



Morocco's Attijariwafa bank H1 net profit rises 2.2 pct

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Attijariwafa Bank, one of Morocco's biggest lenders, on Tuesday reported a 2.2 percent rise in first-half net profit attributable to shareholders of 2.3 billion Moroccan dirham (\$237 million).

Net banking income was steady at 9.8 billion dirhams but income improved as the bank cut costs by 26 percent to 1.16 billion dirhams.

Bad loans related to an economic slowdown and its expansion in sub-Saharan African markets rose 5 percent to more than 18 billion dirhams, yet that outperformed a Moroccan banking sector which saw bad debt rise by 9 percent.

Attijariwafa has subsidiaries in Tunisia, Ivory Coast, Senegal, Mauritania, Mali, Cameroon, Gabon and Congo Brazzaville, plus branches in Europe catering mainly to Moroccans living there.

The bank said it had set aside an additional 1.6 billion dirhams in provisions, down from 1.9 billion in the same period a year earlier.

Total provisions stood at around 13 billion at the end of the first half, the bank's data showed.

The bank, controlled by Moroccan royal family holding SNI, said net banking income stagnated, due to consolidated loans which fell by 0.8 percent. Total deposits rose by 8.2 percent.

"Although loans distributed in the Moroccan market rose by around 3 percent, Attijariwafa's credits fell almost by the same figure," an analyst in the Casablanca stock exchange said. "It means that they are thinking more about margins and the quality of their portfolio," he said.

The bank said interest margins jumped 7 percent.

Its return on equity (ROE), a widely followed gauge of profitability for banks, stood at 14.6 percent, unchanged from the end of 2014.

Attijariwafa says it has the largest branch network in Morocco and Africa with 3,376 branches across 23 countries, up from 3,331 in 2014.

Its shares were up 1.5 percent at 340 dirhams on Tuesday on the Casablanca stock exchange following the results.

(\$1 = 9.7178 Moroccan dirham) (Editing by Jason Neely)