# RESULTS PRESENTATION

As of 30 June |14|

# Agenda

**Overview of the economic environment**

IFRS consolidated financial statements as of June 30, 2014

Analysis of the main contributors

Attijariwafa bank share price performance

# Macro-economic environment in 1H-2014 Africa

## Real GDP growth

| | 2013 | 2014P | 2015P |
|---|---|---|---|
| **Africa** | **3,9%** | **4,8%** | **5,7%** |
| **North Africa** | **1,9%** | **3,1%** | **5,5%** |
| **West Africa** | **6,7%** | **7,2%** | **7,1%** |
| WAEMU[1] | 5,5% | 6,5% | 6,3% |
| **Central Africa** | **3,7%** | **6,2%** | **5,7%** |
| EMCCA[2] | 3,7% | 5,3% | 5,0% |
| **East Africa** | **6,2%** | **6,0%** | **6,2%** |
| **South Africa** | **3,0%** | **4,0%** | **4,4%** |

## Economic trends in Africa

**Economic growth** in **Africa : 4.8%** in 2014F vs. **3.9%** in 2013, driven by domestic demand, infrastructure and regional trade

### North Africa:

- GDP growth rate of **3.1%** in 2014F vs. **1.9%** in 2013
  - Morocco: **3.5%** in 2014F vs. **4.4%** in 2013
  - Tunisia: **3.3%** in 2014F vs. **2.6%** in 2013

### WAEMU(1):

- **GDP growth rate** of **6.5%** in 2014F vs. **5.5%** in 2013
- **Inflation rate** at **2.3%** in 2014F vs. **1.6%** in 2013

### EMCCA(2) :

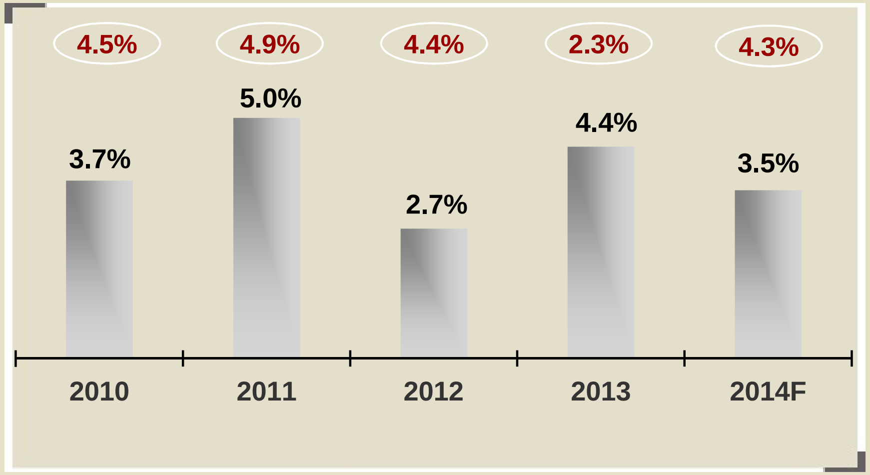
- **GDP growth** of **5.3%** in 2014F vs. **3.7%** in 2013
- **Inflation rate** of **4.6%** in 2014F vs. **2.3%** in 2013

Source BAD, FMI
(1) WAEMU: Senegal, Burkina Faso, Mali, Ivory-Coast, Benin, Niger, Togo and Guinea-Bissau,
(2) EMCCA: Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic and Chad

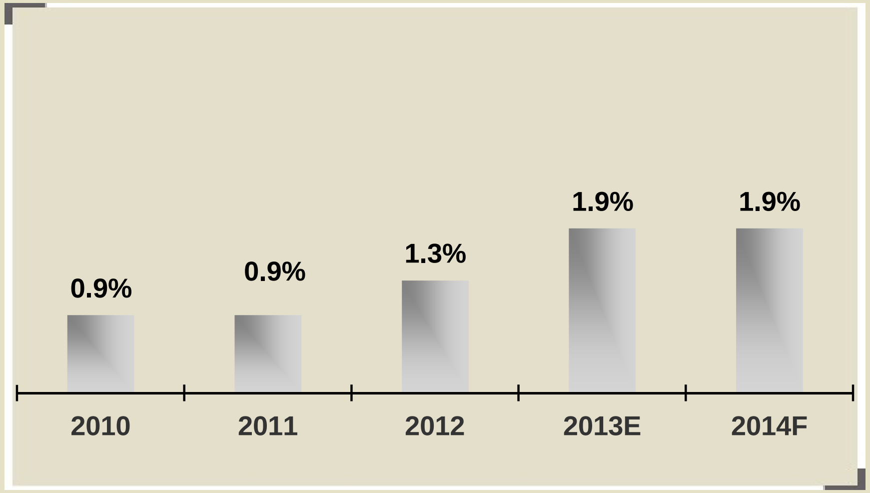
# Macro-economic environment in 1H-2014 Morocco (1/2)

X% Non agricultural GDP growth rate

## Real GDP growth




## Inflation




Source: Ministry of Finance, IMF, HCP, Bank Al-Maghrib

### Economic growth

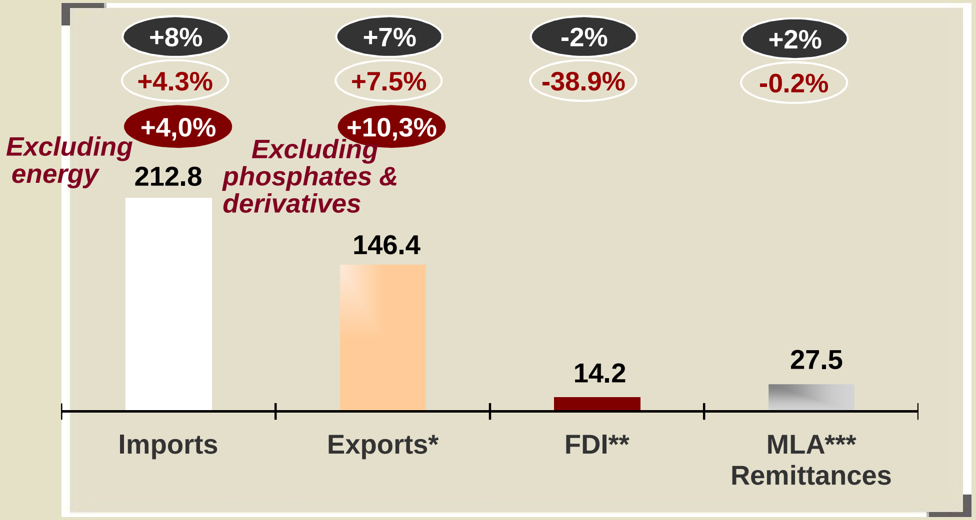
- **GDP growth of 3.5% in 2014^F** :
  - Improvement of **non agricultural activity** (**4.3%** in 2014^F **vs 2.3%** in 2013)
  - **Agricultural GDP growth rate of -1.0%** due to a lower **cereal harvest** (**68 million quintals in 2014^F**) compared to 2013 (97 million quintals)
  - **Growth of Moroccan domestic consumption slowing down** from 5.7% in 2013 to **+3.7%** in 2014^F
  - **Increase of external demand to Morocco growth rate** (+3.5% in 2014^F vs. +0.5% in 2013) due to the rebound of European economy (especially France and Spain)

### Inflation & Monetary policy

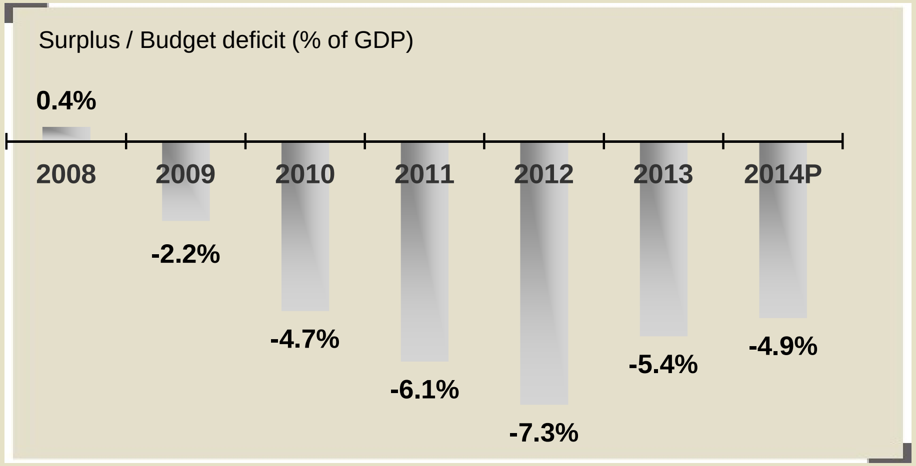
- Decrease of central bank **key interest rate** from **3.00%** to **2.75%** (on 23rd September 2014)
- Stable **Inflation rate** to **1.9%** in 2014^F: subsidies cuts and recent increase in the minimum wage (up 5% in July 2014) offset by international low inflation

# Macro- economic environment in 1H-2014 Morocco (2/2)

## Trends in Balance of payments' main components (MAD billion)




## Public Finance




Source: Ministry of Finance, HCP, Exchange Control Office
(*) including tourism, (**) Foreign Direct Investment; (***) Moroccan Living Abroad

## Balance of payments

- **Slight improvement of Trade balance deficit** (goods and services: G&S) to MAD 66.3 billion (MAD -2.3 billion compared to 1H-2013). Exports G&S grew by 7.5% YoY, faster than Imports G&S (+4.3%)
- Favorable trends excluding energy and phosphates:
  - Imports excluding energy **increased by 4.0%**
  - Exports excluding phosphates and derivatives **rose by 10.3%** thanks to the Global Trades of Morocco: Automotive (+35.9%), Electronics (+26.1%), Aeronautics (+6.1%) and the recovery of Textile (+3.8%)
- **MLA remittances** remained **stable at MAD 27.5 billion (-0.2%)**
- **Foreign Direct Investment** declined by **38.9%** to **MAD 14.2 billion** (due to ex M&A deals in 1H-2013)

## Public Finance

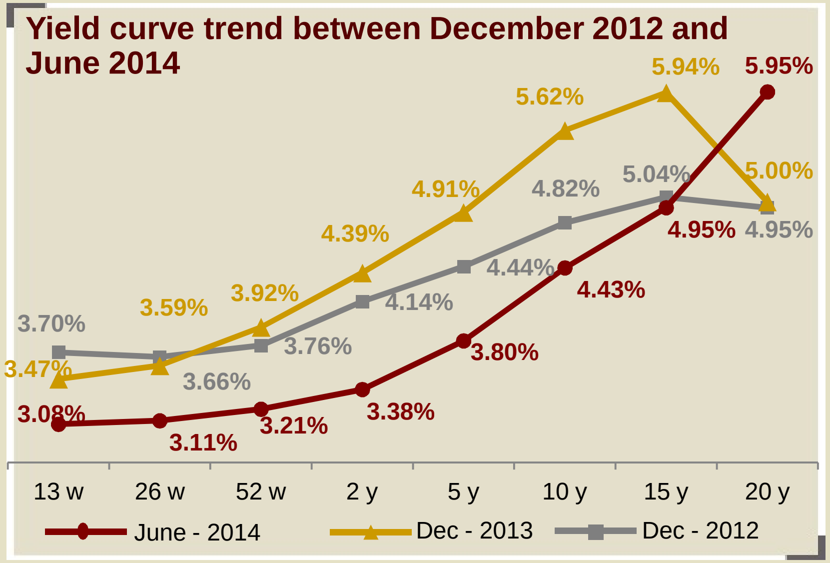
- **Budget deficit** forecast at **4.9%** of GDP in 2014 (vs 5.4% in 2013):
  - Payroll increased by **5.2%** to **MAD 103.7 billion** between 2013 and 2014 (Finance Law 2014)
  - Decrease of subsidies expenses to MAD **41.5 billion** between 2013 and 2014 (-14.2%)

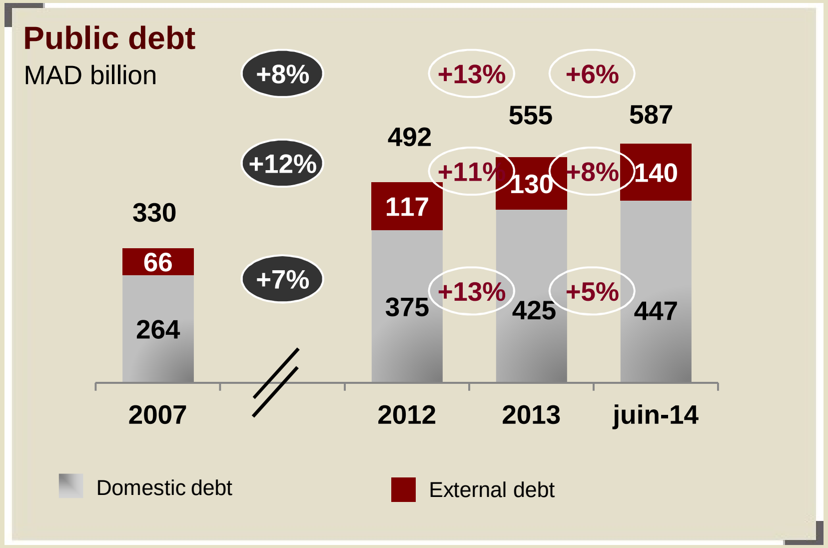
X% CAGR

X% Growth rate

# Moroccan financial market (1/2)

## Financial market trends June 2014




- **Decrease** of **government bond yields in 1H-2014 (maturities below 20y)**

## Increasing public debt

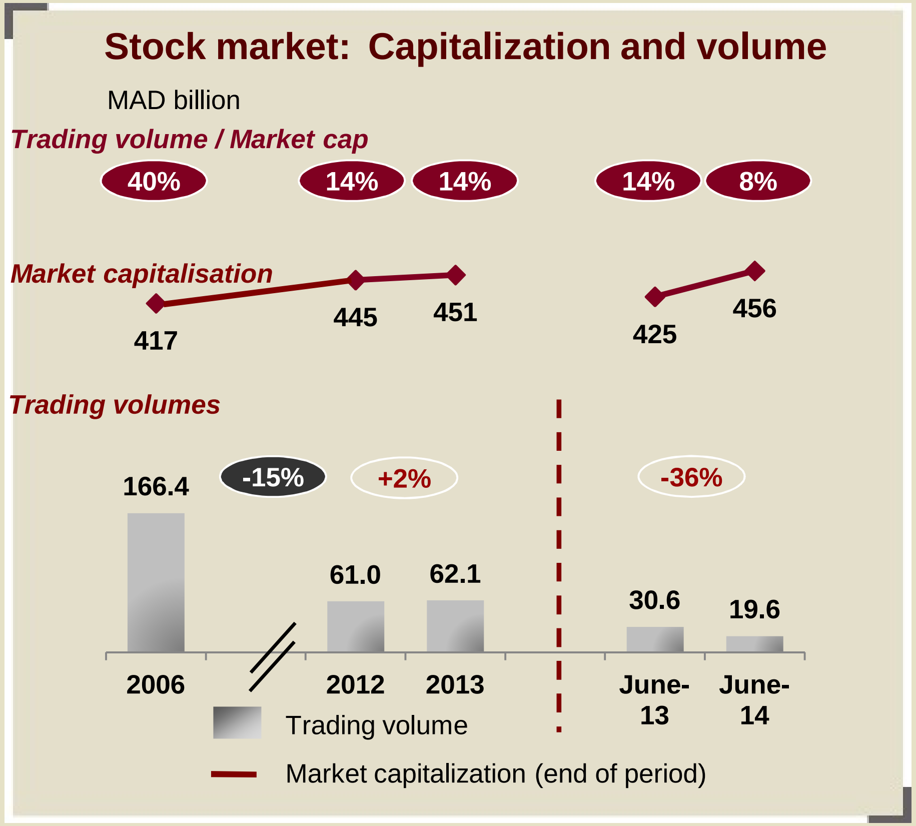
- Treasury's debt rose by **6%** Ytd to MAD **587 billion as of June 2014 (64% of GDP**)
- Issuance of Euro 1 billion bond in June 2014 after **USD 750 million bond** in May 2013 (0.75% of GDP) and 1.5 billion US bond issued in December 2012 (1.5% of 2012 GDP)

CAGR

Growth rate

# Moroccan financial market (2/2)

## Financial market trends in 1H-2014



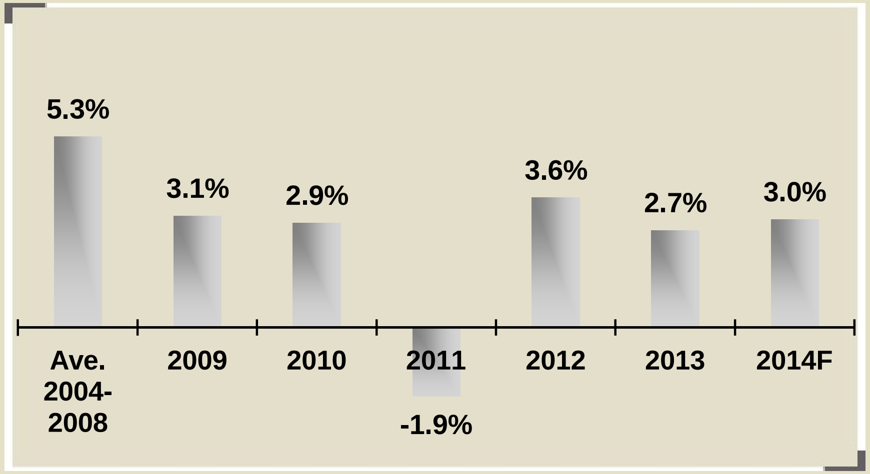

X% Trading volume / Market capitalisation (end of period)

### Decrease in stock market activity in 1H-2014 in terms of trading volumes:

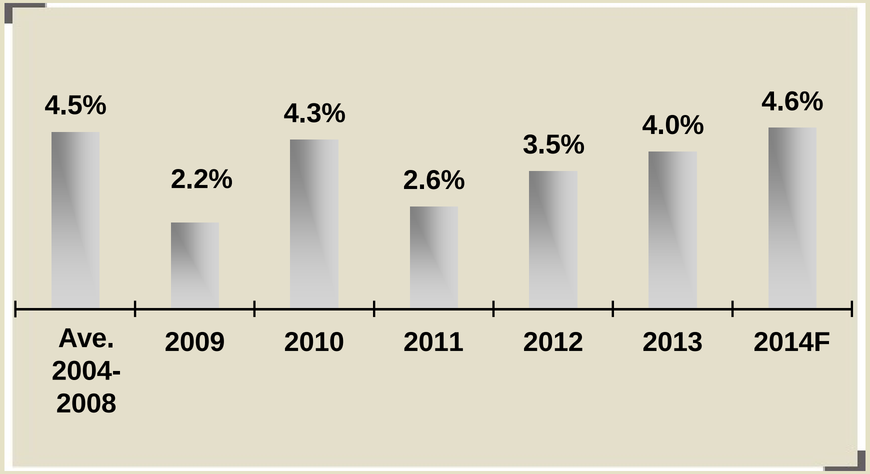
- **Moroccan All Shares Index (MASI) rose** by **1.2% Ytd** in 1H-2014
- **36%** YoY decline in volume of transactions traded on the Casablanca Stock Exchange to **MAD 19.6 billion** in 1H-2014
- **7.4%** YoY improvement in market capitalization to **MAD 456 billion as of 30 June 2014**

# Macro-economic environment in 1H-2014
# Tunisia - Senegal

## Tunisia: Real GDP growth




## Senegal: Real GDP growth




Source : IMF

### Tunisia

- **GDP growth of 3.0%** in 2014F following a growth of 2.7% in 2013 (**+3.6%** en 2012)
- **5.5% inflation** in 2014F lower than 2013 (**6.1%**)
- In this context, the Tunisian Central Bank has kept stable its key interest rate at **4%** and the mandatory reserves rate to **2%** since December 2013
- Depreciation of TND/MAD by **1,4%** since December 2013 (5.9% between June 2013 and June 2014)

### Senegal

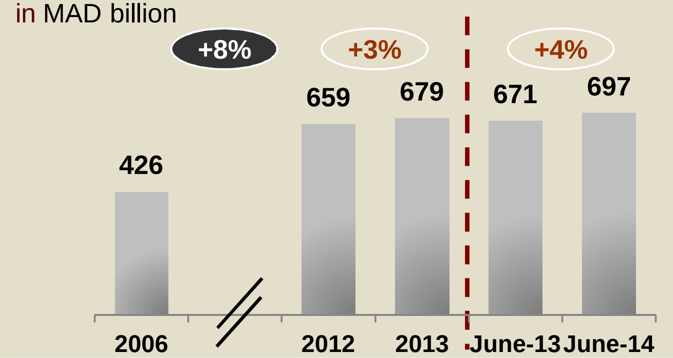
- **GDP growth of 4.6%** in 2014F vs. **4.0%** in 2013 (**3.5%** in 2012)
- **1.3%** of **inflation** in 2014F vs.**0.7%** in 2013 (**2.1%** in 2012)

# Moroccan banking sector

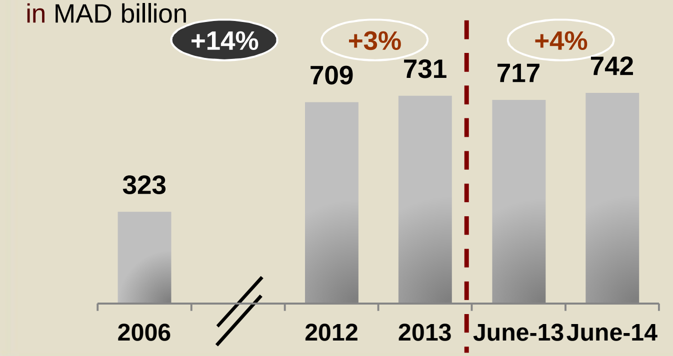
X% CAGR
X% +/-

## Banking sector growth as of June 30, 2014

**Trend in customer deposits**




**Trend in customer loans**




- **Deposits YoY growth** of **+4%** compared to **+3%** between 2012 and 2013
- **Improvement in loans growth** (**+4%** between June 2013 and June 2014 vs. **+3%** between 2012 and 2013 and **+14**% p.y. between 2006 and 2012):
  - Deposits-Loans deficit of MAD **45** billion as of June 2014 vs MAD **46** billion in June 2013 and a surplus of MAD **103** billion in 2006
  - **Loan-to-Deposit ratio of 106%** as of June 2014 (**108%** in 2013 and **76%** in 2006)
- **Moroccan banks access to financial markets:** 11% increase **in subordinated debt** outstanding between June 2013 and June 2014 (MAD **21.3** billion as of June 2014), and **0.5% decrease** in **certificates of deposit** outstanding (MAD 58.1 billion as of June 2014)
- BMCE Bank : Issuance of **USD 300** million bond in November 2013
- Main regulatory evolutions:
  - **Ongoing transition to Basel 2 advanced approach for RWA**
  - **Compliance with Basel 3 rules** regarding regulatory capital and capital adequacy adequacy ratio **(from June 2014)**
    - Minimum requirements : CET1=8%; CET1+AT1=9%; CAR=12% (instead of core Tier 1=9% and CAR=12% previously)
    - **Main impacts on regulatory capital:** page 32
  - **Compliance with Basel 3 rules regarding liquidity (LCR*)** with minimum currently at 60%

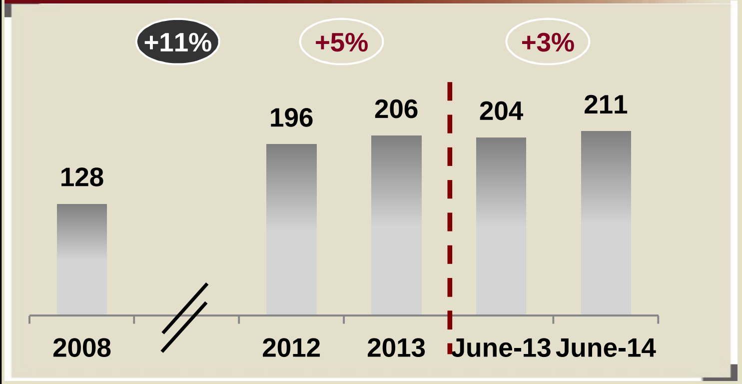
(*) Liquidity Coverage Ratio ; minimum requirements: 60% in 2015, 70% in 2016, 80% in 2017, 90% in 2018 and 100% in 2019

AWB market shares in Morocco
YoY growth
X% CAGR
X% +/-

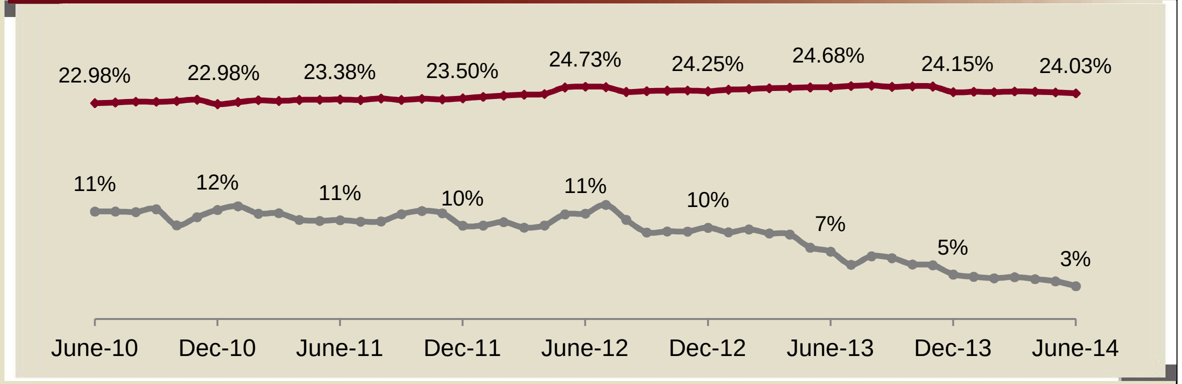
# Moroccan banking sector

## Focus on loans growth between 2008 and 2014

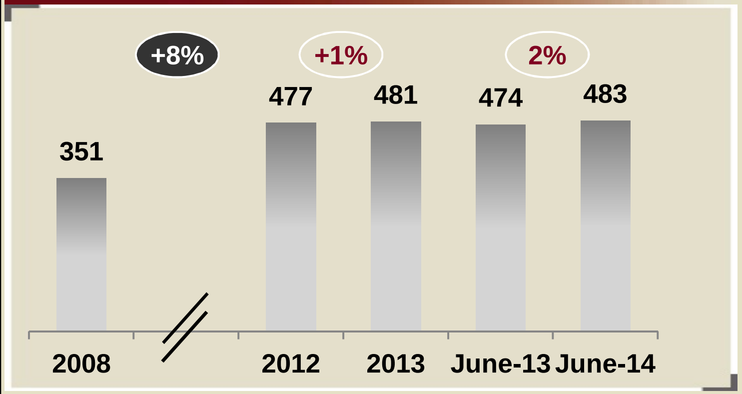
### Retail loans(1) (MAD billion)



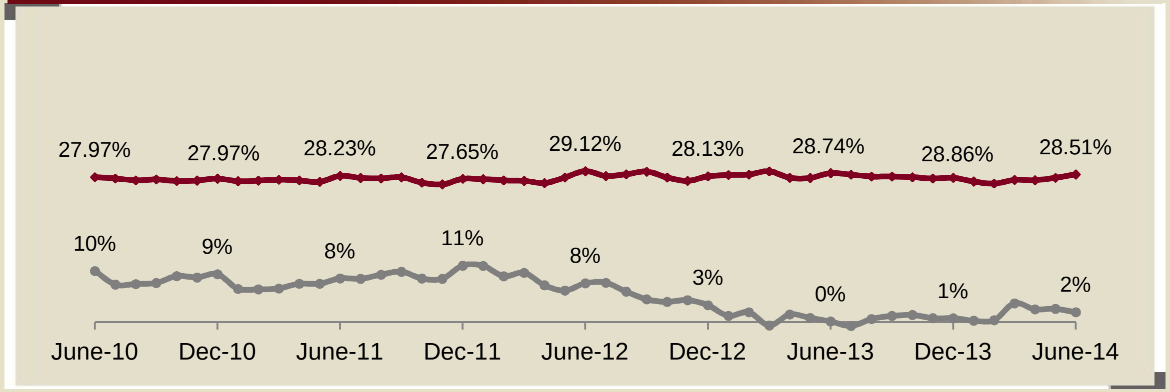

### Retail loans: YoY growth




### Corporate loans(2) (MAD billion)




### Corporate loans : YoY growth

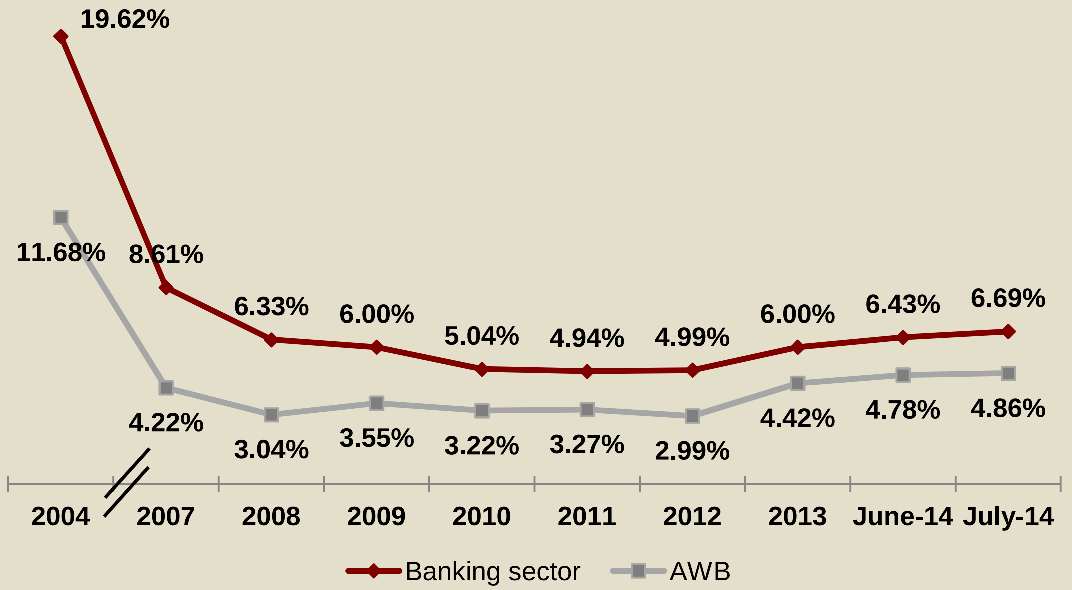



(1) Mortgage loans+ consumer loans
(2) Loans to financial institutions + equipment and investment loans + property development loans + short-term and treasury loans + other loans

Source : GPBM (the Moroccan banking association)

# Focus on NPL ratio in Morocco

## NPL ratio




- **Decrease** of the NPL ratio in Morocco from **19.62%** in 2004 to **4.99%** in 2012 thanks to a **strong growth of loans and a healthy economic activity**
- **Deterioration** of NPL ratio in December 2013 reaching **6.43% in June 2014** (+43 bps compared to December 2013)

Source : GPBM (the Moroccan banking association)

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**IFRS consolidated financial statements as of June 30, 2014**

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Attijariwafa bank share price performance

# Attijariwafa bank Group key figures as of June 30, 2014*

| | | |
|---|---|---|
| **Total assets:** MAD 407.1 bn<br>**+5.8%** | **NBI:** MAD 9.8 bn<br>**+7.2%** | **16,286 employees**<br>**+4.5%**<br>+708 employees |
| **Total savings**:** MAD 346.1 bn<br>**+9.4%**<br>Deposits : +5.6% | **Gross operating income:** MAD 5.6 bn<br>**+10.2%** | **3,265 branches**<br>**+7.5%**<br>+228 branches |
| **Total loans:** MAD 256.4 bn<br>**+1.1%** | **Net consolidated income:** MAD 2.7 bn<br>**+0.1%** | **Number of countries covered**<br>**23** |
| **Consolidated shareholders' equity :** MAD 38.3 bn<br>**+7.1%** | **Net income group share:** MAD 2.3 bn<br>**+1.8%** | **Number of customers**<br>**7.4** million<br>+0.98 million |

(*) Compared to 1H-2013

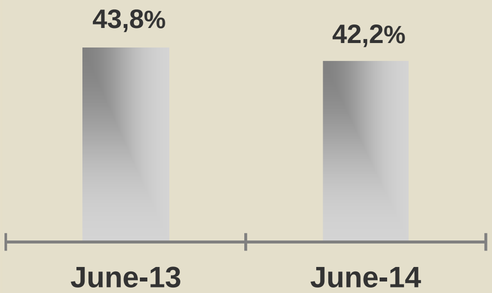
(**) Deposits+ assets under management + bancassurance assets

# IFRS consolidated financial statements as of June 30, 2014

## Lower cost-income ratio and higher cost of risk

### Cost-Income ratio

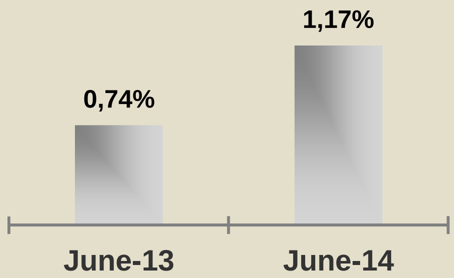
**-156 bps**




- **Improvement in cost-income ratio** despite the various investment and development programs

### Cost of risk

**+43 bps**

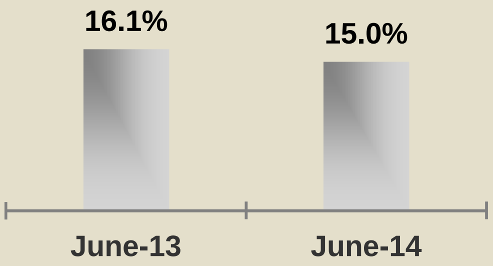



- **Increase of cost of risk to 1.17% (+43 bps)**
- **Non-performing loans ratio up 1.3 pt** (**6.6%** as of June 30, 2014 vs. **5.3%** as of June 30, 2013)

# IFRS consolidated financial statements as of June 30, 2014

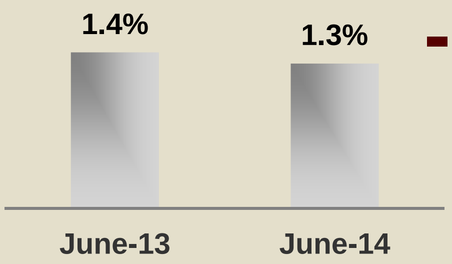
## RoE

-1.1 pt




## RoA

-0.1 pt




RoE = Net consolidated income/Consolidated shareholders' equity excluding net income

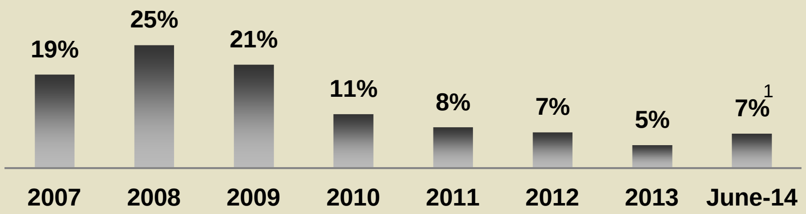
RoA = Net consolidated income/Total balance sheet

## Profitability ratios in line with best standards

- **Shareholders' equity up 7% YoY and RoA stable :**
  - Shareholders' equity growth (+7.1% YoY) outpaced total assets growth (+5.8% YoY)
  - RoE down **-1.1 point** to **15.0%**
  - RoA down **-0.1 point** to **1.3%**

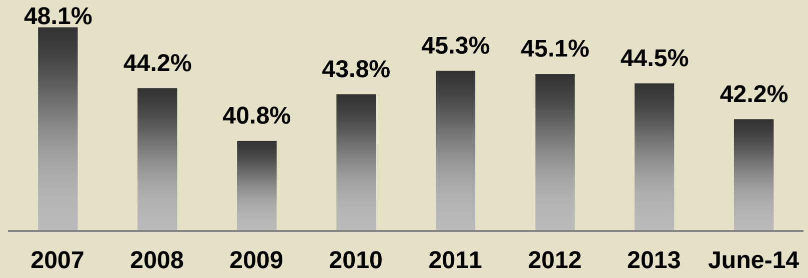
# Superior Operating Performance

## NBI Growth



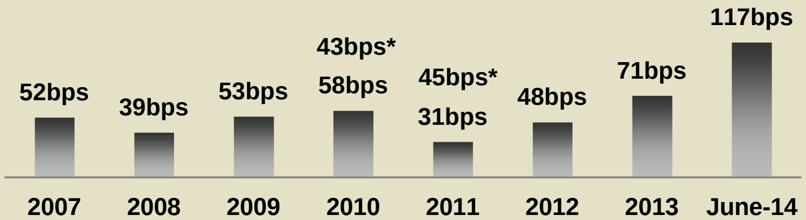

- AWB has managed to sustain a strong NBI growth

## Efficiency Ratios (Cost-Income ratio)



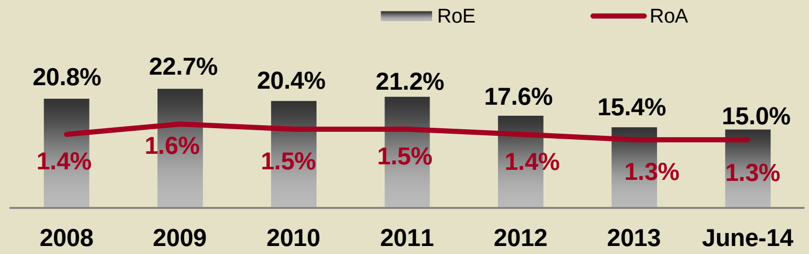

- AWB managed to constrain its Cost-Income ratio over the years thanks to a continuous focus on cost control
- AWB Cost-Income among the lowest within the industry

## Cost of Risk (in bps)




- AWB prudent underwriting approach and provisioning policy have allowed it to maintain its CoR in check while it was expanding outside of its original high end positioning
- In 1H-2014, the cost of risk increased to 117 pbs reflecting AWB's conservative provisioning policy

## RoE and RoA




- AWB has managed to improve its profitability as it gained scale and weathered seamlessly the economic and financial crisis – both in terms of return on equity and in terms of return on asset

(1) Compared to 1H2013

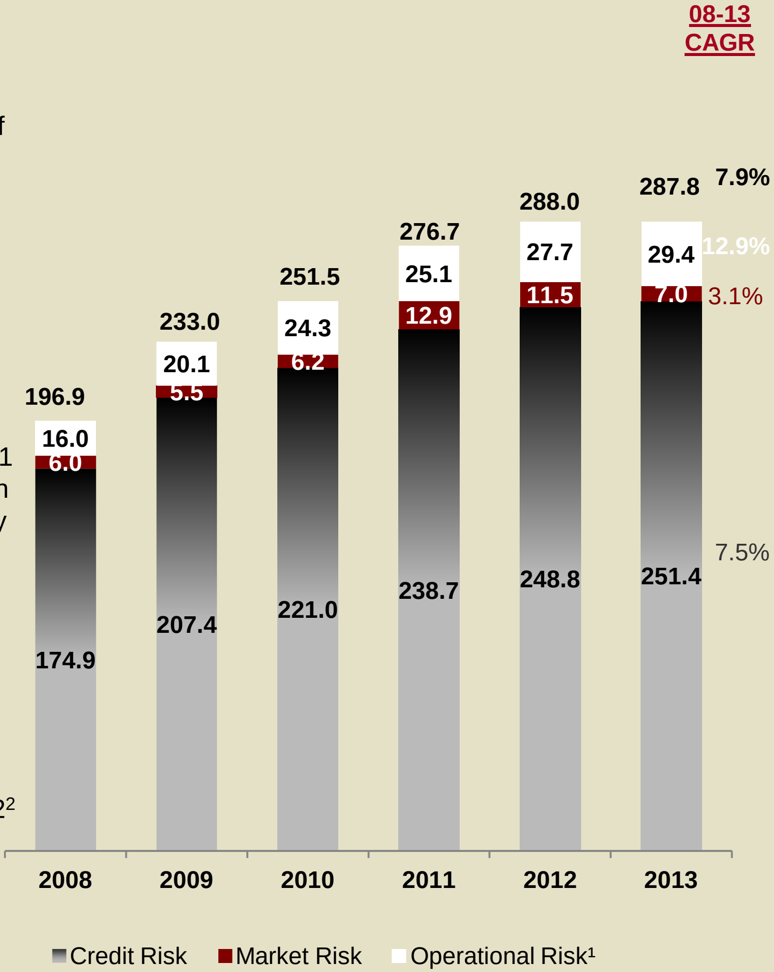
(* ) Excluding the provisions related to Tunisia and Ivory Coast

# Conservative Approach to Capital Management

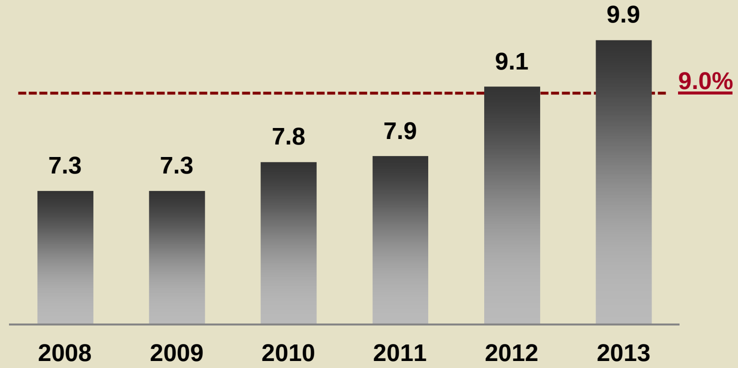
## All Data Based on Basel II

- AWB is fully compliant with the requirements of its local regulator (Bank Al Maghrib) which are amongst the most stringent worldwide
- AWB Tier 1 capital is composed of common equity and does not contain hybrid instruments
- In addition to a MAD 2.1 billion capital increase in 2012, AWB successfully increased its capital by MAD 685.2 million through optional conversion of 2012 dividends into new shares in 2013, complying with the new regulatory ratios (9% and 12%) under Basel 2[2] and future regulatory requirements under Basel 3[3].

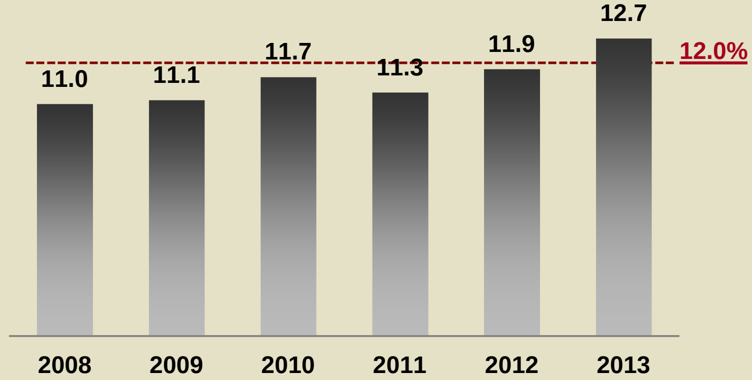
### RWA Growth (MADbillion)




### Core Tier 1 Ratio (%)




### Total Capital Ratio (%)




1) *Operational RWA calculated as 15% of the three year average annual NBI as per the Basic Indicator Approach*
2) *From June 2013*
3) *From June 2014*

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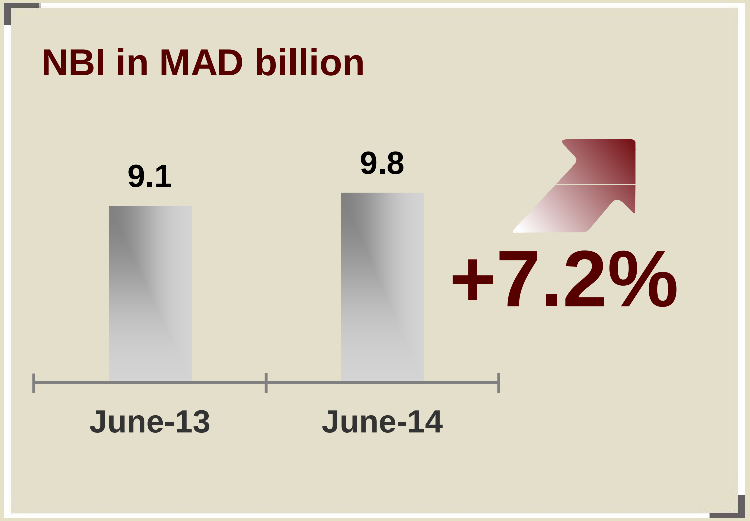
# IFRS consolidated financial statements as of June 30, 2014

## Consolidated NBI growth of +7.2%




**Strong growth in the NBI: +7.2%**

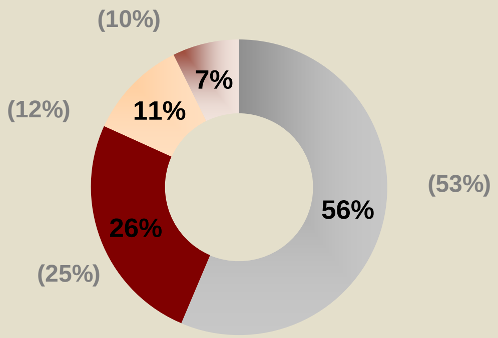
**+4%** on the net interest income

**-2%** on the net fee income

**+45%** on income from capital market activities: mainly due to the decrease of Sovereign Moroccan yield bonds

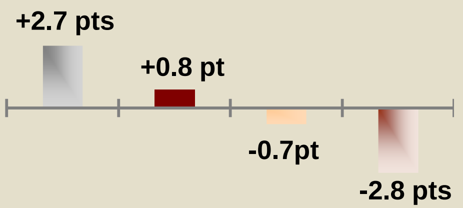
# IFRS consolidated financial statements as of June 30, 2014

## Structure of NBI as of June, 2014




(xx%) Structure June 2013

## Change in the structure of NBI between June 2013 and June 2014




Banking in Morocco, Europe and Offshore
Specialised Financial Subsidiaries
International Retail Banking
Insurance

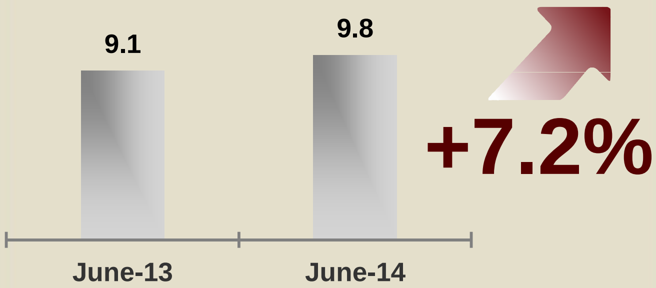
## Contributions to consolidated NBI by activity as of June 30, 2014

- **Slight change in the NBI structure:**
  - **+2.7 pts** for Banking in Morocco, Europe & Offshore
  - **+0.8 pt** for International Retail Banking
  - **-0.7 pt** for Specialised Financial Subsidiaries
  - **-2.8 pts** for Insurance

# Growth of NBI by business lines

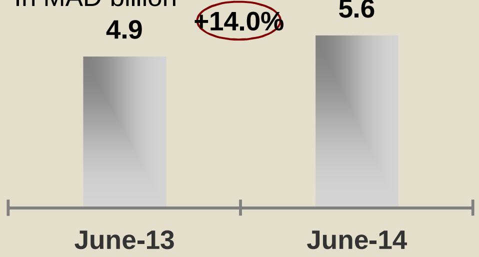
x% Growth rate

## NBI (In MAD billion)



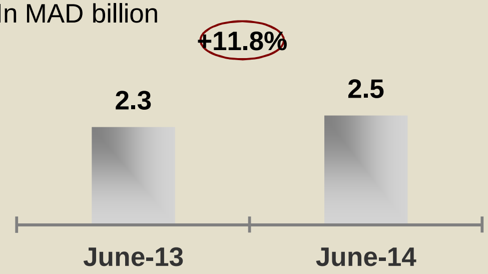

## BMET

In MAD billion



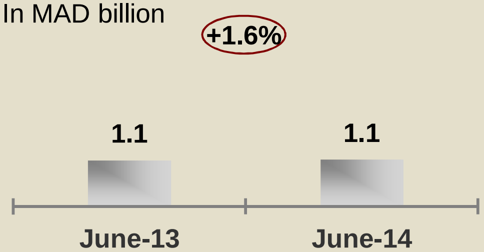

## International Retail Banking

In MAD billion



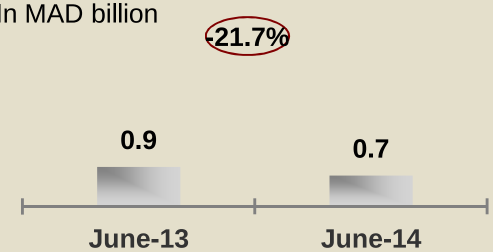

## Specialised Financial Subsidiaries

In MAD billion



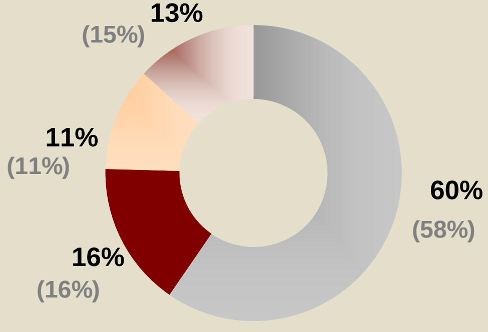

## Insurance

In MAD billion



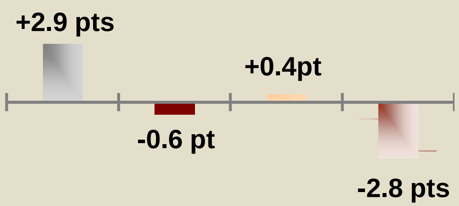
## IFRS consolidated financial statements as of June 30, 2014

### Structure of NIGS as of June, 2014




(xx%) Structure June 2013

### Change in the structure of NIGS between June 2013 and June 2014




Banking in Morocco, Europe and Offshore
Specialised Financial Subsidiaries
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Insurance

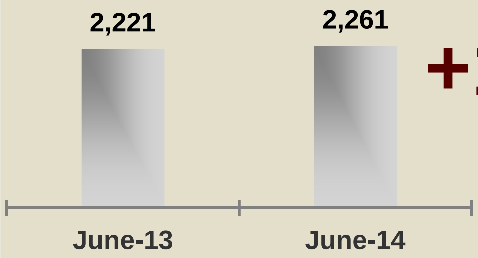
## Contributions to consolidated NIGS by activity as of June 30, 2014

- **Slight change in the NIGS structure:**
  - **+2.9 pts** for Banking in Morocco, Europe & Offshore
  - **-0.6 pt** for International Retail Banking
  - **+0.4 pt** for Specialised Financial Companies
  - **-2.8 pts** for Insurance

# Growth of NIGS by business lines

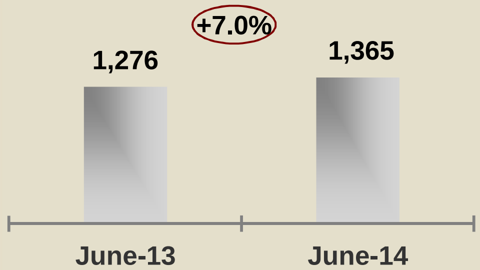
x% Growth rate

## NIGS (in MAD million)

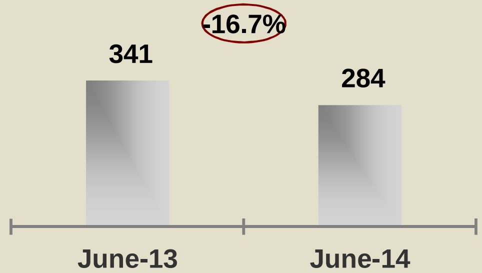



+1.8%

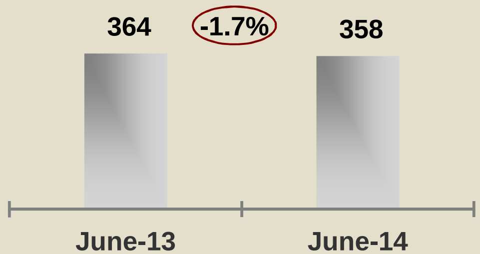
## BMET in MAD million



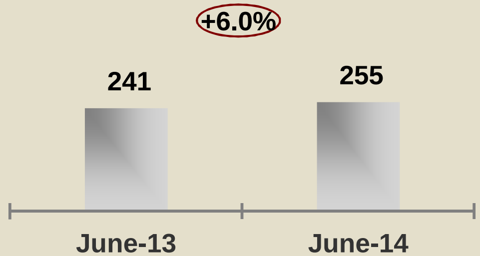

## Insurance In MAD million




## International Retail Banking
In MAD million




## Specialised Financial Companies In MAD million

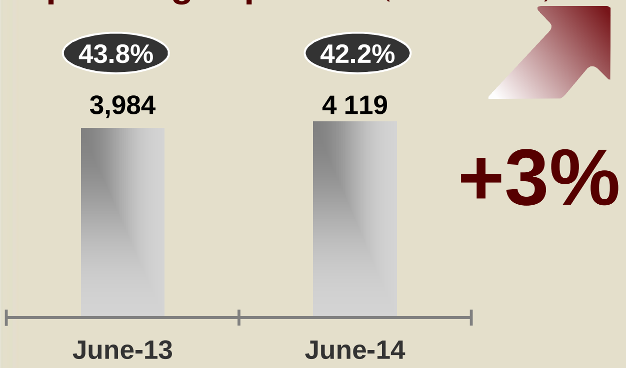


# Growth of Operating expenses by business lines

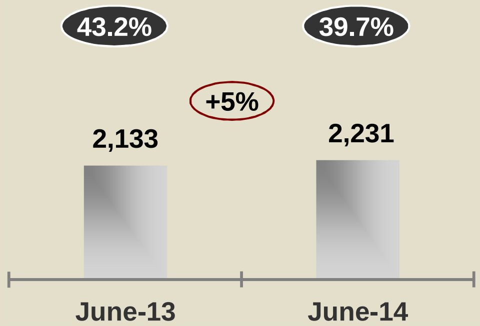
x% Growth rate

X% Cost-income ratio (%)

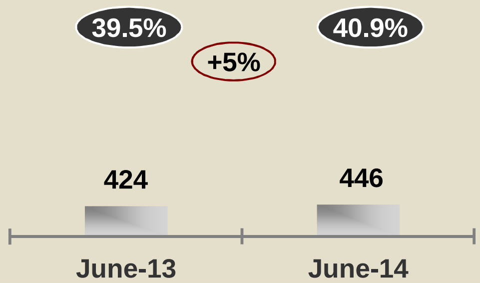
## Operating expenses (in MAD million)



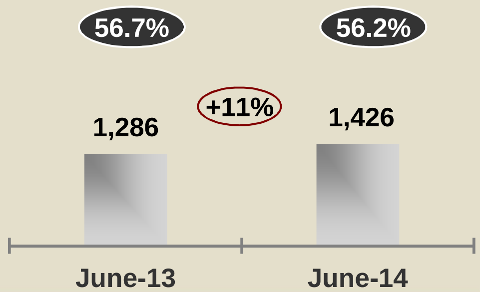

## BMET In MAD million



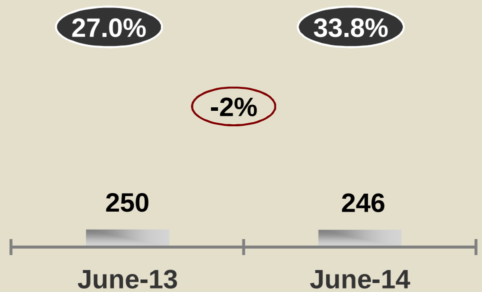

## Specialised Financial Subsidiaries In MAD million




## International Retail Banking In MAD million




## Insurance In MAD million

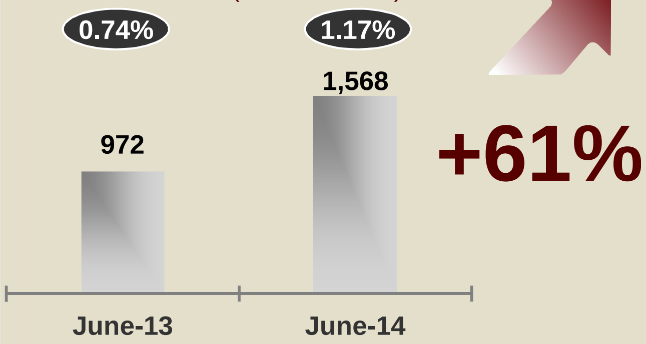


# Growth of Cost of Risk by business lines

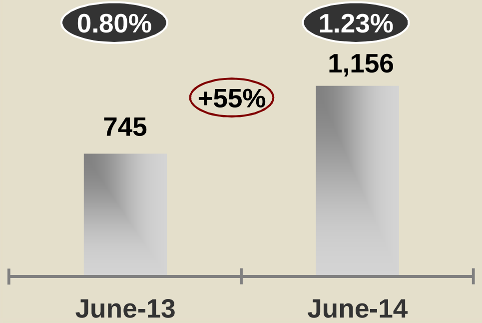
x% Growth rate

X% CoR (%)

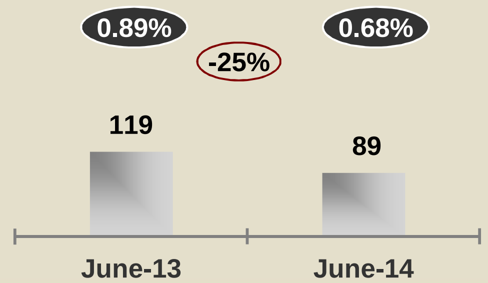
## Cost of risk (in MAD million)



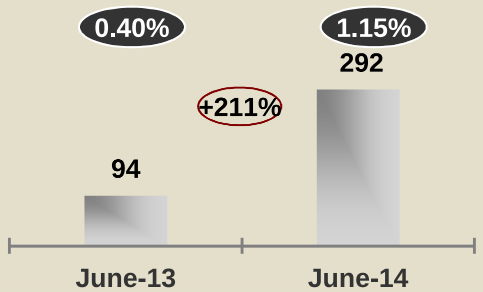

## BMET In MAD million



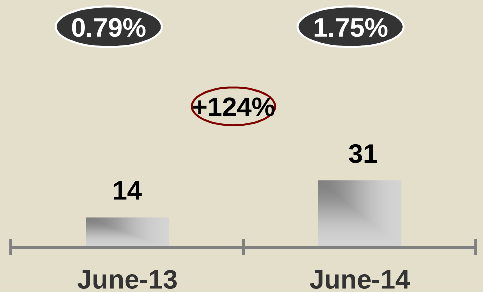

## Specialised Financial Subsidiaries In MAD million




## International Retail Banking In MAD million




## Insurance In MAD million



# Main contributors to net banking income in 1H 2014

*in MAD million*

| Subsidiaries | Contribution 1H-2014 | Contribution weight | Growth Rate |
|---|---|---|---|
| Attijariwafa bank | 5,299 | 53.1% | 15.0% |
| Wafa Assurance | 726 | 7.3% | -21.7% |
| Attijari bank Tunisie | 685 | 6.9% | 7.5% |
| Wafasalaf | 510 | 5.1% | -3.6% |
| CBAO (Senegal) | 471 | 4.7% | 10.9% |
| SIB (Ivory Coast) | 323 | 3.2% | 9.9% |
| SCB (Cameroon) | 312 | 3.1% | 16.9% |
| UGB (Gabon) | 264 | 2.6% | 16.4% |
| Total | 8,589 | 86.1% | 8.6% |
| Total net banking income before intra-group netting | 9,981 | | |
| Total net banking income | 9,752 | | |

# Main contributors to net income group share in 1H-2014

*in MAD million*

| Subsidiaries | Contribution 1H-2014 | Contribution weight | Growth Rate |
|---|---|---|---|
| Attijariwafa bank | 1,362 | 60.2% | 11.3% |
| Wafa Assurance | 284 | 12.5% | -16.7% |
| Attijari bank Tunisie | 107 | 4.7% | -3.5% |
| Wafasalaf | 86 | 3.8% | 0.6% |
| CDC (Congo) | 63 | 2.8% | 31.1% |
| Wafabail | 54 | 2.4% | 7.7% |
| Wafacash | 52 | 2.3% | 21.0% |
| SCB (Cameroon) | 45 | 2.0% | 12.3% |
| Wafa Immobilier | 42 | 1.8% | 10.0% |
| SIB (Ivory-Coast) | 38 | 1.7% | -30.1% |
| UGB (Gabon) | 38 | 1.7% | 75.1% |
| CBAO (Senegal) | 28 | 1.2% | -50.0% |
| Total | 2,197 | 97.2% | 4.1% |
| Total net income group share | 2,261 | | |

# Agenda

Overview of the economic environment

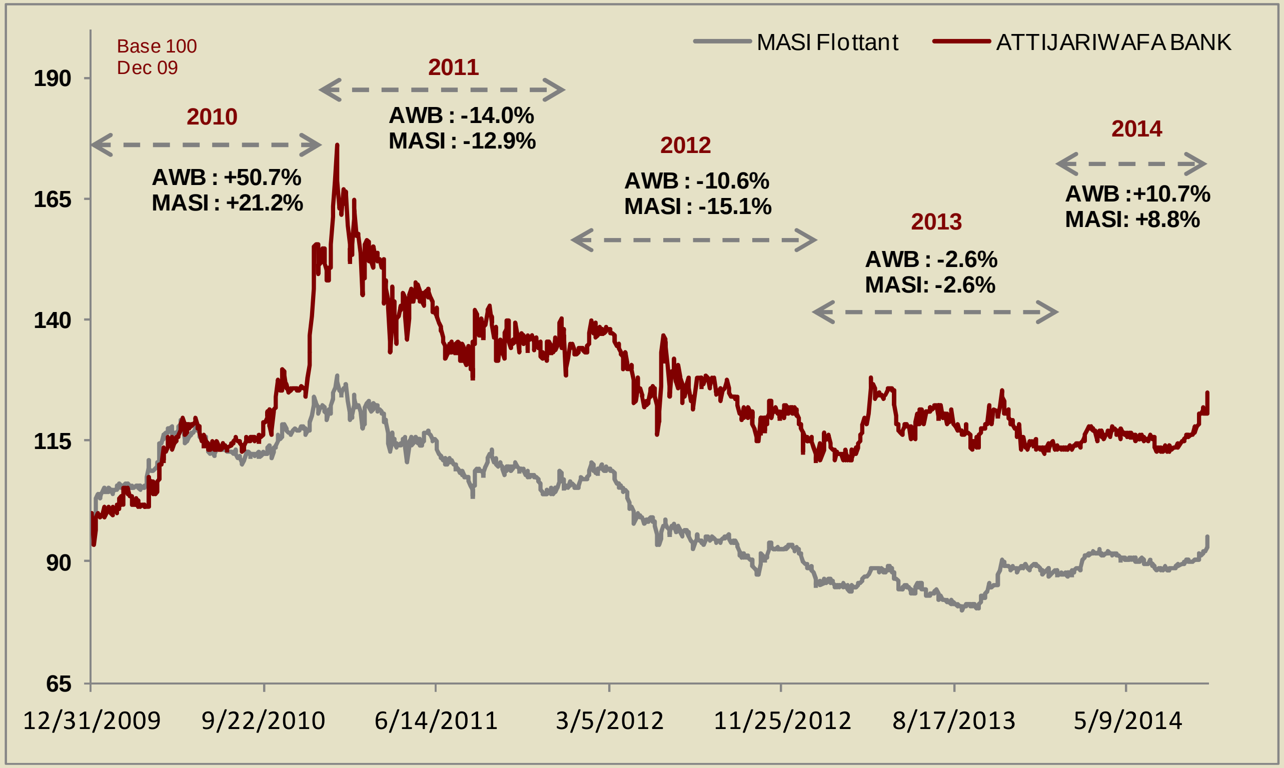
IFRS consolidated financial statements as of June 30, 2014

Analysis of the main contributors

**Attijariwafa bank share price performance**

# Attijariwafa bank share price performance

## Attijariwafa bank vs MASI from 12-31-09 to 09-10-14




- Share price as of 30 June 2014: **MAD 304.3**
- Share price as of 10 September 2014: **MAD 337.5**
- Largest market capitalisation in the banking sector and the 2nd largest in Morocco: **MAD 68.7 billion**
- Attijariwafa bank shares up 10.7**%** in 1H-2014 versus 6.0% for the banking sector and 8.8% for **the MASI**

# Attijariwafa bank market indicators

| Attijariwafa bank | 12/31/2012 | 12/31/2013 | 06/30/2014 |
|---|---|---|---|
| Share price | 313 | 305 | 304.3 |
| Year High | 377 | 345 | 318 |
| Year Low | 304 | 300 | 303.3 |
| P/B (*) | 2.04x | 1.87x | 1.84x |
| P/E (*) | 14.00x | 14.99x | 13.70x |
| DY | 2.88% | 3.11% | 3.12% |
| Number of shares | 201,243,086 | 203,527,226 | 203,527,226 |
| Market capitalisation(**) | 62,989 | 62,076 | 61,933 |

(**) in MAD million

- Attijariwafa bank trades at a favorable P/E ratio compared to Moroccan peers :
  - P/E as of 30 June 2014 of 13.72x versus an average of 17.89x for the sector

(*) The P/E and P/B multiples are calculated based on net income group share (annualized) and shareholders' equity

P/E = Share price/EPS for the current year; P/B = Share price/Consolidated shareholders' equity per share; DY = Dividend/Share price

# Back up

# Focus on Basel 3 main impacts in Morocco
# Capital Adequacy

## Regulatory capital framework

| | | Minimum requirements in Morocco (Basel 3) | | | |
|---|---|---|---|---|---|
| **CET1** | ▪ **Common shares** issued by the bank<br>▪ **Retained earning** and **accumulated other comprehensive incomes** | **5,5%** | **8%** | **9%** | **12%** |
| **Capital conservation buffer** | ▪ **Common equity** (common shares , retained earrings)<br>▪ **2,5%** of risk weighted assets | **2,5%** | | | |
| **Additional Tier1 (AT1)** | ▪ Instrument **ranked lower** than **CET1**<br>▪ Instrument with **principal** loss **absorption mechanism** (conversion to common shares at a pre-specified trigger point or a write-down mechanism which allocates losses to the instrument ) | **1,0%** | | | |
| **Tier2 capital** | ▪ **Subordinated debts** (minimum original maturity of at least 5 years) | **3,0%** | | | |

## Main impacts on Attijariwafa bank

**1 Capital requirements**

- **Minimum of 8%** of CET1 **instead of 9%** in Basel 2

**2 Criteria for classification as CET1**

- **Non eligibility** of instruments **directly or indirectly funded by the bank** (the issuer)

**3 Holding in financial institutions**

- Deduction of **100% of the aggregated amount of holdings in financial institutions**[1] **from CET1** vs. **50% from T1 and 50% from T2 in Basel 2**

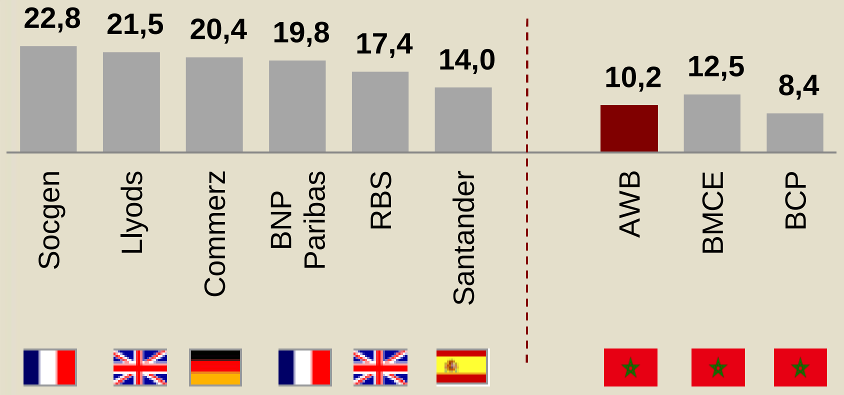
**5 Minority interests**

- **Exclusion** of the **amount of the surplus CET1 attributable** to **minority shareholders** in each **banking subsidiary**

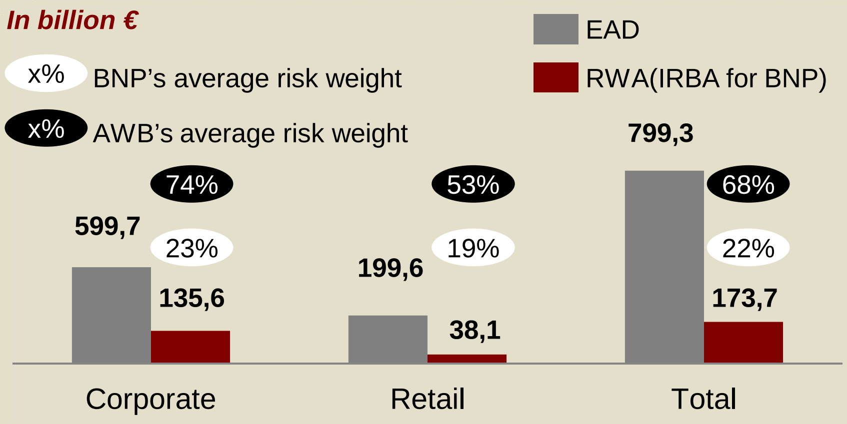
(1) Holdings above 10% of common shares of the subsidiary

# Focus on leverage ratios and credit risk mitigation

**AWB leverage[1] ratio vs. international benchmark**




**AWB average risk weight vs. BNP Paribas**




- **AWB Tier 1 capital is free** of **hybrid** instruments
- **AWB's leverage ratio** is much **lower** than **international** benchmark
  - **AWB's risk weighted assets** under the standardized approach is a **conservative risk measure** compared to the IRBA approach
  - A **narrow range** of eligible **CRM** guarantees and collaterals under the **standardized approach**
- Ongoing evolutions
  - **Optimization** of **capital requirement** in case of AT1 issuance in compliance with Moroccan regulatory framework
  - **Implementation** of the **advanced approach** (IRBF for corporate)
  - **Increasing utilization** of CRM[2] in line with the development of financial markets in Morocco

(1) Total assets/Equity (on a consolidated basis) ; (2) Credit Risk Mitigation