

PROSPECTUS SUMMARY



BANQUE MAROCAINE DU COMMERCE EXTÉRIEUR

ISSUE OF UNLISTED SUBORDINATED BOND LOAN

TOTAL AMOUNT OF THE ISSUE : MAD 2,000,000,000
MATURITY : 10 YEARS

	Tranche A (unlisted)	Tranche B (unlisted)
CAP	MAD 2 Billion	MAD 2 Billion
NUMBER OF SECURITIES	20,000	20,000
NOMINAL VALUE	MAD 100,000	MAD 100,000
TRADABILITY OF SECURITIES	Over the counter	
RATE	Fixed, determined by reference to the secondary curve of the 10-year T-bond as determined on June 8, 2015 by the Central Bank increased by a risk premium	Revisable on an annual basis, determined on the basis of the last rate of the 52-week BTN and calculated by linear interpolation on the curve of the secondary market rates as published by Bank Al Maghrib, 5 working days prior to each anniversary date. For the first year, the rate will be the one published by Bank Al Maghrib on June 8 th , 2015 increased by a risk premium.
RISK PREMIUM	Between 100 and 110 basis points	
REPAYMENT OF THE PRINCIPAL AMOUNT	<i>Infine</i>	
MATURITY	10 years	
ALLOCATION METHOD	The French auction method	

SUBSCRIPTION PERIOD: FROM 10 JUNE TO 12 JUNE INCLUDED

SUBSCRIPTION RESERVED TO QUALIFIED INVESTISORS AS FOR MOROCCAN LAW AS DESCRIBED IN THE PROSPECTUS

ADVISING ENTITY



CENTRALIZING ENTITY ALSO IN CHARGE OF THE PLACEMENT



Sign-off of the Moroccan financial markets authority ("Conseil Déontologique des Valeurs Mobilières, CDVM")

In accordance with the provisions of the circular of the CDVM, delivered in application of Section 14 of the Decree n° 1-93-212 of September 21st, 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, the original copy of the present prospectus has been approved by the CDVM on June 3th, 2015 under the reference VI/EM/011/2015.

Warning: The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on June 3th, 2015 a prospectus related to the bond issue by BMCE Bank. The prospectus approved by the CDVM is available at any time at the headquarters of BMCE Bank and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities.

I- PRESENTATION OF THE OPERATION

1. Characteristics of the operation :

Warning :

The subordinated bond distinguishes itself from the classical bond by the rank of claims contractually defined by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the loan to the repayment of the secured or unsecured creditors.

Characteristics of tranche A (Fixed-rates bonds not listed at the Casablanca Stock Exchange)

➤ Nature :	Bonds not listed at the Casablanca Stock Exchange, dematerialized through registration with the Central depository (Maroclear) and registered on an account with the chartered affiliates.
➤ Legal form :	Subordinated debts to the bearer.
➤ Cap for the tranche :	MAD 2,000,000,000
➤ Maximum number of securities to be issued :	20,000 subordinated bonds.
➤ Nominal value :	MAD 100,000
➤ Term :	10 years
➤ Subscription period :	From June 10, 2015 to June 12, 2015 included.
➤ Dated date :	June 16, 2015
➤ Maturity date	June 16, 2025
➤ Issue price :	100%, i.e. MAD 100,000 at the date of subscription.
➤ Allocation method	The French auction method
➤ Nominal interest rate :	Fixed rate. The nominal interest rate is determined by reference to the secondary curve of the 10-year T-bond as determined on June 8, 2015 by the Central Bank. This rate shall be increased by a risk premium ranging between 100 basis points and 110 basis points. This reference rate will be published in a journal of legal ads on June 9, 2015 The nominal interest rates retained will be published no later than June 15, 2015 by BMCE Bank in a journal of legal ads.
➤ Mode of calculation :	The determination of the reference rate shall be made by the linear interpolation method by using the two points at the beginning and at the end of the 10-year full maturity on an actuarial basis.
➤ Risk premium :	Between 100 basis points and 110 basis points.

<p>➤ Interest :</p>	<p>The interest shall be served annually at the anniversary dates of the dated date of the loan, i.e. June 16 of each year. Their payment shall take place on the very same day or the first business day following June 16 if this day is not a business day.</p> <p>Interest on the subordinated bonds shall cease to accrue from the day when the capital shall be proposed for repayment by BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula: [Nominal x nominal rate].</p>
<p>➤ Repayment of capital</p>	<p>Tranche A, not listed at the Casablanca Stock Exchange, shall be the subject of a repayment of the principal amount at the end of the process.</p> <p>In case of merger, demerger or partial contribution of assets of BMCE Bank taking place during the term of the loan and resulting in the universal transfer of the assets on behalf of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank. The repayment of the capital is, in case of threatened liquidation of BMCE Bank, subordinated to all other debts.</p>
<p>➤ Early repayment</p>	<p>BMCE Bank does not undertake, during the period of the loan, the early redemption of the subordinated debt, subject of this issue.</p> <p>However, the bank reserves the right to proceed with the prior approval of Bank Al-Maghrib, to buy back subordinated on the secondary market, provided that the obligations laws and regulations permit that, these repurchases are consequences for a purchaser wishing to keep its securities until maturity and not affect the normal amortization schedule.</p> <p>Subordinated bonds redeemed, may not be canceled after the agreement of Bank Al-Maghrib.</p>
<p>➤ Trading of securities :</p>	<p>Over-the-counter.</p> <p>No restriction is imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
<p>➤ Previous assimilations :</p>	<p>There is no assimilation of the subordinated bonds that are the subject of tranche A to the subordinated bonds subsequently issued by BMCE Bank.</p>
<p>➤ Subsequent assimilations :</p>	<p>In the event where BMCE Bank would issue at a later stage new securities enjoying in all regards rights identical to those of this issue, it may, without requiring the bearers'</p>

	<p>consent, provided that the issue contracts provide for it, conduct the assimilation of all the securities of the successive issues, thus unifying all the operations relating to their management and to their trading.</p>
<p>➤ Rank of the loan :</p>	<p>The capital and interests rates are the subject of a subordination clause.</p> <p>The application of this clause does not violate by no means whatsoever, under the legal rules concerning the accounting principles of allocation of losses, the obligations of the shareholders and the rights of the subscribers to obtain, in accordance with the conditions set in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of BMCE Bank, the subordinated securities of this issue shall be reimbursed in capital and interest only after settlement of all senior debt holders. These subordinated securities shall take place in the repayment in the same rank as all the other subordinated loans that have been and that could have been issued subsequently by BMCE Bank both in Morocco and in the international scene, proportionally to their amount if applicable.</p>
<p>➤ Maintenance of the loan at its rank :</p>	<p>BMCE Bank undertakes, until the effective repayment of all the securities of this loan to not institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<p>➤ Guarantee of repayment :</p>	<p>This issue is the subject of no particular guarantee of any nature whatever.</p>
<p>➤ Rating :</p>	<p>This issue has not been the subject of any request for rating.</p>
<p>➤ Representation of the mass of bondholders :</p>	<p>The Board of Directors of the issuer held on May 28th, 2015 has designated Mister Hamad JOUAHRI as a temporary manager agent of the holders of subordinated bonds of tranches A, and B, according to the legal provisions on the subject.</p> <p>This decision shall take effect from the beginning of the subscription period. Being specified that the interim trustee appointed is the same for tranches A and B of Issue, which are grouped into a single mass.</p> <p>In addition, the Board of Directors of BMCE BANK undertakes, to convene the general meeting of bondholders to appoint the final representative of the bondholders, within a period of one year from the opening of the subscription.</p>
<p>➤ Governing law :</p>	<p>Moroccan law.</p>
<p>➤ Court of competent jurisdiction :</p>	<p>Casablanca commercial court.</p>

Characteristics of tranche B (Bonds with a revisable rate not listed at the Casablanca Stock Exchange)

➤ Nature :	Bonds not listed at the Casablanca Stock Exchange, dematerialized through registration with the Central depository (Maroclear) and registered on an account with the chartered affiliates.
➤ Legal form :	Subordinated debts to the bearer.
➤ Cap for the tranche :	MAD 2,000,000,000
➤ Maximum number of securities to be issued :	20,000 subordinated bonds.
➤ Nominal value :	MAD 100,000
➤ Term :	10 years
➤ Subscription period :	From June 10, 2015 to June 12, 2015 included.
➤ Dated date :	June 16, 2015
➤ Maturity date:	June 16, 2025
➤ Issue price :	100%, i.e. MAD 100,000 at the date of subscription
➤ Allocation method	The French auction method
➤ Nominal interest rate :	<p>Revisable on an annual basis.</p> <p>For the first year, i.e. from June 16, 2015 to June 16, 2016, the nominal rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed and calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib on June 8, 2015 (excluding risk premium). This reference rate will be published in a journal of legal ads on June 9, 2015.</p> <p>The rate thus obtained shall be increased by a risk premium ranging between 100 and 110 basis points.</p> <p>The nominal interest rate shall be published at the latest on June 15, 2015 by BMCE BANK in a journal of legal ads.</p> <p>For the following years, the nominal rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed and calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib 5 working days prior to each anniversary date. The new rate will be communicated to bondholders in a journal of legal ads by at least 5 working days preceding each anniversary.</p>
➤ Mode of calculation :	<p>At each anniversary date, the reference rate that be adopted shall be determined according to the following terms:</p> <p>The reference rate of the subordinated securities shall be calculated on the basis of the last rate of the monetary 52-week T-bonds observed and calculated by linear interpolation on the rate curve of the secondary market as published by Bank Al-Maghrib, by at least 05 working days preceding each anniversary date.</p> <p>The rate thus obtained shall be increased by a risk</p>

	premium ranging between 100 and 110 basis points.
➤ Risk premium :	Between 100 and 110 basis points.
➤ Interest :	<p>The interest shall be served annually at the anniversary dates of the dated date of the loan, i.e. June 16 of each year. Their payment shall take place on the very same day or the first business day following June 16 if this day is not a business day.</p> <p>Interest on the subordinated bonds shall cease to accrue from the day when the capital shall be proposed for repayment by the BMCE Bank. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula: [Nominal x nominal rate x (exact number of days / 360 days)].</p>
➤ Repayment of the capital	<p>Tranche B, not listed at the Casablanca Stock Exchange, shall be the subject of a repayment of the principal amount at the end of the process.</p> <p>In case of merger, demerger or partial contribution of assets of BMCE Bank taking place during the term of the loan and resulting in the universal transfer of the assets on behalf of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of BMCE Bank. The repayment of the capital is, in case of threatened liquidation of BMCE Bank, subordinated to all other debts.</p>
➤ Early repayment :	<p>BMCE Bank does not undertake, during the period of the loan, the early redemption of the subordinated debt, subject of this issue.</p> <p>However, the bank reserves the right to proceed with the prior approval of Bank Al-Maghrib, to buy back subordinated on the secondary market, provided that the obligations laws and regulations permit that, these repurchases are consequences for a purchaser wishing to keep its securities until maturity and not affect the normal amortization schedule.</p> <p>Subordinated bonds redeemed, may not be canceled after the agreement of Bank Al-Maghrib.</p>
➤ Trading of securities :	<p>Over-the-counter.</p> <p>No restriction is imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
➤ Previous assimilations :	There is no assimilation of the subordinated bonds that are the subject of tranche B to the subordinated

	bonds subsequently issued by BMCE Bank.
➤ Subsequent assimilations :	In the event where BMCE Bank would issue at a later stage new securities enjoying in all regards rights identical to those of this issue, it may, without requiring the bearers' consent, provided that the issue contracts provide for it, conduct the assimilation of all the securities of the successive issues, thus unifying all the operations relating to their management and to their trading.
➤ Rank of the loan :	<p>The capital is the subject of a subordination clause.</p> <p>The application of this clause does not violate by no means whatsoever, under the legal rules concerning the accounting principles of allocation of losses, the obligations of the shareholders and the rights of the subscribers to obtain, in accordance with the conditions set in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of BMCE Bank, the subordinated securities of this issue shall be reimbursed in capital and interest only after settlement of all senior debt holders. These subordinated securities shall take place in the repayment in the same rank as all the other subordinated loans that have been and that could have been issued subsequently by BMCE Bank both in Morocco and in the international scene, proportionally to their amount if applicable.</p>
➤ Maintenance of the loan at its rank :	BMCE Bank undertakes, until the effective repayment of all the securities of this loan to not institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.
➤ Guarantee of repayment :	This issue is the subject of no particular guarantee of any nature whatever.
➤ Rating :	This issue has not been the subject of any request for rating.
➤ Representation of the mass of bondholders :	<p>The Board of Directors of the issuer held on May 28th, 2015 has designated Mister Hamad JOUAHRI as a temporary manager agent of the holders of subordinated bonds of tranches A, and B, according to the legal provisions on the subject.</p> <p>This decision shall take effect from the beginning of the subscription period. Being specified that the interim trustee appointed is the same for tranches A and B of Issue, which are grouped into a single mass.</p> <p>In addition, the Board of Directors of BMCE BANK undertakes, to convene the general meeting of bondholders to appoint the final representative of the bondholders, within a period of one year from the opening of the subscription.</p>
➤ Governing law :	Moroccan law.
➤ Court of competent jurisdiction :	Casablanca commercial court.

2. Goals of the Operation

Through this operation, BMCE Bank aims to achieve the following goals :

- Promoting the strengthening of BMCE Bank's 2nd-tier complementary capital;
- Financing current operations relating to the exercise of BMCE Bank's activity ;
- Financing BMCE Bank's international development ;
- Supporting the development plan in both Morocco, Europe and Africa so as to enable the bank to follow BOA's capital increase plan, and in particular the achievement of a Group net income of \$ 2 billion and nearly a doubling of the ROE.

The funds collected through this issue of subordinated bonds shall be classified among the complementary equity of the Bank, in accordance with Accounting Plan of Credit Institutions.

3. Timetable for the operation

Orders	Stages	Maximum deadline
1	Approval of CDVM (MOROCCAN FINANCIAL AUTHORITY)	03/06/2015
2	Publication of an excerpt of the Prospectus in a journal of legal ads.	05/06/2015
3	Observation of the interest rate published by Bank Al Maghrib	08/06/2015
4	Publication of the reference rate by the issuer in a journal of legal ads.	09/06/2015
5	Opening of the subscription period.	10/06/2015
6	Closing of the subscription period at 4 pm	12/06/2015
7	Bonds' allocation (final)	12/06/2015
8	Publication of the interest rate in a journal of legal ads.	15/06/2015
9	Settlement/Delivery	16/06/2015
10	Publication of the results of the issue in a journal of legal ads.	17/06/2015

I. PRESENTATION OF THE ISSUER

1. General Information

▪ Name :	Banque Marocaine du Commerce Extérieur, BMCE Bank.
▪ Headquarters :	140, Avenue Hassan II, Casablanca.
▪ Phone :	+ 212 5 22 49 80 04 and 15
▪ Fax :	+ 212 5 22 26 49 65
▪ Website :	www.bmcebank.co.ma
▪ Legal form :	Public Limited Company with a Board of Directors.
▪ Date of Incorporation :	August 31, 1959.
▪ Life :	99 years.
▪ Registration number in the Trade Registry :	27129 Casablanca
▪ Fiscal year :	From January 01 to December 31.
▪ Purpose : (Article 3 of the Bylaws)	<p>BMCE Bank aims, within the Royal decree (“Dahir”) of 1er rabii I 1436 promulgating the law 103-12 relating to credit institutions and equivalent.</p> <ul style="list-style-type: none">• At performing all banking, foreign exchange, treasury, backing, acceptance, discounting, rediscounting, current account overdraft operations and any form of credit in the short, medium and long term ; taking out any loan, any commitments in any currency ; buying, selling or disposing of any movable or immovable property ; conducting all transit operations or fee-based or precious metals trading operations ;• At making all investments, subscriptions, stock exchange purchases and sales or otherwise, in cash or forward, of securities and drafts of all kinds ;• At taking, holding and managing equity interest in all banking, financial, real estate, industrial and commercial undertakings for itself or on behalf of third parties ;• and generally at performing all banking, financial, commercial, industrial, movable and unmovable operations that may be directly or indirectly related to its corporate purpose.
▪ Share capital : (December 31, 2015)	MAD 1,794,633,900 consisting of 179,463,390 shares with a nominal value of 10 MADs.
▪ Legal documents :	Legal documents of the company, including the Articles of Incorporation, the minutes of general meetings and the reports of external auditors may be consulted at the headquarters of BMCE Bank.
▪ List of relevant legislation:	<p>Due to its legal form, BMCE Bank is governed by Moroccan law and Law No. 17-95 of August 30, 1996 on public limited Companies as amended and supplemented by Law 20-05 ;</p> <p>Due to its activity, BMCE Bank is governed by Royal Decree (“Dahir”) n° 1-14-193 on 1er rabii I 1436 promulgating the law n° 103-12 relating to credit institutions and equivalent</p> <p>Due to the listing of its shares on the Casablanca Stock Exchange, BMCE Bank is subject to all applicable laws and regulations relating to financial markets and in particular :</p> <ul style="list-style-type: none">• The Royal decree (“Dahir”) No. 1-93-211 of September 21, 1993 on the Stock Exchange as amended and supplemented by laws 34-96, 29-00, 52-01 and 45-06 ;• The General Rules of the Stock Exchange approved by the Ordinance of the Minister of Economy and Finance No. 499-98 of July 27, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1960-01 of October 30, 2001. This latter was modified by the amendment of June 2004 that came into force in November 2004 and by Ordinance No. 1268-1208

dated July 07, 2008;

- Royal decree (“Dahir”) No. 1-93-212 of 4 Rabi II 1414 (September 21, 1993) relating to the Moroccan Financial Markets Authority (CDVM) and to the information required from listed entities as amended and supplemented by Laws No. 23-01, 36-05 and 44-06;
- The General Rules of CDVM as approved by the Ordinance of the Minister of Economy and Finance No. 822 08 of April 14, 2008 ;
- The Royal decree (“Dahir”) No. 1-95-3 of Sha'ban 24, 1415 (January 26, 1995) enacting Law No. 35-94 and the Ordinance of the Ministry of Finance and External Investments No. 2560-95 of October 9, 1995 on negotiable debt instruments ;
- The Royal decree (“Dahir”) No. 35-96 relating to the creation of the Central Depository and the establishment of a general system of registration in accounts of some securities, amended and supplemented by Law No. 43-02 ;
- The General rules of the Central Depository approved by the Ordinance of the Minister of Economy and Finance No. 932-98 dated April 16, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30, 2001 ;
- The Royal decree (“Dahir”) No. 1-04-21 of April 21, 2004 enacting Law No. 26-03 relating to public offerings on the stock market and amended by Law 46-06.
- The circular of CDVM effective in October 2014;
- BAM Circular No. 2 / G / 96 of 30/01/1996 on certificates of deposit and its amending;
- The company is also subject to the Law on TCN 35-94.

▪ Taxation status :	BMCE Bank is subject, as a credit institution, to the corporate tax (37%) and to VAT (10%).
▪ Competent court in case of dispute :	Casablanca Commercial Court.

2. Shareholding structure

BMCE Bank capital totaled MAD 1,794,633,900 consisting of 179,463,390 shares with a nominal value of MAD 10.

As of 31 March 2015, BMCE Bank shareholding structure is as follows:

Shareholders	Number of shares	% of capital	% of voting
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			rights
Controlling stake	65 426 643	36,48%	36,48%
<i>RMA Watanya*</i>	53 814 091	30%	30%
<i>Financecom</i>	10 705 347	5,97%	5,97%
<i>SFCM</i>	907 205	0,51%	0,51%
Stable shareholdings	83 419 371	46,48%	46,48%
<i>Banque Fédérative du Crédit Mutuel</i>	47 029 054	26,21%	26,21%
<i>Caisse de Dépôt et de Gestion</i>	15 186 872	8,46%	8,46%
<i>MAMDA/MCMA</i>	9 220 533	5,14%	5,14%
<i>CIMR</i>	7 348 804	4,09%	4,09%
<i>NOVO BANCO (Ex BES VIDA)</i>	4 634 108	2,58%	2,58%
Other	30 617 376	17,06%	17,06%
<i>BMCE Employees</i>	2 663 179	1,48%	1,48%
<i>Free float</i>	27 954 197	15,58%	15,58%
TOTAL	179 463 390	100,00%	100,00%

(*) Excluding OPCVM dedicated to RMA Watanya

Source : BMCE Bank

3. Board of Directors

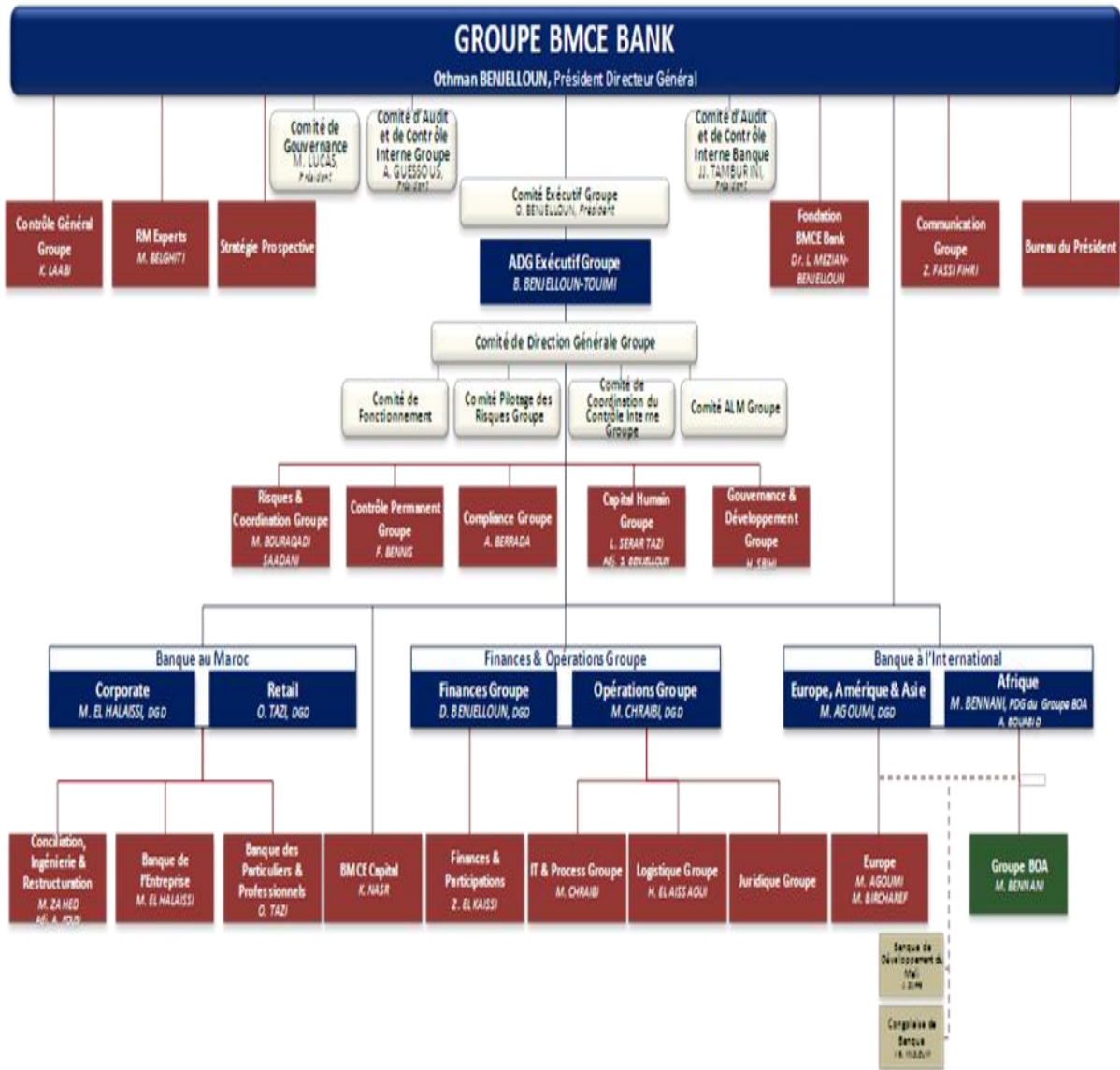
BMCE Bank is administered by a Board of Directors composed of eleven members and chaired by Mr. Othman Benjelloun, Chairman and CEO.

Directors	Appointment Date	Term Expires	Relationship
M. Othman BENJELLOUN <i>Chairman and CEO</i>	1995	General Meeting called to approve the 2018 accounts	No Relationship with other members
BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL (Holding of Crédit Mutuel / CIC Group) <i>represented by Mr. Michel LUCAS</i>	2005	General Meeting called to approve the 2019 accounts	<i>Idem</i>
NOVO BANCO (Ex BANCO ESPIRITO SANTO) <i>Represented by Mr. Pedro Mosqueira DO AMARAL</i>	2000	General Meeting called to approve the 2017 accounts	<i>Idem</i>
CAISSE DE DEPOT ET DE GESTION <i>Represented by Mr. Abdellatif ZAGHNOUN</i>	2010	General Meeting called to approve the 2015 accounts	<i>Idem</i>
FINANCECOM <i>Represented by M. Zouheir BENSAID</i>	2001	General Meeting called to approve the 2014(*) accounts	<i>Idem</i>
RMA WATANYA <i>Represented by M. Azeddine GUESSOUS</i>	1995	General Meeting called to approve the 2018 accounts	<i>Idem</i>
M. Adil DOUIRI <i>Intuitu personae</i>	2008	General Meeting called to approve the 2015 accounts	<i>Idem</i>
M. Amine BOUABID <i>Intuitu personae</i>	2007	General Meeting called to approve the 2018 accounts	<i>Idem</i>
M. Mamoun BELGHITI <i>Director</i>	2004	General Meeting called to approve the 2015 accounts	<i>Idem</i>
M. Brahim BENJELLOUN TOUIMI <i>Group Executive Managing Director</i>	2004	General Meeting called to approve the 2015 accounts	<i>Idem</i>
M. Mohamed BENNANI <i>Director</i>	2004	General Meeting called to approve the 2015 accounts	<i>Idem</i>

Source : BMCE Bank (May 2015)

(*) The reappointment of FinanceCom represented by Mr. Zouheir Bensaid, for a period of 6 years until the Meeting called to approve the financial statements of December 31, 2020 was approved at the Annual General Meeting held on May 26th, 2015.

4. Organization chart (May, 2015)



5. BMCE Bank activity

5.1 Loans Activity

Over the period 2012/2014, the evolution of loans is as follows:

In MAD Million	2012	2013	Chg.	2014	Chg.
Loans and receivables due from credit institutions	16 092	16 005	-0.5%	19 190	19.9%
Loans and receivables due from customers	97 170	102 648	5.6%	99 394	-3.2%
<i>Cash loans</i>	26 685	26 251	-1.6%	27 462	4.6%
<i>Consumer loans</i>	7 123	7 548	6.0%	8 396	11.2%
<i>Equipment loans</i>	16 033	15 810	-1.4%	15 643	-1.1%
<i>Mortgage loans</i>	30 801	33 360	8.3%	34 852	4.5%
<i>Other loans</i>	14 618	17 135	17.2%	10 547	-38.4%
<i>receivables acquired by factoring</i>	-	-	NS	-	NS
<i>Accrued interest receivable</i>	714	708	-0.8%	757	6.9%
<i>Non performing loans</i>	1 196	1 836	53.5%	1 737	-5.4%
Total loans and receivables due	113 262	118 654	4,8%	118 584	-0.1%

Breakdown of loans
Source: BMCE Bank – Aggregated Activity

At of December 31, 2014, loans were quasi-stagnant (-0.06%) to MAD 118,584 million compared to 2013, including (i) an increase of 19.9% to MAD 19 million receivables from credit institutions and similar, (ii) growth of 4.6% to MAD 27,462 million of cash and loans (iii) an increase of 4.5% for mortgages to MAD 34,852 million, allowing partially offset the decline of 38.4% in other loans to MAD 10,547 million. Note that real estate loans and cash loans alone account for more than half of the total loan portfolio.

For their part, non-performing loans are getting lighter by 5.4% to MAD 1,737 million.

5.2 Evolution of Customer deposits

The evolution of customer deposits by type of deposit over the period 2012-2014 is presented as follows:

In MAD Million	2012	2013	Chg.	2014	Chg.
Demand acredit accounts	54 834	53 658	-2.1%	56 389	5.1%
Savings accounts	17 611	18 516	5.1%	19 485	5.2%
Term deposits	22 648	23 485	3.7%	25 249	7.5%
Other acredit accounts	6 681	6 382	-4.5%	8 448	32.4%
Accrued interest payable	559	562	0.5%	532	-5.3%
Total customers deposits	102 333	102 603	0.3%	110 102	7.3%

Breakdown of Deposits

Source: BMCE Bank – Aggregated Activity

At of December 31, 2014, customer deposits totaled MAD 110,102 million (+ 7.31% compared to FY 2013) 51.2% of which are due to credit accounts.

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET 2014

Balance Sheet			
Assets	NOTES	dec-14	dec-13
Cash and amounts due from central banks and post office banks	4.1	9 966 747	11 939 091
Financial assets at fair value through profit or loss	4.2	28 609 790	28 223 948
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	4.3	4 891 427	3 319 804
Loans and receivables due from credit institutions	4.4	16 072 610	18 145 727
Loans and receivables due from customers	4.5	155 152 943	149 374 957
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	18 153 337	12 536 742
Current tax assets	4.8	199 008	92 432
Deferred tax assets	4.8	445 733	257 635
Accrued income and other assets	4.9	4 978 851	4 317 433
Non current assets held for sale		-	-
Investment associates	4.10	513 766	472 624
Investment property	4.11	835 047	947 602
Property, plant and equipment	4.11	5 847 075	5 465 769
Intangible assets	4.11	744 273	770 522
Goodwill	4.12	832 470	832 470
TOTAL ASSETS		247 243 077	236 696 756

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	dec-14	dec-13
Due to Central Banks and Post Office Banks		-	68 253
Financial liabilities at fair value through profit or loss	4.2	2 745 648	2 437 494
Derivatives used for hedging purposes		2 018	-
Due to credit institutions	4.4	33 142 978	35 068 715
Due to customers	4.5	161 268 876	148 790 337
Debt securities	4.6	13 170 353	12 451 775
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	55 341	94 368
Deferred tax liabilities	4.8	1 099 810	989 759
Accrued expenses and other liabilities	4.9	7 636 569	11 380 363
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	523 011	456 573
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	6 795 304	5 815 661
TOTAL DEBTS		226 439 908	217 553 298
Capital and related reserves		12 488 381	12 104 178
Consolidated reserves		-	-
- <i>Attributable to parent</i>		1 481 861	1 456 083
- <i>Non-controlling interests</i>		4 000 114	3 612 458
Unrealized or deferred gains or losses, attributable to parent		149 436	107 914
Unrealized or deferred gains or losses, non-controlling interests		-8 802	-17 778
Net Income		-	-
- <i>Attributable to parent</i>		1 943 864	1 230 796
- <i>Non-controlling interests</i>		748 315	649 807
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY		20 803 169	19 143 458
TOTAL		247 243 077	236 696 756

(In thousand MAD)

CONSOLIDATED BALANCE SHEET 2013

Balance Sheet			
Assets	NOTES	2013	2012
Cash and amounts due from central banks and post office banks	4.1	11 939 091	9 922 200
Financial assets at fair value through profit or loss	4.2	28 223 948	34 244 677
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	4.3	3 319 804	2 795 923
Loans and receivables due from credit institutions	4.4	18 145 727	21 396 946
Loans and receivables due from customers	4.5	149 374 957	138 808 778
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	4.7	12 536 742	10 518 941
Current tax assets	4.8	92 432	215 856
Deferred tax assets	4.8	257 635	309 870
Accrued income and other assets	4.9	4 317 433	4 938 775
Non current assets held for sale		-	-
Investment associates	4.10	472 624	406 928
Investment property	4.11	947 602	614 160
Property, plant and equipment	4.11	5 465 769	5 131 528
Intangible assets	4.11	770 522	751 455
Goodwill	4.12	832 470	832 470
TOTAL ASSETS		236 696 756	230 888 507

(In thousand MAD)

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	2013	2012
Due to Central Banks and Post Office Banks		68 253	67 382
Financial liabilities at fair value through profit or loss	4.2	2 437 494	1 614
Derivatives used for hedging purposes		-	-
Due to credit institutions	4.4	35 068 715	34 228 166
Due to customers	4.5	148 790 337	144 650 757
Debt securities	4.6	12 451 775	14 014 898
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	4.8	94 368	36 296
Deferred tax liabilities	4.8	989 759	983 149
Accrued expenses and other liabilities	4.9	11 380 363	13 210 125
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	4.13	456 573	520 590
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	4.6	5 815 661	4 760 333
TOTAL DEBTS		217 553 298	212 473 310
<i>Capital and related reserves</i>		12 104 178	11 981 368
<i>Consolidated reserves</i>		-	-
<i>- Attributable to parent</i>		1 456 083	1 276 693
<i>- Non-controlling interests</i>		3 612 458	3 516 000
Unrealized or deferred gains or losses, attributable to parent		107 914	81 912
Unrealized or deferred gains or losses, non-controlling interests		-17 778	-18 970
Net Income			
<i>- Attributable to parent</i>		1 230 796	921 885
<i>- Non-controlling interests</i>		649 807	656 309
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY		19 143 458	18 415 197
TOTAL		236 696 756	230 888 507

(In thousand MAD)

CONSOLIDATED BALANCE SHEET 2012

Assets	NOTES	2012	2011
Cash and amounts due from central banks and post office banks		9 922 200	6 391 958
Financial assets at fair value through profit or loss	5.1	34 244 677	31 732 316
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	5.2	2 795 923	2 330 377
Loans and receivables due from credit institutions	5.3	21 396 946	23 822 680
Loans and receivables due from customers	5.4	138 808 778	121 342 658
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	5.6	10 518 941	9 590 911
Current tax assets	5.7	215 856	408 979
Deferred tax assets	5.7	310 849	321 084
Accrued income and other assets	5.8	4 938 775	4 559 041
Non current assets held for sale		-	-
Investment in companies consolidated under the equity method	5.9	406 928	399 358
Investment property	5.10	614 160	547 099
Property, plant and equipment	5.10	5 131 528	5 064 126
Intangible assets	5.10	751 455	645 081
Goodwill	5.11	832 470	832 470
TOTAL ASSETS		230 889 486	207 988 138

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	2012	2011
Due to Central Banks and Post Office Banks		67 382	-
Financial liabilities at fair value through profit or loss	5.1	1 614	1 752
Derivatives used for hedging purposes		-	-
Due to credit institutions	5.3	34 228 166	24 848 609
Due to customers	5.4	144 650 757	139 152 010
Debt securities	5.5	14 014 898	12 008 860
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	5.7	36 296	324 592
Deferred tax liabilities	5.7	983 149	934 127
Accrued expenses and other liabilities	5.8	13 210 127	8 971 070
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	5.12	523 235	457 440
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	5.5	4 760 333	4 904 381
TOTAL DEBTS		212 475 957	191 602 841
Capital and related reserves		11 981 368	10 451 134
<i>Consolidated reserves</i>		-	-
<i>- Attributable to parent</i>		1 269 541	1 045 085
<i>- Non-controlling interests</i>		3 516 000	3 318 803
Unrealized or deferred gains or losses, attributable to parent		86 129	82 186
Unrealized or deferred gains or losses, non-controlling interests		-18 970	-19 665
Net Income			
<i>- Attributable to parent</i>		923 152	850 199
<i>- Non-controlling interests</i>		656 309	657 555
TOTAL CONSOLIDATED SHARE HOLDERS'S EQUITY		18 413 529	16 385 297
TOTAL		230 889 486	207 988 138

(In thousand MAD)

INCOME STATEMENT 2014

	NOTES	dec-14	dec-13
+ Interests and similar income		12 701 901	11 446 765
- Interests and similar expense		-4 959 094	-4 801 885
Net Interest income	2.1	7 742 807	6 644 880
+ Fees received and commission income		2 247 263	2 206 721
- Fees paid and commission expense		-333 395	-459 319
Net fee income	2.2	1 913 868	1 747 402
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	1 093 341	798 364
+/- Net gains or losses on available for sale financial assets	2.4	100 886	162 635
Income from market transactions		1 194 227	960 999
+ Other banking revenues	2.5	1 022 668	896 079
- Other banking expenses	2.5	-376 343	-358 334
Net Banking Income		11 497 227	9 891 026
- General Operating Expenses	2.9	-5 827 763	-5 300 375
- Allowances for depreciation and amortization PE and intangible assets	2.9	-666 100	-654 657
Gross Operating Income		5 003 364	3 935 994
- Cost of Risk	2.6	-1 778 322	-1 295 268
Operating Income		3 225 042	2 640 726
+/- Share in net income of companies accounted for by equity method		81 621	69 089
+/- Net gains or losses on other assets	2.7	17 306	12 207
+/- Change in goodwill		-	-
Pre-tax earnings		3 323 969	2 722 022
+/- Corporate income tax	2.8	-631 790	-841 419
Net income		2 692 179	1 880 603
Non-controlling interests		748 315	649 807
Net income attributable to parent		1 943 864	1 230 796
Earnings per share		10,8	6,9
Diluted Earnings per share		10,8	6,9

(In thousand MAD)

INCOME STATEMENT 2013

	NOTES	2013	2012
+ Interests and similar income		11 446 765	10 822 706
- Interests and similar expense		-4 801 885	-4 579 824
Net interest income	2.1	6 644 880	6 242 882
+ Fees received and commission income		2 206 721	1 846 607
- Fees paid and commission expense		-459 319	-320 911
Net fee income	2.2	1 747 402	1 525 696
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	798 364	651 021
+/- Net gains or losses on available for sale financial assets	2.4	162 635	150 157
Income from market transactions		960 999	801 178
+ Other banking revenues	2.5	896 079	781 350
- Other banking expenses	2.5	-358 334	-333 330
Net Banking Income		9 891 026	9 017 776
- General Operating Expenses	2.9	-5 300 375	-4 862 579
- Allowances for depreciation and amortization PE and intangible assets	2.9	-654 657	-573 940
Gross Operating Income		3 935 994	3 581 257
- Cost of Risk	2.6	-1 295 268	-1 107 613
Operating Income		2 640 726	2 473 644
+/- Share in net income of companies accounted for by equity method		69 089	65 770
+/- Net gains or losses on other assets	2.7	12 207	-390 484
+/- Change in goodwill		-	-
Pre-tax earnings		2 722 022	2 148 930
+/- Corporate income tax	2.8	-841 419	-570 737
Net income		1 880 603	1 578 193
Non-controlling interests		649 807	656 309
Net income attributable to parent		1 230 796	921 885
Earnings per share		6,9	5,1
Diluted Earnings per share		6,9	5,1

(In thousand MAD)

INCOME STATEMENT 2012

	NOTES	2012	2011
+ Interests and assimilated revenues		10 822 706	9 667 668
- Interests and assimilated charges		-4 579 824	-4 095 844
Net Interest income	2.1	6 242 882	5 571 824
+ Fees received		1 846 607	1 703 136
- Fees paid		-320 911	-280 201
Net fee income	2.2	1 525 696	1 422 935
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	651 021	702 730
+/- Net gains or losses on available for sale financial assets	2.4	150 157	27 075
Income from market transactions		801 178	729 805
+ Other banking revenues	2.5	781 350	792 174
- Other banking expenses	2.5	-333 330	-376 675
Net Banking Income		9 017 776	8 140 063
- General Operating Expenses		-4 860 566	-4 588 896
- Allowances for depreciation and amortization of 1&E and intangible assets		-573 940	-535 299
Gross Operating Income		3 583 270	3 015 868
- Cost of Risk	2.6	-1 107 613	-872 214
Operating Income		2 475 657	2 143 654
+/- Share in net income of companies accounted for by equity method		65 770	44 590
+/- Net gains or losses on other assets	2.7	-390 484	-6 717
+/- Change in goodwill		-	-
Pre-tax earnings		2 150 943	2 181 527
+/- Corporate income tax	2.8	-571 482	-673 773
Net income		1 579 461	1 507 754
Non-controlling interests		656 309	657 555
Net income attributable to parent		923 152	850 199

(In thousand MAD)

RISKS RELATED TO THE BANK AND TO ITS SECTOR

1. Counterparty Risk Management

Loans granted (to customers and to credit institutions) by the Bank (Consolidated Activity) amounted to MAD 171.2 billion in 2014 versus 167.5 billion during the previous year.

BMCE Bank will expand its field of intervention to the segment of SME's that represent 90% of the Moroccan economy. In fact, this segment carries higher margins and offers a pool of opportunities not only in terms of bank loans but also finance advisory and restructuring.

The Bank has undertaken a substantial consolidation effort of its receivables portfolio, an effort that the Bank maintains under its risk management policy and in compliance with the prudential rules issued by Bank Al-Maghrib, as well as in compliance with sound practices in terms of risk management.

Therefore, the Bank has implemented a risk management system based on different governing bodies, on the one hand, and ongoing management, on the other hand.

And are involved in managing and monitoring risks of the Bank and the Group:

- The Audit and Internal Control Group Committee (CACI)
- The Management Committee, in charge of ensuring and monitoring the declination of the strategic guidelines of the Group into actions and operational measures.
- The credit committees, which approve all commitments, as well as the Decommissioning Committee
- The Group Risk Committee, assisting the Board in terms of strategy and risk management, including ensuring that the overall risk strategy is specific to the risk profile of the bank and the Group, the degree of aversion to risk, its systemic importance, its size and its financial base
- The Steering & Risk Management Group Committee and the Steering & Risk Management Committee BMCE BANK. Both issued from the Management Committee, they ensure the efficiency of the risk control system and its adequacy with the risk management policy as it is defined regarding of Credit, Market and Operational risks.

The Bank's loan activity is part of the general credit policy approved by the highest authorities of the Bank. Among the stated guidelines there are the compliance with the Group's ethics, the allocation of responsibilities, the existence and the respect of procedures for the risk analysis. This general policy is implemented into policies and procedures adapted to the specific nature of operations and counterparties, based in particular on an internal rating system, a system of delegation of power and a system of limit management to mitigate risk concentration.

The system of delegated authority is materialized by the approval levels, depending on the customer's segment, the amount of loan offered to the customer and the type of exposure (public and semi-public, exposure to banks, etc.).

The Bank's rating system is a bidimensional system, combining a credit rating that assesses the risk inherent in the transaction and financial rating obtained on the basis of the financial situation of the debtor. In addition to the quantitative aspects, other qualitative aspects are considered in developing the rating. (Potential of development, the industry, the rating of the parent company, country risk and incidents of payment).

In accordance with the Basel regulations, Bank Al-Maghrib has set a minimum number of categories that a rating model should contain for it to qualify as being able to calculate the Bank's risk-weighted assets (RWA) under the "internal rating" approach. The following are the minimum requirements:

- 7 categories for healthy counterparties;
- 1 category for defaulting counterparties.

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

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



Source: BMCE Bank

The table below shows the distribution of commitments by risk category as of December 2014:

Class of risk	Score	dec-14	% of total commitments
Weak Risk	1	1 817	2,73%
	2	12 068	18,16%
	3	4 338	6,53%
	4	7 640	11,50%
Medium Risk	5	11 345	17,07%
	6	9 591	14,43%
	7	7 333	11,03%
High Risk	8	6 294	9,47%
	9	93	0,14%
Very High Risk	10	1 530	2,30%
	11	2 311	3,48%
Sub-Total		64 359	96,84%
No Rating (TPE non retail)		2 104	3,17%
Total of Loans of Entreprises		66 462	100%
Total of Loans to Individuales		36 464	

Total BMCE Bank	102 926
Other Subsidiaries	58 697
<i>Of which BOA Group</i>	36 659
Total BMCE Bank Group	161 623

***Source:** BMCE Bank*

2. Interest Rate, Currency and Liquidity Risk

Decision-making process in terms of ALM management

The Audit and Internal Control (ALCO) Committee is responsible for overseeing the management of interest rate, currency and liquidity risk, and receives on a regular basis reports on compliance with the limits and guidelines established.

The ALCO Committee reviews the management framework and the key policies in terms of rates and liquidity and submits them for approval by the Board of Directors.

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

Within the Finance Division, the ALM Department oversees the development of policies, strategies, and emergency plans. In terms of management of interest rate and liquidity risks, the Department recommends and monitors the limits within this framework.

Overall Liquidity risk

The liquidity ratio stood at 125% at the end of Dec. 2014, above the regulatory limit of the Moroccan Central Bank (BAM) set at 100%.

At the end of Dec. 2014, the liquidity gap over 12 months recorded a surplus liquidity of MAD 11.9 billion versus 8.9 billion at the end of December 2013.

Global Rate Risk

The results of the *stress tests* conducted as of December 31, 2014 relating to the impacts of a change in interest of 200 base points on the interest margin and economic value of equity, stand in accordance with the limits set by the ALCO Committee.

Indeed, the impact on the interest margin is estimated at MAD 125 million, i.e. 2.3% of the projected GDP in 2015 (below the ALCO limit set at 5%).

The change in the economic value of Shareholders' equity face a shock 200pbs rate is estimated at 279 million dirhams or 1.8% Regulatory Capital Requirements ALCO also below the limit of 20%.

The Gap rate over 12 months (excess of assets over liabilities at variable rate) over the year stood at 7.9 billion dirhams in 2014 against 5.3 billion dirhams at the end of December 2013.

3. Rate and Liquidity Risk (Market Risks)

Analysis of liquidity risk

The monetary liabilities stood at MAD 10,964 million of a duration equal to 12.93 days, while liquid assets stand at MAD 30,618 million.

Furthermore, it is noted that 76.24% of the value of the bond assets consist of Treasury Bills, which ensures an almost complete liquidity. This asset class totaled MAD 2,874 million.

Analysis of interest rate risk

The assets are primarily made up of Treasury Bills, Negotiable Debt Instruments, and Bonds.

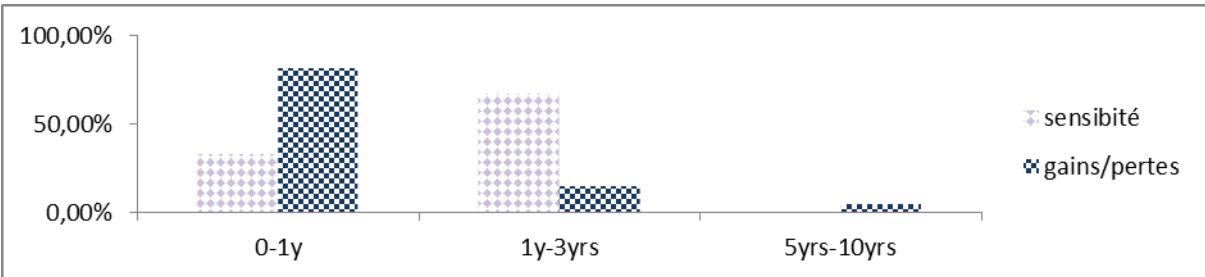
These assets are mainly financed by short-term liabilities with duration of 12.93 days.

The bond portfolio (as of December 31, 2014) has an average yield of 4.5% for an average duration of 1.16 years and an average sensitivity of 1.13 years. Its outstanding market value is MAD 2,288.47 million. A parallel evolution in interest rates of +100 bps would then lead to an average loss of MAD 25.83 million.

A parallel change in interest rates of +200 bps would result in an average loss of MAD 51 million resulting in a negative change in equity of MAD 32 million.

The spectrum of sensitivities below shows the choice of breakdown of the total sensitivity of the different types of paper, and displays therefore the choice of projection of the interest rate and currency risk on different maturity ranges.

BMCE Bank Bond Portfolio Spectrum Sensitivity as of december 31, 2014



Currency Risk

Currencies	Currency position *	Equivalent value in K MADs	% EQUITY
EUR	- 283	- 3,104	0.02%
LYD	4	29	0.00%
QAR	- 221	-	0.00%
SEK	493	574	0.00%
CHF	- 1,152	- 10,509	0.08%
TND	1,157	5,622	0.04%
CAD	13	101	0.00%
DZD	16,641	1,712	0.01%
KWD	79	2,438	0.02%
SAR	11,070	26,674	0.20%
AED	2,977	7,328	0.06%
JPY	- 9,296	- 703	0.01%
DKK	599	883	0.01%
NOK	- 1,548	- 1,876	0.01%
USD	- 7,906	- 71,485	0.55%
GBP	428	6,029	0.05%

(*) Assets - liabilities in the same currency + / - Net term liabilities + / - Delta options

- Data as of 31-12-2014

Source: BMCE Bank

The sum of net foreign exchange positions is as follows:

- For long positions: MAD 51,389 thousand, i.e. 0.39% of the net equity.
- For short positions: MAD 87,677 thousand, i.e. 0.67% of the net equity.
- The total net amounted to MAD 36,288 thousand, corresponding to 0.28% of the net equity.

The table above shows that BMCE Bank remains within the prudential limits set by Bank Al-Maghrib that are set at 10% of the own equity per currency and at 20% for all currencies.

4. Regulatory risks

Solvency ratio as of December 31, 2014 (Basel III) on a consolidated basis

	Weighted assets (K MAD)
Weighted credit risk	167,560,961
Weighted market risk	11,052,581
Weighted operational risk	18,264,407
Total risk-weighted assets	196,877,949

	Amount (in thousand MADs)
Core capital	19,231,368
Eligible capital	23,753,851
Total risk-weighted assets	196,877,949
Minimum solvency ratio	12.1%

Source: BMCE Bank

The Bank's solvency ratio, reflecting its ability to meet all its commitments through its own funds, remains above the regulatory standard set 12%.

It goes indeed from **13.1%** in 2012 to **12.7%** in 2013. This ratio stood at **12.1%** at the end of fiscal year 2014.

5. Equity Portfolio Risks

At the end of 2014, provisions for impairment (on an aggregate basis and including Partner's current accounts) total an amount of MAD 1.09 Billion versus 1.11 Billion at the end of 2013, a decrease of 2%. The main provisions relate to BMCE International Holdings (MAD 591.7 million), ESFG (MAD 159.8 million), ESI (MAD 134.9 million), Hanouty (MAD 121.8 million), EMAT (MAD 30.3 million) and Magshore (MAD 19.2 million).

Allowances for the Fiscal Year totaled an amount of MAD 105.7 million. As for the reversals, they amounted to MAD 130 million, i.e. a net reversal of MAD 17¹ million.

6. Operational risk

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

The operational risk management policy has the following objectives:

- Assess and prevent operational risks;
- Assess controls;
- Implement preventive and/or corrective action for major risks.

Operational risks or losses can be analyzed and categorized according to the following main areas: causes, consequences (in terms of financial or other impact), score, qualification and level of mastery and are classified by type of Basel event.

7. Country risk

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

¹ After adjustments

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

Warning:The above information represents only a part of the prospectus approved by Conseil Déontologique des Valeurs Mobilières (CDVM) under the reference n° VI/EM/011/2015 on June 03th, 2015.

The CDVM advises reading the full prospectus available in French.