NEW MOMENTUM
FOR DURABLE GROWTH

HALF-YEAR RESULTS

TO 30 JUNE 2018

BANQUE POPULAIRE

FAITE POUR VOUS

GROUPE BANQUE CENTRALE POPULAIRE

NEW MOMENTUM FOR DURABLE GROWTH

BANQUE POPULAIRE

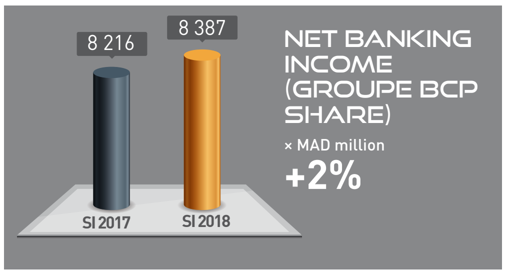
GROWTH IN RESULTS AND SOLID FUNDAMENTALS FOR THE FIRST HALF OF 2018

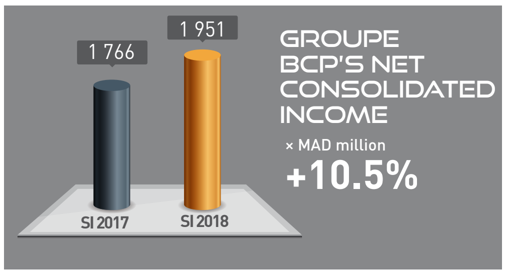
On 25 July 2018, during a meeting chaired by Mr. Mohamed Benchaaboun, the Management Committee of Crédit Populaire du Maroc and the Board of Directors of Banque Centrale Populaire examined the development of activity and approved the accounts to 30 June 2018.

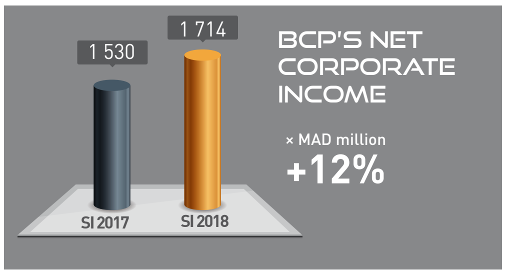
At the end of the first half of 2018, Groupe Banque Centrale Populaire posted improved results, thus consolidating the solidity of its strategic trajectory and of its fundamentals.

The Group's net consolidated income rose by almost 10.5% to nearly MAD 2 billion, boosted by the growth in activities and the improvement in the cost of risk.

Net banking income has continued to increase, rising by 2.1% to MAD 8.4 billion in the first half year. That is due in particular to the good performance of banking activities in Morocco and to the confirmed dynamism of the group's growth drivers, i.e. its subsidiaries in Morocco and abroad.







GOOD PERFORMANCE OF THE GROUP'S ACTIVITIES IN MOROCCO

Boosted by its positioning as national leader, the bank in Morocco posted a significant uptick in its intermediation activity, with an increase of over 4.5% in the client interest margin. That reflects both collection-cost optimisation and the commercial dynamic of the banking activity in Morocco.

For the first half of 2018, the Banque Populaire network confirmed its role as leading collector of national savings by raising its positioning by 49 basis points to 26.8% market share. Thus, the bank recorded collection of MAD 5 billion in additional deposits from resident individuals and Non-Resident Moroccans, and it has continued to optimise the structure of its resources, of which the non-remunerated portion stands at 67%.

In Morocco, the bank has significantly increased its contribution to financing the national economy, with over MAD 6.8 billion in additional credits distributed for the first half of 2018, i.e. an improvement of 34 basis points in its positioning, taking market share to 24.3%.

Moreover, posting a return to normative performance after 2017, a year marked by exceptional results, income from the group's market activities reached almost MAD 1.3 billion, in particular recording a 4% rise in income from the Trading compartment.

For its part, BCP's net income has risen by 12% to MAD 1.7 billion, boosted in particular by the dynamism of the Banque de financement et d'investissement (Finance and Investment Bank), which is engaged in an ambitious development strategy in the wake of the first Momentum plan.

SUSTAINED DEVELOPMENT FOR THE GROUP'S SUBSIDIARIES IN MOROCCO AND ABROAD

Groupe Banque Centrale Populaire continued the sustained development of its specialist business lines and recorded an increase in Net Banking income from its subsidiaries in Morocco. Following directly on from the Momentum plan, the group has reaffirmed its development ambitions across the whole value chain of financial business lines, and it posted growth of over 14% in Net Banking Income from the subsidiaries of the Banque de financement et d'investissement.

The Banque de l'international (International Bank) maintained a sustained growth trajectory and posted a significant increase in its financial aggregates, with the group's international subsidiaries' Net Banking Income recording 16% growth. Net Banking Income from banking activities in Sub-Saharan Africa increased by over 14%, boosted by significant growth of 25% in the client interest margin. Moreover, the Banque de l'international continued its development and expansion plan aimed at strengthening its continental leadership and consolidating its positioning in West Africa.

REINFORCING PROVISIONING POLICY IN THE WAKE OF THE NEW IFRS 9 STANDARD, CONFIRMING THE GROUP'S FINANCIAL SOLIDITY AND THE ROBUSTNESS OF ITS FUNDAMENTALS

Pursuant to the new IFRS 9 standard, Groupe Banque Centrale Populaire has put in place a new system for assessing risk as well as for classifying and valuing financial instruments. The IFRS 9 standard came into force on 1 January 2018; it enables provisioning policy to be boosted, with additional provision of MAD 5.5 billion recorded as an opening balance.

As regards its corporate accounts, BCP has increased its provision for general risks by almost MAD 800 million. That has led to outstanding amounts reaching a stock value of MAD 3.9 billion at the end of June 2018.

MAIN FINANCIAL INDICATORS

CONSOLIDATED BALANCE-SHEET TOTAL	381.3	BILLION DIRHAMS
CONSOLIDATED EQUITY	38.4	BILLION DIRHAMS
NET BANKING INCOME	8.4	BILLION DIRHAMS
CONSOLIDATED NET RESULT	1.95	BILLION DIRHAMS

NET INCOME (GROUP SHARE)	1.6	BILLION DIRHAMS
NUMBER OF CLIENTS (MOROCCO)	5.9	MILLION
NETWORK SIZE	4 664	DISTRIBUTION POINTS
GROUP RATING		BB+ / STABLE / B (S&P) BA1 / POSITIVE (MOODY'S)

BCP's Board of Directors reiterated its congratulations to all the group's collaborators for the commercial and financial performances achieved, as well as to all members and partners for their sustained contribution to the group's rise, both in Morocco and abroad.

FIRST APPLICATION OF STANDARD IFRS 9 "FINANCIAL INSTRUMENTS"

GENERAL PRESENTATION OF THE STANDARD

Standard IFRS 9 "Financial Instruments" was published by the IASB in July 2014. It replaces standard IAS 39 "Financial Instruments: Recognition and Measurement", which relates to the classification and valuation of financial instruments. It sets out new principles for classifying and valuing financial instruments, for credit-risk depreciation of debt instruments recognised at amortised cost or at market value by equity, for finance commitments and financial guarantees given, for finance-lease receivables and contract assets, as well as for matters of general hedge accounting (or micro-hedge accounting).

Standard IFRS 9 is applied retrospectively from 1 January 2018. Changes due to applying standard IAS 39 until 31 December 2017 are recorded under equity in the opening balance for financial year 2018.

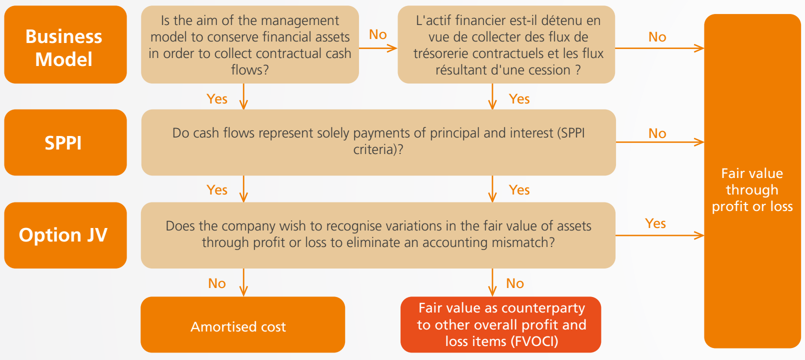
The provisions of standard IFRS 9 also offer the option not to withdraw the data from previous financial years presented for comparison. The group has selected that option, and presents its 2017 accounts as previously published for comparison with its 2018 accounts.

NEW ACCOUNTING PRINCIPLES

1. Classifying and valuing financial instruments

Under IFRS 9, financial assets are classified into three categories (amortised cost, fair value through profit or loss, and fair value by equity), based on the characteristics of their contractual flows and the way in which the entity manages its financial instruments (the management model or business model).

Classification and valuation criteria depend on the management model applied to a portfolio and on the nature of the financial asset. The criteria for debt instruments (i.e. loans, advances, credits, and bonds) and equity instruments (i.e. shares) are as follows:



1.1. Debt instruments

Management model

Assessing the management model aims at valuing the way in which portfolio assets are managed. The standard distinguishes the following three types of model:

- the so-called "collection" model, which aims at collecting contractual cash flows during the lifespan;
- the so-called "mixed" model, the aim of which is to collect contractual cash flows during the lifespan and to dispose of assets
- the so-called "disposal" model, the aim of which is to dispose of assets.

Contractual characteristics

Standard IFRS 9 also provides for analysis of contractual flows, in order to ensure that contract's cash flows correspond solely to repayments of principal and to interest payments on the outstanding principal. That analysis is called an SPPI test or test of characteristics of contractual flows.

1.2 Equity instruments

Investments in equity instruments are always valued at fair value.

Equity instruments held for trading must be recognised under assets at fair value through profit or loss. For other instruments, when they are initially recognised, management is able to choose irrevocably (on a security-by-security basis) to classify them under fair value by non-transferable OCI (Other Comprehensive Income) rather than under fair value through profit or loss.

1.3 Impacts of the first application on Groupe BCP

Analysis of contractual-flow characteristics and of models for managing debt instruments held by Groupe BCP entities has led to:

- keeping all loans to credit establishments and to clients in the "amortised cost" category, the only change affecting those loans being linked to new principles for provisioning credit losses;
- classifying debt instruments (bond portfolio, Treasury bills, et.) previously classified as "financial assets at fair value through equity" as transferable assets at fair value through profit or loss; the latter lead to depreciation pursuant to the principles of standard IFRS 9;
- reclassifying equity instruments (shares, etc.), UCITS units, and similar, previously classified as financial assets available for sale, in the "fair value through profit or loss" category, except for some accounting share entries classified under irrevocable action as non-transferable "financial assets" at fair value through equity;
- keeping in the "financial assets at fair value through profit or loss" category those assets already classified in that category under IAS 39.

2. Expected losses

Standard IFRS 9 established a new depreciation model that requires the recognition in accounts of Expected Credit Losses (or ECL) on credits and debt instruments valued at amortised cost or at fair value through transferable equity, on loan commitments, and on financial-guarantee contracts that are not recognised in accounts at fair value, as well as on receivables arising from lease agreements and trade receivables.

The new approach aims at anticipating as early as possible the recognition in accounts of expected credit losses. Under IAS 39, depreciations were constituted on credits and on financial assets held until maturity when there was an objective indication of measurable loss of value linked to an event occurring after the loan was set up or the asset was acquired.

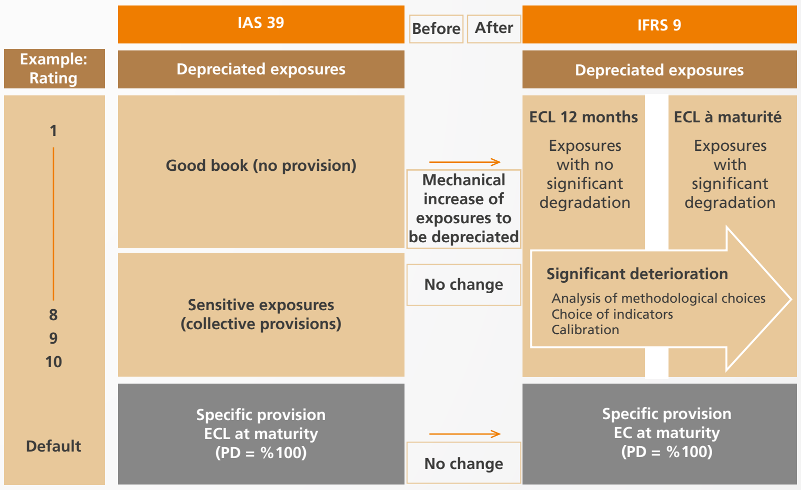
The standard takes an approach based on three phases (or "buckets"). Positioning a financial asset in one or other of the phases depends on the level of increase of its credit risk from the time of its initial recognition in accounts:

- Phase 1: healthy financial assets with no significant increase in credit risk since initial recognition in accounts;

- Phase 2: assets that have undergone a significant increase in credit risk since initial recognition in accounts;

- Phase 3: this category covers asset default. The definition of default has remained the same as under IAS 39.

The amount of the depreciation and the basis for applying the interest effective interest rate depend on the phase to which the financial asset is allocated.



2.1 Valuing significant degradation of credit risk

Significant degradation of credit risk is valued through the deterioration of counterparty-risk parameters. That deterioration can be qualitative or quantitative: a variation in internal or external scores, recording payment arrears, Watch List, restructured receivables, etc.

2.2 Calculating expected losses

Expected losses on the various portfolios are calculated using the three main risk parameters modelled on the basis of historic data available by portfolio segment: the Probability of Default (PD) at one and a half years' maturity, Loss Given Default (LGD), and Exposure At Default (EAD). Methods based on historic losses were chosen for appropriate portfolios.

ACCOUNTING STANDARDS AND PRINCIPLES APPLIED BY THE GROUP

1. GENERAL FRAMEWORK

1.1. BANQUE CENTRALE POPULAIRE

Banque Centrale Populaire (BCP) is a credit establishment in the form of a Société Anonyme à Conseil d'Administration (Limited Company with a Board of Directors). It has had a stock-exchange listing since 8 July 2004.

BCP plays a central role in the group, and it has two main missions:

- It is a credit establishment authorised to carry out all banking transactions;
- It is a central body for Banques Populaires Régionales.

BCP co-ordinates the group's financial policy. It provides refinancing for Banques Populaires Régionales, manages their cash surpluses, and provides services of common interest on behalf of its bodies.

1.2. BANQUES POPULAIRES REGIONALES

There are ten Banques Populaires Régionales (BPRs), which are credit establishments authorised to carry out all banking transactions in their respective territories. They are organised as co-operatives with variable capital, an Executive Board, and a Supervisory Board.

1.3. CREDIT POPULAIRE DU MAROC

Crédit Populaire du Maroc (CPM) is a banking group made up of Banque Centrale Populaire and the Banques Populaires Régionales. It comes under the oversight of a committee called the Crédit Populaire du Maroc Management Committee.

1.4. MANAGEMENT COMMITTEE

The Management Committee is the supreme body exercising sole oversight over CPM's various bodies. Its main tasks are:

- Defining the group's strategic guidelines
- Exercising administrative, technical, and financial control over the organisation and management of CPM bodies
- Defining and checking the rules of operation that are common to the group
- Taking all measures necessary for the proper functioning of CPM bodies and for safeguarding their financial equilibrium.

1.5. GUARANTEE MECHANISM

Crédit Populaire du Maroc has a support fund to maintain the solvency of its bodies. The support fund is provisioned by BCP and the BPRs through payment of a contribution set by the Management Committee.

2. SUMMARY OF ACCOUNTING STANDARDS APPLIED BY GROUPE BANQUE CENTRALE POPULAIRE

2.1. CONTEXT

International accounting standards (International Financial Reporting Standards – IFRS) have been applied to the consolidated accounts of Groupe Banque Centrale Populaire since 1 January 2008, with an opening balance sheet from 1 January 2007, in accordance with the specifications set out by standard IFRS 1, "First-Time Adoption of International Financial Reporting Standards", and by other IFRS standards, taking account of the version and interpretation of the standards as adopted by the International Accounting Standards Board (IASB).

The prime objective of regulatory authorities is to provide credit establishments with a framework for accounting and for financial information that is in accordance with international standards in terms of financial transparency and of the quality of information provided.

Financial assets and liabilities – Standard IFRS 9 financial assets and liabilities

The accounting methods described below are those arising from the first application of standard IFRS 9, Financial Instruments financiers, published by the IASB in July 2014 with a date of first application set for 1 January 2018. The standard sets out new principles in matters of classifying and valuing financial instruments, credit-risk depreciation of debt instruments recognised in accounts at amortised cost or at fair value through equity, finance commitments and financial guarantees given, finance-lease receivables, trade receivables and assets on contracts, as well as in matters relating to hedging.

The incidence of the first application of standard IFRS 9 on the opening balances as of 1 January 2018 is explained in first-application note of standard IFRS 9 "Financial Instruments".

2.2. ACCOUNTING STANDARDS APPLIED

2.2.1. SCOPE OF CONSOLIDATION

Banque Centrale Populaire's consolidated accounts bring together all the businesses that are under sole control, joint control, or significant influence, except those of which the consolidation is negligible when drawing up Groupe BCP's consolidated accounts.

A subsidiary is consolidated from the date on which Groupe BCP takes effective control of it. Entities under temporary control are also entered into consolidated accounts up to the date of their transfer. It should be noted that since 2010, the BPRs have been brought within Groupe BCP's scope of consolidation.

Controlled businesses: Subsidiaries

Groupe BCP-controlled businesses are consolidated by overall incorporation. BCP controls a subsidiary when it is able to direct financial and operational policies in order to benefit from its activities. Control is deemed to exist when CPM directly or indirectly holds over half the subsidiary's voting rights.

Control is attested when Groupe BCP has the power to direct financial and operational policies by virtue of an agreement, or to appoint, dismiss, or gather together he majority of the members of the Board of Directors or equivalent governing body.

Determining percentage control takes account of potential voting rights that give access to additional voting rights, provided that they can be immediately exercised or convertible.

2.2.1.1. Businesses under joint control – Co-businesses

Businesses under joint control are consolidated by proportional incorporation or by using the equity method. Groupe BCP has joint control when, by virtue of a contractual agreement, financial and operational decisions require the unanimous agreement of the parties that share control.

2.2.1.2. Businesses under significant control: Associates

Businesses under significant control are dealt with using the equity method. Significant influence is the power to take part in an entity's decisions on financial and operational policy, but without controlling that entity.

Significant control is deemed to exist if Groupe BCP directly or indirectly holds at least 20% of the voting rights in an entity. Holdings below that threshold are excluded from the scope of consolidation, except if they represent a strategic investment and if Groupe BCP exercises effective significant influence over them.

Variations in the equity of companies that are dealt with using the equity method are recognised on the asset side of the balance sheet under the heading "Holdings in businesses dealt with using the equity method", and on the liability side of the balance sheet under the appropriate equity heading.

The goodwill on a company that is consolidated using the equity method also appears under the heading "Holdings in businesses dealt with using the equity method".

If Groupe BCPs share in the losses of a business dealt with using the equity method is equal to or greater than its holding in that business, Groupe BCP stops taking account of its share in future losses. The holding is then presented for a nil value. The additional losses of the associated businesses are only provisioned when Groupe BCP has a legal or implicit obligation to do so, or when Groupe BCP has made payments on behalf of the business.

2.2.1.3. Minority interests

Minority interests are presented separately in consolidated income, as well as in the consolidated balance sheet within equity.

2.2.2. OPTIONS CHOSEN BY GROUPE BANQUE CENTRALE POPULAIRE

2.2.2.1. Defining the scope

In order to define the companies to be included in the scope of consolidation, the following criteria must be respected:

- Groupe BCP must, directly or indirectly, hold at least 20% of existing and potential voting rights.
- One of the following limits is reached:
  - The subsidiary's balance-sheet total is greater than 0.5% of the consolidated balance-sheet total.
  - The subsidiary's net position is greater than 0.5% of the consolidated net position.
  - The subsidiary's turnover or banking income is greater than 0.5% of consolidated banking income.

Equity interest over which Groupe BCP has no control is not incorporated into the scope, even if its contribution meets the criteria set out above.

NB: Groupe BCP has selected consolidation based on the parent company's perspective.

2.2.2.2. Exception

An entity that has a non-significant contribution must be incorporated into the scope of consolidation if it holds shares or corporate units in subsidiaries that meet one of the criteria described above.

2.2.2.3. Consolidating ad hoc entities

The consolidation of ad hoc entities, especially funds under sole control, is set out by SIC-12. Pursuant to that text, Fondation Banque Populaire pour le Micro-Crédit (Banque Populaire Foundation for Micro-Credit) was incorporated into the scope of consolidation. Following amendments to the foundation's articles of association, its Board of Governors is chaired by the Chairperson and Managing Director of Banque Centrale Populaire.

Exclusions from the scope of consolidation:

An entity that is controlled or that is under significant influence is excluded from the scope of consolidation when, upon its acquisition, securities in that entity are held solely for the purpose of subsequent transfer within a brief period. Those securities are recognised in the category of assets held for sale, and are valued at fair value through profit and loss. Stakes (except for majority stakes) that are held by venture-capital entities are also excluded from the scope of consolidation to the extent that they are classed as financial interests at fair value through profit and loss on option.

2.2.2.4. Consolidation methods

Consolidation methods are set by standards IAS 27, 28, and 31. They arise from the nature of the control exercised by Groupe Banque Populaire over consolidable entities, regardless of their activity and whether or not they have legal personality.

Acquisitions of minority interests are entered into accounts by the "parent equity extension method", whereby the difference between the price paid and the accounting value of the share of net assets acquired is recognised as goodwill.

2.3. ASSETS

Assets entered on the group's balance sheet include tangible and intangible operating assets, non-operating assets and investment property.

Operating assets are used to produce services or for administrative purposes. They include assets, other than property, given on an operating lease.

Investment properties are fixed assets that are held to generate rent and increase the capital invested.

2.3.1. INITIAL RECOGNITION

Assets are recognised at the buying price plus directly-attributable costs, and by borrowing costs incurred when putting assets into service is preceded by a long period of construction or adaptation.

When software developed in-house meets asset criteria, it is entered as an asset at its direct development cost, which includes external expenses and staff costs that can be directly allocated to the project.

2.3.2. SUBSEQUENT VALUATION AND RECOGNITION

After initial recognition, assets are valued at their cost less cumulative amortisations and any depreciation. It is also possible to opt for revaluation following initial recognition.

2.3.3. AMORTISATION

The amortisable amount of an asset is determined after deducting its residual value. Only goods given on an operating lease are deemed to have a residual value, with the useful life of operating assets being generally equal to the expected economic life of the asset.

Assets are amortised using the linear method based on the expected useful life of the asset for the business. Allocations for amortisations are recognised under the heading "Allocations to amortisations and provision for depreciation of tangible and intangible fixed assets" in the profit and loss account.

When an asset is made up of several components that can be replaced at regular intervals, that have different uses, or that offer financial advantages at varying frequencies, each component is recognised separately, and it is amortised in line with its own amortisation plan.

2.3.4. DEPRECIATION

Amortisable assets are subjected to a depreciation test when any signs of a loss of value are identified on the closing date. Non-amortisable assets as well as goodwill are subjected to a depreciation test at least once a year. If signs of depreciation exist, the recoverable value of the asset is compared with the net accounting value of the asset.

If there is a loss of value, depreciation is noted in the profit and loss account. Depreciation is reversed if there is an improvement in the recoverable value, or if signs of depreciation cease to exist.

Depreciation is recognised under "Allocations to amortisations and provisions for depreciation of tangible and intangible assets" in the profit and loss account.

2.3.5. CAPITAL GAINS AND CAPITAL LOSSES

Capital gains or capital losses relating to operating assets are entered into the profit and loss account under "Net gains on other assets".

Capital gains or capital losses on investment property are entered in the profit and loss account under "Income for other activities" or "Expenditure on other activities".

2.3.6. OPTIONS CHOSEN BY GROUPE BANQUE CENTRALE POPULAIRE

Component-based approach

In corporate accounts, construction is amortised linearly over 25 years, whereas it is made up of several components that, in principle, do not have the same useful life.

The definition of standard components in the various categories of construction was arrived at based on a professional expert report and a study carried out with some BPRs. Component-based allocation is applied differently, depending on the nature of the construction.

Four construction families have been defined, and an average component-based allocation has been established for each one. Each component has been amortised on the basis of the useful life that is documented internally.

Valuation

The group has chosen the cost model. The revaluation option set out in IAS 16 was not chosen.

After a tangible asset has been recognised as an asset, it must be recognised at its cost less cumulative amortisations and cumulative loss of value.

However, according to IFRS 1, an entity may decide on the date of transition to IFRS 1 to value a tangible asset at its fair value, and use that fair value as the presumed cost on that date. That option was chosen for land that has been revalued by external experts.

2.4. LEASES

The group's various companies can be lessees or lessors in leases.

2.4.1. THE GROUP AS LESSOR

Leases granted by a group company are treated as finance leases (lease agreement, lease with option to buy, and others) or as operating leases.

2.4.1.1. Finance leases

In a finance lease, the lessor transfers to the lessee almost all the risks and advantages of the assets. A finance lease is treated as finance granted to the lessee to buy an asset.

The current value of payments under the lease, plus the residual value (where appropriate), is entered as a debt.

For the lessor or the lessee, the net income from the operation is the amount of interest on the loan, and it is entered into the profit and loss account under "Interest and similar income". The rent received is spread over the life of the finance lease by allocating it as an amortisation of capital and interest, so that the net income represents a constant rate of return on residual assets. The interest rate used is the contract's implicit interest rate.

Depreciation noted on those loans and debts, whether individual or collective depreciation, follows the same rules as the ones described for loans and debts.

2.4.1.2. Operating leases

An operating lease is one in which almost all the risks and advantages of the asset leased are not transferred to the lessee.

The asset is recognised as part of the lessee's fixed assets, and it is amortised linearly over the lease period after deducting, where appropriate, the estimate of its residual value from its buying price.

Rents are recognised in the profit and loss account as a whole by the linear method for the life of the lease.

Those rents and allocations to amortisation are entered into the profit and loss account under "Income from other activities" and "Expenses on other activities".

2.4.2. THE GROUP AS LESSEE

Leases taken up by a Group company are treated as finance leases (financial leases or others) or as operating leases.

2.4.2.1. Finance leases

A finance lease is considered to be an asset acquired by the lessee and financed by a loan.

The leased asset is recognised at its market value as an asset on the lessee's balance sheet. If that market value is lower, the leased asset is recognised at the updated value of minimal payments under the lease determined at the contract's implicit rate of interest.

In return, a financial debt for an amount equal to the market value of the asset or to the updated value of minimum payments is recorded in the lessee's liabilities.

The asset is amortised using the same method as the one applicable to assets held on one's own account, after deducting, where appropriate, the estimate of its residual value from its purchase price.

The duration of use chosen is the useful life of the asset. The financial debt is recognised at amortised cost.

2.4.2.2. Operating leases

The asset is not recognised under the lessee's assets. Payments made in respect of operating leases are entered linearly in the profit and loss account during the lease.

2.5. FINANCIAL ASSETS

2.5.1. CLASSIFICATION AND VALUATION

With effect from 1 January 2018, Groupe BCP applies standard IFRS 9 and classifies its financial assets into the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through "fair value through profit or loss";
- Financial assets at fair value through equity, "fair value through equity".

Classifying financial assets requires a distinction to be made between debt instruments and equity instruments.

2.5.1.1. Debt instruments

A debt instrument is defined as a financial liability from the issuer's point of view. For example, such is the case of loans to credit establishments, loans to clients, Treasury bills, bonds issues by a private business, trade receivables purchased as part of non-recourse factoring contracts, and trade receivables from industrial and commercial companies.

The classification and subsequent valuation of debt instruments (loans, receivables, or securities) depend on the following two criteria:

- the model for managing those financial assets or financial-asset portfolios,
- the characteristics of each financial asset's contractual flow (SPPI: Solely Payments of Principal & Interests). The SPPI tests brings together a set of criteria examined on a cumulative basis, and that enable the determination of whether contractual cash flows comply with the characteristics of simple financing (repayment of nominal capital and payment of interest on the outstanding amount of nominal capital). The test is satisfied when the financing gives entitlement only to the repayment of principal, and when payment of accrued interest reflects the time value of money, the credit risk associated with the instrument, the other costs and risks of a standard loan

agreement, and a reasonable margin, whether the interest rate is fixed or variable.

Based on those two criteria, Groupe BCP classifies debt instruments held into three categories: "amortised cost", "fair value through equity", or "fair value against profit or loss":

- amortised cost: the category for recognising debt instruments with a management model that involves holding the instrument in order to collect its contractual cash flows, and of which the contractual cash flows are solely made up of payments relating to principal and to interest on principal (the so-called "basic loan" criterion).
- Fair value through equity: the category for recognising debt instruments:
- with a management model that involves holding the instrument in order to collect its contractual cash flows as well as selling assets to extract their capital gains, the "mixed management model", and
  - of which the cash flows are solely made up of payments of principal and of interest on principal (the so-called "basic loan" criterion). When transferring instruments classified under this category, latent gains or losses previously recognised in equity are recorded in the profit and loss account under the heading "Net gains or losses on financial assets at fair value through equity".
  - Fair value through profit or loss: the category for recognising all debt instruments that are not eligible for classification by amortised cost or under the category of fair value through equity. In particular, this category includes debt instruments with a management model that mainly aims at extracting their sale results, those that do not meet the "basic loan" criterion (e.g. bonds with a share-subscription option), as well as financial assets that include an incorporated derivative. In the latter case, the incorporated derivative is not recognised separately from the host contract, and the latter is recognised in full at fair value through profit or loss.

Debt instruments cannot be designated at fair value through profit or loss on option unless that classification means that an inconsistency in profit and loss (an accounting mismatch) can be reduced.

Debt instruments recognised in the "Amortised cost" and "fair value through equity" categories give rise to depreciation pursuant to the terms set out below in note 2.0. The resulting depreciation is recognised in the profit and loss account under "cost of risk".

Debt instruments that are not recognised at fair value through profit or loss are initially recognised at their fair value, including accrued interest, plus transaction costs that can be directly attributed to the purchase.

The variations in fair value of debt instruments that are recognised at fair value through profit or loss are entered under the heading "Net gains or losses on financial instruments at fair value through profit or loss".

The variations in fair value of debt instruments that are recognised at fair value through equity are entered, less accrued income, on a specific equity line entitled "Gains and losses recognised directly in equity".

Accrued income from fixed-income instruments is calculated according to the effective interest rate method, incorporating premiums, discounts, and purchase costs, if they are significant. They are entered in the profit and loss account under the item "Interest and similar income", regardless of their accounting classification under assets.

The group modifies the classification of portfolio debt instruments from one category to the other is and only if the management model of this instruments is modified. Reclassification takes effect from the start of the accounting period that follows the one during which the management model is modified. In practice, such changes should only be very rare; no management model has been changed during the financial year.

2.5.1.2. Equity instruments

A financial instrument is an equity instrument if and only if the issuer has no contractual obligation to remit cash or another financial instrument under conditions that would be potentially unfavourable to the issuer. That is especially the case with shares.

Standard IFRS 9 requires the recording of all equity instruments held in portfolios at fair value through profit or loss, except for the option to recognise equity instruments at fair value through equity when they are not held for transaction purposes; that option is irrevocable. In that case, the variation in latent gains and losses s recognised under other items of the overall profit or loss, "gains and losses recognised directly in equity", without ever affecting profit or loss, including in case of disposal. There is no depreciation test for portfolio equity instruments, regardless of their accounting classification.

Dividends received as well as latent gains or losses made on instruments classified by fair value through profit or loss are recognised in "net gains or losses on financial instruments at fair value through profit or loss".

Dividends received for equity instruments classified at fair value through non-transferable equity are also recognised in profit or loss under "net gains or losses on financial instruments at fair value through equity".

Latent gains and losses made on instruments classified by fair value through equity are recognised in "Net gains and losses recognised directly in equity".

Groupe BCP's policy is to recognise the entire equity-instrument portfolio in the "fair value through profit or loss" category, except for some share lines recognised on irrevocable option in the category of financial assets at fair value through non-transferable equity.

UCITS units are also recognised in the category of financial assets at fair value through profit or loss.

2.5.2 OPTIONS SELECTED BY GROUPE BANQUE CENTRALE POPULAIRE

The options selected for classifying various equity portfolios are as follows:

Financial assets are fair value through profit or loss

- Transaction securities
- Derivatives
- UCITS and shares
- UCITS securities held (securitisation)

Assets at fair value through equity

- Treasury bills classified as marketable securities
- Moroccan bonds
- Treasury bonds reclassified as investment securities

Securities at amortised cost

- Investment securities (except Treasury bills reclassified by fair value through Other Comprehensive Income (OCI))
- Affordable-housing Treasury bonds classified as marketable securities.

2.6. FINANCE COMMITMENTS AND GUARANTEE COMMITMENTS

2.6.1. FINANCING

Finance guarantees are recognised at their fair value, which is generally the amount of the commitment fee levied. They are recognised in accordance with the rules set out above.

Provision for expected credit losses is made pursuant to the principles of standard IFRS 9.

2.6.2. GUARANTEE COMMITMENTS

Guarantee commitments are recognised at their fair value, which is generally the amount of the commitment fee levied. Those fees are then entered into the profit and loss account pro rata temporis for the guarantee period.

Provision for expected credit losses is made pursuant to the principles of standard IFRS 9.

2.7. DETERMINING FAIR VALUE

2.7.1. GENERAL PRINCIPLES

All financial instruments are valued at fair value, whether on the balance sheet (financial assets and liabilities at fair value through profit or loss, including derivatives, and financial assets at fair value through equity) or in notes to financial statements for other financial assets and liabilities.

Fair value is the amount for which an asset can be exchanged or a liability extinguished between two consenting, informed parties acting in the context of a competitive market.

The fair value is the price quoted on an active market when such a market exists, or, failing that, the price determined by using a valuation method that incorporates the maximum amount of observable market data, consistent with the methods used by players in the market.

2.7.2. PRICES QUOTED ON AN ACTIVE MARKET

When prices quoted on an active market are available, they are used to determine the fair market value. That is the method for valuing listed securities and derivatives on organised markets like futures and options.

2.7.3. PRICES NOT QUOTED ON AN ACTIVE MARKET

When a financial instrument is not listed on an active market, the valuation is done using models that are generally used by market players (the discounted future cash-flow method, or the Black-Scholes method for options).

The valuation model incorporates the maximum amount of observable market data: quoted market prices for instruments or similar underlying prices, interest-rate curve, currency rates, implicit volatility, and the price of goods.

The valuation from models is made on a basis of prudence. It is adjusted to take account of liquidity risk and credit risk, in order to reflect the credit quality of financial instruments.

2.7.4. MARGIN OBTAINED WHEN NEGOTIATING FINANCIAL INSTRUMENTS

The margin obtained when negotiating those financial instruments (Day One profit):

- Is immediately recorded in the profit and loss account if the prices are quoted on an active market, or if the valuation model only includes observable market data;
- Is deferred and spread out in the profit and loss account for the duration of the lease when not all the data are observable on the market; when parameters not observable at the outset become observable; the margin share not yet recognised is then recognised in the profit and loss account.

2.7.5. UNLISTED SHARES

The fair value of unlisted shares is determined by comparison with a recent transaction involving the capital of the company concerned, carried out with an independent third party and under normal market conditions. In the absence of such a reference, valuation is carried out either by commonly-used techniques (discounted future cash flows) or on the basis of the share of net assets due to the Group, calculated on the basis of the most recent available information.

Shares with an accounting value of less than MAD 1 million are not subject to revaluation.

2.8. CURRENCY TRANSACTIONS

2.8.1. MONETARY ASSETS AND LIABILITIES EXPRESSED IN CURRENCY

Monetary assets and liabilities correspond to assets and liabilities that are due to be received or paid, for a determined or determinable amount in cash. Monetary assets and liabilities expressed in currency are converted at the closing rate into the operating currency of the group entity concerned.

Exchange-rate differences are recognised in the profit and loss account, except for exchange-rate differences that relate to financial instruments designated as hedging instruments against future profit or loss or against net currency adjustment, which, in that case, are recognised as equity.

Foreign-exchange futures transactions are valued at the rate for the remaining term. Exchange-rate differences are recorded in the profit and loss account, except when the operation is described as a hedge against cash flows. Exchange-rate differences are then recorded in equity for the efficient part of the hedge, and recognised in the profit and loss account in the same way and with the same frequency as the profit or loss from the transaction covered.

2.8.2. NON-MONETARY ASSETS EXPRESSED IN CURRENCY

Exchange-rate differences relating to non-monetary assets expressed in currencies and valued at fair value (variable-income securities) are recognised as follows:

They are noted in the profit and loss account when the asset is classified under "Financial assets at fair value by profit or loss".

They are recorded in equity when the asset is classified under "Assets at fair value through equity", unless the financial asset is designated as a hedging component for exchange-rate risk in a value hedge at fair value; in that case, exchange-rate differences are recorded in the profit and loss account.

Non-monetary assets not valued at fair value remain at their historic exchange rate.

2.9. DEPRECIATION OF FINANCIAL INSTRUMENTS

2.9.1. CALCULATING EXPECTED LOSSES

The group values expected credit losses in respect of the following financial instruments:

- loans and receivables to credit establishments at amortised cost,
- loans and receivables to clients at amortised cost,
- securities at amortised cost (Treasury bills and other fixed-income debt securities managed using the "collection of contractual cash flows" model)
- securities classified as "financial assets at fair value through transferable equity" (Treasury bills and other managed fixed-income debt securities titres),
- finance commitments not recognised as derivatives, and financial guarantees given pursuant to standard IFRS 9,
- trade receivables and rent receivables (classified as "regularisation account and other assets").

Measuring expected credit losses reflects:

- an objective amount and based on probability weightings determined by valuing a range of possible results;
- the time value of money; and
- reasonable, justifiable information on past events, the current situation, and forecasts on the future economic situation, that, on the closing date, can be obtained without having to involve excessive cost or effort.

Pursuant to standard IFRS 9, the financial assets concerned are spread across three categories, based on credit-risk variations observed since their initial recognition and provision for expected credit loss recorded for each of those categories on the following terms:

Phase 1 (stage 1) – So-called "healthy" financial assets:

All financial assets that are not in default from their purchase date are initially recorded in this category, and their credit risk is currently continuously by the group.

Phase 2 (stage 2) – Financial assets with significantly deteriorated credit risk

Financial assets with significantly deteriorated credit risk since being entered on the balance sheet but that are not yet in default are transferred to this category. The criteria for assessing significant deterioration of credit risk are described in the note on the first application of standard IFRS "Financial instruments".

Phase 3 (stage 3) – Financial assets in default

Financial assets that have been identified as being in default are downgraded in this category. Applying standard IFRS 9 does not modify the definition of the default (or of the depreciated assets) selected to date by Groupe BCP for loans to credit establishments and loans to clients under IAS 39.

For "healthy" financial assets, the expected credit loss recognised is equal to the portion of the expected credit loss at maturity that would arise from default events that may occur over the following 12 months (expected loss within one year). For financial assets in category 2 and category 3, the expected credit loss is calculated on the basis of losses expected at maturity ("loss expected at maturity"). The note on first application of standard IFRS 9 "Financial instruments" specifies the assumptions and terms for estimating expected losses.

For measuring expected credit losses modelled on a collective basis, exposures are grouped by homogenous class of risk. To do so, the criteria selected are based on income, clients, guarantees, etc.

One of the fundamental principles of standard IFRS 9 in relation to measuring expected losses is the necessary taking into account of prospective or forward-looking information.

Significant degradation of credit risk

The group considers that a financial instrument has undergone significant degradation of credit risk when one or more of the quantitative, qualitative, or backstop criteria given below are met:

Quantitative criteria

For certain portfolios, credit-risk deterioration is assessed by comparing internal scores on the date of initial recognition with scores on the closing date. Indicators of significant credit-risk deterioration, when they expressed as note variations, are also defined taking account of variations in probability of default that are attached to them.

Qualitative criteria

A financial asset is also deemed to have undergone significant credit-risk deterioration when one or more of the following criteria are met:

- Financial asset under supervision (Watchlist)
- Restructuring due to payment difficulties, but without default
- Existence of overdue payments
- Significant unfavourable changes in the economic, commercial, or financial conditions under which the borrower operates
- Identified risks of financial difficulties, etc.

Significant credit-risk deterioration is assessed on a quarterly basis.

Significant credit-risk deterioration is also done taking account of forward-looking information.

Credit-risk deterioration criteria are reviewed periodically, and, where appropriate, they are adjusted on the basis of observations made.

Presumption of significant credit-risk deterioration

When a financial asset has a payment that is 30 days overdue, the group notes a significant credit-risk deterioration and the asset is classified under Phase 2 / Stage 2, regardless of the quantitative or qualitative criteria above.

Exception for low credit risk

Standard IFRS 9 enables simplified processing in the case of exposure to securities deemed low credit risk (LCR). It authorises the use of operational simplification on financial instruments for which risk is deemed low on the closing date. If that operational simplification is used, instruments are classified under Phase 1 / Stage and undergo provision for credit loss within 12 months, there being no need to assess if credit risk has undergone significant deterioration since the date of initial recognition.

Restructured debts

The principles for recognising restructuring due to financial difficulties remain analogous to those in force pursuant to IAS 39.

Calculating expected credit losses

Expected Credit Loss (ECL) is calculated over 12 months or at maturity, in care of a significant credit-risk increase since initial recognition or if a financial asset is depreciated.

When parameter availability permits, expected credit loss (ECL) is equal to the updated income of three risk parameters: probability of default (PD), exposure at default (EAD), and loss given default (LD), as defined below:

- The probability of default (PD) is the probability that a borrower is in default on its financial commitments (according to the definition of default and depreciation below) during the coming 12 months (12M PD) or during the residual maturity of the contract (PD at maturity); those probabilities of default are obtained from the internal rating system (cf. note 12);
- Exposure at default (EAD) is based on the amount to which the group expects to be effectively exposed at the time of default, either over the 12 coming months or over the residual maturity. EAD is exposure to the contract given at the start of year t;
- Loss given default (LGD) is the expected loss on the exposure that would be in default. LGD varies with the type of counterparty, the type of debt on that counterparty, the age of the dispute, and the availability or unavailability of collateral or guarantees. LGD is represented by percentage loss by unit of exposure at the time of default. LGD is the average percentage loss on the exposure at the time of default, regardless of the date of occurrence of the default during the term of the contract.

The risk parameters used to calculate credit losses take account of forward-looking information. For the basis on which that information is taken into account, please see the note below.

Those risk parameters are periodically re-examined and updated.

If data for calibrating PD and LGD are unavailable, the group has adopted a simplified calculation based on individual losses or provisions observed historically on the given portfolio to calculate an expected-loss rate.

2.9.1.1. Financial assets depreciated from the time of their purchase or origination

The assets concerned are those that are in default from the time of their purchase or origination. Those assets are classified under Phase 3 at the time of their initial recognition, and are subject to specific subsequent accounting procedures, taking account of the fact their they are depreciated from the time of their initial recognition. Thus:

- no depreciation is recognised on the date of their initial recognition, because, in principle, the transaction price already takes account of expected credit losses;
- interest income must be calculated by applying "the effective interest rate adjusted for credit quality"; that rate is calculated on the basis of expected future cash flows, with deduction of initially-expected credit losses;
- on each closing date, the entity must recognise in net profit or loss, in respect of gain or loss in value (in cost of risk), the amount of variation in expected credit losses over the duration, relative to the estimate made on the date of initial recognition;
- interest income is calculated by applying the effective adjusted credit-risk interest rate to the amortised cost of the financial asset since its initial recognition, i.e. after applying depreciation provision that may be recognised after the date of initial recognition.

The group has not financial assets depreciated from their origination or purchase.

Pursuant to the provisions of IFRS standards, it is possible to use expert judgement to correct recovery flows arising from statistical data and adapt them to the conditions in force at the time of the accounting close.

2.9.1.2. Cost of risk

Cost of risk includes profit or loss items relating to the recognition of credit losses as defined by IFRS 9, including for the portion relating to insurance-activity investments. It includes:

- provision and depreciation flows covering losses at 12 months and at maturity relating to:
- losses and loans to credit establishments and clients, recognised at amortised cost;
- portfolio debt instruments recognised at amortised cost or at fair value through equity;
- finance commitments that do not meet the definition of financial derivatives;
- financial guarantees given, recognised pursuant to standard IFRS 9;
- losses on irrecoverable debts as well as recoveries on debts previously recognised in losses.

Also recognised in cost of risk are depreciations that may be constituted in case of identified risk of default involving counterparties to financial instruments negotiated by mutual agreement, as well as charges linked to fraud and disputes inherent in finance activity.

2.10. DEBTS REPRESENTED BY A SECURITY AND OWN SHARES

2.10.1. DEBTS REPRESENTED BY A SECURITY

Financial instruments issued by the group are classed as debt instruments if there is a contractual obligation for the group company issuing those instruments to pay cash or a financial asset to the holder of the securities.

The same applies to cases in which the group may be required to exchange financial assets or liabilities with another entity under potentially unfavourable conditions, or to provide a variable number of its own shares.

Debts issued that are represented by a security are initially recorded at their issue value, including transaction costs. They are then valued at their amortised cost, using the effective interest-rate method.

Redeemable bonds or bonds that are convertible into own shares are deemed hybrid instruments that include a debt component as well as an equity component, both determined when the transaction is initially recognised.

2.10.2. OPTIONS CHOSEN BY GROUPE BANQUE CENTRALE POPULAIRE

According to the internal rules of the BPRs, the latter reserve the unconditional right to respond favourably to requests for reimbursements from holders of partnership shares. The effect of that provision is for a share of BPR capital not to be reclassified under financial liabilities.

2.10.3. OWN SHARE

Own shares held by the group are deducted from consolidated equity regardless of the purpose for which they are held, and the profit or loss relating thereto is eliminated from the consolidated profit and loss account.

2.11. DERIVATIVES AND INCORPORATED DERIVATIVES

All derivatives are recognised on the balance sheet at their fair value.

2.11.1. GENERAL PRINCIPLE

Derivatives are recognised at their fair value on the balance sheet under "Financial assets or liabilities at fair value through profit or loss". They are recognised as financial assets when the value is positive, and as financial liabilities when the value is negative.

Actual and latent profits and losses are recognised in the profit and loss account under "Net profits and losses on financial instruments at fair value through profit or loss".

2.11.2. DERIVATIVES AND HEDGE ACCOUNTING

Derivatives that are concluded as part of hedging relationships are designated on the basis of the objective pursued.

- Hedging at fair value is used in particular to hedge against the interest-rate risk of fixed-rate assets and liabilities.
- Hedging cash flows is used in particular to hedge against the interest-rate risk of variable-rate assets and liabilities, and against the exchange-rate risk of highly probable future income in currency.

When setting up the hedging relationship, the group draws up formalised documentation designating: the instrument and the risk covered; the strategy and nature of the risk covered; the hedging instrument; and the terms and conditions for assessing the effectiveness of the hedging relationship.

In accordance with that documentation, when it is put in place and at least on a half-yearly basis, the group assesses the retrospective and prospective effectiveness of hedging relationships that have been set up.

The aim of retrospective effectiveness tests is to ensure that the ratio between the effective variations in value or in profit or loss of the hedging derivatives and those of the instruments covered lies between 80% and 125%.

The aim of prospective tests is to ensure that variations in value or in profit or loss of derivatives expected over the residual life of the coverage adequately compensate those of the instruments covered.

Regarding highly probable transactions, their character is appraised in particular by the existence of histories of similar transactions.

In the event of an interruption in the hedging relationship, or if the latter no longer meets the effectiveness tests, hedging derivatives are transferred to a transaction portfolio and recognised according to the principles that apply to that category.

2.11.3. INCORPORATED DERIVATIVES

When a hybrid contract includes a host contract that is a financial asset covered by standard IFRS 9, the hybrid contract (financial asset) is recognised in full pursuant to the general principles applicable to financial assets.

When an incorporated derivative is the component of a hybrid contract that is not a financial asset covered by standard IFRS 9, it must be extracted from the host contract and recognised separately if the hybrid instrument is not valued at fair value through profit or loss, and if the economic characteristics and associated risks of the incorporated derivative are not closely linked to the host contracts.

Nonetheless, when the composite instrument is recognised in its entirety under "Financial assets and liabilities at fair value by profit or loss", no separation is made.

2.12. FEES FOR THE PROVISION OF SERVICES

Fees for the provision of services are recognised as follows:

- Fees that are an integral part of the effective return on a financial instrument: application fee, commitment fee, etc. Such fees are treated as an adjustment to the effective interest rate (unless the instrument is valued at fair value through profit or loss).
- Fees for a continuous service: renting safes, custodial services over securities deposited, telematics subscriptions, bank cards, etc. They are set out in the profit and loss account for the duration of the provision of service, as and when the service is provided.
- Fees for a one-off service: stock-market fee, collection fee, exchange-rate commission, etc. They are recognised in the profit and loss account when the service has been provided.

2.13. STAFF BENEFITS

The entity must recognise not only the legal obligation arising from the formal terms of the defined-benefit plan, but also all implicit obligations arising from its usages. Those usages give rise to an implicit obligation when the entity has no realistic solution other than to pay the benefits to staff. For example, there is an implicit obligation if a change in the entity's usages leads to an unacceptable worsening of relations with staff.

Types of staff benefits:

Benefits for Groupe Banque Populaire staff are classified into four categories:

- Short-term benefits like salaries, annual leave, incentives, profit-sharing, and company contributions;
- Long-term benefits, which include, in particular, seniority bonuses and retirement payments;
- Indemnities payable at the end of a contract of employment;
- Post-work benefits, in particular medical cover for retirees.

2.13.1. SHORT-TERM BENEFITS

The group recognises a charge when services provided by members of staff have been used as a counterparty to benefits granted.

2.13.2. LONG-TERM BENEFITS

Long-term benefits are those, other than post-work benefits and indemnities payable at the end of a contract of employment, that are not due in full within 12 months of the end of the financial year in which members of staff provided the corresponding services.

In particular, the foregoing affects seniority bonuses and retirement premiums. Those benefits are provisioned in the accounts of the financial year to which they relate. The method of actuarial assessment is similar to the one applied to defined post-work benefits, but actuarial differences are recognised immediately. In addition, the effect linked to possible modifications to the regime considered as relating to past services is recognised immediately.

2.13.3. INDEMNITIES PAID AT THE END OF A CONTRACT OF EMPLOYMENT

Indemnities paid at the end of a contract of employment arise from the benefit granted to members of staff when the group terminates the contract of employment before the legal retirement age, or if members of staff opt for voluntary redundancy. Indemnities paid at the end of a contract of employment are updated if they are enforceable more than 12 months after the closing date.

2.13.4. POST-WORK BENEFITS

The group distinguishes between defined-contribution regimes and defined-benefit regimes. Defined-contribution regimes do not represent a commitment by the group, and are not the subject of any provision. The amount of contributions called during the financial year is noted under charges.

Only so-called "defined-benefit regimes" represent a commitment by the group, and give rise to assessment and provisioning. Classification in one other of the categories is based on the economic substance of the regime to determine whether or not the group is bound, by the clauses of an agreement or by an implicit obligation, to provide benefits promised to members of staff. The main defined-benefits plan identified by the group is the one that provides medical cover for retirees and their families.

Defined post-work benefits are the subject of actuarial assessments that take account of demographic and financial assumptions.

The provisioned amount of the commitment is determined by using the actuarial assumptions chosen by the group, and by applying the method of projected credit units. That assessment method takes account of a certain number of parameters such as demographic assumptions, early departures, salary increases, discount rates, and inflation rates. The value of any hedging assets is then deducted from the amount of the commitment.

When the amount of hedging assets exceeds the value of the commitment, an asset is recognised if it represents a future economic benefit for the group in the form of a saving on future contributions, or an expected reimbursement of part of the amounts paid into the plan.

Measuring the obligation arising from a plan and from the value of its hedging assets can change greatly from one financial year to the next based on changes in actuarial assumptions, and may lead to actuarial differences.

With effect from 30/06/2013, and in accordance with standard IAS 19 (revised), the group no longer applies the so-called "corridor" methodology to recognise actuarial differences on those commitments.

The annual charge recognised as staff costs for defined-benefit plans represents entitlements acquired during the period by each employee corresponding to the cost of services provided, the financial cost linked to commitment discounts, and the expected return on investments.

The group's calculations are regularly examined by an independent actuary.

2.13.5. OPTIONS CHOSEN BY GROUPE BANQUE CENTRALE POPULAIRE

In accordance with the option set out in IFRS 1, the cumulative amount of actuarial differences on the transition date was allocated to equity.

When moving to IFRS, significant commitments in respect of medical cover for retirees and of voluntary redundancy were provisioned for the first time.

In order to carry out actuarial assessments, the base assumptions for calculations were defined specifically for each regime.

The discount rates chosen are obtained with reference to the rate of return on bonds issued by the Moroccan state, to which a risk premium is added, to estimate the rate of return on bonds from first-category businesses with maturity equivalent to the duration of the regimes.

Hedging assets from the medical-cover regime are invested solely in Treasury bills issued by the Moroccan state. Accordingly, the rate of return is that of those bills.

2.14. PROVISIONS UNDER LIABILITIES

Provisions recorded under the liability side of the group's balance sheet, other than those relating to financial instruments and to corporate commitments, mainly concern provisions for tax-related litigation, fines, penalties, and risks. A provision is constituted when it is probable that a resource outflow representing economic benefits will be needed to extinguish a commitment arising from a past event, and when the amount of the commitment can be reliably estimated. The amount of the commitment is discounted to determine the amount of the provision, provided that the discount is significant.

2.14.1. OPTIONS CHOSEN BY GROUPE BANQUE CENTRALE POPULAIRE

Provisions for risks and charges of over MAD 1 million have been analysed to ensure that they are eligible under the conditions set out in the IFRS.

2.15. CURRENT AND DEFERRED TAX

2.15.1. CURRENT TAX

The enforceable tax on profits is determined on the basis of rules and rates in force in each country where group companies have a presence, over the period to which the results relate.

2.15.2. DEFERRED TAX

Deferred taxes are recognised when there are temporary differences between the accounting value of assets and liabilities on the balance sheet and their tax values. Deferred-tax liabilities are recognised for all taxable temporary differences, except:

- Taxable temporary differences generated by the initial recognition of goodwill;
- Taxable temporary differences relating to investments in businesses that are under sole control and under joint control, to the extent that the group is able to control the date on which the temporary difference will be invested and that it is probable that the temporary difference will not be invested in the foreseeable future.

Deferred-tax assets are recorded for all deductible temporary differences and tax losses that can be carried forward, to the extent that it is probable that the entity concerned will have future taxable profits against which those temporary differences and tax losses can be offset.

Deferred-tax assets and liabilities are valued using the liability method at the interest rate that is presumed to be applied during the period when the asset will be realised or the liability will be settled, on the basis of tax rates and tax regulations that have been adopted or that will be adopted before the end of the period. They are not discounted.

Deferred-tax assets or liabilities are compensated when they arise from a single tax group, when they come under the same tax authority, and where there is a legal entitlement to compensation.

Enforceable and deferred taxes are recognised as an income or a tax charge in the profit and loss account, except for those relating to latent gains and losses on assets available for sale, and to variations in value of derivatives designated as hedges against future cash flows for which the corresponding deferred taxes are offset against equity.

When tax credits on income from debts and from securities portfolios are used to pay tax on profits owed for the financial year, they are recognised under the same item as the income to which they relate. The corresponding tax charge is maintained under "Tax on profits" in the profit and loss account.

2.16. TRANSFERABLE AND NON-TRANSFERABLE EQUITY

FTAs (First-Time Adjustments) have been entered into the bank's consolidated accounts as a counterparty to equity.

2.17. TABLE OF CASH FLOWS

The balance of cash accounts and similar items is made up of net balances of cash accounts, central banks, and postal-cheque offices, as well as the net balances of sight loans to and sight borrowings from credit establishments.

Cash variations generated by operational activity record cash flows generated by the group's activities, including those relating to investment property, financial assets held to maturity, and negotiable debt securities. Cash variations linked to investment transactions arise from cash flows linked to buying and selling subsidiaries, associated businesses, or consolidated businesses, as well as those linked to buying and selling property, except for investment property and property given on operating lease.

Cash variations linked to finance operations include incoming payments and outgoing payments relating to transactions with shareholders and flows linked to subordinate debts and bond issues, as well as debts represented by a security (except for negotiable debt securities).

2.18. NON-CURRENT ASSETS HELD FOR SALE AND ABANDONED ACTIVITIES

When the group decides to sell non-current assets, and when it is highly probable that the sale will take place within 12 months, those assets are presented separately on the balance sheet under "Non-current assets held for sale".

Liabilities that may be linked to them are presented separately under "Debts linked to non-current assets held for sale".

When they are classified in that category, non-current assets and groups of assets and liabilities are valued at the lower value between their accounting value and their fair value reduced by sale costs. The assets concerned cease to be amortised.

In case of loss in value noted for an asset or a group of assets and liabilities, depreciation is recorded in the profit and loss account.

Abandoned activities include activities held for sale, terminated activities, and subsidiaries bought solely for resale. All losses and profits relating to those transactions are presented separately in the profit and loss account under "Profit or loss net of tax from terminated activities or activities being sold".

2.19. SECTORAL INFORMATION

Groupe Banque Populaire is organised into three main activity clusters:

- Banque Maroc, which includes Crédit Populaire du Maroc, Média Finance, Chaabi International Bank Off Shore, Chaabi Capital Investissement (CCI), Upline Group, Maroc Assistance Internationale, Bank Al Amal, Attawfiq Micro Finance, BP Shore, FPCT Sakane, Infra Maroc Capital (IMC), Maroc Traitement de Transactions (M2T), ALHIF Management, AL YOUSR, and SOCINVEST.
- Specialist finance companies, including Vivalis, Maroc Leasing, and Chaabi LLD.
- International retail banking, including Chaabi Bank, Banque Populaire Marocco-Centrafricaine, and Atlantic Bank International.

Each of those business lines records charges and income as well as assets and liabilities that are linked to it, after eliminating intra-group transactions.

2.20. USING ESTIMATES TO PREPARE FINANCIAL STATEMENTS

Preparing the group's financial statements requires the Management and the administrators to formulate assumptions and make estimates that lead to determining income and charges in the profit and loss account, as well as to valuing assets and liabilities on the balance sheet and to drafting the associated notes.

The exercise assumes that administrators will make the necessary estimates based on their judgement and on the information available on the date of drawing up the financial statements. The final future results of transactions for which administrators have used estimates may prove to be different from the latter, and may have a significant effect on financial statements. That is especially the case for:

- Depreciations used to hedge against credit risks;
- Using internal models to value financial instruments that are not listed on active markets;
- Calculating the fair value of unlisted financial instruments classified as "Assets at fair value through equity" or "Financial instruments at fair value through profit or loss" under assets or liabilities, and, more generally, calculating the market values of financial instruments for which that information must be included in the notes on financial statements;
- Depreciation tests carried out on intangible assets;
- Determining provisions for hedging against risks and charges.

2.21. PRESENTATION OF FINANCIAL STATEMENTS

2.21.1. FORMAT OF FINANCIAL STATEMENTS

In the absence of an IFRS-recommended format, the group's financial statements are drawn up in accordance with the models set out by Bank Al-Maghrib.

2.21.2. RULES FOR OFFSETTING ASSETS AND LIABILITIES

A financial asset and a financial liability are offset, and a net balance is presented on the balance sheet, if and only if the group has a legally enforceable entitlement to offset the amounts recognised, and if the group intends either to settle the net amount, or to realise the asset and settle the liability at the same time.

GROUPE BANQUE CENTRALE POPULAIRE

CONSOLIDATED ACCOUNTS TO IFRS STANDARDS, 30 JUNE 2018

CONSOLIDATED IFRS BALANCE SHEET

(× MAD 1 000)

IFRS ASSETS	Appendices	30/06/18	01/01/18	31/12/17
Cash, Central Banks, Public Treasury, Postal-Cheque Service	3.11	12 942 685	11 056 082	11 157 236
Financial assets at fair value through profit or loss	3.1	53 206 171	56 114 889	41 665 930
Financial assets held for trading		43 958 803	41 665 930	
Other financial assets at fair value through profit or loss		9 247 368	14 448 959	
Hedging derivatives				
Financial assets at fair value through equity	3.2/3.11	21 992 281	26 792 178	
Debt instruments recognised at fair value through transferable equity		17 694 348	22 709 559	
Equity instruments recognised at fair value through non-transferable equity		4 297 933	4 082 619	
Financial assets available for sale				41 711 870
Securities at amortised cost	3.3	13 030 839	13 102 348	13 102 348
Loans and advances to credit establishments and similar at amortised cost	3.4/3.11	15 744 350	19 178 822	19 278 732
Loans and advances to clients at amortised cost	3.5/3.11	232 622 219	224 643 668	228 708 664
Asset-side fair-value revaluation of portfolios hedged against interest-rate risk				
Insurance-activity investments				
Current-tax assets		1 511 965	1 092 333	1 092 333
Deferred-tax assets		3 675 148	3 260 781	1 431 330
Regularisation accounts and other assets		9 982 634	10 135 936	10 135 937
Non-current assets held for sale				
Holdings in businesses accounted for by the equity method		17 301	39 697	39 697
Investment property				
Tangible assets	3.6	13 954 278	12 668 278	12 668 278
Intangible assets	3.6	1 068 058	1 014 160	1 014 160
Goodwill	3.7	1 526 903	1 538 820	1 538 820
Total assets		**381 274 832**	**380 637 992**	**383 545 335**

(× MAD 1 000)

IFRS LIABILITIES	Appendices	30/06/18	01/01/18	31/12/17
Central Banks, Pubic Treasury, Postal-cheque Service		1 341 601	845 202	845 202
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
Financial liabilities at fair value through profit or loss as an option				
Hedging derivatives				
Debts owed to credit establishments and similar	3.8	38 984 385	42 162 103	42 162 103
Debts owed to clients	3.9	278 705 082	273 475 113	273 475 113
Debts represented by a security				
Debt securities issued		653 356	705 536	705 536
Liability-side fair-value revaluation of portfolios hedged against interest-rate risk				
Current-tax liability		1 625 969	1 446 405	1 446 405
Deferred-tax liability		654 806	531 968	531 968
Regularisation accounts and other liabilities		10 278 523	7 310 466	7 310 466
Debts relating to non-current assets held for sale				
Technical provisions of insurance contracts		1 430 145	5 085 740	5 085 740
Provisions for risks and charges	3.10/3.11	3 980 333	4 038 782	3 200 084
Grants, allocated public funds, and special guarantee funds		3 692 665	3 656 188	3 656 188
Subordinate debts		5 260 567	5 299 145	5 299 145
Equity		34 667 400	36 081 344	39 827 385
Capital and related reserves		22 329 658	21 360 502	21 360 502
Own shares				
Consolidated reserves		10 465 773	11 225 364	13 680 998
- Group share		2 957 252	2 465 007	4 444 977
- Minority share		7 508 521	8 760 357	9 236 021
Gains and losses recognised directly in equity		-79 420	83 567	1 373 975
- Group share		16 839	175 133	926 679
- Minority share		-96 259	-91 566	447 296
Income for the financial year		1 951 389	3 411 910	3 411 910
- Group share		1 555 805	2 842 742	2 842 742
- Minority share		395 584	569 168	569 168
Total liabilities		**381 274 832**	**380 637 992**	**383 545 335**

CONSOLIDATED IFRS PROFIT AND LOSS ACCOUNT

(× MAD 1 000)

	Appendices	30/06/18	30/06/17
Interest and similar income	4.1	7 946 859	7 496 520
Interest and similar charges	4.1	-2 442 468	-2 418 106
INTEREST MARGIN		**5 504 391**	**5 078 414**
Fees charged	4.2	1 403 804	1 350 298
Fees paid	4.2	-128 273	-112 940
MARGIN ON FEES		**1 275 531**	**1 237 358**
+/- Net gains or losses on financial instruments at fair value though profit or loss		**1 022 037**	**1 027 475**
Net gains or losses on assets / liabilities held for trading		959 794	1 027 475
Net gains or losses on other assets / liabilities at fair value through profit or loss		62 243	
+/- Net gains or losses on financial instruments at fair value through equity		**242 983**	**534 431**
Net gains or losses on debt instruments recognised in transferable equity		11 141	370 030
Remuneration of equity instruments recognised in non-transferable equity (dividends)		231 842	164 401
PROFIT OR LOSS FROM MARKET ACTIVITIES		**1 265 020**	**1 561 906**
Income from other activities		815 671	1 572 052
Charges from other activities		-473 555	-1 233 731
NET BANKING INCOME		**8 387 058**	**8 215 999**
General operating charges		-3 819 830	-3 578 831
Funding for amortisations and asset depreciation		-508 995	-468 666
GROSS OPERATING INCOME		**4 058 233**	**4 168 502**
Cost of risk	4.3	-1 245 916	-1 618 020
OPERATING INCOME		**2 812 317**	**2 550 482**
Share of net income from businesses accounted for by the equity method		-2 937	2 010
Net gains or losses on other assets		13 485	-2 982
Variations in value of goodwill			
PRE-TAX INCOME		**2 822 865**	**2 549 510**
Tax on profits		-871 476	-783 286
NET INCOME		**1 951 389**	**1 766 224**
Minority interests		395 584	239 008
NET INCOME – GROUP SHARE		**1 555 805**	**1 527 216**
Income per share (in MAD)		8,55	8,39
Diluted income per share (in MAD)		8,55	8,39

TABLE OF CASH FLOWS

(× MAD 1 000)

	30/06/18	30/06/17
Pre-tax income	**2 822 865**	**2 549 510**
+/- Net funding for amortisation of tangible and intangible assets	501 431	398 476
+/- Net funding for depreciation of goodwill and other assets	553	-904
+/- Net funding for depreciation of financial assets	760 710	1 237 750
+/- Net funding for provisions	-13 093	81 090
+/- Share of income relating to businesses accounted for by the equity method	2 936	-2 010
+/- Net loss / (net gain) on investment activities	-609 568	-821 386
+/- Net loss / (net gain) on financing activities		
+/- Other movements	40 239	544 806
Total non-monetary items included in net income before tax and other adjustments	**683 208**	**1 437 822**
+/- Flows relating to transactions with credit establishments and similar	-5 775 021	11 046 901
+/- Flows relating to transactions with clients	-3 666 500	-11 229 302
+/- Flows relating to other transactions affecting financial assets or liabilities	3 183 261	-3 722 687
+/- Flows relating to other transactions affecting non-financial assets or liabilities	3 490 624	1 885 246
- Tax paid	-1 235 123	-904 283
Net reduction / (increase) in assets and liabilities from operational activities	**-4 002 759**	**-2 924 125**
Net cash flows generated by operational activity	**-496 686**	**1 063 207**
+/- Flows relating to financial assets and to holdings	2 343 819	-1 540 102
+/- Flows relating to investment activities		
+/- Flows relating to tangible and intangible assets	-1 845 492	-1 094 922
Net cash flows linked to investment transactions	**498 327**	**-2 635 024**
+/- Cash flows from or to shareholders	-2 810 460	-898 090
+/- Other net cash flows from financing activities	-175 801	2 010 340
Net cash flows relating to financing transactions	**-2 986 261**	**1 112 250**
Effect of exchange-rate variation on cash and cash equivalents	**-30 097**	**-40 615**
Net increase / (decrease) in cash and cash equivalents	**-3 014 717**	**-500 186**
Cash and cash equivalents – opening balance	**19 326 712**	**19 874 434**
Cash, Central Banks, Postal Current Account (assets and liabilities)	10 210 880	14 163 276
Sight accounts (assets and liabilities) and loans / advances from credit establishments	9 115 832	5 711 158
Cash and cash equivalents – closing balance	**16 311 994**	**19 374 248**
Cash Central Banks, Postal Current Accounts (assets and liabilities)	11 601 083	12 191 331
Sight accounts (assets and liabilities) and loans / advances from credit establishments	4 710 911	7 182 917
Net cash variation	**-3 014 717**	**-500 186**

TABLE OF CONSOLIDATED VARIATION IN EQUITY TO 30 JUNE 2018

(× MAD 1 000)

	Capital	Reserves linked to capital	Actions propres	Réserves et résultats consolidés	Gains et pertes comptabilisés directement en capitaux propres recyclables	Gains et pertes comptabilisés directement en capitaux propres non	Capitaux propres part Groupe	Intérêts minoritaires	Total
Equity – closing balance on 31/12/2016	**1 822 547**	**18 675 253**		**9 992 837**	**1 504 182**		**31 994 818**	**9 376 106**	**41 370 924**
Equity transactions								463 058	463 058
Share-based payments									
Transactions on own shares								-229 751	-229 751
Allocation of income		2 025 323		-2 025 323					
Dividends		-1 093 528					-1 093 528	189 771	-903 757
Income for the financial year				**2 842 742**			**2 842 742**	**569 168**	**3 411 910**
Tangible and intangible assets: revaluations and sale (D)									
Financial instruments: variations in fair value and transfers to income (E)					-684 070		-684 070	-300 128	-984 198
Goodwill: variations and transfers to income (F)				-142 593	106 567		-36 026	42 411	6 385
Latent or deferred gains or losses (D) + (E) + (F)				**-142 593**	**-577 503**		**-720 096**	**-257 717**	**-977 813**
Variation in scope				205 645			205 645	282 073	487 718
Other variations		-69 092		70 602			1 510	-140 223	-138 716
Equity – closing balance on 31/12/2017	**1 822 547**	**19 537 956**		**10 943 910**	**926 679**		**33 231 091**	**10 252 485**	**43 483 573**
Reclassification from Assets available for sale to Fair value through profit or loss				572 466	-572 466				
Recognising expected credit losses (on financial assets and off-balance-sheet commitments)				-2 680 045			-2 680 045	-905 346	-3 585 391
Others				127 606	-83 044	-96 036	-51 470	-109 180	-160 650
Equity – opening balance on 01/01/2018	**1 822 547**	**19 537 956**		**8 963 937**	**271 169**	**-96 036**	**30 499 576**	**9 237 959**	**39 737 532**
Transactions on capital								-1 732 965	-1 732 965
Share-based payments									
Transactions on own shares								32 954	32 954
Allocation of income		2 230 876		-2 230 876					
Dividends		-1 184 655					-1 184 655	187 160	-997 495
Income for the financial year				**1 555 805**			**1 555 805**	**395 584**	**1 951 389**
Tangible and intangible assets: revaluations and sale (D)									
Financial instruments: variations in fair value and transfers to income (E)					-71 078	-53 039	-124 117	-5 225	-129 342
Goodwill: variations and transfers to income (F)				17 005	-27 433		-10 427	-13 245	-23 672
Latent or deferred gains or losses (D) + (E) + (F)				**17 005**	**-98 511**	**-53 039**	**-134 544**	**-18 470**	**-153 014**
Variation in scope				69 667	4 758	-11 502	62 923	-175 623	-112 700
Other variations		-77 066		-169 816			-246 887	-118 752	-365 638
Equity – closing balance on 30/06/2018	**1 822 547**	**20 507 111**		**8 205 722**	**177 416**	**-160 577**	**30 552 219**	**7 807 846**	**38 360 065**

STATEMENT OF NET INCOME PLUS GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

(× MAD 1 000)

	30/06/18
Net income	**1 951 389**
Items transferable to net equity:	**-94 973**
Goodwill	-23 672
Revaluation of financial assets at fair value through transferable equity	-71 301
Revaluation of hedging derivatives of transferable items	
Share of gains and losses recognised directly in equity of businesses accounted for by the equity method	
Other items recognised by equity and transferable equity	
Linked tax	
Items not transferable to net profit or loss:	**-58 041**
Revaluation of assets	
Revaluation (or actuarial differences) in respect of defined-benefit regimes	
Revaluation of credit risk inherent in financial assets covered by the option of recognition at fair value through profit or loss	
Revaluation of equity instruments recognised at fair value through equity	-58 041
Share of gains and losses recognised directly in non-transferable equity of businesses accounted for by the equity method	
Other items recognised by non-transferable equity	
Linked tax	
Total gains and losses recognised directly in equity	**-153 014**
Net income plus gains and losses recognised directly in equity	**1 798 375**
Including Group share (or parent company's owners' share)	1 421 261
Including minority interests' share (or holdings that do not give control)	377 114

3.1. FINANCIAL ASSETS AT FAIR VALUE BY PROFIT OR LOSS

(× MAD 1 000)

	30/06/18		01/01/18	
	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets held for trading	Other financial assets at fair value through profit or loss
Advances to credit establishments				
Advances to clients				
Assets representing contracts expressed in units of account				
Repo-inward securities				
Government paper and similar securities	23 516 910		20 509 515	
Bonds and other fixed-income securities	361 015		154 794	
Shares and other variable-income securities	19 991 489	4 780 560	20 803 726	8 121 633
Non-consolidated equity securities		4 466 808		6 327 326
Derivatives	89 389		197 895	
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**43 958 803**	**9 247 368**	**41 665 930**	**14 448 959**

3.2. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

(× MAD 1 000)

	30/06/18		
Financial assets at fair value through equity	**Balance-sheet value**	**Latent gains**	**Latent losses**
Financial assets at fair value through equity	**21 992 281**	**448 266**	**-581 614**
Debt instruments recognised at fair value through transferable equity	17 694 348	237 577	-31 629
Equity instruments recognised at fair value through non-transferable equity	4 297 933	210 689	-549 985
Debt instruments recognised at fair value through transferable equity	**Balance-sheet value**	**Latent gains**	**Latent losses**
Treasury bills and other securities available from the central bank (*)	3 327 580	153 209	
Other negotiable debt securities (*)	1 432 494		
Bonds	12 934 274	84 368	-31 629
Total debt instruments recognised at fair value through transferable equities	**17 694 348**	**237 577**	**-31 629**
Tax		-87 902	7 907
Gains and losses recognised directly in equity on debt instruments recognised at fair value through transferable equity (net of tax)		149 675	-23 722
Equity instruments at fair value through non-transferable equity	**Balance-sheet value**	**Latent gains**	**Latent losses**
Shares and other variable-income securities			
Non-consolidated equity securities	4 297 933	210 689	-549 985
Total equity instruments recognised at fair value through non-transferable equity	**4 297 933**	**210 689**	**-549 985**
Tax		-77 955	194 054
Gains and losses recognised directly in equity on equity instruments recognised at fair value through non-transferable equity (net of tax)		**132 734**	**-355 931**

3.3. SECURITIES AT AMORTISED COST

(× MAD 1 000)

3.3. Securities at amortised cost	30/06/18	01/01/18
Negotiable debt securities	**11 856 080**	**12 226 953**
Treasury bonds other securities available from central banks	11 720 081	12 063 320
Other negotiable debt securities	135 999	163 633
Bonds	1 174 759	875 395
TOTAL SECURITIES AT AMORTISED COST	**13 030 839**	**13 102 348**

3.4. LOANS AND ADVANCES TO CREDIT ESTABLISHMENTS AT AMORTISED COST

(× MAD 1 000)

3.4.1. Loans and advances to credit establishments at amortised cost	30/06/18	01/01/18
Sight accounts	6 797 621	10 498 929
Loans	8 638 318	8 785 377
Repo transactions	394 804	
TOTAL LOANS AND ADVANCES TO CREDIT ESTABLISHMENTS, BEFORE DEPRECIATION	**15 830 743**	**19 284 306**
Depreciation of loans and advances to credit establishments (*)	86 393	105 484
TOTAL LOANS AND ADVANCES TO CREDIT ESTABLISHMENTS, NET OF DEPRECIATION	**15 744 350**	**19 178 822**

(× MAD 1 000)

3.4.2. Geographical breakdown of loans and advances credit establishments at amortised cost	30/06/18	01/01/18
Morocco	12 433 466	14 550 989
Offshore area	478 049	530 329
Africa	2 350 921	3 402 438
Europe	481 914	695 066
TOTAL LOANS AND ADVANCES TO CREDIT ESTABLISHMENTS, NET OF DEPRECIATION (*)	**15 744 350**	**19 178 822**

3.5. LOANS AND ADVANCES TO CLIENTS AT AMORTISED COST

(× MAD 1 000)

3.5.1. Loans and advances to clients at amortised cost		01/01/18
Ordinary debit accounts	23 020 123	21 287 154
Loans to clients	214 008 495	208 740 343
Repo transactions	1 570 403	201 958
Finance-lease transactions	14 656 916	14 063 389
TOTAL LOANS AND ADVANCES TO CLIENTS AT AMORTISED COST, BEFORE DEPRECIATION	**253 255 937**	**244 292 844**
Depreciation of loans and advances to clients (*)	20 633 718	19 649 176
TOTAL LOANS AND ADVANCES TO CLIENTS AT AMORTISED COST, NET OF DEPRECIATION	**232 622 219**	**224 643 668**

(× MAD 1 000)

3.5.2 Geographical breakdown of advances to clients at amortised cost	30/06/18	01/01/18
Morocco	196 770 895	189 504 213
OFFSHORE AREA	3 024 875	3 422 040
AFRICA	31 250 083	30 398 810
EUROPE	1 576 366	1 318 605
TOTAL LOANS AND ADVANCES TO CLIENTS AT AMORTISED COST	**232 622 219**	**224 643 668**

(*) See 3.11. Allocation of depreciation by Bucket under IFRS 9

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CONSOLIDATED ACCOUNTS TO IFRS STANDARDS, 30 JUNE 2018

3.6 TANGIBLE AND INTANGIBLE ASSETS

(× MAD 1 000)

	30/06/18			01/01/18		
	Gross accounting value	Cumulative amortisations and loss in value	Net accounting value	Gross accounting value	Cumulative amortisations and loss in value	Net accounting value
TANGIBLE ASSETS	**21 664 296**	**7 710 018**	**13 954 278**	**20 089 288**	**7 421 010**	**12 668 278**
Land and construction	13 708 776	2 952 857	10 755 919	12 071 290	2 973 078	9 098 213
Equipment, furniture, and installations	3 968 186	2 547 406	1 420 780	3 885 524	2 395 816	1 489 707
Moveable goods given on rent						
Other assets	3 987 335	2 209 755	1 777 580	4 132 474	2 052 116	2 080 358
INTANGIBLE ASSETS	**2 033 375**	**965 317**	**1 068 058**	**1 840 796**	**826 636**	**1 014 160**
Leasehold right	330 388		330 388	329 422		329 422
Patents and brand	51 085		51 085	48 873		48 873
Computer software acquired	1 100 664	965 317	135 347	941 429	826 636	114 793
Other intangible assets	551 237		551 237	521 072		521 072
TOTAL ASSETS	**23 697 671**	**8 675 335**	**15 022 336**	**21 930 084**	**8 247 646**	**13 682 438**

3.7 CURRENCY-TRANSLATION ADJUSTMENT

(× MAD 1 000)

	01/01/18	Variation in scope	Currency-translation adjustment	Other movements	30/06/18
Gross value	1 538 820		-11 917		1 526 903
Cumulative loss in value					
Net value on balance sheet	**1 538 820**				**1 526 903**

3.8 DEBTS OWED TO CREDIT ESTABLISHMENTS

(× MAD 1 000)

	30/06/18	01/01/18
Sight accounts	2 086 710	1 383 098
Borrowings	15 895 227	18 913 189
Repo transactions	21 002 448	21 865 816
TOTAL DEBTS OWED TO CREDIT ESTABLISHMENTS	**38 984 385**	**42 162 103**

3.9. DEBTS OWED TO CLIENTS

(× MAD 1 000)

3.9.1 Debts owed to clients	30/06/18	01/01/18
Ordinary credit accounts	177 780 193	172 740 340
Term accounts	54 498 331	54 763 615
Regulated-rate savings accounts	35 888 489	35 393 744
Certificates of deposit	2 068 830	2 690 556
Repo transactions	486 447	1 153 485
Other debts owed to clients	7 982 792	6 733 373
TOTAL DEBTS OWED TO CLIENTS	**278 705 082**	**273 475 113**

(× MAD 1 000)

3.9.2 Geographical breakdown of debts owed to clients	30/06/18	01/01/18
Morocco	242 183 427	238 924 037
Offshore area	702 572	405 347
Africa	34 497 758	32 988 021
Europe	1 321 325	1 157 708
Total in principal	**278 705 082**	**273 475 113**

3.10 PROVISIONS FOR RISKS AND CHARGES

(× MAD 1 000)

	PROVISIONS FOR PERFORMANCE RISKS OF SIGNED COMMITMENTS (*)	PROVISIONS FOR CORPORATE COMMITMENTS	OTHER PROVISIONS FOR RISKS AND CHARGES	ACCOUNTING VALUE ON BALANCE SHEET
Amount on 01/01/2018	**1 657 344**	**1 205 984**	**1 175 454**	**4 038 782**
Funding	174 989	69 309	43 580	287 878
Recoveries	153 945	3 756	146 761	304 462
OTHER MOVEMENTS	-69 310	33 361	-5 916	-41 865
AMOUNT ON 30/06/2018	**1 609 078**	**1 304 898**	**1 066 357**	**3 980 333**

3.11. ALLOCATION OF DEPRECIATION BY BUCKET UNDER IFRS 9 ON 30 JUNE 2018

(× MAD 1 000)

DEPRECIATION BY BUCKET	30/06/18			01/01/18		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
CENTRAL BANKS, PUBLIC TREASURY, POSTAL-CHEQUE SERVICE	**147 246**			**101 155**		
Financial assets at fair value through equity	340 976			364 614		
Debt instruments recognised at fair value through transferable equity						
Equity instruments recognised at fair value through non-transferable equity						
Debt securities	340 976			364 614		
FINANCIAL ASSETS AT AMORTISED COST	**1 968 817**	**5 029 227**	**13 722 066**	**1 948 080**	**4 951 639**	**12 854 941**
Loans and advances to credit establishments	80 885		5 507	99 910		5 574
Loans and advances to clients	1 887 932	5 029 227	13 716 559	1 848 170	4 951 639	12 849 367
Debt securities						
Total depreciation of financial assets	**2 457 039**	**5 029 227**	**13 722 066**	**2 413 848**	**4 951 639**	**12 854 941**
Financial liabilities	**323 871**	**437 920**	**847 287**	**328 670**	**508 827**	**819 847**
Off-balance-sheet commitments	323 871	437 920	847 287	328 670	508 827	819 847

4.1 MARGIN OF INTEREST

(× MAD 1 000)

	30/06/18			30/06/17		
	Income	Charges	Net	Income	Charges	Net
TRANSACTIONS WITH CLIENTS	**6 801 562**	**1 767 617**	**5 033 945**	**6 515 576**	**1 833 278**	**4 682 298**
Accounts and loans / borrowings	6 362 552	1 700 285	4 662 267	6 087 518	1 772 774	4 314 744
Repo transactions	17 303	18 022	-719	37 749	15 550	22 199
Finance-lease transactions	421 707	49 311	372 396	390 309	44 954	345 355
INTERBANK TRANSACTIONS	**270 380**	**557 753**	**-287 374**	**123 076**	**547 533**	**-424 458**
Accounts and loans borrowings	114 225	244 926	-130 702	56 026	269 829	-213 803
Repo operations	156 155	312 827	-156 672	67 049	277 704	-210 655
Borrowings issued by the Group		**113 614**	**-113 614**		**35 235**	**-35 235**
Debts represented by a security						
Assets available for sale	**575 574**	**3 484**	**572 090**	**542 052**	**2 059**	**539 992**
Assets held to maturity	**299 343**		**299 343**	**315 817**		**315 817**
TOTAL INTEREST INCOME AND CHARGES, AND SIMILAR	**7 946 859**	**2 442 468**	**5 504 391**	**7 496 520**	**2 418 106**	**5 078 414**

4.2 NET COMMISSION

(× MAD 1 000)

	30/06/18			30/06/17		
	Income	Charges	Net	Income	Charges	Net
Commission on securities	167 954	592	167 362	153 635	349	153 286
Net income from means of payment	215 386	20 724	194 662	201 336	20 088	181 248
Other commission	1 020 464	106 957	913 507	995 327	92 503	902 824
NET INCOME FROM COMMISSION	**1 403 804**	**128 273**	**1 275 531**	**1 350 298**	**112 940**	**1 237 358**

(*) See note 3.11. Allocation of depreciation by Bucket under IFRS 9

4.3 COST OF RISK

(× MAD 1 000)

	30/06/18
Net funding for recovery of depreciation	**1 093 456**
Bucket 1: Losses valued at the amount of expected losses of credit for the 12 months to come	**45 650**
Debt instruments recognised at fair value through transferable equity	
Debt instruments recognised at amortised cost	49 838
Engagements par signature	-4 188
Bucket 2: Losses valued at expected credit losses for duration of life	**19 782**
Debt instruments recognised at fair value through transferable equity	
Debt instruments recognised at amortised cost	87 922
Signed commitments	-68 140
Bucket 3: Depreciated assets	**1 028 024**
Debt instruments recognised at fair value through transferable equity	
Debt instruments recognised at amortised cost	934 653
Signed commitments	93 371
Other provisions for risks and charges	**-22 667**
Other variations in provisions	**175 127**
Capital gains or losses on depreciated debt instruments recognised in transferable equity	
Gains or losses on depreciated debt instruments recognised at amortised cost	
Losses on non-depreciated irrecoverable loans and advances	249 946
Recovery of loans and advances recognised at amortised cost	74 819
Discounts on restructured credits	
Losses on signed commitments	
Other losses	
Other income	
Cost of risk	**1 245 916**

SECTORAL INFORMATION

(en milliers de DH)

5.1 BALANCE SHEET

	MOROCCAN AND OFFSHORE BANKING	SPECIALIST FINANCE COMPANIES	INTERNATIONAL RETAIL BANKING AND INSURANCE	ELIMINATIONS	TOTAL
BALANCE-SHEET TOTAL	**323 049 219**	**19 301 755**	**61 795 752**	**-22 871 894**	**381 274 832**
including					
ASSET ITEMS					
Financial assets at fair value through profit or loss	53 204 642		1 529		53 206 171
Financial assets at fair value through equity	11 149 184	867	15 383 134	-4 540 904	21 992 281
Investments held to maturity	12 654 731		376 108		13 030 839
Loans and advances to credit establishments and similar	30 925 645	30 586	3 308 025	-18 519 906	15 744 350
Loans and advances to clients	182 274 121	17 926 699	32 826 449	-405 050	232 622 219
LIABILITY ITEMS					
Debts owed to credit establishments and similar	27 119 942	13 819 632	16 849 925	-18 805 114	38 984 385
Debts owed to clients	241 667 991	1 218 008	35 819 083		278 705 082
EQUITY	**36 378 854**	**1 690 630**	**3 771 262**	**-3 480 681**	**38 360 065**

(en milliers de DH)

5.2 PROFIT AND LOSS ACCOUNT

	MOROCCAN AND OFFSHORE BANKING	SPECIALIST FINANCE COMPANIES	INTERNATIONAL BANKING AND INSURANCE	ELIMINATIONS	TOTAL
Margin of interest	4 266 456	335 131	903 313	-509	**5 504 391**
Margin on commission	867 387	22 204	670 253	-284 313	**1 275 531**
Net banking income	6 747 847	472 688	1 777 955	-611 432	**8 387 058**
Gross operating income	3 183 389	292 082	582 762		**4 058 233**
Operating income	1 913 540	190 124	708 653		**2 812 317**
Net income	1 204 448	124 308	622 633		**1 951 389**
NET INCOME – GROUP SHARE	**1 100 253**	**89 659**	**365 893**		**1 555 805**

GROUPE BANQUE CENTRALE POPULAIRE'S SCOPE OF CONSOLIDATION

HOLDING	% BCP SHARE	% CONTROL	EQUITY × MAD 1 000	CONSOLIDATION METHOD
Banque Centrale Populaire	100,00%	100,00%	1 822 547	TOP
BP Centre Sud	66,88%	66,88%	909 769	IG
BP Fes Taza	66,97%	66,97%	884 041	IG
BP Laayoune	57,34%	57,34%	536 423	IG
BP Marrakech B Mellal	66,35%	66,35%	888 152	IG
BP Meknes	66,11%	66,11%	666 104	IG
BP Nador Al Hoceima	65,79%	65,79%	683 742	IG
BP Oujda	65,92%	65,92%	595 815	IG
BP Tanger Tetouan	62,39%	62,39%	832 569	IG
BP Rabat Kenitra	70,46%	70,46%	1 401 657	IG
CHAABI BANK (EN KEURO)	100,00%	100,00%	37 478	IG
BPMC (EN KCFA)	75,00%	75,00%	15 000 000	IG
MAI	77,43%	77,43%	50 000	IG
CCI	84,10%	100,00%	1 926 800	IG
IMC	48,99%	50,03%	105 333	IG
VIVALIS	87,28%	87,28%	177 000	IG
MEDIA FINANCE	96,87%	100,00%	206 403	IG
CHAABI LLD	84,35%	83,62%	31 450	IG
CIB (EN KUSD)	89,51%	100,00%	2 200	IG
BPMG (EN KGNF)	52,75%	77,25%	100 000 000	IG
BANK AL AMAL	44,89%	38,59%	740 000	IG
M2T	100,00%	100,00%	15 000	IG

HOLDING	% BCP SHARE	% CONTROL	EQUITY × MAD 1 000	CONSOLIDATION METHOD
ALHIF SA	83,74%	83,74%	1 081 624	IG
UPLINE GROUP	92,17%	100,00%	46 784	IG
UPLINE SECURITIES	92,17%	100,00%	55 000	IG
UPLINE CAPITAL MANAGEMENT	92,17%	100,00%	10 000	IG
UPLINE CORPORATE FINANCE	92,17%	100,00%	1 000	IG
UPLINE REAL ESTATE	92,17%	100,00%	1 000	IG
MAGHREB TITRISATION	22,12%	24,00%	5 000	MEE
UPLINE ALTERNATIVE INVESTMENTS	92,17%	100,00%	300	IG
UPLINE VENTURES	30,42%	33,00%	97 087	MEE
AL ISTITMAR CHAABI	92,17%	100,00%	44 635	IG
ICF AL WASSIT	92,17%	100,00%	29 355	IG
UPLINE COURTAGE	92,17%	100,00%	1 500	IG
UPLINE INVESTEMENT FUND	33,18%	36,00%	100 000	MEE
UPLINE GESTION	92,17%	100,00%	1 000	IG
UPLINE INVESTEMENT	92,17%	100,00%	1 000	IG
UPLINE MULTI INVESTEMENTS	92,17%	100,00%	300	IG
UPLINE REAL ESTATE INVESTEMENTS	92,17%	100,00%	300	IG
UPLINE INTEREST	82,95%	90,00%	300	IG
ZAHRA GARDEN	46,08%	50,00%	100	MEE
ALHIF MANAGEMENT	73,74%	80,00%	5 000	IG
CHAABI MOUSSAHAMA	92,17%	100,00%	5 000	IG
EMERGENCE GESTION	30,42%	33,00%	300	MEE
SAPRESS	30,42%	33,00%	35 000	MEE
WARAK PRESS	30,72%	33,33%	5 000	MEE
MAROC LEASING	53,11%	53,11%	277 677	IG
BP SHORE GROUP	85,03%	100,00%	5 000	IG
BPREM	84,66%	100,00%	188 000	IG
PCA	85,03%	100,00%	35 000	IG
BP SHORE BO	84,44%	100,00%	3 000	IG
BP SHORE RH	85,03%	100,00%	1 000	IG
BP SHORE CONSULTING	85,03%	100,00%	10 000	IG
FPCT SAKANE	49,00%	100,00%		IG
AL AKARIA INVEST	100,00%	100,00%	154 300	IG
AL AKARIA INVEST I	100,00%	100,00%	25 000	IG
AL AKARIA INVEST II	99,87%	99,87%	300	IG
AL AKARIA INVEST III	99,87%	99,87%	300	IG
AL AKARIA INVEST IV	99,96%	99,96%	1 000	IG
AL AKARIA INVEST V	99,87%	99,87%	300	IG
AL AKARIA INVEST VII	99,87%	99,87%	300	IG
L'ORCHIDEE DU SUD	100,00%	100,00%	101 000	IG
AL AKARIA TOUBKAL	99,87%	99,87%	300	IG
AL AKARIA TENSIFT	66,26%	99,87%	300	IG
BANK AL YOUSR	80,00%	80,00%	340 000	IG
SOCINVEST	100,00%	100,00%	1 500	IG
ATLANTIC BANQUE INTERNATIONAL (En KCFA)	68,28%	68,28%	162 916 260	IG
ATLANTIQUE FINANCE (En KCFA)	68,22%	99,91%	360 000	IG
ATLANTIQUE ASSET MANAGEMENT (En KCFA)	68,22%	99,91%	100 000	IG
BANQUE ATLANTIQUE DU BURKINA FASSO (En KCFA)	38,26%	55,97%	11 000 000	IG
BANQUE ATLANTIQUE DU BENIN (En KCFA)	36,55%	53,53%	16 000 000	IG
BANQUE ATLANTIQUE DE LA COTE D'IVOIRE (En KCFA)	67,66%	98,90%	14 963 330	IG
BANQUE ATLANTIQUE DU MALI (En KCFA)	49,61%	72,61%	22 000 000	IG
BANQUE ATLANTIQUE DU NIGER (En KCFA)	53,54%	78,39%	10 500 000	IG
BANQUE ATLANTIQUE DU SENEGAL (En KCFA)	68,27%	99,98%	12 365 750	IG
BANQUE ATLANTIQUE DU TOGO (En KCFA)	57,70%	84,49%	10 136 720	IG
BIA NIGER (En KFCFA)	47,46%	69,51%	19 188 408	IG
ATLANTIQUE ASSURANCE COTE D'IVOIRE_IARD (En KCFA)	61,45%	90,00%	1 666 670	IG
ATLANTIQUE ASSURANCE COTE D'IVOIRE_VIE (En KCFA)	66,05%	96,73%	1 078 590	IG
GROUPEMENT TOGOLAIS ASSURANCE VIE (En KCFA)	42,04%	65,40%	1 000 000	IG
GROUPEMENT TOGOLAIS ASSURANCE_IARD (En KCFA)	64,19%	94,01%	2 075 000	IG

EXPOSURE TO RISK AND HEDGING STRATEGY

The Bank's overall risk-management system is based on an organisation in line with the best international standards Its integrated governance structure enables the Bank to identify the risks to which it is exposed, putting in place an internal control system that is sufficient and effective whilst setting up a system for monitoring and readjustment.

Responsibility for checking, measuring, and overseeing risks is shared between:

- governance and steering bodies (the Management Committee, the Board of Directors, the Audit Committee, the Risk-Management Committee, the Investment Committee, etc.);
- the Group Risk Function as well as the other entities that are dedicated to and / or involved in monitoring risks (credit, market, financial, and operational);
- bodies that come under internal control.

1. CREDIT RISKS

Credit risk is the risk of loss inherent in a borrower's default on repayment of its debts (bonds, bank loans, trade receivables, etc.) That risk is broken down into default risk, which occurs in case of default or delay on the part of the borrower in paying the principal and / or the interest on its debt, risk on the recovery rate in case of default, and risk of deterioration in the quality of the credit portfolio.

OVERVIEW OF THE ARRANGEMENT FOR MANAGING CREDIT RISKS

The arrangement for verifying and managing credit risks is based mainly on the following principles:

- Collective decision-making that takes the form of credit committees set up at all levels (Regional Credit Committees, BCP Credit Committee: Internal Credit Committee, Recovery and Large-Risks Committee, etc.);
- Separating tasks between commercial entities and those tasked with assessing, monitoring, and managing risks linked to credit;
- Using circulars to define the attributes and the terms of operation of all committees.

Those principles are contained within a general verification framework that meets the regulatory requirements set out by BAM (Bank Al-Maghrib). Within BCP, the risk-management arrangement and the internal-verification system as well as the group come under individualised monitoring of risk-generating activities. That monitoring is carried out at all levels in the Bank, and is based on an operational arrangement with three components:

- Assessment and independent monitoring of risk quality;
- Special monitoring of major risks and concentration risks;
- Permanent, close-in monitoring of sensitive debts.

Our arrangement, which relies on our governance structure and on a deeply-rooted risk-management culture, is gradually added to by a risk-appetite framework. It provides regular feedback to the Bank's Management and to its Governing bodies, enabling the following to be put in place:

- Suitable policies for controlled development;
- Corrective action to safeguard the Bank's interest.

INTERNAL RATING SYSTEM

The Bank has put in place an overall rating system that is in line with regulatory requirements in terms of use and purpose, applicable to all counterparties, whether sovereign states, banks, or businesses. Those operating in the property-development sector are qualified through project rating. Individual clients are scored when being granted consumer credit and property loans.

Moreover, the Bank is involved in a structuring project that aims at building a Retail scoring system, which will be used as the basis for the second tranche that is still needed to move to an internal-rating approach. The work to roll out models in the Bank's information systems are well advanced for effective implementation in 2018.

The rating system is the heart of the arrangement for managing credit risk, and it is based on a series of models that are appropriate to each category of assets. Rating consists of giving a score to each counterparty based on an internal scale of which each class is associated with a probability of default. A rating is one of the key criteria in granting credit. It is attributed when the credit file is compiled, and it is reviewed at least once a year. Furthermore, attention is paid to the consistency of decisions taken and to the risk profile generated by each score and its components, i.e. the various items of qualitative and quantitative information included in the matrix.

Rating is also an important strand in assessing the quality of the Bank's exposure, by analysing the portfolio that has been rated and the development of its distribution. In addition, special monitoring is carried out for all counterparties that show deterioration in risk quality (ratings G and H); those counterparties are examined by the Risk Committees.

Moreover, and as part of ongoing maintenance work on the business-rating tool, the Group has defined a battery of tests that enable the performance of rating models to be gauged in relation to discrimination, default prediction, and stability. Those tests are known collectively as back-testing, and are carried out in order to ensure the viability of rating models, and to put in corrective actions in place where appropriate.

ARRANGEMENT FOR MONITORING CONCENTRATION RISK

The Bank monitors concentration risk very closely, in order to comply with prudential rules set by the Risks Division as well as to ensure the diversification needed to dilute and control risks.

The arrangement for managing and monitoring concentration risk is made up of the following components:

- A portfolio-review process based on a risk database that is built up and permanently enriched by the various applications, enabling feedback of all the information for collectively reviewing a given portfolio (database of groups and commitments, the bank's own central balance-sheet offices, rating basis, etc.);
- Special attention is paid to commitments as soon as their level exceeds 5% of the Bank's own funds;
- A process of examining the 100 largest risks by counterparty or group of linked counterparties, for all the Bank's entities;
- An arrangement of sectoral and individual limits that make up the initial bases of the risk-appetite framework.

PORTFOLIO-REVIEW PROCESS

The portfolio review is an increasingly significant tool within the arrangement for supervising and managing risks, especially major risks and concentration risks. It supplements the standard process of carrying out an annual review of dossiers and the permanent monitoring of commitments, by relying on parameters used when assessing credit risk (sector-specific data, qualitative and quantitative elements linked to the counterparty and to the membership group, etc.).

The idea of a portfolio covers a set of assets grouped by activity sector, risk class, level of commitments, etc.

Through the overall and simultaneous analysis of a given portfolio, leading to a homogenous classification of counterparties, a definition of individual limits is applied. The convergence sought between the opinions of the commercial line and the risk line enables higher bodies to have the information needed for decision-making, especially as regards the commercial policy to be adopted in relation to a given portfolio (developing relationships, maintenance, withdrawal, reinforcing sureties, etc.).

CREDIT-RISK APPETITE ARRANGEMENT

As part of the gradual building up of a risk-appetite arrangement that is needed for the strategic steering of the Bank, the process of sectoral limits was subjected to an in-depth review in 2016, and the process of limits by counterparties was reviewed in 2017:

Sectoral-concentration limits: The approach to setting sectoral limits is based on qualitative and quantitative rules, and combines the measurement of the level of loss ratio of sectors with their potential for development, to define maximum commitment levels that must not be exceeded for each sector. Since 2017, that arrangement has been a significant component of the planning process, to the extent that it enables strategic guidelines to be defined in terms of overall market share in a given sector / subsector, with a view to ensuring targeted and more controlled development. Sectoral limits are updated once a year. Their monitoring includes measures based on the level of the limit reached.

Individual-concentration limits: By relying on the portfolio-review process, the Bank's major risks are subject to a collective review that leads to classification by risk level. On the basis of that classification, and by incorporating other parameters (nature and level of activity, the counterparty's equity, the Bank's equity, sectoral limit, etc.), limits by groups of counterparties are defined after approval by the appropriate committees.

ARRANGEMENT FOR MONITORING SENSITIVE DEBTS

The objective of the arrangement for monitoring sensitive risks is to identify, as far upstream as possible, advance signs of potential deterioration of counterparties, in order to be able to deal with them promptly whilst action to protect the Bank's interest can still be fairly effective and less onerous. Identifying and monitoring those debts is done jointly on a monthly basis by the risk functions and the business lines.

The mechanism put in place consists of working constantly with relationship managers to exchange information on each situation, with a view to opening the requisite negotiations for the possible regularisation of the debt. Cases that do not show a favourable development of the situation are added to the Watch List, after a decision has been taken by the competent committees. The Watch List is the end product of all supervisory measures, and is itself the subject of monitoring that enables the Bank to preserve its potential for recovery over time.

PROCESS OF SUPERVISING AND MANAGING COUNTRY RISK

To support the Group's controlled development at international level, risk management has an overall reinforcement of tools and processes. The Group has continued to concentrate its work on the convergence project, which aims at harmonising and at rolling out group riles in matters of risk management and control. To that effect, the various worksites have been brought together into an overall programme with appropriate governance to ensure their proper implementation.

Process of managing country risk

Country risk is the risk that the economic, financial, political, legal, or social conditions of a country may affect the Bank's financial interests. It is not by nature a risk that is different from "elementary" risks (credit, market, and operational), but rather an aggregation of risks resulting from vulnerability to a specific political, social, macro-economic, and financial environment.

The arrangement for measuring and supervising country risks is based on the following principles:

- a dedicated organisation that is capable of making significant choices and carrying out the necessary arbitrations (the BCP committee for monitoring Banks' international activities, and the Holding Company committees) ;
- a decision-making and power-delegation architecture (subsidiary, holding company, and BCP) as regards granting credit and making investments;

- portfolio committees dedicated to monitoring and supervising sensitive counterparties and sectors in each subsidiary, with centralised monitoring within ABI and BCP; and, finally
- a review of country risks at meetings of the Group's various Boards of Directors, Audit Committees, and Risk Committees.

At methodological level, the Bank has equipped itself with a country-risk management arrangement that is based on an internal rating model that enables country risk to be quantified on the basis of economic, financial, political, and regulatory data and indicators. That rating is expressed on the basis of four different types of risk: sovereign-default risk, non- transfer risk, corporate risk treated as the risk of generalised macro-economic shock, and banking-system risk. For each of those types of risk, ratings distinguish between short-term risk (less than 12 months) and medium-term risk (longer than 12 months). Those internal country ratings form a main component of the group's provisioning arrangement.

Process of supervising foreign subsidiaries

The group has a system of local and central risk feedback and consolidation that enables an assessment to be made of risk areas, with a view to putting attenuating strategies in place. That arrangement was reinforced in 2017 by the setting up of the Watch List process, and it allows rigorous monitoring of:

- the risk profile and the portfolio quality for each subsidiary;
- sensitive or outstanding debts;
- individual and sectoral concentration risks.

2. MARKET RISKS

Market risks represent the risks of loss or of exposure on the trading portfolio. They arise from unfavourable changes in market parameters (exchange rates, interest rates, the cost of certificates of ownership, the cost of raw materials, and the volatility of financial derivatives).

With the aim of guiding and controlling marketing risks, the Bank has put in place an arrangement for managing risks in accordance with best practice in the matter. That arrangement is based on clear guiding principles, policies, and internal procedures that are in line with levels of risk tolerance and with the aims of profitability, as well as being in line with the Bank's equity.

The guiding principles of the market-risk management arrangement are as follows:

- Control risks relating to exposure;
- Secure the development of the Group's market activities as part of the medium-term plan's strategic orientations and of regulatory provisions;
- Adopt best practice in terms of risk management for all market activities.

The Bank's level of tolerance of market risks is shown through the arrangements for limiting and delegating powers. Those levels of tolerance are set such that exposure to market risks cannot cause losses that could compromise the Group's financial solidity and expose it to unconsidered or significant risks.

ARRANGEMENT FOR MANAGING AND MONITORING MARKET RISKS

In order to manage risks relating to market activities and to ensure that those risks are supervised, the Bank has set up an arrangement based on four pillars:

- A system of delegating powers that defines the process of making a request, validating limits, and authorising overruns;
- The Investment Committee carries out steering and arbitration between the various market activities;
- Monitoring and supervising risk indicators by entities and bodies that control market risks;
- A set of tools for managing and controlling market risks.

Market risks arising from the banking portfolio are monitored, managed, and incorporated as part of managing the structural risks of rates and liquidity.

APPLICABLE LIMITS

The limits arrangement is applied to all market activities that come under the trading portfolio. The arrangement takes in debt limits by portfolio, duration limits and sensitivity limits relating to interest rates, the limits on Greeks for derivatives, and concentration limits by class of assets and by share of the investment universe of the Shares portfolio. That arrangement is reinforced by VaR (Value at Risk) limits as global limits applied by portfolio and by class of risk factors. The market-risk limit arrangement is based on a matrix of delegation of powers that sets limits by instrument, by market, and by player. The process of proposing and validating limits is governed by an internal circular.

TOOLS FOR MONITORING AND MANAGING RISKS

Assessing market risks is based on the combination of two groups of measures that enable potential risks to be quantified: calculating Value at Risk (VaR), combined with using sensitivity measures and stress scenarios.

The Bank has adopted a market-risk monitoring and management structure that includes using a VaR-based approach for the whole trading portfolio.

VaR is defined as the maximum theoretical loss that a portfolio can suffer in the event of unfavourable movements of market parameters, over a given time horizon and for a given confidence interval. The Bank uses a 99% confidence interval and a time horizon of one day, relying on two years' historic data. That enables day-to-day monitoring of market risks that the Bank has taken on Trading activities under normal market conditions.

The method chosen for calculating VaR is that of a historic model based on historic scenarios of risk factors inherent in the trading portfolio. That model takes implicit account of the correlations between the various risk factors. An overall VaR is calculated for all trading activating, by nature of instrument and by class of risk factors.

The Bank is aware of the limits of the VaR model, so it has incorporated sensitivity analyses and limits into its supervision arrangement. Impacts in terms of P&L based on standard scenario or stress scenarios are estimated for the entire trading portfolio. Those scenarios are chosen from three categories, i.e. historically-proven, hypothetical, and adverse scenarios.

Market risks are monitored daily by the Middle Office and by the market-risk function. The Management Committees (the Overall Risk-Management Committee and the Investment Committee) regularly supervise levels of exposure, yields generated by market activities, risks attached to trading activities, compliance with regulatory requirements, and compliance with arrangements relating to limits.

The reporting presented to the various committees also includes an analysis of portfolio sensitivity and of simulations in the case of extreme scenarios, taking account of portfolio structures as well as the correlations between the various risk factors.

3. ALM RISKS

The strategy of managing overall rate and liquidity risk obeys the objective of controlling risks that is part of the process of development planned and adopted by the Group. That strategy is based on the following guiding principles:

- Direct development activities as part of a medium-term plan, taking account of rate and liquidity risks;
- Maintain a stable, varied structure for our deposits, with control over the potential for growth of our commitments;
- Gradually improve the overall gap in rates, with a view to maintaining a balance between the various activities in terms of rate and liquidity profile;
- Develop variable-rate assets to immunise part of the balance sheet following an unfavourable development in interest rates.

OVERALL RATE RISK

The overall rate risk represents the loss caused by the unfavourable development of interest rates across the whole of the Bank's balance sheet, having regard to its capacity to transform savings and resources into productive applications.

The analysis of overall risk is complex, given the need to formulate assumptions relating to the behaviour of depositors concerning the maturity of deposits that are contractually reimbursable on demand, and on assets and liabilities that are not directly sensitive to interest rates. When the behavioural characteristics of a product are different from its contractual characteristics, the behavioural characteristics are assessed to determine the real underlying interest-rate risk.

The process of assessing and controlling the general level of overall rate risk is carried out:

- Once a quarter, when the summary statements are drawn up;
- By attachment to the planning process (a phase involving the note on strategic orientations and the planning phase of the Medium-Term Financial Plan (MTFP)), as an arrangement for final validation of the MTFP;
- When significant changes are made to rate lists, to assess their impact.

That supervision arrangement is based on:

- An assessment methodology based on the gap (dead-end) approach. That takes the form of a classification of assets and liabilities by their maturity profile and rate profile (fixed or variable), taking account of factors of residual duration and future behaviour (prospective approach over a four-year timescale and based on the assumptions of the MTFP).
- A quarterly system of reporting to the Risk-Management Committee on levels of exposure, stress tests in terms of impact on net banking income and on equity, and the prospective development of prudential ratios.
- A system of limits in terms of impact and risk, with respect to net banking income and equity, defined by the Risk-Management Committee and validated by the Management Committee.

Through that arrangement, the management of overall rate risk aims at optimising the impact of rates on profits and equity, by relying on the calculation of static and dynamic gaps in line with the frequencies defined previously.

LIQUIDITY RISK

Liquidity risk can flow from the structure of the balance sheet by reason of gaps between the true maturity dates of asset and liability items, the financing needs of future activities, clients' behaviour, a possible disturbance in markets, or the economic climate. Managing liquidity risk aims at guaranteeing BCP access to the funds needed to honour its financial commitments when they fall due.

Managing liquidity risk takes the form of keeping a sufficient level of liquid securities and a stable, diversified provision of funds. The securities portfolio is mainly made up of Treasury bills and, to a lesser extent, of positions on liquid assets and UCITSs.

Liquidity management is based on:

- Monitoring balance-sheet liquidity ratios based on internal requirements and those imposed by regulations;
- Drawing up a liquidity schedule based on dynamic scenarios and on the MTFP timescale, as well as drawing up a static liquidity schedule giving indications of the bank's liquidity situation in the medium and long term;
- Monitoring the investment portfolio and the projection of cash flows;
- Maintaining a wide variety of sources of finance and monitoring the concentration of deposits by nature of products and counterparty, with regular monitoring of the concentration of the ten largest depositors;

- Maintaining special relationships with institutional investors and large corporate entities.

The Group has a refinancing-risk management policy that is applicable under normal market conditions as well as in cases of liquidity crisis. That policy defines monitoring mechanisms as well as alternatives that enable refinancing risks to be attenuated in case of a prolonged liquidity crisis. Clients' sight deposits (current accounts and savings accounts) form a significant part of the Group's overall financing, which has shown itself to be stable over the years.

In addition, BCP is a significant player in money and bond markets through its market activities. BCP's position allows it to have short-term recourse to repo transactions through BAM, banks, and other financial institutions.

4. OPERATIONAL RISKS

ARRANGEMENT FOR MANAGING OPERATIONAL RISKS

The Group has developed management tools and processes to reinforce the control and steering of operational risks. The latter are defined as the risk of suffering potential harm due to a mismatch or a default attributable to external procedures, people, systems, or events. That definition of operational risk includes legal risk and reputational risk, but it excludes strategic risk.

Over and above regulatory requirements relating to an allocation of equity for operational risk, our arrangement is intended to provide the best response to BAM's recommendations and to the healthy practices advocated by the Basel II Accords Hence, it is part of a system of continuous improvement:

- Collecting data on (potential) risks and / or (confirmed) incidents;
- Analysing (potential) risks and / or (confirmed) incidents, and assessing their financial consequences;
- Communicating data on (potential) risks and / or (confirmed) incidents, and assessing exposure to operational risks;
- Initiating preventive and corrective actions that are required to reduce the impact of risk events and the probability that those risk events will occur.

ORGANISING THE OPERATIONAL-RISK SECTOR

The operational-risk sector is organised around:

- The central function at Head Office, tasked with designing and steering methodological and IT tools;
- In each BPR, a risk administrator who is the relay for the central function;
- Correspondents who are appointed by business line as part of the protocol for collecting losses, and who have the task of listing operational losses and of entering them in the risk-management tool that is available to them;
- Subsidiary-based correspondents who oversee the setting up of the operational-risk methodology and tools, in line with the arrangement adopted within the Bank.

MAIN TOOLS FOR MANAGING OPERATIONAL RISKS

The four main methodological tools are: the cartography of operational risks, the process of recording incidents, monitoring risks linked to outsourced activities, and the business-continuity plan.

CARTOGRAPHY OF RISKS

The approach is based on the benchmark for processes, and adopts the breakdown rolled out by the Organisation function. Operational-risk events are identified and described in workshops held with business-line experts. Thereafter, those events are assessed using two parameters: average unit financial impact, and frequency.

For each event, an assessment of the risk-control arrangement is carried out at three levels (Satisfactory, Needs Strengthening, or Unsatisfactory) That exercise provides a hierarchical view of risks, and it allows action plans to be put in place by business line. In general, those action plans are incorporated into the projects launched by the Bank and monitored as part of the Commission on Permanent Control and Operational Risks.

LISTING INCIDENTS

In accordance with regulations, a system of listing losses and operational incidents has been put in place that is based on a declaration mechanism with double oversight. Correspondents working on listing the various business lines input information directly into the dedicated IT tool. A workflow is in place for managers to check the relevance of information fed back by collaborators, and to be given real-time warnings of events occurring within their perimeters so that corrective action can be put in place.

MONITORING OUTSOURCED ACTIVITIES

In order to assess the risk incurred by the Bank, two assessment grids have been put in place:

- An 8-strand criticality grid (setting up the service provision, number of service provisions in the regions, cost of the service provision, regulatory requirement, etc.) on a scale of 1 to 4, and enabling service provisions to be ranked according to their exposure to risk;
- A 5-strand control-level grid (financial health, Business Continuity Plan, visit to the service provider, etc.) on a scale of 1 to 4, and highlighting the level of risk control between service providers within a single activity.

BUSINESS-CONTINUITY PLAN

Business-Impact Analysis (BIA) and the Maximum Permitted Duration of Interruption allow processes to be identified that must be restored as a priority in the event of a crisis. For each critical process, there is a Business-Line Rescue Plan that sets out the role of each person in the event of a disaster, the means available, as well as the action that must be taken immediately on arrival at the fall-back site. It is important to point out that during the first half of 2018, no major disaster occurred that required the Bank to activate its business-continuity plan.

Deloitte.
Deloitte Audit
288, Boulevard Zerktouni
Casablanca, Maroc

MAZARS
Mazars Audit et Conseil
101, Boulevard Abdelmoumen
Casablanca, Maroc

GROUPE BANQUE CENTRALE POPULAIRE

CERTIFICATE COVERING THE LIMITED EXAMINATION OF THE CONSOLIDATED INTERMEDIATE SITUATION ON 30 JUNE 2018

We have carried out a limited examination of the intermediate situation of Banque Centrale Populaire and its subsidiaries (Groupe Banque Centrale Populaire), including the balance sheet, the profit and loss account, the overall income statement, the table of cash flows, the statements of variations in equity, and a selection of explanatory notes, at the end of the half year covering the period from 1 January to 30 June 2018. That intermediate situation gives an amount in consolidated equity of MAD 38 360 065 000, including consolidated net profit of MAD 1 951 389 000.

We carried out our limited examination in accordance with the standards of the profession in Morocco. Those standards require the limited examination to be planned and carried out with a view to obtaining a moderate level of assurance that the intermediate situation of the consolidated financial statements does not include any significant anomaly. A limited examination essentially includes interviews with company staff, and analytical checks applied to financial data. As a result, it provides a level of assurance that is lower than that of an audit. We have not carried out an audit, so we do not express an audit-based opinion.

On the basis of our limited examination, we have not identified any facts that lead us to believe that the consolidated statements attached do not give a true picture of the income from transactions during the period covered, as well as of the financial situation and the equity of Groupe Banque Centrale Populaire as of 30 June 2018, in accordance with international accounting standards (IAS / IFRS).

Without calling into question the conclusion expressed above, we draw your attention to the note that sets out the effects of the initial application of standard IFRS 9 "Financial Instruments".

Casablanca, 25 July 2018

The Auditors

Deloitte Audit
Fawzi BRITEL
Associate

Mazars Audit et Conseil
Abdou Souleye DIOP
Associate

A1. STATEMENT OF PRINCIPLES AND METHODS OF ASSESSMENT

At the end of each accounting year, credit establishments are required to draw up summary statements that are able to give a true picture of their equity, financial situation, risks assumed, and income.

If applying those principles and rules is not enough to obtain a true picture from the summary statements, the credit establishment is required to provide, in the statement of additional information, any information that enables a true picture to be obtained.

A1.2 PRESENTATION :

The financial statements contain the accounts of the head office and the agencies of the Casablanca network.

A1.3 GENERAL PRINCIPALES :

Banque Centrale Populaire's financial statements comply with the general accounting principles applicable to credit establishments. They are presented in accordance with the Accounting Plan for Credit Establishments.

3.1 Loans and signed commitments:

- **General presentation of loans**

Loans are generally presented in two categories: loans to credit establishments and loans to clients. They are broken down by their initial duration and their economic purpose.

Loans are broken down as follows:

- sight loans and term loans to credit establishments and similar
- cash loans, consumer credit, facilities loans, property loans, and other credits
- loans acquired by factoring.

Signed commitments recognised off-balance sheet are for irrevocable finance commitments and for guarantee commitments.

Repo transaction in the form of securities are recorded under the various loan headings concerned (credit establishments or clients). Interest accrued on loans is entered into the related-loans account as counterparty to the profit and loss account.

- **Outstanding loans to clients**

Outstanding loans to clients are recognised and valued in accordance with current banking regulations.

The main provisions applied are summarised as follows:

After deducting the percentage of cover set out in current regulations, outstanding loans are provisioned as follows:

-20% for pre-doubtful loans
-50% for doubtful loans
-100% for compromised loans.

Provisions relating to credit risks are deducted from the asset items concerned.

- As soon as healthy loans are downgraded to compromised loans, interest is no longer settled and entered into accounts. It is noted under income on receipt.
- Losses on irrecoverable loans are noted when the chances of recovering outstanding debts are deemed nil.
- Recovery of provisions for outstanding debts is noted when the latter show favourable change (effective reimbursement, or debt restructuring with partial or total reimbursement).

3.2 Debts owed to credit establishments and to clients:

Debts owed to credit establishments and to clients are presented in the summary statements by their initial duration or by the nature of those debts :

- sight loans or term loans owed to credit establishments
- sight accounts in credit, savings accounts, term deposits, and other accounts in credit.

Depending on the nature of the counterparty, repo transactions in the form of securities are included under those various headings.

Interest accrued on those debts is recorded in the related-debts account as counterparty to the profit and loss account.

3.3 Securities portfolio:

- **General presentation**

Securities transactions are entered into accounts and valued in accordance with the provisions of the Accounting Plan for Credit Establishments.

Securities are classified on the basis of the legal nature of the security (debt security or ownership title), and on the basis of the intention (transaction security, investment security, marketable security, or equity security).

- **Transaction securities**

Transaction securities are securities acquired with a view to being sold on within a short period, and of which the trading market is deemed active.

Those securities are recorded at their purchase value, excluding transaction costs and including accrued interest. At each accounting close, the difference arising from variations I market prices is entered in the income and charges account.

- **Marketable securities**

Marketable securities are considered to be fixed-income or variable-income securities held for an indeterminate period with a view to investment, and that the establishment may be called upon to sell at any time.

No condition is required for securities to be classified in this category.

Debt securities are recorded net of accrued interest. The difference between the purchase price and the reimbursement price is amortised over the residual duration of the security.

Ownership titles are recorded at their purchase price less purchase costs.

At each accounting close, the negative difference between the market value and the entry value of the securities is subject to provision for depreciation. Latent capital gains are not recorded.

- **Investment securities**

Investment securities are fixed-income securities acquired with the intention of holding them for a lengthy period, in principle until maturity.

On their purchase date, those securities are recorded at their purchase price, including cost and including accrued interest.

At each accounting close, the securities are maintained at their purchase value, regardless of the security's market value. In consequence, the latent loss or latent profit is not recorded.

- **Equity securities**

Equity securities include securities of which the long-term possession is deemed useful to the bank, whether or not they enable significant control, joint control, or sole control to be exercised over the issuing company.

In accordance with the provisions set out in the Accounting Plan for Credit Establishments, those securities are broken down into :

- equity securities
- equity securities in related businesses
- portfolio-activity securities
- other similar applications.

On a case-by-case basis and depending on the useful value of the holding, only capital losses lead to provision being made for depreciation.

- **Repo transactions**

Repo-outward securities are maintained on the asset side of the balance sheet, and the amount collected representing the debt with regard to the transferee is recorded on the liability side of the balance sheet. Securities that have been sold continue to be valued according to the rues applicable to their category.

Repo-inward securities are not entered in the balance sheet, but the amount paid out representing the debt owed to the transferor is recorded on the asset side of the balance sheet. No provision is noted in case of depreciation of securities received, but interest accrued on the loan is recognised.

3.4 Foreign-currency transactions

Loans, debts, and signed commitments that are expressed in foreign currency are converted into Moroccan dirhams at the average exchange rate in force on the closing date.

The exchange-rate difference noted on loans in foreign currency hedged against exchange-rate risk is entered into the balance sheet under the heading of other assets or other liabilities, in accordance with the meaning. The exchange-rate difference arising from the conversion into foreign currency of non-equity securities acquired is recorded under currency-translation adjustment under the security items concerned.

The exchange-rate difference on foreign-currency accounts is recorded in the profit and loss account. Income and charges expressed in foreign currency are converted at the rate in force on the date when they are entered into accounts.

3.5 Tangible and intangible assets

Tangible and intangible assets appear in the balance sheet at purchase value less cumulative amortisations, calculated by the linear method on the estimated duration of life.

Intangible assets, broken down into operating and non-operating assets, are amortised along the following timescales :

Nature	Period of amortisation
Leasehold right	Non-amortisable
Patents and brands	Period of patent protection
Research and development assets	1 year
Computer software	5 years

Tangible assets, broken down into operating and non-operating assets, are composed and amortised along the following timescale :

Nature	Durée d'amortissement
Land	non amortissable
Commercial property	
Office furniture	10 years
IT equipment	5 years
Rolling stock	5 years
Fixtures, fittings, and installations	10 years
Civil companies' shares	Non-amortisable

3.6. Deferred charges

Deferred charges record expenses that, having regard to their significance and nature, are likely to be attached to more than one financial year.

3.7 Provisions

The item covers provisions aimed at covering risks and charges, whether or not directly linked to banking transactions.

- **Provisions for risks and charges**: are constituted in the event of a commitment to a third party at closing, and in the absence of an expected equivalent counterparty.
- **Provisions for general risks**: are constituted, subject to assessment by managers, with a view to dealing with future risks relating to banking activity that are not currently identified and that cannot be precisely measured. Provisions thus constituted are subject to tax reintegration.
- **Regulatory provisions**: are constituted pursuant to legislative and regulatory provisions, especially tax provisions.

3.8 Taking account of interest and commission in the income and charges account

- **Interest**

Interest is taken to be income and charges calculated on capital that is effectively loaned or borrowed.

Items considered to be similar to interest are income and charges calculated on a pro rata temporis basis and that remunerate a risk. In particular, In particular, this category includes commission on guarantee commitments and finance commitments (deposit, documentary credit, etc.)

Interest accrued on capital effectively loaned or borrowed is noted in the related loans and debts account that generated them by counterparty to the profit and loss account.

Similar interest is noted in income or charges as soon as it is invoiced.

- **Commission**

Income and charges that remunerate a provision of service are noted as commission as soon as they are invoiced.

Commission is recorded according to the nature of the service provided.

3.9 Non-current charges and income

Non-current charges and income represent only extraordinary charges and income. In principle, they are rare, due to their unusual nature and exceptional occurrence.

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

BALANCE SHEET

(× MAD 1 000)

ASSETS	30/06/18	31/12/17
Cash, Central Banks, Public Treasury, Postal-Cheque Service	**5 582 666**	**5 588 158**
Advances to credit establishments and similar	**32 488 143**	**35 569 892**
. Sight	4 788 180	7 028 388
. Term	27 699 963	28 541 504
Advances to clients	**102 708 845**	**99 360 386**
. Cash loans, consumer credit, and participative finance	28 310 369	26 017 560
. Facilities credit and participative finance	30 189 960	28 904 849
. Property credit and participative finance	27 877 808	27 924 019
. Other credits and participative finance	16 330 708	16 513 958
Loans acquired by factoring	**1 790 143**	**1 131 037**
Transaction securities and marketable securities	**47 947 766**	**47 948 210**
. Treasury bills and similar securities	26 227 691	25 198 279
. Other debt securities	642 812	359 961
. Sukuk certificates	-	-
. Certificates of ownership	21 077 263	22 389 970
Other assets	**2 785 801**	**3 120 488**
Investment securities	**13 067 218**	**14 188 158**
. Treasury bills and similar securities	12 289 218	13 642 159
. Oher debt securities	778 000	545 999
. Sukuk certificates	-	-
Equity securities and similar applications	**22 050 408**	**20 837 227**
. Holding in related companies	19 985 951	19 738 039
. Other equity securities and similar applications	2 064 457	1 099 188
. Moudaraba and moucharaka securities	-	-
Subordinate debts	**290 461**	**314 427**
Investment deposits invested	-	
Property given on lease and rent	-	-
Assets given on ijara	-	
Intangible asset	**355 289**	**362 470**
Tangible assets	**5 113 618**	**4 331 545**
TOTAL ASSETS	**234 180 358**	**232 751 998**

(× MAD 1 000)

LIABILITIES	30/06/18	31/12/17
Central Banks, Public Treasury, Postal-Cheque Service	**6**	**6**
Debts owed to credit establishments and similar	**131 203 742**	**132 807 832**
. Sight	99 650 609	102 091 858
. Term	31 553 133	30 715 974
Client deposits	**60 808 669**	**59 894 061**
. Sight accounts in credit	38 633 090	38 607 694
. Savings accounts	7 453 976	7 324 020
. Term deposits	10 937 849	11 441 029
. Other accounts in credit	3 783 754	2 521 318
Debts owed to clients for participative products	-	-
Debt securities issued	-	-
. Negotiable debt securities issued	-	-
. Bond borrowings issued	-	-
. Other debt securities issued	-	-
Other liabilities	**4 622 704**	**3 666 187**
Provisions for risks and charges	**4 770 428**	**4 107 919**
Regulatory provisions	-	-
Grants, allocated public funds, and special guarantee funds	**3 683 527**	**3 643 620**
Subordinate debts	**5 047 563**	**5 040 995**
Investment deposits received	-	-
Revaluation surplus	-	-
Reserves and premiums linked to capital	**19 961 922**	**19 042 884**
Capital	**1 822 547**	**1 822 547**
Shareholders – capital not paid up (-)	-	-
Carried forward (+/-)	**545 190**	**495 072**
Net income pending allocation (+/-)	-	-
Net income for the financial year (+/-)	**1 714 060**	**2 230 875**
TOTAL LIABILITY	**234 180 358**	**232 751 998**

INCOME AND CHARGES ACCOUNT

(× MAD 1 000)

	30/06/18	30/06/17
BANK OPERATING INCOME	**6 474 918**	**6 266 398**
Interest, remuneration, and similar income from transactions with credit establishments	492 277	386 532
Interest, remuneration, and similar income from transactions with clients	2 275 769	2 202 618
Interest and similar income from debt securities	381 016	422 548
Income from certificates of ownership and sukuk certificates	1 421 654	1 120 729
Income from moudaraba and moucharaka securities	-	-
Income from assets on lease and rent	-	-
Income from assets given on ijara	46	38
Commission on pro vision of service	275 880	258 280
Other bank income	1 628 276	1 875 653
Transfer of charges on investment deposits received	-	-
BANK OPERATING CHARGES	**2 447 576**	**2 252 022**
Interest and charges on transactions with credit establishments and similar	1 407 290	1 308 302
Interest and charges on transactions with clients	367 551	396 454
Interest similar charges on debt securities issued	-	-
Charges on moudaraba and moucharaka securities	-	-
Charges on assets given on lease and rent	-	-
Charges on assets given on ijara	21	-
Other bank charges	672 714	547 266
Transfer of income from investment deposits received	-	-
NET BANKING INCOME	**4 027 342**	**4 014 376**
Non-banking operating income	687 818	890 537
Non-banking operating charges	4 778	101 325
GENERAL OPERATING CHARGES	**1 430 200**	**1 419 531**
Staff costs	492 380	504 645
Taxes and dues	26 249	18 358
External charges	714 985	732 359
Other general operating charges	53 930	36 318
Funding for amortisations and for provisions for tangible and intangible assets	142 656	127 851
FUNDING FOR PROVISIONS AND LOSSES ON IRRECOVERABLE DEBTS	**1 420 707**	**1 555 382**
Funding for provisions for outstanding debts and signed commitments	483 174	452 198
Losses on irrecoverable debts	71 528	96 842
Other funding for provisions	866 005	1 006 342
RECOVERY OF PROVISIONS AND RECOVERY OF AMORTISED LOANS	**368 532**	**421 813**
Recovery of provisions for outstanding debts and signed commitments	231 646	319 127
Recovery of amortised debts	23 986	3 699
Other recovery of provisions	112 900	98 987
CURRENT INCOME	**2 228 007**	**2 250 488**
Non-current income	101 306	59 424
Non-current charges	21 690	17 988
PRE-TAX INCOME	**2 307 623**	**2 291 924**
Tax on income	593 563	761 978
NET INCOME FOR THE FINANCIAL YEAR	**1 714 060**	**1 529 946**

OFF-BALANCE-SHEET

(× MAD 1 000)

	30/06/18	31/12/17
COMMITMENTS GIVEN	**36 027 510**	**35 688 929**
Finance commitments given in favour of credit establishments and similar	809 504	1 579 504
Finance commitments given in favour of clients	17 907 502	16 964 075
Guarantee commitments for credit establishments and similar	8 360 486	8 246 764
Guarantee commitments for clients	8 950 018	8 898 586
Securities bought with repo option	-	-
Other securities deliverable	-	-
COMMITMENTS RECEIVED	**11 249 917**	**11 184 511**
Finance commitments received from credit establishments and similar	9 337	9 955
Guarantee commitments received from credit establishments and similar	10 751 913	10 821 034
Guarantee commitments received from the state and miscellaneous guarantee bodies	488 667	353 522
Securities sold with repo options	-	-
Other securities receivable	-	-
Moucharaka and moudaraba securities receivable	-	-

STATEMENT OF MANAGEMENT BALANCES

(× MAD 1 000)

I – ACCOUNT REANALYSIS TABLE	30/06/18	30/06/17
(+) Interest and similar income	3 149 063	3 011 698
(-) Interest similar charges	1 774 840	1 704 756
MARGIN OF INTEREST	**1 374 223**	**1 306 942**
(+) Income from participative finance	-	-
(-) Charges on participative finance	-	-
MARGIN ON PARTICIPATIVE FINANCE	-	-
(+) Income from assets given on lease and rent	-	-
(-) Charges on assets given on lease and rent	-	-
INCOME FROM LEASING AND RENTAL TRANSACTIONS	-	-
(+) Income from assets given on ijara	46	38
(-) Charges on assets given on ijara	21	-
INCOME FROM IJARA TRANSACTIONS	**25**	**38**
(+) Commission charged	275 880	258 280
(-) Commission paid	55 134	37 057
MARGIN ON COMMISSION	**220 746**	**221 223**
(+) Income from transactions on transaction securities	704 604	683 527
(+) Income from transactions on marketable securities	202 873	544 964
(+) Income from foreign-exchange transactions	135 715	174 042
(+) Income from transactions on derivatives	11 453	26 919
INCOME FROM MARKET TRANSACTIONS	**1 054 645**	**1 429 452**
(+/-) Income from transactions on moudaraba and moucharaka securities	-	-
(+) Miscellaneous other banking income	1 438 305	1 121 033
(-) Miscellaneous other banking charges	60 602	64 314
(+/-) Share of holders of investment-deposit accounts	-	-
NET BANKING INCOME	**4 027 342**	**4 014 374**
(+) Income from transactions on financial assets	-37 924	46 886
(+) Other non-banking operational income	679 600	881 915
(-) Other non-banking operational charges	1 779	101 325
(-) General operating charges	1 430 200	1 419 531
GROSS OPERATING INCOME	**3 237 039**	**3 422 319**
(+/-) Net funding for recovery to provisions for outstanding debts and signed commitments	-299 070	-226 214
(+/-) Other net funding for recovery to provisions	-709 962	-945 617
CURRENT INCOME	**2 228 007**	**2 250 488**
NON-CURRENT INCOME	**79 616**	**41 436**
(-) Tax on income	593 563	761 978
NET INCOME FOR THE FINANCIAL YEAR	**1 714 060**	**1 529 946**

II – SELF-FINANCING CAPABILITY	30/06/18	30/06/17
(+) NET INCOME FOR THE FINANCIAL YEAR	**1 714 060**	**1 529 946**
(+) Funding for amortisations and provisions for tangible and intangible assets	142 656	127 851
(+) Funding for provisions for depreciation of financial assets	52 670	879
(+) Funding for provisions for general risks	777 640	1 000 000
(+) Funding for regulated provisions	-	-
(+) Non-current funding	-	-
(-) Recovery of provisions	9 528	88 139
(-) Capital gains on sales of tangible and intangible assets	-	196 987
(+) Capital losses on sales of tangible and intangible assets	-	-
(-) Capital gains on sales of financial assets	8 218	8 623
(+) Capital losses on sales of financial assets	3 000	-
(-) Recovery of investment grants received	-	-
(+) SELF-FINANCING CAPABILITY	**2 672 280**	**2 364 927**
(-) Profits distributed		-
(+) SELF-FINANCING	**2 672 280**	**2 364 927**

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

TABLE OF CASH FLOWS

(× MAD 1 000)

	30/06/18	31/12/17
(+) Bank operating income received	4 938 642	10 186 549
(+) Recovery of amortised debts	23 987	11 243
(+) Non-banking operating income received	780 906	1 442 492
(-) Bank operating charges paid	(2 904 588)	(6 350 805)
(-) Non-banking operating charges paid	(23 468)	(29 243)
(-) General operating charges paid	(1 287 544)	(2 655 008)
(-) Tax paid on income	(593 564)	(876 645)
I. Net cash flows from the income and charges account	**934 371**	**1 728 583**
Variation in:		
(+/-) Loans to credit establishments and similar	3 081 749	(9 062 436)
(+/-) Loans to clients	(4 005 271)	(6 079 896)
(+/-) Transaction securities and marketable securities	(12 828)	(5 630 586)
(+/-) Other assets	335 830	(384 549)
(-) Moudaraba and moucharaka securities	-	-
(+/-) Assets given on lease and rent	-	-
(+/-) Assets given on ijara	-	-
(+/-) Investment deposits invested with credit establishments and similar	-	-
(+/-) Debts owed to credit establishments and similar	(1 604 090)	14 521 914
(+/-) Client deposits	837 543	(3 603 086)
(+/-) Debts owed to clients for participative products	-	-
(+/-) Debt securities issued	-	-
(+/-) Other liabilities	956 432	1 697 011
II. Balance of variations in operating assets and liabilities	**(410 635)**	**(8 541 628)**
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)	**523 736**	**(6 813 045)**
(+) Income from sales of financial assets	1 376 381	3 929 929
(+) Income from sales of tangible and intangible assets	1 158	246 501
(-) Acquisition of financial assets	(1 618 888)	(4 022 986)
(-) Acquisition of tangible and intangible assets	(918 613)	(1 126 639)
(+) Interest received	431 648	778 385
(+) Dividends received	1 421 654	1 129 875
IV. NET CASH FLOWS FROM INVESTMENT ACTIVITIES	**693 340**	**935 065**
(+) Grants, public funds, and special guarantee funds received	39 907	271 054
(+) Subordinate-dent issue	-	4 000 000
(+) Investment deposits received	-	
(+) Share issue	-	-
(-) Reimbursement of equity and similar	-	-
(-) Investment deposits reimbursed	-	
(-) Interest paid	(77 821)	(33 233)
(-) Remuneration paid on investment deposits	-	
(-) Dividends paid	(1 184 654)	(1 093 527)
V. NET CASH FLOWS FROM FINANCING ACTIVITIES	**(1 222 568)**	**3 144 294**
VI. NET CASH VARIATION (III + IV + V)	**(5 492)**	**(2 733 686)**
VII. CASH AT START OF FINANCIAL YEAR	**5 588 152**	**8 321 838**
VIII. CASH AT END OF FINANCIAL YEAR	**5 582 660**	**5 588 152**

STATEMENT OF CHANGES IN METHOD

NATURE OF CHANGES	JUSTIFICATION FOR CHANGES	INFLUENCE ON EQUITY, THE FINANCIAL SITUATION, AND INCOME
I – Change affecting valuation methods [NÉANT = NIL]	NIL	NIL
II - Change affecting rules of presentation [NÉANT = NIL]		

STATEMENT OF DEROGATIONS

INDICATIONS DES DEROGATIONS	JUSTIFICATION FOR DEROGATIONS	INFLUENCE ON EQUITY, THE FINANCIAL SITUATION, AND INCOME
I – Derogation from fundamental accounting principles [NÉANT = NIL]		
II – Derogations from valuation methods [NÉANT = NIL]	NIL	NIL
III – Derogations from rules for preparing and presenting summary statements [NIL / NIL]		

LOANS FROM CREDIT ESTABLISHMENTS AND SIMILAR

(× MAD 1 000)

LOANS	Bank Al-Maghrib, Public Treasury, and Postal-Cheque Service	Banks in Morocco	Other credit establishments and similar in Morocco	Credit establishments abroad	30/06/18	31/12/17
ORDINARY ACCOUNTS IN DEBIT	**4 779 015**	**727 112**	**641 497**	**1 511 065**	**7 658 689**	**10 725 005**
REPO-INWARD SECURITIES	-	**489 961**	**394 754**	-	**884 715**	**803 869**
- overnight	-	209 944	394 754	-	604 698	803 869
- à terme	-	280 017	-	-	280 017	-
CASH LOANS	-	**2 795 000**	**6 839 289**	**2 049 877**	**11 684 166**	**11 814 955**
- overnight	-	1 295 000			1 295 000	257 627
- à terme	-	1 500 000	6 839 289	2 049 877	10 389 166	11 557 328
FINANCIAL LOANS	-	**1 335 958**	**15 210 219**	-	**16 546 177**	**16 389 060**
OTHER LOANS	-	**331 055**	-	**52**	**331 107**	**462 735**
ACCRUED INTEREST RECEIVABLE	**4 833**	**17 108**	**127 447**	**12 916**	**162 304**	**136 477**
OUTSTANDING LOANS	-	-	-	-	-	-
TOTAL	**4 783 848**	**5 696 194**	**23 213 206**	**3 573 910**	**37 267 158**	**40 332 101**

LOANS FROM CLIENTS

(× MAD 1 000)

LOANS	Public sector	PRIVATE SECTOR			30/06/18	31/12/17
		Financial businesses	Non-financial businesses	Other clients		
CASH LOANS	**1 350 672**	**838 335**	**22 431 047**	**412 854**	**25 032 908**	**23 067 300**
- Sight accounts in debit	1 350 671	838 335	9 995 869	195 624	12 380 499	10 906 050
- Commercial loans in Morocco	-	-	3 124 121	1 419	3 125 540	3 432 696
- Export credits	-	-	70 476	-	70 476	91 034
- Other cash loans	1	-	9 240 581	215 811	9 456 393	8 637 520
CONSUMER CREDIT	-	-	-	**3 002 123**	**3 002 123**	**2 643 055**
FACILITIES CREDIT	**9 784 037**	-	**19 415 978**	**443 298**	**29 643 313**	**28 405 895**
PROPERTY LOANS	**18 822**	-	**11 066 737**	**16 540 844**	**27 626 403**	**27 676 956**
OTHER CREDITS	**675 112**	**10 970 826**	**1 708 807**	**957 080**	**14 311 825**	**14 587 986**
DEBTS ACQUIRED BY FACTORING	**406 295**	-	**1 369 699**	-	**1 775 994**	**1 118 563**
ACCRUED INTEREST RECEIVABLE	**203 487**	**81 164**	**600 388**	**295 896**	**1 180 936**	**1 126 943**
OUTSTANDING DEBTS	-	**35**	**1 422 105**	**503 346**	**1 925 486**	**1 864 725**
- Pre-doubtful debts	-	-	62 793	131 643	194 436	213 238
- Doubtful debts	-	6	94 720	74 722	169 448	281 289
- Compromised debts	-	29	1 264 592	296 981	1 561 602	1 370 198
TOTAL	**12 438 425**	**11 890 360**	**58 014 761**	**22 155 441**	**104 498 988**	**100 491 423**

BREAKDOWN OF TRANSACTIONS SECURITIES, MARKETABLE SECURITIES, AND INVESTMENT SECURITIES

(× MAD 1 000)

	Gross accounting value	Current value	Reimbursement value	Latent capital gains	Latent capital losses	Provisions
TRANSACTION SECURITIES	**44 457 602**	**44 457 602**	**21 553 154**	-	-	-
Treasury bills and similar securities	24 124 757	24 124 757	21 191 154			
Bonds	361 015	361 015	362 000			
Other debt securities	-	-	-			
Certificates of ownership	19 971 830	19 971 830				
MARKETABLE SECURITIES	**3 515 027**	**3 490 163**	**2 319 000**	-	**24 864**	**24 864**
Treasury bills and similar securities	2 102 949	2 102 934	2 039 000		15	15
Bonds	281 797	281 797	280 000			
Other debt securities		-	-			
Certificates of ownership	1 130 281	1 105 432	-		24 849	24 849
INVESTMENT SECURITIES	**13 067 217**	**13 067 217**	**12 264 036**	-	-	-
Treasury bills and similar securities	12 289 218	12 289 218	11 495 400		-	-
Bonds	747 739	747 739	739 405			
Other debt securities	30 260	30 260	29 231			
GENERAL TOTAL	**61 039 846**	**61 014 982**	**36 136 190**	-	**24 864**	**24 864**

BREAKDOWN OF TRANSACTION SECURITIES, MARKETABLE SECURITIES, AND INVESTMENT SECURITIES BY ISSUER CATEGORY

(× MAD 1 000)

	Credit esta-blishments and similar	Public issuers	PRIVATE ISSUERS		30/06/18	31/12/17
			Financial	Non-financial		
LISTED SECURITIES	**92 924**	-	**73**	**62 993**	**155 990**	**132 201**
Treasury bills and similar securities		-		-	-	-
Bonds	-	-		-	-	-
Other debt securities	-				-	-
Certificates of ownership	92 924	-	73	62 993	155 990	132 201
UNLISTED SECURITIES	**402 289**	**38 516 909**	**20 834 794**	**1 105 001**	**60 858 993**	**62 004 167**
Treasury bills and similar securities		38 516 909	-		38 516 909	38 840 438
Bonds	372 029	-	-	1 018 523	1 390 552	865 529
Oher debt securities	30 260				30 260	40 431
Certificates of ownership		-	20 834 794	86 478	20 921 272	22 257 769
TOTAL	**495 213**	**38 516 909**	**20 834 867**	**1 167 994**	**61 014 983**	**62 136 368**

DETAILS OF OTHER ASSETS

(× MAD 1 000)

ITEM	30/06/18	31/12/17
Optional instruments	**236**	**165**
Miscellaneous transactions on securities (debit)	-	-
Amounts settled to be recovered from issuers	-	-
Other settlement accounts relating to transactions on securities	-	-
Miscellaneous debtors	**1 099 971**	**1 598 868**
- Sums owed by the state	528 489	71 845
- Sums owed by welfare bodies	648	1 031
- Miscellaneous amounts owed by staff	7 647	6 557
- Client accounts for non-banking services	-	-
- Miscellaneous other debtors	563 187	1 519 435
Miscellaneous securities and applications	**18 367**	**444 157**
- Miscellaneous securities and applications	18 367	444 157
Off-balance-sheet adjustment accounts (debit)	**45 537**	**145 062**
Variance accounts on currencies and securities (debit)	**8**	-
Potential losses on non-unwound hedging transactions	-	-
Losses to be spread over unwound hedging transactions	-	-
Charges be spread over several financial years	**279 234**	**230 388**
Liaison accounts between Head Office, branches, and agencies in Morocco (debit)	**7 475**	-
Income receivable and charges noted in advance	**1 039 903**	**444 788**
- Income receivable	954 874	426 595
- Charges noted in advance	85 029	18 193
Transitory accounts or suspense accounts in debit	**295 070**	**257 060**
Outstanding debts on miscellaneous transactions	-	-
Provisions for outstanding debts on miscellaneous transactions	-	-
TOTAL	**2 785 801**	**3 120 488**

EQUITY SECURITIES AND SIMILAR APPLICATIONS

(× MAD 1 000)

Name of the issuing company	Sector of activity	Equity (× MAD 1 000)	Percentage holding	Gross accounting value	Currency-translation adjustment	Cumulative provisions	Net accounting value	Extract from the issuing company's latest summary statements: Financial year closing date	Net situation	Net income	Currency	Income entered in the income and charges account
A) HOLDING IN LINKED BUSINESSES		-	-	**20 273 988**	**-655**	**288 692**	**19 985 951**	-	-	-	-	**1 394 900**
CHAABI INTER BANK OFF SHORE (CIB)	Bank	2 200	70,00%	14 630	1 740	-	12 890	31-dec-17	31 669	17 650	USD	179 550
CHAABI BANK (BCDM)	Bank	37 478	100,00%	430 047	364	-	429 682	31-dec-17	44 233	-990	EURO	-
BPMC	Bank	15 000 000	75,00%	102 899	1 337	-	101 562	31-dec-17	18 725 985	435 223	FCFA	-
ATLANTIC BUSINESS INTERNATIONAL (ABI)	Holding company	162 916 260	68,28%	2 456 049	-4 096	-	2 460 145	30-jun-17	158 877 000	4 530 000	FCFA	167 021
MEDIAFINANCE	Bank	206 403	60,00%	141 052	-	-	141 052	31-dec-17	275 055	47 710	MAD	27 195
VIVALIS SALAF	Consumer credit	177 000	87,28%	288 133	-	-	288 133	31-dec-17	807 421	122 234	MAD	77 240
BP REM	Property / fitting out	188 000	43,13%	81 075	-	-	81 075	31-dec-17	213 030	9 295	MAD	3 881
CHAABI LLD	Financial services	31 450	83,62%	32 352	-	-	32 352	31-dec-17	60 291	13 715	MAD	11 045
MAROC ASSISTANCE INTERNATIONALE	Insurance	50 000	77,43%	71 267	-	-	71 267	31-dec-17	362 131	54 022	MAD	38 715
DAR ADDAMANE	Financial services	75 000	6,21%	4 694	-	-	4 694	31-dec-17	206 633	-37 826	MAD	-
STE H PARTNERS GESTION	Investment fund	5 000	50,00%	2 500	-	-	2 500	31-dec-17	15 659	1 014	MAD	-
UPLINE GROUP	Bank	46 784	77,39%	777 225	-	-	777 225	31-dec-17	591 575	72 163	MAD	100 603
GENEX PARTICIPATIONS	Miscellaneous services	1 250	100,00%	1 360	-	97	1 263	31-dec-17	1 263	-5	MAD	-
SCI OASIS YVES	Property / fitting out	15	99,67%	3 282	-	-	3 282	-	-	-	MAD	-
SCI OASIS PAPILLONS	Property / fitting out	8	99,33%	814	-	-	814	31-dec-16	-462	-5	MAD	-
SCI OASIS JEAN	Property / fitting out	15	99,67%	1 936	-	-	1 936	31-dec-16	-127	-116	MAD	-
CHAABI CAPITAL INVESTISSEMENT	Investment fund	1 926 800	54,10%	1 042 399	-	155 394	887 005	31-dec-17	1 582 351	6 086	MAD	-
BANK AL YOUSR	Bank	340 000	80,00%	272 000	-	-	272 000	31-dec-17	311 248	-21 819	MAD	-
BANQUE POPULAIRE PATRIMOINE	Property / fitting out	300	99,87%	300	-	-	300	31-dec-17	-366	-158	MAD	-
AL AKARIA INVEST	Property / fitting out	154 300	100,00%	154 300	-	-	154 300	31-dec-17	114 580	-32 400	MAD	-
Maroc Traitement de Transactions (M2T)	Payment services	15 000	83,74%	133 347	-	-	133 347	31-dec-17	49 138	8 619	MAD	-
BANK AL AMAL	Bank	740 000	38,59%	329 705	-	-	329 705	31-dec-17	1 055 463	-2 678	MAD	-
SIBA	Property / fitting out	3 333	90,10%	59 200	-	-	59 200	31-dec-16	10 521	184	MAD	-
FONDS MOUSSAHAMA 2	Investment fund	400 000	64,00%	256 000	-	133 201	122 799	31-dec-17	261 582	85 798	MAD	52 096
MAROC LEASING	Leasing company	277 677	53,11%	493 623	-	-	493 623	31-dec-17	865 670	65 607	MAD	23 595
SCI DAIT ROUMI II	Property / fitting out	10	90,00%	9	-	-	9		-	-	MAD	-
BP SHORE GROUP	Holding company	5 000	56,80%	2 840	-	-	2 840	30-jun-17	140 570	54 001	MAD	34 080
BP SHORE BACK OFFICE	Miscellaneous services	3 000	1,00%	30	-	-	30	31-dec-17	38 408	29 796	MAD	309
ATLANTIC MICROFINANCE	Holding company	110 000	100,00%	110 000	-	-	110 000	30-jun-17	108 474	1 671	MAD	-
IMC (INFRA MAROC CAPITAL)	Investment fund	105 333	43,50%	1 766 971	-	-	1 766 971	31-dec-17	4 021 041	33 824	MAD	13 976
BP CENTRE SUD	Bank	909 769	66,88%	1 891 227	-	-	1 891 227	30-jun-18	4 644 034	203 137	MAD	110 671
BP FES-TAZA	Bank	884 041	66,97%	1 818 052	-	-	1 818 052	30-jun-18	2 686 305	22 884	MAD	36 653
BP LAAYOUNE	Bank	536 423	57,34%	671 830	-	-	671 830	30-jun-18	1 318 453	71 539	MAD	43 802
BP MARRAKECH-B MELLAL	Bank	888 152	66,35%	1 903 686	-	-	1 903 686	30-jun-18	2 734 414	112 874	MAD	70 391
BP MEKNES	Bank	666 104	66,11%	1 851 276	-	-	1 851 276	30-jun-18	2 625 369	139 850	MAD	75 263
BP NADOR-AL HOCEIMA	Bank	683 742	65,79%	1 877 544	-	-	1 877 544	30-jun-18	4 889 104	123 476	MAD	60 622
BP OUJDA	Bank	595 815	65,92%	1 847 710	-	-	1 847 710	30-jun-18	3 193 946	127 387	MAD	75 540
BP TANGER-TETOUAN	Bank	832 569	62,39%	1 864 468	-	-	1 864 468	30-jun-18	2 956 165	82 491	MAD	38 482
BP RABAT-KENITRA	Bank	1 401 657	70,46%	1 888 651	-	-	1 888 651	30-jun-18	4 051 223	186 982	MAD	154 172
SOCINVEST SARL		1 500	100,00%	1 500	-	-	1 500	-	-	-	MAD	-
BCP INTERNATIONAL	Holding company	200 000	100,00%	200 000	-	-	200 000	-	-	-	MAD	-
B) OTHER EQUITY SECURITIES				**265 380**	-	**27 383**	**237 997**	-	-	-	-	**6 500**
ATPS	Miscellaneous services	300	100,00%	2 351	-	-	2 351	31-dec-16	2 264	-8	MAD	-
SOGEPOS	Property / fitting out	35 000	13,20%	4 622	-	-	4 622	31-dec-17	46 092	9 812	MAD	-
CENTRE MONETIQUE INTERBANCAIRE	Financial services	98 200	13,24%	12 853	-	-	12 853	31-dec-16	202 971	83 632	MAD	6 500
CASABLANCA FINANCE CITY AUTHORITY	Financial services	400 000	12,50%	50 000	-	741	49 259	31-dec-17	394 074	13 278	MAD	-
CASABLANCA TRANSPORTS	Miscellaneous services	4 000 000	0,38%	15 000	-	3 731	11 269	31-dec-17	3 005 130	-124 913	MAD	-
SOCIETE DE BOURSE DE CASABLANCA	Financial services	387 518	8,00%	31 373	-	-	31 373	31-dec-17	651 810	28 253	MAD	-
PART MAMDA RE	Insurance	600 000	16,67%	100 890	-	-	100 890	-	-	-	MAD	-
AUTRES		-		48 292	-	22 912	25 380	-	-	-	-	
C) PORTFOLIO-ACTIVITY SECURITIES				**104 622**	**-1 021**	-	**105 643**	-				-
AWB MOROCCO MAURITANIE	Holding company	14 940	33,03%	54 622	-1 021	-	55 643	31-jun-15	14 605	-33	EURO	-
UNIVERSITE INTERNATIONALE DE RABAT	Higher education	131 000	38,17%	50 000	-	-	50 000	30-jun-17	67 454	9 358	MAD	-
D) SIMILAR APPLICATIONS		-		**1 741 876**	**12 693**	**8 365**	**1 720 817**	-			-	**6 361**
UBAF	Bank	250 727	4,99%	138 452	-2 425	-	140 878	31-dec-16	320 565	1 461	EURO	-
BACB	Bank	104 150	6,10%	61 330	-592	-	61 922	31-dec-17	216 833	6 825	GBP	-
BACB		-		116 083	15 053	-	101 030	-	-	-	USD	-
UBAE	Bank	159 861	4,66%	91 466	-1 602	-	93 068	31-dec-17	226 543	9 440	EURO	982
BMICE	Bank	150 000	4,00%	57 000	1 727	-	55 273	31-dec-16	148 878	-1 122	USD	-
C/C SOCINVEST SARL		-		900 000	-	-	900 000	-	-	-	-	-
AUTRES (y compris C/C)		-		377 544	533	8 365	368 646	-			-	5 378
General Total		-		**22 385 866**	**11 017**	**324 441**	**22 050 408**	-	-	-	-	**1 407 761**

SUBORDINATE DEBTS

(× MAD 1 000)

	Overall amount	APPARENTES: Credit establishments & similar	Financial businesses	Non-financial businesses	Other apparent	30/06/18	31/12/17
Subordinate debts	**290 461**	**120 000**				**290 461**	**314 427**
Subordinate securities from credit establishments and similar	290 461	120 000				290 461	314 427
Subordinate securities from clients							
Subordinate loans to credit establishments and similar							
Subordinate loans to clients							
Outstanding subordinate debts							
Reserved charges on subordinate debts							
(-) Provisions for outstanding subordinate debts							

TANGIBLE AND INTANGIBLE ASSETS

(× MAD 1 000)

ASSETS	Gross amount at start of financial year	Amount of acquisitions during financial year	Amount of sales or withdrawals during financial year	Gross amount at end of financial year	AMORTISATIONS AND / OR PROVISIONS: Amount of amortisations and / or provisions at start of financial year	Funding for the financial year	Amount of amortisations on exited assets	Cumulative	Net amount at the end of financial year
INTANGIBLE ASSETS	**843 980**	**23 685**	**3**	**867 662**	**481 510**	**30 863**	**0**	**512 372**	**355 290**
Leasehold right	142 601	-	-	142 601	-	-	-	-	142 601
Research and development assets	-	-	-	-	-	-	-	-	-
Other operating intangible assets	701 379	23 685	3	725 061	481 510	30 863	0	512 372	212 689
Non-operating intangible assets	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS	**6 785 633**	**1 024 007**	**130 764**	**7 678 876**	**2 454 092**	**111 814**	**649**	**2 565 258**	**5 113 618**
COMMERCIAL PROPERTY	**1 432 742**	**21 056**	-	**1 453 798**	**750 204**	**23 321**	-	**773 524**	**680 274**
Commercial land	272 520	3 457	-	275 977	-	-	-	-	275 977
Commercial property - offices	1 159 147	17 599	-	1 176 746	749 163	23 318	-	772 481	404 265
Commercial property – staff accommodation	1 075	-	-	1 075	1 041	3	-	1 044	32
COMMERCIAL FURNITURE AND EQUIPMENT	**774 102**	**33 682**	**9**	**807 775**	**585 584**	**22 635**	**1**	**608 218**	**199 557**
Commercial office furniture	213 045	4 608	-	217 653	158 135	6 030	-	164 165	53 488
Commercial office equipment	44 013	63	-	44 075	32 488	1 069	-	33 557	10 518
IT equipment	412 521	28 917	9	441 429	314 777	11 825	1	326 601	114 828
Operational rolling stock	3 022	-	-	3 022	2 893	15	-	2 908	114
Other operational equipment	101 501	95	-	101 596	77 292	3 695	-	80 987	20 608
OTHER OPERATIONAL TANGIBLE ASSETS	**699 249**	**16 114**	-	**715 363**	**482 973**	**22 227**	-	**505 200**	**210 163**
NON-OPERATIONAL TANGIBLE ASSETS	**3 879 539**	**953 155**	**130 754**	**4 701 940**	**635 331**	**43 632**	**647**	**678 316**	**4 023 624**
Non-commercial land	2 094 132	738 414	118 453	2 714 093	-	-	-	-	2 714 093
Non-commercial property	1 443 219	201 508	11 890	1 632 836	460 301	29 202	613	488 890	1 143 946
Non-commercial furniture and equipment	98 136	3 021	411	100 746	56 075	3 714	34	59 755	40 991
Other non-commercial tangible assets	244 052	10 212	-	254 265	118 955	10 716	-	129 671	124 594
TOTAL	**7 629 612**	**1 047 692**	**130 767**	**8 546 537**	**2 935 602**	**142 677**	**649**	**3 077 630**	**5 468 907**

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

TRANSFER OF TANGIBLE AND INTANGIBLE ASSETS

(× MAD 1 000)

	Gross accounting value	Cumulative amortisations and / or provisions for depreciation	Net accounting value	Income from transfer	Capital gain from transfer	Capital loss from transfer
- INTANGIBLE ASSETS	-	-	-	-	-	-
Leasehold right	-	-	-	-	-	-
Research and development assets	-	-	-	-	-	-
Other operating intangible assets	-	-	-	-	-	-
Non-operating intangible assets	-	-	-	-	-	-
- TANGIBLE ASSETS	**1 065**	**-**	**1 065**	**1 158**	**93**	**-**
- COMMERCIAL PROPERTY	-	-	-	-	-	-
Commercial land	-	-	-	-	-	-
Commercial property - offices	-	-	-	-	-	-
Commercial property – staff accommodation	-	-	-	-	-	-
- OPERATIONAL FURNITURE AND EQUIPMENT	-	-	-	-	-	-
Operational office furniture	-	-	-	-	-	-
Operational office equipment	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-
Operational rolling stock	-	-	-	-	-	-
Other operational equipment	-	-	-	-	-	-
- OTHER OPERATIONAL TANGIBLE ASSETS	-	-	-	-	-	-
- NON-OPERATIONAL TANGIBLE ASSETS	**1 065**	**-**	**1 065**	**1 158**	**93**	**-**
Non-commercial land	1 065	-	1 065	1 158	93	-
Non-commercial property	-	-	-	-	-	-
Non-commercial furniture and equipment	-	-	-	-	-	-
Other non-operational tangible assets	-	-	-	-	-	-
TOTAL	**1 065**	**-**	**1 065**	**1 158**	**93**	**-**

DEBTS OWED TO CREDIT ESTABLISHMENTS AND SIMILAR

(× MAD 1 000)

DEBTS	Credit establishments and similar in Morocco			Credit esta-blishments abroad	30/06/18	31/12/17
	Bank Al Maghrib, Public Treasury, and Postal-Cheque Service	Banks in Morocco	Other credit establishments and similar in Morocco			
ORDINARY ACCOUNTS IN CREDIT	**1**	**101 581 264**	**190 190**	**157 322**	**101 928 777**	**102 983 048**
REPO-OUTWARD SECURITIES	**16 500 078**	**1 000 056**	**-**	**-**	**17 500 134**	**17 163 016**
- overnight	-	1 000 056	-	-	1 000 056	1 800 090
- forward	16 500 078	-	-	-	16 500 078	15 362 926
CASH LOANS	**-**	**700 000**	**4 736 540**	**95 838**	**5 532 378**	**6 819 879**
- overnight	-	150 000	57 000	-	207 000	670 000
- forward	-	550 000	4 679 540	95 838	5 325 378	6 149 879
FINANCIAL LOANS	**-**	**-**	**995 383**	**2 689 344**	**3 684 727**	**3 950 121**
OTHER DEBTS	**934**	**1 324 431**	**-**	**-**	**1 325 365**	**657 250**
ACCRUED INTEREST PAYABLE	**3 100**	**1 215 096**	**13 748**	**423**	**1 232 367**	**1 234 524**
TOTAL	**16 504 113**	**105 820 847**	**5 935 861**	**2 942 927**	**131 203 748**	**132 807 838**

CLIENT DEPOSITS

(× MAD 1 000)

DEPOSITS	Public sector	SECTEUR PRIVE			30/06/18	31/12/17
		Financial businesses	Non-financial businesses	Other clients		
SIGHT ACCOUNTS IN CREDIT	2 063 708	714 877	8 416 558	27 434 684	38 629 827	38 604 256
SAVINGS ACCOUNTS	-	-	-	7 420 648	7 420 648	7 290 598
TERM DEPOSITS	38 386	886 225	270 120	9 586 004	10 780 735	11 300 322
OTHER ACCOUNTS IN CREDIT	37 581	177 642	1 649 600	1 918 557	3 783 380	2 520 733
ACCRUED INTEREST PAYABLE	737	12 994	4 811	175 538	194 079	178 152
TOTAL	**2 140 412**	**1 791 738**	**10 341 089**	**46 535 431**	**60 808 669**	**59 894 061**

DETAILS OF OTHER LIABILITIES

(× MAD 1 000)

	30/06/18	31/12/17
Optional instruments sold	**269**	**693**
Securities-transaction settlement accounts	**-**	**-**
Debts on securities	**1 358 413**	**1 863 978**
Payment to be made on unsettled securities	**34 200**	**47 571**
Provisions for financial services to issuers	**-**	**-**
Sums settled by clients and to be repaid to issuers	**-**	**-**
Miscellaneous creditors	**2 307 816**	**1 081 473**
- Sums owed to the state	720 791	565 466
- Sums due to welfare bodies	103 356	88 112
- Miscellaneous sums owed to shareholders and associates	1 184 266	38
- Sums owed to staff	-	-
- Suppliers of goods and services	2 960	2 605
- Miscellaneous other creditors	296 443	425 252
Off-balance-sheet adjustment accounts	**-**	**19 418**
Difference accounts on currencies and securities	**-**	**427**
Potential gains on non-unwound hedging transactions	**-**	**-**
Gains to be spread over unwound hedging transactions	**-**	
Liaison accounts between Head Office, branches, and agencies in Morocco (credit)	**-**	**3 120**
Charges payable and income recorded in advance	**704 403**	**477 883**
- Charges payable	662 608	410 276
- Income recorded in advance	41 795	67 607
Transitory accounts or suspense accounts in credit	**217 603**	**171 624**
TOTAL	**4 622 704**	**3 666 187**

PROVISIONS

(× MAD 1 000)

	Outstanding 31/12/17	Funding	Recoveries	Other variations	Outstanding 30/06/18
PROVISIONS DEDUCTED FROM ASSETS	**5 570 488**	**682 801**	**325 110**	**1 745**	**5 926 433**
Loans to credit establishments and similar	-	-	-	-	-
Loans to clients	5 277 598	616 829	315 553	1 745	5 577 129
Marketable securities and investment securities	11 591	13 302	29	-	24 864
Equity securities and similar applications	281 299	52 670	9 528	-	324 441
Assets given on lease and rent	-	-	-	-	-
PROVISIONS ENTERED UNDER LIABILITIES	**4 107 920**	**813 335**	**153 120**	**-2 293**	**4 770 428**
Provisions for risks of executing signed commitments	573 655	-	49 747	-2 293	526 201
Provisions for exchange-rate risks	90 981	-	90 981	-	-
Provisions for general risks	3 159 886	777 640	-	-	3 937 526
Provisions for retirement pensions and similar commitments	37 309	-	-	-	37 309
Provisions for other risks and charges	246 089	35 695	12 391	-	269 392
Regulated provisions	-	-	-	-	-
GENERAL TOTAL	**9 678 408**	**1 496 135**	**478 229**	**-548**	**10 696 861**

GRANTS, ALLOCATED PUBLIC FUNDS, AND SPECIAL GUARANTEE FUNDS

(× MAD 1 000)

	30/06/2018	31/12/2017
GRANTS AND ALLOCATED PUBLIC FUNDS		
Investment grants received		
- Investment grants received		
- Investment grants received, entered in the Income and Charges Account		
Allocated public funds		
- Allocated public fund		
SPECIAL GUARANTEE FUNDS	**3 683 527**	**3 643 620**
Mutual guarantee funds	-	-
- Mutual guarantee funds	-	-
- Other special guarantee funds	-	
- CPM support funds	3 683 527	3 643 620

DEBT SECURITIES ISSUED TO 30/06/2018

(× MAD 1 000)

NATURE OF SECURITIES	CHARACTERISTICS					Outstanding 30/06/18
	Entitlement	Maturity	Nominal date	Rate	Reimbursement method	
Certificates of deposit			NIL			
Accrued interest payable						
TOTAL						

ASSETS GIVEN ON LEASE AND ON OPERATING LEASE AS OF 30/06/2018

ASSETS GIVEN ON LEASE AND ON OPERATING LEASE	NIL

SUBORDINATE DEBTS

(× MAD 1 000)

	OVERALL AMOUNT	NON-APPARENT	APPARENT				30/06/18	31/12/17
			CREDIT ESTABLISHMENTS AND SIMILAR	FINANCIAL ESTABLISHMENTS	NON-FINANCIAL ESTABLISHMENTS	OTHER APPARENT		
SUBORDINATE DEBTS	**5 047 563**	**4 896 663**	**35 100**	**1 408 600**		**35 100**	**5 047 563**	**5 040 995**
SUBORDINATE DEBTS OF DETERMINATE DURATION	**5 000 000**	**3 556 300**	**-**	**1 408 600**		**35 100**	**5 000 000**	**5 000 000**
Subordinate securities of determinate duration								-
Subordinate borrowings of determinate duration from credit establishments	35 100	-	35 100	-	-		35 100	21 400
Subordinate borrowings of determinate duration from clients	4 964 900	3 556 300	-	1 408 600	-		4 964 900	4 978 600
SUBORDINATE DEBTS OF INDETERMINATE DURATION								**-**
Subordinate securities of indeterminate duration								-
Subordinate borrowings of indeterminate duration from credit establishments								-
Subordinate borrowings of indeterminate duration from clients								-
ACCRUED INTEREST PAYABLE	**47 563**	**47 563**					**47 563**	**40 995**

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

EQUITY

(× MAD 1 000)

	Outstanding 31/12/17	Allocation of income	Other variations	Outstanding 30/06/18
Reserves and premiums linked to capital	**19 042 884**	**919 038**		**19 961 922**
Legal reserve	182 255			182 255
Other reserves	7 794 082	919 038		8 713 120
Issue, merger, and contribution premiums	11 066 547			11 066 547
Capital	**1 822 547**			**1 822 547**
Capital called	1 822 547			1 822 547
Capital not called	-			-
Investment certificates	-			-
Endowment funds	-			-
Shareholders - capital not paid out	**-**			**-**
Carried forward (+/-)	**495 072**	**50 117**		**545 189**
Net income pending allocation (+/-)	**-**			**-**
Net income for financial year (+/-)	**2 230 875**	**-2 230 875**		**1 714 060**
Total	**23 591 378**	**-1 261 720**		**24 043 718**

FINANCE AND GUARANTEE COMMITMENTS

(× MAD 1 000)

	30/06/18	31/12/17
FINANCE AND GUARANTEE COMMITMENTS GIVEN	**36 600 095**	**36 332 840**
Finance commitments in favour of credit establishments and similar	**809 504**	**1 579 504**
Import documentary credits	-	-
Payments acceptance or commitments	-	-
Confirmed opening of credit	809 504	1 579 504
Substitution commitments on issuing securities	-	-
Irrevocable lease commitments	-	-
Other finance commitments given	-	-
Finance commitments in favour of clients	**17 907 502**	**16 964 074**
Import documentary credits	5 094 669	4 215 593
Payment acceptance or commitments	1 298 609	1 787 320
Confirmed opening of credit	11 514 224	10 961 161
Substitution commitments on issuing securities	-	-
Irrevocable lease commitments	-	-
Other finance commitments given	-	-
Guarantee commitments received from credit establishments and similar	**8 360 486**	**8 246 764**
Confirmed export documentary credits	803 181	976 305
Payment acceptance or commitments	-	-
Credit guarantees given	-	-
Other sureties, endorsements, and guarantees given	7 557 305	7 270 459
Outstanding commitments	-	-
Guarantee commitments received from clients	**9 522 603**	**9 542 498**
Credit guarantees given	989 677	1 110 166
Sureties and guarantees in favour of the public administration	3 792 617	3 626 185
Other sureties and guarantees given	4 167 724	4 162 236
Outstanding commitments	572 585	643 911
Other securities deliverable		
FINANCE AND GUARANTEE COMMITMENTS RECEIVED	**11 249 917**	**11 184 511**
Finance commitments received from credit establishments and similar	**9 337**	**9 955**
Confirmed opening of credit	9 337	9 955
Substitution commitments on issuing securities	-	-
Other finance commitments received	-	-
Guarantee commitments received from credit establishments and similar	**10 751 913**	**10 821 034**
Credit guarantees	-	-
Other guarantees received	10 751 913	10 821 034
Guarantee commitments received from the state and from miscellaneous guarantee bodies	**488 667**	**353 522**
Credit guarantees	488 667	353 522
Other guarantees received	-	-
Other securities receivable		

COMMITMENTS ON SECURITIES

(× MAD 1 000)

	30/06/18	31/12/17
COMMITMENTS GIVEN	NIL	NIL
Securities bought with repo option		
Securities deliverable		
- Primary market		
- Grey market		
- Regulated markets		
- Mutual-agreement market		
- Others		
COMMITMENTS RECEIVED		
Securities sold with repo option		
Securities receivable		
- Primary market		
- Grey market		
- Regulated markets		
- Mutual-agreement market		
- Others		

FORWARD FOREIGN-EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES

(× MAD 1 000)

	Hedging transactions	
	30/06/18	31/12/17
FORWARD FOREIGN-EXCHANGE TRANSACTIONS	**26 776 416**	**22 731 429**
Currencies receivable	5 385 032	853 387
Dirhams deliverable	2 316 365	548 799
Currencies deliverable	10 931 551	10 642 478
Dirhams receivable	8 143 468	10 686 765
Including financial currency swaps	-	-
COMMITMENTS ON DERIVATIVES	**2 162 712**	**3 135 740**
Commitments on regulated interest-rate markets	-	-
Commitments on mutual-agreement interest-rate markets	-	-
Commitments on regulated exchange-rate markets	-	-
Commitments on mutual-agreement exchange-rate markets	2 162 712	3 135 740
Commitments on regulated markets in other instruments	-	-
Commitments on mutual-agreement markets in other instruments	-	-

SECURITIES GIVEN AND RECEIVED AS GUARANTEE

(× MAD 1 000)

SECURITIES RECEIVED AS GUARANTEE	Net accounting value	Asset item or off-balance-sheet item recording loans or signed commitments given	Amounts of hedged loans signed commitments given
Treasury bills and similar securities	202 923		
Other securities	27 608 046		
Mortgages	11 947 146		
Other real securities	119 378 694		
TOTAL	**159 136 809**		

SECURITIES GIVEN AS GUARANTEE	Net accounting value	Liability item or off-balance-sheet item recording debts or signed commitments received	Amounts of hedged debts or hedged signed commitments received
Treasury bills and similar securities	428 500		
Other securities			
Mortgages			
Other real securities			
TOTAL	**428 500**		

BREAKDOWN OF APPLICATIONS AND RESOURCES BY RESIDUAL DURATION

(× MAD 1 000)

	D ⩽ 1 month	1 month < D ⩽3 months	3 months < D ⩽ 1 year	1 year < D ⩽ 5 years	D >5 years	TOTAL
ASSETS						
Debts owed by credit establishments and similar	4 774 802	4 749 191	7 049 830	8 965 907	1 675 630	27 215 360
Debts owed by clients	4 940 143	11 904 384	14 121 482	29 388 185	27 342 193	87 696 387
Debt securities		992 478	4 505 939	14 460 632	39 950 518	59 909 567
Subordinate debts	-	-	160 000	120 000	7	280 007
Leases and similar	-	-			-	-
TOTAL	**9 714 945**	**17 646 053**	**25 837 251**	**52 934 724**	**68 968 348**	**175 101 321**
LIABILITIES						
Debts owed to credit establishments and similar	18 428 207	2 225 377	1 337 913	2 173 754	1 344 932	25 510 183
Debts owed to clients	1 182 634	3 242 786	5 810 953	544 383		10 780 756
Debt securities issued	-	-	-	-	-	-
Subordinate borrowings	-	-	-	1 000 000	4 000 000	5 000 000
TOTAL	**19 610 841**	**5 468 163**	**7 148 866**	**3 718 137**	**5 344 932**	**41 290 939**

BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS IN FOREIGN CURRENCIES

(× MAD 1 000)

	30/06/18	31/12/17
ASSETS		
Cash, Central Banks, Public Treasury, Postal-cheque Service		49 712
Debts owed by credit establishments and similar	14 094 930	18 453 920
Debts owed by clients	5 281 650	4 704 555
Transaction securities and marketable securities	797 949	832 999
Other assets	22 953	878
Investment securities	80 505	91 542
Equity securities and similar applications	3 542 637	3 568 867
Subordinate debts		-
TOTAL ASSETS	**23 820 624**	**27 702 474**
LIABILITIES		
Debts owed to credit establishments and similar	8 556 424	8 367 707
Client deposits	2 258 421	2 660 029
Other liabilities	13 005 779	16 674 738
TOTAL LIABILITIES	**23 820 624**	**27 702 474**
OFF-BALANCE-SHEET		
COMMITMENTS GIVEN	11 596 364	11 135 588
COMMITMENTS RECEIVED	4 032 977	4 266 468

MARGIN OF INTEREST

(× MAD 1 000)

	30/06/18	30/06/17
INTEREST CHARGED	**3 149 062**	**3 011 698**
* Interest and similar income from transactions with credit establishments	492 277	386 532
* Interest and similar income from transactions with clients	2 275 769	2 202 618
* Interest and similar income from debt securities	381 016	422 548
INTEREST PAID	**1 774 841**	**1 704 756**
* Interest and similar charges on transactions with credit establishments	1 407 290	1 308 302
* Interest and similar charges on transactions with clients	367 551	396 454
* Interest and similar charges on debt securities issued	-	-
MARGIN OF INTEREST	**1 374 223**	**1 306 942**

INCOME FROM CERTIFICATES OF OWNERSHIP

(× MAD 1 000)

	30/06/18	30/06/17
INCOME FROM MARKETABLE SECURITIES (CERTIFICATES OF OWNERSHIP)	**13 893**	**43 527**
- Dividends on UCITS securities		-
- Dividends on other certificates of ownership	6 414	35 195
- Other income from certificates of ownership	7 479	8 332
INCOME FROM EQUITY SECURITIES AND SIMILAR APPLICATIONS	**1 407 761**	**1 077 202**
- Dividends on equity securities	6 500	13 602
- Dividends on linked holdings	1 394 900	1 053 830
- Other income from certificates of ownership	6 361	9 770

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

GENERAL OPERATING CHARGES

(× MAD 1 000

	30/06/18	30/06/17
GENERAL OPERATING CHARGES	**1 430 200**	**1 419 531**
STAFF COSTS	**492 380**	**504 645**
Salaries and wages	153 245	154 889
Bonuses and gratuities	198 672	210 682
Other staff remuneration	13 275	10 795
Social-security charges	26 516	26 757
Retirement charges	91 677	91 662
Training charges	8 919	9 823
Other staff costs	76	37
TAXES AND DUES	**26 249**	**18 358**
Turban tax and municipal-administration tax	3 958	3 183
Patent	10 280	7 866
Local taxes	3 347	576
Registration fees	9	12
Revenue stamps and stamped paper	1	-
Vehicle duties	7	12
Other similar taxes, dues, and levies	8 647	6 709
EXTERNAL CHARGES	**182 061**	**183 571**
Rents from leases	14 294	15 206
Rents from operating leases	32 857	20 320
Maintenance and repair costs	97 301	96 223
Remuneration of part-time staff	1 009	315
Remuneration of intermediaries, and fees	21 091	32 457
Insurance premiums	3 921	5 977
Fees for proceedings and litigation	285	462
Electricity, water, heating, and fuel charges	11 303	12 611
EXTERNAL CHARGES	**532 924**	**548 788**
Transport and travel	17 886	22 648
Mission and reception	4 073	5 717
Advertising, publication, and public relations	43 840	48 423
Postal and telecommunication costs	42 514	45 562
Research and documentation costs	8 835	9 958
Consultancy and meeting costs	-	750
Gifts and contributions	10 103	19 856
Office supplies and printed matter	5 525	4 941
Other external charges	400 148	390 933
OTHER OPERATING CHARGES	**53 930**	**36 318**
Preliminary costs	-	-
Asset-acquisition costs	-	-
Other charges to be spread over several financial years	46 713	35 603
Penalties and offences	-	
Additional tax assessments other tax on income	-	
Donations, gifts, and prizes	-	
Investment grants and operating grants made	-	
General operating charges from previous financial years	7 217	715
Miscellaneous other operating charges	-	
FUNDING FOR AMORTISATIONS AND FOR PROVISION FOR TANGIBLE AND INTANGIBLE ASSETS	**142 656**	**127 851**

COMMISSION RECEIVED AND PAID

(× MAD 1 000

	COMMISSION 2018		COMMISSION 2017	
	E. CREDIT	CLIENTELE	E. CREDIT	CLIENTELE
COMMISSION RECEIVED	**17 301**	**258 579**	**11 549**	**246 731**
Commission on account operation	-	19 734	-	24 719
Commission on means of payment	17 022	89 754	11 549	86 624
Commission on securities transactions	-	1 417	-	-
Commission on managed securities / securities on deposit	-	13 539	-	6 892
Commission on provisions of service on credit	-	19 756	-	21 067
Income from consultancy and assistance activities	-	39	-	5
Other income from provision of services	-	114 340	-	107 424
Commission on investment in the primary market	-	-	-	-
Guarantee commission on the primary market	-	-	-	-
Commission on derivatives	-	-	-	-
Commission on transfer foreign-exchange transactions	279	-	-	-
Commission on note foreign-exchange transactions	-	-	-	-
COMMISSION PAID	**-**	**55 134**		**37 057**
Charges on means of payment Commission	-	2 943		4 708
on buying and selling securities	-	-		-
Commission on safe custody of securities	-	-		-
Commissions and brokerage on market transactions	-	445		134
Commission on commitments on securities	-	-		-
Commission on derivatives	-	-		-
Commission on transfer foreign-exchange transactions	-	-		-
Commission on note foreign-exchange transactions	-	43 924		28 360
Other charges on provisions of service	-	7 822		3 855

INCOME FROM MARKET TRANSACTIONS

(× MAD 1 000

	30/06/18	30/06/17
Gains on transaction securities	858 400	849 348
Losses on transaction securities	153 796	165 821
INCOME FROM TRANSACTION SECURITIES	**704 604**	**683 527**
Capital gains from sales of marketable securities	216 531	569 520
Recovery of provision for depreciation of marketable securities	29	9 723
Capital losses on sales of marketable securities	385	544
Funding for provision for depreciation of marketable securities	13 302	33 735
INCOME FROM MARKETABLE SECURITIES	**202 873**	**544 964**
Income from commitments on securities	-	
Charges on commitments on securities	-	
INCOME FROM COMMITMENTS ON SECURITIES	**-**	
Income from commitments on derivatives	40 377	93 031
Charges on commitments on derivatives	28 924	66 112
INCOME FROM COMMITMENTS ON DERIVATIVES	**11 453**	**26 919**
Income from foreign-exchange transactions	496 287	353 726
Charges on foreign-exchange transactions	360 572	179 684
INCOME FROM FOREIGN-EXCHANGE TRANSACTIONS	**135 715**	**174 042**

OTHER INCOME AND CHARGES

(× MAD 1 000

	30/06/18	30/06/17
OTHER BANKING INCOME	**1 628 276**	**1 875 653**
Capital gains on sales of marketable securities	216 531	569 520
Commission on derivatives	-	-
Gains on exchange-rate derivatives	40 377	93 031
Income from foreign-exchange transactions	496 287	353 726
Miscellaneous other banking income	875 052	849 653
Share of pooled banking transactions	-	
Income from previous financial years	16 637	293
Miscellaneous other banking income	858 415	849 360
Recovery of provisions for depreciation of marketable securities	29	9 723
OTHER BANKING CHARGES	**672 714**	**547 266**
Capital losses on sales of marketable securities	385	544
Charges on means of payment	2 942	4 709
Miscellaneous charges on certificates of ownership	-	-
Loan issuing fees	-	-
Other charges on securities transactions (transaction securities)	153 796	165 821
Losses on exchange-rate derivatives	28 924	66 112
Other changes on provision of services	8 268	3 988
Charges on foreign-exchange transactions	404 497	208 043
Miscellaneous other banking charges	60 602	64 314
Share of banking-operation transactions	-	
Contribution to depositor guarantee fund	54 106	64 314
Income repaid	-	
Charges from previous financial years	6 494	
Miscellaneous other banking charges	-	
Funding for provisions for depreciation of marketable securities	13 302	33 735
NON-BANKING OPERATING INCOME	**687 818**	**890 537**
Income from securities and similar applications	-	-
Capital gains on sales of financial assets	8 219	8 623
Capital gains on sales of tangible and intangible assets	-	196 987
Assets produced by the business for itself	-	-
Accessory income	675 891	674 531
Grants received	-	-
Other non-banking operating income	3 708	10 396
NON-BANKING OPERATING CHARGES	**4 778**	**101 325**
Charges on securities and similar applications	-	-
Capital losses on sales of financial assets	2 999	-
Capital losses on sales of tangible and intangible assets	-	-
CPM support fund	-	101 325
Other non-banking operating charges	1 779	-

BANQUE CENTRALE POPULAIRE

CORPORATE ACCOUNTS TO 30 JUNE 2018

DISTRIBUTION OF BCP EQUITY

Names of main shareholders or associates	Address	Number of securities held		Share of capital held %
		Previous financial year	Current financial year	
BANQUES POPULAIRES REGIONALES		95 528 367	95 328 367	52,41%
GENERAL TREASURY	RABAT	1	1	0,00%
STAFF		6 751 545	5 644 990	3,70%
OCP		-	-	0,00%
SFI		-	-	0,00%
MISCELLANEOUS		79 974 743	81 281 298	43,88%
Total		**182 254 656**	**182 254 656**	**100,00%**

ALLOCATION OF INCOME DURING THE FINANCIAL YEAR

(x MAD 1 000)

	AMOUNTS		AMOUNTS
A. ORIGIN OF INCOME PENDING ALLOCATION		**B. ALLOCATION OF INCOME**	
Decision of the OGM held on 16/05/2018			
. Carried forward	495 072	. Legal reserve	-
. Net income pending allocation	-	. Other reserves	919 038
. Net income for the financial year	2 230 876	. Dividends	1 184 655
. Levies on reserves	-	. Other allocations	77 065
. Other levies	-	. Carried forward	545 190
TOTAL A	**2 725 948**	**TOTAL B**	**2 725 948**

NETWORK

(in figures)

NETWORK	30/06/18	31/12/17
Permanent counters	322	331
Periodic counters		
Cash machines and automated teller machines	416	378
Branches and agencies abroad	55	53
Representative offices abroad	7	7

CLIENT ACCOUNTS

(in figures)

CLIENT ACCOUNTS	30/06/18	31/12/17
Current accounts	62 545	60 663
Cheque accounts held by Moroccans living abroad	163 653	159 751
Other cheque accounts	869 773	839 508
Factoring accounts	317	276
Savings accounts	273 386	262 352
Term account	16 700	16 868
Certificates of deposit	12	14
Other deposit accounts	28 316	28 586

DATING AND SUBSEQUENT EVENTS

I- DATING	
• Closing date of the financial year:	30/06/2018
• Date for preparation of financial statements:	JULY 2018
II- EVENTS AFTER 30/06/2018	**NIL**

STAFF

(in figures)

	30/06/18	31/12/17
Staff paid	2 795	2 806
Staff used	2 795	2 806
Full-Time Equivalent (FTE) staff	2 795	2 806
Administrative and technical staff (FTE)	1 315	1 344
Staff allocated to banking tasks (FTE)	1 480	1 462
Executives (FTE)	2 259	2 249
Employees (FTE)	536	557
including staff employed abroad	22	28

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR ON DEPOSIT

(x MAD 1 000)

	NUMBER OF ACCOUNTS		AMOUNTS	
	30/06/18	31/12/17	30/06/18	31/12/17
Securities for which the establishment is the depository	57 634	56 471	251 891 262	243 726 012
Securities managed under a management mandate				
UCITS securities for which the establishment is the depository	44	42	56 002 482	53 577 642
UCITS securities managed under a management mandate				
Oher assets for which the establishment is the depository				
Other assets managed under a management mandate				

STATEMENT OF TURNOVER

(x MAD 1 000)

	30/06/18	31/12/17	30/06/17
TURNOVER	6 474 918	10 949 327	6 266 398

STATEMENT OF OUTSTANDING DEBTS AND CORRESPONDING PROVISIONS

(x MAD 1 000)

	AMOUNT AS OF 30/06/2018	
	By disbursement	By signature
CREANCES	7 562 913	572 585
PROVISIONS	5 637 426	526 201

Deloitte.

Deloitte Audit
288, Boulevard Zerktouni
Casablanca, Maroc

MAZARS

Mazars Audit et Conseil
101, Boulevard Abdelmoumen
Casablanca, Maroc

BANQUE CENTRALE POPULAIRE
CERTIFICATE COVERING THE AUDITORS' LIMITED EXAMINATION OF THE INTERMEDIATE SITUATION OF THE CORPORATE ACCOUNTS AS OF 30 JUNE 2018

Pursuant to the provisions of the Royal Decree enacting law no. 1-93-212 of 21 September 1993, as amended and supplemented, we have carried out a limited examination of the intermediate situation of Banque Centrale Populaire (BCP), to include the balance sheet, the income and charges account, the statement of management balances, the table of cash flows, and the statement of additional information, all relating to the period from 1 January to 30 June 2018. The intermediate situation shows equity and similar amounting to MAD 32 774 809 000, including net profit of MAD 1 714 060 000, and it comes under the responsibility of the issuer's management bodies.

We carried out our mission in accordance with the standards of the profession in Morocco in relation to missions involving a limited examination. Those standards require the limited examination to be planned and carried out with a view to obtaining a moderate level of assurance that the intermediate situation does not include any significant anomaly. A limited examination essentially includes interviews with company staff, and analytical checks applied to financial data. As a result, it provides a level of assurance that is lower than that of an audit. We have not carried out an audit, so we do not express an audit-based opinion.

On the basis of our limited examination, we have not identified any facts that lead us to believe that the intermediate situation attached does not give a true picture of the income from transactions during the half year covered, as well as of the financial situation and the equity of Banque Centrale Populaire (BCP) as drawn up on 30 June 2018, in accordance with accounting standards applied in Morocco.

Casablanca, 25 July 2018

The Auditors

Deloitte Audit
Fawzi BRITEL
Associate

Mazars Audit et Conseil
Abdou Souleye DIOP
Associate