




SUMMARY PROSPECTUS ISSUE OF AN UNLISTED SUBORDINATED BOND

TOTAL ISSUE SIZE: MAD 400,000,000

I.	Tranche A Fixed rate – unlisted	Tranche B Revised annually – unlisted
Maximum size	MAD 400,000,000	
Number of securities	4,000 bonds	
Nominal value	MAD 100,000	
Securities' tradability	Over the counter	
Rate	Fixed, determined with reference to the benchmark yield on the secondary market for 10-year Treasury bonds as published by Bank Al-Maghrib on 24 th November 2017	Floating, determined with reference to the benchmark yield on the secondary market for 10-year Treasury bonds as published by Bank Al-Maghrib on 24 th November 2017
Risk premium	Between 90 and 100 basis points	Between 85 and 95 basis points
Repayment of principal	At maturity	
Repayment guarantee	No	
Maturity	10 years	
Allotment method	French auction method	

SUBSCRIPTION PERIOD: FROM 28TH TO 30TH NOVEMBER INCLUSIVE

SUSCRIPTION RESERVED FOR MOROCCAN QUALIFIED INVESTORS AS LISTED IN THIS PROSPECTUS

ADVISORY INSTITUTION	COORDINATING INSTITUTION & BOOK-RUNNER
BMCE CAPITAL CONSEIL 	BMCE BANK OF AFRICA البنك المغربي للتجارة الخارجية لإفريقيا 

Moroccan Capital Markets Authority (AMMC) approval visa

In accordance with the provisions of the AMMC circular, published in application of Article 14 of Dahir No. 1-93-212 of 21st September 1993, as amended and completed, the original prospectus has been approved by the AMMC on November, 21 2017 with reference number VI/EM/033/2017

DISCLAIMER

The Moroccan Authority of Capital Markets (AMMC) approved, on November, 21 2017, 2017, a prospectus related to the issue of subordinated bonds by BMCE BANK.

The prospectus approved by the AMMC is available at any time at the following places:

- BMCE BANK headquarters: 140, avenue Hassan II, Casablanca.
- BMCE CAPITAL CONSEIL: 63, Bd Moulay Youssef, Casablanca.

The prospectus approved by the AMMC is at the disposal on the AMMC website: www.ammc.ma.

I. PRESENTATION OF THE OPERATION

I. Transaction's regulatory framework

The Combined General Meeting, which met on 30th May 30, 2016, having been read the Board of Director's Report, authorised the latter and any person duly appointed by it to conduct, by public offering, one or more issues of subordinated bonds with fixed maturity, in accordance with the provisions of Articles 292-315 of Act No. 17-95 relating to limited companies and by Articles 3 and 19 of Bank Al Maghrib Circular No. 14/G/13, (the resulting funds being eligible as Tier 2 supplementary capital as defined by this article) for up to three billion five hundred million dirhams (MAD 3,500,000,000).

The authorised bonds may be issued in one or more tranches within a period not exceeding three years.

The Combined General Meeting, by virtue of Article 294 of Act No. 17-95 relating to limited companies, delegated full powers to the Board of Directors to:

- Establish the final features and terms of the approved subordinated bond issue(s);
- Carry out the said subordinated bond issue(s)
- And, generally, to take all necessary measures to ensure that these issues comply with the legal and regulatory requirements in force.

On 6th June 2016, by virtue of the powers granted to it by the Combined General Meeting of 30th May 2016, the Board of Directors decided to proceed with issuing subordinated bonds amounting to two billion dirhams, representing a fraction of the total amount authorised by the Combined General Meeting of 30th May 2016.

On 20th November 2017, by virtue of the powers granted to it by the Combined General Meeting of 30th May 2016, the Board of Directors decided to proceed with issuing subordinated bonds amounting to four billion dirhams, representing a fraction of the total amount authorised by the Combined General Meeting of 30th May 2016.

The Combined General Meeting decided that the subordinated bond issue amount may be restricted to the amount subscribed by investors under the terms provided for in Article 298 of Act No. 17-95 relating to limited companies.

Details of the terms of the transaction, as decided by the Board of Directors on 20th November 2017, are provided in this prospectus.

The following table shows authorised issuance of subordinated bonds and the amounts that may be raised by BMCE Bank in respect of this issue:

AGM authorising the transaction	Authorised	Portion consumed	Balance
AGM of 30 th May 2016	3.5	-	-
June 2016 issue	-	2.0	1.5
December 2017 issue	-	0.4	1.1

MAD billions - Source: BMCE Bank

II. Transaction aims

This transaction is intended to enable BMCE Bank to satisfy the following aims:

- Bolster BMCE Bank's supplementary (Tier 2) capital
- Finance ongoing operations relating to BMCE Bank's business activity
- Finance BMCE Bank's overseas development
- Support its development plan in Morocco, Europe and sub-Saharan Africa

The funds raised will be classified as supplementary (Tier 2) capital as defined by Article 26 of Bank Al Maghrib's Circular No. 14/G/2013.

III. Offer structure

BMCE Bank intends to issue 4,000 subordinated bonds, each with a nominal value of MAD 100,000. The transaction's overall size amounts to MAD 400,000,000 (four hundred million dirhams), allotted as follows:

- Tranche A, with a fixed rate, unlisted on the Casablanca Stock Exchange, for up to MAD 400,000,000 and with a nominal value of MAD 100,000;
- Tranche B, with a floating rate that may be revised annually, unlisted on the Casablanca Stock Exchange, for up to MAD 400,000,000 and with a nominal value of MAD 100,000;

The total amount allocated to both tranches must not under any circumstance exceed MAD 400,000,000.

This issue is reserved for Moroccan qualified investors including Undertakings for Collective Investment in Transferable Securities (UCITS), finance companies¹, credit institutions, insurance and reinsurance companies, the Caisse de Dépôt et de Gestion and pension and retirement organisations.

The purpose of restricting subscription to Moroccan qualified investors is to make it easier to manage subscriptions on the primary market. It is understood that any investor wishing to acquire the subordinated bonds will be able to do so on the secondary market.

IV. Transaction overview

1. Transaction features

Warning:

A subordinated bond differs from a classic bond in terms of the rank of claims contractually defined by the subordination clause. The effect of the subordination clause is, in the event of the issuer's winding up, to subordinate the repayment of the bond to that of all preferred stock holders and common stock holders.

Features of tranche A (Fixed-rate bonds unlisted on the Casablanca Stock Exchange)

Description of securities	Subordinated bonds unlisted on the Casablanca Stock Exchange, in non-physical form by registration in account and admitted to the central securities depository's (Maroclear) operations.
Legal form	Subordinated bonds in bearer form
Tranche size	MAD 400,000,000
Maximum number of securities to be issued	4,000 bonds
Nominal value	MAD 100,000
Maturity	10 years
Subscription period	28 th -30 th November inclusive
Entitlement date	5 th December 2017
Maturity date	5 th December 2027
Issue price	100% i.e. MAD 100,000 at the date of subscription
Allotment method	French auction method without prioritising between tranches
Nominal interest rate	Fixed rate

	<p>The nominal interest rate will be observed or calculated using linear interpolation with reference to the benchmark yield on the secondary market for 10-year Treasury bonds as published by Bank Al-Maghrib on 24th November 2017 plus a risk premium of between 90 basis points and 100 basis points (to be decided at the subscription's closing).</p> <p>This benchmark rate will be published in a journal containing legal notices on 27th November 2017.</p>
Calculation method	The benchmark rate will be determined by the linear interpolation method, using both the opening and closing values of the bond's entire 10-year maturity (actuarial basis).
Risk premium	Between 90 and 100 basis points
Interest	<p>Interest will be paid annually on the anniversary of the loan's entitlement date i.e. 5th December of each year. Payment will be made on that day or the first working day after 5th December if the latter is not a working day.</p> <p>Interest on the bonds will cease to accrue from the date that the capital is repaid by BMCE Bank.</p> <p>Deferment of interest is not possible under the terms of this transaction.</p> <p>Interest will be calculated as per the following formula: [Nominal x nominal rate].</p>
Repayment of the principal	<p>For Tranche A, unlisted on the Casablanca Stock Exchange, the principal will be repaid at maturity.</p> <p>In the event that a merger, demerger or partial contribution of BMCE Bank assets occurs during the loan term, resulting in a universal transfer of the assets to a separate legal entity, the rights and obligations in respect of the subordinated bonds shall be automatically transferred to the legal entity substituting for BMCE Bank's rights and obligations.</p> <p>The repayment of the capital is, in the event of BMCE Bank's winding up, subordinate to all other claims.</p>
Early repayment	<p>BMCE Bank is not permitted, during the entire period of the loan, to amortise the subordinated bonds that are to be issued in advance.</p> <p>The Bank reserves the right, however, with Bank Al-Maghrib's prior approval, to buy back subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, on the condition that these repurchases do not have any impact on a subscriber wishing to hold its securities until maturity nor on the normal amortisation schedule.</p> <p>The subordinated bonds thus redeemed may only be cancelled with Bank Al-Maghrib's prior agreement.</p>
Securities' tradability	<p>Over the counter</p> <p>No restriction is imposed under the terms of the issue on the free tradability of the subordinated bonds.</p>
Prior assimilation	Tranche A subordinated bonds have not been assimilated into subordinated bonds previously issued by BMCE Bank.
Subsequent assimilation	In the event that BMCE Bank were to subsequently issue new securities with identical rights in every aspect to those of this issue, it may, without requiring the bearers' consent, assimilate all the securities of the subsequent issues, thereby unifying all

transactions as far as their management and trading are concerned.

Loan's ranking	<p>The capital and interest are subject to a subordination clause.</p> <p>Application of this clause does not in any way violate the legal rules relating to the accounting principles for appropriating losses, shareholders' obligations and subscribers' rights to obtain, in accordance with the conditions set out in the contract, payment for its securities in capital and interest.</p> <p>In the event of BMCE Bank's winding up, repayment of the capital and interest of this issue's subordinated securities will only occur after all preferred stock holders and common stock holders have been reimbursed. These subordinated securities will rank alongside all the other subordinated loans which have already been or may subsequently be issued by BMCE Bank both in Morocco and overseas, pro-rata to their amount, where applicable.</p>
Maintaining the loan's ranking	<p>BMCE Bank undertakes, until all these securities have actually been repaid, to not give priority to other subordinated securities which it may subsequently issue, as to their repayment ranking in the event of the company's winding up, without granting the same rights to this loan's subordinated securities.</p>
Repayment guarantee	<p>This issue is not subject to any guarantee of any kind whatsoever.</p>
Rating	<p>The Issuer has not sought a rating in respect of the notes.</p>
Bond holders' representation	<p>While awaiting a general meeting of the bond holders, the Board of Directors, meeting on 20th November 2017, has appointed Mr Hamad JOUAHRI to act as the interim representative of bond holders of tranches A and B in accordance with the related legal provisions.</p> <p>This decision shall take effect from the start of the subscription period. It is specified that the interim representative appointed is the same for tranches A and B of this issue, which are grouped into a single entity.</p> <p>In addition, BMCE Bank's Board of Directors undertakes to convene a general meeting of bond holders to appoint a permanent representative of bond holders within one year from the start of the subscription period.</p>
Governing law	<p>Moroccan law</p>
Competent jurisdiction	<p>Casablanca Commercial Court</p>

Features of tranche B (Floating-rate bonds unlisted on the Casablanca Stock Exchange)

Description of securities	Subordinated bonds unlisted on the Casablanca Stock Exchange, in non-physical form by registration in account and admitted to the central securities depository's (Maroclear) operations.
Legal form	Subordinated bonds in bearer form
Tranche size	MAD 400,000,000
Maximum number of securities to be issued	4,000 bonds
Nominal value	MAD 100,000
Maturity	10 years
Subscription period	28 th -30 th November inclusive
Entitlement date	5 th December 2017
Maturity date	5 th December 2017
Issue price	100% i.e. MAD 100,000 at the date of subscription
Allotment method	French auction method without prioritising between tranches
Nominal interest rate	<p>Revised annually</p> <p>In the first year, the nominal interest rate will be observed or calculated using linear interpolation with reference to the benchmark yield on the secondary market for 52-week Treasury bills (money market rate) as published by Bank Al-Maghrib on 24th November 2017 (excluding risk premium) plus a risk premium of between 85 basis points and 95 basis points (to be decided at the subscription's closing). This benchmark rate will be published in a journal containing legal notices on 27th November 2017.</p> <p>The nominal interest rate adopted will be published no later than 5th December by BMCE Bank in a journal containing legal notices.</p> <p>At each anniversary, the benchmark rate will be determined with reference to the 52-week rate calculated on the basis of the benchmark yield on the secondary market for 52-week Treasury bills as published by Bank Al-Maghrib, five working days prior to each anniversary.</p> <p>The resulting benchmark rate will be increased by a risk premium decided at the subscription's closing. Bond holders will be informed of the rate, which will be published in a journal containing legal notices, 5 working days prior to the anniversary.</p>
Calculation method	<p>At each anniversary, the benchmark rate adopted will be determined on the following basis:</p> <ul style="list-style-type: none"> - The subordinated securities' benchmark rate will be calculated on the basis of money market rates for 52-week Treasury bills or by the linear interpolation method with reference to secondary market Treasury bond yields as published by Bank Al-Maghrib 5 working days prior to each anniversary. <p>This linear interpolation will be carried out after converting the rate immediately above that of the 52-week maturity (actuarial basis) into the equivalent money market rate.</p> <p>The calculation formula is:</p>

	$\left(\left(\text{Actuarial rate} + 1 \right)^{\left(\frac{k}{\text{exact number of days}^*} \right)} - 1 \right) \times \frac{360}{k}$ <p>where k is the maturity of the actuarial rate requiring conversion (immediately above the 52-week maturity) *Exact number of days is 365 or 366 days</p> <p>- The resulting rate will be increased by a risk premium decided at the subscription's closing.</p>
Risk premium	Between 85 and 95 basis points
Interest	<p>Interest will be paid annually at the anniversary of the loan's entitlement date i.e. 5th December each year. Payment will be made on the very same day or the first working day following 5th December if the latter is not a working day.</p> <p>Interest on the subordinated bonds will cease to accrue from the date when the capital is repaid by BMCE Bank. Deferment of interest is not possible under the terms of this transaction.</p> <p>Interest will be calculated as per the following formula: [Nominal x nominal rate x (exact number of days/360 days)].</p>
Repayment of the principal	<p>For Tranche B, unlisted on the Casablanca Stock Exchange, the principal will be repaid at maturity.</p> <p>In the event that a merger, demerger or partial contribution of BMCE Bank assets occurs during the loan term, resulting in a universal transfer of the assets to a separate legal entity, the rights and obligations in respect of the subordinated bonds shall be automatically transferred to the legal entity substituting for BMCE Bank's rights and obligations.</p> <p>The repayment of the capital is, in the event of BMCE Bank's winding up, subordinate to all other claims.</p>
Early repayment	<p>BMCE Bank is not permitted, during the entire period of the loan, to amortise the subordinated bonds that are to be issued in advance.</p> <p>The Bank reserves the right, however, with Bank Al-Maghrib's prior approval, to buy back subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, on the condition that these repurchases do not have any impact on a subscriber wishing to hold its securities until maturity nor on the normal amortisation schedule.</p> <p>The subordinated bonds thus redeemed may only be cancelled with Bank Al-Maghrib's prior agreement.</p>
Securities' tradability	<p>Over the counter</p> <p>No restriction is imposed under the terms of the issue on the free tradability of the subordinated bonds.</p>
Prior assimilation	Tranche B subordinated bonds have not been assimilated into subordinated bonds previously issued by BMCE Bank.
Subsequent assimilation	In the event that BMCE Bank were to subsequently issue new securities with identical rights in every aspect to those of this issue, it may, without requiring the bearers' consent, assimilate all the securities of the subsequent issues, thereby unifying all transactions as far as their management and trading are concerned.
Loan's ranking	<p>The capital and interest are subject to a subordination clause.</p> <p>Application of this clause does not in any way violate the legal rules relating to the accounting principles for appropriating losses, shareholders' obligations and subscribers' rights to</p>

	<p>obtain, in accordance with the conditions set out in the contract, payment for its securities in capital and interest.</p> <p>In the event of BMCE Bank's winding up, repayment of the capital and interest of this issue's subordinated securities will only occur after all preferred stock holders and common stock holders have been reimbursed. These subordinated securities will rank alongside all the other subordinated loans which have already been or may subsequently be issued by BMCE Bank both in Morocco and overseas, pro-rata to their amount, where applicable.</p>
Maintaining this loan's ranking	BMCE Bank undertakes, until all these securities have actually been repaid, to not give priority to other subordinated securities which it may subsequently issue, as to their repayment ranking in the event of the company's winding up, without granting the same rights to this loan's subordinated securities.
Repayment guarantee	This issue is not subject to any guarantee of any kind whatsoever.
Rating	The Issuer has not sought a rating in respect of the notes.
Bond holders' representation	<p>While awaiting a general meeting of the bond holders, the Board of Directors, meeting on 20th November 2017, has appointed Mr Hamad JOUHRI to act as the interim representative of bond holders of tranches A and B in accordance with the related legal provisions.</p> <p>This decision shall take effect from the start of the subscription period. It is specified that the interim representative appointed is the same for tranches A and B of this issue, which are grouped into a single entity.</p> <p>In addition, BMCE Bank's Board of Directors undertakes to convene a general meeting of bond holders to appoint a permanent representative of bond holders within one year from the start of the subscription period.</p>
Governing law	Moroccan law
Competent jurisdiction	Casablanca Commercial Court

V. Transaction calendar

Subscriptions may be made with the coordinating institution and book-runner. The transaction schedule is as follows:

Order	Stages	Date
1	Visa received from the AMMC	21 st November
2	Summary prospectus published in a journal containing legal notices	23 rd November
3	Bank Al Maghrib interest rate observed on the reference rate curve	24 th November
4	Benchmark rate published in a journal containing legal notices	27 th November
5	Subscription period opens	28 th November
6	Subscription period closes at 4 p.m.	30 th November
7	Allotment of securities (final)	30 th November
8	Nominal interest rate and the results of the transaction published in a journal containing legal notices	5 th December
9	Settlement and delivery	5 th December

VI. Placement agent and financial intermediaries

Type of financial intermediaries	Name	Address
Financial Advisor and Global Coordinator	BMCE Capital Conseil	63, Bd Moulay Youssef, Casablanca
Placement agent	BMCE Bank	140, Avenue Hassan II, Casablanca
Coupon calculation agent	BMCE Bank	140, Avenue Hassan II, Casablanca
Body responsible for the securities financial services and domiciliation	BMCE Bank	140, Avenue Hassan II, Casablanca

II. BMCE BANK OVERVIEW

I. General information

Company name:	Banque Marocaine du Commerce Extérieur/BMCE Bank/BMCE Bank Of Africa
Head office:	140, avenue Hassan II, Casablanca
Telephone:	05 22 49 80 04/03
Fax:	05 22 26 49 65
Website:	www.bmcebank.co.ma
Legal form:	Public limited company with a board of directors
Date of incorporation:	31 st August 1959
Life:	99 years
Trade Register registration number:	27,129 Casablanca
Financial year:	From 1 st January to 31 st December
Purpose: (Article 3 of the Memorandum and Articles of Association)	<p>BMCE Bank's purpose, under Dahir No. 1-14-193 of 1st Rabi I 1436 enacting Act No. 103-12 relating to credit institutions and similar organisations, is to:</p> <ul style="list-style-type: none"> ▪ Conduct any type of banking, foreign exchange, treasury, guarantee, acceptance, discount, rediscount, current account overdraft transactions and any form of short-, medium- and long-term lending; contract any loan and any commitment in any currency; buy, sell or dispose of any movable or immovable property; conduct any type of transit, fee-based or precious metals transaction; ▪ Make any investment, subscription, stock market or other purchase or sale in cash or using futures in any type of security or other financial instrument; ▪ Make, hold or manage investments in any banking, financial, real estate, industrial or commercial undertaking for its own account or on behalf of third parties; ▪ And, generally, conduct any banking, financial, commercial, industrial, movable and immovable transaction that may be directly or indirectly related to its purpose.
Share capital at 30 th September 2017	MAD 1,794,633,900 comprising 179,463,390 shares, each with a par value of 10 dirhams
Legal documents:	The Company's legal documents, including the Memorandum and Articles of Association, the minutes of general meetings and the statutory auditors' reports, may be consulted at BMCE Bank's head office
List of applicable legislation:	<p>By virtue of its legal form, BMCE Bank is governed by Moroccan law and Act No. 17-95 as amended and completed;</p> <p>By virtue of its business activity, BMCE Bank is governed by Dahir No. 1-14-193 of 1st Rabi I 1436 enacting Act No. 103-12 relating to credit institutions and similar organisations (Banking Act);</p> <p>By virtue of its shares being listed on the Casablanca Stock Exchange, BMCE Bank is subject to all legal and regulatory provisions relating to financial markets including:</p>

- Dahir No. 1-93-211 of 21st September 1993 relating to the Stock Exchange, amended and completed by Acts 34-96, 29-00, 52-01, 45-06 and 43-09;
- General Rules of the Stock Exchange approved by Decree No. 1268-1208 of 7th July 2008 of the Minister of the Economy and Finance, amended and completed by Decrees of the Minister of the Economy and Finance No. 1156-10 of 7th April 2010, No. 30-14 of 6th January 2014 and No. 1955-16 of 4th July 2016;
- Dahir enacting Act No. 1-93-212 of 4th Rabi II 1414 (21st September 1993) relating to the Moroccan Capital Markets Authority (CDVM), amended and completed by Acts No. 23-01, 36-05 and 44-06;
- The AMMC's General Rules, approved by Decree No. 2169-16 of the Minister of the Economy and Finance;
- Dahir No. 35-96 relating to the setting up of a Central Securities Depository and the establishment of a general system for registering securities in accounts, amended and completed by Act No. 43-02;
- General Rules of the Central Securities Depository approved by Decree No. 932-98 of the Minister of the Economy and Finance of 18th hijra 1418 (16th April 1998), amended and completed by Decree No. 1961-01, published in the Official Bulletin No. 4966 and Decree No. 77-05 of 17th March 2005;
- Dahir No. 1-04-21 of 21st April 2004, enacting Act No. 26-03 relating to public offerings and amended by Act No. 46-06;
- The AMMC circular, amended and completed.

By virtue of its certificate of deposit issuance programme, BMCE Bank is subject to BAM Circular No. 2/G/96 of 30th January 1996 relating to certificates of deposit and its amendment.

It is also subject to Act No. 35-94 relating to negotiable debt securities.

Tax regime:	BMCE Bank, as a credit institution, is liable to payment of corporation tax (37%) and VAT (10%)
Competent court in the event of litigation:	Casablanca Commercial Court

II. Information relating to the issuer

1. Shareholding structure

BMCE Bank's share capital stands at MAD 1,794,633,900 comprising 179,463,390 shares, each with a par value of 10 dirhams.

At 30th June 2017, BMCE BANK's ownership structure was as follows:

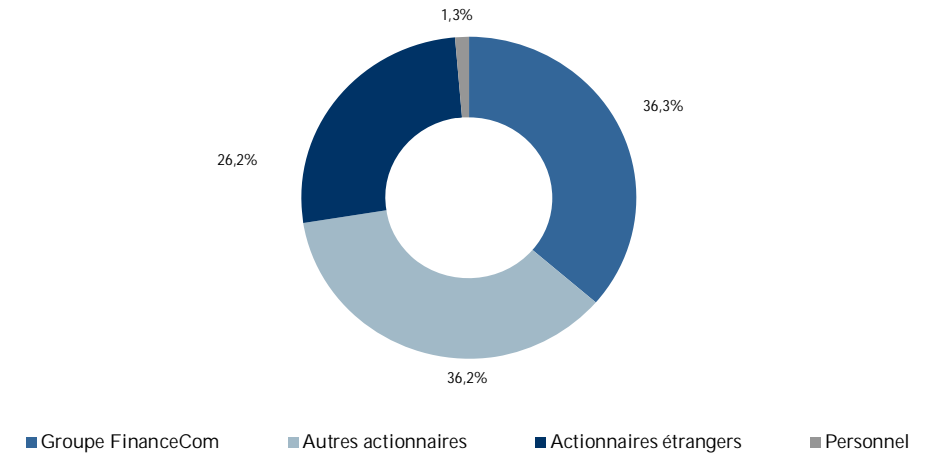
Table 1: Shareholders at 30th June 2017

Shareholder	Number of shares held	% of share capital	% of voting rights
Controlling interest	65 154 539	36.31%	36.31%
<i>RMA*</i>	53 541 983	29.83%	29.83%
<i>Financecom</i>	10 705 351	5.97%	5.97%
<i>SFCM</i>	907 205	0.51%	0.51%
Long-term shareholders	77 241 191	43.04%	43.04%

<i>Banque Fédérative du Crédit Mutuel</i>	47 029 054	26.21%	26.21%
<i>Caisse de Dépôt et de Gestion</i>	17 138 328	9.55%	9.55%
<i>MAMDA/MCMA</i>	5 725 005	3.19%	3.19%
<i>CIMR</i>	7 348 804	4.09%	4.09%
Others	37 067 660	20.65%	20.65%
<i>BMCE employees</i>	2 320 170	1.29%	1.29%
<i>Free-float</i>	34 747 490	19.36%	19.36%
Total	179 463 390	100%	100%

Source: BMCE Bank

(* Excluding RMA's dedicated mutual funds)



Source : BMCE Bank

III. BMCE Bank Administrative Bodies

1. Board of Directors

BMCE Bank is administered by a Board of Directors consisting of eleven members and chaired by Mr Othman BENJELLOUN, Chairman and Chief Executive Officer.

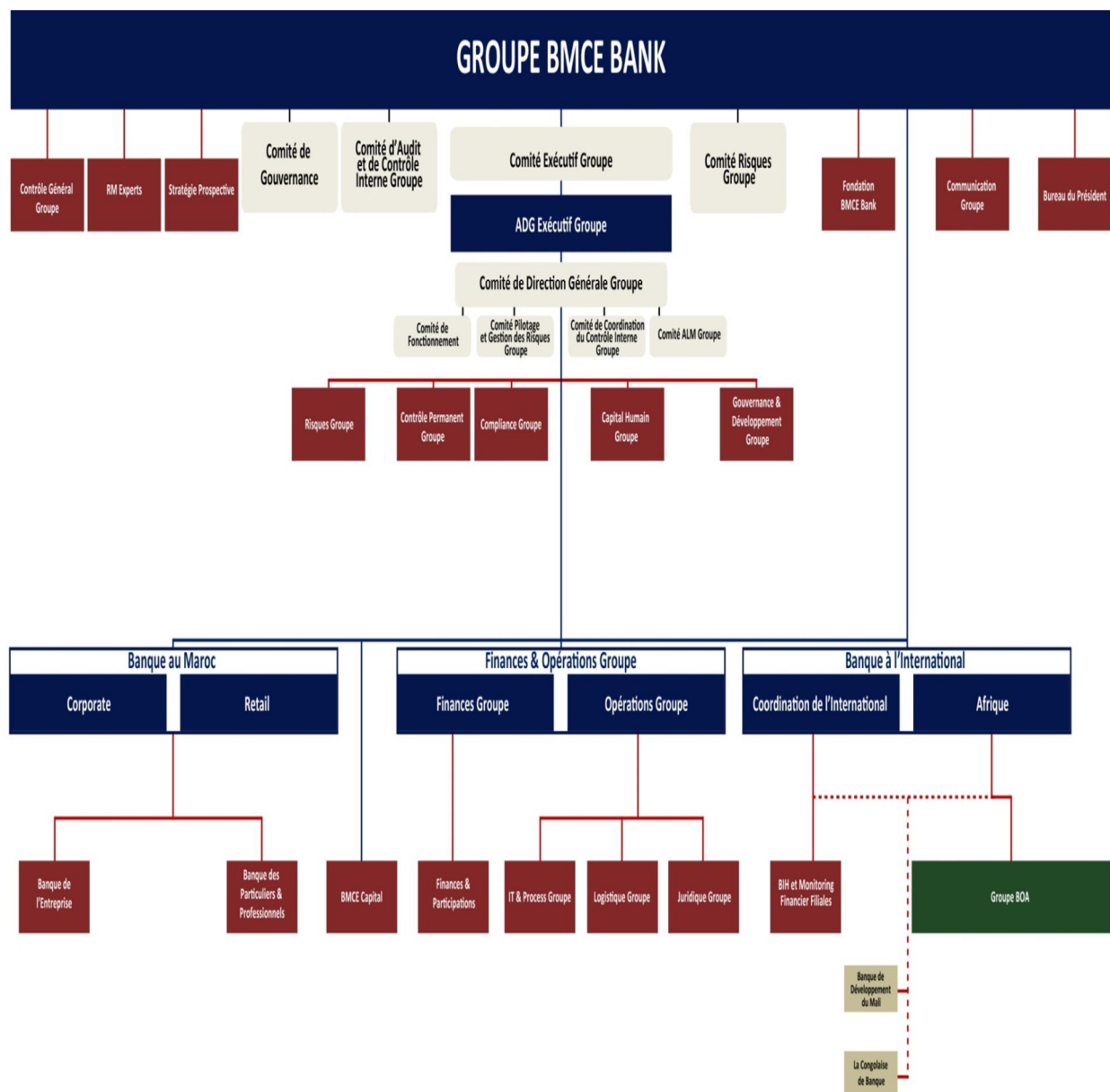
Table 1: Board Members at 31st July 2017

Director	Date first appointed	Term of office expires	Relationship
Mr Othman BENJELLOUN <i>Chairman and Chief Executive Officer</i>	1995	AGM convened to approve the financial statements 2018	No relationship with other Board members
BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL <i>(Crédit Mutuel-CIC Group holding company) represented by Mr Michel LUCAS</i>	2005	AGM convened to approve the financial statements 2019	<i>Idem</i>
CAISSE DE DEPOT ET DE GESTION <i>represented by Mr Abdellatif ZAGHNOUN</i>	2010	AGM convened to approve the financial statements 2021	<i>Idem</i>
RMA <i>represented by Mr Zouheir BENSAID</i>	1995	AGM convened to approve the financial statements 2018	<i>Idem</i>
FINANCECOM <i>represented by Mr Hicham EI AMRANI</i>	2001	AGM convened to approve the financial statements 2020	<i>Idem</i>

Mr Azeddine GUESSOUS <i>Intuitu personae</i>	2017	AGM convened to approve the financial statements 2022	<i>Idem</i>
Mr François HENROT <i>Independent Director</i>	2016	AGM convened to approve the financial statements 2021	<i>Idem</i>
M. Brian C. Mck. HENDERSON <i>Independent Director</i>	2016	AGM convened to approve the financial statements 2021	<i>Idem</i>
Mr Philippe DE FONTAINE VIVE <i>Independent Director</i>	2016	AGM convened to approve the financial statements 2021	<i>Idem</i>
Mr Christian de BOISSIEU <i>Independent Director</i>	2016	AGM convened to approve the financial statements 2021	<i>Idem</i>
Mrs Hadeel IBRAHIM <i>Independent Director</i>	2017	AGM convened to approve the financial statements 2022	<i>Idem</i>
Mr Brahim BENJELLOUN TOUIMI Group Chief Executive Officer	2004	AGM convened to approve the financial statements 2021	<i>Idem</i>

Source: BMCE Bank

2. BMCE BANK'S organisational structure (September 2017)



IV. BMCE BANK's business activity

1. Loan growth

For the period under review, the following table shows loan growth by customer type:

Loans by customer type for the period 2014-H1 2017

MAD M	2014	2015	Change	2016	Change	S1 2017	Change
Loans to credit institutions and similar organisations	19 190	24 495	27.6%	24 563	0.3%	22 282	-9.2%
Customer loans	99 394	113 329	14.0%	116 660	2.9%	128 581	9.4%
Operating loans	27 462	29 833	8.6%	31 744	6.4%	36 418	14.7%
Consumer loans	8 396	9 329	11.1%	9 743	4.4%	9 809	0.7%
Equipment loans	15 643	15 886	1.6%	18 910	19%	21 881	15.7%
Property loans	34 852	36 320	4.2%	37 666	3.7%	40 391	7.2%
Other loans ¹	10 547	18 885	79.1%	15 154	-19.8%	16 234	7.1%
Accounts receivable acquired through factoring	-	-		669	NS	964	44.1%
Accrued interest receivable	757	717	-5.3%	654	-8.8%	751	14.8%
Non-performing loans	1 737	2 358	35.8%	2 120	-10.1%	2 134	0.7%
Total loans	118 584	137 824	16.2%	141 223	2.5%	150 863	6.8%

Source: BMCE Bank (parent company)²

At 30th June 2017, outstanding loans rose by 6.8% to MAD 150,863 million. This was primarily due to: (i) a 14.7% increase in operating loans to MAD 36,418 million (ii) 7.2% growth in property loans to MAD 40,391 million (iii) a 15.7% rise in equipment loans to MAD 21,881 million and (iii) a 7.1% increase in other loans to MAD 16,234 million.

2. Deposit growth

The following table shows customer deposit growth by product type for the period 2014-H1 2017:

Customer deposits by product type

MAD M	2014	2015	Change	2016	Change	S1 2017	Change
Sight deposits in credit	56 389	61 704	9.4%	67 872	10.0%	69 913	3%
Savings accounts	19 485	20 735	6.4%	22 063	6.4%	23 557	6.8%
Term deposits	25 249	29 138	15.4%	30 656	5.2%	30 584	-0.2%
Other accounts in credit	8 448	9 025	6.8%	9 957	10.3%	11 154	12%
Accrued interest payable	532	604	13.5%	576	-4.6%	507	-12%
Total customer deposits	110 102	121 206	10.1%	131 124	8.2%	135 716	3.5%

Source: BMCE Bank (parent company)³

At 30th June 2017, customer deposits rose by 3.5% to MAD 135,716 million, primarily due to a 6.8% increase in savings accounts to MAD 23,557 million together with a 12% rise in other accounts in credit to MAD 11,154 million.

¹ Other loans include reverse repurchase agreements

² Includes BMCE S.A., BMCE Tangier Offshore and BMCE Paris

³ Includes BMCE S.A., BMCE Tangier Offshore and BMCE Paris

V. Financials statements

1. Group consolidated balance sheet over the period 2014- June 2017

ASSETS - KMAD	2014	2015	2016	June 2017
Cash and amounts due from central banks and post office banks	9 966 747	10 403 090	12 155 637	9 902 233
Financial assets at fair value through profit or loss	28 609 790	25 760 228	38 890 923	42 719 202
Derivatives used for hedging purposes 268 2 938	-	7 207	2 938	268
Available-for-sale financial assets	4 891 427	6 846 572	8 317 725	7 931 858
Loans and receivables due from credit institutions	16 072 610	20 971 036	21 221 229	20 217 704
Loans and receivables due from customers	155 152 943	173 279 696	179 774 222	191 729 081
Remeasurement adjustment on interest rate risk hedged assets	-	-	-	-
Held-to-maturity financial assets	18 153 337	24 559 458	25 136 170	24 664 473
Current tax assets	199 008	63 550	414 191	485 211
Deferred tax assets	445 733	473 814	521 548	600 756
Accrued income and other assets	4 978 851	5 364 187	6 440 776	8 239 665
Non-current assets held for sale	-	-	-	-
Investment associates	513 766	585 787	631 268	601 336
Investment property	835 047	3 035 131	3 746 146	3 715 192
Property, plant and equipment	5 847 075	6 516 029	6 988 825	7 222 027
Intangible assets	744 273	703 525	828 970	842 278
Goodwill	832 470	852 310	852 310	852 310
TOTAL ASSETS	247 243 077	279 421 620	305 922 878	319 723 594

LIABILITIES & SHAREHOLDERS EQUITY - KMAD	2014	2015	2016	June 2017
Due to Central Banks and Post Office Banks	-	-	-	-
Financial liabilities at fair value through profit or loss	2 745 648	2 046 594	2 098 276	1 979 790
Derivatives used for hedging purposes	2 018	-	-	-
Due to credit institutions	33 142 978	51 176 027	49 708 268	50 199 326
Due to customers	161 268 876	178 255 021	190 050 335	195 473 052
Debt securities	13 170 353	8 967 697	13 186 303	17 678 064
Remeasurement adjustment on interest rate risk hedged portfolios	-	-	-	-
Current tax liabilities	55 341	131 027	641 287	461 464
Deferred tax liabilities	1 099 810	1 130 452	1 198 242	1 251 230
Accrued expenses and other liabilities	7 636 569	6 315 040	14 278 900	17 166 176

Liabilities related to non-current assets held for sale	-	-	-	-
Technical reserves for insurance companies	-	-	-	-
Provisions for contingencies and charges	523 011	650 913	685 204	741 603
Subsidies, assigned public funds and special guarantee funds	-	-	-	-
Subordinated debt	6 795 304	8 639 297	10 493 376	11 045 818
Capital and related reserves	12 488 381	12 899 418	13 299 090	13 739 965
Consolidated reserves			-	-
- Attributable to parent	1 481 861	2 101 501	2 934 250	3 399 823
- Non-controlling interests	4 000 114	4 381 320	4 520 991	4 784 809
Unrealized or deferred gains and losses, Attributable to parent	149 436	65 587	-9 794	- 6 600
Unrealized or deferred gains and losses, Non-controlling interests	-8 802	6 996	3 323	2 826
Net income		-	-	-
- Attributable to parent	1 943 864	1 955 535	2 036 186	1 288 400
- Non-controlling interests	748 315	699 195	798 641	517 848
Consolidated shareholders' equity	20 803 169	22 109 552	23 582 687	23 727 071
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	247 243 077	279 421 620	305 922 878	319 723 594

2. Evolution of the income statement for the period 2014- June 2017

K MAD	2014	2015	June 2016	2016	June 2017
<i>Interests and similar income</i>	12 701 901	13 502 956	6 892 538	14 505 242	7 338 369
Interests and similar expense	-4 959 094	-4 962 142	-2 513 457	-5 259 644	-2 592 649
NET INTEREST INCOME	7 742 807	8 540 814	4 379 081	9 245 598	4 745 720
Fees received and commission income	2 247 263	2 290 577	1 193 154	2 572 675	1 280 430
Fees paid and commission expense	-333 395	-339 423	-156 972	-455 730	-187 373
NET FEE INCOME	1 913 868	1 951 154	1 036 182	2 116 945	1 093 057
Net gains or losses on financial instruments at fair value through profit or loss	1 093 341	441 412	804 534	982 990,0	307 655
<i>Net gains or losses on available-for-sale financial assets</i>	100 886	211 536	212 078	229 923,0	192 291
INCOME FROM MARKET TRANSACTIONS	1 194 227	652 948	1 016 612	1 212 913	499 946
Other banking revenues	1 022 668	1 044 522	479 384	884 515	552 387
Other banking expenses	-376 343	-372 633	-206 064	-469 956	-200 584
NET BANKING INCOME	11 497 227	11 816 805	6 705 195	12 990 015	6 690 526
General Operating Expenses	-5 827 763	-6 261 222	-3 209 216	-6 678 453	-3 346 973
Allowances for depreciation and amortization PE and intangible assets	-666 100	-672 006	-351 662	-696 947	-373 859
GROSS OPERATING INCOME	5 003 364	4 883 577	3 144 317	5 614 615	2 969 694
Cost of Risk	-1 778 322	-1 439 956	-1 054 598	-1 616 531	-633 456
OPERATING INCOME	3 225 042	3 443 621	2 089 719	3 998 084	2 336 238
Share in net income of companies accounted for by equity method	81 621	97 733	59 260	103 652	43 647
Net gains or losses on other assets	17 306	74 609	10 161	-111 741	31 985
<i>Changes in goodwill</i>	-	-	-	-31 514	-
PRE-TAX EARNINGS	3 323 969	3 615 963	2 159 138	3 958 481	2 411 870
<i>Income tax</i>	-631 790	-961 233	-562 282	-1 123 654	-605 622
NET INCOME	2 692 179	2 654 730	1 596 856	2 834 827	1 806 248
<i>Non-controlling interests</i>	748 315	699 195	346 396	798 641	517 848
NET INCOME ATTRIBUTABLE TO THE PARENT	1 943 864	1 955 535	1 250 459	2 036 186	1 288 400

VI. Risks relating to the Bank and its industry

1. Managing counterparty risk

Loans distributed by the Bank (consolidated basis) to customers and to credit institutions totalled MAD 201 billion in 2016 versus MAD 194.2 billion the previous year.

BMCE Bank is determined to further develop its coverage of SMEs and PMIs. This segment offers attractive margins and potential opportunities not only in terms of bank lending but also in advisory services in financing and restructuring.

Since 2015, the entire banking industry has seen some deterioration in portfolio quality. The impact on our subsidiaries has been more moderate, the exception being Ghana, Kenya and BHB, resulting in improved risk management.

Non-performing loans have risen more rapidly than loans, due in particular to the introduction of the Group's Convergence policy and a stricter regulatory environment. The Group's non-performing loan ratio was 7.8% in 2016 versus 7.04% in 2015.

In the face of rising non-performing loans, loan-loss provisioning has increased significantly. As a result, the Group's loan-loss coverage ratio was a satisfactory 62% in 2016 versus 59% in 2015.

The reason why the Group's non-performing loan ratios are below the industry average is due to BOA Group subsidiaries' loan portfolios having a high exposure to corporate customers, providing solid guarantees.

The Bank has made a considerable effort to clean up its customer loan portfolio and continues to do so as part of its risk management policy in compliance with Bank Al Maghrib's prudential rules as well as adopting healthy risk management practices.

The Bank's resulting risk management policy is underpinned by various governing bodies as well as on ongoing proactive management approach.

The following bodies are involved in managing and monitoring the risks of the Bank and the Group:

- The Group Audit and Internal Control Committee (Group CACI).
- The Group General Management Committee (Group CDD), which is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.
- The Credit Committees, which approve all commitments.
- The Committee for supervising accounts showing anomalies and downgrading.
- The Group Risk Committee, which assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of both the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.
- The Group Risk Steering and Management Committee and the BMCE Bank Risk Management and Steering Committee, which are sub-committees of BMCE Bank Group's General Management Committee. They ensure that risk steering policy is effective and consistent with risk management policy relating to credit, market and operational risks.

The Bank's credit division operates in accordance with the general credit policy approved by the Group's senior management. The Group's requirements in terms of ethics, reporting lines, compliance with procedures and discipline in risk analysis are guiding principles. This general policy is further separated into specific policies and procedures depending on the character of specific operations or counterparties, based on an internal ratings system, a system of delegation of authority and a system for managing limits so as to reduce concentration risk.

The system of delegation of authority is one in which credit approval decisions are delegated to different levels of authority as a function of the customer segment, the cumulative amount of credit offered to the customer and the type of exposure (public enterprises, semi-public enterprises, exposure to banks, etc.).

The Bank's ratings system is a two-dimensional system, combining a credit rating which enables the Bank to assess the risk inherent in the transaction and a financial rating which is based on the borrower's financial standing. In addition to these quantitative factors, other qualitative factors are taken into consideration when attributing a rating e.g. growth potential, business sector, parent company's rating, country risk as well as payment incidents.

In accordance with the Basel regulations, Bank Al-Maghrib has set a minimum number of classes that a ratings model should contain:

- 7 classes for healthy counterparties
- 1 class for defaulting counterparties

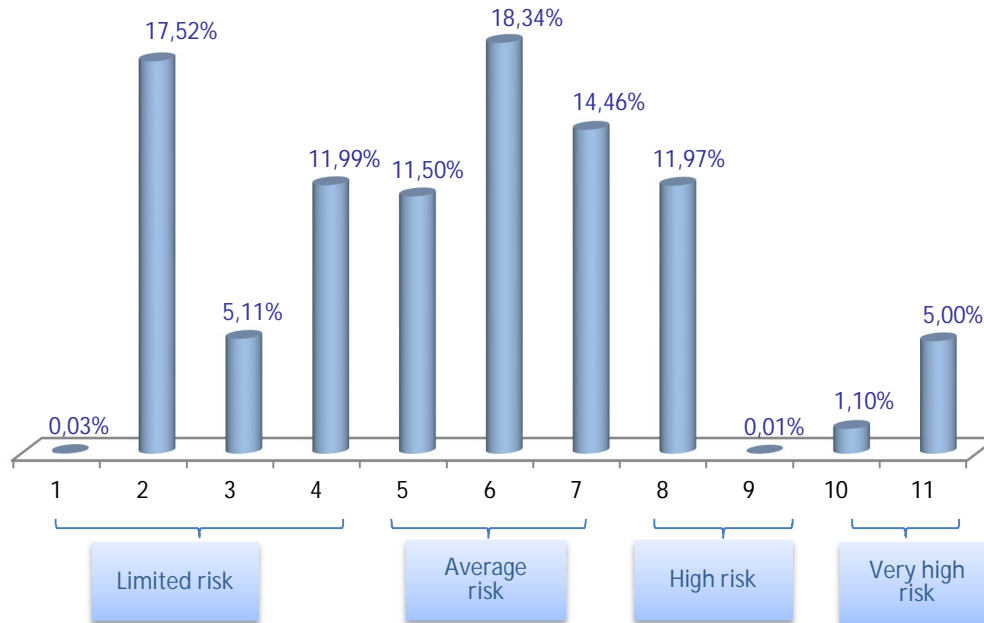
BMCE Bank of Africa Group has adopted an 11-level ratings scale to attribute a final counterparty rating:

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

“Healthy” ratings	1	Increasing probability of default (PD)
	2	
	3	
	4	
	5	
	6	
	7	
	8	
“In default” ratings	9	Pre-doubtful
	10	Doubtful
	11	Irrecoverable

Source: BMCE Bank

The following chart shows the breakdown of commitments by risk category at 30 June 2017:



2. Interest rate and liquidity risk

1) ALM decision-making process

The Group ALM Committee is responsible for managing interest rate and liquidity risk. It regularly receives reports regarding compliance with established limits and lines of conduct.

The Audit and Internal Control Committee examines the management framework and the main policies regarding liquidity risk and submits them to the Board of Directors for approval.

The Board of Directors approves the management framework and is notified of BMCE Bank's interest rate and liquidity position.

Within the Finance Division, the ALM department oversees policies, strategies and the emergency plan regarding interest rate and liquidity risk. It recommends and monitors the limits within this framework.

2) Overall liquidity risk

The short-term Liquidity Coverage Ratio (LCR) on a consolidated basis was 135% at 31 December 2016, above BAM's 70% regulatory limit.

At 31 December 2016, the 12-month liquidity gap showed surplus liquidity of MAD 12.7 billion versus a MAD 10.4 billion surplus at 31 December 2015.

The Liquidity Coverage Ratio (LCR) on a consolidated basis was 158% at 30 June 2017, above BAM's 80% regulatory limit for 2017.

3) Overall interest rate risk

The results of stress tests carried out at 31 December 2016 relating to 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 was estimated to be MAD 101 million or 1.7% of estimated 2016 net banking income, below ALCO's 5% limit.

The change in the economic value of shareholders' equity in the event of a 200-basis point shock was estimated to be MAD 1,135 million or 6.7% of regulatory capital, which was also below ALCO's 20% limit.

The 12-month interest rate gap (assets over liabilities at variable rate) showed a surplus of MAD 3.1 million in 2016 versus MAD 3.2 million at 31 December 2015.

Stress tests are routinely carried out to assess the impact from changes in interest rates on net interest income and the economic value of shareholders' equity.

At 30 June 2017, the impact from a 200-basis point change in interest rates was estimated to be MAD 58 million or 1.0% of estimated 2017 net banking income, below ALCO's 5% limit.

The change in the economic value of shareholders' equity in the event of a 200-basis point shock was estimated to be MAD 1,305 million or 7.2% of regulatory capital, which was also below ALCO's 20% limit.

3. Interest rate and liquidity risk (Market risk)

1. Liquidity risk analysis

Monetary liabilities stood at MAD 23,848 million with a duration equivalent to 2.13 days, while liquid assets totalled MAD 36,370 million.

It is also worth pointing out that Treasury bonds accounted for 97.46% of the Bank's fixed income assets implying almost full liquidity. This asset category amounted to MAD 7,559 million.

2. Interest rate risk analysis

The assets primarily comprise Treasury bonds, negotiable debt securities and other bonds.

These assets are mainly financed by short-term liabilities with a duration of 2.13 days.

At 30 June 2017, the fixed income portfolio yielded 2.81% on average and had an average duration of 4.28 years and an average sensitivity of 4.14 years. Its market value was MAD 7,998 million.

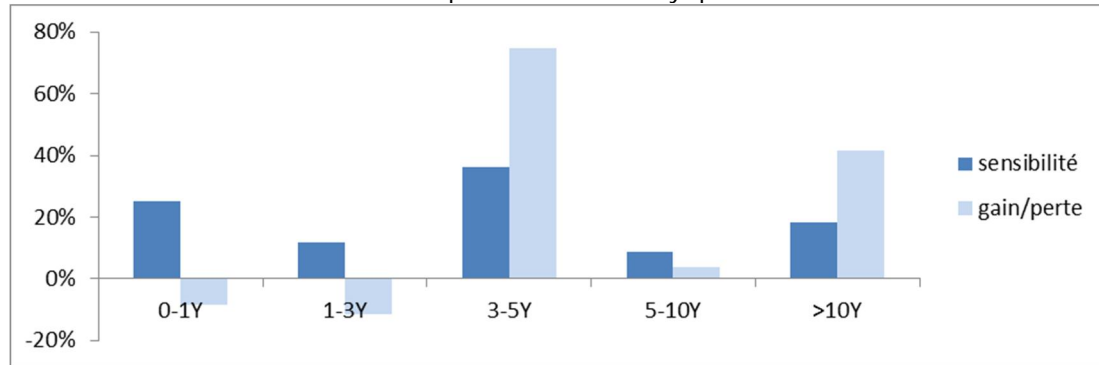
A parallel 100 bps move in interest rates would result in an average loss of MAD 318 million.

A parallel 200 bps move in interest rates would result in an average loss of MAD 623 million.

The following sensitivity spectrum shows the breakdown of overall sensitivity by different categories of paper and therefore the choice of interest rate projections on different maturities.

The following graph shows that the fixed income portfolio primarily comprises short- and medium-term paper.

BMCE Bank's fixed income portfolio's sensitivity spectrum at 30 June 2017



Source: BMCE Bank

1) Foreign exchange risk

Foreign exchange risk by currency

Currency	Foreign currency value *	Equivalent MAD value (K)	% Shareholders' equity
EUR	- 2 510	- 27 552	0.17%
LYD	4	31	0.00%
SEK	2 000	2 280	0.01%
CHF	- 1 026	- 10 304	0.06%
TND	74 987	300 825	1.82%
CAD	- 34	- 252	0.00%
DZD	3 918	343	0.00%
KWD	322	10 214	0.06%
SAR	1 864	4 784	0.03%
AED	69 680	182 579	1.11%
JPY	- 7 381	- 632	0.00%
DKK	2 648	3 910	0.02%
NOK	2 072	2 379	0.01%
USD	- 37 801	- 363 809	2.21%
GBP	67	837	0.01%

Source: BMCE Bank

(*) Assets-liabilities in the same currency +/- net forward commitments +/- options delta - Data at 30-06-2017

The net balance of positions was as follows:

- For long positions: MAD 508,182 thousand or 3.08% of net shareholders' equity
- For short positions: MAD 402,550 thousand or 2.44% of net shareholders' equity

The following table shows that BMCE Bank of Africa remains within the prudential limits established by Bank Al-Maghrib which are set at 10% of shareholders' equity per foreign currency and 20% for all foreign currencies.

4. Regulatory risk

Local subsidiaries as well as the Economic Intelligence Centre are constantly monitoring regulatory developments in those countries in which the Group has operations. The results are regularly shared with the Risk function as part of a process of developing a strong risk culture within the Group so as to estimate the potential impact on subsidiaries' loan portfolios and on the Group as a whole. These factors are taken into consideration when setting exposure limits on a parent and consolidated basis.

Table 1: Capital adequacy ratio at 30 June 2017 (Basel III) on a consolidated basis

	Risk-weighted assets (MAD K)
Weighted credit risk	199 215 767
Weighted market risk	9 746 481
Weighted operational risk	22 284 518
Total risk-weighted assets	231 246 766

Table 2: Minimum capital adequacy ratio

	Total (K MAD)
Tier 1 capital	21 390 230
Eligible capital	28 265 362
Total risk-weighted assets	231 246 766
Minimum capital adequacy ratio	12.2%

Source: BMCE Bank

The Bank's capital adequacy ratio, which reflects its ability to meet all its obligations from its shareholders' equity, remains above the regulatory minimum of 12%.

This ratio was 12.2% on a consolidated basis at 30 June 2017.

The following table shows BMCE Bank Group's projected capital adequacy ratio until December 2018:

Table 3: Projected minimum capital adequacy ratio

Parent	June-17	Dec-17	June-18	Dec-18
Tier I capital ratio	9.0%	9.1%	9.5%	9.4%
Capital adequacy ratio	13.1%	13.2%	13.6%	13.7%
Consolidated	June-17	Dec-17	June-18	Dec-18
Tier I capital ratio	9.2%	9.4%	9.7%	9.7%
Capital adequacy ratio	12.2%	12.3%	12.5%	12.5%

Source: BMCE Bank

BMCE Bank's projected capital ratios on a parent and consolidated basis remain above the current regulatory minimum requirements of 9.0% for the Common Equity Tier 1 ratio (CET1) and 12% for the capital adequacy ratio thanks to the Group's internal capital management policy.

5. Portfolio investment risk

At 31 December 2016, impairment provisions, on a parent company basis and including shareholders' current accounts, totalled MAD 480 million versus MAD 703 million at 31 December 2015, down 32%. These provisions

mainly relate to companies in liquidation such as ESFG (MAD 159 million), ESI (MAD 135 million), Hanouty (MAD 122 million) and EMAT (MAD 30 million).

Additional provisions for the period amounted to almost MAD 7 million while write-backs totalled MAD 228 million i.e. a net write-back of MAD 222 million.

At 30 June 2017, impairment provisions, on a parent company basis and including shareholders' current accounts, were unchanged on 31 December 2016 at MAD 480 million. As a result, the cost of risk was zero.

6. Operational risk:

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

The Bank's operational risk management policy has three aims:

- Identify and appraise operational risks;
- Appraise the control environment;
- Implement and monitor preventive and/or corrective action to counter the major risks identified.

Operational risks or losses may be analysed and categorised on the basis of qualitative and quantitative criteria: cause, effect (financial impact or otherwise), rating, qualification and level of control

7. Country risk:

By country risk is meant the possibility that a sovereign counterparty of a given country may be unable or unwilling to fulfil its obligations to a foreign country due to socio-political, economic or financial reasons.

Country risk may also result from restrictions to the free movement of capital or other political or economic factors and is therefore referred to as transfer risk. It may also arise from other risks in connection with the occurrence of events impacting the value of the commitments to the country in question (natural disasters, external shocks).

Despite slower growth in many countries, inflation is on the rise. There are many reasons for this such as highly volatile food prices, the withdrawal of subsidies in rentier states as well as sharp currency devaluations which have a major impact on the price of imported goods.

The response of governments to high inflation may vary from introducing exchange controls (Angola, Nigeria, Zambia) or raising key interest rates.

Stress tests are carried out every six months to assess the impact from such circumstances on the Group's capital adequacy and non-performing loan profile. These stress tests cover countries to which the Group has significant exposure as well as to those which are politically unstable.

Disclaimer

The above information represents only part of the prospectus approved by the Moroccan Capital Markets Authority (AMMC) with reference number VI/EM/033/2017 on November, 21 2017. The AMMC recommends that interested parties read the full prospectus which is available to the public in accordance with the terms stipulated in this summary document.