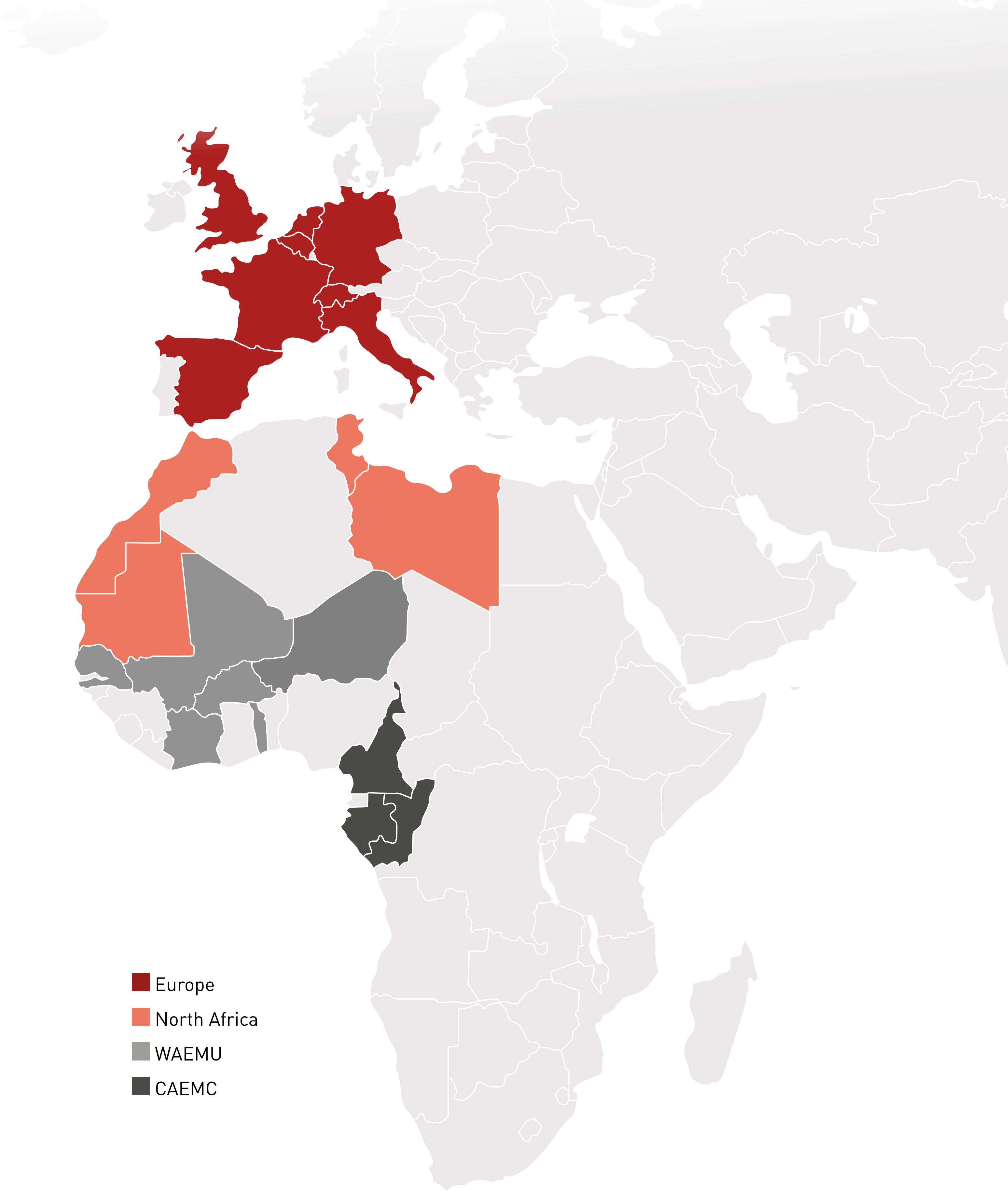
التجاري وفا بنك
Attijariwafa bank

Management Report

2015

Contents

ATTIJARIWAFA BANK : AN INTERNATIONAL BANKING AND FINANCIAL GROUP



Management report

Economic environment

World : global GDP growth

In 2015, global economic activity continued at a moderate pace, with GDP expanding 3.1%, down 0.3 points from the previous year. Recovery in developed countries was less robust than expected (1.9% in 2015^{E}, compared with 1.8% in 2014), and there was a slowdown in business in emerging markets (4.0% in 2015^{E}, compared with 4.6% in 2014). Both factors contributed to the overall trend.

Among developed countries, steady economic recovery in the eurozone remains tentative (1.5% in 2015^{E}, compared with 0.9% in 2014). Member states that provided growth included Germany (1.5% in 2015^{E}), France (1.1% in 2015^{E}), and Spain (3.2% in 2015^{E}). Economic growth in the United States is trending upwards (2.5% in 2015^{E}), in line with lower energy prices, increased government spending, and an improving property market.

In emerging markets, GDP growth declined from 4.6% in 2014 to 4.0% in 2015^{E}. This slowdown is attributable mainly to lower commodities prices and to more rigorous external financing conditions.

In China, economic growth declined by 0.4% in 2015^{E}, to 6.9%, while Brazil and Russia slid into recession. GDP growth in Brazil declined from 0.1% in 2014 to −3.8% in 2015^{E}, while Russian GDP growth fell from 0.6% in 2014 to −3.7% in 2015^{E}. In North Africa and the Middle East, geopolitical tensions limited GDP growth to 2.5% in 2015^{E}.

GDP GROWTH	2014	2015^{E}	2016^{F}
World	**3.4%**	**3.1%**	**3.6%**
Developed countries	**1.8%**	**1.9%**	**2.1%**
Eurozone	0.9%	1.5%	1.7%
France	0.2%	1.1%	1.3%
Germany	1.6%	1.5%	1.7%
Spain	1.4%	3.2%	2.7%
United Kingdom	2.9%	2.2%	2.2%
United States	2.4%	2.5%	2.6%
Japan	0.0%	0.6%	1.0%
Emerging and developing countries	**4.6%**	**4.0%**	**4.3%**
North Africa and Middle East	2.8%	2.5%	3.6%
Sub-Saharan Africa	5.0%	3.5%	4.0%

Source : IMF

With regard to monetary policy, the European Central Bank left key interest rates unchanged at 0.05%, a historic low in place since September 2014. The ECB also lowered its deposit facility rates by 10 basis points, to −0.30%, and extended for six months the quantitative easing programme begun in March 2015, through which the ECB purchases 60 billion of assets every month.

Meanwhile the US Federal Reserve (the Fed) decided in December 2015 to hike interest rates by 25 basis points. Since 2008, the federal funds rate had stayed in a range of 0%–0.25%. The range is now 0.25%–0.50%.

Inflation

Global inflation has declined in developed countries, from 1.4% in 2014 to 0.3% in 2015^{E}. This change is due to lower oil and commodities prices.

In emerging economies, inflation rose to 5.5% in 2015^{E}, compared with 5.1% in 2014.

Oil market

As a result of abundant supply, weak global demand, and a strengthening dollar, oil prices fell by 47.1% in 2015, to $ 50.92 per barrel, compared with $99.02 a year earlier.

Africa

Gross domestic product in Africa came to 4.5% in 2015, after moderate growth of 3.5% in 2013 and 3.9% in 2014. However, regional growth remain varied.

Economic growth in Africa by region

	2015E	2016F
Africa	4.5%	5.0%
Central Africa	5.5%	5.8%
East Africa	5.6%	6.7%
North Africa	4.5%	4.4%
Southern Africa	3.1%	3.5%
West Africa	5.0%	6.1%

AfDB, May 2015

This section describes the major economic environment developments of Attijariwafa bank's countries of presence.

North Africa

(DATA 2015)	Surface area (km²)	Population (millions)	GDP per capita (USD)
Tunisia	163,610	11.110	3,984.818
Mauritania	1,030,700	3.706	1,262.134
Libya	1,759,540	6.252	4,753.599

Source : IMF

Economic environment

According to the latest forecast of the African Development Bank (AfDB), economic growth in North Africa came to 4.5% in 2015, compared with 1.7% a year earlier.

The country's growth trend has nonetheless been hampered by conflicts, security risk, social tension, flat growth in the eurozone, and political uncertainty.

Key economic indicators by country

	GDP		Inflation		Budget balance		Current account balance	
	2015E	2016F	2015E	2016F	2015E	2016F	2015E	2016F
Tunisia	0.5%	2.5%	5.0%	4.0%	-5.7%	-4.0%	-8.5%	-7.0%
Mauritania	4.1%	6.4%	3.6%	4.2%	-1.0%	-4.7%	-18.3%	-25.6%
Libya	-6.1%	2.0%	8.0%	9.2%	-79.1%	-63.4%	-62.2%	-49.1%

IMF, October 2015, and the Tunisian Ministry of Finance

In addition, budget deficits have increased among oil-exporting countries. Libya's budget deficit grew from 43.5% of GDP in 2014 to 79.1% of GDP in 2015, while the country's current account deficit came to −62.2% in 2015, compared with −30.1% in 2014.

WAEMU

(DATA 2015)	Surface area (km²)	Population (millions)	GDP per capita (USD)
Benin	112,622	10.862	708.987
Burkina Faso	274,200	17.934	631.372
Ivory Coast	322,463	23.711	1,318.808
Guinea-Bissau	36,125	1.777	582.243
Mali	1,240,192	16.295	672.226
Senegal	196,722	14.966	934.643
Togo	56,785	7.182	578.110

Source : IMF

Economic environment

According to the latest estimate of the IMF, GDP growth in the West African Economic and Monetary Union held steady at 6.1% in 2015, unchanged from 2014.

Consumer-price inflation rose from -0.1% at the end of 2014 to 1.3% at the end of 2015, because of a rise in food prices.

The budget balance stood at −3.8% at the end of 2015, compared with −3.5%, a year earlier. This change can be attributed to higher current expenditures and to increased public spending for infrastructure.

Key economic indicators by country

	GDP		Inflation		Budget balance		Current account balance	
	2015E	2016F	2015E	2016F	2015E	2016F	2015E	2016F
Benin	5.5%	5.3%	0.5%	2.3%	-2.6%	-3.5%	-9.3%	-9.1%
Burkina Faso	5.0%	6.0%	0.7%	1.8%	-2.5%	-3.0%	-7.9%	-7.8%
Ivory Coast	8.2%	7.6%	1.6%	1.5%	-3.2%	-3.2%	-1.0%	-1.9%
Guinea-Bissau	4.7%	4.8%	1.3%	2.3%	-0.9%	-2.3%	-3.5%	-4.6%
Mali	5.0%	5.0%	2.4%	3.6%	-3.2%	-4.0%	-3.3%	-4.2%
Senegal	5.1%	5.9%	0.6%	2.1%	-4.7%	-4.2%	-6.1%	-5.2%
Togo	5.4%	5.6%	1.9%	2.1%	-6.3%	-6.0%	-12.2%	-11.5%

IMF, October 2015

With regard to monetary policy, the BCEAO chose to leave unchanged (2.50%) the minimum interest rate of invitations to tender for liquidity operations. The interest rate for marginal lending was also unchanged, at 3.50%, the rate in force since 16 September 2013.

Some countries in the region were able to hold elections in 2015, while other countries experienced insurrection or terrorism.

CAEMC

(DATA 2015)	Surface area (km²)	Population (millions)	GDP per capita (USD)
Cameroon	475,440	23.108	1,234.389
Congo	342,000	4.368	2,030.686
Gabon	267,667	1.608	8,580.731

Source : IMF

Economic environment

The IMF estimates that GDP growth of member states of the Central Africa Economic and Monetary Community (CAEMC) was 2.6 % in 2015, down 2.2 points from 2014.

The Bank of Central African States (BCAS) has acknowledged a decline in business in the region due to lower oil prices worldwide, political instability in the Central African Republic, and violence in the far north of Cameroon and in Chad. In an effort to boost the economy, the BCAS decided to lower the prime rate by 50 basis points, from 2.95% to 2.45%.

Inflation fell by 0.4 points in 2015, to 2.2%.

The budget balance stood at −4.8% at the end of 2015, compared with −4.0% a year earlier.

Key economic indicators by country

	GDP		Inflation		Budget balance		Current account balance	
	2015^{E}	2016^{F}	2015^{E}	2016^{F}	2015^{E}	2016^{F}	2015^{E}	2016^{F}
Cameroon	5.3%	5.4%	2.0%	2.1%	-5.1%	-5.6%	-5.0%	-5.2%
Congo	1.0%	6.5%	0.9%	1.7%	-9.4%	-2.6%	-15.2%	-14.6%
Gabon	3.5%	4.9%	0.6%	2.5%	-3.6%	-2.5%	-7.0%	-4.2%

IMF, October 2015

Morocco

- Economic growth estimated at 4.2% in 2015, the result of an exceptional cereal harvest (115 million quintals) and improved nonagricultural production (+3.3% in 2015 vs. +3.1% in 2014);
- Moderate inflation of 1.6%;
- Ongoing macroeconomic recovery:
  - a budget deficit down from −4.9% of GDP in 2014 to −4.3% in 2015;
  - a trade deficit significantly reduced to MAD −36.8 billion, attributable to the solid performances of exporting sectors and to lower energy costs;
  - increased foreign-currency reserves covering 6.7 months of imports in 2015 and 7 months (estimated) in 2016.
- According to the Central Bank's latest estimates, GDP growth should amount to 1.0% in 2016. This decline is due mainly to the expected slowdown in agricultural activities, with average cereal harvests of 40 million quintals in line with unfavorable weather conditions. Nonagricultural value-added is expected to slow to 2.9%.

Quarterly Moroccan GDP growth (year on year)

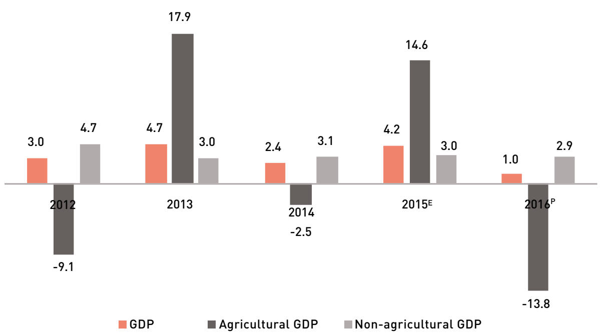
	2013	2014	Q1-15	Q2-15	Q3-15	Q4-15	2015*	2016*
GDP	4.7%	2.4%	4.1%	4.3%	4.6%	4.0%	4.2%	1.0%
Agricultural V-A	17.9%	-2.5%	12.0%	14.9%	15.9%	15.4%	14.6%	-13.8%
Non agricultural GDP	3.0%	3.1%	3.1%	3.0%	3.2%	2.5%	3.0%	2.9%

(*) :Estimates

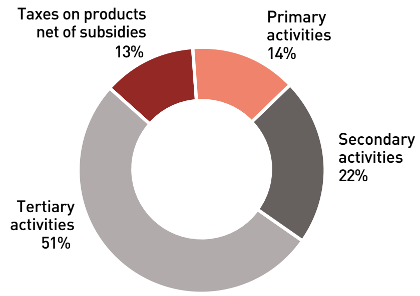
Source: Ministry of Finance – BAM

The latest figures from the Central Bank estimate growth of 4.2% in 2015, compared with 2.4% in 2014. This improvement is attributable to an exceptional cereal harvest of nearly 115 million quintals, and to the growth in nonagricultural value-added (+3.0% in 2015).

GDP growth 2012-2016^{F} (in %)



Breakdown of GDP in 2015



Growth varied from sector to sector.

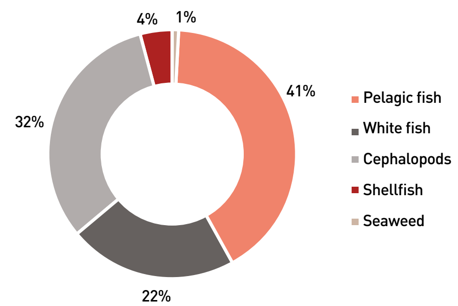
Primary sector

In 2015, the primary sector accounted for nearly 14% of gross domestic product. The year 2015 was even better for the domestic economy, with agricultural value-added rising by 14.6%.

According to the latest data from the Ministry of Agriculture and Maritime Fisheries, the cereal harvest in 2014–2015 reached a record 115 million quintals, 69.1% higher than the average of the past five years. Yield also rose, to 21.4 quintals per hectare.

The fishery sector is also trending favorably. The value of inshore and traditional fishery landings rose 9.1% in 2015, boosted mainly by octopus (+26.9%) and sardines (+9.9%), The volume of inshore and traditional fishery landings totaled 1,288,948 tons.

Structure of inshore and traditional fishery landings at end-December 2015



Secondary sector

Secondary activities contributed 22% of GDP in 2014, with contrasting changes in 2015.

Phosphates

Hurt by weaker demand worldwide, phosphate production slowed by 4.1%, to 26.3 million tons. Production of phosphate derivatives improved slightly (+0.6%), to 9.8 million tons.

Exports of phosphates and derivatives grew 15.6% in 2015, to MAD 44.2 billion, aided by exchange rates that offset the decline in sales volume.

Energy

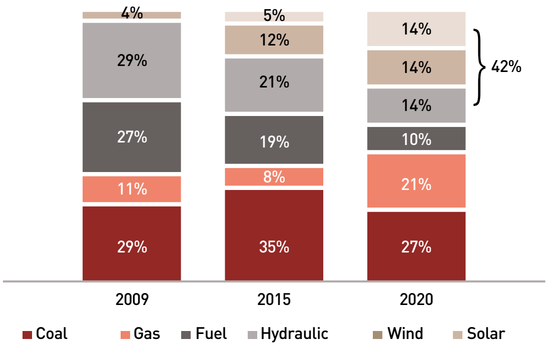
Performance indicators for the energy sector were very positive in 2015. Net electricity generation grew by 7.0% in 2015, totaling 29,439.5 GWh, while electricity consumption rose by 2.0%, to 29,404.2 GWh.

Morocco is committed to developing renewable energy sources. In 2009, the government launched an ambitious program designed to amount to 42% of domestic electricity generation by 2020.

Consequently, in 2015 phase 1 of the Noor solar power plant was completed and operational as from December 2015. At this stage, the solar park covers 4.8 km² and generates 160 megawatts (MW) of electricity.

During the COP21 (United Nations Climate Change Conference) held in Paris in December 2015, Morocco announced that its objective of securing 42% of the country's energy mix from renewable sources by 2020 had been increased to 52% by 2030.

Energy mix from renewable sources by 2020



Source: Société d'Investissements énergétiques (Moroccan Energy Investment Company)

Construction and public works

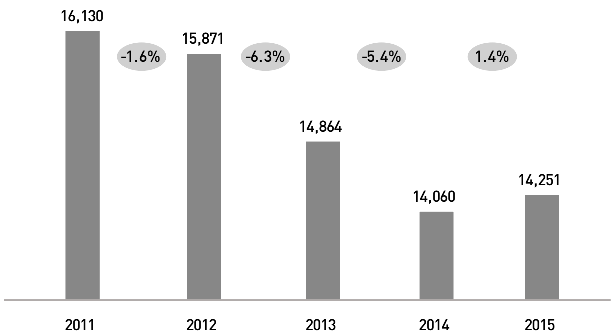
The construction and public-works sector has slowed in recent years, as confirmed by key performance indicators.

However, cement sales rose by 1.4% in 2015, to 14.3 million tons.

Mortgage loan outstandings increased in 2015 by 1.4%, to MAD 240.4 billion, in line with the robust growth in home loans (+4.9%).

However, recovery in construction and public works remains fragile because of weakness in investment and in loans for real-estate development (–6.3%).

Domestic cement consumption (thousand tonnes)



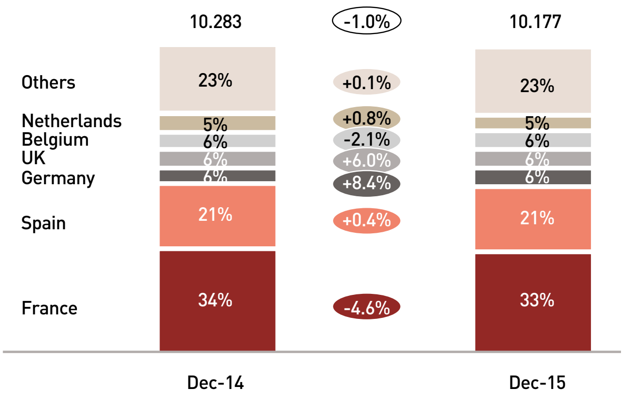
Tertiary sector

Tertiary activities contributed slightly more than 50% of GDP.

Tourism

At the end of December 2015, tourist arrivals had decreased by 1.0%, to 10.2 million. This decline was the result of a 5.3% decrease in foreign tourists offset by a 3.7% increase in arrivals of Moroccans living abroad.

Arrivals by country (in thousands)



Source : Ministry of Tourism

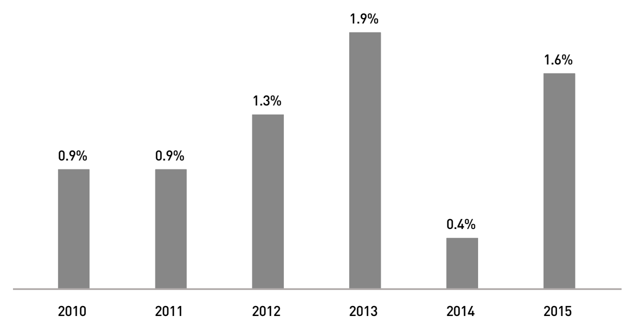
In addition, tourism revenues contracted by 1.3%, to MAD 58.6 billion.

By destination, overnight stays in Marrakech and Agadir, which account for nearly 60% of all overnight stays in Morocco, declined by 7.1%, while overnight stays in Oujda-Saidia, El Jadida and Tétouan, grew by 18.5%, 0.4%, and 2.3% respectively.

Inflation

The consumer price index rose by 1.6% in 2015, the result of a 2.7% increase in food prices and a 0.7% increase in nonfood prices.

Trend of consumer price index



Source : HCP

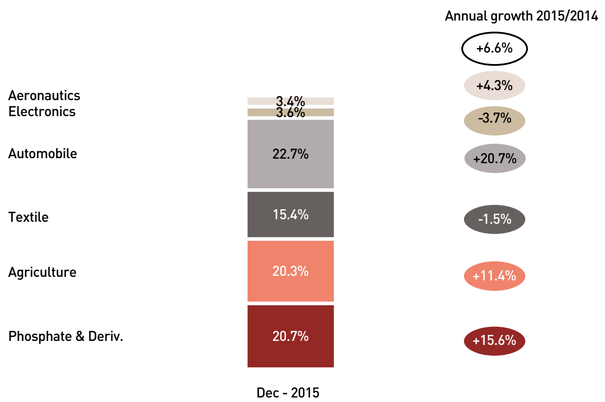
Foreign trade

Data for foreign trade in 2015 show a MAD 36.8 billion reduction in the trade deficit, which declined from MAD -114.1 billion to MAD -77.3 billion.

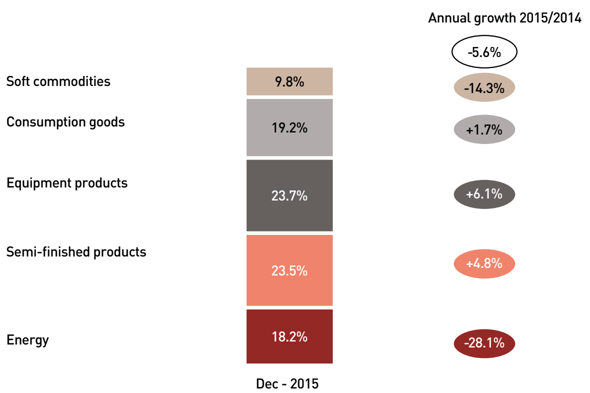
This change is due to:

- the 5.9% rise in exports, to MAD 318.7 billion, reflecting automobile sales (+20.7%), sales of phosphates and derivatives (+15.6%), and agriculture and food exports (+11.4%);
- the 4.6% decline in imports, to MAD 396.0 billion, attributable to reduced energy costs (–28.1%) and lower food imports (–14.3%).

Total exports



Total imports

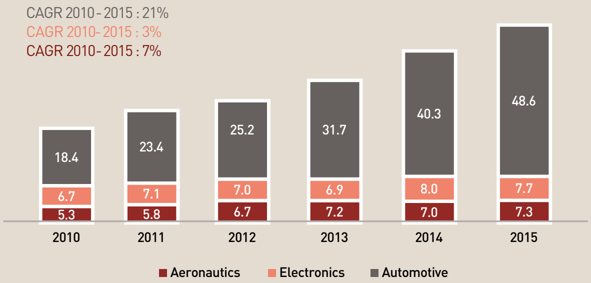


Source: Office des changes (Moroccan statistics bureau)

Morocco's global industries continue to perform well

The positive trend of exports remains linked to exports from the new « Global Trades of Morocco », mainly the automotive, aeronautics, and electronics industries. Since 2014, the automotive sector has become Morocco's leading exporter, accounting for 20.0% of total exports in 2014 and 22.7% in 2015. The sector is ahead of phosphates and derivatives (19.1% in 2014 and 20.7% in 2015) and clothing (16.7% in 2014 and 15.4% in 2015).

Export trend of Global Trades of Morocco (MAD billions)



Source: Office des changes (Moroccan statistics bureau)

The significant contribution of the **automotive sector** in total exports is expected to continue. In 2015, a **memorandum of understanding** was signed between **PSA Peugeot Citroën** and the Moroccan state for the construction of the **Kenitra Automotive** City industrial complex for a total cost of **€570 million**. The project will create production capacity of **200,000 vehicles** per year, in addition to **4,500 direct jobs** and **20,000 indirect** jobs. In addition, numerous **investment agreements** have been made with auto-parts **manufactures**.

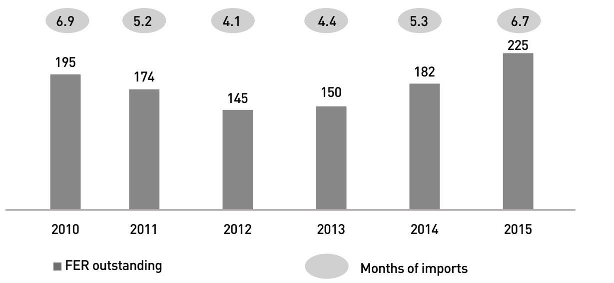
In **aeronautics**, two **performance contracts** were concluded with the Groupement des Industries Marocaines Aéronautiques et Spatiales (GMAS), the Moroccan Federation of Aeronautics and Space Industries), for the **implementation of the first four ecosystems**, which will create **23,000 jobs**.

The **electronics** sector saw an **investment agreement** concluded with the **OFS Furukawa Company** for **MAD 300 million**, an agreement that should create **150** new jobs.

Remittances from Moroccans living abroad rose by 3.0%, to MAD 61.8 billion. Net foreign direct investment rose by 2.7%, to MAD 30.7 billion, confirmation of international investment interest in Morocco.

In addition, net international reserves increased 23.5% in 2015, to MAD 224.7 billion, and now cover six months and twenty-two days of import needs for goods and services.

Foreign Exchange Reserves (FER) trend (MAD billions)



Source : Bank Al-Maghrib

Exchange-rate system

On April 13, 2015, Morocco adopted **a managed floating exchange-rate system**, which pegs the MAD to a weighting of **60% EUR and 40% USD**, compared with 80% and 20% previously. This new system is designed to enhance the current structure of Morocco's foreign trade.

Public finances

Public finances improved in 2015 as a result of economic growth and subsidy limits.

Ordinary revenue rose 2.8% in 2015, to MAD 207.5 billion. This change was due to:

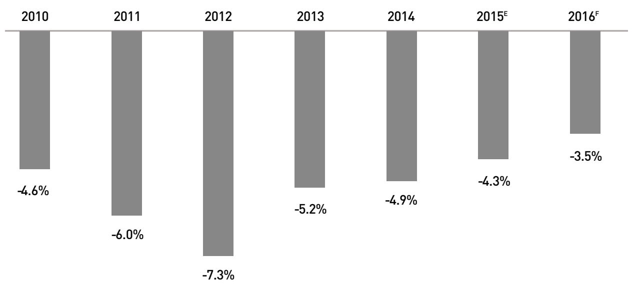
- a 4.0% rise in tax revenue, to MAD 183.2 billion;
- a 5.4% rise in nontax revenue, to MAD 21.3 billion.

Ordinary expenditure declined by 4.7%, to MAD 207.5 billion. This decline was due mainly to the 43.7% reduction (to MAD 21.0 billion) in gasoline and fuel-oil subsidies, as a result of subsidy cuts for oil products. These changes offset higher expenditure for goods and services (+2.2%) and for interest on borrowings (+10.5%).

Public investment, meanwhile, amounted to MAD 55.5 billion, up 7.6%.

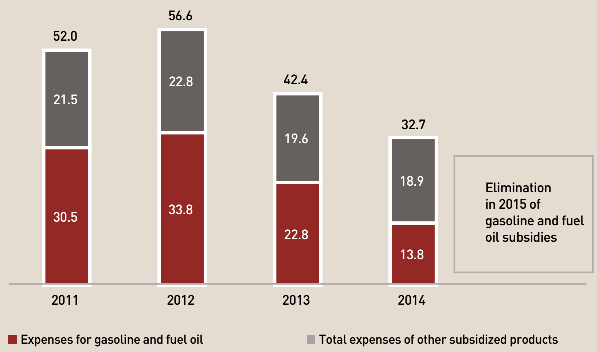
If the special Treasury accounts surplus of MAD 9.3 billion is taken into account, the budget deficit amounted to MAD 46.2 billion in 2015, nearly MAD 2 billion less than in 2014.

Budget deficit trend (% of GDP)



One of the highlights of 2015 was the liberalization of gasoline prices as of December 1, 2015, after the approval of fuel prices between January and November 2014.

Change in the share of liquid petroleum products (MAD billions)



Source: Ministry of the Economy and Finance

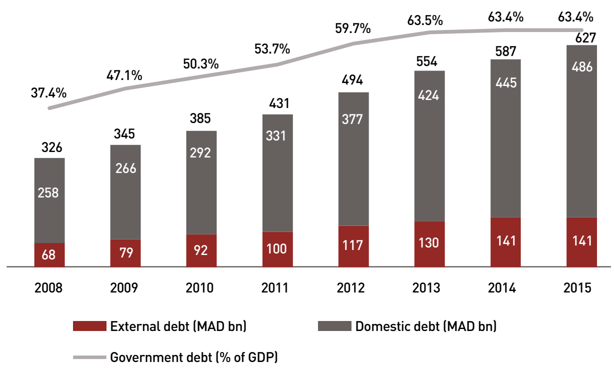
Government debt

At December 31, 2015, government debt stood at MAD 626.6 billion, up 6.9%. This change was due to:

- a 2.6% rise in domestic debt, to MAD 486.0 billion;
- a slight decline (–4.1%), to MAD 140.6 billion, in external debt.

Total debt at the end of 2015 is estimated to represent 63.4% of GDP, the same as in 2014.

Change in government debt



Banking and financial environment

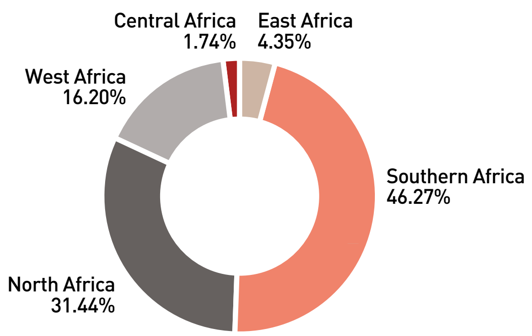
Africa: Developments and main trends

The African banking sector has developed considerably over the past decade, as large regional and pan-African groups have grown.

In 2014, the 200 largest African banks had total assets of $1,579 billion (+8.3%) and net banking income of $69.9 billion (+7.5%).

Southern Africa dominates sub-Saharan banking, with 46.3% of all assets of the 200 largest banks. North Africa is in second place, with 31.4%. These two regions account for more than three-quarters of African banking.

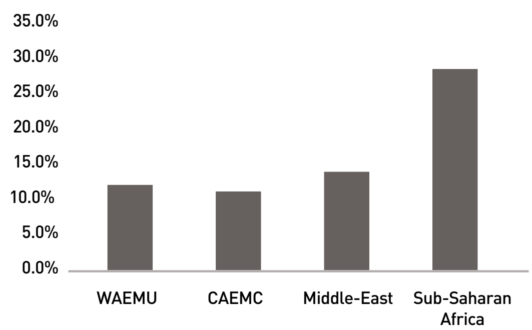
Breakdown of total assets of the 200 leading banks by region



Source: Jeune Afrique special edition nº. 41

In 2011, 24% of the population in sub-Saharan Africa had access to banking facilities. This percentage rose to 29% in 2014. In the WAEMU zone, 12.6% of the population had access to banking facilities in 2014, compared with 8.1% in 2011. In the CAEMC zone, 11.8% of the population had access to banking facilities in 2014, a 0.2 point rise from 2011.

Bancarization rate in 2014



Source: World Bank (FINDEX)

North Africa

The North African banking sector plays an important role on the continent, and accounts for more than 31% of all assets of the 200 largest African banks, according to the Jeune Afrique rankings for 2014. Egypt provided 14.2% of total assets, Morocco 9.3%, Algeria 5.6%, and Tunisia 2.1%.

According to Jeune Afrique ranking, 55 of the 200 largest African banks are located in North Africa.

	Tunisia	Mauritania
Banks	22	15
Branch network	1,620	155
Number of ATMs	2,070	185
Access to banking facilities	42%	Less than 14%
Total assets	TND 83.2 billion	MRO 454.3 billion
Deposits collected	TND 49.9 billion	MRO 397.0 billion
Loans granted	TND 56.1 billion	MRO 345.2 billion
NBI	TND 2.9 billion	NA
Net income	TND 565.9 million	NA

Source : Central bank of Tunisia & Central bank of Mauritania

WAEMU

At December 31, 2014, the WAEMU banking system comprised 132 lending institutions (118 banks and 14 financial institutions offering banking services), five more than in December 2013.

The number of ATMs stood at 4,877, an increase of 478.

	Banks	Financial institutions	Total	Network	ATMs
Benin	15		15	199	264
Burkina Faso	13	4	17	244	305
Ivory Coast	25	2	27	600	832
Guinea-Bissau	4		4	26	42
Mali	14	3	17	516	380
Niger	11	1	12	140	121
Senegal	22	2	24	381	409
Togo	14	2	16	200	218

Source : BCEAO

Business activity

Total assets of credit institutions stood at CFA francs 23,734 billion at December 31, 2014, an increase of 18.4% year on year.

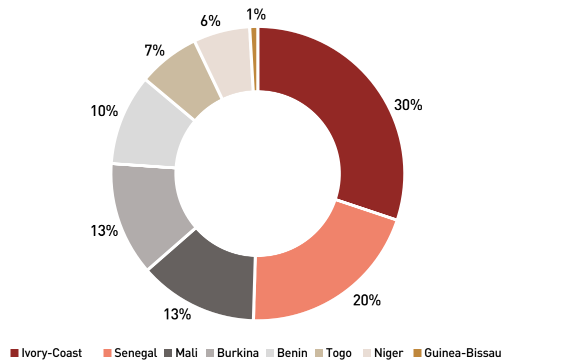
Loans increased by 15.5%, to CFA francs 12,905 billion, while deposits rose 16.4%, to CFA francs 15,885 billion.

Results

Net banking income of banks and financial institutions rose 12.4% in 2014, to CFA francs 1,350 billion, compared with CFA francs 1,201 billion in 2013.

Ivory Coast is the largest contributor (30%) to WAEMU net banking income, followed by Senegal (20%), Mali (13%), Burkina Faso (13%), and Benin (10%).

Distribution of Net Banking Income by country in 2014



Total net income of banks and financial institutions offering banking services rose 43.6% in 2014, to CFA francs 270 billion.

CAEMC

The Central African Economic and Monetary Community (CAEMC) banking system comprises 44 banks: 3 in Cameroon, 4 in the Central African Republic, 6 in Republic of the Congo, 9 in Gabon, 4 in Equatorial Guinea, and 8 in Chad.

According to Jeune Afrique's 2014 rankings of the 200 largest African banks in terms of assets, 13 are located in Central Africa.

These banks represent 1.5% of total African banking assets, or $23.9 billion of a total $1,579.3 billion in 2014 for the entire African continent.

Gabon and Cameroon provide 0.6% of total assets, while Congo and Equatorial Guinea provide 0.2%.

According to the COBAC, aggregate assets of all CAEMC banks stood at CFA francs 12,571 billion at the end of March 2015, an 8.6% rise year on year.

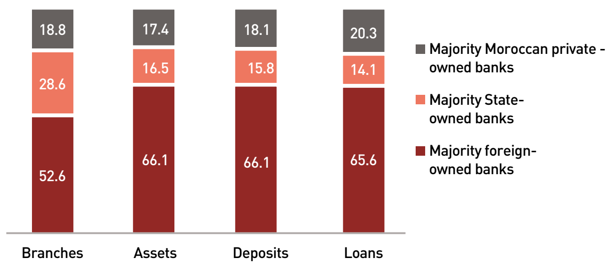
Customer deposits stood at CFA francs 9,944 billion (79.1% of total assets), a rise of 6.5% year on year.

In 2015, gross customer-loan outstandings rose 8.1%, to CFA francs 7,528 billion.

Morocco: Developments and main trends

Morocco's banking sector comprises 84 financial institutions, including 19 banks, 34 finance companies, 6 offshore banks, 13 microcredit associations, 10 money-transfer companies, the Caisse Centrale de Garantie, and the Caisse de Dépôt et de Gestion.

Banks ownership concentration (in %)



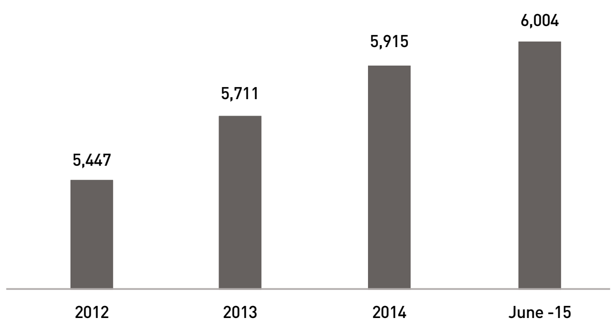
The main banking groups continue to expand beyond Morocco, mainly into sub-Saharan Africa. To support their activities abroad, these groups have 40 subsidiaries, 15 branches, more than 50 representative offices, and nearly 1,300 bank agencies in 22 African countries and numerous European countries.

The banking sector, with 14 credit institutions (including 6 banks) listed on the stock market, continued to be the largest sector of the Casablanca Stock Exchange in terms of market capitalization (36.9%) at the end of 2015.

Growth in banking facilities and branch networks

Moroccan banks continue to expand their branch networks. One hundred and ninety-three new branches were opened between June 2014 and June 2015, bringing the total number of branches to 6,004 (+3.3%). There were 6,529 ATMs (+295 units year on year) in Morocco at December 31, 2015.

Banking branches evolution



However, bank branches are largely concentrated in the country's main cities, and are rarer in rural areas.

At June 30, 2015, 65% of the population had access to banking facilities.

At December 31, 2015, the number of Moroccan bank cards in circulation totaled 11.8 million cards, an 8.1% increase from a year earlier.

E-commerce transactions rose 22.0% in 2015, to 2.4 million, compared with 1.9 million a year earlier.

Sector rules and regulations

Prudential requirements reinforced

Basel III entered into force in Morocco in 2014. The new framework requires banks to increase their capital reserves and liquid assets, in compliance with new requirements by the Central Bank.

Capital requirements

The reform has modified the definition of capital requirements. Bank capital must now comprise not only Tier 1 capital (i.e.. shareholders' equity and disclosed reserves), but also Tier 2 capital (i.e.. supplementary capital).

On both an individual and a consolidated basis, credit institutions must now dispose of core capital equal to at least 8% of risk-adjusted assets. Tier 1 capital of at least 9% of risk-adjusted assets, and Tier 1 and Tier 2 capital of at least 12% of risk-adjusted assets.

At December 31, 2014, the average capital adequacy ratio in the banking sector stood at 13.8% on a parent-company basis and 13.3% on a consolidated basis. Both figures exceed the minimum threshold of 12%.

Liquidity coverage ratio

The reform provides for a liquidity coverage ratio of no less than 100%. This ratio, which replaced the prevailing liquidity coverage ratio, was scheduled to become effective on July 1, 2015, when the minimum ratio required of banks was set at 60%. This figure shall be raised by 10 points each year until a ratio of 100% has been attained on July 1, 2019. The ratio requires that high-quality liquid assets be held and readily available to cover needs for short-term (up to 30 days) liquidity during a stress period.

At December 31, 2014, the LCR of the banking sector was approximately 130%, higher than the required minimum.

Results of banking-sector activity in 2015

Banking activity was affected by the continuing slowdown in loan demand and by increasingly complex regulatory requirements.

Customer deposits rose by 5.8% in 2015, to MAD 764,407 million.

A breakdown of bank deposits reveals the predominance of non-interest-bearing deposits, which accounted for 61.9% of total deposits at the end of 2015. The share of interest-bearing deposits stood at 38.1% of total deposits at the end of 2015.

Deposits from Moroccans living abroad rose by 5.1% in 2015, to MAD 163,132 million. These deposits accounted for 21.3% of total bank deposits.

Economic loans outstanding increased in 2015, rising 1.9% to MAD 760,839 million, compared with a rise of 2% between 2013 and 2014, and 7% between 2008 and 2013.

The slowdown in lending is attributable mainly to the 0.1% decline in loans granted to businesses (MAD 475,201 million), related to:

• the 2.5% decline in short-term loans (MAD 313,944 million, or 66.1% of total loans);

• the 7.7% decline in mortgage loans (MAD 60,815 million, or 12.8% of total loans).

The loan-to-deposit ratio stood at 99.5% at the end of 2015, down 3.8 points from 103.4% a year earlier.

Commitments by signature advanced 6.1%, to MAD 198,661 million, of which 59.8% was for commitment guarantees.

With regard to credit risk, nonperforming loans rose by 8.5% year on year, to MAD 56,110 million at December 31, 2014. Provisions and bank charges increased by 12.4%, to MAD 38,115 million, resulting in a nonperforming-loan ratio of 7.37% and a coverage ratio of 67.93%.

Money market

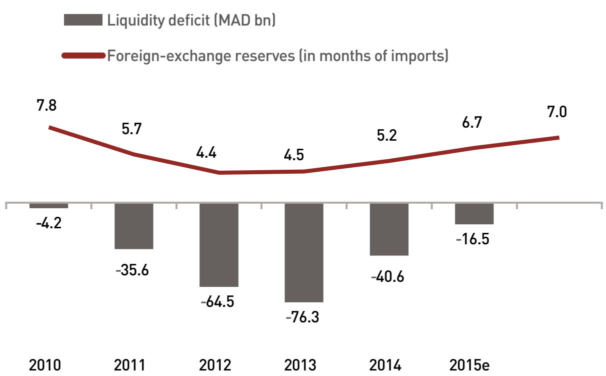
Liquidity shortfall continued to decline in the money market in 2015, falling to MAD 16.5 billion from MAD 40.6 billion a year earlier. This improvement was due to the rise in foreign-exchange reserves in 2015, which cover 6.7 months of import needs for goods and services, compared with 5.3 months in 2014.

Bank Al-Maghrib maintained its accommodative monetary policy and left interest rates unchanged throughout 2015, at 2.5%. Inflation in 2015 came to 1.6%.

In order to maintain market equilibrium and keep interbank rates close to prime rates, Bank Al-Maghrib implemented two categories of operations: The first category is for seven-day loans, which provided weekly averages of MAD 19.0 billion in 2015, compared with banking demand of MAD 61.1 billion in 2015. The second category is for repo operations, guaranteed loans, and other monetary instruments designed to boost lending.

The Treasury remained active on the money market, preferring repo operations to unsecured investments.

CHANGE IN LIQUIDITY DEFICIT IN 2015



Source: Attijari Intermédiation

Bond market

The Treasury was very active in the primary market 2015, despite a slight slowdown in investor demand for treasury bills. Investor demand declined 6.0% in 2015, to MAD 516.0 billion from around MAD 549.0 billion in 2014.

At the same time, the frequency of government issues on the domestic market grew significantly because of the Treasury's absence from international markets in 2015. The Treasury raised nearly MAD 125.0 billion in 2015, 58.0% more than the MAD 79.0 billion raised in 2014.

Yet despite the frequent use of the primary market, interest rates did not rise. To the contrary, the domestic yield curve declined-the trend even accelerated in Q4 2015-though the decline varied by maturity. This movement can be explained by two factors.

- first, demand increased significantly in Q4 2015, as a result of available liquidity on financial markets;
- second, as a result of public-subsidy reforms in 2015, with gasoline and fuel-oil no longer subsidized, budgetary pressure has diminished. In addition, butane gas prices have trended in line with crude oil prices, thereby providing additional fuel-subsidy savings. The fuel-sudsidy budget fell from MAD 32.7 billion in 2014 to MAD 22.9 billion in 2015. Consequently, the budget deficit narrowed in 2015, in line with the budget provision of 4.3% of GDP.

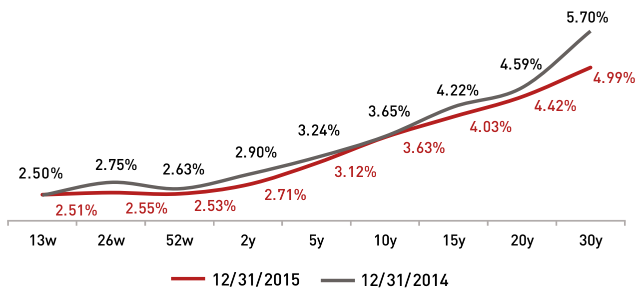
Furthermore, required rates of return declined significantly in 2015, in line with the Treasury's comfortable position. The sharpest decline (–71 bp) was for 30-year bonds, now yielding 4.99%. Other maturities declined between 10 bp and 20 bp, except 10-year bonds and 13-week bills, which were unchanged.

The Treasury's issuance policy in 2015 saw consolidation in the medium- and long-term segments of the yield curve, which accounted for 72.0% of total funds raised. Investors showed preference for medium- and long-term maturities for several reasons:

- attractive yields in a context of lower interest rates;
- the Treasury's desire to maintain average domestic maturities at approximately five years;
- expected declines on the long end of the yield curve.

Furthermore, the apportionment of public debt (approximately MAD 650.0 billion in 2015) between domestic and foreign lenders reflects the State's determination to relieve pressure on domestic liquidity and to diversify its sources of financing. This structure is in compliance with international standards that recommend a benchmark allocation of domestic and foreign debt of 75.0% and 25.0% respectively.

Primary market yield curve in 2015



Source: Attijari Intermédiation

Stock market

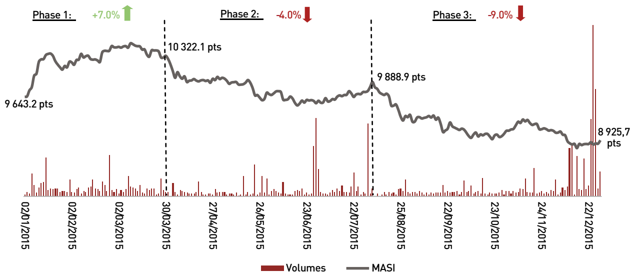
The stock market continued its downward trend in 2015. The MASI index reached its low for the year on December 15, 2015, at 8,796.65 points, before ending the year down 7.2% (8,925.7 points). The MADEX (most active stocks) followed the same trend, ending then year down 7.5%. Despite these market corrections, Morocco outperformed similar international «Emergents» and «Frontiers» markets (–17.0%).

The market correction in 2015 can be justified by both fundamental and psychological factors. First, the growth of profitable listed companies (excluding those with negative growth) was nearly flat in 2014^{R} and 2015^{E}. Second, investor doubt and uncertainty have taken hold in several major market sectors: real estate, oil-refinery operations, and tourism.

Investor psychology is reflected in trading volume. Average daily trading volume on the central market came to only MAD 117.3 million in 2015, similar to levels in 2014 but much less than normal historic levels of around MAD 300.0 million. Two-thirds of the central market's volume consisted of only eight stocks, which individually accounted for more than MAD 1 billion in trading volume. Attijariwafa bank was the most actively traded of these stocks, with volume of MAD 6.9 billion (24.1% of total volume), followed by IAM (11.5%), BCP (9.2%), BMCE Bank (7.0%), Addoha (6.8%),Cosumar (5.1%), BMCI (4.4%), and Taqa Morocco (3.9%).

The unattractive primary market continues to weigh on total market capitalization, now under the symbolic threshold of MAD 500.0 billion, at MAD 453.3 billion. In 2015, there were only two IPOs, both medium-sized enterprises: Total Maroc and Afma, whose market capitalizations are MAD 4.9 billion and MAD 0.8 billion respectively.

The performance in 2015 of the Moroccan equity market can be broken down into three main phases:



Source : Attijari Intermédiation

Q1-2015: Continuation of the technical rebound begun in 2014

After three consecutive years of negative returns followed by a technical rebound of 5.5% in 2014, the MASI index continued its rebound in the first quarter of 2015 with a rise of 7.0%. This performance was attributable mainly to the cement sector, which announced a new, more generous dividend policy. Consequently, the cement-sector index rose 18% in Q1 2015.

March–July 2015: the trend reverses

A string of bad news from listed companies reversed the market's positive trend. The news included: (1) nearly flat growth (excl. loss-making companies) in 2014, far below forecasts; (2) a record 13 profit warnings, most announced rather late; and (3) heavy losses from Samir (MAD –2.5 billion) and Alliances (MAD –1.0 billion). The MASI declined by 4.0% over this unfavorable period.

August–the end of 2015: downward trend confirmed

The half-year results of listed companies, published in September 2015, were not encouraging enough to revive investor interest. The confirmation of stagnant earnings (excl. loss-making companies) and the worsening of management problems at Samir and Alliances intensified the climate of mistrust in the market. The MASI confirmed the downward trend begun in Q3 2015 with a significant underperformance (–9.0%) for the period.

Analysis of business activity and results of Attijariwafa bank

Business activity in Morocco

Customer deposits

Attijariwafa bank's customer deposits rose by 5.4% in 2015, to MAD 200.1 billion.

This trend was due to a 6.6% rise in non-interest-bearing deposits, to MAD 130.1 billion, and to a 3.1% rise in interest-bearing deposits, to MAD 70.0 billion. The bank's share of the customer-deposit market came to 26.2%.

Attijariwafa bank's customer deposits are primarily non-interest bearing. Such deposits account for 65.0% of total deposits and include a 17.3% rise (to MAD 35.2 billion) in current accounts with short-term lines of credit and 3.2% growth (to MAD 86.1 billion) in checking accounts. The bank's non-interest-bearing deposits accounted for market share of 27.5%.

Interest-bearing deposits accounted for 35.0% of total customer deposits. Underlying this change was a 9.9% rise (to MAD 42.6 billion) in short-term deposits and 3.3% growth (to MAD 25.9 billion) in savings accounts. The bank's market share for interest-bearing deposits stood at 24.0% at the end of 2015.

Loan disbursals

In 2015, Attijariwafa bank's customer loans declined by 3.9%, to MAD 189.6 billion. This change is attributable mainly to a 5.2% decrease (to MAD 54.6 billion) in equipment loans, and to a 6.8% decrease (to MAD 39.2 billion) in short-term loans. By contrast, mortgage loans stayed firm, at MAD 54.6 billion, and consumer loans rose 1.1%, to MAD 10.0 billion. In 2015, Attijariwafa bank held a 24.9% market share of the lending market.

Nonperforming loans rose by 7.6% in 2015, to MAD 10.4 billion, in an economic environment of increasing risk that is entering its third year for the banking sector. Provisions for nonperforming loans rose by 10.7%, to MAD 7.4 billion, bringing the coverage ratio to 70.7%. The nonperforming-loan ratio came to 5.5%, and the cost of risk was 0.70%.

Commitments by signature

Commitments by signature grew by 13.4% in 2015, to MAD 61.9 billion. The bank now holds a 31.1% market share in commitments by signature.

Source : GPBM

Parent-company results at December 31, 2015

Net banking income

In 2015, net banking income declined by 5.3% (MAD -607.9 million), to MAD 10.8 billion. This change was due to the 29.9% (MAD 2.2 billion) fall in income from market activities, a decline attributable to nonrecurring revenues in 2014.

Net banking income breaks down as follows:

	2015	Share of NBI	2014	Share of NBI	Change	
					MAD millions	%
Net interest margin	6,758	62.3%	6,559	57.3%	199	3.0%
Income from lease financing and similar agreements	35	0.3%	100	0.9%	-65	-65.3%
Fee income	1,356	12.5%	1,270	11.1%	86	6.8%
Income from market activities	2,195	20.2%	3,132	27.4%	-937	-29.9%
(+) Other banking income	1,419	13.1%	1,272	11.1%	147	11.6%
(-) Other banking expenses	922	8.5%	884	7.7%	37	4.2%
Net banking income	**10,841**	**100.0%**	**11,449**	**100.0%**	**-608**	**-5.3%**

Net interest margin

Net interest margin rose by 3.0%, to MAD 6.8 billion, or 62.3% of net banking income. Net interest margin breaks down as follows:

- Interest and related income contracted by 4.5%, to MAD 10.8 billion, because of lower interest and related income from customer activities (–3.3%) and a decline in interest and related income from credit institutions (–3.1%). This change is attributable to the 3.9% decline, to MAD 189.6 billion, in loan outstandings.
- Interest and related expenses fell 15.0%, to MAD 4.0 billion, mainly as a result of a 40.1% decline (to MAD 799.6 million) in interest and related expenses from operations with credit institutions. These expenses fell because of lower interest rates.

Income from lease financing and similar agreements

Income from lease financing and similar agreements amounted to MAD 34.7 million in 2015, compared with MAD 100.0 million in 2014.

Fee income

Fee income in 2015 totaled MAD 1.4 billion, 6.8% more than in 2014.

Income from market activities

Income from market activities totaled MAD 2.2 billion (–29.9%) year on year, the result of a 58.1% decline (to MAD 1.4 billion) in trading activities. This change is due to nonrecurring income in 2014 following the sharp decline in yields in the same year.

Other banking income and expenses

In 2015, other banking income totaled MAD 1.4 billion, up 11.6% decline year on year. This change was due mainly to higher dividends received by Group subsidiaries.

Other banking expenses rose 4.2%, to MAD 921.6 million.

General operating expenses

General operating expenses in 2015 totaled MAD 4.1 billion, a rise of 5.0% year on year. This change was due largely to higher staff costs (+4.6%, to MAD 1.9 billion) and to an increase in operating expenses (+6.7%, to MAD 1.7 billion). The cost-to-income ratio came to 38.0%.

(In MAD millions)

	December 2015	December 2014	Change	
				%
General expenses	**3,555**	**3,368**	**188**	**5.6%**
Staff costs	1,854	1,773	81	4.6%
Operating expenses	1,701	1,594	107	6.7%
Real-estate lease payments	141	137	4.9	3.6%
Depreciation and amortization expenses*	**424**	**423**	**1**	**0.2%**
General operating expenses	**4,122**	**3,927**	**195**	**5.0%**

* Tangible and intangible assets

Gross operating income

Gross operating income fell from MAD 7.4 billion in 2014 to MAD 6.7 billion in 2015 (–9.7%). This change is the result of lower net banking income (–5.3%) and higher general operating expenses (+5.0%).

Income from ordinary activities

Income from ordinary activities totaled MAD 5.2 billion in 2015, a decline of 4.2% from a year earlier.

Net provisions declined by 22.1%, to MAD 1.7 billion, because of:

- gross provisions in 2015 of MAD 2.8 billion, compared with MAD 3.0 billion in 2014;
- gross-provision write-backs of MAD 1.1 billion in 2015, compared with MAD 813.4 million in 2014.

The coverage ratio for nonperforming loans came to 71.1% in 2015.

Net income

Net income rose 3.5% in 2015, to MAD 3.7 billion.

Shareholders' equity

Shareholders' equity excluding net income rose by 6.0% in 2015, to MAD 27.0 billion, compared with MAD 25.4 billion in 2014.

Total assets

At December 31, 2015, total assets stood at MAD 288.1 billion, virtually unchanged from a year earlier.

Difficulties encountered: None

Payment deadlines: In compliance with law 32-10 and its implementing provisions, the bank has no accounts payable or accounts receivable of more than two months.

Allocation of net income

Net income for the year	**3,666,607,863.90***
Legal reserve	
Investment reserve	
Retained earnings from prior years	6,351,438.40
Distributable income	3,672,959,302.30
Allocation	-
Statutory dividend (6%)	122,116,335.60
Amount required to bring the dividend per share to MAD 11	2,116,683,150.40
Total payout	**2,238,799,486.00**
Extraordinary reserves	**1,434,000,000.00**
Retained earnings	**159,816.30**

* Net income of Attijariwafa bank Morocco (excluding foreign branches). The aggregate net income amounted to KMAD 3,665,418.

Business activity and results for main subsidiaries

Specialized Financial Companies

Wafasalaf

In an increasingly competitive market, Wafasalaf achieved satisfactory commercial and financial performances in 2015.

Total production in 2015 for the consumer-credit subsidiary rose 7.3%, to MAD 11.7 billion. This change is attributable to growth of 13.2% (to MAD 4.5 billion) in in-house production combined with a 3.9% rise (to MAD 7.1 billion) in managed production.

Total outstandings rose by 3.9%, to MAD 25.8 billion. This result was in line with the 1.5% rise (to MAD 11.5 billion) in in-house outstandings, and the 5.8% increase (to MAD 14.3 billion) in managed outstandings.

In MAD millions	2014	2015	Change
Total production	10,856.0	11,651.0	7.3%
Total oustandings	24,873.0	25,831.0	3.9%

In a highly competitive market, Wafasalaf improved its performance across most segments and further consolidated its leadership position. Wafasalaf's market share in gross outstandings stood at 30.3% at December 31, 2015.

The Wafasalaf network comprised 44 branches at the end of 2015, unchanged from 2014.

Wafasalaf activity was also boosted by:

- a partnership with Casa Transport for the renaming of the Hôpitaux tram station to Wafasalaf;
- the sponsorship of the first edition of the Salon Auto Occasion, thus preparing the future of this high-potential market;
- expansion of the brand via social networks, for better customer relations today and in the future.

Net banking income declined by 2.2%, to MAD 968.7 million. However, net income improved 0.5%, to MAD 350.3 million, as a result of lower cost of risk (-21.6%).

Wafabail

Despite an unfavorable economic context, Wafabail achieved satisfactory performances in 2015.

The leasing subsidiary posted a rise in production of 2.1%, to MAD 3.9 billion. Financial outstandings increased 2.5%, to MAD 12.3 billion, and the number of leases grew to 4,862 (+18.1%).

In MAD millions	2014	2015	Change
Total production	3,863	3,943	2.1%
Total oustandings	12,013	12,319	2.5%

The subsidiary reinforced its market share, which stood at 27.7% at December 31, 2015, up 20 bp from a year earlier.

In order to be closer to its customers, Wafabail has launched a website (www.wafabail.ma) and a Wafabail mobile app. A marketing campaign has also been launched with the slogan, "We are at your service 24/7."

With regard to profitability, net banking income rose slightly (+8.2%) year on year, to MAD 320.6 million, while net income grew 33.1%, to MAD 107.8 million.

Wafa Immobilier

Thanks to synergies with Attijariwafa bank group, Wafa Immobilier performed well in 2015. Production and outstandings were solid, despite a challenging economic environment.

Home-buyer outstandings rose by 4.6%, from MAD 43.4 billion in 2014 to MAD 45.4 billion in 2015. Real-estate-development outstandings increased by 1.1%, to MAD 7,130 billion at December 31, 2015, compared with MAD 7,049 billion a year earlier.

Wafa Immobilier processed 157,958 mortgage-loan applications in 2015, compared with 149,051 applications in 2014, an increase of 8,907 (+6.0%).

	2014	2015	Change
Mortgage outstandings (number of applications)	149,051	157,958	6.0%

Because of its strategic choices and mobile sales force, in collaboration with the Attijariwafa bank network, Wafa Immobilier ended the year with market share of 23.70%.

Wafa Immobilier's net banking income totaled MAD 289 million in 2015, an annual rise of 6%. Net income totaled MAD 92 million, up 5% from MAD 87.6 million in 2014.

Wafa Immobilier has reaffirmed its commitment to quality. The subsidiary's secondary activity, after-sales service, has now been certified (the company had already been awarded certification for its primary activity, mortgage lending).

In recognition of its commitment to quality, leadership, technology, and innovation, Wafa Immobilier was awarded the International Quality Crown prize (Diamond category), during the International Quality Crown Convention held in London, where participants from 60 countries worldwide were united by their quest for quality and excellence.

Wafacash

Wafacash outperformed the market in 2015. The number of transactions rose 14%, to 22.7 million transactions, while total volume increased 14.0%, to MAD 56.4 billion.

	2014	2015	Change
Number of transactions (millions)	19.9	22.7	14%
Total volume (MAD billions)	49.6	56.4	14%

Commercial sales rose 21.0% in 2015, and the number of Hissab Bikhir customers grew by 20%.

Key events in 2015 included:

- network expansion, with 78 new branches opened;
- the launch of Allo Cash, in partnership with Azzimo;
- second place in the Branding category of the Morocco Awards 2015;
- the anniversary celebration of "Twenty Years of Partnership" between Wafacash and Western Union;
- the implementation of LAB-FT (anti-money-laundering and terrorism-financing filtering system) for domestic transfer business;
- the acquisition by subsidiary Wafacash West Africa of a license to operate as a payment establishment offering banking services.

With regard to financial aggregates, Wafacash generated net banking income of MAD 342 million, 7% more than in 2014. Underpinned by an established cost-cutting policy, general expenses remained moderate. Combined with business growth, lower expenses provided net income of MAD 123 million (+11%) in 2015.

Attijari Factoring Maroc

In 2015, Attijari Factoring remained the factoring leader—despite intense competition from banks—thanks to its diversified offer of specialized products with high value-added.

Despite the pronounced deterioration in credit risk, record levels of corporate default, and a sharp decline in market production, Attijari Factoring achieved production growth of 1% (+15% for recurrent operations).

This performance was due mainly to recurrent operations in domestic business, solid recovery in export business, and a very favorable trend in the confirming (reverse-factoring) business.

Wafa LLD

The Moroccan automotive market continued to improve in 2015. New-vehicle sales hit a record high of 131,935 at December 31, 2015, compared with 122,081 a year earlier.

	2014	2015	Change
Total managed fleet	4,437	4,255	-4.1%

Wafa LLD ended the year with a fleet of 4,255 vehicles, after the addition of 791 new vehicles and the disposal of 973 vehicles. In addition, the subsidiary for long-term leasing enjoys a clientele comprising the largest companies and government agencies in Morocco. Wafa LLD's market share stood at more than 18% at the end of 2015, while revenues totaled MAD 191.4 million (+2.1%).

Dar Assafaa

Islamic finance has significant potential. Attijariwafa bank understands this potential and via Dar Assafaa has been positioned in this market since 2010.

Results for 2015 show that the business is progressing satisfactorily.

Total financing rose 30%, to MAD 1.3 billion. Deposits collected declined 4%, to MAD 183 million. Financing lines granted by Attijariwafa bank to Dar Assafaa as moudaraba totaled MAD 670 million, compared with MAD 550 million in 2014.

At December 31, 2015, Dar Assafaa had 4,964 customers, 1,265 more than a year earlier.

Dar Assafaa expanded its network in 2015 with the opening of a branch in Kenitra, bringing the total to 11 branches.

In terms of earnings, net banking income improved by 20.5%, to MAD 29.8 million. Net income, however, fell by 31%, to MAD 2 million. Higher expenses for the implementation of the Islamic finance strategy and changes in the net cost of risk (+103%) totaled MAD 2,261 thousand at the end of 2015.

Investment-banking subsidiaries

Corporate Finance: Attijari Finances Corp.

In 2015, Attijari Finances Corp. maintained its leadership position in M&A advisory and infrastructure operations, thanks to its role in the following successful strategic operations:

M&A

- advisor to the Centre Monétique Interbancaire (CMI) for the sale of its switch business to HPS;
- advisor to Sanofi Group for its acquisition via Sanofi-Aventis Maroc of minority stakes in its subsidiary Maphar;
- advisor to SOREC for the private sale of the Mohammed VI Exhibition Centre;
- advisor to Lafarge Maroc for the joint venture between Lafarge Plâtre Maroc and Moongypse (subsidiary of Saint Gobain Group and Planchister).

Infrastructures

- advisor to MASEN for the selection of a developer for the Noor PV I solar-energy project;
- advisor to the government of Ivory Coast for financing the refurbishment of Cocody Bay;
- advisor to Ivory Coast's Ministry of Economic Infrastructures for the implementation of the Ivory Coast highway project.

With regard to market operations, in 2015 the bank remained active in equity and debt capital markets, largely through its successful completion of the following:

- advisor to Total Maroc for its IPO with disposal of a 15% stake, for MAD 719 million;
- advisory to Attijariwafa bank for the issuance of a subordinated bond in the amount of MAD 1.0 billion.

Attijari Invest

Attijari Invest is the private equity subsidiary of Attijariwafa bank. Its purpose is to offer investment opportunities that combine high profitability and optimal risk management.

Attijari Invest is organized around three business lines: Real Estate, Private Equity, and Infrastructure. Attijai Invest's main activities are:

- structuring (origination and syndication) and fund raising from domestic and international institutional investors and wealthy individuals;
- management of investment vehicles.

With assets under management of more than MAD 4.5 billion, and with more than ten funds under direct or indirect management, Attijari Invest is one of Morocco's leading private-equity firms.

Funds managed by Attijari Invest provide companies with financing solutions as well as assistance with organizational plans and transparent, efficient management. The diversity of sizes and investment strategies fulfills the financing needs of a large number of companies in search of new sources of growth.

In 2015, Attijari Invest continued to inspire growth and development through the investment vehicles under its management. Highlights of the year were:

- portfolio growth with the addition of two new industrial stakes;
- significant deal flow in the property-leasing market and with high-potential SMEs, with a good transformation rate expected in 2016;
- monitoring of more than 20 portfolio positions.
- new funds for private equity, especially in the area of energy efficiency. In November 2015, Attijari Invest received the Iberdrola Award for International Energy Cooperation (enterprise category). The award, a collaborative effort between the Spanish government and Iberdrola, is for international cooperative initiatives in the energy sector

Asset management: Wafa Gestion

With MAD 89.6 billion (+4.8% year on year) in assets under management at the end of 2015, Wafa Gestion consolidated its rank as Morocco's leading asset-management firm, with market share of 27.1%.

Highlights of 2015 included:

- affirmation by Fitch Ratings of Wafa Gestion's domestic asset manager rating at "Highest Standards (mar)." This rating acknowledges Wafa Gestion's long years of experience, its leadership position on the Moroccan market in terms of assets under management, its product offerings, the high qualifications and stability of its staff, the continual improvement of its operational environment, and its rigorous management processes. "Highest Standards" is the highest possible rating on the Fitch Ratings scale.
- affirmation by Fitch Ratings of its «AAAmmf (mar)» rating for the money-market funds Attijari Monétaire Jour and CDM Securité Plus, both managed by Wafa Gestion. This rating, the highest assigned by Fitch Ratings, indicates the mutual fund's exceptional capacity to preserve principal and provide liquidity by minimizing credit, market, and liquidity risks on the Moroccan market.
- Wafa Gestion's being designated «Asset Manager of the Year 2015: Morocco» by Global Investor ISF;
- Wafa Gestion's receipt of the «Best Asset Manager» prize awarded by EMEA Finance.

Attijari Titrisation

Attijari Titrisation is Attijariwafa bank's subsidiary dedicated to structured securitization solutions and to management of FPCTs (collective investment schemes for securitized assets).

Since the new securitization law entered into force in September 2013, Attijariwafa bank has extended its product offering to include securitized assets. The new regulatory framework expanded the possibilities for companies to raise funds through securitization by any type of company—not only banks and public agencies—of any category of asset.

Since being licensed to operate in January 2015, Attijari Titrisation has offered innovative corporate-financing solutions while endeavoring to provide premium investment products that combine quality, liquidity, and simplicity.

Securities brokerage: Attijari Intermédiation

Market volume in 2015 totaled MAD 104.0 billion.

The securities-brokerage subsidiary finished the year with market share of 26.8%.

Highlights of 2015 for Attijari Intermédiation included:

- placement with Moroccan and foreign institutional investors of the SNI's remaining stake in Cosumar, corresponding to 9% of the capital (MAD 680 million);
- awarded for the second consecutive year the prize for Highest Traded Value on the Casablanca Stock Exchange by the Arab Federation of Exchanges;
- lead bank for the Total Maroc public offering.

Research and analysis:

The research team aided investors of all categories to navigate a bearish, increasingly illiquid market. Topics of publications in 2015 included asset management, new investment ideas, and macroeconomic analysis.

Securities brokerage: Wafa Bourse

Aware of the smartphone's importance to today's consumers and of their increasing use of smartphones for market operations, Wafa Bourse introduced the first-ever online trading app in Morocco, exclusively for Wafa Bourse clients. This application provides all functions available on the website. Wafa Bourse account holders can trade shares and mutual funds, transfer funds to and from checking accounts, view their portfolios' current value, and get stock prices in real time, all via a reliable and secure connection.

Wafa Bourse now has 20% of the online trading market.

Insurance

Wafa Assurance

Insurance sector

The insurance sector underwent several regulatory changes in 2015.

The new law governing workers' compensation, published in January 2015, adapted the previous law to other laws and regulations in force (Labor Code, Insurance Code, Code of Civil Procedure) and is designed to protect the victims of work-related accidents and/or their dependants.

A circular defining the relations between insurance intermediaries and insurance companies was published on July 16, 2015, and will become effective on April 1, 2016. The circular establishes the basic terms and conditions for collecting premiums and paying claims.

A memorandum of understanding was signed in July 2015 between the DAPS and the Caisse Nationale de Retraite et d'Assurances (CNRA, or national pension fund) to establish the procedures for transferring workers' compensation payments to the CNRA. This agreement was made after the publication in August 2014 of a bill requiring (and effective immediately) that payments for workers' compensation be transferred to the CNRA.

Insurance companies that are members of the FMSAR signed a Charter of Insurance Mediation in December 2015. The charter provides individual policyholders with the examination by a mediator of any disputes arising from an insurance policy written by a signatory of the charter. The mediator may be invoked only for claims of MAD 5,000 or more.

Tax issues

The year 2015 was notable mainly for the introduction of new provisions for pension insurance, by which:

- income tax deductions are limited to 50% of net salary, while the limit for total revenues has been raised from 6% to 10% for contracts subscribed in or after 2015;
- advances on insurance contracts for pension schemes will be taxed as redemptions if made before contract maturity and/or the age of 50.

Wafa Assurance business activity

In 2015, the Wafa Assurance network of direct agents grew from 223 sales offices to 271.

Total headcount now stands at 547 (+25 year on year). In addition, 70% of staff participated in at least one training course in 2015.

International development

To foster the growth of Wafa Assurance subsidiaries abroad, a new Support and Guidance Department was created in July 2015 exclusively for international subsidiaries.

Moreover, on July 3, 2015, Wafa Assurance was granted a life-insurance license for its subsidiary in Cameroon. The objective is to promote banking and insurance activities through the distribution network of SCB Cameroon, a banking subsidiary of Attijariwafa bank group.

This license brings to four the number of Wafa Assurance subsidiaries in Africa.

In Senegal, the P&C subsidiary completed its first full year of activity, and the life subsidiary launched sales in September 2015 through the network of CBAO, Attijariwafa bank's local banking subsidiary.

Results

Premiums

Premiums in 2015 rose by 5.4%, to MAD 6,407 million, boosted by life business of MAD 3,422 million (+13.3%).

Growth in life business was due largely (nearly 78%) to savings products, up 18.1% year on year to MAD 2,669 million.

Life insurance (death benefits) was stable, with premiums of MAD 754 million.

By contrast, P&C premiums declined by 2.4% in 2015, to MAD 2,985, because of robust competition on the enterprise market.

Car insurance grew 6.8%, to MAD 1,462 million.

Results

P&C earnings rose 3.3%, to MAD 660 million. Improved underwriting results were offset by a decline in financial results.

Life earnings declined MAD 85 million, to MAD 324 million, as a result of a deteriorated financial margin, on the one hand, and higher commission and reinsurance expenses, on the other.

Non-technical results for 2015 showed a loss of MAD 21 million, including interest expense of MAD 40 million.

As a result of coporate tax expenses of MAD 163 million, the company had net income in 2015 of MAD 800 million (−4.7%), compared with MAD 839 million in 2014.

Subsidiaries' activity

Wafa IMA Assistance

Premiums written by Wafa IMA Assistance in 2015 totaled MAD 183 million, a 30% increase (MAD 42.5 million) year on year.

MAD 158 million of the premiums written were directly subscribed in Morocco, and were attributable to growth of 26% in the Moroccans-living-abroad market and of 42% in the retail market.

Inward reinsurance, which involves the distribution of assistance policies for Moroccans living in Europe, is available in three European countries. In 2015, this business grew 22%, to MAD 25.1 million.

Net income came to MAD 15.1 million in 2015, a rise of MAD 2.6 million.

Attijari Assurance

In Tunisia, Attijari Assurance closed its second full year with premium-income growth of 17%, to TND 47.6 million.

Premiums for income protection rose sharply, to TND 5.1 million, mainly from products related to bank loans.

Premiums for savings products advanced TND 37.3 million, to TND 39.3 million.

The share of income-protection products doubled, to 17%.

For the first time net income was profitable, at TND 1.4 million.

Wafa Assurance Senegal

In Senegal, the P&C subsidiary Wafa assurance SA completed its first full year with total premium income of CFA francs 1,131 million, 41% of which was for motor insurance.

In less than four months of existence, Wafa Assurance Vie Sénégal has achieved premium income of CFA francs 382 million. Nearly all business (97%) was for savings products.

Subsidiaries in Africa

Attijariwafa bank has become a truly pan-African bank, with a strong presence in North Africa and in two African economic unions: the West African Economic and Monetary Union (WAEMU) and the Central African Economic and Monetary Community (CAEMC).

In pursuance of its international strategy, Attijariwafa bank group continued to expand its African footprint, thereby consolidating its status as a leading regional player and bolstering south-south cooperation.

The international retail-banking subsidiaries had positive results in 2015.

North Africa

Attijariwafa bank group is active throughout North Africa, via its subsidiaries Attijari bank Tunisie (ABT) and Attijari bank Mauritanie (ABM).

(In MAD millions)

FINANCIAL STATEMENTS 2015	Attijari bank Tunisia	Attijari bank Mauritania
Deposits	24,018	1,453
Total loans	20,579	1,093
Total assets	29,812	1,960
NBI	1,375	135
Net income	461	47
Network	201	18

CONTRIBUTION*	Attijari bank Tunisia	Attijari bank Mauritania
Deposits	8.7%	0.5%
Total loans	8.1%	0.4%
Total assets	7.2%	0.5%
NBI	7.3%	0.7%
Net income	8.9%	1.0%

* Contribution: contribution to Group (IFRS).

WAEMU Zone

Attijariwafa bank group operates in Senegal through Compagnie Bancaire de l'Afrique de l'Ouest and Crédit du Sénégal. Attijariwafa bank group is present in Ivory Coast, Mali, and Togo through Société Ivoirienne de Banque, Banque Internationale pour le Mali, and Banque Internationale pour l'Afrique au Togo.

(In MAD millions)

FINANCIAL STATEMENTS 2015	CBAO-Senegal	CDS-Senegal	SIB-Ivory Coast	BIM-Mali	BIA-Togo
Deposits	10,384	2,045	8,975	4,822	1,096
Total loans	9,506	1,605	8,759	2,744	1,242
Total assets	13,347	2,829	12,283	6,041	1,548
NBI	955	158	721	291	71
Net income	185	43	244	6	3
Network	160	8	52	83	10

CONTRIBUTION*	CBAO-Senegal	CDS-Senegal	SIB-Ivory Coast	BIM-Mali	BIA-Togo
Deposits	3.8%	0.7%	3.3%	1.8%	0.4%
Total loans	3.4%	0.6%	3.3%	0.9%	0.3%
Total assets	3.4%	0.7%	3.1%	1.5%	0.3%
NBI	4.7%	0.8%	3.7%	1.4%	0.4%
Net income	2.7%	0.5%	4.4%	-0.3%	0.2%

* Contribution: contribution to Group (IFRS).

CAEMC zone

The CAEMC zone is covered by the following subsidiaries: Union Gabonaise de Banque, Crédit du Congo, and Société Camerounaise de Banque.

(In MAD millions)

FINANCIAL STATEMENTS 2015	UGB-Gabon	CDC-Congo	SCB-Cameroon
Deposits	5,017	4,007	5,686
Total loans	4,919	2,381	4,781
Total assets	7,442	5,070	7,825
NBI	602	388	664
Net income	138	116	189
Network	22	35	54

CONTRIBUTION*	UGB-Gabon	CDC-Congo	SCB-Cameroon
Deposits	1.9%	1.5%	2.1%
Total loans	1.9%	0.9%	1.8%
Total assets	1.9%	1.1%	1.9%
NBI	3.1%	2.0%	3.4%
Net income	2.3%	2.2%	3.5%

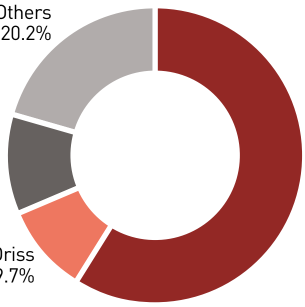
* Contribution: contribution to Group (IFRS).

Focus on Attijaribank Tunisie

Highlights of 2015

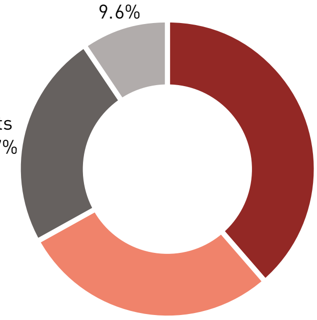
- For the second year in a row, The Banker magazine named Attijari bank Tunisie “Bank of the Year” for its outstanding performance and customer-focused strategy.
- A partnership was concluded between the American institutions Middle East Investment Initiative (MEII) and Overseas Private Investment Corporation (OPIC), which support the development of SMEs.
- A subordinated bond was issued for TND 60 million.

ABT’s shareholding structure at December 2015



Key performance indicators of the Tunisian banking sector

Structure of deposits in 2014



	2015	2014	2013
Number of banks	22	22	21
Network	ND	1,620	1,518
Number of inhabitants per bank branch (in thousands)	ND	6.9	7.2
Key interest rate	4.25%	4.75%	4.50%

Source: Central Bank of Tunisia

Key financial-performance indicators for Attijari bank Tunisie

Attijari bank Tunisie deposits amounted to MAD 24.0 billion in 2015 (+8.1%), compared with MAD 22.2 billion the previous year.

Total loan outstandings grew by 6.2% in 2015, to MAD 20.6 billion.

The Tunisian subsidiary achieved net banking income of MAD 1.4 billion in 2015, 4.6% more than in 2014. Net income came to MAD 461.4 million (+24.8%).

(In MAD billions)	2015	2014	2013
Total Deposits	24.0	22.2	20.0
Total loans	20.6	19.4	18.3
Total assets	29.8	26.2	24.4
NBI	1.4	1.3	1.3
Net income	0.46	0.37	0.41
RoE	26.4%	22.1%	27.1%
Deposit market share	10.5%	10.0%	9.5%
Loan market share	8.1%	8.1%	8.0%
Network	201	200	190

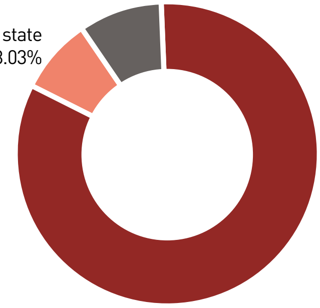
Exchange rate: 1TND= 4.93114 MAD

Focus on CBAO

Highlights of 2015

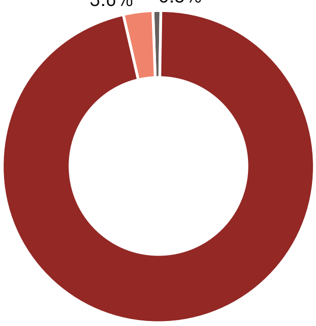
- Launch of training programs for the Excellence 2017 plan, which aims increase the number and profitability of network relations through the creation of new products.
- Reorganization of the Group branch network to improve customer management and sales efficiency.
- Launch of the Bureau d'Information sur le Crédit (BIC) project, in compliance with BCEAO requirements, to improve the business climate in the WAEMU's member states.

CBAO's shareholding structure at December 2015



Key performance indicators of the Senegalese banking sector

Structure of deposits in 2014



	2015	2014	2013
Number of banks	23	22	21
Network	ND	381	367
Minimum bid rate for invitations to provide liquidity	2.50%	2.50%	2.50%
Discount rate for marginal lending facility	3.50%	3.50%	3.50%
Ratio for legal reserves	5.0%	5.0%	5.0%

Source : BCEAO

Key financial-performance indicators for CBAO

CBAO deposits totaled MAD 10.4 billion (+14.2%) at the end of 2015. Total loan outstandings grew 14.0%, from MAD 8.3 billion in 2014 to MAD 9.5 billion in 2015.

The Senegalese subsidiary ended the year with net banking income of MAD 955.3 million, 4.9% more than in 2014. Net income totaled MAD 184.7 million in 2015, compared with MAD 12.7 million in 2014.

(In MAD billions)	2015	2014	2013
Total Deposits	10.4	9.1	8.6
Total loans	9.5	8.3	7.7
Total assets	13.3	12.1	11.6
NBI	0.96	0.91	0.92
Net income	0.18	0.01	0.17
RoE	14.7%	1.1%	15.1%
Deposit market share	17.3%	18.0%	19.4%
Loan market share	16.9%	16.5%	17.7%
Network	160	160	160

Exchange rate: 1FCFA= 0.016439 MAD

Consolidated results

Attijariwafa bank Group has reported consolidated results in compliance with IFRS since June 30, 2007.

In additional to its specialized subsidiaries based in Morocco, the bank began its regional development in 2005 with the acquisition, in syndication with Grupo Santander, of 53.54% of Banque du Sud in Tunisia (renamed Attijaribank Tunisie).

In July 2006, Attijariwafa bank undertook development in Senegal and opened four branches in Dakar, the first stage of the Group's broad-reaching project to establish operations in sub-Saharan Africa. In January 2007, Attijariwafa bank acquired 66.67% of Banque Sénégalo-Tunisienne and merged the two Senegalese entities, creating Attijari bank Sénégal.

In November 2007, Attijariwafa bank acquired 79.15% of CBAO (Compagnie Bancaire d'Afrique de l'Ouest). In December 2008, the merger of CBAO and Attijari bank Sénégal created CBAO Groupe Attijariwafa bank.

In 2009 with its principal shareholder, SNI, Attijariwafa bank acquired 51.0% of Banque Internationale pour le Mali (BIM) during its privatization. Also in 2009, the bank opened a representative office in Tripoli.

In December 2009, the Group completed the acquisitions of a 95% stake in Crédit du Sénégal, a 58.7% stake in Union Gabonaise de Banque, a 91% stake in Crédit du Congo, and a 51% stake in Société Ivoirienne de Banque.

In 2010, the Group consolidated its position as the leading regional player by opening a CBAO branch in Burkina Faso.

In 2011, the bank finalized its acquisition of 51% of SCB Cameroun and took an 80% controlling interest in BNP Paribas Mauritanie.

In the fourth quarter of 2013, Attijariwafa bank consolidated Banque Internationale pour l'Afrique (Togo) after acquiring a 55.0% stake. A CBAO branch was opened in Niger in the same year.

In September 2015, Attijariwafa bank completed the acquisition of a 39% stake in Société Ivoirienne de la Banque (SIB) held by the Ivory Coast government. With this acquisition, Attijariwafa bank raised its stake in SIB to 90%, of which 12% was earmarked for an IPO, 3% for the subsidiary's staff, and 75% for Attijariwafa bank.

Attijariwafa bank also increased its stake in CBAO (Senegal), from 51.9% to 83.0%.

Key consolidated subsidiaries

Morocco, Europe, and offshore banking zone	International retail banking	Specialized Financial Companies	Insurance
- Attijariwafa bank - Attijariwafa bank Europe - Attijari International Bank - Attijari Finances Corp. - Wafa Gestion - Attijari Intermédiation	- Compagnie Bancaire de l'Afrique de l'Ouest - Attijari bank Tunisie - La Banque Internationale pour le Mali - Crédit du sénégal - Union Gabonaise de Banque - Crédit du Congo - Société Ivoirienne de Banque - Société Commerciale de Banque Cameroun - Attijaribank Mauritanie - Banque Internationale pour l'Afrique au Togo	- Wafasalaf - Wafabail - Wafa Immobilier - Attijari Immobilier - Attijari Factoring Maroc - Wafacash - Wafa LLD	- Wafa Assurance

Analysis of consolidated business activity

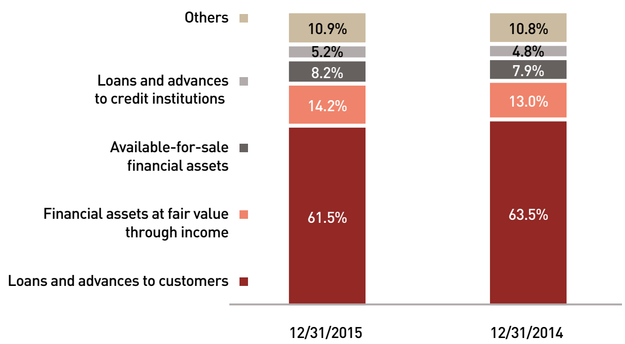
Total assets

At December 31, 2015, Attijariwafa bank Group's assets totaled MAD 411.1 billion, up 2.3% year on year.

Broken down by geographic area, 77.0 % of total assets were in Morocco, with the rest in Tunisia, sub-Saharan Africa, and Europe.

Total assets comprised loans and advances to customers (61.5%), financial assets at fair value through income (14.2%), and available-for-sale financial assets (8.2%). These three items accounted for 84.0% of total assets.

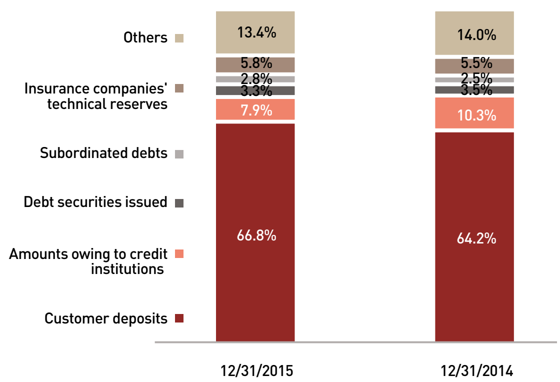
Structure of assets



The MAD 9.2 billion (+2.3%) rise in assets was attributable mainly to:

- a 11.3% rise, to MAD 58.3 billion, in financial assets at fair value through income;
- the 42.3% increase, to MAD 12.6 billion, of cash and balances with central banks, the Treasury, and post office accounts;
- a 6.8% increase, to MAD 33.9 billion, in available-for-sale financial assets.

Structure of liabilities



The rise in liabilities was due mainly to:

- a 6.5% increase, to MAD 274.5 billion, in customer deposits;
- a 7.5% rise, to MAD 23.9 billion, in insurance companies' technical reserves.

Deposits

At December 31, 2015, customer deposits of MAD 274.5 billion accounted for 66.8% of total liabilities, compared with MAD 257.9 billion a year earlier. This trend was attributable to:

- a 5.3% rise in deposits in Morocco, Europe, and offshore zone, to MAD 203.8 billion;
- a 9.7% rise in international retail-banking deposits, to MAD 68.0 billion;
- a 17.3% increase in deposits in specialized financial companies, to MAD 2.7 billion.

Loans

Loans and advances to customers in 2015 fell slightly (−0.8%), to MAD 252.9 billion. Customer loans declined 5.5% in domestic banking but rose 13.7% in international retail banking.

The loan-to-deposit ratio came to 92.1% in 2015, compared with 98.9% in 2014.

Consolidated shareholders' equity

Consolidated shareholders' equity rose by 2.0% in 2015, to MAD 41.2 billion.

Group solvency

Attijariwafa bank Group ended 2015 with a Tier 1 ratio of 10.07% and a capital-adequacy ratio of 12.49%, higher than the minimum regulatory requirements of 9% and 12% respectively and effective since June 30, 2014.

Consolidated results of Attijariwafa bank group

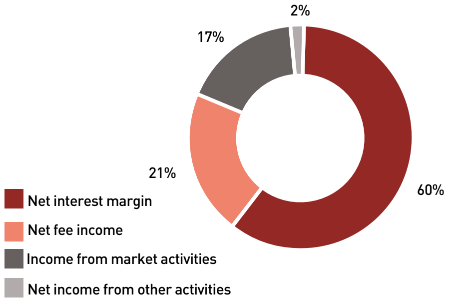
Consolidated net banking income

In 2015, consolidated net banking income totaled MAD 19.0 billion (−2.3%), compared with MAD 19.4 billion in 2014. This decline is attributable to:

- a 3.4% rise in interest margin, to MAD 11.4 billion;
- a 4.3% increase in fee income, to MAD 4.0 billion;
- a 24.1% increase in income from market activities, to MAD 3.1 billion.

At December 31, 2015, net banking income broke down as follows:

Net Banking Income's Structure at 31 December 2015



Growth in net banking income by activity breaks down as follows:

- Banking in Morocco, Europe, and offshore zone: -5.7%, to MAD 10.5 billion;
- Specialized Financial Companies: +1.5%, to MAD 2.2 billion;
- Insurance: +0.9%, to MAD 1.4 billion;
- International Retail Banking: +3.7%, to MAD 5.4 billion.

Gross operating income

Gross operating income decreased by 6.9% in 2015, totaling MAD 10.2 billion. General operating expenses (including depreciation, amortization, and impairment) rose by 3.5%, to MAD 8.8 billion. The cost-to-income ratio came to 46.4%.

Cost of risk

The cost of risk rose by 26.9%, to MAD 2.2 billion. As a share of total loan outstandings, the cost of risk declined by 0.3 points, to 0.83%. The nonperforming-loan ratio was 7.1%, an improvement since 2014.

Consolidated net income

Group consolidated net income rose by 3.1% in 2015, to MAD 5.3 billion.

Net income (Group share)

Net income (Group share) grew 3.4% in 2015, to MAD 4.5 billion.

Return on equity (ROE) came to 14.8% in 2015, while return on assets (ROA) was 1.3%.

Contributors to net income (Group share) at December 31, 2015	
Banking in Morocco, Europe, and offshore zone	-3.8%
Specialized Financial Companies	+12.0%
Insurance	-3.9%
International Retail Banking	+30.6%

Global Risk Management

Contents

Global Risk Management

Mission and Organisation of Global Risk Management

Attijariwafa bank's approach to risk management is based on professional and regulatory standards, international rules and recommendations made by supervisory authorities. Risks are managed centrally by Global Risk Management (GRM), which operates independently of the bank's divisions and business lines and reports directly to the Chairman and CEO.

This set-up emphasises the bank's universal approach towards risk management and underlines Global Risk Management's autonomy in relation to the bank's other divisions and business lines. Such autonomy guarantees maximum objectivity when assessing risk-based proposals and in managing risk.

GRM's main role is to cover, supervise, measure and control all risks inherent in the bank's activities. Risk management control is performed on a permanent basis, most often, in a proactive manner. This is in complete contrast to the work of Internal Audit which intervenes periodically in response to events.

GRM's day-to-day operations mainly consist of making recommendations regarding risk policy, analysing loan portfolios in a forward-looking manner, approving loans to businesses and individuals, trading activities and ensuring high-quality and effective risk monitoring.

There are five main categories of risk:

- **Credit and counterparty risk**: the risk of total or partial default by a counterparty with which the bank has entered into on- or off-balance sheet commitments;
- **Market risk**: the risk of loss from adverse fluctuations in market conditions (interest rates, foreign exchange rates, share prices and commodity prices etc.);
- **Operational risk**: includes IT-related risk, legal risk, the risk of human error, tax-related risk, commercial risk etc.
- **Country risk**: country risk includes various fundamental risks related to exposure to the economic, financial, political, legal, and social environments of a foreign country. These risks could affect the bank's financial interests.
- **Asset-Liability Management risk**: ALM structural risks relate to the loss of economic value or a decline in future interest income attributable to interest rate gaps or a mismatch in the bank's asset-liability maturity profile.

Global Risk Management is organised along the lines of the risk classification model defined under the Basel II Accord as follows:

The Counterparty risk

Upstream

- Make recommendations for credit policy;
- Analyse and assess risk-taking applications submitted by the bank's various sales teams in relation to counterparty/ transaction criteria;
- Assess the consistency and validity of guarantees;
- Assess the importance of a customer relationship in terms of potential business volume and whether the requested financing makes commercial sense.

Downstream

- Review all loan commitments regularly in order to compartmentalise the portfolio by risk category;
- Check for early signs of difficulty and identify loan-repayment-related incidents;
- Work closely with the branch network to recover these loans;
- Make provisions for non-performing loans.

The Operational risk

The operational risk management policy is managed by the Operational, Legal, Information Systems, and Human Risk unit created by Global Risk Management;

The ROJIH unit has established a risk map for each business line based on the bank's standard processes. Each risk is mapped on the basis of frequency and potential impact.

Country Risk

- Diagnosis of the current system and its compliance with existing regulatory requirements, and identification of changes necessary with respect to an international benchmark;
- Preparation of a conceptual model for optimizing the management of country risk (functional blocks and dedicated information systems), and planning for the implementation of information technology and the gradual rollout of the system in foreign subsidiaries.

The Market risk

The role of this unit is to detect, analyse and monitor the bank's various interest rate and foreign currency positions, rationalise these positions by formal authorisations and remain alert to any departure from these positions.

ALM Risk

ALM provides indicators for monitoring the risk and expected return of various balance sheet items. ALM outlines management rules for reducing the bank's balance sheet risk exposure and for optimizing management of the bank's positions.

ALM policy involves a process of identifying, assessing, and managing the bank's risky positions. One of the fundamental tasks of ALM policy is to define rules relating to flows and treatment of balance sheet items through economic and financial analysis.

General measures

1– Governance and organisation

The management principles established by the bank's decision-making bodies are applied unconditionally to the way in which risk management is governed and organised.

In order to coordinate joint action more effectively, the various responsibilities of the main decision-making entities have been clearly defined.

These entities include:

1. The Board of Directors
2. General Management
3. Decision-making Committees
4. Global Risk Management

Board of Directors' role:

Regarding the bank's market activities, the Board of Directors' responsibilities include:

- Determine and review the bank' commercial strategy and risk management policy periodically;
- Assess the main risks to which the Bank is exposed in its business activities;
- Validate overall risk limits and ensure that General Management and the Decision-making Committees take the measures required to identify, measure, monitor and control these risks. Risk limits must be set in relation to shareholders' equity;
- Approve the organisational structure;
- Ensure that General Management verifies the effectiveness of internal control measures.

General Management's role:

General Management is the Group's executive body and its responsibilities include:

- Implement the strategy and policies approved by the Board of Directors;
- Implement the processes and resources required to identify, measure, monitor and control risks related to the bank's commercial activities;
- Establish and maintain the organisation responsible for managing commercial operations and monitoring risks;
- Establish internal control standards and methods;
- Inform the Board of Directors of the key issues and subsequent action required in respect of major risks to which the Bank is exposed;
- Involve the Board of Directors in the management of the bank's market activities by submitting risk management policies for approval.

Role of Committees:

Major Risks Committee

This committee, which is chaired by the CEO, analyses and authorises the major commitments (loans, recovery, investments, purchases etc.) entered into by the bank above a certain level.

This committee also monitors risk indicators and determines short-term risk management objectives.

Group Credit Risk Committee

The Group Credit Risk Committee rules on the overall commitments of the entire Attijariwafa bank Group up to a limit of MAD 600 million.

It also determines counterparty limits for international banks in respect of proposals submitted by Correspondent Banking.

Audit and Accounts Committee

As part of the Board of Directors, the Audit and Accounts Committee plays a vital role in assessing the quality of risk management and internal control. The committee's responsibilities include:

- confirming that the internal framework for monitoring risk is in compliance with the procedures, laws, and regulations in force;
- issuing an opinion on the Group's global procurement policy;
- monitoring changes in the global portfolio, particularly the cost of risk.

Market Risks Committee

The Market Risks Committee is an internal body which assesses and monitors all types of market risk. Its responsibilities include:

- Monitor and analyse market risks and any changes;
- Ensure compliance with monitoring indicators, specific management rules and pre-determined limits;
- Determine limits for the bank's various product lines consistent with the bank's overall strategy.

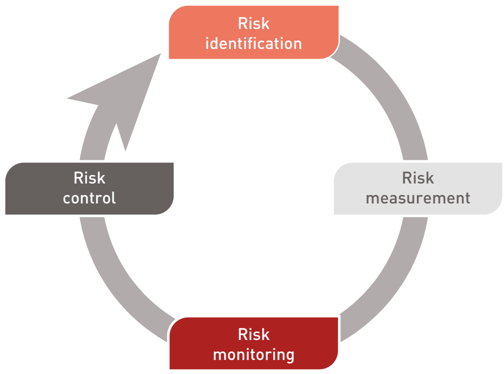
Global Risk Management's role:

Its role is to supervise counterparty, market and operational risks and corresponding methodologies. Its main responsibilities include:

- Make recommendations regarding risk policies;
- Examine applications for credit and trading limits before submitting them to the appropriate committee;
- Monitor counterparty, market and operational risks in the context of the bank's overall exposure;
- Validate the principles underlying risk management measures and methods and ensure in particular that they are consistent with those of the bank;
- Validate the internal models and software systems used to value financial instruments.

2- Risk Management Process

The risk management process comprises four main stages:



Risk identification:

Risk identification consists of drawing up a comprehensive and detailed risk inventory and the factors inherent in each risk.

This inventory needs to be regularly updated to account for any change in risk-generating factors as well as any change in the bank's strategy or management policies.

The Control and Methods unit is responsible for identifying risk in relation to the bank's day-to-day operations as well as during a new product or activity launch phase. It also draws on information contained in reports and notes published by Internal Control.

Risk measurement:

Risk measurement consists of assessing the probability of risks occurring and their impact in financial terms on the bank's positions or assets.

The risk measurement methods adopted are largely inspired by "sound practices" as decreed by the Basel Committee and comply with prudential rules. These methods come under the supervision of the Risk Committees and GRM.

The Bank is committed to investing in state-of-the-art risk management systems in the implementation of its internal methods.

Risk Monitoring:

This consists of measures taken by the bank to limit risk to an acceptable level.

Risk Control:

This final stage involves risk management surveillance and supervision so that new types of risk may be identified and limits adjusted as circumstances change.

I- CREDIT RISK

A- Credit policy

I- General principles

The purpose of the bank's general credit policy is to define the framework governing those business activities that generate counterparty risk for the bank.

Counterparty risk is the risk of financial loss resulting from a debtor's inability to honour its contractual obligations. It relates to lending activities as well as other activities that expose the bank to the risk of counterparty or issuer default as in the case of capital market activities or settlement of trades.

The various measures outlined in this general credit policy are applicable on a universal and permanent basis. They are open to modification should economic and financial circumstances change.

These measures may be complemented by specific policies relating to any of the bank's business activities or units. They are also accompanied by credit risk guidelines revised periodically.

The bank's credit policy is based on the following ten fundamental principles:

I.1 Professional conduct and compliance: the bank enforces strict compliance with the principles of professional conduct established in its internal code and with the regulatory measures governing its business activities.

I.2 Independence the risk management function is independent of operational units in order to maintain quality and objectivity in the decision-making process.

I.3 Responsibility for risks individual business lines retain full responsibility for their own credit risks. Responsibility is also shared by the various decision-making bodies.

I.4 Collective decision-making: all credit-related decisions need to be approved and signed-off by at least two parties, one representing the commercial side, the other the risk-management side. This may result in a divergence of opinion, in which case the matter is referred to a higher level within the bank's hierarchy for arbitration.

A credit approval decision cannot be made unilaterally unless the Board of Directors has specifically delegated powers to another body.

I.5 Satisfactory returns: each risk assumed by the bank must earn a satisfactory return. Pricing must always reflect the level of risk assumed.

I.6 Monitoring: each risk assumed by the bank must be monitored on a continuous and permanent basis.

I.7 Separation the management function must be separated from the risk control function.

I.8 Prudence and «consultancy» is essential and expert advice must be sought in the event of doubt or ambiguity.

I.9 Prior analysis the new products committee must conduct prior analysis of all counterparty risk relating to the launch of new products or business activities.

I.10 Restrictive rule: credit may not be granted to any customer having previously benefited from debt write-off or downgrade to doubtful loan status. The bank's ratings model discriminates against this type of customer ("Fail" rating).

II. Counterparty risk:

General principles underlying risk-taking:

Risk-taking must be consistent with approved risk strategies. These strategies are adapted to individual business lines and their respective business development plans in terms of:

- overall limits;
- intervention criteria;
- a delegation plan.

These strategies are also adapted as a function of:

- business line;
- unit;
- industry sector;
- country.

Individual business lines are responsible for complying with these strategies under GRM's control.

Any risk-related decision requires in-depth analysis of both the counterparty and the transaction itself and must be assessed in terms of its risk-return profile. It must also be consistent with the risk strategy of the business line concerned and in keeping with the bank's policy on limits.

II.1 Customer selection:

The bank will only deal with reputable counterparties. The commercial side is responsible for collecting relevant information about customers and must exclude any black-listed customer e.g. customers prohibited from opening bank accounts, writing cheques, doubtful loan status etc.

If a counterparty does not honour its obligation to the bank or the banking system, it may not apply for credit from the bank in the future. Unless the doubtful loan is repaid rapidly, the bank will cease all relations with the counterparty in question.

If a settlement is reached which results in the loan being written-off, the counterparty may not apply for a loan from Attijariwafa bank in the future unless a decision is taken to the contrary by the Major Risks Committee.

The commercial side must also ensure that customer deposits derive from a respectable source and were obtained by legal means.

The final decision as to whether or not to approve the loan depends on the internal rating and GRM's independent opinion. The committee acts as final arbiter.

II.2 Loan transaction structure:

Credit activity requires a total understanding of transaction structure in respect of the following:

- **Purpose**: the transaction must be clearly justified in economic terms;
- **Structure**: transactions must be clearly explained and understood and their monitoring must be ensured;
- **Maturity**: a credit commitment's maturity must be consistent with its purpose e.g. the maturity on a capital investment loan must be 7 years with the exception of home loans;
- **Transparency**: the credit approval process must comply with rules of professional conduct;
- **Security**: a counterparty's ability to repay must be analysed and confirmed;
- **Guarantees or collateral**: loans must be backed by guarantees. The economic value of such guarantees must be validated by an independent expert and regularly updated. Similarly, details of a guarantor's total assets must be provided and updated;
- **Notification**: customers must be formally notified of the terms and conditions of the loan to safeguard the interests of all parties.

III. Measures governing credit activity:

Because it is so vitally important and given the risks which may result, the bank's credit activity is framed by a set of measures based on three major tenets:

- Compliance with prudential rules decreed by Bank-Al-Maghrib;
- A counterparty ratings model for the purpose of rigorous selection and risk monitoring;
- Diversification across industry sectors to reduce the risk of concentration.

III.1 Prudential rules:

The risk inherent in credit activity is governed by a body of prudential rules intended to soften the impact from what is the most significant type of banking risk. These rules relate to the three phrases of risk-taking:

Before:

At this stage, the bank must permanently ensure compliance with a minimum solvency ratio of 10%. This means that any growth in its credit activity is proportionate to an increase in shareholders' equity (credit equal to 10 times net shareholders' equity) so as to limit the bank's overall debt level which could also have a debilitating impact.

During:

This phase is governed by the following regulatory provisions:

- Examine credit applications against a basic checklist;
- Ensure that the bank's maximum exposure to any single beneficiary (individual or group) does not exceed 20% of shareholders' equity;
- Ensure that there is no over-concentration of risk within the loan portfolio;
- Ensure that credit activity complies with legislation, ethical rules, tax-related and other rules.

After:

Major risks incurred in relation to a single beneficiary (individual or group) are subject to specific monitoring in addition to regulatory requirements (maximum 20% of shareholders' equity and declaration to Bank Al-Maghrib required from 5% of shareholders' equity).

Counterparties for which the bank has reached its regulatory credit ceiling are subject to specific co-management involving both the commercial side as well as GRM. This is to enable the bank to benefit from potential financing opportunities by maximising profitability without increasing exposure.

In the same way, the loan portfolio must be regularly reviewed and categorised under healthy loans, loans under credit watch and non-performing loans which are provisioned.

The bank has adopted a number of internal control measures to ensure that these rules are effective including:

- Measure the exposure of the bank and its subsidiaries in respect of commitments (mobilised and undrawn confirmed lines of credit) and in respect of market-related counterparty risk;
- Control and monitor risks at Group level by identifying in a precise manner third party risk exposure. This is to ensure consistency and thoroughness in the risk reporting process and in allocating outstandings to Basel-style portfolios;
- Conduct stress tests to simulate the bank's capacity to withstand deterioration in the quality of the loan portfolio in the event of adverse developments.

III.2 Concentration risk:

Concentration risk is the risk inherent in any exposure that may result in significant losses, potentially threatening an institution's financial solidity or its ability to continue to carry out its core activities. Concentration risk may arise from exposure to:

- Individual counterparties;
- Interest groups;
- Counterparties within a single industry sector or a single geographical region;
- Counterparties which derive their revenue from the same type of business or the same basic product.

The Group's overseas expansion has resulted in a concentration of counterparty risk within the same geographical region. This concentration is addressed by management of limits (in terms of exposure and delegated powers) and warning levels.

The risk of individual and interest group concentration is governed by Central Bank measures regarding the division of risks. This presupposes that group-related risks are managed using a standardised process based on a very broad definition of business groups. It also involves a joint approach with business lines aimed at:

- Defining overall exposure limits and monitoring options;
- Consolidating information relating to groups of counterparties within a single database.

In the same way, a sector-based credit distribution policy takes into consideration:

1. The bank's penetration rate in each industry sector;
2. Its asset quality (loss experience and rating);
3. Sector prospects based on business conditions (economic intelligence, industry-based advisory committees, trade federations, Budget provisions etc.) in order to ascertain what commercial approach is required and to ensure that the bank's loan portfolio retains an optimal risk profile in terms of sector concentration.

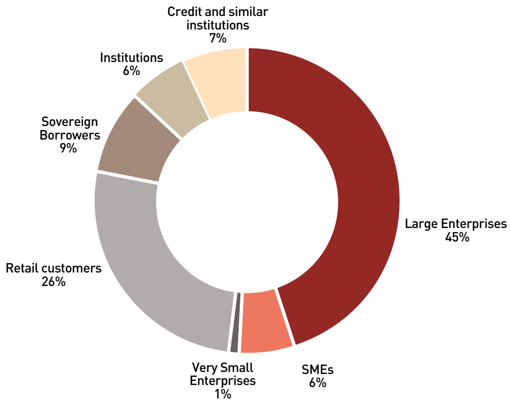
Regularly reviewing the bank's exposure against a backdrop of changing business conditions makes decision-making easier and enables real-time adjustments in quantitative, even qualitative, limits by:

- Pursuing opportunities in high-growth sectors;
- Focusing on activities in which the bank has a relatively high penetration rate or on those where visibility is limited;
- Reducing exposure to industries in decline (unfavourable prospects, high loss experience etc.).

These quantitative sector-based limits are challenged by both the commercial side and GRM prior to authorisation by the relevant bodies. They are applicable to re-evaluation applications as well as new applications. Proposed limit overruns must be submitted to this same body for authorisation and the setting of new limits.

III.2.1- Diversification by counterparty:

Diversification is an essential component of the bank's risk management policy and is measured by taking into consideration the total exposure to any one customer. The scope and diversity of the Group's activities play a role in this process. Any situation in which there is concentration is examined on a regular basis, resulting in corrective action where appropriate.

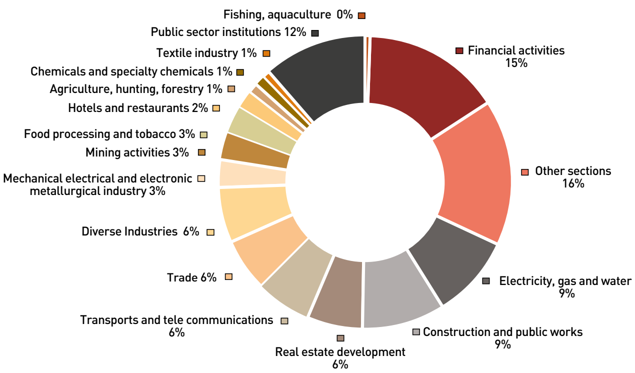


III.2.2- Diversification by sector:

Similarly, attention is paid to the bank's risk exposure by business sector and is complemented by forward-looking analysis which enables the bank to manage its risk exposure in a proactive manner. This is based on research providing an assessment of sector trends and identifying factors explaining the risks to which all parties are exposed.

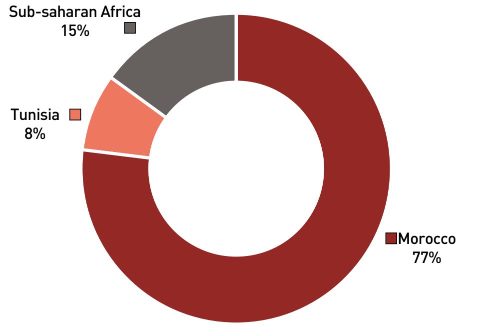
A breakdown of the bank's loan commitments by industry sector as a percentage of total loan commitments at 31 December 2015 was as follows:

- Financial institutions and insurance companies accounted for 15%, down from 2014. Commitments to this sector carry a very low level of risk.
- Construction and public works together with building materials accounted for 9%, and real estate development accounted for 6%, in stagnation compared to 2014.



III.2.3- Geographical distribution:

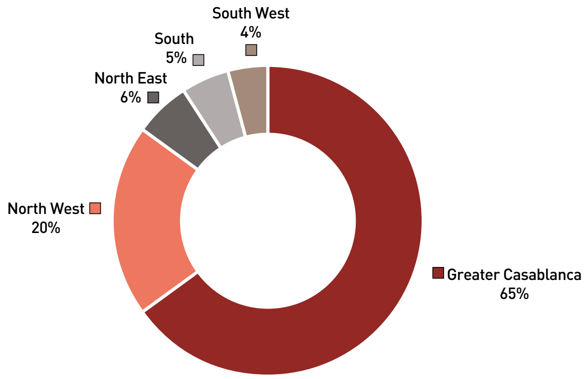
The geographical distribution of the Group's commitments reveals a very high exposure to Morocco, accounting for 77.1% of total loans, followed by Tunisia .The remaining balance accounted for by sub-Sahara African countries.



In Morocco, the Greater Casablanca region accounted for 65% of the bank's commitments followed by North-West region (Rabat - Tanger) (20%), North-East, South and South-west.

This concentration can be explained by:

- The fact that the Casablanca and Rabat regions represent the country's economic, financial and administrative heart;
- Major regional infrastructure projects have their accounts domiciled in Casablanca and Rabat.



B- Procedures

1- Decision-making:

a- Scope of powers:

Group credit policy in relation to decision-making is based on a set of delegated powers requiring the assent of a representative appointed by the risk function. Agreement is always given in writing by obtaining the appropriate signatures or by a credit committee meeting formally.

Delegated powers may vary depending on the level of risk in accordance with internal ratings and the specific characteristics of each business line.

Credit proposals must adhere to the principles underpinning general credit policy. Any exception must be referred to a higher level of authority.
The bank's various decision-making bodies, validated by the Board of Directors and classified in ascending order of authority are:

- Global Risk Management Select Committees (3 levels)
- Corporate Banking Credit Committee
- Group Credit Committee
- Major Risks Committee, chaired by the Chairman and CEO, which is the ultimate decision-making body in terms of credit and counterparty risk.

Decision-making relating to subsidiaries is determined as a function of the level of risk assumed. Decisions are taken by the bank's various committees when levels are exceeded.

b- Procedures:

Applications and proposals:

Following initial contact with a customer and assessment of the latter's business activity and revenues, the branch's commercial director puts together a credit proposal using a dedicated online application form. An administrative dossier for the said proposal is then put together which includes all documents required under Bank Al Maghrib regulations and under in-house rules relating to credit commitments.

This proposal must also comprise information required to help the Global Risk Management division make a decision.

Analysis and decision-making:

The credit proposal is sent to analysts in the Global Risk Management division who undertake an thorough initial assessment by analysing the following:

- The business activity and how profitable the relationship is to the bank;
- The counterparty's ability to make repayments;
- How the business is structured in financial terms;
- Background to the customer relationship;
- The quality of the guarantees backing the loan;
- The transaction's profitability;
- The rating determined by the bank's internal ratings model;

In addition to these factors and to improve the bank's due diligence in terms of risk management, sector research is carried out by the Economic and Sector Research unit. This completes the credit analysis process.

The main purpose of this research is to analyse macroeconomic trends by conducting multi-sector research so as to contribute to setting the bank's credit policy.

This analysis is then approved by a risk management specialist from the Global Risk Management division. The latter takes a decision within the scope of his or her powers prior to presenting the proposal to the relevant decision-making body.

Notification of the decision:

This new procedure, which has become part of the preliminary credit certification process, has enabled the Group to formalise the terms and conditions underlying credit decisions. This emphasis on greater transparency enhances customer relations and guarantees that the mutual interests of all parties are safeguarded.

Improvements made in this area include sending customers a credit opening contract and a specific notification letter for certain types of loan such as mortgage loans.

Revision:

Proposals to revise credit lines are generally submitted by the commercial side in the same way as proposals for new credit lines. Global Risk Management may also request a revision of credit lines when its systems indicate anomalies which justify a downward or upward revision to authorised amounts.

The analysis and decision-making process is the same as that for new credit approval.

Related legal entities:

The credit approval process for related legal entities follows the same rules and procedures as for normal customers.

c- Management of credit applications:

Content and management of credit applications

A customer application dossier comprises:

- A customer relationship dossier;
- A guarantees dossier;
- An administrative dossier;
- An operational services dossier.

In accordance with the terms of the Bank Al Maghrib directive of 1 April 2005, credit application dossiers must also include the following:

- Minutes of the Annual General Meeting of Shareholders approving the financial statements of the previous financial year;
- Annual financial statements;
- Statutory Auditor's General report certifying that the financial statements give a true and fair view;
- Receipt certifying that the annual financial statements and statutory auditors' report have been deposited at the Clerk's Office of the Commercial Court.

Credit application dossiers are filed at branch level. In order for them to be analysed, copies of the original documents are sent for consultation to the various departments at head office for a decision to be made.

Credit proposals and decisions as well as supporting documents are archived with Global Risk Management.

Attijariwafa bank has also established digital archives providing access to financial statements and other information going back over a number of years. The system's search function enables users to conduct in-depth research according to predefined criteria.

d- Management of guarantees

The commercial side submits guarantee proposals as part of the overall credit proposal. These are negotiated with the customer beforehand as cover for credit risk.

These guarantees are assessed at the same time as the credit proposal. This assessment is made on the basis of a number of items of information and documents submitted in conjunction with the credit proposal. The main guarantees accepted by the Bank and the methods used for assessing them are as follows:

- A personal guarantee, assessed on the basis of a recent detailed inventory of the customer's assets using a pro-forma model;
- A mortgage security, assessed on the basis of:
  - A valuation report by an expert approved by Attijariwafa bank for guarantees of more than one million dirhams;
  - A report by one of the bank's managers backed up by a visit report for guarantees of less than one million dirhams;

On the credit application's annual renewal date, the analyst may request, if need be, an updated valuation of the mortgage-backed assets.

- The value of the business pledged as a going concern may also be backed up by a valuation report;
- Goods pledged are regularly inspected by accredited organisations;
- Invoices and evidence of payment may be requested to corroborate items of equipment which have been financed and pledged.

Management of guarantee or collateral dossiers:

The original deeds of guarantee are held by the Guarantees Administration unit at head office.

Requests for guarantee release follow the same procedures as those for credit proposals once approval has been granted by the Commitments Control unit. Any authorised guarantee amendment will therefore have an impact on the credit decision.

The procedure for guarantee release is centralised within the Guarantees Administration unit to ensure full operational control. Authorised signatories are established in advance.

The AGMA project, which the bank initiated in 2007, is aimed at modernising the bank's guarantee management system by centralising the guarantee process and introducing an IT-based application for managing guarantees and their release.

2- Monitoring:

Within Attijariwafa bank's new organisational structure, the Monitoring and Credit Risk Control unit is primarily responsible for monitoring and detecting loans in difficulty.

The Monitoring and Credit Risk Control unit adopts a preventive approach to permanently monitoring the health and quality of the Bank's loan commitments.

This preventive management approach, which is a key part of the risk control process, consists of anticipating situations where there is possible deterioration in credit quality and of making the appropriate adjustments.

This unit is responsible for:

- Monitoring the regularity of commitments e.g. ensuring that the motives given in the credit application are valid and comply with authorised limits; assessing payment-related incidents; reviewing amounts owing etc.
- Detecting loans showing persistent signs of weakness, so-called loans in difficulty, based on a certain number of warning indicators;
- Working with the branch network to monitor major risks (loans in difficulty, the largest and/or most sensitive loan commitments);
- Determining which loans need to be downgraded on the basis of current regulations governing non-performing loans;
- Working with the branch network to monitor specific risks such as temporary admissions, advances to companies bidding for public contracts and advances for purchasing goods.

This unit is structured around three sub-entities, organised in a way similar to that of the branch network:

- Retail banking;
- Corporate banking;
- Subsidiaries and branches.

The purpose of these various forms of control is to prevent limit overruns, payment incidents, or a significant drop in the number of customer transactions. Staff must react quickly to identify, in good time, problems encountered by the customer in question and find appropriate solutions.

3- Provisioning:

A comprehensive review of the bank's portfolio is carried out on a quarterly basis for the purpose of identifying sensitive loans and those liable to be provisioned. A system of indicators is used which has been devised using classification criteria for non-performing loans established by Bank Al Maghrib's Circular N°19 as well as other additional prudential criteria selected by the bank.

There are four categories of warning indicator based on a set of underlying rules for detecting anomalies which comply with current legislation:

- Indicators relating to limit overruns;
- Indicators relating to payments in arrears (bank discount or amortisable loans);
- Indicators relating to the freezing of accounts;
- Indicators relating to financial criteria.

In addition to these standard detection criteria, a number of proactive ratios have recently been included in the warning system, calculated using various current balance sheet items. These ratios provide signals warning of deterioration in the risk profile so that corrective action can be taken in good time.

These loans are identified and pre-classified prior to being assessed by credit committees responsible for monitoring loans in difficulty in conjunction with other units within the Bank (branch network, loans, loan recovery).

These committees monitor non-performing loans periodically, which may result in any one of the following actions:

- Regularisation, meaning that the said loans are reclassified under the "normal" category;
- Rescheduling or restructuring in the case of economically and financially viable businesses;
- A definitive downgrade to one of the non-performing loan categories after formally informing the customer concerned beforehand;
- Maintaining the loan under the "under watch" category for those cases which, although not formally eligible for downgrade under regulatory requirements, require particular attention however by the units concerned. Provisions for these loans may be recognised under general provisions.

Non-performing loans are assessed and recognised in accordance with current banking legislation. They are classified under three categories:

- Pre-doubtful loans;
- Doubtful loans;
- Impaired loans.

The various units concerned will inform the customer prior to provisions being recognised.

Mortgage guarantees for an amount equal to or greater than one million dirhams are automatically assessed before being taken into account in calculating provisions.

It must be noted that, as a precautionary measure, the Group's policy is that non-performing loans are mostly classified directly under "Impaired loans" and provisioned accordingly.

It is also to be noted that the Risk and Accounts Committee regularly meets to assess the situation of loans classified as "non-performing" and those requiring particular attention when indicators are unfavourable.

4- Corrective portfolio measures:

The Bank has adopted a policy relating to recovery by conciliation to improve the process of recovering loans in difficulty. Two units are responsible for policy implementation, one from the Corporate Banking side, the other from the Personal and Professional Banking side.

Reporting to the GRM's risk and loan recovery units, these units have the following responsibilities:

- Monitor the consistency and quality of the Bank's total loan commitments on a regular basis;
- Correct any shortcomings by initially following up with the branch network or directly with the customer concerned;
- Adopt a proactive approach aimed at avoiding deterioration in loan quality.

II- Market Risk

Market activities are an area in which risk management plays a significant role and is a major determinant of profitability and performance.

The Bank has implemented a set of policies and measures in order to anticipate, reduce and control risk more effectively.

A- Managing market risks

1- Categories of market risk

Major types of market risk are:

- Interest rate risk;
- Foreign exchange risk;
- Equity risk;
- Commodity risk.

- Interest rate risk:

This risk relates to the risk of changes in the value of positions or the risk of changes in a financial instrument's future cash flows due to changes in market interest rates.

- Foreign exchange risk:

This risk relates to the risk of changes in a position or in a financial instrument due to changes in foreign exchange rates.

Technically, foreign exchange risk is measured as a function of the bank's foreign exchange positions:

- Spot foreign exchange transactions;
- Forward foreign exchange transactions;
- foreign exchange swaps
- Foreign exchange options.

Foreign exchange limit positions include:

- End-of-day limit positions for each currency;
- End-of-day overall limit position;
- Short limit position;
- Stop-loss limit.

These limits are governed by regulatory limits.

Structural positions related to the bank's strategic investments in foreign currencies are not hedged.

The bank's total forward foreign exchange position was MAD 20.536 billion at 31 December 2015, the breakdown of which was as follows:

MAD millions	< 3 months	3-6 months	> 6 months
Hedging	11,732	3,175	5,629

At 31 December 2015, the bank's foreign exchange options position amounted to MAD 15.702 billion.

- Equity risk:

Equity risk relates to changes in the value of a portfolio of shares following adverse fluctuations in share prices.

- Commodity risk:

Commodity risk relates to changes in the value of commodities following adverse fluctuations in their market price.

2- Monitoring and control measures

Market risk is controlled by comparing the various risk measures with their corresponding limits. Responsibility for complying with these limits lies on a permanent basis with the dealing room's respective product lines.

The following units are primarily responsible for the control functions relating to monitoring market risks:

- the Operations & Risk Management unit of Capital Markets
- GRM's Risks unit;
- Internal Control.

The Operations & Risk Management unit reports to Capital Markets but remains independent of the Front Office and sales teams. Internal Control reports to Capital Markets regarding management issues and to Group Compliance regarding operational issues.

Role of the various parties

The Operations & Risk Management unit of Capital Markets

The Operations & Risk Management unit of Capital Markets is responsible for Level 1 control, its operational functions being related to the applications that it manages. Its remit primarily consists of:

- Producing and analysing data relating to profits and risks on a daily basis;
- Ensuring the reliability of market inputs for calculating profits and risks (interest rates, stock prices, commodity prices, swap quotations etc.);
- Determining methods for calculating profits and risks and ensuring that they comply fully with the nature of the risks incurred;
- Determining measures for limits and risk calculation methods in partnership with GRM;
- Monitoring and notifying in the event of market limit overruns;
- Ensuring that Front Office operations comply with accepted market practices and rules established by the Bank;
- Validating prices used by the Front Office.

Global Risk Management – Market risk

Global Risk Management assumes Level 2 financial control which involves, in particular, overseeing methodologies and market risks. Its remit primarily consists of:

- Validating the principles underlying the methods and measures proposed by Operations & Risk Management unit by ensuring that Group methodology is consistent and issuing recommendations where appropriate;
- Internal and external reporting of market risks;
- Validating the methods developed internally and the software models used to value loan portfolio products;
- Validating the various authorisations and limits requested and the different product lines.

Market Risks Committee

This committee, which meets quarterly, is composed of the heads of the various levels of control as well as those responsible for Front Office operations.

The committee validates new limit applications and adjustments to proposed limits and reviews overruns.

3- Management of limits

Limits are set by the Market Risk Committee for each type of exposure for a quarterly period but may be revised depending on the needs of individual product lines or to take into consideration changes in market conditions.

Limit applications made by the dealing room's different product lines must be submitted to the Operations & Risk Management unit accompanied by a supporting note explaining:

- The limits requested and the character of the corresponding risks;
- Reasons for such an application.

It must be noted that the Market Risks Committee has initiated a stop-loss system for each product line (foreign exchange, fixed income, equities etc.). This system will result in a position being immediately closed if a trader reaches the maximum loss set by the Committee.

Monitoring limits and overruns

Responsibility for ensuring compliance with limits lies with:

- Operations & Risk Management unit ;
- GRM.

The Operations & Risk Management unit monitors exposure on a permanent basis and implements risk measures which it compares to the limits. It submits an appropriate daily report to:

- General management;
- Global Risk Management;
- Internal Control.

Limit overruns are reviewed on the basis of requests for limit adjustments from the trading floor. Adjustments involve mainly:

Renewal: the Operations & Risk Management unit of the investment bank examines predefined limits and compares them with those that actually occurred during the previous year. In conjunction with Capital Markets and other commercial units, Operations & Risk Management suggests adjustments for the following year. Limits may be raised, lowered or cancelled.

In the case of an **ad hoc adjustment**, those involved in setting limits may request an adjustment to limits granted to counterparties on the basis of changes in circumstances.

Applications to adjust limits are centralized by the Operations & Risk Management unit of the investment bank, which studies their impact on trading-floor operations prior to submitting them to GRM.

4- System for managing market risks

To satisfy regulatory reporting requirements, Attijariwafa bank has installed an IT application known as Fermat which meets internal and regulatory requirements for calculating capital adequacy in respect of market risks and counterparty risk on capital market transactions.

In addition to the Fermat system, the Bank has implemented the Murex application for measuring and quantifying market risk, as well as the MLC module for counterparty risk, designed for various trading-floor products.

B– Methodology for measuring market risks (internal model)

The management of Market risk is based on several indicators:

- Sensitivity indicators
- Economic capital
- Value at Risk
- Stress-testing
- Backtesting

1- Value at Risk measurement

Value at Risk (VaR) measures the maximum permitted variant in the value of a portfolio of financial instruments with a fixed probability over a given period under normal market conditions.

The Value at Risk model was developed by Attijariwafa bank's Global Risk Management unit. It covers dirham-denominated interest rate risk, foreign exchange risk in the spot and forward markets as well as equity risk. The model is an-house application which is based on the RiskMetrics method developed by JP Morgan.

This method offers various advantages: (i) It is easy to use; (ii) It takes into account existing correlations between asset prices; (iii) It takes into consideration recent and historical fluctuations in prices.

The RiskMetrics method is based on a matrix of variances and co-variances of returns on portfolio assets as well as portfolio composition. Global Risk Management produces a daily detailed report which calculates the VaR and any changes and controls regulatory and internal limits.

Activity (in MAD)	**Position MAD**	**VaR 1 day**	**Regulatory VaR (10 days)**
Foreign exchange	524 745 937	741 150	2 343 723
Equities	34 887 190	5 425 413	17 156 661
Fixed income and mutual funds	47 178 619 092	42 512 783	134 437 225

2- Back-testing

The model allows for back-testing. This is a technique used to test the model's validity for calculating VaR. It uses historical data to calculate VaR and then to ascertain whether this VaR actually represents the potential loss realised by comparing it to the theoretical P&L.

3- Stress-testing

Regulatory stress tests are conducted on a half-yearly basis:

- Internal and regulatory stress tests are conducted in accordance with Bank Al-Maghrib's technical notice n°. 01/DSB/2012.

4- Sensitivity indicators

Sensitivity indicators compare asset prices to the market.

A portfolio's delta measures the change in the portfolio's value for each 1 bp rise of the underlying asset. Example of interest-rate risk: delta measures the change in MTM for each 1 bp rise in interest rates.

Vega measures the portfolio's sensitivity to changes in the volatility of the underlying asset.

5- Economic capital

Economic capital measures total risk (market and counterparty risks) year on year. Economic capital measures losses in worst-case scenarios.

III- Country Risk

The International Retail Banking (IRB) risk unit continued its efforts to integrate the risk division in order to support the bank's commercial development and to prepare for the broadening of the regulatory framework of cross-border risks. In addition, consolidation efforts with regard to policies for country-risk management were stepped up in order to encourage international banking business.

I- Consolidation of the IRB risk activity

The new organization of the Group GRM division has reinforced risk management as a growth area, and has instilled risk oversight as a core managerial duty. In support of this reorganization, the Risk Management & Reporting unit has fully consolidated the risk subsidiary dedicated to IRB, including the identification and monitoring of country risks that form an integral part of international exposure.

Similarly, individual counterparty measurements have been strengthened by means of a more global approach (portfolio, subsidiary and country), resulting in broader risk assessment.

These efforts went beyond the risk framework and provided for dynamic management in close collaboration with the banking subsidiaries. In particular, focus was on occasional reviews of countries and subsidiaries, as well as on support within the commercial structures.

In addition, the adoption of lending policies and the gradual rollout of credit ratings consolidate the alignment of banking subsidiaries with central standards.

II- Enhancement of the regulatory framework for cross-border risk

In light of the growing cross-border debt on the bank's balance sheet, the regulatory authority has significantly reinforced regulations for this type of risk. In response to this change, Group GRM has satisfied the new prudential requirements by:

- participating in the first risk review requested by the college of supervisors of the various countries of operations;
- participating in on-site inspection missions in collaboration with Bank Al Maghrib and the BCEAO (Central Bank of West African States) commission: at the subsidiary level and then at the Group level;
- complying with the new regulatory reporting requirements for country risk.

Regulations have been strengthened with regard to the declassification of liabilities in the CAEMC zone. The regulations now go beyond the standard notion of default (frozen and outstanding payments) to the broader definition of the Basel Committee (unregularized overruns and expired authorizations).

The IRB loan-audit unit has already integrated these warnings into its catalogue of alerts and upgrades for the loan portfolio.

III- Enhanced management of country risk

In collaboration with an outside consultancy firm, the Country Risk unit published a report designed to promote automated country-risk management. The report focuses on:

- diagnosis of the current system and its compliance with existing regulatory requirements, along with identification of changes that are necessary with respect to an international benchmark;
- preparation of a conceptual model for optimizing the management of country risk (functional blocks and dedicated information systems), and planning for the implementation of information technology and the gradual expansion of the system to foreign subsidiaries.

The strengthened regulatory framework and implementation of the new organization combined to reinforce the monitoring of IRB risks and to consolidate the system for managing country risk.

A. Monitoring and oversight of counterparty risk at the Group level

This activity, previously performed in a decentralized manner, is now carried out within the IRB Risk unit and on a larger scale:

- A monthly review of IRB commitments is performed by the Audit department, with regard to asset quality for each of the IRB subsidiaries. This second-level audit allows for early and conflicting identification of any deterioration in counterparty risk. The operational efficiency of the audit is facilitated by direct access to information.
- Each subsidiary is monitored quarterly, on a macro basis and in strict compliance with regulations. The purpose of the monitoring is to identify changes in business activity and to ensure that commercial development remains healthy, profitable, and free of concentration risk in terms of portfolio commitments.

The reporting of this quarterly review of bank subsidiaries provides a detailed picture of the entities audited, to the extent that the review is designed mainly for the early identification of zones at risk, and for the drawing up of recommendations intended to mitigate such risk.

B. Consolidation of country-risk management

The bank has drawn up a country risk management policy in accordance with provisions outlined in Bank Al Maghrib's Directive N°. 1/G/2008 as a result of its international growth, which has seen the international activities assume an ever rising share of the Group's overall exposure.

This policy is based on the following:

1- Country risk general policy

Country risk general policy is governed by a charter whose aim is to determine a framework for those activities which expose the bank to international risk in terms of risk structuring, management, monitoring and surveillance.

With banking operations increasingly international due to the fact that economies are more and more globalised and inter-connected, country risk has become a major component of credit risk. Counterparty risk is governed by the Attijariwafa bank's general credit policy while country risk is governed by the present charter.

Country risk general policy measures are applicable to international risks on a permanent basis at both parent and subsidiary levels. They may be updated should economic and financial circumstances change.

These measures may be complemented by specific policies relating to certain activities (sovereign debt) or to any of the bank's units. They are also accompanied by credit risk guidelines revised periodically.

Country-risk general policy is subject to approval by the bank's decision-making bodies.

2- Methodology for identifying and appraising international risks

Attijariwafa bank undertakes banking and banking-related activities in its domestic market and in foreign countries through subsidiaries and in some cases branches. In this respect, its exposure to international risks encompasses all types of commitment entered into by the bank in its capacity as creditor vis-à-vis non-resident counterparties both in dirhams and foreign currencies. Specifically, this relates to:

2.1. Cash advances and loans by signature to non-residents;

2.2. Exposure in relation to trade finance activity:

- Confirmation of export bills of exchange payable by foreign banks;
- Counter-guarantees received from foreign banks;
- The bank's nostrii accounts in credit held with foreign correspondent banks and foreign correspondent banks' lori accounts in debit held with Attijariwafa bank;

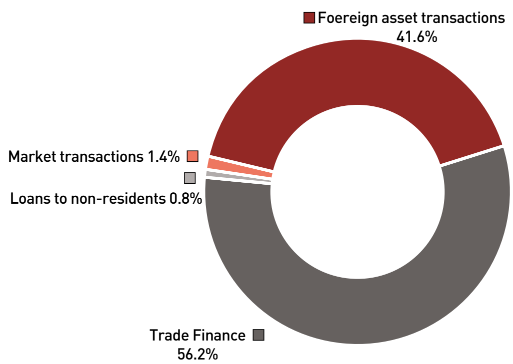
2.3. Foreign asset transactions:

- Foreign financial holdings;
- Counter-guarantees issued by Attijariwafa bank on behalf of subsidiaries to support their business development;
- New foreign branch openings;
- ALM portfolio.

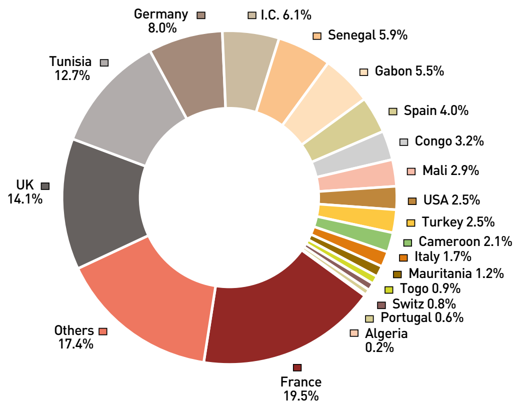
2.4. Market transactions generating counterparty risk e.g. spot and forward foreign exchange, foreign exchange swaps, structured products, commodities and foreign currency deposits.

At the end of December 2015, AWB's cross-border risks amounted to MAD 26,770 thousand. Trade-finance operations accounted for 56% of total cross-border risks, followed by foreign-asset transactions (42%). These figures reflect the bank's international ambitions in a context of Morocco's opening to the global economy.

Cross-border risks at December 2015

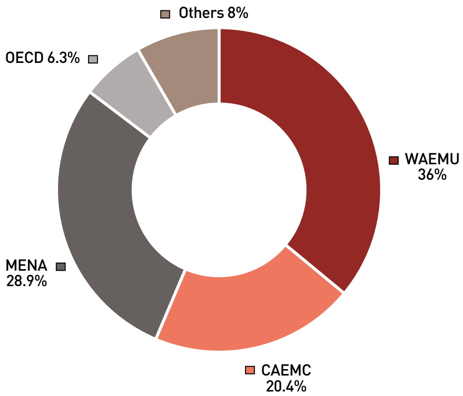


3- Methodology for calculating and restating country risk exposure based on the risk transfer principle which highlights regions and countries to which exposure is high (in value terms and as a share of the bank's shareholders' equity) as well as mapping corresponding risks.



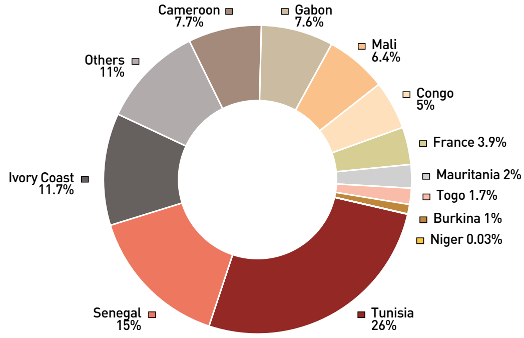
The bank's exposure to the MENA, WAEMU and CAEMC regions is explained by the acquisition of banking subsidiaries as important growth drivers for the bank's strategic development.

Concentration of country exposure by region at December 2015



4. Consolidation rules for country risk exposure providing an analysis of each subsidiary's commitments by country as well as those of the headquarter and an overall perspective of the Group's total commitments.

Concentration of country exposure by country at December 2015



5. Development of an internal country scoring system reflecting a country's vulnerability. The overall grade is based on a multi-criteria assessment approach combining:

5.1 : An **economic risk** sub-score based on macroeconomic indicators such as the public budget balance, external debt, foreign exchange reserves and GDP, providing an overview of a country's economic solidity;

5.2 : A **financial risk** sub-score based on macroeconomic indicators such as external debt, debt service obligations, foreign exchange reserves and current account balance, providing an overview of a country's liquidity situation;

5.3 : a **market risk** sub-score based primarily on credit default swaps (CDS) as protection against issuer default and therefore as an indicator of a country's default probability;

5.4 : A **political risk** sub-score reflecting a country's vulnerability to political instability; this indicator is based on a multi-criteria assessment approach combining the integrity of the judicial system, administration and bureaucracy, the redistribution of wealth by analysing the poverty rate, the democracy index and ease of doing business index.

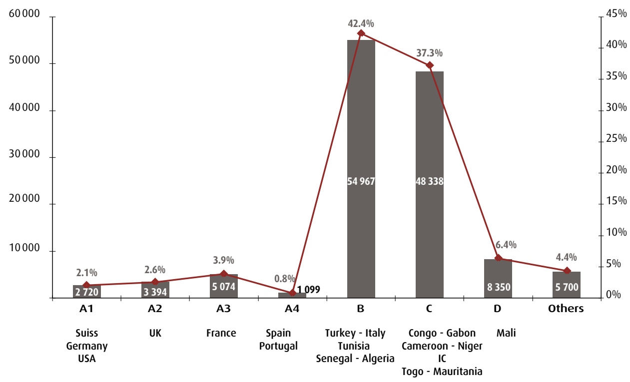
The resulting internal country score is the algebraic sum of the above sub-scores and is graded on a scale of 1 to 5, 1 representing an excellent risk profile and 5 representing a highly vulnerable risk profile.

The internal country-rating model, currently based on sovereign risk, is being widened to include other criteria for country risk, such as transfer risk, the risk of a weakening banking system, and generalized shocks. This model will be enhanced by an «alert» module that provides information on major crises and can detect major trends that give advance warning of crises.

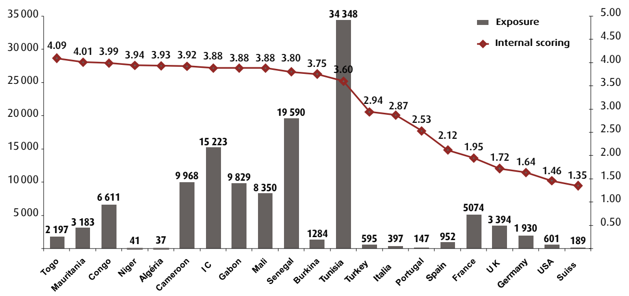
A consolidated procedure for determining country risk has been implemented by means of a standard form sent to subsidiaries and then consolidated for compliance with reporting regulations.

The declassification of Italy and Tunisia brought Attijariwafa bank's international class B (moderately acceptable) loan outstandings to 52%.

Breakdown of country risk exposure using the Coface scale at December 2015



According to the internal country scoring system (vulnerability index), exposure to countries with average risk and greater amounted to 38%.



6. Publication of a weekly country risk report summarising the previous week's main events including changes to ratings agencies' ratings with updated internal scores, CDs and country ratings from institutions such as Standard & Poor's, Moody's, Fitch, Coface and the OECD in the "World" database;

7. Allocation of limits, which are calibrated as a function of the country risk profile and the bank's shareholders' equity with a breakdown by region, country, business sector, type of activity, maturity etc;

8. Monitoring and surveillance to ensure compliance with limits through ad hoc reporting;

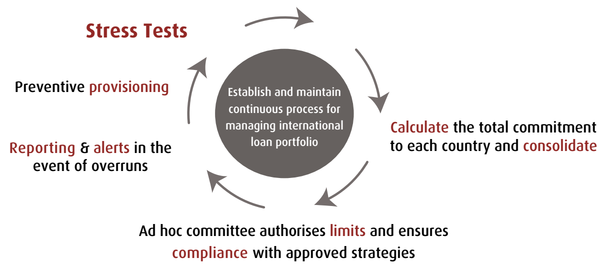
9. Provisioning for country risk as a function of deterioration in any country to which the bank has exposure including the actual occurrence of risk incidents, debt rescheduling, default, recourse to debt relief measures etc.;

10. Stress testing, an exercice designed to determine the bank's capacity to withstand extreme developments e.g. the actual occurrence of political risk in Tunisia and Ivory Coast, and to measure the resulting impact on capital and profitability.

Stress tests are conducted on a half-yearly basis in accordance with regulatory requirements and periodically when the bank's country risk exposure changes or when otherwise required.

In conclusion, the bank's country risk management policy provides a specific framework that ensures coverage of international risks from inception to final outcome.

Country risk charter



IV- Operational risk and Business Continuity Plan (BCP)

I. Operational risks

A. Background and methodology

Attijariwafa bank's operational risk management policy is fully consistent with Basel II reforms and their application to Moroccan institutions as decreed by Bank Al-Maghrib's Directive DN/29/G/2007 of 13 April 2007.

Operational risk is defined by Bank Al Maghrib as "the risk of direct or indirect loss resulting from an inadequacy or failing in internal procedures, persons or systems or resulting from external events". This definition includes legal risks but excludes strategic risk and the risk of damage to the Group's reputation.

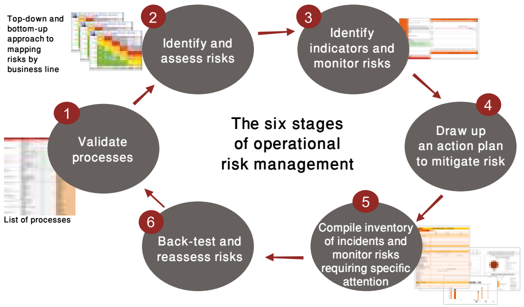
Operational risk management policy is steered by the Operational, Legal, Information Systems and Human Risks unit.

The ROJIH unit has established a risk map for each business line based on the bank's standard processes. Each risk is mapped based on frequency of occurrence and the resulting impact.

For major mapped risks, action plans are drawn up to mitigate or prevent risks.

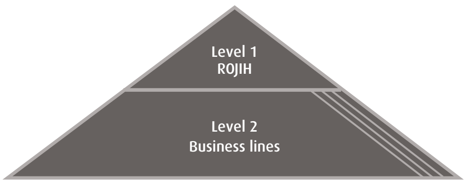
The road map is regularly updated on the basis of incidents occurring in each unit and/or due to changes in the bank's products and services.

The diagram below explains Attijariwafa bank's 6-step risk-mapping method:



B. Reminder of how operational risk management is organised

Attijariwafa bank's operational risk management policy is steered by the Operational, Legal, Information Systems and Human Risks unit, known as ROJIH, which reports to Global Risk Management. Operational risk management is conducted at two distinct levels:



- **Level 1 (ROJIH):** responsible for measuring and controlling operational risks. It is also responsible for informing business lines of their current operational risk levels and helping them to take appropriate action.
- **Level 2 (Business lines):** responsible for identifying and compiling an inventory of incidents and implementing measures to hedge against risk.

Within each business line, the main officers responsible for implementing the bank's operational risk management policy are known by the following acronyms:

RRO : Operational risk coordinators (business line)

CRO : Operational risk correspondents (business line)

MRO : Operational risk managers (ROJIH unit) also known as GRO (Operational risk administrators

RM : Business line head

C. Main committees

A number of committees are involved in operational risk management:

The business line's **Operational Risks Committee**, which meets on a monthly basis, has the following objectives:

- Review operational incidents and losses during the previous period;
- Monitor risks requiring specific attention using indicators and appropriate action plans;
- Assess the impact of changes on operational risks and take appropriate action;
- Validate updated reference documents relating to processes, risk mapping etc.

ROJIH Committee which meets on a monthly basis, has the following objectives:

- Ensure that operational risk management policy is implemented within each of the Group's units;
- Identify changes to the risk map (validated by the business line's Operational Risks Committee);
- Examine major risks arising at Group level and propose appropriate action;
- Draw up procedures for reporting to General Management and the bank's various administrative bodies.

Arrijariwafa bank's operational risks regulatory committee: which meets once or twice a year at the request of the directors and/or General Management), has the following objectives:

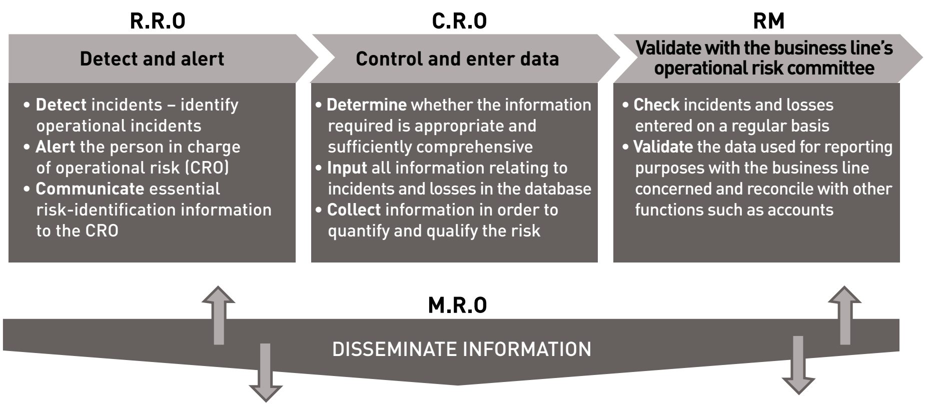
- To review past achievements and future action.

D. Operational-risk management

All bank activities are covered by a policy of operational risk management, except for the following units: general audit, Group compliance (audit units), and strategy and development.

E. Bank strategy for operational-risk management

The policy of operational-risk management implemented by Attijariwafa bank meets not only the regulatory requirements published in circulars decreed by Bank-Al-Maghrib, the regulatory body, but also the requirements of the charter governing operational-risk management. Approved by general management, this charter defines the concepts, participants, and missions with regard to operational-risk management.



II. Risk mapping analysis during 2015

A. Banking risks

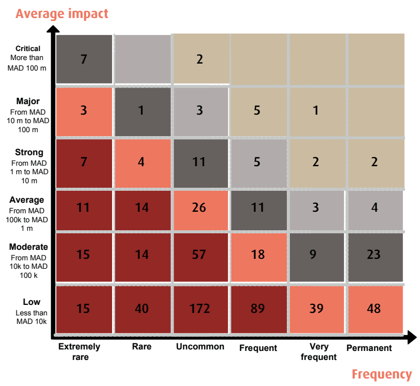
The operational risk map for 2015 is identical to that for 2014, with 656 risks identified, 161 risks to be managed, and 27 "unacceptable or critical" risks.

The latter require special treatment.

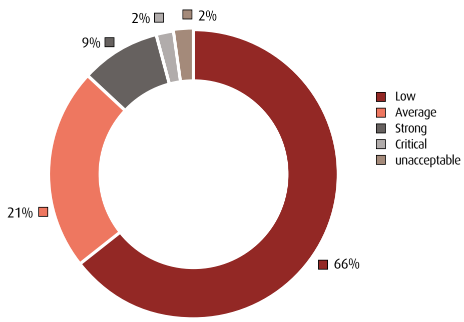
Four BCP risks have been added to the bank risk map:
- unavailability of a data center or computer room;
- unavailability of a building to house staff;
- unavailability of colleagues in the event of a health crisis;
- unavailability of vital services.

The following factors are important in updating risk maps:
- Process modification (new products, process optimisation, IT implementation etc.)
- Incident reporting by business lines:
  - Reconcile the impact and frequency of risks with reported incidents
  - "Orphan" incidents – identify new risks for any incident unrelated to a previously identified risk on a business line's risk map;
- Draw up action plans to mitigate or prevent risks.

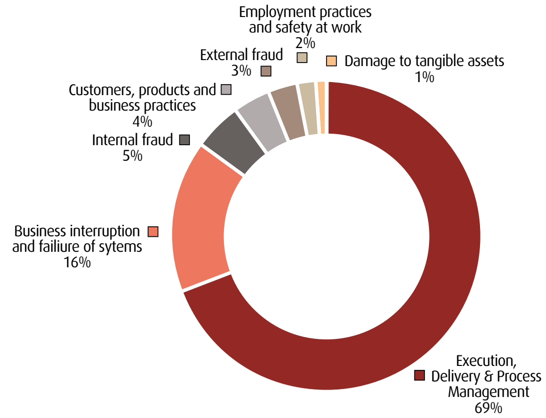
Risk mapping



Breakdown of the bank's risk scores

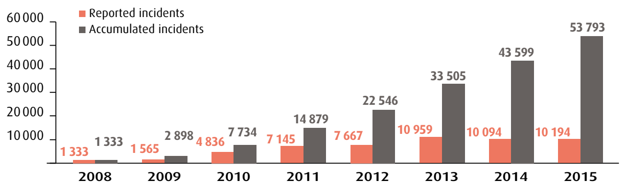


Breakdown according to Basel



B. Incident collection at parent level (Attijariwafa bank)

Implementation of the bank's operational risk management policy resulted in **10,194 incidents being collected in 2015**, taking the total to more than **53,793 incidents** since the policy was first implemented.



C. Action plans for major risks

The action plans are currently being updated and integrated into e-groci (software for management of operational risks).

III. Software for operational-risk management

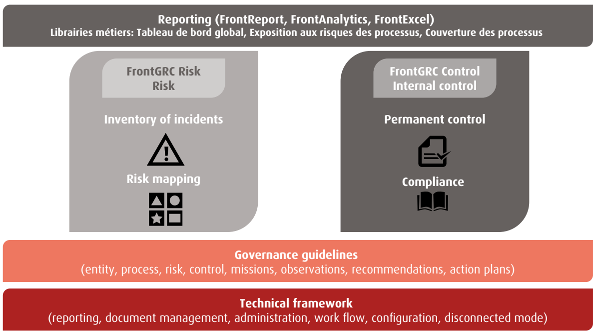
In order to meet regulatory requirements and to upgrade its aging Excel-based software (particularly with regard to the measurement of operational incidents, the proper handling of workflow appraisal for risks, incidents, and action plans, and the relevant analysis of transversal risks), Attijariwafa bank has chosen to replace its software for operational-risk management. With a total budget of 884 man-days, the project was launched in June 2014. Production was implemented in two stages: a test run in June 2015 was followed by general deployment in September 2015.

A. Goals of the project:

- Improvement of organization, methods, and procedures
- Adherence to regulations
- Optimal allocation of capital reserves
- Improved control of the Group profile risk

B. Modules acquired for the Front CRM software package

The GRO-CI project aims to detail, deploy, and integrate solutions (FrontOp Risk, FrontCRM Control, FrontReport) related to operational-risk management and to Attijariwafa bank internal control.



C. System implemented for ORM on the basis of the FrontRisk solution

Operational-risk management is overseen by several entities (see diagram below) that use the operational-risk system (FrontRisk). Each entity has a distinct user profile based on its role within the system.

D. Target population and training

The target population for e-groci (internal designation) amounted to more than 360 persons in September 2015, with the following breakdown:

User profile	Number	Details	E-groci tasks
User	52	Managers of business lines and networks, heads of supports and means	- Visibility of their area of responsibility
CRO	18	Operational-risk correspondents, an internal resource designated by the business-line manager	- Validation of systems (processes, risks, action plans, and ratings) via workflows - Detection/monitoring of incidents - Creation of operational-risk reports
RRO	288	Head of departments and/ or their colleagues (by proxy)	- Detection of incidents - Monitoing indicators/ action plans - Creation of operational-risk reports
MRO	4	Operational-risk managers in the ROJIH unit	- Management of risks and DMR (monitoring of related action plans) - Validation of incidents - Ratings (launch and monitoring of campaigns) - Reporting unit - User management (creation and authorization)
MROC	2	Central operational-risk managers in the ROJIH unit	- Update/validation of system (process) - Global reporting - User management (creation and authorization)
Total: 5 profiles	**Total : 364**		

IV. Preparations for advanced methods

- Attijariwafa bank has committed to the adoption of advanced methods for the measurement of capital (standard and advanced calculations). The precise transition date and calendar have yet to be determined.

With a basic approach, capital requirements for operational risks are:

At June 30, 2015:

- Capital requirements for operational risk, parent company = MAD 1,614,009 thousand
- Capital requirements for operational risk, consolidated = MAD 2,569,109 thousand

V. Operational-risk management summary

The map of operational risks in 2015 is identical to that for the previous year.

With regard to incidents, while the volume of incidents collected has improved, it still falls short of expectations.

- Only 50% of deployed units contribute to the incident inventory.
- With regard to the reporting business lines, the reports fall short of expected declarations, on the basis of frequency of operational-risk identification.

It is vital that business lines understand that they must make an exhaustive report of operational incidents.

The reporting of operational incidents should be facilitated by software that allows for workflow to be shared by the main participants, who thereby have access to the relevant entities, processes, and risks.

Simultaneous to these actions, the ROJIH unit implements channels for information cross-checking with other control units, particularly continual control, through solutions provided by the same software company so that data can be shared (especially relevant units and processes).

The following projects for operational-risk management are to be planned for next year:

- continue working on change management in terms of qualifications for human resources;
- procure the means for operational-risk management of subsidiaries;
- maintain sufficient efforts for the standard (TSA) approach.

VI– Business Continuity Plan (BCP)

Background

In December 2009, the international consulting firm Capgemini was selected by Attijariwafa bank following a bidding process to help the bank establish a Business Continuity Plan (BCP) in accordance with the second pillar of Basel II and regulations set by Bank Al Maghrib for credit institutions (Directive 47/G/2007).

The first steps in the BCP project roll-out were taken by Attijariwafa bank on 2 February 2010. The planning stage lasted for the entire year 2010-2011 and was overseen by an internal project management team.

The BCP, for which the Operational, Legal, Information Systems and Human Risks unit (ROJIH) is responsible, complements the bank's operational risk management policy established in 2009 and culminating with the establishment of a charter and a comprehensive operational risk map.

The BCP is a regulatory requirement

BAM circular no. 47/G/2007 stipulates that the BCP is a regulatory requirement for the implementation and management of a business-continuity plan.

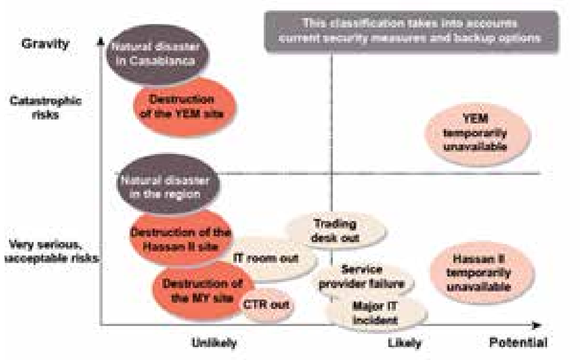
A Business Continuity Plan ensures that the bank continues to operate and respect its obligations in the event of:

- A crisis or major operational disruption affecting a large urban or geographical area;
- A disruption affecting physical infrastructure;
- A natural catastrophe;
- An external attack;
- A major information systems failure;
- Dysfunction resulting from a high level of absenteeism e.g. a pandemic;
- The failure of a critical service.

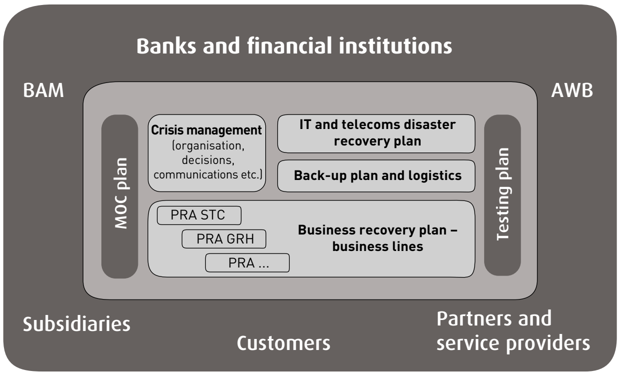
Why has Attijariwafa bank established a BCP?

The BCP must ensure that Attijariwafa bank withstands major risks

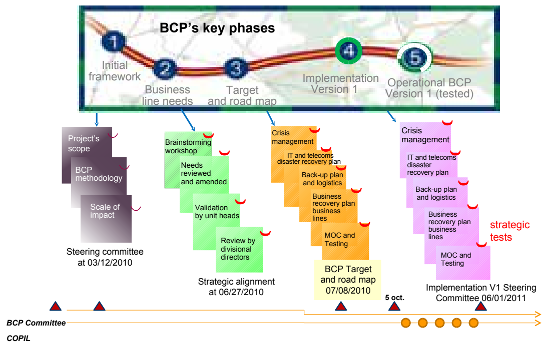
These risks are unlikely to materialise but their consequences would be catastrophic for the bank.



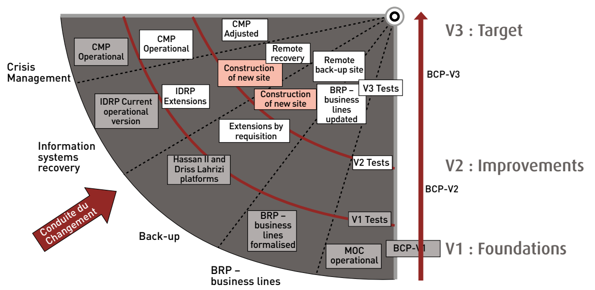
The 6 components of the Business Continuity Plan



Reminder of the BCP's key phases



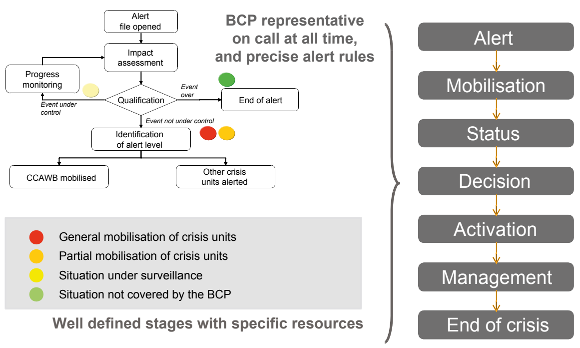
Reminder of the BCP roadmap



Le The BCP V1 project has resulted in the following technical and organisational measures being effectively established:

- **Crisis management procedures and tools**
  - Alert and mobilisation procedure;
  - Crisis unit implementation procedures (from mobilisation to the end of the crisis).
  - Crisis packs
  - Information systems disaster recovery, Back-up plan and logistics
  - HR policies and crisis communication measures

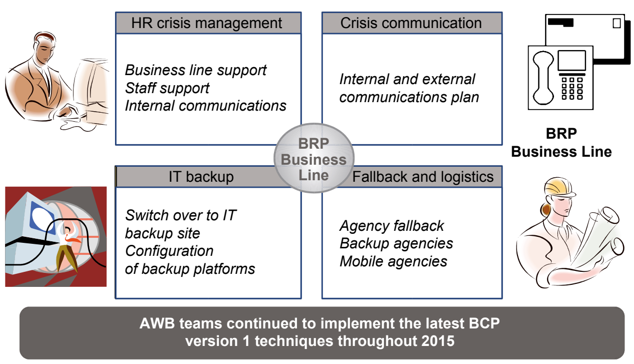
Crisis management procedures



Business recovery plans – business lines

A recovery strategy has been established for each risk scenario.

Each BCP measure is detailed with a schedule of tasks to be carried out.



Each business has established:

- Its own crisis unit
- Its own business recovery procedures
- The functioning of its critical processes in fail-soft mode
- Its own workaround and recovery solutions
- Cross-functional workaround solutions in agreement with the other business lines concerned.

BCP 2015: the changing drivers

1. Change in scope and environment

- Implementation of the new Moulay Youssef data center
- Integration of a telecommunications strategy for the new IT and telecoms disaster-recovery plan
- Inclusion in the new IT and telecoms disaster-recovery plan of the African subsidiaries based in Morocco
- New acquisitions of African banks by Attijariwafa bank Group
- Guidance for the transition from AIDA to Borj (elimination of agency servers)
- Change of work stations (WXP to W7)

2. Regulatory restrictions for subsidiaries and compliance with Attijariwafa bank Group standards:

Achievement of Group synergies within the BCP context

The year 2015 was notable for the achievement of new Group synergies within the BCP context.

Attijariwafa bank Group's Moroccan subsidiaries (Wafasalaf, Wafabail, Wafa IMA, etc.) and African subsidiaries (Société Ivoirienne de Banque, Attijari bank Tunisie, Banque Internationale pour le Mali, etc.) benefited from the experience and technical assistance of the parent company for the implementation of their own BCP.

Subsidiaries also benefited from dedicated BCP training and change-management workshops.

The bank's key business lines (trading floor, group information systems, information-systems team, etc.) updated their BCP plans and systems, in compliance with the policy of maintaining operating conditions and in line with the bank's current organizational structure.

The new Moulay Youssef Data Center (IT and telecom backup site) and the backup site for the trading floor were the main projects completed in 2015.

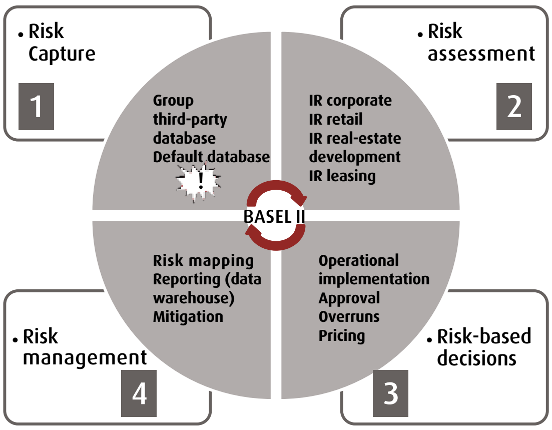
V- Risk Management

The GGRM is equipped with a unit dedicated to Risk Management systems. This unit is focused on applying industry best practices in risk management, in compliance with Basel II.

This unit is also responsible for creating and monitoring rating models at the Group level, mapping ratings, and continually improving risk management.

As part of the procedure for transitioning to the advanced processes required by the central bank (BAM) and by bank management, a Basel II framework has been implemented under the aegis of Risk Management. The framework is based on risk capture (default database), a company ratings system (updated in 2010), a Group third-party database, a data warehouse for risk management, and a procedure for operational application of ratings on the process level.

Basel II scheme



Internal ratings model

Attijariwafa bank's internal ratings model is a tool used to provide assistance in risk assessment, decision-making and monitoring. It is one of the instruments used to detect deterioration or improvement in risk when the loan portfolio is reviewed periodically.

A first-generation internal ratings model was developed by Attijariwafa bank in June 2003 with technical assistance provided by Mercer Oliver Wyman, a global consulting firm. The initial model operated on two parameters: a 6-class risk ratings scale (A, B, C, D, E and F) and estimated probabilities of default (PD). The initial model was limited to five financial factors explaining credit risk.

The adoption of the internal ratings model reflects the Group's determination to comply with international standards of risk management (Basel II). The implementation of a new internal ratings system under EDEN takes into account additional financial criteria, in addition to qualitative and behavioral criteria. It covers most of the bank's commitments. The system's design stems from an analysis of homogeneous classes and from tested statistical analyses.

The ratings model is primarily based on assigning a counterparty rating reflecting the probability of default within one year. The rating corresponds to a risk class on an 8-class risk ratings scale which includes "Default" (A, B, C, D, E, F, G and H).

The ratings system has the following features:

- Scope: corporate portfolio, excluding public administration, finance companies and real estate development companies;
- Attijariwafa bank's ratings model is primarily based on assigning a counterparty rating reflecting the probability of default within one year ;
- This rating is calculated on the basis of three other ratings – a financial rating, a qualitative rating and a behavioural rating.
  - The financial rating is based on several financial factors related to the company's size, growth rate, level of debt, profitability and financial structure;
  - The qualitative rating is based on information regarding the market, the environment, the company's shareholder structure and management. This information is provided by the branch network.
  - The behavioural rating is based on the specific character of the account
- All counterparty ratings are subject to credit committee approval (for each rating) by the appropriate credit committee in accordance with current delegated powers.
- Probability of default only assesses a counterparty's solvency, independent of the transaction's characteristics (guarantees, ranks, clauses, etc.).
- The model's risk classes have been calibrated by adopting risk classes used by international ratings agencies.
- The rating is assigned to a risk class on an 8-class risk ratings scale under 3 categories :
  - Healthy counterparties: classes A to D;
  - Sensitive counterparties: E to G;
  - Counterparties in default: class H (doubtful, impaired, consolidation, recovery, provisions).
- Use of internal ratings: the internal ratings model is now an integral part of the assessment and credit approval process. The rating is taken into consideration from the very moment a credit proposal is submitted. The risk rating will also determine the level of authority required in the credit approval process.

• Ratings update: counterparty ratings are re-examined at each renewal date and at least once a year. However, for corporate customers under watch (Classes F, G or pre-recovery), the counterparty rating must be reviewed every six months. In general, any significant new information will result in the rating being reassessed and a possible upward or downward revision.

The ratings system is intended to be flexible and is back-tested on an annual basis in order to:

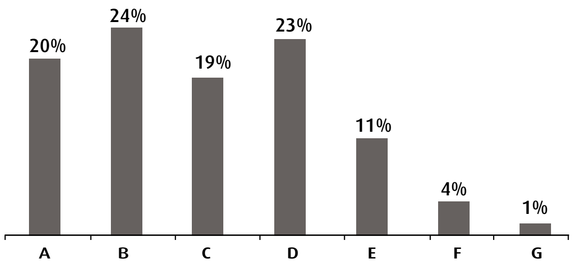
• Test the predictive powers of the ratings model;

• Ensure that the probabilities of default are correctly calibrated

With respect to risk quality surveillance, the Risk Management Systems unit produces a regular risk mapping report analysed from different viewpoints e.g. commitment, business sector, pricing, networks, amounts due, etc. with the aim of improving the portfolio's coverage ratio.

The table below provides a breakdown of the bank's commitments by risk class:

Breakdown of the bank's corporate commitments by risk class %



Commitments in 2015 broken down by risk category show an 85% rate of performing loans, compared with 78% in 2014. Excluded from the calculation are loans to government agencies, loans to real-estate developers, and disputed loans. This map also includes finance companies rated by an expert.

AWB Classification	Description
A	Very good
B	Good
C	Quite good
D	Average
E	Poor
F	Bad
G	Very bad
H	Default

Rating the retail segment (very small enterprises, professionals, individuals, etc.)

With significant experience in quantitative risk modeling and deep operational knowledge of very small enterprises, the GGRM has designed ratings models specifically for the segment of very small enterprises and professionals. In addition, decision support based on quantitative and qualitative data, as well as on customer behavior, reduce risk and allow decisions to be made on an industrial scale. This is provided in close collaboration with support units and network management.

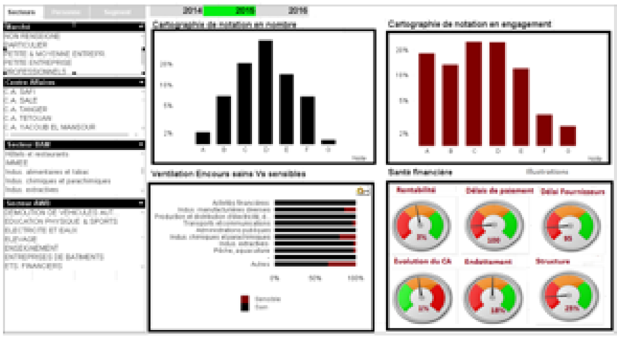
In addition, several actions designed to perpetuate the system—adjustments of rules for decision making with regard to change management and monitoring—were carried out over the past two years. The capacity for processing requests had been greatly improved by the end of the year, while the convergence rate between automated rating and human judgment had reached an acceptable level. The first pre-rating operation was carried out with existing software and network support. The operation allowed the network to define its target techniques and improve the success rate for prospects in this segment. At the end of 2015, a project for rating professionals had been launched, thereby confirming the Group's strategic commitment to solidly finance its retail-customer business.

Risk-data warehouse, a major step forward in risk management

The risk-data warehouse stabilized in 2015 and is now a vital part of risk-management policy. The risk-data warehouse provides a centralized view of the bank's portfolio and allows close monitoring of risk zones by means of a sector-based approach. The system allows risk-management teams to publish reports on risk mapping, to monitor the portfolio's ratings, and to determine risk indicators in accordance with various analytical factors (business sector, business center, region, market, etc.). The data warehouse also allows for historical data to be stored for the design and backtesting of internal ratings models, studies, and specific analyses.

Similarly, a warehouse for financial information was also established. This database computes the average ratios per business sector and facilitates the interpretation of financial indicators (sales trend, profitability, debt, liquidity, payment periods, etc.) of Moroccan companies. This project will be expanded in the coming years in order to improve decision making and sector oversight. Other applications based on the same environment are under development to meet the needs for global risk management, especially risk oversight (alerts, watch lists, etc.).

Data-Warehouse Risk (2015)



Sector guidance and risk strategy

On the basis of the time-tested internal ratings model and the new risk-data warehouse, an initial sector-based mapping of the bank's portfolio was performed. The mapping provides a detailed look at the business sectors that are most representative of the Moroccan economy. This mapping highlights the risk profile (rating, nonperforming loans, etc.) and opportunities for each sector, while taking into account the outlook for change (SWOT approach per sector).

Multidimensional mapping allows sector-specific risk strategies to be improved and provides a vital tool for decision making with regard to the penetration rates of business sectors. With regard to continuity planning, a preliminary model for the quantitative management of limits (business line, sector, customer, etc.) is currently under way.

Improvements in Basel II compliance in 2015

- The ratings model for SMEs was reviewed on the basis of recent data. This review benefits from the significant experience of risk managers and is designed to improve the model's forecasting capacity. The model was also shared on the network level at portfolio-presentation meetings, and was approved by management. Implementation of the model is planned for the first half of 2016. The next stage will be a ratings-model review for large companies.
- A ratings system for real-estate development projects has been implemented on the basis of qualitative and quantitative variables assessed by expert valuation. The model is expected to be supplemented by a "developer" ratings model based on client data (general assessment, behavior, experience, etc.) and ratings of past projects.
- In the same spirit of dual ratings (developer/project), ratings for the financial-project sector have been brought into perspective. Priority is now given to the energy sector.
- A global effort for the implementation of a payment-collection system is now under way. A global mapping of the target process (covering the stages of payment collection, both in and out of court) has been approved and the needs for automation identified. Specific needs cited were related to non-payment and to the creation of a loss data base. In 2016, a target solution will be chosen for launch in the implementation stage.
- A charter for operational integration was drawn up. The charter aims to gradually introduce a rating system at the operating level, particularly with regard to lending, guaranties, and price structure. Implementation at this stage means a higher portfolio rating and more intensive use of the rating at meetings of the Credit Committee. The rating can be found in all documentation and supports used for decision making. In addition, sector guidance is in part based on ratings maps and the transition matrix (change of mapping), which is now part of the operational-integration process.
- One of the key concerns of GGRM is how to help subsidiaries. Ratings systems for international subsidiaries are currently being deployed. A ratings system was deployed at the ATB (Tunisia) site in 2014, and a new ratings system at SIB (Ivory Coast) is currently under review. The ratings system for other subsidiaries will be expanded in 2016 and 2017.
- In collaboration with the WafaBail subsidiary, the Risk Management unit developed a risk-management ratings model for procurement. This system is designed to assess asset impairment where assets are being sold for customers that have been declared contentious. The model is based on intrinsic information on the asset and qualitative information on the debtor.
- At the end of 2015, a ratings project was launched for Attijari Factoring. The project will provide the subsidiary with a ratings system to assess credit risk in its factoring business.
- In 2015, software for calculating the capital adequacy ratio was adjusted to anticipate the needs of the advanced approach, thereby allowing the possibility of including the rating in the calculation of the capital adequacy ratio over time.

Several pre-certification missions were carried out with regard to Basel II. Conclusions of the missions reaffirm the Group's risk-management approach with regard to prudential rules set forth by the Central Bank and a mature banking sector.

Key actions

Guiding change

1 Training courses

- Risk Management carried out onsite training at all Business enters and GE on Basel II changes and the operational application of internal ratings. Two hundred xxx exploitants xxx reviewed the technical procedures for ratings, and a detailed ratings guide was distributed.

  At the same time, a training day for the operational insertion of Basel II was provided to Group General Audit. Special attention was given to the control points for operational insertion of ratings (e.g., rating level, refresh rate of ratings, uses tests).

2 Basel II Guide

- Designed to explain Basel II concepts in simple terms (e.g., IRB approach to FP calculation, the Basel definition of default, application of ratings), this guide was distributed widely throughout the bank.

3 Ratings Guide

- A practical ratings guide (general principles, ratings procedures, use of ratings, etc.) was widely distributed within the bank when the ratings campaign was launched in June 2014.

4 Guidelines for operational application

- Guidelines for operational application were proposed by the Basel II Steering Committee in January 2014. The guidelines highlight the impact of Basel II on management (distribution, granting, recovery) and oversight procedures.

5 Elaboration de Guidelines

- Des guidelines relatifs à l'octroi de crédit, à la prise de garantie et à la tarification en tenant compte de la notation sont en cours de validation

Operational integration of rating

6 Credit Committee

- Credit committees make increasing use of ratings. Generally, a counterparty may not receive authorization if it has not been previously rated.
- Delegations (level of responsibility of participants in credit-granting circuits) expressed in terms of contract amounts are being reassigned in accordance with client risk profile (rating).
- Ratings-based guidelines for the granting of credit, assumption of guarantees, and tariffs are being validated.

7 Ratings procedure and publication

- Ratings are accessible on the network and may be found in all decision-related supports (AF, AT, STFI, etc.)
- Functions of the current EDEN ratings system have been optimized (mass calculation via batch, updating of behavioral factors, etc.)

8 Risk Mapping

- Portfolio-focused risk management is now based on risk mapping (investment distribution by risk category). Risk mapping is drawn up in accordance with various analytical approaches (commitment, business sector, tariffs, networks, amounts receivable, etc.) on the basis of the past four years. As a result of closer monitoring and greater commitment of risk managers in this procedure, risk mapping has been expanded to 4,500 relations totaling MAD 91 billion. The transition matrix (annual change of mapping) provides warning of possible risk deterioration.

9 Raising awareness in subsidiaries

- Assistance for the ABT subsidiary (ratings system operational in 2014)
- Guidelines mission (CBAO, SIB, etc.)
- Drawing up of methodological document for ratings-model design for the use of foreign subsidiaries

10 Assistance aux filiales

- Le système de notation ABT est opérationnel
- Mission d'assistance de SIB dans la mise en place d'un système de notation interne
- Elaboration d'un document méthodologique de conception des modèles de notation destiné aux filiales étrangères

VI. ASSET-LIABILITY MANAGEMENT

Liquidity risk

Liquidity risk is the risk that, even by mobilizing its assets, a lending institution will not be able to meet its obligations or maturities across the yield curve.

Liquidity risk can arise from customer deposit withdrawals, a high level of credit disbursement, or a decline in liquidity of specific assets. It can be related to intrinsic risk or to market risk.

Attijariwafa bank Group manages liquidity risk within the framework of the liquidity policy approved by the ALM Committee, the Audit Committee, and the Board of Directors. Under this policy, liquidity risk can be identified, assessed, monitored, and hedged for both normal and crisis conditions. Group liquidity is assessed by means of internal and regulatory performance indicators.

Policy for liquidity-risk management

Objectives

The liquidity policy of AWB Group consists of:

- holding available, liquid assets that allow the bank to meet exceptional cash withdrawals for various maturities, including intraday, and for various currencies;
- ensuring a balanced, adequately diversified financial structure at an optimal cost;
- complying with regulatory liquidity ratios.

There is also an emergency plan to be implemented in case of a liquidity crisis.

Gouvernance

The Board of Directors is kept informed by the Audit Committee with regard to the Group's liquidity policy and position.

The ALM Committee meets quarterly to:

- define the liquidity-risk profile;
- ensure that regulatory liquidity ratios are being met;
- define and monitor liquidity-management indicators and set related limits;
- define the bank's financing strategy in terms of market conditions.

The **ALM Committee** comprises the chief executive officer, senior managers, the head of global risk management, the business-unit heads, the head of Group finance, the head of capital resources, the head of the trading floor, and the head of the ALM unit.

Other participants may be invited on occasion by the chairman of the ALM Committee.

The **Treasury Committee** meets monthly. The committee monitors and manages liquidity risk by monitoring market conditions on a regular basis, verifying the bank's internal capacity to meet potential liquidity needs, and managing its liquidity ratio.

Management and monitoring of liquidity risk

The management and oversight of liquidity risk use a wide range of indicators for various maturities.

Free treasury securities

Free treasury securities allow the bank to meet short-term liquidity needs. Intraday mismatches and overnight outflows can be covered by intraday "PLI" repos concluded with the Central Bank, or by overnight repos.

At December 31, 2015, outstanding free treasury securities amounted to MAD 26.6 billion, compared with MAD 21.3 billion a year earlier.

Available liquidity reserves

Liquidity reserves comprise assets that can be converted into cash in less than 12 months. Liquidity may arise from the sale of the asset on the open market, from using the security as collateral in the repo market, or from lending the security to Bank Al-Maghrib.

At December 31, 2015, high-quality liquid assets totaled MAD 37.3 billion, compared with MAD 33.3 billion at December 31, 2014.

Hedging wholesale liquidity gaps (6–12 months) by means of high-quality liquid assets

This indicator measures the bank's ability to fill gaps in wholesale liquidity, considered volatile during a liquidity crisis, in the event of a market unexpectedly closing.

At December 31, 2015, 12-month wholesale liquidity gaps totaled MAD 18.2 billion, compared with MAD 20.0 billion a year earlier. The coverage rate for high-quality liquid assets stood at 205% at December 31, 2015, compared with 167% at December 31, 2014.

Static liquidity gaps: (difference between assets and liabilities) by maturity: This measure determines the liquidity schedule for all assets and liabilities:

- until the contractual date for items with a contractual schedule;
- in accordance with assumptions based on models for items without a contractual schedule.

At December 31, 2015, the static liquidity gaps were as follows (in MAD billions):

MAD billions

	0-1 year	1 to 5 years	more than 5 years
Asset flow	148	82	57
Liability flow	117	98	74
Static liquidity gap	31	-16	-17

Liquidity coverage ratio (LCR):

The liquidity coverage ratio (LCR) measures a bank's ability to cover liquidity needs during a stress period (both systematic and nonsystematic) of one month.

At December 31, 2015, the LCR stood at 178%, compared with 120% at December 31, 2014.

Net stable funding ratio (NSFR):

The net stable funding ratio (NSFR) limits a bank's use of short-term liquidity gaps. The NSFR encourages stronger assessment of refinancing risk for all items on and off the balance sheet, thereby encouraging stability.

At December 31, 2015, the NSFR stood at 137%, compared with 128% at December 31, 2014.

Structural interest-rate risk

Interest rate risk is one of the largest risks to which banks are exposed. This risk relates to the risk of changes in the value of positions or the risk of changes in a short-term financial instrument's future cash flows (floating rate) due to changes in market interest rates (fixed rate).

The management of interest rate risk involves matching the various interest rates for the uses and sources of the bank's deposits. However, the bank's sources (i.e., deposits), usually short or medium term, do not match perfectly with the bank's uses of its deposits, usually long term and at fixed interest rates (e.g., mortgage loans). This mismatch creates a need to monitor, assess, and hedge interest rate risk.

AWB's management of interest rate risk aims to preserve estimated interest margin and shareholders' equity against adverse interest rate movements:

- for maturities of less than 12 months, AWB's policy for managing interest rate risk is to hedge interest margin against a significant change in interest rates;
- for long-term maturities, the policy of managing interest rate risk is to reduce the fluctuation of the discounted net financial value of residual fixed-rate positions (surplus or deficit) of futures (more than 20 years) issued from all assets and liabilities.

The total exposure to interest rate risk is presented to the Attijariwafa bank ALM Committee, which:

- examines positions of interst rate risk on a quarterly basis;
- ensures that applicable limits are respected;
- decides on management measures on the basis of suggestions made by the ALM Committee.

Assessment and monitoring of structural interest rate risk

Attijariwafa bank utilizes several indicators to assess the interest rate risk of its banking portfolio (excluding trading activities). The three most important indicators are:

1. interest rate gaps (difference between assets and liabilities), by maturity. This measure determines the liquidity schedule for all assets and liabilities, fixed or floating interest rates:

- until the maturity date for floating interest rates;
- until the contractual date for fixed-rate operations;
- in accordance with assumptions based on models for items without a contractual schedule.

2. The sensitivity of the balance sheet's economic value to interest rate changes.
3. The sensitivity of the interest margin to changes in interest rates under various stress tests.

Interest rate gaps at the parent-company level at December 31, 2015 (in MAD billions), were as follows:

MAD billions

	0-1 year	1 to 5 years	more than 5 years
Asset flow	111	78	47
Liability flow	112	64	61
Rate gap	-1	14	-14

Simulations of various stress scenarios are performed in order to determine the impact under such conditions on the net interest margin and on the economic value of shareholders' equity.

At December 31, 2015, the sensitivity for a 100 bp rise was MAD –23 million (–0.35%) from the estimated interest margin, and MAD –105 million (–0.38%) from statutory shareholders' equity.

The interest rate gap and results of stress tests are presented to the ALM Committee, which decides on the management and hedging measures to be taken.

Pillar III :

Risks and Capital Adequacy

Contents

Pillar III : Risks and capital adequacy

The publication of financial information with regard to regulatory capital and risk exposure is conducted on a consolidated basis in compliance with Article 2 of directive 44/G/2007. Other information about the parent company and significant subsidiaries is published separately, in compliance with Article 8 of the same directive.

Pillar 3 of the Basel III framework aims to promote market discipline through regulatory disclosure requirements with regard to supplementary financial communication. These requirements enable market participants to access key information relating to a bank's regulatory capital and risk exposure, in order to increase transparency and confidence about a bank's exposure to risk and the overall adequacy of its regulatory capital.

I. Capital management and capital adequacy of Attijariwafa bank Group

1- Moroccan regulatory framework

The Moroccan regulatory framework is changing in compliance with the principles laid down by the Basel Committee. In 2007, Bank Al-Maghrib put forward the Basel II accord, which is based on three pillars:

- **Pillar 1**: calculation of minimum capital requirements for various prudential risks: credit risk, market risk, and operational risk;
- **Pillar 2**: implementation of internal reviews of capital adequacy and risks incurred. This pillar covers all quantitative and qualitative risks;
- **Pillar 3**: disclosure requirements and standardization of financial information.

Bank Al-Maghrib has also applied the Basel III Committee guidelines for regulatory capital. The new requirements took effect in June 2014.

2- Prudential scope of application

Solvency ratios prepared on a parent-company basis (domestic banking) and on a consolidated basis are subject to Basel Committee international standards and governed by Bank Al-Maghrib regulatory directives:

- circular 26/G/2006 (see technical note NT 02/DSB/2007) about the standard calculation of capital requirements with regard to credit, market, and operational risk;
- circular 14/G/2013 (see technical note NT 01/DSB/2014) about the Basel III calculation of regulatory capital of banks and credit institutions.

For ratios prepared on a consolidated basis, in accordance with Article 38 of circular 14/G/2013, the shareholdings of insurance and reinsurance companies shall be treated on a consolidated basis using the equity method, even where the shareholdings are wholly owned or part of a joint venture.

Name	Business activity	Country	Method	% control	% stake
Attijariwafa bank	Banking	Morocco	Top		
Attijariwafa bank Europe	Banking	France	IG	99.78%	99.78%
Attijari International Bank	Banking	Morocco	IG	100.00%	100.00%
CBAO Groupe Attijariwafa bank	Banking	Senegal	IG	83.07%	83.01%
Attijari bank Tunisie	Banking	Tunisia	IG	58.98%	58.98%
La Banque Internationale pour le Mali	Banking	Mali	IG	51.00%	51.00%
Crédit du Sénégal	Banking	Senegal	IG	95.00%	95.00%
Union Gabonaise de Banque	Banking	Gabon	IG	58.71%	58.71%
Crédit du Congo	Banking	Congo	IG	91.00%	91.00%
Société Ivoirienne de Banque	Banking	Ivory Coast	IG	75.00%	75.00%
Société Commerciale De Banque	Banking	Cameroon	IG	51.00%	51.00%
Attijaribank Mauritanie	Banking	Mauritania	IG	80.00%	53.60%
Banque Internationale pour l'Afrique Togo	Banking	Togo	IG	55.00%	55.00%
Wafasalaf	Consumer credit	Morocco	IG	50.91%	50.91%
Wafabail	Leasing	Morocco	IG	97.83%	97.83%
Wafa Immobilier	Mortgage loans	Morocco	IG	100.00%	100.00%
Attijari Factoring Maroc	Facturing	Morocco	IG	80.00%	80.00%
Wafa LLD	Long-term leasing	Morocco	IG	100.00%	100.00%
Attijari Immobilier	Mortgage loans	Morocco	IG	100.00%	100.00%

3- Capital composition

In June 2014, Bank Al-Maghrib's prudential regulations for the adoption of Basel III entered into force. Consequently, Attijariwafa bank Group is required to comply with, on both an individual and a consolidated basis, a core-capital ratio of no less than 5.5%, a Tier 1[1] capital ratio of no less than 6.5%, and a Tier 1 and Tier 2[2] capital ratio of no less than 9.5%. In addition to these requirements there is a capital conservation buffer (on the basis of core capital) equal to 2.5% of risk-weighted assets. When the capital conservation buffer is included, the minimum limits are 8% for Core Equity Tier 1 (CET1), 9% for the Tier 1 capital ratio, and 12% for the total.

At the end of December 2015, in accordance with circular 14/G/2013, the regulatory capital of Attijariwafa bank Group comprised both Tier 1 and Tier 2 capital.

Tier 1 capital is determined on the basis of Core Equity Tier 1 capital (CET1) adjusted for: the anticipated distribution of dividends; the deduction of goodwill, intangible assets, and unconsolidated equity investments[2] that are held in the capital of credit institutions and equivalent in Morocco and abroad, and in the capital of entities with banking-related operations in Morocco and abroad; and prudential filters.

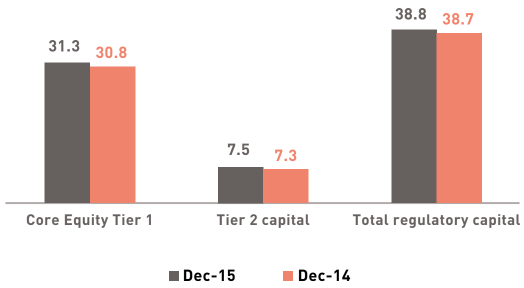
Tier 2 capital consists mainly of subordinated debt whose initial maturity is less than five years. An annual discount of 20% is applied to subordinated debt with less than five years of residual maturity. Tier 2 capital is restricted to 3% of risk-weighted assets.

(in MAD thousands)

	31/12/2015	31/12/2014
Tier 1 capital= CET1+AT1	**31,280,435**	**30,751,383**
Items to be included in core capital	38,848,358	38,668,752
Share capital	2,035,272	2,035,272
Reserves	31,956,781	30,614,460
Retained earnings	2,433,472	2,714,459
Minority interests	2,700,195	3,304,561
Ineligible core capital	-277,362	-362,712
Items to be deducted from core capital	-7,567,923	-7,554,657
Core Equity Tier 1 (CET1)	**31,280,435**	**30,751,383**
Additional Tier 1 capital (AT1)	**-**	**-**
Tier 2 capital	**7,517,730**	**7,287,511**
Subordinated debt with maturity of at least five years	7,184,502	7,520,000
Unrealized gains from marketable securities	248,943	297,636
Other items	154,285	148,239
Ineligible Tier 2 capital	**-70,000**	**-48,500**
Total regulatory capital	**38,798,165**	**38,668,758**

At December 31, 2015, Group statutory shareholders' equity amounted to **MAD 31,280,435 thousands**. Group Tier 2 capital amounted to **MAD 7,517,730 thousands**. Total capital amounted to **MAD 38,798,165 thousands**, 0.33% more than in December 2014.

Changes of Attijariwafa bank's regulatory capital (in MAD billions)



4- Solvency ratios

At 31 December 2015, the Group's Core Equity Tier 1 ratio (CET1) amounted to 10.07% and its capital adequacy ratio stood at 12.49%.

(in MAD thousands)

	12/31/2015	12/31/2014
Core capital	31 280 435	30 751 383
Total capital	38 798 165	38 668 758
Risk-weighted assets	310 598 834	306 089 174
Core equity Tier 1 ratio (CET1)	**10.07%**	**10.05%**
Capital adequacy ratio	**12.49%**	**12.63%**

II. Capital requirements and risk-weighted assets of Attijariwafa bank Group

1- Overview of risks

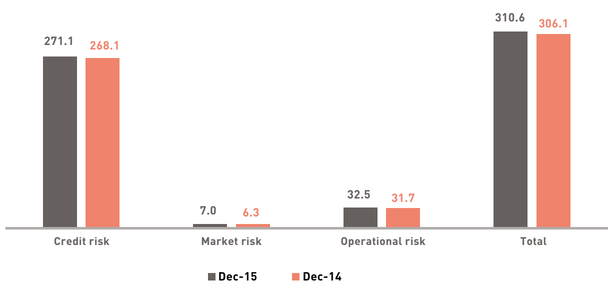
At December 31, 2015, total risk-weighted assets for Pillar I, in compliance with circular 26/G/2006 (standards for calculating capital requirements under credit and market risk, using the standardized approach) for Attijariwafa bank Group amounted to MAD 310,598,834 thousands. Risk-weighted assets are calculated by means of the standardized approach for credit, counterparty, and market risks, and by means of the Basic Indicator approach for operational risks.

	Pillar I	
	Hedged risk	Method for assessment and management
Credit and counterparty risk	√	Standardized approach
Market risk	√	Standardized approach
Operational risk	√	BIA (Basic Indicator Approach)

• Changes in risks in Attijariwafa bank Group

The Group's risk-weighted assets increased by 1.5% year on year. The following graph shows the change:

Changes in risks in Attijariwafa bank group (in MAD billions)



1) Tier 1 capital is composed of equity capital and additional capital (any instrument that can be converted to capital or depreciated when the solvency ratio falls below a predefined threshold of 6%) after deductions and prudential adjustments

2) Equity holdings of more than 10% whose historical value is less than 10% of Group Tier 1 capital are weighted at 250%.

• Capital requirements and risk-weighted assets of Attijariwafa bank Group:

The following table shows the annual change of capital requirements and risk-weighted assets under Pillar 1:

(in MAD thousands)

	December 15		December 2014		Change	
	Risk-weighted assets	Capital requirements[3]	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements
Credit risk on balance sheet	**221,752,964**	**17,740,237**	**225,200,343**	**18,016,027**	**-3,447,379**	**-275,790**
Sovereigns	14,222,705	1,137,816	12,928,432	1,034,275	1,294,273	103,542
Institutions	13,644,444	1,091,555	12,134,494	970,760	1,509,949	120,796
Corporate	151,756,056	12,140,484	160,196,930	12,815,754	-8,440,875	-675,270
Retail	42,129,760	3,370,381	39,940,486	3,195,239	2,189,274	175,142
Credit risk off balance sheet	**27,773,120**	**2,221,850**	**23,389,754**	**1,871,180**	**4,383,366**	**350,669**
Sovereigns	4,339	347	1,764	141	2,575	206
Institutions	396,532	31,723	405,844	32,468	-9,312	-745
Companies	27,088,817	2,167,105	22,775,565	1,822,045	4,313,253	345,060
Retail customers	283,431	22,674	206,580	16,526	76,851	6,148
Counterparty risk[4]	**868,990**	**69,519**	**803,506**	**64,281**	**65,483**	**5,239**
Institutions	332,121	26,570	223,254	17,860	108,867	8,709
Companies	536,869	42,949	580,252	46,420	-43,384	-3,471
Credit risk from other assets[5]	**20,688,825**	**1,655,106**	**18,722,503**	**1,497,800**	**1,966,322**	**157,306**
Market risk	**7,042,817**	**563,425**	**6,263,711**	**501,097**	**779,106**	**62,328**
Operational risk	**32,472,119**	**2,597,770**	**31,709,357**	**2,536,749**	**762,762**	**61,021**
Total	**310,598,834**	**24,847,907**	**306,089,174**	**24,487,134**	**4,509,660**	**360,773**

2- Credit risk

The amount of weighted credit risk is calculated by multiplying the assets and the off balance sheet by the weight coefficients provided for in Articles 11–18 and 45–47 of circular 16/G/2006. Credit risk depends mainly on the type of commitment and the counterparty.

Risk-weighted assets are calculated from net exposure less guarantees and collateral, then adjusted by risk weight (RW). Off-balance-sheet commitments are also weighted by the conversion coefficient factor (CCF).

• Analysis of credit risk by segment

The following table shows the net and weighted exposure to credit risk for various segments, by type of commitment: on and off balance sheet.

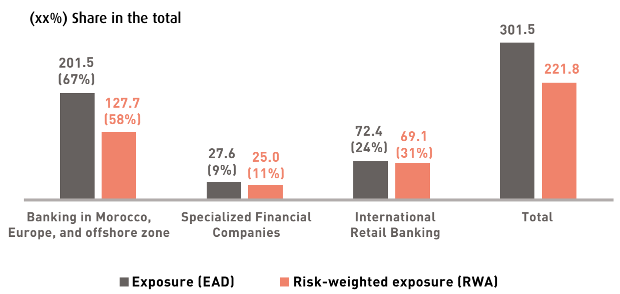
(in MAD thousands)

	Exposure before CRM (EAD)[6]		Risk-weighted exposure after CRM (RWA)	
	BALANCE SHEET	OFF BALANCE SHEET[7]	BALANCE SHEET	OFF BALANCE SHEET
Sovereigns	27,360,824	5,222,587	14,222,705	4,339
Institutions	18,799,784	200,000	182,041	8,000
Credit establishments and equivalent	22,626,428	3,709,406	13,462,403	388,532
Large enterprises	153,820,710	96,624,923	151,756,056	27,088,817
Retail customers	78,890,737	1,514,862	42,129,760	283,431
Total	**301,498,483**	**107,271,777**	**221,752,964**	**27,773,120**

• Analysis of balance-sheet credit risk by business line

The following table shows the net and weighted exposure to Group balance-sheet credit risk by business line.

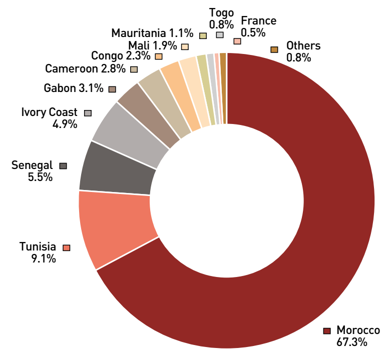
Breakdown of credit risk by business activity in 2015 (in MAD billions)



• Geographic analysis of risk-weighted assets

Below is a breakdown of balance-sheet credit risk, by country of the counterparty bearing the default risk. In compliance with Bank Al-Maghrib regulations, when a country rating is less than B– (e.g., Mali, Mauritania, and Togo), sovereign and corporate risk is weighted at 150%.

Geographical breakdown of weighted risks



3- Counterparty risk

Market activities (involving contracts with two counterparties) expose the bank to default risk of the counterparty. The amount of risk depends on market factors that might affect the future value of the transactions involved.

• Analysis of net and weighted exposure to counterparty risk, by prudential segment

At December 31, 2015, the Group's net exposure to counterparty risk to security-financed transactions and derivative products totaled **MAD 11,615,415 thousand**, 24% less than at December 31, 2014. Risk-weighted exposure came to **MAD 868,990 thousand**, 8% more than at December 31, 2014.

(in MAD thousands)

	December 15		December 2014	
	Exposure at default (EAD)	Risk-weighted assets (RWA)	Exposure at default (EAD)	Risk-weighted assets (RWA)
Sovereign	3,576,214	0	10,688,957	0
Credit establishments and equivalent	7,281,558	332,121	4,015,630	223,254
Corporate	757,642	536,870	553,640	580,252
Total	**11,615,415**	**868,990**	**15,258,227**	**803,506**

3) Calculated as 8% of risk-weighted assets.

4) Credit risk arising from market transactions, investments, and settlements.

5) Fixed assets, various other assets, and equity holdings not deducted from capital.

6) CRM: Credit-risk mitigation: techniques employed by financial institutions to reduce their counterparty risk.

7) Off-balance-sheet commitments comprise financial and other guarantees.

4- Market risk

Pursuant to Article 48 of circular 26/G/2006 of Bank Al-Maghrib, market risk is defined as risk of losses due to fluctuations in market prices. The definition comprises:

- risk related to instruments in the trading book;
- currency risk and commodities risk for all assets on and off the balance sheet except those in the trading book.

Article 54 of circular 26/G/2006 describes the regulatory authority's methods for calculating all categories of market risk.

Market risk comprises:

• Interest-rate risk

Interest-rate risk is calculated for fixed-income products in the trading book. It is the total general and specific risk related to interest rates.

Capital requirements for general interest-rate risk are calculated using the amortization-schedule method. Specific risk is calculated from the net position. The weighting depends on the type of issuer and the maturity of the security, on the basis of the criteria listed in the technical note for 26 G 2006 (see Article 54, part I, paragraph A of the technical note for 26/G/2006).

• Equity risk

The calculation of equity risk comprises: stock positions, stock options, stock futures, index options, and other derivatives whose underlying instrument is a stock or an index. Total equity risk is the sum of general and specific equity risk.

Capital requirements for general equity risk (see Article 54, part II, paragraph B of the technical note for 26/G/2006) represents 8% of the total net position.

Specific risk is calculated on the total position by applying the weightings indicated by the regulatory authority, in accordance with the type of asset.

• Currency risk

Capital requirements for currency risk are calculated whenever the total net position exceeds 2% of the core capital. The total net position corresponds to the difference between the long and short positions for the same currency.

• Capital requirements for market risks

At December 31, 2015, interest-rate risk was the largest consumer of capital and accounted for 91% of market risk (+23% year on year).

(in MAD thousands)

Capital requirements	December 15	December 14
Interest-rate risk	**509,929**	**413,660**
Specific interest-rate risk	36,378	49,725
General interest-rate risk	473,552	363,935
Equity risk	**9,117**	**7,879**
Specific equity risk	4,558	3,939
General equity risk	4,558	3,939
Currency risk	**43,793**	**77,343**
Commodity risk	**587**	**2,216**
Total	**563,425**	**501,097**

5- Operational risk

Operational risk is calculated using annual NBI for the three past years and Basic Indicator Approach.

Capital requirements are 15% of the average NBI for the past three years.

• Capital requirements for operational risk by business line

(in MAD thousands)

Capital requirements	Banking in Morocco, Europe, and offshore zone	Specialized finance companies	International retail banking	Total
Dec 2015	1,500,893	329,559	767,317	2,597,770
Dec 2014	1,521,680	323,589	691,480	2,536,749

6- Credit-risk mitigation techniques

Credit-risk mitigation techniques are recognized pursuant to the regulations of Basel II. Their effect is measured by scenario analysis of an economic slowdown. There are two main categories of credit-risk mitigation techniques: personal guarantees and collateral.

- A personal guarantee is a commitment made by a third party to replace the primary debtor in the event of default by the latter. By extension, credit insurance and credit derivatives (e.g., protective calls) also belong to this category.
- Collateral is a physical asset placed with the bank as guarantee that the debtor's financial commitments will be satisfied in a timely manner.
- As shown below, exposure can be mitigated by collateral or a guarantee in accordance with criteria established by the regulatory authority.

Collateral	Personal guarantees
Cash, equities, mutual funds, etc. Mortgages	Collateral, Insurance, Credit derivatives

Bank Al Maghrib regulations by standardized approach

Eligibility criteria

• Eligibility of credit-risk mitigation techniques

Attijariwafa bank Group calculates its solvency ratio using the standardized approach, which, contrary to IRB approaches, limits credit-risk mitigation techniques.

For risks treated using the standardised approach:

- personal guarantees are taken into account (subject to eligibility) by enhanced weighting that corresponds to that of the guarantor, for the guaranteed portion of the exposure which accounts for any currency and maturity mismatch.
- collateral (e.g., cash, securities) are subtracted from exposure after any currency and maturity mismatch has been accounted for.
- collateral (e.g., mortgages) that meet eligibility conditions which allow a more favorable weighting for the debt that they guarantee (exclusively for mortgages, buyers, and property leasing whose weightings are between 35% and 50%).

Below is a comparative table of collateral eligible on the basis of two methods: standardized and advanced.

	Standardized approach	Advanced approach	
		IRB	IRB advanced
Financial collateral			
• Liquidities/DAT/OR	√	√	√
• Fixed-income securities			
- Sovereign issuer with a rating of ≥ BB-	√	√	√
- Other issuers ≥ BBB-	√	√	√
- Other (without external rating but included in internal-rating models)	X	X	√
• Equities			
- Principal index	√	√	√
- Primary stock exchange	√	√	√
- Other	X	X	√
• Mutual funds and private equity	√	√	√
Collateral			
• Mortgage on a residential property loan	√	√	√
• Mortgage on a commercial property lease	√	√	√
• Other collateral as long as: - there is a liquid market for disposal of the collateral; - there is a reliable market price applicable to the collateral.	X	√	√
Personal guarantees			
• Sovereign banks and other entities ≥ A-	√	√	√
• Other entities < A-	X	X	√
• Unrated entities	X	X	√
Credit derivatives			
• Sovereign issuers, MDB, and financial institutions or other entities with a rating ≥ A-	√	√	√
• Other	X	√	√

• CRM amounts

Below are the guarantees and collateral (real and financial) as at the end of 2015, as well as the hedge amounts for credit risk included in the calculation of risk-weighted assets (standardised approach) at the end of 2015:

(in MAD thousands)

	Dec-15
Guarantees and collateral	**148 168 034**
Guarantees	1 363 041
Real[8] and financial collateral	146 804 993
Guarantees and collateral eligible for the standardised approach	56 664 758
Guarantees	1 363 041
Real and financial collateral	55 301 717
Mortgage on residential home loan	49 749 111
Mortgage on commercial lease	2 483 280
Other	3 069 326

8) Collateral at the domestic-banking level.

III. Information on significant subsidiaries

1- Regulatory framework

At the parent-company level, Attijariwafa bank must satisfy capital requirements calculated in accordance with the same prudential standards required by Bank Al-Maghrib as those for the consolidated level.

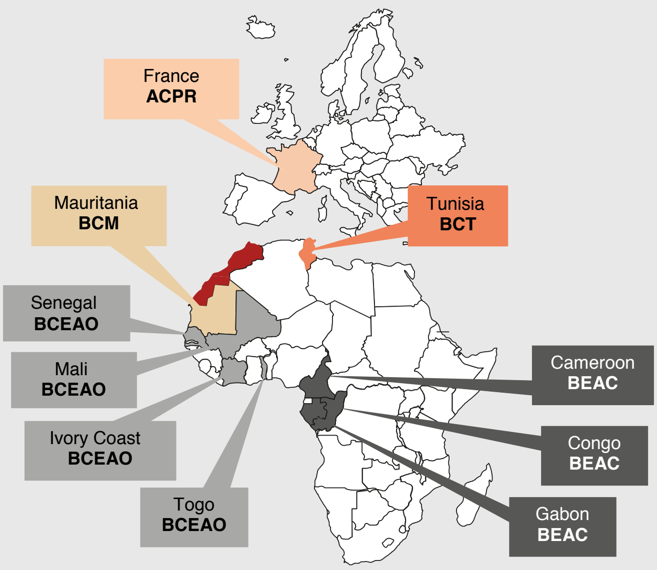
All subsidiary credit institutions in Morocco: Wafabail, Wafasalaf, and Attijari Factoring individually report their solvency ratios to Bank Al-Maghrib, as governed by:

- circular 25/G/2006 (in compliance with Basel I) on calculating capital requirements for credit risk;
- circular 14/G/2013 (see technical note NT 01/DSB/2014) on calculating the regulatory capital of banks and credit institutions (in compliance with Basel III).

Wafa assurance is governed by the regulations of the Autorité de Contrôle des Assurances et de Prévoyance Sociale (ACAPS, the Moroccan insurance regulatory authority).

Attijariwafa bank Group's international banking subsidiaries calculate their capital requirements in accordance with local prudential standards in the jurisdictions of the countries in which they do business. They are in compliance with Basel I standards in Africa (Tunisia, Mauritania, WAEMU, CAEMC) and with Basel III standards in Europe.

Regulatory authorities of Attijariwafa bank international subsidiaries



BCT: Tunisian Central Bank

BCM: Mauritanian Central Bank

ACPR: Prudential Supervisory Authority

BCEAO: Central Bank of West African States, which oversees banks operating in the WAEMU

BEAC: Central Africa Bank that oversees banks operating in the CAEMC zone

2- Ratios of principal subsidiaries

The following table provides information on the solvency of Group subsidiaries. The parent-company scope corresponds to in-house outstandings.

Entity	Regulatory authority	Required minimum	Regulatory capital requirements (thousands)	Risk-weighted assets (thousands)	Total ratio	Regulatory capital requirements[9] (MAD thousands)	Risk-weighted assets (MAD thousands)
Attijariwafa bank	Bank Al-Maghrib	12%	26,609,821	210,337,480	12.65%	26,609,821	210,337,480
Wafasalaf	Bank Al-Maghrib	12%	1,362,956	10,956,570	12.44%	1,362,956	10,956,570
Wafabail	Bank Al-Maghrib	12%	1,055,450	8,648,703	12.20%	1,055,450	8,648,703
wafa Immobilier	Bank Al-Maghrib	12%	56,683	289,406	19.59%	56,683	289,406
Attijari Factoring	Bank Al-Maghrib	12%	143,475	1,154,697	12.43%	143,475	1,154,697
Attijari bank Tunisie	BCT	10%	420,703	3,886,686	10.82%	2,046,236	18,904,258
CBAO	BCEAO	8%	66,534,000	479,058,000	13.89%	1,093,154	7,870,923
Attijariwafa bank Europe	ACPR	13%	41,623	286,051	14.55%	448,587	3,082,878

9) Exchange rates: 1 TND = MAD 4.863; 1 FCFA = MAD 0.01643; EUR = MAD 10.777.

Subsidiaries	Regulatory authority	Margin	Minimum solvency margin	Ratio
Wafa Assurance	ACAPS	4,922,377	1,684,087	292.29%

IV. Internal capital management

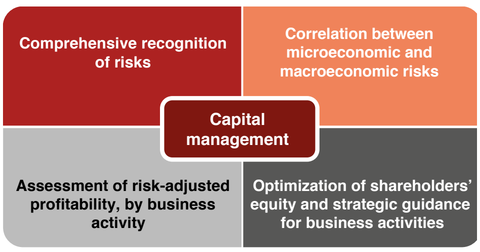
1- Capital management

In recent years, the forecasting of capital requirements has become a vital part of Attijariwafa bank Group's strategic planning. Since Bank Al-Maghrib adopted Basel II in 2006, regulations have undergone constant change, resulting in ever-increasing needs for capital.

The Group's capital-management policy is designed to control this costly obligation and all associated factors. The policy aims to ensure that the Group and its subsidiaries remain solvent and satisfy prudential requirements on both the consolidated and parent-company levels (respecting prudential rules of the local regulatory authority) while simultaneously optimizing returns for shareholders, who provide the required capital.

The capital-management policy extends beyond the regulatory framework, to overseeing investments and their returns (calculations of IRR, dividend forecasts, divestments, tax engineering, etc.), thereby ensuring optimal capital allocation for all business lines and fulfilling capital requirements for both strategic goals and regulatory changes.

Targets for « Capital Management »



2- Governance

The Finance Department's Capital Management Committee (CMC) meets quarterly, under the supervision of General Management, in order to:

- define the capital-management policy and the changes needed on the basis of market conditions and competition, regulations, interest rates, cost of capital, etc.;
- anticipate capital requirements for the Group and its subsidiaries and credit institutions, for the next 18 months;
- analyze capital allocation by business line and division;
- make decisions on subjects that can impact capital (all Group entities).

In general, support all actions and initiatives that promote optimized capital management.

3- Regulatory stress tests

The results of regulatory stress tests (Bank Al-Maghrib directive 01/ DSB/2012) are reported twice yearly to the regulatory authority. At the end of 2015, post-shock solvency ratios for Tier 1 and total capital of Attijariwafa bank were superior than the minimum regulatory requirements.

Regulatory stress tests at the end of 2015 covered the following scenarios:

- **Credit risk**: claims rising from 10% to 15%, representing high risk for total portfolio and per business segment
- **Concentration risk**: Défaut des principales relations
- **Market risk:**
  - MAD weakening against the EUR;
  - MAD weakening against the USD;
  - yield curve shifts;
  - interest rates rise;
  - share prices fall;
  - NAVs of mutual funds (bond, money market, etc.) decline.
- **Country risk:**
  - stress tests on loans to non-residents in countries with political instability;
  - stress tests on loans to non-residents in countries to which the bank has significant exposure.

V. Corporate Governance

Governance system established adheres to the general corporate principles. This system consists of six control and management bodies emanating from the Board of directors.

Board of Directors

The Board of Directors (BD) consists of a group of institutions and individual persons (administrators) in charge of managing the bank. They are appointed by the shareholders general meeting. The BD includes several members including a chairman and a secretary.

Any institution which is member of the BD appoints an individual person to represent it. The organization and the prerogatives of the BD are set by the bank by-laws and are subject to national law.

1- General Management Committee

The general management committee joins together the heads of the various centers under the chairmanship of the Chairman and Chief Executive Officer.

This Committee meets once a week and provides a summary view of the operational activities in the different sectors and prepares questions to be submitted to the Board of Directors in a joint approach.

Member	Function	Since
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer	2007
Mr. Boubker JAI	Managing Director	2003
Mr. Omar BOUNJOU	Managing Director	2003
Mr. Ismail DOUIRI	Managing Director	2008
Mr. Talal EL BELLAJ	Managing Director	2014

2- General Management and Coordination Committee

The General Management and Coordination Committee is a discussion body to exchange and share information. More particularly, this committee:

- Provides overall coordination between the different programs of the Group and focuses primarily on the review of key performance indicators;
- Acknowledges the major strategic guidelines, the Group's general policy and also the decisions and the priorities defined in ad hoc meetings;
- Takes functional and operational decisions to maintain objectives and optimize results.

Chaired by the Committee's chairman or at least by two senior managers, this committee meets monthly and consists of members of the General Management and also the managers of the main business lines.

Member	Function	Title
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer	Chairman and Chief Executive Officer
Mr. Omar BOUNJOU	Managing Director, Retail Banking Division	Managing Director
Mr. Ismail DOUIRI	Managing Director, Finance, Technology and Operations Division	Managing Director
Mr. Boubker JAI	Managing Director, Corporate and Investment Banking, Capital Markets and Financial Subsidiaries	Managing Director
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management	Managing Director
Mr. Saad BENJELLOUN	Head of the Great Casablanca region	Deputy Managing Director
Mr. Saad BENWAHOUD	Head of North-West region	Deputy Managing Director
Mr. Said SEBTI	Head of North-East region	Deputy Managing Director
Mr. Mohamed BOUBRIK	Head of South-West region	Executive Director
Mr. Rachid EL BOUZIDI	Head of MLA Banking	Executive Director
Mr. Fouad MAGHOUS	Head of South region	Executive Director
Mr. Hassan BEDRAOUI	Managing Director, Attijariwafa bank Europe	Deputy Managing Director
Mr. Mouaouia ESSEKELLI	Transaction Banking Group	Deputy Managing Director
Mr. Hassan BERTAL	Head of SMEs Banking	Deputy Managing Director
Mr. Omar GHOMARI	Group Human Resources	Deputy Managing Director
Mrs. Wafaa GUESSOUS	Procurement, Logistics and Secretary of the Board	Deputy Managing Director
Mr. Jamal AHIZOUNE	International Retail Banking	Deputy Managing Director
Mr. Youssef ROUISSI	Corporate & Investment Banking	Deputy Managing Director
Mr. Younes BELABED	Retail Banking Support Functions	Executive Director
Mrs Saloua BENMEHREZ	Group Communication	Executive Director
Mr. Ismail EL FILALI	Group General Audit	Executive Director
Mrs Malika EL YOUNSI	Group Legal Advisory	Executive Director
Mr. Badr ALIOUA	Private Banking	Executive Director
Mr. Rachid KETTANI	Group Finance Division	Executive Director
Mrs. Soumaya LRHEZZIOUI	Group Information Systems	Executive Director
Mr. Driss MAGHRAOUI	Retail & Business Markets	Executive Director
Mr. Mohamed SOUSSI	Group Services & Processing	Executive Director

3- Other Committees reporting to the Board of Directors

• Strategic Committee:

Chaired by the Chairman and Chief Executive Officer, this committee is in charge of operational results and strategic projects of the Group. This committee meets every two months.

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director

• Group Risk Committe:

The Group Risk Committee meeting upon call from the Chairman and Chief Executive Officer, examines and hands down judgment on the direction to be taken by the commitments and investments beyond a certain threshold.

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director
Guest Members	
Mr. Ismail DOUIRI	Managing Director, Finance, Technology and Operations Division
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management

• Group Audit Committee:

The Group Audit Committee monitors the Risk, Audit, Internal Control, Accounting and Compliance functions. This committee meets quarterly.

Member	Function
Mr. Abed YACOUBI-SOUSSANE	Chairman
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director
Guest Members	
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management
Mr. Ismail EL FILALI	Executive Director - General Audit
Mr. Rachid KETTANI	Executive Director - Group Finance
Mrs Bouchra BOUSSERGHINE	Group Compliance Officer

• Appointment and Remuneration Committee:

Meeting annually, the appointment and remuneration committee manages the appointments and remunerations of the group's principal executives.

Three sub-committees issued from "Appointment and Remuneration Committee", with different compositions depending on the prerogatives of each sub-committee.

Member	Function
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director

Member	Function
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director

Resolutions of the ordinary general meeting

First resolution

The General Meeting, having been informed of the reports of the Board of Directors and the Statutory Auditors for the financial year ended December 31, 2015, expressly approves the summary financial statements for financial year 2015, as presented, as well as the transactions reflected in those financial statements or summarized in those reports, which show earnings of MAD 3,666,607,863.90*.

Second resolution

The General Meeting, having been informed of the special report of the Statutory Auditors on the agreements falling within the scope of Articles 56 et seq. of Act 17/95 pertaining to limited liability companies, as amended and supplemented by Act 20/05 and Act 78-12, approves the conclusions of said report and the agreements detailed therein.

Third resolution

The General meeting decide to allocate the earnings, proposed by the Board of Directors, amounting to MAD 3,666,607,863.90 as follows:

Net income for the year	3,666,607,863.90*
Earnings brought forward	6,351,438.40
DISTRIBUTABLE EARNINGS	**3,672,959,302.30**
ALLOCATION:	
Statutory dividend 6%	122,116,335.60
Amount necessary to raise the dividend per share to MAD 11	2,116,683,150.40
TOTAL DISTRIBUTION OF	**2,238,799,486.00**
Allocation to extraordinary reserves	1,434,000,000.00
Retained earnings	159,816.30

Accordingly, the Ordinary General Meeting resolves to allocate to each share constituting the Company's share capital an annual dividend of MAD 11, payable as from July 1st, 2016, at the bank's headquarters, in compliance with the regulations in force.

* Net income of Attijariwafa bank Morocco (excluding foreign branches). The aggregate net profit amounted to MAD 3,665,418 thousands.

Fourth resolution

As a consequence of the aforementioned resolutions, the General Meeting confers on the members of the Board of Directors the final discharge, without reservations, of management duties during the financial year for which the financial statements have been approved. Final discharge is also conferred on the Statutory Auditors for the term held during the financial year in question.

Fifth resolution

The General Meeting sets at MAD 4,000,000 the amount of directors' fees to be allocated to members of the Board of Directors for financial year 2016. The Board of Directors shall divide this sum among its members in whatever manner it sees fit.

Sixth resolution

The General Meeting, pursuant to the Board of Director's decision on September 7th, 2015, resolves to ratify the co-optation of Mr. Aymane TAUD as director, his mandate shall expire on the date of the General Meeting convened to deliberate on the financial statements for fiscal year 2021.

Seventh Resolution

The General Meeting confers all powers on the holder of an original or copy of this document to perform disclosure and other formalities prescribed by law.

Consolidated Financial Statements

Auditors' report on consolidated financial statements

Year ended December 31, 2015

Fidaroc Grant Thornton
47, rue Allal Ben Abdellah
20 000 Casablanca - Maroc

EY
Building a better working world
37, Bd Abdellatif Ben Kaddour
20 050 Casablanca - Maroc

(This is a free translation into English of our audit report signed and issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed solely in accordance with, Moroccan law and Moroccan professional auditing standards.)

ATTIJARIWAFA BANK GROUP

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR JANUARY 1–DECEMBER 31, 2015

We have audited the accompanying consolidated financial statements of ATTIJARIWAFA BANK and its subsidiaries (attijariwafa bank group). The consolidated financial statements comprise the balance sheet at December 31, 2015, the income statement, the comprehensive income statement, the statement of changes in equity, the cash flow statement for the year ended December 31, 2015, and notes containing a summary of accounting principles used and other explanations. The financial statements show consolidated equity of MAD 41,229,157 thousand and consolidated net income of MAD 5,300,168 thousand.

Management's responsibility

Management is responsible for the preparation and faithful presentation of the financial statements, in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the planning, implementation, and monitoring of internal controls for the preparation and presentation of financial statements that are free of material misstatements due either to fraud or to error, and for the establishment of accounting estimates that are appropriate to the circumstances..

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements on the basis of our audit. We conducted our audit in accordance with accounting standards applicable in Morocco. These standards require that we comply with ethical policies and that we plan and perform the audit in order to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit entails the performance of procedures used to obtain audit evidence with regard to the amounts and disclosures contained in the financial statements. The procedures chosen depend on the auditors' judgment, as does the assessment of risk that the financial statements contain material misstatements due either to fraud or to error.

In establishing these risk assessments, the auditor takes into consideration the entity's internal controls in force for the preparation and presentation of the financial statements, in order to define audit procedures that are appropriate to the circumstances, but not to express an opinion on the effectiveness of the internal controls. An audit also includes an evaluation of the appropriateness of accounting methods used, an opinion on the reasonableness of accounting estimates made by management, and an assessment of the overall presentation of the financial statements.

We believe that the evidence obtained from our audit is adequate and appropriate as a basis for our opinion

Opinion on the financial statements

In our opinion, the consolidated financial statements mentioned in the first paragraph above provide in all material aspects a true and fair view of the financial position of ATTIJARIWAFA BANK Group as composed of the persons and entities in the consolidated Group as at December 31, 2015, as well as of the Group's financial performance and cash flows for the year ended on that date, in accordance with the accounting standards and principles described in the notes to the consolidated statements.

Casablanca, March 18, 2016

The Statutory Auditors

FIDAROC GRANT THORNTON
Faïçal MEKOUAR
Partner

ERNST & YOUNG
Bachir TAZI
Partner

FINANCIAL STATEMENTS
Consolidated Financial Statements at 31 December 2015

1. IFRS accounting standards and principles applied by the Attijariwafa bank group

1.1 Background

The application of IFRS standards has been mandatory since the reporting period ended 12/31/2008.

The primary goal of regulatory authorities is to establish an accounting and financial reporting framework for banks that complies with the international standards in terms of financial transparency and the quality of disclosures.

The Attijariwafa bank Group acted ahead of plans to adopt the International Financial Reporting Standards for the consolidated financial statements in the first half of 2007 with 2006 for comparative purposes.

The key changes in terms of impact notably on system organization are as follows:

- new financial asset categories based on intent and market parameters: available-for-sale financial assets, held-to maturity investments, financial assets at fair value through profit or loss, loans and receivables;
- new measurement methodologies introduced for financial instruments based on intent and market parameters;
- various attributes to be managed: rediscounting permitted or not, economic agent, initial maturity, etc;
- the use of fair value to measure all assets and liabilities with impairment testing whenever there is evidence of impairment;
- the application of the principle of economic substance over legal form. Accordingly, assets acquired under finance leases are recognised as assets;
- the elimination of the off-balance sheet concept;
- the elimination of the general contingency reserve to the extent that the provisions recognised must be justified and measured;
- the expansion of the scope of consolidation to encompass special purpose entities and UCITS;
- the enhancing of the notes to provide investors with reliable and comprehensive information.

The Attijariwafa bank Group applied the new standards, amendments and interpretations approved by the International Accounting Standards Board (IASB) for its financial statements at 31 December 2015.

1.2 Accounting standards applied

1.2.1 Consolidation

The scope of consolidation encompasses all entities, foreign and domestic, over which the Group exercises exclusive or joint control or where it enjoys significant influence.

The entities over which the bank has significant influence, and which must be consolidated, include the special purpose entities regardless of their legal form or the country in which they operate.

A special purpose entity must be consolidated where in substance it is controlled by the relevant bank even in the absence of a shareholder relationship.

A special purpose entity is a separate legal entity that is specifically established for a clearly-defined limited purpose (for example, leasing or securitisation of financial assets).

An entity is excluded from the scope of consolidation when:

- it is only controlled temporarily ; that is to say it is acquired and held solely with a view to its subsequent disposal within 12 months ;
- it represents held for trading assets that are recognised at fair value, with changes in fair value being recognised in profit or loss (recognition pursuant to IAS 39).

The nature of the control determines the consolidation method, namely full consolidation for wholly controlled entities, in accordance with IFRS 10, Consolidated Financial Statements; and the equity method for associates and joint ventures, in accordance with IAS 28, Investments in Associates and Joint Ventures...

Furthermore, entities under joint control (joint ventures) are either proportionally consolidated or accounted for under the equity method.

Options taken by Attijariwafa bank

Definition of scope:

To define the companies to be integrated within the scope of consolidation, the following criteria must be respected:

- Attijariwafa bank must directly or indirectly own at least 20% of the existing and potential voting rights;
- One of the following thresholds is reached:
  - The subsidiary's total balance sheet exceeds 0.5% of the total consolidated balance sheet,
  - The subsidiary's net assets exceed 0.5% of the consolidated net assets,
  - The subsidiary's revenue or banking income exceeds 0.5% of consolidated banking income.

Long-term investments over which the Group does not enjoy any form of control are not included within the scope of consolidation even where their contribution satisfies the above criteria.

Exception

An entity making a non-material contribution must be included within the scope of consolidation when it holds an interest in subsidiaries that satisfy any of the above criteria.

Consolidation of special purpose entities

Dedicated mutual funds are consolidated in accordance with IFRS 10, which explains the consolidation of special purpose entities and more specifically the exclusively controlled funds.

Entities excluded from the scope of consolidation

An entity controlled by the Group or over which it has significant influence is excluded from the scope of consolidation where from acquisition this entity's securities are purely held for subsequent resale within a short period of time.

These securities are measured at fair value through profit or loss.

Equity interests (excluding majority interests) held in venture capital entities are also excluded from the scope of consolidation to the extent that they are designated at fair value through profit or loss at inception.

Consolidation methods

Consolidation methods are respectively covered by IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. The applicable method depends on the nature of the control Attijariwafa bank S.A. enjoys over entities, regardless of their business activities or whether or not they have a legal personality.

1.2.2 Property, plant and equipment:

An item of property, plant and equipment is by its nature a long-term asset held by the company for use by itself or for leasing to third parties.

When measuring an item of property, plant and equipment, an entity must choose between the following accounting models: cost model and revaluation model.

Cost model

This is the standard accounting treatment for measuring items of property, plant and equipment subsequent to initial recognition.

The cost represents the cost less accumulated depreciation and impairment.

Revaluation model

Following its recognition, an item of property, plant and equipment, the fair value of which can be reliably measured, must be carried at its revalued amount. This is the fair value on the date of revaluation less cumulative subsequent depreciation and impairment.

The frequency of revaluation depends on the fair value fluctuations of the items being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required.

Component depreciation

Every material component of an item of property, plant and equipment must be recognised separately and systematically depreciated over its own useful life in order to reflect the pattern in which the economic benefits are consumed.

Depreciation method, depreciable amount:

The depreciable amount of an asset is the cost of the asset (or revalued amount) less its residual value.

The depreciation expense for a financial year is generally recognised in profit or loss. However, when the future economic benefits constituting this asset are consumed in the production of other assets, the depreciation expense is included in the cost of these other assets and is deemed to be included in their carrying amounts. For example, the depreciation of production facilities is included in inventory manufacturing costs (IAS 2).

Depreciation periods and methods must be reviewed periodically by the company.

When these assumptions are revised, a change in accounting estimate must be recognised. Similarly, the depreciation expense for the current financial year and for future financial years must be adjusted.

The depreciation is recognised, even where the fair value of the asset exceeds its carrying amount, so long as the residual value does not exceed its carrying amount.

Residual value

This is the current price of the asset taking into account the estimated age and condition of the item of property, plant and equipment at the end of its useful life. In practice, it is often a non-material amount that does not take into account inflationary effects.

It must be readjusted at the end of each reporting period.

Useful life

The useful life is the period over which the entity expects to use an asset. An asset is depreciated from the moment it is available for use. Accordingly, an asset is no longer depreciated once it has been derecognised.

In order to determine the useful life, the following factors are taken into account :

- The expected use to which this asset will be put is assessed by reference to the capacity or physical production expected from this asset;
- The expected wear and tear, which depends on operating parameters such as the rate at which the asset is used and the maintenance programme, the care taken and the maintenance of the asset outside of its period of use ;
- Technical or commercial obsolescence resulting from changes or improvements in the preparation process or changes in market demand for the product or service provided by the asset;
- Legal or similar limits on the use of the asset, such as the expiry of leases.

Borrowing costs

IAS 23 “Borrowing Costs” eliminates the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. All such borrowing costs must be included in the cost of the asset. Other borrowing costs must be recognized as an expense.

Options taken by Attijariwafa bank

Measurement

The Group’s policy is not to apply the remeasurement option provided for in IAS

However, it is possible for a Group entity to take the fair value option (IFRS 1) for one or more properties without having to justify this choice, offset outside profit or loss (in equity).

Depreciation period:

The Group’s policy is not to have multiple depreciation schedules and to have the same depreciation schedule in the consolidated and IAS/IFRS financial statements.

The depreciation periods used by Group subsidiaries are permitted to differ by up to 2 years from the depreciation periods used by the Group.

Component approach

The Group doesn't require the separate recognition of comparente with a gross amount of under MAD 1,000 thousand.

A component breakdown of the initial gross amount of assets is necessary, in particular in the case of buildings (structural work, interior fixtures and fittings, sealing, fixed service equipment, joinery work).

This recommended component breakdown represents the minimum requirement.

The depreciation periods for the components of a building can be summarised as follows:

	Depreciation period in years	Depreciation period in months
Structural work	50	600
Sealing	20	240
Interior fixtures and fittings	15	180
Fixed service equipment	20	240
Joinery work	15	180

The above components inevitably apply to the headquarters.

In the case of branches, a more limited breakdown may be used depending on the materiality of the items.

As regards staff accommodation, there is no exemption from the component principle (IAS 16). Staff accommodation is also broken down (IAS 16).

Architectural fees should be capitalised.

For convenience, it was decided that these fees need not be broken down but included in the main component that "benefited" from the specialist's work.

Identification of components:

The Group elected not to identify components on the basis of the original invoices.

It is simpler to break down the historical cost by means of a breakdown of the current new cost having regard to technical data.

This acquisition cost should not be retrospectively adjusted on the basis of the expensing/capitalisation split of ancillary acquisition costs. However, for acquisitions made after January 1, 2006, costs are monitored under both local GAAP and IFRS.

To this end, acquisition costs not yet amortised in the form of deferred expenses at 01/01/06 must be restated through equity.

Residual value:

The residual value of components other than land is deemed to be zero. In fact, the residual value is retained within the permanent component of the asset, which is obviously the land that by its very nature is not depreciated.

1.2.3 Investment property

Investment property is property (land or building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes;
- sale in the ordinary course of business.

Distinction between an investment property and an owneroccupied property: investment property generates cash flows that are largely independent from other assets held by the entity, which is not true of the production or supply of goods or services that is the main purpose underpinning the use of an owneroccupied property.

When an entity holds a property that is leased to, and occupied by its parent company or another subsidiary, for the purposes of the consolidated financial statements the property does not satisfy the investment property criteria since from the perspective of the Group as a whole, the property is owneroccupied.

An entity can choose between:

- Fair value model

When an entity opts for this accounting treatment, it must be applied to all investment property. It should be noted that the use of this model is encouraged by the independent appraisers.

- Cost model

In both cases, an estimate of the fair value of investment property is mandatory, for recognition on the balance sheet or disclosure in the notes.

Switching from one model to the other is only allowed when the change results in a more appropriate presentation. It is only possible to switch from the cost model to the fair value model.

Options taken by Attijariwafa bank:

Identification:

Investment property consists of all non-operating property apart from property set aside for staff and property that is to be sold within a year.

Property, together with the associated furniture, equipment and other items of property, plant and equipment, occupied by staff members is not considered investment property.

Properties held for sale are generally properties that are received as payments in kind and there is no assurance that these properties will be sold within a year given the nature of such transactions. As a result, the classification of investment property as non-current assets held for sale should be formally documented on the basis of reliable indicators that show that a sale is highly likely within 12 months.

Other non-operating property, plant and equipment connected with investment property should be treated in the same manner.

All operating properties leased to non-Group companies.

Operating properties that are not directly used for administrative purposes are treated as investment property.

Special case of Group transactions

Properties leased by Group subsidiaries do not satisfy the investment property criteria since from the perspective of the Group they are owner-occupied.

Valuation

The option chosen is to value investment property at adjusted historical cost using the component approach.

Information on the fair value should be disclosed in the notes, and the fair value appraisal should be carried out by means of an internal appraisal.

Certain properties have a portion that is held to earn rentals or for capital appreciation and another portion that is used in the production or supply of goods or services or for administrative purposes. If the two portions can be sold or leased separately the entity recognises them separately. If the two portions cannot be sold separately, the property is only classified as investment property when the portion held for use in the production or supply of goods or services or for administrative purposes is not material.

The fair value appraisal of these separate portions classified as operating property must be done in a reliable manner.

1.2.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Its attributes are:

- Identifiability: in order to distinguish it from goodwill;
- Control: when the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Two measurement methodologies are allowed:

Cost model

The intangible asset is recognised at cost less cumulative amortisation and impairment.

Revaluation model

The intangible asset must be recognised at its revalued amount, namely its fair value on the date of revaluation less cumulative subsequent amortisation and impairment. This accounting treatment applies when the market is active.

The amortisation of an intangible asset depends on its useful life. Intangible assets with indefinite useful lives are not amortised and are tested for impairment at least annually at the end of each reporting period. On the other hand, intangible assets with definite useful lives are amortised over this period.

The residual value, the useful live and the amortisation methods are reviewed at the end of each reporting period (IAS 8, change in accounting estimate).

To assess whether an internally-generated intangible asset meets the criteria for recognition, the creation of the asset must be classified in either the:

- Research phase: intangible assets generated by research may not be recognised. Research expenses must be expensed as incurred;
- Development phase: intangible assets generated by development must be recognised when they satisfy the following conditions:
  - It is technically feasible to complete the asset for sale or use;
  - It intends to complete the intangible asset and use or sell it;
  - It is able to sell or use the asset produced;
  - The asset will generate future economic benefits;
  - Existence of sufficient resources to successfully complete the project;
  - Its ability to reliably measure project-related costs.

Options taken by Attijariwafa bank:

The Group's policy is not to have multiple amortization schedules and to have the same amortization schedule in the consolidated and IAS/IFRS financial statements.

To this end, acquisition costs not yet amortized in the form of deferred expenses at 01/01/06 must be restated through equity.

Leasehold rights

Leasehold rights recognised in the parent company financial statements are not amortized. In the consolidated financial statements, they are amortization schedule over their useful life.

Goodwill

Goodwill must be formally reviewed at the end of each reporting period. When it is not possible to review goodwill, it must be derecognised.

Software

The useful lives used for software differ depending on whether the software is operating software or desktop software. The IT Department is responsible for defining these useful lives.

The amortization periods used by Group subsidiaries are permitted to differ by up to 2 years from the amortization periods used by the Group.

Measurement of in-house software

The IT Department must be able to measure in-house software in the development phase. When the valuation is not reliable, no intangible asset is recognised.

Transfer duty, professional fees, commission and legal

Transfer duty, professional fees, commission and legal fees are, depending on the amount thereof, either expensed or included in the cost of acquisition whereas under IFRS these Expenses must be capitalized.

Divergences between the parent-company financial statements and the IFRS financial statements must be reviewed when they exceed MAD 1,000 thousand.

1.2.5 Inventories

Definition

Inventories are assets:

- held for sale in the ordinary course of business;
- In the production process for future sale;
- Materials and supplies that are consumed in the production process or in the supply of services.

Measurement

Inventories must be measured at the most reliable of cost and net realisable value.

The net realizable value is the estimated selling price in the ordinary course of business, less :

- Estimated costs to completion;
- selling costs.

The cost of inventory for non-fungible items must be determined by specifically identifying the individual costs.

On the other hand, the cost of inventory for fungible items can be determined using one of two methods:

- the FIFO (First In, First Out) method ;
- the weighted average cost method.

The same costing method must be used for all inventory with the same characteristics and similar uses.

Options taken by Attijariwafa bank

Inventories are measured using the weighted average cost method.

1.2.6 Leases

A lease is an agreement by which the lessor grants the lessee the right to use an asset for a particular period of time in consideration for a payment or a series of payments.

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incident to ownership of an asset.

An operating lease is a lease other than a finance lease.

The finance lease must be recognised, as determined at the inception of the lease, on the asset and liability sides of the lessee's balance sheet for amounts equal to:

- The fair value of the leased asset;
- Or, if lower, the present value of the minimum lease payments.

The lessor must, on the other hand, recognize on its balance sheet the assets held under a finance lease and present them as receivables for an amount equal to the net investment in the lease. (IAS 17)

The finance income should be recognised based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease. (IAS 17)

Definition of implicit interest rate (IIR):

The IIR is the discount rate that equates:

- The present value of the minimum payments receivable by the lessor plus the unguaranteed residual value,
- And the historical value of the asset (= initial fair value plus initial direct costs).

Change in the residual value of a finance lease:

Under IAS 17, unguaranteed residual values must be regularly reviewed. A reduction in the unguaranteed estimated residual value must result in a change in the income allocation over the full lease term (calculation of a new amortization schedule).

The portion of the change relating to prior periods is immediately expensed and the portion of the change for future periods is recognised by means of a change in the implicit interest rate.

Under IAS, the impairment is staggered over the full lease term.

Options taken by Attijariwafa bank

Operating leases entered into by Attijariwafa bank

Operating leases with fixed terms that are tacitly renewable. No adjustment required.

Leases with indefinite terms

Property leased for 3, 6 or 9 years. The tacit renewal of the lease term means that the lease has an indefinite term. It was classified as a finance lease.

The lease term used is 50 years.

These assets must be recognised on the lessor's balance sheet as receivables for an amount equal to the net investment in the lease.

At the inception of the lease, the lease payments are discounted at the effective interest rate (EIR). The sum thereof represents the initial amount of financing.

Leasing agreements

Leasing agreements are finance leases. Attijariwafa bank is the lessor. The bank only recognizes its portion of the lease in its financial statements.

These assets are recognised on the lessor's balance sheet as receivables for an amount equal to the net investment in the lease.

At the inception of the lease, the lease payments are discounted at the effective interest rate (EIR). The sum thereof represents the initial mount of financing.

1.2.7 Financial assets and liabilities (loans, borrowings & deposits)

Loans and receivables

The amortized cost of a financial asset or liability represents the amount at which this instrument was measured upon initial recognition:

- less principal repayments;
- plus or minus cumulative amortization calculated using the effective interest rate method, any difference between this initial amount and the amount due at maturity;
- minus any reductions for impairment or any uncollectible amount.

The calculation must account for all commissions and other amounts paid or directly received that are related to loans, transaction costs, and any discount or premium.

The effective interest rate (EIR) is the rate that exactly discounts future cash outflows or inflows over the expected life of the financial instrument or, as the case may be, over a shorter period to the net carrying amount of the financial asset or liability.

Subsequent measurement of financial assets:

Following their initial recognition, an entity must measure financial assets, including derivatives comprising these assets, at fair value, without any deduction for transaction costs that may be incurred upon sale or other form of disposal, except as regards the following assets:

- loans and receivables, which must be measured at amortized cost using the effective interest rate method;
- held-to-maturity investments, which must be measured at amortized cost using the effective interest rate method;
- and, investments in equity instruments that are not quoted on an active market, the fair value of which cannot be reliably measured, as well as derivatives connected with these unquoted (unlisted) equity instruments that are to be settled by delivering such instruments, which must be measured at cost.

Deposits and borrowings

When initially recognised, a deposit or borrowing classified under IFRS in "Other financial liabilities" must be initially measured in the balance sheet at fair value plus or minus:

- transaction costs (these are external acquisition costs directly attributable to the transaction);
- fees received constituting professional fees that represent an integral part of the effective rate of return on the deposit or borrowing.

Deposits and borrowings classified under IFRS as "Other financial liabilities" are subsequently measured at the end of the reporting period at amortized cost using the effective interest rate method (actuarial rate).

Deposits classified under IFRS as "Liabilities held for trading" are subsequently measured at fair value at the end of the reporting period. The fair value of the deposit is calculated excluding accrued interest.

A deposit or borrowing may be the host contract for an embedded derivative. In certain circumstances, the embedded derivative must be separated from the host contract and recognised in accordance with the principles applicable to derivatives. This analysis must be done at the inception of the contract on the basis of the contractual provisions.

Options taken by Attijariwafa bank

Loans and receivables

The Group standard consists of applying the amortised cost to all Loans due in over one year on the basis of their materiality.

Loans due in under a year are kept at historical cost.

Provisions for the impairment of loans and receivables:

The criteria established by Bank Al-Maghrib's circular 19/G/2002 uphold the basis for impairment of specific loans and receivables.

The basis for collective impairment of loans and receivables was determined for performing loans with regard to the activity of each Group entity.

Individual provisions:

Attijariwafa bank Group has developed statistical models for each entity. Specific provisions are calculated on the basis of:

- records of collection of nonperforming loans;
- information available to collection entities for nonperforming loans of relatively large amounts.
- guarantees and securities held.

Collective provisions

Attijariwafa bank Group has developed statistical models for each entity. Collective provisions are calculated on the basis of past occurrences of performing loans being transformed into nonperforming loans.

Borrowings

The Borrowings and deposits are broken down by nature into a number of categories : "Financial liabilities" / "Trading liabilities" / "Liabilities designated at fair value through profit or loss at inception".

Deposits

For demand deposits:

For demand deposits, the Attijariwafa bank Group applies IAS 39 §49.

- The fair value of demand deposits may not be lower than the amount payable upon demand.
- It is discounted from the first date on which the payment of these amounts may be demanded.

For interest-bearing deposits:

Deposits bearing interest at market rates

For deposits bearing interest at market rates, the fair value will be the nominal value, so long as the marginal transaction costs are not material.

When there are correlative and directly attributable costs, they should be included in the fair value.

- Marginal transaction costs and directly attributable nongroup fees, such as for example business introduction fees.
- Transaction costs and directly attributable inter-company fees should also be reviewed (identify non-neutral intercompany transactions impacting profit or loss).

Rates must be logged so as to be able to demonstrate that the rates were indeed original market rates.

They must be kept for a period of ten years along the same lines as the period for retaining accounting documentation (see the provisions of the Commercial Code).

Deposits bearing interest at non-market rates

For deposits bearing interest at non-market rates, the fair value will consist of the nominal value and a discount.

For savings products sold at non-market rates, the fair value is not the same as the nominal value, and it is thus necessary to estimate this fair value, i.e. to determine the balance sheet historical value for these transactions.

It is thus necessary to look through savings transactions and assess whether the rate accorded differs markedly from that offered by other market participants (this could be the case for certain term deposits).

For deposits bearing interest at non-market rates, the discount must be factored into subsequent recognition. When the company extends a loan bearing interest at a rate that differs from the market rate and when it earns fees deducted at issuance, the company will recognise the loan at fair value, namely net of the fees it receives. The company will take the discount to profit or loss in accordance with the effective interest rate method.

NB: Advances against interest-bearing deposits are systemically recognized as loans and receivables and treated as such under IFRS.

Passbook accounts:

A single regulated rate applied by most banks is deemed to be a market rate.

Accordingly, no adjustment under IFRS for passbook accounts.

Attijariwafa bank's position:

Savings products must be classified in the "Other liabilities"category.

The Attijariwafa bank Group will not recognise financial liabilities at fair value through profit or loss except when this is exceptionally approved by the (Group) Finance Department.

In fact, in principle, savings activities that constitute part of the banking intermediation business must be recognised in the other liabilities category, meaning that they can be kept at historical cost (subject to certain conditions), and not at fair value.

Except when expressly indicated otherwise, the above options will also apply to any debt securities issued.

1.2.8 Securities

Under IAS 39, securities must be classified in one of four asset categories:

- financial assets at fair value through profit or loss (trading securities) ;
- available-for-sale financial assets;
- held-to-maturity investments;
- loans and receivables (category open to securities that are not quoted on an active market directly acquired from the issuer).

Securities are classified on the basis of management intent.

Securities must be initially measured at cost, which is the fair value of the consideration given or received to acquire them.

Subsequent measurement of securities depends on the category in which they have been classified.

An assessment was carried out within the Group with respect to security transactions, by nature and by type of portfolio.

By analysing their characteristics, it was possible to define the applicable principles for classifying securities under IAS, the measurement methodology and the relevant method for calculating impairment.

Trading portfolio securities: financial assets at fair value through profit or loss and financial assets designated at fair value through profit or loss at inception

Pursuant to IAS 39.9, financial assets and liabilities at fair value through profit or loss are assets or liabilities acquired or generated by the company primarily with a view to profiting from short-term price fluctuations or an arbitrage margin.

A financial asset will be classified in the financial assets at fair value through profit or loss category when, regardless of why it was acquired, it is included in a portfolio for which there is a recent pattern of short-term profit taking.

N.B: All derivatives are financial assets (or liabilities) at fair value through profit or loss, except when they are designated for hedging purposes.

IAS 39 limits the scope of the fair value through profit or loss option when :

- The category in which the securities are classified still exists and the classification in financial assets at fair value through profit or loss reflects true intent on the part of management - Classification by nature ;

The "designated at fair value through profit or loss at inception" – designation at inception – category is used for certain financial assets acquired not for trading purposes but when the fair value measurement (with recognition of fair value changes in profit or loss) meets accounting and operating management needs (for example avoiding the separation of embedded derivatives for financial assets that must be recognised separately under IAS 39).

Recognition principles

Initial measurement:

Securities classified at fair value through profit or loss must be initially recognised at their acquisition price, excluding transaction costs directly attributable to the acquisition and including accrued coupons.

Subsequent measurement:

Securities classified as financial assets at fair value through profit or loss are measured at fair value and changes in fair value are recognised in profit or loss.

This category of securities is not subject to impairment.

Available-for-sale securities portfolio: Available-for-sale financial assets

comprise those fixed income or variable income securities not belonging to any other category.

Recognition principles:

Under IAS 39, the recognition principles for securities classified as "Available-for-sale" are as follows:

Initial measurement

Available-for-sale securities must initially be recognised at their acquisition price, including transaction costs that are directly attributable to the acquisition (in theory) and accrued coupons (in a related receivables account).

Subsequent measurement

Changes in the fair value of securities (positive or negative) classified as "available for sale" are recognised outside profit or loss (in equity - may be recycled). The amortisation over time of any premium / discount of fixed-income securities is recognised in profit or loss in accordance with the effective interest rate method (actuarial allocation).

Impairment

When there is objective evidence or permanent material impairment of equity securities, reflected in the occurrence of credit risk in the case of debt securities, the unrealised loss recognised outside profit or loss (in equity) must be written off and taken to profit or loss for the period.

In the event of subsequent improvement, this impairment may be reversed through profit or loss for fixed income instruments but not for equity instruments. In the latter case, any positive change in fair value will be recognised outside profit or loss (in equity - may be recycled) with any negative change being recognised in profit or loss.

Principles regarding classification in profit or loss:

The fair value measurement of securities in this portfolio is split between the following income statement line items:

- "interest income" for the amount corresponding to the amortised cost for the period;
- "net gains (losses) on available-for-sale assets" for the amount corresponding to dividends, permanent impairment on equity securities, gains (losses) on disposal;
- "cost of risk" for permanent impairment and reassessment of fixed-income securities;
- and the "change in fair value of available-for-sale assets" line item outside profit or loss (in equity) for the amount corresponding to the fair value increase.

Held-to-maturity securities portfolio: Held-to-maturity securities

Category (available to securities with fixed maturities) is open to securities with fixed or determinable income that the bank intends and is able to hold to maturity. (IAS 39.9) Other than:

a) Securities that the company designated as financial assets at fair value through profit or loss at inception;

b) Securities that the company designated as available-for-sale assets; or

c) Securities that meet the definition for loans and receivables. Accordingly, debt securities not quoted on an active market cannot be classified in the held-to-maturities assets category.

Management intent and the "tainting" rule

Classification in this category means that it is essential to comply with the ban on selling securities prior to maturity (on risk of having the whole portfolio reclassified as available for sale assets and being unable to use this category for a period of 2 years).

Nevertheless, exceptions to this "tainting" rule are allowed when:

- The sale is close to maturity (within 3 months);
- The sale takes place after the company has already received substantially all of the principal of the asset (around 90% of the principal of the asset);
- The sale is justified by an external, isolated or unforeseeable event;
- When the entity does not expect to substantially recover its investment as a result of a deterioration in the issuer's position (in which case the asset is classified as available-for-sale) ;
- Sales of securities between Group entities (inter-company sales).

Ability to hold

Upon acquisition, and at the end of each reporting period, the company must assert its intention and ability to hold the securities to maturity.

Prohibition on interest-rate hedging

Although interest-rate hedging is not permitted for this portfolio, other types of hedging (counterparty risk, foreign currency risk) are allowed.

Recognition principles:

- **Initial measurement**

Held-to-maturity securities must be initially recognised at their acquisition price, including transaction costs directly attributable to the acquisition and including accrued coupons (in a related receivables account).

- **Subsequent measurement**

Subsequently, recognition will be at amortised cost with a premium / discount in accordance with the effective interest rate rule (actuarial allocation).

Impairment

When there is objective evidence of impairment, a provision must be recognised for the difference between the carrying amount and the estimated recoverable amount (ERA).

The estimated recoverable amount is obtained by discounting expected future cash flows at the initial effective interest rate.

In the event of subsequent improvement, the excess provision may be reversed.

Profit or loss allocation principle

The amortised cost is allocated to "interest income", while impairment and provision reversals on disposal plus losses on disposal are recognised in "cost of risk".

Gains on disposal, in the scenarios provided for in IAS 39, are recognised under "gains (losses) on available-for-sale financial assets".

Loans and receivables:

The «Loans and receivables category » includes unquoted financial assets which are not intended to be sold and which the institution intends to keep for the long term.

Recognition principles

Loans and receivables are recognised at amortised cost, using the effective interest rate method and restated for any possible impairment provisions.

Impairment :

On any indication of impairment, a provision must be booked for the difference between the carrying amount and the estimated recoverable value.

On subsequent improvement, a write-back may be booked against the provision for impairment.

NB: The consolidated advances related to non consolidated long term investments are valued at their nominal value, whatever their method of remuneration or reimbursement.

Profit or loss allocation principle

The amortised cost is allocated to "interest income", while impairment and provision reversals on disposal plus losses on disposal are recognised in "cost of risk".

Gains on disposal, in the scenarios provided for in IAS 39, are recognised under "gains (losses) on available-for-sale financial assets".

De-recognition of a financial asset

An entity must de-recognise a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire; or
- When it transfers the contractual rights to receive the cash flows from the financial asset and such a transfer meets the requirements of de-recognition under IAS 39.

An entity must remove a financial liability (or part of a financial liability) from the balance sheet when, and only when, it has been extinguished – that is, when the obligation specified in the Contract is either discharged or cancelled or expires.

Options taken by Attijariwafa bank:

Portfolio classification

Attijariwafa bank and other entities excluding insurance companies

Portfolio instruments are currently classified in the following categories:

HFT	AFS	HTM	Loans and receivables
• Trading portfolios	• Negotiable treasury bills classified in • the Investment Portfolio Bonds and other negotiable debt Securities • Long-term investments ...	• Treasury bills	• CAM debt • CIH debt

<u>Securities' impairment criteria:</u>

- Decrease of 30% of the acquisition value, or
- Unrealised loss over 12 consecutive months

Securities lending/borrowing and repurchase agreements:

Securities temporarily sold under repurchase agreements continue to be recognised in the Group's balance sheet in the category of securities to which they belong. The corresponding liability is recognised under the appropriate debt category except in the case of repurchase agreements contracted by the Group for trading purposes where the corresponding liability is recognised under "Financial liabilities at fair value through profit or loss". Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables" except in the case of reverse repurchase agreements contracted by the Group for trading purposes, where the corresponding receivable is recognised under "Financial assets at fair value through profit or loss".

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet, except in cases where the borrowed securities are subsequently sold by the Group. In such cases, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under "Financial liabilities at fair value through profit or loss". The Group does not use, however, the fair value option for financial liabilities.

Treasury shares

The term "treasury shares" refers to shares issued by the consolidating company, Attijariwafa bank. Treasury shares held by the Group are deducted from consolidated shareholders' equity. Gains and losses arising on such instruments are also eliminated from the consolidated profit and loss account.

Treasury share derivatives are treated as follows, depending on how they are settled:

- As equity instruments, if they are settled by physical delivery of a fixed number of treasury shares for a fixed amount of cash or other financial asset; such derivative instruments are not re-valued;
- As derivatives, if they are settled in cash, or by choice, depending on whether they are settled by physical delivery of the shares or in cash. Changes in the value of such instruments are recognised in the profit and loss account.

In addition, if the contract includes an obligation, whether or not contingent, for the bank to repurchase its own shares, the bank must recognise the present value of the debt by an offsetting entry under equity.

1.2.9 Derivatives and embedded derivatives:

A derivative is a financial instrument or other contract which satisfies the following three conditions:

- Whose value changes in response to the change in a specified interest rate, the price of a financial instrument, commodity price, foreign exchange rate, price index or rate, credit rating, credit index or any other variable (often known as the "underlying");
- That requires no initial investment, or one that is smaller than would be required for a contract with a similar response to changes in market factors; and
- That is settled at a future date.

The Group does not use, however, hedge accounting.

An embedded derivative is a component of a financial instrument or otherwise, designed to vary some portion of the transaction's cash flows structured in a way similar to a stand-alone derivative.

IAS 39 defines a hybrid contract as a contract consisting of a host contract and an embedded derivative.

The embedded derivative must be recognised separately when the following three conditions are satisfied:

- the hybrid contract is not recognised at fair value (with changes in fair value being taken to profit or loss);
- separated from the host contract, the embedded derivative has the characteristics of a derivative;
- the characteristics of the derivative are not closely linked to those of the host contract.

For example:

- commercial contracts denominated in a currency that differs from the company's currency;
- inflation-linked lease;
- special contractual provisions, postponement of the expiry date, repayment options, extension option, interest indexing;
- option to convert a debt into an equity instrument.

Some of these derivatives must thus be recognised separately from the host contract and to this end it must be possible to identify them.

For the derivatives included in the financial instruments, the latter are recognised independently of the main contract.

IAS 39 recommends that the host contract be measured at inception by calculating the difference between the fair value of the hybrid contract (= cost) and the fair value of the embedded derivative.

If, however, the fair value of the embedded derivative cannot be reliably determined, IAS 39 allows for it to be calculated by subtracting the fair value of the host contract from that of the hybrid contract.

When none of these solutions is feasible, IAS 39 requires that the whole hybrid contract be measured at fair value (with changes in fair value being recognised in profit or loss).

Options taken by Attijariwafa bank

If calculating an embedded derivative at fair value results in a material impact, then the embedded derivative should be recognised under "Financial assets at fair value through profit and loss".

1.2.10 Insurance

Insurance contracts

The accounting treatment for contracts meeting the definition of insurance contracts under IFRS 4 as well as investment contracts with discretionary participation features is governed by IFRS 4, the main provisions of which can be summarised as follows:

- an option of continuing to recognise these contracts in accordance with current accounting principles, distinguishing between three types of insurance contracts under IFRS 4 :
  - pure insurance contracts,
  - financial instruments with discretionary participation features,
  - and liabilities relating to other financial instruments that fall within the scope of IAS 39, and which are recognised under "Customer deposits" ;
- an obligation to separate and recognise at fair value through profit or loss any embedded derivatives not exempted under IFRS 4;
- a prohibition on funding provisions for possible claims under insurance contracts that are not in existence at the reporting date (such as catastrophic and equalisation provisions);
- an obligation to establish a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets;
- in addition, the insurer is not required but is permitted to change its accounting policies for insurance contracts to eliminate excessive prudence ; however, if an insurer already measures its insurance contracts with sufficient prudence, it should not introduce additional prudence ;
- reinsurance assets are impaired, by recognising the impairment loss in profit and loss, if and only if :
  - there is objective evidence, as a result of an event occurring after initial recognition of the reinsurance asset, that the cedant may not receive all amounts due to it under the terms of the contract,
  - that event has a reliably measurable impact on the amounts that the cedant will receive from the reinsurer;
- an obligation on an insurer to keep the insurance liabilities on its balance sheet until they are discharged or cancelled, or expire and the prohibition on offsetting insurance liabilities against related reinsurance assets;
- an option of using "shadow accounting" for insurance or investment contracts with participation features, meaning that it is possible to recognise the effects on liabilities of amounts that were not recognised as assets under existing accounting standards, and of recognising them symmetrically (case of unrealised gains on securities classified in the "Available-for-sale assets" category with an offsetting provision for deferred participation recognised outside profit or loss [directly in equity]);
- an obligation to recognise a new insurance liability under IFRS 4 "shadow accounting" called deferred participation, representing the share accruing to insured parties of unrealised gains on assets allocated to the financial instruments, established by IAS 39.

Note: in terms of presentation, similar items measured differently must be presented separately on the balance sheet.

To the extent possible, the items are then broken down by type of counterparty and by order of liquidity.

Options taken by Attijariwafa bank

Insurance investment

Classification of the portfolio of investments held by Wafa assurance:

- UCITS not brought within the scope of consolidation of the Attijariwafa bank Group are classified as "Trading" and measured at fair value through profit or loss;
- Treasury bills, bonds and finance company bills are classed under "Available-for-sale assets" and measured at fair value through equity;
- financing company bonds and capitalised loans are classified as "loans and receivables" and measured at amortised cost;
- all other investments are classified as "Available-for-sale" and measured at fair value outside profit or loss (through equity).

Impairment testing depends on the above classification.

Fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction on the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), whether the price is directly observable or estimated by means of another measurement technique.

IFRS 13 establishes a fair-value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair-value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 inputs

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions (see § 79).

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in markets that are not active;

- inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads).

Adjustments to Level 2 inputs will vary depending on the factors specific to the asset or liability. Those factors include the following: the condition or location of the asset, the extent to which inputs relate to items comparable to the asset or liability, and the volume or level of activity in the markets within which the inputs are observed.

An adjustment to a Level 2 input that is significant to the entire measurement may result in a fair-value measurement categorized within Level 3 of the fair-value hierarchy if the adjustment uses significant unobservable inputs.

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair-value objective remains the same (i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).Therefore unobservable inputs reflect the assumptions that market participants use when pricing the asset or liability, including assumptions about risk.

The Group derives fair value as follows:

- either from quoted prices in an active market;
- or by means of a valuation technique employing mathematical calculation methods based on established financial theories and observable market parameters.

• CASE 1: instruments traded in active markets

If available in an active market, quoted prices are used to determine fair value. Listed securities and derivatives on organized markets (e.g., futures and options) are measured by means of quoted prices. Most over-the-counter (OTC) derivatives, swaps, and standard options are traded in active markets and valued by means of commonly used models (e.g., discounted cash flows, Black–Scholes, and present-value techniques) that are based on quoted market prices of instruments or similar underlying instruments.

• CASE 2: instruments traded in markets that are not active Products traded in an inactive market are valued by means of an internal model based on directly observed parameters or inferred from observable data.

Certain financial instruments that are not traded on active markets are valued by means of methods based on observable market parameters.

The models employ market parameters determined by observable data such as yield curves, implied volatility of options, default rates, and loss assumptions obtained from consensus data or from active OTC markets.

IFRS 13 applies when another IFRS requires or permits fair-value measurements or disclosures about fair-value measurements, except for:

- share-based payment transactions within the scope of IFRS 2, Share-based Payment;
- leasing transactions within the scope of IAS 17, Leases;
- measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2, Inventories, or value in use in IAS 36, Impairment of Assets.

1.2.11 Goodwill

Cost of a business combination:

Business combinations are accounted for in accordance with the acquisition method, under which the acquisition cost represents the consideration transferred to acquire control.

The acquirer must measure the acquisition cost as follows:

- the aggregate fair value, on the acquisition date, of the assets transferred, liabilities incurred or assumed, and equity instruments issued by the acquirer, in consideration for control of the acquiree;
- any other costs directly attributable to the business combination are recognized through profit or loss in the period in which they were incurred.

The acquisition date is the date on which the acquirer obtains effective control of the acquiree.

Allocation of the cost of a business combination to the assets acquired and to the liabilities and contingent liabilities assumed

At the acquisition date, the acquirer must allocate the cost of a business combination by recognizing the identifiable assets, liabilities, and contingent liabilities of the acquiree that satisfy the recognition criteria at their respective fair values on that date.

Any difference between the cost of the business combination and the acquirer's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities is recognized under goodwill.

Recognition of goodwill:

At the acquisition date, the acquirer must recognize as an asset any goodwill acquired in a business combination.

- Initial measurement: Goodwill is measured initially at cost (i.e., the difference between the cost of the business combination and the acquirer's share of the net fair value of identifiable assets, liabilities, and contingent liabilities).
- Subsequent recognition: After initial recognition, the acquirer must measure the goodwill acquired in a business combination at cost minus any accumulated impairment losses recognized during annual impairment tests or when there is an indication of impairment to its carrying value.

If the share of the fair value of the assets, liabilities, and contingent liabilities acquired exceeds the acquisition costs, negative goodwill is recognized immediately through profit or loss.

If initial recognition of a business combination can be determined only provisionally by the end of the reporting period in which the business combination is completed, the acquirer must account for the business combination using provisional values. The acquirer must recognize adjustments to provisional values relating to the completion of the initial recognition during the recognition period, after which no adjustments may be made.

Options taken by Attijariwafa bank

- option taken not to adjust goodwill at December 31, 2005, in accordance with provisions of IFRS 1, First-time Adoption of International Financial Reporting Standards;
- goodwill amortization is discontinued when an asset's useful life is indefinite, in accordance with IFRS 3 (amended), Business Combinations;

- regular impairment tests are performed to ensure that the carrying amount of goodwill is less than its recoverable amount; if it is not, an impairment loss is recognized;
- cash-generating units reflect the segment reporting presented at the Group level;
- The recoverable amount is the higher of the value in use and fair value (net of disposal costs). This notion is applied to asset impairment tests in accordance with IAS 36. If the impairment test reveals that the recoverable amount is less than the net fair value, the asset is impaired for the difference between the two values.

1.2.12 Provisions

Provisions for risks

A provision must be recognised when:

- the company has a present obligation (legal or constructive) as a result of a past event ;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the obligation can be reliably estimated.

If these conditions are not satisfied, no provision may be recognised.

Under IFRS, where the effect is material, contingency and loss provisions must be discounted where the probable outflow of resources will take place in over a year.

Under IFRS, no provisions are funded for contingent liabilities, aside from as part of business combinations. Material contingent assets or liabilities must be disclosed in the notes.

Customer provisions

Under IAS there is no specific accounting category for doubtful receivables.

A provision is funded where there is objective evidence of impairment of loans classified as loans and receivables.

Provisions are funded for the difference between the net carrying amount of the loan (amortised cost impact) and the estimated recoverable amount, namely the present value, calculated using the contract’s initial effective interest rate, of the estimated recoverable cash flows.

Individual impairment

In the case of a loan in arrears:

Losses are determined on the basis of the aggregate estimated future cash flows, discounted at the loan’s initial effective rate; the future cash flows take account of the measurement of guarantees received and recovery costs.

The observable data used to estimate future cash flows must be sufficient and relevant in order to obtain a reliable estimate thereof. Where the observable data are limited or no longer wholly relevant in light of present circumstances, the Group must make a judgment based on its experience.

In the case of a loan that is not in arrears but for which there is objective evidence of impairment pointing to future difficulties:

The Group will use statistics of historical losses on comparable loans in order to estimate and position the future cash flows.

When the statistics or observable data are limited or no longer wholly relevant in light of present circumstances, the company must make a judgement based on its documented experience.

Once positioned time-wise, the future cash flows will be discounted at the loan’s initial effective interest rate.

Collective impairment

When the individual loan impairment test doesn’t uncover any objective evidence of impairment, they are grouped together with other loans sharing similar credit risk characteristics, and collectively tested for impairment.

Assessment of objective evidence of impairment:

In the case of a collective assessment, objective evidence of impairment can be reduced to observable events indicating that there is a measurable reduction in estimated future cash flows from a group of loans since these assets were initially recognised, even though this reduction cannot yet be attributed to the various loans within this group.

Such objective evidence may include :

- ability of borrowers within the group to meet payments negatively affected ; or
- a national or local economic climate correlated to non payments on the assets within the group.

Collective impairment: calculation of impairment

1. Use of historical losses on assets with credit risk characteristics similar to those of assets within the group in question, in order to reliably estimate the impact on the cash flows from the group of assets in question.

When the company doesn’t have access to such historical losses, it shall look at the experience of comparable companies for comparable financial asset groups.

2. Factoring in of current observable events, so as to reflect the impact of conditions that didn’t affect the period covered by these historical statistics.

Historical loss statistics used (in particular PD) must be corrected as required, in light of current observable data, so as to factor in the effects of conditions that didn’t affect the period covered by these historical statistics.

When these historical losses are no longer valid following changes to the conditions that existed during that period, the company must make adjustments to reflect the new climate on the basis of its documented experience.

3. The future cash flows are estimated on the basis of historical losses (adjusted as required) on assets similar to those collectively tested. The methodology and assumptions used to estimate the future cash flows must be regularly reviewed to reduce any difference between estimated and actual losses.
4. Once the future cash flows have been estimated and positioned time-wise, they are discounted at the effective interest rate.
5. Provisions for impairment recognised within a group represent an intermediate step pending the identification of the impairment of each asset within the group of financial assets that have been collectively tested for impairment.

Once there is sufficient information to specifically identify the losses on each of the impaired assets within a group, tested individually, these assets are taken out of the group. Accordingly, it is necessary to assess whether any new information.

Accordingly, it is necessary to assess whether any new information makes it possible to identify whether any loan within the group has been individually impaired:

If not, no loan is taken out of the group;

If yes, the loan that is identified as being individually impaired will be taken out of the group and individually tested.

Options taken by Attijariwafa bank

Provisions for risks

Analysis of contingency and loss provisions of over MAD 1 million, in order to ensure that IFRS conditions are satisfied.

Customer provisions

It was decided to value collateral at fair value:

- determine provisions for non-material individual loans on the basis of a dedicated statistical model based on average recovery rates weighted by age of receivables to estimate future recovery cash flows ;
- determine recovery cash flows to establish recovery schedules by product and customer profile;
- the loss on default will be determined on the basis of Basel regulations if the Bank doesn't manage to establish a model that will make it possible to measure the fair value of collateral on one hand and discount the estimated future recovery cash flows at the initial contractual rate on the other hand.

1.2.13 Current tax and deferred tax

Deferred tax assets and liabilities are recognised whenever the recovery or settlement of the carrying amount of an asset or liability will increase or reduce future tax payments compared to what they would have been had such a recovery (settlement) not had a tax impact.

It is probable that the company will post taxable profits against which a deductible temporary difference can be used:

- when there are sufficient taxable temporary differences levied by the same taxation authority on the same taxable entity that are expected to be reversed:
  - in the financial year in which the deductible temporary differences are expected to reverse, or
  - in financial years in which the tax loss resulting from the deferred tax asset could be carried back or forward ;
- when it is probable that the company will post sufficient taxable profits levied by the same taxation authority on the same taxable entity during the relevant financial years ;
- tax planning enables it to post taxable profits over the relevant financial years.

In the case of a business combination, the cost of acquisition is allocated to acquired identified assets and liabilities on the basis of their fair value without changing their tax basis : deferred tax liabilities stem from taxable temporary differences.

This deferred tax liability impacts goodwill.

In the case of a business combination, when the cost of acquisition allocated to a liability is only tax deductible during the tax year or when the fair value of an asset is lower than its tax basis, a deductible temporary difference arises that gives rise to a deferred tax asset.

The latter impacts goodwill.

When a deferred tax asset of the acquiree is not recognised by the acquirer as an identifiable asset on the date of a business combination and is subsequently recognised in the acquirer's consolidated financial statements, the resulting deferred tax benefit is recognised in profit or loss. Moreover, the acquirer adjusts the gross carrying amount of goodwill and the cumulative amortisation by the amounts that should have been recognised, also expensing the reduction in the net carrying amount of goodwill.

There should be no change with respect to negative goodwill.

IAS prohibits the discounting of deferred tax.

In the event of changes to tax rates or regulations, the deferred tax impact is recognised on the basis of the symmetry principle: when the deferred tax was initially recognised outside profit or loss (in equity), the adjustment should also be recognised outside profit or loss, with the impact otherwise being recognised in profit or loss.

Options taken by Attijariwafa bank

Assessment of the probability of recovery of deferred tax assets:

Deferred tax that is uncertain to be recovered is not capitalised. The probability of recovery can be determined by the business plan of the relevant companies.

In addition, under IFRS, the phrase "probable recovery" must be interpreted as meaning that "recovery is more probable than improbable". This could result, in certain cases, by recognising a higher level of deferred tax assets than under generally accepted accounting principles.

Recognition of deferred tax liabilities stemming from temporary differences on intangible assets generated as part of a business combination:

Valuation adjustments relating to intangible assets recognised as part of a business combination that cannot be disposed of separately from the acquiree give rise to a deferred tax liability, even when these assets have indefinite useful lives.

Deferred tax asset stemming from deductible temporary differences on consolidated equity interests:

Mandatory recognition of a deferred tax asset for the deductible temporary differences on consolidated equity interests (differences stemming, for example, from the elimination of internal gains (losses) on consolidated equity interests) so long as these temporary differences are likely to be reduced in the foreseeable future (rare case in the absence of a disposal decision) and that the recovery of the deferred tax asset is probable.

Possibility of adjusting goodwill if deferred tax is identified following the period allowed under IFRS for adjustments:

A deferred tax asset deemed not to be identifiable at the date of acquisition and subsequently realised, is recognised in consolidated profit or loss, and the goodwill is subsequently retrospectively adjusted even after the expiry of the adjustment period, the impact of this correction also being recognised in consolidated profit or loss.

Deferred tax initially recognised outside profit or loss (in equity):

Recognition of the impact of changes in tax rates and/or taxation methods outside profit or loss (in equity).

1.2.14 Employee benefits

General principle

The objective of IAS 19 is to prescribe the accounting and disclosure for employee benefits. This standard shall be applied by an employer in accounting for all employee benefits, except those to which IFRS 2, Share-based Payments, applies. The employee benefits to which this standard applies includes those provided:

- under formal plans or other formal agreements between an entity and individual employees, groups of employees, or their representatives;
- under legislative requirements, or through industry arrangements, whereby entities are required to contribute to national, industry, or other multi-employer plans;
- by those informal practices that give rise to a constructive obligation, where the entity has no realistic alternative but to pay employee benefits.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. They comprise the following categories:

Types of employee benefits

Short-term benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly within 12 months of the end of the annual reporting period in which the employees render the related service (e.g., wages, salaries, and social-security contributions; paid annual leave and paid sick leave; and profit-sharing and bonuses).

When an employee has rendered service to an entity during an accounting period, the entity shall recognize the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

• as a liability (accrued expense), after deducting any amount already paid;

• as an expense.

The posteriors advantages to employment

Postemployment benefits are employee benefits that are payable after the completion of employment (e.g., retirement benefits, postemployment life insurance, and postemployment medical care).

Postemployment benefit plans are classified as either defined-contribution plans or defined-benefit plans.

1- Under defined contribution plans, the entity makes a defined contribution to a fund and has no legal or constructive obligation to provide further contributions if assets are insufficient to meet the benefits in the plan benefit formula. In consequence, actuarial risk and investment risk fall, in substance, on the employee.

Accounting for defined-contribution plans is straightforward, because no actuarial assumptions are required to measure the obligation or the expense, and there is no possibility of any actuarial gain or loss.

When an employee has rendered service to an entity during a period, the entity shall recognize the contribution payable to a defined contribution plan in exchange for that service:

- as a liability, after deducting any contribution already paid;
- as an expense.

2- Under defined benefit plans, the entity's obligation is to provide the agreed benefits to current and former employees. Actuarial risk and investment risk fall, in substance, on the entity.

Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service.

A multi-employer plan is neither general nor mandatory, and must be classified by the entity as a defined-contribution plan or a defined-benefit plan under the terms of the plan.

Other long-term benefits include:

Long-term paid absences such as long-service leave or sabbatical leave, jubilee or other long-service benefits (e.g., "wissam schogal"), long-term disability benefits (if payable 12 months or later after the close of the reporting period), bonuses, and deferred remuneration.

The measurement of other long-term employee benefits is not usually subject to the same degree of uncertainty as the measurement of postemployment benefits. For this reason, this standard requires a simplified method of accounting for other long-term employee benefits. Unlike the accounting required for postemployment benefits, this method does not recognize remeasurements in other comprehensive income.

Termination benefits

Termination benefits result from either an entity's decision to terminate the employment of an employee before the usual retirement age, or an employee's decision to accept an entity's offer of benefits in exchange for termination of employment.

An entity shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits;
- when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

For termination benefits payable as a result of an entity's decision to terminate an employee's employment, the entity can no longer withdraw the offer when the entity has communicated to the affected employees a plan of termination meeting all of the following criteria:

- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made;
- the plan identifies the number of employees whose employment is to be terminated, their job classifications or functions, their locations, and the expected completion date;
- the plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

Funding liabilities

Liabilities can be funded in two ways:

1. recognising a provision internally, either for the full amount or to supplement plan assets or redemption rights;

2. by outsourcing its obligation to pay the benefits by means of an insurance contract (the company transfers its obligation to pay the benefits : the actuarial and investment risks are managed by the insurer, with the latter paying out the benefits. The company's only obligation is to make contributions – defined contribution plan).

The revised version of the standard (2000 revision) established three criteria for plan assets (or qualifying insurance contracts):

• the legal entity holding these assets must be legally separate from the company ;

• the assets must be wholly set aside to fund the benefits payable under the plan in question ;

• if the assets are sufficient to meet the liabilities, the company has no legal obligation to directly pay benefits under the plan.

All assets designed to cover the liabilities but that fail to meet the above criteria constitute "reimbursement rights".

Reimbursement rights are recognised as a separate asset.

They do not reduce liabilities, unlike plan assets..

Measuring liabilities

Method

The measurement of defined benefit plans notably requires the use of actuarial techniques to reliably estimate the amount of benefits accruing to staff in consideration for current and past service.

This requires estimating the benefits, demographic variables such as mortality and staff turnover, financial variables such as discount rates and future salary increases that will affect the cost of benefits.

The recommended method under IAS 19 is the "projected unit credit" method, also the preferred method under French regulations.

This amounts to recognising, on the date of the calculation of the liability, of a liability equal to the probable present value of the estimated termination benefits multiplied by the ratio of length of service at the date of calculation and at the date of retirement of the employee.

This is the same as saying that the liability is incurred prorata to the length of service of the employee. Accordingly, the calculation of rights is done on the basis of the employee's length of service and the estimated final salary.

Assumptions

Actuarial assumptions are the entity's best estimates of variables determining the final cost of post-employment benefits. These assumptions include:

Demographic assumptions

These relate to the future characteristics of former and current employees (and their dependents) qualifying for benefits.

These demographic assumptions involve the following items:

- mortality, during and post-employment;
- staff turnover, disability and early retirement;
- the proportion of plan members and dependents qualifying for benefits; and
- the level of claims under the medical plans.

Expected rate of return on plan assets:

This rate must be established on the basis of market expectations on the reporting date for the period in which the liabilities are to be settled.

It must reflect the make-up of the asset portfolio. The breakdown of plan assets (bonds, equities, real-estate ...) and the expected return used for each asset class should be set out in the actuarial report.

Discount rate / inflation rate

The applicable rate to discount post-employment benefit liabilities (whether funded or not) must be determined by reference to a market rate at the reporting date based on the top-tier corporate bonds. In countries in which this type of market is not active,the relevant rate (at the end of the reporting period) is the treasury bond rate. The currency and maturity of corporate bonds or treasury bonds must be consistent with the currency and estimated maturity of postemployment benefit liabilities. The maturity of liabilities must be assessed on the basis of the schedule of future payments (weighted average only) for all plan participants on the measurement date.

Salaries, employee benefits and medical costs:

Post-employment benefit liabilities must be measured on a basis that reflects:

- estimated future salary increases;
- benefit rights as per the terms and conditions of the plan (or resulting from any constructive obligation going beyond these terms and conditions) at the reporting date; and
- estimated future changes in the level of benefits paid under any mandatory general plan affecting the benefits payable under a defined benefit plan, when, and only when, either :

- these changes have been adopted prior to the reporting date ; or
- past experience or other reliable indicators, show that these benefits paid under a mandatory general plan will change in a foreseeable manner, for example that they will reflect general price inflation or general salary inflation.

The assumptions related to medical costs must factor in the estimated future changes in the cost of medical services stemming both from inflation and changes specific to medical costs.

1.2.14.1 Options taken by Attijariwafa bank

It was agreed that in Attijariwafa bank's case the pension benefits were defined contribution plans. Accordingly, no IFRS adjustment is required.

In the case of post-employment medical coverage (CMIM), Attijariwafa bank does not have sufficient information to recognize as such this defined benefit multi-employer plan.

1.2.14.2 Share-based payments

Share-based payments consist of payments based on shares issued by the Group that are either equity or cash-settled with the amount depending on the share performance.

These payments can either be by means of the granting of stock options or employee share subscription offerings.

In the case of employee share subscription offerings, a discount is granted off the average market price over a given period.

This benefit is expensed over the lock-in period.

1.2.15 Statement of cash flows

The balance of cash and cash equivalent accounts represents the net cash balance with central banks, the Treasury and post office accounts as well as the net amount of demand bank borrowings and loans.

1.2.16 Estimates used to prepare the financial statements

When preparing the financial statements, the Attijariwafa bank Group was required to make assumptions and use estimates the future occurrence of which could be influenced by a series of factors including in particular:

- domestic and international market activities;
- interest rate and exchange rate fluctuations;
- the economic and political climate in certain business sectors or countries;
- regulatory or statutory changes.

These assumptions primarily involve:

- the use of internal models to value financial instruments for which quoted prices on organised markets are not available ;
- impairment tests on intangible assets;
- the calculation of provisions for the impairment of loans and receivables and contingency and loss provisions;
- estimation of residual values of assets measured at amortised cost and finance and operating leases.

FINANCIAL STATEMENT

Consolidated Financial Statements at 31 December 2015

CONSOLIDATED IFRS BALANCE SHEET at 31 December 2015

(in MAD thousands)

ASSETS (under IFRS)	Notes	12/31/2015	12/31/2014
Cash and balances with central banks, the Treasury and post office accounts		12 580 486	8 842 320
Financial assets at fair value through income	2.1	58 297 966	52 389 822
Derivative hedging instruments		-	-
Available-for-sale financial assets	2.2	33 000 427	30 805 290
Loans and advances to credit institutions and similar establishments	2.3	21 179 662	19 305 251
Loans and advances to customers	2.4	252 918 815	255 056 498
Interest rate hedging reserve		-	-
Held-to-maturity investments		7 916 008	10 928 820
Current tax assets	2.5	395 789	137 676
Deferred tax assets	2.5	516 412	448 327
Other assets	2.6	7 973 730	7 491 499
Participations of insured parties in differed profits	2.2	893 528	920 708
Non-current assets held for sale		98 622	97 089
Investments in companies accounted for under the equity method	2.7	102 952	116 861
Investment property	2.8	1 875 923	1 830 545
Property, plant and equipment	2.9	4 953 082	5 056 788
Intangible assets	2.9	1 708 144	1 731 443
Goodwill	2.10	6 667 144	6 684 704
TOTAL ASSETS		**411 078 692**	**401 843 640**

LIABILITIES (under IFRS)	Notes	12/31/2015	12/31/2014
Amounts owing to central banks, the Treasury and post office accounts		165 236	135 266
Financial liabilities at fair value through income	2.11	1 090 129	1 965 441
Derivative hedging instruments		-	-
Amounts owing to credit institutions and similar establishments	2.12	32 511 095	41 236 002
Customer deposits	2.13	274 514 736	257 881 178
Debt securities issued	2.14	13 743 666	14 253 845
Interest rate hedging reserve		-	-
Current tax liabilities	2.5	296 624	1 222 376
Deferred tax liabilities	2.5	1 782 425	1 700 513
Other liabilities	2.6	8 848 300	8 961 596
Liabilities related to non-current assets held for sale		-	-
Insurance companies' technical reserves		23 873 972	22 212 075
General provisions	2.15	1 513 117	1 745 890
Subsidies, public funds and special guarantee funds		153 865	147 819
Subordinated debt	2.14	11 356 370	9 979 663
Share capital and related reserves		10 151 765	10 151 765
Consolidated reserves		24 905 872	24 258 638
- Group share		*21 420 642*	*20 163 454*
- Minority interests		*3 485 230*	*4 095 184*
Unrealised deferred capital gains or losses		871 352	851 090
Net income for the financial year		5 300 168	5 140 484
- Group share		*4 501 781*	*4 355 244*
- Minority interests		*798 387*	*785 240*
TOTAL LIABILITIES		**411 078 692**	**401 843 640**

CONSOLIDATED INCOME STATEMENT UNDER IFRS at 31 December 2015

(in MAD thousands)

	Notes	12/31/2015	12/31/2014
Interest and similar income	3.1	17 336 355	17 498 851
Interest and similar expenses	3.1	5 935 421	6 472 577
NET INTEREST MARGIN		**11 400 934**	**11 026 273**
Fees received	3.2	4 566 042	4 301 420
Fees paid	3.2	525 758	426 256
NET FEE INCOME		**4 040 284**	**3 875 163**
Net gains or losses on financial instruments at fair value through income	3.3	2 944 577	3 777 540
Net gains or losses on available-for-sale financial assets	3.4	183 561	346 238
INCOME FROM MARKET ACTIVITIES		**3 128 139**	**4 123 778**
Income from other activities	3.5	6 482 827	6 039 398
Expenses on other activities	3.5	6 055 166	5 614 858
NET BANKING INCOME		**18 997 018**	**19 449 755**
General operating expenses		7 959 562	7 680 810
Depreciation, amortisation and provisions		851 162	827 963
GROSS OPERATING INCOME		**10 186 295**	**10 940 982**
Cost of risk	3.7	-2 217 045	-3 034 430
OPERATING INCOME		**7 969 250**	**7 906 552**
Net income from companies accounted for under the equity method		12 471	20 004
Net gains or losses on other assets	3.8	122 573	46 892
Changes in value of goodwill			
PRE-TAX INCOME		**8 104 295**	**7 973 448**
Income tax		2 804 127	2 832 964
NET INCOME		**5 300 168**	**5 140 484**
Minority interests		798 387	785 240
NET INCOME GROUP SHARE		**4 501 781**	**4 355 244**
Earnings per share (in dirhams)		22,12	21,40
Dividend per share (in dirhams)		22,12	21,40

STATEMENT OF NET INCOME AND GAINS AND LOSSES DIRECTLY RECORDED IN SHAREHOLDERS EQUITY at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Net income	**5 300 168**	**5 140 484**
Asset and liability variations directly recorded in shareholders equity	-41 481	819 687
Translation gains or losses	-3 566	-169 624
Variation in value of financial assets available for sale	-11 534	1 005 119
Revaluation of fixed assets		
Variations in differed value of derivative coverage instruments		
Items regarding enterprises by equity method	-26 380	-15 809
Grand total	**5 258 687**	**5 960 171**
Group share	4 486 083	5 059 598
Minority interest share	772 604	900 573

TABLE OF SHAREHOLDERS EQUITY VARIATION at 31 December 2015

(in MAD thousands)

		Share capital (1)	Reserves (related to share capital) (2)	Treasury stock (3)	Reserves and consolidated income (4)	Total assets and liabilities entered directly in capital (5)	Shareholders' equity Group share (6)	Minority interests (7)	Total (8)
Shareholders' equity at 31 december 2013		2 035 272	8 116 493	-2 050 326	25 334 159	-210 437	33 225 161	4 710 022	37 935 183
Effect of changes to accounting policies									
Shareholders' equity restated at 31 december 2013		2 035 272	8 116 493	-2 050 326	25 334 159	-210 437	33 225 161	4 710 022	37 935 183
Transactions related to share capital					636 037		636 037	141 018	777 055
Share-based payments									
Transactions related to treasury stock									
Dividends					-1 897 399		-1 897 399	-572 997	-2 470 396
Net income					4 355 244		4 355 244	785 240	5 140 484
Variations in assets and liabilities recorded directly in shareholders' equity	(A)					818 308	818 308	171 002	989 310
Translation gains and losses	(B)					-113 954	-113 954	-55 670	-169 624
Total assets and liabilities entered directly in capital	(A)+(B)					704 354	704 354	115 332	819 687
Other variations					-1 501 845		-1 501 845	-298 190	-1 800 035
Perimeter variation									
Shareholders' equity at 31 december 2014		2 035 272	8 116 493	-2 050 326	26 926 196	493 918	35 521 553	4 880 425	40 401 978
Effect of changes to accounting policies									
Shareholders' equity restated at 31 december 2014		2 035 272	8 116 493	-2 050 326	26 926 196	493 918	35 521 553	4 880 425	40 401 978
Transactions related to share capital					216 227		216 227	70 184	286 411
Share-based payments									
Transactions related to treasury stock									
Dividends					-1 987 034		-1 987 034	-643 595	-2 630 629
Net income for the period					4 501 781		4 501 781	798 387	5 300 168
Total assets and liabilities entered directly in capital	(C)					20 262	20 262	-31 796	-11 534
Variations in assets and liabilities recorded directly in shareholders' equity	(D)					-9 579	-9 579	6 013	-3 566
Latent or differed gains or losses	(C)+(D)					10 683	10 683	-25 783	-15 101
Other variations					-1 346 800		-1 346 800	-796 001	-2 142 801
Changes in scope of consolidation					29 131		29 131		29 131
Shareholders' equity at 31 December 2015		**2 035 272**	**8 116 493**	**-2 050 326**	**28 339 501**	**504 600**	**36 945 541**	**4 283 617**	**41 229 157**

CONSOLIDATED CASH FLOW STATEMENT at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Pre-tax income	**8 104 295**	**7 973 448**
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets	970 533	827 242
+/- Net impairment of goodwill and other fixed assets		
+/- Net amortisation of financial assets	104 831	7 523
+/- Net provisions	2 422 800	3 200 590
+/- Net income from companies accounted for under the equity method	-12 471	-20 004
+/- Net gain/loss from investment activities	-439 553	-435 167
+/- Net gain/loss from financing activities		
+/- Other movements	-129 765	-229 630
Total non-cash items included in pre-tax income and other adjustments	**2 916 376**	**3 350 553**
+/- Flows relating to transactions with credit institutions and similar establishments	-14 549 064	-20 546 486
+/- Flows relating to transactions with customers	16 854 982	13 996 509
+/- Flows relating to other transactions affecting financial assets or liabilities	-5 564 823	-13 488 029
+/- Flows relating to other transactions affecting non-financial assets or liabilities		
- Taxes paid	-3 101 911	-2 353 709
Net increase/decrease in operating assets and liabilities	**-6 360 817**	**-22 391 714**
Net cash flow from operating activities	**4 659 853**	**-11 067 713**
+/- Flows relating to financial assets and investments	-2 609 365	-794 083
+/- Flows relating to investment property	-75 423	-585 462
+/- Flows relating to plant, property and equipment and intangible assets	-671 838	-808 347
Net cash flow from investment activities	**-3 356 626**	**-2 187 893**
+/- Cash flows from or to shareholders	-2 630 629	-2 470 396
+/- Other net cash flows from financing activities	930 931	1 448 946
Net cash flow from financing activities	**-1 699 698**	**-1 021 450**
Effect of changes in foreign exchange rates on cash and cash equivalents	**75 864**	**-126 986**
Net increase (decrease) in cash and cash equivalents	**-320 606**	**-14 404 042**

	12/31/2015	12/31/2014
Cash and cash equivalents at the beginning of the period	**-676 681**	**13 727 361**
Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts	8 707 054	12 651 672
Inter-bank balances with credit institutions and similar establishments	-9 383 735	1 075 689
Cash and cash equivalents at the end of the period	**-997 287**	**-676 681**
Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts	12 415 251	8 707 054
Inter-bank balances with credit institutions and similar establishments	-13 412 538	-9 383 735
Net change in cash and cash equivalents	**-320 606**	**-14 404 042**

2. NOTES RELATED TO THE BALANCE SHEET

2.1 Financial assets at fair value through income at 31 December 2015

(in MAD thousands)

	Financial assets held for trading	Financial assets at fair value through income
Loans and advances to credit institutions and similar establishments		
Loans and advances to customers		
Financial assets held as guarantee for unit-linked policies		
Securities received under repo agreements		
Treasury notes and similar securities	39 076 809	
Bonds and other fixed income securities	**1 036 253**	
- Listed securities	82 195	
- Unlisted securities	954 058	
Shares and other equity securities	**17 467 849**	
- Listed securities	17 467 849	
- Unlisted securities		
Derivative instruments	**597 788**	
Related loans	119 267	
Fair value on the balance sheet	**58 297 966**	

2.2 Available-for-sale financial assets

2.2.1 Available-for-sale financial assets at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Securities valued at fair value		
• Treasury notes and similar securities	**9 843 386**	**10 015 196**
• Bonds and other fixed income securities	**13 088 319**	**12 865 333**
- Listed securities	7 593 569	7 809 390
- Unlisted securities	5 494 750	5 055 943
• Shares and other equity securities	**3 904 388**	**3 745 608**
- Listed securities	729 269	2 577 710
- Unlisted securities	3 175 119	1 167 898
• Securities in non-consolidated affiliates	**7 057 863**	**5 099 860**
Total available-for-sale securities	**33 893 955**	**31 725 998**

Available-for-sale financial assets held by Wafa Assurance totalled MAD 16,987 million at the end of December 2015 Vs. MAD 14,072 million at the end of December 2014.

2.2.2 Underlying gains and losses on financial assets available for sale at 31 December 2015

(in MAD thousands)

	12/31/2015			12/31/2014		
	Fair value	Underlying gains	Underlying losses	Fair value	Underlying gains	Underlying losses
Public bill and securities of the like	9 843 386	593 001	-108 173	10 015 196	597 380	-35 343
Bonds and other fixed income securities	13 088 319	374 452	-81 065	12 865 333	385 428	-16 714
Share and other variable income securities	3 904 388	237 045	-173 883	3 745 608	207 111	-320 926
Non consolidated equity interest securities	7 057 863	860 522	-214 272	5 099 860	847 266	-181 429
Balance sheet value of assets available for sale	**33 893 955**	-	-	**31 725 998**		
Total underlying gains and losses		2 065 020	-577 394		2 037 184	-554 413
Differed taxes		-582 343	206 068		-559 523	199 638
Underlying gins and losses on net financial assets available for sale		1 482 677	-371 325		1 477 661	-354 775
Underlying gains and losses on net financial assets available for sale Group share		**1 181 282**	**-309 930**		**1 155 194**	**-304 104**

2.3 Loans and advances to credit institutions and similar establishments

2.3.1 Loans and advances to credit institutions and similar establishments at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Credit institutions		
Accounts and loans	20 585 285	18 614 985
Securities received under repo agreements	18 096	454 660
Subordinated loans	10 849	27 941
Other loans and advances	492 539	117 952
Total	**21 106 768**	**19 215 538**
Related loans	99 153	114 619
Provisions	26 260	24 906
Net value	**21 179 662**	**19 305 251**
Internal operations		
Regular accounts	7 350 273	6 681 733
Accounts and long-term advances	23 472 375	22 803 303
Subordinated loans	227 113	292 426

2.3.2 Breakdown of loans and advances to credit institutions by geographical area at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Morocco	3 975 175	11 338 863
Tunisia	1 417 177	1 139 524
Sub-Saharan Africa	2 355 877	3 690 973
Europe	6 932 431	2 003 917
Others	6 426 108	1 042 261
Total	**21 106 768**	**19 215 538**
Related loans	99 153	114 619
Provisions	26 260	24 906
Net loans on the balance sheet	**21 179 662**	**19 305 251**

2.3.3 Breakdown of loans and advances to credit institutions per remaining term at 31 December 2015

(in MAD thousands)

	< = 3months	Between 3 months and 1year	Between 1 year and 5 years	> 5 years	Total
Loans and advances to credit institutions	14 292 473	2 126 392	4 366 502	295 142	21 080 508

2.4 Loans and advances to customers

2.4.1 Loans and advances to customers at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Transactions with customers		
Commercial loans	35 193 162	39 117 428
Other loans and advances to customers	184 905 880	185 413 812
Securities received under repo agreements	27 916	10 940
Current accounts in debit	28 171 206	25 658 003
Total	**248 298 165**	**250 200 183**
Related loans	1 600 192	1 622 255
Provisions	13 268 149	11 998 943
Net value	**236 630 208**	**239 823 495**
Leasing activities		
Property leasing	3 333 079	3 105 996
Leasing of movable property, long-term rental and similar activities	13 340 520	12 494 091
Total	**16 673 599**	**15 600 087**
Related loans	1 323	627
Provisions	386 316	367 711
Net value	**16 288 607**	**15 233 004**
Total	**252 918 815**	**255 056 498**

2.4.2 Loans and advances to customers by geographical area at 31 December 2015

(in MAD thousands)

	12/31/2015				12/31/2014			
Country	Healthy outstandings	Impaired outstandings	Individual provisions	Collective provisions	Healthy outstandings	Impaired outstandings	Individual provisions	Collective provisions
Morocco	190 742 015	13 493 447	7 862 235	1 551 774	199 591 295	12 646 517	7 392 304	1 234 413
Tunisia	19 995 518	1 458 111	850 310	94 058	18 477 851	1 497 437	824 109	71 813
Sub-Saharan Africa	34 209 374	4 039 348	2 797 677	489 268	28 450 903	3 903 357	2 628 295	208 322
Europe	212 467	10 873	9 142	-	260 565	8 618	7 399	
Others	810 611	-	-	-	963 728			
Total	**245 969 985**	**19 001 779**	**11 519 364**	**2 135 101**	**247 744 342**	**18 055 928**	**10 852 107**	**1 514 547**
Related loans	1 601 516				1 622 882			
Net loans on the balance sheet	**247 571 501**	**19 001 779**	**11 519 364**	**2 135 101**	**249 367 224**	**18 055 928**	**10 852 107**	**1 514 547**

2.4.3 Loans and advances to customer per economic operator at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Corporate entities	164 421 836	168 069 646
Including Large Enterprises	105 609 585	107 738 405
Private individuals	86 895 463	85 363 970
Total	**251 317 299**	**253 433 616**
Related loans	1 601 516	1 622 882
Net value on balance sheet	**252 918 815**	**255 056 498**

2.4.4 Breakdown of loans and advances per remaining term at 31 December 2015

(in MAD thousands)

	< = 3 months	Between 3 months and 1year	Between 1 year and 5 years	> 5 years	Total
Loans and advances to customers	69 729 589	29 515 593	99 277 982	47 446 821	245 969 985

The fair value of healthy outstanding loans to customers and credit institutions is estimated at 270,073 million.

2.5 Current and deferred taxes

2.5.1 Current and deferred taxes at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Current taxes	395 789	137 676
Deffered taxes	516 412	448 327
Current and differed tax assets	**912 200**	**586 003**
Current taxes	296 624	1 222 376
Deffered taxes	1 782 425	1 700 513
Current and differed tax liabilities	**2 079 049**	**2 922 889**

2.5.2 Net income tax at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Current taxes	-2 750 907	-3 101 911
Net FY differed taxes	-53 219	268 947
Net income tax	**-2 804 127**	**-2 832 964**

2.5.3 Actual tax rate at 31 December 2015

	12/31/2015	12/31/2014
Net income	5 300 168	5 140 484
Income tax	2 804 127	2 832 964
Average actual income tax	**34,6%**	**35,5%**

ANALYSIS OF ACTUAL INCOME TAX at 31 December 2015

	12/31/2015	12/31/2014
Income tax in force	37,0%	37,0%
Differential in tax rate on foreign entities	-1,2%	-0,7%
Permanent differences	-0,3%	4,2%
Other items	-1,0%	-5,0%
Average actual tax rate	**34,6%**	**35,5%**

2.6 Equalization accounts and other assets

2.6.1 Equalization accounts and other assets at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Other Assets	**5 342 284**	**5 052 433**
Sundry debtors	3 129 620	3 013 276
Various securites & uses	244 913	191 628
Other insurance assets	1 574 587	1 692 727
Other	393 165	154 801
Equalization accounts	**2 631 445**	**2 439 066**
Receivables	1 339 508	1 190 417
Expenses identified in advance	212 287	300 306
Other equalization accounts	1 079 650	948 343
Total	**7 973 730**	**7 491 499**

2.6.2 Equalization accounts and other liabilities at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Other Liabilities	**5 506 303**	**5 547 789**
Miscellaneous securities operations	200 510	207 867
Miscellaneous creditors	5 148 029	5 110 465
Other insurance liabilities	157 765	229 456
Equalization accounts	**3 341 997**	**3 413 807**
Payables	1 551 738	1 640 091
Income identified in advance	472 619	461 187
Other equalization accounts	1 317 640	1 312 530
Total	**8 848 300**	**8 961 596**

The other asset and liabilities accounts basically include operations not definitively charged at the moment of recording on the balance sheet. They are re-entered in the final accounts as quickly as possible.

2.7 Equity interests in enterprises by equity method at 31 December 2015

(in MAD thousands)

	Equity method value	Income	Total balance sheet	Revenue (TO)	Portion of income in MEE companies
Financial firms					
Non-financial firms	102 952	37 406	596 009	99 790	12 471
Net value on balance sheet in MEE companies	**102 952**	**37 406**	**596 009**	**99 790**	**12 471**

Participation of the Group in equity method companies concerns only Moussafir Hotels.

2.8 Investment property at 31 December 2015

(in MAD thousands)

	12/31/2014	Perimeter variation	Acquisitions	Transfers & due dates	Others movements	12/31/2015
Gross value	2 216 045		243 484	165 930	2 363	2 295 961
Depreciation and provisions	385 500		51 090	16 286	-266	420 038
Net value on balance sheet	**1 830 545**		**192 393**	**149 644**	**2 629**	**1 875 923**

Investment property is entered into the cost according to a per component approach.

The method of calculation of depreciation is linear. The depreciation terms correspond to the useful life per the following components:

Components	Annual duration of depreciation
MAIN STRUCTURE	50
PROOFING	20
FITTINGS AND INSTALLATION	15
TECHNICAL FACILITIES	20
INTERNAL AND EXTERNAL JOINERY	15

The market value of the land and structures classified as investment property in 2015 is estimated at MAD 2,446 million.

2.9 Plant, property and equipment and intangible assets at 31 December 2015

(in MAD thousands)

	12/31/2015			12/31/2014		
	Gross value	Accumulated amortisation and impairment	Net value	Gross value	Accumulated amortisation and impairment	Net value
Land and buildings	3 056 073	1 185 395	1 870 677	3 066 399	1 087 183	1 979 216
Movable property and equipment	3 074 951	2 574 665	500 286	2 926 496	2 473 317	453 178
Leased movable property	502 570	217 040	285 531	563 099	213 358	349 741
Other property, plant and equipment	5 169 400	2 872 811	2 296 589	4 955 731	2 681 079	2 274 652
Total property, plant and equipment	**11 802 994**	**6 849 911**	**4 953 082**	**11 511 725**	**6 454 938**	**5 056 788**
IT software acquired	2 688 223	1 701 553	986 670	2 496 107	1 475 473	1 020 634
Other intangible assets	1 254 740	533 267	721 474	1 230 821	520 013	710 808
Total intangible assets	**3 942 964**	**2 234 819**	**1 708 144**	**3 726 929**	**1 995 486**	**1 731 443**

TANGIBLE FIXED ASSETS:

Attijariwafa bank opted for an assessment of the cost of all fixed assets. Depreciation in linear and spread out over the following useful life:

Components	Annual duration of depreciation
Buildings per component	15-50 years
Equipment, furnishings, installations	4-10 years
Rented movable property	N/A
Other fixed assets	15-20 years

Elsewhere, the building components were amortized as follows:

Components	Annual duration of depreciation
Main structure	50
Proofing	20
Interior fittings and arrangement	15
Fixed technical facilities	20
Joinery	15

INTANGIBLE FIXED ASSETS EXCLUDING GOODWILL:

The Attijariwafa bank group did not internally generate any intangible fixed assets. The useful life thereof is as follows:

Components	Annual duration of depreciation
Software packages acquired	5 years
Company-produced software packages	N/A
Other intangible fixed assets	15-20 years

2.9.2 Outright rentals: additional information at 31 December 2015

(in MAD thousands)

Residual term	For the lessor
	Amount of future minimal payments for non cancelable outright rental contracts
≤ 1 year	15 132
> 1 year ≤ 5 years	342 071
> 5 years	
Total	**357 204**

2.10 Goodwill at 31 December 2015

(in MAD thousands)

	12/31/2014	Perimeter variation	Translation gains and losses	Other movements	12/31/2015
Gross value	6 684 704		-17 560		6 667 144
Accumulated amortisation and impairment					
Net value on the balance sheet	**6 684 704**		**-17 560**		**6 667 144**

The Attijariwafa bank Group operates regularly impairment tests to ensure that the goodwill carrying value is greater than the recoverable amount. Otherwise, an impairment should be recorded. For fiscal year 2015, no impairment has been recognized.

2.11 Financial liabilities at fair value through income

2.11.1 Financial liabilities at fair value through income at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Securities pledged under repo agreements	289 501	353 902
Derivative instruments	800 627	1 611 539
Fair value on balance sheet	**1 090 129**	**1 965 441**

2.11.2 Derivative instruments per type of risk at 31 December 2015

(in MAD thousands)

Per type of risk	Book value		Notional Amount
	Assets	Liabilities	
Exchange rate derivative instruments	216 096	49 065	37 671 990
Interest rate derivative instruments	267 318	390 473	25 953 296
Raw materials derivatives	17 468	17 468	1 881 567
Other derivative instruments	96 906	343 621	387 945
Total	**597 788**	**800 627**	**65 894 798**

2.12 Amounts owing to credit institutions

2.12.1 Amounts owing to credit institutions at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Credit institutions		
Accounts and borrowings	20 744 187	29 399 708
Securities pledged under repo agreements	11 613 967	11 583 992
Total	**32 358 154**	**40 983 699**
Related debt	152 941	252 302
Value on the balance sheet	**32 511 095**	**41 236 002**
Internal Group operations		
Current accounts in credit	6 131 550	5 666 401
Accounts and long-term advances	25 379 247	23 267 418
Related debt	119 306	141 862

2.12.2 Breakdown of debts per remaining term at 31 December 2015

(in MAD thousands)

	< = months	Between 3 months and 1 year	Between 1 year and 5 years	>5 years	Total
Amounts owing to credit institutions	27 847 571	3 555 937	661 596	293 050	32 358 154

2.13 Amounts owing to customers

2.13.1 Amounts owing to customers at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Ordinary creditor accounts	194 127 296	180 916 243
Savings accounts	64 278 768	58 901 274
Other amounts owing to customers	13 394 138	12 952 321
Securities pledged under repo agreements	1 553 506	4 081 453
Total	**273 353 707**	**256 851 291**
Related debt	1 161 029	1 029 887
Value on balance sheet	**274 514 736**	**257 881 178**

2.13.2 Breakdown of amounts owing to customers by geographical area at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Morocco	202 555 876	191 839 544
Tunisia	23 940 401	21 813 888
Sub-Saharan Africa	42 080 312	38 365 103
Europe	4 249 603	4 172 840
Other	527 516	659 916
Total	**273 353 707**	**256 851 291**
Related debt	1 161 029	1 029 887
Value on the balance sheet	**274 514 736**	**257 881 178**

2.13.3 Breakdown of debts to customers per economic operator at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Corporate entities	112 951 075	107 712 779
Including large enterprises	73 743 321	83 596 748
Private individuals	160 402 632	149 138 512
Total	**273 353 707**	**256 851 291**
Relevant debts	1 161 029	1 029 887
Net values on balance sheet	**274 514 736**	**257 881 178**

2.13.4 Breakdown of debts per remaining term through profit and loss at 31 December 2015

(in MAD thousands)

	< = 3months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Customer deposits	223 950 764	28 392 832	14 829 893	6 180 219	273 353 707

2.14 Debts represented by security and subordinated debts at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Other debts represented by a security	**13 743 666**	**14 253 845**
Negotiable debt securities	13 580 234	14 074 176
Bond loans	163 433	179 668
Subordinated debts	**11 356 370**	**9 979 663**
Subordinated loan	11 356 370	9 979 663
with defined term	11 356 370	9 979 663
with undefined term		
Subordinated securities		
with defined term		
with undefined term		
Total	**25 100 036**	**24 233 508**

2.15 General provisions at 31 December 2015

(in MAD thousands)

	Stock at 12/31/2014	Change in scope	Additional provisions	Write-backs used	Write-backs not used	Other changes	Stock at 12/31/2015
Provisions for risks in executing signature loans	213 698		59 157		40 696	-89 796	142 363
Provisions for social benefit liabilities	431 436		103 317	115 157		44 911	464 506
Other general provisions	1 100 756		319 082	88 233	363 809	-61 547	906 250
General provisions	**1 745 890**		**481 556**	**203 390**	**404 504**	**-106 432**	**1 513 117**

3- NOTES TO THE INCOME STATEMENT

3.1 Net interest margin at 31 December 2015

(in MAD thousands)

	12/31/2015			12/31/2014		
	Income	Expenses	Net	Income	Expenses	Net
Transactions with customers	**15 009 389**	**3 734 298**	**11 275 091**	**15 104 534**	**3 590 937**	**11 513 597**
Accounts and loans/borrowings	14 125 333	3 618 959	10 506 374	14 363 352	3 441 078	10 922 275
Repurchase agreements	3 203	115 338	-112 135	5 373	149 859	-144 486
Leasing activities	880 853		880 853	735 808		735 808
Inter-bank transactions	**670 070**	**1 190 424**	**-520 353**	**723 179**	**1 803 072**	**-1 079 893**
Accounts and loans/borrowings	669 219	1 064 629	-395 410	711 830	1 436 218	-724 388
Repurchase agreements	852	125 795	-124 943	11 349	366 854	-355 505
Debt issued by the Group	**-**	**1 010 699**	**-1 010 699**		**1 078 569**	**-1 078 569**
Available-for-sale assets	**1 656 895**	**-**	**1 656 895**	**1 671 138**		**1 671 138**
Total net interest income	**17 336 355**	**5 935 421**	**11 400 934**	**17 498 851**	**6 472 577**	**11 026 273**

3.2 Net fee income at 31 December 2015

(in MAD thousands)

	Income	Expenses	Net
Net fees on transactions	1 971 676	81 730	1 889 946
with credit institutions	92 285	67 033	25 252
with customers	1 315 245		1 315 245
on securities	107 780	3 862	103 918
on foreign exchange	88 228	6 104	82 123
on forward financial instruments and other off-balance sheet transactions	368 139	4 731	363 408
Banking and financial services	**2 594 365**	**444 028**	**2 150 338**
Net income from mutual fund management (OPCVM)	333 136	25 037	308 098
Net income from payment services	1 395 943	345 856	1 050 087
Insurance products	21 057		21 057
Other services	844 229	73 134	771 095
Net fee income	**4 566 042**	**525 758**	**4 040 284**

3.3 Net gains and losses on financial instrument at fair price per profit and loss at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Fixed income securities	1 689 520	3 614 923
Variable income securities	127 958	157 187
Derivative financial instruments	990 650	-130 308
Reassessment of over the counter foreign currency cash positions	136 450	135 738
Total	**2 944 577**	**3 777 540**

3.4 Net gains or losses on financial assets available for sale at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Income from variable income securities	**284 663**	**357 867**
Income from transfers	**47 074**	**-9 499**
Value added	156 846	63 405
Loss in value	-109 772	-72 904
Gains and losses in value of variable income securities	**-148 176**	**-2 130**
Total	**183 561**	**346 238**

3.5 Income and expenses from other activities at 31 December 2015

(in MAD thousands)

	12/31/2015			12/31/2014		
	Income	Expenses	Net	Income	Expenses	Net
Net income from insurance	5 945 850	5 568 745	377 104	5 557 251	5 115 066	442 184
Net income from investment property	33 339		33 339	28 564		28 564
Net income from fixed assets rented outright	205		205	318		318
Other income	503 434	486 420	17 014	453 266	499 791	-46 525
Total of interest income and expenses or equivalent	**6 482 827**	**6 055 166**	**427 662**	**6 039 398**	**5 614 858**	**424 541**

3.6 Net income from insurance activity at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Gross premiums acquired	6 455 695	6 120 445
Variation in technical provisions	-1 480 352	-1 370 795
Contract service expenses	-4 380 010	-3 515 426
Net expenses or income from reassurance transfers	-218 228	-792 040
Total	**377 104**	**442 184**

3.7 Cost of risk at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Allocations to provisions	**-2 974 926**	**-3 523 984**
Provisions for depreciation of loans and debts	-2 594 886	-2 855 847
Provisions for commitments by signature	-59 157	-144 223
Other provisions for risks and expenses	-320 882	-523 913
Provision write downs	**1 557 441**	**1 207 624**
Provision write downs for depreciation of loans and debts	1 099 667	961 628
Provision write downs for commitments by signature	40 696	2 673
Write downs from other provisions for risks and expenses	417 078	243 323
Provision variation	**-799 560**	**-718 070**
Losses on non provisioned unrecoverable loans and debts	-71 815	-70 257
Losses on provisioned unrecoverable loans and debts	-724 694	-724 818
Recovery on amortized loans and debts	85 183	87 916
Other losses	-88 233	-10 912
Cost of risk	**-2 217 045**	**-3 034 430**

3.8 Net gains or losses on other activities at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Operating tangible and intangible fixed assets		
Value added from transfers	122 735	128 790
Loss in value transfers	-162	-81 898
Net gains or losses on other activities	**122 573**	**46 892**

4. INFORMATION PER CENTER OF ACTIVITY

Attijariwafa bank's information by business activity is presented as follows:

- Domestic banking, Europe and Offshore comprising Attijariwafa bank SA, Attijariwafa bank Europe, Attijari International bank and holding companies incorporating the Group's investments in the Group's consolidated subsidiaries;
- Specialised financial companies comprising Moroccan subsidiaries undertaking consumer finance, mortgage loan, leasing, factoring and money transfer activities;
- International retail banking activities comprising Attijari bank Tunisie and the banks of the Sub-Saharan area;
- Insurance comprising Wafa Assurance.

(in MAD thousands)

BALANCE SHEET DECEMBER 2015	Domestic banking, Europe and Offshore	Specialised financial companies	Insurance	International retail banking	TOTAL
Balance sheet	**261 166 714**	**30 015 484**	**30 740 657**	**89 155 837**	**411 078 692**
Including					
Assets					
Financial assets at fair value through income	49 838 628	134 821	6 725 981	1 598 536	58 297 966
Available-for-sale financial assets	4 731 933	86 069	16 986 981	12 088 972	33 893 955
Loans and advances to credit institutions and similar establishments	17 022 159	38 957	19 254	4 099 292	21 179 662
Loans and advances to customers	167 940 716	27 206 942	2 791 280	54 979 877	252 918 815
Property, plant and equipment	2 327 351	477 325	283 611	1 864 796	4 953 082
Liabilities					
Amounts owing to credit institutions and similar establishments	25 264 603	782 827	52	6 463 613	32 511 095
Customer deposits	203 818 366	2 733 088	2 039	67 961 243	274 514 736
Technical reserves for insurance contracts	-	-	23 873 972	-	23 873 972
Subordinated debt	10 760 507	201 360	-	394 502	11 356 370
Shareholders' equity	29 646 558	2 796 827	3 952 235	4 833 538	41 229 157

(in MAD thousands)

Income statement december 2015	Domestic banking, Europe and Offshore	Specialised financial companies	Insurance	International retail banking	Eliminations	TOTAL
Net interest margin	6 779 643	1 044 855	518 774	3 206 217	-148 555	11 400 934
Net fee income	1 895 329	865 465	-26 518	1 749 442	-443 434	4 040 284
Net banking income	10 505 570	2 238 511	1 400 025	5 375 406	-522 494	18 997 018
Operating expenses	4 502 730	748 106	450 258	2 780 961	-522 494	7 959 562
Operating income	4 261 657	1 194 146	808 575	1 704 872		7 969 250
Net income	2 549 035	741 125	673 985	1 336 023		5 300 168
Net income Group share	2 525 148	556 446	534 393	885 793		4 501 781

5. FINANCING COMMITMENTS AND GUARANTEES

5.1 Financing commitments at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Financing commitments given	**23 822 415**	**23 066 906**
To credit institutions and similar establishments	659 745	331 729
To customers	23 162 670	22 735 178
Financing commitments received	**3 369 783**	**6 366 475**
From credit institutions and similar establishments	3 369 783	4 054 571
From the State and other organisations providing guarantees		2 311 904

5.2 Guarantee commitments at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Guarantees given	**48 657 688**	**42 973 534**
To credit institutions and similar establishments	8 749 590	6 487 541
To customers	39 908 097	36 485 993
Guarantees received	**31 471 698**	**34 869 802**
From credit institutions and similar establishments	26 760 495	25 088 110
From the State and other organisations providing guarantees	4 711 203	9 781 692

6. COMPLEMENTARY INFORMATION :

6.1 Associated parties

The transactions conducted between Attijariwafa bank and parties associated are conducted under the market conditions prevailing at the time of completion..

6.1.1 Relationship between group consolidated companies at 31 December 2015

(in MAD thousands)

	Entities consolidated through global integration
Assets	
Loans, advances and securities	**33 003 301**
Ordinary accounts	7 530 950
Loans	25 472 351
Securities	-
Miscellaneous assets	
Other assets	**1 112 402**
Total	**34 115 703**
Liabilities	
Deposits	**33 127 553**
Ordinary accounts	7 629 000
Other loans	25 498 553
Debts represented by security	**68 571**
Miscellaneous liabilities	**919 580**
Total	**34 115 703**
Financing and guarantee commitments	
Commitments given	17 358 314
Commitments received	17 358 314

6.1.2 Income items regarding operations conducted with associated parties at 31 December 2015

(in MAD thousands)

	Entities consolidated through global integration
Interest and equivalent income	813 618
Interest and equivalent expenses	665 063
Commissions (income)	556 642
Commissions (expenses)	113 208
Income from other activities	475 772
Expenses from other activities	588 165
Other expenses	522 494

Relationships with members of administrative and management bodies:

In 2015, remuneration of Attijariwafa bank Board of Directors comes to 4 million MAD for attendance tokens. This global sum includes all ancillary charges inherent to travel in connection with the Board.

In addition, the annual gross remuneration of the executive members for FY 2015 came to MAD 97 million. Loans to these members came to MAD 153 million at the end of 2015.

6.2 Wafa Assurance at 31 December 2015

(in MAD thousands)

Balance sheet	12/31/2015	12/31/2014
Assets		
Assets available for sale	16 986 981	14 072 498
Loans and debts to credit institutions and equivalent	18 717	12 388
Loans and debts to customers	2 791 280	3 130 554
Tangible fixed assets	267 941	249 039
Debts to credit institutions and equivalent		
Insurance contract technical provisions	23 873 972	22 212 075
Shareholders equity	4 007 466	4 287 585

(in MAD thousands)

Income statement	12/31/2015	12/31/2014
Interest margin	521 208	475 082
Margin on commissions	-17 453	-13 007
Net income from other activities	455 776	470 092
Net banking income	1 110 980	1 109 407
Operating expenses	-491 422	-480 931
Operating income	484 337	536 983
Net income	349 747	381 116
Net income group share	277 309	302 182

7. OTHER COMPLEMENTARY INFORMATION

7.1 Certificates of deposit and finance company bonds issued during 2015

- The certificates of deposits outstanding amounted as of December 2015 to MAD 7.3 billion.

During 2015, MAD 4.4 billion has been issued with a maturity comprised between 26 weeks and 5 years and rates between 2.75% and 3.61%.

- The finance company bonds outstanding amounted as of December 2015 to MAD 6.1 billion.

During 2015, MAD 2.5 million has been issued with a maturity comprised between 2 years and 5 years and rates between 3.09% and 4%.

7.2 Subordinated debts issued during 2015

During 2015, Attijariwafa bank issued three subordinated bond loans.

• The first subordinated bond loan, issued on 22 December 2015 for an amount of MAD 1 billion, is split up into 10,000 bonds at per value of MAD 100,000 with a maturity comprised between 7 and 10 years. It is divided into six parts three of which are listed on the Casablanca stock exchange (sections A B and E), the remaining three being unlisted (sections C, D and F).

The nominal interest rate for A, C, E and F is fixed standing at 4.13% for A and C including a risk premium of 80 basis points, and at 4.52% for E and F including a risk premium of 90 basis points. The nominal interest rate applicated to B and D is annually revisable for the first year standing at 3.40% including a risk premium of 80 basis points.

The global income from subscription to the six sections is summarized in the below table:

(in MAD thousands)

	Section A	Section B	Section C	Section D	Section E	Section F
Amount withheld	64 800		192 700	154 300	64 600	523 600

• The second subordinated bond loan, issued by CBAO Sénégal on 18 December 2015 for an amount of FCFA 6 billion, with a maturity of 7 years and fixed standing at 6.5%. The annual principal repayment will be after two years of delay.

• The third loan, issued by Attijari bank Tunisie on 31 October 2015 for an amount of TND 60 million, is split up into 600,000 bonds at per value of TND 100 and divided into two categories:

- Category A: with a maturity of 5 years and a fixed rate at 7.4 % and floating rate + 1.95%

- Category B: with a maturity of 7 years with a two-year period of grace with a fixed rate of 7.5 % and / or floating rate + 2.10%.

7.3 Capital and income per-share

7.3.1 Number of shares and per values

As of December 2015, Attijariwafa bank's capital amouted to MAD 2,035,272,260 and made of 203,527,226 shares at a nominal value of MAD 10.

7.3.2 Attijariwafa bank shares held by the Group

As of December 2015, Attijariwafa bank Group hold 13,514,934 shares representing a global amount of MAD 2,050 million deducted from the consolidated shareholders equity.

7.3.3 Per-share income

The bank has not dilutive instruments in ordinary shares. Therefore, the diluted income per-share is equal to the basic income per-share.

(In MAD)

	December 31, 2015	December 31, 2014
Earnings per share	22.12	21.40
Diluted earnings per share	22.12	21.40

7.4 Business combination

- Attijariwafa bank has acquired an additional 39% of shares in Ivory Coast's Societe Ivoirienne de Banque (SIB) from the Ivorian state, bringing its total stake to 90%. Attijariwafa bank is committed to introduce, within a maximum period of 2 years, 12% of SIB's stake at the Regional Securities Exchange (BRVM) and to grant 3% to its employees.
- Attijariwafa bank has acquired an additional 50% of shares in KASOVI, bringing its total stake to 100%. Following this acquisition, Attijariwafa bank holds 83.01% stake in CBAO.

7.5 Employee benefits

The post-employment benefits granted by the Group vary in line with legal obligations and local policies in this respect.

Group employees enjoy short-term benefits (paid leave, sick leave), long-term benefits ("Ouissam Achoughl" long-service award, pilgrimage bonus) and defined-contribution and defined-benefit post-employment benefits (retirement payments, supplementary pension plans, health insurance).

Short-term benefits are expensed as incurred by the various Group entities awarding them.

Defined-contribution post-employment plans

Under these plans, periodic contributions are made to outside bodies responsible for the administrative and financial management.

Such plans release the employer from any subsequent obligation, the body undertaking to pay employees the sums to which they are entitled (CNSS, CIMR...). The Group's payments are expensed as incurred.

Defined-benefit post-employment plans

Under these plans, the employer has obligations vis-à-vis the beneficiaries or future beneficiaries. If they are not wholly prefunded, provisions must be recognised in this respect.

The present value of the liability is calculated using the projected unit credit method on the basis of actuarial assumptions and assumptions regarding the rate of salary increase, retirement age, mortality, turnover as well as the discount rate.

Changes to actuarial assumptions, or any difference between these assumptions and actual results, give rise to the recognition of actuarial gains (losses) through profit or loss in the period in which they occur in accordance with the Group's accounting policies.

Retirement payments

These plans make provision for the payment of lump sums calculated on the basis of employee length of service in the Group plus final salary.

It is paid to employees reaching retirement age. The number of years spent in the Company give entitlement to a certain number of months of salary.

The retirement payment is equal to the sum of the following items:

- Number of months of salary to which the employee is entitled on the basis of his/her length of service at retirement age ;
- Gross monthly salary ;
- Probability of being alive at retirement age ;
- Probability of still working for the Company at retirement age ;
- A discounting of the liability over the N years remaining to retirement having regard also to the rate of salary increase

Ouissam Achoughl long-service award

It may be paid out a number of times during the period in which the employee works for the Company. The number of years spent in the Company give entitlement to a certain number of months of salary. The Ouissam Achoughl long-service award after 15 years of service is, for example, the sum of the following items :

- Number of months of salary to which the employee is entitled after 15 years of service ;
- Gross monthly salary ;
- Probability of being alive after 15 years of service ;
- Probability of still working for the Company ;
- A discounting of the liability over the N years remaining to complete the 15 years of service having regard also to the rate of salary increase.

ASSUMPTIONS FOR CALCULATION PURPOSES :

	31 December 2015	31 December 2014
Start of period	01 January 2015	01 January 2014
End of period	31 December 2015	31 December 2014
Discount rate	4.61%	4.67%
Rate of salary increase	4.00%	4.00%
Expected return on plan assets	NA	NA

THE OUTCOME OF THE CALCULATIONS ARE AS FOLLOWS:

Change in actuarial liability	31 December 2015	31 December 2014
Actuarial liability N-1	**431 436**	**398 913**
Current service cost	132 037	78 579
Discounting effect	2 295	-13 605
Employee contributions	-	-
Change / curtailment / settlement of the plan	-	-
Acquisition, disposal (change in consolidation scope)	-	-
Termination benefits	-82 646	-57 524
Benefits paid (mandatory)	-	-
Actuarial gains (losses)	-18 616	25 072
Actuarial liability N	**464 506**	**431 436**

Expense recognised	31 December 2015	31 December 2014
Current service cost	-132 037	-78 579
Discounting effect	-2 295	13 605
Expected return on plan assets during the period	-	-
Amortisation of past service cost	-	-
Amortisation of actuarial gains (losses)	-	-
Gains/(losses) on curtailments and settlements	-	-
Gains/(losses) on surplus limitations	92 943	-9 288
Net expense recognized in profit or loss	**-41 390**	**-74 263**

7.6 Scope of consolidation

Name	Sector of activity	(A)	(B)	(C)	(D)	Country	Method	% control	% interest
ATTIJARIWAFA BANK	Bank					Morocco	Top		
ATTIJARIWAFA EUROPE	Bank					France	IG	99.78%	99.78%
ATTIJARI INTERNATIONAL BANK	Bank					Morocco	IG	100.00%	100.00%
COMPAGNIE BANCAIRE DE L'AFRIQUE DE L'OUEST	Bank					Senegal	IG	83.07%	83.01%
ATTIJARIBANK TUNISIE	Bank					Tunisia	IG	58.98%	58.98%
LA BANQUE INTERNATIONALE POUR LE MALI	Bank					Mali	IG	51.00%	51.00%
CREDIT DU SENEGAL	Bank					Senegal	IG	95.00%	95.00%
UNION GABONAISE DE BANQUE	Bank					Gabon	IG	58.71%	58.71%
CREDIT DU CONGO	Bank					Congo	IG	91.00%	91.00%
SOCIETE IVOIRIENNE DE BANQUE	Bank					Ivory Coast	IG	75.00%	75.00%
SOCIETE COMMERCIALE DE BANQUE Cameroon	Bank					Cameroon	IG	51.00%	51.00%
ATTIJARIBANK MAURITANIE	Bank					Mauritania	IG	80.00%	53.60%
BANQUE INTERNATIONALE POUR L'AFRIQUE AU TOGO	Bank					Togo	IG	55.00%	55.00%
WAFA SALAF	Consumer Credit					Morocco	IG	50.91%	50.91%
WAFA BAIL	Financial leasing					Morocco	IG	97.83%	97.83%
WAFA IMMOBILIER	Real estate loans					Morocco	IG	100.00%	100.00%
ATTIJARI IMMOBILIER	Real estate loans					Morocco	IG	100.00%	100.00%
ATTIJARI FACTORING MAROC	Factoring					Morocco	IG	80.00%	80.00%
WAFA CASH	Cash activities					Morocco	IG	99.98%	99.98%
WAFA LLD	Long-term rentals					Morocco	IG	100.00%	100.00%
ATTIJARI FINANCES CORP.	Investment bank					Morocco	IG	100.00%	100.00%
WAFA GESTION	Asset management					Morocco	IG	66.00%	66.00%
ATTIJARI INTERMEDIATION	SM intermediation					Morocco	IG	100.00%	100.00%
FCP SECURITE	Dedicated mutual funds					Morocco	IG	79.29%	79.29%
FCP OPTIMISATION	Dedicated mutual funds					Morocco	IG	79.29%	79.29%
FCP STRATEGIE	Dedicated mutual funds					Morocco	IG	79.29%	79.29%
FCP EXPANSION	Dedicated mutual funds					Morocco	IG	79.29%	79.29%
FCP FRUCTI VALEURS	Dedicated mutual funds					Morocco	IG	79.29%	79.29%
WAFA ASSURANCE	Insurance					Morocco	IG	79.29%	79.29%
BCM CORPORATION	Holding Company					Morocco	IG	100.00%	100.00%
WAFA CORP	Holding Company					Morocco	IG	100.00%	100.00%
OGM	Holding Company					Morocco	IG	100.00%	100.00%
ANDALUCARTHAGE	Holding Company					Morocco	IG	100.00%	100.00%
KASOVI	Holding Company					British Virgin islands	IG	100.00%	100.00%
SAF	Holding Company					France	IG	99.82%	49.98%
FILAF	Holding Company					Senegal	IG	100.00%	50.00%
CAFIN	Holding Company					Senegal	IG	100.00%	100.00%
ATTIJARI AFRIQUE PARTICIPATIONS	Holding Company					France	IG	100.00%	100.00%
ATTIJARI MAROCO-MAURITANIE	Holding Company					France	IG	67.00%	67.00%
ATTIJARI IVOIRE	Holding Company				(2)	Morocco	IG	100.00%	100.00%
MOUSSAFIR	Hospitality industry					Morocco	MEE	33.34%	33.34%
ATTIJARI SICAR	Risk capital					Tunisia	IG	67.23%	39.65%
PANORAMA	Real estate company					Morocco	IG	79.29%	79.29%
SOCIETE IMMOBILIERE TOGO LOME	Real estate company					Togo	IG	100.00%	100.00%

(A) Movements occurring in first half of 2014
(B) Movements occurring in second half of 2014
(C) Movements occurring in first half of 2015
(D) Movements occurring in second half of 2015

1 - Acquisition	7 - Change in method - Proportional integration to global integration
2 - Creation, crossing threshold	8 - Change in method - Global integration equity method
3 - Entry into IFRS perimeter	9 - Change in method - Equity method upon global integration
4 - Disposal	10 - Change in method - Global integration per propotional integration
5 - Deconsolidation	11 - Change in method - Proportional integration equity method
6 - Merger between consolidated entities	12 - Reconsolidation

Parent-company Financial statements

General report of the statutory auditors

General report of the statutory auditors at 31 December 2015

Fidaroc Grant Thornton
47, rue Allal Ben Abdellah
20 000 Casablanca - Maroc

EY
Building a better working world
37, Bd Abdellatif Ben Kaddour
20 050 Casablanca - Maroc

(This is a free translation into English of our audit report signed and issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed solely in accordance with, Moroccan law and Moroccan professional auditing standards.)

ATTIJARIWAFA BANK

GENERAL REPORT OF THE STATUTORY AUDITORS
FOR FISCAL YEAR JANUARY 1–DECEMBER 31, 2015

In accordance with the mission granted us by the General Meeting of May 30, 2014, we have audited the accompanying financial statements of ATTIJARIWAFA BANK. The financial statements comprise the balance sheet, off-balance-sheet items, the income statement, the management accounting statement, the cash flow statement, and notes to the financial statements for the year ended December 31, 2015. The financial statements show shareholders' equity of MAD 41,383,968 thousand and net income of MAD 3,665,418 thousand.

Management's responsibility
Management is responsible for the preparation and faithful presentation of these financial statements, in accordance with accounting principles applicable in Morocco. This responsibility includes the planning, implementation, and monitoring of internal controls for the preparation and presentation of financial statements that are free of material misstatements due either to fraud or to error, and for the establishment of accounting estimates that are appropriate to the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on the financial statements on the basis of our audit. We conducted our audit in accordance with accounting standards applicable in Morocco. These standards require that we comply with ethical policies and that we plan and perform the audit in order to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit entails the performance of procedures used to obtain audit evidence with regard to the amounts and disclosures contained in the financial statements. The procedures chosen depend on the auditor's judgment, as does the assessment of risk that the financial statements contain material misstatements due either to fraud or to error.

In establishing these risk assessments, the auditor takes into consideration the entity's internal controls in force for the preparation and presentation of the financial statements, in order to define audit procedures that are appropriate to the circumstances, but not to state an opinion on the effectiveness of the internal controls. An audit also includes an evaluation of the appropriateness of the accounting methods used, an opinion on the reasonableness of accounting estimates made by management, and an assessment of the overall presentation of the financial statements.

We believe that the evidence obtained from our audit is adequate and appropriate as a basis for our opinion.

Opinion on the financial statements
We hereby certify that the financial statements mentioned in the first paragraph above provide in all material aspects a true and fair view of the operating results, financial position, and assets of ATTIJARIWAFA BANK Group as at December 31, 2015, in accordance with accounting standards applicable in Morocco.

Specific procedures and disclosures
We have also carried out specific procedures required by Moroccan law, and we have verified that information provided in the Board of Directors' management report to shareholders is consistent with the Company's financial statements.
Furthermore, in accordance with article 172 of Law 17-95 as amended and supplemented, we bring to your attention that the bank, during 2015, has:

- acquired additional 50% stake in the company KASOVI for a total amount of EUR 73 million (equivalent to MAD 788 million). This acquisition enabled Attijariwafa bank to increase its stake to 100%;
- created a holding company "ATTIJARI IVOIRE" for a total amount of EUR 32.5 million (equivalent to MAD 355 million) 100% - owned by the bank, whose aim is to take an additional stake in Société Ivoirienne de Banque.

Casablanca, March 18, 2016

The Statutory Auditors

FIDAROC GRANT THORNTON
Faïçal MEKOUAR
Partner

ERNST & YOUNG
Bachir TAZI
Partner

FINANCIAL STATEMENTS
Parent-company Financial statements at 31 December 2015

1. Presentation

Attijariwafa bank is a Moroccan company governed by common law. The financial statements comprise the accounts of head office as well as branches in Morocco and overseas, including the branch offices in Brussels. Material intra-group transactions and balances between Moroccan entities and overseas branches have been eliminated.

2. General principles

The financial statements are prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of Attijariwafa bank's financial statements complies with the Credit Institution Accounting Plan.

3. Loans and advances and signed commitments

General presentation of loans and advances

• Loans and advances to banks and customers are broken down on the basis of their initial maturity or their economic purpose:

- demand and term loans in the case of banks;
- cash advances, fixed-asset loans, consumer finance, mortgages and other customer lending.

• Signed commitments recognized off-balance sheet consist of binding commitments to provide credit facilities and guarantee commitments that have not led to the disbursement of funds.

• Repurchase agreements, involving securities, are recognised on the various relevant "loans and advances" line item (banks, customers).

• Accrued interest on loans and advances is recognised in the associated "loans and advances" line item through profit or loss.

Non-performing customer loans and advances

• Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.

The main applicable provisions can be summarised as follows:

- non-performing loans and advances are, depending on the level of risk, classified as past due, doubtful or bad debts.
- Provisions are funded for non-performing loans and advances, net of the proportion of collateral required under applicable regulations, as follows:
- 20% in the case of past due debts;
- 50% in the case of doubtful debts;
- 100% in the case of bad debts;

The provisions funded for credit risks are deducted from the relevant asset line items.

• Upon reclassification of loans and advances as non-performing debts, interest thereon is no longer calculated and recognised. It is recognized as income when received.

• Losses on bad debts are recognised when the collection of non-performing debts no longer seems possible.

• Provisions for non-performing debts may be reversed where the non-performing debts undergo an improvement: effective repayment (in full or in part) of the loan or a restructuring thereof with a partial repayment of the loan.

4. Demand and term liabilities

Amounts owing to banks and customer deposits are presented in the summary financial statements on the basis of their initial maturity or the nature of these liabilities:

- demand and term liabilities in the case of banks;
- demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

They are included in these various headings on the basis of the nature of the counterparty, the repurchase agreements, involving securities.

Accrued interest on these liabilities is recognised in the associated liability line items through profit or loss.

5. Securities portfolio

5.1. General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Chart of Accounts for Banks.

The securities are firstly classified on the basis of the legal form of the security (debt security or title deed) and secondly on the basis of the intention (held for trading securities, available-for-sale financial securities, held-to-maturity securities, long-term investments).

5.2. Held for trading securities (financial assets at fair value through profit or loss)

This portfolio contains highly liquid securities that are acquired with the intention of selling them in the short-term.

These securities are recognised at their purchase value (including coupon). At the end of each reporting period, the difference between this value and the market value is recognised in profit or loss.

5.3. Available-for-sale financial assets

This portfolio contains securities that are acquired with a view to being held for over six months except for fixed-income securities that are intended to be held to maturity. This category of securities notably includes the securities that fail to satisfy the criteria for recognition in another category of securities.

Debt securities are recognised ex coupon. The difference between the acquisition price and the redemption price is amortised over the residual maturity of the security.

Title deeds are recognised at fair value less acquisition costs.

At the end of each reporting period a provision for impairment is funded for the negative difference between the market value and the historical cost of the securities. Potential gains are not recognised.

5.4. Held-to-maturity securities

Held-to-maturity securities consist of debt securities that are acquired or reclassified from another category of securities with the intention of holding them to maturity so as to generate regular income over a long period.

At their acquisition date, these securities are recognised ex coupon. The difference between the acquisition price and the redemption price is amortised over the residual maturity of the security.

At the end of each reporting period, the securities are kept at their acquisition value regardless of the market value of the security. Accordingly, no unrealised gains or losses are recognised.

5.5. Long-term securities

This category consists of securities the long-term holding of which is felt to be beneficial to the bank.

At the end of each reporting period, their value is estimated on the basis of generally accepted items: value in use, share of net assets, earnings outlook and share price. Provisions for impairment may be funded, on a case-by-case basis, for any unrealised losses.

5.6. Repurchase agreements

Securities sold under repurchase agreements are kept on the balance sheet and the amount received, representing the liability to the assignee, is recognised as a balance sheet liability.

Securities bought under repurchase agreements are not recognised on the balance sheet but the amount paid out, representing the receivable vis-à-vis the assignor, is recognised as a balance sheet asset.

Securities transferred under repurchase agreements are subject to the accounting treatment corresponding to the portfolio category in which they were classified.

6. Foreign currency denominated transactions

Receivables and payables plus signed commitments denominated in foreign currencies are translated into MAD at the average exchange rate on the reporting date.

Any foreign exchange gains (losses) recognised on the provisions funded by foreign operations and on foreign-currency denominated borrowings hedged against currency risk are recognised on the balance sheet on the “other assets” or “other liabilities” line item as the case may be. Foreign exchange gains (losses) resulting from the translation of long-term investments acquired in foreign currencies are recognised as translation adjustments on the relevant security line items.

Foreign exchange gains (losses) on other foreign-currency accounts are recognised in profit or loss.

Foreign-currency denominated revenue and expenses are translated at the exchange rate on the date of their recognition.

7. Translation of foreign-currency denominated financial statements

The "closing rate” method is used to translate foreign-currency denominated financial statements.

Translation of on- and off- balance-sheet items

All assets, liabilities and off-balance-sheet items of foreign entities are translated on the basis of the exchange rate on the reporting date.

Equity (excluding net income for the financial year) is measured at the various historic exchange rates. Any adjustments resulting from this correction (closing rate – historic rate) are recognised outside profit or loss under “translation adjustments”.

Translation of income statement items

Aside from amortisation, depreciation and provisions translated at the closing rate, all income statement items are translated at the average exchange rate over the financial year.

8. General contingency reserve

This reserve is funded, as and when management sees fit, in order to cover future banking contingencies that are currently not identified or accurately measurable.

Such reserves are subject to tax add-backs.

9. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are carried on the balance sheet at the acquisition value less cumulative amortisation and depreciation, calculated on a straight-line basis over the estimated useful lives.

Intangible assets are split into operating and non-operating assets and are amortised over the following periods:

Nature	***Amortisation period***
- Leasehold rights	Not amortised
- Patents and trademarks	N/A
- Research and development assets	N/A
- Software	6.67
- Other intangible items	5

Property, plant and equipment is split into operating and non-operating assets and depreciated over the following periods:

Nature	***Amortisation period***
- Land	Not depreciated
- Premises	25
- Office equipment	6.67
- Computer hardware	6.67
- Vehicles	5
- Fixtures, fittings and installations	6.67

10. Deferred expenses

Deferred expenses are expenses that by virtue of their materiality and nature may relate to more than one financial year.

The depreciation periods applied are as follows:

Nature	***Amortisation period***
- Start-up costs	3
- Non-current asset acquisition costs	5
- Borrowing issuance costs	N/A
- Issue or redemption premiums on debt securities	N/A
- Other deferred expenses	Between 3 and 5 years depending on the case

11. Recognition of interest and fees in the income statement

Interest

Interest is deemed to be any income or expense calculated on effectively borrowed or lent capital.

Also classified as interest equivalents are any income or expense calculated pro-rata temporis in consideration for a risk. This category notably includes fees on guarantee and financing commitments (surety, documentary credit...).

Interest accruing on effectively lent or borrowed capital is recognised in the underlying receivable and payable line items through profit or loss.

Interest equivalents are recognised as revenue or expenses upon invoicing.

Fees

Income and expenses, determined on a lump-sum basis and in consideration for the provision of services, are recognised as fees upon invoicing.

12. Non-current income and expenses

These wholly relate to extraordinary income and expenses and are in principle both unusual and infrequent in nature.

BALANCE SHEET at 31 December 2015

(in MAD thousands)

ASSETS	12/31/2015	12/31/2014
Cash and balances with central banks, the Treasury and post office accounts	**5 576 214**	**4 005 381**
Loans and advances to credit institutions and similar establishments	**35 049 487**	**33 640 290**
. Sight	11 024 654	8 022 540
. Term	24 024 833	25 617 750
Loans and advances to customers	**164 250 424**	**170 228 295**
. Short-term loans and consumer loans	49 672 408	52 671 726
. Equipment loans	55 301 776	58 369 891
. Mortgage loans	54 570 629	54 542 287
. Other loans	4 705 611	4 644 391
Receivables acquired through factoring	**1**	**1 058 799**
Trading securities and available-for-sale securities	**53 428 916**	**49 367 508**
. Treasury bills and similar securities	37 038 022	32 842 678
. Other debt securities	1 294 142	1 384 140
. Fixed Income Funds	15 096 752	15 140 690
Other assets	**3 785 551**	**2 425 647**
Investment securities	**6 089 132**	**9 195 147**
. Treasury bills and similar securities	6 089 132	9 195 147
. Other debt securities	-	-
Investments in affiliates and other long-term investments	**13 761 859**	**12 529 449**
Subordinated loans	**-**	**-**
Leased and rented assets	**1 262 341**	**1 618 377**
Intangible assets	**1 897 711**	**1 895 942**
Property, plant and equipment	**3 019 011**	**2 853 555**
TOTAL ASSETS	**288 120 647**	**288 818 390**

LIABILITIES	12/31/2015	12/31/2014
Amounts owing to central banks, the Treasury and post office accounts	**-**	**-**
Amounts owing to credit institutions and similar establishments	**29 870 277**	**41 530 448**
. Sight	12 281 017	6 455 549
. Term	17 589 260	35 074 899
Customer deposits	**200 959 041**	**190 719 730**
. Current accounts in credit	122 356 505	116 140 652
. Savings accounts	26 010 094	25 234 472
. Term deposits	44 289 925	41 123 434
. Other accounts in credit	8 302 517	8 221 172
Debt securities issued	**7 048 901**	**9 292 042**
. Negociable debt securities	7 048 901	9 292 042
. Bonds	-	-
. Other debt securities issued	-	-
Other liabilities	**6 096 756**	**5 875 482**
General provisions	**2 761 704**	**2 634 425**
Regulated provisions	**-**	**-**
Subsidies, public funds and special guarantee funds	**-**	**-**
Subordinated debt	**10 760 507**	**9 778 262**
Revaluation reserve	**420**	**421**
Reserves and premiums related to share capital	**24 916 000**	**23 407 000**
Share capital	**2 035 272**	**2 035 272**
Shareholders, unpaid share capital (-)	**-**	**-**
Retained earnings (+/-)	**6 351**	**1 194**
Net income to be allocated (+/-)	**-**	**-**
Net income for the financial year (+/-)	**3 665 418**	**3 544 114**
TOTAL LIABILITIES	**288 120 647**	**288 818 390**

OFF-BALANCE-SHEET ITEMS at 31 December 2015

(in MAD thousands)

OFF-BALANCE	12/31/2015	12/31/2014
Commitments given	**61 862 760**	**54 539 865**
Financing commitments given to credit institutions and similar establishments	532	532
Financing commitments given to customers	16 670 275	15 996 740
Guarantees given to credit institutions and similar establishments	11 617 603	8 585 113
Guarantees given to customers	33 574 350	29 957 480
Securities purchased with repurchase agreement	-	-
Other securities to be delivered	-	-
Commitments received	**16 428 431**	**17 278 171**
Financing commitments received from credit institutions and similar establishments	-	658 170
Guarantees received from credit institutions and similar establishments	16 298 917	16 543 596
Guarantees received from the State and other organisations providing guarantees	129 214	76 405
Securities sold with repurchase agreement	-	-
Other securities to be received	300,00	-

INCOME STATEMENT at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
OPERATING INCOME FROM BANKING ACTIVITIES	**18 849 440**	**19 115 288**
Interest and similar income from transactions with credit institutions	1 093 373	1 127 904
Interest and similar income from transactions with customers	9 201 032	9 512 053
Interest and similar income from debt securities	482 483	646 626
Income from equity securities	1 419 320	1 272 033
Income from lease-financed fixed assets	394 119	272 712
Fee income	1 355 915	1 269 742
Other banking income	4 903 198	5 014 218
OPERATING EXPENSES ON BANKING ACTIVITIES	**8 008 670**	**7 666 736**
Interest and similar expenses on transactions with credit institutions	799 578	1 335 585
Interest and similar expenses on transactions with customers	2 936 838	3 022 955
Interest and similar expenses on debt securities issued	282 806	369 168
Expenses on lease-financed fixed assets	359 451	172 758
Other banking expenses	3 629 997	2 766 270
NET BANKING INCOME	**10 840 770**	**11 448 552**
Non-banking operating income	162 247	62 905
Non-banking operating expenses		225
OPERATING EXPENSES	**4 121 965**	**3 926 742**
Staff costs	1 854 299	1 773 329
Taxes other than on income	119 315	111 132
External expenses	1 723 759	1 619 660
Other general operating expenses	21 229	8 856
Depreciation, amortisation and provisions	403 363	413 765
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	**2 774 458**	**2 960 631**
Provisions for non-performing loans and signature loans	1 724 473	1 520 530
Losses on irrecoverable loans	563 457	406 555
Other provisions	486 528	1 033 546
PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	**1 101 136**	**813 388**
Provision write-backs for non-performing loans and signature loans	791 275	675 084
Amounts recovered on impaired loans	69 391	76 787
Other provision write-backs	240 470	61 517
INCOME FROM ORDINARY ACTIVITIES	**5 207 730**	**5 437 247**
Non-recurring income	5 442	14 446
Non-recurring expenses	94 764	83 439
PRE-TAX INCOME	**5 118 408**	**5 368 254**
Income tax	1 452 990	1 824 140
NET INCOME FOR THE FINANCIAL YEAR	**3 665 418**	**3 544 114**

MANAGEMENT ACCOUNTING STATEMENT at 31 December 2015

(in MAD thousands)

I - RESULTS ANALYSIS	12/31/2015	12/31/2014
+ Interest and similar income	10 776 888	11 286 583
- Interest and similar expenses	4 019 222	4 727 707
NET INTEREST MARGIN	**6 757 666**	**6 558 876**
+ Income from lease-financed fixed assets	394 119	272 712
- Expenses on lease-financed fixed assets	359 451	172 759
NET INCOME FROM LEASING ACTIVITIES	**34 668**	**99 953**
+ Fees received	1 355 915	1 269 742
- Fees paid	4	-
NET FEE INCOME	**1 355 911**	**1 269 742**
+ Income from trading securities	1 444 068	3 402 192
+ Income from available-for-sale securities	-10 600	17 507
+ Income from foreign exchange activities	483 642	423 317
+ Income from derivatives activities	277 710	-710 701
INCOME FROM MARKET ACTIVITIES	**2 194 820**	**3 132 315**
+ Other banking income	1 419 320	1 272 033
- Other banking expenses	921 615	884 368
NET BANKING INCOME	**10 840 770**	**11 448 552**
+ Income from long-term investments	-152 727	-139 805
+ Other non-banking operating income	159 437	62 905
- Other non-banking operating expenses	-	225
- General operating expenses	4 121 966	3 926 742
GROSS OPERATING INCOME	**6 725 514**	**7 444 684**
+ Net provisions for non-performing loans and signature loans	-1 427 264	-1 175 214
+ Other net provisions	-90 521	-832 224
NET OPERATING INCOME	**5 207 730**	**5 437 246**
NON OPERATING INCOME	**-89 322**	**-68 992**
- Income tax	1 452 990	1 824 140
NET INCOME FOR THE FINANCIAL YEAR	**3 665 418**	**3 544 114**

II - TOTAL CASH FLOW	12/31/2015	12/31/2014
NET INCOME FOR THE FINANCIAL YEAR	**3 665 418**	**3 544 114**
+ Depreciation, amortisation and provisions for fixed asset impairment	403 363	413 765
+ Provisions for impairment of long-term investments	163 341	150 827
+ General provisions	42 500	670 000
+ Regulated provisions	-	-
+ Extraordinary provisions	-	-
- Reversals of provisions	144 804	11 023
- Capital gains on disposal of fixed assets	29 188	31 488
+ Losses on disposal of fixed assets	-	225
- Capital gains on disposal of long-term investments	2 810	-
+ Losses on disposal of long-term investments	-	-
- Write-backs of investment subsidies received		-
TOTAL CASH FLOW	**4 097 820**	**4 736 420**
- Profits distributed	2 035 272	1 933 508
SELF-FINANCING	**2 062 548**	**2 802 912**

NON-PERFORMING CUSTOMER LOANS at 31 December 2015

(in MAD thousands)

	Disbursed loans	Signature loans	Amount	Provisions for disbursed loans	Provisions for signature loans	Total
12/31/2015	10 545 942	648 636	**11 194 578**	7 495 119	284 661	**7 779 780**

SALES at 31 December 2015

(in MAD thousands)

2015	2014	2013
18 849 440	**19 115 288**	**16 236 923**

CASH FLOW STATEMENT at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
1. (+) Operating income from banking activities	17 120 135	17 410 881
2. (+) Amounts recovered on impaired loans	69 391	76 787
3. (+) Non-banking operating income	135 691	60 889
4. (-) Operating expenses on banking activities (*)	-9 143 128	-8 662 740
5. (-) Non-banking operating expenses		-225
6. (-) General operating expenses	-3 709 849	-3 512 977
7. (-) Income tax	-1 452 990	-1 824 140
I. NET CASH FLOW FROM INCOME STATEMENT	**3 019 250**	**3 548 475**
Change in: 8. (±) Loans and advances to credit institutions and similar establishments	-1 409 197	-1 297 899
9. (±) Loans and advances to customers	7 036 669	-1 828 040
10. (±) Trading securities and available-for-sale securities	-4 061 408	2 248 816
11. (±) Other assets	-1 359 904	609 945
12. (±) Lease-financed fixed assets	356 036	-132 887
13. (±) Amounts owing to credit institutions and similar establishments	-11 660 171	-12 462 635
14. (±) Customer deposits	10 239 311	16 585 072
15. (±) Debt securities issued	-2 243 141	1 547 594
16. (±) Other liabilities	221 121	-11 463 625
II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES	**-2 880 684**	**-6 193 659**
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I+ II)	**138 566**	**-2 645 184**
17. (+) Income from the disposal of long-term investments	3 151 802	1 030 054
18. (+) Income from the disposal of fixed assets	179 712	171 115
19. (-) Acquisition of long-term investments	-1 430 923	-193 982
20. (-) Acquisition of fixed assets	-728 654	-1 071 923
21. (+) Interest received	309 985	432 374
22. (+) Dividends received	1 419 320	1 272 033
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	**2 901 242**	**1 639 671**
23. (+) Subsidies, public funds and special guarantee funds		
24. (+) Subordinated loan issuance	1 000 000	-217 400
25. (+) Equity issuance		
26. (-) Repayment of shareholders' equity and equivalent		
27. (-) Interest paid	-433 703	-432 613
28. (-) Dividends paid	-2 035 272	-1 933 508
V- NET CASH FLOW FROM FINANCING ACTIVITIES	**-1 468 975**	**-2 583 521**
VI- NET CHANGE IN CASH AND CASH EQUIVALENTS (III+IV+V)	**1 570 833**	**-3 589 034**
VII- CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4 005 381**	**7 594 415**
VIII- CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5 576 214**	**4 005 381**

(*) : including net provisions

STATEMENT OF DEPARTURES FROM STANDARD ACCOUNTING TREATMENT at 31 December 2015

(in MAD thousands)

TYPE OF DEPARTURE	REASONS FOR DEPARTURES	IMPACT OF DEPARTURES ON THE COMPANY'S FINANCIAL POSITION OR RESULTS
I. Departures from fundamental accounting principles	Not Applicable	Not Applicable
II. Departures from valuation methods	Not Applicable	Not Applicable
III. Departures from rules for drawing up and presenting the financial statements	Not Applicable	Not Applicable

STATEMENT OF CHANGES IN ACCOUNTING METHODS at 31 December 2015

(in MAD thousands)

NATURE OF CHANGES	REASONS FOR CHANGES	IMPACT OF CHANGES ON THE COMPANY'S FINANCIAL POSITION OR RESULTS
I. Changes in valuation methods	Not Applicable	Not Applicable
II. Changes in rules of presentation	Not Applicable	Not Applicable

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS at 31 December 2015

(in MAD thousands)

CREANCES	Bank Al Maghrib, the Treasury and post office accounts	Banks	Other credit institutions or equivalent in Morocco	Credit institutions abroad	Total 12/31/2015	Total 12/31/2014
CURRENT ACCOUNTS IN DEBIT	**2 231 899**		**2 402 986**	**7 131 598**	**11 766 483**	**8 010 728**
NOTES RECEIVED AS SECURITY						
. overnight						
. term						
CASH LOANS		**1 455 410**	**7 939 506**	**1 718 234**	**11 113 150**	**11 136 031**
. overnight		1 455 410			1 455 410	524 427
. term			7 939 506	1 718 234	9 657 740	10 611 604
FINANCIAL LOANS		**2 174 625**	**11 621 723**		**13 796 348**	**15 009 327**
OTHER LOANS		**410 949**	**2 128**	**300**	**413 377**	**78 750**
INTEREST ACCRUED AWAITING RECEIPT			**190 360**	**1 669**	**192 029**	**234 165**
NON-PERFORMING LOANS						
TOTAL	**2 231 899**	**4 040 984**	**22 156 703**	**8 851 801**	**37 281 387**	**34 469 001**

LOANS AND ADVANCES TO CUSTOMERS at 31 December 2015

(in MAD thousands)

LOANS AND ADVANCES	Public sector	Private sector			Total 12/31/2015	Total 12/31/2014
		Financial companies	Non-financial companies	Other customers		
SHORT-TERM LOANS	**3 515 773**	**754 793**	**34 160 148**	**1 982 953**	**40 413 667**	**43 567 466**
. Current accounts in debit	431 007	754 793	18 655 952	1 600 120	21 441 872	18 972 021
. Commercial loans within Morocco			3 879 634		3 879 634	5 730 573
. Export loans			397 920		397 920	374 737
. Other cash loans	3 084 766		11 226 642	382 833	14 694 241	18 490 135
CONSUMER LOANS			**389 409**	**8 263 146**	**8 652 555**	**8 524 194**
EQUIPMENT LOANS	**26 737 154**		**23 787 126**	**4 082 411**	**54 606 691**	**57 606 608**
MORTGAGE LOANS	**9 907**		**15 393 814**	**39 166 468**	**54 570 189**	**54 541 553**
OTHER LOANS	**8**	**6 144**	**631 852**	**1 014 109**	**1 652 113**	**1 617 433**
RECEIVABLES ACQUIRED THROUGH FACTORING			**1**		**1**	**1 058 799**
INTEREST ACCRUED AWAITING RECEIPT			**1 238 599**	**65 787**	**1 304 386**	**1 345 955**
NON-PERFORMING LOANS	**1**	**84 651**	**2 564 752**	**401 419**	**3 050 823**	**3 025 086**
. Sub-standard loans			4	19	23	52 936
. Doubtful loans			632	202	834	151 434
. Impaired loans	1	84 651	2 564 116	401 198	3 049 966	2 820 716
TOTAL	**30 262 843**	**845 588**	**78 165 701**	**54 976 293**	**164 250 425**	**171 287 094**

BREAKDOWN OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER at 31 December 2015

(in MAD thousands)

SECURITIES	Credit institutions and similar establishments	Public issuers	Private issuers		12/31/2015	12/31/2014
			Financial companies	Non-financial companies		
LISTED SECURITIES	**477**	**280 315**	**15 008 502**	**260 783**	**15 550 077**	**15 664 956**
. Treasury bills and similar instruments						
. Bonds		258 223		219 692	477 915	560 745
. Other debt securities						
. Fixed Income Funds	477	22 092	15 008 502	41 091	15 072 162	15 104 211
UNLISTED SECURITIES	**219 767**	**42 921 099**	**597 229**	**6 187**	**43 744 282**	**42 544 069**
. Treasury bills and similar instruments		42 918 134			42 918 134	41 701 878
. Bonds	34 792		582 448		617 240	628 133
. Other debt securities	184 318				184 318	177 579
. Fixed Income Funds	657	2 965	14 781	6 187	24 590	36 479
TOTAL GENERAL	**220 244**	**43 201 414**	**15 605 731**	**266 970**	**59 294 359**	**58 209 025**

VALUE OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTMENT SECURITIES at 31 December 2015

(in MAD thousands)

SECURITIES	Gross book value	Current value	Redemption value	Unrealised capital gains	Unrealised losses	Provisions
TRADING SECURITIES	**51 206 416**	**51 206 416**				
. Treasury bills and similar instruments	35 459 987	35 459 987				
. Bonds	583 595	583 595				
. Other debt securities	101 812	101 812				
. Fixed Income Funds	15 061 022	15 061 022				
AVAILABLE-FOR-SALE SECURITIES	**2 185 149**	**2 154 330**		**116 828**	**30 819**	**30 819**
. Treasury bills and similar instruments	1 524 534	1 524 534		90 462		
. Bonds	511 559	511 559		26 216		
. Other debt securities	82 506	82 506				
. Fixed Income Funds	66 549	35 730		150	30 819	30 819
INVESTMENT SECURITIES	**5 933 613**	**5 933 613**				
. Treasury bills and similar instruments	5 933 613	5 933 613				
. Bonds						
. Other debt securities						

DETAILS OF OTHER ASSETS at 31 December 2015

(in MAD thousands)

ASSETS	AMOUNT AT 12/31/2015	AMOUNT AT 12/31/2014
OPTIONS PURCHASED		
SUNDRY SECURITIES TRANSACTIONS (1)		
SUNDRY DEBTORS	**1 044 103**	**560 572**
Amounts due from the State	594 710	246 721
Amounts due from mutual societies		
Sundry amounts due from staff		
Amounts due from customers for non-banking services	159	252
Other sundry debtors	449 234	313 599
OTHER SUNDRY ASSETS	**1 233**	**1 327**
ACCRUALS AND SIMILAR	**2 623 439**	**1 747 288**
Adjustment accounts for off-balance sheet transactions	217 817	53 203
Translation differences for foreign currencies and securities		74
Income from derivative products and hedging		
Deferred expenses	60 045	64 120
Inter-company accounts between head office, branch offices and branches in Morocco	32 941	438
Accounts receivable and prepaid expenses	1 541 055	1 370 886
Other accruals and similar	771 581	258 567
NON-PERFORMING LOANS ON SUNDRY TRANSACTIONS	**116 776**	**116 460**
TOTAL	**3 785 551**	**2 425 647**

(1) PCEC 341, 3463 and 3469 if in debit

SUBORDINATED LOANS at 31 December 2015

(in MAD thousands)

LOANS	Amount				including affiliates and related companies	
	12/31/2015			12/31/2014	12/31/2015	12/31/2014
	Gross 1	Prov. 2	Net 3	Net 4	Net 5	Net 6
Subordinated loans to credit institutions and similar establishments	NOT APPLICABLE					
Subordinated loans to customers						
TOTAL						

LEASED AND RENTED ASSETS at 31 December 2015

(in MAD thousands)

CATEGORY	Gross amount at beginning of FY	Amount of acquisitions during FY	Amount of transfers or withdrawals during FY	Gross amount at end of FY	Depreciation		Provisions			Net amount at end of FY
					Allocation during FY	Aggregate depreciate	Allocation in the exercise	Provision write downs	Aggregate provisions	
LEASED AND RENTED ASSETS	**2 342 413**	**33 987**	**35 439**	**2 340 960**	**359 451**	**1 078 619**				**1 262 341**
LEASED INTANGIBLE ASSETS										
EQUIPMENT LEASING	**2 278 378**	**33 987**		**2 312 365**	**359 451**	**1 056 684**				**1 255 681**
- Movable assets under lease	386	3 079		3 465						3 465
- Leased movable assets	2 277 992	30 908		2 308 900	359 451	1 056 684				1 252 217
- Movable assets unleased after cancellation										
PROPERTY LEASING	**25 647**			**25 647**		**21 936**				**3 711**
- Immovable assets under lease										
- Immovable leased assets	25 647			25 647		21 936				3 711
- Immovable assets unleased after cancellation										
RENTS AWAITING RECEIPT										
RESTRUCTURED RENTS										
Rents in arrears	38 388		35 439	2 949						2 949
NON-PERFORMING LOANS										
RENTED ASSETS										
Rented movable property										
Rented property										
Rents awaiting receipt										
Restructured rents										
Rents in arrears										
Non-performing rents										
TOTAL	**2 342 412**	**33 987**	**35 439**	**2 340 960**	**359 451**	**1 078 619**				**1 262 341**

GAINS AND LOSSES ON FIXED ASSET TRANSFERS OR WITHDRAWALS at 31 December 2015

(in MAD thousands)

Date of transfer or withdrawal	Type	Gross amount	Aggregate depreciation	Net book value	Transfer income	Value-added transfers	Loss in value transfers
	OFFICE EQUIPMENT AND FURNITURE						
	OFFICE FURNITURE						
	OFFICE EQUIPMENT						
	INTERBANK EQUIPMENT						
	SAFE DEPOSIT						
	IT EQUIPMENT						
	Real Estate	**166 806**	**16 698**	**150 108**	**179 712**	**29 188**	**-**
Dec-15	GROUNDS	1 935	-	1 935			
	APPARTMENTS	-		-			
Dec-15	BUILDING	164 871	16 698	148 173			
TOTAL GENERAL	**TOTAL**	**166 806**	**16 698**	**150 108**	**179 712**	**29 188**	**-**

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT at 31 December 2015

(in MAD thousands)

TYPE	Gross value at the beginning of the exercise	Acquisitions	Disposals	Gross value at the end of the exercise	Depreciation and/ or provisions				Net value at the end of the exercise
					Amortisation and provisions at the beginning of the exercise	Additional amortisation	Amortisation on disposed assets	Accumulated amortisation and depreciation	
INTANGIBLE ASSETS	**3 014 287**	**161 192**	**-**	**3 175 479**	**1 118 345**	**159 423**	**-**	**1 277 768**	**1 897 711**
. Lease rights	313 228	840	-	314 067			-	-	314 067
. Research and development	-	-	-	-	-	-	-	-	-
. Intangible assets used in operations	2 701 059	160 353	-	2 861 412	1 118 345	159 423	-	1 277 768	1 583 643
. Non-operating intangible assets	-	-	-	-	-	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT	**6 672 527**	**567 462**	**166 806**	**7 073 183**	**3 826 929**	**243 940**	**16 698**	**4 054 171**	**3 019 011**
Immovable property used in operations	**1 786 909**	**151 268**	**823**	**1 937 355**	**773 604**	**56 485**	**407**	**829 682**	**1 107 673**
. Land	297 451	139 870	-	437 321	-	-	-	-	437 321
. Office buildings	1 427 650	11 398	823	1 438 225	721 080	54 756	407	775 429	662 797
. Staff accommodation	61 808	-	-	61 808	52 524	1 729	-	54 253	7 555
Movable property and equipment used in operations	**1 833 223**	**90 665**	**-**	**1 923 889**	**1 657 612**	**41 246**	**-**	**1 698 858**	**225 031**
. Office property	399 234	11 472	-	410 705	369 217	6 513	-	375 731	34 975
. Office equipment	760 423	37 149	-	797 572	705 207	15 034	-	720 240	77 332
. IT equipment	665 337	42 028	-	707 364	575 082	19 621	-	594 703	112 661
. Vehicles	8 230	17	-	8 247	8 106	78	-	8 184	64
. Other equipment	-	-	-	-	-	-	-	-	-
Other property, plant and equipment used in operations	**1 508 305**	**101 702**	**5**	**1 610 002**	**1 132 115**	**109 828**	**4**	**1 241 940**	**368 062**
Property, plant and equipment not used in operations	**1 544 090**	**223 826**	**165 979**	**1 601 938**	**263 597**	**36 382**	**16 287**	**283 692**	**1 318 245**
. Land	589 812	9 720	1 935	597 597	-	-	-	-	597 597
. Buildings	765 258	207 410	163 995	808 673	160 553	28 562	16 286	172 829	635 844
. Movable property and equipment	43 309	63	-	43 372	43 087	-	-	43 087	285
. Other property, plant and equipment not used in operations	145 711	6 634	49	152 296	59 957	7 820	1	67 776	84 520
TOTAL	**9 686 814**	**728 654**	**166 806**	**10 248 662**	**4 945 274**	**403 363**	**16 698**	**5 331 940**	**4 916 722**

INVESTMENTS IN AFFILIATES AND OTHER LONG-TERM INVESTMENTS at 31 December 2015

(in MAD thousands)

Name of the issuing COMPANY	Sector of activity	Share capital	Share of equity held	Gross book value	Net book value	Data from the issuing company's most recent financial statements			Contribution to current year's income
						Year-end	Net assets	Net income	
A. INVESTMENTS IN AFFILIATE COMPANIES				**12 931 492**	**12 554 187**				**1 366 061**
ATTIJARI FINANCES CORPORATE	Investment banking	10 000	100.00%	10 000	10 000	12/31/2014	45 580	33 097	30 000
OMNIUM DE GESTION MAROCAIN S.A."OGM"	Holding company	885 000	100.00%	2 047 900	2 047 900	12/31/2014	1 889 298	455 956	530 000
SOMACOVAM	Asset management	5 000	100.00%	30 000	7 532	12/31/2014	7 387	-146	
WAFA GESTION	Asset management	4 900	66.00%	236 369	236 369	12/31/2014	128 279	60 699	40 069
ATTIJARI INVEST.		5 000	100.00%	5 000	5 000	12/31/2014	63 941	8 250	
WAFA BOURSE	Securities brokerage	20 000	100.00%	40 223	28 810	12/31/2014	32 394	-3 122	
ATTIJARI TITRISATION	Titrisation	11 400	66.00%	11 700	8 479	12/31/2014	8 479	-1 611	
ATTIJARI OPERATIONS	Service company	1 000	100.00%	1 000	1 000	12/31/2014	130	-31	
ATTIJARI AFRICA	Service company	2 000	100.00%	2 000	2 000	12/31/2014	17 583	490	
ATTIJARI CIB AFRICA	Service company	2 000	100.00%	2 000	2 000	12/31/2014	412	-10	
ATTIJARI IT AFRICA	Service company	1 000	100.00%	1 000	1 000	12/31/2014	4 087	1 848	
ATTIJARIWAFA BANK MIDDLE EAST LIMITED		1 000	100.00%	8 194	8 194				
STE MAROCAINE DE GESTION ET TRAITEMENT INFORMATIQUE "SOMGETI"	Computer technology	300	100.00%	100	100	12/31/2014	529	-19	
AGENA MAGHREB	Sale of IT equipment	11 000	74.96%	33	-	12/31/2014	-6 789	-36	
ATTIJARI CAPITAL DEVELOPEMENT	Risk Capital	10 000	100.00%	10 000	-	12/31/2014	-15 298	1 309	
ATTIJARI PROTECTION	SECURITY	4 000	83.75%	3 350	3 350	12/31/2014	4 594	-13	
BCM CORPORATION	Holding company	200 000	100.00%	200 000	200 000	12/31/2014	249 723	35 941	35 000
CASA MADRID DEVELOPPEMENT	Development capital	10 000	50.00%	5 000	5 000	12/31/2014	10 457	-15	
DINERS CLUB DU MAROC	Management of payment cards	1 500	100.00%	1 675	960	12/31/2014	960	-94	
MEDI TRADE	Trading	1 200	20.00%	240	142	12/31/2014	712	-3	
AL MIFTAH	Property	100	100.00%	243	-	12/31/2014	-2 416	-369	
WAFA COURTAGE	Brokerage	1 000	100.00%	2 397	2 397	12/31/2014	22 011	14 141	13 000
ATTIJARI RECOUVREMENT	Recouvrement	3 350	86.67%	2 600	276	12/31/2014	318	10	
WAFA FONCIERE	Property management	2 000	100.00%	3 700	1 970	12/31/2014	1 970	-40	
WAFA INVESTISSEMENT	Investment holding company	55 000	100.00%	120 277	1 941	12/31/2014	-63 290	-3 035	
WAFA SYSTEMES CONSULTING	IT consulting	5 000	99.88%	4 994	4 994	09/30/2015	5 945	201	
WAFA SYSTEMES DATA	IT	1 500	100.00%	1 500	1 500	09/30/2015	1 525	-130	
WAFA SYSTEMES FINANCES	IT solutions	2 000	100.00%	2 066	2 066	09/30/2015	2 559	15	
WAFA TRUST	Financial services		100.00%	1 500	1 322	12/31/2014	1 322	-177	
ATTIJARIA AL AAKARIA AL MAGHRIBIA	Property	10 000	100.00%	9 999	7 707	12/31/2014	7 707	107	
SOCIETE IMMOBILIERE ATTIJARIA AL YOUSSOUFIA	Property	50 000	100.00%	51 449	51 449	12/31/2014	56 562	-15	5 000
STE IMMOB.BOULEVARD PASTEUR " SIBP"	Property	300	50.00%	25	25	12/31/2014	1 136	12	
SOCIETE IMMOBILIERE RANOUIL	Property	3 350	100.00%	11 863	4 548	12/31/2014	4 535	-127	
SOCIETE IMMOBILIERE DE L'HIVERNAGE SA	Property	15 000	100.00%	15 531	10 371	12/31/2014	10 371	-1 439	
SOCIETE IMMOBILIERE MAIMOUNA	Property	300	100.00%	5 266	3 240	12/31/2014	3 240	-191	
STE IMMOBILIERE MARRAKECH EXPANSION	Property	300	100.00%	299	299	12/31/2014	778	-33	
SOCIETE IMMOBILIERE ZAKAT	Property	300	100.00%	2 685	432	12/31/2014	432	25	
AYK	Property	100	100.00%	100	-	12/31/2014	-1 127	-6	
CAPRI	Property	124 000	99.76%	187 400	-	12/31/2014	-82 953	-19 651	
ATTIJARI IMMOBILIER	Property	50 000	100.00%	71 686	71 686				
ATTIJARI INTERNATIONAL BANK "AIB"	Offshore bank	2 400 KEURO	100.00%	92 442	92 442	12/31/2014	21 510 KEURO	2 343 KEURO	
WAFACASH	Money transfers	35 050	99.85%	324 074	324 074	12/31/2014	336 670	11 520	100 000
WAFA IMMOBILIER	Property	50 000	100.00%	164 364	164 364	12/31/2014			87 000
WAFASALAF	Consumer finance	113 180	50.91%	634 783	634 783	12/31/2014	1 628 825	333 017	152 727
WAFA LLD	Leasing	20 000	100.00%	20 000	20 000	12/31/2014	58 315	24 117	20 000
WAFABAIL	Leasing	150 000	57.83%	86 983	86 983	12/31/2014	776 239	83 845	23 133
DAR ASSAFAA LITAMWIL	Lease-financing	50 000	100.00%	50 510	50 510				
ATTIJARI ASSET MANAGEMENT AAM SA (Sénégal)	Asset Management	1 200 000 KFCFA	70.00%	13 889	13 889				
ANDALUCARTAGE	Holding company	126 390 KEURO	100.00%	1 964 504	1 964 504	12/31/2014	149 164 KEURO	11 531 KEURO	
ATTIJARIWAFA EURO FINANCES	Holding company	39 557 KEURO	100.00%	502 622	502 622	12/31/2014	48 295 KEURO	-65 KEURO	
CAFIN	Holding company	1 122 000 KFCFA	100.00%	257 508	257 508	12/31/2014	7 375 959 KFCFA	1 269 364 KFCFA	15 300
KASOVI	Holding company	50 KUSD	100.00%	1 519 737	1 519 737	12/31/2014	19 002 KUSD	9 056 KUSD	33 749
COMPAGNIE BANCAIRE DE L'AFRIQUE OCCIDENTALE"CBAO"	Banking	11 450 000 KFCFA	4.90%	35 979	35 979	12/31/2014	69 759 000 KFCFA	767 000 KFCFA	

INVESTMENTS IN AFFILIATES AND OTHER LONG-TERM INVESTMENTS at 31 December 2015

(in MAD thousands)

Name of the issuing COMPANY	Sector of activity	Share capital	Share of equity held	Gross book value	Net book value	Data from the issuing company's most recent financial statements			Contribution to current year's income
						Year-end	Net assets	Net income	
BANQUE INTERNATIONALE POUR LE MALI "BIM SA"	Banking	5 002 870 KFCFA	51,00%	689 599	689 599	12/31/2014	22 621 000 KFCFA	1 692 000 KFCFA	7 561
SOCIETE IVOIRIENNE DE BANQUE " SIB "	Banking	10 000 000 KFCFA	90,00%	648 084	648 084	12/31/2014	35 294 000 KFCFA	8 452 000 KFCFA	43 038
ATTIJARI IVOIRE	Holding	32.450 KEURO	100,00%	355 319	355 319	30/09/2015	32 448 KEURO	- 2 KEURO	
CREDIT DU SENEGAL	Banking	5 000 000 KFCFA	95,00%	292 488	292 488	12/31/2014	12 831 000 KFCFA	2 425 000 KFCFA	28 880
CREDIT DU CONGO	Banking	7 743 670 KFCFA	91,00%	608 734	608 734	12/31/2014	22 308 024 KFCFA	7 721 061 KFCFA	85 422
UNION GABONAISE DE BANQUES "UGB GABON"	Banking	10 000 000 KFCFA	58,71%	848 842	848 842	12/31/2014	50 798 846 KFCFA	9 165 713 KFCFA	56 392
ATTIJA AFRIQUE PARTICIPATION	Holding	10 010 KEURO	100,00%	113 120	113 120	30/09/2015	9 899 KEURO	-25 KEURO	
SOCIETE COMMERCIALE DE BANQUE CAMEROUN	Banking	10 000 000 KFCFA	51,00%	379 110	379 110	12/31/2014	42 350 000 KFCFA	10 318 000 KFCFA	54 586
SOCIETE BIA TOGO	Banking	6 000 000 KFCFA		143 872	143 872	12/31/2014	10 715 000 KFCFA	837 000 KFCFA	5 205
SOCIETE CIVILE IMMOBILIERE TOGO LOME	Property			66 761	66 761	12/31/2014	3 863 794 KFCFA	- 33 765 KFCFA	
WAFACAMBIO				963	963				
WAFABANK OFFSHORE DE TANGER			**100,00%**	**5 842**	**5 842**				
T044 B - Other investments				**589 534**	**458 417**				**32 267**
NOUVELLES SIDERURGIES INDUSTRIELLES	Metals and mining	3 415 000	2,72%	92 809	54 857	30/06/2015	3 665 056	126 891	3 406
SONASID	Metals and mining			28 391	4 162				430
ATTIJARIWAFA BANK	BANKING			623	623				
SINCOMAR		300	47,50%						
AGRAM INVEST		40 060	27,82%	10 938	9 462	12/31/2014	34 014	6 134	
AM INVESTISSEMENT MOROCCO	Investment holding company	400 000	3,25%	13 000	13 000				559
BOUZNIKA MARINA	Property development			500	-				
EUROCHEQUES MAROC				363	364				
FONDS D'INVESTISSEMENT IGRANE		70 000	18,26%	9 970	6 101	12/31/2014	33 410	1 219	
IMMOBILIERE INTERBANCAIRE "G.P.B.M."	Professional banker's association	19 005	20,00%	3 801	3 801				
IMPRESSION PRESSE EDITION (IPE)	Publishing			400	400				
MOUSSAFIR HOTELS	Hotel management	193 000	33,34%	64 342	64 343	12/31/2014	350 514	60 001	17 771
SALIMA HOLDING	Holding company	150 000	13,33%	16 600	16 600				
S.E.D. FES		10 000	10,00%						
STE D'AMENAGEMENT DU PARC NOUACER"SAPINO"	Property development	60 429	22,69%	13 714	13 714				
TANGER FREE ZONE	Property development	105 000	25,71%	58 221	58 221				
TECHNOLOPARK COMPANY "MITC"	Services provider			8 150	7 784				
WORLD TRADE CENTER									
MAROCLEAR	Securities custodian	20 000	6,58%	1 342	1 342				
HAWAZIN	Property	960	12,50%	704	-				
INTAJ	Property	576	12,50%	1 041	549				
EXP SERVICES MAROC S.A.	Risk centralisation services	20 000	3,00%	600	600				
H PARTNERS		1 400 010	7,14%	100 000	50 620	30/09/2015	930 255	-18 446	
MOROCCAN FINANCIAL BOARD				20 000	20 000				
MAROC NUMERIQUE FUND		157 643	6,34%	15 000	11 231				
FONCIERE EMERGENCE		120 017	8,06%	19 339	19 339				
ALTERMED MAGHREB EUR				5 247	1 226				
INTER MUTUELLES ASSISTANCE				894	894				
WAFA IMA ASSISTANCE				15 356	15 356				1 300
3 P FUND		80 020	5,00%	7 500	5 723	12/31/2014	79 460	-11 798	
BANQUE D'AFFAIRE TUNISIENNE	Banking	198 741		2 583	-				
CENTRE MONETIQUE INTERBANCAIRE	Monétique	98 200	22,40%	22 000	22 000				8 800
SOCIETE INTERBANK	Management of bank cards	11 500	16,00%	1 840	1 840				
SMAEX		37 450	11,42%	4 278	4 278				
BANQUE MAGHREBINE POUR L'INVESTISSEMENT ET LE COMMERCE EXTERIEUR "BMICE"	Banking	500 000 KUSD	1,20%	49 583	49 583				
FONDS ATTIJARI AFRICA FUNDS MULTI ASSETS		31 KEURO		346	346				
FONDS ATTIJARI AFRICA FUNDS MULTI ASSETS				59	59				
C - SIMILAR INVESTMENTS				**885 275**	**749 256**				
C/C ASSOCIES				869 440	733 421				
OTHER SIMILAR INVESTMENTS				15 835	15 835				
Total				**14 406 301**	**13 761 859**				**1 398 328**

AMOUNTS OWING TO CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS at 31 December 2015

(in MAD thousands)

AMOUNTS OWING	Credit institutions and similar establishments in Morocco			Credit institutions overseas	Total 12/31/2015	Total 12/31/2014
	Bank Al Maghrib, the Treasury and post office accounts	Banks	Other credit institutions and similar establishments			
CURRENT ACCOUNTS IN CREDIT		**2 426**	**551 949**	**2 673 195**	**3 227 570**	**1 995 975**
NOTES GIVEN AS SECURITY	**6 023 473**	**1 450 082**			**7 473 555**	**10 817 731**
- overnight	4 450 801				4 450 801	
- term	1 572 672	1 450 082			3 022 754	10 817 731
CASH BORROWINGS	**5 470 000**	**6 742 490**	**4 117 736**	**2 599 934**	**18 930 160**	**28 420 620**
- overnight	-	3 614 000	449 357	538 659	4 602 016	4 454 687
- term	5 470 000	3 128 490	3 668 379	2 061 275	14 328 144	23 965 933
FINANCIAL BORROWINGS	**1 992**			**82**	**2 074**	**2 074**
OTHER DEBTS	**72 297**	**42 670**			**114 967**	**70 620**
INTEREST PAYABLE			**106 858**	**15 093**	**121 951**	**223 428**
TOTAL	**11 567 762**	**8 237 668**	**4 776 543**	**5 288 304**	**29 870 277**	**41 530 448**

CUSTOMER DEPOSITS at 31 December 2015

(in MAD thousands)

DEPOSITS	Public sector	Private sector			Total 12/31/2015	Total 12/31/2014
		Financial companies	Non-financial companies	Other customers		
CURRENT ACCOUNTS IN CREDIT	2 793 415	2 603 179	29 445 859	87 495 430	122 337 883	116 123 035
SAVINGS ACCOUNTS				25 874 751	25 874 751	25 048 786
TERM DEPOSITS	1 935 000	4 355 941	13 910 142	23 320 405	43 521 488	40 515 128
OTHER ACCOUNTS IN CREDIT	74 943	163 576	6 813 555	1 250 444	8 302 518	8 221 172
ACCRUED INTEREST PAYABLE			919 156	3 245	922 401	811 607
TOTAL	**4 803 358**	**7 122 696**	**51 088 712**	**137 944 275**	**200 959 041**	**190 719 730**

DEBT SECURITIES ISSUED at 31 December 2015

(in MAD thousands)

SECURITIES	Characteristics					Value	Including		Unamortised value of issue or redemption premiums
	Entitlement date	Maturity	Nominal value	Interest rate	Redemption terms		Affiliates	Related companies	
CERTIFICATES OF DEPOSIT	10/06/2010	06/10/2017	100 000	Var	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	10/13/2011	13/10/2016	100 000	4.56%	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	12/24/2013	24/12/2018	100 000	5.60%	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	02/25/2014	25/02/2016	100 000	4.40%	IN FINE	1 000 000			
CERTIFICATES OF DEPOSIT	03/18/2014	18/03/2016	100 000	4.14%	IN FINE	500 000			
CERTIFICATES OF DEPOSIT	04/23/2014	23/04/2019	100 000	4.60%	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	04/23/2014	23/04/2017	100 000	4.28%	IN FINE	300 000			
CERTIFICATES OF DEPOSIT	06/20/2014	20/06/2016	100 000	3.85%	IN FINE	428 000			
CERTIFICATES OF DEPOSIT	08/12/2014	12/08/2016	100 000	3.75%	IN FINE	332 000			
CERTIFICATES OF DEPOSIT	01/12/2015	12/01/2016	100 000	2.88%	IN FINE	362 000			
CERTIFICATES OF DEPOSIT	01/22/2015	21/01/2016	100 000	2.86%	IN FINE	187 700			
CERTIFICATES OF DEPOSIT	07/23/2015	23/07/2017	100 000	3.09%	IN FINE	608 000			
CERTIFICATES OF DEPOSIT	07/23/2015	23/07/2018	100 000	3.28%	IN FINE	800 000			
CERTIFICATES OF DEPOSIT	08/17/2015	17/08/2018	100 000	3.25%	IN FINE	490 000			
CERTIFICATES OF DEPOSIT	09/18/2015	18/09/2017	100 000	3.12%	IN FINE	519 000			
CERTIFICATES OF DEPOSIT	10/23/2015	23/10/2020	100 000	3.61%	IN FINE	250 000			
CERTIFICATES OF DEPOSIT	10/27/2015	27/04/2016	100 000	2.80%	IN FINE	640 000			
CERTIFICATES OF DEPOSIT	10/30/2015	30/04/2016	100 000	2.80%	IN FINE	100 000			
TOTAL						**6 916 700**			

DETAILS OF OTHER LIABILITIES at 31 December 2015

(in MAD thousands)

LIABILITIES	AMOUNT AT 12/31/2015	AMOUNT AT 12/31/2014
OPTIONS SOLD		
SUNDRY SECURITIES TRANSACTIONS (1)	**2 060 264**	**633 891**
SUNDRY CREDITORS	**2 447 630**	**3 270 127**
Amounts due to the State	686 929	1 575 206
Amounts due to mutual societies	71 281	68 295
Sundry amounts due to staff	354 797	337 291
Sundry amounts due to shareholders and associates	4 683	3 759
Amounts due to suppliers of goods and services	1 306 868	1 254 106
Other sundry creditors	23 072	31 470
DEFERRED INCOME AND ACCRUED EXPENSES	**1 588 862**	**1 971 464**
Adjustment accounts for off-balance sheet transactions	1 721	410 085
Translation differences for foreign currencies and securities		
Income from derivative products and hedging		
Inter-company accounts between head office, branch offices and branches in Morocco		
Accrued expenses and deferred income	892 883	1 316 567
Other deferred income	694 258	244 812
TOTAL	**6 096 756**	**5 875 482**

(1) PCEC 341, 343, 344, 3462 et 3464 if in credit

PROVISIONS at 31 December 2015

(in MAD thousands)

PROVISIONS	OUTSTANDING 12/31/2014	ADDITIONAL PROVISIONS	WRITE-BACKS	OTHER CHANGES	OUTSTANDING 12/31/2015
PROVISIONS, DEDUCTED FROM ASSETS, FOR:	**7 168 167**	**1 731 416**	**712 826**	**0**	**8 186 758**
Loans and advances to credit institutions and other similar establishments					
Loans and advances to customers	6 644 079	1 555 989	704 949	0	7 495 119
Available-for-sale securities	18 805	12 087	73		30 819
Investments in affiliates and other long-term investments	488 906	163 341	7 804		644 443
Leased and rented assets	0				-
Other assets	16 377	-			16 377
PROVISIONS RECORDED UNDER LIABILITIES	**2 634 425**	**491 671**	**318 993**	**-45 400**	**2 761 704**
Provisions for risks in executing signature loans	202 503	168 484	86 326	0	284 661
Provisions for foreign exchange risks	-	5 037			5 037
General provisions	1 893 349	42 500	137 000		1 798 849
Provisions for pension fund and similar obligations	122 093	55 487	53 231		124 349
Other provisions	416 480	220 163	42 436	-45 400	548 808
Regulated provisions					
TOTAL	**9 802 592**	**2 223 088**	**1 031 818**	**-45 400**	**10 948 462**

SUBSIDIES, PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS at 31 December 2015

(in MAD thousands)

	ECONOMIC PURPOSE	TOTAL VALUE	VALUE AT END OF 2014	UTILISATION 2015	VALUE AT END 2015
SUBSIDIES	NÉANT				
PUBLIC FUNDS					
SPECIAL GUARANTEE FUNDS					
TOTAL					

DETTES SUBORDONNÉES at 31 December 2015

(in MAD thousands)

Currency of issue	Value of loan in currency of issue	Price (1)	Interest Rate	Maturity (2)	Terms for early redemption, subordination and convertibility (3)	Value of loan in thousand MAD	Including related businesses		Including other related businesses	
							Value in thousand MAD 2013	Value in thousand MAD 2014	Value in thousand MAD 2013	Value in thousand MAD 2014
MAD			3.40%	7 YEARS		154 300				
MAD			3.80%	10 YEARS		320 000				
MAD			3.84%	7 YEARS		950 000				
MAD			4.00%	7 YEARS		1 275 100				
MAD			4.01%	5 YEARS		710 000				
MAD			4.04%	10 YEARS		879 600				
MAD			4.13%	8 YEARS		257 300				
MAD			4.52%	4 YEARS		523 600				
MAD			4.75%	10 YEARS		110 400				
MAD			4.76%	7 YEARS		80 300				
MAD			4.77%	7 YEARS		654 500				
MAD			4.78%	7 YEARS		730 100				
MAD			5.00%	10 YEARS		555 000				
MAD			5.10%	10 YEARS		1 500 400				
MAD			5.24%	10 YEARS		290 000				
MAD			5.60%	5 YEARS		834 400				
MAD			5.60%	10 YEARS		825 000				
TOTAL						**10 650 000**				

(1) BAM price at 12/31/2015 - (2) Possibly for an unspecified period - (3) Refer to the subordinated debt contract note

SHAREHOLDERS' EQUITY at 31 December 2015

(in MAD thousands)

SHAREHOLDERS' EQUITY	OUTSTANDING 12/31/2014	ALLOCATION TO INCOME	OTHER CHANGES	OUTSTANDING 12/31/2015
Revaluation reserve	**420**			**420**
Reserves and premiums related to share capital	**23 407 000**	**1 509 000**	**-**	**24 916 000**
Legal reserve	203 527	-		203 527
Other reserves	15 086 980	1 509 000		16 595 980
Issue, merger and transfer premiums	8 116 493		-	8 116 493
Share capital	**2 035 272**	**-**	**-**	**2 035 272**
Called-up share capital	2 035 272		-	2 035 272
Uncalled share capital				
Non-voting preference shares				
Fund for general banking risks				
Shareholders' unpaid share capital				
Retained earnings (+/-)	**1 194**	**-158**	**5 315**	**6 351**
Net income (loss) awaiting appropriation (+/-)				
Net income (+/-)	**3 544 114**	**-3 544 114**		**3 665 418**
TOTAL	**28 988 000**	**-2 035 272**	**5 315**	**30 623 461**

FINANCING COMMITMENTS AND GUARANTEES at 31 December 2015

(in MAD thousands)

COMMITMENTS	12/31/2015	12/31/2014
FINANCING COMMITMENTS AND GUARANTEES GIVEN	**62 511 397**	**55 212 058**
Financing commitments given to credit institutions and similar establishments	**532**	**532**
Import documentary credits		
Acceptances or commitments to be paid	532	532
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		
Other financing commitments given		
Financing commitments given to customers	**16 670 275**	**15 996 740**
Import documentary credits	13 410 507	13 392 524
Acceptances or commitments to be paid	3 259 768	2 568 738
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		35 478
Other financing commitments given		
Guarantees given to credit institutions and similar establishments	**11 617 603**	**8 585 113**
Confirmed export documentary credits		195 296
Acceptances or commitments to be paid		
Credit guarantees given		
Other guarantees and pledges given	11 617 603	8 389 817
Non-performing commitments		
Guarantees given to customers	**34 222 987**	**30 629 673**
Credit guarantees given	908 306	897 422
Guarantees given to government bodies	17 462 458	15 780 651
Other guarantees and pledges given	15 203 586	13 279 407
Non-performing commitments	648 637	672 194
FINANCING COMMITMENTS AND GUARANTEES RECEIVED	**16 428 131**	**17 278 171**
Financing commitments received from credit institutions and similar establishments		**658 170**
Confirmed credit lines		
Back-up commitments on securities issuance		
Other financing commitments received		658 170
Guarantees received from credit institutions and similar establishments	**16 298 917**	**16 543 596**
Credit guarantees received		
Other guarantees received	16 298 917	16 543 596
Guarantees received from the State and other organisations providing guarantees	**129 214**	**76 405**
Credit guarantees received		
Other guarantees received	129 214	76 405

COMMITMENTS ON SECURITIES at 31 December 2015

(in MAD thousands)

	Montant
Commitments given	-
Securities purchased with redemption rights	
Other securities to be provided	-
Commitments received	300
Securities sold with redemption rights	
Other securities receivable	300

FORWARD FOREIGN EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVE PRODUCTS at 31 December 2015

(in MAD thousands)

	Hedging activities		Other activities	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Forward foreign exchange transactions	**47 425 974**	**64 032 098**		
Foreign currencies to be received	19 479 777	28 514 455		
Dirhams to be delivered	6 569 421	6 336 475		
Foreign currencies to be delivered	16 973 571	25 914 063		
Dirhams to be received including cross currency swap	4 403 205	3 267 105		
Commitments on derivative products	**52 875 896**	**55 448 207**		
Commitments on regulated fixed income markets		45 209		
Commitments on OTC fixed income markets	7 607 167	9 388 847		
Commitments on regulated foreign exchange markets				
Commitments on OTC foreign exchange markets	16 004 617	15 017 658		
Commitments on regulated markets in other instruments	7 389	91 691		
Commitments on OTC markets in other instruments	29 256 722	30 904 800		

SECURITIES RECEIVED AND GIVEN AS GUARANTEE at 31 December 2015

(in MAD thousands)

Securities received as guarantee	Net book value	Asset/Off-balance sheet entries in which loans and signature loans pledged are given	Value of loans and signature loans pledged that are hedged
Treasury bills and similar assets			
Other securities		N/D	
Mortgages			
Other physical assets			
TOTAL			

Securities given as guarantee	Net book value	Asset/Off-balance sheet entries in which loans and signature loans pledged are given	Value of loans and signature loans pledged that are hedged
Treasury bills and similar assets	1 222 672		
Other securities			
Mortgages			
Other physical assets	879 968	Other assets received and pledged	
TOTAL	**2 102 640**		

BREAKDOWN OF ASSETS AND LIABILITIES BY RESIDUAL MATURITY at 31 December 2015

(in MAD thousands)

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	TOTAL
ASSETS						
Loans and advances to credit institutions and similar establishments	21 159 068	482 554	1 579 359	11 356 477	280 000	34 857 458
Loans and advances to customers	38 087 530	8 037 047	18 073 954	61 167 755	37 579 753	162 946 039
Debt securities	16 995 408	230 920	4 785 228	21 260 895	10 088 294	53 360 745
Subordinated loans						
Leased and rented assets						
TOTAL	**76 272 423**	**8 750 521**	**24 438 541**	**93 785 127**	**47 948 047**	**251 164 242**
LIABILITIES						
Amounts owing to credit institutions and similar establishments	26 392 254	202 833	2 851 501	57 754	243 983	29 748 326
Amounts owing to customers	171 634 602	7 629 423	18 252 815	2 519 800		200 036 640
Debt securities issued	6 916 700					6 916 700
Subordinated debt				9 284 400	1 365 600	10 650 000
TOTAL	**204 943 556**	**7 832 256**	**21 104 316**	**11 861 954**	**1 609 583**	**247 351 666**

Remarks:
- Loans and advances of less than 1 month comprise current accounts for credit institutions and other customers
- Amounts owing of less than 1 month comprise amounts owing to credit institutions and other customers

BREAKDOWN OF FOREIGN CURRENCY-DENOMINATED ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS at 31 December 2015

(in MAD thousands)

BALANCE SHEET	12/31/2015	12/31/2014
ASSETS	**29 160 609**	**30 541 527**
Cash and balances with central banks, the Treasury and post office accounts	113 186	92 295
Loans and advances to credit institutions and similar establishments	13 037 874	9 568 225
Loans and advances to customers	3 770 730	9 814 336
Trading securities and available-for-sale securities	2 962 690	3 465 185
Other assets	484 418	153 477
Investments in affiliates and other long-term investments	8 778 216	7 424 834
Subordinated loans		
Leased and rented assets		
Intangible assets and property, plant and equipment	13 495	23 175
LIABILITIES	**16 982 824**	**20 997 613**
Amounts owing to central banks, the Treasury and post office accounts		
Amounts owing to credit institutions and similar establishments	9 043 269	13 404 201
Customer deposits	7 826 557	7 448 967
Debt securities issued		
Other liabilities	114 188	142 214
Subsidies, public funds and special guarantee funds		
Subordinated debt		
Share capital and reserves		
Provisions		7 547
Retained earnings		-5 316
Net income	-1 190	
OFF-BALANCE SHEET ITEMS	**48 216 198**	**42 911 981**
Commitments given	34 365 546	29 178 793
Commitments received	13 850 652	13 733 188

RISK CONCENTRATION WITH THE SAME COUNTERPARTY at 31 December 2015

(in MAD thousands)

NUMBER OF COUNTERPARTIES	TOTAL
8	50 876 548

NET INTEREST MARGIN at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Interest and similar income from activities with customers	**9 201 032**	**9 512 053**
of which interest and similar income	8 971 357	9 289 939
of which fee income on commitments	229 675	222 114
Interest and similar income from activities with credit institutions	**1 093 373**	**1 127 904**
of which interest and similar income	1 049 545	1 096 020
of which fee income on commitments	43 828	31 884
Interest and similar income from debt securities	**482 483**	**646 626**
TOTAL INTEREST AND SIMILAR INCOME	**10 776 888**	**11 286 583**
Interest and similar expenses on activities with customers	2 936 838	3 022 955
Interest and similar expenses on activities with credit institutions	799 578	1 335 585
Interest and similar expenses on debt securities issued	282 806	369 168
TOTAL INTEREST AND SIMILAR EXPENSES	**4 019 222**	**4 727 708**
NET INTEREST MARGIN	**6 757 666**	**6 558 876**

FEE INCOME PROVIDED FROM SERVICES at 31 December 2015

(in MAD thousands)

FEES	12/31/2015	12/31/2014
Account management	201 169	183 349
Payment services	537 387	514 451
Securities transactions	42 091	39 801
Asset management and custody	66 541	58 476
Credit services	117 298	134 061
Corporate finance	-	-
Sale of insurance products	93 482	81 126
Other services provided	297 947	258 479
TOTAL	**1 355 915**	**1 269 742**

GENERAL OPERATING EXPENSES at 31 December 2015

(in MAD thousands)

EXPENSES	12/31/2015	12/31/2014
Staff costs	1 854 299	1 773 329
Taxes	119 315	111 132
External expenses	1 723 759	1 619 660
Other general operating expenses	21 229	8 856
Depreciation, amortisation and provisions on intangible assets and property, plant and equipment	403 363	413 765
TOTAL	**4 121 965**	**3 926 742**

INCOME FROM MARKET ACTIVITIES at 31 December 2015

(in MAD thousands)

INCOME AND EXPENDITURES	12/31/2015	12/31/2014
+ Gains on trading securities	2 077 300	3 545 847
- Losses on trading securities	633 232	143 655
Income from activities in trading securities	**1 444 068**	**3 402 192**
+ Capital gains on disposal of available-for-sale securities	1 496	2 930
+ Write-back of provisions for impairment of available-for-sale securities	73	14 734
- Losses on disposal of available-for-sale securities	83	41
- Provisions for impairment of available-for-sale securities	12 087	116
Income from activities in available-for-sale securities	**-10 600**	**17 507**
+ Gains on foreign exchange transactions - transfers	2 167 939	1 111 762
+ Gains on foreign exchange transactions - notes	96 899	93 663
- Losses on foreign exchange transactions - transfers	1 776 257	781 019
- Losses on foreign exchange transactions - notes	4 938	1 089
Income from foreign exchange activities	**483 642**	**423 317**
+ Gains on fixed income derivative products	62 996	138 195
+ Gains on foreign exchange derivative products	164 504	94 814
+ Gains on other derivative products	331 991	12 272
- Losses on fixed income derivative products	99 378	300 512
- Losses on foreign exchange derivative products	73 586	71 235
- Losses on other derivative products	108 817	584 235
Income from activities in derivatives products	**277 710**	**-710 701**

INCOME FROM EQUITY SECURITIES at 31 December 2015

(in MAD thousands)

CATEGORIE DES CATEGORY	12/31/2015	12/31/2014
Available-for-sale securities		
Investments in affiliates and other long-term investments	1 419 320	1 272 033
TOTAL	**1 419 320**	**1 272 033**

OTHER INCOME AND EXPENSES at 31 December 2015

(in MAD thousands)

OTHER BANKING INCOME AND EXPENSES	12/31/2015	12/31/2014
Other banking income	4 903 198	5 014 218
Other banking expenses	3 629 997	2 766 270
TOTAL	**1 273 201**	**2 247 948**

OTHER NON-BANKING INCOME AND EXPENSES	12/31/2015	12/31/2014
Non-banking operating income	162 247	62 905
Non-banking operating expenses	-	225
TOTAL	**162 247**	**63 130**
Provisions and losses on irrecoverable loans	2 774 458	2 960 631
Provision write-backs and amounts recovered on impaired loans	1 101 136	813 388

NON-RECURRING INCOME AND EXPENSES	12/31/2015	12/31/2014
Non-recurring income	5 442	14 446
Non-recurring expenses	94 764	83 439

DETERMINING INCOME AFTER TAX FROM ORDINARY ACTIVITIES at 31 December 2015

(in MAD thousands)

I. DETERMINING INCOME	MONTANT
Income from ordinary activities after items of income and expenditure	5 207 730
Tax write-backs on ordinary activities (+)	401 534
Tax deductions on ordinary activities (-)	1 594 131
Theoretical taxable income from ordinary activities (=)	4 015 133
Theoretical tax on income from ordinary activities (-)	1 485 599
Income after tax from ordinary activities (=)	2 529 534
II- SPECIFIC TAX TREATMENT INCLUDING BENEFITS GRANTED BY INVESTMENT CODES UNDER SPECIFIC LEGAL PROVISIONS	

DETAILED INFORMATION ON VALUE ADDED TAX at 31 December 2015

(in MAD thousands)

TYPE	Balance at beginning of FY 1	Accounting transactions during the period 2	VAT declarations during the period 3	Balance at end of FY (1+2-3=4)
A. VAT collected	**171 276**	**1 561 812**	**1 580 365**	**152 724**
B. Recoverable VAT	**230 933**	**594 888**	**606 318**	**219 503**
On expenses	130 906	523 907	543 189	111 623
On fixed assets	100 028	70 981	63 129	107 880
C. VAT payable or VAT credit = (A-B)	**-59 657**	**966 924**	**974 047**	**-66 780**

RECONCILIATION OF NET INCOME FOR ACCOUNTING AND TAX PURPOSES at 31 December 2015

(in MAD thousands)

RECONCILIATION STATEMENT	Amount	Amount
I- NET INCOME FOR ACCOUNTING PURPOSES	**3 665 418**	
Net profit	3 665 418	
Net loss		
II- TAX WRITE-BACKS	**1 854 524**	
1 – Recurring	1 854 524	
- Income tax	1 452 990	
- Losses on irrecoverable loans not provisioned		
- General provisions	59 497	
- Provisions for pension funds and similar obligation	205 000	
- Non deductible exceptional charges	55 487	
- Social cohesion contribution	3 074	
- Personal gifts	74 829	
2- Non-recurring	3 646	
III - TAX DEDUCTIONS		**1 594 131**
1- Recurring		1 594 131
100% allowance on income from investments in affiliates		1 403 900
Write-back of investment		
Write-back of provisions used		53 231
Write-back of general contingency reserve		137 000
2- Non recurring		-
TOTAL	**5 519 942**	**1 594 131**
IV - GROSS INCOME FOR TAX PURPOSES		**3 925 811**
- Gross profit for tax purposes if T1 > T2 (A)		3 925 811
- Gross loss for tax purposes if T2 > T1 (B)		
V - TAX LOSS CARRY FORWARDS (C) [1]		
- Financial year Y-4		
- Financial year Y-3		
- Financial year Y-2		
- Financial year Y-1		
VI - NET INCOME FOR TAX PURPOSES		**3 925 811**
Net profit for tax purposes (A-C)		3 925 811
Net loss for tax purposes (B)		
VII - ACCUMULATED DEFERRED DEPRECIATION ALLOWANCES		
VIII - ACCUMULATED TAX LOSSES TO BE CARRIED FORWARD		
- Financial year Y-4		
- Financial year Y-3		
- Financial year Y-2		
- Financial year Y-1		

(1) up to the value of gross profit for tax purposes (A)

APPROPRIATION OF INCOME at 31 December 2015

(in MAD thousands)

	Amount		Amount
A- Origin of appropriated income		**B- Appropriation of income**	
Earnings brought forward	1 194	To legal reserve	-
Net income awaiting appropriation		Dividends	2 035 272
Net income for the financial year	3 544 114	Other items for appropriation	1 503 685
Deduction from income		Earnings carried forward	6 351
Other deductions			
TOTAL A	**3 545 308**	**TOTAL B**	**3 545 308**

SHAREHOLDING STRUCTURE at 31 December 2015

(in MAD thousands)

Name of main shareholders or associates	Address	Number of shares held - Previous period	Number of shares held - Current period	% of share capital
A- DOMESTIC SHAREHOLDERS				
* S.N.I	ANGLE RUES D'ALGER ET DUHAUME CASA	97 360 360	97 433 137	47.87%
* GROUPE MAMDA & MCMA	16 RUE ABOU INANE RABAT	16 708 318	16 708 318	8.21%
* WAFA ASSURANCE	1 RUE ABDELMOUMEN CASA	13 456 468	13 456 468	6.61%
* REGIME COLLECTIF D'ALLOCATION ET DE RETRAITE (*)	HAY RIAD - B.P 20 38 - RABAT MOROCCO	-	10 417 416	5.12%
* CIMR	BD ABDELMOUMEN CASA	5 675 608	5 675 608	2.79%
* PERSONNEL DE LA BANQUE	***************************	6 466 758	5 346 597	2.63%
* CAISSE MAROCAINE DE RETRAITE	140 PLACE MY EL HASSAN RABAT	4 405 769	4 405 769	2.16%
* CAISSE DE DEPOT ET DE GESTION	140 PLACE MY EL HASSAN RABAT	3 576 531	3 576 531	1.76%
* AL WATANIYA	83 AVENUE DES FAR CASA	2 683 942	2 683 942	1.32%
* AXA ASSURANCES MAROC	120 AVENUE HASSAN II CASA	2 036 558	2 036 558	1.00%
* OPCVM ET AUTRES DIVERS ACTIONNAIRES	***************************	40 441 300	31 071 268	15.27%
B- FOREIGN SHAREHOLDERS				
*SANTUSA HOLDING	PASEO DE LA CASTELLANA N° 24 MADRID (SPAIN)	10 715 614	10 715 614	5.26%
TOTAL		**203 527 226**	**203 527 226**	**100.00%**

* The shares held by the RCAR as of December 31, 2014 did not exceed 5% of capital and were classified in the "UCITS and other shareholders"

BRANCH NETWORK at 31 December 2015

(in MAD thousands)

BRANCH NETWORK	12/31/2015	12/31/2014
Permanent counters	1154	1106
Occasional counters		
Cash dispensers and ATMs	1189	1142
Overseas branches	70	70
Overseas representative offices	4	4

STAFF at 31 December 2015

(in MAD thousands)

STAFF	12/31/2015	12/31/2014
Salaried staff	7 917	7 678
Staff in employment	7 917	7 678
Full-time staff	7 917	7 678
Administrative and technical staff (full-time)		
Banking staff (full-time)		
Managerial staff (full-time)	4 151	3 978
Other staff (full-time)	3 766	3 700
Including Overseas staff	58	50

SUMMARY OF KEY ITEMS OVER THE LAST THREE PERIODS at 31 December 2015

(in MAD thousands)

ITEM	DECEMBER 2015	DECEMBER 2014	DECEMBER 2013
SHAREHOLDERS' EQUITY AND EQUIVALENT	**30 623 461**	**28 988 001**	**27 377 268**
OPERATIONS AND INCOME IN FY			
Net banking income	10 840 770	11 448 552	10 135 404
Pre-tax income	5 118 408	5 368 254	4 747 064
Income tax	1 452 990	1 824 140	1 457 578
Dividend distribution	2 035 272	1 933 508	1 811 188
PER SHARE INFORMATION (IN MAD)			
Earning per share			
Dividend per share	10,00	9,50	9,00
STAFF			
Total staff costs	**1 854 299**	**1 773 329**	**1 683 047**
Average number of employees during the period			

KEY DATES AND POST-BALANCE SHEET EVENTS at 31 December 2015

(in MAD thousands)

I- KEY DATES	
. Balance sheet date (1)	**31 décembre 2015**
. Date for drawing up the financial statements (2)	**févr-16**

(1) Justification in the event of any change to the balance sheet date
(2) Justification in the event that the statutory 3-month period for drawing up the financial statements is exceeded

II. POST-BALANCE SHEET ITEMS NOT RELATED TO THIS FINANCIAL YEAR KNOWN BEFORE PUBLICATION OF THE FINANCIAL STATEMENTS

Dates	Indication of event
. Favorable	**Not applicable**
. Unfavourable	**Not applicable**

CUSTOMER ACCOUNTS at 31 December 2015

(in MAD thousands)

	12/31/2015	12/31/2014
Current accounts	160 614	147 847
Cheque accounts of Moroccans living abroad	783 047	770 663
Other current accounts	1 811 383	1 637 572
Factoring liabilities	0	0
Savings accounts	827 807	780 277
Term accounts	17 424	16 848
Certificates of deposit	4 156	4 006
Other deposit accounts	1 062 686	871 527
TOTAL	**4 667 117**	**4 228 740**

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