



Fitch Affirms Morocco's BMCI at 'AAA(mar)'; Outlook Stable

Fitch Ratings-London-13 July 2016: Fitch Ratings has affirmed Morocco-based Banque Marocaine pour le Commerce et l'Industrie's (BMCI) National Long-Term Rating at 'AAA(mar)' with a Stable Outlook and Support Rating at '2'. A full list of rating actions is available at the end of this rating action commentary.

KEY RATING DRIVERS

NATIONAL AND SUPPORT RATINGS

BMCI's ratings are based on Fitch's belief of a high probability of support from the bank's majority shareholder, BNP Paribas (BNPP, A+/Stable), if required. This reflects BNPP's strong ability (as indicated by the bank's rating) and willingness to provide support to BMCI. However, BMCI's Support Rating is constrained by Morocco's Country Ceiling of 'BBB'.

Fitch believes that BNPP has ample resources to support BMCI, whose assets and equity account for less than 0.5% of BNPP's consolidated assets respectively at end-2015.

Morocco accounts for around half of BNPP's activities in Africa in terms of operating income, net income and number of branches, and BMCI is BNPP's only African subsidiary that has reached a 5% domestic market share. As such, Fitch views Morocco (through BMCI) as strategically important to BNPP's retail banking franchise in the Mediterranean basin.

BMCI has a reasonable franchise in Morocco as the fifth-largest bank with respectively a 6.2% and 5.1% market share in deposits and loans at end-2015. BMCI's weaker performance in the past few years has not led BNPP to review its presence in Morocco. BNPP's ownership has remained unchanged at 66.7%. Another 16.9% is publicly owned, and the rest is split among institutional investors. Fitch does not foresee a reduction in BNPP's presence in Morocco and stake in BMCI.

BMCI is strongly integrated into BNPP as the latter controls BMCI's supervisory board, is well represented in the bank's senior management, and tightly oversees BMCI's risks and business strategy. BMCI benefits from BNPP's organisation, procedures and systems. Commercial synergies with BNPP's subsidiaries in France and Africa provide leverage to BMCI's business with multinational companies. In addition, BMCI combines BNPP's branding with its own.

BMCI has to date not required any extraordinary support from BNPP. However, ordinary support in the day-to-day activities is well-entrenched, for instance in the form of a counter-guarantee that allows BMCI to meet regulatory requirements on large exposures, and through the provision of all USD and EUR funding needs.

RATING SENSITIVITIES

NATIONAL AND SUPPORT RATINGS

A downgrade of BMCI's Support Rating and National Ratings may result from a reduction in BNPP's stake in BMCI, reduced strategic importance to, or lower integration with, BNPP. BMCI's Support Rating would also be downgraded if BNPP's Long-Term Issuer Default Rating (IDR) is downgraded by at least five notches, and in the case of National Ratings, by at least three notches, all of which is highly unlikely, in Fitch's view.

Finally, BMCI's Support Rating could be downgraded if Morocco's Country Ceiling is revised downwards by at least two notches.

An upgrade of BMCI's Support Rating would require a two-notch upward revision of Morocco's Country Ceiling.

The rating actions are as follows:

Banque Marocaine pour le Commerce et l'Industrie
National Long-Term Rating: affirmed at 'AAA(mar)'; Outlook Stable
National Short-Term Rating: affirmed at 'F1+(mar)'
Support Rating: affirmed at '2'

Contact:

Primary Analyst
Solena Gloaguen
Director
+44 20 3530 1126
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Secondary Analyst
Gilbert Hobeika
Associate Director
+44 20 3530 1004

Committee Chairperson
Redmond Ramsdale
Senior Director
+971 4 424 1202

Media Relations: Elaine Bailey, London, Tel: +44 203 530 1153, Email:
elaine.bailey@fitchratings.com.

Additional information is available on www.fitchratings.com

Applicable Criteria

Global Bank Rating Criteria (pub. 20 Mar 2015)

([https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=863501&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28)

[rpt_id=863501&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=863501&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28))

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

([https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1008799&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28)

[pr_id=1008799&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1008799&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOiJlNTc2NzQsInNlc3Npb25LZXkiOiJXSUpMR1hVUFVMUE02RlhQN1hMRExLTUswWU1ZTzVOV1hLWtdGUjVOIn0.etNjcSWOuZMgwynI5OTyx4a2sLn6DFMgMGEdxFD1j28))

Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1008799)

Endorsement Policy (<https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS.

PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS)

(<http://fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY,

CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Endorsement Policy - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.