

2010

ANNUAL REPORT

GRUPE BANQUE POPULAIRE



BANQUE POPULAIRE

FAITE POUR VOUS



HIS MAJESTY THE KING MOHAMMED VI, MAY GOD GLORIFY HIM



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PRESIDENT'S MESSAGE



Over the last three years of sustainable growth, we have launched several structuring reforms, designed to rationalize our Group's operating modes and develop, individually and collectively, a performance culture and an operational efficiency within its entities. We have also endeavored to strengthen its basic activity skills and expand its action scope to new lines of business.

In 2010, the merger came to materialize between the Banque Centrale Populaire and the Banque Populaire de Casablanca, both Group entities jointly present on the Grand Casablanca market. Such merger has been strongly oriented by improving our service quality and optimizing our means and skills on this key market. It also confirms our willpower to strengthen our Group's mutual and regionalized organization, with the inception of a powerful capitalistic hub, held by the State and Banques Populaires Régionales by majority. Our Group in 2010 has overall reinforced its first-class positions in the country's banking sphere, and has significantly evolved in all its lines of business, mostly at a growth pace above the market dynamics. Therefore, it has hoisted its client deposit market share up to 27% and its economy credit market share to 23.2%.

In a concern to support Morocco's socioeconomic development, both nationally and regionally, we have devoted most of our economy credits to fund developmental projects and back up various State sector-based plans, namely SME related.

Throughout 2010, the Banques Populaires boosted their collection and savings mobilization capabilities, both among the general public nationwide and Moroccans

living abroad. They also intensified their input to financial inclusion of our fellow citizens. Therefore, 98 new banking agencies were launched throughout the country, bankarizing over 450,000 new clients.

In other respects, the Group Foundations carried out socially responsible actions so as to develop young entrepreneurship and support education and culture regionally.

In order to secure sustainable development of its various lines of business, the Group kept on structuring and operating its risk identification, measure and monitoring system by major areas, in accordance with Basel II standard regulations.

To award our Group's key part in Morocco's banking system, besides its prevailing market position in savings mobilization, repatriation of Moroccans-living-abroad transfers and funding national and regional economy, Standard & Poor's agency reaffirmed its trust by attributing BBB-/A-3 Investment Grade with stable perspectives to the Group, for the second year in a row.

Owing to 2010 achievements, we feel confident about the path we chose to take, which is to combine performance culture and mutual values of a socially responsible bank. Now and ever, we strongly endeavor to remain on that path, thanks to the support of our clients, members and partners, and commitment of all Group employees.

Mohamed BENCHAAOUN
President



I.

NATIONAL AND INTERNATIONAL ECONOMIC ENVIRONMENT

WORLD ECONOMY : GROWTH RECOVERY

After a negative 2009 financial year (-0.6%), the world economy recovered in 2010 by a 5% progress, according to IMF. However, such performance, having greatly offset the worldwide decline a year earlier, has been uneven.

Whereas emerging and developing countries vigorously progressed by 7.1%, recovery by advanced ones has been slow, hindered by wide deficits and public debts, high unemployment level and urgent adoption of radical stringency plans.

However, the strong world demand over the 2011 financial year, along with shocks in some products' supply, has induced an increase of oil prices and non oil basic products.

Such increasing pressure would go on during the financial year 2011, according to IMF.

Along with such hindered world economy development, major events have mainly regarded :

• Monetary policy status quo of main central banks :

Key rates of the European Central Bank and the Federal Reserve (FED) have been maintained throughout the year at 1% for ECB and in a range of 0% to 0.25% for FED;

• Euro depreciation :

The single currency was depreciated compared to the dollar by 9.5% as monthly average between 2009 and December 2010, moving from 1.46 to 1.32;

• Constant unbalances on the job market :

Unemployment rate was 10% in December 2010 in the Eurozone (8.6% in Italy, 9.7% in France and 20.2% in Spain). As to the United States, the unemployment rate settled at 9.4% over the same period;

• Soaring oil prices :

In December 2010, oil prices increased by 22.8% at an average price of \$91.47 per barrel, against \$74.46 over the same month a year before.

MOROCCAN ECONOMY : AN OUTSTANDING GROWTH

Throughout 2010, non-farm activities resumed nationwide with 5% growth instead of 1.3% a year before. The secondary sector increased its added value 6.6% instead of a decrease by 4.7% in 2009. As to service activities, their added value increased by 4.4% instead of 4% in 2009. Regarding the primary sector, there was an increase by 7.1% of its added value compared to its 29% performance a year before. Within such circumstances, GDP slowed down with 3.3% growth against 4.9% in 2009. Thus, progress of major economic indicators has been as follows :

- **Gross Fixed Asset Formation** : GFAP recovered its growth rate by 3.5% instead of 2.5% a year before;

- **Household consumption** : it has increased by 4.4% compared to rate achieved in 2009 which was 4%;

- **Foreign trade indicators** : To end of 2010, imports resumed by 13.6% (13.3% for Goods and 14.6% for Services) against a decrease by 14.9% to end of 2009. Similarly, exports improved by 19.3% (30.8% for Goods and 6.2% for Services) against a drop by 19.2% in 2009, mainly following the increase of phosphates and derivatives sales from 70.7% to 74.3% to late 2010, with a foreign trade deficit of 87.3 MMMAD;

- **Consumer Prices Index** : the average CPI in 2010 registered an increase by 0.9% compared to 2009 (1.2% for food products and 0.9% for nonfood products);

- **Unemployment rate** : during the 4th quarter of 2010, the national unemployment rate was 9.2% against 9% during the 4th quarter of 2009;

- **Monetary activity** : it was characterized by a slowing growth pace of monetary creation. Therefore, the M3 aggregate increased by 4.8% in 2010, i.e. a pace lower than the average 14% achieved over the period 2006-2009;

- **Stock market** : it was marked by an increasing trend since September 2010. To end of December 2010, reference indexes MASI and MADEX have respectively gained 21.17% (12,655.2 points) and 22.1% (10,335.25 points). In the meantime, market capitalization, valued at 579 MMMAD, improved by 13.8% against a decrease by 4.3% to late 2009;

- **Moroccans of the world transfers** : they reached 54.1 MMMAD to late 2010, increasing by 7.7% compared to 2009, bearing in mind that Moroccans of the world transfers successively decreased in 2008 and 2009 respectively by 3.5% and 5.4%.

About national economy growth prospects, they seem positive according to the Haut-Commissariat au Plan (HCP). GDP should increase by 4.6% in 2011. Non-farm activities would keep up and increase by 5% (3.8% for the secondary sector added value and 5.4% for services). As for primary sector, its added value should increase only by 2% in 2011, subject to an average agricultural production of 80 million quintals.

II.

GROUP PRESENTATION

A BANK WITH AN EXCEPTIONAL PROFILE AND SOCIALLY RESPONSIBLE DIMENSION

A MUTUAL BANK WITH REGIONAL STRUCTURE

The Groupe Banque Populaire is composed of several bodies working in unison, made up of Banques Populaires Régionales (BPR) with a cooperative mission, the Banque Centrale Populaire (BCP), the Group's central body listed on the stock exchange, specialized subsidiaries, public utility Foundations, banks and representations overseas. It draws its momentum from solidarity and mutuality values, and its organization which is unique in Morocco.

A PROXIMITY NATIONAL MISSION

Its primary mission is to strengthen bankarization all over the Kingdom, bring an input to economy development and play its part as a regional and national growth player.

A UNIVERSAL BANK

The Group is involved in all client segments : large corporations, small-and-medium-sized businesses, Professionals, Individuals, both resident and Moroccans of the World.

Owing to its close network, in Morocco and abroad, the Group provides its various client segments with innovative financial products and services, adjusted to their specific needs. It is also committed to backing up developmental programs launched by public authorities, such as the Industrial Emergence National Plan, the Green Morocco Plan...

Also, the Group keeps implementing its development strategy as a corporate and investment bank.

A SOCIALLY RESPONSIBLE COMPANY

As a financial leader and socially responsible company, the Group supports a sharing culture. Through its three leading Foundations, it advocates cultural development, promotes young business initiatives and innovative ideas and finances income-generating activities for disadvantaged populations.

The institutional communication was replete with events sponsored by the Group, expressing the Bank's citizen commitment in culture, society and economy.

A strong support is reconfirmed to Mohammed V Foundation for Solidarity, Lalla Salma Foundation for Fight against Cancer, Mohammed VI Foundation for the Handicapped...

The Group also supported the organization of major economic events, nationally and internationally, and provided assistance to NGOs and various public and private organizations active in various areas.

As for the Group's Education and Culture Foundation activities over the 2010 financial year, it organized diversified cultural initiatives with a wide range of actions.

The Foundation participated anew in periodic festivals, standing as a major national sponsor with a total budget of 10.5 MMAD. Overall, the Group allotted about 17.8 MMAD to sponsorship and patronage.

Within a two-year rotating presidency, the President of the Education and Culture Foundation was appointed head of Academia Foundation, which reinforces the Foundation's commitment to serve higher education.

Socially, several ventures were carried out, including the Douar Integrated Development program and the partnership with the National Observatory of Children's Rights. The Education and Culture Foundation also conducted actions to foster environment protection by undertaking "Green school" and "Clean beach" programs.

In other respects, the "dimabladna.ma" website was designed for Moroccans of the World. Mainly intended for second and third generation young people, the site is meant to be a link with the Moroccan Diaspora and therefore help it maintain strong ties with the homeland.

KEY DATES

1926 :

The Dahir bearing creation of the Bank organizational model.

1961 :

Restructuration of Crédit Populaire du Maroc.

1972 :

Internationalization with the inception of Banque Chaabi du Maroc (BCDM) in Paris.

1990 :

The Group sets up specialized subsidiaries, in order to expand its service range provided to clients.

2000 : Crédit Populaire du Maroc reform related to :

- Enhancing the value of BPRs regional dimension;
- Expanding the board committee prerogatives.

2004 : Listing of Banque Centrale Populaire on the stock exchange.

2008 : Takeover of Upline Group merchant bank, to establish a strategic partnership in investment banking areas.

2009 :

- Crossed minority interest OCP/BCP, so as to strengthen both Groups' positioning on their respective markets;
- Merger between the Banque Populaire Foundation for Microcredit and the Microcredit Zakoura Foundation;
- Majority interest of 53% in Maroc Leasing capital.

2010 :

- Actual interest of Banque Centrale Populaire in international banks : British Arab Commercial Bank (United Kingdom), Union des Banques Arabes et Françaises (France) and Arab Italian Bank (Italy).
- Investment Grade awarded by Standard & Poor's to Groupe Banque Populaire, rating : "BBB-/A-3 with stable perspectives".
- Banque Centrale Populaire consolidates accounts of Crédit Populaire du Maroc bodies and their subsidiaries, following the amendments of the Act n° 44-08 modifying and completing the Act n° 12-96 : BCP Group shall now integrate Banques Populaires Régionales, besides BCP and their subsidiaries.
- Merger of Banque Centrale Populaire and Banque Populaire de Casablanca, hoisting the entity up to an important financial hub at Casablanca.

2011 :

Investment Grade for the second successive year, awarded by Standard & Poor's to Groupe Banque Populaire "BBB-/A-3 with stable perspectives".

THE GROUPE BANQUE CENTRALE POPULAIRE IN FIGURES

KEY FIGURES

	2010	2009	2008
FINANCIAL CONSOLIDATED INDICATORS (In Billion MAD)			
Total balance sheet	215.2	208.0	187.0
Consolidated shareholder's capital	27.1	25.3	20.9
Net banking income	10.0	9.0	8.1
Net consolidated income	3.1	2.9	2.8
COMMERCIAL ACTIVITY INDICATORS (In Billion MAD & Number)			
Clients' deposits	169.8	163.2	153.1
Local clients	102.0	98.5	91.9
Moroccans of the world clients	67.8	64.7	61.2
Credits	194.3	187.3	161.2
Of which:			
Customer receivables	146.1	133.2	111.1
Security portfolio	38.0	38.3	34.3
Banking agencies	948	850	745
Automated telling machines	1,068	926	803
Electronic cards	2,282,000	1,658,000	1,293,000
Number of clients	3,430,000	3,138,000	2,864,000
MARKET SHARES			
Client deposits	27.0%	26.9%	26.5%
Economy credits	23.2%	23.0%	22.3%
OTHER INDICATORS (in Number)			
Partners	419,000	477,000	467,000
Staff	10,660	10,076	9,068
Banques Populaires Régionales	10	11	11
Foundations	3	3	3
Specialized subsidiaries	10	10	11
Overseas banks	3	3	3
Offshore banks	1	1	1
Microcredit points of presence (*)	217	219	222
Active microcredit beneficiaries (*)	193,974	146,566	177,869
MAIN RATIOS			
Activity ratios			
Assets coefficient	84.6%	81.3%	76.1%
Management ratios			
Operating factor	45.8%	46.9%	44.3%
Risk ratios			
Minimum solvency ratio	13.43%	13.36%	11.63%
Risk distribution coefficient (in MMAD)	5,132	4,864	3,409
Bad debt rate	3.3%	3.3%	3.4%

(*) Indicators off Zakoura Foundation

CONSOLIDATED KEY INDICATORS OF THE BANQUE CENTRALE POPULAIRE GROUP

During the 2010 financial year, the Banque Centrale Populaire Group achieved outstanding results, confirming its benchmark position in the banking area.

CONSOLIDATED NET INCOME : +6% AT 3.1 BILLION MAD

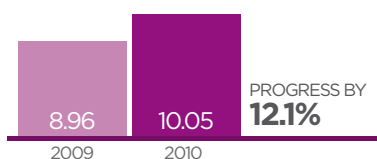
The consolidated net income is valued at 3.1 MMMAD increasing by 6%, namely strengthened by a sound GNP (+1.1 MMMAD).

As for the net income Group share, it progressed by 67% at 1.77 MMMAD. The net profit per share is 26.7 MAD, increasing by 66%.

NET BANKING INCOME : +12.1% AT 10 BILLION MAD

After showing consistent strength, the input of all lines of business to Group results, the net banking income settled at 10 MMMAD, increasing by 12.1%, with a satisfactory progress of its components : market activity : +29.4%, margin on commissions : +13.1% and margin of interest : +11.1%.

NET BANKING INCOME IN BILLION MAD



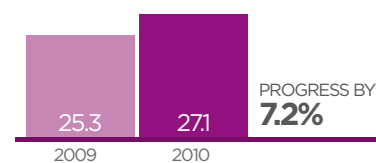
OPERATING FACTOR : -1.1 POINT AT 45.8%

The operating factor was valued at 45.8% decreasing by 1.1 point, which reflects the Group's improved operational efficiency, within a background of structuring projects and investment performance, serving the local network extension policy.

CONSOLIDATED SHAREHOLDER'S CAPITAL : +7.2% AT 27.1 BILLION MAD

Consolidated shareholder's capital is set at 27.1 MMMAD, rising by 7.2%, which grants the Group a strong financial basis to keep up its development strategy.

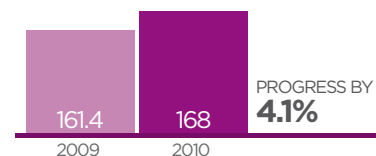
CONSOLIDATED SHAREHOLDER'S CAPITAL IN BILLION MAD



DEPOSIT COLLECTION : +4.1% AT 168 MAD BILLION

Client deposits have increased by 4.1% at 168 MMMAD. Such progress, higher than the banking sector's, has enabled reinforcing the Group leadership in savings mobilization, with a market share of 27% (+0.17 point). Such performance is perfectly in line with the Group's organic growth strategy, a vehicle of its bankarization objective.

CLIENT DEPOSITS IN BILLION MAD

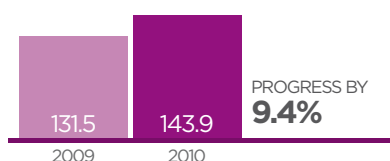


The Banque Populaire local network expanded to include 948 agencies and 1,068 ATMs, i.e. the densest coverage of banking sector, to the benefit of the widest populations' financial integration. Such points of sales provide over 3.4 million clients with the Banque Populaire offer.

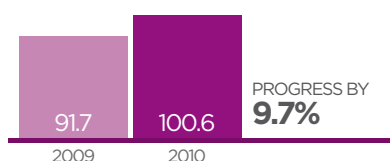
On the Moroccans-of-the-World market, the Group has consolidated its historic position, with a market share of 53.4% and a deposit volume of 67.8 MMMAD, a performance namely reinforced by transfer channels and local policy undertaken in host countries.

ECONOMY CREDITS :**+9.4% AT 143.9 BILLION MAD**

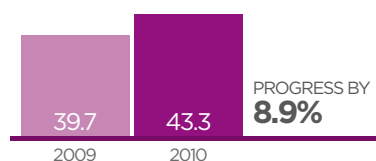
Total outstanding credits granted to clients appreciated by 9.4% or +12.4 MMMAD, to settle at 143.9 MMMAD, raising Banques Populaires market share from 22.98% to 23.23%, i.e. a rise of 0.25 point.

**ECONOMY CREDITS
IN BILLION MAD****CORPORATE CREDITS :****+9.7% AT 100.6 BILLION MAD**

The Group respected its commitment in funding the national productive fabric, along with a considerable thrust of corporate credits of 9.7% at 100.6 MMMAD.

**CORPORATE CREDITS
IN BILLION MAD****PERSONAL CREDITS :****+8.9% AT 43.3 BILLION MAD**

About personal credits, the outstanding reached 43.3 MMMAD, increasing by 8.9%, i.e. market shares in housing and consumer's credits, respectively by 23.1% and 33%.

**PERSONAL CREDITS
IN BILLION MAD****STANDARD & POOR'S : RENEWED TRUST IN
THE GROUP**

In its report published on January 28th, 2011, Standard & Poor's reconfirmed its confidence in the Banque Populaire Group, by awarding the Investment Grade : **BBB-/A-3 with stable perspectives** for the second year in a row.

The Investment Grade distinction, matching a low loan default rate, expresses investors' trust and confidence and offers access to funding sources within favorable terms.

With such score, the rating agency rewards the key part played by the group within the Moroccan banking system, its prevailing market position in savings mobilization, Moroccans of the world transfers and funding the economic fabric nationally and regionally.

The rating organization states that the Group has a satisfactory financial and liquidity profile, besides the best solvency ratio. It also commends the Group's efficient management, its capacity to achieve financial performances and consolidates its shareholder's capital. Stable perspectives translate Standard & Poor's optimism as to consistent financial steadiness and its benchmark position in the Moroccan banking sphere.

MAIN INDICATORS OF BANQUES POPULAIRES REGIONALES IN 2010

In million MAD

BPR	Client deposits	Credits	Shareholder's capital	Capital	Net profit	Staff	Number of agencies	Number of ATMs
Center South	14,200	15,617	1,702	201	158	601	74	94
El Jadida-Safi	6,911	7,263	479	196	73	420	58	72
Fes-Taza	11,958	13,013	1,306	245	133	547	81	93
Laayoune	1,480	2,504	446	127	32	147	20	23
Marrakech-Beni Mellal	13,784	14,563	1,161	210	121	637	96	131
Meknes	9,145	9,962	1,024	202	90	423	62	66
Nador-Al Hoceima	20,410	22,750	2,608	237	161	505	72	71
Oujda	12,067	13,161	1,355	198	111	459	65	79
Tangier-Tetuan	13,755	14,705	1,341	222	164	617	85	88
Rabat-Kenitra	19,342	20,163	1,303	466	134	1,002	155	168

GROUP ORGANIZATION

Organization wise in 2010, the Banque Populaire de Casablanca and Banque Centrale Populaire merged. Along this merger, there was the upgrade of the regulatory corpus, which governs the new entity's operating structures on one hand; and BCP organization reshuffling on the other.

THE QUALITY PROGRAM

In 2010, in order to back up the Group's ambitious development orientations and enhance services offered to clients, Banques Populaires implemented a quality program based on three main lines :

IMPROVEMENT OF RECEPTION AND SERVICE QUALITY

Strengthening "Chaabi Accueil" system launched in 2009 was concretely implemented through the following :

- Training and raising awareness of network participants to client reception basics;
- Enhancing telephone reception services, in compliance with our quality charter fundamentals;

- Generalizing the electronic system at highly busy agencies so as to optimize waiting management.

"CLIENT FOCUS" SYSTEM : A CONTINUOUS IMPROVEMENT LEVERAGE

Such system is based on :

- Measuring client perception : client and satisfaction survey campaigns are carried out on a regular basis, so as to assess the quality as seen by clients. The findings are reflected into action plans to ultimately keep improving our services.
- Client claim management : by improving electronic channels provided to clients to make their claims formal, the Bank uses such wealth to develop their loyalty and enhance its products and services.

CERTIFICATION : QUALITY LABEL

Renewing the certification of both "Monetics" and "documentary credits and collections" according to ISO 9000 standard asserts the Bank's aspiration to fit within a progress approach. The corrective actions helped optimize some management and continuous improvement processes of quality indicators.

A HUMAN WEALTH AT THE CORE OF THE GROUP'S DEVELOPMENT STRATEGY

The Banque Populaire Group's development strategy is based on its human capital quality, its commitment and strong involvement in the entity's major projects.

Combined with the banking scenery progress, the group's growth boosted the Human Resources Hub to integrate new management and steering methods, in order to perform the best alignment of skills with the Group's strategic goals. Such new method comes in several main lines :

HUMAN RESOURCES PROSPECTIVE MANAGEMENT

Such management approach provides adjusted and rational solutions to skill needs, in line with strategic choices, while constantly bearing in mind target profitability and productivity ratios.

Improving recruitment quality is the second part materialized through partnerships with reference schools and universities, as well as regularly taking part in job fairs and forums, to develop and increase the Bank's appeal and attract the best elements.

The need to invigorate the recruitment policy stems from the Group's development requirements, and from those related to preparing leadership takeover.

A FORCEFUL AND INVENTIVE TRAINING POLICY

Training investment is ongoing within the Group. It includes large-scale training administered by highly motivated internal instructors and strongly regionalized actions.

Such endeavor is also reinforced by partnerships with national and international training operators, providing their expertise to develop specific modules designed to meet the institution's needs. On the other hand, new skills and leadership development cycles have been set up to strengthen leading abilities of the Group executives.

Regarding the preparation of high profiles' takeover and training, the institution created its own Academy. CPM Academy's goal is to develop leadership excellence, identify and support high potential executives.

AN INSPIRING INTERNAL COMMUNICATION

Increasingly based on a wide use of new information technologies (Intranet, "Tawassol", GBP Online, BP press review), Internal Communication has strongly helped disseminate the belonging spirit and bolster the bonds within the Group. It is set to play a greater part to ensure smooth and operational information, to ultimately foster the Group cohesion and increase efficiency of all.

A SOCIALLY RESPONSIBLE POLICY

Concerned about its staff wellbeing, the Bank has tremendously progressed in housing and charity related services.

Besides, the institution kept favoring social dialog via regular work meetings with social partners, intensifying the collaborative and open spirit that has always prevailed within the Group.

BCP STOCK : THE BEST BANKING PERFORMANCE

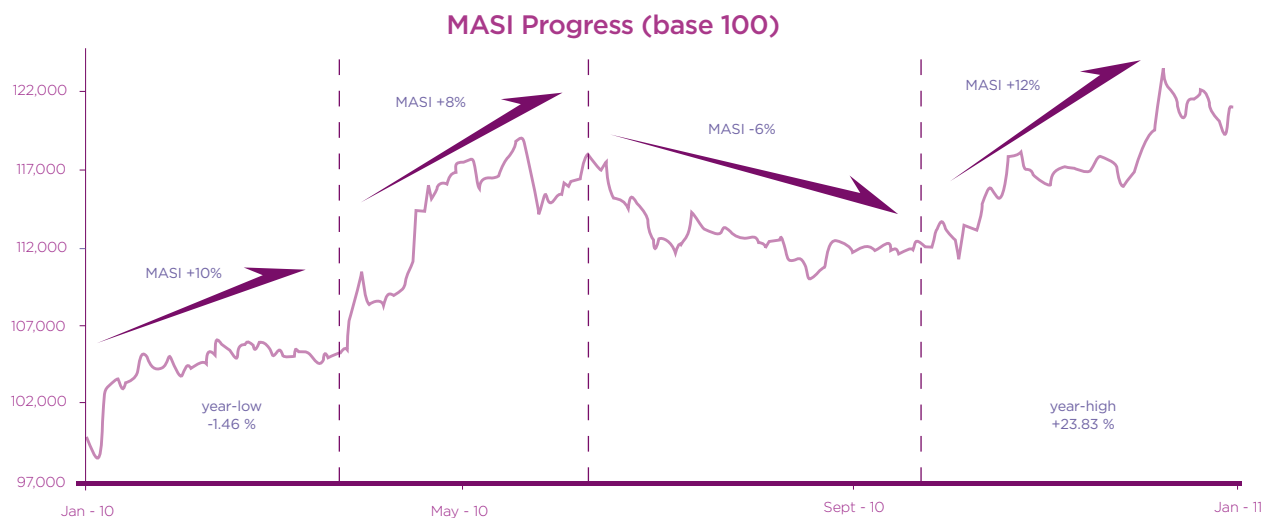
After decreasing over two successive years, the Casablanca Stock Exchange regains strength and ends the year 2010 with an important rise. The general index ended the year up by 21%, whereas the index of most active values has progressed beyond +22%. Such rise is mainly due to regain of investors' trust and strong bases of MASI major companies.

EVOLUTION OF STOCK INDEXES

For the year 2010, MASI registered annual progress by 21.17%. However, such index evolution can be split up to four separate phases represented in the chart below.

During the second phase marked by a progress of prices due to the announcement of the buy-out offer on ONA and SNI shares, the Casablanca market fit in a bull channel until June 10th, 2010. On that date, MASI sets up at 12,329.51 points, hoisting its year-to-date profits to +18.06%.

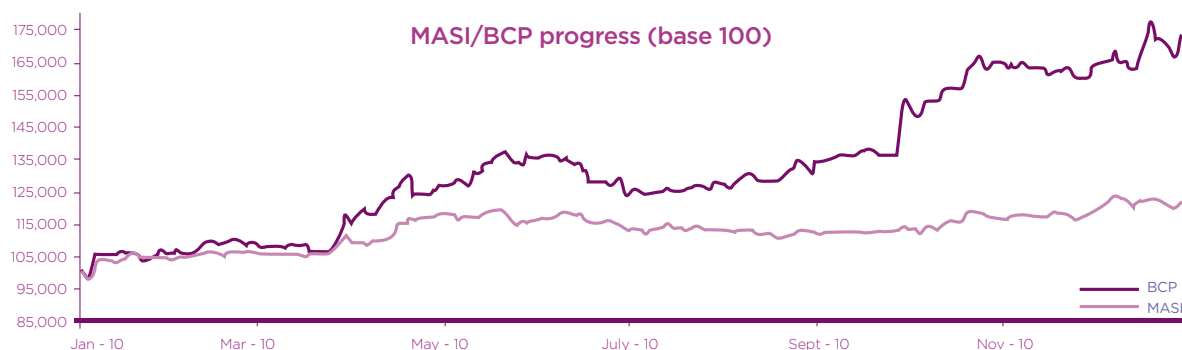
The third phase highlights a Stock correction, with profit taking trend occurring since late June 2010. To August 19th, 2010, MASI registered 11,540.06 points with annual profits at 10.11%, decreasing by nearly 8% compared to the peak of June 2010.



By analyzing the four phases mentioned in the chart, we notice a temporary recovery in the beginning of the year, when the Casablanca Stock Exchange progressed in a lateral channel via horizontal support and resistance respectively 5% and 7% in which MASI dealt. It was a wait-and-see policy before the publication of annual results of listed companies.

In the fourth evolution phase, the market regains strength to assert its rising path since the beginning of the year. This increase in power came along with an annual high of 12,932.38 points, i.e. profit of 23.83%. Such recovery shows a reorientation of investors' interests into major market capitalizations. During such phase, the insurance company CNIA SAADA was listed, as the fourth recruit in insurance.

BCP SHARE PROGRESS



Stock wise, BCP stock achieved an outstanding performance in 2010, the best in banking, i.e. 73% to Dec. 31st, 2010 against +21.17% for MASI.

BCP share is at the fifth position in terms of transaction volume on stock market with 5.31 MMMAD, i.e. 5.11% of total volume. BCP represents 5% of market capitalization, 28 MMMAD. It is worth noting that in 2010, BCP stock was valued at 429.70 MAD, i.e. a stock performance of +77%.

The bank will keep up its policy of balanced distribution between shareholders' compensation and reinforcing its shareholder's capital. It will pay a dividend per share of 8 MAD against 6 MAD in 2009, i.e. an increase by 33% based on a price of 420 MAD set up on Dec. 31st, 2010; dividend return is 1.9%.

The improvement of BCP net income Group share and therefore earnings per share gives the bank's share more appeal, as proved by PER which is 16.

CAPITAL STRUCTURE OF BANQUE CENTRALE POPULAIRE TO DEC. 31ST, 2010

SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE
BANQUE,POPULAIRE,CENTER,SOUTH	1,263,785	1.9030%
BANQUE POPULAIRE EL JADIDA-SAFI	1,263,785	1.9030%
BANQUE POPULAIRE FEZ-TAZA	1,261,785	1.9000%
BANQUE POPULAIRE LAAYOUNE	1,140,530	1.7174%
BANQUE POPULAIRE MARRAKECH-BENI MELLAL	1,263,785	1.9030%
BANQUE POPULAIRE MEKNES	1,263,785	1.9030%
BANQUE POPULAIRE NADOR-AL HOCEIMA	1,279,665	1.9269%
BANQUE POPULAIRE OUJDA	1,282,593	1.9313%
BANQUE POPULAIRE TANGIER-TETUAN	1,263,785	1.9030%
BANQUE POPULAIRE RABAT-KENITRA	1,263,790	1.9030%
GENERAL CASH POSITION	26,716,830	40.2297%
SHARES BELONGING TO BCP STAFF	1,995,242	3.0044%
MISCELLANEOUS (FLOATING IN STOCK)	11,886,968	17.8992%
RMA WATANIYA (*)	3,341,812	5.0320%
RCAR (*)	5,546,240	8.3514%
OCP	4,376,368	6.5898%
TOTAL	66,410,748	100%

*RMA WATANIYA: Over threshold of 5% on Aug. 31st, 2009

*RCAR: Over threshold of 5% on Dec. 28th, 2009

INFORMATION SYSTEMS AND BUSINESS PROCESS REENGINEERING TO SERVE GROUP'S DEVELOPMENT

In 2010, there was a significant turning point in Banque Populaire Information System (IS) processing.

Such makeover namely aims at supporting the Group development plan, by providing its subsidiaries and entities with the tools and infrastructures so they can fully meet their economic goals.

Therefore, the Organization and Information Systems Hub focused on the following main lines : Implementation of projects within the new IS Master Plan, support of Back-Office Reengineering Program, diversification and enhancement of distribution channels, institution compliance with new regulatory guidelines, continuous reinforcement of internal rules, strengthening of IS infrastructure and implementation of a new Telecom Master Plan.

Within its subsidiary development policy, the Banque Populaire Group created a new BP-Shore subsidiary specialized in support and back office areas, besides service engineering and project management, and archiving extension its subsidiary Chaabi Doc Net on the other hand.

IMPLEMENTATION OF A NEW "IS" MASTER PLAN

The approach used to implement the new Master Plan set up in 2009 with the support of an international expertise firm aims at performing a gradual and developmental IS transformation.

First, such makeover could be achieved by redesigning IS structuring components, namely : references, bookkeeping, position management, implementation of Workflow logic and trade industrialization. These projects concretely progressed during 2010 :

- New reference models "Third parties", "contracts", "products", "offers" have been designed, making the most of specialists' feedback in the field. Such references are intended to consolidate client information and commercially conciliate them, while meeting management-related regulatory and risk requirements;

- A new reference banking software package was purchased, to meet the needs of multicurrency bookkeeping and advanced client position management;

- A workflow platform and document e-management was purchased to industrialize our processes. A first process for instructing "corporate" credit files is underway through this platform. It will namely be used to industrialize consolidated processing at BP-Shore back offices (ref. new subsidiary description at the end of this chapter);

- An effective trade platform was purchased to centralize all information flows. It is namely used to better control information flows and ensure easy IS development, either by integrating new components or by exchanging with partners (in Morocco or overseas). The first flows being integrated are transfers/currency repatriations and trades with SIMT;

- Implementation of a new credit management platform. Purchased in 2009, it was utilized to manage credits for BCP, BPR, Vivalis and Foundation for Microcredit (FMC) which projects were fully carried out in 2010. A first corporate credit batch at BCP and BPR was launched for production; the remaining batches will be totally implemented by mid-2011.

SUPPORT OF BACK OFFICE REENGINEERING PROGRAM

At the core of the Group strategy, Back-office Reengineering Program aims at increasing productivity and generating value while maximizing internal processes.

The Organization and Information System Hub was involved in this program over the last period namely through :

- Performance of information solutions supporting fully consolidated processes in 2010 (subsidiaries : flows, control, savings and account) or under actual testing on restricted pilots (subsidiaries : credits and Trade finance);

- Improvement of Telecom infrastructure so as to support debit increase generated by document dematerialization :

implementation of a minimum 128 ko debit at the network;

- Deployment of necessary digitalization equipments;
- Providing BP-Shore National Processing Centers with information means needed for their business;
- Redesign of impacted processes and implementation of new operating modes and work organizations.

SUPPORT TO NEW BANKING PRODUCTS AND SERVICES IMPLEMENTATION

Along with the intended Information System setup, the Organization and Information System Hub keeps positively meeting progress requirements to market new banking products and services. As such, the Hub input helped launch :

- New bank cards (Rahati, Titanium, La Populaire, La Gold, virtual card, business cards,...) and new electronic services (on ATM by intensifying invoice and tax payment options, and via card by creating an inventive service for wire transfers from abroad);
- New bank insurance products and savings;
- New services through the transactional site ChaabiNet : transfers between accounts, provision, oppositions, card consumption details, checkbook requests...
- GBP's «Online Stock Exchange» platform ;
- Packages for local clients and Moroccans of the world...

DIVERSIFICATION AND ENHANCEMENT OF DISTRIBUTION CHANNELS

During 2010, various projects materialized : such as generalization of a new workstation devoted to own and associated distribution networks (subsidiaries and foundations), continuous improvement of Moroccans of the world client management system via overseas networks, effective implementation of Customer Relation Center, reinforcement of transaction website and adjustment to various client segments (individuals and companies), enhancing services and ATM network expansion,....

Such achievements help the Banque Populaire increase contacts with its clients, while meeting its proximity requirement, through the conventional and virtual distribution network, as well as through remote distribution channels.

INSTITUTION COMPLIANCE WITH NEW REGULATORY GUIDELINES

Several projects have been carried out in this regard :

- Production of a new management system for credit and market risks, to meet Basel regulations, namely for calculating economic and regulatory shareholder's capital, regular exposure monitoring and automated generation of various regulatory reports...
- Enhancing our risk assessment systems, namely through improving our company rating system, implementing new scoring scale for loan applications and back-testing and improving current scales ;
- Improving all of the Central Liability Office functions;
- Industrialization of IAS statement process;
- Enhancement of client communication according to last BAM guidelines.

CONTINUOUS REINFORCEMENT OF INTERNAL RULES

During 2010, CPM endeavored to keep improving activity coverage by the Internal Regulatory System. This was strengthened by implementing 99 new regulatory documents related to all business lines of the Group. Under last year's new production, the number of memos into effect moved to 262 and that of procedures to 586.

Such system is fully managed by adjusted solution, with easy update, dissemination and performance of various impact studies, namely as regards process reengineering.

Organization wise in 2010, the Banque Populaire de Casablanca merged with the Banque Centrale Populaire. This was supported by upgrade of regulations governing the operation of the new entity structures.

CONSOLIDATION AND EXTENSION OF "IS" INFRASTRUCTURE CAPACITIES

With the network extension, increase of points of sale (agencies, subdivisions and ATMs), sustainable endeavors to recruit new clients (over 450,000 in 2010), process industrialization and dematerialization of means used in back-office processing centralization (client files, credit files, guarantees, requests...) and the requirement of

availability and performance levels towards IS users internally and externally, our technical infrastructure has been constantly optimized.

Therefore, significant investments were carried out to increase processing and availability capacities of production information systems.

Also, such investments helped trigger the IS consolidation of our subsidiaries to ensure scale economies, at the Bank Information Center as a nominal production center, and at the secured backup local site. In this regard, it is worth noting :

- The full consolidation of Upline Group Information System;
- The consolidation of production and backup production and its ongoing mutuality with Vivalis;
- The launch of Monetics activity with African banking subsidiaries, Banque Populaire Maroc-Centrafricaine and Banque Populaire Maroc-Guinéenne through remote mutuality of the BCP monetics platform;
- The hosting of MAI business solution.

IMPLEMENTATION OF A NEW TELECOM MASTER PLAN

To support our Information System extension and requirements related to our subsidiaries' Information System consolidation, the Organization and Information Systems Hub performed its Telecom Master Plan upgrade.

The objective of new guidelines is to have a highly flexible Telecom network, in order to efficiently and timely increase the Group communication capacities on one hand, and extend subsidiaries network and rationalize communications bill on the other.

GROWTH AND EXPANSION OF BUSINESS SUBSIDIARIES

Within its development and outsourcing policy for its specific lines of business, the Bank introduced strategic changes in 2010 of BP-Shore and Chaabi Doc Net.

BP-SHORE : STRONG GROWTH

BP-Shore is Banque Populaire's new subsidiary which includes all support and back-office business, besides

service engineering and delegated project ownership of its former subsidiary Essoukna.

During 2010, Essoukna underwent several structuring events, namely switching into a limited company with a Board of Directors under the name BP-Shore, thus increasing its capital to 150 MMAD, strengthening its governance system and setting up a new organization.

The subsidiary is more set to carry out assignments delegated by the Group entities, namely back-office tasks of Banque Centrale Populaire and Banques Populaires Régionales, and the ongoing construction of Banque Populaire headquarters at Rabat-Kenitra.

Therefore, BP-Shore's activity grew quite rapidly, and so did its 2010 results :

- The "delegated project ownership" service has grown by 3% over the reviewed period;
- The "management & services" activity improved by 38% compared to 2009 to reach 186 operations;
- The net result is 34 MMAD against a loss of 2 MMAD in 2009.

CHAABI DOC NET : CONTINUOUS EXPANSION

Chaabi Doc Net is the Group's professional heritage archive management. In 2010, it carried out its reception infrastructure extension program, to provide a higher capacity for deliverable containers and storage area.

Chaabi Doc Net activities and results have positively evolved in 2010 :

- Occupancy rate moved from 110% late 2009 to 67% a year later, due to extension of conservation areas which increased the storage capacity from 120,000 to 198,000 units and to stabilizing actions carried out on a regular basis;
- Research increased by 40% over the 2009-2010 period, i.e. 11,609 processed operations;
- Net income is 5.75 MMAD slightly increasing (0.11%) compared to previous financial year and showing a performance rate of 163% compared to set objectives.

III.

CORPORATE GOVERNANCE

COMPLIANCE AND GOVERNANCE RULES IN LINE WITH BEST PRACTICE

The Crédit Populaire du Maroc (CPM) governance system is based on three main aspects :

- A federal system carried out by the CPM Executive Committee with a collective and joint structure;
- A capital-intensive system at BCP (central body of BPR and sole contact towards authorities and foreign banks, a limited company with a board of directors, listed on the Stock Exchange);
- A cooperative system applied at BPR, which are cooperative companies with variable capital, supervisory board and Executive Board.

In 2007, the regulatory artillery mentioned hereafter helped :

- ▶ Ensure the governance system compliance;
- ▶ Confirm and strengthen its operation;
- ▶ Set up the function "Group Compliance" with all components : Ethics, governance, compliance control, fight against money laundering;
- ▶ Support our internal control efficiency.

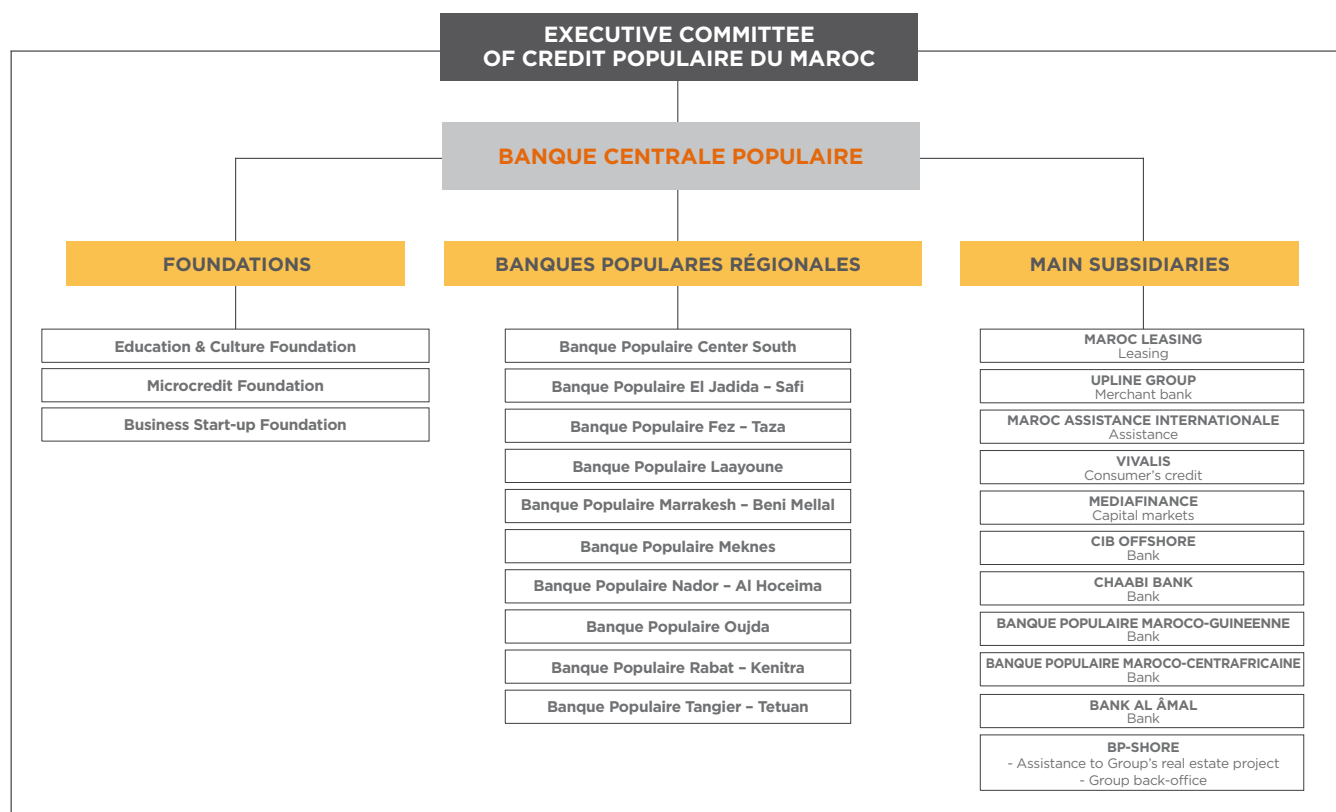
Mainly, the following regulation :

- BAM memorandum n° 40/G/2007 related to internal control at credit institutions;
- BAM directive n° 49/G/2007 related to Compliance;
- BAM directive n° 50/G/2007 dated on August 31st, 2007, about governance within credit institutions.

CPM EXECUTIVE COMMITTEE

The Executive Committee is the supreme body in CPM. Made up of five Chairmen of BPR Supervisory Boards, elected by their peers and five BCP Board of Directors' representatives, they are responsible for :

- + Defining the Group's strategic orientations;
- + Exerting an administrative, technical and financial control over CPM organization and entities management;
- + Setting up and controlling the Group's common operating rules;
- + Taking all measures necessary for smooth operation of CPM entities and preserving their financial stability.



EXECUTIVE COMMITTEE COMPOSITION

Mr. Mohamed BENCHAABOUN

President

Mr. Khalid SAFIR

Secretary General to Ministry of Economy and Finance

Mr. Ahmed Reda CHAMI

Minister of Industry, Trade and New Technologies

Mrs. Faouzia ZAABOUL

Director of Treasury and External Finance at Ministry of Economy and Finance

Mr. Youness SHAIMI

Representative at the Delegated Ministry with Prime Minister, responsible for Economic and General Affairs

Mr. Abdelhadi BENALLAL

Chairman of Supervisory Board of Banque Populaire of Tangier - Tetuan

Mr. Ahmed ZERKDI

Chairman of Supervisory Board of Banque Populaire of Center South

Mr. Driss HOUAT

Chairman of Supervisory Board of Banque Populaire of Oujda

Mr. Larbi LARAICHI

Chairman of Supervisory Board of Banque Populaire of Meknes

Government Commissioner with CPM :

Mr. Abdelaziz KHAOUA

Head of Division of Credit Institutions at Ministry of Economy and Finance

ADMINISTRATION BODIES AND MANAGEMENT BODIES

I. Governance system at BCP

1. 1. BCP's administration body

BCP's administration body is an entity mainly made up of State-representative Directors, OCP Chief Executive Officer and three BPR Supervisory Board Chairmen.

In the last resort, the administration body is in charge of the bank's financial strength, determines strategic orientation and controls the bank business management.

BCP Board of Directors meets three times a year (March, September and December).

Banque Centrale Populaire Board of Directors :

Mr. Mohamed BENCHAABOUN

Chief Executive Officer

Mr. Mohamed BELGHAZI

Director and General Manager

Mr. Ahmed Reda CHAMI

Minister of Industry, Trade and New Technologies

Mr. Khalid SAFIR

Secretary General to Ministry of Economy and Finance

Mrs. Faouzia ZAABOUL

Director of Treasury and External Finance at Ministry of Economy and Finance

Mr. Mostapha TERRAB

OCP Chief Executive Officer

Mr. Mohammed Rachid EL FIHRI

Architect relations officer with AL OMRANE Group - Ministry of Housing, Urbanism and Space Layout

Mr. Younes SHAIMI

Representative - Delegated Ministry with Prime Minister, responsible for Economic and General Affairs

Mr. Ahmed ASSALHI

Chairman of Board of Directors of Banque Populaire of Rabat - Kenitra

Mr. Abdelaziz TRACHEN

Chairman of Board of Directors of Banque Populaire of Meknes

Mr. Mohamed BELQZIZ

Chairman of Board of Directors of Banque Populaire of Marrakesh - Beni Mellal

2. Management body

It exercises its duties within the legal and regulatory framework that governs it. It is mainly the common management of bank activities and process steering of strategic goals determined by the administration body.

3. Facilitation committees

GBP facilitation committees supervise performance and operation of Group activities, in accordance with principles of good banking governance.

Some committees are presided over by the CPM Executive Committee Chairman and others are facilitated by duties related to the management body.

In 2010, new committees were set up :

- Products and Communication Committee;
- Commitment Executive Committee;
- Productivity Committee;
- Internal Control Commission;
- Group Synergy Committee;
- Collection and Large Exposures Committee.

BCP ORGANIZATION CHART



SUPERVISORY BOARDS AND EXECUTIVE BOARDS OF BANQUES POPULAIRES RÉGIONALES

BANQUE POPULAIRE RÉGIONALE	SUPERVISORY BOARD CHAIRMAN	EXECUTIVE BOARD CHAIRMAN
Center South	Ahmed ZERKDI	Lbahir BENHMADE
El Jadida-Safi	Jamal BEN RABIA	Mohamed ADIB
Fès-Taza	Abdellah EL BOURKADI	Ahmed Reda TADILI
Laâyoune	Hassan DERHEM	Ahmed EL JAMRI
Marrakech-Béni Mellal	Abdelhadi BERRADA AZIZI	Mohamed BELQZIZ
Meknès	Larbi LARAICHI	Abdelaziz TRACHEN
Nador-Al Hoceima	Mohamed BOUAMARA	Mohamed ALLOUCH
Oujda	Driss HOUAT	Abdelkhalak BENDRISS
Rabat-Kénitra	Abdelkader SOLO	Ahmed ASSALHI
Tangier-Tétouan	Abdelhadi BENALLAL	Mohamed BOULGHMAIR

II. Governance system at BPR

CPM has currently 10 regional banks, of which capital is held by 419,000 company members.

Corporate clients, local private clients or Moroccans of the World, craftspeople, young entrepreneurs or investors, such community rallies around all regional economy driving forces. In all regions, these members take part in their BPR life and revitalize close ties and local roots on a daily basis.

BPRs are run by a dual Governance system, just like a limited company with Supervisory Board and Executive Board :

The Supervisory Board is responsible for management control, participation in banking strategic orientations, in line with the Group strategy, and exerting some special powers defined by Statutes namely in terms of authorizations.

It is responsible for checking and submitting to the annual Ordinary General Meeting its comments on Executive Board report, besides financial year's accounts.

BPR management is ensured by the Executive Board collectively in charge of bank achievements and performances.

Internal control system

CPM internal control lays down its bases from BAM memorandum n° 40/g/2007 related to credit institutions internal control.

Periodic controls are carried out by CPM general inspection and auditors who report to audit committees.

The latter are held twice a year as provided for in the regulation governing limited companies.

The group compliance function is that of constant control which part is as follows :

- Identify, assess and follow up noncompliance risk and carry out, if need be, the required investigations;
- Submit all institution compliance proposals compared to standards into force and the regulatory environment evolution;
- Deliver a compliance opinion on any product, service, activity, foreign expansion project and rules of procedure;
- See to the integration of compliance standards and rules into the Group internal control system;
- Ensure the regulatory watch by centralizing texts governing Group business and by analyzing then disseminating any new regulation...;
- Establish cooperation with competent control and regulation authorities;
- Produce regulatory Compliance reports required by Group governance bodies;
- Ensure compliance training and raising awareness within its areas.

Management of conflicts of interest

Into its basic principles, CPM governance system integrated the management provisions related to conflicts of interests, by implementing detection, prevention and watch systems of the said conflicts.

The following are examples of implemented codes of ethics :

- Groupe Banque Populaire code of ethics ;
- BCP-SA code of ethics ;
- Code of ethics of BCP trading room.

By signing commitment procedures, the instructed persons have undertaken to abide by code of conduct requirements.

Application procedures support the implementation of these codes, in order to avoid conflicts of interest and ensure fairness, transparency, market integrity and prevalence of client interest principles.

Information transparency and dissemination

Thanks to the Moroccan good practice code of corporate governance released in March 2008, and the current good governance code of credit Institutions, our country has a legal and institutional framework in compliance with corporate governance good practice.

CPM sees to timely dissemination of accurate information about important corporate-related matters, namely financial situation, incomes (according to IFRS standards), shareholding and corporate governance.

Compliance exercise to GBP

Exercising compliance to 2010 financial year fit in a development process in line with the Group orientations and legal and regulatory provisions laying down the business and covering areas such as compliance control, ethics, governance and fight against capital laundering.

Professional ethics

Professional ethics development was strengthened in 2010, by disseminating new financial ethical UCITS standards and development of GBP good conduct and ethics rules observance, through :

- BCP Code of Ethics administration among people called “permanent insiders” and others called “occasional insiders”;
- Constant watch of operations led by instructed people on BCP security.

Financial security and sustainable development

In terms of financial security and fight against capital laundering in 2010, GBP endeavors came as a continuity of previous years' action :

- Improvement of LAB Information System;
- Strengthening internal reference rules and regulations (memos, procedures, user guide) ;
- Watch of operations (processing, alert analysis, creation of records and request processing);
- Assessment of file compliance of BCP foreign correspondents and opening accounts to intermediaries as to fund transfer and their agents;
- Cooperation with supervisory authorities (BAM, UTRF).

The Group financial security policy meets two goals : better establishment of client relations and sustainable development of Group's lines of business.

A VIGOROUS RISK MANAGEMENT SYSTEM

Given the nature of its business, the Crédit Populaire du Maroc (CPM) should face, just like all financial institutions, various risk types : credit risks, financial and market risks and operational risks.

In this respect, CPM established a risk management framework that is adjusted to its organization and its risk profile.

Therefore, the task of risk monitoring, measurement and supervision is shared between :

- Entities under the internal control system (Inspection, Audit, Compliance...);
- Overall Risk Management Hub and other dedicated functions and/or involved in risk monitoring (credit, market, liquidity and operational);
- Governance and steering entities (Executive Committee, Risk Management Committee, Investment Committee...).

In other respects, within the implementation of regulatory provisions derived from Basel II, the Group keeps strongly structuring its risk identification, measurement and monitoring system by main fields.

1- CREDIT RISK MANAGEMENT

In terms of credit risk management in 2010, risk management systems and improvement of measurement tools were enhanced.

Endeavors were more focused on important projects, such as production planned for the 1st quarter 2011, specifically tools related to :

- Group management;
- Monitoring of real estate exposures;
- Rating of real estate projects;
- Automation of solvency ratio statement.

The first tool will help the Bank grasp all commitments undertaken on a set of considerations and determine weighted assets, namely to abide by the risk division maximum coefficient.

Given the real estate exposure magnitude, the second project will help the bank clarify its funding vision, thanks to opportunities granted by the tool, namely statistics and historical record flag of all developer, file and project-related information.

In order to ensure compliance to Basel II regulatory requirements and various BAM directives (extension of default concept to records with unabsorbed overruns beyond 90 days...), the Overall Risk Management Hub set up a monitoring and management system - a watch list - of sensitive receivables to preserve the collection potential over time.

Along such achievements in 2010, new endeavors materialized, mainly regarding :

- Production of the 2nd rating version, providing the bank with a balance sheet center;
- Engagement in and monitoring of data reliability actions;
- Improvement of the reporting system by monthly scoreboards;
- Organization of “Risk Days” within BCP and Banques Régionales;
- Wider setup of Risk Committees at Banques Populaires Régionales.

At the regulatory level in 2010, GPBM-BAM mixed meeting works were achieved, so as to apply Basel II advanced methods’ texts nationwide. As such, the “default” concept was subject to a new directive, laying down more restrictive conditions than memorandum 19 G with risk rating in this category.

1.1 Credit general policy

The banking credit business fits in the general credit policy approved by the CPM Executive Committee. Such policy is based on the following lines :

- Security and profitability of operations;
- Risk diversification;
- Standardization of credit risk management at all CPM entities;
- Argued selection of files upon granting;
- Creation of a record for any credit operation and review at least once a year;
- Collection reactivity;
- Separation of credit granting and risk assessment and control missions.

This policy was reflected in internal regulations via memoranda, circular letters and standards framing the scope and conditions to implement business, risk control and monitoring.

1.1.1 Decision-making system

The Group’s decision-making system is based on the following ideology :

- Collective decision-making expressed by Credit Committees at all subsidiary levels (agency, subdivision, business center, BPR headquarters, BCP). Assignments and operating terms of all committees are defined by memoranda;
- Demarcation of competencies for each CPM entity, namely taking into consideration its shareholder’s capital, development potential, commitment volume and quality...Risks that are off BPR Regional Committees prerogatives’ limits, as well as credits to the benefit of Supervisory Board and Executive Board members, regardless of their amounts, are submitted to Credit internal committees at BCP;
- Applying ceilings per credit beneficiary according to Bank Al Maghrib (a borrower or a group of borrowers with bonds such as defined by the Issuing Bank);

- Segregation of duties between commercial entities and that responsible for credit risk assessment, monitoring and management, both at BCP and Banques Régionales.

1.1.2 Credit risk watch system

A similar exposure monitoring and control system for all client segments is implemented within CPM. For such purpose, the Overall Risk Management hub is taken on by other functions responsible for operational management and constant risk control, namely business lines within BCP ensuring selection and framing of authorizations, entities responsible for risks at BPR and playing a major part in monitoring and watching credit risks through :

- Commitment overall watch;
- Delegation control (delegations of authority, IT authorizations);
- Quality control process of associated risks ;
- Constant and matched monitoring of sensitive receivables (overspending lines of credit, expired and non-renewed authorizations, shortfall in payments...).

For such purpose, the Watch List, deemed as the outcome of such actions, is itself subject to a monitoring system, helping the bank protect its collection potential over time.

1.1.3 Counterparty rating system

For corporations and professionals, CPM has a rating system in compliance with Basel II requirements as to utilization and use conditions.

Such rating system is the nucleus of credit risk management. Rating is indeed a basic part in risk assessment and credit approval. So particular care is granted to consistency between decisions made and risk profile highlighted by each score, as well as components, namely various qualitative and quantitative information contained in the grid.

From now on, fund application objectives are determined by risk profile.

Likewise, exposure monitoring is carried out by analyzing the rated portfolio. For this purpose, periodic reports are drafted by Risk Management at BCP and BPR and are addressed to various Committees devoted to risk monitoring.

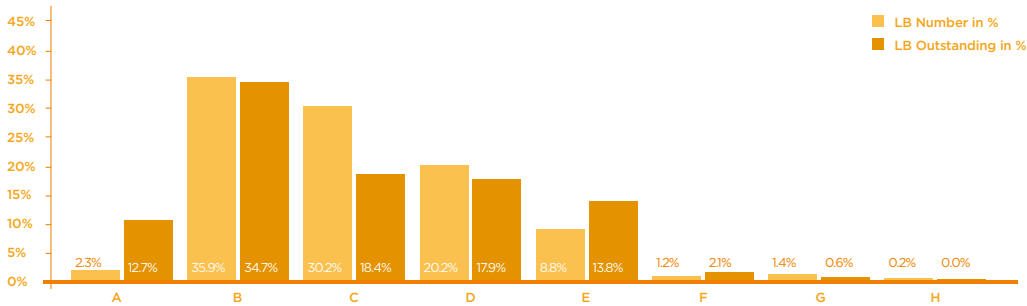
Special care is granted to counterparties with declining risk quality (grades G and H). Relevant cases are subject to examination at each Risk or Commitment Committee.

Given the strategic part of this rating tool for the institution, particular endeavors were devoted to follow it up. As such, a constant control system was established to permanently ensure the rating system smooth running, namely of information authenticity and scores.

As for private clients, the scoring currently covers real estate credits and consumer's credits. In other respects, the bank has just launched its retail rating system to be used as a basis for the second part required for moving up to internal rating model.

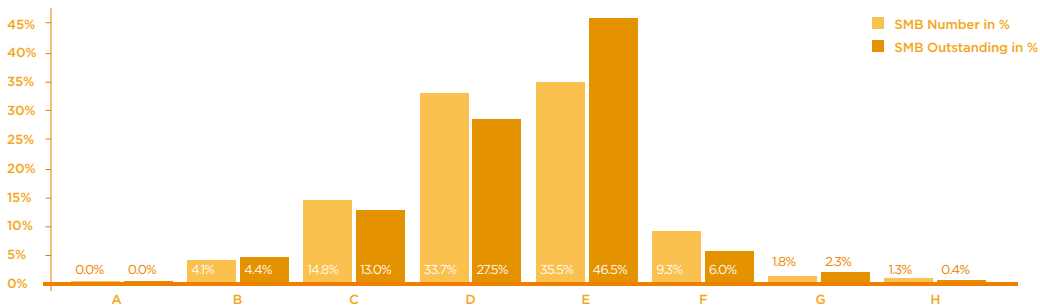
Distribution of counterparties graded per risk category to Dec. 31st, 2010

CORPORATE DISTRIBUTION PER RISK CATEGORY (IN %)



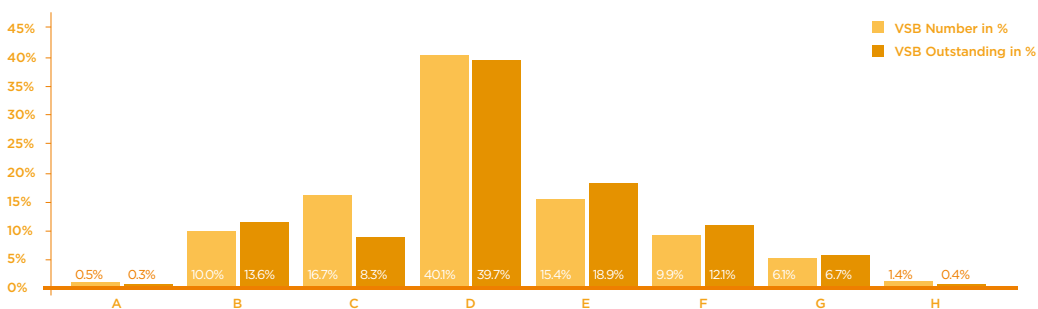
For large businesses, the first four risk categories have about 88% of exposures in number and 84% in outstanding.

SMB DISTRIBUTION PER RISK CATEGORY (IN %)



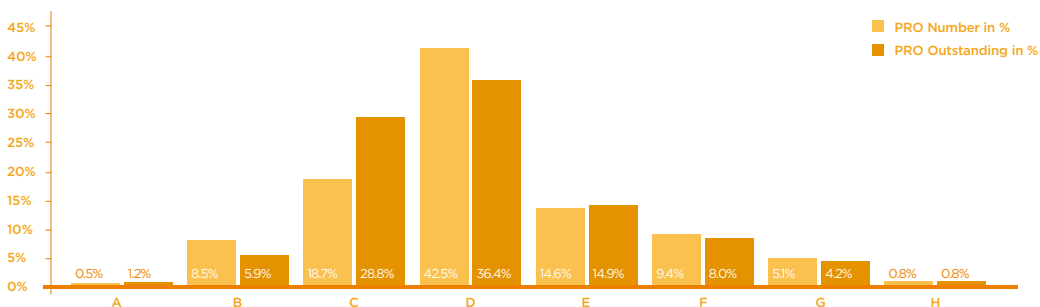
Regarding SMB, the grades C, D and E concern about 84% of exposures in number and 87% in outstanding.

VSB DISTRIBUTION PER RISK CATEGORY (IN %)



For VSB, it shows that over 2/3 of exposures are focused on risk categories (C, D and E).

PRO DISTRIBUTION PER RISK CATEGORY (IN %)



PRO exposures are focused on over 3/4 at risk categories (C, D and E) both in number and outstanding.



1.2.1 Diversification by counterparty

Individual risk assessment is subject to minute scrutiny by the bank. On one hand, the purpose is to observe prudential rules imposed by Risk Division, and on the other, to ensure diversification of counterparties required for risk distribution. The Group has therefore implemented a scrutiny process of the first 100 risks of major groups (about 458 counterparties). The said process is applied to BPRs, each within its scope.

CREDITS BY DISBURSEMENT	IN % OF CPM PRODUCTIVE CREDITS
100 first CPM risks	48%
Counterparties eligible to BAM statement	30%

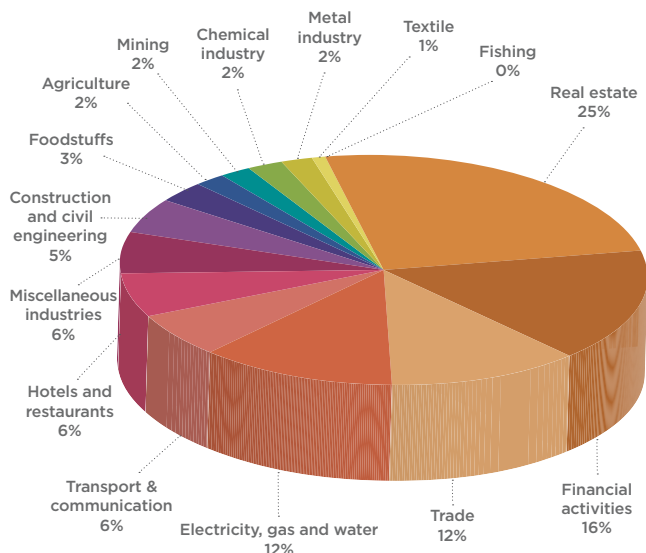
Along this follow-up, particular care is devoted to commitments as they exceed 5% of shareholder's capital.

1.2.2 Sector-based distribution of credits to companies and professionals

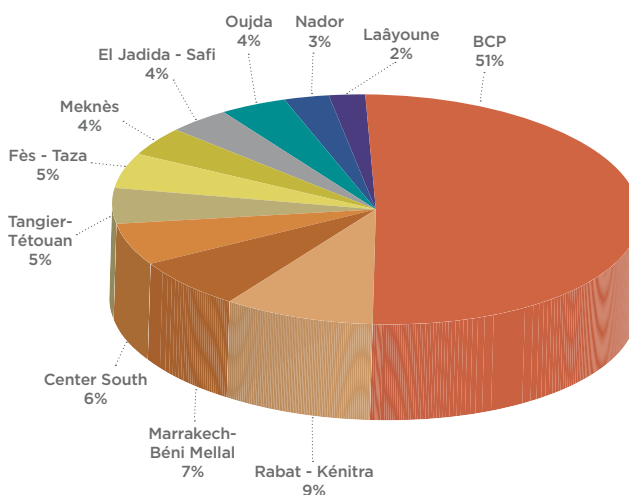
CPM has a risk management and monitoring system by sector, based on quantitative and qualitative rules and standards.

Sector-exposure monitoring builds on periodic reports, sector-based studies and follow-up sheets. As to operational monitoring process of such exposures per sector, it relies on indicators and limits. Noncompliance of the latter implies predefined measures and requirements.

SECTOR-BASED DISTRIBUTION TO DEC. 31ST, 2010



1.2.3 Geographical distribution of credits to Dec. 31st, 2010



Expressing the Kingdom's economic fabric concentration, the portfolio geographical distribution is still overshadowed by a high representativity of Banque Centrale Populaire and Banque Populaire of Rabat-Kénitra, which keep grasping 60% of total credits.

1.2.4 Bad debts

Downgrading and provisioning of bad debts are done in accordance with BAM provisions of memorandum n° 19/G/2002 and Bank Al Maghrib instructions. A periodic monitoring of such debts is ensured and reports are established for the bank's decision-making bodies, namely the Executive Committee.

To December 31st, 2010, CES rate is at standstill compared to Dec. 31st, 2006, i.e. 3.3% of funds employed. The slight increase registered on the corporate market (+0.2%) was paid off by the decrease of local private market.

2- MARKET RISK MANAGEMENT

In 2010, market risk management was strengthened by the development of a good culture based on the following main lines :

- A governance structure with strong bases, as to committees and general policies approved by administration or management bodies;
- Operational model between bodies responsible for risk control and monitoring and business lines fostering communication and risk information sharing;
- A constructive review of decisions and measurement indicators compared to risk profile evolution.

Objectives and achievements in 2010

CPM kept expanding its risk management infrastructure and enhancing its competencies, while constantly improving watch activities in accordance with best practice. Undertaken measures and projects will help it engage in its strategy with composure.

During 2010, several consultation ventures with the profession and BAM were implemented within the current regulatory system reinforcement. Such applicable requirements emphasize the need to apply specific standards to Stress Test and to internal models regarding market risks, to ensure a better risk management in a mutating environment.

Major projects that were achieved and set out :

- Internal model review : Analysis of current models was carried out and an internal decision was made to daily produce two VaR models (historical records and parametrics) to determine the best model likely to properly capture risks and optimize the capital;
- Improvement of derivatives' limit system, by adopting ceilings adjusted to management style and such products volatility. The new system helps define an overall tolerance level using sensitivity indicators and "Greeks";
- Implementation of new overall risk management platform, to ensure a daily risk monitoring, independently from operational and support units. The tool helps, beyond the daily production of risk indicators (VaR, sensitivity, market value...), explore various hypothetical or historical impacts on risk profile, using a scenario production engine.
- Reshuffling responsibilities and controls of market risk-generating processes. Within an optimization and market diagnosis activity project, we have endeavored to harmonize the roles and maximize controls over various functions in the risk control process;
- Preparation to take on internal approaches for capital allocation. Beyond the internal model back-testing already launched, defining official price sources for portfolio assessment, by examining independently prices by using estimation market value models for some OTC instruments.

2011 Priorities

- Efficiently manage risks throughout value creation processes, by utilizing internal model controls and operation;
- Constantly see to improving risk management capacities, by rooting the culture of raising awareness to risks at operational entities' level ;
- Polish up risk tolerance for all business sections.

2.1 Guiding principles

In order to frame and control market risks, the Groupe Banque Populaire has implemented a risk managing system in compliance with Bale II standards and best practice. Such system relies on clear leading principles along the lines of profitability goals, risk tolerance levels, and in line with shareholder's capital.

Main guiding principles are :

- Control exposure risks;
- Secure the Group's market activity development within midterm strategic orientations;
- Comply with banking regulation in terms of risk prudential management ;
- Comply with best practice in risk management for all lines of business.

Market risk management aims at managing and controlling exposures, to optimize the risk/profitability pair, while keeping a market profile in consistence with the Group stature as a first-class financial institution and an eminent player in financial products.

The Bank's tolerance level towards market risks is expressed through the limit systems and power delegation. Such tolerance levels are determined so as exposures to market risks cannot produce losses likely to jeopardize the Group's financial strength and expose it to mindless or significant risks.

The managed instruments and positions are subject to product descriptions and negotiation strategy defined according to :

- Profitability and performance objectives allotted to the current financial year;
- Portfolio structure in terms of focus by risk factor;
- Investment sphere and authorized products;
- Management style and rebalancing portfolios.

Such negotiation strategy is standardized within an internal memorandum endorsed by the Investment Committee.

2.2 Market risk management and monitoring system

In order to supervise and watch various market activities, the Group established a system based on four main lines :

- A power delegation system, which determines demand process, validation of ceilings and overspending authorizations;
- Steering and arbitrating between various market activities;
- Monitoring and watch of risk indicators by market-risk control entities and bodies;
- A set of market-risk management and control tools.

Banking-portfolio market risks are monitored, managed and integrated into structural risk management of rates and liquidity.

2.2.1 Main limits

Beyond limits applied to all market activities, namely position ceilings per instrument, counterparty limits and transaction limits, some limits are set up for bonds and exchange. Those limits can be identified as follows :

- Maximum portfolio size of bond trading compared to BCP total portfolio;
- Duration limits for trading portfolio;
- Stop loss limits by position section relatively to open exchange positions and intraday transactions for own account;
- Short position limit in currency.

Such system was fortified by setting up limits specifically to derivatives including :

- Maximal position limits for operations for exchange forward and options;
- Sensitivity limits expressed in Greeks terms for options;
- Rate gap limits for coverage of forward exchange and swaps operations;
- Limits in maximal maturity for some operations, unless otherwise allowed.

The whole limit system is organized as a power delegation grid, setting limits per instrument, per market and per participant. Limit proposal and validation process is supervised by an internal memorandum. Limits' control is carried out on a daily basis by the Middle Office and on a monthly basis by the Risk Overall Management Hub.

2.2.2 Market risk management tools

The Group has adopted a management and monitoring structure of market risks, including the use of VaR approach and sensitivity analysis for its entire trading book.

Value at Risk

Risk management of trading book market is daily performed and supervised by a specific policy for such purpose. The main tool used to measure trading book market risk is the "Value at Risk" (VaR). VaR is an estimation of potential loss over some period of time and according to a given trust level.

On a daily basis, a historic VaR with a 99% trust level is calculated for trading books, for a holding horizon of one day. It is then reasonable to anticipate a loss exceeding the VaR once every 100 days. VaR calculation is done from historic data over a ten-year period.

Other sensitivity indicators

In parallel to VaR calculations, impacts in terms of profits and losses (P/L) from standard scenarios or stress scenarios are valued for the whole trading book. Such scenarios are chosen from three categories namely : historically proved scenarios, hypothetical scenarios and adverse scenarios.

The main indicators used are :

- Sensitivity with a rate variation of +/- 25 bps and 15 bps (overall indicator and by maturity section);
- A rate curve risk indicator expressed in potential loss;
- A breakeven point indicator;
- Sensitivity at extreme rate variation of 200 bps;
- An exchange risk indicator;
- Sensitivity at price variation +/- 1%, 5% and 10% considering the EUR and USD correlation in the MAD basket composition.

Reporting

The risk market monitoring is daily carried out by the Middle office and functions responsible for market risks. On a regular basis, management committees (Investment Committee and Risk Management Committee) watch exposure levels, yields generated by market activities, trading-related risks, abidance by regulatory requirements and compliance with limit systems.

Besides, reports presented to various Committees include analysis of portfolio sensitivity, simulations in case of extreme scenarios taking into consideration both portfolio structure and correlations between various risk factors.

2.3 Progress of risk indicators

The table below presents overall VaR of CPM negotiation activities per risk category, as well as diversification effect representing the difference between the overall VaR and the VaR amount of various categories. The stock price risk, the interest rate risk and exchange risk representing the three categories to which CPM is exposed.

	MIN	MAX	AVERAGE	END DECEMBER
VaR	66	81	73	66
VaR/MtM	0.47%	0.56%	0.52%	0.48%

The portfolio overall VaR (1-Day at 99%) to end of December 2010 is 66.1 MMAD, i.e. 0.48% of the portfolio market value and 0.32% of total shareholder's capital.

VaR off correlation is 81.48 MMAD, i.e. a diversification effect of 15.37 million on overall portfolio distributed over various instruments.

The VaR is mainly focused on exchange operations and currency cash position and incidentally on other elements (bond portfolio, shares and UCITS). This is due to portfolios size, strongly volatile risk factors and their weight compared to other trading book factors.

2.3.1 Exchange compartment

Exchange forward portfolio registered almost a stable level throughout 2010, which is mainly due to generalized decrease of order books, despite a few events related to increased volatility of EUR and USD prices.

Despite a remarkable increase in the second quarter of the year, the net exchange position has remained balanced, taking into consideration the Dirham composition basket and conversion of current value of various forward cash flows. Regulatory limits, relating to shareholder's capital for the overall position and per currency, have been observed during 2010.

VaR for exchange activities reached 27.63 MMAD at the end of the year.

2.3.2 Bond compartment

During 2010, bond limits have been reviewed and validated by administration and management bodies.

Duration limits and maximal portfolio investment position have been maintained almost at the same level as the previous year.

VaR of bond activities to end of December 2010 represents 10.91 MMAD.

2.3.3 Shares and UCITS

Such portfolio outstandings have remained stable during 2010, with a distribution of 10% and 90% respectively for shares and UCITS. This was achieved to lighten stock positions, which values are not substantial and focus on more liquid portfolio fund values.

VaR for activities on title deeds is valued at 7.86 MMAD.

3- MANAGEMENT OF RATE AND LIQUIDITY STRUCTURAL RISKS

CPM has tremendously strengthened its management system of rate and liquidity structural risks, by constantly improving watch and assessment practices of impacts on our strategic planning on shareholder's capital and structural rate and liquidity risk profile.

Moreover, our risk assessment methods based on our business realities make us permanently improve our projections and develop exchanges about assessment process and risk watch.

In 2010, CPM applied its refunding strategy to ensure fundraising on the market, while cutting costs and ensuring adequacy between credits and resources in terms of amount and duration. Despite tighter liquidity, actions undertaken enabled us to optimize refunding costs compared to fellow banks.

In parallel, several consultation ventures launched for two years with the profession have been carried out with BAM, with the objective to enhance the regulatory framework. The expected requirements imply the need to review

applicable standards in terms of liquidity ratio, bearing in mind that the recent Bale regulation reviewed the liquidity risk management system with the revision of liquidity ratio and creation of more adjusted new indicators. On the other hand, in February 2010, new indexation-related measures of variable rates applied to economy credits became into force, and required an update of pricing policies and client credit contractual terms.

Major projects launched in 2010 are the following :

- Providing necessary data for rate and liquidity risk analysis : Improving ALM DataMart, database including useful information to ALM and allowing for better request traceability and automation.
- Enhancing liquidity risk monitoring indicators : the monitoring system was strengthened by updating flow agreements for sight deposits by capitalizing on data historical record.
- Review of internal approach (data consolidation, processing, reliability controls, indicators...) to measure overall rate and liquidity risks pursuant to an independent assessment. Implementing such diagnosis recommendations enabled, besides model developments, to ensure indicators' consistency.
- Examination (by a dedicated steering committee) of Internal Transfer Rate (ITR) models put forward by an external office and within the Group's financial relations steering. The ITR system should provide a more analytical vision of the performance and be used as a pinpointing tool within commercial steering.

3.1 Guiding principles

The overall rate and liquidity risk management strategy fits in the objective to control risks within the planned development process taken on by the Group.

Such strategy builds on the following guiding principles :

- Direct development activities within a midterm plan, considering rate and liquidity risks;
- Keep a stable and varied deposit structure, while controlling our commitments' growth potential;
- Gradually improve the overall rate gap, so as to preserve balance of various activities in terms of rate and liquidity profile;
- Develop variable rate assets, in order to safeguard a part of statement, after a negative evolution of interest rates.

3.2 Overall rate risk

Analysis of overall rate risk is complex, as hypotheses related to depositors' behavior should be elaborated, regarding contractually repayable deposit term, upon request and on non-sensitive assets and liabilities directly to interest rate. When behavioral features of a product vary from its contractual ones, the behavioral features are assessed in order to determine the actual underlying interest rate risk.

3.2.1 Overall rate risk management system

The assessment and control process of the overall rate risk is carried out :

- Once a quarter upon closing financial statements;
- Twice a year, backing up the planning process (strategic orientations phase and Midterm Financial Plan framing phase), as a PMT final validation system;
- Upon major changes of price lists to assess their impacts.

Such watch system relies on :

- An assessment method based on gaps (deficits). It is expressed by classifying assets and liabilities according to their term and rate profile (fixed or variable), taking into consideration residual maturity and future behavior (foresights over a three-year horizon and according to PMT hypotheses);
- A quarterly reporting system forwarded to Risk Management Committee about exposure levels, stress tests of impact on NBI, shareholder's capital and projected progress of prudential ratios;
- A limit system in terms of risk impacts, in relation to NBI and shareholder's capital, defined by the Risk Management Committee and validated by the Executive Committee.

Via such system, the overall rate risk management aims at optimizing rate impact on profit and shareholder's capital by using static and dynamic gap calculation according to predefined frequencies.

Along such simulation exercises related to rate progress within a normal market behavior, complementary scenarios are applied to the entire statement to measure a major shock impact on rates. It implies for instance submitting the Bank statement to an increasing trend of interest rates up to 100 bps and 200 bps.

In parallel to such quarterly exercises, the Risk Overall Management Hub analyzes consistency and measures rate impact in accordance with the Bank Midterm Plan, upon developing growth hypotheses and their potential refocusing.

3.2.2 Progress of risk indicators

To June 30th, 2010, the asset and liability profile, which term is less than 12 months, is approximately similar to 2009, save pension advances that are strongly focused on DD and cash borrowed in foreign currency that have progressed by 2.9 MMAD.

Such operations are generated by a slight profile change, namely in case of rate increase by 100 base points, profit decreases instead of increasing. However, profit sensitivity with rate variation remains below ceilings of our risk objectives.

To late December 2010, the risk profile has widely improved in the aftermath of several events :

- Acquisition of transaction bond securities launched on the market on the short term;
- Reduction of cash borrowed in foreign currency and given REPO;
- Granting more credits at variable rates (+3 billion for equipment credits).

Therefore, our risk profile within one year is positive in December 2010, with impacts expressing short-term movements of interest rates in the same trend.

The following chart illustrates the potential impact of a rate increase by 100 base points over a 12-month period (short term), on interest net income and the bank's economic value in 2009 and 2010. The impact of such a variation represents less than 1.5% of NBI and 0.25% of our shareholder's equity.

Impact of 100 bps variation on:	DEC - 09	JUNE - 10	DEC - 10
Profit (in millions)	10	-10	122
Compared to net banking income	0.13%	-0.12%	1.48%
Economic value on CT- (in millions)	-15	18	-51
Compared to shareholder's equity	-0.07%	-0.09%	-0.24%

3.3 Liquidity risk

This risk can originate from the statement structure due to gaps between actual terms of assets and liabilities' components, funding needs of activities-to-be, client behavior or a potential market disturbance or the economic situation.

3.3.1 Liquidity overall risk management system

The objective of liquidity risk management is to ensure access to necessary funds to the Group, so it can meet its financial commitments once they become payable. Managing this risk implies keeping an adequate level of high liquidity stock and supply in stable and diversified funds. Security portfolio is made in majority of treasury bonds and incidentally liquid shares and UCITS positions.

Liquidity management is based on :

- The statement's liquidity ration monitoring, according to internal and regulatory requirements;
- Development of a liquidity schedule based of various dynamic scenarios and PMT horizon, besides preparation of a static liquidity schedule, providing indicators on the bank's liquidity status in the mid and long term;
- The investment portfolio monitoring and cash flow projection. A new limit has been set up compared to the minimum investment portfolio size, now indexed to deposit progress and our processing capacities;
- Keeping a varied spectrum of funding sources and deposit concentration monitoring per product and counterparty nature, with close follow-up of the 10 largest depositors' concentration;
- Preserving privileged ties with institutional investors and major corporations.

Client sight deposits (current accounts and savings accounts) represent a major part of the Group's overall funding which proved to be steady over time. Moreover, agencies' opening program was extended to 2010 with 100 new agencies and kept on throughout the PMT period (2011 - 2013), contributing to enhance the pace of client deposit collection.

In other respects, the Group is an important participant in monetary and bond markets, via market activities. The CPM position allows having recourse in the short term to pension operations with the BAM, banks and other institutions.

3.3.2 Risk indicators' evolution

Liquidity's gradual reduction characterizing the banking sector since 2008 continued in 2010 with a slight improvement during the last quarter.

Despite the processing coefficient growth valued at 84.7% in December 2010 against 81.3% in December 2009, due to a more growing credit activity by 9.4% compared to client deposits (+4.1%), CPM liquidity was not influenced.

In order to judiciously back up such proactive growth policy, CPM issued deposit certificates in December 2010 for 2 MMMAD. However, having recourse to monetary and bond market by CPM remains quite restricted compared to its fellows.

CPM's total assets are 202.6 MMMAD to end of December 2010 against 195.8 in 2009, i.e. an increase by 3.5%. In 2010 and compared to December 2009, credits to be refinanced cash represent 15 MMMAD. Assets' increase, mainly from credits up to 12.2 billion and from security portfolio (interest and investment securities) up to 2.8 MMMAD was refinanced by :

- Client deposits within 6.6 MMMAD;
- Settlement of a part of investment securities for 2.8 billion, besides nonrenewal of pensions received from credit institutions for 1.7 billion;
- Issuance of Deposit Certificates for 2 billion;
- The balance is equity.

CPM's liquid asset portfolio, mainly made up of Treasury bonds and incidentally UCITS and shares represents 25 MMMAD to end of December.

Resources collected from clients have increased by 4.1%, from 161.4 billion in December 2009 to 168 billion to end of December 2010. Such increase also implies both sight deposits (+9.2%) and fixed-term deposits (+8.6%). However, other deposits decreased from 10 billion in December 2009 to 2.7 billion in December 2010 due to a strong decline of pensions given to clients. Therefore, there is a significant drop in paid resources compared to overall structure of resources.

	DEC-09	JUNE-10	DEC-10
Deposit accounts	14,573	15,204	16,109
Sight deposits	92,313	95,725	100,803
Fixed-term deposits and cash vouchers	44,519	46,475	48,351
Other deposits	9,984	10,200	2,692
Total deposits	161,389	167,604	167,955

3.4 Prospects for ALM risk management

The target system of ALM risk management as planned includes supervision and governance projects, besides projects for solution application and dedicated tools. Major projects planned for the 2011 financial year are :

- Implementation of a risk management integrated tool for asset-liability management for the next two years;
- Review of business aspects related to the Group's financial relations steering and between the various business lines compared to Internal Transfer Rates systems.
- Keeping up data provision works in order to improve risk indicators and model client behaviors.

4- GROUP'S REGULATORY SHAREHOLDER'S EQUITY AND SOLVENCY RATION

4.1 Capital structure

The group has consistent regulatory shareholder's equity valued at 25,662 MMAD to Dec. 31st, 2010, mainly made (89%) of its core capital :

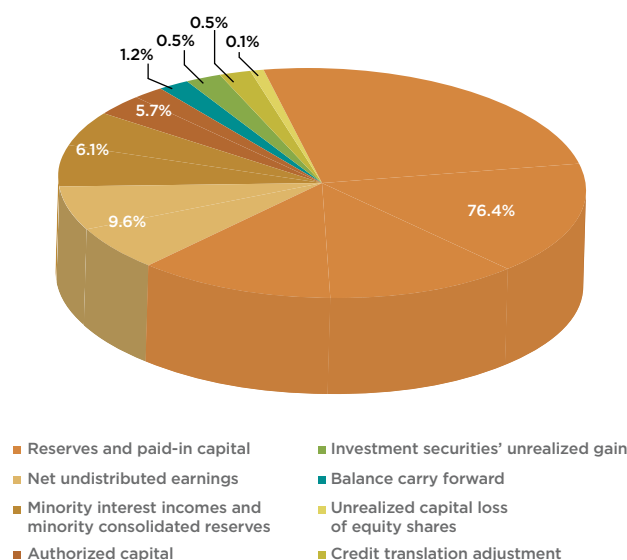
Regulatory capital structure*

COMPOSITION OF REGULATORY CAPITAL	AMOUNTS IN KMAD
Composition of core capital	22,775,771
Components deducted from core capital	3,136,338
Composition of additional equity	6,633,640
Other components to deduct from additional equity	610,918
Total capital admissible to risk coverage	25,662,151

*Shareholder's equity is reprocessed by prudential filters.

Core capital (before deductions) is distributed as follows :

Distribution of core capital



Core capital is mainly made up of reserves due to Group's policy in capitalization and distribution built on our internal dynamics and cooperative structure. Additional equity valued at 6.633 MMMAD, i.e. 26% of total capital, is mainly made up of the following components :

- CPM's support fund up to 63%;
- Subordinated debts up to 23%.

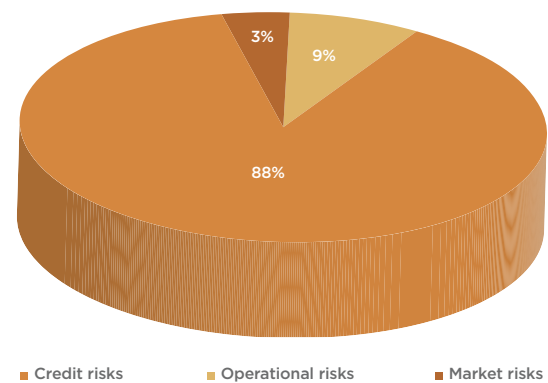
4.2 Solvency ratio

To December 31st, 2010, the Group's solvency ratio is 13.43%, widely above the regulatory minimum. As to the core capital ratio, it is 10.28%.

Shareholder's equity requirements for various risks are presented as follows :

SHAREHOLDER'S EQUITY REQUIREMENTS	AMOUNTS IN KMAD
Shareholder's equity requirements for credit Risk	13,404,325
Shareholder's equity requirements for market Risk	541,686
Shareholder's equity requirements for operational Risk	1,337,794
Core capital ratio	10.28%
Solvency ratio	13.43%

Distribution of shareholder's equity requirements between the various risks is presented as follows :



IV.

GROUP ACTIVITY

PERSONAL AND PROFESSIONAL CLIENTS : PROXIMITY AND INNOVATION COMMITMENT

BANK OF INDIVIDUALS AND PROFESSIONALS : SUPPORT TO ALL CLIENTS

The Banque des Particuliers & Professionnels (Bank of Individuals and Professionals) assists all its clients in their projects. It provides 2.4 million of private clients and 77,313 professionals with a wide range of products and services, from daily liquidity management to funding individual and professional projects and asset management.

Clear proximity strategy

The will to improve close relations with its clients has strongly and yearly expanded the bank network both as to networking and coverage. To end of 2010, the bank's agency network includes 920 entities exclusively devoted to private and professional clients and 1,068 automated telling machines. Such close network is integrated within a multichannel system with an important part to Internet and mobile.

Targeted expansion strategy

For the third year in a row, the number of personal accounts has increased in terms of net flows, besides 260,000 new accounts, i.e. an increase by 721,000 since 2007.

Such performance is the result of a conquering strategy built on :

- Implementation of a very active bankarization policy destined to the largest populations;
 - Strengthening the agency network to optimize coverage of strong potential areas : within three years, the number of agencies has increased by 260 points;
 - Supporting clients so they can materialize their projects, through a proactive real estate funding policy.
- The Bank of Individuals and Professionals has increased its funding production by 14% (4.9 MMMAD in 2010 against 4 MMMAD in 2009);
- Carrying out a highly creative policy towards youth, through a dedicated offer that has been adjusted both as to financial products and services and specific distribution terms.

As to professionals' portfolio, it has registered 2,618 contacts in 2010.

The targeted expansion strategy carried out by the Banque Populaire contributed to resources growth. An evolution by 9.3% in 2010, i.e. an additional amount of 4,892 MMAD, hoisting up individuals and professionals resources to 57,334 MMAD.

An offer fostered by client expectations

Concerned by adjusting its offer to its client demand evolution, the Banque Populaire endeavored to :

- Enhance its offer by a new bank insurance product MaRetraite. Initiated in November 2010, this new offer was greatly successful, as nearly 12,036 contracts were subscribed within one month.
- Improve the Monetics offer, by reshuffling debit and payment cards targeting private clients. Therefore, Prima, Populaire and Gold came to round off the cards offer.

An eye-catching commercial drive

Personal mortgage credits outstandings increased by 11.8% to December 31st, 2010. This reflects a forceful mortgage loans production.

Support of client projects also involves consumer's credits : production of personal loans, distributed through the Banque Populaire network and its subsidiary Vivalis, jointly reached 6.5 MMMAD.

Electronic cards portfolio reached 2,017,756 cards, an increase by 21.7%. Such performance stems from packages offered to clients.

The performance of online bank products was also significant (+105% for Chaabi Net and +34.5% for Chaabi Mobile).

Banque Populaire synergy increasingly highlighted

The Banque des Particuliers & Professionnels (Bank of Individuals and Professionals) has tremendously

endeavored to develop synergy between the Banque Populaire and its subsidiaries, whether in terms of consumer's credit, assistance or asset collective management. The purpose is to set up a method to assign parts of subsidiaries, as an expertise and production body, and the bank as a distributor given its presence through its network nationwide :

- In consumer's credits, the Banque Populaire distributed 1,125 MMAD on behalf of Vivalis, one of the Group finance company against 138 MMAD in 2009;
- Important evolutions were achieved in marketing assistance products : 72% for Injad Chaabi, +58% for Injad Moumtaz, to the benefit of Maroc Assistance Internationale;
- In asset collective management, the Banque Populaire collected 8.3 MMAD in 2010, i.e. growth by 93% compared to 2009.

VIVALIS

Formerly known as "Assalaf Chaabi", VIVALIS is distinctively positioned, reflecting its willpower and commitment to professionally meet client expectations as to consumer's credits.

It has commercially reinforced its position, by implementing a synergy operational model with BPR.

The new production reached 2,418 MMAD in 2010, i.e. a strong growth by 41% compared to the previous

financial year. The total credits outstandings is estimated at 13%, 4,713 MMAD.

NBI is 265 MMAD, growing by 15% compared to 2009. As to operating coefficient, it is steady at 35.7%, owing to general cost control.

Last, despite increase of net allocation to provisions, net income is 36.6 MMAD, progressing by 66% compared to 2009 financial year.

This growing activity came hand in hand with a better risk control and collection organization.

MICROCREDIT FOUNDATION : A MAJOR MICROFINANCE PARTICIPANT

In 2010, the Foundation managed to make the most of microcredit dynamism, keeping a rising trend of its activity development. The released files and active clients have respectively increased by 36% and 32% compared to 2009 financial year.

In other respects, several structuring projects have been finalized : takeover of Zakoura Foundation, information system redesign and MassarCom project launch, Low Income Banking strategy execution throughout the network and implementation of a new organizational structure aiming at a close management in the client's service. To end 2010, the number of LIB account openings reached 38,200. Internationally, the Foundation received the "international performance" award and the "Alpha" grade awarded by MicroRate agency.

BANQUE POPULAIRE MAROCO-CENTRAFRICAINE : PROMISING DEVELOPMENT PROSPECTS

Within a highly competitive background, the Banque Populaire Maroco-Centrafricaine evolved positively, namely by doubling account openings, monetics implementation and improvement of its financial basis.

The Bank's productive credits reached 24.6 billion of FCFA, increasing by 37% compared to the previous financial year. Operating products have also considerably increased by 42% to settle at 4.1 billion of FCFA. Operating coefficient is 20.8% against 27.2% improving by 6.4 points compared to 2009.

Net income improved by 44% compared to 2009, valued at 3 billion of FCFA.

BANQUE POPULAIRE MAROCO-GUINEENNE : POSITIVE DEVELOPMENT

Within a difficult economic context, the Banque Populaire Maroc-Guinéenne had a sustainable activity, characterized by exceptional loan and exchange operations that helped generate significant results.

Productive credits totalized 107,550 million of GNF, average resources settled at 163,635 million of GNF, respectively increasing by 11% and 49.4% compared to 2009.

The financial year's NBI is 22,477 million of GNF, increasing by 4% compared to previous financial year. Net income is 7,879 million of GNF, decreasing by 8% compared to 2009, due to recovery of less important provisions for pending receivables than 2009.

FINANCIAL INCLUSION : A STRONG WILL TO CONTRIBUTE TO MOROCCAN POPULATION'S BANKARIZATION

Dedicated to its general interest duty, the Groupe Banque Populaire plays a dynamic part in improving the country's bankarization rate and savings collection.

Financially including as many Moroccans as possible is one of Groupe Banque Populaire's top priorities and fits in its policy to bring an input to the national economic development and improvement of living conditions of low-income populations.

This situation is strongly backed up by the Bank's positioning in mass clients and its microfinance successful venture. The Group's business has highly expanded, following its ambitions, to reach a top position, namely in retail banking.

Significant figures in financial inclusion of low-income populations

In terms of contributing to develop low-income populations to have access to financial services, our Group has endeavored to implement its Low Income Banking strategy (LIB) over the last years, by creating an adjusted offer of products and service pricing and developing new distribution close channels that target low-income populations.

All aforementioned actions were expressed by gaining 430,000 new low-income clients distributed as follows :

- 38,200 clients bankarized through the Banque Populaire Foundation for Microcredit network;
- Portfolio of 302,956 bankarized clients via the Banque Populaire network (Al Hissab Chaabi offer), of which 130,593 have been recruited during 2010;

- Population of National Fund of Social Security beneficiaries (CNSS Essentiel offer) with a total of 98,459 clients, of which 39,374 were recruited over 2010.

The Group aspires to hoist this portfolio up to a higher level, and shortly strengthen its position on the market through inventive technological solutions adjusted to these client segments, combined to a didactic program for financial popularization and education.

A stronger presence in rural areas

Besides the implementation of banking offer adjusted to low-income populations, the financial inclusion model of low-income populations recently developed by Banques Populaires Régionales is also based on developing new low-cost distribution channels that make the most of technological progressions, namely as to infrastructures. This network extension and densification program combined with investment endeavors in new technologies aims at reinforcing regional rooting and closeness of Banques Populaires Régionales.

In this regard, a mobile ATM new concept CALLED "Souk Bank" was launched in August 2010 in Sidi Kacem and Sidi Bennour regions. Implemented in rural busy areas of "weekly souks", this mobile front, completing the Multifunction Automated Telling Machines, is a channel close to the classical agency, with a simpler format and operation. This enables tremendous distribution cost-cutting, while offering a service better adjusted to LIB in working hours and reception quality. Such experience seems to genuinely meet expectations of populations living in isolated rural areas and so far excluded from the banking system.

MOROCCANS OF THE WORLD (MDM) : REINFORCED LEADERSHIP

BANK OF MOROCCANS OF THE WORLD : GROWTH AGAINST A BACKDROP OF CRISIS

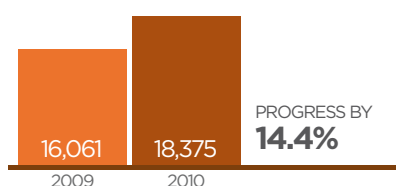
Moroccans of the world market has positively progressed during 2010, despite clear effects of economic and financial crisis worldwide.

In this background, our Group kept up its performances on this market, both as to Moroccans of the world money transfers and deposits, and sales of products and services.

Moroccans of the world transfers

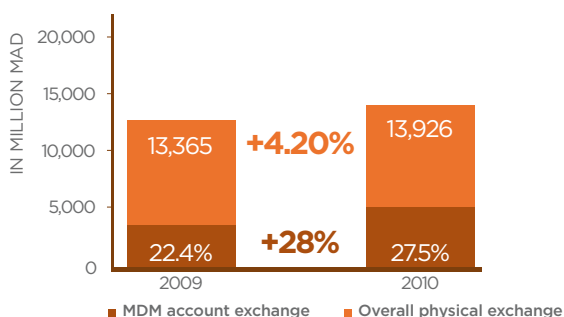
Moroccans of the world transfers channeled in 2010 by GBP are valued at 18,375 MMAD, increasing by 14.4% against 2009, with a market share of 33.97%, i.e. gaining 2 points compared to the same period.

Such achievements have widely been supported by new services, namely Chaabi Express, which is an immediate transfer to account available at Chaabi Bank network.



Physical exchange

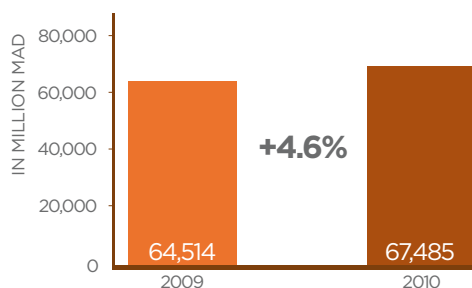
The physical exchange flow processed by GBP network in 2010 is about 14 MMAD, increasing by 4.20% compared to 2009, with a Moroccans of the world deposit conversion rate of 28% improving by 6 points compared to the conversion rate of 2009.



Client deposits

The Banque Populaire strengthens its leading position on Moroccans of the World deposits with over 53% of market share, i.e. 67,485 MMAD to end of 2010, increasing by 4.6% compared to 2009.

This performance can namely be explained by the implementation of a commercial action plan, designed for high potential clients from Moroccans of the world Networks, both in Morocco and overseas.



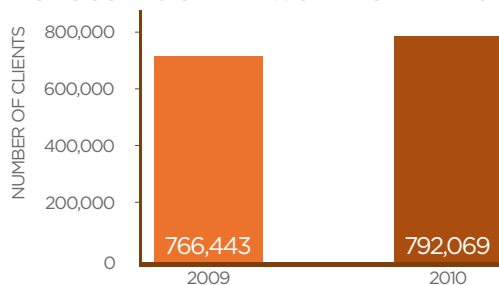
Bankarization

The Moroccans of the world bankarization commercial initiatives undertaken with synergy between its networks in Morocco and abroad helped recruit about 57,000 new clients, improving by 2% compared to 2009 performance.

Therefore, our Moroccans of the world client portfolio exceeded 792,000 clients to end of 2010, increasing by 3.3% compared to stock registered to end of 2009, with product equipment rate of :

- 48% in bank insurance against 42% in 2009;
- 18% with Bladi Pack against 9% in 2009;
- 22% with Banque à Domicile products against 13% in 2009;
- 32% with Monetics products against 25% in 2009.

MOROCCANS OF THE WORLD CLIENT PORTFOLIO



Commitments

Despite the crisis, mortgage credits outstandings designed for Moroccans of the world clients were valued at 7,732 MMAD, increasing by 5% compared to end of 2009.

Commercial performances achieved in 2010 were the outcome of synergy and co-management between sales forces of Morocco and overseas, backed up by action plans and supporting adequate measures in distribution network development, enhancement of products and services, targeted communication and proactive sales drive.

Distribution networks

Along such network extension nationwide, Chaabi Bank Network redeployment process in Europe, launched within the European passport, ended in 2010 by the inauguration of the German subsidiary and alignment of the British agency with the Dutch one. Therefore, Chaabi Bank includes 6 subsidiaries (France, Belgium, Spain, Italy, Netherlands and Germany) with some forty agencies all over main countries of the European area with a strong migration concentration.

In parallel, the Group inaugurated its Representation Office at Denmark, besides those on Switzerland, Canada, Great Britain, Saudi Arabia, United Arab Emirates and Gibraltar.

Moroccans of the world Products and Services

In this regard, the Banque Populaire pursued the improvement and enhancement of its package called "Solutions Bladi" by products and services that meet Moroccans of the world needs and expectations in banking and extra-banking offers, both in Morocco and their country of residence, namely :

- Enhancement of Packs Bladi and extension of extra-banking services to hosting countries;

- Extension of lead product functions for transfers "Bladi Express" which enables having funds on the same day of operation;
- Launch of "Bladi Invest" product which helps Moroccans of the world investor benefit from a State nonrefundable 10% advance of the investment amount and a 65% bank funding in consideration of a 25% currency provision;
- Marketing an Internet transfer via "E-Bladi", which is a major innovation and highly technological service;
- Implementation of "Bladi Asfar" following the association with Royal Air Maroc which provides Moroccans of the world with several trip benefits to Morocco;
- Operationalization of partnerships namely with Western Union and Money Gram, which gives the Group a stronger presence on the cash-to-cash transfer market.

This offer of products and services was supported by a targeted sales communication in Morocco and host countries, besides the Internet.

Proactive sales drive

Concerned about reinforcing synergy between Moroccans of the world networks, stimulating and motivating sales force in Morocco and overseas, various sales drive and coaching actions were carried out during 2010, mainly :

- Close follow-up of sales achievements of Moroccans of the world networks through periodic benchmarks, so as to assess the sales force efficiency and develop a challenge and emulation spirit.
- Holding meetings between Moroccans of the world networks in Morocco and host countries, in order to create a sharing and development space for close collaboration between various participants on the Moroccans of the world market;
- Synchronizing and simplifying sales steering tools at local and international networks;

- Organizing targeted training actions to raise the sales force's professionalism level;
- Promotion of Moroccans of the world real estate shows and events in Morocco and host countries.

Therefore, with all the Group elements rallying around, our ambition has been reinforced to keep and boost our leading position as a reference bank on the Moroccans of the world market, with a share of 53% in resources and nearly 34% in transfers.

CHAABI BANK : A STRONG INTERNATIONAL DIMENSION

During 2010, many actions were implemented at Chaabi Bank, to reach the profession's standard level and improve quality client service. Sales wise, many endeavors were deployed in training and skill reinforcement of sales teams. Between 2009 and 2010, main indicators progressed as follows :

- Average resources were valued at 84,777,000 EUR, evolving by 20% compared to 2009;
- Opening new agencies and subsidiaries generated an increased transfer volume, 1,072 million EUR, increasing by 39% compared to 2009;
- NBI increased by 55.3% compared to 2009, settling at 35,745,000 EUR.
- Net income was 1,890,000 EUR.

MAROC ASSISTANCE INTERNATIONALE : A NEW STRUCTURAL ORGANIZATION

To end 2010, Maroc Assistance Internationale (MAI) carried out several organizational rearrangements to improve governance, a better business control and quality client service.

MAI joined the Assisters' International Association and represents Morocco in the International Assistance

Group "IAG" which includes 33 assistance companies in 53 countries throughout the 5 continents.

This helps have access to a large network within optimal operational conditions.

The visual identity redesign and logo change were initiated to support various marketing and sales actions, which were implemented aggressively within a highly stiff and competitive market. For Moroccans of the world products, several reshufflings took place.

Overall written premiums reached 313.7 MMAD, increasing by 13.9%, after the combined turnover improvement on Moroccans of the world and local markets, respectively up to 8.7% and 29.4%. The net claim rate remained steady and the technical result settled at 46.7 MMAD against 36 MMAD a year before, increasing by 29%.

With 31.08 MMAD, the net income was 13.9% compared to 2009, which corroborates the subsidiary's overall strategy relevancy.

BANK AL ÂMAL : INVESTMENT BANK FOR MOROCCANS OF THE WORLD CLIENTS

Bank Al Âmal is Groupe Banque Populaire's subsidiary, dedicated to support and funding of Moroccans of the world client investment projects.

During 2010, there was the Group's strategic positioning on this bank, as well as management change.

Productive credits were 2% valued at 440.5 MMAD to end of 2010 against 430.6 MMAD in 2009. NBI increased by 51.5% registering 55 MMAD.

Operating coefficient was 22.63%, improving by 10.75 points compared to 2009.

Correlatively, the net income grew by 31% settling at 31 MMAD.

SME/SMI : SUSTAINABLE GROWTH DYNAMIC

CORPORATE BANK : MOMENTUM TO SERVE THE SME/SMI

Keeping up its corporate market development, the Banque Populaire reached in 2010 an outstanding of 97.8 MMMAD in relation to corporate credits, i.e. a growth by 9.8% reflected by 0.45 point of market share that settled at 22.95%.

Higher than the bank sector progress (7.7%), outstandings growth devoted by Banque Populaire to funding businesses is reflected in the sustainable and permanent action to the benefit of this market.

During 2010, companies received optimum support, owing to various loyalty-development levers for this client class.

Products and services offer designed for companies was namely reinforced by the factoring line of business, to subcontract client management with the bank. Other innovations were also set up in 2010 : an international prepaid electronic card used by employees for their cost management abroad, as well as cash pooling indirect version.

Over 2010, the Corporate Bank made the most of all its institutional relations, to take part in major events and meet regional and international economic players. Besides the key annual international meetings, such as Planète PME or Forum Class Export, the Banque Populaire participated in several sector-based events regionally and nationally.

In other respects, the Banque Populaire entered into a new partnership with CIMR for pension contribution remote payment by companies and Pack PME promotion by CIMR with Banque Populaire eligible clients. Several seminars for targeted clients were jointly organized in 2010.

Businessmen missions were also held with the Italian bank Banca Nuova, in association with foreign banks, for investment promotion in Morocco and sales relation and partnership stimulation between companies of both Mediterranean shores.

The Groupe Banque Populaire has also supported governmental sector plans, namely to support the measures undertaken by the National Pact for Industrial Emergence. The Corporate Bank co-facilitated with ANPME regional focus groups of clients, to better advertise IMTIAZ and MOUSSANADA Programs benefits. In other respects, the Groupe Banque Populaire was involved in strengthening Morocco's appeal as an investment destination, by taking part in the inception of Emergence, an innovation that helps have access to property by companies wishing to settle in Integrated Industrial Platforms.

In 2010, the corporate distribution network was consolidated by new business centers, which is a great asset to establish close relations.

Synergy development between subsidiaries on the corporate market has also created a remarkable expansion of cross-selling performances, both in lease with Maroc Leasing and in corporate finance or asset management operations.

In order to better optimize performances and seek productivity potential sources, which is a strategic main line in Corporate Bank, a system including new steering instruments was implemented.

MAROC LEASING : SUBSTANTIAL RESULTS

During 2010, the successful strategic union between Chaabi Leasing and Maroc Leasing materialized, with higher interest 53.11% held by the Banque Centrale Populaire.

Thanks to a 27.13% market share, this subsidiary preserved its leading position on the post-merger market. Its market value is 45%.

Production increased by 3.6% valued at 3.9 MMAD. Financial outstandings evolved by over 15%, valued at 9.9 MMAD. NBI and net income were respectively 163 MMAD and 61.8 MMAD.

OFFSHORE CHAABI INTERNATIONAL BANK : PROVED PERFORMANCES

Within a background marked by world economy recession effects, expressed by declining investments and growing competition between offshore banks, CIB Offshore keeps up its development in terms of volume and indicators, with performances well beyond its business plan projections.

In 2010, the subsidiary's website was also launched to improve services provided to nonresident clients.

About business indicators, resources progressed by 3%, whereas productive credits skyrocketed by 51%, valued at 703 M USD. The net income settled at 3,042 K USD, evolving by 56% related to that of NBI of 49%, due both to developed commitments and optimized cash management.

CHAABI LONG TERM LEASING : SUCCESSFUL STRUCTURING

During 2010 financial year, equity was reinforced, with a BCP stronger presence with 84.3% next to AKWA Group with 15%.

With an operating result of 10.5 MMAD against 2.6 MAD in 2009, Chaabi LLD maintains its growth momentum, focusing on collection control and operational excellence. Its turnover increased by 11.7%, at 144 MMAD and its fleet contains 2,647 vehicles.

Within its client-oriented quality initiative, Chaabi LLD commitment is confirmed by the dual certification.

BUSINESS CREATION FOUNDATION : SUPPORT TO FUTURE WEALTH GENERATORS

Along its business creation mission by the support and assistance to project initiators, the Foundation action in 2010 was reoriented to the benefit of Moroccans of the world investors.

Therefore, out of the 2,340 people with an idea and a project received in 2010, 198 managed to create their own business, for a total investment budget of 236 MMAD, creating 892 direct jobs. Bank funding of such investments was valued at 111 MMAD, of which 70% achieved through the Banque Populaire network. Out of this total, 69 businesses were created by Moroccans of the world for a total investment of 81 MMAD.

The Business Creation Foundation action was deeply rooted in Moroccans of the world investor counseling in Morocco by setting up two packs :

- Assist Invest devoted to information and outreach on a website;
- Dalil Invest to support this class of investors during their investment.

This new offer was promoted to establish synergies with various players on this market.

In other regards, 180 companies advised by the Foundation were created in 2010, 61 of which are Moroccans of the world investors.

Communication wise, the Foundation implemented two disseminating channels designed for these clients :

- A dynamic website : www.fondationinvest.ma informing Moroccans of the world on investment opportunities in Morocco;
- A telephone number for investment exchange with a support expert.

LARGE CORPORATIONS : A BENCHMARK POSITION IN FINANCIAL SERVICES AND EQUITIES BROKERAGE

CORPORATE BANK : STRATEGIC STRUCTURE TO SERVE LARGE CORPORATIONS

The corporate bank activity within BCP Bank maintained its growing trend in 2010, confirming its key player stature in funding major projects and large Corporations in general.

Despite the economic world crisis and the highly competitive environment, the 2010 achievements registered 33.8 MMMAD in total Credits (including signed commitments), against 32.5 MMMAD in 2009, evolving by 4%.

Credits by disbursement have sustainably progressed, moving from 20.5 MMMAD to 26.2 MMMAD, i.e. increasing by 28%.

As to resources, they have progressed from 7.5 MMMAD to nearly 10 MMMAD, i.e. an increase by 32%.

Thanks to consolidation and expertise of its teams, the Corporate Bank was entrusted with funding major investment projects in national strategic sectors, in Industry or Services.

In 2010, the bank's sales activity boosted BCP Bank strength in the large corporation segment, namely by :

- Developing flows, assets and commitments of current clients : OCP, SNI, JLEC, Barid Al Maghrib, etc.
- Penetrating new activity sectors : Telecom, Automotive, Large Distribution, Transport...
- Connecting major prestigious Corporations such as HUAWEI, LYDEC, ACIMA, RAM, SANAM, NAREVA, INGELEC, ALF SAHEL, etc.

- Business expansion of BPRs and GBP subsidiaries by cross-selling actions in terms of Resource collection (Barid Al Maghrib, Meditel, OCP...), counseling and funding (SAMIR, NAREVA, International Power, TMSA, MANAGEM GABON, Hyatt Regency).

A BOOSTED FOREIGN BUSINESS ACTIVITY

In 2010, the Banque Populaire supported its corporate clients in their development overseas. Therefore, Trade Finance registered considerable progresses. Total volume of import and export settlements processed in 2010 increased by 13.46% at 59 MMMAD, and the total volume of short-term foreign financings processed in 2010 increased by 84.34% at 21.38 MMMAD.

Such evolutions resulted from counseling and loyalty-development actions destined to our corporate clients, active in international trade.

In 2010, the Banque Populaire also endeavored to boost up its relations with its foreign correspondents, by implementing new funding lines and best pricing negotiation to the benefit of its clients.

Now the Bank has a large network of first-class foreign correspondents present throughout the five continents.

The exceptional relations and trust that foreign correspondents have in BCP can be seen in the increasing flow involved.

BCP also took part during 2010 in major international events, an opportunity to acquire technological innovations, to identify partnership and collaboration openings in various international areas.

UPLINE GROUP : STRONG DEVELOPMENT

Highlights

Four key events characterized UPLINE GROUP activity during financial year 2010 :

- Acquisition of CHAABI COURTAGE company;
- Interest through “Upline Real Estate Investment” subsidiary in the management company “ALHIF Management” capital up to 40%;
- Interest through “Upline Alternative Investment” subsidiary in the management company “ALHIF Management” capital up to 33.33%;
- Interest increase of UPLINE GROUP in “MAGHREB TITRISATION” capital from 7 to 24%.

Market background

Within a difficult situation, UPLINE GROUP focused on reinforcing its position as a valuable player in the Moroccan financial sphere, namely by relying on the synergy effect induced by its belonging to the Groupe Banque Populaire since June 2009.

The market progress is as follows, by line of business :

Equities Brokerage

Increasing volume

The annual transactions' volume on the stock market (central market and block market) reached 91 MMMAD, improving by over 42% compared to 2009.

Expanded by 48% at 58.3 MMMAD, the central market volume increased compared to business flows achieved last year. ONA, ATTIJARIWAFABANK, MAROC TELECOM, ADDOHA and Banque Centrale Populaire values hold about 59% of exchanges.

As to block market, it registered a transactional flow of 32.7 MMMAD against 24.6 MMMAD a year before. Within this situation, nearly 43% of transactions regarded exchange of more than 7 million CGI securities.

Transaction Volume registered by UPLINE GROUP brokerage firms

During 2010, UPLINE SECURITIES achieved a transactional volume of 8,740 MMMAD.

For ICF AL WASSIT, 2010 was an exceptional year by actual launch of “Online Stock Market”. Compared to Online Stock Market volume settled at 2,271.34 MMMAD, ICF AL WASSIT acquired a 7% market share registered within 4 months' operation, as of September 2010.

As to number of orders routed to stock exchange market, this share is constantly rising. ICF AL WASIT has indeed improved its market share by 10 points to settle at 15.37%.

The number of clients subscribed in the Online Stock Exchange service has grown between September and December 2010 from 565 to 1,623 clients.

Asset management

In 2010, progress of the asset management market was characterized by the following major events :

Equity market

The transactional flow settled in 2010 at 163 MMMAD, improving by 47.6% in comparison to 2009.

The Central Market, acquiring 64% of trade in 2010, was mainly revived by exchanges on ONA, ATTIJARIWAFABANK, ADDOHA, IAM and Banque Centrale Populaire values.

The market overall valuation is 579 MMMAD, improving by 13.7% compared to 2009.

In other respects, six companies increased their capital, mainly ADDOHA (2.992 MMAD) and BMCE (3.017 MMAD).

As to the “Merger / Acquisition” market, it has been highly active, namely by :

- BCP/ Casablanca BP merger;
- BMCE BANK/CGI crossed interests ;
- SNI interest reinforcement in ATTIJARIWAFABANK capital ;

- MATEL PC MARKET/DISTRISOFT MAROC merger-takeover creating the leading information technology distributor in the Maghreb ;
- LABEL'VIE acquisition of METRO CASH & CARRY MAROC ;
- SNEP strategic increase in DIMATIT capital ;
- Creation by UNIMER/LA MONEGASQUE VANELLI MAROC/CONSERNOR of a national leader of fish canning industry.

Bond market

The primary market was marked by Treasury taking-up increase by 39% compared to 2009, valued at 101 MMMAD with a prevailing Midterm segment up to 47% against 39% for the Short Term segment.

As to the secondary market, it has evolved by 10% of transactional volume compared to 2009 with a total of 188.3 MMMAD, with Midterm segment dominance up to 60%.

Last, the monetary market, rate levels hovered around the official market rate, as proved by the steady interbank TMP annual average compared to 2009 valued at 3.26%.

The collective management market increased by +16.67%, in favor of all UCITS except for monetary UCITS which net assets declined by -1.13%. Major net asset evolutions in terms of volume in OMLT UCITS and Shares respectively achieved 21.2 MMMAD and 5.56 MMMAD.

Transaction volume achieved by UPLINE GROUP asset management companies

Net assets of UPLINE-labeled funds managed by Upline Capital Management progressed by 64% valued at 5 MMMAD, to the benefit of Monetary UCITS and OMLT which have respectively evolved by +86.28% and +61.14%.

Distribution wise, the OMLT category remains predominant up to 87.46% of total net assets under management.

The net assets of AL ISTITMAR CHAABI labeled funds managed by UCM increased by 42.77% to set up at 9 MMMAD, to the benefit of all UCITS categories, except for OMLT.

As to distribution, the monetary category is still prevailing with 54.93% of total net assets under management. Managed assets as mandate increased from 227.1 MMAD in 2009 to 2,761.9 MMAD in 2010.

Triggering synergies with GBP and setting up goals in terms of UCITS per business unit should considerably contribute to enlarging the size of assets under management and the business line's market share.

In 2010, the launch of new products based on capital protection and/or minimum return should concretely meet expectations of Corporate and Individual clients (local and Moroccans of the world), seeking optimal investment security.

Consulting & financial engineering

Scarce market liquidity incited several companies to fundraising actions required for their business :

- By having recourse to capital market through bond issues and commercial papers;
- By opening up their capital to institutional investors and investment funds.
- Increasingly important solicitation of over-indebted companies for balance restructuring;
- Conciliation operations carried out in various activity sectors.

During 2010 financial year, UPLINE CORPORATE FINANCE successfully carried out a total of 25 missions as follows :

- 8 "Merger/Acquisition" missions ;
- 2 fundraising missions ;
- 2 market debt missions ;
- 13 counseling missions.

Overall size of such operations was valued at 11 MMMAD.

Investment capital

The investment capital is a business line mainly dominated by UPLINE ALTERNATIVE INVESTMENT.

Business milieu and highlights

Five major events have marked this line of business in 2010 :

- Structuring several funds namely “A6 Immobilier”, “Foncière Emergence”, “Inframed”, “ARIF” & “OCP Innovation Fund”;
- Declaration to create a 15 MMMAD fund by the Moroccan State and Middle East investors for tourist project promotion;
- Negotiation of a new regulatory and fiscal framework for Venture Capital Investment Organizations;
- Delayed achievements of projects covered by tourist funds due to difficult to lift banking debt;
- Decrease of investment capital transactions on the market within an international crisis.

GBP, a key player in the investment capital in Morocco

Concerned about supporting the economic drive in Morocco, the Groupe Banque Populaire (GBP) set up several general and sector-based investment funds

to back up Governmental endeavors in developing sectors with high potential growth : Infrastructure, Tourism, Residential Real Estate, logistics, Agribusiness, etc.

Through such sector and general funds with varied profitability/risk pairs, the Group covers all sectors supporting the Moroccan economy : Fund of Funds, Infrastructure Fund, Tourist Fund, Land for Residential Real Estate, Agriculture Fund, and many other general Funds : capital development and transmission, etc.

These funds are managed by the investment bank “Upline Group”, through its subsidiary “Upline Alternative Investment”, an Upline Group acquisition holding in Private Equity management companies.

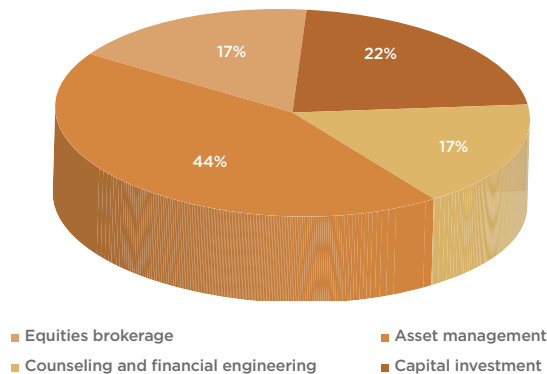
With assets under management of 7.5 MMMAD to end of 2010, “Upline Alternative Investments” is leading the Private Equity market in Morocco.

Upline Group’s financial indicators

Consolidated turnover

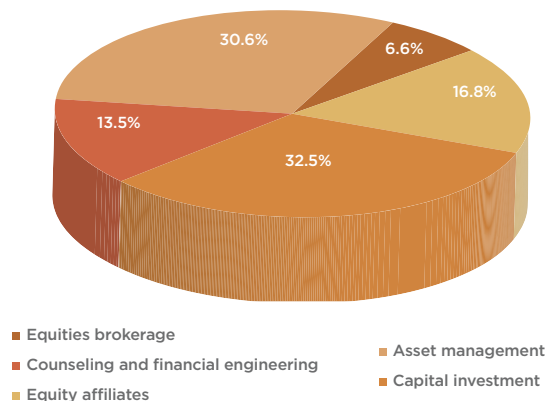
Improving by 25% compared to last year’s turnover, it settled at 129 MMAD to end of 2010 and its breakdown per line of business is as follows :

	2010	%
Equities brokerage	21,359	17%
Asset management	56,829	44%
Counseling and financial engineering	22,441	17%
Capital investment	28,377	22%
TOTAL	129,006	100%



Upline Group's net income

Evolving by 4% compared to last year's net income, it was valued at 19.8 MMAD to end of 2010, and its breakdown per line of business is as follows :



Shareholder's capital

To end 2010, Upline Group consolidated Stockholder's Equity settled at 358 MMAD, improving by 4% compared to last year.

MEDIAFINANCE

Expert in treasury securities brokerage, Mediafinance was awarded on the primary market a subscription volume of 3.9 MMMAD, increasing by 83.5% compared to 2009. Transactions carried out by the company were valued at 29.1 MMMAD, increasing by 224% compared to previous financial year. As to net banking income, it is 13.6 MMAD and the net income is 13.9 MMAD to end of 2010, achieving a rise by 41.4% compared to previous financial year.

CHAABI COURTAGE : STRATEGIC REPOSITIONING

In 2010, Chaabi Courtage was strategically reclassified within Upline Group, with a change of its top management.

Performance wise, turnover made of brokerage commissions registered an increase by 13% compared to previous financial year, from 20.5 MMAD to 23.2 MMAD, in relation to progress of insurance portfolios for Groupe Banque Populaire personnel, private assets and civil responsibilities, besides nonlife and health bank insurance, motor insurance and other direct clients.

Collected premiums settled at 337.5 MMAD against 325.4 MMAD, a year before, increasing by 4%.

The financial year's net income reached 14.1 MMAD, i.e. an increase by 17% compared to 2009.

V. FINANCIAL STATEMENTS

GROUPE BANQUE CENTRALE POPULAIRE : CONSOLIDATED ACCOUNTS ACCORDING TO IAS/IFRS STANDARDS TO DECEMBER 31ST, 2010

CONSOLIDATED IFRS STATEMENT

ASSETS IFRS	31/12/10	31/12/09 Proforma	31/12/09 Published
Cash, Central Bank, Public Treasury, Post Check Service	9,094,370	10,285,515	8,551,030
Financial assets at fair value through profit and loss	6,038,191	35,854	35,854
Hedging derivative instruments			
Available-for-sale financial assets	12,864,701	16,583,143	15,228,405
Credits and receivables from credit institutions and similar entities	10,181,449	15,806,461	24,851,953
Credits and receivables from clients	146,124,778	132,210,955	39,191,689
Fair value asset revaluation of portfolio hedges			
Held-to-maturity investments	19,110,438	21,618,374	21,618,374
Current tax assets	767,668	779,880	555,005
Deferred tax assets	846,148	609,332	171,487
Accrued income and other assets	1,689,592	2,351,229	1,243,807
Noncurrent assets held for sale			
Interests in equity affiliates	18,051	17,235	17,235
Investment properties			
Tangible fixed assets	7,665,398	5,910,268	3,018,877
Intangible fixed assets	406,371	397,987	242,708
Goodwill	418,675	396,362	477,488
TOTAL ASSETS IFRS	215,225,830	208,002,595	115,203,912

(in thousand MAD)

CONSOLIDATED INCOME STATEMENT IFRS

	31/12/10	31/12/09 Proforma	31/12/09 Published
Interests and similar incomes	11,520,279	11,181,746	5,423,373
Interests and similar charges	-3,664,345	-4,112,791	-3,985,377
INTEREST MARGIN	7,855,934	7,068,955	1,437,996
Received commissions	1,023,860	899,744	384,461
Served commissions	-36,182	-26,750	-4,504
COMMISSION MARGIN	987,678	872,994	379,957
Net gains or losses from financial instruments at fair value through profit and loss	395,888	308,962	207,737
Net gains or losses from available-for-sale financial assets	587,352	450,664	444,178
INCOME OF MARKET ACTIVITIES	983,240	759,626	651,915
Incomes of other activities	396,830	412,702	353,160
Charges of other activities	-175,169	-150,830	-150,829
NET BANKING INCOME	10,048,513	8,963,447	2,672,199
General operating charges	-4,153,691	-3,853,124	-648,384
Provisions, impairment and depreciation of tangible and intangible fixed assets	-445,069	-350,007	-157,534
GROSS OPERATING INCOME	5,449,753	4,760,316	1,866,281
Share in net income of equity affiliates	-828,243	-418,361	-296,820
RESULTAT D'EXPLOITATION	4,621,510	4,341,955	1,569,461
Net income share of companies in equity	-489	-419	-419
Net gains or losses of goodwill	-37,211	-56,703	-7,903
Variations of goodwill	19	-	-
INCOME BEFORE TAXES	4,583,829	4,284,833	1,561,139
Income tax	-1,520,649	-1,395,595	-427,771
NET INCOME	3,063,180	2,889,238	1,133,368
BPR share income	1,084,322	1,755,870	
Income off group	205,605	68,680	68,680
Net income, group share	1,773,253	1,064,688	1,064,688
Earnings per share (in MAD)	26.70	16.10	16.10
Diluted income per share (in MAD)	26.70	16.10	16.10

(in thousand MAD)

LIABILITIES IFRS	31/12/10	31/12/09 Proforma	31/12/09 Published
Cash, Central Bank, Public Treasury, Post Check Service	5,425	25,900	25,877
Financial assets at fair value through profit and loss			
Hedging derivative instruments	7,622,153	11,142,553	77,337,502
Debts towards credit institutions and similar entities	169,775,482	163,190,507	20,288,256
Debts represented by a security	637,168	610,956	-
Issued debt securities	2,002,194	188,096	188,096
Fair value liability revaluation of portfolio hedges			
Current tax liabilities	764,987	436,388	382,932
Deferred tax liabilities	1,659,149	1,456,803	495,382
Accrued income and other liabilities	2,754,476	2,676,908	1,812,820
Debts related to noncurrent assets held for sale			
Provisions techniques des contrats d'assurance	189,888	161,965	161,965
Technical reserves of insurance contracts	1,123,761	1,236,776	381,185
Provisions for risks and charges	4,165,711	2,916,122	2,916,077
Subordinated debts	1,554,799	1,554,839	1,554,840
Capital and related reserves	6,111,848	5,399,103	5,399,103
Consolidated reserves	13,565,150	13,796,915	2,865,727
- Group share	11,688,749	11,072,872	1,429,141
- BPR share	1,876,401	2,724,043	1,436,586
- Minority share	1,889,955	1,389,256	1,436,586
Unrealized or deferred gains or losses	230,459	319,526	260,782
- Group share	223,045	260,782	260,782
- BPR share	7,003	88,744	-
- Minority share	-288	-	-
Net income for the financial year	3,063,180	2,889,238	1,133,368
- Group share	1,773,253	1,064,688	1,064,688
- BPR share	1,084,322	1,755,870	-
- Minority share	205,605	68,680	68,680
TOTAL LIABILITIES IFRS	215,225,830	208,002,595	115,203,912

(in thousand MAD)

CASH FLOW CHART

	31/12/10	31/12/09 Proforma	31/12/09 Published
Net result before tax	4,583,829	4,284,833	1,561,139
+/- Net allocations for depreciation of tangible and intangible assets	445,609	350,007	157,534
+/- Net allocations for depreciation of goodwill and other fixed assets	-	-	-
+/- Net provisions for depreciation of financial assets	207,555	713,525	357,145
+/- Net charges for provisions	-85,092	32,229	142,476
+/- Share of profit linked to equity affiliates	489	419	419
+/- Net loss/(net gain) of investment activities	-1,288,361	-1,696,122	-1,727,823
+/- Net loss/(net gain) of financing activities	-	-	-
+/- Other movements	153,285	174,414	93,080
Total non-monetary elements included within net income before tax and other adjustments	-567,055	-425,527	-977,169
+/- Flows related to transactions with credit institutions and equivalents	-190,811	6,689,245	6,967,944
+/- Flows linked to client operations	-6,658,401	-7,376,236	-2,989,516
+/- Flows linked to other operations affecting financial assets and liabilities	-1,850,437	-2,334,100	-2,009,916
+/- Flows linked to other operations affecting non-financial assets and liabilities	739,202	-952,064	-340,531
- Taxes paid	-1,214,308	-1,371,237	-378,375
Net increase/decrease of assets and liabilities from operational activities	-9,174,755	-5,344,412	1,249,606
Net cash provided by operating activities	-5,157,981	-1,485,106	1,833,576
+/- Flows linked to financial assets and holdings	2,800,395	-4,910,997	-4,799,158
+/- Flows linked to investment properties	-	-	-
+/- Flows linked to tangible and intangible fixed assets	-2,220,188	-1,831,318	-1,242,281
Net cash flow linked to investment operations	580,207	-6,742,315	-6,041,439
+/- Net cash flow from/to shareholders	-551,908	689,492	601,082
+/- Net cash flow deriving from financing activities	1,664,027	1,537,098	2,043,252
Net cash flow linked to financing operations	1,112,119	2,226,590	2,644,333
Exchange rate Effect changes on cash and cash equivalents	-438	-2,844	-544
Net increase/decrease in cash and cash equivalents	-3,466,093	-6,003,675	-1,564,074
Cash and cash equivalents at beginning of year	13,828,289	19,831,964	-33,720,581
Cash, Central Banks, Post Office Accounts (assets & liabilities)	10,259,615	18,380,396	16,552,948
Accounts (assets & liabilities) and sight loans/borrowings from credit institutions	3,568,674	1,451,568	-50,273,529
Cash and cash equivalents at end of year	10,362,196	13,828,289	-35,284,655
Cash, Central Banks, Post Office Accounts (assets & liabilities)	9,088,945	10,259,615	8,525,152
Accounts (assets & liabilities) and sight credits/loans with credit institutions	1,273,251	3,568,674	-43,809,807
Net cash flow variation	-3,466,093	-6,003,675	-1,564,074

(in thousand MAD)

BANQUE CENTRALE POPULAIRE (BCP)
AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL YEAR FROM JAN. 1ST TO DEC. 31ST, 2010

We have carried out the audit of the enclosed financial statements of BANQUE CENTRALE POPULAIRE and its subsidiaries, including the balance sheet to Dec. 31st, 2010, as well as the income statement, the comprehensive income statement, statement of changes in equity, cash flow chart for the closed financial year to this date, notes summarizing main accounting methods and other explanatory notes. Such financial statements highlight an equity consolidated amount of KMAD27,136,349, of which a profit of KMAD3,063,180.

Management responsibility

The management is in charge of setting up and truly presenting such financial statements, in accordance with International Financial Reporting Standards (IFRS). Such responsibility includes the design, the implementation and internal monitoring related to such financial statements' setting up and presentation, free from any significant irregularity, whether as a result of fraud or error, besides determining reasonable accounting estimations according to circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with professional standards in Morocco. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit consists of implementing procedures so as to collect evidence about amounts and information provided in financial statements. Choice of procedures is linked to auditor's discernment, as well as risk assessment that financial statements contain material misstatement, whether it results from fraud or error. While performing such risk assessments, the auditor takes into account the internal control into effect in the entity related to setting up and presenting financial statements, so as to define adequate audit procedures in such case, and not to express an opinion on its efficiency. An audit also includes the appreciation of appropriate nature of accounting methods and the reasonable nature of accounting estimations made by the management, besides appreciation of the overall presentation of financial statements.

We believe that collected evidence is sufficient and adequate to provide a basis for our opinion.

Opinion on financial statements

In our opinion, the consolidated financial statements mentioned in the first paragraph above provide, in all material aspects, a loyal reflection of the financial situation of the whole made of persons and entities included in the consolidation to Dec. 31st, 2010, as well as financial performance and cash flows for the closed financial year to this date, in accordance with International Financial Reporting Standards (IFRS).

Without prejudice to the opinion above, we draw attention to amendments incurred in 2010 to the Act n° 12-96 related to reform of Crédit Populaire du Maroc, and leading to integration of Banques Populaires Régionales in the consolidation scope of Banque Centrale Populaire.

Casablanca on March 14th, 2011

Deloitte Audit
A. Benabdalkhalek
Partner

Auditors

Mazars Masnaoui
K. Mokdad
Partner

BANQUE CENTRALE POPULAIRE : COMPANY ACCOUNTS ACCORDING TO PCEC STANDARDS TO DEC. 31ST, 2010

BALANCE SHEET

ASSETS	31/12/10	31/12/09 Published	31/12/09 PROFORMA
Cash, Central Bank, Public Treasury, Post Check Service	7,066,569	8,169,730	8,417,933
Debts towards credit institutions and similar entities	16,173,863	25,741,581	21,019,297
Sight	3,647,721	16,771,393	4,732,672
Term	12,526,142	8,970,188	16,286,625
Debts towards clients	65,629,790	24,995,341	57,375,748
Consumer and treasury's loans	23,396,201	8,052,223	20,163,818
Equipment loans	21,526,835	11,745,358	16,520,960
Mortgage loans	18,415,092	3,467,272	18,637,639
Other loans	2,291,662	1,730,488	2,053,331
Receivables acquired from factoring	-	-	-
Transaction and investment securities	10,729,031	8,807,609	9,104,386
Treasury bills and similar instruments	7,751,027	6,216,271	6,216,271
Other debt securities	-	83,667	83,667
Property titles	2,978,004	2,507,671	2,804,448
Other assets	1,508,477	1,140,287	647,613
Investment securities	17,189,329	20,022,072	20,022,072
Treasury bills and similar instruments	16,291,742	18,825,681	18,825,681
Other debt securities	897,587	1,196,391	1,196,391
Equity securities and similar assets	8,857,970	7,950,057	8,156,604
Subordinated claims	1,153,915	1,153,989	1,153,989
Leasing and rental assets	-	-	-
Tangible fixed assets	115,563	56,015	118,744
Intangible fixed assets	1,333,811	739,893	1,200,683
TOTAL ASSETS	129,758,318	98,776,574	127,217,069

MANAGEMENT ACCOUNT

	31/12/10	31/12/09 Published	31/12/09 PROFORMA
(+) Interests and similar incomes	5,353,538	3,491,793	5,401,312
(-) Interests and similar charges	3,044,169	2,798,832	3,285,357
INTEREST MARGIN	2,309,369	692,961	2,115,955
(+) Incomes from leasing and rent assets	-	-	-
(-) Charges from leasing and rent assets	-	-	-
INCOME OF LEASING AND RENT OPERATIONS	-	-	-
(+) Received commissions	274,170	179,631	277,968
(-) Served commissions	8,209	2,618	6,282
COMMISSION MARGIN	265,961	177,013	271,686
(+) Income of operations from transaction securities	99,680	-	-
(+) Income of operations from investment securities	157,439	167,271	124,061
(+) Income of exchange operations	145,918	193,648	212,304
(+) Income of operations from derivatives	50,641	-	-
INCOME OF MARKET ACTIVITIES	453,678	360,919	336,365
(+) Miscellaneous other banking incomes	311,441	403,825	430,963
(-) Miscellaneous other banking charges	82,664	18,059	67,601
NET BANKING INCOME	3,257,785	1,616,659	3,087,368
(+) Income from financial fixed assets	92,337	135,596	181,358
(+) Other non-banking operating incomes	1,127,186	1,260,447	1,037,520
(-) Other non-banking operating charges	283	40,946	97,834
(-) General operating charges	1,971,630	1,326,107	1,827,296
GROSS OPERATING INCOME	2,505,395	1,645,649	2,381,116
(+) Appropriations to provisions on debts and pending commitments by signature	-237,469	-68,121	-100,976
(+) Other Appropriations to provisions	139,091	494	-9,502
CURRENT INCOME	2,407,017	1,578,022	2,270,638
NONCURRENT INCOME	-63,489	-2,558	-24,672
(-) Income taxes	700,477	433,604	668,132
NET INCOME FOR THE PERIOD	1,643,050	1,141,860	1,577,834
(+) Appropriations to provisions on, and depreciation of tangible and intangible fixed assets	133,733	90,622	131,266
(+) Appropriations to provisions of financial asset depreciation	11,957	11,814	11,814
(+) Provisions for general risks	-	-	-
(+) Regulated provisions	-	-	-
(+) Extraordinary allowances	-	-	-
(-) Write back of provisions	66,787	2,380	27,368
(-) Capital gains from intangible and tangible fixed assets	387	102	165
(+) Capital losses from intangible and tangible fixed assets	283	-	6,635
(-) Gains on disposals of financial assets	89,378	145,135	189,632
(+) Losses on disposals of financial assets	-	-	15,878
(-) Investments grants released to profit	-	-	-
(+) OPERATING CASH FLOW	1,632,472	1,096,679	1,526,262
(-) Distributed profits	396,589	380,065	380,065
(+) SELF-FINANCING	1,235,883	716,614	1,146,197

LIABILITIES	31/12/10	31/12/09 Published	31/12/09 PROFORMA
Cash, Central Bank, Public Treasury, Post Check Service	-	-	-
Debts towards credit institutions and similar entities	67,348,711	67,536,876	67,001,839
Sight	57,810,222	51,796,612	52,488,023
Term	9,538,489	15,740,264	14,513,816
Client deposits	44,901,552	18,485,092	45,832,770
Credit sight accounts	22,141,570	1,646,014	18,715,695
Savings accounts	2,987,395	-	2,751,106
Term deposits	18,401,284	15,918,820	22,945,455
Other credit accounts	1,371,303	920,258	1,420,514
Debt securities issued	2,002,194	-	-
Marketable debt instruments	2,002,194	-	-
Bond issues	-	-	-
Other debt securities issued	-	-	-
Other liabilities	1,465,833	1,274,415	1,400,734
Provisions for risks and charges	302,060	249,661	380,168
Statutory provisions	-	44,027	51,871
Subsidies, restricted public funds and special guarantee funds	4,165,711	2,914,861	3,842,071
Subordinated debts	1,554,658	1,554,658	1,554,658
Revaluation reserve	-	-	-
Reserves and additional paid-in capital	5,447,741	4,738,121	4,738,121
Capital	664,707	660,982	660,982
Shareholders. Unpaid capital (-)	-	-	-
Balance carried forward (+/-)	262,701	176,021	176,021
Net income to be allocated (+/-)	-	-	-
Net Income for the period (+/-)	1,643,050	1,141,860	1,577,834
TOTAL LIABILITIES	129,758,318	98,776,574	127,217,069

REVENUE AND EXPENDITURE ACCOUNT

	31/12/10	31/12/09 Published	31/12/09 PROFORMA
INCOME FROM BANKING OPERATIONS	7,522,157	5,865,824	7,925,948
Interests and similar incomes from credit institutions' operations	785,739	861,540	792,802
Interests and similar incomes from client operations	3,484,410	1,139,385	3,109,419
Interests and similar incomes from debt securities	1,083,389	1,490,868	1,499,090
Property titles	310,351	401,116	428,255
Incomes from leasing and rent fixed assets	-	-	-
Services' commissions	273,979	177,677	276,014
Other banking incomes	1,584,289	1,795,238	1,820,368
CHARGES OF BANKING OPERATIONS	4,264,373	4,249,164	4,838,579
Interests and similar charges from credit institutions' operations	1,980,998	2,203,389	2,205,498
Interests and similar charges from client operations	1,060,977	595,443	1,079,858
Interests and similar charges from debt securities	2,194	-	-
Charges from leasing and rent fixed assets	-	-	-
Other banking charges	1,220,204	1,450,332	1,553,223
BANKING NET INCOME	3,257,784	1,616,660	3,087,369
Non-banking operating incomes	1,216,564	1,405,582	1,227,153
Non-banking operating charges	283	40,946	113,712
GENERAL OPERATING CHARGES	1,971,630	1,326,107	1,827,296
Personnel charges	776,610	479,638	776,338
Taxes and other dues	24,856	17,495	34,786
External charges	979,067	716,998	858,340
Other operating general charges	57,365	21,355	26,567
Depreciation and amortization charges and transfers to provisions of tangible and intangible fixed assets	133,732	90,621	131,265
PROVISIONS AND BAD DEBT LOSS	609,028	182,732	898,891
Appropriations to provisions on debts and pending commitments by signature	397,018	110,202	353,593
Bad debt loss	145,341	18,716	463,866
Other provisions	66,669	53,814	81,432
PROVISION WRITE BACKS AND RECOVERIES OF WRITTEN-OFF DEBTS	513,610	105,565	796,015
Appropriations to provisions on debts and pending commitments by signature	263,534	60,791	651,354
Recoveries of written-off debts	41,357	6	65,129
Other provision write backs	208,719	44,768	79,532
CURRENT INCOME	2,407,017	1,578,022	2,270,638
Noncurrent incomes	28,676	48,647	67,632
Noncurrent charges	92,166	51,205	92,304
PROFIT BEFORE TAX	2,343,527	1,575,464	2,245,966
Income taxes	700,477	433,604	668,132
NET INCOME FOR THE PERIOD	1,643,050	1,141,860	1,577,834

Deloitte.

To Shareholders of
BANQUE CENTRALE POPULAIRE
Casablanca

In accordance with the mission that your General Assembly entrusted to us, we have conducted the audit of the enclosed BANQUE CENTRALE POPULAIRE financial statements, including the balance sheet, off-balance sheet operations, income statement, management accounts, cash flow statement and the additional disclosures for the financial year, closed on Dec. 31st, 2010. Such financial statements show capital and reserves of MAD13,737,968 thousand, including a net profit of MAD1,643,050 thousand.

Management responsibility

The management is in charge of setting up and truly presenting such financial statements, in accordance with accounting standards accepted in Morocco. Such responsibility includes the design, implementation and internal monitoring related to such financial statements' setting up and presentation, free from any material misstatement, besides determining reasonable accounting estimations according to circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with professional standards in Morocco. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit consists of implementing procedures so as to collect evidence about amounts and information provided in financial statements. Choice of procedures is linked to auditor's discernment, as well as risk assessment that financial statements contain material misstatement. While performing such risk assessments, the auditor takes into account the internal control into effect in the entity related to setting up and presenting financial statements, so as to define adequate audit procedures in such case, and not to express an opinion on its efficiency. An audit also includes the appreciation of appropriate nature of accounting methods and the reasonable nature of accounting estimations made by the management, besides appreciation of the overall presentation of financial statements.

We believe that collected evidence is sufficient and adequate to provide a basis for our opinion.

Opinion on financial statements

We attest that the financial statements mentioned in the first paragraph above are true and regular and provide, in all material aspects, a loyal reflection of the closed financial year, as well as BANQUE CENTRALE POPULAIRE financial situation and assets to Dec. 31st, 2010, in accordance with the accounting standards accepted in Morocco.

Verification and specific information

We have also carried out specific verifications provided for by the law, and we have namely ensured the consistency of information contained in the Board of Directors annual report designed for shareholders with the Bank's financial statements.

In other respects, in accordance with provisions of article 172 of the Act n° 17-95 such as modified and completed by the Act n° 20-05, we inform you about the main interests and control carried out by the BANQUE CENTRALE POPULAIRE during the financial year 2010:

- MAROC LEASING: Additional interest valued at KMAD160,130, representing 10.54% of its capital, the participation rate increased to 53.11% for a total accounting value of KMAD493,622.

- ATTUARI WAFABANK MAROCCO MAURITANIA (SAS): Interest in the company constitution for an amount KMAD25,768 representing 33% of its capital.

- MOROCCAN FINANCIAL BOARD (MFB): Interest in the company constitution for an amount KMAD 20,000 representing 16.67% of its capital.

- FONDS MAROC NUMERIC FUND (FMNF): Interest in the company constitution for an amount KMAD 10,000 representing 20% of its capital.

- MTIC Capital: Interest in the company constitution for an amount KMAD400 representing 20% of its capital.

Casablanca on March 14th, 2011

Auditors

Deloitte Audit
A. Benabdalkhalik
Partner

Mazars Masnaoui
K. Mokdad
Partner

BANQUE CENTRALE POPULAIRE (BCP)
AUDITORS' GENERAL REPORT
FINANCIAL YEAR FROM JAN. 1ST TO DEC. 31ST, 2010

M A Z A R S

CREDIT POPULAIRE DU MAROC : COMPANY ACCOUNTS ACCORDING TO PCEC STANDARDS TO DECEMBER 31ST, 2010

BALANCE SHEET

ASSETS	31/12/10	31/12/09
Cash, Central Bank, Public Treasury, Post Check Service	8,695,759	9,904,148
Debts towards credit institutions and similar entities	19,688,294	23,609,291
Sight	3,155,159	4,822,633
Term	16,533,135	18,786,658
Debts towards clients	129,898,988	117,716,470
Consumer and treasury's loans	45,677,156	42,001,433
Equipment loans	30,585,623	24,506,235
Mortgage loans	50,071,524	47,903,024
Other loans	3,564,685	3,305,778
Receivables acquired from factoring	-	-
Transaction and investment securities	11,106,077	9,272,350
Treasury bills and similar instruments	7,751,027	6,216,271
Other debt securities	25	83,692
Property titles	3,355,025	2,972,387
Other assets	2,004,699	2,518,743
Investment securities	17,189,329	20,022,072
Treasury bills and similar instruments	16,291,742	18,825,681
Other debt securities	897,587	1,196,391
Equity securities and similar assets	9,676,042	8,741,180
Subordinated claims	1,153,915	1,153,988
Leasing and rental assets	-	-
Tangible fixed assets	224,864	211,206
Intangible fixed assets	2,913,736	2,622,195
TOTAL ASSETS	202,551,703	195,771,643

(in thousand MAD)

LIABILITIES	31/12/10	31/12/09
Cash, Central Bank, Public Treasury, Post Check Service	-	-
Debts towards credit institutions and similar entities	4,053,120	8,089,705
Sight	836,156	1,121,628
Term	3,216,964	6,968,077
Client deposits	167,954,861	161,389,377
Credit sight accounts	100,802,926	92,313,230
Savings accounts	16,109,483	14,573,365
Term deposits	48,729,510	52,057,103
Other credit accounts	2,312,942	2,445,679
Debt securities issued	2,002,194	-
Marketable debt instruments	2,002,194	-
Bond issues	-	-
Other debt securities issued	-	-
Other liabilities	2,230,641	2,088,743
Provisions for risks and charges	599,937	622,499
Statutory provisions	-	81,939
Subsidies, restricted public funds and special guarantee funds	4,165,711	2,914,861
Subordinated debts	1,554,658	1,554,658
Revaluation reserve	-	-
Reserves and additional paid-in capital	14,183,460	13,469,619
Capital	2,793,920	2,679,843
Shareholders. Unpaid capital (-)	-	-
Balance carried forward (+/-)	262,701	176,021
Net income to be allocated (+/-)	-	-
Net income for the period (+/-)	2,750,500	2,704,378
TOTAL LIABILITIES	202,551,703	195,771,643

(in thousand MAD)

MANAGEMENT ACCOUNT

	31/12/10	31/12/09
(+) Interests and similar incomes	9,696,588	9,326,111
(-) Interests and similar charges	2,833,668	2,863,505
INTEREST MARGIN	6,862,920	6,462,606
(+) Incomes from leasing and rent assets	179	120
(-) Charges from leasing and rent assets	78	55
INCOME OF LEASING AND RENT OPERATIONS	101	65
(+) Received commissions	748,335	694,010
(-) Served commissions	34,041	24,863
COMMISSION MARGIN	714,294	669,147
(+) Income of operations from transaction securities	99,680	-
(+) Income of operations from investment securities	331,513	148,593
(+) Income of exchange operations	224,931	294,874
(+) Income of operations from derivatives	50,642	-
INCOME OF MARKET ACTIVITIES	706,766	443,467
(+) Miscellaneous other banking incomes	320,730	524,254
(-) Miscellaneous other banking charges	304,431	274,896
NET BANKING INCOME	8,300,380	7,824,643
(+) Résultat des opérations sur immobilisations financières	93,551	300,417
(+) Other non-banking operating incomes	119,675	163,568
(-) Other non-banking operating charges	7,681	241,634
(-) General operating charges	3,876,386	3,517,766
GROSS OPERATING INCOME	4,629,539	4,529,228
(-) Appropriations to provisions on debts and pending commitments by signature	-598,375	-494,351
(-) Other Appropriations to provisions	150,972	-3,667
CURRENT INCOME	4,182,136	4,031,210
NONCURRENT INCOME	-110,566	-65,353
(-) Income taxes	1,321,070	1,261,479
NET INCOME FOR THE PERIOD	2,750,500	2,704,378
OPERATING CASH FLOW	2,750,500	2,704,378
(+) NET INCOME FOR THE PERIOD	2,750,500	2,704,378
(+) Appropriations to provisions on, and depreciation of tangible and intangible fixed assets	290,464	274,031
(+) Appropriations to provisions of financial asset depreciation	11,956	11,814
(+) Provisions for general risks	-	-
(+) Regulated provisions	-	-
(+) Extraordinary allowances	-	-
(-) Write back of provisions	98,068	57,551
(-) Capital gains from intangible and tangible fixed assets	18,705	2,881
(+) Capital losses from intangible and tangible fixed assets	7,681	19,345
(-) Gains on disposals of financial assets	89,378	308,575
(+) Losses on disposals of financial assets	-	15,878
(-) Investments grants released to profit	-	-
(+) OPERATING CASH FLOW	2,854,450	2,656,439
(-) Distributed profits	455,746	428,167
(+) SELF-FINANCING	2,398,704	2,228,272

(in thousand MAD)

COMPTE DE PRODUITS ET CHARGES

	31/12/10	31/12/09
INCOME FROM BANKING OPERATIONS	12,614,237	12,481,829
Interests and similar incomes from credit institutions' operations	960,298	1,030,322
Interests and similar incomes from client operations	7,647,624	6,791,576
Interests and similar incomes from debt securities	1,088,666	1,504,213
Property titles	318,571	520,036
Incomes from leasing and rent fixed assets	179	120
Services' commissions	748,144	692,055
Other banking incomes	1,850,755	1,943,507
CHARGES OF BANKING OPERATIONS	4,313,857	4,657,186
Interests and similar charges from credit institutions' operations	283,133	291,368
Interests and similar charges from client operations	2,548,340	2,572,138
Interests and similar charges from debt securities	2,194	-
Charges from leasing and rent fixed assets	79	55
Other banking charges	1,480,111	1,793,625
BANKING NET INCOME	8,300,380	7,824,643
Non-banking operating incomes	209,053	472,143
Non-banking operating charges	7,681	257,513
GENERAL OPERATING CHARGES	3,876,386	3,517,766
Personnel charges	1,819,497	1,750,444
Taxes and other dues	73,179	74,217
External charges	1,602,471	1,380,284
Other operating general charges	90,775	38,790
Depreciation and amortization charges and transfers to provisions of tangible and intangible fixed assets	290,464	274,031
PROVISIONS AND BAD DEBT LOSS	1,644,437	2,058,954
Appropriations to provisions on debts and pending commitments by signature	1,138,558	1,066,792
Bad debt loss	376,378	848,366
Other provisions	129,501	143,796
PROVISION WRITE BACKS AND RECOVERIES OF WRITTEN-OFF DEBTS	1,201,207	1,568,657
Provision write backs for debts and pending commitments by signature	787,745	1,291,986
Recoveries of written-off debts	128,816	128,822
Other provision write backs	284,646	147,849
CURRENT INCOME	4,182,136	4,031,210
Noncurrent incomes	82,168	112,562
Noncurrent charges	192,734	177,915
PROFIT BEFORE TAX	4,071,570	3,965,857
Income taxes	1,321,070	1,261,479
NET INCOME FOR THE PERIOD	2,750,500	2,704,378

(in thousand MAD)

Deloitte.

CREDIT POPULAIRE DU MAROC
EXTERNAL AUDITORS' REPORT ON CPM FINANCIAL STATEMENTS
FINANCIAL YEAR FROM JAN. 1ST TO DEC. 31ST, 2010

M A Z A R S

We have carried out the audit of the enclosed CREDIT POPULAIRE DU MAROC (CPM) financial statements, including the balance sheet, off-balance sheet operations, income statement, management accounts, cash flow statement and the additional disclosures for the financial year, closed on Dec. 31st, 2010. Such financial statements show capital and reserves of KMAD25,710,950, including a net profit of KMAD2,750,500.

Management responsibility

The management is in charge of setting up and truly presenting such financial statements, in accordance with accounting standards accepted in Morocco. Such responsibility includes the design, implementation and internal monitoring related to such financial statements' setting up and presentation, free from any material misstatement, besides determining reasonable accounting estimations according to circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with professional standards in Morocco. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit consists of implementing procedures so as to collect evidence about amounts and information provided in financial statements. Choice of procedures is linked to auditor's discernment, as well as risk assessment that financial statements contain material misstatement. While performing such risk assessments, the auditor takes into account the internal control into effect in the entity related to setting up and presenting financial statements, so as to define adequate audit procedures in such case, and not to express an opinion on its efficiency. An audit also includes the appreciation of appropriate nature of accounting methods and the reasonable nature of accounting estimations made by the management, besides appreciation of the overall presentation of financial statements.

We believe that collected evidence is sufficient and adequate to provide a basis for our opinion.

Opinion on financial statements

In our opinion, the financial statements mentioned in the first paragraph above provide, in all material aspects, a loyal reflection of assets and the financial situation of CREDIT POPULAIRE DU MAROC (CPM) to Dec. 31st, 2010, as well as income of its operations for the closed financial year to this date, in accordance with accounting principles accepted in Morocco.

Casablanca on March 14th, 2011

Auditors

Deloitte Audit
A. Benabdelkhalek
Partner

Mazars Masnaoui
K. Mokdad
Partner





BANQUE POPULAIRE

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