

FITCH AFFIRMS MOROCCO'S BMCI AT 'AAA(MAR)'; OUTLOOK STABLE

Fitch Ratings-London-05 July 2017: 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 National Short-Term Rating at 'F1+(mar)'. BMCI's Support Rating is affirmed at '2'.

KEY RATING DRIVERS

NATIONAL AND SUPPORT RATINGS

BMCI's ratings are based on Fitch's opinion 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. BMCI's Support Rating is constrained by Morocco's 'BBB' Country Ceiling.

Fitch believes that BNPP has ample resources to support BMCI, whose consolidated assets represent less than 7% of group equity.

BMCI is BNPP's largest African subsidiary. The bank controls a 6% domestic market share in loans and, in our view, it is strategically important to support BNPP's banking franchise in the Mediterranean. BNPP controls 66.7% of BMCI. The Moroccan subsidiary is highly integrated into BNPP, sharing branding, risk systems, internal processes and IT platforms. Its senior management is appointed by BNPP.

BMCI has not required extraordinary support from BNPP. Ordinary support is provided on a day-to-day basis, notably in the form of a counter guarantee, which allows BMCI to meet regulatory requirements on large exposures. BNPP also provides foreign currency funding requirements, if required.

RATING SENSITIVITIES

NATIONAL AND SUPPORT RATINGS

A downgrade of BMCI's Support and National Ratings may result from a reduction in BNPP's ownership stake in BMCI. A reduction in the subsidiary's strategic importance to the parent or weaker integration could also result in a rating downgrade. BMCI's ratings are also sensitive to a downgrade of BNPP's Long-Term Issuer Default Rating (IDR). BNPP's IDR would have to be downgraded by at least five notches before the Support Rating would be impacted and by at least four notches in the case of the National Rating. In our view, these scenarios are highly unlikely.

BMCI's Support Rating would also 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 upwards revision of the Country Ceiling.

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Applicable Criteria

Global Bank Rating Criteria (pub. 25 Nov 2016)

<https://www.fitchratings.com/site/re/891051>

National Scale Ratings Criteria (pub. 07 Mar 2017)

<https://www.fitchratings.com/site/re/895106>

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