuks certificates	623 544	641 407
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	8 307	6 505
Revenue from leased assets (Ijara)	-	-
Fees on provided services	614 633	578 318
Other banking revenues	919 335	1 016 979
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	**2 007 134**	**2 290 535**
Interests and assimilated expenses on transactions with credit institutions	565 283	424 156
Interests and assimilated expenses on transactions with customers	659 450	737 679
Interests and assimilated expenses on debt securities issued	120 684	211 955
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	5 233	5 233
Expenses from leased assets (Ijara)	-	-
Other banking expenses	656 484	911 511
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	**3 465 157**	**3 291 094**
Non-banking operating revenues	125 284	36 902
Non-banking operating expenses	27 470	5 666
GENERAL OPERATING EXPENSES	**1 741 142**	**1 743 513**
Staff expenses	769 009	738 696
Tax expenses	64 614	61 482
External expenses	771 446	810 134
Other general operating expenses	5 799	4 818
Allowances for depreciation and provisions for intangible and tangible fixed assets	130 274	128 383
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	**1 218 257**	**535 740**
Allowances for non performing loans and commitments	446 482	510 520
Loan losses	670 074	16 522
Other allowances for provisions	101 701	8 698
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	**795 161**	**207 911**
Provision write-backs on non performing loans and commitments	774 311	203 019
Recovery on amortised debts	16 112	3 294
Other provision write-backs	4 738	1 598
CURRENT INCOME	**1 398 733**	**1 250 988**
Non-current revenues	-	-
Non-current expenses	-	-
PRE-TAX EARNINGS	**1 398 733**	**1 250 988**
Corporate tax	339 899	246 156
NET EARNINGS FOR THE YEAR	**1 058 834**	**1 004 832**

(In thousand MAD)

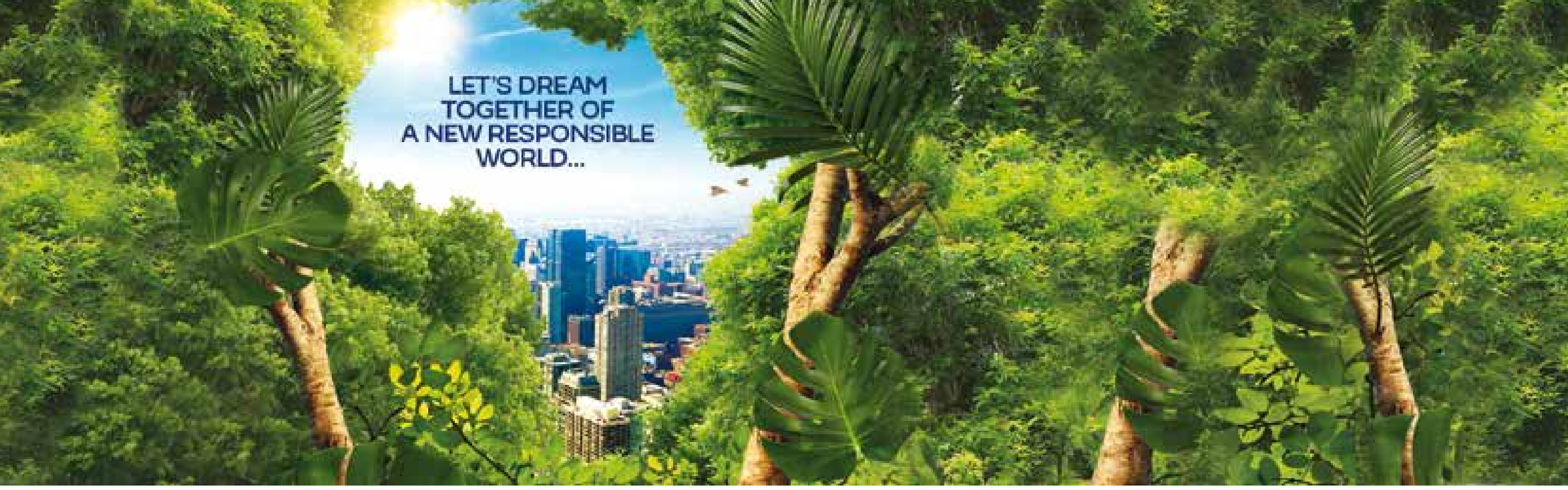


EARNINGS FORMATION TABLE	30/06/19	30/06/18
(+) Interests and equivalent revenues	3 306 472	3 338 419
(-) Interests and equivalent expenses	1 345 418	1 373 790
NET INTEREST INCOME	**1 961 054**	**1 964 629**
(+) Revenues from leased and rented fixed assets	-	
(-) Expenses on leased and rented fixed assets	-	
INCOME FROM ON PARTICIPATIVE FUNDING	**-**	
(+) Profit from leasing and renting operations	8 307	6 506
(-) Expenses from leasing and renting operations	5 233	5 233
Income from leasing and rental operations	**3 074**	**1 273**
(+) Revenue from leased assets (Ijara)	-	
(-) Expenses from leased assets (Ijara)	-	
Income from Ijara operation (1)	**-**	
(+) Fees received	735 714	686 319
(-) Fees paid	162 726	152 234
Fee income (1)	**572 988**	**534 085**
(+) Income from trading securities	362 469	219 466
(+) Income from investment securities	-20 253	-33 130
(+) Income from payload operations	139 182	165 363
(+) Income from by-product operation	-43 324	-64 840
Income from market transactions (1)	438 075	286 859
(+/-) Income from Moudaraba and Moucharaka securities	-	
(+) other banking products	623 544	641 407
(-) other banking expenses	133 578	137 159
(+/-) Holders' share in investment deposit accounts	-	
NET BANKING INCOME	**3 465 157**	**3 291 094**
(+) Income from financial asset operations (2)	12 864	-1 092
(+) Other non-banking operating revenues	112 123	36 902
(-) Other non-banking operating expenses	26 910	5 248
(-) General operating expenses	1 741 141	1 743 513
Gross operating income	**1 822 093**	**1 578 143**
(+) Allowances for non performing loans and commitments (net of write-backs)	-326 133	-320 728
(+) Other allowances net of provision write-backs	-97 227	-6 427
Current income	**1 398 733**	**1 250 988**
Non-current income	**-**	**-**
(-) Corporate tax	339 899	246 156
Net earnings for the year	**1 058 834**	**1 004 832**

(In thousand MAD)

CASH-FLOW	30/06/19	30/06/18
+ Net earnings for the year	**1 058 834**	**1 004 832**
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	130 274	128 383
+ Allowances for provisions for equity investments depreciation	-	960
+ Allowances for provisions for general risks	84 556	7 300
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provision write-backs	264	286
- Capital gains on disposals of intangible and tangible fixed assets	46 574	3
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	13 161	-
+ Capital losses on disposals of equity investments	561	419
- Write-backs of investment subsidies received	-	-
+ Financing	**1 214 226**	**1 141 605**
- Dividends distributed	-	-
+ Cash-flow	**1 214 226**	**1 141 605**

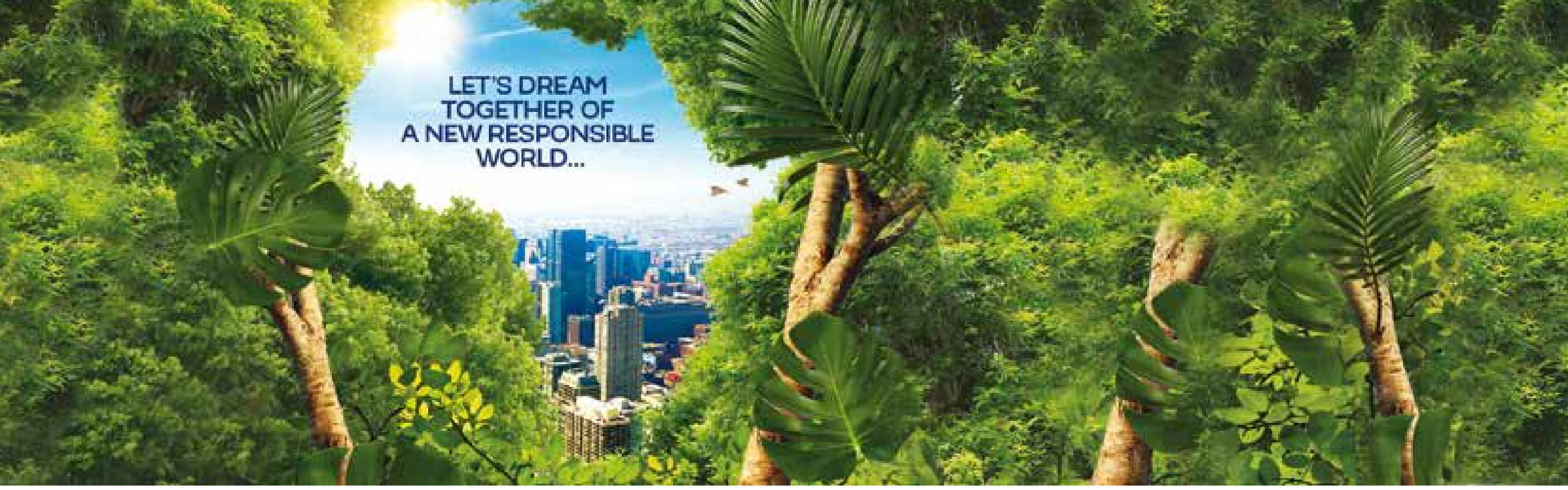
(In thousand MAD)



STATEMENT OF CASH FLOW	30/06/19	31/12/18
1. (+) Operating income received from banking operations	4 821 331	9 845 282
2. (+) Recovery of amortised debts	16 112	31 156
3. (+) Non-banking revenues received	125 284	239 596
4. (+) Banking operating expenses paid	3 043 740	5 272 231
5. (+) Non-banking operating expenses paid	27 470	11 573
6. (+) General operating expenses paid	1 741 142	3 346 158
7. (+) Corporate tax paid	339 899	519 477
I - Net Cash Flows from the Income Statement	-189 524	966 595
Change in :		
(+) Loans to credit institutions and equivalent	3 570 854	4 664 605
(+) Loans to customers	-3 415 816	5 864 886
(+) Debt and marketable securities	-10 646 112	8 709 160
(+) Other assets	613 914	-1 513 397
(-) Moudaraba and Moucharaka securities	-	-
(+) Leasing and renting operations	-20 133	-48 147
(+) Ijara operations	-	-
(+) Investments placed through credit institutions and equivalent	-	-
(+) Amounts owed to credit institutions and equivalent	9 017 144	-612 330
(+) Customer deposits	-1 351 409	-7 055 739
(+) Customer borrowings on participatory financing	-	-
(+) Debt securities issued	162 728	-3 969 945
(+) Other liabilities	2 811 256	-4 283 400
II - Balance of Changes in Operating Assets and Liabilities	742 426	1 755 693
III - Net Cash Flows from Operating Activities (I + II)	552 902	2 722 288
(+) Revenues from equity investments (1) (4)	540 582	200 175
(+) Revenues from disposals of intangible and tangible fixed assets (4)	69 010	465 442
(-) Acquisitions of equity investments **(1)**	516 437	723 594
(-) Acquisitions of intangible and tangible fixed assets	589 420	467 860
(+) Interests received	42 374	94 095
(+) Dividends received	110 979	611 817
IV - Net Cash Flows from Investment Activities	-342 914	180 076
(+) Subsidies, public funds and guarantee funds received	-	-
(+) Issues of subordinated debts	-	
(+) Received investment deposits	-	
(+) Stock issues	-	
(-) Repayment of shareholders equity and equivalent	96 644	1 862 311
(-) Reimbursed investment deposits (2)	-	
(-) Interests paid	192 964	395 426
(-) Rémunérations versées sur dépôts d'investissement (3) (4)	-	
(-) Dividends paid	-	897 317
V - Net Cash Flows from Financing Activities	-289 608	-3 155 054
VI - Net Change In Cash (III + IV + V)	-79 620	-252 690
VII - Cash & Cash Equivalent at Beginning of Year	5 625 922	5 878 612
VIII - Cash & Cash Equivalent at Year-end	5 546 302	5 625 922

(In thousand MAD)

(1) Other than Moucharaka and Moudaraba securities
(2 Including used IRR
(3) Including used PER
(4) Excluding net cash flows from income and expense accounts



MAIN VALUATION METHODS APPLIED

VALUATION METHODS APPLIED BY BMCE BANK
Cf : Accounting Principles.

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

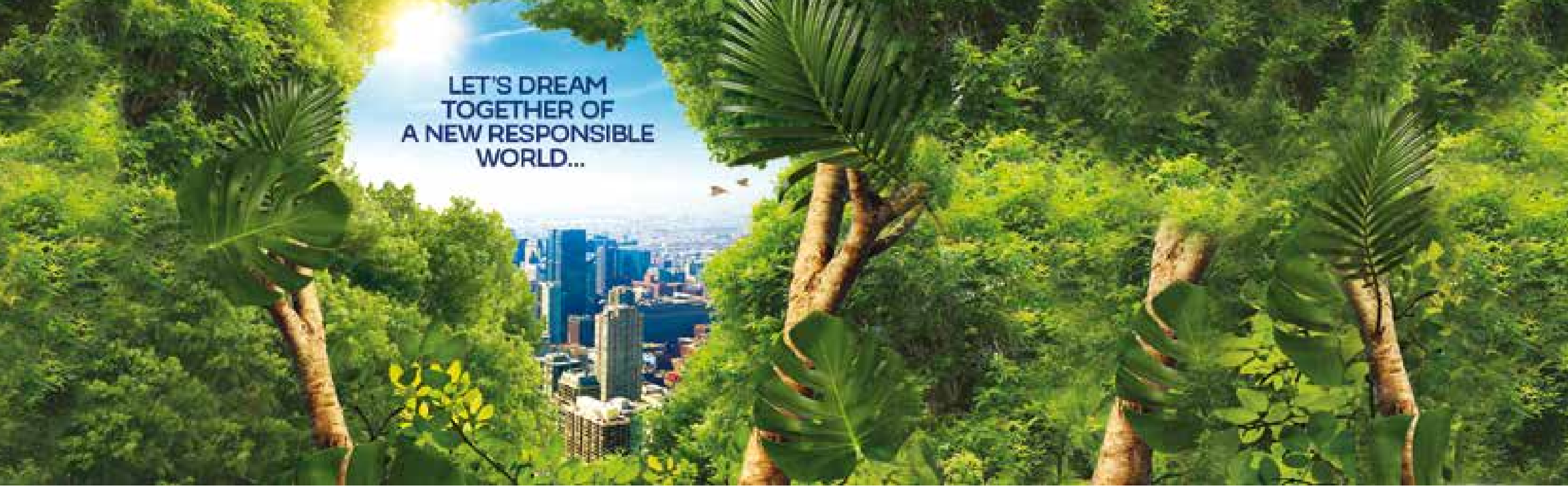
Claims	Bank Al-Maghrib Treasury and giro accounts	Banks in Morocco	Other credit institutions and equivalent in Morocco	Foreign credit institutions	TOTAL 30/06/2019	TOTAL 31/12/2018
Ordinary accounts in debit	4 506 048	302 120	766 123	2 511 851	8 086 142	10 668 714
Securities received as pledges	-	164 463	-	-	164 463	23 148
- Overnight	-	-	-	-	-	-
- Time	-	164 463	-	-	164 463	23 148
Short-term loans	-	-	1 921 689	3 182 289	5 103 978	4 906 563
- Overnight	-	-	-	2 440 809	2 440 809	-
- Time	-	-	1 641 034	1 022 135	2 663 169	4 906 563
Financial loans	-	1 061 494	4 763 759	102 146	5 927 399	7 566 819
Other loans	2 978 237	239 313	-	83 007	3 300 557	3 080 642
Receivables accrued interest	433	23 119	7 730	5 067	36 348	25 474
Non performing loans	-	-	2 004	-	2 004	5
TOTAL	**7 484 718**	**1 790 509**	**7 461 305**	**5 884 359**	**22 620 891**	**26 271 365**

(In thousand MAD)

LOANS TO CUSTOMERS

Claims	Public sector	Private Sector			TOTAL 30/06/2019	TOTAL 31/12/2018
		Financial companies	Non financial companies	Other customers		
Short-term loans	247 150	1 145 170	21 965 302	1 827 093	25 184 715	23 799 428
- Deposit accounts in debit	213 835	1 145 170	13 327 074	1 534 939	16 221 018	16 165 784
- Commercial loans in Morocco	12 525	-	3 410 048	7 834	3 430 407	3 476 205
- Export loans	-	-	367 711	234 093	601 804	324 597
- Other cash loans	20 790	-	4 860 469	50 227	4 931 486	3 832 842
Consumer loans		-		8 448 685	8 448 685	8 830 232
Equipment loans	5 099 718	515 667	15 123 207	901 506	21 640 098	21 569 962
Mortgage loans	362 234	-	9 765 843	30 407 957	40 536 034	40 372 880
Other loans	-	12 283 476	1 497 933	47 118	13 828 527	11 974 241
Advances acquired by factoring	1 868 646	-	345 304	-	2 213 950	2 515 204
Receivables accrued interest	58 631	28 136	467 908	134 251	688 925	711 861
Non performing loans	143	-	1 792 509	1 318 508	3 111 160	2 462 470
- Substandard loans	-	-	58 230	464 504	522 734	396 723
- Doubtful loans	-	-	870 225	222 018	1 092 243	634 094
- Loss loans	143	-	864 054	631 986	1 496 183	1 431 653
TOTAL	**7 636 522**	**13 972 449**	**50 958 006**	**43 085 118**	**115 652 094**	**112 236 278**

(In thousand MAD)



BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

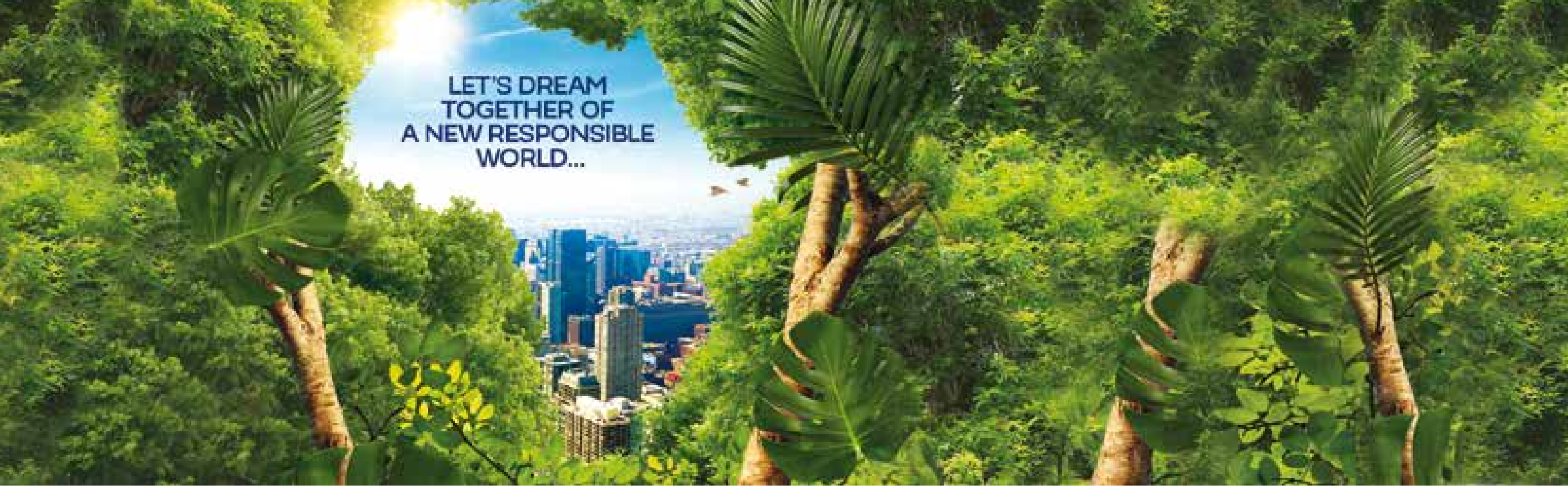
	Credit Institutions and Equivalent	Public Issuers	Private Issuers		TOTAL 30/06/2019	TOTAL 31/12/2018
			Financial companies	Non financial companies		
Quoted securities	1 546 527	16 626 686	20 562 240	1 593 396	40 328 849	28 756 220
- Treasury bonds and equivalent securities	-	16 017 773	-	-	16 017 773	10 012 097
- Bonds	28 771	513 613	200 451	1 593 246	2 336 081	2 450 467
- Other debt securities	1 511 309	-	-	-	1 511 309	369 304
- Title deeds	6 447	-	20 361 789	150	20 368 386	15 829 053
Certificats de Sukuks	-	95 300	-	-	95 300	95 300
Titres non côtés	1 849	201 625	1 023	27 789	232 286	195 176
- Treasury bonds and equivalent securities	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-
- Other debt securities	-	-	-	-	-	-
- Title deeds	-	-	-	-	-	-
Certificats de Sukuks	-	-	-	-	-	-
Accrued interest	1 849	201 625	1 023	27 789	232 286	196 092
TOTAL	**1 548 376**	**16 828 310**	**20 563 263**	**1 621 185**	**40 561 135**	**28 951 396**

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES

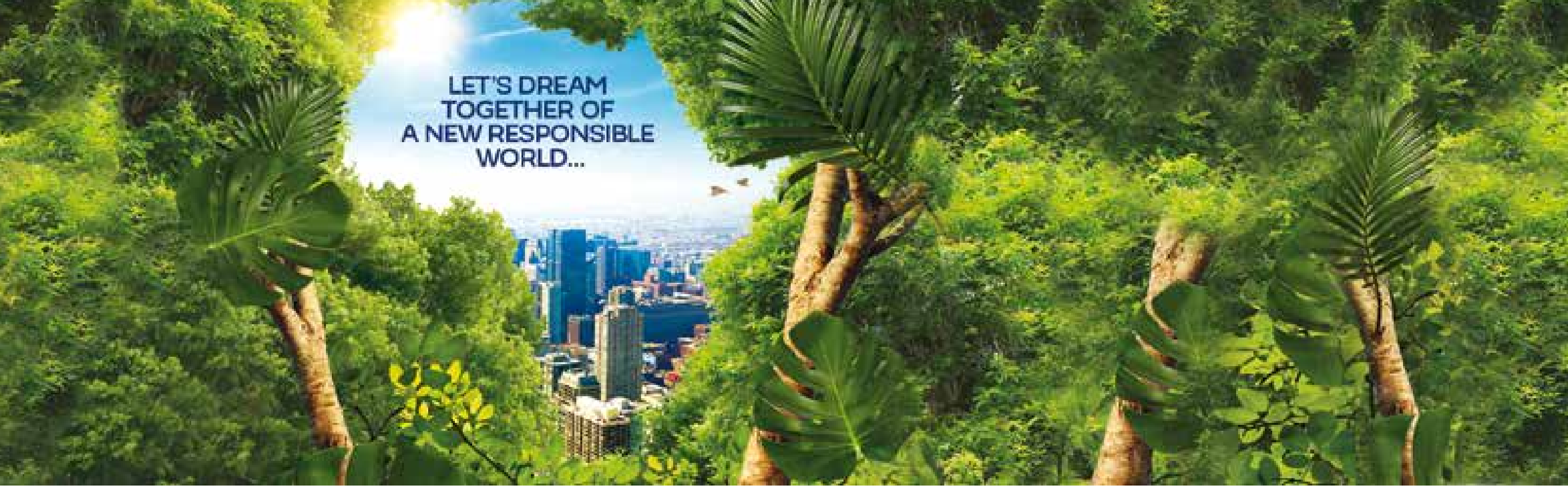
	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	34 264 754	34 264 754	34 264 754	-	-	-
Treasury bonds and equivalent securities	12 639 146	12 639 146	12 639 146	-	-	-
Bonds	106 799	106 799	106 799	-	-	-
Other debt securities	1 148 820	1 148 820	1 148 820	-	-	-
Title deeds	20 274 689	20 274 689	20 274 689	-	-	-
Sukuks certificates	95 300	95 300	95 300	-	-	-
Marketable securities	1 592 528	1 562 302	1 592 528	-	30 226	30 226
Treasury bonds and equivalent securities	1 444 526	1 414 300	1 444 526	-	30 226	30 226
Bonds	-	-	-	-	-	-
Other debt securities	51 051	51 051	51 051	-	-	-
Title deeds	96 951	96 951	96 951	-	-	-
Investment securities	4 734 079	4 734 079	4 582 242		130 770	-
Treasury bonds and equivalent securities	2 152 264	2 152 264	2 064 454	-	87 811	-
Bonds	2 229 285	2 229 285	2 186 326	-	42 959	-
Other debt securities	352 529	352 529	331 463	-	-	-
TOTAL	**40 591 361**	**40 561 135**	**40 439 524**	**-**	**160 996**	**30 226**

(In thousand MAD)

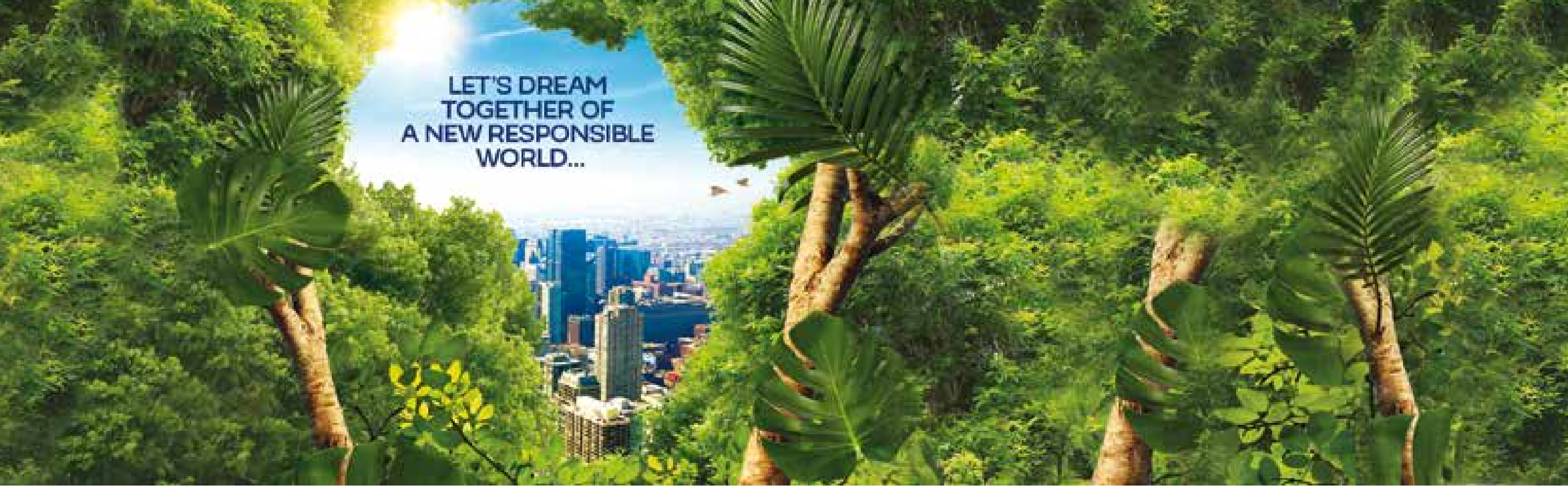


DETAIL OF OTHER ASSETS	30/06/19	31/12/18
Optional instruments	**7 895**	**-13 033**
Miscellaneous transactions on securities	**323 743**	**303 697**
Other Debtors	**718 578**	**945 775**
- Sums due by the state	572 220	811 721
- Sums due by provident companies	-	-
- Receivables from staff	99 502	90 641
- Receivable for non-banking services	-	-
- Other debtors	46 856	43 413
Other securities and assets	**9 404**	**9 405**
Adjustment accounts	**2 532 428**	**2 960 119**
Off-balance sheet adjustment accounts	49 740	57 172
Currency discrepancy accounts	-	57 172
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	162 257	138 188
Liaison accounts between the head office, subsidiaries and branches in Morocco	143 189	449 310
Accrued income and prepayment	913 208	320 266
Accrued income	773 075	303 356
Prepayment	140 133	16 910
Transitory accounts	-	-
Other adjustment accounts	1 264 034	1 995 183
Non performing loans on miscellaneous transactions	-	-
TOTAL	**3 592 048**	**4 205 963**

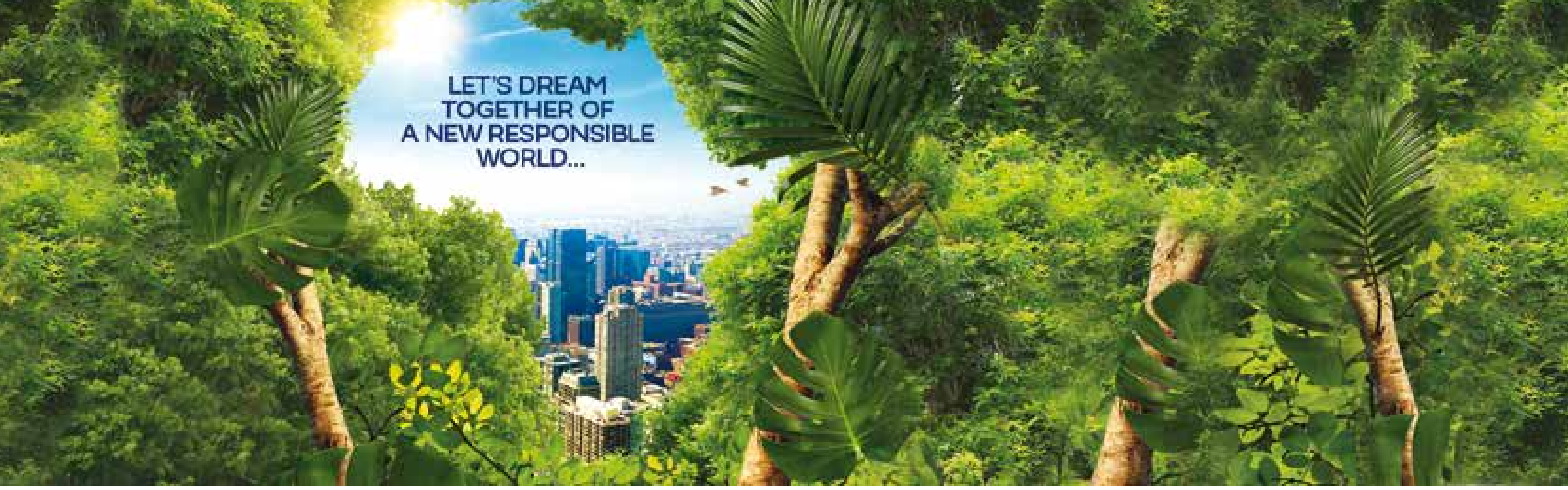
(In thousand MAD)



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	-	70 827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	-	50 000
TANGER MED ZONES	Development company	640 577	706 650 000	9,06	64 058	-	64 058
EMAT	Holding Company	80 473	8 047 300	100,00	30 365	30 365	-
FONCIERE EMERGENCE	Real Estate	338 436	372 172 274	8,06	33 844	-	33 844
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000	-	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payment management	109 990	98 200 000	11,20	11 000	-	11 000
FONDS DE GARANTIE DE LA COMMANDE PUBLIQUE	Investment funds	100 000	100 000 000	10,00	10 000	-	10 000
MOROCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650	-	5 650
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	971	971	-
AFRICA CO-DEVELOPMENT GROUP	Insurance	20 001	10 000 000	20,00	500	-	500
MITC CAPITAL	Fund MNF	4 000	2 000 000	20,00	400	400	-
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375	375	-
511 Equity Affiliates					**289 989**	**32 110**	**257 878**
Securities related companies							
BOA GROUP	Foreign credit institution	437 837	93 154 535	72,85	2 967 764	-	2 967 764
BBI	Foreign credit institution	157 659 285	157 659 285	100,00	1 914 614	-	1 914 614
STE SALAFIN	Consummer credit	1 790 432	294 507 400	60,79	628 635	-	628 635
LITTORAL INVEST	Leasing	26 000	2 600 000	100,00	450 000	-	450 000
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	-	370 770
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	-	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	9 600 000	2 000 000 000	48,00	543 796	-	543 796
BANK AL-TAMWEEL WA AL-INMA - BTI	Participative Bank	2 040 000	400 000 000	51,00	153 000	-	153 000
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	25 000 000 000 FCFA	32,38	137 426	-	137 426
HANOUTY	Distribution	76 486	16 767 900	45,60	121 815	121 815	-
BMCE CAPITAL	Investment Bank	100 000	100 000 000	100,00	100 000	-	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	155 437	40 000 000	38,85	90 192	-	90 192
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37,00	76 542	-	76 542
RIYAD ALNOUR	Hotel	3 000	300 000	100,00	78 357	-	78 357
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	4 000 000	500 000 000	80,00	62 500	-	62 500
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	-	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	-	46 591
EUROSERVICES	Service company	3 768	4 831 000	78,00	41 055	-	41 055
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	-	29 700
RM EXPERT	Debt collection	200 000	20 000 000	100,00	20 000	-	20 000
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	-	19 000
ACMAR	Service company	100 000	50 000 000	20,00	10 001	-	10 001
SONORMA	Reak estate	600	100 000	60,00	8 280	8 280	-
BMCE CAPITAL BOURSE (maroc inter titres)	Stock brokerage	67 500	10 000 000	67,50	6 750	-	6 750
STE FINANCIERE ITALIE	Financial institution	600 000	600 000 EURO	100,00	6 537	6 537	-
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100,00	6 443	-	6 443
EURAFRIC INFORMATIQUE	Service company	41 000	10 000 000	41,00	4 100	-	4 100
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025	-	3 025
OPERATION GLOBAL SERVICES SA OGS	Sces Back-office	50 000	5 000 000	100,00	5 000	-	5 000
IT International service	IT	3 100	31 000 EURO	100,00	338	-	338
AKENZA IMMO	Real estate	100	10 000	100,00	10	-	10
SAISS IMMO NEJMA	Real estate	100	10 000	100,00	10	-	10
SUX HILL PRIMERO	Real estate	100	10 000	100,00	10	-	10
SUX HILL SECONDO	Real estate	100	10 000	100,00	10	-	10
SUX HILL TERCIO	Real estate	100	10 000	100,00	10	-	10
NOUACER CITY IMMO	Real estate	100	10 000	100,00	10	-	10
MOHIT IMMO	Real estate	100	10 000	100,00	10	-	10
FARACHA IMMO	Real estate	100	10 000	100,00	10	-	10
KRAKER IMMO	Real estate	100	10 000	100,00	10	-	10
IKAMAT TILILA	Real estate	1 000	100 000	100,00	0	-	0
512 EQUITY INVESTMENTS					**8 454 221**	**166 633**	**8 287 589**
SECURITIES / ACTIVITIES OF THE PORTFOLIO							



PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	174 815	-	174 815
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	173 723	173 723	-
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	149 547	149 547	-
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	72 176	-	72 176
AMETHIS FINANCE Luxembourg	Investment company in risk capital	4 503	214 778 488 EUR	2,10	49 055	-	49 055
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	31 373	-	31 373
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	15 000	7 566	7 434
MAROC NUMERIC FUND II	Investment fund	78 431	40 000 000	19,61	3 922	-	3 922
SEAF MOROCCO GROWTH FUND		60 000	72 000 000	8,33	4 020	-	4 020
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	28 715	-	28 715
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	506 300 000 USD	0,059	2 952	-	2 952
FONDS MONETAIRE ARABE(ARAB TRADE FINANCING PROGRAM)	Financial institution	50	987 316 000 USD	0,03	2 872	-	2 872
FIROGEST	Investment fund	2 500	2 000 000	12,50	250	-	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee funds	588	1 000 000	5,88	59	-	59
515 SECURITIES/ACTIVITIES OF THE PORTFOLIO					**724 563**	**338 555**	**386 008**
OTHER							
CFG GROUP	Investment Bank	285 065	442 817 300	6,44	103 997	-	103 997
Mutandis SCA	Investment fund	832 458	799 673 700	10,41	96 807	-	96 807
Mutandis AUTOMOBILE SCA	Investment fund	846 892	630 000 000	13,44	91 359	-	91 359
ROYAL RANCHES MARRAKECH	Promot. Immobilière et touristique	106 667	800 000 000	13,33	60 000	-	60 000
VIGEO	Financial advisory	94 000	12 638 765 EUR	3,72	9 043	3 922	5 121
SOGEPOS	Development company	46 216	35 000 000	13,20	4 622	-	4 622
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	-
SMAEX	Insurance and service	22 563	50 000 000	4,51	1 690	-	1 690
FRUMAT	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	-
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 267	-	1 267
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real Estate	10 000	60 429 000	1,65	1 000	-	1 000
MAROCLEAR	Central Custodian	803	100 000 000	4,02	803	-	803
STE IPE	Edition & printing	8 013	10 000 000	8,01	801	-	801
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	500	-	500
GECOTEX	Industry	5 000	10 000 000	5,00	500	500	-
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500	-
DAR ADDAMANE	Guarantee bodies	1 922	75 000 000	0,64	481	-	481
PORNET	Service Company	1 800	11 326 800	1,59	180	-	180
SINCOMAR	Agribusiness	494	37 440 000	0,13	49	49	-
SWIFT	Service Company	23	434 020 000 EUR	0,01	23	-	23
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	9	-	9
RMA WATANYA	Insurance	5	1 796 170 800	0,00	2	-	2
RISMA	Tourism	10	1 432 694 700	0,000	2	-	2
Other Equity Investment 516-9					**378 480**	**9 815**	**368 664**
Associates current account							
RYAD ENNOUR					471 643	-	471 643
FARACHA IMMO					301 026	-	301 026
IT International Service ITIS					52 299	-	52 299
AKENZA IMMO					46 931	-	46 931
SUX HILL SECONDO					49 148	-	49 148
SAISS IMMO NEJMA					43 196	-	43 196
BMCE IMMOBILIER					38 000	-	38 000
SUX HILL PRIMERO					25 691	-	25 691
SUX HILL TERCIO					15 476	-	15 476
MARTCO					1 500	1 500	-
Siège G.P.B.M.					723	-	723
ALLICOM MAROC					552	552	-
HANOUTY					1 615	-	1 615
MOHIT IMMO					3 850	-	3 850
NOUACER CITY IMMO					20	-	20
Others					**1 051 669**	**2 052**	**1 049 617**
Total					**10 898 922**	**549 165**	**10 349 757**



SUBORDINATED DEBTS

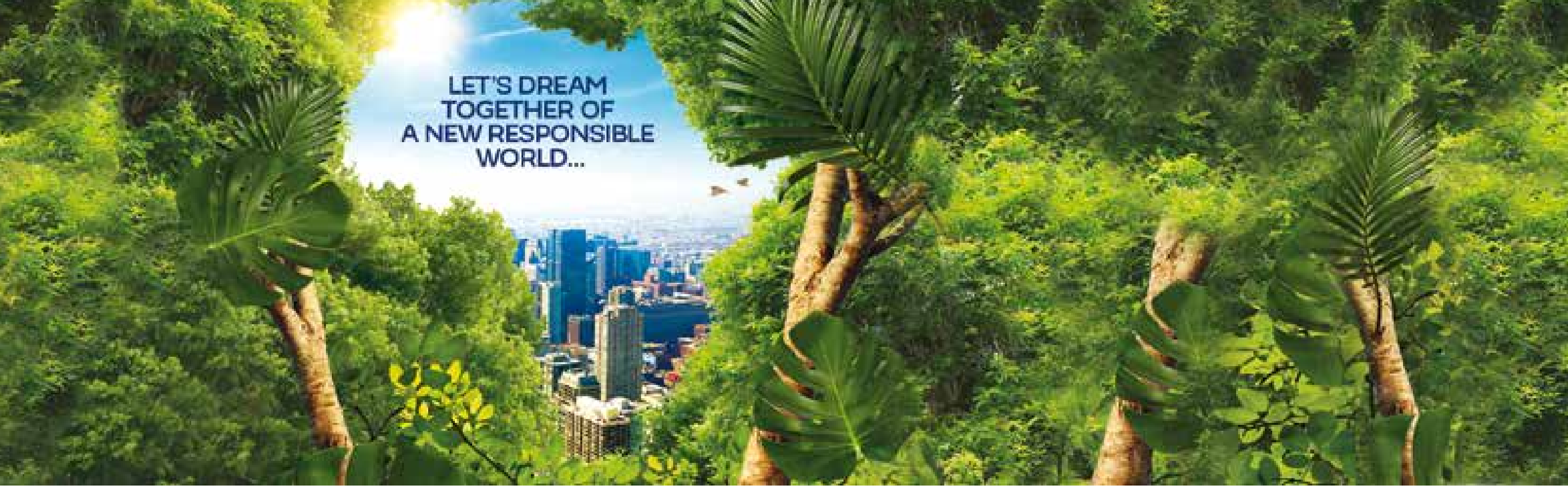
	Amount				Included linked and related Companies	
	30/06/19			31/12/18	30/06/19	31/12/18
	Brut	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	192 852		192 852	193 859	192 852	193 859
Subordinated loans to customers						
TOTAL	**192 852**	**-**	**192 852**	**193 859**	**192 852**	**193 859**

(In thousand MAD)

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

Immobilisations	Gross amount beginning of the year	Acquisi-tions of the year	Cessions of the year	Gross Amount year ended	Montant brut à la fin de l'exercice	Depreciation		Provisions			Net Amount year ended
						Deprecia-tion	Total Deprecia-tions	Provisions	Write-backs	Total pro-visions	
Fixed Leasing Assets	**172 197**	**28 200**	**2 799**	**-34**	**197 564**	**5 233**	**26 164**	**-**	**-**	**-**	**171 399**
Leasing on intangible assets	6 572	-	-	-34	6 537	-	-	-	-	-	6 537
Furniture leasing	86 933	-	-	-12 933	74 000	5 233	26 164	-	-	-	47 836
- In progress	-	-	-	-	-	-	-	-	-	-	-
- Leased	86 933	-	-	-12 933	74 000	5 233	26 164	-	-	-	47 836
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-	-
Real leased leasing	74 774	25 847	-	12 933	113 555	-	-	-	-	-	113 555
- In progress	74 774	25 847	-	12 933	113 555	-	-	-	-	-	113 555
- Leased	-	-	-	-	-	-	-	-	-	-	-
- Non leased after termination	-	-	-	-	-	-	-	-	-	-	-
Leased to perceive	3 918	2 352	2 799	-	3 472	-	-	-	-	-	3 472
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	**172 197**	**28 200**	**2 799**	**-34**	**197 564**	**5 233**	**26 164**	**-**	**-**	**-**	**171 399**

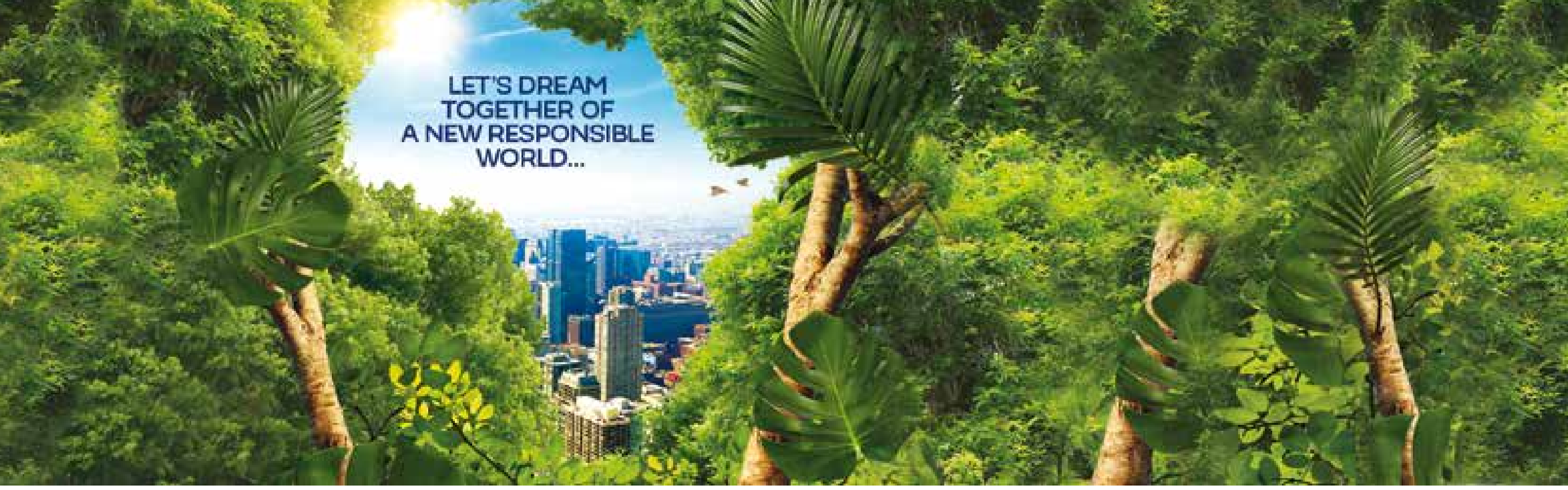
(In thousand MAD)



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 withdrawls 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	735 319	-59	144 347	-	879 607	502 360	-47	11 990	-	514 303	365 303
Leasehold rights	97 091	-5	-	-	97 085	-	-	-	-	-	97 085
Investment in research and development	-	-	-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	638 228	-54	144 347	-	782 521	502 360	-47	11 990	-	514 303	268 218
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-
Tangible fixed assets	9 073 897	-10 502	445 073	63 180	9 445 289	3 930 487	-5 068	118 085	98	4 043 406	5 401 883
Operating buildings	1 343 952	-	227 552	354	1 571 150	406 807	-	18 670	-	425 477	1 145 673
Operating land	185 362	-	45 489	-	230 852	-	-	-	-	-	230 852
Operating buildings offices	1 158 589	-	182 063	354	1 340 298	406 807	-	18 670	-	425 477	914 821
Operating buildings. Staff housing	-	-	-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 865 070	-10	55 042	40 390	1 879 713	1 618 309	-8	28 147	98	1 646 349	233 364
Operating office furniture	509 596	-	46 991	40 292	516 296	376 495	-	9 703	-	386 197	130 098
Operating office equipment	213 934	-4	1 392	-	215 322	187 021	-3	4 513	-	191 531	23 791
Computer equipment	980 028	-5	3 547	-	983 570	932 336	-5	8 690	-	941 021	42 548
Operating vehicles	54 397	-	2 859	-	57 256	35 725	-	3 642	-	39 367	17 889
Other operating equipment	107 115	-	252	98	107 269	86 731	-	1 599	98	88 232	19 037
Other operating tangible fixed assets	2 127 861	-5 092	42 178	-	2 164 946	1 628 385	-13	52 742	-	1 681 114	483 832
Non operating tangible fixed assets	3 737 014	-5 400	120 301	22 436	3 829 480	276 987	-5 047	18 525	-	290 465	3 539 014
Non-operating land	3 031 550	-	27 162	22 436	3 036 276	-	-	-	-	-	3 036 276
Non-operating buildings	566 287	-5 400	85 205	-	646 092	168 995	-5 047	15 444	-	179 392	466 700
Non-operating furniture and equipment	63 691	-	4 605	-	68 296	48 624	-	1 557	-	50 181	18 115
Other non-operating tangible fixed assets	75 487	-	3 329	-	78 816	59 368	-	1 525	-	60 893	17 924
TOTAL	**9 809 216**	**-10 560**	**589 420**	**63 180**	**10 324 896**	**4 432 847**	**-5 115**	**130 075**	**98**	**4 557 709**	**5 767 187**

(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
14/01/19	PARC CYCLES	90	90	-	9	9	
04/06/19	PARC CYCLES	8	8	-	1	1	
30/06/19	TERRAINS	22 436	-	22 436	69 000	46 564	
TOTAL		22 534	98	22 436	69 010	46 574	-

(In thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

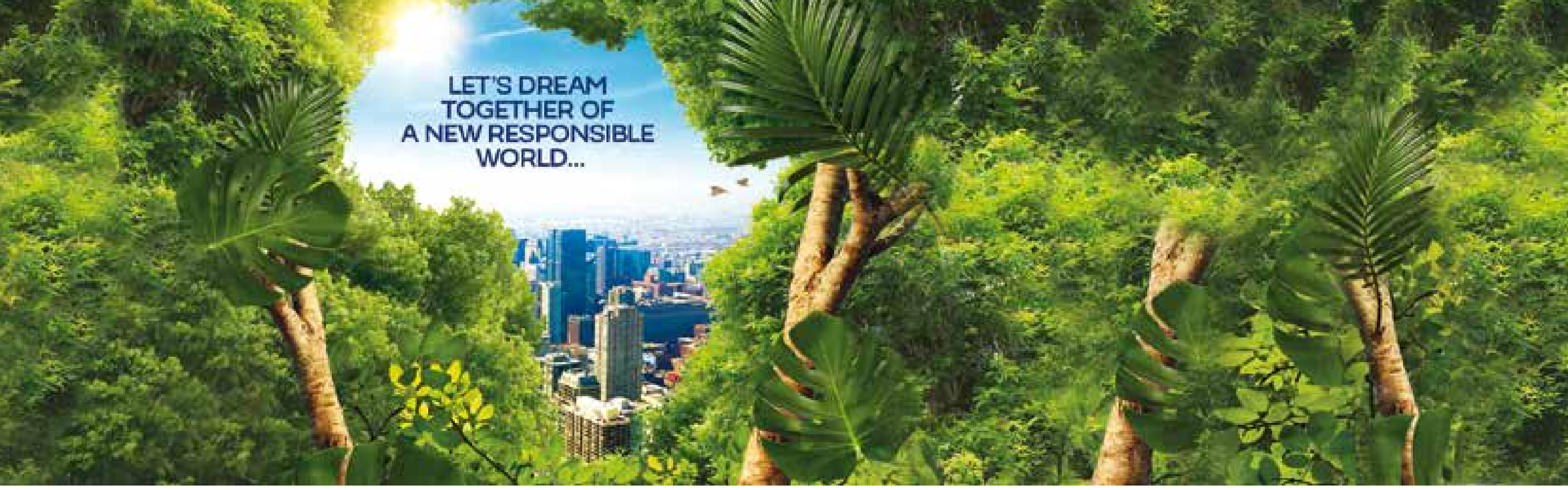
Debts	Credit institutions and equivalent in Morocco			Credit institutions abroad	TOTAL 30/06/2019	TOTAL 31/12/2018
	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco			
Ordinary credit accounts	-	42 484	361 080	1 217 742	1 621 306	851 441
Securities pledged	16 000 100	1 317 134	-	-	17 317 234	12 501 789
- Overnight	500 005	-	-	-	500 005	-
- Time	15 500 095	1 317 134	-	-	16 817 229	12 501 789
Cash Borrowings	-	2 414 764	2 696 461	2 294 543	7 405 768	4 211 147
- Overnight	-	2 113 328	-	560 275	2 673 603	590 000
- Time	-	301 436	2 696 461	1 734 268	4 732 165	3 621 147
Financial borrowings	7 810	72 637	1 434 438		1 514 885	1 772 134
Other debts	9 212	399	31 682	957 180	998 473	506 730
Payable accrued interests	314	15 950	6 424	6 728	29 416	26 698
TOTAL	**16 017 436**	**3 863 367**	**4 530 085**	**4 476 194**	**28 887 082**	**19 869 939**

(In thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private Sector			TOTAL 30/06/2019	TOTAL 31/12/2018
		Financial companies	Non financial companies	Other companies		
Demand acredit accounts	1 613 219	1 329 225	15 680 375	56 323 889	74 946 708	73 361 105
Saving accounts	-	-	-	23 979 589	23 979 589	24 129 793
Time Deposits	1 500 000	5 548 733	1 750 857	13 601 895	22 401 485	23 482 126
Other credit accounts (*)	3 024 274	138 475	2 000 941	520 741	5 684 431	7 308 764
Payable accrued interests	20 836	76 324	26 261	272 364	395 784	477 617
TOTAL	**6 158 329**	**7 092 757**	**19 458 434**	**94 698 478**	**127 407 997**	**128 759 406**

(In thousand MAD)



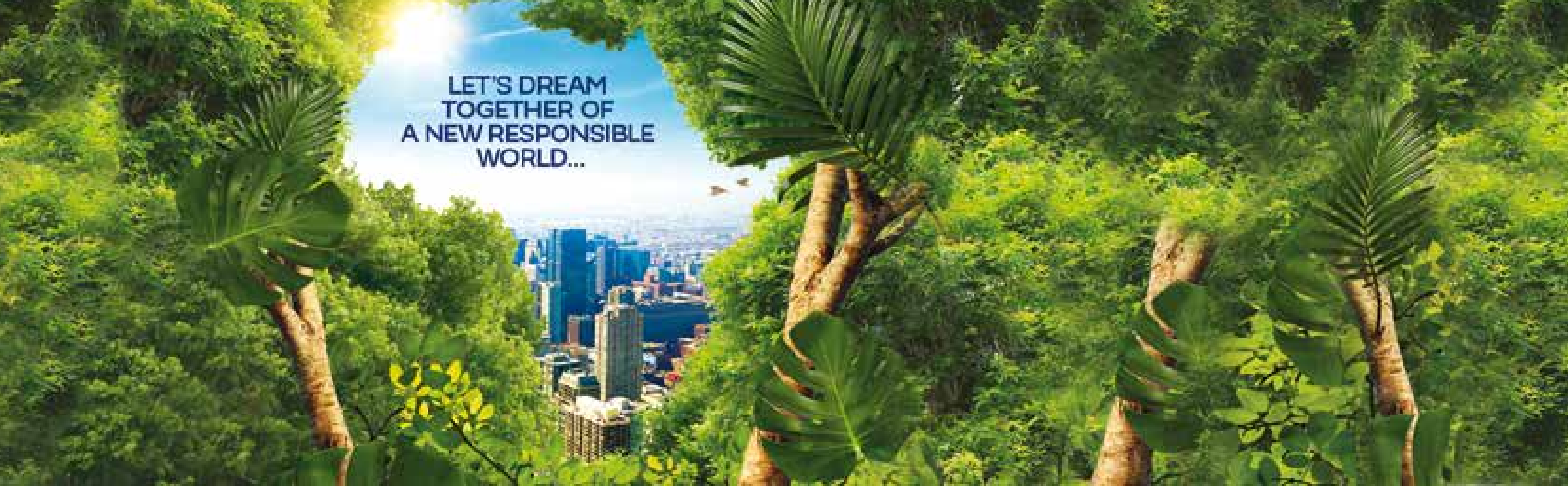
DEBT SECURITIES ISSUED

Type of securities	Starting Date	Maturity Date	Characteristics Nominal unit value	Rate
CD BMCE	20/12/18	20/12/19	3,00%	350 000,00
CD BMCE	29/03/19	29/03/20	2,80%	250 000,00
CD BMCE	23/11/18	23/11/19	2,62%	134 000,00
CD BMCE	23/11/18	23/11/20	2,75%	681 000,00
CD BMCE	18/12/18	18/12/19	2,90%	415 500,00
CD BMCE	18/12/18	18/12/20	3,00%	120 000,00
CD BMCE	09/03/19	09/03/20	2,82%	200 000,00
CD BMCE	29/03/19	29/03/20	2,75%	440 000,00
CD BMCE	17/04/19	17/04/20	2,75%	185 000,00
CD BMCE	17/12/18	16/12/19	2,70%	1 000 000,00
CD BMCE	27/12/18	26/12/19	2,70%	238 800,00
CD BMCE	28/12/18	28/12/20	2,90%	60 000,00
CD BMCE	28/03/19	26/03/20	2,59%	655 000,00
CD BMCE	28/03/19	28/03/21	2,76%	340 000,00
CD BMCE	16/04/19	15/10/19	2,59%	410 000,00
CD BMCE	16/04/19	14/04/20	2,61%	255 000,00
CD BMCE	16/04/19	16/04/21	2,74%	805 000,00
CD BMCE	30/04/19	30/04/21	2,71%	365 000,00
CD BMCE	08/05/19	31/07/19	2,53%	191 000,00
CD BMCE	08/05/19	06/05/20	2,59%	316 000,00
CD BMCE	08/05/19	08/05/21	2,68%	15 000,00
CD BMCE	29/05/19	27/05/20	2,60%	250 000,00
CD BMCE	27/06/19	25/06/20	2,63%	500 000,00
			TOTAL	**8 176 300**

DETAIL OF OTHER LIABILITIES

LIABILITIES	30/06/19	31/12/18
Optional Instruments Sold	7 941	-2 172
Miscellaneous Transactions on Securities	3 076 189	1 025 665
Other Creditors	2 148 844	1 345 519
State debt	928 462	1 024 003
Social security and provident societies debts	76 232	54 221
Staff debt	103 852	159 063
Shareholders and partners debt	897 317	3 674
Supply of goods and services	-19 981	12 973
Other creditors	162 961	91 585
Accrual Accounts	2 305 768	2 358 474
Adjustment accounts of off-balance sheet transactions	37 369	14 893
Currencies and securities differential accounts	-	-
Profit on hedging instruments	-	-
Liaison accounts between the head office, branches and Moroccan branches	1 131	303
Expenses payable and prepaid income	289 900	308 871
Other accruals	1 977 368	2 034 407
TOTAL	**7 538 742**	**4 727 486**

(In thousand MAD)

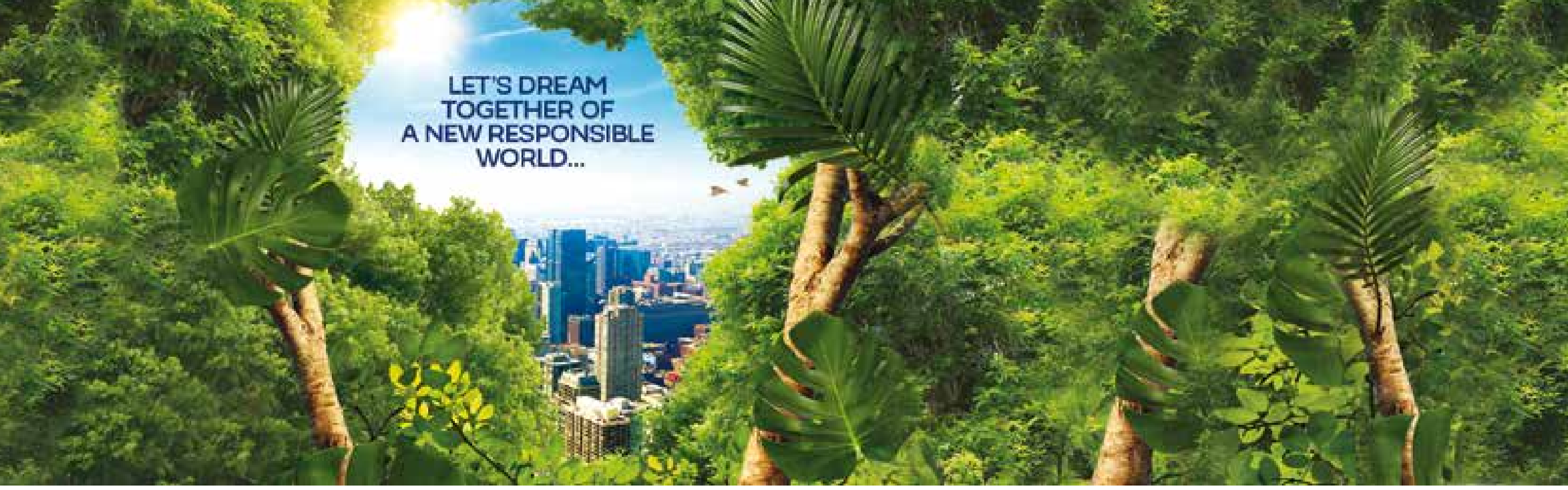


PROVISIONS	Amount 31/12/2018	Allowances	Write backs	Other changes	Outstanding 30/06/2019
Provisions, deducted from assets, on :	**6 205 240**	**477 505**	**783 104**	**-8 915**	**5 908 556**
Loans to credit institutions and equivalent	58 616		7 000		51 616
Loans and advances to customers	5 557 148	435 103	765 530	-11 299	5 238 020
Doubtful interest	27 502	11 379	10	-	38 871
Marketable securities	10 149	31 023	10 300	644	30 228
Equity investments and equivalent assets	550 908			1 743	549 165
Leased and rented fixed assets	-	-	-	-	-
Other assets	916	-	264	-3	655
Provisions Recorded under liabilities	**863 291**	**101 701**	**6 247**	**-**	**958 745**
Provisions for risks of fulfilment of commitments	55 985	-	1 772	-	54 213
Contingent liabilities	-	-	-	-	-
Provisions for general risks	778 855	84 556	-	-	863 411
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	28 451	17 145	4 475		41 121
Regulated provisions	-	-	-	-	-
TOTAL GÉNÉRAL	**7 068 531**	**579 206**	**789 351**	**-8 915**	**6 867 301**

(In thousand MAD)

SUBORDINATED DEBTS

Currency	Debt amount	closing ex-change rate (1)	Interest rate	Term (2)	Conditions for anticipated reimbursement, subordi-nated and convertibility	Debt amount in thou-sands MAD
MAD	150 000	1	5,95%	Perpetual		150 000
MAD	850 000	1	3,29%	Perpetual		850 000
MAD	950 000	1	3,25%	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	3,63%	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	3,36%	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	3,22%	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
						9 400 000



SHAREHOLDER'S EQUITY	31/12/2018	Allocation of earning	Other changes	30/06/2019
Revaluation reserve	-	-	-	-
Additional paid-in capital	12 571 143	446 337	5 342	13 022 822
Legal reseve	460 306	-	-	460 306
Other reserves	7 204 419	446 337	5 342	7 656 098
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 (+/-)	37	38	-	75
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1 343 654	-	-	1 058 834
TOTAL	**15 709 468**	**-**	**-**	**15 876 365**

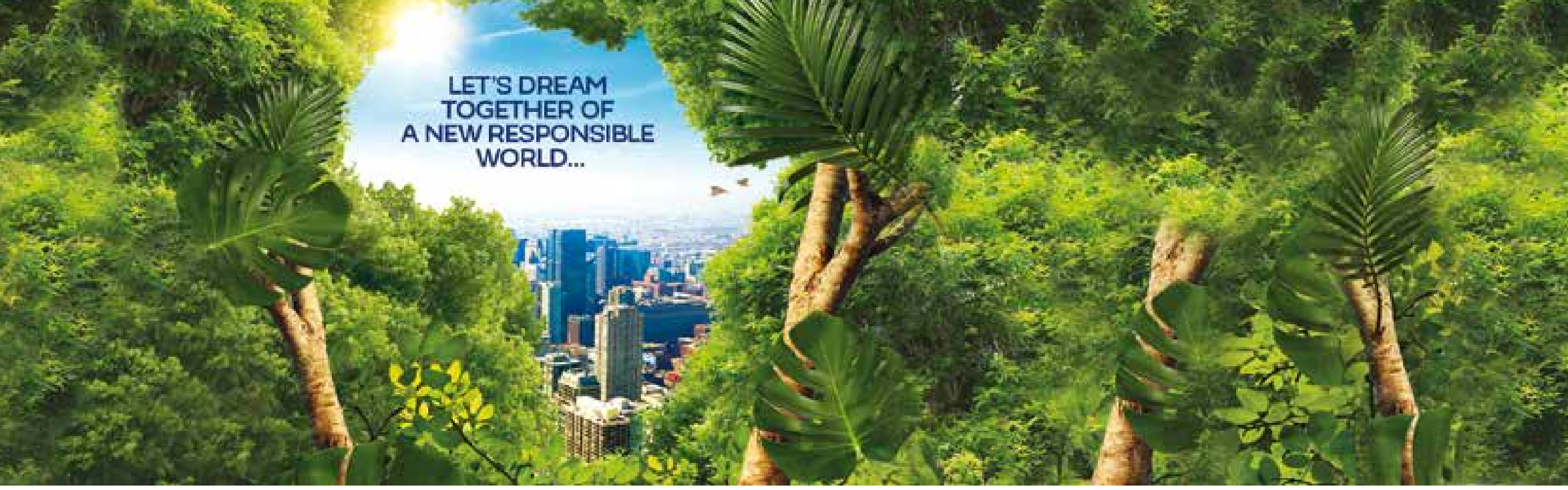
(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	30/06/19	31/12/18
Financing and guarantee commitments given	18 519 346	19 338 903
Financing commitments on behalf of credit institutions and equivalent	1 067	628 306
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	1 067	628 306
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	5 351 690	4 828 204
- Import letters of credit	2 537 284	1 966 305
- Payment acceptances or commitments	835 827	482 908
- Opening of confirmed credit	271 809	1 246 318
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	41 192	67 437
- Other financing commitments given	1 665 578	1 065 235
Guarantee commitments for credit institutions and equivalent	3 369 398	3 587 105
- Confirmed export letters of credit	25 049	19 098
- Payment acceptances or commitments	13 768	3 096
- Credit guarantees given	-	-
- Other securities, endorsments and guarantees given	577 113	285 906
- Non performing commitments	2 753 468	3 279 005
Guarantee commitments for customers	9 797 191	10 295 288
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 115 846	6 313 050
- Other securities and guarantees given	3 681 345	3 982 238
- Non performing commitments	-	-
Financing and guarantee commitments received	15 981 773	17 965 237
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	14 260 013	16 072 674
- Credit guarantees	2 305 665	2 304 661
- Other guarantees received	11 954 348	13 768 013
Guarantee commitments received from the state and other guarantee institutions	1 721 760	1 892 563
- Credit guarantees	655 773	655 773
- Other guarantees received	1 065 987	1 236 790

(In thousand MAD)

COMMITMENTS ON SECURITIES	MONTANT
Given commitments	**6 276 573**
Securities repos purchased	78 357
Other securities to be delivered	6 198 216
Received commitments	**7 970**
Securities repos sold	-
Other securities to be received	7 970

(In thousand MAD)



FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES	Holding transaction		Other transaction	
	30/06/19	31/12/18	30/06/19	31/12/18
Forward exchange transactions	34 061 513	22 776 744	-	-
Currency to be received	9 854 863	5 364 223	-	-
Currency to be delivered	1 968 053	2 265 582	-	-
Dirhams to be received	15 037 170	9 069 748	-	-
Dirhams to be delivered	7 201 427	6 077 191	-	-
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	3 130 508	2 747 533	51 906	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	1 557 904	1 545 629	3 254	-
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	-	162 029	48 652	-
Commitments on regulated markets for other instruments	325 007	-	-	-
Commitments on OTC markets for other instruments	1 247 597	1 039 875	-	-

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL

Securities received as collateral	Net book value	Loans or given committments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	10 877 354		
Other securities	6 358 409		
Mortgages	91 417 736		
Other securities received as collateral	222 064 668		
TOTAL	**330 718 167**		
Securities given as collateral	**Net book value**	**Loans or given committments posted to assets or to off balance sheet**	**Amount of loans and given commitments**
Treasury bills and equivalent	15 500 095		
Other securities	776 934		
Mortgages			
Other securities received as collateral			
TOTAL	**16 277 029**		

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES

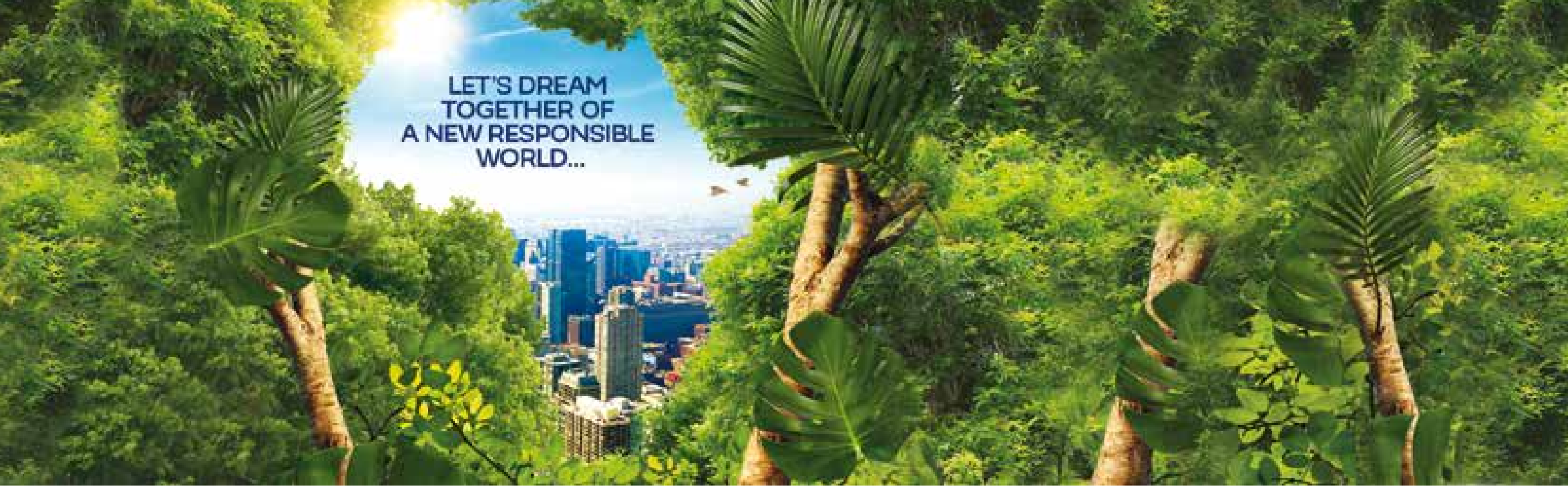
	D< 1 month	1 month<D< 3 months	3 months<D< 1 year	1 year <D< 5 years	D> 5 years	Total
ASSETS						
Loans to credit institutions and equivalent	6 278 246	1 111 679	409 677	3 699 910	494 333	11 993 845
Loans and advances to customers	16 505 377	8 983 349	12 790 414	37 691 801	36 778 279	112 749 220
Debt securities	3 695 235	6 034	4 618 838	5 477 154	6 392 236	20 189 496
Subordinated loans	-	-	-	-	192 852	192 852
Leasing and equivalent	4 153	2 920	11 426	60 183	47 357	126 039
TOTAL	**26 483 011**	**10 103 982**	**17 830 354**	**46 929 048**	**43 905 057**	**145 251 452**
LIABILITIES						-
Liabilities to credit institutions and equivalent	17 570 873	3 514 304	685 780	2 180 233	111 561	24 062 751
Debts to customers	2 513 417	4 691 849	13 415 243	1 780 976	-	22 401 485
Debt securities issued	-	191 000	5 646 300	2 339 000	500 000	8 676 300
Subordinated borrowings	-	-	-	-	9 400 000	9 400 000
TOTAL	**20 084 290**	**8 397 153**	**19 747 322**	**6 300 210**	**10 011 561**	**64 540 536**

(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 th capital of the beneficiary
15	31 766 960	24 126 900	3 130 747	535 674

(In thousand MAD)



BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY	Montant
ASSETS	**35 208 118**
Cash, central banks, treasury, giro accounts	360 190
Loans to credit institutions and equivalent	18 012 412
Loans and advances to customers	6 827 530
Transaction, marketable and investment securities	1 581 251
Other assets	343 655
Equity investments and equivalent uses	7 841 341
Subordinated loans	192 852
Fixed assets leased and rented	45 318
Intangible and tangible fixed assets	3 569
LIABILITIES	**26 247 581**
Central banks, treasury, giro accounts	-
Liabilities to credit institutions and equivalent	20 795 348
Customer deposits	5 311 945
Debt securities issued	-
Other liabilities	140 288
Subordinated debts	-
Subsidies, assigned public funds and special guarantee funds	-
OFF-BALANCE SHEET	**7 243 089**
Given commitment	5 584 381
Received commitment	1 658 708

(In thousand MAD)

NET INTEREST INCOME	30/06/19	30/06/18
Interest received	**3 306 472**	**3 338 420**
Interest and similar income on transactions with credit institutions	357 910	275 836
Interest and similar income on transactions with customers	2 713 413	2 806 336
Interest and similar income on debt securities	235 149	256 248
Interest paid	**1 345 418**	**1 373 790**
Interest and similar fees on transactions with credit institutions	565 284	424 156
Interest and similar fees on transactions with customers	659 450	737 679
Interest and similar fees on debt securities	120 684	211 955

(In thousand MAD)

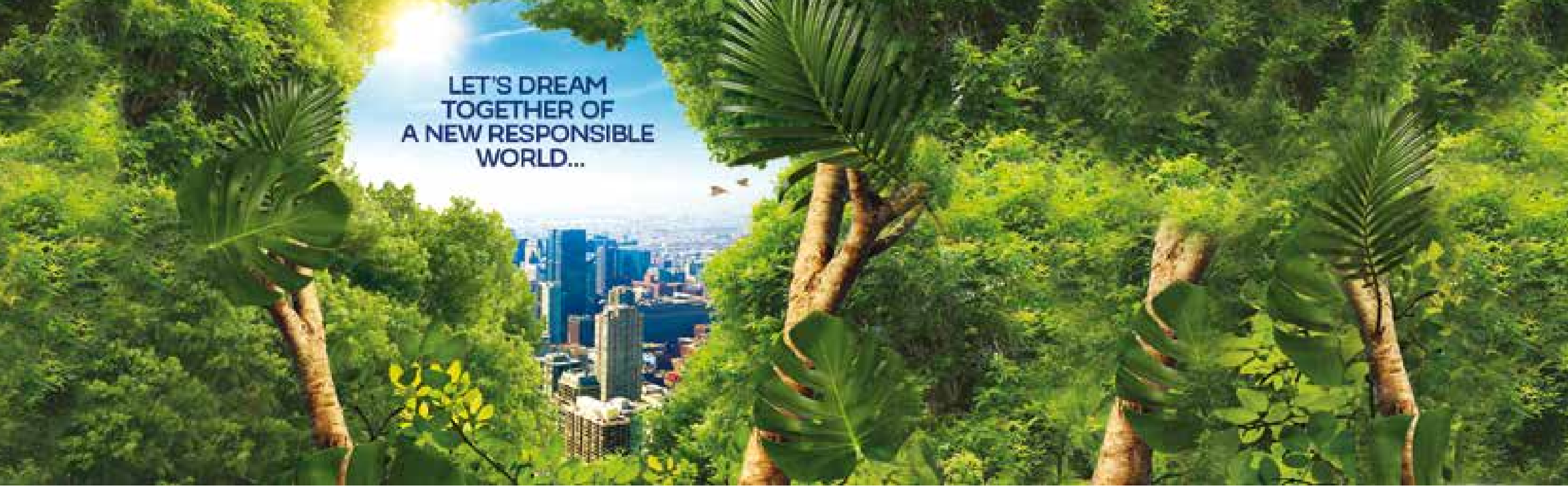
NON-PERFORMING LOANS TO SOCIAL CUSTOMERS

	30/06/19		31/12/18	
	Credit lines	Sigmed Com-mitments	Total	Provisions for credit lines
Pre-doubtful loans	644 834	122 100	446 206	49 482
Non performing loans	2 061 121	968 877	1 423 937	789 843
Doubtful debts	5 735 717	4 237 530	6 235 597	4 803 940
TOTAL	**8 441 672**	**5 328 507**	**8 105 740**	**5 643 265**

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES	30/06/19	30/06/18
Equity Securities	14 630	6 220
Equity in affiliates	572 787	590 933
Equity in portfolio	2 812	5 593
Other securities	33 315	38 660
TOTAL	**623 544**	**641 407**

(In thousand MAD)



COMMISSIONS	30/06/19	30/06/18
Fees received	735 714	686 319
On transactions with credit institutions		-
On transactions with customers	221 786	227 016
Concerning operations on the primary securities markets	121 081	108 002
On derivatives	22 594	20 767
On transactions on securities under management and custody	-	-
On means of payment	8 587	14 082
On consulting and assistance	199 767	173 595
On sales of insurance products	-	-
On other services	24 800	21 015
Fees paid	137 099	121 842
On transactions with credit institutions	162 726	152 234
On transactions with customers		-
Concerning operations on the primary securities markets		-
On derivatives	59 076	59 495
On transactions on securities under management and custody	-	-
On means of payment	10	14
On consulting and assistance	6 142	8 102
On sales of insurance products	38 382	37 971
On other services		-
On sales of insurance products		-
On other services	59 116	46 652

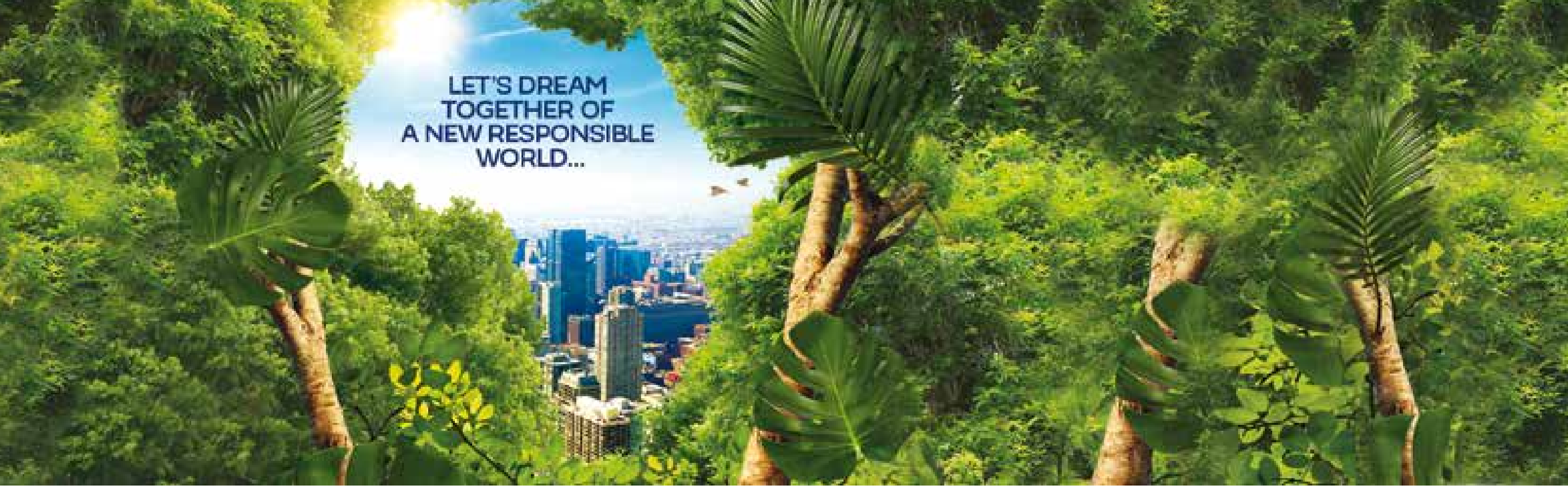
(In thousand MAD)

INCOME FROM MARKET TRANSACTIONS	30/06/19	30/06/18
Revenues	798 254	908 977
Gains on transactions securities	460 062	47 403
Capital gains on disposals of marketable securities	3 915	286 780
Provision write-backs on depreciation of marketable securities	10 300	5 167
Gains on derivatives	32 651	44 270
Gains on exchange transactions	291 326	525 357
Expenses	360 179	622 121
Losses on transaction securities	97 593	48 596
Capital losses on disposals of marketable securities	3 445	67 703
Provisions for depreciation of marketale securities	31 023	36 717
Losses on derivatives	75 974	109 110
Losses on exchange transactions	152 144	359 995
Earning	**438 075**	**286 856**

(In thousand MAD)

GENERAL OPERATING EXPENSES	30/06/19	30/06/18
Staff expenses	769 009	738 696
Taxes	64 614	61 482
External expenses	777 245	814 952
Allowances for depreciation and provision for intangible and tangible fixed assets	130 274	128 383

(In thousand MAD)



OTHER REVENUES AND EXPENSES	30/06/19	30/06/18
Revenues and expenses		
Other banking revenues and expenses	262 851	105 468
Other banking revenues	919 335	1 016 979
Other banking expenses	656 484	911 511
Non-banking operating revenues and expenses	97 814	31 236
Non-banking operating revenues	125 284	36 902
Non-banking operating expenses	27 470	5 666
Other expenses		
Allowances for provisions and loan losses	1 218 257	535 740
Other revenues		
Provision write-backs and recoveries on amortised debts	795 161	207 911

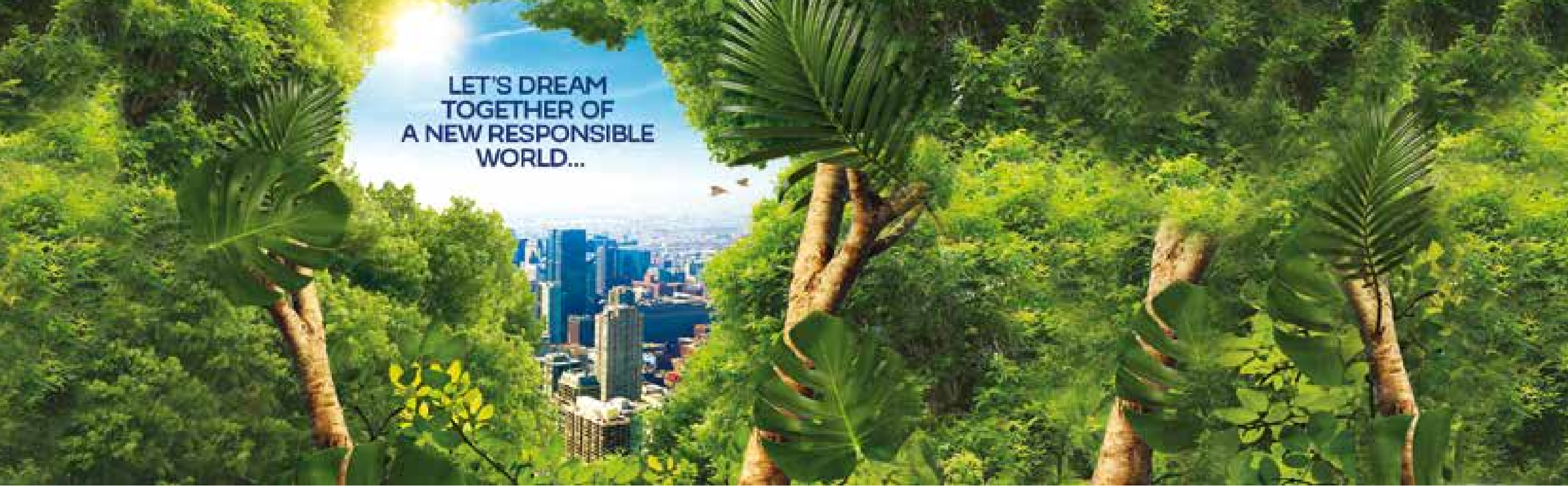
(In thousand MAD)

VENTILATION OF RESULTS BY BUSINESS OR BY ACTIVITY POLE AND BY GEOGRAPHICAL AREA			
		Year ended on:	June 30, 2019
Activity pole	Net banking income	Gross operating income	Income before taxes
1- VENTILATION BY ACTIVITY POLE			
-Bank activity	3 465 157	1 822 093	1 398 733
-Other activities	-	-	-
TOTAL	**3 465 157**	**1 822 093**	**1 398 733**
2-VENTILATION BY GEOGRAPHIC AREA			
-Morocco	3 370 839	1 750 575	1 327 222
-Other areas	94 318	71 518	71 511
TOTAL	**3 465 157**	**1 822 093**	**1 398 733**

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS	Montant
I- Net Book earning	
Net gain	1 058 834
Net loss	
II- Tax Reintegration	783 220
1- Current	103 422
Non-deductible expenses	18 867
Provision for general risks	84 556
2- Non-current	339 899
Corporate taxes	339 899
III- Tax deductions	590 229
1- Current	
Dividends	590 229
2- Non-current	
IV- Net income tax	1 251 825
Corporate taxes	339 899
V- Net income tax	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX	Montant
I. Earnings determination	1 398 733
. Current earnings according to the income statement	103 422
. Tax deductions on current transactions	590 229
. Current earnings theoretically taxable	911 926
. Theoretical tax on current earnings	337 413
. Current earnings after tax	1 061 320
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	100 013	326 501	329 291	97 223
B. VAT to be Recovered	53 030	227 563	228 486	52 107
* On expenses	44 815	208 974	204 602	49 188
* On fixed assets	8 214	18 589	23 884	2 919
C. T.V.A = (A - B)	46 983	98 938	100 805	45 116

(In thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL AS OF DECEMBER 31ST, 2019

Amount of the capital : 1 794 633 900

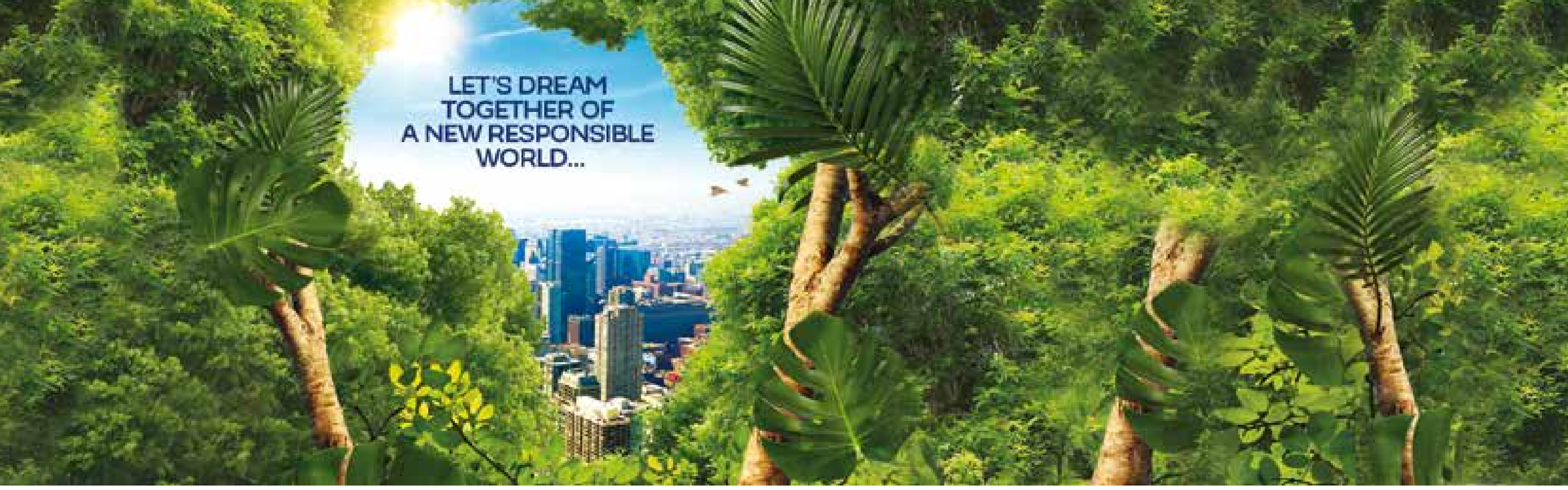
Amount of the uncalled committed capital : -

Nominal value : 10.00

Name of the main shareholders	Address	Number of shares		(%) of capital held	(%) of voting rights
		30 June 2018	30 June 2019		
A- Moroccan shareholders					
RMA	67 Avenue des FAR- Casablanca	53 600 192	53 640 851	29,89%	29,89%
SFCM	239, Bd Mohamed V - Casablanca	1 159 205	1 159 205	0,65%	0,65%
FINANCECOM	69 Avenue des FAR- Casblanca	10 453 351	10 453 351	5,82%	5,82%
CIMR	100, BbAbdelmoumen-Casablanca	7 371 263	7 371 263	4,11%	4,11%
CDG	place Moulay ElHassan - ex Piétri - Rabat	15 638 328	15 638 328	8,71%	8,71%
Groupe MAMDA/MCMA	Avenue Mohamed VI - Rabat	9 395 940	9 395 940	5,24%	5,24%
PERSONNEL BMCE		2 452 440	2 275 314	1,27%	1,27%
SBVC ET DIVERS		32 363 617	32 500 084	18,11%	18,11%
TOTAL (1)		132 434 336	132 434 336	73,79%	73,79%
B- Foreign shareholders					
BANQUE FEDERATIVE DU CREDIT MUTUEL		47 029 054	47 029 054	26,21%	26,21%
TOTAL		**179 463 390**	**179 463 390**	**100%**	**100%**

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of 24 May 2018			
Retained earnings	37	Legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 343 654	Other allocations	446 374
Withdrawals from earnings	-		
Other withdrawals	-		
TOTAL A	**1 343 691**	**TOTAL B**	**1 343 691**

(In thousand MAD)



EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS	30/06/19	31/12/18	31/12/17
Equity capital and equivalent	25 364 592	25 294 339	26 683 739
Operations and earnings for the fiscal year	-		-
1- Net banking income	3 465 157	6 019 305	6 208 130
2- Pre-tax earnings	1 398 733	1 863 133	1 938 774
3- Corporate tax	339 899	519 477	608 137
4- Dividends distributed	897 317	897 317	897 317
5- Earnings not distributed	446 300	590 800	427 700
Earnings per share (in MAD)	-	-	-
Net earnings per share	5,90	7,49	8,29
Earnings distributed per share	5	5	5
Staff	-	-	-
Gross remunerations for the year	769 009	1 603 716	1 611 041
Average number of staff employed during the fiscal year	5 234	5 328	5 370

(In thousand MAD)

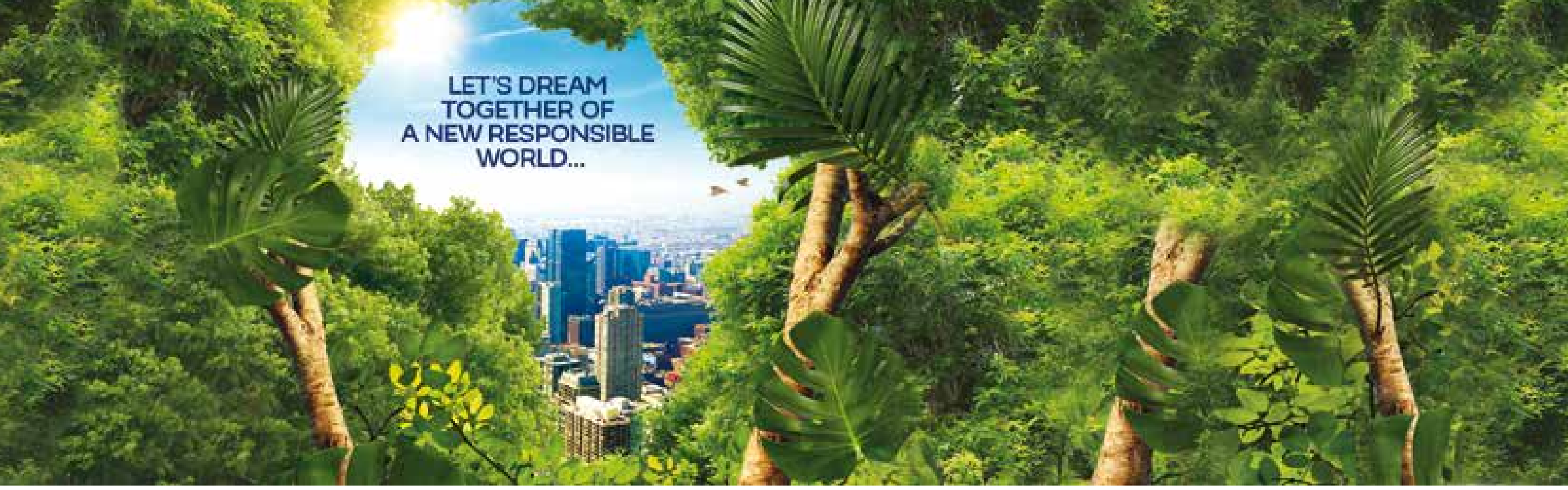
DATING AND SUBSEQUENT EVENTS	
I. Dating	
. Date of the end of the fiscal year (1)	30/06/19
. Date of financial statements performance (2)	
(1) Justification in case of a change in the date of the end of the fiscal year	
(2) Justification in the case of an overrun on the statutory period of three months 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	30/06/19	31/12/18
Staff renumerated	5 234	5 328
Staff employed	5 234	5 328
Equivalent full time staff	5 234	5 328
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	5 077	5 147
Employees (full-time equivalent)	157	181
Of which employees working abroad	51	51

(In thousand MAD)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY	Number of accounts		Amounts	
	30/06/19	31/12/18	30/06/19	31/12/18
Securities of which the institution is custodian	37 363	37 091	222 300 000	216 069 197
Securities managed under mandate				
Mutual funds of which the institution is custodian	89	88	103 480 616	101 381 421
Mutual funds managed under mandate				
Other assets of which the institution is custodian				
Other assets managed under mandate				

(In thousand MAD)

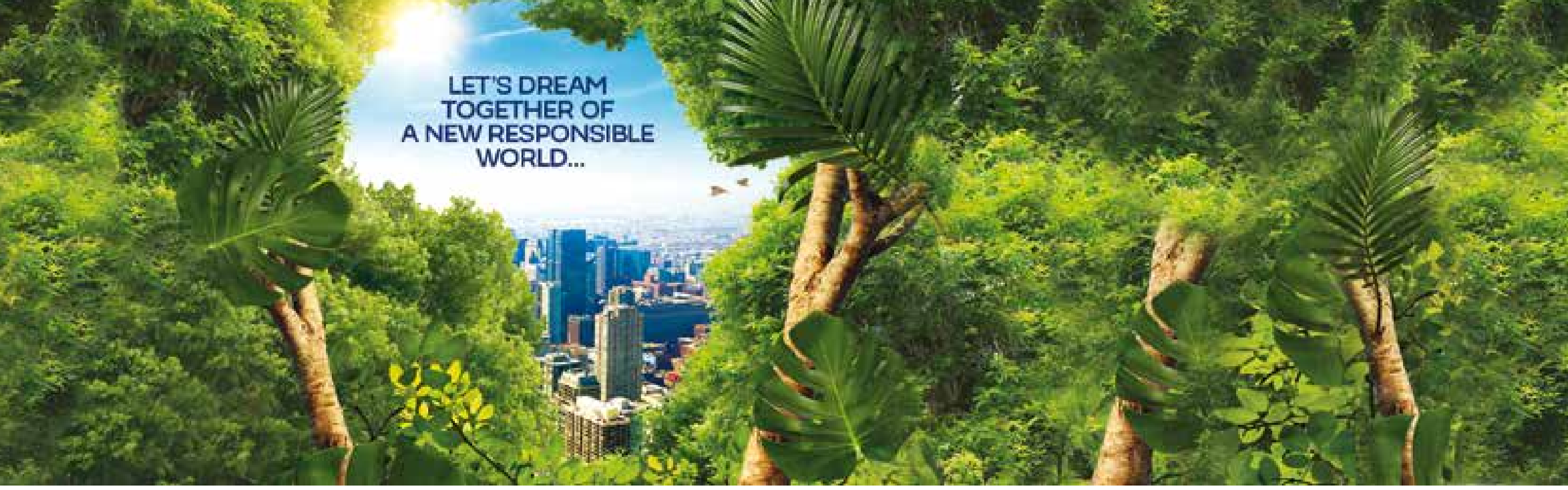


NETWORK	30/06/19	31/12/18
Permanent branches	737	736
Temporary branches	-	-
ATMs	883	883
Main branches and branches abroad	41	41
Representative offices abroad	5	5

(In number)

NUMBER OF CUSTOMER ACCOUNTS	30/06/19	31/12/18
Customer accounts	123 389	118 211
Current accounts	288 856	285 455
Check accounts excluding Moroccan expatriates	1 325 508	1 274 498
Moroccan expatriates accounts	-	-
Factoring accounts	957 105	931 516
Savings accounts	9 180	9 606
Time deposits	1 637	1 563
Interest-bearing notes	-	-

(In number)



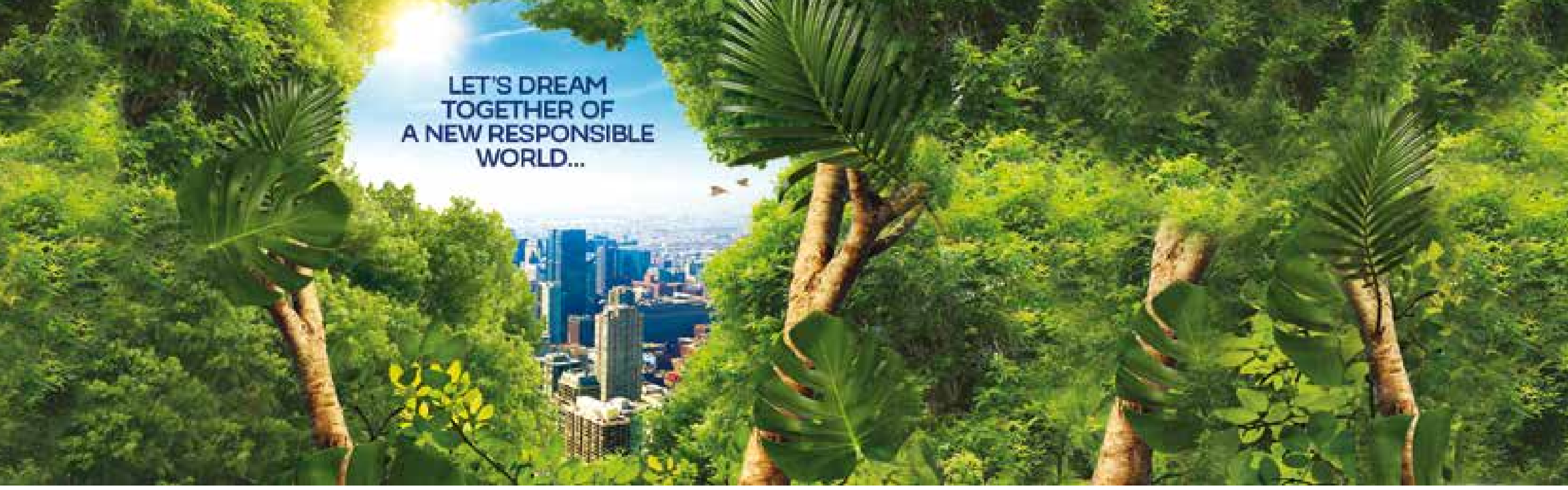
TANGIER OFFSHORE

ASSETS	30/06/19	31/12/18
Cash, central banks, treasury, giro accounts	1 766	1 917
Loans to credit institutions and equivalent	6 534 444	5 219 273
. Demand	1 138 176	583 840
. Time	5 396 268	4 635 433
Loans and advances to customers	2 970 501	2 563 111
. Cash and consumer loans	380 069	157 581
. Equipment loans	2 590 432	2 405 530
. Mortgage loans	-	-
. Other loans	-	-
Advances acquired by factoring	-	-
Transaction and marketable securities	1 411 150	1 237 791
. Treasury bonds and equivalent securities	1 310 945	1 065 446
. Other debt securities	-	20 000
. Title deeds	100 205	152 345
. Sukuks Certificates	-	-
Other assets	362 465	356 423
Investment securities	1 434 902	1 704 611
. Treasury bonds and equivalent securities	-	-
. Other debt securities	1 434 902	1 704 611
. Sukuks Certificates	-	-
Equity investments and equivalent uses	-	-
. Investments in joint ventures	-	-
. Other equity securities and similar assets	-	-
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	-	-
Placed investment deposits	-	-
Leased and rented fixed assets	45 318	19 505
Ijara leased assets	-	-
Intangible fixed assets	2 450	2 463
Tangible fixed assets	1 118	1 124
TOTAL ASSETS	**12 764 115**	**11 106 218**

(In thousand MAD)

LIABILITIES	30/06/19	31/12/18
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	10 644 129	8 912 750
. Demand	653 150	278 659
. Time	9 990 979	8 634 091
Customer deposits	1 462 036	1 489 600
. Demand deposits	1 103 640	1 164 887
. Savings deposits	-	-
. Time deposits	306 475	274 211
. Other deposits	51 921	50 502
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	-	-
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	488 473	379 135
Provisions for liabilities and charges	567	568
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	-	-
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	111 977	112 170
Capital	4 786	4 783
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	-	-
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	52 147	207 212
TOTAL LIABILITIES	**12 764 115**	**11 106 218**

(In thousand MAD)

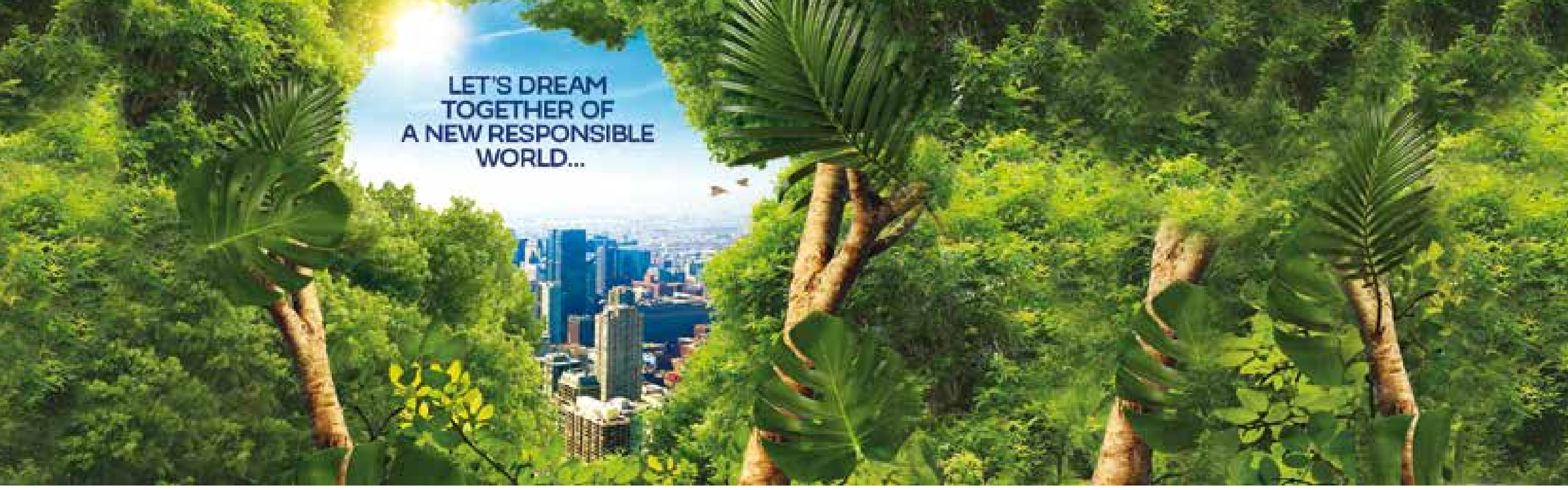


OFF-BALANCE SHEET	30/06/19	31/12/18
Given commitments	805 671	1 313 822
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	38 507	65 438
Guarantee commitments given to credit institutions and equivalent	744 212	656 734
Guarantee commitments given to customers	22 952	24 221
Securities repos purchased	-	-
Other securities to be delivered	-	567 429
Received commitments	1 598 782	1 559 081
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	1 058 870	686 024
Guarantee commitments received from the State and various guarantee bodies	539 912	657 065
Securities repos sold	-	-
Other securities to be received	-	215 992
Moucharaka and Moudaraba securities to be received	-	-

(In thousand MAD)

STATEMENT OF INCOME AND EXPENSES	30/06/19	30/06/18
BANK OPERATING INCOME	319 951	403 364
Interests and assimilated revenues on transactions with credit institutions	128 021	117 185
Interests and assimilated revenues on transactions with customers	61 092	52 445
Interests and assimilated revenues on debt securities	63 439	74 380
Revenue from property securities (1) and Sukuks certificates	1 535	2 382
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	327	401
Revenue from leased assets (Ijara)	-	-
Fees on provided services	3 416	8 399
Other banking revenues	62 121	148 172
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	237 267	259 724
Interests and assimilated expenses on transactions with credit institutions	123 104	80 810
Interests and assimilated expenses on transactions with customers	7 217	3 759
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	-	-
Expenses from leased assets (Ijara)	-	-
Other banking expenses	106 946	175 155
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	82 684	143 641
Non-banking operating revenues	-	-
Non-banking operating expenses	-	-
GENERAL OPERATING EXPENSES	1 849	2 006
Staff expenses	1 430	1 284
Tax expenses	-	-
External expenses	419	722
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	6	12
Allowances for non performing loans and commitments	-	-
Loan losses	6	12
Other allowances for provisions	-	-
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	264	286
Provision write-backs on non performing loans and commitments	-	-
Recovery on amortised debts	-	-
Other provision write-backs	264	286
CURRENT INCOME	81 093	141 909
Non-current revenues	-	-
Non-current expenses	-	-
PRE-TAX EARNINGS	81 093	141 909
Corporate tax	28 947	52 234
NET EARNINGS FOR THE YEAR	52 147	89 675

(In thousand MAD)

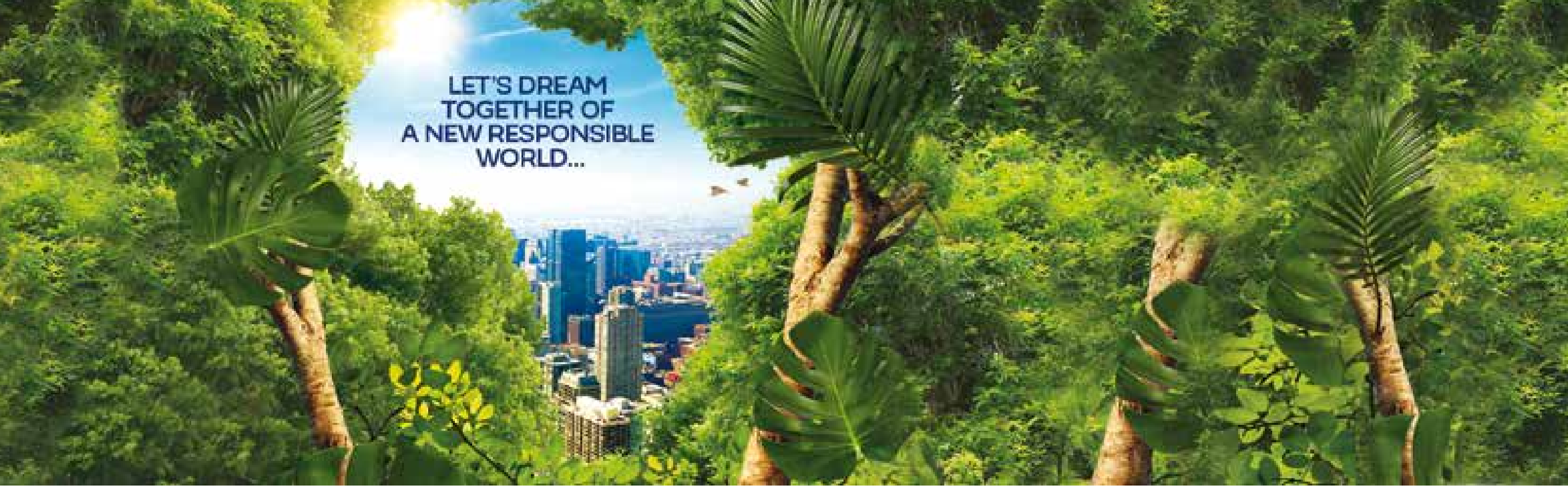


EARNINGS FORMATION TABLE	30/06/19	30/06/18
(+) Interests and equivalent revenues	252 551	244 009
(-) Interests and equivalent expenses	130 321	84 569
NET INTEREST INCOME	122 230	159 440
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	328	402
(-) Expenses from leasing and renting operations	-	-
Income from leasing and rental operations	328	402
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	3 671	8 578
(-) Fees paid	806	184
Fee income (1)	2 865	8 394
(+) Income from trading securities	-20 063	-
(+) Income from investment securities	-20 253	-33 130
(+) Income from payload operations	-7 928	7 052
(+) Income from by-product operation	4 050	-899
Income from market transactions (1)	-44 194	-26 977
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	1 535	2 382
(-) other banking expenses	79	-
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	82 685	143 641
(+) Income from financial asset operations (2)	264	286
(+) Other non-banking operating revenues	-	-
(-) Other non-banking operating expenses	-	-
(-) General operating expenses	1 849	2 006
Gross operating income	81 100	141 921
(+) Allowances for non performing loans and commitments (net of write-backs)	-6	-12
(+) Other allowances net of provision write-backs	-	-
Current income	81 094	141 909
Non-current income	-	-
(-) Corporate tax	28 947	52 234
Net earnings for the year	52 147	89 675

(In thousand MAD)

CASH-FLOW	30/06/19	30/06/18
+ Net earnings for the year	52 147	89 675
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
+ Allowances for provisions for equity investments depreciation	-	-
+ Allowances for provisions for general risks	-	-
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provision write-backs	263	286
- Capital gains on disposals of intangible and tangible fixed assets	-	-
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	-	-
+ Capital losses on disposals of equity investments	-	-
- Write-backs of investment subsidies received	-	-
+ Financing	51 884	89 389
- Dividends distributed	-	-
+ Cash-flow	51 884	89 389

(In thousand MAD)



VIII - NOTE CONCERNING RISKS

8.1. RISK MANAGEMENT POLICY

8.1.1. Risk categories

8.1.1.1. Credit risk

Credit risk, inherent in banking activity, is the risk of customers not repaying their financial obligations toward the Bank in full or within the allotted time, resulting in potential losses for the Bank. It is the broadest risk category and may be correlated with other risk categories.

8.1.1.2. Market risk

Market risk is the risk of loss in value of financial instruments resulting from changes in market parameters, volatility and correlations between them. Concerned parameters include exchange rates, interest rates and the prices of securities (stocks, bonds) and commodities, derivatives and all other assets.

8.1.1.3. Global liquidity and interest rate risk

Interest rate risk is the vulnerability of the financial situation of an institution to adverse changes in interest rates.

Liquidity risk is defined as the risk for the development of not being able to meet its cash flow or collateral requirements when they fall due and at a reasonable cost.

8.1.1.4. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, personnel error and systems failure or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

8.1.1.5. Country risk

Country risk comprises political risk as well as transfer risk. Political risk generally arises from action taken by the government of a country such as nationalisation or expropriation or an independent event such as war or revolution, which may affect a customer's ability to honour its obligations.

Transfer risk can be defined as the risk of a resident customer being unable to acquire foreign currency in its country so as to honour its overseas commitments.

8.1.2. Risk management organization

8.1.2.1. Risk control bodies

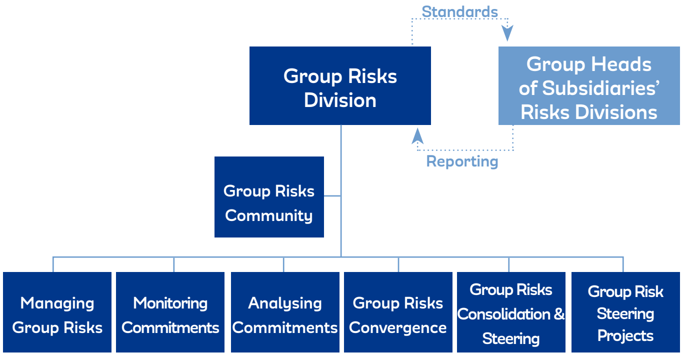
◗ **Group Risk Division**

The Group Risk Division's task is to correctly manage credit, market and operational risks while actively contributing to:

- Defining BMCE Bank Group's risk policy ;
- Definition and management taking and monitoring of commitments ;
- Implementing of a credit risks control system, market transactions and operational risks ;

The Risks Division and Coordination Group is composed of four entities :

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



8.1.2.2. Governance bodies

◗ **Group Risk Committee**

The Group Risk Committee BMCE Bank is an instance from the Board of Directors of BMCE Bank, whose prerogatives are extended to direct and indirect subsidiaries included in the scope of consolidation of the Group.

This Committee assists the Board on strategy and risk management, including ensuring that the global risk strategy is adapted to the risk profile of the bank and the Group, to the degree of risk aversion, its systemic importance, its size and its financial basis.

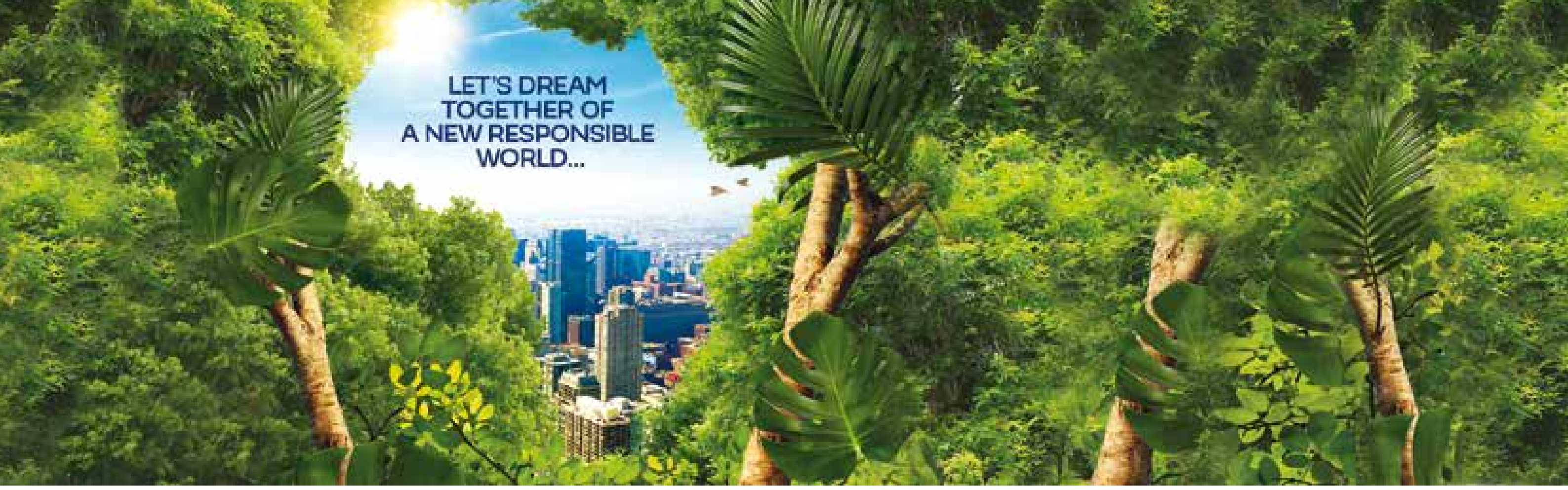
◗ **Group Audit and Internal Control committee**

BMCE Bank Group's Audit and Internal Control Committee is an instance from the Board of Directors of BMCE Bank, whose prerogatives are extended to subsidiaries and other entities included in the scope of consolidation..

Group Audit and Internal Control Committee assists the Board of Directors on internal control, including by ensuring that:

The internal control system and the means implemented are::

- Coherent and compatible to allow monitoring and risk management at the bank and its subsidiaries and the production of information required by the regulator as part of the Group's consolidated supervision;
- Adapted to the Group's organization and the activities of controlled entities;
- The financial information intended for the Board of Directors and third parties is reliable and accurate, such that the legitimate interests of shareholders, depositors and other stakeholders are preserved;
- A review of company and consolidated accounts is carried out before submission to the Board of Directors.



◗ **General Management Committee**

The Group Management Committee is responsible for the declination in equity and operational measures of the Group's strategy and monitoring.

This Committee, whose periodicity is weekly, has main tasks the management of the business of the bank, the conduct of internal control and risk management, monitoring the HR component, commercial communication policy, institutional and financial

◗ **The Steering Committee and Group Risk Management**

After the General Management Committee of BMCE BANK, the Steering Committee and Risk Management BMCE Bank assists in the management and monitoring of effective and operational of:

- Piloting device Group risks,

- Consistency of group activities with the policies fixed of risks and limitations.

This Committee ensures the efficiency of the piloting device of the risks of BMCE Bank Group and its adequacy with the risk management policy defined on shutters risk of Credit, Market and Operational.

8.1.2.3. Credit Committees

◗ **Senior Credit Committee**

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Executive Managing Director. It is sub-divided by market segment into two committees, one specialising in Corporate Banking, the other in Personal and Professional Banking. These committees meet twice-weekly and include senior managers of the Bank.

◗ **Regional Credit Committee**

The Regional Credit Committee (RCC) meets on a weekly basis. Regional Directors decide on meeting dates and inform committee members.

8.1.2.4. Supervisory Committee for Sensitive Accounts

As part of the portfolio monitoring, the supervisory committee for sensitive accounts (central and restricted) meets monthly to monitor the remediation of risk accounts and anomaly accounts.

8.2. CREDIT RISK

The Bank's credit activity is part of the general credit policy approved by the Bank's senior management. Among the guiding principles include the Group's requirement related to ethics, attribution of responsibilities, the existence and adherence to procedures and rigour in risk analysis.

This policy is available in specific policies and procedures appropriate to the nature of activities and counterparties.

8.2.1. Credit decision cycle

8.2.1.1. General principles

The approval process at BMCE Bank Group level respects the "Troïka" principle and is based on the following principles:

- All credit requests adhere to the same approval process which ensures that the Troïka principle is respected (minimum requirement). Therefore, at least 3 people, one of which is from the Risk Division, should approve all credit requests except for some predefined specific cases;

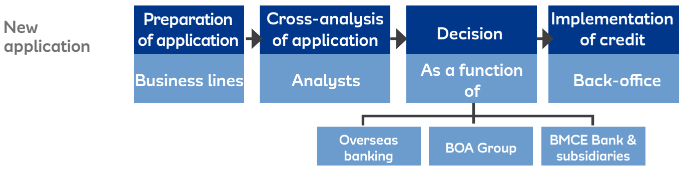
- The decision, jointly taken by the Risk and Commercial Divisions – which includes at least one preliminary counterfactual analysis – applies to the applications assigned to the local decision committees as well as to the central decision committees. This involves a multi-level pyramid structure, where the higher level acts as an arbitrator in the event that consensus is not reached;

- The Risk Division can use the escalation procedure (n+1) if there is a disagreement with the Commercial Division.

- Appeal to the highest authority having ruled on any other case of a related case with the highest level of high delegation (in case of a group).

8.2.1.2. Credit approval process

The following diagram provides an overview of the credit approval process :



- The Commercial Division in charge of customer relations is responsible for preparing the credit application;

- Counterfactual analysis of the credit application is performed by credit analysts from the entity's Risk Division;

- The decision is jointly taken by the Risk and Commercial Divisions, based on their respective levels of delegation;

- The loan is actually implemented by the back-office, which is a unit independent from the Risk and Commercial Divisions.

8.2.1.3. Decision making and choice of circuits

In order to facilitate the reporting exercise, the principle of a single decision for each credit proposal should be respected.

Credit decisions are made either by circulation file, or by holding a Credit Committee, via a manual or electronic process.

8.2.1.4. Delegation

The credit decision process is based on a delegation system whereby an entity's Board of Directors delegates powers to its employees or a group of employees by setting limits, as it sees fit.

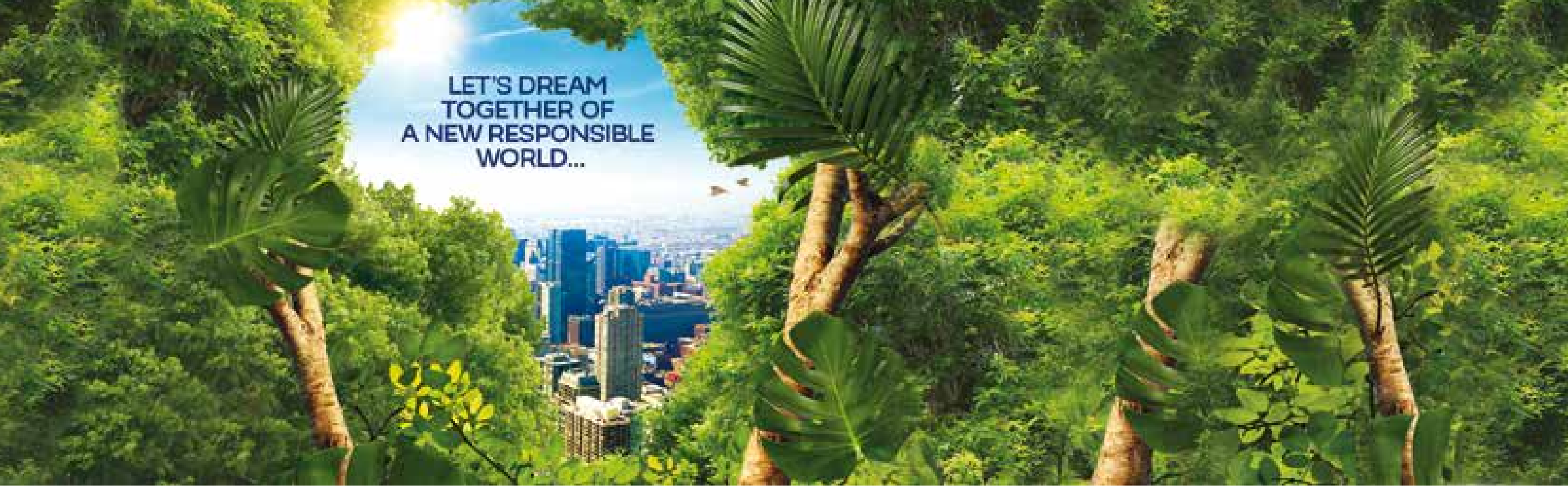
The delegation may in turn involve a sub-delegation depending on the organisation, volume, products and risks.

The delegation of authority to employees is assigned intuitu personae on the basis of their decision-making ability, experience, personal skills, professional skills and training.

8.2.1.5. Approval rules

The credit approval decision is sent for consideration to the Troïka or to Credit Committees depending on the approval levels required.

The present delegation system defines the following decision levels:



- At local branch level;

- At "hub" level (BOA Group and Europe);

- At central BMCE Bank level.

The local branch level may involve a sub-delegation depending on the entity's organisation, volume, products and risks.

8.2.1.6. Credit application contents

All requests for obtaining credit should meet the product's eligibility criteria as defined in the product factsheets. All credit decisions are taken on the basis of a standard credit application whose format is defined in consultation with the Commercial Division and Risk concerned and in coordination with the Group Risk Division.

A credit application is prepared for each counterparty or transaction to which the entity wishes to make a commitment or for which the entity has already made a commitment in the case of an annual review or renewal. This is done on the basis of the documents mentioned in the product checklist and provided by the client.

The document checklist to be sent by the client and the analysis form should be identical to the one at Group level and these will be modified based on the type of credit. The contents of the credit application should provide the decision-makers with the necessary information as well as the quantitative and qualitative analysis required for taking the credit decision.

The Commercial Division is responsible for preparing the credit application and its contents.

The credit application shall remain the single point of reference for any credit decision; it should contain all the signatures or stamps that guarantee the accuracy of the information provided therein.

8.3. RATING MODEL

BMCE Bank has an internal rating tool covering several customer segments.

8.3.1. Key rating rules

8.3.1.1. Rating's uniqueness

The rating is established for each client, provided as a third code group. The rating process is thus carried out for each third code group so that a third party has one and only one ratings. Thus, BMCE ensures the uniqueness of the rating attributed to each assessed counterparty.

8.3.1.2. Rating's integrity

As per the regulatory principles, the attribution of the rating and its periodic review should be carried out or approved by a party that does not benefit directly from the credit approval. It is for this reason that the rating is validated in the back office by the Group Risk Management Division following initial attribution by front-office commercial operations. The rating's integrity is a key component in the credit risk management process and should reinforce and encourage independence in the rating process.

8.3.1.3. Rating's singularity

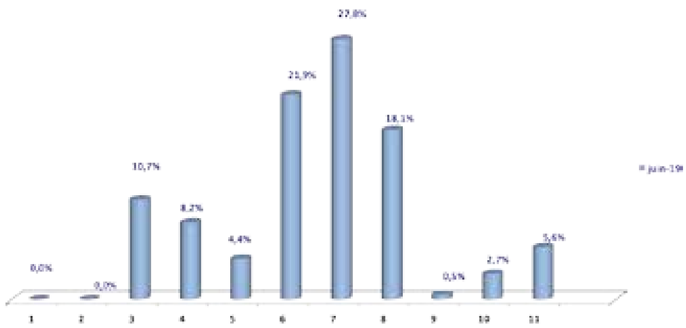
A counterparty code is assigned to each of the Bank's counterparties. The rating of each third party is carried out using the counterparty reference code in such a manner that, for all third parties (the counterparty type is single and unique), the assessment will be carried out by using a single rating model but with data specific to each counterparty. BMCE Bank thus ensures the rating's singularity for each counterparty.

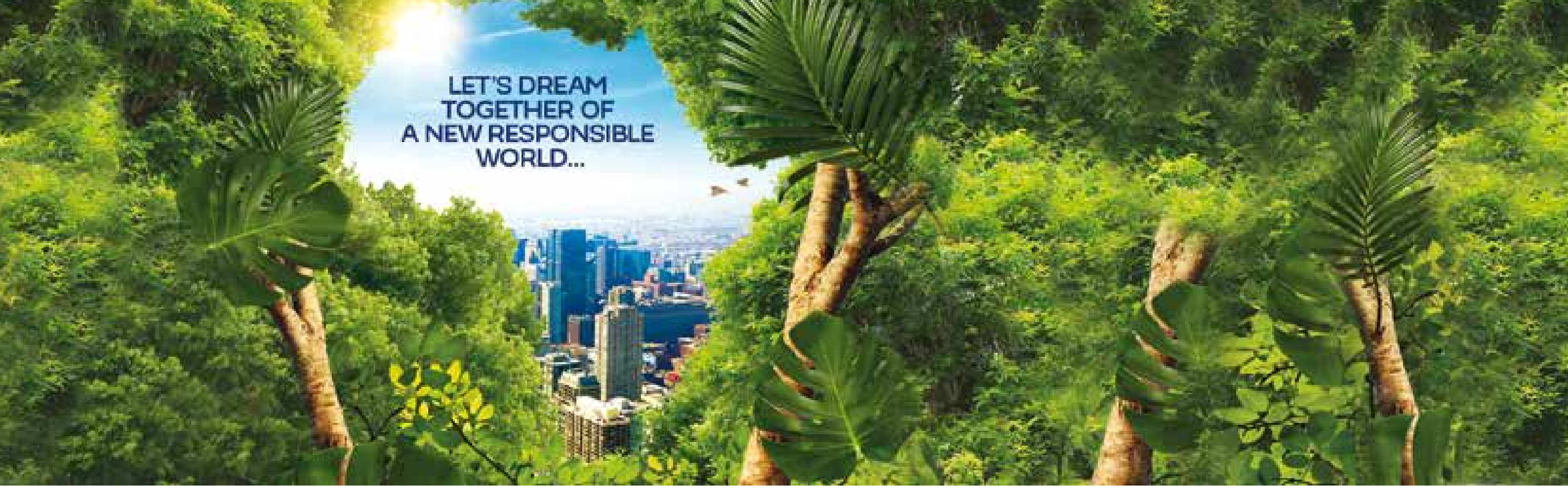
8.3.2. Rating scale

BMCE Bank Group has adopted an 11-level rating scale to attribute a final counterparty rating :

	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.

As of 30 June 2018, the breakdown of the portfolio by asset class was as follows :





8.3.3. Retail customer scoring system

Scoring for the Retail Customer segment consists of modeling statistics of default and risk behaviour.

Two types of score have been introduced, a behavioural score and a credit approval score.

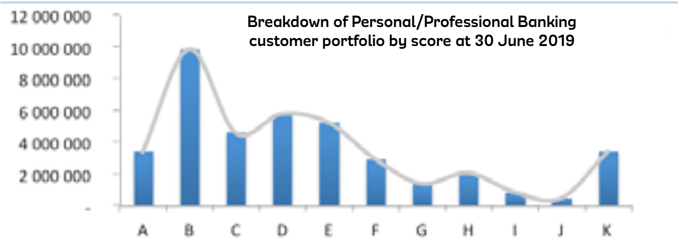
The behavioural score, for open accounts, is a dynamic risk assessment based on a customer's behaviour.

Only customers that are known to the Bank may be assigned a behavioural score.

Each of the Bank's customers is assigned a rating from A to K which is updated on a monthly basis and on a daily basis in the event of any incident.

Class	Description	E-	High risk
A	Very low risk	F	
A-		F-	Very high risk
B	Low risk	G	Major risk
B-		G-	
C	Average risk	H	Proven risk
C-		H-	
D	Average-high risk	I	Sub-standard
D-		J	Doubtful
E		L	Loss

Four separate behavioural scoring models have been introduced for specific market segments: personal banking customers, professional banking customers, Moroccans living abroad and small businesses.



The credit approval score is a one-off rating that is assigned on opening a line of credit.

New and existing customers are assigned a credit approval score.

A decision support system has been introduced for approving consumer loans.

8.4. CREDIT RISK CONTROL AND MONITORING PROCEDURE

Credit risk control and monitoring ensures the second-level checking, separate from daily monitoring by the Commercial Division.

This procedure may be adapted depending on how each subsidiary is organised in consultation with the Group Risk Division.

Commercial Division is responsible for risk monitoring. Indeed, the credit manager in the Commercial Division is responsible to the daily monitoring of transaction risks. To fulfill this mission, the Commercial Division is helped by the risks which play an alert role.

The risk Division's main objective is to ensure the efficiency running of a forward-looking alert system that allows the Commercial Division to optimize risk management as well as anticipating potential risks so that the bank's portfolio may be properly managed. The risk Division also ensures that the Commercial Division is monitoring properly and provides alerts for accounts in default.

- Performs pre-checks ;
- Performs post-checks ;
- Identifies and monitors the portfolio of commitments based on several factors : products, maturities, beneficiaries, business sectors, branches, geographical regions etc.;
- Fixes and monitors concentration limits;
- Detects and monitors accounts showing anomalies and high-risk accounts;
- Categorised the portfolio based on regulatory criteria and proposes provisioning;
- Performs stress tests;
- Produces regulatory reports and internal steering reports.

8.4.1. Pre-checks

Pre-checks include all compliance checks carried out prior to a credit mine's initial authorisation and use. These checks are performed in addition to automatic checks and checks carried out by the Commercial Division, Back-office and Legal Department etc.

These checks are implemented by the Risk Division. They mainly relate to:

- Credit proposal data:
- Compliance with the appropriate delegation level;
- Legal documentation compliance;
- Conditions and reservations expressed before initial use of funds or the facility ;
- Data entered in the information systems.

8.4.2. Post-checks

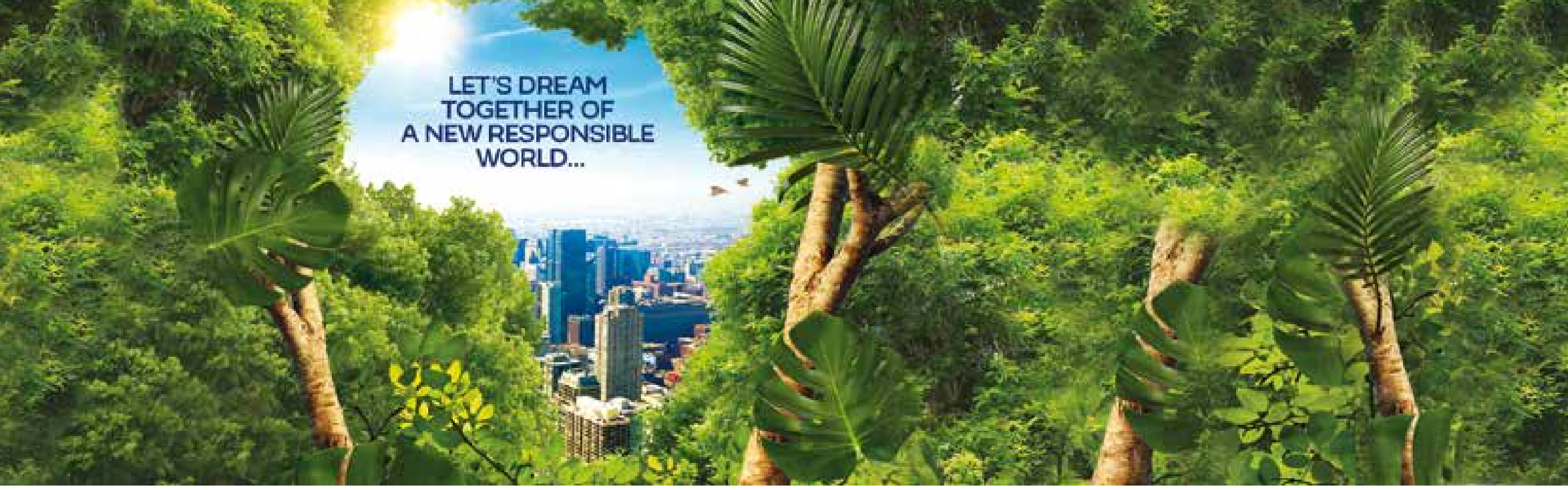
Like pre-checks, post-checks are also performed by the Risk Division.

These checks are aimed at ensuring measurement, control and monitoring of credit risks in terms of the entire portfolio and not just the counterparty. Special attention is therefore paid to credit quality, anticipating and preventing irregularities and risks as well as controlling and monitoring risks by the Commercial Division.

8.4.2.1. Portfolio monitoring

Group's portfolio Monitoring commitments and its entities is performed through several indicators, both on the risks to the granting and during the life of the credit records.

The first post-check consists of identifying and monitoring the entity's total commitments based on several factors including products, maturities, customers, business groups, customer segments, counterparty ratings,



loan categories (healthy loans and non-performing loans), industries, branches, geographical regions, type of collateral etc. The multi-criteria analysis is a credit risk management tool.

The production of multi-criteria analysis commitments portfolio is the responsibility of the Credit Risk die which also ensures the reporting of credit risks, both internally and vis-à-vis the Risk Committees and management, that external, vis-à-vis the regulators.

8.4.2.2. Concentration limits

Credit Risk Management has adopted a policy of analysing business line strategies from a risk perspective, especially in respect of new activities or product launches, by setting formal limits on these risks. Credit concentration risk incurred by BMCE Bank Group can arise from exposure to :

- Individual counterparties ;

- Interest groups ;

- Counterparties belonging to the same industry or country.

8.4.2.2.1. Individual counterparties

The Group proceeds monthly monitoring of individual concentrations, on social and consolidated basis, and ensures close monitoring of the commitments of its 10, 20 and first 100 customers with the greatest commitments.

The following table shows commitments to the bank's main debtors at the end of june 2019:

	june 2019	
	Amount	% of the total
Commitments to 10 largest customers	13 905	12%
Commitments to 20 largest customers	20 359	18%
Commitments to 100 largest customers	40 015	35%

8.4.2.2.2. Interest groups

Diversification of the portfolio by counterparty is monitored on a regular basis, notably under the Group's individual risk concentration policies. Credit risks that result from concentration on a single counterparty or group of counterparties with a relative high level of outstandings (more than 5% of shareholders' equity) are specifically monitored from an individual as well as consolidated perspective.

In addition, monitoring of major risks also ensures that the aggregate exposure to each beneficiary does not exceed 20 % of the Group's net consolidated shareholders' equity capital as recommended by the Moroccan banking regulations. BMCE Bank remains well below the concentration limits defined by the Bank Al Maghrib directive.

8.4.2.2.3. Counterparties belonging to the same company

The Group has a methodology for setting sector limits based on a statistical model based on the historical default rate and the number of counterparties by business sector and risk class (rating).

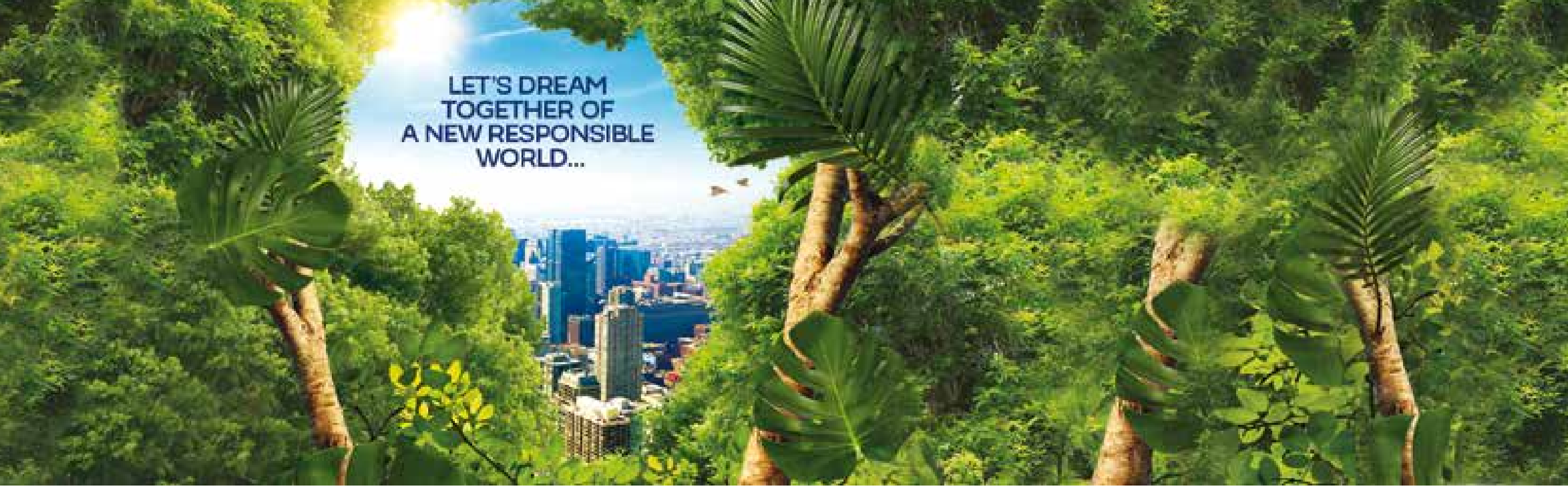
The objective is to model default risk using appropriate econometric techniques, using a random variable dependent, whose value is the result of the enumeration of realization of fault events.

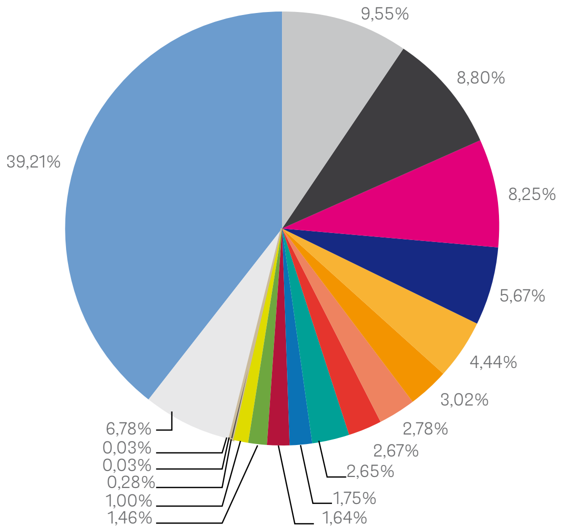
The approach is based on assumptions of the independence of the counterparties and the non-correlation of defaults. Thus, the key notion of this methodological approach is the probability of default of a counterparty given. This probability is measured through the use of the rate failure of the rating pair / business sectors.

The model also allows you to calibrate the envelopes to be allocated to each business sector, particularly in view of the development plan of the bank and the sector's loss experience. This approach adopted by the Group Risk Division is completed by the implementation of back Testing of the model every six months.

The review of the sectoral limits is carried out every six months in consultation with the commercial sector and the Intelligence Centre The bank's economics, which provide their business vision and costing of the macroeconomic and sectoral perspectives. The opinions of these entities thus make it possible to challenge and further strengthen the relevance of the model in relation to the economic context.

The breakdown of the Group's customer commitments by sector The breakdown of activities at the end of June 2018 is as follows:





- Financial activities
- Real estate development
- Retail, auto repairs and domestic items
- Transportation and telecommunications
- Production and distribution of electricity, gas and water
- Construction and public works
- Agribusiness and tobacco industry
- Metallurgical, mechanical, electrical and electronic industries
- Hotels and restaurants
- Miscellaneous manufacturing industries
- Textile, clothing and leather industries
- Mining industries
- Chemical and specialty chemical industries
- Agriculture, hunting and forestry
- Fisheries, Aquaculture
- Public sector administration
- Others
- Retail

8.4.2.2.4. Counterparties belonging to the same country

Country risk refers to the possibility that a sovereign counterparty in a given country, as well as other counterparties in this country, is unable or refuses to fulfil its foreign obligations due to socio-political, economic or financial reasons.

Country risk can also result from limits on the free movement of capital or due to other political or economic factors, in which case it is qualified as transfer risk. It can also result from other risks related to the occurrence of events impacting the value of commitments for a given country (natural disasters, external shocks).

The Group reviewed its country risk policy in detail. It set itself the primary objective of implementing a system for assessing, limiting, reducing and, if necessary, prudently suspending its commitments to high-risk countries across the Group.

The proposed policy, in addition to outlining a strategy for managing Country Risk, includes rules for identifying, managing and controlling these risks as well as the Group entities responsible. The main feature of this risk prevention policy is the system of delegation and limitation of commitments.

This system has been designed in such a way that limits rise in proportion to the increase in country risk. The level of commitments is determined on the basis of the country risk level, reflected in the rating attributed to each country and the percentage of shareholders' equity of each Group entity.

BMCE Bank's commitments are primarily within Morocco. The Bank's commitments to foreign counterparties relate to foreign credit institutions. These commitments require:

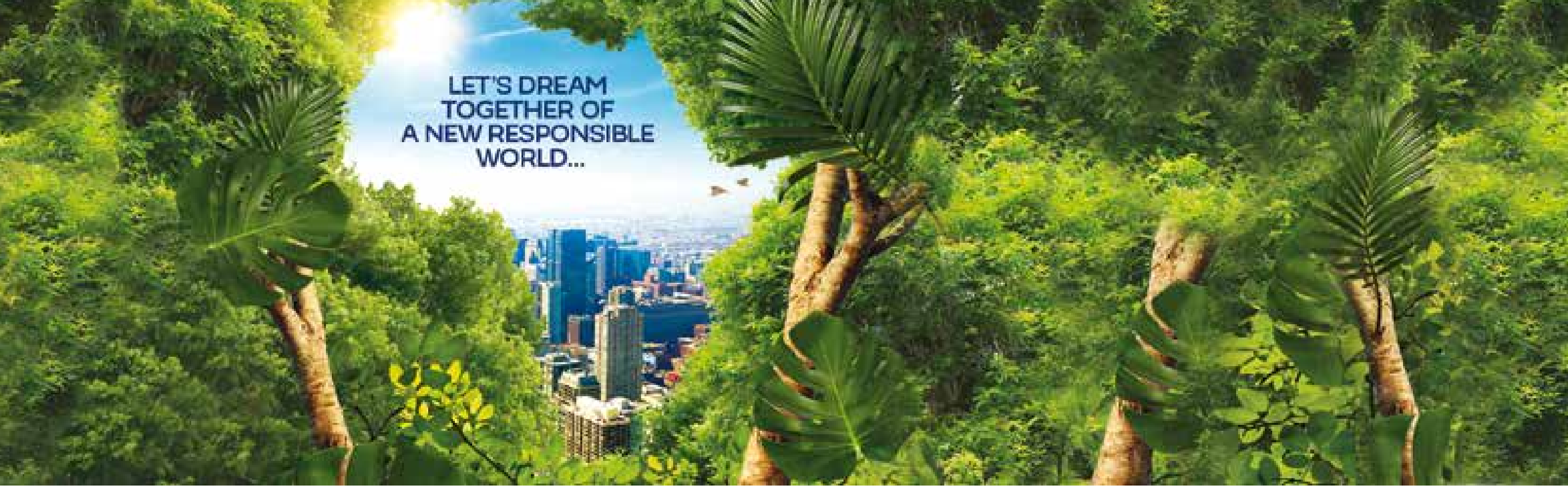
· Post-rating authorisation and fundamental analysis of each counterparty;

· Monthly monitoring, with the findings sent to the Central Bank in the form of a regulatory statement.

Realized reporting provide an overview of the global commitment of BMCE Bank of Africa against foreign bank counterparties. They reflect the commitment by countries which includes all assets in the balance sheet and Off-balance sheet representing claims on residents of foreign countries.

In addition to these statements, the Group Risk Division develops a monthly analytical report on the foreign exhibitions of BMCE Bank of Africa. Use this report to assess the level of foreign exhibitions of BMCE Bank of Africa Group and is a dashboard for monitoring the evolution of the risk inherent in each country. The Group's country risk policy is illustrated as follows:

Group Risk Management has begun work to extend the country risk management system at all its subsidiaries in Africa and this within the framework of the Convergence project for the deployment of the Group Internal and Risk Management Control.



8.4.2.3. Control of accounts showing anomalies and high-risks accounts

8.4.2.3.1. Control of accounts showing anomalies

The purpose of this post-check is to detect the irregular use of accounts and identify recurring anomalies. This is carried out to ensure that the Commercial Division regularises the account or at least provides justification for the irregularity.

This check is therefore carried out in addition to daily monitoring by the Commercial Division. The most important cases of accounts showing anomalies relate to credit applications where:

- Credit authorisations have expired;
- Guarantees have not been provided;
- Credit lines have not been used for more than 6 months.

These criteria constitute the minimum conditions for accounts showing anomalies that are detected automatically and monitored jointly with the Commercial Division.

8.4.2.3.2. Monitoring high-risk accounts

Risk accounts represent a risk that is likely to increase subsequently resulting in a cost to the Bank. They are made up of commitments that present, i. e. a proven deterioration in quality risks identified by quantitative criteria, i.e. a deterioration potential risks identified by qualitative criteria.

Risk accounts consist of accounts that:

- Are frozen: The notion of frozen accounts means current accounts that, after merger, if planned, do not have any credit movements over a period of 30 days (excluding credit release...) covering at least less the amount of premiums charged to these accounts and a portion there of significant of said debit balances
- Record unpaid debts such as:
- outstanding amortizable loans with a maturity date that is not paid after its term;
- outstanding loans repayable in one instalment are not honoured after their due date. term ;
- trade receivables expected by the Bank and returned unpaid,
- Persistent exceedances, beyond one month, by in relation to the authorizations granted. However, in order to avoid possible operational risks, the entities control on a weekly basis, the authorized exceedances of a certain level (local discretion of each entity).
- Record exposures for which reimbursement is possible be uncertain due to considerations related to other information quantitative or qualitative negative on the client such as: a rating in high risk, events and disputes concerning the main shareholders (death, legal redress...).

These criteria are minimum requirements for the detection of risk accounts.

The Commercial Division, which through its knowledge and daily monitoring of its relationships, and the Group Risk Division highlight and present as a risk account any other account, if they deem it necessary.

Assessment, intervention and complementarity between the Sectors Commercial and Risks remain decisive in the identification accounts requiring registration as a risk account.

The responsibility for the day-to-day monitoring of these risks rests with the Commercial channel. However, the detection of these risk accounts on The monthly basis is the responsibility of the Risk Management Department. The detection is carried out, for quantitative criteria, by means of extractions of applications and operating systems.

As soon as these characterized and certain risks are identified, the Risk Management Department asks for explanations from the Commercial Channel. The latter puts in place works all the means at its disposal to ensure the recovery of the claim.

8.4.2.3.3. Annual account review

All retail customers with a revolving credit or corporate customers with a commitment to any of the Group's entities must undergo an annual review process carried out by the relevant Credit Committee, irrespective of whether a facility needs to be approved or renewed.

The Risk Division is responsible for continuously updating the planned annual review schedule provisional, in conjunction with the Commercial Division.

8.4.2.3.4. Theme-based checks

Unlike the checks mentioned above, theme-based checks are not performed on a regular basis and are related to a specific point or risk. These checks are carried out by the Risk Division on the request of senior management or other bodies.

Frequent checks are carried out, in particular on the quality of the files of anomaly or risk accounts and on the first-class guarantees.

8.4.3. Loan classification

After 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 for monitoring high-risk accounts on the recommendation of each entity's Risk 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.

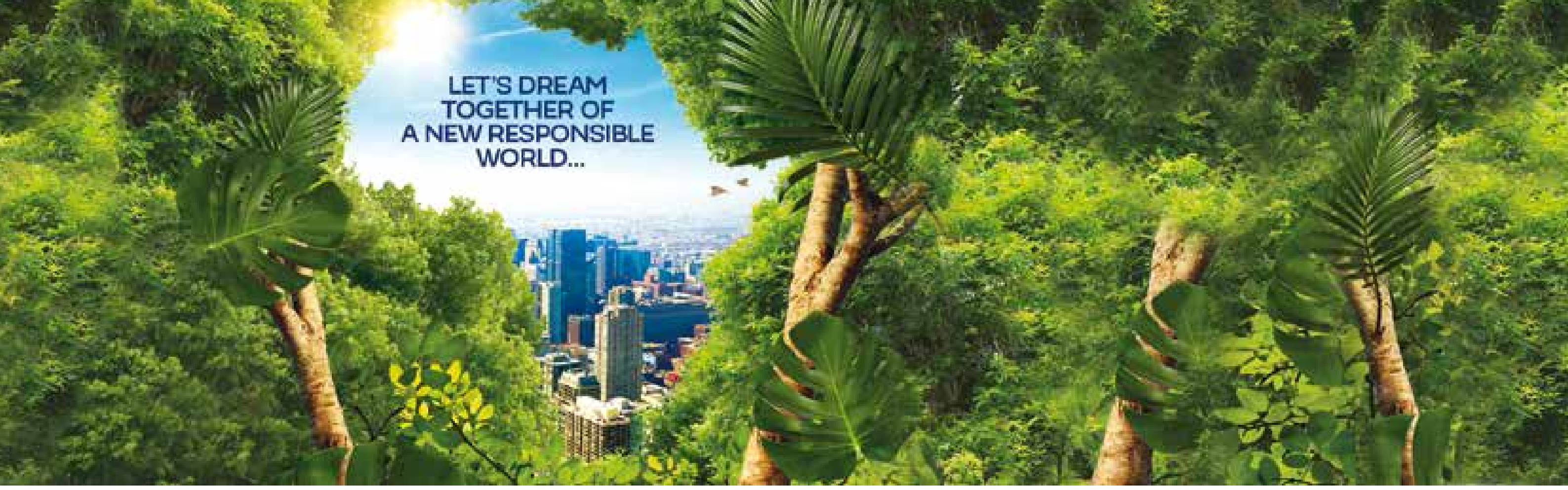
8.4.4. Guarantees

The Group receives different types of guarantee in consideration for loan outstandings. As a general rule, the guarantees required are based on the following two factors: the loan type and the counterparty quality.

Thus, for all property loans (home purchase loans and real estate development loans), the Group systematically possesses mortgages on the financed property as well as insurance cover.

Similarly, the financing of public contracts, merchandise, equipment and trade premises is systematically guaranteed by collateral in respect of the financed items as well as through insurance cover.

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



8.4.5. Stress-tests Conduct

Every six months, BMCE Bank conducts crisis simulations (stress tests) to assess the vulnerability of its credit portfolio in the event of an adverse event or deterioration of the quality of its counterparties.

The stress tests are conducted in order to assess the Bank's resilience in the face of unexpected, extreme events. Operationally, they consist of simulating scenarios relating to the default of a certain percentage of the Group's counterparties. The ultimate objective is to measure the impact on provisions and, as a result, on profitability and the prudential shareholders' equity.

The various scenarios are reviewed regularly and at least twice per year to ensure that they are relevant. This assessment is carried out on the basis of the objectives set for conducting stress tests and whenever the market conditions suggest any potentially adverse changes that are likely to seriously impact the Group's ability to withstand them.

The results of the stress test are made known to the Steering Committee and Group Risk Management and the Group Risk Committee.

8.4.6. Credit risk reporting

In order to monitor credit risks, the Group Risk Division has established a specific procedure for producing credit risk reports in order to improve and streamline credit risk control across the entire Group. These reports are aimed at satisfying the requirements of all concerned parties for monitoring, steering or regulatory purposes. They are also used by BMCE Bank Group's financial communications department.

These reports are in addition to the various regulatory reports that have to be prepared by the Risk Division in order to satisfy regulatory requirements at the Group and local levels. These also include reports relating to the financial statements as well as other risk-related reports prepared by other departments of the entity. These reports are designed to present and overview of risk management carried out by the various entities.

Credit risk reporting relates to all credit risks resulting from the activities of all entities of the entire BMCE Bank Group. Each entity organises itself as a function of local particularities in order to satisfy the requirements of the reporting process.

8.4.7. Implementation of the risk control system by overseas subsidiaries

The implementation phase of the Convergence Programme progressed well in 2015 in line with Group targets. This involved new subsidiaries implementing the different systems, resulting in expanded geographical coverage to the entire Group.

Credit risk system

Phase 1: Organisation, delegation scheme, management and reporting

The roll-out of the credit risk management system (Batch 1) was completed at 16 BOA subsidiaries (Burkina Faso, Benin, Ivory Coast, Senegal, Niger, Madagascar, Mali, Kenya, Uganda, Tanzania, Mer Rouge, Ghana, DRC, Togo, France and Rwanda), as well as at the Group's Moroccan subsidiaries, LCB, BBI London and Madrid.

The credit risk management system is scheduled to be rolled-out within BCB during H2-2019.

Phase 2: Stress tests and concentration risk management (Phase 2)

The roll-out of the credit risk management system (Batch 2) was completed at 7 BOA subsidiaries within the WAEMU zone (Burkina Faso, Benin, Ivory Coast, Senegal, Niger, Mali and Togo) as well as at BOA France and the Group's Moroccan subsidiaries.

The roll-out of Batch 2 has begun within BOA Madagascar and is in the process of being completed at BOA Rwanda. Batch 2 of the credit risk management system is scheduled to be rolled-out during H2-2019 at the following subsidiaries: BOA Mer Rouge, BOA DRC, BOA Kenya, BOA Tanzania, BOA Uganda, BOA Ghana, BCB, BBI London, BBI Madrid and LCB.

Operational risk system

The roll-out of Batches 1 and 2 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, Togo, France and Rwanda), as well as at LCB and BBI Madrid.

The roll-out of the operational risk management system within BCB and the Hub is scheduled for H2-2019 and Batch 2 within BOA RDC, BBI London and the Group's Moroccan subsidiaries.

Group Risk Community

The Group Risk Community has reached a certain level of maturity due to it adopting a common set of risk policies and practices.

The main achievements of the Group Risk Community in respect of first half 2019 relate to training towards the Associate in Risk Management (ARM) certificate delivered by the Business Risk Academy: ARM 55 (Edition 1): 11 English-speaking participants with an 82% pass rate on average; ARM 55 examination (Edition 2 for French-speaking participants): with a 70% pass rate; ARM 54 (Edition 4): 11 French-speaking participants. The examination is scheduled for September 2019.

8.5. DESCRIPTION OF THE POLICY FOR MANAGING LIQUIDITY AND INTEREST RATE RISKS

BMCE Bank has established a policy for controlling balance sheet risks such as liquidity and interest rate risks so that it is able to as to continuously monitor changes in financial market trends and their impact on the Bank's operations.

In order to maintain balance sheet stability from a medium- to long-term perspective, the Bank's liquidity and interest rate risk management policy aims to:

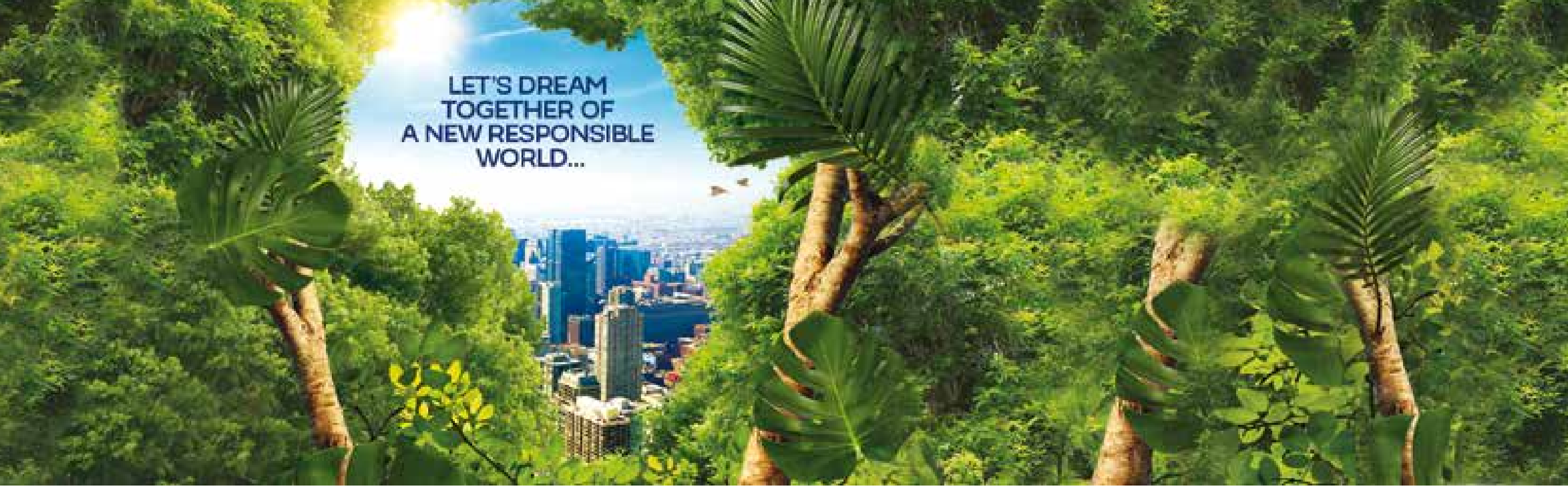
· Ensure income stability when interest rates change, thereby maintaining net interest income and optimising the economic value of equity;

· Ensure an adequate level of liquidity, thereby enabling the Bank to meet its obligations at any given time and protecting it from any eventual crisis;

· Ensure that the risk inherent in its foreign exchange positions does not have a negative impact on the Bank's profit margins;

· Steer the bank's strategy so as to take full advantage of growth opportunities available in the market.

The Bank has established an ALCO committee to ensure that these targets are met. The main tasks of this committee are as follows:



· Set asset-liability policy ;

· Organise and direct asset-liability sub-committees;

· Possess in-depth knowledge of types of risk inherent in the Bank's operations and keep abreast of any changes in these risks based on financial market trends, risk management practices and the Bank's operations ;

· Review and approve procedures aimed at limiting the risks inherent in the Bank's operations in terms of credit approval, investments, trading and other significant activities and products;

· Master the reporting systems that measure and control the main sources of risk on a daily basis ;

· Review and approve risk limits periodically given changes to the institutional strategy, approve new products and respond to important changes in market conditions;

· Ensure that the different business lines are properly managed by HR, the latter possessing a high level of competence, experience and expertise in relation to supervised activities.

Responsibilities of the different parties involved in interest rate and liquidity risk management

Maintaining short- and medium-term balance sheet stability entails the involvement of all parties within the Bank and requires that each party's responsibilities are clearly defined in respect of interest rate and liquidity risk management.

In this regard, each of the Bank's entities will have its own budget and objectives, validated by the general management team on a medium-term basis. This enables the relevant bodies to ensure orderly monitoring and control of the three-year plan while balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly tracks changes in the Bank's balance sheet structure by comparison with the plan's objectives and indicates any divergence during ALCO committee meetings, attended by representative of all entities, and any required corrective measures.

Liquidity Risk

The Bank's strategy in terms of liquidity risk management aims to ensure that its financing mix is adapted to its growth ambitions to enable it successfully expand its operations in a stable manner.

Liquidity risk is the risk of the Bank being unable to fulfil its commitments in the event of unforeseen cash or collateral requirements by using its liquid assets.

Such an event may be due to reasons other than liquidity, for example, significant losses that result from counterparties in default or due to adverse changes in market conditions.

The following two major sources may generate liquidity risk :

- Inability of the institution to raise the required funds to deal with unexpected situations in the short term, such as a massive withdrawal from deposits or a maximum drawdown of off- balance sheet commitments;

- A mismatch of assets and liabilities or the financing of medium- or long-term assets by short-term liabilities.

An acceptable liquidity level is a level that enables the bank to finance asset growth and to fulfil its commitments when they are due, thereby protecting the bank from any eventual crisis.

Two indicators are used to evaluate the Bank's liquidity profile:

- The liquidity ratio must be greater than 100% (as defined by the Central Bank). This indicator helps to measure the one-month asset coverage ratio.

- The Liquidity Coverage Ratio (LCR) was 167% on a consolidated basis at June 30, 2019, above the regulatory limit of 90% set by Bank Al Maghrib for 2019.

- The profile of cumulative impasses: the technique of periodic or cumulative impasses / Gap in dirhams and currencies, makes it possible to assess the level of liquidity risk incurred by the Bank in the short, medium and long term.

This technique makes it possible to estimate the net refinancing needs on different horizons and determine the appropriate terms of coverage.

Interest Rate Risk

Interest rate risk is the risk that future changes in interest rates have a negative impact on the Bank's profit margins.

Changes in interest rates also impact the net present value of expected cash flows. The extent to which the economic value of assets and liabilities is impacted will depend on the sensitivity of the various components of the balance sheet to changes in interest rates.

Interest rate risk is measured by conducting simulation-based stress tests under a scenario in which interest rates are raised by 200 basis points as recommended by the Basel Committee.

The Bank's strategy in terms of interest rate risk management aims to ensure the stability of results against changes in interest rates, thereby maintaining net interest income and optimising the economic value of equity.

Changes in interest rates may negatively impact net interest income and result in the Bank significantly undershooting its initial projections.

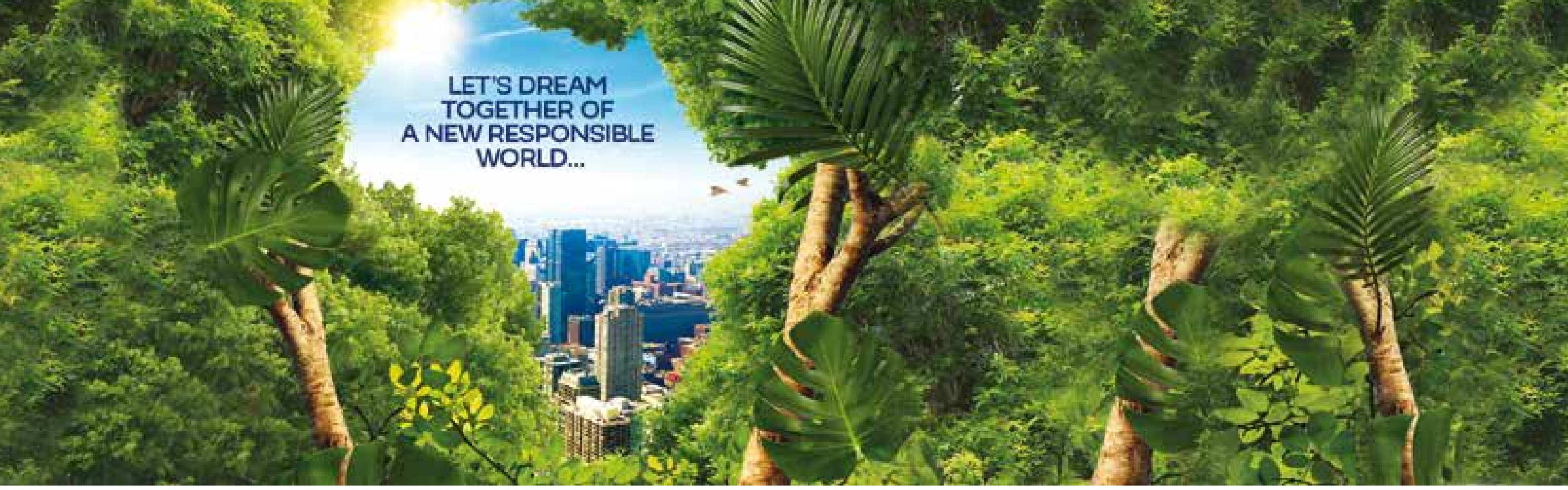
In order to counter such risks, the ALM department regularly steers the Bank's strategy by establishing rules for matching assets and liabilities by maturity and by defining a maximum tolerance departure threshold for net interest income by comparison with projected net banking income.

The method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of interest rate risk incurred by the Bank over the short, medium and long term.

This method is used to estimate asset-liability mismatches over different time periods and determine an appropriate hedging strategy

Sensitivity of the value of the banking portfolio

Simulation-based stress-tests are conducted to measure the impact of changes in interest rates on net interest income and on economic value of equity.



At 30 June 2019, with the trading book portfolio excluded, the impact from a 200-basis points change in interest rates on net interest income was an estimated -MAD 0.273 billion or -6.6% of projected net interest income in 2019.

The change in the economic value of shareholders' equity in the event of a 200-basis points shock was an estimated MAD 0.685 billion or 4.81% of regulatory capital..

8.6. MARKET RISK

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

Market risk is defined as the risk of loss on balance sheet and off-balance sheet positions due to changes in market prices. For BMCE Bank, these risks encompass the following:

- Interest rate risk;
- Foreign currency risk;
- Credit risk on market transactions.

Mapping of financial instruments

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

Foreign Exchange Instruments	Cash instruments
	Spot Foreign Exchange
	Forward Foreign Exchange
	Foreign exchange Derivatives
	Foreign exchange Swaps
Equity Instruments	Equity shares
	Derivatives on equity or and Indices
	Mutual funds on equities
Fixed income Instruments	I- Corporate and Interbank loans and borrowing
	Fixed rate (in MAD and Foreign Currency)
	Floating Rate (in MAD and Foreign Currency)
	II- Negotiable Debt Securities and bonds
	II-1 Sovereign Debt (Including bonds issued by the Kingdom of Morocco)
	Fixed rate (in MAD)
	Floating Rate (in MAD and Foreign Currency)
	II-2 Securities issued by Credit institutions and Companies
	Fixed rate (in MAD and Foreign Currency)
	Floating Rate (in MAD and Foreign Currency)
	III- Loans / borrowing of Securities
	Loans / borrowing of securities
	Repo / Reverse repo
	IV- Rate Derivatives
	Rate Swaps
	Rate Futures
	Forward Rate Agreement
	V- Fixed income mutual funds
	Money market mutual funds
	Debt mutual funds
Commodity Products	Commodity futures
	Commodity futures options
	Credit Default Swap (CDS)
	Credit Linked Note (CLN)

8.6.1. Market risk management policy

8.6.1.1. Governance

The main contributors to BMCE Bank 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;
- Group Market Risk Committee, which defines Group market risk management policy and validates any amendment to the steering of market risk across the entire Group;
- The Group Market Risk Committee, which ensures the efficiency of the Market Risk Management System of the BMCE Bank Of Group Africa and its adequacy with the risk management policy of Group market;
- Group Market Risk Department, which centralises market risk management for BMCE Bank Group as a department which is independent from the Group's front-offices. This gives it maximum objectivity in steering market risks and arbitrating between the Group's various market activities;
- Risk Management Units of BMCE Bank Group entities, which provide a first level check on market activities within their entity and send regular reports to Group Risk Management;
- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

8.6.1.2. Description of the Market Risk Management Policy

BMCE Bank Group's market risk management policy is based on four main factors:

- Limits ;
- Risk indicators ;
- Capital requirements ;

8.6.1.2.1. Limits

◗ Counterparty limits in market transactions

The process for approving limits for counterparties and applications to exceed those limits in market transactions is governed within BMCE Bank Group by a system of delegation of powers within a framework of procedures specific to each counterparty type.

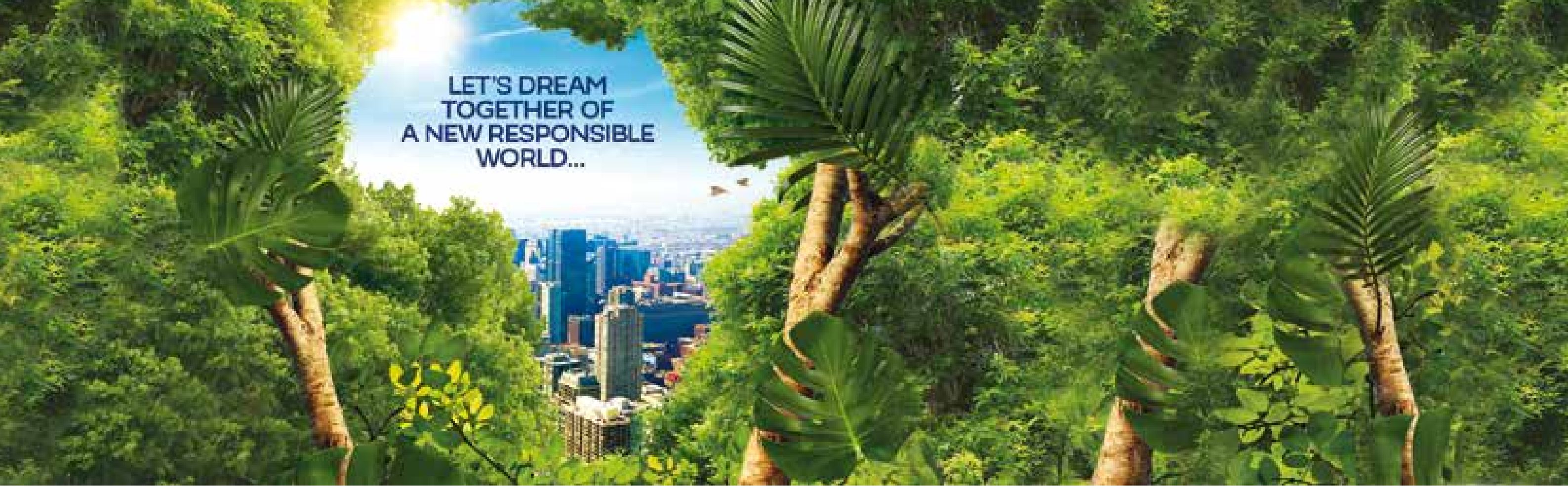
Market transactions are subject to a fixing priori limits, according to a delegation scheme based on the principle of the Troika.

◗ Market limits

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

BMCE Bank Group's set of market limits are as follows :

- Stop-loss limits by activity over different time horizons;



- Position limits by activity;
- Transaction limits.

VaR limits are in the process of being defined and will be included in the project relating to adoption of the advance approach in respect of market risks. This is a dynamic limit management policy that takes into account fluctuations in different risk factors as well as existing correlations in order to assess more accurately the diversification of the portfolio.

◗ Regulatory limits

In addition to the limits adopted for internal purposes, BMCE Bank Group also complies with regulatory limits defined by Bank Al-Maghrib such as:

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

8.6.1.2.2. Risk indicators

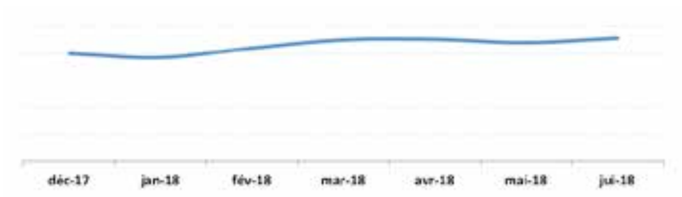
Different risk indicators reflecting the level of exposure to market risks are used within BMCE Bank Group as follows :

◗ Overall Value-at-Risk (VaR) and VaR by asset class

Value-at-Risk is a probability-based technique used to measure overall market risk. It helps to measure the risk incurred by calculating the potential loss a given time horizon and degree of probability.

Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration the diversification of portfolios.

BMCE Bank Group uses KVar software to calculate overall Value-at-Risk and VaR by asset class as well as back-testing by using different methods.



◗ Stressed VaR

The Group has established different scenarios for calculating stressed VaR.

The Group opted for the period from 1 September 2008 to 1 September 2009. In fact, there were a number of events during this period generating a high level of volatility in financial markets. These events were:

- The bankruptcy of Lehman Brothers, which was unable to withstand the sub-prime crisis;
- USD 1,000 billion widening in the US budget deficit to support financial markets;
- The Greek crisis and the threat of contagion spreading to the "PIIGS" countries.

The reaction by Morocco's financial markets to these events was limited however. A number of scenarios were applied to simulate global market conditions:

- Fluctuation in the Casablanca stock market identical to that of the United States;
- Fluctuation in the dirham rate identical to that of USD;
- Repercussion of EURUSD volatility on EURMAD and USDMAD;
- Repercussion of EURUSD volatility on EURMAD volatility and USDMAD volatility.

◗ Stress-testing by risk factor

BMCE Bank Group conducts stress tests to assess the vulnerability of the Group's trading portfolio to extreme scenarios. Stress tests cover all components of the trading portfolio by simulating all risk factors which have an impact on the portfolio. The results of stress tests for interest rate risks and exchange rate risks on the trade portfolio are described below :

As at June 30, 2019, the results of the stress tests were as follows:

a- Fixed income portfolio

1st scenario: A 25 basis point parallel shift in the yield curve.

This scenario would result in a MAD 39 million impact on the P&L.

2nd scenario: A 50 basis point parallel shift in the yield curve.

This scenario would result in a MAD 77 million impact on the P&L.

b- Equity portfolio

1st scenario: A 15% fall in the value of the equity portfolio.

This scenario would result in a MAD 10 million impact on the P&L.

2nd scenario: A 25% fall in the value of the equity portfolio.

This scenario would result in a MAD 17 million impact on the P&L.

c- Foreign exchange

1st scenario: A 2.5% rise or fall in the value of the dirham.

This scenario would result in a MAD 43 million impact on the P&L.

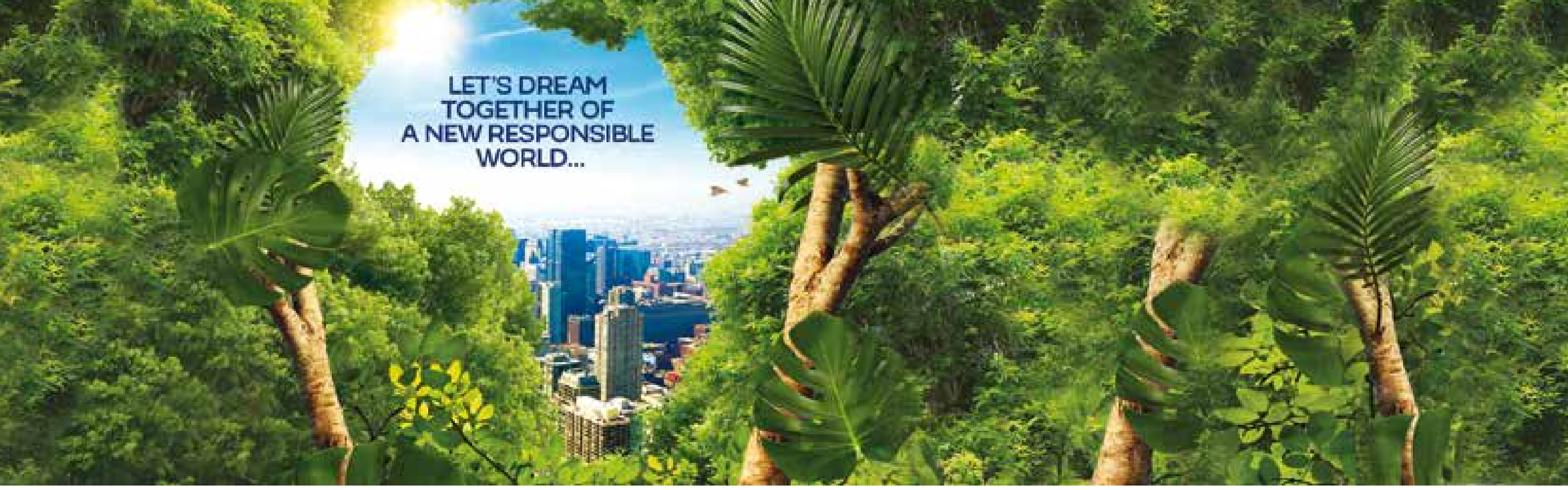
2nd scenario: A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 86 million impact on the P&L.

The results of the stress tests show that the Group has adequate capital to withstand adverse stress scenarios and to be able to comply with regulatory standards, even in crisis situations.

8.7. OPERATIONAL RISK

Operational risk is defined as the risk of loss due to inadequate or failed internal procedures, employee error, systems failure or external events, liable to impact the smooth running of the business.



8.7.1. Operational risk management policy

8.7.1.1. Operational risk management objective

The operational risk management policy has the following objectives:

· Assess and prevent operational risks;

· Assess controls;

· Implement preventive and/or corrective action for major risks.

The management of operational risks through the implementation of preventive actions and / or corrective address the identified major risks.

The risk management system is regularly reviewed and monitored, allowing continuous improvement of said device.

8.7.1.2. Classification

Operational risks or losses can be analysed and categorised on the basis of two factors and it is important to differentiate between them: cause and effect, in terms of their financial or other impact. They are classified under Basel by event type.

8.7.1.1.1. Links to other risk types (market/credit risks)

The management of operational risks is potentially linked to the management of other risks (market/credit risks) at two levels:

- Overall level, analysis of the Bank's overall level of risk aversion (and in terms of allocation of capital) must be carried and monitoring of "trans-risks";
- Detailed level, some operational risks can be directly linked to market and credit risk management.

8.7.1.1.2. Operational risk management organisation

The framework governing operational risk management within BMCE Group is based on three main objectives:

- Define a target policy consistent with BMCE Bank Group's business organisation and inspired by best practice;
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management;
- Ensure that Audit/Control function is separate from the Operational Risk Management function.

Operational risk management at BMCE Bank Group involves four major entities :

- BMCE Bank's Group Operational Risk Department;
- BMCE Bank network;
- BMCE Bank 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 includes other Group subsidiaries.

8.7.1.1.3. Governance of operational risk management

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

- Group Operational Risks Committee;
- Operational Risk Monitoring (Business Lines) Committee;
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in the exposure to operational risks 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 to reduce the level of risk ;
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the costs of insurance.

8.7.1.3. 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 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 data produced are part of the process of monitoring and control of operational risk profile.

The management of the entity in question, general management and the board of directors are regularly notified of operational risk exposure and losses incurred. Management systems are properly documented, ensuring compliance with a formalised set of controls, 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.

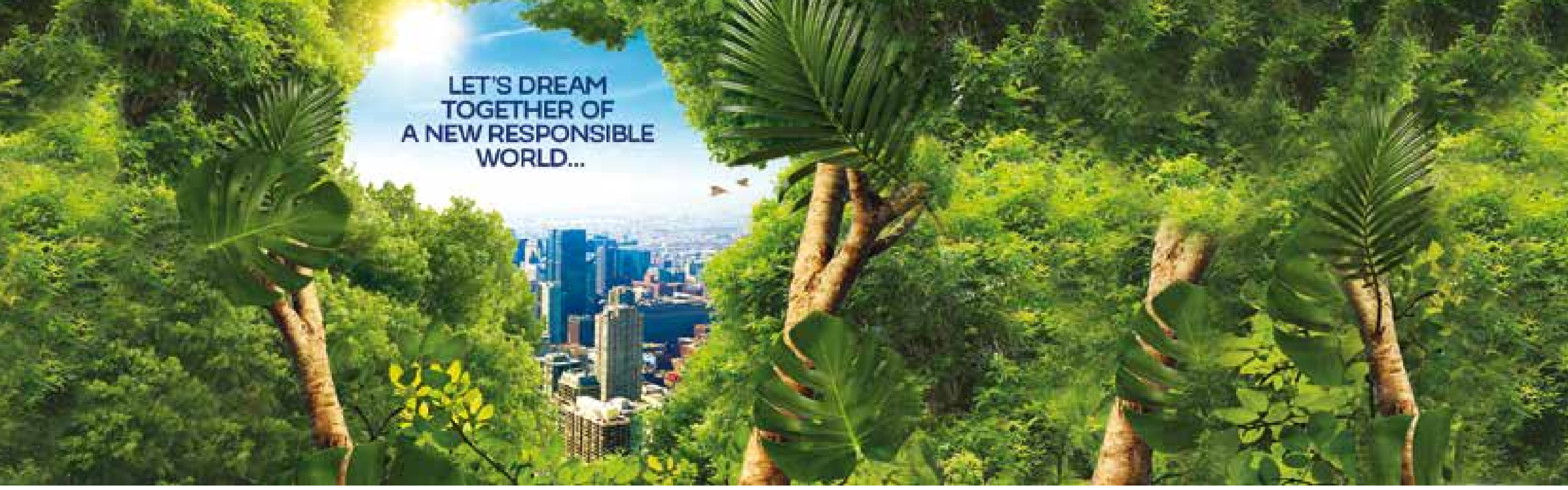
Management of operational risks at BMCE Bank Group is entirely automated by means of a dedicated system, "MEGA GRC". The collection of risk events, the mapping of operational risks and the key risk indicators are currently managed by this system which is used at Bank level as well as by Moroccan and European subsidiaries.

8.7.1.4. Operational risk control and mitigation

Several types of action may be taken to manage operational risks:

- Reinforce checks;
- Hedge risks, especially through insurance contracts;
- Avoid risks, in particular, by redeploying activities;
- Draw up business continuity plans.

BMCE Group has a very strong control policy, resulting in a significant reduction in operational risks. However, in terms of operational risk management and via



its dedicated policy, the Group is at liberty to identify optimal behaviour, 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.

8.7.2. 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 operations. This is due to a growing reliance on the resources underpinning those operations, including human, IT or logistical resources.

The Plan comprises a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, is able to maintain essential services in fail-soft mode on a temporary basis, prior to the planned resumption of normal operations.

A targeted rescue organisation has been set up, along with alternative locations and backup systems. A specific project is underway at Group level, with disaster avoidance planning a priority.

The strategic transversal 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 shall prevail above any other.

· BMCE Bank must guarantee its commitments towards Morocco's interbank clearing system;

· BMCE Bank intends, as a priority, to comply with every one of the existing legal and contractual commitments entered into (relating to loans and other commitments) before it enters into any other commitment;

· BMCE Bank intends to maintain its international credibility by guaranteeing, as a priority, its commitments vis-à-vis foreign correspondents;

· BMCE Bank of Africa Group's existing customers take priority over all others benefiting from its services.

· Services are provided along the entire chain from front-office to back-office e.g. from branch level up until recognition in accounting terms.

8.7.4. Corporate Social Responsability

CSR issues are an integral part of the operational risk management system, through a management approach of identification, analysis and evaluation and risk monitoring.

The systems for identifying and measuring internal CSR risk analyzes are now closely linked to the day-to-day management of operational risks.

8.7.4. Measurement of capital adequacy

The BMCE Bank Group has opted for the standardised approach as outlined in Bank Al Maghrib circulars (BAM).

The latter require banks to have a Tier 1 capital ratio of 9% and a solvency ratio of 12% at both the parent company and consolidated levels.

These threshold calculated for the BMCE Bank of Africa Group comply with the regulatory prerogatives established by Bank Al- Maghrib.

Parent company	june-19	dec-19	june-20	dec-20
Tier 1 capital	12 373	13 839	16 408	16 494
Total capital ratio	18 263	19 550	21 719	21 404
Total risk-weighted assets	126 387	128 955	131 526	134 724
Tier 1 capital ratio	9,8%	10,7%	12,5%	12,2%
Capital adequacy ratio	14,4%	15,2%	16,5%	15,9%

Group	june-19	dec-19	june-20	dec-20
Tier 1 capital	21 547	23 689	27 355	27 816
Total capital ratio	28 808	30 800	34 065	34 126
Total risk-weighted assets	235 464	242 614	251 073	258 070
Tier 1 capital ratio	9,2%	9,8%	10,9%	10,7%
Capital adequacy ratio	12,5%	12,7%	13,6%	13,2%

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

Credit Risk-Weighted assets	30/06/2019
Type of Exposure	Actifs pondérés après ARC
Balance-sheet items	160 381 220
Off balance sheet items: financing commitments	4 934 559
Off balance sheet items: guarantee commitments	10 821 893
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	135 912
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	355 768
Other assets / Other items	27 072 468
Settlement Risk	409 945
Total	204 111 765

Main characteristics of items constituting shareholders' equity

BMCE Bank's share capital stood at MAD 1 794 633 900 made up of 179 463 390 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At 30 june 2019, fixed maturity subordinated debt stood at almost MAD 6.3 billion.

Measurement of capital adequacy

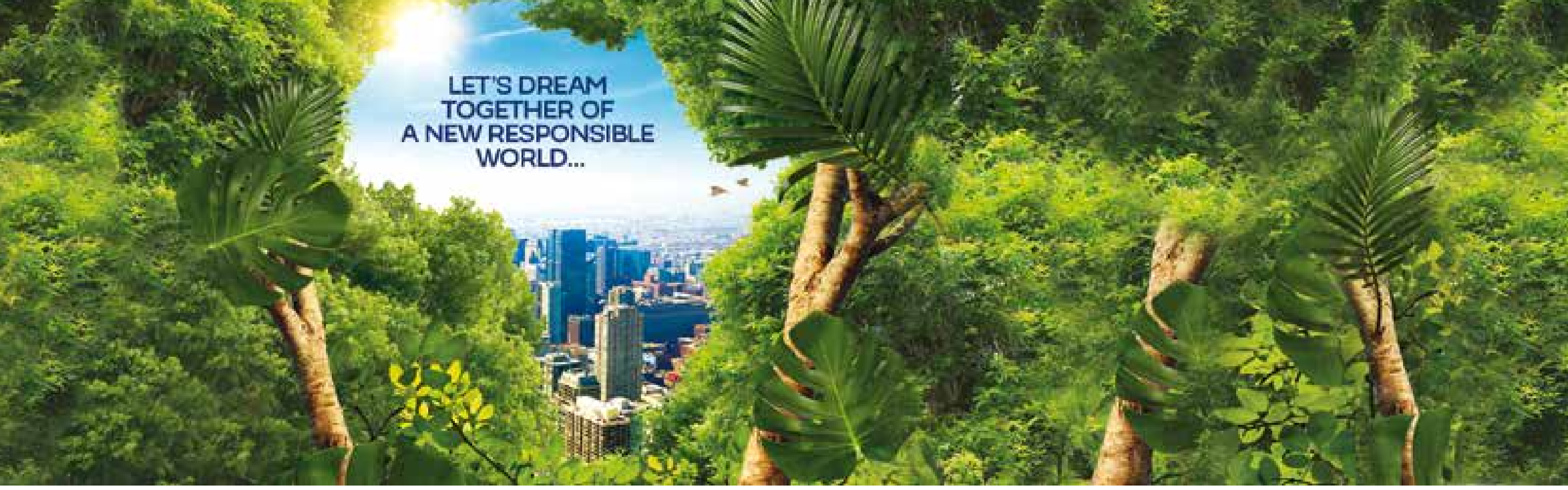
BMCE Bank Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib circulars (BAM):

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

Tier 1 capital	19 747 119
Items to be included in Tier 1 capital	23 906 030
Share Capital	1 794 634
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	17 074 734
Retained earnings	42 342
Net income for the previous period	1 078 659
Minority interests	3 915 661
Items to be deducted from Tier 1 capital	4 158 911
Good will	1 032 114
Other adjustments to Tier 1 capital	1 718 811
Immobilisations	1 136 682
Other deductions	271 303
Additional core capital	1 800 000
Perpetual subordinated debt	1 800 000
Items to be deducted from capital	0
Non-current assets	0
Tier 2 capital	7 289 473
Perpetual subordinated debt	6 311 781
Revaluation differences	778 613
Hidden reserves	199 078
Items to be deducted from capital	29 000
Non-current assets	0
Other deductions	29 000
Total	28 807 592

Capital Requirements by Risk Type	june 2019
Risk-weighted credit risks	204 111 765
Risk-weighted market risks	7 565 458
Risk-weighted operational assets	23 786 679
Total risk-weighted assets	235 463 902
Tier 1 Capital	21 547 119
Tier 1 Capital ratio	9.2%
Total capital	28 807 591
Capital adequacy ratio	12.2%