

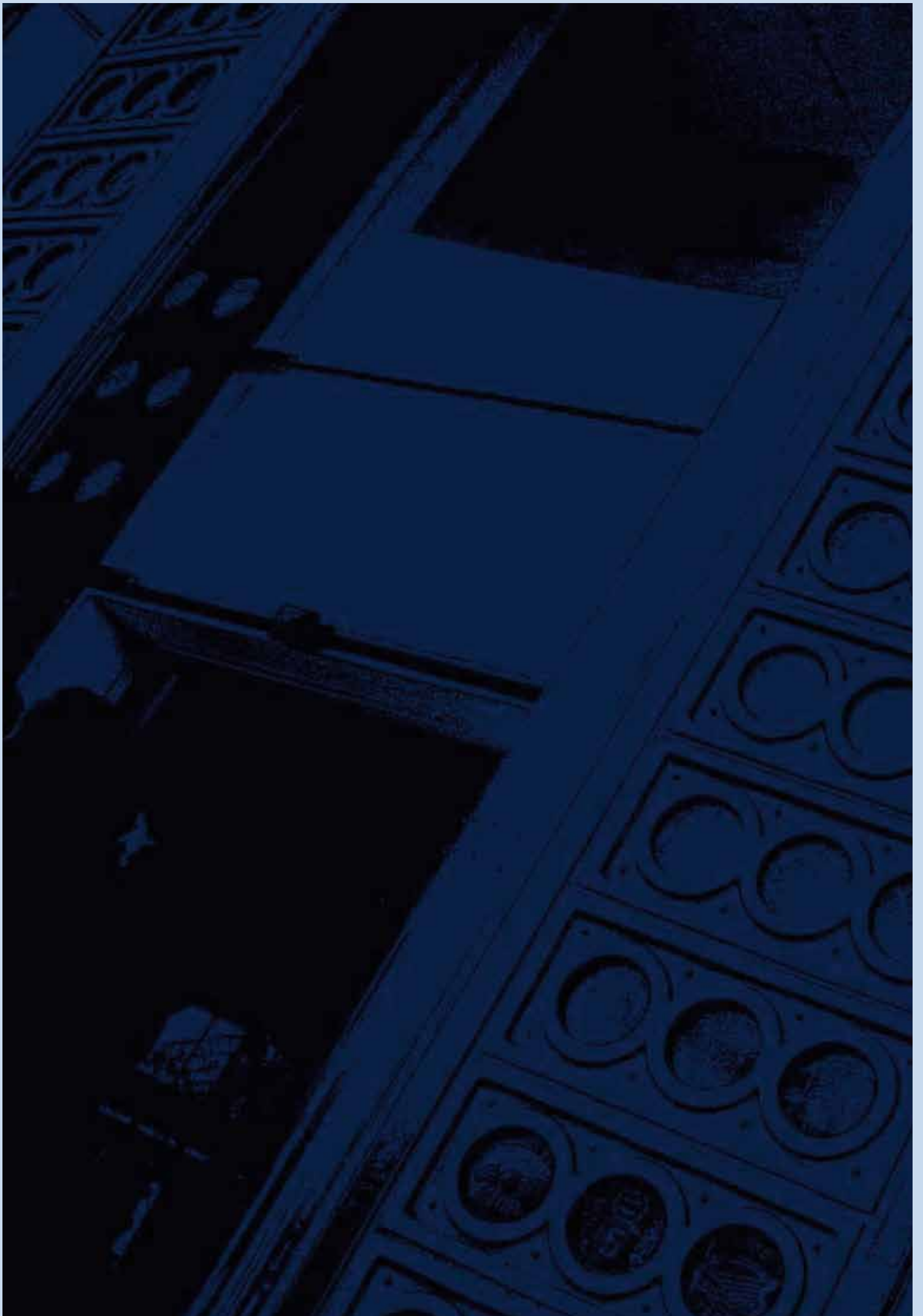


# BMCE BANK

## BMCE BANK CONSOLIDATED FINANCIAL STATEMENTS UNDER IAS/IFRS

December, 31<sup>st</sup> 2010





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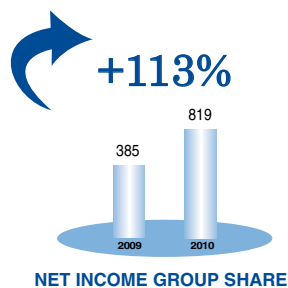


# BMCE Bank Group Press Release

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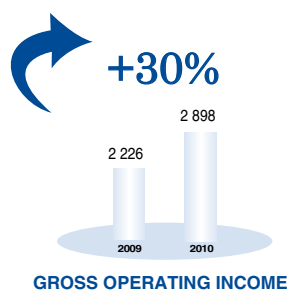
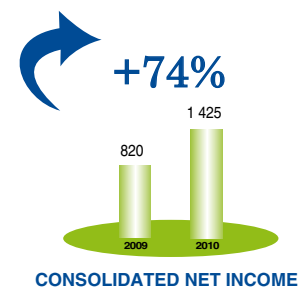


## STRONG GROWTH IN 2010 RESULTS



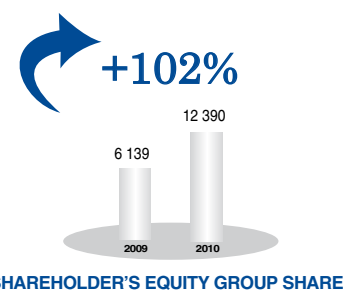
### ■ Significant increase in earnings

- Consolidated Net income : +74% to 1.4 billion MAD
- Net income Group share: +113% to 819 mMAD
- Net income –Domestic Activity: +30% to 660 mMAD



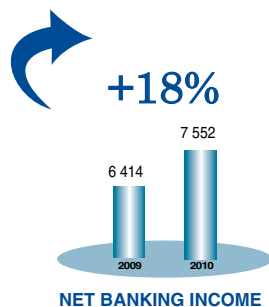
### ■ Strengthening of the capital base

- Shareholder's Equity Group share doubled to 12.4 billion MAD
- Capital Adequacy ratio of 12.6%



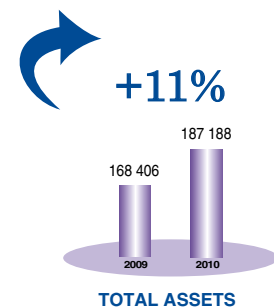
### ■ Branch network expansion in Morocco

- More than 380 branches opened since the start of the branch expansion program in 2005, including 51 in 2010



### ■ A development strategy based on three pillars

- Improvement of the commercial and operational efficiency in Morocco
- Pursuit of the business growth in Sub-Saharan Africa
- Resizing of the activities in Europe



Numbers in Million MAD

## 2010 : YEAR OF SOLID PERFORMANCES



### CONSOLIDATED ACTIVITY: REMARKABLE FINANCIAL PERFORMANCE

- Substantial increase of +113% in Net Income Group Share to 819 mMAD, driven by the very positive contribution of the Bank and its subsidiaries both in Morocco and in Sub-Saharan Africa.
- Like for like, Net Income Group Share, adjusted for the increase of the Bank's equity stakes in Bank of Africa and Maghrébaïl to 55.8% and 51%, respectively, up +95% to 755 mMAD.
- +30% rise in the Gross Operating Income, a key measure of the operating performance, to reach 2.9 billion MAD.
- +18% growth in Consolidated Net Banking Income to 7.6 billion MAD, thanks to the good performance of the Core business, as shown by an increase of +14% in net interest income, +11% in net fee income, and +52% in income from market transactions.
- Improvement in the cost to income ratio from 65.3% in 2009 to 61.6% in 2010, down -3.7 %p compared to last year.
- Strengthening of the capital base, as Shareholders' Equity Group Share doubled to reach 12.4 billion MAD, thanks to the support of shareholders, including employees, who reiterated their trust in the Group's development prospects.
- Good commercial dynamics, as illustrated through a +15% growth in customer loans to 107 billion MAD and nearly +8% in customer deposits to 132 billion MAD.

### DOMESTIC ACTIVITY: INCREASE IN THE PERFORMANCE INDICATORS

- Increase of +7.5% in Net Banking Income to 3.9 billion MAD, due to the volume effect in loans and the improvement in the net interest spread.
- Sustained growth of +10.4% in the like for like Net Banking Income, adjusted for treasury shares and equity mutual funds.
- Ongoing efforts in terms of cost control, with a contained growth at 6.3% in 2010 versus 6.5% in 2009, resulting in a decline in the cost to income ratio by -0.7%p to 62.9%.
- Rise of +14% in gross operating income to 1.3 billion MAD.
- Increase of +30% in net earnings -domestic activity from 507 mMAD to 660 mMAD. For the aggregated activity, the net income stood at 522 mMAD, up about +4%, impacted by the decrease in the performance of BMCE Bank Offshore and the provisions on the London based subsidiary borne by the Paris Main branch.

- Slight growth in customer deposits by +1% to 87.4 billion MAD, hampered by a -30% decrease in current accounts, under the effect of a number of exceptional operations occurred in 2009, and relating to some corporations, inducing a slight drop in the market share from 14.5% in 2009 to 14.2% in 2010.
- +8.8% increase in Customer loans to 97.3 billion MAD, bringing market share up 16 basis points -bp- to 12.97%, due to the good performance of the different business segments.

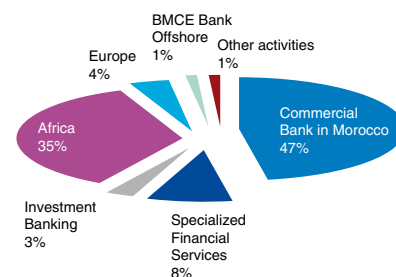
### IMPROVED RISK PROFILE

- Decline of -39 bp in NPL ratio -Domestic Activity to 4.6%, below the average of the banking industry (5.1%) - Moroccan Banking Association, 2010 statistics-.
- Improvement in the net cost of risk to 404.5 MDH, down -32.4% compared to last year.
- Increase in non performing loans contained at +0.3% to 3 666 mMAD in 2010.
- Sustained reinforcement of the risk management system through:
  - Implementation of a system of internal rating and stress testing, in compliance with the Basel II requirements;
  - Continuation of the automation process of the operational risk management and generalization of a dedicated tool at the Group's subsidiaries.

### GROWTH PROSPECTS: TOWARDS A BETTER OPERATIONAL EFFICIENCY

- Profitable growth strategy in Morocco, supported by a transformation program, aiming at simultaneously increasing the revenue stream and reducing expenses.
- Gains in terms of efficiency and productivity to be achieved through:
  - Optimization of the cost structure thanks to the implementation of identified cost savings opportunities
  - Improvement of the commercial efficiency through a simplified organization model structured by region;
  - Optimisation of back offices and acceleration of the automation process

### 2010 CONSOLIDATED NET BANKING INCOME BY BUSINESS LINE



### CONSOLIDATION LIST

	2010	2009
<b>FULL CONSOLIDATION</b>		
BMCE Capital	100.00%	100.00%
BMCE Capital Gestion	100.00%	100.00%
BMCE Capital Bourse	100.00%	100.00%
Maroc Factoring	100.00%	100.00%
Salafin	73.87%	73.87%
Maghrébaïl	51.00%	35.92%
Bank of Africa	55.77%	42.50%
BMCE Bank International Plc	100.00%	100.00%
BMCE Bank International Madrid	100.00%	100.00%
La Congolaise de Banque	25.00%	25.00%
Locasom	73.06%	72.15%
<b>EQUITY METHOD</b>		
Banque de Développement du Mali	27.38%	27.38%
Casablanca Finance Markets	24.56%	33.33%
Heuler Hermes Acmar	20.00%	20.00%
Hanouty	45.55%	45.55%
Eurafric Information	41.00%	41.00%
Conseil Ingénierie et Développement	38.90%	38.90%

# FY '10



Bank of Africa Group, 55.8% owned by BMCE Bank, is one of the leading banking groups in Africa, with:

- **A unique African experience**
  - Continued development for about 30 years
- **An extended network**
  - 14 commercial banks
  - 9 specialized subsidiaries and 1 Paris based finance company
  - More than 250 branches
  - More than 3 000 employees
- **Strategic shareholders and partners**
  - BMCE Bank, the majority reference shareholder
  - Proparco
  - IFC- The World Bank Group
  - West African Development Bank
  - The Belgian Investment Company for Developing Countries (BIO)
  - The Entrepreneurial Development Bank of the Netherlands (FMO)
- **2 digit growth in the 2010 main activity indicators:**
  - Total Assets: +28% to 3.2 billion €
  - Loans: +18% to 1.6 billion €
  - Deposits: +33% to 2.6 billion €
  - Net Banking Income: +24% to 202 million €
  - Consolidated Net Income: +29% to 47 million €

## POSITIVE GROWTH IN THE DIFFERENT BUSINESS LINES OF BMCE BANK GROUP

### DOMESTIC ACTIVITY: PURSUIT OF THE BRANCH EXPANSION

#### RETAIL BANKING: GOOD COMMERCIAL BASE

- **Opening of 50 branches** dedicated to private individuals and professionals customers, in addition to one business center, bringing the size of the network up to 613 branches.
- **Consolidation of the Bank's presence on the electronic banking**: (i) Increase of +9% in bank cards, (ii) leadership position on the international bank cards segment, with a 55.7% market share.
- **Growing development of the bancassurance**, with the sale of +63 000 new contracts, up +11.4% compared to 2009, and a +6.4% increase in fees generated from this business activity.
- **+1%p gain in consumer loans market share** to 19.45%, moving up to the second position on this market segment.
- **Launch of the first comprehensive range of products dedicated to professionals clientele**, reflecting the bank's aspiration to enhance its position in this market.

#### CORPORATE & SMEs: SATISFACTORY ACHIEVEMENTS

- **Rise of +12% in current accounts** at the Bank's business centers networks dedicated to enterprises and SMEs to attain more than 4.6 billion MAD.
- Increase of +13% in investment loans granted by the business centers to about 9 billion MAD, reflecting the **bank's support to networks development of SMEs**.
- **Sustained commitment to the financing of large corporations**, as shown through a +12% growth in corporate loans to 32.6 billion MAD.
- **Renewal of the ISO Certification for "Project Finance"**, BMCE being the first bank in Morocco to be certified on this activity in 2006.

#### INVESTMENT BANKING: STRONG DYNAMICS IN THE ACTIVITIES IN A FAVORABLE MARKET ENVIRONMENT

- **A six-fold increase in the contribution of investment banking activities to the net income group share**, from 11 mMAD in 2009 to 68 mMAD in 2010.
- **BMCE Capital Bourse's stock market volume share up +13.2%p** to 29%, to become a co-leader.
- **Upsurge in BMCE Capital Gestion's assets under management** by more than +33% to reach 30.4 billion MAD versus an average growth of 16.7% for the industry.
- **Strong innovation capacity of BMCE Capital Markets** to meet customer satisfaction, as evidenced by the launch of new structured products, FX derivatives, and stock options.
- **Considerable rise in BMCE Capital Titres' assets under custody** to nearly 29%, amounting 191 billion MAD.

#### SPECIALIZED FINANCIAL SUBSIDIARIES: REINFORCED CONTRIBUTION TO THE GROUP'S EARNINGS

- **Significant increase in the contribution of specialized financial services** (leasing, consumer credit, factoring and credit insurance) to Net Income Group Share, up +41.7% to 117 mMAD.

#### MAGHREBAIL

- **+0.5%p gain in market share for MAGHREBAIL** to 19.6% with a +11% increase in lease finance commitments to 7.2 billion MAD versus +8% for the industry.
- **Increase of +16% in Net Banking Income to about 216 mMAD and improvement in cost to income ratio** by -2%p to 26.6%.

#### SALAFIN

- **Good business performance**, with a gross operating income up +7% to 215 mMAD, despite a decrease in the sector's loans volume. ROE is maintained at 17%.
- Pursuit in 2011 of the development of **fee business** -back office management and debt collection for third parties- complementary to the traditional financing activity.

#### MAROC FACTORING

- **Bounce back in net income** to 10 mMAD in 2010 versus a -27.4 mMAD loss in 2009.
- **Launch in partnership with Maroc Factoring of BMCE e-confirming**, a new service guaranteeing a full payment of suppliers' invoices, through two forms: immediate payment or payment due.

### INTERNATIONAL ACTIVITY: RISE OF AFRICA BASED BUSINESSES

#### AFRICAN SUBSIDIARIES: 25% OF NET INCOME GROUP SHARE

##### BANK OF AFRICA

- Reinforcement to 55.8% of BMCE Bank's equity stake in Bank of Africa, the **Group's spearhead in sub-Saharan Africa**.
- Expansion of the geographic reach of Bank of Africa to **14 countries** on the continent, following the creation of BOA Democratic Republic of Congo, BOA Togo and the acquisition of *Banque Indosuez Mer Rouge* in Djibouti.
- **Diversification of Bank of Africa's activities** through the creation of BOA France, a Paris based subsidiary specialized in money transfer, and BOA Asset Management.
- **Promising growth prospects** of BOA Group, supported by:
  - Strengthening of shareholder's equity thanks to a capital increase program planned for BOA Group and its subsidiaries for a total amount of 172 m€ over the 2010-2012 period;
  - Expansion projects underway in several African countries;
  - Appointment of a BMCE Bank Director and Delegate General Manager as Chairman & CEO of Bank of Africa Group; a managerial transition that builds on the natural take over process of this Group.

##### LA CONGOLAISE DE BANQUE

- **Pursuit of the commercial development**, as shown through a positive growth in deposits and loans, up more than +21% to reach 299 M€ and 126 M€, respectively.
- **+14.4% growth in Net Banking Income** to more than 21 million M€ and **+58% in net earnings** to 7.6 M€.
- **Strict risk management policy** as illustrated through a decline in NPL ratio from 3% in 2009 to 2% in 2010.

##### LA BANQUE DE DEVELOPPEMENT DU MALI

- **Significant increase of +33% in net income** to 7.6 M€ for the year ended December 31, 2010.
- Ambitious projects for a **sustainable development**: (i) development of new activities with the creation underway of a life insurance company and a money transfer company in Paris and (ii) extension of the network at national level, on the one hand, and at the regional level, on the other hand, with plans to open subsidiaries in several countries.

#### REORGANIZATION OF THE EUROPEAN PLATFORM

##### BMCE BANK INTERNATIONAL PLC

- **Restructuring of the European activities** to fit the international market conditions and the development capacities of the Group abroad.

##### BMCE BANK INTERNATIONAL MADRID

- **Strong growth in Net Banking Income, up +21%** to 8.1m€, driven especially by net fee income at the expense of a decreasing net interest income, induced by a voluntary rationing of credit, given the rise in the cost of risk in Spain.
- **+44% increase in net income** to 3.3 m€ in a less favorable economic environment.
- **Control of cost of risk**, with an NPL ratio standing at 0.45%, well below the average of the industry.

#### CONSOLIDATION OF BMCE BANK'S APPROACH IN TERMS OF CSR AND SUSTAINABLE DEVELOPMENT

##### BMCE BANK FOUNDATION

- **Modernization of pedagogical practices** supported by a reinforced governance system.
- **Expansion of the MedersatCom network** with the creation of 5 new schools.
- **Restoration of the Ait Hammou Kasbah** in Zagora where a new Medersat.com school is implemented.
- Sealing of a **partnership with the Congo Assistance Foundation**.

#### SUSTAINABLE FINANCE

- **Reinforcement in the implementation of the Social & Environmental Management System**, aiming at assisting clients in identifying and evaluating social and environmental risks inherent to their investment projects.
- **Ongoing set up of an Environmental Management System** to monitor the direct and indirect impacts of the bank's activities.
- BMCE Bank shortlisted as one of the top 3 nominees for the **FT Sustainable Banking Awards 2010** in the Emerging Markets category (Africa & Middle East Region), organized by the British magazine Financial Times, in partnership with IFC-The World Bank Group.

### BOA GROUP BANKING SUBSIDIARIES AS OF DECEMBER 31, 2010

Subsidiary	Equity interest	Total assets (m€)
BOA Benin	51.72%	743
BOA Madagascar	42.29%	434
BOA Burkina Faso	54.33%	348
BOA Cote d'Ivoire	66.80%	322
BOA Mali	56.97%	288
BOA Mer Rouge	80.00%	272
BOA Kenya	45.67%	248
BOA Niger	51.03%	212
BOA Senegal	68.19%	181
Banque de Crédit de Bujumbura -Burundi	20.80%	142
BOA Tanzania	22.09%	119
BOA Uganda	24.05%	97
BOA Democratic Republic of Congo	66.01%	11
BOA Togo	76.22%	10

(\*) based in Djibouti, acquired by BOA in 2010





# ACCOUNTING STANDARDS AND PRINCIPLES APPLIED BY THE GROUP

## 1. CONTEXT

The application of IAS/IFRS is obligatory starting from the fiscal year beginning on January 1<sup>st</sup>, 2008.

The paramount objective of the regulatory authorities is to provide credit institutions with an accounting framework in accordance with international standards in terms of disclosure and financial transparency.

BMCE Bank Group has adopted IFRS, approved by IASB to the consolidated accounts for the 2008 fiscal year compared to the 2007 fiscal year as well.

## 2. APPLICABLE ACCOUNTING STANDARDS

### 2.1. CONSOLIDATION

The scope of consolidation includes all domestic and foreign entities in which the Group has direct or indirect control. The consolidation method, i.e. full consolidation, proportional consolidation, and equity method, is respectively determined by whether the Group exercises exclusive control, joint control, or significant influence. However, joint ventures are consolidated using the proportional method or the equity method.

The new aspect brought by the International Financial Reporting Standards concerns Special Purpose Entities, distinct legal structures, formed specifically by the Group to realize a limited and well defined objective. These entities must be consolidated regardless of their legal form and country of implementation.

Are excluded from consolidation :

- Entities under temporary control, i.e. acquired to be disposed in the short term (within a 12 month period) ;
- Entities whose assets are held for transaction purposes and accounted for at fair value through profit or loss.

There is no control presumption in IAS 27, IAS 28, and IAS 31 and therefore subsidiaries in which the Group has 40% to 50% control are fully consolidated.

### Options Adopted by BMCE Bank

#### Definition of the Consolidation Scope

BMCE Bank Group consolidates entities, regardless of their activity, in which it holds at least 20% of the voting power.

On the other hand, the Group consolidates entities meeting the following conditions :

- The subsidiary's total assets is greater than 0,5% of the parent company's ;
- The subsidiary's net assets is greater than 0,5% of the parent company's ;
- The subsidiary's banking revenues are greater than 0,5% of the parent company's ;
- Cumulated thresholds where the total of unconsolidated entities does not exceed 5% of the consolidated aggregate.

#### Exception

Any entity having a non significant contribution has to be consolidated if it holds stakes in subsidiaries which meet one of the conditions mentioned above.

### Exclusion from the Consolidation Scope

BMCE Bank excludes from its consolidation list entities in which it has control or exercises a significant influence, when at their acquisition, the securities of these entities are held with the intention of reselling them in the short term. These securities are recorded in this case under "available for sale assets" at the fair value through profit or loss.

Also are excluded from the consolidation list participations held by venture capitalists, (except for major participations) which are optionally recorded as financial assets at fair value through profit or loss.

### 2.2. TANGIBLE FIXED ASSETS

A tangible fixed asset is a long term asset held by the firm to be used for operations or lease.

#### Initial Recognition

Tangible fixed assets are initially recognised at purchase price plus directly attributable costs.

#### Subsequent Measurement

Subsequent to initial recognition, tangible fixed assets can be measured according to two methods :

- **Cost method (recommended)** : assets are measured at cost less cumulated depreciation and any impairment losses ;
- **Reevaluation method (optional)** : assets are measured at fair value at the date of reevaluation less subsequent cumulated depreciation and any impairment losses. Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Reevaluation should be conducted on a sufficient regular basis so that the book value will not be significantly different from the fair value at the closing date.

#### Component-based Approach

Where an asset consists of a number of components that have different users or different patterns of consumption of economic benefits, each component is recognised separately and depreciated using an appropriate method to that component.

#### Depreciation rules

The depreciation of a tangible fixed asset is the cost of this asset less any residual value, which corresponds to the current value of the asset, taking into account its estimated age and condition over its useful life.

A tangible fixed asset is depreciated over its useful life, which corresponds to the period over which the entity expects to use this asset. The depreciation should reflect the consumption patterns of future economic benefits. The depreciation periods and methods have to be reviewed periodically by the firm, and hence the depreciation expenses for the current and future fiscal years must be readjusted.

Even if the fair value of the asset is greater than its book value, depreciation is recognised, as long as the residual value does not exceed the book value.

#### Impairment

The amount of impairment is the excess of the carrying value over the recoverable value, which corresponds to the highest value between the net disposal price and the value in use.

Impairment losses are recognised when there is an indication of impairment (internal or external), which has to be valued at the end of each fiscal year.

### Options Adopted by BMCE Bank

#### Initial Recognition

The Group has chosen the cost method instead of the revaluation method, as specified by IAS16. However, the Group might use the revaluation method for a part of its lands.

The borrowing costs are not included in the acquisition cost of a tangible fixed asset.

#### Residual Value

Given the nature of BMCE Bank's fixed assets, the Group did not retain any residual value, except for equipment transport of the subsidiary LOCASOM. Actually, there is no sufficiently active market or replacement policy over a period that is shorter than the asset's useful life so that a residual value can be recognised.

#### Depreciation Period

The Group has adopted an identical depreciation scheme in the IAS/IFRS consolidated accounts.

#### Component-based Approach

Given the nature of the Group's activity, depreciation by component is essentially applied to buildings. For the opening balance sheet, the recognition of the historical depreciation cost by component is applied, using a different depreciation periods as a function of the construction characteristics.

#### Headquarters' Buildings Branch Offices

	Depreciation period %		Depreciation period %	
	Period	QP	Period	QP
Shell	80 years	55%	80 years	65%
Facade	30 years	15%	-	-
General and Technical Installations	20 years	15%	20 years	15%
Fixtures and Fittings	20 years	20%	10 years	20%

#### Impairment

The Group considers that impairment is only applied to constructions and therefore the market value (appraisal value) is used for depreciation.

### 2.3. INVESTMENT PROPERTY

According to IAS 40, an investment property comprises property assets held to generate rental income and capital gains. Unlike a fixed asset used in operations or in the provision of services, an investment property generates cash flows, independent from the other assets of the firm.

IAS 40 gives the choice for the measurement of an investment property :

- The fair value through profit or loss ;
- The amortised cost method.

Any used method must be applied to all investment properties.

### Options Adopted by BMCE Bank

#### Definition

The Group considers any non operating property as an investment property.

#### Measurement

BMCE Bank Group has adopted the amortised cost method for the measurement of its investment properties. The treatment in terms of measurement is identical to that used in the measurement of operating properties.

### 2.4. INTANGIBLE FIXED ASSETS

An intangible fixed asset is a non monetary and non physical asset.

It is :

- Identifiable in order to distinguish it from goodwill ;
- Controlled if the firm has the power to get the future economic benefits generated from the underlying asset and if the firm can also restrain the access of a third party to its benefits.

IAS 38 states two phases for in-house intangible fixed assets.

Phase	Fixed asset/expense
Research	Expense
Development	Fixed asset

Expenses resulting from the development phase are recorded under fixed assets if it is possible to demonstrate :

- The technical feasibility of the product ;
- The intention to carry out the project ;
- The capacity of the firm to sell or use the product ;
- The financial capacity to carry out the project ;
- That the firm will profit from the future economic benefits.

#### Initial Recognition

An intangible fixed asset is initially recognised at cost that is equal to the amount of cash or cash equivalent paid or at the fair value of any counterpart given to purchase the asset at the acquisition or construction date.

IAS 38 refers to two options for the subsequent measurement of an intangible fixed asset :

- **Amortised cost** : assets are measured at cost less cumulated depreciation and any impairment losses ;
- **Reevaluation method** : assets are measured at fair value at the date of reevaluation less subsequent cumulated depreciation and any impairment losses. Fair value has to be measured based on an active market. Reevaluation should be conducted in a sufficient regular basis so that the book value will not significantly differ from the fair value at the closing date.

#### Amortisation

Intangible fixed assets are amortised over a maximum period of 20 years. An intangible fixed asset enjoying an unlimited useful life period is not amortised. In this case, a depreciation test should be carried out at the end of each fiscal year.

The amortisation method must reflect the consumption pattern of the future economic benefits.

### Impairment Loss

Impairment losses are recognised when there is an indication of impairment (internal or external), which has to be valued at the end of each fiscal year.

### Options Adopted by BMCE Bank

For the first time adoption, BMCE Bank has chosen the amortised cost method.

It has been decided to not include internally developed software on the opening balance sheet and to put in place a tracking system for development costs in the future.

For subsequent measurement of intangible fixed assets, the Group has adopted the amortised cost method.

### Amortisation

The Group has decided to maintain the currently used amortisation periods.

### Residual Value

Given the nature of BMCE Bank's intangible fixed assets, the Group considers that the concept of residual value is not relevant and thus did not retain any.

## 2.5. SECURITIES

IAS 39 classifies financial assets into 4 categories, defined as a function of the management purpose.

### Financial Assets at Fair Value Through Profit or Loss

It is classified under this category any financial asset meeting the following criteria .

It is considered a trading financial instrument because :

- It is acquired or contracted to be sold or purchased in the short term ;
- It is part of a portfolio made of distinct financial instruments, for which exists a recent effective pattern of retained earnings in the short term ;
- It is a derivative (except for hedging instruments) ;
- It is designated as so during its acquisition.

Financial instruments can be classified under financial assets or liabilities at fair value through profit or loss, except for equity investments for which an active market does not exist and thus the fair value cannot be precisely measured.

Derivatives are also classified as financial assets or liabilities at fair value through profit or loss, except for hedging instruments.

### Accounting Principles

#### Initial Recognition

Financial assets at fair value through profit or loss must be initially recognised at acquisition price, excluding transaction costs directly attributable to the acquisition, and accrued interest on fixed income securities.

#### Subsequent Measurement

Securities in this category are measured at fair value. Changes in fair value are presented in the profit and loss account.

### These securities are not subject to amortisation.

#### Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that an entity has the intention and ability to hold until maturity. These securities do not include financial instruments initially designated as assets or liabilities at fair value through profit or loss or loans and receivables.

An entity cannot classify securities under held to maturity investments if it has, during the current fiscal year or during the two previous fiscal years, sold or reclassified before maturity a significant portion of these securities. This restriction is not applicable to disposals :

- Near maturity (less than three months) where a change in interest rates has no significant impact on the fair value of the securities;
- Occur after the accumulation of a substantial portion of the initial principal (about 90% of the asset's carried amount);
- Attributable to an isolated and uncontrollable event, which could not be predicted ;
- Between the group entities (intra-group transactions).

An entity does not have the intention to hold a financial asset until maturity if one of the following criteria is met :

- The entity intends to hold the financial asset for an undetermined period ;
- The entity is willing to sell the asset as a response to changes in interest rates or risks, to liquidity needs, to changes in the availability and yield of alternative investments, to changes in the funding base, and foreign exchange risks ;
- The issuer has the right to pay for the financial asset an amount that is well below its amortised cost.

Any entity does not have the ability to hold a financial asset until maturity if one of the following two criteria is not met :

- It does not have adequate financial resources to continue the financing of its held-to maturity investments ;
- It is subject to an existing legal constraint or other, which could distrust its intention to hold the financial asset until maturity.

### Accounting Principles

#### Initial Recognition

Held to maturity investments must be initially accounted for at acquisition price, plus transactions costs directly attributable to the acquisition, and accrued interest on fixed income securities (in a related receivables account).

#### Subsequent Measurement

Subsequent to initial recognition, held to maturity investments are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium or discount

#### Impairment loss

When there is objective evidence of measurable decrease in value, an impairment loss is recognised for the difference in the carrying amount and the estimated recoverable value.

The estimated recoverable value is measured through discounted future cash flows at the original effective interest rate.

Any subsequent decrease in the impairment loss is credited to the profit and loss account.

### Loans and Receivables

Loans and receivables are assets rather than derivatives with fixed or determinable payments and which are not quoted in an active market. The following assets are not classified under this category :

- Assets that the entity has the intention to sell immediately or in the short term; these assets are classified under “assets held for trading purposes” and financial assets at fair value through profit or loss ;
- Assets that the entity designates as available for sell ;
- Assets of which a significant portion of the investment could not be recovered for other reasons than the deterioration of the loan; these assets are classified under “available-for-sale financial assets”.

### Accounting Principles

Loans and receivables are recognised at amortised cost, net of provisions for impairment loss.

#### Impairment Loss

When there is objective evidence of measurable decrease in value, an impairment loss is recognised for the difference in the carrying amount and the estimated recoverable value.

Any subsequent decrease in the impairment loss is credited to the profit and loss account.

### Available for Sale Financial Assets

These are financial assets other than derivatives, loans and receivables, held to maturity investments, or financial assets at fair value through profit or loss.

### Accounting Principles

According to IAS 39, the accounting principles for “available for sale financial assets” are as follows :

#### Initial Recognition

Available for sale financial assets are initially recognised at the acquisition price plus transaction costs directly attributable to the acquisition, and accrued interest on fixed income securities (in a related receivables account).

#### Subsequent Measurement

The changes in the fair value of these securities are recognised in shareholders’ equity. On disposal or on recognition of an impairment loss, unrealised gains and losses on fixed income securities are taken to the profit or loss account, using effective interest method.

#### Impairment Loss

When there is objective evidence of measurable decrease in value for equity securities, or the occurring of credit risk for debt securities, unrealised capital losses are transferred from shareholders’ equity to the profit or loss account.

Any subsequent decrease in the impairment loss is credited to the profit and loss account for debt securities, but not for equity securities. Any positive change in the fair value of the latter will be recognised in the shareholders’ equity, whereas any negative change in the fair value will be accounted for in the profit or loss account.

### Options Adopted by BMCE Bank

BMCE Bank Group has chosen a classification as a function of the intention of management and the nature of securities.

The portfolio is made of the following securities :

- Equity investments ;
- Trading securities ;
- Regulated securities

### Securities

#### Classification

These securities are classified as available-for-sale financial assets, recognised at fair value.

#### Valuation

Listed securities : the reference value is the last stock price.

Unlisted securities : the fair value is measured according to internal models.

#### Impairment Loss

Listed securities : decrease by 20% in the stock price over the last 6 months ;

Unlisted securities : according to impairment indications for the monitoring of provisioning.

### Trading Room

#### Classification

The purpose of management is defined in accordance with the future management of the Trading Room. At the opening balance sheet, the securities managed under the trading room were essentially for trading purposes.

#### Valuation

Listed Securities : the fair value corresponds to the market share.

Unlisted Securities : the fair value is measured according to an internal model.

### Regulated Securities

These securities are classified as held-to-maturity financial assets.

## 2.6. IMPAIRMENT

### Portfolio Impairment

If there is no objective evidence of impairment, whether it is significant or not, the financial asset is included in a portfolio of securities having the same credit risk characteristics to be collectively assessed.

#### Indication of Impairment

In a portfolio assessment, an objective evidence of impairment can be reduced to observable events indicating a measurable decrease in the estimated future cash flows of a group of loans, since the initial recognition, although this decrease can be associated with the different loans making this portfolio :

- Adverse changes in the capacity of borrowers ;
- A national or local economic situation correlated to the default payment on the assets of the portfolio.

## Individual Impairment

An impairment loss is recognised when there is objective evidence or several objective indications of a decrease in the value of loans, including:

- Significant financial difficulties of the issuer or the debtor ;
- A breach in the contract resulting from a default payment (interest or principal) ;
- The granting by the lender to the borrower, for economic or legal reasons related to financial difficulties, of a facility that the lender did not expect in other circumstances ;
- The increasing likelihood of bankruptcy or other restructuring of the borrower ;
- The disappearance of an active market for that financial asset following financial difficulties, or ;
- Observable events indicating a measurable decrease in the estimated future cash flows of a group of financial assets, since the initial recognition, although this decrease can be associated with every single asset in the portfolio :
  - Adverse changes in the solvency of borrowers ;
  - A national or local economic situation correlated to the default payment on the assets of the portfolio.

## Impairment Method

IAS 39 does not distinguish different methodologies for the assessment of individually and collectively impaired assets.

Instead, the only principle is to provision the excess of the book value (carrying amount) on the recovered value.

The recoverable value is the present value, discounted at the effective interest rate, of the estimated future cash flows of the asset (or a group of assets).

An impairment loss is recognised when there is an evidence of a measurable decrease in the value (impact on the cash flows of the asset).

Given the valuation technique of recoverable values under IFRS, companies must be able to correlate the observed objective evidence of impairment and its impact on the expected cash flows of the portfolio.

## Impairment Loss

Under IFRS, the amount of impairment is the difference between the carrying amount and the recoverable value, which corresponds to the present value of the estimated recoverable cash flows, discounted at the effective interest rate.

## Options Adopted by BMCE Bank

### Portfolio Impairment

Only an observable decrease in value is subject to impairment according to IAS 39. Expected losses are not subject to impairment.

As for portfolio impairment, BMCE Bank has identified a certain number of criteria for the analysis of the behavior of loans and receivables, and their categorisation in types of anomalies that will be used for the constitution of homogenous groups of assets.

The used method consists of assessing a portfolio of loans, classified under surveillance during the last fiscal years, in order to determine the level at which loans will be considered as

“non performing” based on statistical studies. This is applied, along with the impairment loss defined under IFRS, to these loans to measure the portfolio impairment.

## Individual Impairment

The Group considers that it is possible and necessary to apply the contagion principle to identify outstanding loans with objective evidence of a decrease in value according to IFRS standards.

To measure the impact at the opening balance sheet, BMCE Bank's portfolio of nonperforming loans was broken down as follows :

- “Large loans” ;
  - Review of every individual loan application by BMCE Bank in order to calculate the estimated recovered cash flows over a time horizon ;
  - The impairment under IFRS corresponds to the difference between the debit balance and the sum of the expected recovered amount ;
- The loans not included in the large loans category are subject to an extrapolation on the basis of the impairment rate used for large loans.

## 2.7. GOODWILL

### The cost of a business combination

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer in exchange for control of the acquired entity plus any costs directly attributable to the combination. General administrative costs, on the other hand, are recognised as expenses.

### Recognition of the cost of a business combination in the assets acquired and the liabilities and contingent liabilities assumed

The acquirer must recognise the acquired entity's identifiable assets, liabilities and contingent liabilities, that satisfy the recognition criteria, at fair value at the acquisition date. Any difference between the cost of a business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under Goodwill.

### Goodwill

Goodwill acquired must be recognised as an asset from the acquisition date. It is initially recognised at its historical cost i.e. the excess cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

After initially being recognised at historical cost, Goodwill must subsequently be recognised at cost less cumulative impairment.

Goodwill may not be amortised but, instead, is tested for impairment.

## Options Adopted by BMCE Bank

- In accordance with IFRS 1, BMCE Bank has decided not to amortise existing Goodwill.
- Goodwill will not be amortised.

- Impairment tests will be conducted regularly. Impairment tests are conducted at least once every year to identify potential impairment.

## 2.8. TRANSLATION DIFFERENCES

IAS 21 “The effects of changes in foreign exchange rates” contains the following general provisions concerning translation differences:

- Non-monetary items that are measured in terms of historical cost in a foreign currency remain at historical cost ;
- Non-monetary items that are measured at fair value are translated using the exchange rates when the fair value was determined ;
- Monetary items are translated using the closing rate ;
- Items of income and expenditure are translated at exchange rates at the transaction dates except for amortisation charges and provisions for non-monetary items which are translated at historical cost.

Exchange differences for monetary items are recognised in profit or loss in the period in which they arise.

### Translation of financial statements of foreign subsidiaries

Assets and liabilities are translated at closing exchange rates :

- Items of income and expenditure are translated the exchange rates prevailing at the date of each transaction but, for convenience, may be translated at average exchange rates over the period except in the case of material changes ;
- Translation differences are posted to shareholders’ equity, although the share of minority interests must be clearly differentiated.

### Options Adopted by BMCE Bank

In the case of equity securities of non-consolidated companies qualified as assets available for sale (AFS), translation differences will be a constituent of fair value recognised in shareholders’ equity.

BMCE Bank Group has considered its overall translation differences at the adoption date to be zero for all its foreign activities.

The consequences are, therefore, as follows :

- Translation differences or reserves are reclassified under opening shareholders’ equity ;
- Translation differences accumulated prior to the IFRS adoption date are not to be taken into consideration when determining income on the future disposal of the activities in question. On subsequent disposal, the entity will not recognise these differences in income. On the other hand, any translation difference arising after IFRS adoption by the subsidiaries in question will be recognised in income.

## 2.9. PROVISIONS

A provision is a liability of uncertain timing or amount.

A liability is a present liability arising from past events whose settlement is expected to result in an outflow of resources (economic benefits).

## Measurement

The amount recognised as a provision must be the best estimate of the expenditure required to settle the present liability at the closing balance sheet date.

According to IAS 37, the amount of the provision must be discounted if the impact is material. The standard states that a company must recognise a provision if the following three criteria are met :

- A present liability towards a third party ;
- High probability of resources outflow to settle the liability ;
- The amount can be estimated reliably.

### Options Adopted by BMCE Bank

First-time adoption

- The Bank has discounted those provisions meeting the three criteria outlined above if the impact is material ;
- Incompatible provisions are written back to shareholders’ equity.

## 2.10. OUT-OF-MARKET LOANS

Under IFRS, a loan’s entry value is equal to its fair value plus the internal and external transaction costs directly attributable to the issue of the loan.

Fair value is equal to :

- The nominal value if the loan is “in the market” and if there are no transaction costs ;
- The sum of future expected cash flows discounted at the market rate; any difference between the loan’s market rate and contractual rate results in immediate recognition of a write-down through income which may be subsequently written back over the loan’s life.

The decision to classify an issued loan “out-of-market” is made if the issuer has offered very advantageous financing terms by comparison with those generally offered by competitors in order to win a customer. If this is the case, a write-down relating to the difference between the market rate and contractual rate is recognised in income and is amortised over the loan’s life at the effective interest rate.

### Options Adopted by BMCE Bank

BMCE Bank must therefore decide which loans have been issued by the Group at rates considered to be “out-of-market”.

In the absence of clear guidelines on the concept of “out-of-market”, the Bank has decided to apply Bank Al-Maghrib’s minimum lending rates.

## 2.11. LEASES

According to IAS 17, a lease is a contract by which the owner (or lessor) transfers the right of use of an asset to the lessee in return for payments with an option to purchase the asset at maturity.

### Classification of leases

IAS 17 makes a distinction between two types of lease :

- A lease is classified as a finance lease if it transfers a substantial portion of the risks and rewards incident to ownership of an asset. Title may or may not be transferred in fine ;

- A lease contract is classified as an operating lease if it does not transfer a substantial portion of the risks and rewards incident to ownership.

IAS 17 provides five examples which would normally lead to a lease being classified as a finance lease :

- The lease transfers ownership of the asset to the lessee by the end of the lease term ;
- The lessee has the option to purchase the asset at a price which is substantially lower than fair value at the date the option becomes exercisable on the basis that, at the inception of the lease, it is reasonably certain that the option will be exercised ;
- The lease term is for the major part of the economic life of the asset, even if title is not transferred ;
- At the inception of the lease, the present value of the minimum lease payments amounts to at least a substantial portion of the fair value of the leased asset ; and
- The leased assets are of a specialised nature such that only the lessee can use them without major modifications being made.

#### Accounting for finance leases

- The lessor should record an asset held under a finance lease in the balance sheet as a receivable at an amount equal to the net investment in the lease ;
- Finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability ;
- An operating lease does not transfer to the lessee all risks and rewards incident to ownership.

#### Accounting for operating leases

- Assets held under operating leases should be recorded on the lessor's balance sheet according to the nature of the asset ;
- Income statement – the lease payments should be recognised as an expense in income over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit is derived from the diminished leased asset;
- The depreciation policy for leased assets should be consistent with the policy normally adopted by the lessor for similar assets and must be calculated on the basis outlined in IAS 16 (plant, property and equipment) and IAS 38 (intangible fixed assets).

#### Options Adopted by BMCE Bank

The entities concerned by application of the standard relating to leases are Maghrebail, Salafin, Locasom as well as some subsidiaries of BOA Group.

The contracts entered into Maghrébaïl, Salafin and BOA subsidiaries meet the definition of leases. However, contracts of Locasom meet the definition of a finance lease.

As all BMCE Group's lease contracts are classified as finance leases, the accounting treatment currently employed at a consolidated level is in accordance with IFRS. The impact is therefore zero.

## 2.12. EMPLOYEE BENEFITS

### Classification of employee benefits

#### Short-term benefits

These relate to benefits due within the 12 months following the close of the period in which staff members have provided the corresponding services. They are recognised as expenses in the period in which they are consumed.

#### Post-employment defined contribution schemes

The employer makes a fixed payment contribution to an external fund and has no other liability. Benefits received are determined as a function of contributions made plus any interest and are recognised as expenses in the period in which they are consumed.

#### Post-employment defined benefit schemes

These are defined as all post-employment benefits other than those relating to defined contribution schemes. The employer undertakes to make available a certain level of benefit after an employee's departure, whatever the liability's cover. Provisions are required.

#### Long-term benefits

These relate to benefits which are not due within the 12 months following the close of the period in which staff members have provided the corresponding services. Provisions are required if the benefit depends on an employee's length of service.

#### Termination payments

Termination payments are made in the event of dismissal or voluntary redundancy. The company may book provisions if it is clearly committed to making employees redundant.

Funding and accounting principles for post-employment defined benefit schemes and other long-term benefits

### Assessment and accounting principles of the Post-employment benefits and other long-term benefits

#### Valuation principles

The valuation method adopted is the projected unit credit method which apportions benefits by service on a pro-rata basis. This method comprises two phases .

- An assessment of long-term benefits, relating to future cash flows, based on actuarial assumptions; ;
- Apportioning the long-term benefits over the period of activity during which BMCE Bank benefits from the service of its employees.

#### Accounting principles

##### Definitions

Net present value of the gross liability i.e. the actuarial value of employee benefits or actuarial liability.

Non-recognised items – unrealised gains and losses to be amortised in the future or non-recognised items.

#### Accounting for post-employment benefits

The provision required is equal to the net liability less non-recognised items. There are two categories of non-recognised items:

- In the event that the company opts for the corridor method, actuarial gains and losses, comprising the difference between

the actual liability's estimated net present value at the closing balance sheet date on the basis of the opening net present value and events arising during the period, result from one of the following two factors :

- Changes to actuarial assumptions made between the opening and closing balance sheet dates in the light of specific events arising during the period or changes to the general economic environment i.e. assumption-based actuarial gains and losses ;

- Differences between initial expectations of employees' socio-economic behaviour or the general economic environment during the period – reflected in actuarial assumptions – and what actually occurred i.e. experience-based actuarial gains and losses.

- Past service cost, arising from changes to scheme arrangements, which is the term used to describe the change in the liability for employee service in prior periods.

Non-amortised items are amortised differently, depending on the situation :

- Past service cost is amortised on a straight-line basis over the average period until the amended benefits become vested.

The corridor rule consists of amortising at least over one period and generally over the remaining active service life of employees, at the closing balance sheet date, the portion of net accumulative non-recognised actuarial gains and losses equal to or exceeding 10% of the actuarial liability at the opening balance sheet date or the fair value of assets, whichever is the greater.

### Accounting for other long-term benefits

The provision required at each closing balance sheet date is equal to the liability's current value.

#### Options adopted by BMCE Bank

A provision is required, at each closing balance sheet date, equal to the liability's current value, in respect of actuarially assessed defined benefits using the projected unit credit method.

Employee benefits recognised relate to end-of-career bonuses and termination benefits.

No provision has been booked relating to post-employment health cover (CMIM) due to the lack of required information.

### 2.13. RESTRUCTURED LOANS

Restructured loans are loans whose terms, including interest received by BMCE Bank, have been modified due to difficulties encountered by the counterparty.

#### Accounting principles

When a loan is restructured due to the borrower's financial situation, future cash flows are discounted at the original effective interest rate and the difference between this amount and the loan's carrying amount is immediately recognised in the cost of risk. This write-down is incorporated over the life of the loan in interest income.

#### Options Adopted by BMCE Bank

Restructured loans have been identified by cross-checking consolidated loans in the accounting statements held for accounting purposes against management records held for monitoring loan commitments for loans of above one million dirhams.

In each case, the write-down at the date of renegotiation has been calculated based on original maturities and renegotiation terms.

The write-down is calculated as the difference between :

- The sum, at the date of renegotiation, of contractual initial cash flows, discounted at the effective interest rate ;

- And the sum, at the date of renegotiation of renegotiated initial cash flows, discounted at the effective interest rate.

For the opening balance, the write-down net of amortisation is recognised by a decrease in the value of loans outstanding against shareholders' equity with amortisation charged to net banking income.

On a recurring basis, write-downs are charged to income at the time of restructuring.

### 2.14. TREASURY SHARES

When an entity buys back its own shares, they must be deducted from shareholders' equity. Any profit or loss must not be recognised in income on purchase, sale, issue or cancellation of a company's Treasury stock. Treasury shares may be acquired or held by the entity or members of the consolidated entity. The counterpart payment made or received must be recognised directly in shareholders' equity.

Treasury securities held for an employee stock-option scheme must be deducted from consolidated shareholders' equity, regardless of why they were acquired.

#### Options Adopted by BMCE Bank

All BMCE Bank securities held by Group entities must be cancelled by deducting shareholders' equity.

The entity deducts directly from shareholders' equity, net of any related tax credit in income, distributions to equity shareholders.

Transaction costs relating to shareholders' equity, with the exception of equity issuance costs, directly attributable to the acquisition of an entity, must be recognised by deducting shareholders' equity, net of any related tax credit in income.

Only BMCE Bank Maroc is concerned by the application of this standard.

### 2.15. EFFECTIVE INTEREST RATE

IAS 39 defines the effective interest rate as the rate which equates the net present value of future cash flows and the loan's initial carrying amount, which incorporates transaction costs and fees.

Costs and royalties to be included when calculating the effective interest rate.

#### Costs

IAS 39 provides for transaction costs to be amortised over the period at the effective interest rate.

These are marginal costs directly attributable to the acquisition, issue or exit of a financial asset or financial liability.

## Fees

IAS 18 differentiates between 3 fee categories depending on the nomenclature :

- Fees forming an integral part of a financial instrument's effective interest rate ;
  - Origination fees on loan sanctioning ;
  - Commitment fees received ;
- Fees received in line with services provided ;
- Fees for completion of an important act.

## Accounting principles

Issued loans are recognised at amortised cost at the effective interest rate.

### Options Adopted by BMCE Bank

Analysis has shown that costs and fees are not material. It was decided, therefore, not to amortise them for the purpose of first-time adoption. Transaction costs and fees must be regularly monitored to ensure that they are not material.

Depending on the outcome, the Group will decide whether transaction costs and fees for loans maturing after one year will be amortised or not. Loans maturing in less than one year will be held at historical cost.

## 2.16. CUSTOMER DEPOSITS

### Accounting principles

#### Initial measurement

When a financial liability is recognised initially, an entity shall measure it at fair value plus, in the case of a financial liability not at fair value through income, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

#### Subsequent measurement

After initial recognition, a financial liability must be measured at amortised cost using the effective interest rate, except for :

- Financial liabilities at fair value, through profit and loss ;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for recognition or when the continuing involvement approach applies.

### Options Adopted by BMCE Bank

Currently, the Group categorises all deposits under "Other financial liabilities". No deposit is categorised under "Financial liabilities held for trading purposes".

BMCE Bank deposits systematically have a maturity of no more than one year. It was concluded, therefore, that the impact from calculating a write-down and its amortisation over the life of the deposit was not material.

No other item needs to be incorporated in the calculation regarding either existing or new deposits.

No restatement has been made for sight deposits and savings accounts ;

Interest-bearing deposits must be categorised under loans and advances and treated accordingly.

## 2.17. DEFERRED TAXES

Deferred tax is a correction made to the tax charge and/or the net position with the aim of smoothing the impact from taxable temporary differences.

A deferred tax asset is a tax which is recoverable in the future.

A tax liability is a tax which is payable in the future.

In the event of changes to tax rates or tax rules, the impact on deferred taxes is recognised according to the matching principle - if the deferred tax was initially recognised in shareholders' equity, the adjustment is also recognised in shareholders' equity, otherwise through income.

### Options Adopted by BMCE Bank

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

Deferred tax assets are not recognised unless recovery of future taxable profit is probable. The probability of recovery may be ascertained by evaluating the business plans of the companies in question.

Under IFRS, the phrase "probable recovery" must be interpreted as meaning that "recovery is more probable than improbable". This could result, in certain cases, of recognising a high level of deferred tax assets than under generally accepted accounting principles, where this phrase is often interpreted as implying "a high level of probability".

## 2.18. DERIVATIVES

A derivative is a financial instrument (firm or optional) whose value varies as a function of the value of an underlying variable such as an interest rate, commodity or security price.

These are generally highly-g geared instruments which require none or limited initial investment. Derivative instruments include swaps, options, futures and forward contracts.

Derivatives (swaps, options etc.) are recognised on the balance sheet at fair value. At each balance sheet, they are marked to market on the balance sheet. Changes in fair value are recognised in income.

### Options Adopted by BMCE Bank

Analysis conducted internally has concluded that BMCE Bank Group does not undertake hedging activities.

## 2.19. SHARE-BASED PAYMENT

This standard deals with the payment of share based transactions in which and that are settled in equity instruments in return for goods or services are received as consideration for equity instruments. The payment can also be concluded by the equivalent of equity instruments issued.

In fiscal year 2010, BMCE Bank carried out a capital increase in cash reserved for employees of BMCE BANK Group.

An expense was recorded in the consolidated accounts taking into consideration the terms of this offer and the requirements of IFRS 2 and IAS 39.

## IFRS BALANCE SHEET

(In thousand MAD)

Assets	NOTES	December 2010	December 2009
Cash and amounts due from central banks and post office banks		8 033 096	11 961 191
Financial assets at fair value through profit or loss	5.1	27 750 733	23 125 255
Derivatives used for hedging purposes		-	-
Available-for-sale financial assets	5.2	1 847 394	1 554 089
Loans and receivables due from credit institutions	5.3	22 971 432	20 940 147
Loans and receivables due from customers	5.4	107 367 885	93 592 762
Remeasurement adjustment on interest rate risk hedged assets		-	-
Held-to-maturity financial assets	5.6	8 321 093	6 367 928
Current tax assets	5.7	383 596	527 064
Deferred tax assets	5.7	371 417	543 064
Accrued income and other assets	5.8	3 260 722	3 568 660
Non current assets held for sale		-	-
Investment in subsidiaries consolidated under the equity method	5.9	382 171	362 904
Investment property	5.10	520 667	508 990
Property, plant and equipment	5.10	4 795 142	4 225 756
Intangible assets	5.10	651 205	642 344
Goodwill	5.11	531 006	485 515
<b>TOTAL ASSETS</b>		<b>187 187 559</b>	<b>168 405 669</b>

LIABILITIES & SHAREHOLDERS EQUITY	NOTES	December 2010	December 2009
Due to Central Banks and Post Office Banks		-	-
Financial liabilities at fair value through profit or loss	5.1	1 275	-
Derivatives used for hedging purposes		-	-
Due to credit institutions	5.3	13 602 716	13 284 784
Due to customers	5.4	132 019 155	122 496 072
Debt securities	5.5	11 444 054	8 501 072
Remeasurement adjustment on interest rate risk hedged portfolios		-	-
Current tax liabilities	5.7	316 356	171 994
Deferred tax liabilities	5.7	906 568	1 069 008
Accrued expenses and other liabilities	5.8	8 093 984	8 236 571
Liabilities related to non-current assets held for sale		-	-
Technical reserves of insurance companies		-	-
Provisions for contingencies and charges	5.12	349 989	300 492
Subsidies, assigned public funds and special guarantee funds		-	-
Subordinated debts	5.5	4 634 497	5 119 822
Capital and related reserves		10 439 225	4 210 239
Consolidated reserves			
Group share reserves		1 153 220	1 539 126
Minority interests- reserves		2 818 465	2 666 482
Unrealized or deferred gains or losses –Group Share		-20 979	4 935
Unrealized or deferred gains or losses- Minority Interests		4 453	-14 979
Net Earnings			
Net Earnings- Group Share		818 969	384 821
Net earnings -Minority Interests-		605 612	435 230
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		<b>187 187 559</b>	<b>168 405 669</b>

## IFRS CONSOLIDATED INCOME STATEMENT

(In thousand MAD)

	NOTES	December 2010	December 2009
+ Interests and assimilated revenues		10 808 823	9 870 994
- Interests and assimilated charges		-5 952 292	-5 613 890
Net Interest income	2.1	4 856 531	4 257 104
+ Fees received		1 648 926	1 397 247
- Fees paid		-295 369	-175 333
Net fee income	2.2	1 353 557	1 221 914
+/- Net gains or losses on financial instruments at fair value through profit or loss	2.3	973 334	743 968
+/- Net gains or losses on available for sale financial assets	2.4	143 552	-9 015
Income from market transactions		1 116 886	734 953
+ Other banking revenues	2.5	638 171	506 266
- Other banking expenses	2.5	-413 112	-306 284
Net Banking Income		7 552 033	6 413 953
- General Operating Expenses		-4 169 863	-3 758 012
- Allowances for depreciation and amortization of I&E and intangible assets		-484 499	-429 526
Gross Operating Income		2 897 671	2 226 415
- Cost of Risk	2.6	-819 496	-1 133 960
Operating Income		2 078 175	1 092 455
+/- Share in net income of companies accounted for by equity method		34 337	16 514
+/- Net gains or losses on other assets	2.7	-75 381	53 733
+/- Change in goodwill		-	-
Pre-tax earnings		2 037 131	1 162 702
+/- Corporate income tax	2.8	-612 550	-342 651
Net earnings		1 424 581	820 051
Minority interests		605 612	435 230
Net earnings – Group Share		818 969	384 821

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(In thousand MAD)

	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealized or deferred gains or losses	Shareholder's Equity Group Share	Minority interests	Total
Ending balance of Shareholder's Equity 12/31/2008	1 587 514	5 380 745	-3 667 858	2 355 232	-98 699	5 556 934	2 707 914	8 264 848
Change in the accounting methods								
Beginning Balance of adjusted Shareholder's Equity 12/31/2008	1 587 514	5 380 745	-3 667 858	2 355 232	-98 699	5 556 934	2 707 914	8 264 848
Operations on capital		352 722		-304 743		47 979	75 501	123 480
Share-based payment plans						-		-
Operations on treasury stock			557 116			557 116	-5 230	551 886
Dividends				-460 689		-460 689	-102 139	-562 828
Net earnings				384 821		384 821	435 230	820 051
PP&E and intangible assets : Revaluations and disposals (A)						-	10 097	10 097
Financial instruments : change in fair Value and transfer to earnings (B)				-54 333	103 634	49 301	-14 979	34 322
Currency translation adjustments : Changes and transfer to earnings (C)				-17 296		-17 296	4 217	-13 079
Unrealized or deferred gains or losses (A)+ (B) + (C)				-71 629	103 634	32 005	-665	31 340
Change in the scope of consolidation				20 955		20 955	-23 878	-2 923
Ending Balance of Shareholder's Equity 12/31/2009	1 587 514	5 733 467	-3 110 742	1 923 947	4 935	6 139 121	3 086 733	9 225 854
Impact of changes in accounting methods								
Ending Balance of adjusted Shareholder's Equity 12/31/2009	1 587 514	5 733 467	-3 110 742	1 923 947	4 935	6 139 121	3 086 733	9 225 854
Operations on capital	132 000	2 986 244		-220 593		2 897 651	54 114	2 951 765
Share-based payment plans						-		-
Operations on treasury stock			3 110 742			3 110 742	5 230	3 115 972
Dividends				-481 962		-481 962	-218 651	-700 613
Net earnings				818 969		818 969	605 612	1 424 581
PP&E and intangible assets: Revaluations and disposals (E)						-		-
Financial instruments: change in fair Value and transfer to earnings (F)				-3 914	-25 914	-29 828	4 453	-25 375
Currency translation adjustments: Changes and transfer to earnings (G)				-77 575		-77 575	-23 555	-101 130
Unrealized or deferred gains or losses (E)+ (F) + (G)				-81 489	-25 914	-107 403	-19 102	-126 505
Change in the scope of consolidation				13 317		13 317	-85 406	-72 089
Ending Balance of adjusted Shareholder's Equity 12/31/2010	1 719 514	8 719 711	-	1 972 189	-20 979	12 390 435	3 428 530	15 818 965

## CASH FLOW STATEMENT

(In thousand MAD)

	December 2010	December 2009
<b>Pre-tax net income</b>	2 037 157	1 162 702
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2 890 908	429 526
+/- Impairment of goodwill and other non- current assets	0	
+/- Impairment of financial assets	76 212	181 977
+/- Net allowances for provisions	275 497	1 145 673
+/- Share of earnings in subsidiaries accounted for by equity method	-34 336	-16 514
+/- Net loss (income) from investing activities	-544 262	
+/- Net loss (income) from financing activities	0	
+/- Other movements	-87 392	
<b>Non monetary items included in pre-tax net income and other adjustments</b>	2 576 627	1 740 662
+/- Cash flows related to transactions with credit institutions	-1 372 903	-3 163 584
+/- Cash flows related to transactions with customers	-6 965 745	1 162 957
+/- Cash flows related to transactions involving other financial assets and liabilities	-3 095 416	-3 075 551
+/- Cash flows related to transactions involving non financial assets and liabilities	27 488	2 697 168
+/- Taxes paid	-274 352	-568 076
<b>Net Increase (Decrease) in cash related to assets and liabilities generated by operating activities</b>	-11 680 928	-2 947 086
<b>Net Cash Flows from Operating Activities</b>	-7 067 144	-43 722
+/- Cash Flows related to financial assets and equity investments	-920 960	-938 375
+/- Cash flows related to investment property	-295	
+/- Cash flows related to PP&E and intangible assets	-1 000 565	-561 970
<b>Net Cash Flows from Investing Activities</b>	-1 921 820	-1 500 345
+/- Cash flows related to transactions with shareholders	2 709 665	-663 034
+/- Cash flows generated by other financing activities	2 787 095	959 317
<b>Net Cash Flows from Financing Activities</b>	5 496 760	296 283
<b>Effect of movements in exchange rates on cash and equivalents</b>	-67 107	
<b>Net Increase in Cash and equivalents</b>	-3 559 311	-1 247 784
<b>Beginning Balance of Cash and Equivalents</b>	15 493 095	16 740 879
Net Balance of cash accounts and accounts with central banks and post office banks	11 961 191	8 761 642
Net Balance of demand loans and deposits- credit institutions	3 531 904	7 979 237
<b>Ending Balance of Cash and Equivalents</b>	11 933 784	15 493 095
Net Balance of cash accounts and accounts with central banks and post office banks	8 033 096	11 961 191
Net Balance of demand loans and deposits- credit institutions	3 900 688	3 531 904
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<b>-3 559 311</b>	<b>-1 247 784</b>

## NET INCOME AND GAINS AND LOSSES DIRECTLY RECOGNISED IN SHAREHOLDERS EQUITY

(In thousand MAD)

	December 2010	December 2009
Net earnings	1 424 581	820 051
Currency translation adjustment	-5 968	-50 992
Reevaluation of available for sale financial assets	-10 557	40 948
Reevaluation of hedging instruments		
Reevaluation of fixed assets		
Actuarial gains and losses on defined plans		
Proportion of gains and losses directly recognised in shareholders equity on companies consolidated under equity method		
<b>Total gains and losses directly recognised in shareholders equity</b>	<b>-16 525</b>	<b>-10 044</b>
<b>Net income and gains and losses directly recognised in shareholders equity</b>	<b>1 408 056</b>	<b>810 007</b>
Group Share	797 991	389 756
Minority interests	610 065	420 251

## NOTES TO CONSOLIDATED INCOME

### 2.1 - Net Interest Income

(In thousand MAD)

	December 2010			December 2009		
	Income	Expense	Net	Income	Expense	Net
Customer Items	9 349 581	4 802 262	4 547 319	8 605 630	4 629 458	3 976 172
Deposits, loans and borrowings	6 428 988	2 238 931	4 190 057	5 778 142	2 138 454	3 639 688
Repurchase agreements		247 874	-247 874		231 922	-231 922
Finance leases	2 920 593	2 315 457	605 136	2 827 488	2 259 082	568 406
Interbank items	526 020	471 105	54 915	453 341	481 809	-28 468
Deposits, loans and borrowings	406 441	421 608	-15 167	400 463	454 728	-54 265
Repurchase agreements	119 579	49 497	70 082	52 878	27 081	25 797
Debt securities issued	-	-	-	-	-	-
Cash flow hedge instruments	-	-	-	-	-	-
Interest rate portfolio hedge instruments	-	-	-	-	-	-
Trading book	795 873	678 925	116 948	709 334	502 623	206 711
Fixed income securities	795 873	433 302	362 571	709 334	275 267	434 067
Repurchase agreements			-			-
Loans/borrowings			-			-
Debt securities	-	245 623	-245 623	-	227 356	-227 356
Available for sale financial assets			-			-
Held to maturity financial assets	137 349		137 349	102 689		102 689
<b>Total interest income (expense)</b>	<b>10 808 823</b>	<b>5 952 292</b>	<b>4 856 531</b>	<b>9 870 994</b>	<b>5 613 890</b>	<b>4 257 104</b>

### 2.2 - Net Fee Income

(In thousand MAD)

	Income	Expense	Net
Net fee on transactions	626 329	174 875	451 454
With credit institutions			-
With customers	221 016		221 016
On custody	163 403	80 358	83 045
On foreign exchange	241 910	94 517	147 393
On financial instruments and off balance sheet			-
Banking and financial services	1 022 597	120 494	902 103
Income from mutual funds management			-
Income from electronic payment services	226 471	35 393	191 078
Insurance			-
Other	796 126	85 101	711 025
<b>NET FEE INCOME</b>	<b>1 648 926</b>	<b>295 369</b>	<b>1 353 557</b>

### 2.3 - Gain/Loss on Financial Instruments at Fair Value through Profit or Loss

(In thousand MAD)

	December 2010			December 2009		
	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	982 107		982 107	738 800		738 800
Derivative instruments	-8 773		-8 773	5 168		5 168
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
<b>TOTAL</b>	<b>973 334</b>	<b>-</b>	<b>973 334</b>	<b>743 968</b>	<b>-</b>	<b>743 968</b>

## 2.4 - Net Gain/Loss on Available-for-sale Financial Assets

(In thousand MAD)

	December 2010	December 2009
Fixed income securities	-	-
Disposal gains and losses		
Equity and other variable-income securities	143 552	-9 015
Dividend income	163 858	132 797
Impairment provisions	-30 078	-138 594
Net disposal gains	9 772	-3 218
<b>TOTAL</b>	<b>143 552</b>	<b>-9 015</b>

## 2.5 - Net Income from Other Activities

(In thousand MAD)

	December 2010			December 2009		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			-			-
Net income from investment property	-	-	-	-	-	-
Net income from assets held under operating leases	204 004	97 184	106 820	153 783	90 620	63 163
Net income from property development activities	-	-	-	-	-	-
Other	434 167	315 928	118 239	352 483	215 664	136 819
<b>Total net income from other activities</b>	<b>638 171</b>	<b>413 112</b>	<b>225 059</b>	<b>506 266</b>	<b>306 284</b>	<b>199 982</b>

## 2.6 - Cost of Risk

(In thousand MAD)

	December 2010	December 2009
<b>Impairment provisions</b>	<b>-1 162 486</b>	<b>-1 282 692</b>
Impairment provisions on loans and advances	-1 092 610	-1 236 417
Impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Provisions on off balance sheet commitments	-3 907	-3 454
Other provisions for contingencies and charges	-65 969	-42 821
<b>Write back of provisions</b>	<b>783 730</b>	<b>203 082</b>
Write back of impairment provisions on loans and advances	744 184	132 058
Write back of impairment provisions on held to maturity financial assets (excluding interest rate risks)		
Write back of provisions on off balance sheet commitments	2 880	3 240
Write back of other provisions for contingencies and charges	36 666	67 784
<b>Changes in provisions</b>	<b>-440 740</b>	<b>-54 350</b>
Losses on counterparty risk on available for sale financial assets (fixed income securities)		
Losses on counterparty risk held to maturity financial assets		
Loss on irrecoverable loans and advances not covered by impairment provisions		
Loss on irrecoverable loans and advances covered by impairment provisions	-446 751	-65 530
Discount on restructured products		
Recoveries on amortized loans and advances	6 011	11 180
Losses on off balance sheet commitments		
Other losses		
<b>Cost of Risk</b>	<b>-819 496</b>	<b>-1 133 960</b>

## 2.7 - Net Gain/Loss on Other Assets

(In thousand MAD)

	December 2010	December 2009
PP&E and intangible assets used in operations	-6 099	53 733
Capital gains on disposals	4 381	98 483
Capital losses on disposals	10 480	44 750
Equity interests	-	-
Capital gains on disposals	-	-
Capital losses on disposals	-	-
Others	-69 282	-
<b>Net Gain/Loss on Other Assets</b>	<b>-75 381</b>	<b>53 733</b>

## 2.8 - Income Tax

### 2.8.1 - Current and deferred tax

(In thousand MAD)

	December 2010	December 2009
Current tax	527 064	383 596
Deferred tax	543 064	371 417
<b>Current and deferred tax assets</b>	<b>1 070 128</b>	<b>755 013</b>
Current tax	171 994	316 356
Deferred tax	1 069 008	906 568
<b>Current and deferred tax liabilities</b>	<b>1 241 002</b>	<b>1 222 924</b>

### 2.8.2 - Net income tax expense

(In thousand MAD)

	December 2010	December 2009
Current tax expense	-424 831	-551 968
Net deferred tax expense	82 180	-60 582
<b>Net Corporate income tax expense</b>	<b>-342 651</b>	<b>-612 550</b>

### 2.8.3 - Effective tax rate

(In thousand MAD)

	December 2010	December 2009
Net income	1 424 581	820 051
Net corporate income tax expense	-612 550	-342 651
<b>Average effective tax rate</b>	<b>-43,0%</b>	<b>-41,8%</b>

### Analysis of effective tax rate

(In thousand MAD)

	December 2010	December 2009
Standard tax rate	37,0%	37,0%
Differential in tax rates applicable to foreign entities		2,0%
Reduced tax rate		
Permanent differences		
Change in tax rate		
Deficit carry over		
Other items	6%	2,8%
<b>Average effective tax rate</b>	<b>43%</b>	<b>41,8%</b>

## 3 - SEGMENT INFORMATION

### 3.1 - General information

The Group is composed of the following core businesses :

- **Activity in Morocco** : BMCE Bank SA, BMCE Bank Offshore
- **Asset Management** : BMCE Capital, BMCE Capital Bourse, BMCE Capital Gestion, Casablanca Finance Market
- **Specialized Financial Services** : Salafin, Maghrébaïl, Maroc Factoring, Euler Hermes Acmar
- **International Activities** : BMCE Paris, BMCE International (Madrid), Banque de Développement du Mali, La Congolaise de Banque, BMCE Bank International (London), Bank Of Africa
- **Other activities** : Locasom, EAI, CID, and Hanouty

### 3.2 - Segment information

#### 3.2.1 Income by Operational segment

(In thousand MAD)

	ACTIVITY IN MOROCCO	ASSET MANAGEMENT	SPECIALISED FINANCIAL SERVICES	INTERNATIONAL ACTIVITIES	OTHERS	TOTAL
Net interest Income	2 436 050	( 717)	586 409	( 5 365)	1 840 154	4 856 531
Net Fee income	645 787	148 014	646	0	559 110	1 353 557
<b>Net Banking Income</b>	<b>3 630 091</b>	<b>250 691</b>	<b>596 598</b>	<b>109 191</b>	<b>2 965 462</b>	<b>7 552 033</b>
General Operating Expenses & allowances for depreciation and amortization	(2 269 821)	( 208 253)	( 144 108)	( 66 282)	(1 965 898)	(4 654 362)
<b>Operating Income</b>	<b>1 360 270</b>	<b>42 438</b>	<b>452 490</b>	<b>42 909</b>	<b>999 564</b>	<b>2 897 671</b>
Corporate income tax	( 271 809)	( 28 902)	( 106 508)	( 11 111)	( 194 220)	( 612 550)
<b>Net Earnings Group Share</b>	<b>694 380</b>	<b>68 198</b>	<b>117 024</b>	<b>( 2 037)</b>	<b>( 58 596)</b>	<b>818 969</b>

#### 3.2.2 Assets & Liabilities by operational segment

(In thousand MAD)

	ACTIVITY IN MOROCCO	ASSET MANAGEMENT	SPECIALISED FINANCIAL SERVICES	INTERNATIONAL ACTIVITIES	OTHERS	TOTAL
<b>TOTAL ASSETS</b>	<b>130 078 827</b>	<b>464 608</b>	<b>11 939 405</b>	<b>329 194</b>	<b>44 375 525</b>	<b>187 187 559</b>
<b>ASSETS ITEMS</b>		-	-	-	-	
Available for sale assets	905 062	114 780	19 452	18 402	789 698	1 847 394
Customer loans	73 928 890	264	11 390 193	-	22 048 538	107 367 885
Held to maturity assets	2 411 736	-	27	-	5 909 330	8 321 093
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY ITEMS</b>		-	-	-	-	
Customer deposits	98 044 627	-	959 191	-	33 015 337	132 019 155
Shareholders equity	11 093 759	108 063	1 086 893	92 502	3 437 748	15 818 965

# RISK EXPOSNE AND HEDGING STRATEGIES

## 4.1 RISK MANAGEMENT SYSTEM

### 4.1.1 Types of Risks

#### 4.1.1.1 Credit risk

Inherent in the banking activity, credit risk is the risk of clients default on the bank's loans in full or in time. This might cause a financial loss for the bank. It is the most widespread type of risk and can be correlated with other risk categories.

#### 4.1.1.2 Market risk

Market risk is the risk of loss caused by the unfavourable market factors such as exchange rates, interest rates, stock prices, mutual funds... It is also related to settlement risk, which can be described as follows:

- Pre-settlement risk : pre-settlement risk is the risk of loss due to a counterparty defaulting on a contract with the Bank during the life of a transaction. The Presettlement risk is calculated in terms of the replacement cost of such contract by another one on a mark to market basis,
- Settlement risk : settlement risk takes place at a simultaneous exchange of values with counterparty for the same value date, when the Bank is not able to verify if the settlement has actually taken place, while it has already initiated the transfer of its side.

#### 4.1.1.3 Interest rate and liquidity risks

The interest rate risk is the vulnerability of the financial situation of an institution to unfavorable change in interest rates.

Liquidity risk is defined as the risk for the institution of not being able to honour its commitments to maturity in normal conditions.

#### 4.1.1.4 Operational risk

Operational risk is the possibility of losses arising from inadequate or failed internal processes, people and systems or from external events.

This definition includes legal risk but excludes strategic and reputation risks.

#### 4.1.1.5 Other Risks

##### Risk of Equity Investments

This risk occurs when BMCE Bank invests, holds in its portfolio, or acquires equity or quasi equity holdings in entities other than its own subsidiaries. These investments may include ordinary shares, preferred stock, derivatives, warrants, options or futures.

##### Country Risk

The country risk includes political risk and transfer risk.

The political risk is usually caused by an action of a country's government, such as nationalization or expropriation, or independent events such as a war or a revolution, which affect the ability of customers to meet their obligations.

The risk transfer is the risk that a resident client cannot acquire foreign currency in his country so that he can meet his commitments abroad.

### 4.1.2. Risk-Management Organisation

#### 4.1.2.1. General control system

At the Group level, BMCE Bank has a General Control body that is mandated to carry out inspections and audit in different operational segments both in Morocco and abroad.

#### 4.1.2.2. Group Risk Management

The mission of Group Risk Management is to monitor credit, market and operational risks, with an active contribution to:

- The definition of BMCE Bank's risk policy ;
- The set up of a control system for credit, market and operational risks ;
- The definition and management of a decision-making process and monitoring of commitments.

The Group Risk Management is composed of :

- Group Risk Management Division, which is in charge of monitoring risks (credit, market and operational) for BMCE Bank Group, supported by Group entities ;
- The Credit Analysis and Management Division, which examines the lending policy for BMCE Bank clients.

### 4.1.3. Governance Bodies

#### 4.1.3.1. The Audit And Internal Control Committee

The Audit and Internal Control Committee (AICC) is a governance body established within the Bank and is directly under its Board of Directors.

Its mission is to ensure a third level control through the structures of the Bank. In other words, the AICC (i) assess the relevance and permanence of accounting policies, (ii) controls the existence, the adequacy and implementation of internal procedures and processes for control, monitoring and surveillance of banking risks and prudential ratios (iii) examine aggregated and consolidated accounts before submission to the Board of Directors, and (iv) keep close watch on the quality of information released to shareholders.

In this regard, the Committee permanently ensures the follow up and the achievement of the objectives and missions, defined as below :

- Verification of internal operations and procedures ;
- Assessment, control and supervision of risks ;
- Verification of the reliability of collection, processing, dissemination and conservation of accounting data ;
- Effective flow of documentation and information internally and externally ;
- Assessment of coherence and adequacy of the established control systems ;
- Assessment of the pertinence of the corrective measures proposed or implemented ;
- Ensure compliance of accounting and coherence of the internal control systems at the level of each entity with a financial vocation belonging to the Group ;

- Examination of aggregated and consolidated accounts before submittal to approval by the Board of Directors ;
- Devising of the annual report on activity, earnings and internal control submitted for examination by the Board of Directors ;
- Information at least once per year, to the Board of Directors regarding the amount of nonperforming loans, the debt collection processes, as well as the outstanding amount of restructured loans and the situation of reimbursement ;
- Keep close watch on the quality of the information released to the shareholders.

Furthermore, back in July 2007, the Board of Directors set up the CACI Group –a body instituted within the Bank, its subsidiaries, as well as entities integrated into the consolidation scope. CACI's tasks consist of seeing the integrity of accounts and ensure full adherence to the legal and regulatory obligations across the various structures of the Bank and all the subsidiaries/branches of the Bank, both in Morocco and abroad.

The tasks of the Group CACI (or, AICC) intertwine with those of the Bank CACI, even if they are extended to cover the entities placed within the consolidation scope. More explicitly, they include: (i) reviewing proposals for the appointment or renewal of the statutory auditors for Group entities, by analyzing their intervention programmes, checking the outcomes of their verification, their recommendations, as well as the corrective measures proposed or implemented; (ii) whenever it is necessary, asks for any internal or external audit.

#### 4.1.3.2. Major Risks Monitoring Committee

The Major Risks Monitoring Committee is issued from the Internal Audit and Control Committee. It consists of non-executive directors (CACI members). The meetings of the committee are held on a quarterly basis. In the framework of the prerogatives devolving to it, the Committee :

- Evaluates and makes recommendations on the quality of risks;
- Ascertains that management norms and internal procedures, as set by the competent bodies in the area of credit risks ;
- Monitors the limits of credit risks (sector-based, major risks...).

#### 4.1.3.3. General Management Committee

The General Management Committee, which is chaired by the Director & Delegate General Manager to the Chairman, gathers together the Director & Delegate General Manager in charge of Remedial Management; Delegate General Managers, the Adviser to the General Management, and the General Controller. Associate Members include the Chairman of the Board of BMCE Capital and the other Deputy General Managers of BMCE Bank. The meetings of the Committee are held on a weekly basis.

In the framework of the prerogatives devolving to it, the Committee is in charge of :

Steering Activities : more specifically it:

- Steers the drawing up of the strategic plan of BMCE Bank and affiliated entities, in tandem with the decisions taken by the Group Strategic Committee and takes care of its implementation ;

- Give impetus to the main cross-cutting projects which impact on the operation and the development of the Bank;
- Translates the strategic plan into clear budgetary objectives for the Bank's various entities;
- Validates annual budgets and follows up on the allocation and optimisation of resources made available to the entities of the Bank;
- Monitors the effective execution of the Bank's budgetary plan and that of each of its entities. It also sees to the implementation of corrective actions in case of gaps;
- Decides on the tariff policy relating to products and services, while ensuring that the business lines remain profitable;
- Evaluates opportunities for launching new activities, products, and services and follows up on implementation;
- Arbitrates on operational questions pertaining to the various Bank's Divisions, and internal committees for which it also sets the objectives;
- Sees to the efficiency of organisation by undertaking all the actions necessary relating to human resources, organisation, computing, logistics, and security as would contribute to the development of the Bank.

#### Internal Control, Audit, and Risk Management:

- Formulates orientations in terms of the Bank's risk policy and ascertains its alignment with the Group's risk policy;
- On the basis of the propositions made by the entity in charge of risk management, it sets and follows the limits and levels of aggregate risks for each of the Bank's business lines;
- Ensures observance of regulatory ratios, compliance with the regulations governing risks, and the efficiency of internal control.

#### Human Resources:

- Examines the policy of Bank personnel remuneration, training, mobility, and recruitment;
- Ascertains that operational priorities are in adequacy with the recruitment and training policy;
- Follows up on the career management of the Bank's high-flyers.

#### Other Prerogatives:

- Sees to it that there is a coherent commercial, corporate, and financial communication;
- Arbitrates on possible conflicts of interest and all unresolved files falling within the competency of the various Bank entities and internal committees;
- Proposes the main Bank development poles to the Group Strategic Committee.

#### 4.1.3.4. The Credit Committee

##### Senior Credit Committee

It is chaired by the Chief Executive Officer of the Bank and vice-chaired by the Director & Delegate General Manager to the Chairman. Depending on the market concerned, there are two committees: one is in charge of the Enterprise market while the other is in charge of the Private/Professionals market. The committees, which gather together the Bank's senior managers, convene twice a week.

#### 4.1.3.5. Declassification Committee

The task of this Committee, which meets on a monthly basis, consists in dealing with anomalous accounts.

#### 4.1.3.6. Group Market Risk Committee

The Group Market Risk Committee sees to the efficiency of the steering mechanism as it applies to risks related to BMCE Bank Group market operations and to ensure its adequacy and conformity with the established risk management policy.

In this respect, the Committee takes care of the following missions, among others:

- Following up on the evolution of exposure to market risks;
- Surveying the evolution of exposure to market risks;
- Approving new products;
- Approving limits.

#### 4.1.3.7. Operational Risk Committee

The mission of this Committee includes the periodic review of :

- Changes in exposure to risks and the environment controlling these risks ;
- Identification of key areas of risk, in terms of activities and type of risk ;
- Definition of preventive and corrective actions put in place to reduce the level of risk ;
- Amount of capital to allocate for operational risks, the cost of preventive actions and insurance.

## 4.2. CREDIT RISK

### 4.2.1. Decision Procedures

The procedure for granting loans at BMCE Bank is based on two approaches :

- A standardised approach for products to individuals subject to “Product Programmes”, which define, for each product, the rules of risk management for the marketing of the product. Indeed, risk policy relies on two pillars :
  - The use of a fact sheet, which states the approval criteria, and based on which the assessment Risk is conducted. This fact sheet explains the credit terms and verifies compliance and the meeting of the loan standards. If the loan does not meet the standards set by all the acceptance risk criteria, the request must be rejected unless an exception is granted by the Committee ;
  - A system of delegation which identifies the authority levels for loan granting. It ensures compliance of the decision making process and the integrity of the credit agent. Each loan application passes through all subordinated entities until its approval.
- A customised approach based on the specific needs of clients based on three principles: (i) loan portfolio management, which allows the Senior Management to have sufficient information to assess the risk profile of the customer; (ii) the delegation

of approval authority to individuals (intuitu personae) on the basis of their experience, judgment, competence, education and professional training; (iii) the balance of power, the facilities being granted based on the judgment of at least three persons « Troika ».

For certain levels of risk, approval of the Senior Credit Committee or the President of the Bank must be sought. Note also that an independent control of the credit quality and compliance with procedures is provided by the General control and external auditors. Similarly, the Group’s Risks Division independently ensures the continuity of the risk management quality and respect for rules and procedures.

### 4.2.2. Diversification by Counterparty

Assessed by taking the entire loans granted to a single beneficiary, the diversification of the loan portfolio remains a major concern for the Bank’s risk policy. Possible concentrations are subject to regular review, and if the need should arise, corrective measures are taken.

### 4.2.3. Sector-based Diversification

Sector-based diversification of the credit portfolio, likewise, receives particular attention, sustained by prospective analysis which allows for a proactive and dynamic management of the Bank’s exposures. It relies on research and studies which express an opinion on the evolution of given sectors and identify the factors which account for the risks incurred by the main actors.

### 4.2.4. Monitoring

Through the entity in charge of “the Group Credit Risk Management”, the Group Risk Division takes care of the following tasks at BMCE Bank Group :

- Prevention of credit risks ;
- Contribution to the overall credit policy ;
- On-going monitoring of credit risk.

As a key function in risk control process, such preventive management consists in anticipating situations where risk is likely to worsen and to bring in the appropriate adjustments. In the exercise of this function, the entity is called upon to :

- Monitor the regularity of commitments: conformity of the purpose for which the loan is sought, observance of the authorised rating, examination of default in payment, review of overdue loan repayments.
- Detect debts showing persistent weakness signs, on the basis of a certain number of flashing warning signals ;
- Together with the branch network, follow up on the evolution of the main risks (non performing loans, the most important commitments/ or the most sensitive ones) ;
- Determine files that are eligible for downgrading, in view of the regulations in force governing non performing loans.

### 4.2.5. Non Performing Loans

With a view to identify non performing loans which are eligible for provisioning in compliance with the regulation in force, an exhaustive review of the Bank’s portfolio is undertaken on

a monthly basis, with the help of a statement of risk-prone accounts, designed by means of reference to the criteria governing the classification of non performing loans instituted by Circular no. 19 issued by the Central Bank, as well as other additional security criteria adopted by the Bank.

It should be noted that the additional risk management indicators have been set up in order to spot forerunning signs of a worsening risk.

Substandard, doubtful and loss loans are subject to provisions, equivalent at least of 20%, 50% and 100% of their respective amounts, net of guarantees and accrued interest on non-performing loans. Provisions for loss loans are made on a case by case basis, whereas provisions for substandard and doubtful loans are made in a comprehensive manner.

Depending on their nature, guarantees are deducted, according to the portion stipulated by BAM's Circular, from the provisions calculation base.

Provisioning is subjected to control and follow-up on the part of General Control, External Auditors and the Audit and Internal Control Committee. Having determined that there exists no objective indication of depreciation for financial assets considered on an individual basis, whether significant or not, the aforementioned entities include the assets within a group of financial assets showing the characteristics of similar credit risk and subject them collectively to a depreciation test.

In the framework of a collective examination, an objective depreciation indicator may be summed up in observable indicators which suggest a measurable diminution in the estimated cash-flow coming from a group of loans ever since these were entered in the accounts for the first time, though this diminution may still not be connected with the various loans which make up this group, notably :

- Unfavorable modification in the capacity of borrowers which are part of the group, or ;
- A national or local economic situation which is in correlation to default in the payment among the assets which are part of the group.

#### 4.2.6. Remedial Management : Debt collection

##### Recovery

In order to improve the efficiency of the recovery of failed debts, a revamped out-of-court recovery system was set up within the Bank. The system consists of two entities –one dedicated to the activities of the corporate network, while the other is devoted to the Private/Professional network.

The entities are tasked with the following :

- Permanently oversee the regularity and the quality of the entire Bank's commitments ;
- Follow-up on the settlement of any insufficiency, either through the network, or directly with the customers concerned;
- Adopt a proactive approach designed to prevent any degradation of the outstanding debts.

#### 4.2.7. Internal ratings

BMCE BANK has adopted since 2004 a rating system for scoring all counterparties of the Corporate segment based on the use of a tool commonly known under the name of ANAFI.

This process allowed to have a decision tool support in the process of granting credit generating a rating resulting from the combination of both financial and qualitative information.

From July 2008 and in the pursuit of its dynamic optimization and sophistication of these tools of risk management, BMCE BANK has launched an ambitious project on setting up a system of internal ratings for all segments Basel counterparts, with the exception of the segment "Retail" as well as for scoring transactions.

This project which is part of the BMCE Group perimeter (including local subsidiaries) is currently being deployed with the attainment and realization of the two following objectives:

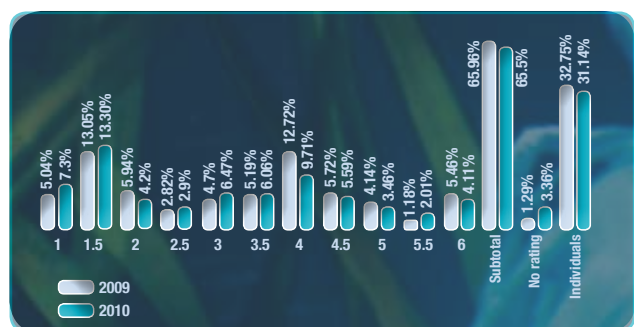
- Prepare the introduction force in advanced for BASEL II methods and that, by setting-up in advance of internal rating models for calculating risk-weighted assets under the Basel regulations
- Operationally apply internal notation into the business processes of the Bank and its subsidiaries (eg: use of the notation for the system of delegation, pricing, targeting commercial and marketing) by facilitating the further decision to grant credit

Rating	Definition	Category	
1	Extremely stable in the short and medium terms; very stable in the long term ; solvent or creditworthy even in serious financial distress	Low risk	Investment grade
1,5	Very stable in the short and medium terms; stable in the long term; sufficient solvency even in persistent negative events		
2	Solvent in the short and medium terms; even after serious hardship or difficulties ; slightly negative events might be absorbed in the long term		
2,5	Very stable in the short term; no material adverse effect expected within the year; sufficient financial strength to survive in the medium term ; uncertain long term creditworthiness	Moderate risk	
3	Stable in the short term ; no material adverse effect expected within the year ; only slightly negative events could be absorbed in the medium term	High risk	
3,5	Limited capacity to absorb unexpected negative events		
4	Very limited capacity to absorb unexpected negative events	Very high risk	Sub-investment grade
4,5	Weak creditworthiness (principal and interests). Any change in the economic and commercial conditions would make timely reimbursement difficult		
5	Inability to serve debt (principal and interests) in due time. Creditworthiness is linked to positive evolution of economic and commercial conditions		
5,5	Very high default risk, inability to serve debt (principal and interests) in due time. Default payment on part of principal and interests	Very high risk	
6	Default payment on principal and interests		

A rating system was put in place in 2004, validated by the General Management Committee and the Audit and Internal Control Committee. The system is bi-dimensional, combining a credit rating to assess the risk inherent in the transaction and financial rating obtained on the basis of the financial situation of the borrower in the last 3 years, potential development, and industry, the rating of the parent company, country risk and delinquency.

The rating scale includes 11 levels grouped into 4 risk categories varying from "very high risk" to "limited risk". The rating ranges from 1 for the lowest risk to 6 for the highest risk.

## Breakdown of Commitments as per Class of Risk



### 4.2.8. Hedging and Risk Mitigation Policy

#### 4.2.8.1. Credit Guarantees

For individual customers, the Bank requires for every loan application a salary deduction authority. Mortgage loans are covered by first mortgage. For agreement loans, i.e. loans granted to the employees of client enterprises. In this case, the Bank has the legal guarantee of the employer.

For client enterprises, the guarantees policy is based on detailed analysis of counterparties and risks involved. For large corporations, which have reached a high growth level with no risk, no collateral is required. However, for some Corporations, the Bank holds guarantees (collaterals and bank guarantees).

For medium and small sized companies, and very small businesses, guarantees are supported by a systematic recourse to the "Caisse Centrale de Garantie". As for project finance, the financed asset is taken as collateral, and according to the size of the project and the sector, guarantee funds are required.

The total exposure that is covered by securities adds up to 956,273 KMAD and the total exposure that is covered by guarantees and credit derivatives adds up to 957,504 KMAD.

#### 4.2.8.2. Sector concentration Limits

These limits are defined on the basis of historical default and on the basis of an optimisation of the consumption of capital. These limits are fixed according to the portfolio vision and they are stated in terms of sector, type, and maturity.

### Breakdown of loans to credit institutions by geographic area

In thousand MAD

	December 2010			December 2009		
	Performing Loans	Outstanding Loans	Provisions	Performing Loans	Out-standing Loans	Provi-sions
Morocco	13 664 904	60 559	25 703	13 751 656		
Europe	2 082 528	0	0	1 892 819		
Africa	7 139 459	53 798	4 113	5 295 672	3 448	3 448
<b>Total</b>	<b>22 886 891</b>	<b>114 357</b>	<b>29 816</b>	<b>20 940 147</b>	<b>3 448</b>	<b>3 448</b>
Allocated Debts						
Provisions						
<b>Net Value</b>	<b>22 886 891</b>	<b>114 357</b>	<b>29 816</b>	<b>20 940 147</b>	<b>3 448</b>	<b>3 448</b>

#### 4.2.8.3. Counterpart concentration limits

The limits of counterparts are handled, according to two approaches whose fundamentals, principles and methodologies differ :

- For non-standard loans: the counterpart limits are set by decision-making entities, depending on customers' needs the risks incurred. The maximum is set at 20% of our equity capital.
- For standard loans: the counterpart limits for this type of loans are provided for by the Product Programme governing standard products. In the framework of the execution of budgets, product-based limits are set during the drawing up of the provisional budgets.

### Breakdown of loans to customers by geographic area

In thousand MAD

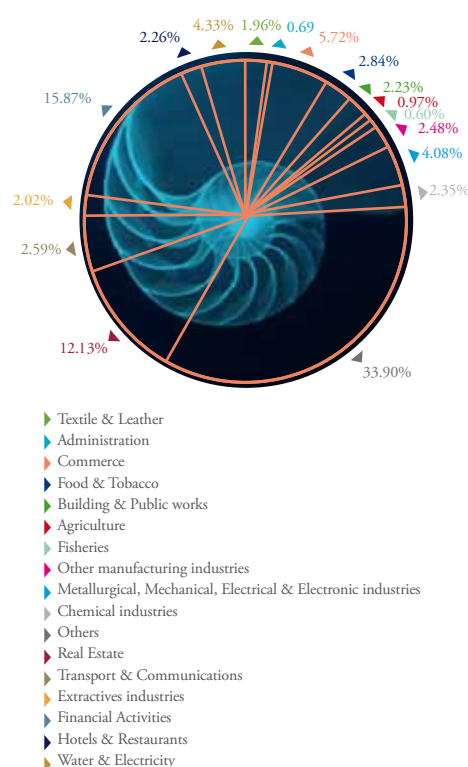
	December 2010			December 2009		
	Performing Loans	Outstanding Loans	Provisions	Performing Loans	Outstand-ing Loans	Provisions
Morocco	83 995 293	4 468 846	3 144 791	72 981 076	4 389 436	3 085 106
Europe	2 696 286	25 583	16 018	2 814 334	3 798	0
Africa	18 704 161	1 898 420	1 259 895	16 371 650	1 361 333	1 243 759
<b>Total</b>	<b>105 395 740</b>	<b>6 392 849</b>	<b>4 420 704</b>	<b>92 167 060</b>	<b>5 754 567</b>	<b>4 328 865</b>
Allocated Debts						
Provisions						
<b>Net Value</b>	<b>105 395 740</b>	<b>6 392 849</b>	<b>4 420 704</b>	<b>92 167 060</b>	<b>5 754 567</b>	<b>4 328 865</b>

#### 4.2.8.4. Commitments Breakdown

The mechanism governing the bank's concentration risk management is based on quantitative measurement of different types of concentration and their confrontation with their respective limits (per activity sector; contra groups, and so forth...). This strategy, which is validated by the Bank's decision-taking authorities, is reviewed on a yearly basis.

#### 4.2.8.5. Breakdown of Commitments per Sector

The Bank's exposures -domestic activity- by sector are as follows :



### 4.3. MARKET RISK

The market risk management within BMCE Bank is part of compliance with regulatory standards as stipulated by regulatory authorities and the application of sound market risk management practices at the international level and particularly as defined by Basel II.

Market risks are defined as the risk of losses on positions of balance sheet and off balance sheet as a result of changes in market prices, they cover :

- Risks relating to instruments related to interest rates and equities portfolio trading ;
- Currency risk and products risk involved for the entire bank

#### Instruments mapping

The trading portfolio of BMCE Bank includes the following instruments divided by risk factor :

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

#### On a consolidated basis

Capital Requirements	Amounts
Capital Requirement for Interest Rate Risks	888 313
Capital Requirement for change Risks on Property Investment	28 036
Capital Requirement for Foreign Exchange Risks	56 555
<b>Total capital on Market Risk</b>	
<b>Total Risk Weighted Assets on Market Risk</b>	<b>972 904</b>

### 4.4. MARKET RISK MANAGEMENT PROCESS

#### Governance

The main governance bodies for the market risk management within BMCE Bank Group are :

- The General Management that implements strategies and policies for managing market risks approved by the Board of Directors ;

- The Group's Market Risk Committee, which ensures the efficiency of the device for controlling the risks of market transactions of BMCE Bank Group and its relevance to the policy of BMCE Bank Group risk management ;

- The Group Market Risk Department which centralizes the management of market risks of BMCE Bank Group as a function of the Front Office of the Group, which gives optimal objectivity in the management of market risk and arbitrage between different activities on market transactions ;

- The Risk Management Unit of the entities of BMCE Bank Group that provide first-level control of market activities within their entity and send a frequent reporting Risk Management Group ;

- The internal audit ensures the implementation of the market risk management system and the compliance with the procedures.

#### Description of the market risk management system

The BMCE Bank's market risk management system is based on :

- Limits ;
- Risk Indicators ;
- Capital Requirement ;
- Counterparty risk for derivative transactions.

#### Limits

#### Counterparty limits on market transactions

The process of granting counterparty limits and excess in exposure limits on market transactions is governed within BMCE Bank Group via a system of delegation of powers framed by different procedures depending on the type of counterparty.

The monitoring of limits and excess in exposure limits on counterparties is done on a daily basis at the individual level by the Risk Management Unit of each entity of BMCE Bank Group, and the consolidated level by the Risk Management Group which monitors and consolidates the exposures on Market Operations.

An internal rating project on market operations is approximately achieved with the implementation of Fact and SAS tools. Thus, the process of establishing counterparty limits will be more efficient by taking into account the internal ratings based on criteria judged most relevant by the bank.

#### Market limits

To control taking the market risks within BMCE Bank Group and the diversification of the trading book, a set of market limits was introduced jointly by the Risk Management Group and Risk Management Unit of each entity. These limits reflect the market risk profile adopted by the Group and allow for optimal management of market risk through arbitrage between the various market activities.

Setting the market limits of BMCE Bank Group comes as follows :

- Limits of stop / loss by business line over different time horizons;
- Exposure limits by activity ;
- Exposure limits by duration for the Dirham denominated interest rate ;
- Exposure limits by currency and time for the currency cash FX ;
- Greeks limits for derivatives ;
- Exposure limits by currency for the FX activity ;
- Transaction limits.

BMCE Bank Group has developed the best tools for monitoring counterparty and market limits. Thus, at the group-level monitoring of exposures and excess in Exposure limits on the BMCE Bank Group are done on GEM software. At the individual level, the trading room has the KGR software that enables real-time monitoring of limits and excess in limits.

VaR limits are being developed for the establishment of a dynamic process of management limits that takes into account fluctuations of the various risk factors and the correlations to better assess the portfolio diversification.

#### Regulatory limits

Apart from monitoring the limits put in place internally, BMCE Bank Group ensures compliance with regulatory limits set by Bank Al-Maghrib as :

- The minimum capital regulatory adequacy ratio of 8% ;
- The exposure limit on the foreign currency should not exceed 10% on Capital ;
- The limit on the aggregate foreign exchange which does not exceed 20% of Capital.

#### Risk indicators

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

- Overall Value at Risk (VaR) and by type of asset

Value-at-Risk is a probabilistic global measure of the market risk. It summarizes the risk through the calculation of any potential loss on a time horizon and a given degree of probability. Unlike traditional indicators of risk, value at risk combines various risk factors and measures their interaction, thus taking into account the diversification of portfolios.

A daily calculation of Value at Risk and overall type of asset is provided at BMCE Bank Group through the software KVAR that allows the calculation of the value at risk and its backtesting using several approaches, the historical approach and Monte Carlo approach.

- Stress Testing by Risk Factor

A set of stress tests are conducted daily for each activity of trading. These stress tests are based on hypothetical scenarios set up, and reflect the exposure of the trading

group's losses in case of moderate fluctuations, averages and extremes of market risk factors.

Thus, hypothetical scenarios are based on the following stress components:

- Change in interest rates ;
  - Translation of the yield curve ;
  - Change in exchange rates ;
  - Devaluation ;
  - Change in the basket ;
  - Movement of currency volatility ;
  - Change in the price of the underlying asset ;
- Overall Sensitivity and portfolio duration or by activity for the interest rate exposure.
  - The sensitivities of type delta, gamma, vega, theta, rho for derivative exposure.

#### Capital Requirements

The regulatory capital requirements under the Market Risk of BMCE Bank Group can appropriately assess the exposure of the Group to various market risks. Thus, a daily calculation of capital requirements using the standardized approach is provided at BMCE Bank Group through the Fermat software that allows at the same time to meet a regulatory requirement in terms of reporting and an internal requirement in terms of daily monitoring of capital requirements and portfolio of the Group.

Note that a transition project to the advanced approach is being implemented according to the schedule set by regulators to optimize the calculation of capital requirement in respect of market risk through an internal model to the bank based on the VaR approach.

#### Counterparty Risk on derivatives transactions

BMCE Bank Group has established a rigorous monitoring of counterparty risk on derivatives:

- Effective and potential credit risk is calculated for each derivative contract and included in the monitoring of counterparty exposures ;
- Any return must have an adequate credit line granted under existing procedures.

Besides this, the Bank signs during operations on derivatives contracts managers, based on the model issued by the International Swaps and Derivatives Association (ISDA). This type of contract allows offsetting debit and credit positions of a defaulting counterpart and provides in some cases a security deposit which reduces the risk.

#### 4.5. ASSET LIABILITY MANAGEMENT

In order to maintain a balance sheet at equilibrium, in a context of a strong growth in assets, the management of liquidity and interest rate risks system should :

- Ensure the stability of earnings against the change in interest rates, with a sustained net interest income and optimised economic value of equity ;

- Manage an adequate level of liquidity, allowing the bank to meet its obligations at any time, away of any potential crisis ;
  - Ensure that the risk inherent in foreign exchange does reduce the margin of the bank ;
  - Adjust the bank's strategy so as to fully capture the growth opportunities offered by the macroeconomic environment.
- Formulates the ALM policy
  - Organize and facilitate the ALM subcommittees
  - Have a thorough knowledge of the types of risks inherent in the Bank's activities and stay informed of the evolution of these risks based on the trend of financial markets, of risk management practices, and activity of the Bank;
  - Review and approve procedures to limit risks inherent in the Bank's credit activity, investment, trading and other activities and significant products;
  - Master the reporting systems that measure and daily control the main sources of risk;
  - Periodically review and approve risk limits accordance with any changes in the institution's strategy, approve new products and respond to significant changes in market conditions;
  - Ensure that the various lines of business are properly managed by HR with a level of knowledge, experience and expertise consistent with the nature of supervised activities.

#### 4.5.1. Liquidity Risk

The bank's strategy in terms of liquidity risk management aims at adjusting the structure of its resources in phase with the development of its business activity.

Liquidity risk is defined as the inability of the Bank to meet its obligations when unexpected needs occur and that the bank's liquid assets cannot cover them.

Such an event might be induced by other causes than liquidity, such as default of counterparts, or adverse changes in the market, resulting in potential losses.

An adequate level of liquidity is a level that allows the Bank to finance the growth of its assets and meet its obligations once they are due, putting it away from any potential crisis.

Two major factors may generate a liquidity risk :

- The inability of the establishment to raise the necessary funds to face unexpected situations over the short term, notably in case of massive withdrawal of deposited assets and maximal drawing of off-balance-sheet commitments.
- Non backing of assets and liabilities or the financing of medium and long term assets by means of short-term liabilities

A liquidity level is deemed acceptable when it enables the Bank to finance the evolution of its assets and to meet its commitments as soon as they are due for payment, thereby shielding the Bank against any possible crisis.

In this respect, two indicators serve to assess the Bank's liquidity profile :

- Liquidity ratio, as defined by the central bank ;

- Cumulative static gaps for a 12 months period.

Periodic or cumulative gaps in local or foreign currency measure the bank's risk of liquidity in the short, medium and long terms. This allows estimating the net refinancing needs on different buckets and determining the appropriate coverage.

#### 4.5.2. Interest Rate Risk

Interest rate risk is the risk of reducing the margins of the Bank due to changes in interest rates. The latter also impacts the discounted value of expected future cash flows.

The degree of the impact on the economic value of assets and liabilities depends on how sensitive the balance sheet items are to the change in interest rates.

The interest rate risk can be assessed through stress testing, based on an interest rate shock of 200 basis points, as recommended by Basel Committee.

The Bank's strategy in terms of interest rate risk management aims at stabilizing earnings against any change in interest rates, with a sustained net interest income and optimised economic value of equity.

Changes in interest rates can have negative impact on the Bank's net interest income, and thus cause serious deviation from initial forecasts.

To counter these discrepancies, the ALM department regularly matches uses with resources of the same nature, and defines the tolerance level for a maximum deviation in net interest income from the forecasted net banking income.

Periodic or cumulative gaps in local or foreign currency measure the bank's risk of liquidity in the short, medium and long terms. This allows estimating the net refinancing needs on different buckets and determining the appropriate coverage.

#### 4.5.3. Sensitivity of the value of banking book

##### Interest Rate Stress Testing and Sensitivity Analysis

ALM department performs stress testing simulations in order to measure the impact of a change in interest rates on net interest income and the economic value of equity.

To December 2010, an interest rate shock of 200 basis points on the Net Banking Earnings is estimated at +133 MDH. Likewise, an interest rate shock of 200 basis points would have an impact of 219 MDH on the economic value of equity or 1.90% of the regulatory capital.

##### Stress Testing applied to Liquidity

In order to assess the Bank's liquidity in a crisis situation, ALM department performs stress testing in case of a pressure on resources (massive withdrawal of deposits). These scenarios allow an assessment of the bank's capacity to meet its obligations in situations of liquidity crisis.

Three Scenarios are defined :

- Scenario 1 : this scenario takes into account a pressure on demand deposits for 3 months, while maintaining the credit activity. The liquidity behaviour is studied thanks to liquidity gaps on the first three months. This stress test assumes the withdrawal of 30% of time deposits (10% per month) ;

- Scenario 2 : this scenario takes into account a pressure on demand deposits for 10 days, while maintaining the credit activity. The objective of this scenario is to test the capacity of the Bank to meet its obligations, following the withdrawal of volatile time deposits, on a very short period (10 days) ;
- Scenario 3 : This is the worst case scenario, with a maximum pressure on deposits in a major crisis situation, where the bank loses the totality of demand deposits in 10 days.

To December 31, 2010, the 12-month-span liquidity gap shows a liquidity surplus of 5.9 billion MAD compared with +5.8 billion MAD to the end of December 2009. Furthermore, the liquidity ratio (1 month liquid assets to 1 month liabilities) stands at 128,2% as of December 31, 2010.

The capital transactions conducted on behalf of the CDG, CM-CIC Group and the BMCE Group's Staff members for a total of 6.3 billion dirhams have enhanced the bank's level of regulatory capital, thereby helping to limit impacts.

### Capital Components and Capital Adequacy

#### The Main Characteristics of the components of Capital

##### Share Capital

BMCE Bank has a capital of MAD 1,719,633 900, consisting of 171,193,690 ordinary shares with a nominal value of 10 MAD, fully paid. Each action usually gives a right to vote.

##### Subordinated debts

To the end of December 2010, the total subordinated debt added up to 4.3 billion MAD.

#### Evaluation of the Capital Adequacy

BMCE BANK Group has opted for the standard approach, as presented in the circulars issued by Bank Al-Maghrib (BAM), (or, the Central Bank of Morocco). The circulars in question are :

- Circular no. 26/G/2006 relative to regulatory requirements in equity capital for credit institutions and similar entities ;
- Circular no. B3/G/2006 relative to the methods of calculating credit risk weighted assets ;
- Circular no. 25/G/2006 relative to the minimum requirement of capital adequacy ratio for credit institutions and similar entities;
- Circular no. 24/G/2006 relative to capital.

These circulars cover all the risks taken by the Bank. In fact, the methods of calculating market risks are governed by these selfsame circulars, according to the standard approach.

Regulatory capital requirements for credit risks are applied on an individual basis for each entity in the Group and on a consolidated basis at the level of BMCE Bank Group.

As for the standardised approach, it is similar to the one used according to Cooke's methodology which is based on the principle of flat rate weighting, but it takes into account risk-mitigation techniques. The three parameters: Probability of Default (PD); Exposure at Default (EAD) and Loss Given Default (LGD) are set by the regulator in the form of weighting to apply to PD, EAD and LGD.

NB : the Approach adopted by BMCE Bank Group for the calculation of its regulatory capital

According to the Internal Rating Based Foundation (IRBF), the Loss Given Default (LGD) is a regulatory parameter which is provided, taking into consideration the guarantees received, according to certain calculation methods.

According to the Internal Rating Based Approach (IRBA), the Bank must provide internal estimates of LGD that are validated by historical default rate. These historical data must be produced by using an economic definition of loss.

NB: In 2009, BMCE Bank Group launched an internal rating project for the purpose of preparing for advanced methods

### Capital Components

Pursuant to the standardised approach, BMCE Bank Group capital is calculated in conformity with Circular no. 26/G/2006 relative to regulatory capital requirements for credit institutions and similar entities and to Circular no. 24/G/2006 relative to capital.

#### Equity - Consolidated Activity

Capital	Amount
Tier I	13 479 571
Tier II	4 820 846
Tier III	
<b>Total Capital</b>	<b>18 300 417</b>

#### Capital Requirements by Type of Risks on a Consolidated Base

<b>Credit Risk</b>	121 753 470
<b>Market Risk</b>	12 218 459
<b>Operational Risk</b>	11 889 950
<b>Total of Weighted Risks</b>	<b>145 861 879</b>
Tier I	13 479 571
<b>Net Equity</b>	<b>18 300 417</b>
<b>Solvency ratio</b>	<b>12,55%</b>



## 5.2 - Available for sale financial assets

(In thousand MAD)

	December 2010	December 2009
Negotiable certificates of deposit	-	-
Treasury bills and other bills eligible for central bank refinancing		
Other negotiable certificates of deposit		
Bonds	-	-
Government bonds		
Other bonds		
Equities and other variable-income securities	1 994 752	1 674 351
Of which listed securities	398 228	417 843
Of which unlisted securities	1 596 524	1 256 508
<b>Total available-for-sale financial assets, before impairment provisions</b>	<b>December 2010</b>	<b>1 674 351</b>
Of which unrealized gains and losses	-147 358	-120 262
Of which fixed-income securities		
Of which loaned securities	-147 358	-120 262
<b>Total available-for-sale financial assets, net of impairment provisions</b>	<b>1 847 394</b>	<b>1 554 089</b>
Of which fixed-income securities, net of impairment provisions		

## 5.3 - Interbank and money-market items

### Loans and receivables due from credit institutions

(In thousand MAD)

	December 2010	December 2009
Demand accounts	4 904 258	5 179 545
Loans	18 084 570	15 364 045
Repurchase agreements	12 420	400 005
<b>Total loans and receivables due from credit institutions, before impairment provisions</b>	<b>23 001 248</b>	<b>20 943 595</b>
Provisions for impairment of loans and receivables due from credit institutions	-29 816	-3 448
<b>Total loans and receivables due from credit institutions, net of impairment provisions</b>	<b>22 971 432</b>	<b>20 940 147</b>

### Due to Credit Institutions

	December 2010	December 2009
Demand accounts	1 222 864	2 178 611
Borrowings	9 830 254	8 448 615
Repurchase agreements	2 549 598	2 657 558
<b>Total Due to Credit Institutions</b>	<b>13 602 716</b>	<b>13 284 784</b>

## 5.4 - Loans and receivables due from customers

### Loans and receivables due from customers

(In thousand MAD)

	December 2010	December 2009
Demand accounts	14 806 099	15 338 894
Loans to customers	80 789 158	72 513 141
Repurchase agreements	7 606 889	2 044 922
Finance leases	8 616 093	8 024 670
<b>TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, BEFORE IMPAIRMENT PROVISIONS</b>	<b>111 818 239</b>	<b>97 921 627</b>
Impairment of loans and receivables due from customers	-4 450 354	-4 328 865
<b>TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, NET OF IMPAIRMENT PROVISIONS</b>	<b>107 367 885</b>	<b>93 592 762</b>

### Breakdown of Customer Loans by Business Segment

(In thousand MAD)

	December 2010	December 2009
Activity in Morocco	73 928 891	63 618 992
Specialized Financial Services	11 390 194	10 666 169
International Activities	22 048 536	19 307 355
Asset Management	264	246
Other Activities	-	-
<b>Total</b>	<b>107 367 885</b>	<b>93 592 762</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>107 367 885</b>	<b>93 592 762</b>

### Breakdown of Customer Loans by Geographic area

(In thousand MAD)

	December 2010	December 2009
Morocco	85 319 349	74 285 406
Africa	19 342 686	16 489 224
Europe	2 705 850	2 818 132
<b>Total</b>	<b>107 367 885</b>	<b>93 592 762</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>107 367 885</b>	<b>93 592 762</b>

### Due to Customers

(In thousand MAD)

	December 2010	December 2009
Demand deposits	53 179 017	56 118 940
Term accounts	49 389 636	41 086 369
Regulated savings accounts	17 901 496	16 119 692
Deposit Receipts	5 210 305	4 025 282
Repurchase agreements	6 338 701	5 145 789
<b>Total due to customers</b>	<b>132 019 155</b>	<b>122 496 072</b>

### Breakdown of Customer Deposits by business segment

(In thousand MAD)

	December 2010	December 2009
Activity in Morocco	98 044 626	96 265 848
Specialized Financial Services	959 192	692 038
International Activities	33 015 337	25 538 186
Asset Management	-	-
Other Activities	-	-
<b>Total</b>	<b>132 019 155</b>	<b>122 496 072</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>132 019 155</b>	<b>122 496 072</b>

## Breakdown of Customer Deposits by Geographic area

(In thousand MAD)

	December 2010	December 2009
Morocco	99 003 818	96 957 885
Africa	31 989 542	24 644 711
Europe	1 025 795	893 476
<b>Total</b>	<b>132 019 155</b>	<b>122 496 072</b>
Allocated Debts		
<b>Value at Balance sheet</b>	<b>132 019 155</b>	<b>122 496 072</b>

## 5.5 - Debt Securities and Subordinated Debts

(In thousand MAD)

	December 2010	December 2009
Other debt securities	11 444 054	8 501 072
Negotiable certificates of deposit	11 444 054	8 501 072
Bond issues		
Subordinated debts	3 675 588	4 247 262
Subordinated debt	3 675 588	4 247 262
Redeemable subordinated debt	3 675 588	4 247 262
Undated subordinated debt		
Subordinated Notes	864 626	791 280
Redeemable subordinated notes		
Undated subordinated notes	864 626	791 280
Public Funds and special guarantee funds	94 283	81 280
<b>Total</b>	<b>16 078 551</b>	<b>13 620 894</b>

## 5.6 - Held-to-maturity financial assets

(In thousand MAD)

	December 2010	December 2009
Negotiable certificates of deposit	7 647 008	5 673 267
Treasury bills and other bills eligible for central bank refinancing	7 249 630	5 237 756
Other negotiable certificates of deposit	397 378	435 511
Bonds	674 085	694 661
Government bonds		
Other bonds	674 085	694 661
<b>Total held-to-maturity financial assets</b>	<b>8 321 093</b>	<b>6 367 928</b>

## 5.7 - Current and deferred taxes

(In thousand MAD)

	December 2010	December 2009
Current taxes	383 596	527 064
Deferred taxes	371 417	543 064
<b>Current and deferred tax assets</b>	<b>755 013</b>	<b>1 070 128</b>
Current taxes	316 356	171 994
Deferred taxes	906 568	1 069 008
<b>Current and deferred tax liabilities</b>	<b>1 222 924</b>	<b>1 241 002</b>

## 5.8 - Accrued income/expense and other assets/liabilities

(In thousand MAD)

	December 2010	December 2009
Guarantee deposits and bank guarantees paid	3 528	3 086
Settlement accounts related to securities transactions	95 780	8 071
Collection accounts	201 318	329 226
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	209 599	244 114
Other debtors and miscellaneous assets	2 750 497	2 984 163
<b>Total accrued income and other assets</b>	<b>3 260 722</b>	<b>3 568 660</b>
Guarantee deposits received	34 630	26 597
Settlement accounts related to securities transactions	3 805 576	4 684 858
Collection accounts	603 085	654 997
Accrued expenses and deferred income	424 193	529 596
Other creditors and miscellaneous liabilities	3 226 500	2 340 523
<b>Total accrued expenses and other liabilities</b>	<b>8 093 984</b>	<b>8 236 571</b>

## 5.9 - Investments in associates (companies carried under the equity method)

(In thousand MAD)

	December 2010	December 2009
Euler Hermes Acmar	16 180	15 103
Banque de Développement du Mali	161 904	145 070
Casablanca Finance Markets	32 398	42 859
Eurafric Information	3 559	4 603
Hanouty	17 821	33 053
Investments in associates	100 851	86 362
Investments in equity methods companies belonging to subsidiaries	49 458	35 854
<b>INVESTMENTS IN EQUITY METHODS COMPANIES</b>	<b>382 171</b>	<b>362 904</b>

Financial data as published by the Group's principal associates under local generally accepted accounting principles are as follows:

(In thousand MAD)

	Total Assets	Net Banking Income or Net Revenues	Net income
Euler Hermes Acmar	295 590	28 997	645
Banque de Développement du Mali	5 737 187	360 000	23 281
Casablanca Finance Markets	212 952	9 429	1 323
Eurafric Information	217 427	83 021	-1 044
Hanouty	130 856	43 765	-24 505
Société Conseil Ingénierie et Développement	422 887	256 957	12 594

## 5.10 - Property, plant and equipment and intangible assets used in operations

(In thousand MAD)

	December 2010			December 2009		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
<b>PP&amp;E</b>	<b>7 920 516</b>	<b>3 125 374</b>	<b>4 795 142</b>	<b>7 051 066</b>	<b>2 825 310</b>	<b>4 225 756</b>
Land and buildings	2 370 751	472 701	1 898 050	2 517 780	472 289	2 045 491
Equipment, furniture and fixtures	3 117 391	1 184 094	1 933 297	2 740 707	1 296 882	1 443 825
Plant and equipment leased as lessor under operating leases	0	0	0			
Other PP&E	2 432 374	1 468 579	963 795	1 792 579	1 056 139	736 440
<b>Intangible Assets</b>	<b>1 214 476</b>	<b>563 271</b>	<b>651 205</b>	<b>1 051 322</b>	<b>408 978</b>	<b>642 344</b>
Purchased software	676 689	326 698	349 991	581 858	96 102	485 756
Internally-developed software	0	0	0			
Other intangible assets	537 787	236 573	301 214	469 464	312 876	156 588
<b>Investment Property</b>	<b>560 214</b>	<b>39 547</b>	<b>520 667</b>	<b>546 548</b>	<b>37 558</b>	<b>508 990</b>

## 5.11 - Goodwill

(In thousand MAD)

	December 2010	December 2009
Gross value at start of period	485 515	249 969
Accumulated impairment at start of period		
Carrying amount at start of period	485 515	249 969
Acquisitions	45 491	235 546
Cessions		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements		
Gross value at end of period	531 006	485 515
Accumulated impairment recognized during the period		
<b>Carrying amount at end of period</b>	<b>531 006</b>	<b>485 515</b>

## Goodwill by core business is as follows

(In thousand MAD)

	Carrying amount December 2010	Carrying amount December 2009
Maghrébaïl	10 617	10 617
Banque de Développement du Mali	3 588	3 588
Salafin	5 174	5 174
Maroc Factoring	1 703	1 703
BMCE Capital Bourse	2 618	2 618
BMCE International (Madrid)	3 354	3 354
Bank Of Africa	207 863	207 863
Locasom	98 725	98 725
EAI	102 523	102 523
Hanouty	14 555	16 773
Other	80 286	32 577
<b>TOTAL</b>	<b>531 006</b>	<b>485 515</b>

## 5.12 - Provisions for contingencies and charges

(In thousand MAD)

	December 2010	December 2009
Total provisions at start of period	300 492	325 453
Additions to provisions	76 733	60 258
Reversals of provisions	-26 615	-85 219
Provisions utilized	0	
Effect of movements in exchange rates and other movements	-621	
<b>Total provisions at end of period</b>	<b>349 989</b>	<b>300 492</b>

## 6 - Financing commitments and guarantees

### 6.1 - Financing commitments

(In thousand MAD)

	December 2010	December 2009
<b>Financing commitments given</b>	<b>16 105 804</b>	<b>15 296 720</b>
- To credit institutions	1 312 750	866 886
- To customers:	14 793 054	14 429 834
Confirmed letters of credit		
Other commitments given to customers		
<b>Financing commitments received</b>	<b>1 798 907</b>	<b>1 826 644</b>
From credit institutions	1 798 907	1 616 285
From customers	-	210 359

### 6.2 - Guarantee commitments

(In thousand MAD)

	December 2010	December 2009
<b>Guarantee commitments given</b>	<b>17 383 319</b>	<b>14 312 792</b>
To credit institutions	6 351 977	4 501 171
To customers:	11 031 342	9 811 621
Sureties provided to tax and other authorities, other sureties		
Other guarantees		
<b>Guarantee commitments received</b>	<b>31 248 759</b>	<b>22 431 855</b>
From credit institutions	29 861 661	21 666 747
From the State and guarantee institutions	1 387 098	765 108

## 7 - Salaries and employee benefits

### 7.1 Description of evaluation method

Salary and employee benefit expenses corresponds to medal and end of career compensation. Assessment of the commitment related to these two benefits was conducted following the method of credit unit projected, as advocated by the standard IAS 19.

### 7.2 Summary of provisions and description of existing schemes

#### 7.2.1 Provisions for post-employment benefits and other long-term benefits granted to employees

	(In thousand MAD)	
	December 2010	December 2009
Retirement allowances and equivalents	219 185 849	218 405 340
Special seniority premiums allowances		
Other		
<b>TOTAL</b>		

#### 7.2.2 Assumptions

	(In thousand MAD)	
En pourcentage	December 2010	December 2009
Discount rate	4.50%	4.50%
Rate of increase in salaries	4%	4%
Expected return on assets	N/A	N/A
Other	11%	11%
<b>TOTAL</b>		

### 7.3 Cost of post-employment plans

	(In thousand MAD)	
	December 2010	December 2009
Normal cost	14 846 056	7 045 904
Interest cost	9 647 926	4 484 394
Expected returns of funds		
Amortization of actuarial gains/ losses		
Amortization of net gains/ losses	-	-
Additional allowances		
Other		
Net cost of the period	24 493 982	11 530 298

### 7.4 Provision evolution included in the balance sheet

	(In thousand MAD)	
	December 2010	December 2009
Actuarial liability, beginning of the period	218 405 340	206 691 897
Normal cost	14 846 056	14 091 793
Interest cost	9 647 926	8 968 788
Experience gains/ losses		
Other actuarial gains/ losses		
Depreciation of net gains/losses	-	696 288
Paid benefits	-23 713 473	-12 043 426
Additional benefits		
Other		
Actuarial liability, end of the period	219 185 849	218 405 340

## 8 - Additional information

### 8.1 Changes in share capital and earnings per share

(In thousand MAD)

	December 2010	December 2009
Share Capital (MAD)	1 719 633 900	1 587 513 900
Number of shares	171 963 390	158 751 390
Net earnings group share (MAD)	818 969 000	384 821 000
EPS (MAD)	4.8	2.4

### 8.2 - Scope of consolidation

(In thousand MAD)

Company	Activity	% of voting interests	% of ownership interests	Method
BMCE BANK	Banking			Mère
BMCE CAPITAL	Investment Bank	100.00%	100.00%	I.G.
BMCE CAPITAL GESTION	Asset Management	100.00%	100.00%	I.G.
BMCE CAPITAL BOURSE	Financial Intermediation	100.00%	100.00%	I.G.
MAROC FACTORING	Factoring	100.00%	100.00%	I.G.
MAGHREBAIL	Leasing	51.00%	51.00%	I.G.
SALAFIN	Consumer Loans	73.87%	73.87%	I.G.
BMCE INTERNATIONAL (MADRID)	Banking	100.00%	100.00%	I.G.
LA CONGOLAISE DE BANQUE	Banking	25.00%	25.00%	I.G.
MEDICAPITAL BANK PLC	Banking	100.00%	100.00%	I.G.
BANK OF AFRICA	Banking	55.77%	55.77%	I.G.
LOCASOM	Car Rental	76.00%	73.06%	I.G.
BANQUE DE DEVELOPPEMENT DU MALI	Banking	27.38%	27.38%	M E E
CASABLANCA FINANCE MARKETS	Investment Bank	24.56%	24.56%	M E E
EULER HERMES ACMAR	Insurance	20.00%	20.00%	M E E
HANOUTY	Distribution	45.55%	45.55%	M E E
EURAFRIC INFORMATION	Information Technology Services	41.00%	41.00%	M E E
CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	38.90%	38.90%	M E E

### 8.3 - Related parties

#### 8.3.1 - Relationship between consolidated companies of the group

(In thousand MAD)

	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the full consolidation method
Assets			
Loans, advances and securities		26 064	5 609 921
Demand accounts			1 043 716
Loans		26 064	4 443 305
Securities			122 900
Finance Leases			
Other Assets			146 437
<b>Total</b>			<b>5 756 358</b>
Liabilities			
Deposits		10 724	5 487 124
Demand accounts			1 043 714
Other borrowings		10 724	4 443 410
Debt securities			86 999
Other liabilities			182 245
<b>Total</b>			<b>5 756 368</b>
Financing Commitments & Guarantee Commitments			
Financing commitments given			623 813
Guarantee commitments given			623 813

### 8.3.2 - Related-party profit and loss items

(In thousand MAD)

	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the full consolidation method
Interest income		72 347	164 034
Interest expense		11 704	145 962
Commission income			21 713
Commission expense			41 907
Services provided			
Services received			
Lease income			93 346
Other			91 224

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Swift : bmce ma mc  
Telex : 21.931 - 24.004  
Trade register : casa 27.129  
PO checking account : Rabat 1030  
Social security : 10.2808.5  
Fiscal ID N° : 01085112  
Trading license : 35502790

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### **BMCE BANK web site**

[www.bmcebank.ma](http://www.bmcebank.ma)

### **International Trade Web Site**

[www.bmcetrade.com](http://www.bmcetrade.com)

### **Investment Bank Web Site**

[www.bmcecapital.com](http://www.bmcecapital.com)

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