



## CREDIT AGRICOLE DU MAROC (CAM)

### SUMMARY OFFER PROSPECTUS

## ISSUANCE OF SUBORDINATED BONDS FOR AN AMOUNT OF 500.000.000 DHS

	Tranche A Listed subordinated bonds with an annually adjustable interest rate	Tranche B Listed subordinated bonds with a fixed interest rate	Tranche C Unlisted subordinated bonds with an annually adjustable interest rate	Tranche D Unlisted subordinated bonds with a fixed interest rate
Maximum amount of the tranche	500.000.000 DHS	500.000.000 DHS	500.000.000 DHS	500.000.000 DHS
Maximum number of shares to be issued	5.000	5.000	5.000	5.000
Nominal value / Issue price	100.000 DHS	100.000 DHS	100.000 DHS	100.000 DHS
Maturity	7 years	7 years	7 years	7 years
Nominal Interest rate	<b>Revisable on annual basis</b> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as it will be published by Bank Al-Maghrib on October 18, 2018, increased by a risk premium of 70 bps.	<b>Fixed</b> , referring to the 7 years T-Bond interest rate, on the basis of the of the secondary yield curve reference rate as it will be published on October 18, 2018 by Bank Al Maghrib , increased by a risk premium of 70 bps.	<b>Revisable on annual basis</b> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as it will be published by Bank Al-Maghrib on October 18, 2018, increased by a risk premium of 70 bps.	<b>Fixed</b> , referring to the 7 years T-Bond interest rate, on the basis of the of the secondary yield curve reference rate as it will be published on October 18, 2018 by Bank Al Maghrib , increased by a risk premium of 70 bps.
Risk premium	70 bps	70 bps	70 bps	70 bps
Issue price	100.000 dirhams	100.000 dirhams	100.000 dirhams	100.000 dirhams
Tradability of the bonds	Tradable in the Casablanca Stock Exchange	Tradable in the Casablanca Stock Exchange	Over-the-counter	Over-the-counter
Guarantee of repayment	none	none	none	none
Repayment	In fine	In fine	In fine	In fine
Allocation method	As a proportion of the demand, with priority given to tranches F and H, then to tranches B and D, then to tranches E and G and finally to tranches A and C.			
	Tranche E Listed subordinated bonds with an annually adjustable interest rate	Tranche F Listed subordinated bonds with a fixed interest rate	Tranche G Unlisted subordinated bonds with an annually adjustable interest rate	Tranche H Unlisted subordinated bonds with a fixed interest rate
Maximum amount of the tranche	500.000.000 DHS	500.000.000 DHS	500.000.000 DHS	500.000.000 DHS
Maximum number of shares to be issued	5.000	5.000	5.000	5.000
Nominal value / Issue price	100.000Dhs	100.000Dhs	100.000Dhs	100.000Dhs
Maturity	10 years	10 years	10 years	10 years
Nominal Interest rate	<b>Revisable on annual basis</b> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as it will be published by Bank Al-Maghrib on October 18, 2018 increased by a risk premium of 80 bps.	<b>Fixed</b> , referring to the 10 years T-Bond interest rate, on the basis of the of the secondary yield curve reference rate as it will be published on October 18, 2018 by Bank Al Maghrib , increased by a risk premium of 80 bps.	<b>Revisable on annual basis</b> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as it will be published by Bank Al-Maghrib on October 18, 2018 increased by a risk premium of 80 bps.	<b>Fixed</b> , referring to the 10 years T-Bond interest rate, on the basis of the of the secondary yield curve reference rate as it will be published on October 18, 2018 by Bank Al Maghrib , increased by a risk premium of 80 bps.
Risk premium	80 bps	80 bps	80 bps	80 bps
Issue price	100.000 dirhams	100.000 dirhams	100.000 dirhams	100.000 dirhams
Tradability of the bonds	Tradable in the Casablanca Stock Exchange	Tradable in the Casablanca Stock Exchange	Over-the-counter	Over-the-counter
Guarantee of repayment	none	none	none	none
Repayment	In fine	In fine	In fine	In fine
Allocation method	As a proportion of the demand, with priority given to tranches F and H, then to tranches B and D, then to tranches E and G and finally to tranches A and C.			

SUBSCRIPTION PERIOD : FROM OCTOBER 22 TO OCTOBER 24, 2018 INCLUDED

SUBSCRIPTION RESERVED TO QUALIFIED MOROCCAN INVESTORS UNDER MOROCCAN LAW AS DETAILED IN THE PROSPECTUS

Financial Advisor and Global Coordinator	Financial Co-advisors		
	 		
Lead underwriting agent and centralizer of subscription orders	Co-lead underwriting agents		Underwriting agent
	  		

#### VISA OF THE AMMC

In accordance with the provisions of the circular of the AMMC, delivered in application of Section 14 of the Decree n° 1-93-212 of September 21st, 1993, as amended and extended, the original copy of the present prospectus has been approved by the AMMC on October 8, 2018 under the reference N° VI/EM/021/2018

## WARNING

On september 8, 2018, the *Autorité Marocaine du Marché des Capitaux* (AMMC) approved a Prospectus for a subordinated bond issue by Crédit Agricole du Maroc.

The Prospectus approved by the AMMC is available at any time at Credit Agricole du Maroc Headquarters or at its financial advisors headquarters:

**ATLAS CAPITAL FINANCE**

88 Rue El Marrakchi, Quartier Hippodrome – Casablanca

Tél : (212) 5 22 23 76 02

**CAPITAL TRUST FINANCE**

50 Bd Rachidi, Casablanca

Tél : (212) 5 22 46 63 50

**VALORIS CORPORATE FINANCE**

355, Route d'El Jadida – Casablanca

Tél : (212) 5 22 23 97 60

The Prospectus is made available to the public at the Casablanca Stock Exchange Headquarters and on its website [www.casablanca-bourse.com](http://www.casablanca-bourse.com). It is also available on the AMMC website [www.ammc.ma](http://www.ammc.ma).

## I. PRESENTATION OF THE OPERATION

### I.1. Objectives of the operation

Through this program, Crédit Agricole du Maroc aims to meet the challenges of its Strategic Development Plan while renewing its commitment within the framework of its public service mission. The program aims to achieve the following objectives:

- ✱ Financing and support for the Agro-Industrial sector under its 2017-2021 program contract signed with the State;
- ✱ Strengthening its regulatory capital and therefore improving its prudential ratios (solvency and liquidity) ;

### I.2. Structure of the offer

The subordinated bond issuance, purpose of this excerpt, is about a maximum amount of one billion (500,000,000) dirhams. It will be issued in eight (8) tranches:

- **A tranche A** at an annually adjustable interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche B** at a fixed interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche C** at an annually adjustable interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche D** at a fixed interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 7 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche E** at an annually adjustable interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche F** at a fixed interest rate and listed on the Casablanca Stock Exchange. This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche G** at an annually adjustable interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;
- **A tranche H** at a fixed interest rate and tradable over-the-counter (non-listed). This tranche will be reimbursable *in fine* over a period of 10 years and will amount to a maximum amount of 500,000,000 MAD with a nominal value of 100,000 MAD per subordinated bond ;

The total amount allocated to these above-mentioned eight tranches may not exceed, in any case, the amount of 500,000,000 MAD.

The current issue is reserved for qualified investors under the Moroccan law as stated in the prospectus.

The restriction of the subscription to qualified Moroccan investors is to facilitate the management of the subscriptions on the primary market. It is understood that every investor willing to acquire these bonds will be able to do so on the secondary market.

### I.3. Information regarding the securities to be issued

#### **Disclaimer**

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

#### **Tranche A : Subordinated bonds reimbursable in fine over a period of 7 years listed on the Casablanca Stock Exchange with an annually adjustable interest rate**

<b>Nature of the securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	7 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2025
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	70 bps.
<b>Nominal interest rate</b>	<p><b><u>Annually adjustable.</u></b></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on October 18, 2018, increased by a risk premium 70 bps.</p> <p>The interest rate will be published in a journal of legal announcements on October 19, 2018.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained will be increased by a risk premium of 70 bps will be communicated by CAM to the Casablanca Stock Exchange 5 trading days before the anniversary date and will be published in a legal newspaper AT the same timeframe.</p>
<b>Calculation method</b>	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is:</p> $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ <p>where k: maturity of the actuarial rate immediately greater than 52 weeks.</p> <p>* Exact number of days: 365 or 366 days.</p>
<b>Interest</b>	Interest will be paid annually on the anniversary of the security's vesting date November 01 of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.

	<p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e: [nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>The CAM subordinated bonds issue will be subject to an in fine repayment of the principal. In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
<b>Assimilation</b>	The subordinated bonds of Tranche A are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors. These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	The subordinated bonds of tranche A are freely negotiable at the Casablanca Stock Exchange. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche A.
<b>Securities listing</b>	<p>The subordinated bonds of the tranche A will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 29 October 2018 on the bonds compartment, under the ticker OCAMC.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000</p>

	MAD, the subscriptions relating to these tranches will be cancelled.
<b>Company responsible of the registration</b>	The company responsible of the registration is MSIN
<b>Procedure of first listing</b>	The listing of tranche A will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Ex-change.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law
<b>Competent Court</b>	Commercial Court of Rabat

**Tranche B : Subordinated bonds reimbursable in fine over a period of 7 years listed on the Casablanca Stock Exchange with fixed interest rate**

<b>Nature of the securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	7 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2025
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	70 bps
<b>Nominal interest rate</b>	<p>Fixed interest rate referring to the 7 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the secondary yield curve reference rate as published on October 18, 2018, by Bank Al Maghrib. This rate is increased by a risk premium of 70 bps.</p> <p>The determination is made by the method of linear interpolation using the two points limiting the full 7 year maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 19, 2018 by CAM in a journal of legal announcements.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary date of the security's vesting day November 01 each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so</p>

	repurchased will be cancelled with the prior approval of Bank Al-Maghrib. In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.
<b>Assimilation</b>	The subordinated bonds of Tranche B are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	<p>The subordinated bonds of tranche B are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche B.</p>
<b>Securities listing</b>	<p>The subordinated bonds of the tranche B will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 29 October 2018 on the bonds compartment, under the ticker OCAME.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
<b>Company responsible of the registration</b>	The company responsible of the registration is MSIN
<b>Procedure of first listing</b>	The listing of tranche B will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Ex-change.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law
<b>Competent Court</b>	Commercial Court of Rabat



**Tranche C : Unlisted Subordinated bonds reimbursable in fine over a period of 7 years with an annually adjustable interest rate**

<b>Nature of securities</b>	Subordinated bond tradable over the counter (unlisted), dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal form</b>	Subordinated bonds in bearer form.
<b>Maximum amount of the tranche</b>	1,000,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	7 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2025
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	70 bps
<b>Nominal interest rate</b>	<p><b><u>Annually adjustable.</u></b></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on October 18, 2018. This rate is increased by a risk premium of 70 bps. The interest rate will be published in a journal of legal announcements on October 19, 2018.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon. The reference rate thus obtained will be increased by a risk premium of 70 bps will be published by CAM in a legal newspaper at the same timeframe.</p>
<b>Calculation method</b>	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is:</p> $(((\text{Actuarial rate} + 1) ^ {k / \text{exact number of days} *}) - 1) \times 360 / k;$ <p>where k: maturity of the actuarial rate immediately greater than 52 weeks.</p> <p>* Exact number of days: 365 or 366 days.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary of the security's vesting date November 01 of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e:</p> <p>[nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be</p>

	<p>automatically transferred to the legal entity assuming CAM rights and obligations. In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>
<b>Assimilation</b>	<p>The subordinated bonds of Tranche C are not subject to any assimilation.</p>
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	<p>CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.</p>
<b>Repayment guarantee</b>	<p>This issuance is not subject to any particular guarantee.</p>
<b>Rating</b>	<p>This issuance has not been subject to any rating request.</p>
<b>Tradability</b>	<p>Subordinated bonds of tranche C will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche C.</p>
<b>Bondholders representation</b>	<p>In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.</p>
<b>Applicable law</b>	<p>Moroccan law</p>
<b>Competent Court</b>	<p>Commercial Court of Rabat</p>

**Tranche D : Unlisted Subordinated bonds reimbursable in fine over a period of 7 years with a fixed interest rate**

<b>Nature of the securities</b>	Subordinated bonds unlisted, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	7 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2025
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	70 bps
<b>Nominal interest rate</b>	<p>Fixed interest rate referring to the 7 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the secondary yield curve reference rate as published on October 18, 2018, by Bank Al Maghrib. This rate is increased by a risk premium of 70 bps. The determination is made by the method of linear interpolation using the two points limiting the full 7 years maturity (actuarial basis). The nominal interest rate will be published no later than October 19, 2018 by CAM in a journal of legal announcements.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary date of the security's vesting day, November 01 each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction. Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal. In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>

<b>Assimilation</b>	The subordinated bonds of Tranche D are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	Subordinated bonds of tranche D will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche D.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subcription period.
<b>Applicable law</b>	Moroccan law.
<b>Competent Court</b>	Commercial Court of Rabat.

**Tranche E : Subordinated bonds reimbursable in fine over a period of 10 years listed on the Casablanca Stock Exchange with an annually adjustable interest rate**

<b>Nature of the securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	10 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2028
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	80 bps
<b>Nominal interest rate</b>	<p><b><u>Annually adjustable.</u></b></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money market rate) determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on October 18, 2018,. This rate is increased by a risk premium of 80 bps. The interest rate will be published in a journal of legal announcements on October 19, 2018.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained will be increased by a risk premium of 80 bps will be communicated by CAM to the Casablanca Stock Exchange 5 trading days before the anniversary date and will be published in a legal newspaper AT the same timeframe.</p>
<b>Calculation method</b>	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is:</p> $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ <p>where k: maturity of the actuarial rate immediately greater than 52 weeks.</p> <p>* Exact number of days: 365 or 366 days.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary of the security's vesting date November 01 of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e : [nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	CAM subordinated bonds issue will be subject to an in fine repayment of the principal.

	<p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.</p>
<b>Assimilation</b>	The subordinated bonds of Tranche E are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors. These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	<p>The subordinated bonds of tranche E are freely negotiable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the issuance conditions to the free negotiability of the bonds of tranche E.</p>
<b>Securities listing</b>	<p>The subordinated bonds of the tranche E will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on October 29, 2018 on the bonds compartment, under the ticker OCAMH.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
<b>Company responsible of the registration</b>	The company responsible of the registration is MSIN
<b>Procedure of first listing</b>	The listing of tranche E will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the

	provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law
<b>Competent Court</b>	Commercial Court of Rabat

**Tranche F : Subordinated bonds reimbursable in fine over a period of 10 years listed on the Casablanca Stock Exchange with fixed interest rate**

<b>Nature of the securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depositary (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	10 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2028
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	80 bps
<b>Nominal interest rate</b>	<p>Fixed interest rate referring to the 10 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as published on October 18, 2018 by Bank Al Maghrib. This rate is increased by a risk premium of 80 bps.</p> <p>The determination will be made by the method of linear interpolation using the two points limiting the full 10 years maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October 19, 2018 by CAM in a journal of legal announcements.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary date of the security's vesting day, November 01, each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior</p>



	approval of Bank Al-Maghrib. In case of cancellation, the issuer must inform the Casablanca Stock Exchange of canceled bonds.
<b>Assimilation</b>	The subordinated bonds of Tranche F are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause. The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors. These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	The subordinated bonds of tranche F are freely negotiable at the Casablanca Stock Exchange. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche F.
<b>Securities listing</b>	<p>The subordinated bonds of the tranche B will be listed on the Casablanca Stock exchange and will thus be object of a request for admission to the bonds compartment of the Casablanca Stock Exchange. Their listing date is foreseen to be on 29 October 2018 on the bonds compartment, under the ticker OCAMG.</p> <p>To be listed on the Casablanca Stock Exchange, the total amounts allotted to the tranches A, B, E and F must be higher or equal to 20,000,000 MAD. If after the closure of the subscription period, the amount allotted to tranches A, B, E and F is lower than 20,000,000 MAD, the subscriptions relating to these tranches will be cancelled.</p>
<b>Company responsible of the registration</b>	The company responsible of the registration is MSIN
<b>Procedure of first listing</b>	The listing of tranche F will be performed by a direct listing in accordance with articles 1.2.6 and 1.2.22 of the General Regulation of the Casablanca Stock Exchange.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law
<b>Competent Court</b>	Commercial Court of Rabat

**Tranche G : Unlisted Subordinated bonds reimbursable in fine over a period of 10 years with an annually adjustable interest rate**

<b>Nature of securities</b>	Subordinated bond tradable over the counter (unlisted), dematerialized by registration with the central securities depository (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal form</b>	Subordinated bonds in bearer form.
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	10 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2028
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	80 bps
<b>Nominal interest rate</b>	<p><b><u>Annually adjustable.</u></b></p> <p>For the first year, the nominal interest rate is the full 52 week rate (money market rate) determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib on October 18, 2018. This rate is increased by a risk premium of 80 bps. The interest rate will be published in a journal of legal announcements on October 19, 2018.</p> <p>Beyond the first year, the reference rate will be the full 52 week (monetary base) rate determined in reference to the treasury bond secondary yield curve as published by Bank Al Maghrib 5 trading days prior to the anniversary date of the coupon. The reference rate thus obtained will be increased by a risk premium of 80 bps will be published by CAM in a legal newspaper at the same timeframe.</p>
<b>Calculation method</b>	<p>In case the reference rate is not observed directly on the curve of the secondary market benchmark, the determination will be made by the method of linear interpolation using the two points limiting the full 52 weeks maturity. (Monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher 52 weeks maturity actuarial rate in equivalent monetary rates.</p> <p>The calculation formula is:</p> $(((\text{Actuarial rate} + 1) ^ {k / \text{exact number of days} *}) - 1) \times 360 / k;$ <p>where k: maturity of the actuarial rate immediately greater than 52 weeks.</p> <p>* Exact number of days: 365 or 366 days.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary of the security's vesting date November 01, of each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>Due to annually interest rate adjustment, interests will be calculated on a monetary basis i.e:</p> <p>[nominal unit value x nominal interest rate x (exact number of days / 360 days)].</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	CAM subordinated bonds issue will be subject to an in fine repayment of the principal. In the event of merger, demerger or partial contribution of CAM assets during the life of

	<p>the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>
<b>Assimilation</b>	The subordinated bonds of Tranche G are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject of any rating request.
<b>Tradability</b>	Subordinated bonds of tranche G will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche G.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law
<b>Competent Court</b>	Commercial Court of Rabat

**Tranche H : Unlisted Subordinated bonds reimbursable in fine over a period of 10 years with a fixed interest rate**

<b>Nature of the securities</b>	Subordinated bonds unlisted, dematerialized by registration with the central securities depositary (Maroclear) and registered in accounts with accredited affiliates.
<b>Legal Form</b>	Subordinated bonds in bearer form
<b>Maximum amount of the tranche</b>	500,000,000 Dhs.
<b>Maximum number of securities to be issued</b>	5,000 subordinated bonds.
<b>Nominal unit value</b>	100,000 Dhs.
<b>Maturity</b>	10 years.
<b>Subscription period</b>	From 22 to 24 October 2018 included
<b>Vesting date</b>	November 01, 2018
<b>Maturity date</b>	November 01, 2028
<b>Issue price</b>	At par, i.e 100.000 Dhs.
<b>Risk premium</b>	80 bps
<b>Nominal interest rate</b>	<p>Fixed interest rate referring to the 10 years T-Bond interest rate, observed or calculated following the linear interpolation method on the basis of the of the secondary yield curve reference rate as published on October 18, 2018 by Bank Al Maghrib. This rate is increased by a risk premium ranging of 80 bps.</p> <p>The determination is made by the method of linear interpolation using the two points limiting the full 10 years maturity (actuarial basis).</p> <p>The nominal interest rate will be published no later than October19, 2018 by CAM in a journal of legal announcements.</p>
<b>Interest</b>	<p>Interest will be paid annually on the anniversary date of the security's vesting day, November 01, each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The interest on subordinated bonds shall cease to run from the date on which the capital is credited to Crédit Agricole du Maroc. No deferral of interest will be possible in this transaction.</p> <p>Interest will be calculated using the following formula [nominal unit value x nominal interest rate]</p>
<b>Allocation method</b>	Allocation in proportion to demand with a priority given to tranches F and H (maturity 10 years with fixed rate), then to tranches B and D (maturity 7 years with fixed rate), then to the tranches E and G (maturity 10 years with annually adjustable rate) and finally to tranches A and C (maturity 7 years with annually adjustable rate).
<b>Repayment of principal</b>	<p>CAM subordinated bonds issue will be subject to an in fine repayment of the principal.</p> <p>In the event of merger, demerger or partial contribution of CAM assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming CAM rights and obligations.</p> <p>In the event of CAM going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<b>Early repayment</b>	<p>CAM shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds.</p> <p>CAM nevertheless, reserves the right, with the prior agreement of Bank Al Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without affecting the schedule for</p>

	normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.
<b>Assimilation</b>	The subordinated bonds of Tranche H are not subject to any assimilation.
<b>Rank/subordination</b>	<p>The capital and the interests are subject to a subordination clause.</p> <p>The application of this clause does, in no way, violate the legal norms regarding the accounting principles of losses allocation, the shareholders' obligations and the subscribers rights to get, in compliance with the contractually determined terms, the payment of their capital and interest on securities.</p> <p>In the event of the liquidation of CAM, the subordinated securities of the present issuance will be reimbursed on capital at a price equal to the par. Their reimbursement shall only occur after payment of all privileged or unsecured creditors . These subordinated bonds will have the same ranking at reimbursement as the other subordinated loans, which have been or might be issued subsequently by CAM in Morocco or abroad, in proportion of their amount, if applicable.</p>
<b>Maintaining ranking</b>	CAM undertakes, until effective reimbursement of all the subordinated bonds of this present issuance, not to institute on any other subordinated securities, which it may issue subsequently, any priority in terms of reimbursement ranking in case of litigation, without consenting the same rights to the subordinated bonds of this issuance.
<b>Repayment guarantee</b>	This issuance is not subject to any particular guarantee.
<b>Rating</b>	This issuance has not been subject to any rating request.
<b>Tradability</b>	Subordinated bonds of tranche H will be traded over the counter. There is no restriction imposed by the issuance conditions to the free tradability of the bonds of tranche H.
<b>Bondholders representation</b>	In accordance with article 299 § 1 and article 300 § 1 and 2 of law n°17-95, the Board of Directors decides - subject to the Supervisory Board's approval - to appoint Mr Mohamed HDID as temporary representative of the mass of bondholders. Being specified that the provisory agent appointed is identical for tranches A to H of the given issue, which are gathered in one single pool. This decision takes effect starting from the opening of the subscription period. The Board of Directors undertakes to proceed to the convening of the Bondholders' General Assembly to nominate the permanent representative of the bondholders within a year of the opening of the subscription period.
<b>Applicable law</b>	Moroccan law.
<b>Competent Court</b>	Commercial Court of Rabat.

#### I.4. Stock Exchange listing

Subordinated obligations of bands A, B, E and F issued as part of this loan will be listed on the bond compartment of the Casablanca Stock Exchange.

Date of introduction and stock exchange listing	Octobre 29, 2018
Ticker	<b>Tranche A</b> : OCAMC <b>Tranche B</b> : OCAME <b>Tranche E</b> : OCAMH <b>Tranche F</b> : OCAMG
Negotiation round	By setting
first listing procedure	Direct listing
Establishment in charge of recording the transaction on the Stock Exchange	M.S.IN.

#### I.5. Issue schedule

Order	Steps	Dates
1	Receipt of the complete file of the operation by the Casablanca Stock Exchange	October 08, 2018
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the issue	October 08, 2018
3	Receipt by the Casablanca Stock Exchange of the prospectus approved by AMMC	October 08, 2018
4	Publication in the official bulletin of the Casablanca Stock Exchange, the " <i>Bulletin de la Cote</i> ", of the notice concerning the operation	October 09, 2018
5	Publication of the extract of the prospectus in a news paper carrying legal notice	October 10, 2018
6	Bank Al-Maghrib interest rate monitoring	October 18, 2018
7	Publication of the selected nominal interest rate for each tranche in a legal newspaper	October 19, 2018
8	Opening of the subscription period	October 22, 2018
9	End of the subscription period	October 24, 2018
10	Receipt by the Casablanca Stock Exchange of the operation results before 12am.	Octobre 25, 2018
11	Listing of the bonds Recording of the operation in the Stock Exchange Announcement of the results of the operation in the " <i>Bulletin de la Cote</i> " of Casablanca Stock Exchange for all the tranches	October 29, 2018
12	Settlement	November 01, 2018
13	Publication of the results of the operation in a newspaper carrying legal notices	November 01, 2018

## I.6. Bodies in charge of the bond issuance and financial intermediaries

Types d'intermédiaires financiers	Nom	Adresse
<b>Financial Advisor and Global Coordinator</b>	Crédit Agricole du Maroc	Place des Alaouites – BP 49 – 10 000 Rabat
<b>Co-Financial Advisors</b>	Atlas Capital Finance	88, Rue El Marrakchi - Quartier Hippodrome – 20100 Casablanca
	Capital Trust Finance	50, Bd. Rachidi – Casablanca
	Valoris Corporate Finance	355 Route d'El Jadida – Casablanca
<b>Lead underwriting agent and centralizer of subscription orders</b>	Valoris Securities	Av. des FAR, Complexe des Habous 5 <sup>ème</sup> étage Tour B – Casablanca
<b>Co-lead underwriting agents</b>	Atlas Capital Bourse	88, Rue El Marrakchi - Quartier Hippodrome – 20100 Casablanca
	Capital Trust securities	50, Bd. Rachidi – Casablanca
<b>Underwriting agent</b>	Crédit Agricole du Maroc (CAM)	1 Place Bandong – Casablanca
<b>Body handling the financial service of the issuer, with responsibility for registering the operation with the Stock Exchange</b>	M.S.IN.	Immeuble. Zénith, Résidence. Tawfiq, Sidi Maârouf – Casablanca

## II. PRESENTATION OF CREDIT AGRICOLE DU MAROC

### II.1. General Information

<b>Corporate Name</b>	Crédit Agricole du Maroc.
<b>Head office</b>	Place des Alaouites –BP 49 – 10 000 RABAT.
<b>Telephone / fax</b>	Phone : 0537 20 82 19 à 26 Fax : 0537 70 78 32
<b>Internet website</b>	www.creditagricole.ma
<b>Legal form</b>	Public Limited company with a Board of Directors and a Supervisory Board.
<b>Date of incorporation</b>	04/12/1961.
<b>Date of transformation into LLC</b>	18 December 2003, following the publication of dahir n°1-03-221 of 16 Ramadan 1424 on Law 15-99 reforming the Crédit Agricole
<b>Lifetime of the company</b>	99 years.
<b>Commercial register</b>	R.C. Rabat 58873.
<b>Financial year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup> ..
<b>Company purpose</b>	<p>Crédit Agricole du Maroc main mission is the funding of the agriculture and the activities around economic and social development of the rural world with the objectives of:</p> <ul style="list-style-type: none"> <li>• Facilitate the access of the farmers to modern and profitable forms of exploitation;</li> <li>• Mobilize the national savings to the benefit of rural development;</li> <li>• Develop the access to banking systems of farmers and rural people through the offer of appropriate financial services;</li> <li>• Support the creation of farming structures by improving their accessibility to credit;</li> <li>• Promoting advice and expertise to farmers to increase their production ;</li> <li>• Valuing agricultural production through agro-industrial integration and marketing;</li> <li>• Supporting the social economy of production and services on the rural economy.</li> </ul> <p>It can also be assigned by the public authorities of any mission of national or regional interest relating to agriculture and rural development.</p> <p>2) Public service mission: The <i>Crédit Agricole du Maroc</i> guarantees, on behalf of the State and in accordance with the government's decisions, the public service duties through the implementation of conventions referred to in article 4 of law 15-99. To this end, the company may sign conventions with the State for the execution of transactions initiated by it, in terms of rural economy funding, specific support or agricultural activities. These conventions will define the sectors, the beneficiaries, the conditions, the modalities as well as the resources and may relate for example to the following operations:</p> <ul style="list-style-type: none"> <li>• The funding of subsidies of small and medium farmers; these subsidies may be extended to the large farmers in regulatory established cases</li> <li>• The required subsidies for debts rescheduling granted to farmers when justified by specific circumstances;</li> <li>• Any operation, aid, premium or subsidy of which the interest rates decided by the State.</li> </ul> <p>3) Universal banking transactions : The bank may carry out, in its usual course of activities, any operation likely to be carried out by banks in accordance with the dispositions of Dahir providing law n° 1-93-147 of 15 Moharrem 1414 (6 July 1993), relating to the credit institutions' activities and their monitoring and these articles of association.</p>



	<p>4) Other operations :</p> <p>The bank may, in general, perform any banking, financial, commercial, industrial, securities and real estate operation that may be directly or indirectly related to its object and likely to facilitate the development thereof.</p>
Applicable legislation to the company	<p>Through its legal form, the CAM is a Limited Liability Company with a Board of Directors and a Supervisory of Board, regulated by dispositions of law 17/95 on Limited Liability Companies as amended and supplemented by Law 20/05 of 23 May 2008 and 78/12 Act of January 21, 2016 on Public Limited companies.</p> <p>Through its activities, the CAM is governed by:</p> <ul style="list-style-type: none"> <li>• Law 15-99 reforming the Crédit Agricole ;</li> <li>• Dahir n°1-14-193 of 24 December 2014, promulgating law 103-12 relating to loan institutions and similar institutions;</li> </ul> <p>By the object of this operation Circular, the CAM is governed by:</p> <ul style="list-style-type: none"> <li>• The Dahir No. 1-93-212 of September, 21st 1993 as amended and supplemented by Act No. 23-01, 36-05 and 44-06;</li> <li>• The General Regulations of the AMMC.</li> <li>• The Dahir No. 1-96-246 of 9 January 1997, enacting Law No. 35-96 on the creation of a central depository and the institution of a general registration regime account of certain values (as amended by Act No. 43-02)</li> <li>• The general regulations of the central depository approved by Order of the Minister of Economy and Finance No. 932-98 of April, 16th 1998 and amended by the Decree of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October, 30th 2001, and the decree N° 77/05 published on the official bulletin N°5300 of march 17, 2005;</li> <li>• The Dahir No. 1-93-211 of September, 21st 1993 on the Casablanca Stock Exchange, as amended and supplemented by Laws 34-96, 29-00, 52-01, 45-06 and 43-09 and by order No. 1268-08 of July, 7th 2008;</li> <li>• The General Regulations of the Casablanca Stock Exchange approved by Order of the Minister of Economy, Finance, Privatization No 1268-1208 of July, 7th 2008 amended and supplemented by the decree of the Minister of Economy and Finance No. 30-14 of January, 6th 2014 and n°1955-16 of July 04, 2016</li> <li>• Circular of AMMC.</li> </ul> <p>From its deposit certificates issuance program:</p> <ul style="list-style-type: none"> <li>• The 35-94 law on certain negotiable debt securities as amended and supplemented by Law 33-06;</li> <li>• The Order of the Minister of Finance and Foreign Investments No. 2560-95 of October, 9th 1995 on certain marketable securities as amended by Decrees 692-00, 1311-01 and 2232-02;</li> </ul>
Share capital as of 06/30/2018	4,227,676,500 MAD comprising 42,276,765 shares at nominal value 100 MAD
Legal documents	The legal documents of the company, among which the articles of association, the minutes of the general meetings and the auditors reports may be consulted at the head office of the <i>Credit Agricole du Maroc</i> .
Tax Regime	<i>Credit Agricole du Maroc</i> is subject, as a credit institution, to the corporate tax (37%) and to the VAT (10%).
Competent Court in the event of dispute	Rabat Commercial Court

## II.2. Information on the capital of CAM

On September 30, 2018 CAM's capital is divided as follow :

Shareholders	September 30, 2018		
	Number of shares held	% of shares held	% right to vote
Moroccan State	31 780 465	75,2%	75,2%
MAMDA	3 134 311	7,4%	7,4%
MCMA	3 134 311	7,4%	7,4%
CDG	4 227 678	10%	10%
<b>Total</b>	<b>42 276 765</b>	<b>100%</b>	<b>100%</b>

Source : CAM

## II.3. Structure of CAM equity holdings

The portfolio of equity holdings held by CAM as of 6/30/2018, amounted a total of 35 companies for a net asset value of 841 million dirhams (corresponds to the book value on the balance sheet of CAM).

Company	Activity	Share capital as of 06/30/2018 (MAD 000)	% held by CAM
SONACOS	Agro-Industrie	160 000	0,98%
COMAPRA	Agro-Industrie	66 800	0,01%
SNDE	Agriculture	40 965	0,24%
SOGETA	Agriculture		0,00%
SUNABEL	Agriculture	190 173	0,38%
SOCIETE LAITIERE CENTRALE DU NORD	Agro-Industrie	50 000	0,39%
FRUMAT	Agro-Industrie		0,00%
HALIOPOLIS	Agriculture	71 000	20,00%
<b>AGRICULTURES &amp; PECHEs</b>			
TAMWIL ALFELLAH	finance company	125 000	100,00%
HOLDAGRO	Corporate & Investment Banking	36 376	99,66%
INTERBANK	Service	11 500	18,00%
MAROCLEAR	Service	100 000	1,80%
SWIFT	Service		0,00%
CENTRE MONETIQUE INTERBANCAIRE	Service	98 200	10,18%
DAR ADDAMANE	Bank	75 000	0,73%
AGRAM INVEST	Investment found	40 060	22,18%
IGRANE	Investment found	54 600	15,87%
REGIONAL GESTION	Asset management	1 000	18,00%
FOND D'INVESTISSEMENT DE L'ORIENTAL	Investment found	150 000	7,17%
FIROGEST	Asset management	2 000	12,50%
TARGA	Investment found	7 500	99,99%
FINEA	Market pledging	200 000	0,22%
SMAEX	Insurance	50 000	0,48%
ASSALAF AL AKHDAR	Consumer credit	100 000	100,00%
CAM GESTION	Real estate management	5 000	100,00%
MSIN	Asset management	10 000	80,00%
SGFG	Asset management	1 000	5,88%
BOURSE DE CASABLANCA	stock exchange	387 518	4,00%
AL AKHDAR BANK	Bank	300 000	51,00%
AFREXIMBANK	Bank	47 500 000	0,06%
<b>BANQUES, FINANCES &amp; SERVICES</b>			
SONADAC	Landscaping	589 904	2,81%
GCAMDOC	Archiving	10 000	100,00%
CASA PATRIMOINE	Service	31 000	1,61%
<b>DIVERS</b>			

## II.4. Activity of CAM

### II.4.1. Evolution of deposit

The structure of the customer deposits of CAM has evolved as follows: (corporate accounts basis)

MDH	2015	2016	Δ%	2017	Δ%	juin-18	Δ%
<b>Due to banks and similar institutions (1)</b>	<b>8 053</b>	<b>6 429</b>	<b>-20,17%</b>	<b>7 301</b>	<b>13,56%</b>	<b>9 302</b>	<b>27,40%</b>
<b>In % of the final balance</b>	<b>9,24%</b>	<b>7,24%</b>		<b>7,66%</b>		<b>9,58%</b>	
Sight debts to banks and similar	382	388	1,61%	653	68,22%	958	46,79%
Term debts to banks and similar	7 671	6 041	-21,25%	6 648	10,05%	8 343	25,50%
<b>Customer Deposits (2)</b>	<b>64 085</b>	<b>66 342</b>	<b>3,52%</b>	<b>68 127</b>	<b>2,69%</b>	<b>68 409</b>	<b>0,41%</b>
<b>In % of the final balance</b>	<b>73,55%</b>	<b>74,66%</b>		<b>71,48%</b>		<b>70,43%</b>	
Accounts payable	29 347	32 406	10,42%	35 637	9,97%	36 114	1,34%
Saving accounts	9 885	10 762	8,87%	11 669	8,43%	11 838	1,44%
Term deposits	23 467	21 406	-8,78%	18 897	-11,72%	18 854	-0,23%
Other accounts payable	1 386	1 769	27,61%	1 924	8,74%	1 603	-16,66%
<b>Total resources (1) + (2)</b>	<b>72 139</b>	<b>72 771</b>	<b>0,88%</b>	<b>75 428</b>	<b>3,65%</b>	<b>77 711</b>	<b>3,03%</b>

Source : CAM

### II.4.2. Evolution of loans

The structure of the loans of CAM has evolved as follows: (corporate accounts basis)

MDH	2015	2016	Δ%	2017	Δ%	juin-18	Δ%
<b>Debts due from financial institutions and similar (1)</b>	<b>2 123</b>	<b>510</b>	<b>-75,99%</b>	<b>972</b>	<b>90,68%</b>	<b>769</b>	<b>-20,89%</b>
<b>In % of the final balance</b>	<b>2,44%</b>	<b>0,57%</b>		<b>1,02%</b>		<b>0,79%</b>	
Sight debts with financial institutions and similar	165	493	>100%	954	93,45%	761	-20,17%
Term deposits with financial institutions and similar	1 958	17	-99,13%	19	10,33%	8	-57,49%
<b>Amounts due from customers (2)</b>	<b>62 533</b>	<b>65 503</b>	<b>4,75%</b>	<b>68 827</b>	<b>5,07%</b>	<b>68 568</b>	<b>-0,38%</b>
<b>In % of the final balance</b>	<b>71,77%</b>	<b>73,72%</b>		<b>72,21%</b>		<b>70,60%</b>	
Cash and consumer loans	22 896	23 949	4,60%	27 353	14,22%	29 720	8,65%
Investment loans	17 337	18 394	6,10%	18 543	0,81%	18 706	0,88%
Real estate loans	15 810	15 197	-3,88%	15 584	2,55%	15 501	-0,53%
Other loans	6 490	7 963	22,70%	7 346	-7,75%	4 641	-36,83%
<b>Total loans (1) + (2)</b>	<b>64 656</b>	<b>66 013</b>	<b>2,10%</b>	<b>69 799</b>	<b>5,74%</b>	<b>69 337</b>	<b>-0,66%</b>

Source : CAM

### III. FINANCIAL STATEMENT ON A CORPORATE ACCOUNTS BASIS

#### III.1. Income statement

In thousand MAD	2015	2016	Δ%	2017	Δ%	juin-17	Juin 2018	Δ%
Interest and similar revenues on transactions with credit loans institutions	20 282	9 999	-50,70%	6 527	-34,72%	2 166	8 190	>100%
Interests and similar revenues on transactions with customers	4 189 082	3 809 978	-9,05%	4 160 294	9,19%	1 981 854	2 224 461	12,24%
Similar interest and revenues on issued loan securities	274 076	206 411	-24,69%	49 478	-76,03%	21 930	28 307	29,08%
Revenues on assets lease and tenancy	9 873	23 407	>100%	31 308	33,76%	30 025	35 533	18,34%
Commissions on services provision	350 306	379 922	8,45%	403 184	6,12%	203 914	220 451	8,11%
Other banking revenues	246 661	902 006	>100%	972 806	7,85%	489 692	222 985	-54,46%
<b>OPERATING BANKING INCOME</b>	<b>5 090 281</b>	<b>5 331 723</b>	<b>4,74%</b>	<b>5 623 598</b>	<b>5,47%</b>	<b>2 729 581</b>	<b>2 739 928</b>	<b>0,38%</b>
Interest and similar costs on transactions with credit loans	259 772	235 669	-9,28%	274 434	16,45%	125 587	159 993	27,40%
Interests and costs on transactions with customers	1 360 035	1 168 081	-14,11%	952 510	-18,46%	422 547	429 060	1,54%
Interest and similar costs on issued loan securities	215 933	187 882	-12,99%	234 814	24,98%	108 975	107 500	-1,35%
Other banking costs	188 369	290 330	54,13%	615 993	>100%	361 135	371 218	2,79%
<b>BANK OPERATING COSTS</b>	<b>2 024 109</b>	<b>1 881 963</b>	<b>-7,02%</b>	<b>2 077 751</b>	<b>10,40%</b>	<b>1 018 244</b>	<b>1 067 770</b>	<b>4,86%</b>
<b>NET BANKING INCOME</b>	<b>3 066 172</b>	<b>3 449 760</b>	<b>12,51%</b>	<b>3 545 846</b>	<b>2,79%</b>	<b>1 711 337</b>	<b>1 672 158</b>	<b>-2,29%</b>
Non-banking operating income	227 051	4 481	-98,03%	124 795	>100%	864	84 962	>100%
Non-banking operating costs	52 253	74 408	42,40%	71 160	-4,36%	17 246	56 188	>100%
Staff costs	975 631	1 027 733	5,34%	1 045 513	1,73%	491 549	493 188	0,33%
Taxes and duties	30 616	31 043	1,39%	29 000	-6,58%	13 913	15 958	14,70%
External costs	389 868	428 213	9,84%	449 475	4,97%	233 177	243 374	4,37%
Other general operating costs	51 138	45 712	-10,61%	57 811	26,47%	22 422	25 541	13,91%
Allocations to depreciations and provisions of tangible and intangible assets	176 844	177 846	0,57%	190 402	7,06%	94 001	96 193	2,33%
<b>GENERAL OPERATING COSTS</b>	<b>1 624 096</b>	<b>1 710 547</b>	<b>5,32%</b>	<b>1 772 202</b>	<b>3,60%</b>	<b>855 061</b>	<b>874 254</b>	<b>2,24%</b>
Allocations to provisions on debts and pending commitments by signature	1 089 607	1 276 667	17,17%	956 291	-25,09%	470 030	430 733	-8,36%
Losses on bad debts	275 846	1 149 305	>100%	867 776	-24,50%	421 131	514 679	22,21%
Other allocations to bad debts	450 400	121 000	-73,14%	948 092	>100%	102 217	79 975	-21,76%
<b>ALLOCATIONS TO PROVISIONS AND LOSSES ON BAD DEBTS</b>	<b>1 815 853</b>	<b>2 546 971</b>	<b>40,26%</b>	<b>2 772 159</b>	<b>8,84%</b>	<b>993 377</b>	<b>1 025 387</b>	<b>3,22%</b>
Provisions write-off for debts and pending commitments by signature	496 610	1 106 827	>100%	820 971	-25,83%	416 454	197 715	-52,52%
Reversals of depreciated loans	73 695	31 972	-56,62%	87 857	>100%	50 605	209 831	>100%
Other provisions write-off	189 247	360 224	90,35%	623 219	73,01%	48 748	113 814	>100%
<b>PROVISIONS WRITE-OFF AND REVERSAL OF DEPRECIATED LOANS</b>	<b>759 551</b>	<b>1 499 023</b>	<b>97,36%</b>	<b>1 532 047</b>	<b>2,20%</b>	<b>515 806</b>	<b>521 360</b>	<b>1,08%</b>
<b>CURRENT PROFITS</b>	<b>560 572</b>	<b>621 338</b>	<b>10,84%</b>	<b>587 167</b>	<b>-5,50%</b>	<b>362 322</b>	<b>322 650</b>	<b>-10,95%</b>
Non-current income	19 923	24 305	22,00%	36 036	48,26%	15 342	614	-96,00%
Non-current costs	163 928	166 302	1,45%	166 105	-0,12%	73 902	82 485	11,61%
<b>PRE-TAX PROFIT</b>	<b>416 568</b>	<b>479 342</b>	<b>15,07%</b>	<b>457 098</b>	<b>-4,64%</b>	<b>303 763</b>	<b>240 780</b>	<b>-20,73%</b>
Profit tax	80 380	171 321	>100%	106 081	-38,08%	107 422	13 700	-87,25%
<b>NET PROFIT OF THE YEAR</b>	<b>336 188</b>	<b>308 021</b>	<b>-8,38%</b>	<b>351 016</b>	<b>13,96%</b>	<b>196 341</b>	<b>227 080</b>	<b>15,66%</b>

Source : CAM

### III.2. Balance sheet

ASSETS (In thousand MAD)	2015	2016	Δ%	2017	Δ%	Juin 2018	Δ%
Central bank, Public Treasury, services of postal checks	2 355 323	2 013 090	-14,53%	2 708 028	34,52%	3 292 970	21,60%
Loans due on credit and similar institutions	2 123 017	509 632	-75,99%	972 476	90,82%	769 300	-20,89%
. Current	165 380	492 694	>100%	953 720	93,57%	761 326	-20,17%
. Long term	1 957 637	16 938	-99,13%	18 756	10,73%	7 974	-57,49%
Customer debts	62 532 632	65 503 226	4,75%	68 826 909	5,07%	68 567 854	-0,38%
. Cash and consumer loans	22 895 889	23 949 464	4,60%	27 353 475	14,21%	29 720 374	8,65%
. Equipment loans	17 336 598	18 393 711	6,10%	18 543 329	0,81%	18 705 597	0,88%
. Mortgage loans	15 810 017	15 196 640	-3,88%	15 583 867	2,55%	15 501 145	-0,53%
. Other loans	6 490 127	7 963 411	22,70%	7 346 239	-7,75%	4 640 738	-36,83%
Transaction and investment securities	7 013 526	12 976 826	85,03%	13 200 728	1,73%	13 723 333	3,96%
. Treasury bills and similar securities	1 170 013	1 008 955	-13,77%	2 653 599	>100%	5 600 910	>100%
. Other loan securities	202 444	314 185	55,20%	681 535	>100%	552 152	-18,98%
. Equities	5 641 068	11 653 686	>100%	9 865 594	-15,34%	7 570 271	-23,27%
Other assets	3 944 192	3 338 867	-15,35%	2 979 467	-10,76%	3 173 026	6,50%
Investment securities	6 322 573	-	-100%				
. Treasury bills and similar securities	6 322 573	-	-100%				
. Other loan securities							
Equity securities and similar uses	375 957	414 924	10,36%	589 499	42,07%	841 263	42,71%
Subordinated debts	1 400	1 400		1 400		1 400	
Assets under lease and tenancy							
Intangible assets	373 214	366 659	-1,76%	393 265	7,26%	393 095	-0,04%
Tangible assets	2 089 340	3 730 043	78,53%	5 639 660	51,20%	6 364 345	12,85%
<b>TOTAL ASSETS</b>	<b>87 131 174</b>	<b>88 854 665</b>	<b>1,98%</b>	<b>95 311 433</b>	<b>7,27%</b>	<b>97 126 585</b>	<b>1,90%</b>

liabilities (In thousand MAD)	2015	2016	Δ%	2017	Δ%	Juin 2018	Δ%
Central bank, Public Treasury, services of postal checks							
Loans due on credit and similar institutions	8 053 452	6 429 106	-20,17%	7 300 929	13,56%	9 301 570	27,40%
. Current	381 993	388 154	1,61%	652 678	68,15%	958 090	46,79%
. Long term	7 671 459	6 040 953	-21,25%	6 648 251	10,05%	8 343 480	25,50%
Customer debts	64 085 301	66 342 161	3,52%	68 127 199	2,69%	68 409 442	0,41%
. Cash and consumer loans	29 347 113	32 405 879	10,42%	35 637 468	9,97%	36 114 356	1,34%
. Equipment loans	9 885 022	10 761 961	8,87%	11 669 048	8,43%	11 837 603	1,44%
. Mortgage loans	23 467 271	21 405 803	-8,78%	18 897 034	-11,72%	18 854 281	-0,23%
. Other loans	1 385 895	1 768 518	27,61%	1 923 648	8,77%	1 603 202	-16,66%
Transaction and investment securities	5 349 675	6 076 374	13,58%	7 371 979	21,32%	6 540 379	-11,28%
. Treasury bills and similar securities	5 349 675	6 076 374	13,58%	7 371 979	21,32%	6 540 379	-11,28%
. Other loan securities							
. Equities							
Other liabilities	1 075 917	1 188 619	10,47%	2 282 245	92,01%	2 463 069	7,92%
Reserves for risks and costs	912 384	635 677	-30,33%	906 349	42,58%	804 156	-11,28%
Regulated reserves							
Subsidies, restricted public funds and special funds of guarantee	7 157	7 157		7 157		7 157	
Subordinated debts	1 526 221	1 830 531	19,94%	2 679 520	46,38%	2 737 676	2,17%
Revaluation differences							
Reserves and capital related premiums	1 455 506	1 809 343	24,31%	2 057 364	13,71%	2 408 380	17,06%
Capital	4 227 677	4 227 677		4 227 677		4 227 677	
Shareholders, unpaid capital (-)							
Opening balance (+/-)	101 696		-100%				
Net income pending allocation (+/-)							
Net income of the year(+/-)	336 188	308 021	-8,38%	351 016	13,96%	227 080	-35,31%
<b>TOTAL LIABILITIES</b>	<b>87 131 174</b>	<b>88 854 665</b>	<b>1,98%</b>	<b>95 311 433</b>	<b>7,27%</b>	<b>97 126 585</b>	<b>1,90%</b>

Source : CAM

## IV. CONSOLIDATED FINANCIAL STATEMENTS

### IV.1. Consolidation perimeter

Consolidation's perimeter as of June 30, 2018

Title	Sector	% of control	% of interest	Consolidation method
CREDIT AGRICOLE DU MAROC	Banking	100,00%	100,00%	Mère
HOLDAGRO	Agricultural industry	99,66%	99,66%	IG
TAMWIL ALFELLAH	Agriculture	100%	100%	IG
TARGA	Investment fund	100%	100%	IG
ASSALAF ALAKHDAR	Consumer credit	100%	100%	IG
CAM GESTION	Brokerage company	100%	100%	IG
ARDI	Banking	100%	-	IG
M.S.IN	Asset management	80%	80%	IG
MAROGEST	Asset management	80%	80%	IG
GCAM DOC	Archiving	100%	100%	IG
AL AKHDAR BANK	Banking	51%	51%	IG
ASSOCIATION ISMAILIA	Banking	100%	-	IG

### IV.2. Consolitated income statement

En KDH	2 015	2 016	Δ%	2017	Δ%	juin-17	June 2018	Δ%
Interest and similar income	4 626 008	4 195 183	-9,31%	4 403 899	4,98%	2 094 596	2 355 144	12,44%
Interests and similar costs	1 865 835	1 624 832	-12,92%	1 493 973	-8,05%	672 743	-713 481	<-100%
<b>INTEREST MARGIN</b>	<b>2 760 173</b>	<b>2 570 351</b>	<b>-6,88%</b>	<b>2 909 926</b>	<b>13,21%</b>	<b>1 421 853</b>	<b>1 641 663</b>	<b>15,46%</b>
Commissions receivables	364 672	415 089	13,83%	459 778	10,77%	232 882	245 150	5,27%
Commissions payments	910	13 121	>100%	-9 356	-171,30%	4 480	-3 387	<-100%
<b>COMMISSIONS MARGIN</b>	<b>363 762</b>	<b>401 968</b>	<b>10,50%</b>	<b>450 422</b>	<b>12,05%</b>	<b>228 402</b>	<b>241 763</b>	<b>5,85%</b>
Net gains and losses on financial instruments at the fair value by results	47 447	62 657	32,06%	51 855	-17,24%	36 209	-18 442	<-100%
Net gains and losses on financial instruments at the fair value by equity							- 65 922	
Net gains or losses on financial assets held for sale	144 498	803 801	>100%	394 482	-50,92%	175 180	-	-100%
<b>RESULT OF TRADING ACTIVITIES</b>	<b>191 946</b>	<b>866 458</b>	<b>&gt;100%</b>	<b>446 338</b>	<b>-48,49%</b>	<b>211 389</b>	<b>-84 363</b>	<b>&lt;-100%</b>
Income of other activities	39 302	22 482	-42,80%	280 134	1146,04%	40 708	80 517	97,79%
Costs of other activities	123 782	166 817	34,77%	158 025	-5,27%	86 283	83 359	-3,39%
<b>NET BANKING INCOME</b>	<b>3 231 401</b>	<b>3 694 442</b>	<b>14,33%</b>	<b>3 928 794</b>	<b>6,34%</b>	<b>1 816 068</b>	<b>1 796 221</b>	<b>-1,09%</b>
General operating costs	1 551 423	1 649 657	6,33%	1 709 978	3,66%	818 785	859 374	4,96%
Allocation to amortizations and depreciations of tangible and intangible	257 803	288 550	11,93%	337 522	16,97%	145 877	140 905	-3,41%
<b>GROSS OPERATING INCOME</b>	<b>1 422 176</b>	<b>1 756 234</b>	<b>23,49%</b>	<b>1 881 294</b>	<b>7,12%</b>	<b>851 407</b>	<b>795 942</b>	<b>-6,51%</b>
Risk cost	621 280	903 410	45,41%	1 002 042	10,92%	270 872	173 773	-35,85%
<b>RESULTAT D'EXPLOITATION</b>	<b>800 896</b>	<b>852 825</b>	<b>6,48%</b>	<b>879 252</b>	<b>3,10%</b>	<b>580 535</b>	<b>622 169</b>	<b>7,17%</b>
Income share of equity-consolidated companies	7 933		-100,00%					
Net gains or losses on other assets	2 277	57 455	>100%	62 300	8,43%	39 312	100 728	>100%
Change in goodwill of purchase value		227			-100,00%			
<b>PRE-TAX INCOME</b>	<b>790 687</b>	<b>795 143</b>	<b>0,56%</b>	<b>816 952</b>	<b>2,74%</b>	<b>541 222</b>	<b>521 441</b>	<b>-3,65%</b>
<b>Income Taxes</b>	<b>244 118</b>	<b>253 137</b>	<b>3,69%</b>	<b>224 659</b>	<b>-11,25%</b>	<b>183 170</b>	<b>127 070</b>	<b>-30,63%</b>
<b>NET INCOME</b>	<b>546 569</b>	<b>542 006</b>	<b>-0,83%</b>	<b>592 293</b>	<b>9,28%</b>	<b>358 052</b>	<b>394 371</b>	<b>10,14%</b>
External Income	6 010	16 799	>100%	17 678	5,23%	10 293	3 989	-61,25%
<b>NET GROUP INCOME SHARE</b>	<b>540 559</b>	<b>525 206</b>	<b>-2,84%</b>	<b>574 615</b>	<b>9,41%</b>	<b>347 758</b>	<b>390 382</b>	<b>12,26%</b>
Earnings per share (In MAD)	13	12	-4,44%	14	16,67%	8,23	9,23	12,15%
Diluted earnings per share (In MAD)								

Source : CAM

### IV.3. Consolidated balance sheet

ASSETS (In thousand MAD)	2 015	2 016	Δ%	2 017	Δ%	June 2018	Δ%
Central banks, Public Treasury, services of postal checks	2 356 670	2 015 655	-14,47%	2 711 673	34,53%	3 369 321	24,25%
Financial assets at fair value through profit or loss	25 163	7 183 537	>100%	265 857	-96,30%	11 702 809	>100%
Hedging derivatives							
Financial assets held for sale	7 138 551	5 988 478	-16,11%	13 210 306	>100%	2 482 195	-81,21%
Loans and receivables to credit and similar institutions	2 137 242	629 030	-70,57%	869 796	38,28%	633 525	-27,16%
Customer loans and receivables	63 920 009	67 379 907	5,41%	70 739 345	4,99%	70 201 383	-0,76%
Fair value revaluation of interest hedged portfolios							
Investments held until their maturity date	6 359 088		-100,00%				
Current tax assets	191 355	84 108	-56,05%	186 263	>100%	63 838	-65,73%
Deferred tax assets	182 133	221 425	21,57%	262 054	18,35%	187 888	-28,30%
Accruals and deferred income and other assets	1 362 032	1 427 178	4,78%	1 410 274	-1,18%	1 695 876	20,25%
Non-current assets held for transfer							
Investments in equity-consolidated companies							
Property investments	2 297 969	1 920 197	-16,44%	1 440 191	-25,00%	1 349 164	-6,32%
Tangible assets	2 971 062	4 043 909	36,11%	5 942 253	46,94%	6 539 529	10,05%
Intangible assets	81 191	75 903	-6,51%	105 895	39,51%	108 913	2,85%
Change in goodwill of purchase value	305 135	306 908	0,58%	306 908	-	306 908	-
<b>TOTAL ASSETS IFRS</b>	<b>89 327 599</b>	<b>91 276 236</b>	<b>2,18%</b>	<b>97 450 815</b>	<b>6,76%</b>	<b>98 641 350</b>	<b>1,22%</b>
LIABILITIES (In thousand MAD)	2 015	2 016	Δ%	2 017	Δ%	June 2018	Δ%
Central banks, Public Treasury, services of postal checks							
Financial liabilities at fair value through profit or loss	25 548	11 351	-55,57%	5 476	-51,76%	76 498	>100%
Hedging derivatives							
Loans and receivables to credit and similar institutions	9 366 275	7 299 945	-22,06%	8 019 146	9,85%	9 736 243	21,41%
Customer loans and receivables	64 084 707	66 273 923	3,42%	68 159 012	2,84%	68 461 443	0,44%
Debt securities	5 349 675	6 076 374	13,58%	7 371 979	21,32%	6 540 379	-11,28%
Issued loan securities	5 349 675	6 076 374	13,58%	7 371 979	21,32%	6 540 379	-11,28%
The fair value revaluation of interest hedged liability portfolios							
Current tax liabilities	354	178 764	>100%	117 077	-34,51%	14 243	-87,83%
Deferred tax liabilities	696 840	802 016	15,09%	937 344	16,87%	715 020	-23,72%
Accruals and deferred income and other liabilities	1195642	1 301 982	8,89%	2 184 295	67,77%	2 519 778	15,36%
Liabilities association to non-current assets held for sale							
Technical provisions of insurance agreements							
Provisions for risks and costs	359 778	313 841	-12,77%	319 618	1,84%	322 257	0,83%
Subsidies, restricted public funds and special funds of guarantee	47 593	45 532	-4,33%	12 528	-72,48%	13 586	8,44%
Subordinated debts	1 628 989	1 933 299	18,68%	2 730 235	41,22%	2 788 718	2,14%
Capital and associated reserves	5 675 853	6 019 265	6,05%	6 267 286	4,12%	6 267 286	0,00%
Consolidated reserves	335 913	486 677	44,88%	767 039	57,61%	770 682	0,47%
- Group share	253 751	397 138	56,51%	567 404	42,87%	541 132	-4,63%
- Minority share	82 162	89 539	8,98%	199 635	>100%	229 550	14,98%
Latent or deferred gains or losses, on group share	13 865	-8 739	<-100%	-32 516	>100%	20 847	>100%
Net Income	546 569	542 006	-0,83%	592 293	9,28%	394 371	-33,42%
- Group share	540 559	525 206	-2,84%	574 615	9,41%	390 382	-32,06%
- Minority share	6 010	16 799	>100%	17 678	5,23%	3 989	-77,44%
<b>TOTAL LIABILITIES IFRS</b>	<b>89 327 599</b>	<b>91 276 236</b>	<b>2,18%</b>	<b>97 450 814</b>	<b>6,76%</b>	<b>98 641 350</b>	<b>1,22%</b>

Source : CAM

## V. RISK FACTORS

### A. Credit Risk

Credit risk is the risk of loss relative to a borrower's default in repayment of its debts.

#### General credit risk policy

The general credit risk policy, set up at the group level after the administrative entities approval, defines the rules organising the processes of taking, managing, monitoring and controlling credit risk. It provides a secure framework to the development of the Bank's activities in accordance with several principles:

- Respect of strategic orientations in terms of sector positioning and public service mission:
  - Maintaining the leading role in the agriculture sector ;
  - Providing an important place for financing small-scale agriculture;
  - Providing a balanced financing of the various components of the agricultural value chain (from upstream agricultural activities, pure agriculture, to downstream agricultural activities);
  - Establishment of balanced territorial strategies through the financing of agriculture in all regions of Morocco;
- Respect of the fundamental principles of management and monitoring of credit risk:
  - Securing upstream credit activities through a rigorous selection of customers and projects to finance ;
  - Risks Diversification ;
  - Rating of counterparties ;
  - Collegiality of the decision leading in the establishment of committees at all levels of the sector ;
  - Separation between the production, the assessment and the risk control functions;
  - Periodic monitoring of the commitment portfolio;
  - Early detection of risks relative to the deterioration of the counterparties quality;
  - Reactivity in the follow-up of customers in difficulty and in the recovery of outstanding debts ;
  - Sharing responsibilities for the control, measurement and supervision of credit risk between operational entities, credit risk service, internal control and governance.

The implementation of the general credit risk policy is based on:

- Organizational, governance and structured control system ;
- A risk management strategy adapted to the specificities of the Bank;
- A monitoring, assessment and controlled measurement strategy ;
- Clearly defined internal rules and procedures;

#### Credit Risk Strategy

The Group's current for credit risk enables it to move from a corrective approach to a preventive risk approach via a proactive and dynamic management system based on:

- A diversification strategy in terms of sectors, clients and geographical positioning, enabling it to diversify risks and systematically reduce concentration risk;
- A system of internal limits and delegations which determines the initiative margin available to operational units, in respect of the general objectives of the framework of the credit policy ;
- Loans distribution process based on a good selection of borrowers;
- Appropriate pricing and taking into account guarantees for any commitment to enhance the transaction security for the Bank;
- A continuous monitoring process in respect of the group's commitments, through the establishment of monitoring and warning indicators, so that adverse evolutions can be detected quickly and appropriate measures can be adopted ;
- A recovery process that reduces the impact of the cost of risk and improves profitability;

The Bank's risk strategy is also based on an overall credit risk management and monitoring system, which is the essential complement to a good management, in order to better understand the performances of the loan portfolio and the risk credit management policy.



### **Decision process**

All credit applications are submitted to the competent division for decision-making based on a delegation diagram in respect of the following principles:

- Tasks separation between commercial entities and entities responsible for risk assessment, to ensure the quality of risk assessment and objectivity in decision-making;
- Collegiality of decisions through the accountability of committees of different skill levels. Skill management is done through a delegation scheme;
- Risk prevention through the analysis of credit application files by different entities ;
- Initial analysis of the files by the commercial entities who received the requests and then a second risk analysis made by the risk entities at the GGR (Global Risk Management) level according to the risk incurred.

This delegation system designating the level of authority, is expressed according to several parameters (outstanding credit for individual customers or groups, nature of the application, type of the credit, customers category, point of sale category, the sector of activity, etc. .) and ensures that the largest or riskiest commitments are handled at the highest level, ensuring the appropriate involvement of management in taking credit risk.

### **Risk measurement, evaluation and monitoring system**

CAM has set up systems for analyzing and measuring risks adapted to the nature and volume of operations enabling it to understand different types of risks to which these operations expose them.

The monitoring of the risk management system is based on:

- Monitoring the portfolio commitment: assessing the quality of the Bank's commitments and its development (by client category or client group, nature of credit, sector of activity, and by risk class, etc.);
- Monitoring the credit production quality: measuring the quality of the Bank's approval process, and its evolution based on several fields (type of credit approval committee, network, type of credit, geographical area, economic sector risk class, etc.);
- Monitoring portfolio concentration risk: individual (client or interest group), sectoral or geographic, etc.
- Monitoring the quality of the portfolio (rate or number of delinquencies, sensitive debts, outstanding non performing loans, etc.)

The consolidated and transversal monitoring of commitments is managed by the Credit Risk Management Department, which carries out the necessary analyzes and makes available to the Bank's decision-making bodies assessment and monitoring elements of the commitments' portfolio.

### **Stress test simulation**

Stress test simulations, an essential risk management practice, aim to quantify the potential impact of shocks on the credit portfolio and assess the Bank's resilience.

Taking into account the risk policy, two types of stress tests are carried out by the Bank:

- A stress test to assess credit portfolio vulnerability in the event of economic downturn or a deterioration in the quality of the counterparties.
- A stress test for the main forms of credit concentration risk with an analysis of their impact on earnings and equity.

The results of these stress tests are analyzed in order to (i) identify the risks of possible changes in market conditions that could have a negative impact on shareholders' equity or earnings, and to (ii) assess the ability to handle such situations.

Following the analysis of the results, several types of measures can be taken by the Bank, including:

- Adjusting internal limits;
- Reducing exposure on certain sectors or counterparties;
- Allocating additional internal capital.

## **Coverage**

Coverage has a crucial importance in the credit risk corrective management, as it enables the Bank to recover its receivables from defaulting counterparties and thus reduce the impact on the risk cost.

The recovery mechanism is based on the following principles:

- Prioritize amicable settlement solutions rather than legal proceedings;
- Promote cost recovery;
- Involve sales representatives in preventive risk management and in receivables recovery as soon as the first signs of difficulty appear;
- First accountability of the sales point on its commitment portfolio across the entire credit chain.
- Focus on large claims and automate the recovery process for retail banking, especially for claims requiring mass processing.

The collection process is standardized by internal service notes and procedures that define the terms, and the monitoring and control structures.

## **Concentration risk**

It is to be noted that CAM is subject to concentration risk on certain counterparties:

Number on 30/06/2018	Global amount of risks (KMAD)	Cash outflow loans (KMAD)	Letters of credit (KMAD)	Securities held in the beneficiary equity (KMAD)
4	4 050 353	3 939 149	94 078	17 126

## **B. Market risk**

Market risk is the risk that changes in market risk factors, such as foreign exchange rates, interest rates, stock prices, mutual funds and commodities, may have an impact on GCAM's revenues or decrease the value of its portfolios.

The purpose of market risk management in GCAM is to manage and control market risk exposures in order to optimize the risk / return profile, while maintaining a market profile in accordance with the Bank's status as a leading financial institution in the agriculture and rural financing.

Trading teams use the basic concept of backing, to protect the Bank from this risk and insure balance sheet consolidation.

## **Market Risk Strategy:**

The market risk management strategy is part of GCAM's general risk policy, which is part of a rigorous prudential supervision. The general market risk policy is approved by the Management Board and the Supervisory Board.

Market risks management is based on the following principles:

- Securing the development of market activities ;
- Compliance with BAM's prudential risk management regulations, procedures, circulars and internal notes;
- Close monitoring of the trading strategy ;
- Setting limits (clients, bank, securities portfolio, intraday transactions for its own account, etc.) ;
- Defining roles and responsibilities for identifying, measuring, monitoring and controlling market risks;
- Adopting best practices in terms of market risk management.

These guiding principles enabled the implementation of a market risk policy and are detailed by a well-organized plan.

## **Policies and procedures:**

Market activities are driven by a global system encompassing governance, security, risk management and limits management. This system is based on a standardized documentation, an efficient IT and regular reportings.

The system is detailed through circulars and arrangements organising market activities, including :

- Procedures for all the markets activities operations;
- An operational limiting mechanism;
- Monitoring and reporting tools;
- Information on methodologies used in risk measurement and in validation of valuation models.

Consequently, governance bodies are organized in competent committees, including :

- The International and Capital Markets Committee in charge of the financing and investment strategy validation, international relations, management of credits and counterparty limits as well as management of the capital market and international activities;
- The Limits Clients Change Committee, authorized to decide on the access of customers to the Marketplace, the limits granted to each client as well as the type of transaction to be processed (spot, term, domiciled transactions, non-domiciled transactions);
- The Treasury Committee and ALM, which responds to the Bank's need for optimum cash management in the short term, and more generally for financial risk management.

#### **Market risk Monitoring and management system:**

In order to supervise the risks and monitor the various market activities, the group has set up a system organized around the following issues:

- A delegation of power system defining the application process, validating limits and authorizing overdrafts;
- The respect of functional and organizational separation of Front, Middle and Back Office tasks and entities;
- A set of tools for managing and controlling market risks;
- Enhancing of the internal control system through permanent control tools;
- Enhancing of the allocation and authorization control system.

#### **Main limits:**

In addition to the regulatory limits applicable to all market activities, including per-position limits, the group has established other internal limits for the trading and investment portfolio and for currency activities. These include the following limits:

- The maximum size limit for forward currency positions and trading and investment portfolio;
- The duration and sensitivity limits for the trading and bond portfolio;
- The short limit of exchange position.

The limits management is totally under control. Indeed, the limits are:

- Analyzed and approved by the competent committees;
- Configured on the information system that ensures the audit trail;
- Controlled via the same system which blocks any unauthorized overdraft;
- Reviewed based on customer needs and market context.

#### **Indicator monitoring system:**

Market risk is monitored on a daily basis by the Central Market Risk Department. The committee ensures through semi-annual reporting, levels of exposure, yield, market risk, compliance with regulatory requirements and compliance with limit provisions.

GCAM performs market activities' market risk stress test simulations for all sub-funds based on the methodological requirements of BAM reporting framework and also trading portfolio simulations in extreme cases taking into account the portfolio and market condition structure and the related risks:

- A periodic regulatory reporting system to the supervisor and supervisory authorities;
- An internal management reporting system, on the risk monitoring process.

#### **Market risk control and management tools:**

GCAM has adopted a market risk management and monitoring structure that includes the use of the Value at Risk (VaR) methodology and sensitivity analyzes for its entire trading and investment portfolio.

✓ **Value At Risk (VaR)**

The VaR is the maximum amount of losses (change in valuation) over a period of N days, and with a probability "p" of accuracy; implying a confidence interval of 1-p.

The method used by the Bank to calculate the VaR is the model based on historical returns. This method consists of measuring the possible evolution of the value of the portfolio by simulating changes in market conditions similar to what they have been in the past. The Bank retains a confidence interval of 99% and a time horizon of one day and a historical span of 2 years. This allows the day-to-day monitoring of the market risks taken by the Bank.

Even if VaR is a tool for financial risk management and a widely used risk indicator in investments, it has its limits. Aware of the limitations of the VaR model, GCAM uses other market risk management tools, particularly, change simulations of the yield curve and the exchange rates.

**Main scenarios used :**

- A rate fluctuation of +/-5bps, +/-10bps, +/-25bps and +/-50bps (overall indicators and by maturity tranche) ;
- An exchange rate fluctuation of +/-1% and 0.5% taking into account the composition of the MAD basket and the correlation between the EUR and the USD.

**C. ALM risks**

The assessment of the Bank's position in relation to the occurrence of interest rate and liquidity risks involves the calculation of a set of indicators based on the data and information used by the ALM managers.

The monitoring of the ALM risks consists, on the one hand, of analysing the outlook for liquidity and the short-term, medium-term and long-term interest rate position of our institution and, on the other hand, studying the reaction of the main indicators in exceptional circumstances (liquidity crisis, change in interest rates, etc.) through the stress test simulation program developed in-house.

Taking into account GCAM balance sheet specificities, ALM managers are required to find the appropriate means to enable the Bank to maintain its level of profitability and to meet its current and future financial obligations in both normal and crisis situations.

**Interest rate risk management**

Interest rate risk is defined as the negative impact of adverse changes in interest rates on the financial position of the institution as a result of all balance sheet and off-balance sheet transactions, excluding hedging transactions.

Rate risk monitoring is done through:

- The analysis of the change in the balance sheet structure through the distinction between fixed and variable rates;
  - The measurement of interest rate GAPS/impasses: Based on the balance sheet contractual elements timetables and on the assumptions of static disposal previously validated by the Treasury Committee and ALM for for unaudited balance sheet items, the ALM managers measures the importance of the GAPS for each maturity to identify the Bank's risk profile.
  - The performance of stress tests: The ALM managers measure the impact of a parallel movement of the rates of 100 Pbs, 200 Pbs (regulatory) and 300 Pbs, on the GNP and the Regulatory Own Funds of the Bank. These impacts are then compared to the implemented internal limitations. This analysis is further elaborated by a breakdown of this impact by type of activity (commercial / financial).

At 31 December 2017, the one-year impact of an unfavourable variation of 200 Pbs on net banking income and regulatory capital was -0,4% and -1%, respectively, below the internal limits.

**Liquidity risk management**

Liquidity risk is the risk that the Bank will suffer a loss if it does not have the cash at the appropriate time to meet its financial obligations.

This risk may arise from the balance sheet structure due to mismatches between the actual maturities of assets and liabilities, financing requirements for future operations, customer behaviour, potential market disruption or the economic context.

At GCAM, the liquidity risk is regularly monitored by the ALM structure in direct collaboration with the different stakeholders (Trading teams; Market Risk Management; Commercial Bank; etc.).

The system in place allows the Bank to refinance its activities under the best conditions and in line with its strategic plan while respecting regulatory and internal limits governing this function.

Indeed, the preparation of the financing plan involves the dynamic estimation of future cash balances, taking into account the main forecasts for inflows and outflows generated by the commercial and financial activities of the Bank.

This exercise is performed using three scenarios which differ according to their severity levels. The assumptions used integrate mainly the business objectives and the ability of the Bank to raise funds on the capital markets.

In addition to the regulatory system, the Bank developed a set of tools (liquidity impediments, specific stress tests; concentration ratios, etc.) covering the short and medium terms and which are subject to an in-depth analysis to define, in the event of cash requirements, the appropriate hedging measures to be adopted by the ALM Treasury Committee.

Following the implementation of the short-term liquidity ratio (LCR), the Bank has introduced new actions, based on the strengthening of its liquid and realizable assets and the improvement of its balance sheet while preserving its profitability level. Thus, during 2017, the LCR of the Bank was established at a higher level than the minimum regulatory requirements.

## **D. Operational Risks**

### **Risks strategy**

Operational risk is defined as a disseminated risk with a very wide scope of risk, it concerns virtually all of the Bank's processes. For this reason, operational risk management is a major issue that must impact and mobilize all the Bank's actors.

The Operational Risk Management System implemented by the Bank ensures a reliable monitoring and knowledge of the operational risks incurred and the implementation of corrective measures to mitigate and manage these risks, implementation of risk mapping and the gradual introduction of risk monitoring indicators.

This system is based on the implementation of sound operational risk management practices that are:

- A clear operational risk management chart distributed to all stakeholders involved in the process;
- A strong culture of operational risk within the Bank;
- Internal reporting.
- In order to control its operational risks, GCAM has put in place an operational risk management policy which is part of the continuous improvement system:
- Collect the data on the (potential) risks and/or (proven) incidents;
- Analyse the (potential) risks and/or the (proven) incidents and assess their financial consequences;
- Warn the main managers affected by these incidents;
- Have control tools and indicators for all the stakeholders to send the data on the (potential) risks and/or (proven) incidents and to assess the exposure to operational risks;
- Take preventive and corrective actions that are necessary to reduce the impacts, the likelihood of occurrence of incidents while ensuring regular monitoring.

### **GCAM Policy in terms of Operational Risks**

The policies and procedures for the management and monitoring of operational risks are formalised taking into account the entities involved in the monitoring and risk control evaluation process.

Given the nature of operational risks, internal regulatory provisions include a significant number of players involved in:

- Identifying and evaluating risks;
- Collecting and controlling incidents;
- Raising awareness and organising the operational risk division;

- Mapping risks as part of the audit and control activities.

Thus, the major internal circulars which govern operational risks are the following:

- The group operational risk management chart: it defines the general operational risk management policy for the Group in terms of:
  - Representative and risk assessment model (definition of concepts, description of benchmarks, description of standards);
  - Representative model of risk monitoring indicators and risk hedging mechanisms incident collection model
  - Incident collection model;
  - Description of the organization of the 'Operational Risk' division (stakeholders, roles and responsibilities, etc.)
  - Description of Operational Risk Management Procedures

### **Organization of the operational risk division**

The organization of the operational risk division within the group revolves around:

- Central operations at the headquarters level, which is responsible for designing and managing methodological and IT tools, ensuring that an effective, comprehensive and homogeneous risk control system is in place for GCAM;
- Operational risk relays to the distribution network, subsidiaries and central operations as part of the process of collecting data on events, incidents and losses. These relays are responsible for identifying operational events, incidents and losses and inventorying them in the risk management tool. They are involved in the updating of the operational risk mapping and ensure the implementation of action plans to strengthen the risk management system.
- Operational risk correspondents (internal control or other entities) at the headquarters and network level responsible for identifying incidents and risks related to the activities, procedures and system of the controlled entities.

In terms of a general management approach, the Organization of the Operational Risk Division relies on two levels of management:

- The first level: the measurement and control of the operational risks are the responsibility of the Operational Risks entity. In particular, it is responsible for providing businesses with information on their level of operational risk so that they are informed about their decisions regarding actions to hedge these risks.
- The second level: the implementation of risk hedging actions and the detection and collection of incidents are the responsibility of the business lines and the entities responsible for control.

### **Primary operational risk management tools**

The main methodological tools are (i) operational risk mapping (ii) and the incident collection process.

#### **Operational risk mapping**

The operational risk management system uses an approach that identifies and prioritizes risks, and then implements strategies to mitigate them. This approach includes both the prevention of potential problems (events) and the early detection of current problems (incidents).

Two approaches have been adopted by the OR function for risk identification and assessment:

- Approach based on meeting with operational staff to express their views on the risks involved in their activity by comparing them with the controls put in place (sample surveys, on-site team missions, remote control, etc.)
- Approach based on an increase in events and incidents via different sources (Network and Headquarters Continuous Monitoring, Operational Risk Relay, General Control, etc.).
- During 2015, a semi-annual update of risk mapping was performed and the achievements concerned mainly the following actions:
  - Updating the list of key processes and macro processes by linking them to identified risks;

- Review and validation of the qualitative assessment, ranking and rating of risks performed by the Bank in terms of probability of occurrence and loss incurred;
- Review and update of the action plans;
- Amending the existing operational risk mapping by the new risks;
- Updating the operational risk framework;
- Has the risk classification according to the control system installed.

## Process for collecting events, incidents and losses

This process is based on two collection levels:

- The incidents are captured in real time as soon as they are detected by the Operational Relay using the dedicated form. A control of reported incidents is carried out, in real time, by the Operational Risk Managers, who verify their completeness, consistency and relevance. They find the corresponding risk situation in the risk mapping (if it exists) and can, if necessary, enrich them.
- The detection of incidents via internal control procedures via daily remote checks and / or through in situ missions to detect incident and loss events, which are reported via validation workflow to supply databases and to monitor the regularisation of the detected anomalies.

The process of reporting events, incidents and losses related to operational risk was formalized in 2014 as part of a validated procedure and shared with the network, thus making it possible to describe the different stages of the collection of an incident as well as the roles of the actors involved throughout this process. It has been declined in five stages:

- Stage 1: Identification of events, incidents and losses
- Stage 2: Data entry level
- Stage 3: Control of collected data
- Stage 4: Information and closure of the event or incident sheet
- Stage 5: Consolidation and Monitoring Report of the events, incidents and losses.

## **Business Continuity Plan (BCP)**

The Crédit Agricole Group of Morocco has a Business Continuity Plan (BCP) to ensure, under various crises scenarios including facing extreme shocks, the maintaining, if necessary temporarily in a degraded mode, services or other important operational tasks, then a planned resumption of activities.

Thus, the BCP provides all backup solutions (organizational, logistics, technical, human and communication) to respond effectively to an unmanageable crisis and ensure the resumption of "core" activities in time, in case of unavailability of human resources, premises, IT systems or important providers.

In 2015, the project to update the BCP corpus of documents (methodological guide, job descriptions, communication plan, etc.) was finalized and several procedures are in progress.

It is important to note that no major incident occurred in 2015 forcing the Bank to activate its BCP.

## **E. Currency risk**

Like all Banks, Crédit Agricole du Maroc faces a foreign exchange risk related to its various activities (foreign currency loans, foreign currency borrowings, forward exchange, etc.).

The Bank may experience a change in future exchange rates to its disadvantage and consequently record a reduction in its margin.

## **F. Counterparty risk management**

In a context of profound changes in Morocco including the economic liberalization, the borders opening, the dismantling of customs duties, and the implementation of several free trade agreements, the counterparty risk could deteriorate, for the whole banking sector, and therefore lead to an increase in the litigation ratio. This trend could be emphasized by unfavorable economic conditions.

To manage the counterparty risk, the "Credit risk" entity within the GGR (entity created in 2009) has for main mission to analyze and instruct the group sales force requests to take higher risks. It also has the prerogatives of evaluating the guarantees consistency and validity, assessing the volume of activity and the economic rationale of the requested financing.

In addition, CAM is developing a rating system to evaluate all of its counterparties. This rating system is in line with the requirements of "Basel II". Thus, the internal rating approach implementation is based on minimum requirements that enable each credit institution to choose the systems and methods that are best suited to its business.



CAM has a rating system covering all client segments. It has a specific a rating system well-adapted to Moroccan SMEs. For the agricultural sector risk, Crédit Agricole du Maroc has a credit rating that enables the assessment the inherent credit risk based on the debtor's financial situation, its potential development and its business. The agricultural sector is characterized by its diversity and its high exposure to climate risks. With its expertise in this sector, CAM supports farmers in their development through specific financing and insurance products covering their risks.

Furthermore, in 2009, CAM initiated a process of subsidiarizing the public service mission, through the creation of the Ardi Foundation and the Tamwil El Fellah company, which makes it possible to identify the risk associated with this sector and provide these entities with adapted coverage means.

#### **G. Solvency risk**

Solvency risk is the risk that a Bank will not be able to honor its commitments to its lenders.

#### **H. Competition Risk**

Crédit Agricole du Maroc, with its dedicated network and expertise in the sector, stands out as the agribusiness financing leader, despite the arrival of new competitors as well as the growing interest of certain players in this segment. The agricultural sector financing strategy is reflected in its commitment to the Green Morocco Plan with a first budget of 20 billion dirhams due in 2013 and a second envelope of 25 billion dirhams as of March 2014.

On this basis, Crédit Agricole has built a plan to reinforce its own funds to meet its commitment in this sector and confirm its leading position.

#### **I. Sectorial concentration risk related to the public service mission**

Being a public service provider, CAM Group public has the responsibility of boosting the rural economy in all its diversity. Therefore, the sectorial concentration risk is confined to the fact that the group finances several sectors of activities in the rural economy.

#### **J. Risk related to the structural dependence to intermediation margins**

Historically, CAM's interest margin is the main contributor to its Net Banking Income, 87% in 2017.

CAM has implemented several measures to reinforce the contribution of the intermediation margin in its net banking income and in particular the commission generated by e-banking operations related to the payment methods management. Therefore, the intermediation margin's contribution has been stable since 2014 and stands at nearly 12% (13% in 2017).

#### **Disclaimer**

The information above is only a part of a prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under reference number VI/EM/021/2018 on October 8, 2018.

The AMMC recommends reading the full prospectus available to the public in French.