

## PRELIMINARY PROSPECTUS SUMMARY



**GREEN BONDS ISSUANCE**  
**MAXIMUM AMOUNT:**  
**2 BILLION DIRHAMS OR ITS EQUIVALENT IN FOREIGN**  
**CURRENCY (S)**  
**MATURITY: 7 TO 10 YEARS**

**Subscription reserved to qualified investors, subject to obtaining the definitive visa of the AMMC**

**Financial Advisor and Coordinator**

**Upline Corporate Finance**



### PRELIMINARY VISA OF AMMC

Pursuant to the provisions of the AMMC circular, taken under the article 14 of Dahir providing Law n° 1-93-212 dated September 21<sup>st</sup>, 1993, as amended and supplemented, the original of the present preliminary prospectus was approved by the AMMC on November 15, 2016 under reference No VI/EM/028/2016/P.

## **DISCLAIMER**

The Moroccan Authority of Capital Markets (AMMC) approved on November 15, 2016 a preliminary prospectus regarding the Green Bonds issuance of a maximum amount of 2 billion dirhams or its equivalent in foreign currency(s) by Banque Centrale Populaire.

The preliminary prospectus approved by the AMMC is always available at BCP Headquarters and to its financial advisor.

It is also available to the public on the AMMC website [www.ammc.ma](http://www.ammc.ma).

## **I. PRESENTATION OF THE OPERATION**

### **I.1. LEGAL FRAMEWORK OF THE OPERATION**

The Ordinary General Meeting dated November 14<sup>th</sup>, 2016, having considered the Board of Director's report relating to a "Green Bond"-type bond issue program, and making use of the power reserved to it by Article 293 of law no. 17-95 on public limited companies, as amended and supplemented by law no. 20-05 and n°78-12, authorized BCP to issue one or more "Green Bond"-type bonds loans with or without public offering, reserved for qualified institutional investors, up to an amount, for all loans to be issued, capped at two billion Dirhams or its equivalent in foreign currency(s).

The characteristics of this "Green Bonds" type issuance are:

- Maturity: 7 to 10 years
- Amount: 2 billion dirhams or its equivalent in foreign currency (s), in one or more tranches

The authorization granted by the Annual General Meeting is valid for a period of five (5) years as from the holding date of the present Meeting.

The General Assembly decides to limit the amount of each issue to the amount of subscriptions actually received.

The Ordinary General Meeting gives all powers to the Board of Directors in order to:

- Proceed, when it deems it appropriate and before the expiry of the aforementioned period of five (5) years, to carry out one or more "Green Bond" issues, with or without public offering, up to an amount, for all the loans to be issued, capped at two billion Dirhams or its equivalent in foreign currency(s);
- Decide the issue currency or currencies, proportions, conditions and terms of the "Green Bond" as it deems appropriate and in accordance with the Company's interest, all in compliance with relevant legal provisions and applicable regulations;
- Decide, if need be, to reserve all or part of the issue to one or more qualified investors.

### **I.2. PRESENTATION OF "GREEN BONDS"**

#### **1- "Green Bond" principles**

The fundamental principle of a "Green" bond issue is to allocate funds raised exclusively to financing "green" projects as defined by the "Green Bond Principles".

"Green Bond Principles" are process guidelines that recommend transparency, disclosure and incentives for integrity in order to promote the development of this rapidly growing market.

The guidelines for defining a "green" project are clearly defined by the "Green Bond Principles". A project is considered "green" when it belongs to at least one of the "green" project categories recognized by the Green Bond Principles and when the anticipated environmental benefits of the project can be assessed and quantified.

Moreover, the "Green Bond Principles" require the Green Bond issuer to define in a detailed manner the environmental vocation of its project(s), enabling it to fall into one of the eligible categories of "Green" projects according to eligibility criteria and environmental sustainability objectives.

The Green Bond Principles also require that the net proceeds of green bonds be tracked appropriately and evidenced by a formal internal process related to the issuer's lending and investment operations for "green" projects.

Also in accordance with the guidelines of the "Green Bond Principles" relating to the obligations relating to issuers of green bonds, issuers are obliged to take the necessary steps to ensure that the amount of green bonds in circulation is permanently matched to the amount of financing allocated to eligible green projects.

Thus, "green" projects are defined as projects with clear and quantifiable environmental benefits. These include especially renewable energy projects that aim to reduce greenhouse gas emissions through investments in technical equipment and facilities that provide infrastructure to replace the use of fossil fuels by the use of renewable energy resources, such as the production of electricity as an example.

## **2- "Green" bond issue program engaged by BCP**

### **a) Selection of "green" projects**

Pending finalization of the final terms of the transaction, BCP has identified a portfolio of projects that could support a Green Bond issue amounting to € 100,000,000.

BCP has a green projects' portfolio (hereinafter referred to as "Projects") in renewable energy and energy efficiency of an overall size of more than € 100 million. The present green bond issue has been subject to a selection of a limited number of renewable energy projects across Morocco. These are eligible projects with a positive ecological impact that will contribute to the objectives of environmental sustainability, approved by the Green Investment Bank (GIB) in accordance with GIB's environmental impact assessment criteria and the Green Bond Principles.

These "Projects" are part of the long-term financing of renewable energy already put in place by Banque Centrale Populaire for an overall value exceeding 1.5 billion dirhams. These latter are located in Morocco and operate in the production of electricity from wind energy and have an average life span of 20 years, some of which are in the operational phase and others in the phase of finalization of the construction, have an energy generation capacity estimated at 1500 GWh/year. These "Projects" have quantified environmental benefits with real annual and cumulative impacts (over a minimum remaining period of 14 years) to prevent fuel consumption of 350 thousand tons/year and 6.5 million tons respectively. More details on these projects can be found in the GIB report provided in the annexes to the preliminary prospectus.

The BCP undertakes to maintain an outstanding amount of project financing greater than or equal to the amount outstanding under the green bond for the duration of the bond loan. If one or more assets were to be withdrawn from the portfolio backed by the issue, BCP undertakes to replace them with similar eligible assets.

BCP, as a key player in financing green projects, including renewable energy projects, is in compliance with the requirements of the Green Bond Principles in terms of:

- **Project selection process:** "Projects" have already been identified and selected by BCP for its refinancing needs from funds raised by the Green issue program. To this end, BCP has mandated the GIB certification body to prepare a detailed report on the "green" nature of the said "Projects".

In the event of the withdrawal of one or more projects from the portfolio backed by the issue, BCP will immediately replace them with other similar eligible projects. New projects will be evaluated and selected by the Corporate and Investment Banking of BCP on the basis of the eligibility criteria that will be defined in the definitive prospectus.

The eligibility of projects will be verified by an independent third party and recognized prior to their integration in the portfolio backed by the issue.

- Project Eligibility Criteria: Each of the projects identified by BCP is a wind power project dedicated to the production of renewable energy that is explicitly recognized by the "Green Bond Principles" as an eligibility category for the designation of "green" projects;
- Environmental sustainability objectives: The Projects have an environmental impact that will contribute to a number of environmental sustainability objectives (including the prevention of greenhouse gas emissions, other air emissions and fossil fuels) that are recognized in the assessment criteria of the certification body.

#### ***b) Fund management***

As for the fund management, BCP complies with the instructions defined by the "Green Bond Principles". As such, BCP undertakes to meet its commitments with regards to the following principles:

- The entire net proceeds of the green bond issue will be immediately allocated to the refinancing of the funds used to finance the "green" projects;
- The outstanding amount of the "Projects" financing will be greater than or equal to the outstanding amount of the due remaining balance under the green bond for the duration of the bond loan. Where applicable, BCP undertakes to replace these "Projects" with other similar eligible green projects recognized by the "Green Bond Principles"; and
- The implementation of these provisions will be controlled by BCP's internal governance, in accordance with the procedures and compliance rules in force. Thus, compliance with these commitments will be verified annually by the BCP's auditors who will issue a certificate certifying it.

#### ***c) Reporting***

Finally, BCP undertakes to abide by the defined "*Green Bond Principles*" in terms of reporting rules and commits to communicate on the collected funds via this bond issue. Therefore, BCP will publish yearly in its annual report the following items:

- The percentage of the total amount allocated as compared to the total amount of the issue;
- The actual environmental impact of projects according to specified performance indicators and quantified performance measures that will be defined in the definitive prospectus;
- The potential changes in the composition of the initial portfolio of projects;
- Auditors' reports on the project's portfolio's size and existence.

#### ***d) External review***

As a reminder, BCP has mandated Green Investment Bank (GIB) to produce a report attesting the "green" nature of the "Projects" backed by the current Green bond. Thus, this external review is the only review that BCP will undertake as part of its green issuance program given that it is a refinancing of the existing portfolio and that the external review has already been carried out.

However, in the event of projects being withdrawn from the initial portfolio, BCP will replace them with other similar projects. The eligibility of new projects to be integrated into the portfolio will be verified beforehand by a recognized independent third party.

BCP's auditors will also carry out an annual audit to certify that BCP holds a portfolio of eligible projects with an outstanding balance of at least the outstanding amount of "Green Bond".

### I.3. OBJECTIVES OF THE OPERATION

Banque Centrale Populaire carries on the implementation of its strategic and environmental orientations through the structuring and financing of green projects within the framework of sustainable development. In this way, BCP is committed to promoting activities related to environmental protection and innovation in terms of adaptation and mitigation to the effects of climate change.

The main objective of the issue is to refinance existing wind power projects in Morocco with environmental benefits such as reducing greenhouse gas emissions.

## II. GENERAL INFORMATION

### II.1. GENERAL PRESENTATION

Banque Centrale Populaire (BCP) is an agency affiliated to Crédit Populaire du Maroc - CPM. This latter, established by virtue of Dahir No 1-60-232 dated February 2<sup>nd</sup>, 1961, is governed by Law No 12-96 on CPM reform as amended and supplemented by Law No 42-07 dated October 20<sup>th</sup>, 2008, Law No 44-08 dated August 24<sup>th</sup>, 2010 and Law No 77-14.

CPM is defined as a consortium of banks, composed of the Banque Centrale Populaire on the one hand, and nine (9) Banques Populaires Régionales, on the other hand. Its mission consists of fostering the activity and development of any small or medium-sized enterprise, operating in the sectors of craft, industry and service by the distribution of loans. It contributes to the mobilization of savings, their usage in the regions where they are collected and the promotion of banking activities at the regional level.

<b>Corporate name</b>	Banque Centrale Populaire – BCP
<b>Registered office</b>	101, Boulevard Zerktouni- P.B : 20100, Casablanca
<b>Phone number</b>	(212) 522 20 25 33 / 522 22 41 11 / 522 22 25 89
<b>Fax number</b>	(212) 522 22 26 99 / 522 20 93 40
<b>Website</b>	<a href="http://www.gbp.ma">www.gbp.ma</a>
<b>Legal form</b>	BCP is a Limited Company (Ltd.) with a Board of Directors, governed by the provisions of Law No 17-95 as amended and supplemented <sup>1</sup> .
<b>Creation date</b>	Banque Centrale Populaire was created by virtue of Dahir No 1-60-232 dated February 2 <sup>nd</sup> , 1961 as a Variable Capital Cooperative Company.
<b>Lifetime</b>	99 years
<b>Commercial Registry Number</b>	R.C. Casablanca No 28173
<b>Corporate fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Corporate objectives</b>	<p>Article 5 of Banque Centrale Populaire bylaws stipulates the following :</p> <p><b>1- Banking operations</b></p> <ul style="list-style-type: none"> <li>▪ The company is intended to carry out, as a usual vocation, all operations that are likely to be practiced by banks under the provisions of Law No 103-12 governing credit institutions and similar bodies and by any text amending or supplementing this Law.</li> <li>▪ The company carries out its banking activities under the supervision as well as the financial and technical administrative control of the Director Committee of Crédit Populaire du Maroc.</li> </ul> <p><b>2- Central banking body of Banques Populaires Régionales</b></p> <ul style="list-style-type: none"> <li>▪ The company is the central banking body of Banques Populaires Régionales governed by the aforementioned Law No 12/96.</li> <li>▪ As such, the bank is in charge of the following:</li> </ul>

<sup>1</sup> BCP was converted from a variable capital cooperative company into a limited company (Ltd) pursuant to Article 16 of Law No 16-96 as amended and supplemented

- Compensation of reciprocal debts and credits of the members of the Crédit Populaire du Maroc ;
- refunding of Banques Populaires Régionales, within the conditions established by the Director Committee;
- centralization of subscriptions of public or private transferable securities collected by the bodies of Crédit Populaire du Maroc ;
- consolidation of the accounts of CPM bodies and their subsidiaries. For the establishment of its consolidated financial statements, the consolidating entity is composed of the bodies affiliated to Crédit Populaire du Maroc;
- of the management, according to the terms set by the Director Committee:
  - Cash surplus of Banques Populaires Régionales;
  - Common interest services to agencies of Credit Populaire du Maroc;
  - Support fund of Crédit Populaire du Maroc, which develops its internal rules and submits them for approval by the Director Committee;
  - The centralization of declarations of any kind with respect to Bank Al-Maghrib, the Board of Directors and Professional Bodies;
- Any mission entrusted to it by the Director Committee, pursuant to Article 11 of Law n° 12-96.

Under the provisions of Article 55 of Law No 12- 96, Banque Centrale Populaire provides Regional Banques Populaires, on a transitional basis, with the executive staff necessary for their proper functioning.

### **3- Activities on behalf of the Director Committee**

- Banque Centrale Populaire serves as the secretariat for the Director Committee of Crédit Populaire du Maroc pursuant to the provisions of Article 14 of Law No 12-96.
- The Director Committee can, in accordance with Article 11 of the said Law, assign to the Banque Centrale Populaire the implementation of its decisions under the powers vested therein by law.

The decisions of the said Committee are obligatory to Banque Centrale Populaire.

### **4- Functional, investments and share acquisition operations - Subsidiaries**



- Subject to compliance with standards, procedures and financing conditions of the budgets set by the Director Committee of Crédit Populaire du Maroc, the company can conduct the following operations:

#### **4.1- Functional activities:**

- The company can perform all functional expenses required for its activity.

#### **4.2- Investments:**

- The company can carry out all movable or immovable investments necessary for the exercise of its activity, the safeguard of its interests and the housing of its staff.

#### **4.3- Share acquisition in BPR's capital**

The Director Committee determines the level of the participation of Banque Centrale Populaire in the capital of Banques Populaires Régionales, notwithstanding the provisions of Article 23 of Law No 12-96.

#### **4.4- Other share acquisitions and subsidiaries**

- Share acquisitions by Banque Centrale Populaire in one or more other bodies of the Crédit Populaire du Maroc are subject to the prior approval of the Director Committee who shall determine the level and terms. The company can, subject to compliance with the provisions of Law No 103-12 relating to credit institutions and similar bodies, the regulation in force, and subject to the Director Committee authorization:
  - Take the existing or new shares of all companies or enterprises while giving priority to those enclosing a regional or local interest.
  - Create or delete any subsidiary, in Morocco or abroad, in charge of managing or exploiting common activities to Banques Populaires Group.
- The holding of shareholding by Banque Centrale Populaire in one or more agencies of Credit Populaire du Maroc is subject to the prior approval of the Director Committee who determines the level and terms.
  - The Company may, provided that the provisions of Law No. 103-12 on credit institutions and similar bodies and applicable regulations are met, and subject to the approval of the Director Committee:
    - Take shareholdings in all companies, existing or being created, by giving priority to those with a regional or local interest.

	<ul style="list-style-type: none"> <li>- Create or delete any subsidiary in Morocco or abroad, in charge of managing or exploiting common activities to Banques Populaires Group.</li> <li>▪ However, the company cannot intervene directly in territorial constituencies where Banques Populaires Régionales operate only in agreement with the concerned Banque Populaire Régionale. In case of conflict, the Director shall decide.</li> <li>▪ And more generally, the company can conduct all banking, financial, commercial, industrial, movable or immovable operations, related directly or indirectly to its corporate objectives.</li> </ul>
<b>Current share capital</b>	<ul style="list-style-type: none"> <li>▪ At June 30<sup>th</sup>, 2016, MAD 1 822 546 560 divided into 182 254 656 shares.</li> </ul>
<b>Legal documents</b>	<ul style="list-style-type: none"> <li>▪ Legal documents, including the statutes, minutes of shareholders' meetings, auditors' reports and management reports are available at Banque Centrale Populaire Headquarters.</li> </ul>
<b>Applicable laws and regulations</b>	<ul style="list-style-type: none"> <li>▪ Due to its legal form, BCP is governed by the Moroccan law and Law No 17-95 dated August 30<sup>th</sup>, 1996 on Limited Companies, as amended and supplemented;</li> <li>▪ Due to its affiliation to Crédit Populaire du Maroc, BCP is governed by Law No 12-96, as amended and supplemented by Law No 42-07, Law No 44-08 and Law No 77-14, regarding CPM ;</li> <li>▪ Due to its business activity, BCP is governed by No 103-12 relating to credit institutions and similar bodies;</li> <li>▪ Due to its listing in the stock exchange, BCP is governed by all statutory and regulatory provisions relating to the financial market including: <ul style="list-style-type: none"> <li>▪ Dahir providing Law No 1-93-211 dated September 21<sup>st</sup>, 1993 on Stock Exchange, amended and supplemented by Laws 34-96, 29-00, 52-01 et 45-06;</li> <li>▪ General Regulations of the Stock Exchange approved by the Decree of the Minister of Economy and Finance N° 1268-08 dated 7<sup>th</sup> July 2008, amended and supplemented by the Minister of Economy and Finance's Decrees No 1156-10 dated April 7<sup>th</sup>, 2010, No. 30-14 dated January 6<sup>th</sup>, 2014 and No 1955-16 dated July 4<sup>th</sup>, 2016;</li> <li>▪ Dahir providing Law N° 1-93-212, dated September 1993, as amended and supplemented by Laws N° 23-01, 36-05, 44-06, 43-09;</li> <li>▪ Dahir 1-96-246, dated 9 January, 2011, providing Law N° 35-96 on the creation of the Central Depository and the establishment of a general system of registration of certain securities, amended and supplemented by Law N° 43-02;</li> <li>▪ General Regulation of the Central Depository approved by the Decree of the Minister of Economy and Finance No 932-98 dated April 16<sup>th</sup>, 1998, amended and supplemented by the Decree 1961-01 published in OB</li> </ul> </li> </ul>

	<p>4966 of January 3<sup>rd</sup>, 2002 and the decree 77-05 of March 17<sup>th</sup>, 2005;</p> <ul style="list-style-type: none"> <li>▪ Dahir No 1-04-21 dated April 21<sup>st</sup>, 2004 promulgating Law No 26-03 on public offerings in the stock Exchange, as amended and supplemented by Law No 46-06;</li> <li>▪ General regulation of the Moroccan Authority of Capital Markets;</li> <li>▪ Dahir 1-95-03 promulgating Law N° 35-94 on the TCNs.</li> <li>▪ AMMC circular.</li> </ul>
<b>Tax system</b>	<ul style="list-style-type: none"> <li>▪ Being a credit institution, BCP is subject to corporate taxation (37%) and to VAT (10%).</li> </ul>
<b>Competent court in case of litigation</b>	<ul style="list-style-type: none"> <li>▪ Commercial Court of Casablanca.</li> </ul>

## II.2. SHAREHOLDING

At November 4<sup>th</sup>, 2016, BCP shareholders are listed as follows:

Shareholders	Number of shares and voting rights	Ownership %
<b>BANQUES POPULAIRES REGIONALES</b>	<b>94 787 367</b>	<b>52.01%</b>
<i>BP MEKNES</i>	<i>11 142 463</i>	<i>6.11%</i>
<i>BP AGADIR</i>	<i>11 310 641</i>	<i>6.21%</i>
<i>BP FES</i>	<i>11 141 099</i>	<i>6.11%</i>
<i>BP LAÂYOUUNE</i>	<i>5 292 257</i>	<i>2.90%</i>
<i>BP TANGER</i>	<i>11 188 328</i>	<i>6.14%</i>
<i>BP MARRAKECH</i>	<i>11 010 915</i>	<i>6.04%</i>
<i>BP RABAT</i>	<i>11 298 711</i>	<i>6.20%</i>
<i>BP NADOR</i>	<i>11 264 553</i>	<i>6.18%</i>
<i>BP OUJDA</i>	<i>11 138 400</i>	<i>6.11%</i>
<b>PERSONNEL</b>	<b>9 107 090</b>	<b>5.00%</b>
<b>BPCE Maroc</b>	<b>8 224 241</b>	<b>4.51%</b>
<b>Groupe SFI</b>	<b>8 657 096</b>	<b>4.75%</b>
<b>CIMR</b>	<b>10 904 158</b>	<b>5.98%</b>
<b>MCMA</b>	<b>9 388 289</b>	<b>5.15%</b>
<b>SAHAM-ASSURANCE</b>	<b>546 826</b>	<b>0.30%</b>
<b>CMR</b>	<b>5 192 882</b>	<b>2.85%</b>
<b>WAFA ASSURANCE</b>	<b>2 176 640</b>	<b>1.19%</b>
<b>RCAR</b>	<b>11 092 510</b>	<b>6.09%</b>
<b>DIVERS</b>	<b>22 177 156</b>	<b>12.17%</b>
<b>Total</b>	<b>182 254 656</b>	<b>100.00%</b>

Source: BCP

### II.3. BOARD OF DIRECTORS

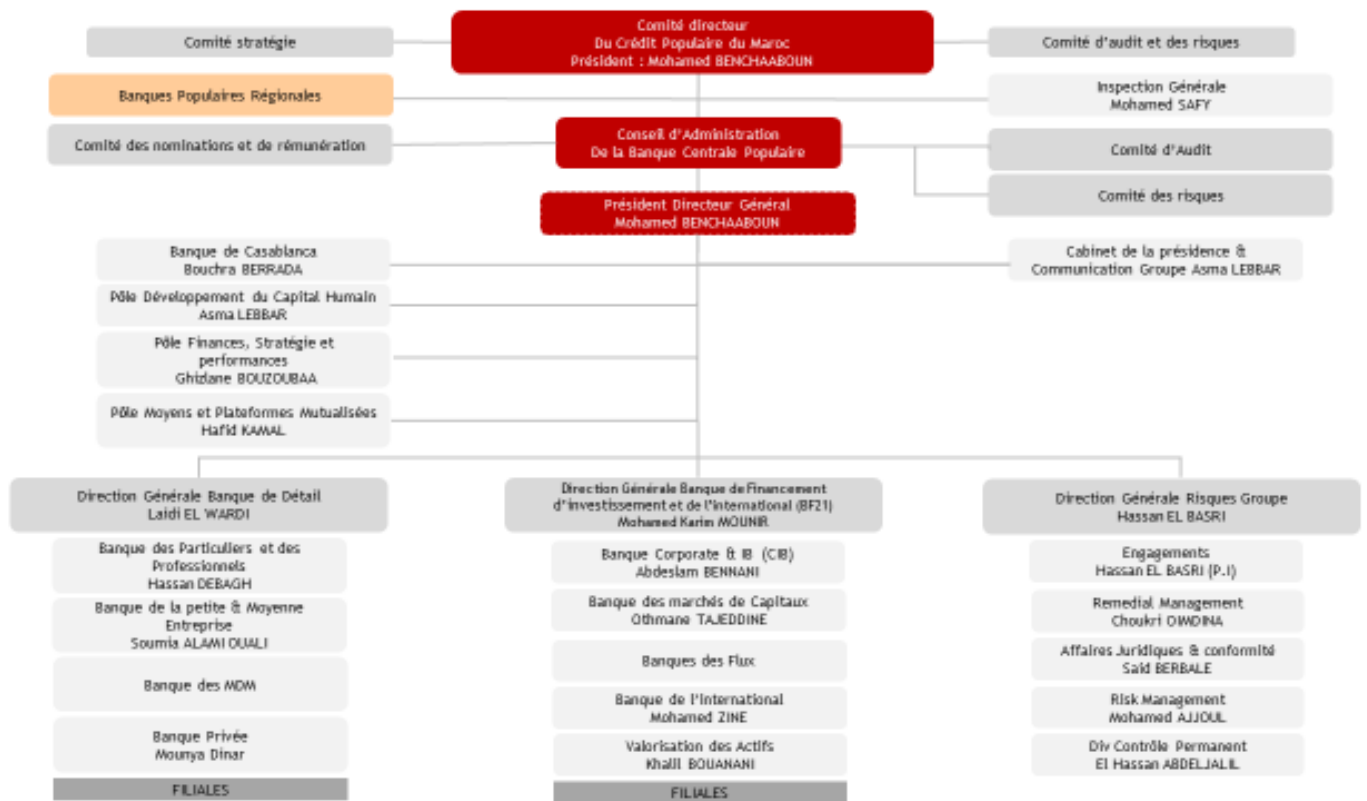
At end-October 2016, BCP Board of Directors is composed as follows:

Name	Title	Appointment or cooptation date	Reappointment date	Appointment expiry date
<b>Mr. Mohamed Benchaaboun</b>	Chairman of the Board and Chief Executive Officer	Cooptation by the Board of Directors dated 02/01/2008	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Mr. Mohamed Belghazi</b>	Independent Administrator	Cooptation by the Board of Directors dated 03/25/2010	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Mr. Mostafa Terrab</b>	Président Directeur Général OCP-S.A.	Cooptation by the Board of Directors dated 07-27-2016	--	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Mr. Aziz Alouane</b>	Chief of the banking and financial stability division at the treasury and External Finances department	Cooptation by the Board of Directors dated 09-08-2015	--	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Banque Populaire de Rabat-Kenitra</b>	Represented by its Management Board Chairman, Mr. Jalil Sebti	General Meeting dated 05/25/2005	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Banque Populaire de Marrakech-Béni Mellal</b>	Represented by its Management Board Chairman, Mr. Noureddine Belmahjoubi	General Meeting dated 05/25/2005	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Banque Populaire de Tanger-Tétouan</b>	Represented by its Management Board Chairwoman, Ms. Mouna Lebnioury	General Meeting dated 02/27/2001	General Meeting dated 05/24/2011	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Caisse Interprofessionnelle Marocaine de Retraite</b>	Represented by its Chief Executive Officer, Mr. Khalid Cheddadi	Cooptation by the Board of Directors dated 06/02/2016	--	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Banque Populaire du Centre Sud</b>	Represented by its Management Board Chairman, Mr. Mohamed Boulghmair	Cooptation by the Board of Directors dated 03/09/2016	--	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>BPCE MAROC</b>	Represented by Mr. François Perol, Management Board Chairman of Banque Populaire et Caisse d'Epargne (BPCE)	General Meeting dated 05/24/2013		General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Mr. Adriano Arietti</b>	Independent Administrator	General Meeting dated 05/24/2013	--	General Meeting ruling on the accounts of the fiscal year ending 2016
<b>Mutuelle Centrale Marocaine d'Assurances (MCMA)</b>	Represented by Mr. Hicham Belmrah President of the MCMA Management Board	General Meeting dated 05/24/2013	--	General Meeting ruling on the accounts of the fiscal year ending 2016

Source : BCP

## II.4. LEGAL ORGANIZATION CHART

At the end-May 2016, BCP Organization Chart is structured as follows:



Source: BCP

## I.1. STRUCTURE OF BCP PARTICIPATIONS

At June 30<sup>th</sup>, 2016, Banque Centrale Populaire controls many subsidiaries that are active in various fields:

Subsidiaries	Field of activity	Capital %	Voting rights %	Interest %	Control %
BP Centre Sud	Bank	51.60%	51.60%	51.60%	100.00%
BP Fes Taza	Bank	52.75%	52.75%	52.75%	100.00%
BP Laayoune	Bank	52.71%	52.71%	52.71%	100.00%
BP Marrakech B Mellal	Bank	52,21%	52,21%	52.21%	100.00%
BP Meknes	Bank	52.53%	52.53%	52.53%	100.00%
BP Nador Al Hoceima	Bank	52.63%	52.63%	52.63%	100.00%
BP Oujda	Bank	52.47%	52.47%	52.47%	100.00%
BP Tanger Tetouan	Bank	52.44%	52.44%	52.44%	100.00%
BP Rabat Kenitra	Bank	52.51%	52.51%	52.51%	100.00%
Chaabi Bank	Bank	100.00%	100.00%	100.00%	100.00%
BPMC	Bank	62.50%	62.50%	62.50%	62.50%
MAI	Assistance	77.43%	77.43%	77.43%	77.43%
CCI	Investment fund	54.10%	54.10%	78.04%	100.00%
IMC	Investment fund	43.50%	43.50%	46.05%	50.34%
VIVALIS	Consumer loan	66.38%	66.38%	77.28%	87.28%
Mediafinance	Capital market	60.00%	89.95%	89.95%	100.00%
CHAABI LLD	Long term location	73.62%	73.62%	83.76%	83.76%
CIB	Offshore Bank	70.00%	70.00%	85.48%	100.00%
BPMG	Bank	77.25%	77.25%	77.25%	77.25%
Bank Al Amal	Bank	24.24%	35.16%	30.34%	35.97%
ATTAWFIQ MICRO FINANCE	Micro finance	100%	100%	100.00%	100.00%
Upline Group	Merchant bank	77.39%	77.39%	89.18%	100.00%
Maroc Leasing	Leasing	53.11%	53.11%	53.11%	53.11%
BP Shore	Holding	56.80%	56.80%	78.26%	100.00%
FPCT Sakane	Real estate	ND <sup>(**)</sup>	ND	49.00%	100.00%
ABI	Holding	74.60%	74.60%	74.52% <sup>(***)</sup>	100.00%
Maroc Traitement de Transactions (M2T)	Holding a research office	54.74%	54.74%	54.74%	54.74%
BP REM	Real estate	43.13%	43.13%	NC	NC
Fonds Moussahama II	General-purpose investment fund	64.00%	64.00%	NC	NC
Atlantic Microfinance For Africa	Holding	100.00%	100.00%	NC	NC
Africa Transaction Processing & services Group (ATPS)	Security management	100%	100%	NC	NC
Al Akaria Invest	Investment fund	99.87%	99.87%	NC	NC
Banque Populaire Patrimoine	Bank	99.87%	99.87%	NC	NC
Banque Participative Du Maroc	Bank	80.00%	80.00%	NC	NC

(\*\*)A securitization collective investment fund does not include any capital.

(\*\*\*)ABI, AACI subsidiary holds a 0.2% stake in ABI Holding. This detention is the result of the decrease of BCP interest percentage on a consolidated basis.

BPR are presented at the level of section II.2

Source: BCP

## I.2. BCP ACTIVITY

### Evolution of loans

The net outstanding customer loans, by type of credit are distributed as follow:

(in MAD million)	2013	2014	2015	2015 proforma	June-16	Var 14/13	Var 15/14	Var June- 16/ 15 proforma
Cash and consumer loans	32 086	33 748	30 987	32 080	31 602	5.18%	-8.18%	-1.49%
Investment loans	21 850	18 166	19 500	20 081	20 286	-16.86%	7.34%	1.02%
Real estate loans	21 830	24 025	23 668	26 885	26 363	10.05%	-1.49%	-1.94%
Other loans	8 696	10 679	13 320	13 534	14 361	22.80%	24.73%	6.11%
<b>outstanding receivables balance of customer loans</b>	<b>84 461</b>	<b>86 619</b>	<b>87 474</b>	<b>92 581</b>	<b>92 612</b>	<b>2.56%</b>	<b>0.99%</b>	<b>0.03%</b>

Source: BCP- Corporate accounts

At the end of December 2014, the net outstanding receivables increased by approximately 3% in comparison to the end of 2013 (86.6 Vs. MAD 84.5 billion). Major increases emanated from real estate loans and other loans that went from MAD 21.8 billion to MAD 24.0 billion and from MAD 8.7 billion to MAD 10.7 billion, respectively. These increases were offset by the decrease of investment loans that fell from MAD 21.9 billion to MAD 18.2 billion between the end of December 2013 and the end of December 2014.

At the end of December 2015, the net outstanding receivables of customer loans rose in comparison to the end of 2014 to reach MAD 87.5 billion. This increase is attributed mainly to the increase of investment loans (+7%, to reach MAD 19.5 billion) and other loans (+25%, to reach MAD 13.3 billion).

At the end of June 2016, the net outstanding receivables of customer loans remains stable in comparison to that of end 2015 proforma. This stability is attributed mainly to the increase of other loans (+6.11% to reach MAD 14.6 billion) and that of equipment loans (+1.02% to reach MAD 20.3 billion) that compensate the decrease of cash and consumer loans (-1.49% to reach MAD 31.6 billion) and that of real estate loans (-1.94% to reach MAD 26.4 billion).

### Evolution of customer deposits

Customer deposits outstanding by product type are distributed as follows:

(in MAD million)	2013	Part	2014	Part	2015	Part	2015 proforma	Part	30 June 2016	Part
Accounts payable	30 228	59.15%	31 674	58.11%	32 547	54.51%	37 068	55.06%	36 496	56.98%
Saving accounts	4 040	7.91%	4 504	8.26%	4 955	8.30%	6 449	9.58%	6 690	10.45%
Term deposits	14 651	28.67%	16 129	29.59%	18 454	30.91%	20 007	29.72%	19 169	29.93%
Other accounts payable	2 282	4.47%	2 203	4.04%	3 757	6.29%	3 797	5.64%	1 691	2.64%
<b>Customer deposits</b>	<b>51 202</b>	<b>100.00%</b>	<b>54 510</b>	<b>100.00%</b>	<b>59 713</b>	<b>100.00%</b>	<b>67 321</b>	<b>100.00%</b>	<b>64 046</b>	<b>100.00%</b>
Growth percentage	3.12%		6.67%		9.54%				-4.86%	

Source: BCP- Corporate accounts

At the end of December 2014, customer deposits amounted to MAD 54.5 billion, i.e. an increase of 7% in comparison to the end of 2013. This evolution is attributed mainly to the increase of term deposits that rose from MAD 14.6 billion by the end 2013, to reach MAD 16.1 billion by the end 2014, and also

to the increase of the accounts payable that rose from MAD 30.2 billion by the end of 2013, to MAD 31.6 billion by the end of 2014.

At the end of 2015, customer deposits increased by 10% to reach MAD 59.7 billion. This is mainly attributed to the increase of the long term deposits (+14%, to MAD 18.5 billion) and other accounts payable.

At the end of June 2016, customer deposits recorded a decrease of -4.86% in comparison to end 2015 proforma to settle at MAD 64 billion. This is explained mainly by the decrease of other accounts payable (-55.5% to reach MAD 1 691 billion) and that of term deposits (-4.2% to reach MAD 19 169 billion).



## II. RISK FACTORS

### II.1. CREDIT AND COUNTERPART RISKS

A credit risk is the risk of loss stemming from a borrower's failure to repay his or her debts (bonds, bank credits, commercial credits, etc.). This risk is broken down into a default risk, which arises in the case where the borrower fails to repay or delays the repayment of the principle and/or interest on their debt, a risk on recovery rate in the event of default, and a risk of deterioration of the credit portfolio's quality.

#### **Credit risk management device**

The control and management device for credit risks relies mainly on the following axes:

- Collegiality of the decision leading to the establishment of credit committees at all levels (Internal Credit Committee, Recovery and Large Risk Committee, etc.);
- Separation of tasks between commercial entities and those responsible for assessing, monitoring and managing credit risks;
- Definition of the powers and operational procedures of all committees by circulars.

These axes are also confined within a general framework of control meeting the regulatory requirements dictated by BAM in this matter. Within the BCP, the risk management device and the internal control system follow the same lines as the group with an individualized follow-up of the activities generating risks. This follow-up essentially revolves around three pillars of supervision, namely:

- Rating system;
- Monitoring of sectoral and individual concentration;
- Sensitive risks.

#### **Internal rating system**

In order to equip the credit sector with support tools for decisions on credits to business and professionals, the CPM has a rating system in compliance with the requirements of Basel II/III in terms of conditions of use and usage.

The current rating system is the heart of the system of managing credit risks. The Rating is an essential element in assessing risk and approving credit.

In addition, function objectives are now defined by risk profile. Also, the monitoring of the exposures is ensured through the analysis of the rated portfolio. To this end, periodic reports are drawn up by the Risk Management function at BCP and BPR level and are intended for the various committees dedicated to risk monitoring.

It should be noted that particular attention is paid to counterparties showing deterioration in the risk quality (G and H rates). The cases raised are examined by the ad hoc Committees.

Due to this strategic role the rating tool plays for the Institution, a special effort is devoted to monitoring the use of this tool. As such, a permanent monitoring system has been put in place to ensure that the rating system is functioning properly, in particular the authenticity of the information and the attributed rates.

It should be reminded that, starting in 2011, the internal rating system was enriched by a new model put in place to cover the rating of real estate projects, allowing the bank to monitor the exposure on a sector

that is characterized by the importance of the volumes granted and the high concentration on certain counterparties. This internal solution also serves as a tool for evaluation and decision-making.

Concerning Retail customers, credit scoring covers mortgages and consumer loans. In addition, the bank is committed to a project covering the needs of its Retail rating system (individuals, professionals and VSEs), which will serve as the foundation for the second tranche still necessary for the transition to the internal rating approach.

For the market and trade finance activities, in 2016, the CPM implemented in 2016 a rating system dedicated to Moroccan and foreign bank counterparties in order to better identify the risk profile of these counterparties and to build a limit device governing these activities.

### **Concentration risk monitoring device**

Concerning concentration risks, a particular attention is paid to its management through:

- Managing individual concentration through compliance with regulatory requirements for risk division on the one hand and monitoring of the largest exposures on the other.
- Monitoring sectoral exposures, which are declined in the form of periodic reporting, sector studies and monitoring sheets.

As for the operational monitoring process for these exposures by sector, it is based on indicators and limits, the non-compliance of which requires the application of additional measures and requirements.

### **Sensitive receivables monitoring device**

The objective of the sensitive risk monitoring device is to identify as soon as possible the advanced signals of potential deterioration of the counterparties, so that they can be dealt with promptly, while actions to protect the bank's interests may still be more effective and less expensive.

It is particularly important for the Bank that commercial entities have the capacity to identify as soon as possible counterparties with a degraded financial position and place them on the "Watch List".

In this context, the Group's General Risk Management is in charge of defining the most appropriate policies and procedures to regularly assess the quality of assets, review counterparties under supervision and propose corrective actions if necessary.

To this end, the Watch List, which is the culmination of these supervisory actions, is itself the subject of a monitoring mechanism enabling the bank to preserve its potential over time.

The sensitive risk management procedure applies to the portfolio of sound debts. It concerns all balance sheet and off-balance sheet commitments made to customers of companies and professionals. The monitoring and management of sensitive receivables is ensured by:

- Group Risk for cases managed by Réseau des Centres d'Affaires de Casablanca, Réseau de Détail de Casablanca and Banque Corporate & Investment Banking (BC&IB);
- BPR Risk Management function for cases within its perimeter.

## **II.2. MARKET RISKS**

Market risk is the risk of loss caused by unfavorable developments in market factors, such as exchange rates, interest rates, stock prices, commodity prices...

With the aim of controlling and ensuring better control of market risks, Groupe Banque Populaire has set up a risk management system that comply with the principles of Basel II and the best practices in the business. This system is based on clear guidelines and on internal policies and procedures in line with the performance objectives, risk-tolerance levels and shareholder's equity.

The guiding principles are as follows:

- Control risks on exposures;
- Secure the development of market activities within the framework of the strategic orientations of the medium-term plan;
- Comply with banking regulations on prudential risk management;
- Adopt best practices in risk management for all activities.

The objective of market risk management is to manage and control market risk exposures in order to optimize the risk/return ratio, while maintaining a market profile that is consistent with BCP's status as a leading financial institution and a major player in terms of financial products.

The Bank's level of tolerance for market risks is reflected in the device of limits and power delegation. These tolerance levels are set so that exposures to market risks cannot generate losses that could jeopardize the Bank's financial strength and expose it to undue or significant risks.

### **Market risk management and monitoring device**

In order to supervise and monitor the risks on the various market activities, BCP has set up a device organized around four axes:

- A delegation of authority system defining the process of requesting, validating limits and authorizing overruns;
- A steering and arbitrage activity between the various market activities;
- A monitoring and surveillance activity of risk indicators by entities and market risk control bodies;
- A set of market risk management and control tools.

Market risks arising from the banking portfolio are monitored, managed and integrated as part of the management of structural interest rate and liquidity risk.

### **Limit management**

Beyond the limits applicable to all market activities, including position limits per instrument, counterparty limits and transaction limits, other limits are established for bond activities and for foreign exchange activities.

The entire limit device is organized in the form of a delegation of powers grid setting the limits per instrument, per market, and per intervener and in VaR. The process of proposing and validating limits is framed by an internal circular. The limits are checked daily by the Middle Office and monthly by the Risk Management Division.

### **Management risk monitoring device**

BCP has adopted a market risk management and monitoring structure which includes the use of VaR methodology and sensitivity analyzes for its entire trading portfolio.

The method used to calculate VaR is based on a historical model. A Parametric VaR calculation with normal distribution (with Variance-Covariance matrix) is also performed. A global VaR is calculated for all trading activities and by type of instrument.

In addition to VaR calculations, profit/loss (P/L) impacts from standard scenarios or stress scenarios are estimated for the entire trading portfolio. These scenarios are selected from three categories: historically proven scenarios, hypothetical scenarios and adverse scenarios.

The market risks are monitored on a daily basis by the Middle Office and the market risk function. The Management Committees (Investment Committee and Risk Management Committee) monitor on a regular basis the levels of exposure, returns generated by market activities, risks associated with trading activities, compliance with regulatory requirements and compliance with limit devices.

The reporting to the various committees includes, in addition to the portfolio sensitivity analysis, simulations in the case of extreme scenarios taking into account both the structure of the portfolios and the correlations between the different risk factors.

### II.3. ALM RISKS

The strategy of management of rate and liquidity global risk is in line with the risk control objective within the development process planned and adopted by the Group.

This strategy is based on the following principles:

- Directing development activities in the context of a medium-term plan taking account of the risks of rate and liquidity.
- Maintaining a stable and diversified structure of our deposits with a mastery of the growth potential of our commitments.
- Gradually improving the overall rate Gap to maintain a balance of different activities in terms of rate and liquidity profile.
- Developing variable-rate assets to immunize a portion of the balance sheet following an unfavorable evolution in interest rates.

#### **Global rate risk**

The overall rate risk is the loss caused by unfavorable changes in interest rates across the bank's balance sheet with respect to its ability to transform savings and resources into productive uses.

The analysis of global risk of rate is complex because of the need to make hypotheses about the depositors' behavior regarding the maturity of refundable deposits contractually on demand and on the assets and liabilities directly insensitive to interest rates. When the behavioral characteristics of a product are different from its contractual characteristics, behavioral characteristics are assessed to determine the risk of the underlying real interest rate.

#### ***Evolution of risk indicators***

At June 30<sup>th</sup>, 2015, the profile of short term assets and liabilities is more or less the same as that of assets and liabilities at the end of December 2014. The main changes having an impact on the rate risk are as follows:

- the decrease of loans of treasury in Dirhams by around MAD 800 million;
- The increase of portfolio bond at MAD 3.7 billion ;
- The decrease of residual duration of long term deposits, from 6.1 months in December 2014 to 5.8 months in June 2015.

These operations aim at a decrease of short-term assets and an increase of short-term liabilities, which resulted in a reversal of the risk profile. Thus, in case of increase in 100 basis points, earnings range from MAD -65 million against MAD +56 million in December 2014. However, the sensitivity of earnings to a change in interest rates remains well below the limits of the Group's risk objectives.

At the end of December 2015, the risk profile has become positive again due to:

- Increase of short-term assets with mainly the increase of received pensions (following a surplus liquidity);
- Decrease of short-term assets, by taking account of non-renewal of given pensions;
- To a lesser extent, the decrease of short-term financing commitments (3.9 billion) and the decrease of guarantee commitments by 5 billion over the short run.

The following table presents the potential impact of an increase in rates by 100 basis points, over a period of 12 months (short term), on the net income of interests and on the economic value of the Groupe in 2014 and 2015. The impact of such change represents less than 2% of GDP and 1.5% of equity.

<b>In % of productive uses CPM</b>	<b>December 2014</b>	<b>June 2015</b>	<b>December 2015</b>
Impact on the revenue (in millions)	56	-65	132
Compared to the net banking income	0.53%	-0.59%	1.20%
Impact of the economic value on the CT (in millions)	-235	-241	-153
Compared to regulatory equities	-0.95%	-0.85%	-0.54%

### **Liquidity risk**

This risk may arise from the balance sheet structure due to lags between effective maturities of assets and liabilities' elements, funding requirements for future businesses, customer behavior or potential disruptions in markets or economic conditions.

#### ***Evolution of risk indicators***

Total assets of the Group amounted to MAD 280 billion at the end of December 2015 compared to 266 in December 2014, i.e. a 5.2% increase. In December 2015 compared to December 2014, customer deposits grew faster than loans. Therefore, the liquidity situation of the GBP has improved significantly given the following developments:

- Increase in short-term customer deposits (amounting to MAD 8.2 billion), savings accounts (+2.2 bn MAD) and DAT (+5 bn MAD);
- Improved liquidity from the market: Increase of MAD 1.2 bn in financial loans and decrease by MAD 1 bn in treasuries following the non-renewal of fallen PTF investment;
- Increase in equity due to the increase of BCP capital, dedicated to CPM agents (up to MAD 1.7 bn)

These liquidity surpluses have enabled:

- Funding the growth in credits amounting to MAD 2 billion;
- Not to use the REPO money market (MAD -7.5 bn), particularly with Bank Al-Maghrib.

The remaining liquidity was given on loan in the money market in the form of cash loans or Reverse REPO with credit institutions and financial customers.

The resources of the CPM collected from customers increased by 7.8%, from MAD 207.4 billion in December 2014 to MAD 223.5 in late December 2015.

This increase relates to the book accounts (+ 8.9%) and short-term deposits (+ 7.6%), whereas the refinancing via the money market decreased (BAM pensions). Thus, the share of paid resources with respect to the overall structure of resources has declined slightly between 2014 and 2015.

The Group's transformation coefficient stood at 85.2% in December 2015 against 91% a year earlier due to the more significant development of customer deposits compared to credit activity.

## II.4. OPERATIONAL RISKS

### **Operational risk management device**

GBP defines operational risk as the risk of potential harm due to inadequacy or failure attributable to procedures, persons, systems or external events. This definition of operational risk includes legal and reputation risk, but excludes strategic risk.

Beyond the regulatory requirements of an equity allocation for operational risk, our device seeks to better meet BAM recommendations and the sound practices advocated by the Basel II agreements. Overall, it is part of a system of continuous improvement:

- collecting data on (potential) risks and/or (proven) incidents;
- analyzing (potential) risks and/or (proven) incidents and assessing their financial consequences;
- communicating data on (potential) risks and/or (proven) incidents and assessing the exposure to operational risks;
- initiating preventive and corrective actions that are necessary to reduce the impacts and the likelihood of occurrence of risk events.

### **Operational risk segment organization**

The operational risk segment is structured around:

- The central function at the headquarters level, which is responsible for designing and managing methodological and IT tools;
- A risk manager by BPR, they are the relays of the central function at CPM level;
- Correspondents appointed by function within the framework of the loss collection protocol; these correspondents have the task of identifying operational losses and indexing them in the risk management tool made available to them;
- Subsidiary correspondents who ensure the implementation of the methodology and operational risk tools in synergy with the device adopted within the bank.

### **Main tools for the operational risks management**

The four main methodological tools are mapping operational risks, incident collection, system for monitoring outsourced activities and the Business Continuity Plan.

### **Risk cartography**

The process relies on the process referential and adopts the division deployed by the organization. Through workshops with business experts, operational risk events are identified and described. These events are then evaluated according to two parameters (average unit financial impact and frequency).

For each event, an assessment of the risk management device (RMD) is carried out according to three levels (Satisfactory, To strengthen or Unsatisfactory).

This exercise allows a hierarchical view of risks and the implementation of action plans by business line. In general, these action plans are integrated into projects initiated by the Bank and monitored within the framework of the permanent control and operational risks committee.

### **Incident collection**

In accordance with the regulations, a system to collect losses and operational incidents was implemented, based on a declaratory mechanism.

The correspondents in charge of the collection of the different incidents enter the input directly into a dedicated computer tool. A workflow is being designed in order to enable managers to control the relevance of the information provided by co-workers and to inform them in real time of events taking place within their scope, with aim to implement corrective measures.

### **Monitoring of externalized activities**

In order to assess the risk incurred by the bank, two evaluation grids are set up:

- Criticality grid with 8 axes (service implementation, service number in the region, service cost, regulatory requirement, etc.) on a scale of 1 to 4 allowing to order services according to their exposure to risk;
- Control level grid including 5 axes (Financial health, PCA, visit of the service provider, etc.) on a scale of 1 to 4 highlighting the level of risk control between service providers of the same activity.

### **Business continuity plan**

The Business Impact Analysis (BIA) et the Maximum Admissible Interruption Duration (DMIA) (*Durée Maximum d'Interruption Admissible*) allow the identification of the processes to restore urgently in case of a crisis. For each critical process, there is a business rescue plan (PSM) (*plan de secours métiers*) that specifies the role of each and everyone at the time of a disaster, the means available and the immediate actions to be taken when arriving at the backup site.

It is important to report that no major incidents occurred in the first half of 2016 obliging the bank to enable its business continuity plan.

## **III. BCP CONSOLIDATED SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS**

### **III.1. BALANCE SHEET – IFRS**

#### **Assets**

<b>In MAD million</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>06/30/2016</b>
Cash values, Central banks, Public Treasury, services of postal checks	6 798	7 707	9 666	10 524
Financial assets at fair value through result	21 862	22 299	25 335	26 785
Financial assets held for sale	16 422	28 390	26 512	31 146
Loans and receivables to credit and similar institutions	11 537	11 689	19 798	15 180
Customer loans and receivables	199 827	206 082	210 134	215 679
Investments held till their maturity date	19 841	17 402	16 105	15 707
Current tax assets	586	818	731	1 442
Deferred tax assets	294	288	480	725
Accruals and other liabilities	3 874	4 834	8 913	7 171
Investments in equity-consolidated companies	73	54	43	39
Tangible assets	7 647	8 503	9 120	9 875
Intangible assets	498	538	737	792
Purchase goodwill	1 040	1 025	1 253	1 339
<b>IFRS TOTAL ASSETS</b>	<b>290 299</b>	<b>309 630</b>	<b>328 829</b>	<b>336 405</b>



## Liabilities

In MAD million	2013	2014	2015	06/30/2016
Central banks, Public Treasury, services of postal checks	101	70	550	540
Financial liabilities at fair value through profit or loss	-	53	-	-
Hedging derivatives	48	-	-	-
Loans and receivables to credit and similar institutions	28 877	32 414	25 804	26 022
Customer debts	209 991	229 821	250 313	254 345
Debts represented by a security	-	-	-	-
Issued loan securities	8 095	270	224	224
Current tax liabilities	887	1 127	1 100	1 442
Deferred tax liabilities	1 032	996	436	436
Accruals and other liabilities	3 510	5 643	5 721	8 418
Technical provisions of insurance agreements	107	126	847	1 114
Provisions for risks and costs	1 596	1 748	2 318	2 502
Subsidies, restricted public funds and special funds of guarantee	2 576	2 719	2 642	3 218
Subordinated debts	1 590	2 637	2 676	1 140
Capital and associated reserves	16 545	17 344	19 776	20 498
Consolidated reserves	11 111	10 101	11 847	12 777
- Group share	3 294	3 294	3 700	4 387
- BPRs share	5 758	5 001		-
- Minority shareholding	2 059	1 806	8 148	8 390
Latent or deferred gains or losses, group share	1 028	1 304	1 551	2 016
- Group share	1 021	1 333	1 231	1 341
- BPRs share	7	-40		-
- Minority shareholding	0	10	321	675
Net profit of the FY	3 206	3 256	3 023	1 712
- Group share	1 952	2 195	2 511	1 397
- BPRs share	1 031	676		-
- Minority shareholding	223	384	511	315
<b>IFRS TOTAL LIABILITIES</b>	<b>290 299</b>	<b>309 630</b>	<b>328 829</b>	<b>336 405</b>

### III.2. INCOME ACCOUNTS – IFRS

In MAD million	2013	2014	2015	06/30/2015	06/30/2016
Interests and similar income	13 872	14 785	14 967	7 635	7 676
Interests and similar costs	-4 493	-	-4 478	-2 358	-2 421
<b>INTEREST MARGIN</b>	<b>9 379</b>	<b>14 785</b>	<b>10 489</b>	<b>5 278</b>	<b>5 255</b>
Commissions receivables	2 101	-	2 183	1 002	1 228
Commissions payments	-205	-	-231	-98	-123
<b>COMMISSIONS MARGIN</b>	<b>1 896</b>	<b>1 917</b>	<b>1 952</b>	<b>904</b>	<b>1 105</b>
Net gains and losses on financial instruments at the fair value through result	1 369	2 158	1 752	681	1 020
Net gains or losses on financial assets held for sale	275	233	609	561	449
<b>RESULT OF TRADING ACTIVITIES</b>	<b>1 644</b>	<b>2 391</b>	<b>2 362</b>	<b>1 241</b>	<b>1 469</b>
Income from other activities	547	715	1 113	557	651
Costs of other activities	-284	-289	-575	-270	-349
<b>NET BANKING INCOME</b>	<b>13 181</b>	<b>14 747</b>	<b>15 341</b>	<b>7 710</b>	<b>8 132</b>
General operating costs	-5 750	-6 065	-6 667	-3 347	-3 565
Allocation to amortizations and depreciations of tangible and intangible assets	-744	-804	-835	-436	-441
<b>GROSS OPERATIONAL RESULT</b>	<b>6 688</b>	<b>7 877</b>	<b>7 839</b>	<b>3 927</b>	<b>4 126</b>
Risk cost	-1 970	-3 027	-3 253	-1 530	-1 765
<b>OPERATING RESULT</b>	<b>4 718</b>	<b>4 850</b>	<b>4 586</b>	<b>2 398</b>	<b>2 360</b>
Share of the result of equity-consolidated companies	5	-2	-8	-7	3
Net gains or losses on other assets	98	16	106	100	38
Change of goodwill purchase values	-	-	-	0	-3
<b>PRE-TAX RESULT</b>	<b>4 821</b>	<b>4 864</b>	<b>4 684</b>	<b>2 492</b>	<b>2 398</b>
Benefit tax	-1 615	-1 608	-1 661	-788	-686
<b>NET RESULT</b>	<b>3 206</b>	<b>3 256</b>	<b>3 023</b>	<b>1 703</b>	<b>1 712</b>
Result – BPR share	1 031	676	-	-	-
External result	223	384	511	467	315
<b>BCP GROUP NET SHARE RESULT</b>	<b>1 952</b>	<b>2 195</b>	<b>2 511</b>	<b>1 237</b>	<b>1 397</b>

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**DISCLAIMER**

**The aforementioned information is only a part of the preliminary prospectus approved by the Moroccan Authority of Capital Markets (AMMC), under reference No VI/EM/028/2016/P on November 15, 2016. The AMMC recommends reading the full preliminary prospectus made available to the public in French.**