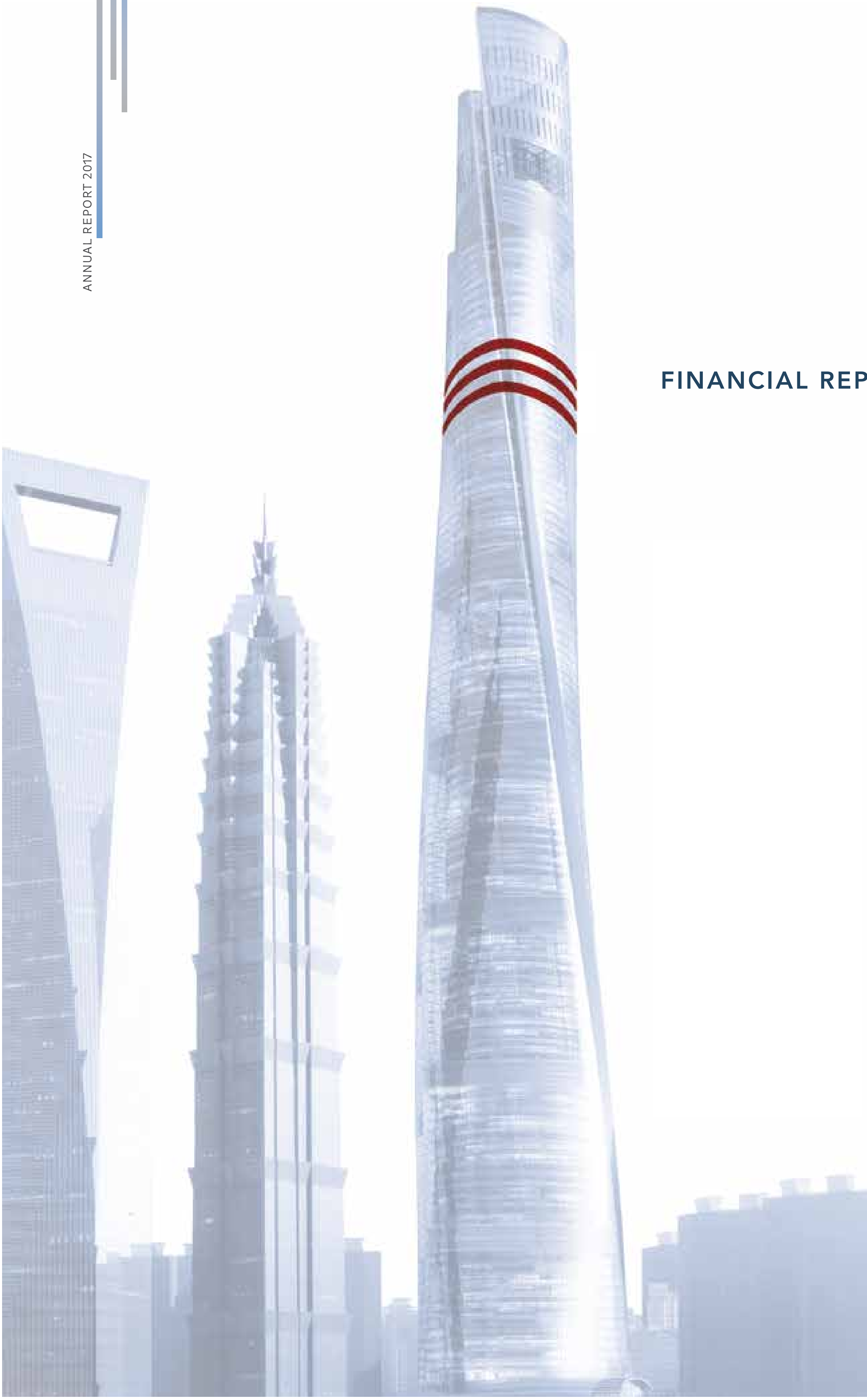
ANNUAL REPORT 2017



FINANCIAL REPORT

BMCE BANK OF AFRICA

ANNUAL REPORT

BMCE BANK OF AFRICA

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Annual General Meeting of Shareholders in accordance with the Memorandum and Articles of Association and the amended and completed Act 17-95 relating to limited companies and Articles 29 and seq. of BMCE Bank's Memorandum and Articles of Association in order to report on BMCE Bank's business activity and results for the period ended 31 December 2017 and its future prospects and to submit, for your approval, the balance sheet and financial statements for the said period.

These financial statements are attached to this report.

The statutory notices have been sent to you on a regular basis and all documents and items required by current regulations are made available to shareholders within the requisite periods.

Consolidated results and balance sheet indicators

BMCE Bank of Africa Group's financial performance

BMCE Bank of Africa Group's total assets rose by 2.4% year-on-year to MAD 313.3 billion at 31 December 2017.

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

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

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

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

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

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

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

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

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

Contribution to net income attributable to shareholders of the parent company by business line

Contributions to BMCE Bank Group's net income attributable to shareholders of the parent company by business line are shown below:

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

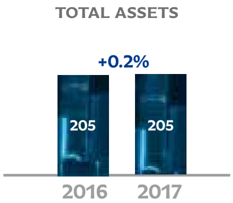
Moroccan operations accounted for 61% of total net income attributable to shareholders of the parent company versus 59% last year.

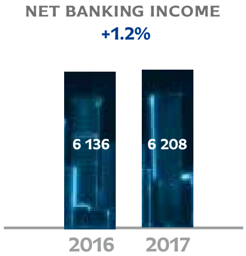
Overseas operations accounted for 39% of total net income attributable to shareholders of the parent company versus 41% in 2016.

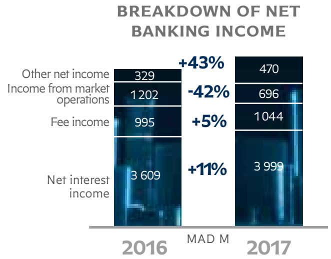
African operations accounted for 32% of total net income attributable to shareholders of the parent company, unchanged on 2016.

Results and contributions from BMCE BANK Plc's operations

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







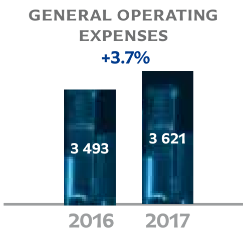
The Bank's net banking income rose by 1.2% from MAD 6,136 million at 31 December 2016 to MAD 6,208 million at 31 December 2017. This was due to a combination of factors:

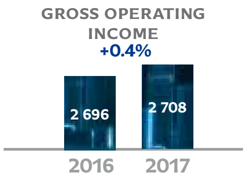
- A 42% decline in income from market operations, after what was an exceptional performance last year;

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

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

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





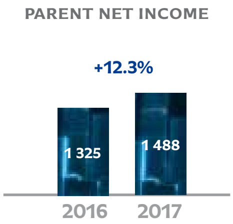
The total cost of risk was MAD 612 million at 31 December 2017 versus MAD 821 million at 31 December 2016 due to:

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

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

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

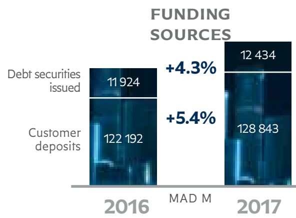
BMCE Bank Plc's net income rose by 12.3% to MAD 1,488 million at 31 December 2017 versus MAD 1,325 million at 31 December 2016.



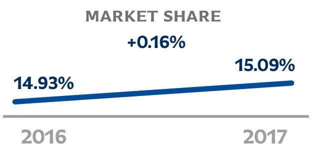
Highlights of the bank's Moroccan operations

• The Bank's funding sources

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

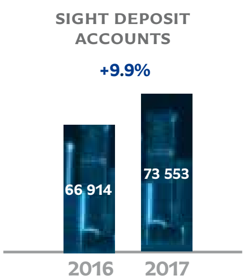


Customer deposits grew by 5.4% to MAD 129 billion at 31 December 2017 versus MAD 122 billion at 31 December 2016, resulting in a market share of 14.59% at 31 December 2017, up 0.07%.



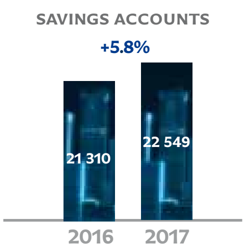
In terms of the structure of the Bank's funding sources, non-interest-bearing deposits accounted for almost 54% of total funding sources at 31 December 2017 versus 52% at 31 December 2016.

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



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

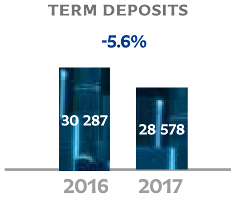
Passbook savings accounts grew by 5.8% (versus +5.3% at industry level) to almost MAD 22 billion at 31 December 2017 versus MAD 21 billion at 31 December 2016.



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

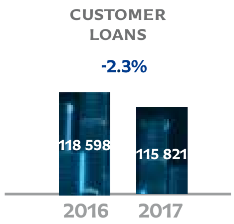
Term deposits declined to MAD 29 billion at 31 December 2017.

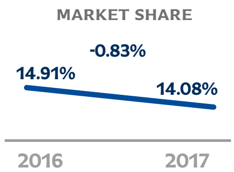
The Bank's market share of term deposits was 17.96% at 31 December 2017 versus 18.29% at 31 December 2016.



• Customer loans

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

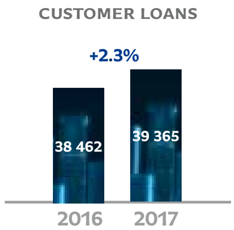




Retail loans grew by 2.3% or almost MAD 0.9 billion from MAD 38.5 billion at 31 December 2016 to MAD 39.4 billion at 31 December 2017.

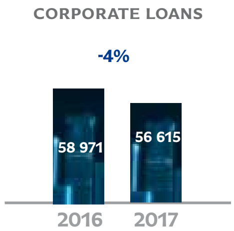
This was primarily due to a 3.7% or MAD 1.1 billion increase in retail mortgages.

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



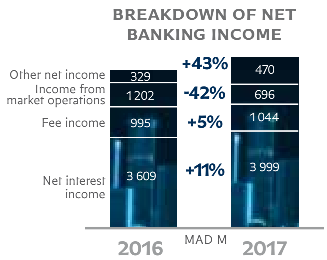
Corporate loans fell by 4% year-on-year to MAD 57 billion at 31 December 2017, primarily due to a decline of almost MAD 4.6 billion in operating loans. By contrast, real estate development loans and equipment loans registered increases of MAD 1.5 billion and MAD 0.7 billion respectively in 2017.

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



Net banking income

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

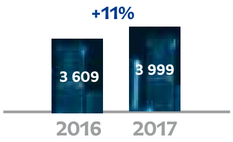


MANAGEMENT REPORT

• Net interest income

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

NET INTEREST INCOME



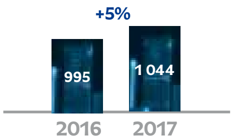
- 12.5% growth (+MAD 7.5 billion) in average non-interest-bearing deposits, driven primarily by an increase in cheque accounts (+9.2% or +MAD 4 billion) followed by current accounts (+20% or +MAD 2.8 billion). At the same time, the average remuneration rate on interest-bearing accounts fell sharply (35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

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

• Fee income

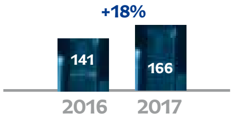
Fee income rose by almost 5% to MAD 1,043 million at 31 December 2017 versus MAD 995 million at 31 December 2016, surpassing the MAD 1 billion level for the first time. This was primarily due to:

FEE INCOME



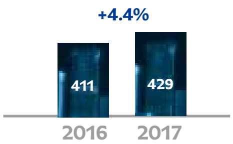
- An 18% (+MAD 25 million) increase in fees from foreign trade due to a 12.9% rise in import and export volumes generated by the Business Centre network;

COMEX



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

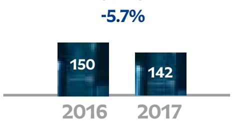
FEES FROM ACCOUNT MAINTENANCE, PAYMENT CARDS AND PACKAGES



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

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

LOANS



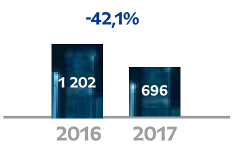
- A -5.7% (-MAD 8.5 million) fall in loan fees, mainly due to lower project finance fees (MAD 1.8 million versus MAD 17.7 million in 2016), offset, however, by booking fresh factoring fees amounting to almost MAD 1.7 million in 2017 on the debt portfolio ceded by Maroc Factoring.

• Income from market operations

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

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

INCOME FROM MARKET OPERATIONS



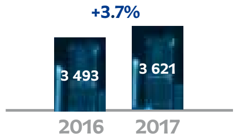
- An unrealised capital loss on the Treasury bond portfolio's valuation in 2017.

General operating expenses

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

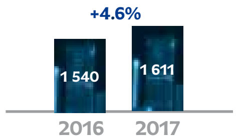
- Employee expenses increased by 4.6% to MAD 1,611 million in 2017 due to a rise in the number of employees (+76 FTE), taking the total number of staff to 5,370 employees at 31 December 2017, in addition to an increase in staff bonuses.

GENERAL OPERATING EXPENSES



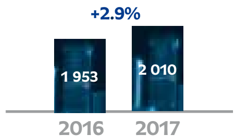
- Other operating expenses rose by 2.9% from MAD 1,953 million in 2016 to MAD 2,010 million in 2017, mainly due to an increase in the number of branches (11 new branches were opened), which resulted in additional operating expenses (lease purchase agreements, specialised lines etc.).

EMPLOYEE EXPENSES



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

OTHER OPERATING EXPENSES



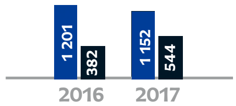
Cost of risk

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

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

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

ADDITIONAL LOAN LOSS PROVISIONS AND WRITE-BACKS



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

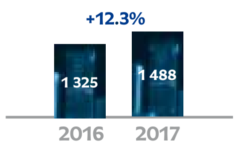
- The non-performing loan ratio was 6.60% at 31 December 2017 versus 6.46% at 31 December 2016.

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

Net income

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

NET INCOME



Specialised financial services

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

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

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

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

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

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

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

Investment banking and asset management

Contribution	GABA		BMCE Capital		BK Bourse		BK Gestion	
Investment Banking & Asset Management	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Consolidated net banking income	364.3	393.9	187.1	195.7	23.3	35.1	154.0	163.1
Change		-8%		-4%		-34%		-6%
General expenses	-281.7	-288.0	-220.9	-229.6	-15.,6	-16.2	-45.2	-42.2
Change		-2%		-4%		-4%		7%
Cost of risk	0.5	-1.5	0.0	-1.5	0.0	0.0	0.5	0.0
Change								
Net income attributable to shareholders of the parent	121.1	141.1	56.4	56.5	1.6	12.2	63.1	72.3
Change		-14%		-0.2%		-87%		-13%

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

BMCE Capital saw its parent net income grow by 13.5% in 2017. By contrast, its contribution to consolidated net income attributable to shareholders of the parent company was broadly unchanged at around MAD 56 million, as a result of having to restate a dividend of MAD 5.85 million paid by BMCE Capital Bourse to BMCE Capital in 2017.

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

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

Other Moroccan operations

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

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

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

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

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

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

Results and contributions from overseas operations

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

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

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

EUROPEAN OPERATIONS

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

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

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

African operations

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

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

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

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

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

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

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

Contribution	Dec-17	STR %	Dec-16	STR %	VAR
MOROCCAN OPERATIONS	**1 245**	**61%**	**1 192**	**59%**	**4%**
BMCE BANK	974	48%	815	40%	20%
SUBSIDIARIES	**272**	**13%**	**378**	**19%**	**-28%**
SPECIALISED FINANCIAL SERVICES	179	9%	188	9%	-5%
SALAFIN	99	5%	95	5%	4%
MAGHREBAIL	66	3%	72	4%	-9%
MAROC FACTORING	9	0%	18	1%	-52%
RM EXPERTS	1	0%	0.3	0%	214%
ACMAR	4	0%	2.3	0%	87%
INVESTMENT BANKING & ASSET MANAGEMENT	**121**	**6%**	**141**	**7%**	**-14%**
BMCE CAPITAL	56	3%	57	3%	-0,2%
BMCE CAPITAL BOURSE	2	0%	12	1%	-87%
BMCE CAPITAL GESTION	63	3%	72	4%	-13%
OTHERS	**-28**	**-1%**	**49**	**2%**	**na**
LOCASOM	38	2%	39	2%	-4%
EAI	-2	0%	-3	0%	40%
CID	11	1%	12	1%	-10%
OVERSEAS OPERATIONS	-75	-4%			
EUROPE	**791**	**39%**	**844**	**41%**	**-6%**
AFRICA	**138**	**7%**	**183**	**9%**	**-25%**
BOA	**653**	**32%**	**661**	**32%**	**-1%**
LCB	582	29%	577	28%	1%
BDM	8	0%	4	0%	111%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	63	3%	80	4%	-21%
RESULTAT NET PDG	**2 036**	**100%**	**2 036**	**100%**	**0.0%**

THE BANK'S GROWTH PROSPECTS

BMCE Bank of Africa Group intends to boost growth:

i) in Morocco, by attracting new customers and fostering customer loyalty as well as continuing to grow its deposit base;

ii) overseas, by leveraging the Group's presence in Europe and bolstering its African operations.

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

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

ASSET-LIABILITY MANAGEMENT at 31 December 2017

Liquidity risk :

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

Interest rate risk :

The results of stress tests carried out at 31 December 2017 on the impact from a 200-basis points change in interest rates on net interest income and the economic value of shareholders' equity complied with the limits set by the ALCO committee.

The impact from a 200-basis points change in interest rates on net interest income was estimated to be MAD 91 million or 1.5% of projected 2017 net banking income, well below ALCO's 5% limit.

The change in the economic value of shareholders' equity in the event of a-200 basis points shock was estimated to be MAD 1,153 million or 6.8% of regulatory capital, which was also well below the ALCO limit of 20%.

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

FIRST RESOLUTION

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

The Annual General Meeting shall acknowledge that the individual financial statements as well as the results relating to BMCE Bank's domestic operations, branch offices and subsidiaries and related statements of income (income statement and management accounting statement), drawn up at 31 December 2017, reflect the Bank's entire operations.

SECOND RESOLUTION

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

For the Moroccan operations	1,246,870,393.49 MAD
For the Paris branch office	
Dirham equivalent of foreign currency value	-
For the BMCE Bank Offshore branch office	
Dirham equivalent of foreign currency value	241,267,506.24 MAD
Resulting in net income of	1,488,137,899.73 MAD

As a result, the Annual General Meeting shall decide to appropriate income in respect of financial year 2017 as follows:

Net income	1,488,137,899.73	MAD
Ordinary dividend of 6%	107,678,034.00	MAD
Balance	1,380,459,865.73	MAD
Extraordinary dividend of 44%	789,638,916.00	MAD
Balance	590,820,949.73	MAD
Balance brought forward	16,274.62	MAD
Balance	590,837,224.35	MAD
To extraordinary reserves	590,800,000.00	MAD
Balance to be carried forward	37,224.35	MAD

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

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

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

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

THIRD RESOLUTION

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

FOURTH RESOLUTION

The Annual General Meeting, having been read the Statutory Auditors' Special Report on related party agreements referred to in Article 56 et seq. of Act No. 17-95, as amended and completed, relating to limited companies and Article 26 of the Memorandum and Articles of Association, shall approve the conclusions of the said report and the related party agreements mentioned therein.

FIFTH RESOLUTION

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

SIXTH RESOLUTION

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

SEVENTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mr Michel LUCAS, a French citizen, as a Director for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2023.

EIGHTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall decide to appoint Mr Abdou BENSOUDA, a Moroccan citizen, as a Director for a 6-year term of office, expiring at the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2023.

NINTH RESOLUTION

The Annual General Meeting shall acknowledge:

- The change in Permanent Representative of Banque Fédérative du Crédit Mutuel, which will henceforth be represented by Mr Lucien MIARRA; and

- The resignation of Mrs Hadeel IBRAHIM as an Independent Director – the AGM shall wholly and unreservedly discharge her of her management responsibilities and thank her for her contribution to the work of the Board of Directors.

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

1. Mr Othman BENJELLOUN, Chairman & Chief Executive Officer

2. Banque Fédérative du Crédit Mutuel – BFCM –Crédit Mutuel Group – CIC, represented by Mr Lucien MIARA

3. Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHNOUN

4. RMA, represented by Mr Zouheir BENSAID

5. FinanceCom, represented by Mr Hicham EL AMRANI

6. Mr Michel LUCAS

7. Mr Azeddine GUESSOUS

8. Mr François HENROT

9. Mr Brian C. MCK. HENDERSON

10. Mr Philippe DE FONTAINE-VIVE

11. Mr Christian de BOISSIEU

12. Mr Abdou BENSOUDA

13. Mr Brahim BENJELLOUN-TOUIMI

TENTH RESOLUTION

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

VOTING RESULTS

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

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

37, Bd Abdellatif Benkaddour
20050 Casablanca
Morocco

11, Avenue Bir Kacem Souissi
Rabat - Morocco

To the Shareholders of
BMCE BANK
140 Avenue Hassan II
Casablanca

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

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

MANAGEMENT'S RESPONSIBILITY

It is Management's responsibility to prepare and present these financial statements to give a true and fair view of the company's financial position in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement as a result of fraud or error and for making accounting estimates that are reasonable under the circumstances.

AUDITORS' RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements as a result of fraud or error.

In making these risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE FINANCIAL STATEMENTS

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

Pending the outcome of the situation described above, in our opinion, the consolidated financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the financial position of BMCE Bank of Africa Group, comprising the persons and entities included within the scope of consolidation at 31 December 2017 as well as its financial performance and cash flows over the same period, in accordance with International Financial Reporting Standards (IFRS).

Casablanca, 20 April 2018

The Statutory Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
Associé

KPMG

Jamal SAAD EL IDRISSI
Associé

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

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 31 december 2015 were approved by the board of directors on 27 march 2017.

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

(In thousand MAD)

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

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

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

(In thousand MAD)

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

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

(In thousand MAD)

1.4. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of Shareholder's Equity 12.31.2015	**1 794 634**	**11 104 784**	**0**	**4 057 036**	**65 587**	**17 022 041**	**5 087 511**	**22 109 552**
Change in the accounting methods						0		0
Beginning Balance of adjusted Shareholder's Equity 12.31.2015	**1 794 634**	**11 104 784**	**0**	**4 057 036**	**65 587**	**17 022 041**	**5 087 511**	**22 109 552**
Operations on capital		399 672		-399 672		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-947 308		-947 308	-455 689	-1 402 997
Net income				**2 036 186**		**2 036 186**	**798 641**	**2 834 827**
Financial instruments change in fair value and tranfer to earnings					-70 472	-70 472	-3 673	-74 145
Conversion depths					-4 909	-4 909		-4 909
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**-75 381**	**-75 381**	**-3 673**	**-79 054**
Change in the scope of consolidation				**94 400**		**94 400**	**-68 140**	**26 260**
Others				**129 794**		**129 794**	**-35 695**	**94 099**
Ending Balance of Shareholder's Equity 12.31.2016	**1 794 634**	**11 504 456**	**0**	**4 970 436**	**-9 794**	**18 259 732**	**5 322 955**	**23 582 687**
Impact of changes in accounting methods						0		0
Ending Balance of adjusted Shareholder's Equity 12.31.2016	**1 794 634**	**11 504 456**	**0**	**4 970 436**	**-9 794**	**18 259 732**	**5 322 955**	**23 582 687**
Operations on capital		449 313		-449 313		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-523 494	-1 420 811
Net income				**2 036 321**		**2 036 321**	**807 460**	**2 843 781**
Financial instruments change in fair value and tranfer to earnings					-408 252	-408 252	442 957	34 705
Conversion depths					-31 826	-31 826		-31 826
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**-440 078**	**-440 078**	**442 957**	**2 879**
Change in the scope of consolidation				**-92 449**		**-92 449**	**25 910**	**-66 539**
Others				**-158 128**		**-158 128**	**-99 445**	**-257 573**
Ending Balance of adjusted Shareholder's Equity 12.31.2017	**1 794 634**	**11 953 769**	**0**	**5 409 550**	**-449 872**	**18 708 081**	**5 976 343**	**24 684 424**

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

1.5.1. Cash Flow Statement

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

		2017	2016
Dividends received	2.4	228 662	240 014
Dividends paid	1.5	-1 420 811	-1 402 997
Interest received		12 337 665	12 532 242
Interest paid		-3 878 943	-3 771 219

1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1. Applicable accounting standards

The first consolidated financial statements to be prepared by BMCE Bank Group in accordance with international accounting standards (IFRS) were those for the period ended 30 June 2008 with an opening balance on 1 January 2007.

The consolidated financial statements of BMCE Bank Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as approved by the IASB.

The Group has not opted for early adoption of the new standards, amendments and interpretations adopted by the IASB where retrospective application is permitted.

1.6.2. Consolidation principles

a. Scope of consolidation

The scope of consolidation includes all Moroccan and foreign entities in which the Group directly or indirectly holds a stake.

BMCE Bank Group includes within its scope of consolidation all entities, whatever their activity, in which it directly or indirectly holds 20% or more of existing or potential voting rights. In addition, it consolidates entities if they meet the following criteria:

- The subsidiary's total assets exceed 0.5% of the parent company's;
- The subsidiary's net assets exceed 0.5% of the parent company's;
- The subsidiary's banking income exceeds 0.5% of the parent company's;
- "Cumulative" thresholds which ensure that the combined total of entities excluded from the scope of consolidation does not exceed 5% of the consolidated total.

b. Consolidation methods

The method of consolidation adopted (fully consolidated or accounted for under the equity method) will depend on whether the Group has full control, joint control or exercises significant influence.

At 31 December 2015, no Group subsidiary was jointly controlled.

c. Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

BMCE Bank Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expenditures are translated at the average rate for the period.

d. Business combinations and measurement of goodwill

Cost of a business combination

The cost of a business combination is measured as the aggregate fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company. Costs attributable to the acquisition are recognised through income.

Allocating the cost of a business combination to the assets acquired and liabilities incurred or assumed

The Group allocates, at the date of acquisition, the cost of a business combination by recognising those identifiable assets, liabilities and contingent liabilities of the acquired company which meet the criteria for fair value recognition at that date.

Any difference between the cost of the business combination and the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

Goodwill

At the date of acquisition, goodwill is recognised as an asset. It is initially measured at cost, that is, the difference between the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

The Group has adopted from 2012 the "full goodwill" method for new acquisitions. This method consists of measuring goodwill based on the difference between the cost of the business combination and minority interests over the fair value of the identifiable assets, liabilities and contingent liabilities.

It is worth noting that the Group has not restated business combinations occurring before 1 January 2008, the date of first-time adoption of IFRS, in accordance with IFRS 3 and as permitted under IFRS 1.

Measurement of goodwill

In accordance with IAS 36, impairment tests must be conducted whenever there is any indication of impairment that a unit may be impaired and at least once a year to ensure that the goodwill recognised for each CGU does not need to be written down.

At 31 December 2015, the Group conducted impairment test to ensure that the carrying amount of cash-generating units was still lower than the recoverable amount.

The recoverable amount of a cash-generating unit is the higher of the net fair value of the unit and its value in use.

Fair value is the price that is likely to be obtained from selling the CGU in normal market conditions.

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

- If the subsidiary's recoverable amount is more than the carrying amount, then there is no reason to book an impairment charge;
- If the subsidiary's recoverable amount is less than the carrying amount, the difference is recognised as an impairment charge. It will be allocated to goodwill as a priority and subsequently to other assets on a pro-rata basis.

The Bank has employed a variety of methods for measuring CGU value in use depending on the subsidiary. These methods are based on assumptions and estimates:

- A revenue-based approach, commonly known as the "dividend discount model", is a standard method used by the banking industry. The use of this method depends on the subsidiary's business plan and will value the subsidiary based on the net present value of

- future dividend payments. These flows are discounted at the cost of equity.
- The "discounted cash flow method" is a standard method for measuring firms in the services sector. It is based on discounting available cash flows at the weighted average cost of capital.

Step acquisitions

In accordance with revised IFRS 3, the Group does not calculate additional goodwill on step acquisitions once control has been obtained.

In particular, in the event that the Group increases its percentage interest in an entity which is already fully consolidated, the difference at acquisition date between the cost of acquiring the additional share and share already acquired in the entity is recognised in the Group's consolidated reserves.

1.6.3. Financial assets and liabilities

a. Loans and receivables

Loans and receivables include credit provided by the Group.

Loans and receivables are initially measured at fair value or equivalent, which, as a general rule, is the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees and commission included in the initial value of the loan, is calculated using the effective interest method and taken to income over the life of the loan.

b. Securities

Classification of securities

Securities held by the Group are classified under one of three categories.

Financial assets at fair value through P&L

This category includes financial assets and liabilities held for trading purposes. They are measured at fair value at the balance sheet date under "financial assets at fair value through P&L". Changes in fair value are recognised in the income statement under "Net gains or losses on financial instruments at fair value through P&L".

It is worth noting that the Group has not designated, on initial recognition, non-derivative financial assets and liabilities at fair value through income using option available under IAS 39.

An instrument many only bedesignated at fair value through profit or loss if the following conditions are met:

- If designation were to eliminate or significantly reduce any inconsistency in the instrument'smeasurement or recognition which would arise if designated otherwise;

- If a group of financial assets, financial liabilities or both were to be managed and its performance assessed on a fair value basis in accordance with a documented risk management or investment strategy;

- If the economic characteristics and risks of an embedded derivative were not closely related to those of the host contract (see Appendix A, paragraphs AG30 and AG33);

Financial assets and financial liabilities at fair value through profit are loss are recognised in the balance sheet at fair value.

Changes in the fair value of financial assets and liabilities are recognised as losses or gains in the P&L.

Interest income is recognised under interest income and expenses while dividends are recognised under other operating income if the right to payment has been established.

It is worth underlining that the Group has not designated,on initial recognition,any non-derivative financial asset or liability at fair value through profit or lossas per the option offered by IAS 39.

In 2013, the Bank issued a USD 300 million fixed rate international bond. This bond is hedged by a swap with the same characteristics as those of the bond (a fixed rate versus a variable rate). This transaction is qualified as a fair value hedging relationship.

The bond and the swap are therefore recognised at fair value through profit or loss.

The change in the fair value attributable to changes in credit risk resulted in a gain of MAD 1.6 million. The cumulative impact is MAD 19 million. Own credit default risk is calculated on the basis ofhistorical data on default rates and that of credit ratings agencies.

The amount that the Bank will be obliged to pay at maturity is MAD 27.5 million more than the current carrying amount.

Held-to-maturity financial assets

Held-to-maturity financial assets include securities with fixed or determinable payments and fixed maturity securities that the Group has the intention and ability to hold until maturity.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount, corresponding to the difference between the asset's purchase price and redemption value and acquisition costs, if material. They may be written down, if applicable, in the event of issuer default. Income earned from this category of assets is included in "Interest and similar income" in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are fixed income and floating rate securities other than those classified under the two previous categories.

Assets included in the available-for-sale category are initially recognised at fair value plus transaction costs, if material. At the balance sheet date, they are re-measured at fair value, with changes in fair value shown on a separate line in shareholders' equity. Upon disposal, these unrealised gains and losses are transferred from shareholders' equity to the income statement, where they are shown on the line "Net gains or losses on available-for-sale financial assets". The same applies in the event of impairment.

Income recognised using the effective interest method for fixed income available-for-sale securities is recorded under "Interest and similar income" in the income statement.

Dividend income from floating rate securities is recognised under "Net gains or losses on available-for-sale financial assets" when the Group's right to receive payment is established.

Temporary acquisitions and sales

Repurchase agreements

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

Securities lending and borrowing transactions

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

Date of recognition of securities transactions

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

d. Impairment and restructuring of financial assets

Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments

At each balance sheet date, the Group determines whether there is objective evidence of impairment to a financial asset or group of financial assets as a result of an event or several events occurring after initial recognition, whether this event affects the amount or timing of future cash flows and whether the consequences of the event can be reliably measured.

The Group assesses, in the first instance, whether there is objective evidence of impairment on an individual basis for individually material assets or on a collective basis for financial assets which are not individually material.

If the Group determines that there is no objective evidence of impairment to a financial asset, whether considered individually material or not, it includes this asset within a group of financial assets with a similar credit risk profile and subjects them to an impairment test on a collective basis.

At an individual level, objective evidence that a financial asset is impaired includes observable data relating to the following events:

- The existence of accounts which are past the due date;
- Any knowledge or evidence that the borrower is experiencing significant financial difficulty, such that a risk can be considered to have arisen, regardless of whether the borrower has missed any payments;
- Concessions in respect of the credit terms granted to the borrower that the lender would not have considered had the borrower not been experiencing financial difficulty.

Impairment is measured as the difference between the carrying amount and the present value, discounted at the asset's original effective interest rate, of those components (principal, interest, collateral, etc.) regarded as recoverable.

The Group's portfolio doubtful loan portfolio is categorised as follows :

Individually material loans : Each of these loans is reviewed individually in order to estimate recovery payments and determine recovery schedules. Impairment under IFRS relates to the difference between amounts owing and the net present value of expected recovered payments.

Non-individually material loans : Loans not reviewed on an individual basis are segmented into different risk categories having similar characteristics and are assessed using a statistical model, based on historical data, of annual recovery payments by each risk category.

Counterparties not showing any evidence of impairment

These loans are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon historical data, adjusted if necessary to reflect circumstances prevailing at the balance sheet date. This analysis enables the Group to identify counterparty groups which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio but without it being possible at that stage to allocate the impairment to individual counterparties.

This analysis also estimates the loss relating to the portfolios in question, taking account of trends in the economic cycle during the assessment period.

Based on the experienced judgement of the Bank's divisions or Risk Division, the Group may recognise additional collective impairment provisions in respect of an economic sector or geographical region affected by exceptional economic events. In this regard the Group established watch lists of the accounts at risk.

Provisions and provision write-backs are recognised in the income statement under "Cost of risk" while the theoretical income earned on the carrying amount of impaired loans is recognised under "Interest and similar income" in the income statement.

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans.The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstatedunder net interest income over the remaining term of the loan.

Impairment of available-for-sale financial assets

Impairment of "available-for-sale financial assets", which mainly comprise equity instruments, is recognised through income if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

The Group has determined two types of non-cumulative impairment for equity instruments recorded under "available-for-sale financial assets". The first one is a significant decline in the security's price. By "significant" is implied a fall of more than 40% from the acquisition price. The second is a prolonged decline, defined as an unrealised loss over a one-year period.

For financial instruments quoted on a liquid market, impairment is determined using quoted prices and, for unquoted financial instruments, is based on valuation models.

For unquoted equity instruments, the impairment criteria applied are as follows :

- The growing likelihood that the debtor could become bankrupt or undertake any other financial reorganisation;

- The disappearance of an active market for that financial asset because of thedebtor's financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since initial recognition ofthose assets, even though the decrease cannot yet be identified with theindividual financial assets in the group.

Impairment losses taken against equity securities are recognised as a component of net banking income under "Net gains or losses on available-for-sale financial assets" and may only be reversed through income after these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in through income.

In the case of debt instruments, impairment is assessed on the basis of the same criteria applied to loans and receivables, that is, on an individual basis if there is objective evidence of impairment or on a collective basis if there is no evidence of impairment.

Given the characteristics of its portfolio, the Group is not concerned by debt instruments.

Restructuring of assets classed as "Loans and receivables"

An asset classified in "Loans and receivables" is considered to be restructured due to the borrower's financial difficulty when the Group, for economic or legal reasons related to the borrower's financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised through income under "Cost of risk".

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net of amortisation, is recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

e. Issues of debt securities

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group's treasury shares.

In the Group's case, this concerns certificates of deposit issued by Group banks such as BMCE BANK and BANK OF AFRICA as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

f. Treasury shares

The term "treasury shares" refers to shares of the parent company, BMCE BANK SA and its fully consolidated subsidiaries.

"Treasury shares" refer to shares issued by the parent company, BMCE Bank SA, or by its fully consolidated subsidiaries. Treasury shares held by the Group are deducted from consolidated shareholders' equity regardless of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement.

As of December 31, 2015, the Group does 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	QP	Period	QP
Structural works	80	55%	80	65%
Façade	30	15%		
General & technical installations	20	20%	20	15%
Fixtures and fittings	10	10%	10	20%

Impairment

The Group has deemed that impairment is only applicable to buildings and, as a result, the market price (independently-assessed valuation) will be used as evidence of impairment.

b. Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both. An investment property generates cash flows that are largely independent from the company's other assets in contrast to property primarily held for use in the production or supply of goods or services.

The Group qualifies investment property as any non-operating property.

BMCE Bank Group has opted for the cost method to value its investment property. The method used to value investment property is identical to that for valuing operating property.

In accordance with the requirements of paragraph 79(e) of IAS 40, the Group has investment properties whose acquisition cost is deemed to be substantially material valued by external surveyors at each balance sheet date (cf. 4.15 on fair value).

c. Intangible assets

Intangible assets are initially measured at cost which is equal to the amount of cash or cash equivalent paid or any other consideration given at fair value to acquire the asset at the time of its acquisition or construction.

Subsequent to initial recognition, intangible assets are measured at cost less cumulative amortisation and impairment losses.

The amortisation method adopted reflects the rate at which future economic benefits are consumed.

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is 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 31 December 2015, the Group did not recognise any assets as held for sale or discontinued activities.

1.6.7. Employee benefits

Classification of employee benefits

a. Short-term benefits

Short-term benefits are due within twelve months of the close of the financial year in which employees provided the corresponding services. They are recognised as expenses in the year in which they are earned.

b. Defined-contribution post-employment benefits

The employer pays a fixed amount in respect of contributions into an external fund and has no other liability. Benefits received are determined on the basis of cumulative contributions paid plus any interest and are recognised as expenses in the year in which they are earned.

c. Defined-benefit post-employment benefits

Defined-benefit post-employment benefits are those other than defined-contribution schemes. The employer undertakes to pay a certain level of benefits to former employees, whatever the liability's cover. This liability is recognised as a provision.

The Group accounts for end-of-career bonuses as defined-benefit post-employment benefits: these are bonuses paid on retirement and depend on employees' length of service.

d. Long-term benefits

These are benefits which are not settled in full within twelve after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

e. Termination benefits

Termination benefits are made as a result of a decision by the Group to terminate a contract of employment or a decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

b. Accounting principles

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under "Salaries and employee benefits" in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund's investments (gross rate of return);
- The effect of any plan curtailments or settlements.

1.6.8. Share-based payments

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

New shares are offered at a discount on the condition that they retain the shares for a specified period.

The expense related to share purchase plans is spread over the vesting period if the benefit is conditional upon the beneficiary's continued employment.

This expense, booked under "Salaries and employee benefits", with a corresponding adjustment to shareholders' equity, is calculated on the basis of the plan's total value, determined at the allotment date by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account performance-based criteria relating to the BMCE Bank share price. The plan's total expense is determined by multiplying the unit value per option or bonus share awarded by the estimated number of options or bonus shares acquired at the end of the vesting period, taking into account the conditions regarding the beneficiary's continued employment.

1.6.9. Provisions recorded under liabilities

Provisions recorded under liabilities on the Group's balance sheet, other than those relating to financial instruments and employee benefits mainly relate to restructuring, litigation, fines, penalties and tax risks.

A provision is recognised when it is probable that an outflow of resources providing economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made about the obligation's amount. The amount of such obligations is discounted in order to determine the amount of the provision if the impact of discounting is material.

A provision for risks and charges is a liability of uncertain timing or amount.

The accounting standard provides for three conditions when an entity must recognise a provision for risks and charges:

- A present obligation towards a third party ;
- An outflow of resources is probable in order to settle the obligation;
- The amount can be estimated reliably.

1.6.10. Current and deferred taxes

The current income tax charge is calculated on the basis of the tax laws and tax rates in force in each country in which the Group has operations.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax liability is a tax which is payable at a future date. Deferred tax liabilities are recognised for all taxable temporary differences other than those arising on initial recognition of goodwill or on initial recognition of an asset or liability for a transaction which is not a business combination and which, at the time of the transaction, has not impact on profit either for accounting or tax purposes.

A deferred tax asset is a tax which is recoverable at a future date. Deferred tax assets are recognised for all deductible temporary differences and unused carry-forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

The Group has opted to assess the probability of recovering deferred tax assets.

Deferred taxes assets are not recognised if the probability of recovery is uncertain. Probability of recovery is ascertained by the business projections of the companies concerned.

1.6.11. Cash flow statement

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and the net balances of sight loans and deposits with credit institutions.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable debt instruments.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to subordinated debt, bonds and debt securities (excluding negotiable debt instruments).

1.6.12. Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the time of preparation of the financial statements when making their estimates.

The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates depending on market conditions. This may have a material impact on the financial statements.

Those estimates which have a material impact on the financial statements primarily relate to:

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

Other estimates made by the Group's management primarily relate to :

- Goodwill impairment tests ;
- Provisions for employee benefits;
- The measurement of provisions for risks and charges.

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

2.1. NET INTEREST INCOME

Includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), available for sale financial assets and held-to-maturity financial assets.

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

(In thousand MAD)

2.2. NET FEE INCOME

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

(In thousand MAD)

Net fee income covers fees from interbank market and the money market, customer transactions, securities transactions, foreign exchange transactions, securities commitments, financial transactions derivatives and financial services.

2.3. NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This entry includes all items of income (excluding interest income and expenses, classified under «Net interest income» as described above) relating to financial instruments managed within the trading book.

This covers gains and losses on disposals, gains and losses related to mark-to-market, as well as dividends from variable-income securities.

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

(In thousand MAD)

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

This section includes :

- Dividends and other income from equities and other floating rate securities classified as financial assets available for sale ;
- Gains and losses on disposals of fixed and floating rate securities classified as available for sale financial assets ;
- Impairment provisions on floanting rate securities, classified as available for sale financial assets.

NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	2017	2016
Fixed income securities	**0**	**0**
Disposal gains and losses		
Equity and other variable-income securities	**228 257**	**229 923**
Dividend income	228 662	240 014
Impairment provisions	0	-10 091
Net disposal gains	-405	0
TOTAL	**228 257**	**229 923**

(In thousand MAD)

2.5. NET INCOME FROM OTHER ACTIVITIES

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

(In thousand MAD)

2.6. COST OF RISK

Includes expenses arising from the manifestation of credit risk and counterparty disputes inherent in the banking business conducted with stakeholders. Net impairment non covered by such risk allocations are classified in the income statement according to their type.

Cost of risk for the period

COST OF RISK FOR THE PERIOD	2017	2016
Impairment provisions	**-2 964 249**	**-2 355 213**
Impairment provisions on loans and advances	-2 778 762	-2 310 117
Impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Provisions on off balance sheet commitments	-38 106	-8 643
Other provisions for contingencies and charges	-147 381	-36 453
Write back of provisions	**2 402 843**	**721 441**
Write back of impairment provisions on loans and advances	2 231 922	669 887
Write back of impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Write back of provisions on off balance sheet commitments		
Write back of other provisions for contingencies and charges	170 921	51 554
Changes in provisions	**-1 232 774**	**17 241**
Losses on counterparty risk on available for sale financial assets (fixed income securities)		
Losses on counterparty risk held to maturity financial assets		
Loss on irrecoverable loans and advances not covered by impairment provisions		
Loss on irrecoverable loans and advances covered by impairment provisions	-1 268 763	-11 102
Discount on restructured products		
Recoveries on amortized loans and advances	35 989	28 343
Losses on off balance sheet commitments		
Other losses		
Cost of Risk	**-1 794 180**	**-1 616 531**

(In thousand MAD)

Cost of risk for the period

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

(In thousand MAD)

CONSOLIDATED FINANCIAL STATEMENTS

Cost of risk for the period asset type

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

(In thousand MAD)

2.7. NET GAINS ON OTHER ASSETS

	2017	2016
PP&E and intangible assets used in operations	**0**	**0**
Capital gains on disposals		
Capital losses on disposals		
Equity interests	**0**	**0**
Capital gains on disposals		0
Capital losses on disposals	0	0
Others*	14 815	-111 741
Net Gain/Loss on Other Assets	**14 815**	**-111 741**

(In thousand MAD)

2.8. INCOME TAX

2.8.1. Current and deferred tax

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

(In thousand MAD)

2.8.2. Net income tax expense

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

(In thousand MAD)

2.8.3. Effective tax rate

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

(In thousand MAD)

Analysis of effective tax rate

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

(In thousand MAD)

2.9 - GENERAL OPERATING EXPENSES

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

(In thousand MAD)

III. SEGMENT INFORMATION

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

- **Banking in Morocco :** includes BMCE Bank's Moroccan business;
- **Asset management and Investment banking :** includes investment banking (BMCE Capital), securities brokerage (BMCE Capital Bourse) and asset management (BMCE Capital Gestion) ;
- **Specialised financial services :** includes consumer credit (Salafin), leasing (Maghrébail), factoring (Maroc Factoring), recovery (RM Experts) and credit insurance (Acmar) ;
- **International activities :** includes BMCE International (Madrid), Banque de Développement du Mali, La Congolaise de Banque, BMCE Bank International and Bank Of Africa.

3.1. EARNINGS BY BUSINESS LINE

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

(In thousand MAD)

3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

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

(In thousand MAD)

3.3. BREAKDOWN OF LOANS AND RECEIVABLES

Breakdown of loans and receivables to credit institutions by geographical region

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

(In thousand MAD)

Breakdown of loans to customer by georgraphical region

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

(In thousand MAD)

Change in impairment for loans due from customers

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

(In thousand MAD)

Change in impairment for loans due from credit institutions

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

(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

(In thousand MAD)

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

Financial assets and liabilities recognised at fair value through income consist of negotiated transactions for trading purposes.

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

(In thousand MAD)

CONSOLIDATED FINANCIAL STATEMENTS

4.3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets other than those classified as:

a) Loans and receivables;

b) Held-to-maturity financial assets;

c) Financial assets at fair value through profit or loss.

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

(In thousand MAD)

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

Loans and receivables due from credit institutions

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

(In thousand MAD)

Amounts due to credit institutions

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

(In thousand MAD)

4.5. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

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

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

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

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

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

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

(In thousand MAD)

4.6. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

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

(In thousand MAD)

Special purpose public funds and special guarantee funds only relate to BOA Group.

They are non-repayable funds aimed at subsidising lending rates and provisioning for credit losses in specific sectors and business activities.

4.7. HELD-UNTIL-MATURITY FINANCIAL ASSETS

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

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAXES

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

(In thousand MAD)

Deferred Taxes by Category

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

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

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

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

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

(In thousand MAD)

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

	Total Assets	Net Banking Income or Net Revenues	Company Income	Net income
Euler Hermes Acmar	496 359	175 352	21 838	4 368
Banque de Développement du Mali	12 071 085	580 853	200 216	63 538
Eurafric Information	276 356	-95 247	-147 834	-75 395
Société Conseil Ingénierie et Développement	158 804	294 200	337	-1 658
Société Conseil Ingenierie et Développement	689 449	226 304	28 800	11 203

(In thousand MAD)

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

	2017			2016		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	**13 109 310**	**5 806 510**	**7 302 800**	**12 320 654**	**5 331 829**	**6 988 825**
Land and buildings	4 031 041	423 811	3 607 230	3 797 644	380 388	3 417 256
Equipment, furniture and fixtures	4 018 645	2 497 926	1 520 719	3 837 324	2 357 522	1 479 802
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	5 059 624	2 884 773	2 174 851	4 685 686	2 593 919	2 091 767
Intangible Assets	**2 078 628**	**1 140 820**	**937 808**	**2 162 892**	**1 333 922**	**828 970**
Purchased software	1 463 476	874 855	588 621	1 684 757	1 096 920	587 837
Internally-developed software	0	0	0	0	0	0
Other intangible assets	615 152	265 965	349 187	478 135	237 002	241 133
Investment Property	**3 906 376**	**81 937**	**3 824 439**	**3 841 315**	**95 169**	**3 746 146**

(In thousand MAD)

Change in property, plant and equipment

	2017	2016
Net value as of January, 1st	**6 988 824**	**6 521 829**
Acquisition of the year	827 768	859 988
Entrance in the scope	-	-
Depreciation, Amortization of impaiment	(511 081)	(470 711)
Disposal of the year	(199 179)	(328 668)
Reclassifications	196 468	406 387
NET VALUE AT END OF PERIOD	**7 302 800**	**6 988 825**

(In thousand MAD)

Change in intangible assets

	2017	2016
Net value as of January, 1st	**828 970**	**703 525**
Acquisition of the year	288 055	324 337
Entrance in the scope	-	-
Depreciation, Amortization of impaiment	(205 450)	(173 905)
Disposal of the year	(16 550)	(13 633)
Reclassifications	42 783	(11 354)
NET VALUE AT END OF PERIOD	**937 808**	**828 970**

(In thousand MAD)

Investment properties

	2017	2016
Net value as of January, 1st	**3 746 146**	**3 035 131**
Acquisition of the year	188 529	744 004
Entrance in the scope	-	
Depreciation, Amortization of impaiment	(8 769)	(18 306)
Disposal of the year	(101 467)	(13 643)
Reclassifications	-	(1 040)
NET VALUE AT END OF PERIOD	**3 824 439**	**3 746 146**

(In thousand MAD)

4.12. GOODWILL

	2017	2016
Gross value at start of period	**852 310**	**852 310**
Accumulated impairment at start of period		
Carrying amount at start of period	**852 310**	**852 310**
Acquisitions		
Disposals		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements	0	0
Gross value at end of period	**852 310**	**852 310**
Accumulated impairment at end of period		
CARRYING AMOUNT AT END OF PERIOD	**852 310**	**852 310**

(In thousand MAD)

The following table provides a breakdown of goodwill :

	2017 book Value	2016 book Value
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	5 174	5 174
Maroc Factoring	1 703	1 703
Bmce Capital Bourse	2 618	2 618
Bmce International (Madrid)	3 354	3 354
Bank Of Africa	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
TOTAL GROUP	**852 310**	**852 310**

Goodwill impairment tests

The recoverable amount of a cash-generating unit has been determined on the basis of value in use.

An intrinsic value approach has been adopted to determine value in use at BOA and Locasom as follows:

- At BOA, the "dividend discount model" (hereafter, the "DDM") has been adopted. This is a standard method used by the banking industry to determine an activity's value by reference to the net present value of dividends that the activity is likely to generate in the future. The value thus calculated corresponds to the value in shareholders' equity;

- At Locasom, the "discounted cash flow method" (hereafter, the "DCF" method) has been adopted. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

Cash-flow projections are based on financial estimates over a three-year period approved by management.

	Bank of Africa	Locasom
	%	%
Discount rate	18%	8.5%
Growth rate	2%	3%

A certain number of assumptions of estimated net banking income, the cost-to-income ratio, the costs of risk and risk-weighted assets (hereafter, "RWA") underpin the DDM, which is used to determine recoverable value. These are taken from medium-term (3-year) business plans for the first three years, representing the duration of the economic cycle to which the banking industry is sensitive and then in perpetuity, based on sustainable growth rates to calculate terminal value.

Key cash flow variables are EBITDA and the operating margin which underpin the DCF method. This is a standard method used by the services sector to determine an activity's value by reference to the net present value of available cash flows that the activity is likely to generate in the future. The value thus calculated corresponds to enterprise value.

Discount rate

The indirect approach has been used to determine the cost of capital. The indirect approach consists of adjusting the cost of capital of a reference country (France) by a country risk factor, reflecting the specific risks relating to the economic, political, institutional and financial conditions of the country in which the company has its operations.

BOA's cost of capital has been determined on the basis of the observed average discount rate, calculated by weighting the discount rate of each bank by net banking income, in each of the countries in which BOA has operations. The discount rate ranges from 16% to 18% for BOA and from 7% to 8.5% for Locasom.

Growth rate

BOA's business forecasts have been prepared using the CFA Franc. The CFA Franc is guaranteed by the French Treasury and has a fixed exchange rate against the euro. As a result, the long-term growth rate adopted by BOA is 2%, in line with estimates of inflation in France.

Locasom's growth rate has been set at 3%, in line with assumptions for the rate of growth of its sector in Morocco.

Regulatory capital requirements

BOA's risk weighted assets must satisfy Core Tier One regulatory capital requirements over the entire period for which BOA has made estimates.

Net banking income

Estimates of net banking income have been made on the basis on the currently low level of bank penetration in Africa and, as a result, the strong growth potential.

EBITDA

Estimates of EBITDA and operating margins have been made on the basis of historical data.

Cost-to-income ratio

La projection du coefficient d'exploitation est en forte corrélation avec la croissance des charges spécialement celles relatives à l'ouverture d'agences pour accompagner la conquête de nouveaux clients.

Sensitivity to changes in assumptions

	BANK OF AFRICA
Cost of capital	**18%**
Unfavorable change of 200 basis points	-1 236 269
Favorable change of 200 basis points	1 592 527
	LOCASOM
Cost of capital	**8,5%**
Unfavorable change of 200 basis points	-184 361
Favorable change of 150 basis points	395 773

For the cash-generating units in question, there is no reason to amortise goodwill, even after factoring in, for impairment tests, the most adverse change in the cost of capital, considered by management to be the assumption most sensitive to any reasonable change.

4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

	dec-17	dec-16
Total provisions at start of period	**685 204**	**650 913**
Additions to provisions	279 774	51 674
Reversals of provisions	-170 869	-51 024
Effect of movements in exchange rates and other movements	38 381	33 641
TOTAL PROVISIONS AT END OF PERIOD	**832 490**	**685 204**

	Legal and fiscal risks	Obligations for post-employment benefits	Loan commitments and guarantees	Onerous contrats	Other provisions	Total book value
Total provisions at start of period	**20 695**	**329 668**	**16 126**	**0**	**318 715**	**685 204**
Net additions to provisions	16 339	95 156	38 106	0	130 173	279 774
Provisions used	-16 031	0	0	0	-154 838	-170 869
Effect of movements in exchange rates	422	0	-29 883	0	67 842	38 381
Other movements	21 425	424 824	24 349	0	361 892	832 490
TOTAL PROVISIONS AT END OF PERIOD	**20 695**	**329 668**	**16 126**	**0**	**318 715**	**685 204**

4.14. TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions.

The liabilities associated with securities temporarily sold under repurchase agreements consist of amounts owing from credit institutions and customers under "Repurchase agreements".

Transferred financial assets not derecognised

These include repurchase agreements or securities lending transactions resulting in a transfer of securities without them being derecognised.

The assets that have been transferred by the Group are:

- Treasury securities
- Certificates of deposit
- Bonds

Transfers of derecognised financial assets

These include securitisation transactions resulting in a transfer of securities leading to de-recognition.

There have been no significant transfers of derecognised securities by the Group in 2016 and 2014.

	2017	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	12 799 712	12 807 778
Securities classified as loans and receivables	0	0
Available-for-sale assets	392 721	394 181
Total	**13 192 433**	**13 201 959**

	2016	
	Carrying amounts of transferred assets	Carrying amounts of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss		
Repurchase agreements		
Securities at fair value through profit or loss	14 338 028	14 329 475
Securities classified as loans and receivables	0	0
Available-for-sale assets	460 221	459 843
Total	**14 798 249**	**14 789 318**

4.15. FAIR VALUE

4.15.1. Fair value of financial instruments carried at amortised cost

The information supplied in this note must be used and interpreted with the greatest caution because these fair values are an estimate of the value of the relevant instruments as of 31 December 2014. They are liable to fluctuate from day to day as a result of changes in different variables such as interest rates and credit quality of the counterparty.

In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instruments on the assumption that BMCE Bank Group remained a going concern.

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the BMCE Bank Group.

Fair value is based on prices quoted on a liquid market when these are available. In other cases, fair value is determined using commonly-used valuation techniques.

The table below shows the fair value of the Group's financial assets and liabilities at 31 December 2016 :

	2017		2016	
	Book value	Estimated market value	Book value	Estimated market value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	25 177 051	25 181 726	21 221 229	21 235 707
Loans and receivables due from customers	183 814 990	184 590 561	179 774 222	180 516 425
Placements détenus jusqu'à leur échéance	23 016 078	23 098 261	25 136 170	25 438 896
Immeubles de placement	3 824 439	3 894 079	3 746 146	3 807 973
FINANCIAL LIABILITIES				
Loans and receivables due to credit institutions	44 958 940	44 958 940	49 708 268	49 708 268
Loans and receivables due to customers	198 783 598	198 783 598	190 050 335	190 050 335
Debt securities	15 101 490	15 101 490	13 186 303	13 186 303
Subordinated debts	11 448 754	11 448 754	10 493 376	10 493 376

The techniques and assumptions used to determine fair value for each category are described hereafter:

Loans and receivables

The fair value of receivables is determined by estimating the fair value of assets held after conducting sensitivity analysis on each asset class on the basis of each instrument's duration and convexity by observing historical returns as a function of changes in market conditions.

In the absence of a market yield curve reflecting actual rates along the different segments of the curve, average yields on origination for the financial year in question have been used as indicative of actual market rates.

In the case of loans and receivables that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, fair value equates to the carrying amount due to their limited sensitivity to changes in rates or by the simple fact that they are granted on the basis of actual market conditions.

Loans and receivables due from credit institutions

Loans and receivables due from credit institutions totalled MAD 21.2 billion with a fair value close to the carrying amount. This is due to the predominance of short-term money market transactions (in the form of cash loans, interbank loans and repurchase agreements).

Outstandings of loans to finance companies totalled MAD 9.4 billion, amortisable over a short period, with a fair value that is MAD 14.5 million higher than the carrying amount.

Loans and receivables due from customers

Outstandings of loans and receivable due from customers totalled MAD 179 billion at 31 December 2016, consisting primarily of cash loans, overdraft facilities and floating rate loans.

Outstandings of fixed-rate loans primarily consist of consumer loans amortisable over a short period (average maturity 2.3 years) and fixed-rate mortgage loans amortisable over an average period of almost 7.2 years.

The sensitivity analysis of the Bank's fixed rate loan book shows a faire value that is 333 million MAD higher than the carrying amount.

Financial liabilities

In the case of financial liabilities that have a maturity of less than one year (demand liabilities) or are granted on floating-rate terms, or for an indefinite period (as is the case for perpetual subordinated debt) as well as most regulated savings products, fair value equates to the carrying amount.

Amounts due to credit institutions

Amounts due to credit institutions totalled MAD 49.7 billion and are recognised at their carrying amount. They consist primarily of short-term cash borrowing transactions in the form of 7-day advances from the Central Bank, interbank borrowings and borrowings from local banks or foreign correspondent banks in addition to repurchase agreements.

Amounts due to customers

Amounts due to customers totalled MAD 190 million, consisting primarily of non-interest-bearing sight deposits in the form of cheque accounts, current accounts in credit and immediate-access regulated savings account.

Repurchase agreements with customers, particularly in respect of mutual funds, are also recognised under "Amounts due to customers".

Outstandings of term deposits totalled MAD 41 billion, with an average maturity of less than one year consisting due to the predominance of 3-month, 6-month and 12-month maturities.

In the case of customer term deposits, fair value equates to the carrying amount.

Debt securities

Outstandings of debt securities totalled MAD 13.2 billion, consisting primarily of certificates of deposit issued by the Bank with predominantly 3-month, 6-month and 12-month maturities.

In the case of debt securities, fair value equates to the carrying amount.

Subordinated debt

Outstandings of subordinated debt, which totalled MAD 10.5 billion, are recognised at the carrying amount due to the predominance of floating-rate issues and perpetual subordinated debt outstandings.

4.15.2. Breakdown by measurement method of financial instruments recognised at fair value presented in accordance with IFRS 7 recommendations

	dec-17			
	Level 1	Level 1	Level 1	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	34 002 616	-	-	34 002 616
of which financial assets at-fair-value through profit or loss	34 002 616			34 002 616
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			10 531 128	10 531 128
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	1 768 686	-	1 768 686
of which financial assets at-fair-value through profit or loss		1 731 592		1 731 592
of which derivative financial instruments		37 094		37 094
Financial instruments designated as at-fair-value through profit or loss				
Derivatives used for hedging purposes				

	dec-16			
	Level 1	Level 1	Level 1	Total
FINANCIAL ASSETS				
Financial instruments at-fair-value through profit or loss held for trading	38 890 923	-	-	38 890 923
of which financial assets at-fair-value through profit or loss	38 890 923			38 890 923
of which derivative financial instruments				-
Financial instruments designated as at-fair-value through profit or loss				-
Derivatives used for hedging purposes				-
Available for sale financial assets			8 317 725	8 317 725
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading	-	2 098 276	-	2 098 276
of which financial assets at-fair-value through profit or loss		2 037 621		2 037 621
of which derivative financial instruments		60 655		60 655
Financial instruments designated as at-fair-value through profit or loss				
Derivatives used for hedging purposes				

The Bank has transferred its bonds from Level 1 to Level 2 of the fair value hierarchy. This transfer was made to comply with the hierarchy criteria for each level as defined by IFRS 13.

- Carrying amount
- Adjusted net asset value
- Net asset value
- Pricing – corporate events

The Group primarily usesthe 'net asset value' and 'carrying amount' valuation methods.

The above methods are preferred due to these securities' illiquidity and/or a lack of comparable transactions.

Different methods are used to measure variable income securities such as :

67% of the portfolio is measured using the net asset value method and 21% using the comparable model (similar equity transactions).

Table of changes in available-for-sale financial assets under Level 3 :

	dec-17		
	Debt	Equity	
CARRYING AMOUNT at 1st January	**5 501 553**	**2 816 172**	**8 317 725**
Profits and losses recognised in the P&L			-
Profits and losses recognised in equity	-29 165	1 433 432	1 404 267
Acquisitions	746 527	1 140 092	1 886 619
Disposals	-1 079 547	-61 007	-1 140 554
Transfers	-	-	-
Translation differences	53 781	9 290	63 071
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	**5 193 149**	**5 337 979**	**10 531 128**

	dec-16		
	Debt	Equity	
CARRYING AMOUNT at 1st January	**4 112 359**	**2 734 213**	**6 846 572**
Profits and losses recognised in the P&L	-	16 656	16 656
Profits and losses recognised in equity	-	13 334	13 334
Acquisitions	1 753 241	116 854	1 870 095
Disposals	-336 055	-63 613	-399 668
Transfers	-	-	-
Translation differences	-27 992	-1 272	-29 264
Reclassifications	-	-	-
CARRYING AMOUNT AT END OF PERIOD	**5 501 553**	**2 816 172**	**8 317 725**

4.15.3. Fair value hierarchy of assets and liabilities recognised at amortised cost

2017	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			25 181 726	25 181 726
Loans and receivables due from customers			184 590 561	184 590 561
Held-to-maturity financial assets	4 452 911		18 645 350	23 098 261
LIABILITIES				
Due to credit institutions			44 958 940	44 958 940
Due to customers			198 783 598	198 783 598
Debt securities issued			15 101 490	15 101 490
Subordinated debt			11 448 754	11 448 754

2016	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions			21 235 707	21 235 707
Loans and receivables due from customers			180 516 425	180 516 425
Held-to-maturity financial assets	5 456 267		19 982 629	25 438 896
LIABILITIES				
Due to credit institutions			49 708 268	49 708 268
Due to customers			190 050 335	190 050 335
Debt securities issued			13 186 303	13 186 303
Subordinated debt			10 493 376	10 493 376

Fair value measurement of financial instruments

Financial instruments measured at fair value are classified at three levels in accordance with IFRS 7 :

- Level 1 :

Quoted prices on liquid markets for identical assets or liabilities :

This level includes financial instruments with quoted prices in a liquid market that can be used directly.

For BMCE Bank Group, it includes listed equities, mutual funds, bonds and Treasury bonds.

- Level 2 :

Observable inputs other than Level 1 quoted prices for the asset or liability in question either directly (prices) or indirectly (price-derived inputs):

This level includes financial instruments quoted on markets considered insufficiently liquid as well as those traded on over-the-counter markets. Prices published by an external source, derived from the measurement of similar instruments, are considered to be price-derived inputs.

The Group does not have any financial instruments measured at Level 2.

- Level 3 :

Inputs relating to the asset or liability that are not based on observable market data (non-observable inputs) : Given the diversity of instruments and the reasons for including them in this category, calculating the sensitivity of fair value to changes in variables would appear to be of little relevance.

This level includes unlisted equities valued by various methods including the net carrying amount, net adjusted asset value, net asset value, stock market multiples and equity issue pricing.

Level 3 inputs are inputs relating to assets or liabilities which are not based on observable market-based data (unobservable data). Given the diversity of instruments and the reasons for including them within this category, calculating the sensitivity of fair value to changes in the inputs would likely generate information of limited relevance.

The fair values of held-to-maturity financial assets are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to the instrument beingilliquid as well as significant model risk. An unobservable input is a parameter for which there are no market data available. It is therefore derived from in-house assumptions about the data used by other market participants. Assessing whether a product is illiquid or subject to significant model risk is a matter of judgment.

Held-to-maturity financial assets classified under Level 3 are primarily bonds held by banks in sub-Saharan Africa.

V / FINANCING ANG GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	2017	2016
Financing commitments given	**13 008 783**	**13 452 970**
- To credit institutions	1 349 684	
- To customers:	11 659 099	13 452 970
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	**1 906 864**	**2 181 683**
From credit institutions	1 906 864	2 181 683
From customers	-	-

- Financing commitments given to credit and similar institutions.

This entry relates to commitments to make liquidity facilities available to other credit institutions such as refinancing agreements and back-up commitments on securities issuance.

- Financing commitments given to customers.

This entry relates to commitments to make liquidity facilities available to customers such as confirmed credit lines and commitments on securities issuance.

- Financing commitments received from credit and similar institutions.

This entry relates to financing commitments received from credit and similar institutions such as refinancing agreements and back-up commitments on securities issuance.

5.2. GUARANTEE COMMITMENTS

	2017	2016
Guarantee commitments given	**31 435 965**	**31 627 218**
To credit institutions	10 577 462	11 933 231
To customers :	20 858 503	19 693 988
Sureties provided to tax and other authorities, other sureties		
Guarantee commitments received		
From credit institutions	**97 117 142**	**75 147 878**
From the State and guarantee institutions	95 421 642	73 902 914
From the State and other guarantee institutions	1 695 500	1 244 964

- Guarantee commitments given to credit and similar institutions.

This entry relates to commitments to assume responsibility for an obligation entered into by a credit institution if the latter is not satisfied with it. This includes guarantees, warranties and other guarantees given to credit and similar institutions.

- Guarantee commitments given to customers

This entry relates to commitments to assume responsibility for an obligation entered into by a customer if the latter is not satisfied with it. This includes guarantees given to government institutions and real estate guarantees, among others. les cautions immobilières, etc.

- Guarantee commitments received from credit and similar institutions

This entry includes guarantees, warranties and other guarantees received from credit and similar institutions.

- Guarantee commitments received from the State and other organisations

This entry relates to guarantees received from the State and other organisations.

VI. SALARY AND EMPLOYEE BENEFITS

6.1. DESCRIPTION OF CALCULATION METHOD

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

The method used for calculating the liability relating to both these benefits is the "projected unit credit" method as recommended by IAS 19.

- Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) scheme

The Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) is a private mutual insurance company. The company reimburses employees for a portion of their medical, pharmaceutical, hospital and surgical expenses. It is a post-employment scheme providing medical cover for retired employees.

The CMIM is a multi-employer scheme. As BMCE Bank is unable to determine its share of the overall liability (as is the case for all other CMIM members), under IFRS, expenses are recognised in the year in which they are incurred. No provision is recognised in respect of this scheme.

6.2. SUMMARY OF PROVISIONS AND DESCRIPTION OF EXISTING SCHEMES

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

	2017	2016
Retirement allowances and equivalents	424 824	329 668
Special seniority premiums allowances		
Other		
TOTAL	**424 824**	**329 668**

6.2.2. Basic assumptions underlying calculations

An analysis of sensitivity to the two main actuarial assumptions used to calculate the cost of benefit plans (post-employment benefits, long service awards) at 31 December 2015 is presented in the following table :

Post-employment benefits	**-50 bp change in the rate**	**+50 bp change in the rate**
Discount rate	-10 410	9 454
Wage growth	9 525	-10 389

Long service awards	**-50 bp change in the rate**	**+50 bp change in the rate**
Discount rate	-12 791	11 860
Wage growth	13 191	-14 127

Economic assumptions	**31/12/17**
Discount rate	3.30%
Taux de croissance des salaires long terme (inflation Incluse)	3%
Long-term wage growth	10.61%-10.96%

Demographic assumptions	
Retirement terms	Voluntary Retirement
Retirement age	60 years
Mortality table	Men 60/64 – Women 60/64

The discount rate is based on secondary market Treasury benchmark bond yields - Duration: about 22 years.

6.2.3. Cost of post-employment plans

	2017	2016
Normal cost	4 893	25 161
Interest cost	12 220	11 626
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses		
Additional allowances	17 112	36 787
Other		
Net cost of the period		

6.2.4. Changes in the provision recognised on the balance sheet

	2017	2016
Actuarial liability, beginning of the period	329 668	323 091
Normal cost	26 105	25 161
Interest cost	12 220	11 626
Experience gains/ losses	72 177	-
Other actuarial gains/ losses		-
Depreciation of net gains/losses		
Paid benefits	-21 212	-30 210
Additional benefits		
Other	5 866	
Actuarial liability, end of the period	424 824	329 668
Including fees related to retirement and similar		
Including others...		

VII. ADDITIONAL INFORMATION

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1.1. Share capital transactions

Transactions on capital	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2015	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2016	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2017	179 463 390	10	1 794 633 900

7.1.2. Earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary share s by the weighted average number of ordinary shares outstanding during the period.

	2017	2016
Share capital (in MAD)	1 794 633 900	1 794 633 900
Number of common shares outstanding during the year	179 463 390	179 463 390
Net income attributable to the shar-holder's of the parent (in MAD)	2 036 321 801	2 036 185 656
Basic earnings per share (in MAD)	11.35	11.35
Diluted earnings per share (in MAD)	11.35	11.35

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

7.2. SCOPE OF CONSOLIDATION

Company	Activity	% of voting interests	%of ownership interests	Method
BMCE BANK	Banking			Parent Company
BMCE CAPITAL	Investment Bank	100,00%	100,00%	Full Consolidation
BMCE CAPITAL GESTION	Asset management	100,00%	100,00%	Full Consolidation
BMCE CAPITAL BOURSE	Financial intermediation	100,00%	100,00%	Full Consolidation
MAROC FACTORING	Factoring	100,00%	100,00%	Full Consolidation
MAGHREBAIL	Leasing	52,47%	52,47%	Full Consolidation
SALAFIN	Consumer loans	74,76%	74,76%	Full Consolidation
BMCE EUROSERVICES	Financial intitution	100,00%	100,00%	Full Consolidation
LCB BANK	Banking	37,00%	37,00%	Full Consolidation
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Full Consolidation
BOA GROUP	Banking	72,85%	72,85%	Full Consolidation
LOCASOM	Car rental	100,00%	97,39%	Full Consolidation
RM EXPERTS	Debt collection	100,00%	100,00%	Full Consolidation
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity Method
EULER HERMES ACMAR	Insurance	20,00%	20,00%	Equity Method
EURAFRIC INFORMATION	Technology Service	41,00%	41,00%	Equity Method
CONSEIL INGENIERIE ET DEVELOPPEMENT	Bureau d'études	38,90%	38,90%	Equity Method
AFRICA MOROCCO LINKS	Study office	51,00%	51,00%	Equity Method

BMCE Bank of Africa holds 37% of La Congolaise de Banque's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

Power: BMCE Bank of Africa derives its effective rights from the management contract entrusted to it by the other shareholders. It has a majority on the Board of Directors with three directors followed by the Congolese State which has two directors.

Returns: BMCE Bank of Africa is exposed, or has rights, to the profits generated by LCB pro-rata to its shareholding in the company.

Link between power and returns : BMCE Bank of Africa is responsible for appointing LCB's senior management as well as being able to influence this entity's returns.

7.3. COMPENSATION PAID TO THE MAIN EXECUTIVE CORPORATE OFFICERS

Remuneration paid to the main directors

By "main directors" is meant the members of the bank's general management team.

	2017	2016
Short-term benefits	20 278	14 342
Post-employment benefits	634	631
Other long-term benefits	4 846	5 298

Short-term benefits relate to the fixed remuneration inclusive of social security contributions received by the main Executive Corporate Officers in respect of the 2013 financial year.

Post-employment benefits relate to end-of-career bonuses and other long-term benefits relate to long-service awards.

Directors' fees paid to members of the board of directors

	2017			2016		
	Gross Amount	With holding tax	Net amount paid	Gross amout	Tax with holding	Net amount paid
Natural and legal persons Resident in Morocco	3 353	503	2 850	2 985	735	2 250
Physical and legal persons non Resident in Morocco	2 092	692	1 400	588	88	500
TOTAL	**5 445**	**1 195**	**4 250**	**3 573**	**823**	**2 750**

Loans granted to the main Executive Corporate Officers

	2017	2016
Consumer loans	18 087	19 765
Mortgage loans	9 331	12 393
Total	**27 418**	**32 158**

7.4. RELATIONS WITH RELATED PARTIES

Relations between BMCE Bank and fully-consolidated companies and the parent company

Transactions and period-end balances between fully-consolidated entities are of course eliminated. Period-end balances resulting from transactions between companies accounted for under the equity method and the parent company are maintained in the consolidated financial statements.

Related-party balance sheet items

	Parent company (FINANCE.COM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
Assets				
Loans, advances and securities	-	3 383 713	215 683	10 704 492
On demand accounts		2 063 672	189 691	9 724 541
Loans		761 872	25 992	608 632
Securities		558 170		371 318
Lease financing				
Other assets				27 099
Total	**-**	**3 383 713**	**215 683**	**10 731 591**
Liabilities				
Deposits	357 092	1 914 051	9 250	10 140 252
On demand accounts	357 092	1 914 051	9 250	9 985 984
Other borrowings				154 268
Debt securities				347 615
Other liabilities				243 724
Total	**357 092**	**1 914 051**	**9 250**	**10 731 591**
Financing and guarantee commitments given				
Commitments given				2 055 967
Commitments received				2 055 967

Related party profit and loss items

	Parent company (FINANCE.COM)	Sister companies	Companies consolidated under the equity method	Fully consolidated companies
Interest and similar income		-34 657	-1 433	-343 418
Interest and similar expenses				439 909
Fees (income)		-48 413		-363 728
Fee (expenses)				71 565
Services provided				
Services procured	39 500			
Lease income		-70 587	-7 091	-174 307
Other		83 498		369 964

7.5. LEASES

Information concerning finance leases

	Gross Investissement	Present value of minimum lease payments under the lease	Unguaranteed residual value accruing to the lessor
≤ 1 an	2 982 197	525 926	88 619
> 1 an ≤ 5 ans	9 946 983	5 888 696	320 481
> 5 ans	5 323 246	4 363 988	637 665
TOTAL	18 252 426	10 778 610	1 046 765

Information concerning operating leases

	Present value of minimum lease payments under the lease	Total contingent rents recognized as income in the period
≤ 1 an	250 000	
> 1 an ≤ 5 ans	1 000 000	
> 5 ans		
TOTAL	1 250 000	-

The portion of the residual value in the total of the financing amounts is 58.11%.

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Rabat

To the Shareholders of
BMCE BANK
140 Avenue Hassan II,
Casablanca

STATUTORY AUDITORS' GENERAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the attached financial statements of BMCE Bank of Africa, comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the financial year ended 31 December 2017. These financial statements show shareholders' equity and equivalent of MAD 26,683,739 K, including net income of MAD 1,488,138 K.

Management's responsibility

It is Management's responsibility to draw up and present these financial statements to give a true and fair view of the company's financial position in accordance with the generally-accepted accounting principles and procedures applicable in Morocco. This responsibility includes drawing up, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement and for making accounting estimates that are reasonable under the circumstances.

Auditors' responsibility

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements.

In making those risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

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

Pending the outcome of the situation described above, in our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the income from operations for the financial year ended 31 December 2017 and of the financial position of BMCE Bank of Africa in accordance with the generally-accepted accounting principles and procedures applicable in Morocco.

Specific checks and information

We also carried out specific checks required by law and we are satisfied that the Bank's financial statements are consistent with the information provided in the Board of Directors' management report for shareholders.

Furthermore, in accordance with the provisions of Article 172 of Act 17-95 as amended and completed, we hereby inform you that, in 2017, the Bank:

- Established a participatory bank named 'Bank Al-Tamweel Wa Al-Inma' with a share capital of MAD 400,000 K, in which the Bank has a 51% stake;
- Acquired an 80% stake in 'Société d'Aménagement Tanger TECH' for MAD 62,500 K;
- Acquired a stake in 'IKAMAT TILILA' for a symbolic 1 dirham. The company's share capital is MAD 100 K and is wholly owned by the Bank;
- Established a subsidiary named 'MOURAD IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'AKENZA IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SAISS IMMO NEJMA' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL PRIMERO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL SECONDO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'SUX HILL TERCIO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'NOUACER CITY IMMO' with a share capital of MAD 10 K, wholly owned by the Bank;
- Established a subsidiary named 'MOHIT IMMO' with a share capital of MAD 10 K, wholly owned by the Bank

Casablanca, 20 April 2018

The Statutory Auditors

ERNST & YOUNG

ERNST & YOUNG
37, Bd. Abdellatif Benkaddour
Casablanca

Abdeslam BERRADA ALLAM
Associé

KPMG

K.P.M.G
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Jamal SAAD EL IDRISSI
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To the Shareholders of
BMCE BANK
140 Avenue Hassan II,
Casablanca

STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

As your company's statutory auditors, we hereby present to you our report on related party agreements in accordance with the provisions of Articles 56-59 of Act No. 17-95 as amended and completed by Act No. 20-05 and Act No. 78-12 and their application decrees.

It is our responsibility to present to you the main terms and conditions of the agreements that have been disclosed to us by the Chairman of the Board or ascertained when carrying out our assignment, without our commenting on their relevance or substance or our searching for any undisclosed agreements. Under the provisions of the above Act, it is your responsibility to determine whether these agreements should be approved.

We performed the procedures that we deemed necessary in accordance with Moroccan accounting standards. These procedures consisted of checking that the information given to us was consistent with the underlying documents.

1. AGREEMENTS ENTERED INTO DURING 2017

1.1. Agreement to retrocede placing fees to BMCE Bank of Africa as book runner for LABEL'VIE's new share issue

Person(s) concerned:

Mr Zouheir BENSAID, a Director of BMCE Capital Bourse, is also a Director of BMCE Bank of Africa.

Main terms and conditions:

The purpose of this agreement between BMCE Bank of Africa, BMCE Capital Bourse, Valoris Securities and Capital Trust Securities is to determine the terms and conditions for cooperation and retrocession in accordance with the terms outlined in the prospectus relating to Label'Vie's new share issue of 31 January 2071.

The agreement shall remain in place until the transaction is complete, upon full and final receipt by BMCE Bank of book runner fees as well as the reference amount by Capital Trust Securities and Valoris Securities.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

1.2. Agency agreement between BMCE Bank of Africa and Damane Cash, a money transfer company, relating to transactions carried out by credit institutions

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa shall entrust to Damane Cash, a wholly-owned indirect subsidiary of the Bank, an agency mandate relating to transactions carried out by credit institutions within the framework of marketing domestic and international prepaid bank cards to BMCE Bank of Africa customers and to approved partners within the Damane Cash network which shall undertake to comply with the Bank's vigilance and compliance requirements.

This is a five-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

1.3. Sales and lease-back agreement financed by MAGHREBAIL in favour of BMCE Bank of Africa

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of Maghrebail, is also a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail, are also respectively Chairman and Chief Executive Officer, Director and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of the agreement, BMCE Bank of Africa shall enter into a sale and lease-back transaction with MAGHREBAIL relating to a series of IT programmes and solutions.

The agreement, entered into at end-December 2017, relates to equipment lease finance of MAD 561,938 K inclusive of taxes over a 60-month period, with the unitary rental payment set at MAD 8,794 K exclusive of taxes.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 468,281 K for the period ended 31 December 2017.

1.4. Agreement between BMCE Bank and RM EXPERTS relating to the cession of premises

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, a Director of RM EXPERTS, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of RM EXPERTS, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement, BMCE Bank of Africa shall cede to RM EXPERTS a jointly-owned office on the 3rd floor of an office building and four car parking spaces in the Casablanca Zénith district, located at No. 2 and No. 2B Sidi Maarouf, Taoufik plot, with the title deeds Nos. 19.780/47, 19.627/47 and 19.633/47 and having a total surface area of 424 m², 31m² and 29 m² respectively.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 7,208 K for the period ended 31 December 2017.

2. AGREEMENTS ENTERED INTO DURING PREVIOUS YEARS WHICH REMAINED IN FORCE DURING 2017

2.1. Agreement between BMCE Bank of Africa and BMCE Capital Bourse

Person(s) concerned:

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into in February 2016, BMCE Capital Bourse shall delegate to BMCE Bank of Africa the operational and technical handling of its asset custody business.

In consideration, BMCE Capital Bourse shall pay an annual fee of MAD 50,000 exclusive of taxes. Furthermore, it shall remain liable to Maroclear for all membership fees and taxes.

This is a one-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.2. Advisory mandate between BMCE Bank of Africa and BMCE Capital Titrisation relating to the securitisation of mortgage-backed securities

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement, BMCE Bank of Africa shall entrust to BMCE Capital Titrisation the securitisation of the Group's mortgage-backed securities.

This agreement is for a 12-month period taking effect on the date that it is signed and will be automatically renewed by further 3-month periods if required.

In terms of remuneration, a flat-rate fee of MAD 1 million exclusive of taxes will be charged on the date that the agreement is signed and shall end as soon as the deal is completed.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.3. Mandate between BMCE Bank of Africa and BMCE Capital Titrisation to arrange a real estate asset securitisation deal

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

In a context of optimising limited resources, BMCE Bank intends to manage its balance sheet as effectively as possible in relation to its sizeable real estate assets.

By transferring its real estate assets, BMCE Bank will be able to: (i) free up a portion of the capital mobilised on its balance sheet under liabilities in respect of these assets and (ii) generate fresh cash reserves by ceding these assets.

Under the terms of this agreement, BMCE Capital Titrisation shall be appointed as arranger for the Group's first real estate securitisation deal. This inaugural deal will be for a sum of between MAD 500 million and MAD 1 billion exclusive of taxes.

This agreement is for a 12-month period taking effect on the date that it is signed. It will be automatically renewed by additional 3-month periods, if required, and shall end as soon as the deal is completed.

As far as the structuring fee is concerned, a retainer fee of MAD 1 million exclusive of taxes will be charged on the date that the mandate is signed. A success fee of 0.4% exclusive of taxes will be paid in the event that the deal is completed successfully.

As far as the placing fee is concerned, remuneration of 0.2% exclusive of taxes of the total deal size will be paid at the delivery/settlement date.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.4. Management agreement between BMCE Bank of Africa and Maroc Factoring

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa has embarked on a project aimed at revising its policy of distributing factoring products and services within the Group. In such a context, factoring outstandings will be divided between BMCE Bank of Africa and Maroc Factoring based on a number of criteria including balance sheet size and capital. As a result, BMCE Bank of Africa will record the factoring transactions in its ledgers with management entrusted to Maroc Factoring.

This management agreement will consist of Maroc Factoring proposing factoring applications to BMCE Bank of Africa based on the existing delegated blueprint, providing the Bank with technical assistance in transactions such as checking invoices at the operational level, introducing legal mechanisms for substituting or ceding accounts receivable and monitoring the recovery of the factoring receivables financed.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 14,743 K for the period ended 31 December 2017.

In this regard, a number of contracts were signed between BMCE Bank of Africa and its subsidiary for the assignment of receivables:

- Contract dated 31 March 2017 relating to a single contract totalling MAD 17,751 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 24,999 K for the period ended 31 December 2017

- Contract dated 30 June 2017 relating to 53 contracts totalling MAD 252,919 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 489,936 K for the period ended 31 December 2017

- Contract dated 30 September 2017 relating to 10 contracts totalling MAD 117,058 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 58,848 K for the period ended 31 December 2017

- Contract dated 31 December 2017 relating to 8 contracts totalling MAD 48,990 K of receivables assigned for the period ended 31 December 2017 and authorisations transferred but not used totalling MAD 86,840 K for the period ended 31 December 2017

2.5. Addendum to the agreement relating to the management of financial market and custody operations

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

This addendum, entered into 29 April 2016, aims to amends the scope of delegated activities to enable BMCE Capital to provide to BMCE Bank of Africa with any type of specialised service or benefit in terms of research, analysis or financial appraisal.

This agreement is for an indefinite period.

The annual remuneration shall remain unchanged at 15% of the surplus, by comparison with MAD 100 million, of the gross operating income generated by BMCE Bank's capital market operations and will be between MAD 20 million and MAD 30 million.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 59,685 K in respect of the variable remuneration component of MAD 31,140 K for the period ended 31 December 2017.

2.6. Agreement between BMCE Bank of Africa and FinanceCom to provide assistance and services

Person(s) concerned:

Mr Othman BENJELLOUN, Chairman of FinanceCom, is also Chairman and Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID is a Director of both companies

Mr Brahim BENJELLOUN-TOUIMI, a Director of FinanceCom, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of the agreement entered into by BMCE Bank of Africa and FinanceCom, the latter shall undertake to provide BMCE Bank of Africa with assistance in drawing up its Strategic Plans, research, implementing partnerships in Morocco and overseas, generating commercial synergies and support.

This agreement is automatically renewable.

Remuneration shall amount to 0.3% of BMCE Bank of Africa's net banking income, in addition to re-invoicing for FinanceCom staff seconded to the Bank for a pre-determined period and any justifiable expenses incurred.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 41,025 K for the period ended 31 December 2017.

2.7. Shareholders' current account advance agreement in favour of O TOWER between FINANCECOM, BMCE Bank of Africa and RMA

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE Bank of Africa, is also Chairman of O TOWER's Board
- Mr Mounir CHRAIBI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of O TOWER
- Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also a Director of O TOWER

Main terms and conditions:

Under the terms of this agreement entered into 1 January 2015, BMCE Bank of Africa, FINANCECOM and RMA WATANYA, shareholders in O TOWER, with FINANCECOM holding a 55% stake and RMA WATANYA and BMCE Bank of Africa each holding a 22.5% stake, shall accept to provide O TOWER with a shareholders' current account advance at 4.5% interest. The purpose of this current account advance is to provide temporary funding for O TOWER's operations.

This agreement has been entered into for a twelve-month (12) period beginning 1 January 2015. Subsequently, it will be automatically renewed by further one-year (1) periods on 31 December of each year.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 1,354 K for the period ended 31 December 2017.

2.8. Loan contract between BMCE Bank of Africa and BOA GROUP

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman and Chief Executive Officer of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE Bank of Africa

Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohamed AGOUMI, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa entered into a contract 22 June 2015 to grant BOA Group a EUR 20 million loan with a 7-year maturity and an interest-free option to defer repayment of the capital by 2 years. The loan will earn annual interest at a variable rate equivalent to 6-month Euribor plus a 350-basis points margin exclusive of taxes.

The contract also specifies the main characteristics and repayment terms of the loan.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 6,440 K for the period ended 31 December 2017.

2.9. Addendum to the agreement between Salafin and BMCE Bank of Africa relating to establishing a customer file recovery management system

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Mamoun BELGHITI and Amine BOUABID, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Messrs Driss BENJELLOUN and Omar TAZI, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

As part of the project for adopting a joint approach to loan recovery, BMCE Bank of Africa and Salafin entered into a framework agreement 15 September 2008, subsequently modified 5 June 2009, which shall define the terms for establishing a dedicated loan recovery system.

The revised loan recovery policy at the commercial level recommends that the banking network becomes involved by assuming responsibility for the first and second missed payments for all types of product.

The purpose of this amendment is to define the new terms and remit of each party.

Regarding remuneration, since 1 July 2015, Salafin will intervene from the third missed payment and will invoice 13% of the amount recovered with a minimum payment of 60 dirhams exclusive of taxes per customer.

A customer file is managed on the Salafin system until all arrears have been recovered or transferred to those entities defined under the recovery strategy. In the event that the number of customers in arrears is halved, the remuneration will be 5% of the amount recovered with a minimum payment of 60 dirhams exclusive of taxes per customer.

Text messages are invoiced at the same rate as for customer files not managed by Salafin.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 10,095 K for the period ended 31 December 2017.

2.10. Deed of sale of the current account between ALLIANCES DARNA and BMCE Bank of Africa

Person(s) concerned:

Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RIYAD ALNOUR

Main terms and conditions:

Previously, ALLIANCES DARNA held a shareholders' current account with a balance of MAD 250,143 K against RIYAD ALNOUR, a real estate developer in which BMCE Bank of Africa acquired a holding as part of a sale with a buy-back option.

A deed of transfer was signed 21 July 2015 by Alliances Darna and BMCE Bank of Africa, as a result of which the latter became owner of the said shareholder current account.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 5,605 K for the period ended 31 December 2017.

2.11. Services agreement between BMCE Bank of Africa and BMCE Capital

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

BMCE Bank of Africa and BMCE Capital entered into a services agreement 27 November 2015 effective 1 January 2015.

This agreement shall provide for legal and regulatory assistance in carrying out specific transactions within BMCE Bank of Africa Group and the drawing up of deeds in BMCE Bank of Africa's name and on its behalf.

This is a one-year automatically-renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.12. Shareholder current account agreement between RIYAD ALNOUR and BMCE Bank of Africa

Person(s) concerned:

Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RIYAD ALNOUR.

Main terms and conditions:

Under the terms of this agreement entered into 22 December 2015, BMCE Bank of Africa shall agree to provide RIYAD ALNOUR with a shareholders' current account advance of MAD 221,500 K with 2.21% interest. The purpose of this advance is to enable RIYAD ALNOUR to entirely clear its debts towards BMCE Bank of Africa regarding short- and medium-term loans and overdrawn balances. The amount advanced under the shareholders' current account will be fully repaid in fine on exercising the buy-back option.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 4,963 K for the period ended 31 December 2017.

2.13. Addendum to the agreement between BMCE Bank of Africa and BMCE Capital relating to financial market and custody operations

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Members of BMCE Capital's Supervisory Board

Main terms and conditions:

This addendum, entered into 18 December 2014, amends the terms and conditions for remunerating BMCE Capital in respect of its management of BMCE Bank of Africa's financial market and custody operations as stipulated in the initial contract of 1999 and in subsequent amendments.

This is a one-year automatically-renewable addendum.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 3,114 K for the period ended 31 December 2017.

2.14. Shareholder current account advance agreement between BMCE Bank of Africa and BMCE IMMOBILIER (ex MABANICOM)

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 13 February 2014, BMCE Bank of Africa shall agree to provide BMCE IMMOBILIER (ex MABANICOM) with a shareholders' current account advance in the total net sum of MAD 38,000,000 with 2.21% statutory interest in respect of the period ended 31 December 2013.

The advance has been agreed for a one-year renewable period and it will be repaid by appropriating income arising on the sale of property units acquired by means of the said advance to the company Pack Energy on a gradual basis.

Entered into for a renewable one-year period, the agreement shall expire when BMCE IMMOBILIER (ex MABANICOM) has repaid BMCE Bank of Africa in full.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised a total expense of MAD 851 K for the period ended 31 December 2017.

2.15. Cooperation agreement between BMCE Bank of Africa and BMCE IMMOBILIER

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into 3 February 2014, the purpose of this agreement is to carry out the following assignments in consideration for remuneration on an individual assignment basis:

• Real estate brokerage services when requested or required by BMCE Bank of Africa in respect of leasing, purchasing or selling real estate assets owned by or on behalf of BMCE Bank of Africa and BMCE Bank of Africa Group;

• Collecting rents and lease payments due to BMCE Bank of Africa and BMCE Bank of Africa Group;

• Providing real estate valuation services, researching real estate projects, and notifying the customer of special conditions when requested or required in respect of valuing real estate assets on behalf of BMCE Bank of Africa and BMCE Bank of Africa Group;

This agreement shall be for a period of 3 years.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 7,897 K for the period ended 31 December 2017.

2.16. Draft agreement between BMCE Bank of Africa and Medi Télécom SA relating to establishing an operational partnership regarding the Mobile Money service

Person(s) concerned:

Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BMCE Bank of Africa, is also a Director of MEDI TELECOM

Mr Zouheir BENSAID, a Director of MEDI TELECOM, is also a Director of BMCE Bank of Africa

Main terms and conditions:

This draft agreement, entered into 26 June 2012, prior to establishing a definitive contract, shall establish the project's purpose, strategic guidelines and principles for doing business.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.17. Delegated responsibility agreement between BMCE Bank of Africa and BMCE International SAU relating to the management of BMCE EuroServices

Person(s) concerned:

Mr Mohamed AGOUMI, Chairman of BMCE International SAU's Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa and a Director of BMCE EuroServices

Messrs Azzedine GUESSOUS and Mohammed BENNANI are Directors of BMCE Bank of Africa and of BMCE International SAU

Mr Brahim BENJELLOUN-TOUIMI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of BMCE International SAU and Chairman of the Board of BMCE EuroServices

Main terms and conditions:

The purpose of this contract, entered into 10 April 2012, is to formalise intra-Group relations between the parties regarding the responsibility assumed by BMCE INTERNATIONAL SAU in relation to services carried out by BMCE EuroServices, its wholly-owned subsidiary, under the orders of BMCE Bank of Africa, of which the former is indirectly a wholly-owned subsidiary.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.18. Management mandate between BMCE Bank of Africa and BOA France

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Azeddine GUESSOUS is a Director of BOA Group and of BMCE Bank of Africa

Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohamed AGOUMI, a Director of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

This agreement, entered into 6 June 2012 between BMCE Bank of Africa and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BMCE Bank of Africa mandates BOA France, in consideration for the payment of fees, to handle on its behalf financial transactions for Moroccan customers living abroad. The contract shall also define the operating terms and conditions of the BMCE Bank of Africa account held in the ledgers of BOA France.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.19. Agreement between BMCE Bank of Africa and BMCE Capital Gestion Privée to manage structured product margin calls

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under this agreement, entered into 29 June 2012, BMCE Capital Gestion Privée shall undertake to monitor the risk of fluctuation in the structured products contracted between the Parties by adopting a margin call system for the said structured products.

Remuneration for margin calls on behalf of BMCE Bank of Africa is based on dirham-denominated money market rates.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.20. Services contract between BMCE Bank of Africa and RMA

Person(s) concerned:

Mr Othman BENJELLOUN, Chairman of RMA's Supervisory Board is also Chairman and Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID is Chairman of RMA's Supervisory Board and a Director of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI is a Member of RMA's Supervisory Board and is Deputy Chief Executive Officer of BMCE Bank of Africa.

Main terms and conditions:

Entered into in April 2012 effective 1 October 2011, this contract shall define general and specific terms and conditions regarding the provision of premises, miscellaneous services and equipment by BMCE Bank of Africa to RMA.

It also establishes the terms and conditions of use by the latter of the resources made available in consideration for a flat-rate payment.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 121 K for the period ended 31 December 2017.

2.21. Technical support agreement between BMCE Bank of Africa and AFH Services

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of AFH Services

Main terms and conditions:

Under the terms of this one-year automatically-renewable agreement entered into in 2012, BMCE Bank of Africa shall provide intra-Group technical support to AFH aimed at providing BOA Group with business line expertise.

In consideration, AFH shall be invoiced for these services on the basis of man days, at a rate of €1,200 exclusive of taxes per man day.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.22. Services agreement between BMCE Bank of Africa and BMCE Capital

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive of BMCE Bank of Africa

Mr Amine BOUABID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE Bank of Africa, is also Member of BMCE Capital's Supervisory Board

Main terms and conditions:

Entered into 20 November 2012 effective 1 January 2012, this one-year automatically-renewable agreement establishes the terms and conditions by which BMCE Bank of Africa shall remunerate BMCE Capital for technical support provided to BOA Group via its legal division.

Remuneration for the said services, invoiced on an annual basis, is calculated on the basis of man days, at a rate of €100 per man day.

Amount(s) recognised:

This agreement did not have any impact on BMCE Bank of Africa's financial statements for the period ended 31 December 2017.

2.23. Subordinated loan contract between BMCE Bank of Africa and BMCE Bank International (BBI)

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 30 May 2010, BMCE Bank of Africa shall provide BBI with a subordinated loan in the euro equivalent sum of £15,000,000 at an annual fixed rate of 4% in respect of Tier 2 capital.

The loan's repayment date shall be ten years after the agreement's effective date under the terms of an amendment entered into 25 July 2012.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 8,015 K for the period ended 31 December 2017.

2.24. Agreements between BMCE Bank of Africa and SALAFIN

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Mamoun BELGHITI and Amine BOUABID are members of Salafin's Supervisory Board and Directors of BMCE Bank of Africa

Messrs Omar TAZI and Driss BENJELLOUN are members of Salafin's Supervisory Board and Deputy Chief Executives of BMCE Bank of Africa

Services contract between BMCE Bank of Africa and SALAFIN

This three-year automatically-renewable services contract, entered into in 2009, shall define the terms and conditions by which BMCE BANK shall provide SALAFIN with a certain number of services and equipment as well as the terms governing usage.

BMCE BANK shall receive a flat royalty payment of MAD 1,000 inclusive of taxes per desk. Royalties are paid on a quarterly basis in advance.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 84 K for the period ended 31 December 2017.

Agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE Bank of Africa's customer files as well as hosting a management system on an ASP basis (via its ORUS subsidiary)

Entered into in 2011, the purpose of this agreement between BMCE Bank of Africa and SALAFIN is to establish a back-office system to ensure customer file compliance, send reminders to the network to correct non-compliant customer files and report on operational risks. The system also centralises and processes customer declarations of death and disability insurance subscriptions and digitises and archives customer loan files that have been transferred to an entity appointed by the Bank.

The agreement also relates to hosting, running and maintaining on a daily basis a customer file management system based on the Immédiat system which is interfaced with the Bank's information systems as well as providing BMCE Bank of Africa with a maintenance centre.

The remuneration paid by BMCE Bank of Africa is calculated on the basis of the number of customer files actually processed by the system based on a pricing structure.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 212 K for the period ended 31 December 2017.

Agreement between BMCE Bank of Africa and Salafin relating to services, technical support and application hosting

Entered into 15 January 2009, this agreement relates to the implementation of a recovery service by which SALAFIN shall undertake to carry out the assignments entrusted to it by BMCE Bank of Africa (recovery system support and set-up, provision of a user licence for the management module for attributing portfolios to agents and the telecommunications management module, development of interfaces with BMCE Bank of Africa's information systems, dedicated hosting and running of the recovery software solution on a daily basis and the provision of a maintenance centre).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 1,081 K for the period ended 31 December 2017.

Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BMCE Bank of Africa's customer files

Entered into 1 July 2011, this amendment to the agreement between BMCE Bank of Africa and SALAFIN modifies the remuneration terms, established by the distribution agreement entered into in 2006, by ensuring joint management by both Parties in respect of new consumer loans distributed to retail customers. As a result, interest income will be split as follows: 80% to the entity which bears the risk and 20% to the other entity. This amendment also specifies the services provided by SALAFIN for all outstandings managed by one or both Parties.

Amount(s) recognised:

Regarding this agreement and its amendment, BMCE Bank of Africa recognised an expense of MAD 112,646 K and total income of MAD 14,979 K for the period ended 31 December 2017.

2.25. Agreements between BMCE Bank of Africa and Eurafric Information (EAI)

Draft agreement between BMCE Bank of Africa and Eurafric Information (EAI) relating to invoicing software licences and related services

Entered into 2 December 2011, the purpose of this agreement is for EAI to provide BMCE Bank of Africa with a certain number of licences as described in the contract (Briques GRC, E-Banking Cyber Mut, Poste Agence Lot 1) for use by the latter's employees.

In consideration, BMCE Bank of Africa must pay EAI the dirham equivalent of €4,800,370.40 for CRM services, €3,303,063.20 for CRM licences, €201,976.60 for the Poste Agence Lot 1 licence, €729.504 for Poste Agence Lot 1 services, €500,000 for E-Banking licences and €768,672 for E-Banking services. These amounts exclude taxes, to which must be added an additional 10% in respect of a government withholding tax deducted at source.

BMCE Bank of Africa must also pay licence maintenance costs including €545,004.80 for CRM maintenance, €105,694 for the Poste Agence Lot 1 contract and €162,801 for maintenance of E-banking Cyber Mut.

Amendment No.2 APPENDIX III to the services contract between BMCE Bank of Africa and EAI

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also a Director of BMCE Bank of Africa

Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also a member of EAI's Supervisory Board

Messrs Driss BENJELLOUN and Mounir CHRAIBI, Directors of EAI, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BMCE Bank of Africa as well as the pricing structure and the terms and conditions of payment. The amendment offers the possibility of revising on an annual basis the man-hour rate applicable to services provided under the initial contract.

Amount(s) recognised:

In respect of both these agreements entered into with EAI in 2011, BMCE Bank of Africa recognised the following amounts for the period ended 31 December 2017:

Recurring services (expenses): MAD 59,759 K

Maintenance (expenses): MAD 10,073 K

Non-recurring services (non-current assets): MAD 49,868 K

2.26. Agreement between BMCE Bank of Africa and Global Network Systems SA ("GNS") relating to Carte MPOST - Passport

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BMCE Bank of Africa.

Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Technologies

Main terms and conditions:

Entered into 1 February 2011, the purpose of this agreement is for BMCE Bank of Africa to provide GNS with prepaid cards as well as determining the terms for recharging, personalising and using these cards.

For each card delivered, the Bank is credited an amount previously agreed by both Parties.

The cost of recharging the card is debited against the customer's bank account held with BMCE Bank of Africa. All other expenses are debited against the card's balance.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.27. Services contract between BMCE Bank of Africa and Eurafric GED Services

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into in 2011 for an initial three-month automatically-renewable period prior to establishing a definitive contract when authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BMCE Bank of Africa entrusts to Eurafric GED Services document digitisation services.

Monthly invoices are issued based on volume. The cost is 0.86 dirhams per digitised page, 0.68 dirhams per video-encoded document, 5 dirhams per document for the return of any previously unreturned document to the service provider, 3 dirhams per document communicating the index in the event that the document has been returned to BMCE Bank of Africa (prices quoted exclude taxes).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 1,363 K for the period ended 31 December 2017.

2.28. Partnership agreement between BMCE Bank of Africa and BMCE Bank International Plc (BBI) relating to sub-contracting clearing services

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International shall provide BMCE Bank of Africa with a number of banking services including:

Cheques drawn on French- or foreign-domiciled banks

Inter-bank transfers to BMCE Bank of Africa or its customers

International SWIFT transfers

Bills of exchange domiciled with BMCE Bank of Africa and payable in France

Documentary credit confirmations

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.29. Agreement between BMCE Bank of Africa and BMCE Capital Gestion to promote and market mutual funds via the BMCE Bank of Africa branch network

Person(s) concerned:

Mr Amine BOUABID, a Director of BMCE Capital Gestion, is also a Director of BMCE Bank of Africa

Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of BMCE Capital Gestion

Main terms and conditions:

Entered into 1 March 2011 for an automatically-renewable 12-month period, the purpose of this agreement is to determine the terms and conditions for cooperation between the Parties relating to the marketing by BMCE Bank of Africa of a specific number of BMCE Capital Gestion products via the BMCE Bank of Africa branch network. In this regard, the Parties give a mutual undertaking to allocate the necessary human, material, technical and logistical resources to develop and promote the mutual funds.

BMCE Bank of Africa's remuneration is calculated on the basis of the volume of subscriptions/redemptions generated by the branch network with BMCE CAPITAL GESTION retroceding a share of the entry/exit fees at the rates set out in an appendix to the agreement.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.30. Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Nature	Localisation	Amount 2017 (MAD K)
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II aux 4th, 7th and 8th floor, Casablanca	2 957
MEDITELECOM	01/08/2012	Building patio	Essaouira	103
BMCE Capital	01/07/2002	Office space	BMCE Bank of Africa Branch, Agadir Ville	337
EURAFRIC INFORMATION	15/10/2009	279 m² apartment. TF No.36929/C, property known as « GAMECOUR ».	243 Bd Mohamed V, Casablanca	Not applicable Contract cancelled 30/09/16
EURAFRIC INFORMATION	01/10/2016	Office space Block A2 – 3,624m2	Bouskoura Green City TF No.18827/47	4 356
EURAFRIC INFORMATION	01/10/2016	Office space Block B2 – 3,822m2	Bouskoura Green City TF No.18827/47	4 582
EURAFRIC INFORMATION	01/01/2017	DATA CENTER 1,735 M2	Bouskoura Green City TF No.18827/47	2,080 Premises partially unoccupied

The leases shall be renewed automatically.

2.31. Three-party agreement relating to the transfer of leases relating to acquiring and developing office premises in Avenue Imam Malik, Rabat

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of the Board of Maghrebail, is also a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail, are also respectively Chairman and Chief Executive Officer, Director and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Zouheir BENSAID, a Director of BMCE Bank of Africa, is also a member of BMCE Capital's Supervisory Board

Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, members of BMCE Capital's Supervisory Board are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into 16 March 2011 between BMCE CAPITAL, the initial lessee, BMCE Bank of Africa, the current lessee and MAGHREBAIL, the lessor, this agreement shall provide for the transfer of leases to BMCE Bank in consideration for a monthly rental payment of MAD 68,453.70 exclusive of taxes and a total fixed cost of MAD 7,200,000 in relation to funding costs of which MAD 720,000 relates to the estimated land value.

Amount(s) recognised:

This contract is for a period of 97 months from 25 April 2011 to 24 May 2019.

Regarding this contract, BMCE Bank of Africa recognised a total expense of MAD 821 K for the period ended 31 December 2017.

2.32. Amendment to the BMCE EDIFIN agreement between BMCE Bank of Africa and GLOBAL NETWORK SYSTEMS (GNS), now GNS TECHNOLOGIES SA

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of GNS Holding, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Holding

Main terms and conditions:

Entered into 2 April 2010 and effective 1 January 2010, the purpose of this amendment, as part of the Bank's policy to extend BMCE EDIFIN services to all commercial relations and enhance profitability, is to revise the monthly payment for GNS' Value-Added Network services. In this regard, BMCE Bank of Africa shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, entered into 30 December 2011 and effective January 2012, sees the annual payment made by BMCE Bank of Africa to the service provider reduced to MAD 2,750,000 exclusive of taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 2,921 K for the period ended 31 December 2017.

2.33. Services contract between BMCE Bank of Africa and RM Experts relating to debt recovery

Person(s) concerned:

Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BMCE Bank of Africa

Mr Brahim BENJELLOUN-TOUIMI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RM Experts

Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BMCE Bank of Africa, is also a Director of RM Experts

Main terms and conditions:

Entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BMCE Bank of Africa, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BMCE Bank of Africa.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BMCE Bank of Africa shall undertake to make available to the service provider, on a secondment basis, all staff working in the Remedial Management Division from the contract date. These employees will be paid directly by BMCE Bank of Africa.

BMCE Bank of Africa will invoice the service provider for these employees' salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BMCE Bank of Africa for "managing its human resources".

As part of this agreement, for each customer file for which the amount to be recovered is less than two hundred thousand dirhams, BMCE Bank of Africa will be invoiced for the sum of five hundred dirhams exclusive of taxes in respect of related expenses. RM EXPERTS shall also receive from BMCE Bank of Africa success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BMCE Bank of Africa shall undertake to reimburse RM EXPERTS for all actual costs incurred by the latter.

Amount(s) recognised:

BMCE Bank of Africa paid RM EXPERTS success fees of MAD 39,905 K and management fees of MAD 3,478 K for the period ended 31 December 2017.

2.34. Agreement between BMCE Bank of Africa and Maghrebail

Person(s) concerned:

Mr Azeddine GUESSOUS, Chairman of Maghrebail, is a Director of BMCE Bank of Africa

Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN-TOUIMI, Members of the Board of Maghrebail, are respectively Chairman, Directors and Deputy Chief Executive Officer of BMCE Bank of Africa

Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Main terms and conditions:

Entered into 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing BMCE Bank of Africa's marketing of MAGHREBAIL's formatted lease products, the BMCE Bail product, the BMCE Immobail Entreprise product and standard leasing products, regardless of whether or not they are severally and jointly backed by BMCE Bank of Africa.

The terms and conditions of this agreement are as follows:

MAGHREBAIL shall pay BMCE Bank of Africa agency fees as set out in a price list

MAGHREBAIL shall undertake to pay quarterly agency fees in respect of BMCE Bank of Africa's remuneration.

MAGHREBAIL shall undertake to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee.

MAGHREBAIL shall undertake to remunerate BMCE Bank of Africa for its guarantee at the annual rate of interest in respect of formatted products. The rate of interest charged on the guarantee is determined on a case-by-case basis in respect of standard leasing products, regardless of whether or not they are severally and jointly backed; it is calculated annually on the amount of MAGHREBAIL's financial outstandings guaranteed by BMCE Bank of Africa (financial outstandings x proportion of bank guarantee).

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 11,990 K for the period ended 31 December 2017.

2.35. Partnership agreement between BMCE Bank of Africa and Budget Locasom

Person(s) concerned:

Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BMCE BANK and Mr Azzedine GUESSOUS, a Director of BMCE Bank of Africa, are also Directors of Budget Locasom

Main terms and conditions:

Entered into 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BMCE Bank of Africa of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BMCE Bank of Africa will steer its customers towards this product while LOCASOM will follow up with interested customers by providing the necessary support. This product will be marketed via the BMCE Bank of Africa branch network.

The terms and conditions of this agreement are as follows:

BMCE Bank of Africa shall solely undertake to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)

BMCE Bank of Africa shall receive a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

Amount(s) recognised:

This agreement did not have any impact on the Bank's financial statements for the period ended 31 December 2017.

2.36. Services contract between BMCE Bank of Africa and BMCE EuroServices

Person(s) concerned:

Mr Brahim BENJELLOUN-TOUIMI, Chairman of the Board of BMCE EuroServices, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Deputy Chief Executive Officers of BMCE Bank of Africa

Main terms and conditions:

Entered into in 2013, this contract aims to clarify the underlying terms and conditions by which BMCE Bank of Africa will pay half-yearly fees to the Service Provider in consideration for the latter developing the Moroccans living abroad customer segment in Morocco.

Remuneration of Head Office and Branch Offices will be based on two criteria: a percentage of the net banking income earned by BMCE Bank of Africa in the Moroccans living abroad segment and a percentage of the funds transferred to BMCE Bank of Africa accounts in Morocco.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised an expense of MAD 170,762 K for the period ended 31 December 2017.

2.37. Commercial lease contract between BMCE Bank of Africa and GNS TECHNOLOGIES

Person(s) concerned:

Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BMCE Bank of Africa

Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BMCE Bank of Africa, are also Directors of GNS Technologies

Main terms and conditions:

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BMCE Bank of Africa shall lease to GNS Technologies office space on the 2nd floor of a building located at 239 Boulevard Mohammed V in Casablanca whose land title number is No.36.829/C with a surface area of 276 m² whose land title number is in turn No.75.965/C, a property known as "GAMECOUR 4".

The monthly rental payment relating to this office space is set at MAD 16.6 K for the first year, MAD 19.3 K for the second year and MAD 22 K for the third year. To that is added a local council tax of 10.5% payable monthly as well as rental charges to maintain and manage the building's common areas which are invoiced pro-rata to the surface area rented.

Amount(s) recognised:

Regarding this agreement, BMCE Bank of Africa recognised income of MAD 293 K for the period ended 31 December 2017.

Casablanca, 20 April 2018

The Statutory Auditors

ERNST & YOUNG	KPMG
Abdeslam BERRADA ALLAM	Jamal SAAD EL IDRISSI
Associé	Associé

1 - FUNDAMENTAL ACCOUNTING PRINCIPLES

1.1- Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.

1.2- Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.

1.3- When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.

1.4- In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.

1.5- In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

1.6- The main fundamental accounting principles adopted are listed hereafter:

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

2.1. Presentation

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Tangier Offshore)

Any transactions or balances between group entities are eliminated on consolidation.

2.2 General principles

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BMCE Bank's financial statements complies with Accounting Standards for Credit Institutions.

2.3 Amounts due from credit institutions and customers and signature loans

General presentation of amounts due

• Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose:

- Demand or term deposits in the case of credit institutions;

- Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.

• Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.

• Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).

• Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.

• Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

• Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.

• The main applicable provisions can be summarised as follows:

- Non-performing loans and advances are, depending on the level of risk, classified as "substandard", "doubtful" or "irrecoverable".

- After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:

- 20% in the case of substandard loans;

- 50% in the case of doubtful loans;

- 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

• On downgrading healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.

• Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.

• Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

2.4 Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;

- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities or movable assets.

Interest accrued on these payables is recognised under "Related payables" through the income statement.

2.5 Securities portfolio

2.5.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

2.5.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;

- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;

- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;

- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the same rules.

2.5.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus charges and accrued interest.

Securities transferred from the "Portfolio securities" and "Equity securities and Investments in related companies" categories are valued either prior to or at the time of transfer based on the rules relating to their original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the "Held-to-maturity securities" category are reclassified at their net carrying amount at the time of transfer.

2.5.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

2.5.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;

- Investments in related companies;

- Portfolio securities

- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

2.5.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet. The amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

2.6. Foreign currency-denominated transactions

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

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

2.7. Translation of financial statements denominated in foreign currencies

The 'closing rate' method is used to translate financial statements denominated in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses and provisions, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference by comparison with the average exchange rate method.

2.8. General risk provisions

These provisions are booked, at the discretion of the management, to address future risks relating to banking operations which cannot be currently identified or accurately measured.

Provisions booked are added back for taxation purposes.

2.9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Lease rights	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

2.10 Deferred charges

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

2.11 Statutory provisions

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The decision as to whether or not to book such provisions is effectively a management decision motivated, in particular, by a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

2.12 Recognition of interest income and fee income on the income statement

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.

Fee income

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

2.13 Non-recurring income and expenditure

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.14 Retirement obligations

Retirement obligations (Wissam Al Choghl, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

ASSETS	2017	2016
Cash, central banks, treasury, giro accounts	**5 878 612**	**4 147 681**
Loans to credit institutions and equivalent	**25 310 048**	**24 562 762**
. Demand	8 842 973	2 623 461
. Time	16 467 075	21 939 301
Loans and advances to customers	**117 240 319**	**115 990 730**
. Cash and consumer loans	36 762 530	40 791 247
. Equipment loans	22 310 597	19 100 535
. Mortgage loans	40 478 952	37 725 042
. Other loans	17 688 240	18 373 906
Advances acquired by factoring	**860 845**	**668 926**
Transaction and marketable securities	**33 890 104**	**38 601 321**
. Treasury bonds and equivalent securities	14 291 200	15 957 201
. Other debt securities	926 552	3 313 509
. Title deeds	18 672 352	19 330 611
Other assets	**2 692 565**	**1 948 439**
Investment securities	**3 190 421**	**4 059 152**
. Treasury bonds and equivalent securities	964 189	1 559 544
. Other debt securities	2 226 232	2 499 608
Equity investments and equivalent uses	**10 357 921**	**8 864 040**
Subordinated loans	**202 745**	**193 101**
Fixed assets leased and rented	**103 119**	**74 000**
Intangible fixed assets	**191 871**	**516 958**
Tangible fixed assets	**5 325 367**	**5 295 196**
Total Assets	**205 243 937**	**204 922 306**

(In thousand MAD)

LIABILITIES	2017	2016
Central banks, treasury, giro accounts	**-**	**-**
Liabilities to credit institutions and equivalent	**20 482 268**	**25 767 091**
. Demand	2 620 616	7 412 683
. Time	17 861 652	18 354 408
Customer deposits	**135 815 145**	**131 124 421**
. Demand deposits	75 986 426	71 264 402
. Savings deposits	22 621 427	21 371 211
. Time deposits	31 159 953	32 746 734
. Other deposits	6 047 339	5 742 074
Debt securities issued	**12 565 911**	**12 076 677**
. Negociable debt securities	10 156 422	9 512 638
. Bond loans	2 409 489	2 564 039
. Other debt securities issued	-	-
Other liabilities	**9 010 886**	**10 695 318**
Contingent liabilities	**685 988**	**549 139**
Regulated provisions	**-**	**-**
Subsidies, assigned public funds and special guarantee funds	**-**	**-**
Subordinated debts	**11 447 182**	**10 085 536**
Revaluation reserve	**-**	**-**
Reserves and premiums related to capital	**11 953 769**	**11 504 457**
Capital	**1 794 634**	**1 794 634**
Shareholders Unpaid-up Capital (-)	**-**	**-**
Retained earnings (+/-)	**16**	**62**
Net earnings being appropriated (+/-)	**-**	**-**
Net earnings for the year (+/-)	**1 488 138**	**1 324 971**
Total Liabilities	**205 243 937**	**204 922 306**

(In thousand MAD)

OFF-BALANCE SHEET

OFF-BALANCE SHEET	2017	2016
Given commitments	**22 867 740**	**23 635 989**
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
Financing commitments on behalf of customers	6 934 207	8 773 032
Guarantee commitments given to credit institutions and equivalent	5 109 213	5 123 121
Guarantee commitments given to customers	9 131 162	8 991 909
Securities repos purchased	78 357	78 357
Other securities to be delivered	1 145 060	298 773
Received commitments	**18 874 748**	**11 053 701**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	17 915 756	10 670 880
Guarantee commitments received from the State and various guarantee bodies	947 160	381 273
Securities repos sold	-	-
Other securities to be received	11 832	1 548

(In thousand MAD)

INCOME STATEMENT AGGREGATED ACTIVITY

	2017	2016
Bank operating revenues	**10 675 594**	**10 877 012**
Interests and assimilated revenues on transactions with credit institutions	688 569	640 634
Interests and assimilated revenues on transactions with customers	5 913 159	5 412 511
Interests and assimilated revenues on debt securities	528 858	550 943
Revenues on title deeds	727 474	574 946
Revenues from leased and rented fixed assets	12 362	-
Fees on provided services	1 123 474	1 041 214
Other banking revenues	1 681 698	2 656 764
Bank operating expenses	**4 467 464**	**4 740 639**
Interests and assimilated expenses on transactions with credit institutions	1 074 001	880 482
Interests and assimilated expenses on transactions with customers	1 602 087	1 743 350
Interests and assimilated expenses on debt securities issued	457 840	370 761
Expenses on leased and rented fixed assets	10 466	-
Other banking expenses	1 323 070	1 746 046
Net Banking Income	**6 208 130**	**6 136 373**
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	279 491
General operating expenses	**3 621 263**	**3 493 169**
Staff expenses	1 611 041	1 540 320
Tax expenses	97 581	99 018
External expenses	1 544 669	1 491 136
Other general operating expenses	8 996	10 022
Allowances for depreciation and provisions for intangible and tangible fixed assets	358 976	352 673
Allowances for provisions and loan losses	**2 246 036**	**1 225 203**
Allowances for non performing loans and commitments	985 587	1 134 947
Loan losses	1 077 416	8 862
Other allowances for provisions	183 033	81 394
Provision write-backs and recovery on amortised debts	**1 611 098**	**626 712**
Provision write-backs on non performing loans and commitments	1 566 196	356 319
Recovery of amortised debts	21 387	28 343
Other provision write-backs	23 515	242 050
Current income	**2 096 274**	**1 875 333**
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	**2 096 274**	**1 875 333**
Corporate tax	608 137	550 362
Net Earnings For The Year	**1 488 138**	**1 324 971**

(In thousand MAD)

EARNINGS FORMATION TABLE

EARNINGS FORMATION TABLE	2017	2016
+ Interests and assimilated revenues	7 130 587	6 604 087
- Interests and assimilated expenses	3 133 927	2 994 594
Net interest income	**3 996 660**	**3 609 493**
+ Revenues from leased and rented fixed assets	12 362	-
- Expenses on leased and rented fixed assets	10 466	-
Profit from leasing and renting operations	**1 896**	**-**
+ Fees received	1 323 913	1 296 907
- Fees paid	279 924	301 734
Net fee income	**1 043 989**	**995 173**
± Income from operations on transaction securities	431 048	933 900
± Income from transactions on marketable securities	28 223	20 704
± Income from exchange transactions	229 468	241 039
+ Income from derivatives transactions	7 097	6 746
Income from market transactions	**695 836**	**1 202 389**
+ Other miscellaneous banking revenues	727 474	574 946
- Other miscellaneous banking expenses	257 723	245 633
Net banking income	**6 208 130**	**6 136 373**
± Net income from equity investments	-25 679	203 177
+ Other non-banking operating revenues	215 861	110 043
- Other non-banking operating expenses	68 879	260 170
- General operating expenses	3 621 263	3 493 170
Gross operating income	**2 708 172**	**2 696 248**
± Allowances for non performing loans and commitments (net of write-backs)	-475 422	-759 142
+ Other allowances net of provision write-backs	-136 476	-61 774
Current income	**2 096 273**	**1 875 332**
Non-current income	**-**	**-**
- Corporate tax	608 137	550 362
Net earnings for the year	**1 488 138**	**1 324 971**

(In thousand MAD)

CASH FLOW

CASH FLOW	2017	2016
+ Net earnings for the year	**1 488 138**	**1 324 971**
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	358 976	352 673
+ Allowances for provisions for equity investments depreciation	30 424	6 800
+ Allowances for provisions for general risks	132 300	58 900
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	7 383	229 230
- Capital gains on disposals of intangible and tangible fixed assets	114 912	25 691
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	-	67
+ Capital losses on disposals of equity investments	2 638	19 321
- Write-backs of investment subsidies received	-	-
+ Financing capacity	**1 890 181**	**1 507 676**
- Dividends distributed	897 317	897 317
+ Cash-flow	**992 864**	**610 359**

(In thousand MAD)

STATEMENT OF CASH FLOW

	2017	2016
1. (+) Operating income received from banking operations	8 868 707	9 786 279
2. (+) Recovery of amortised debts	21 387	28 343
3. (+) Non-banking revenues received	215 861	110 111
4. (+) Banking operating expenses paid	4 964 271	4 821 763
5. (+) Non-banking operating expenses paid	71 516	279 491
6. (+) General operating expenses paid	3 262 287	3 140 496
7. (+) Corporate tax paid	608 137	550 362
I - Net Cash Flows from the Income Statement	**199 744**	**1 132 622**
Change in :		
8. (+) Loans to credit institutions and equivalent	-747 286	-67 569
9. (+) Loans to customers	-1 441 508	-2 662 105
10. (+) Debt and marketable securities	5 579 948	-11 642 841
11. (+) Other assets	-744 126	-71 170
12. (+) Fixed assets leased and rented out	-29 119	-
13. (+) Liabilities to credit institutions and equivalent	-5 284 823	-5 477 145
14. (+) Customer deposits	4 690 724	9 918 618
15. (+) Debt securities issued	489 234	2 622 057
16. (+) Other liabilities	-1 684 432	8 037 624
II - Balance of Changes in Operating Assets and Liabilities	**828 612**	**657 469**
III - Net Cash Flows from Operating Activities (I + II)	**1 028 356**	**1 790 091**
17. (+) Revenues from equity investments	-	47 964
18. (+) Revenues from disposals of intangible and tangible fixed assets	600 624	43 039
19. (+) Acquisitions of equity investments		159 903
20. (+) Acquisitions of intangible and tangible fixed assets	685 680	1 638 835
21. (+) Interests received	548 090	579 088
22. (+) Dividends received	635 095	511 645
IV - Net Cash Flows from Investment Activities	**1 098 129**	**-617 002**
23. (+) Subsidies, public funds and guarantee funds received	-	-
24. (+) Issues of subordinated debts		
25. (+) Stock issues	1 361 646	1 878 636
26. (+) Repayment of shareholders equity and equivalent		
27. (+) Interests paid		
28. (+) Dividends paid	859 884	706 366
V - Net Cash Flows from Financing Activities	897 317	897 317
VI - Net Change In Cash (III + IV + V)	-395 555	274 953
VII - Cash & Cash Equivalent at Beginning of Year	**1 730 931**	**1 448 042**
VIII - Cash & Cash Equivalent at Year-end	**4 147 681**	**2 699 639**
VIII. Cash at Year - end	**5 878 612**	**4 147 681**

(In thousand MAD)

MAIN VALUATION METHODS APPLIED

VALUATION METHODS APPLIED BY BMCE BANK
Cf : Accounting Principles.

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

Claims	Bank Al-Maghrib Treasury and giro accounts	Banks in Morocco	Other credit institutions and equivalent in Morocco	Foreign credit institutions	Total 2017	Total 2016
Ordinary accounts in debit	**4 314 236**	**1 646 441**	**541 723**	**5 412 900**	**11 915 300**	**6 726 072**
Securities received as pledges	**-**	**3 426 909**	**-**	**-**	**3 426 909**	**2 844 215**
- Overnight	-	3 016 602	-	-	3 016 602	-
- Time	-	410 307	-	-	410 307	2 844 215
Short-term loans	**-**	**-**	**778 631**	**3 497 350**	**4 275 981**	**5 565 352**
- Overnight	-	-	345 119	2 098 699	2 443 818	-
- Time	-	-	433 512	1 398 651	1 832 163	5 565 352
Financial loans	**-**	**1 162 377**	**7 082 374**	**139 914**	**8 384 665**	**10 384 377**
Other loans	**2 895 759**	**237 865**	**-**	**39 543**	**3 173 167**	**3 168 941**
Receivables accrued interest	**2 923**	**2 625**	**3 405**	**3 685**	**12 638**	**21 486**
Non performing loans	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**7 212 918**	**6 476 217**	**8 406 133**	**9 093 392**	**31 188 660**	**28 710 443**

Comment : pl 480 MMAD : 2 895 759 included in « Other loans »

(In thousand MAD)

LOANS TO CUSTOMERS

Claims	Public sector	Private Sector			Total 2017	Total 2016
		Financial companies	Non financial companies	Other customers		
Short-term loans	**209 261**	**1 415 473**	**23 648 025**	**1 488 850**	**26 761 609**	**31 743 678**
- Deposit accounts in debit	179 004	1 415 473	15 614 012	1 415 612	18 624 101	18 160 493
- Commercial loans in Morocco	18 399		3 839 816		3 858 215	4 183 463
- Export loans	-	-	360 299	-	360 299	765 296
- Other cash loans	11 858	-	3 833 898	73 238	3 918 994	8 634 426
Consumer loans	**-**	**-**		**9 586 255**	**9 586 255**	**9 742 758**
Equipment loans	**4 949 694**		**17 118 958**		**22 068 652**	**18 909 914**
Mortgage loans			**10 632 047**	**29 778 220**	**40 410 267**	**37 666 171**
Other loans	**11 858**	**13 480 407**	**1 613 093**		**15 105 358**	**15 153 673**
Advances acquired by factoring	**-**	**-**	**860 845**		**860 845**	**668 927**
Receivables accrued interest	**31 952**	**92 077**	**343 881**	**257 384**	**725 294**	**654 304**
Non performing loans		**5 066**	**1 777 976**	**799 843**	**2 582 885**	**2 120 232**
- Substandard loans	-	**5 042**	328 173	114 736	447 951	240 662
- Doubtful loans	-		621 412	97 394	718 806	866 216
- Loss loans		24	828 391	587 713	1 416 128	1 013 353
TOTAL	**5 202 765**	**14 993 023**	**55 994 825**	**41 910 552**	**118 101 165**	**116 659 656**

(In thousand MAD)

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

	Credit Institutions and Equivalent	Public Issuers	Private Issuers		Total 2017	Total 2016
			Financial companies	Non financial companies		
Quoted securities	**814 533**	**15 178 231**	**18 709 123**	**195 401**	**34 897 287**	**40 050 355**
- Treasury bonds and equivalent securities	-	15 178 231	-	-	15 178 231	17 410 813
- Bonds	203 774	-	36 771	195 401	435 946	1 640 956
- Other debt securities	610 759	-		-	610 759	1 667 976
- Title deeds	-	-	18 672 352	-	18 672 352	19 330 611
Unquoted securities	**1 792 323**	**84 079**	**103 638**	**203 197**	**2 183 237**	**2 610 118**
- Treasury bonds and equivalent securities	-	-	-	-	-	-
- Bonds	1 777 962	-	-	-	1 777 962	2 000 036
- Other debt securities	-	-	-	201 001	201 001	350 935
- Title deeds	-	-	-	-	-	-
Accrued interest	14 361	84 079	103 638	2 196	204 274	259 147
TOTAL	**2 606 855**	**15 262 310**	**18 812 761**	**398 598**	**37 080 524**	**42 660 473**

(In thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	**33 687 544**	**33 684 733**	**33 684 733**	**-**	**-**	**2 811**
Treasury bonds and equivalent securities	14 187 876	14 185 068	14 185 068	-	-	2 808
Bonds	208 974	208 974	208 974	-	-	-
Other debt securities	618 339	618 339	618 339	-	-	-
Title deeds	18 672 354	18 672 352	18 672 352	-	-	3
Marketable securities	**205 371**	**205 371**	**205 371**	**-**	**-**	**-**
Treasury bonds and equivalent securities	106 132	106 132	106 132	-	-	-
Bonds	-	-	-	-	-	-
Other debt securities	99 239	99 239	99 239	-	-	-
Title deeds	-	-	-	-	-	-
Investment securities	**3 191 887**	**3 190 420**	**3 137 781**	**-**	**52 640**	**1 467**
Treasury bonds and equivalent securities	964 189	964 189	921 393	-	42 796	-
Bonds	1 969 629	1 968 163	1 958 319	-	9 844	1 467
Other debt securities	258 069	258 069	258 069	-	-	
TOTAL	**37 084 801**	**37 080 524**	**37 027 884**	**-**	**52 640**	**4 278**

(In thousand MAD)

DETAIL OF OTHER ASSETS

	2017	2016
Optional instruments	**2 667**	**25 806**
Miscellaneous transactions on securities	**170 848**	**57 401**
Other Debtors	**1 311 808**	**638 436**
- Sums due by the state	733 591	471 412
- Sums due by provident companies	-	-
- Receivables from staff	88 230	78 918
- Receivable for non-banking services	-	-
- Other debtors	489 987	88 106
Other securities and assets	**6 412**	**7 425**
Adjustment accounts	**1 200 830**	**1 219 371**
Off-balance sheet adjustment accounts	10 087	102 135
Currency discrepancy accounts	-	-
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	181 255	235 046
Liaison accounts between the head office, subsidiaries and branches in Morocco	326 508	326 815
Accrued income and prepayment	269 285	185 124
Accrued income	10 778	4 227
Prepayment	258 507	180 897
Transitory accounts	-	-
Other adjustment accounts	413 695	370 251
Non performing loans on miscellaneous transactions	**-**	**-**
TOTAL	**2 692 565**	**1 948 439**

(In thousand MAD)

EQUITY INVESTMENTS AND EQUIVALENT

AS OF DECEMBER 31ST, 2017

Name of the issuing company	Sector of activity	Number of shares	Share capital	Equity holding as %	Overall acquisition price	Provisions	Net book value
Equity Investment Securities							
RADIO MEDITERRANEE	Media	708 260	196 650 000	36,02	70 827	0	70 827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	0	50 000
TANGER MED ZONES	Development company	443 396	506 650 000	8,75	44 340	0	44 340
EMAT	Holding Company	80 473	8 047 300	100,00	30 365	30 365	0
FONCIERE EMERGENCE	Real Estate	338 436	420 059 000	8,06	33 844	0	33 844
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000	0	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payment management	109 990	98 200 000	11,20	11 000	0	11 000
FONDS DE GARANTIE DE LA COMMANDE PUBLIQUE	Investment funds	100 000	100 000 000	10,00	10 000	0	10 000
MOROCCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650	0	5 650
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	971	971	0
AFRICA CO-DEVELOPMENT GROUP	Insurance	20 001	10 000 000	20,00	500	0	500
MITC CAPITAL	Fund MNF	4 000	2 000 000	20,00	400	0	400
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375	375	0
511 Equity Affiliates					**270 271**	**31 710**	**238 560**
Securities related companies							
BOA GROUP	Foreign credit institution	437 837	93 154 535	72,85	3 047 545	0	3 047 545
BBI	Foreign credit institution	157 659 285	157 659 285	100,00	1 995 882	0	1 995 882
STE SALAFIN	Consummer credit	1 790 432	239 449 700	74,77	628 635	0	628 635
LITTORAL INVEST	Leasing	26 000	2 600 000	100,00	450 000	0	450 000
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	0	370 770
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	0	336 882
AFRICA MOROCCO LINKS	Maritime transport	1 632 000	320 000 000	51,00	163 200	30 000	133 200
O TOWER	Development company	1 560 000	260 000 000	60,00	156 000	0	156 000
BANK AL-TAMWEEL WA AL-INMA - BTI	Participative Bank	2 040 000	400 000 000	51,00	153 000	0	153 000
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	25 000 000 000 FCFA	32,38	141 121	0	141 121
HANOUTY	Distribution	76 486	16 767 900	45,60	121 815	121 815	0
BMCE CAPITAL	Investment Bank	100 000	100 000 000	100,00	100 000	0	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	155 437	40 000 000	38,85	90 192	0	90 192
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37,00	78 599	0	78 599
RIYAD ALNOUR	Hotel	3 000	300 000	100,00	78 357	0	78 357
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	4 000 000	500 000 000	80,00	62 500	0	62 500
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	0	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	0	46 591
EUROSERVICES	Service company	3 768	4 831 000	78,00	42 158	0	42 158
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	0	29 700
RM EXPERT	Debt collection	200 000	20 000 000	100,00	20 000	0	20 000
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	0	19 000
ACMAR	Service company	100 000	50 000 000	20,00	10 001	0	10 001
SONORMA	Reak estate	600	100 000	60,00	8 280	0	8 280
BMCE CAPITAL BOURSE (maroc inter titres)	Stock brokerage	67 500	10 000 000	67,50	6 750	0	6 750
STE FINANCIERE ITALIE	Financial institution	600 000	600 000 EURO	100,00	6 713	6 713	0
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100,00	6 443		6 443
EURAFRIC INFORMATIQUE	Service company	41 000	10 000 000	41,00	4 100	0	4 100
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025		3 025
IT International service	IT	3 100	31 000 EURO	100,00	347	0	347
MORAD IMMO	Real estate	100	10 000	100,00	10	0	10
AKENZA IMMO	Real estate	100	10 000	100,00	10	0	10
SAISS IMMO NEJMA	Real estate	100	10 000	100,00	10	0	10
SUX HILL PRIMERO	Real estate	100	10 000	100,00	10	0	10
SUX HILL SECONDO	Real estate	100	10 000	100,00	10	0	10
SUX HILL TERCIO	Real estate	100	10 000	100,00	10	0	10
NOUACER CITY IMMO	Real estate	100	10 000	100,00	10	0	10

MOHIT IMMO	Real estate	100	10 000	100,00	10	0	10
IKAMAT TILILA	Real estate	1 000	100 000	100,00	0	0	0
512 Equity Investments					**8 229 505**	**158 528**	**8 070 976**
Securities / Activities Of The Portfolio							**-**
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	179 514	0	179 514
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	178 394	178 394	0
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	153 568	153 568	0
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	74 116	0	74 116
AMETHIS FINANCE Luxembourg	Investment company in risk capital	4 868	238 095 238 EUR	2,10	54 454	0	54 454
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	31 373	0	31 373
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	15 000	7 566	7 434
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	13 991	0	13 991
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7,17	10 750	5 395	5 355
INMAA SA	Service company	53 333	20 000 000	26,67	5 333	2 323	3 010
AFREXIM BANK (AFRICAN IMPORT EXPORT)	Credit institution /foreign	30	378 488 000 USD	0,079	2 877	0	2 877
FONDS MONETAIRE ARABE(ARAB TRADE FINANCING PROGRAM)	Financial institution	50	986 880 000 USD	0,03	2 798	0	2 798
FIROGEST	Investment fund	2 500	2 000 000	12,50	250	0	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee funds	588	1 000 000	5,88	59	0	59
515 Securities/Activities of the portfolio					**722 478**	**347 245**	**375 233**
Other							
CFG GROUP	Investment Bank	285 065	367 762 900	7,75	103 997	0	103 997
Mutandis SCA	Investment fund	832 458	680 405 100	12,23	96 807	0	96 807
Mutandis AUTOMOBILE SCA	Investment fund	846 892	630 000 000	13,44	91 359	0	91 359
ROYAL RANCHES MARRAKECH	Promot. Immobilière et touristique	106 667	800 000 000	13,33	60 000	0	60 000
VIGEO	Financial advisory	24 000	12 054 940 EUR	3,98	5 370	0	5 370
SOGEPOS	Development company	46 216	35 000 000	13,20	4 622	0	4 622
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	0
SMAEX	Insurance and service	22 563	50 000 000	4,51	1 690	0	1 690
FRUMAT	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	0
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 267	0	1 267
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real Estate	10 000	60 429 000	1,65	1 000	0	1 000
MAROCLEAR	Central Custodian	803	100 000 000	4,02	803	0	803
STE IPE	Edition & printing	8 013	10 000 000	8,01	801	0	801
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	500	0	500
GECOTEX	Industry	5 000	10 000 000	5,00	500	500	0
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500	0
DAR ADDAMANE	Guarantee bodies	9 610	75 000 000	0,64	481	0	481
PORNET	Service Company	1 800	6 000 000	3,00	180	0	180
SINCOMAR	Agribusiness	494	37 440 000	0,13	49	49	0
SWIFT	Service Company	23	434 020 000 EUR	0,01	24	0	24
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	9	0	9
RMA WATANYA	Insurance	5	1 796 170 800	0,00	2	0	2
RISMA	Tourism	10	1 432 694 700	0,00010	2	0	2
516-9 Other Equity Investment					**374 807**	**5 893**	**368 915**
Associates current account							
RYAD ENNOUR					471 643	0	471 643
MORAD IMMO					372 314	0	372 314
O TOWER					244 049	0	244 049
AKENZA IMMO					46 784	0	46 784
SUX HILL SECONDO					47 954	0	47 954
SAISS IMMO NEJMA					42 650	0	42 650
BMCE IMMOBILIER					38 000	0	38 000
SUX HILL PRIMERO					25 684	0	25 684
SUX HILL TERCIO					14 437	0	14 437
MARTCO					1 500	1 500	0
Siège G.P.B.M.					723	0	723
ALLICOM MAROC					552	552	0
Others					**1 306 289**	**2 052**	**1 304 237**
TOTAL					**10 903 350**	**545 429**	**10 357 921**

SUBORDINATED DEBTS

	Amount				Included linked and related Companies	
	31/12/17			31/12/16	31/12/17	31/12/16
	Gross	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	198 036		198 036	188 576	198 036	188 576
Subordinated loans to customers	-		-			
TOTAL	**198 036**		**198 036**	**188 576**	**198 036**	**188 576**

(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: Depreciation and/or provisions at the beginning of the year	Depreciation and/or Provisions: Reclassification of the year	Depreciation and/or Provisions: Allowances for the year	Depreciation and/or Provisions: Depreciation on fixed assets withdrawn	Depreciation and/or Provisions: Total	Net amount at the end of the year
Intangible fixed assets	**1 292 105**		**222 835**	**823 374**	**691 566**	**775 147**	**-**	**114 492**	**389 943**	**499 696**	**191 870**
Leasehold rights	95 906		1 208	-	97 113	-	-	-	-	-	97 113
Investment in research and development	-		-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	1 196 199		221 628	823 374	594 453	775 147	-	114 492	389 943	499 696	94 757
Non-operating intangible fixed assets	-		-	-	-	-	-	-	-	-	-
Tangible fixed assets	**8 781 327**		**462 844**	**196 394**	**9 047 777**	**3 486 131**	**-**	**245 020**	**8 740**	**3 722 410**	**5 325 367**
Operating buildings	1 287 722	5 491	67 833	41 940	1 319 106	352 569	-	28 047	1 585	379 031	940 075
Operating land	185 399	5 491	-	2 024	183 375	-	-	-	-	-	183 375
Operating buildings offices	1 102 323		67 833	39 916	1 135 731	352 569	-	28 047	1 585	379 031	756 699
Operating buildings. Staff housing	-		-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 773 082		99 665	46 981	1 825 766	1 498 982	-	64 091	1 149	1 561 924	263 842
Operating office furniture	479 232		63 454	46 817	495 868	339 350	-	19 782	1 000	358 132	137 736
Operating office equipment	193 000		10 261	-	203 261	168 713	-	9 390	-	178 103	25 158
Computer equipment	943 979		23 617	19	967 577	893 464	-	21 906	19	915 351	52 226
Operating vehicles	54 294		440	144	54 589	17 225	-	9 758	130	26 853	27 736
Other operating equipment	102 576		1 894	-	104 470	80 230	-	3 254	-	83 484	20 986
Other operating tangible fixed assets	1 983 104	-5 491	66 037	-	2 043 651	1 403 106	-	114 996	-	1 518 103	525 548
Non operating tangible fixed assets	3 737 419		229 309	107 473	3 859 255	231 472	-	37 886	6 006	263 352	3 595 903
Non-operating land	2 998 548		101 706	94 353	3 005 901	-	-	-	-	-	3 005 901
Non-operating buildings	614 037		86 823	13 120	687 740	135 100	-	31 855	6 006	160 950	526 790
Non-operating furniture and equipment	56 869		37 871	-	94 740	42 925	-	3 029	-	45 954	48 786
Other non-operating tangible fixed assets	67 965		2 909	-	70 874	53 447	-	3 002	-	56 448	14 426
TOTAL	**10 073 432**	**-**	**685 680**	**1 019 768**	**9 739 343**	**4 261 277**	**-**	**359 512**	**398 684**	**4 222 106**	**5 517 238**

(In thousand MAD)

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
01/02/17	APARTMENTS	3 600	993	2 607	3 000	393	
19/06/17	VILLA	850	434	416	1 180	764	
16/06/17	VILLA	850	434	416	1 050	634	
22/06/17	ROLLING STOCK ATTACHED TO THE HOLDING	130	130	-	20	20	
28/06/17	OPERATING OFFICE FURNITURE	1 000	1 000	-	100	100	
30/06/17	VILLA	3 400	1 219	2 181	2 700	519	
30/06/17	APARTMENTS	402	78	324	1 080	756	
30/06/17	VILLA	7 700	2 927	4 773	8 500	3 727	
30/06/17	IMMEUBLE	3 666	1 089	2 577	7 208	4 631	
30/06/17	TERRAIN NU	80 000	-	80 000	85 000	5 000	
28/07/17	APARTMENTS	208	40	168	540	372	
15/09/17	APARTMENTS	208	40	168	500	332	
01/10/17	COMPUTER PROGRAMS AND SOLUTIONS	769 919	389 943	379 975	468 281	88 306	
05/12/17	APARTMENTS	197	38	159	540	381	
06/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	4	-	4	4	-	
07/12/17	APARTMENTS	1 159	300	859	1 620	761	
13/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	5	-	5	5	-	
22/12/17	ROLLING STOCK ATTACHED TO THE HOLDING	5	-	5	5	-	
31/12/17	GROUND	11 073	-	11 073	19 290	8 217	
		884 376	398 665	485 711	600 624	114 912	-

(In thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Credit institutions and equivalent in Morocco			Credit institutions abroad	Total 2017	Total 2016
	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco			
Ordinary credit accounts	**-**	**1 107 047**	**360 245**	**984 743**	**2 452 035**	**551 091**
Securities pledged	**9 500 072**	**-**	**-**	**-**	**9 500 072**	**14 574 835**
- Overnight	-	-	-	-	-	5 708 194
- Time	9 500 072	-	-	-	9 500 072	8 866 641
Cash Borrowings	**-**	**669 335**	**4 833 448**	**692 764**	**6 195 547**	**9 979 388**
- Overnight	-	419 740	-	279 827	699 567	1 153 270
- Time	-	249 595	4 833 448	412 937	5 495 980	8 826 118
Financial borrowings	**12 641**	**-**	**2 265 519**	**297**	**2 278 457**	**515 928**
Other debts	**8 962**	**399**	**14 551**	**-**	**23 912**	**106 338**
Payable accrued interests	**15 013**	**2 802**	**11 784**	**2 646**	**32 245**	**39 511**
TOTAL	**9 536 688**	**1 779 583**	**7 485 547**	**1 680 450**	**20 482 268**	**25 767 091**

(In thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private Sector			Total 2017	Total 2016
		Financial companies	Non financial companies	Other companies		
Demand acredit accounts	1 437 634	1 124 263	16 831 138	54 032 503	73 425 538	67 871 649
Saving accounts	-	59	7 792	23 428 480	23 436 331	22 062 817
Time Deposits	4 509 000	6 459 058	3 621 242	14 257 770	28 847 070	30 656 495
Other credit accounts (*)	2 925 079	3 701 220	2 543 277	470 325	9 639 901	9 957 404
Payable accrued interests	30 565	38 878	79 252	317 611	466 305	576 056
TOTAL	**8 902 278**	**11 323 478**	**23 082 701**	**92 506 689**	**135 815 145**	**131 124 421**

Comment : (*) Including PL 480 for MAD 2 895 759

(In thousand MAD)

DEBT SECURITIES ISSUED

Type of securities	Starting Date	Maturity Date	Characteristics Nominal unit value	Rate
CD BMCE	09/04/14	09/04/18	2,64%	65 000,00
CD BMCE	30/04/14	30/04/18	4,40%	170 000,00
CD BMCE	30/04/14	30/04/19	4,55%	365 000,00
CD BMCE	08/05/14	08/05/19	4,50%	12 000,00
CD BMCE	04/02/15	04/02/18	3,10%	430 000,00
CD BMCE	11/04/16	11/04/18	2,45%	690 000,00
CD BMCE	18/04/16	18/04/18	2,45%	220 000,00
CD BMCE	15/07/16	16/07/18	2,63%	350 000,00
CD BMCE	28/11/16	28/11/18	2,70%	120 000,00
CD BMCE	20/12/16	20/12/19	3,00%	350 000,00
CD BMCE	29/03/17	28/03/18	2,55%	610 000,00
CD BMCE	29/03/17	29/03/19	2,75%	200 000,00
CD BMCE	29/03/17	29/03/20	2,80%	250 000,00
CD BMCE	13/04/17	13/04/19	2,75%	250 000,00
CD BMCE	13/04/17	12/04/18	2,55%	105 000,00
CD BMCE	18/04/17	17/04/18	2,55%	420 000,00
CD BMCE	18/04/17	18/04/19	2,75%	295 000,00
CD BMCE	02/05/17	02/05/19	2,75%	460 000,00
CD BMCE	08/05/17	07/05/19	2,55%	30 000,00
CD BMCE	08/05/17	08/05/19	2,75%	50 000,00
CD BMCE	02/06/17	01/06/18	2,55%	220 000,00
CD BMCE	02/06/17	02/06/19	2,82%	250 000,00
CD BMCE	13/07/17	12/07/18	2,65%	300 000,00
CD BMCE	23/11/17	24/05/18	2,38%	116 000,00
CD BMCE	23/11/17	22/11/18	2,52%	135 000,00
CD BMCE	23/11/17	23/11/19	2,62%	134 000,00
CD BMCE	23/11/17	23/11/20	2,75%	681 000,00
CD BMCE	18/12/17	18/06/18	2,50%	28 700,00
CD BMCE	18/12/17	17/12/18	2,70%	682 000,00
CD BMCE	18/12/17	18/12/19	2,90%	415 500,00
CD BMCE	18/12/17	18/12/20	3,00%	120 000,00
CD BMCE	25/12/17	17/12/18	2,75%	500 000,00
CD BMCE	26/12/17	25/12/18	2,75%	500 000,00
CD BMCE	28/12/17	29/03/18	2,55%	500 000,00
			TOTAL	**10 024 200,00**

DETAIL OF OTHER LIABILITIES

LIABILITIES	2017	2016
Optional Instruments Sold	**531**	**6 445**
Miscellaneous Transactions on Securities	**5 826 824**	**7 535 825**
Other Creditors	**1 592 830**	**1 364 281**
State debt	1 058 941	789 529
Social security and provident societies debts	47 640	52 852
Staff debt	197 053	189 594
Shareholders and partners debt	3 662	3 610
Supply of goods and services	18 718	18 044
Other creditors	266 816	310 652
Accrual Accounts	**1 590 701**	**1 788 767**
Adjustment accounts of off-balance sheet transactions	58 623	171 191
Currencies and securities differential accounts	-	-
Profit on hedging instruments	-	-
Liaison accounts between the head office, branches and Moroccan branches	162 623	162 939
Expenses payable and prepaid income	201 567	234 471
Other accruals	1 167 888	1 220 166
TOTAL	**9 010 886**	**10 695 318**

(In thousand MAD)

PROVISIONS

PROVISIONS	Amount 2016	Allowances	Write backs	Other changes	Outstanding 2017
Provisions, deducted from assets, on :	**6 094 119**	**1 020 719**	**1 588 703**	**33 443**	**5 559 578**
Loans to credit institutions and equivalent	58 621		5		58 616
Loans and advances to customers	5 523 140	985 149	1 557 096	-1 000	4 950 192
Doubtful interest	9 733	-	8 671	-	1 062
Marketable securities	15 995	5 146	15 548	-2 782	2 811
Equity investments and equivalent assets	480 219	30 424	2 248	37 034	545 429
Leased and rented fixed assets	-	-	-	-	-
Other assets	6 411	-	5 135	191	1 467
Provisions Recorded under liabilities	**549 140**	**152 608**	**16 133**	**373**	**685 989**
Provisions for risks of fulfilment of commitments	8 815	12 512	8 543	-	12 784
Contingent liabilities	-	-	-	-	-
Provisions for general risks	514 705	132 300	-	-	647 005
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	25 620	7 796	7 590	373	26 200
Regulated provisions	-	-	-	-	-
TOTAL	**6 643 259**	**1 173 327**	**1 604 836**	**33 816**	**6 245 567**

(In thousand MAD)

SUBORDINATED DEBTS

Currency	Debt amount	closing ex-change rate (1)	Interest rate	Term (2)	Conditions for anticipated reimbursement, subordinated and convertibility	Debt amount in thousands MAD
MAD	1 000 000	1	3,26%	10 years		1 000 000
MAD	150 000	1	5,95%	Perpetual		150 000
MAD	850 000	1	3,29%	Perpetual		850 000
MAD	950 000	1	2,90%	Perpetual		950 000
MAD	50 000	1	5,30%	Perpetual		50 000
MAD	160 000	1	6,18%	10 years		160 000
MAD	50 000	1	6,18%	10 years		50 000
MAD	790 000	1	3,85%	10 years		790 000
MAD	154 500	1	5,64%	10 years		154 500
MAD	845 500	1	3,45%	10 years		845 500
MAD	626 000	1	4,74%	10 years		626 000
MAD	1 374 000	1	2,98%	10 years		1 374 000
MAD	447 200	1	3,74%	10 years		447 200
MAD	78 900	1	3,74%	10 years		78 900
MAD	1 473 900	1	2,77%	10 years		1 473 900
MAD	200 000	1	7,05%	Perpetual		200 000
MAD	800 000	1	5,52%	Perpetual		800 000
MAD	400 000	1	3,13%	5 years		400 000
EUR	70 000	11,1885	5,86%	10 years		783 195
EUR	5 000	11,1885	5,90%	10 years		55 943

SHAREHOLDER'S EQUITY	Amount 2016	Allocation of earning	Other changes	Amount 2017
Revaluation reserve	-	-	-	-
Additional paid-in capital	11 504 457	427 700	21 612	11 953 768
Legal reseve	460 306	-	-	460 306
Other reserves	6 137 732	427 700	21 612	6 587 044
Issuance, merger and contribution premiums	4 906 418	-	-	4 906 418
Capital	1 794 634	-	-	1 794 634
Called-up capital	1 794 634	-	-	1 794 634
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	62	46		16
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1 324 971	-	-	1 488 138
TOTAL	14 624 123	427 746	21 612	15 236 556

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	2017	2016
Financing and guarantee commitments given	21 644 322	23 258 857
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	469 741	370 797
- Substitution commitments on issuing of securities		-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	6 934 207	8 773 032
- Import letters of credit	3 370 929	3 863 524
- Payment acceptances or commitments	935 026	2 005 076
- Opening of confirmed credit	1 807 607	1 408 419
- Substitution commitments on issuing of securities		-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	820 645	1 496 013
Guarantee commitments for credit institutions and equivalent	5 109 213	5 123 120
- Confirmed export letters of credit	93 528	236 419
- Payment acceptances or commitments	30 722	30 926
- Credit guarantees given	-	-
- Other securities, endorsments and guarantees given	4 984 963	4 855 775
- Non performing commitments		
Guarantee commitments for customers	9 131 161	8 991 908
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 850 864	6 656 264
- Other securities and guarantees given	2 280 297	2 335 644
- Non performing commitments	-	-
Financing and guarantee commitments received	18 862 916	11 052 153
Financing commitments received from credit institutions and equivalent	-	-
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
Guarantee commitments received from credit institutions and equivalent	17 915 756	10 670 880
- Credit guarantees	2 301 176	2 238 337
- Other guarantees received	15 614 580	8 432 543
Guarantee commitments received from the state and other guarantee institutions	947 160	381 273
- Credit guarantees	30 773	30 773
- Other guarantees received	916 387	350 500

(In thousand MAD)

COMMITMENTS ON SECURITIES	AMOUNT
Given commitments	1 223 417
Securities repos purchased	78 357
Other securities to be delivered	1 145 060
Reveived commitments	11 832
Securities repos sold	-
Other securities to be received	11 832

(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES

	Holding transaction 2017	Holding transaction 2016	Other transaction of BMCE Paris and Offshore bank 2017	Other transaction of BMCE Paris and Offshore bank 2016
Forward exchange transactions	**14 802 386**	**29 613 493**	**10 366 377**	**14 118 430**
Currency to be received	4 146 333	12 981 829	2 423 342	3 810 970
Currency to be delivered	1 133 975	1 230 698	1 467 980	2 643 575
Dirhams to be received	6 204 754	13 549 691	3 708 997	4 406 225
Dirhams to be delivered	3 317 324	1 851 275	2 766 058	3 257 660
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	**7 440 435**	**5 072 202**	**179 016**	**300 879**
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	2 666 447	3 735 623	179 016	277 003
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	4 369 484	1 251 017	-	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	404 504	85 562	-	23 876

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL

Securities received as collateral	Net book value	Loans or given committments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	10 130 046		
Other securities	6 249 617		
Mortgages	76 640 196		
Other securities received as collateral	197 212 706		
TOTAL	**290 232 565**		
Securities given as collateral	**Net book value**	**Loans or given committments posted to assets or to off balance sheet**	**Amount of loans and given commitments**
Treasury bills and equivalent	11 411 142	T. Bills repo	
Other securities	1 601 479		
Mortgages	-	Other securities delivered on repo	
Other securities received as collateral	-		
TOTAL	**13 012 621**		

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES

	D< 1 month	1 month<D< 3 months	3 months<D< 1 year	1 year <D< 5 years	D> 5 years	Total
Assets						
Loans to credit institutions and equivalent	4 307 504	3 196 192	2 125 200	5 097 675	1 740 504	16 467 075
Loans and advances to customers	17 979 308	14 198 416	8 219 739	27 912 269	30 383 174	98 692 906
Debt securities	33 363 315	1 459 851	1 967 502	277 561	12 296	37 080 525
Subordinated loans	-	-	-	-	-	-
Leasing and equivalent	778	1 564	7 186	51 856	37 860	99 244
TOTAL	**55 650 905**	**18 856 023**	**12 319 627**	**33 339 361**	**32 173 834**	**152 339 750**
Liabilities						
Liabilities to credit institutions and equivalent	10 322 509	3 192 004	2 259 138	2 074 100	13 901	17 861 652
Debts to customers	4 816 951	5 801 962	17 717 186	2 161 511	662 343	31 159 953
Debt securities issued	1 540 000	2 034 700	2 587 000	3 862 500	-	10 024 200
Subordinated borrowings	-	1 000 000	839 138		6 400 000	8 239 138
TOTAL	**16 679 460**	**12 028 666**	**23 402 462**	**8 098 111**	**7 076 244**	**67 284 943**

(In thousand MAD)

CONCENTRATION RISK ON THE SAME BENEFICIARY

Number	Total amount of risks	Amount of risk by passing 5% of capital: Operating loans	Contracting loans	Amount of securities held in th capital of the beneficiary
22	42 351 509	28 536 072	5 434 998	565 674

(In thousand MAD)

PARENT FINANCIAL STATEMENTS

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY	2017	2016
Assets	**34 705 856**	**37 466 593**
Cash, central banks, treasury, giro accounts	178 487	89 255
Loans to credit institutions and equivalent	20 730 361	21 876 951
Loans and advances to customers	6 072 181	7 367 376
Transaction, marketable and investment securities	2 271 182	2 572 122
Other assets	143 035	147 012
Equity investments and equivalent uses	5 110 504	5 223 178
Subordinated loans	198 036	188 576
Fixed assets leased and rented	-	-
Intangible and tangible fixed assets	2 070	2 123
Liabilities	**28 560 281**	**33 995 416**
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	20 624 102	25 503 707
Customer deposits	5 093 451	5 027 823
Debt securities issued	1 909 489	2 064 039
Other liabilities	94 101	494 257
Subordinated debts	-	-
Subsidies, assigned public funds and special guarantee funds	839 138	905 590
Off-Balance Sheet	**9 258 456**	**9 894 341**
Given commitment	6 686 390	8 428 061
Received commitment	2 572 066	1 466 280

(In thousand MAD)

NET INTEREST INCOME	2017	2016
Interest received	**7 130 586**	**6 604 088**
Interest and similar income on transactions with credit institutions	688 569	640 634
Interest and similar income on transactions with customers	5 913 159	5 412 511
Interest and similar income on debt securities	528 858	550 943
Interest paid	**3 133 928**	**2 994 593**
Interest and similar fees on transactions with credit institutions	1 074 001	880 482
Interest and similar fees on transactions with customers	1 602 087	1 743 350
Interest and similar fees on debt securities	457 840	370 761

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES	2017	2016
Equity Securities	9 905	17 106
Equity in affiliates	645 095	511 645
Equity in portfolio	-	-
Other securities	72 474	46 196
TOTAL	**727 474**	**574 947**

(In thousand MAD)

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS	Credit lines	Sigmed Com-mitments	Total	Provisions for credit lines
Pre-doubtful loans	515 030	-	515 030	67 079
Non performing loans	1 388 224	-	1 388 224	669 418
Doubtful debts	5 689 502	-	5 689 502	4 273 374
TOTAL	**7 592 757**	**-**	**7 592 757**	**5 009 870**

(In thousand MAD)

COMMISSIONS	2017	2016
Fees received	**1 323 913**	**1 296 907**
On transactions with credit institutions	-	-
On transactions with customers	536 266	517 972
Concerning operations on the primary securities markets	200 439	255 693
On derivatives	44 612	35 300
On transactions on securities under management and custody	-	-
On means of payment	25 078	26 940
On consulting and assistance	353 749	318 759
On sales of insurance products	-	-
On other services	45 885	48 413
Fees paid	117 884	93 830
On transactions with credit institutions	**279 924**	**301 735**
On transactions with customers	-	-
Concerning operations on the primary securities markets	-	-
On derivatives	144 382	187 926
On transactions on securities under management and custody	-	-
On means of payment	381	1 143
On consulting and assistance	28 690	23 197
On sales of insurance products	72 217	55 191
On other services	-	-
On sales of insurance products	-	-
On other services	34 254	34 278

(In thousand MAD)

INCOME FROM MARKET TRANSACTIONS	2017	2016
Revenues	**1 481 259**	**2 401 073**
Gains on transactions securities	459 395	984 856
Capital gains on disposals of marketable securities	143 812	94 472
Provision write-backs on depreciation of marketable securities	15 548	44 249
Gains on derivatives	351 900	482 826
Gains on exchange transactions	510 604	794 670
Expenses	**785 423**	**1 198 684**
Losses on transaction securities	28 347	50 955
Capital losses on disposals of marketable securities	125 990	102 021
Provisions for depreciation of marketale securities	5 147	15 996
Losses on derivatives	122 432	476 081
Losses on exchange transactions	503 507	553 631
Earning	**695 836**	**1 202 389**

(In thousand MAD)

GENERAL OPERATING EXPENSES	2017	2016
Staff expenses	1 611 041	1 540 320
Taxes	97 581	99 018
External expenses	1 553 665	1 501 158
Allowances for depreciation and provision for intangible and tangible fixed assets	358 976	352 673

(In thousand MAD)

PARENT FINANCIAL STATEMENTS

OTHER REVENUES AND EXPENSES

	2017	2016
Revenues and expenses		
Other banking revenues and expenses	358 628	910 718
Other banking revenues	1 681 698	2 656 764
Other banking expenses	1 323 070	1 746 046
Non-banking operating revenues and expenses	**144 345**	**-169 380**
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	279 491
Other expenses		
Allowances for provisions and loan losses	2 246 036	1 225 203
Other revenues		
Provision write-backs and recoveries on amortised debts	1 611 098	626 712

(In thousand MAD)

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS

	Amount
I- Net Book earning	
Net gain	1 488 138
Net loss	
II- Tax Reintegration	**800 777**
1- Current	**192 640**
Donations and grants	16 399.09
Gifts	11 771.95
Non-deductible cars depreciation	6 539.42
Non-deductible expenses	25 630.00
Provision for general risks	132 300.00
2- Non-current	**608 137**
Corporate taxes	608 137
III- Tax deductions	**645 095**
1- Current	**645 095**
Dividends	645 095
2- Non-current	
IV- Net income tax	1 643 820
Corporate taxes	608 137
V- Net income tax	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX

	Amount
I. Earnings determination	
. Current earnings according to the income statement	2 096 274
. Tax reintegrations on current transactions	192 640
. Tax deductions on current transactions	645 302
. Current earnings theoretically taxable	1 643 612
. Theoretical tax on current earnings	608 137
. Current earnings after tax	1 488 137
II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions	

(In thousand MAD)

DETAIL ON VALUE ADDED TAX

Category	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	VAT claims for the fiscal year 3
A. VAT Collected	98 694	792 717	782 219	109 191
B. VAT to be Recovered	69 846	253 878	261 657	62 067
* On expenses	58 903	197 770	207 476	49 197
* On fixed assets	10 943	56 108	54 181	12 870
C. T.V.A = (A - B)	28 848	538 839	520 562	47 124

(In thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL AS OF DECEMBER 31ST, 2017

Amount of the capital : 1 794 633 900
Amount of the uncalled committed capital : -
Nominal value : 10.00

Name of the main shareholders	Address	Number of shares		(%) of capital held	(%) of voting rights
		2016	2017		
A- Moroccan shareholders					
RMA	67 Avenue des FAR - Casablanca	53 541 983	53 600 192	29,87%	29,87%
SFCM	239, Bd Mohamed V	907 205	907 205	0,51%	0,51%
FINANCECOM	69 Avenue des FAR - Casablanca	10 705 351	10 705 251	5,97%	5,97%
CIMR	100, Bd Abdelmoumen - Casablanca	7 348 804	7 371 263	4,11%	4,11%
CDG **		17 138 328	17 138 328	9,55%	9,55%
MAMDA/ MCMA	16 Rue Abou Inane -Rabat	8 112 366	9 395 899	5,24%	5,24%
Personnel BMCE		2 330 943	2 481 327	1,38%	1,38%
SBVC and others		32 349 356	30 834 871	17,18%	17,18%
TOTAL (1)		132 434 336	132 434 336	73,79%	73,79%
B- Foreign shareholders					
Banque Fédérative du Crédit Mutuel		47 029 054	47 029 054	26,21%	26,21%
TOTAL		**179 463 390**	**179 463 390**	**100%**	**100%**

* Including RMA UCITS
** Following CDG confirmation dated on 05/12/2014

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of 27 May 2015			
Retained earnings	62	legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 324 971	Other allocations	427 716
Withdrawals from earnings	-		
Other withdrawals	-		
TOTAL A	**1 325 033**	**TOTAL B**	**1 325 033**

(In thousand MAD)

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS

	Exercise 2017	Exercise 2016	Exercise 2015
Equity capital and equivalent	**26 683 739**	**24 709 660**	**22 410 398**
Operations and earnings for the fiscal year	-	-	-
1- Net banking income	6 208 130	6 136 373	5 374 331
2- Pre-tax earnings	1 938 774	1 875 332	1 622 471
3- Corporate tax	608 137	550 362	318 435
4- Dividends distributed	897 317	897 317	789 639
5- Earnings not distributed	-	-	-
Earnings per share (in MAD)	-	-	-
Net earnings per share	-	-	-
Earnings distributed per share	5	5	4
Staff	-	-	-
Gross remunerations for the year	1 611 041	1 540 320	1 455 087
Average number of staff employed during the fiscal year	5 370	5 031	4 909

(In thousand MAD)

DATING AND SUBSEQUENT EVENTS

I. DATING	
. Date of the end of the fiscal year (1)	**31** december **2017**
. Date of financial statements performance (2)	
(1) Justification in case of a change in the date of the end of the fiscal year	
(2) Justification in the case of an overrun on the statutory period of three months allowed for drawing up the financial statements	
II. Events occurring subsequent to the end of the fiscal year not charged to this year and known before the 1st external Disclosure of the financial statements	

Dates	Event's Indication
	. Favorable
	. Unfavorable

STAFF NUMBERS

	2017	2016
Staff renumerated	5 370	5 031
Staff employed	5 370	5 031
Equivalent full time staff	5 370	5 031
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	3 575	3 337
Employees (full-time equivalent)	1 795	1 694
Of which employees working abroad	46	49

(In thousand MAD)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY

	Number of accounts		Amounts	
	2017	2016	2017	2016
Securities of which the institution is custodian	36 446	8 748	240 190 877	244 880 382
Securities managed under mandate	-		-	
Mutual funds of which the institution is custodian	85	85	107 258 226	99 232 765
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(In thousand MAD)

NETWORK

NETWORK	2017	2016
Permanent branches	733	723
Temporary branches	-	-
ATMs	878	848
Main branches and branches abroad	39	39
Representative offices abroad	5	5

(In number)

NUMBER OF CUSTOMER ACCOUNTS

NUMBER OF CUSTOMER ACCOUNTS	2017	2016
Customer accounts	110 204	101 319
Current accounts	286 947	281 612
Check accounts excluding Moroccan expatriates	1 211 682	1 139 063
Moroccan expatriates accounts	-	-
Factoring accounts	889 960	840 156
Savings accounts	10 360	10 810
Time deposits	1 574	1 521
Interest-bearing notes	-	-

(In number)

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

Ending FY : 31 December 2017

NATURE	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
					Depreciation	Total Depreciations	Provisions	Write-backs	Total provisions	
Fixed Leasing Assets	74 000	32 872	-	106 872	10 466	10 466	-	-	-	96 406
Leasing on intangible assets	-	-	-	-	-	-	-	-	-	-
Furniture leasing	74 000	-	-	74 000	10 466	10 466	-	-	-	63 534
- In progress	-	-	-	-	-	-	-	-	-	-
- Leased	74 000	-	-	74 000	10 466	10 466	-	-	-	63 534
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-
Real leased leasing	-	32 686	-	32 686	-	-	-	-	-	32 686
- In progress	-	32 686	-	32 686	-	-	-	-	-	32 686
- Leased	-	-	-	-	-	-	-	-	-	-
- Non leased after termination	-	-	-	-	-	-	-	-	-	-
Leased to perceive	-	186	-	186	-	-	-	-	-	186
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple lease	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-
TOTAL	74 000	32 872	-	106 872	10 466	10 466	-	-	-	96 406

The following statements post ''non applicable'' mention for the 2017 fiscal year :

- Derogatory statements
- Summary of changing methods
- Subsidies, assigned public funds and special guarantee funds

AS OF DECEMBER 31ST, 2017

DOMESTIC ACTIVITY BALANCE SHEET

ASSETS	2017	2016
Cash, central banks, treasury, giro accounts	**5 876 724**	**4 145 522**
Loans to credit institutions and equivalent	**28 609 971**	**28 616 951**
. Demand	7 634 329	2 148 282
. Time	20 975 642	26 468 669
Loans and advances to customers	**114 744 201**	**113 572 633**
. Cash and consumer loans	36 595 598	40 200 395
. Equipment loans	19 981 411	17 282 066
. Mortgage loans	40 478 952	37 725 042
. Other loans	17 688 240	18 365 130
Advances acquired by factoring	**860 845**	**668 926**
Transaction and marketable securities	**32 838 845**	**36 834 750**
. Treasury bonds and equivalent securities	13 672 249	14 394 967
. Other debt securities	926 552	3 313 509
. Title deeds	18 240 044	19 126 274
Other assets	**2 505 406**	**2 115 446**
Investment securities	**1 392 162**	**2 036 226**
. Treasury bonds and equivalent securities	964 189	1 559 544
. Other debt securities	427 973	476 682
Equity investments and equivalent uses	**9 829 628**	**8 338 825**
Subordinated loans	**202 745**	**193 101**
Fixed assets leased and rented	**96 406**	**74 000**
Intangible fixed assets	**189 037**	**516 315**
Tangible fixed assets	**5 323 902**	**5 293 716**
TOTAL ASSETS	**202 469 872**	**202 406 411**

(In thousand MAD)

LIABILITIES	2017	2016
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	**19 951 796**	**25 204 383**
. Demand	1 943 829	7 413 143
. Time	18 007 967	17 791 240
Customer deposits	**134 321 974**	**129 888 105**
. Demand deposits	74 789 919	70 445 511
. Savings deposits	22 621 427	21 371 211
. Time deposits	30 890 951	32 376 779
. Other deposits	6 019 677	5 694 604
Debt securities issued	**12 565 911**	**12 076 677**
. Negotiable debt securities	10 156 422	9 512 638
. Bond loans	2 409 489	2 564 039
. Other debt securities issued	-	-
Other liabilities	**9 136 368**	**10 917 583**
Contingent liabilities	**685 417**	**548 576**
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	**11 447 182**	**10 085 536**
Revaluation reserve	-	-
Reserves and premiums related to capital	**11 319 704**	**10 892 004**
Capital	**1 794 634**	**1 794 634**
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	**16**	**62**
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	**1 246 870**	**998 851**
TOTAL LIABILITIES	**202 469 872**	**202 406 411**

(In thousand MAD)

OFF-BALANCE SHEET

OFF-BALANCE SHEET	2017	2016
Given commitments	**22 193 940**	**23 029 364**
Financing commitments on behalf of credit institutions and equivalent	469 741	370 797
Financing commitments on behalf of customers	6 934 207	8 773 032
Guarantee commitments given to credit institutions and equivalent	4 448 512	4 784 658
Guarantee commitments given to customers	9 118 063	8 962 052
Securities repos purchased	78 357	78 357
Other securities to be delivered	1 145 060	60 468
Received commitments	**17 856 500**	**10 281 321**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	17 167 750	9 898 500
Guarantee commitments received from the State and various guarantee bodies	676 918	381 273
Securities repos sold	-	-
Other securities to be received	11 832	1 548

(In thousand MAD)

DOMESTIC ACTIVITY INCOME STATEMENT

	2017	2016
Bank operating revenues	9 998 823	9 971 197
Interests and assimilated revenues on transactions with credit institutions	537 874	470 114
Interests and assimilated revenues on transactions with customers	5 802 966	5 348 873
Interests and assimilated revenues on debt securities	375 738	393 093
Revenues on title deeds	725 622	574 526
Revenues from leased and rented fixed assets	12 362	-
Fees on provided services	1 114 506	1 034 788
Other banking revenues	1 429 755	2 149 803
Bank operating expenses	4 158 804	4 185 001
Interests and assimilated expenses on transactions with credit institutions	1 019 612	850 283
Interests and assimilated expenses on transactions with customers	1 594 945	1 740 154
Interests and assimilated expenses on debt securities issued	457 840	370 761
Expenses on leased and rented fixed assets	10 466	-
Other banking expenses	1 075 941	1 223 803
Net banking income	5 840 020	5 786 196
Non-banking operating revenues	215 861	110 111
Non-banking operating expenses	71 516	266 867
General operating expenses	3 615 119	3 488 022
Staff expenses	1 607 436	1 537 315
Tax expenses	97 581	99 018
External expenses	1 543 188	1 489 855
Other general operating expenses	8 996	10 022
Allowances for depreciation and provisions for intangible and tangible fixed assets	357 918	351 812
Allowances for provisions and loan losses	2 245 502	1 225 185
Allowances for non performing loans and commitments	985 323	1 134 947
Loan losses	1 077 146	8 844
Other allowances for provisions	183 033	81 394
Provision write-backs and recovery on amortised debts	1 589 688	540 025
Provision write-backs on non performing loans and commitments	1 545 412	354 630
Recovery of amortised debts	21 387	28 343
Other provision write-backs	22 889	157 052
Current income	1 713 431	1 456 258
Non-current revenues	-	-
Non-current expenses	-	-
Pre-tax earnings	1 713 431	1 456 258
Corporate tax	466 562	457 407
Net earnings for the year	1 246 870	998 851

(In thousand MAD)

EARNINGS FORMATION TABLE

	2017	2016
+ Interests and assimilated revenues	6 716 579	6 212 080
- Interests and assimilated expenses	3 072 396	2 961 199
Net interest income	**3 644 183**	**3 250 881**
+ Revenues from leased and rented fixed assets	12 362	-
- Expenses on leased and rented fixed assets	10 466	-
Profit from leasing and renting operations	**1 896**	**-**
+ Fees received	1 314 653	1 290 101
- Fees paid	277 336	299 296
Net fee income	**1 037 317**	**990 805**
± Income from operations on transaction securities	426 728	933 774
± Income from transactions on marketable securities	670	35 622
± Income from exchange transactions	254 301	240 032
+ Income from derivatives transactions	6 861	6 159
Income from market transactions	**688 560**	**1 215 587**
+ Other miscellaneous banking revenues	725 622	574 526
- Other miscellaneous banking expenses	257 558	245 606
Net banking income	**5 840 020**	**5 786 196**
± Net income from equity investments	-26 305	118 179
+ Other non-banking operating revenues	215 861	110 043
- Other non-banking operating expenses	68 879	247 546
- General operating expenses	3 615 119	3 488 023
Gross operating income	**2 345 578**	**2 278 846**
± Allowances for non performing loans and commitments (net of write-backs)	-495 671	-760 814
+ Other allowances net of provision write-backs	-136 476	-61 774
Current income	**1 713 431**	**1 456 258**
Non-current income	**-**	**-**
- Corporate tax	466 562	457 407
Net earnings for the year	**1 246 870**	**998 851**

(In thousand MAD)

CASH-FLOW

	2017	2016
+ Net earnings for the year	1 246 870	998 851
+ Allowances for depreciation and provisions for intangible and tangible fixed assets	357 918	351 812
+ Allowances for provisions for equity investments depreciation	30 424	6 800
+ Allowances for provisions for general risks	132 300	58 900
+ Allowances for regulated provisions	-	-
+ Non-current allowances	-	-
- Provisions write-backs	6 757	144 232
- Capital gains on disposals of intangible and tangible fixed assets	114 912	25 691
+ Capital losses on disposals of intangible and tangible fixed assets	-	-
- Capital gains on disposals of equity investments	-	67
+ Capital losses on disposals of equity investments	2 638	19 321
- Write-backs of investment subsidies received	-	-
± Financing capacity	1 648 481	1 265 694
- Dividends distributed	-	-
+ Cash-flow	1 648 481	1 265 694

(In thousand MAD)