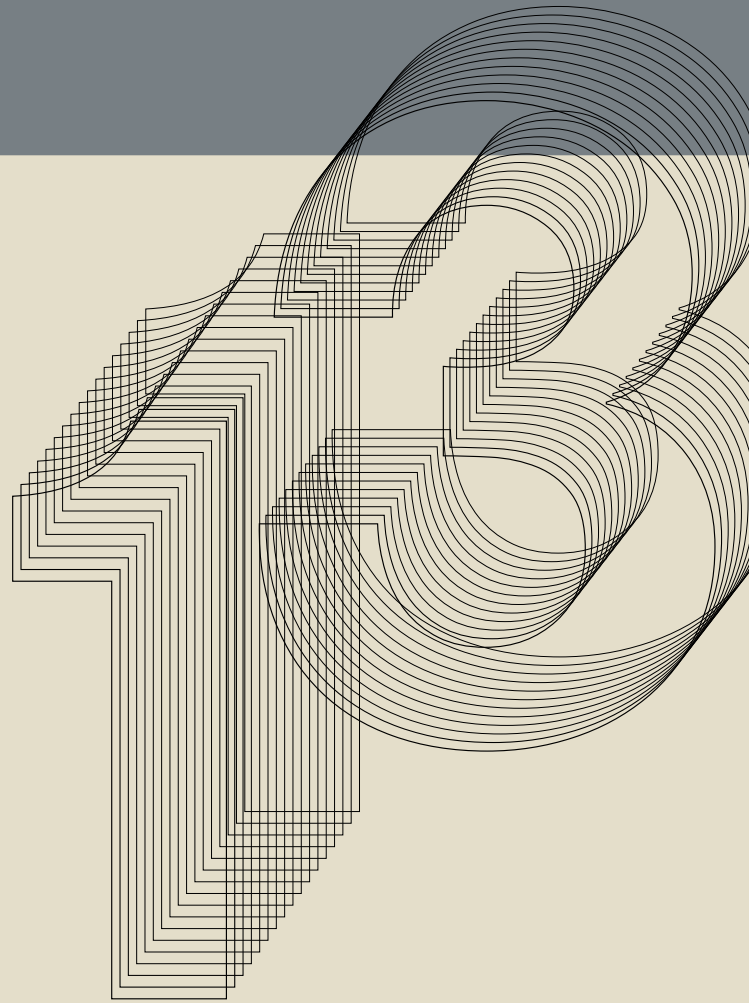


التجاري وفا بنك
Attijariwafa bank

Pillar III - Basel II

as of 31 December

13



Pillar III : Quantitative and Qualitative Information

The publication of financial information regarding regulatory capital and risk-weighted assets is conducted on consolidated basis in compliance with article 2 of circular 44/G/2007. Other information are published on individual basis for the parent company's perimeter and the significant subsidiaries in compliance with article 8 of the same circular.

The third pillar of the Basel agreement has the aim of promoting market discipline via the publication of a series of data completing the financial communication. The purpose of this communication is to allow market players to assess the items of essential information on regulatory capital, exposure to each risk category, risk assessment approaches and therefore, the capital adequacy of the bank.

1. Equity Risk Management and Capital Adequacy

1-1 Breakdown of regulatory capital

At 31 December 2013, the Attijariwafa bank Group regulatory capital consisted of Tier 1 capital and Tier 2 capital.

Core capital (Tier 1) is determined on the basis of the Group's book capital less 50% of the investment holdings not included within the scope of consolidation and held in the capital of credit institutions and similar in Morocco and overseas and entities carrying out banking-related activities in Morocco and overseas as well as prudential filters.

Tier 2 capital consists primarily of subordinated debt and is also adjusted by deducting 50% of the investment holdings not included within the scope of consolidation and held in the capital of credit institutions and similar in Morocco and overseas and entities carrying out banking-related activities in Morocco and overseas. A discount is also applied to subordinated debt with a maturity of less than 5 years. The sum of subordinated debt is restricted to the equivalent of 50% of core capital.

(in thousand MAD)

	12/31/2012	12/31/2013
Core capital	26 388 020	28 822 866
Items to be included in core capital	33 708 178	36 339 519
Items to be deducted from core capital	- 7 320 157	- 7 516 653
Regulatory Deduction	- 219 068	- 222 509
Core capital after deduction (Tier 1)	26 168 952	28 600 357
Supplementary capital	8 440 260	8 238 180

Including :

Underlying value added resulting from the holding of investment securities (AFS)	255 010	208 737
Subordinated debt which initial term above or equal to five years(*)	8 020 000	7 893 480
Regulatory Deduction	-219 068	-222 509
Supplementary capital after deduction (Tier 2)	8 221 191	8 015 671
Total of regulatory capital after deduction of investments in credit institutions and finance companies	34 390 143	36 616 028

(*) Within the limit of 50% of tier 1 prior to deduction of investments in credit institutions and finance companies.

At the end of December 2013, the Tier 1 of the Group amounted to 28 600 357 thousand MAD. The supplementary capital (Tier 2), amounted to 8 015 671 thousand MAD. The total of regulatory capital amounted to 36 616 028 thousand MAD, i.e. up by 6.47% vs. December 2012.

1-2 Capital adequacy (ICAAP)¹

In the framework of Pillar III, Attijariwafa bank has set up a forecasting process for the monitoring and the evaluation of the adequacy of capital so as to make sure that own funds permanently cover risk exposure in compliance with the rules put forth by the regulator.

1-3 Capital requirement

At 31 December 2013, the capital requirement in the framework of Basel II for Attijariwafa bank Group amounted to 23 023 944 thousand MAD. This is calculated by the standardised approach for credit, counterparty and market risks and basic indicator approach for operational risks.

(in thousand MAD)

	31/12/2012	31/12/2013
Credit and Counterparty Risk	19 907 598	20 115 156
Credit Risk ^(*)	19 776 939	20 011 651
Counterparty Risk	130 659	103 505
Market Risk	917 485	559 913
Operational Risk	2 219 156	2 348 875
Total	23 044 239	23 023 944

(*) y compris le risque de crédit sur les autres actifs (immobilisations corporelles, divers autres actifs et titres de participation)

	Pillar II	
	Risk Covered	Measurement methodologies
Credit and Counterparty Risk	✓	Standardised Approach
Market Risk	✓	Standardised Approach
Operational Risk	✓	BIA (Basic Indicator Approach)

1-4 Ratio de Solvabilité

At 31 December 2013, the Group's core capital amounted to 9.94 % and the Group's capital adequacy ratio stood at 12.72%.

(en milliers de dirhams)

	31/12/2012	31/12/2013
Core Capital	26 168 952	28 600 357
Total Regulatory Capital	34 390 143	36 616 028
Risk-weighted assets	288 051 122	287 799 304
Tier 1 Ratio	9.08 %	9.94 %
Capital Adequacy Ratio	11.94 %	12.72 %

2. System established for identification, measurement and management of risks

2-1 Method for assessment of items in the negotiation portfolio

The shares, currency securities, raw materials on the organized market, raw materials on the over-the counter market are assessed at the market price.

The foreign exchange options are assessed using the Garman-Kohlhagen² model.

2-2 Net credit risk on derivative instruments

The counterparty credit risk on derivative instruments at 31 December 2013 amounted to 1 031 215 thousand MAD. The breakdown of this exposure per segment is as follows :

(in thousand MAD)

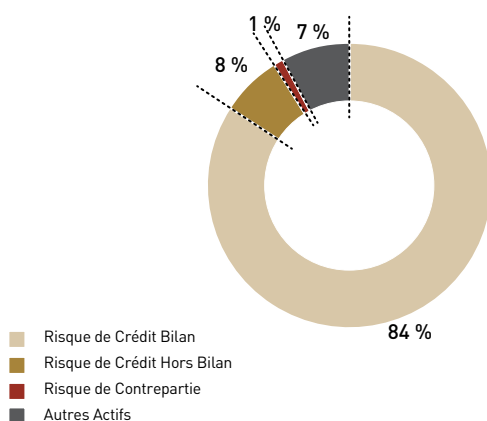
Exposure category	Counterparty Credit Risk
Institutions	11 731
Credit Institutions and equivalent	371 285
Customers	648 199
Total	1 031 215

2-3 Impact of degradation of external credit quality ratings on the amount of real securities to be provided

In compliance with circular 26/G/2006, Attijariwafa bank opted to risk weight all corporate claims at 100% without regard to external ratings.

2-4 Level of exposure pursuant to counterparty risk

The counterparty risk represents 1% of the total counterparty credit/risk. It concerns repos, reverse repos and OTC derivatives in the banking and transactions in the trading book.



2- Black & Scholes derivative model for application to foreign exchange options

2-5 Counterparty credit risk: exposures covered by collateral

The total amount of eligible collateral on counterparty credit risk is 1 032 643 thousand MAD.

The cash collateral mainly impacts the repos and reverse repos.

(in thousand MAD)

Exposition at default	Collateral
41 717 443	1 032 643

2-6 Guarantees

(in thousand MAD)

	Guarantees
Sovereign	970 683
Institutions	19 166 313
Customers	76 169
Credit institutions and equivalent in Morocco and abroad	679 042
Total	20 892 207

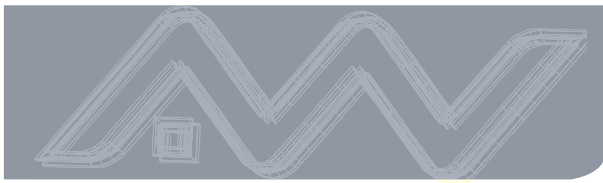
2-7 Credit Concentration Risk per Mitigants

(in thousand MAD)

	Exposition At Default	Eligible Guarantee	Eligible Collateral
Sovereign	72 826 121	970 683	220 195
Institutions	34 709 065	19 166 313	189
Credit institutions and similar establishments	28 302 284	679 042	1 299 227
Large Enterprises	166 007 178	76 052	227 121
Small and Medium sized enterprises	35 230 258	117	157 513
Very small Enterprises	1 284 394	-	43 962
Retail customers	79 170 752	-	89 891
Total	417 530 051	20 892 207	2 038 098

3. Information in individual basis for significant subsidiaries

The information concerning the Capital adequacy ratio of the main subsidiaries of the Group are presented as follows:



Attijariwafa bank

(in thousand MAD)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Attijariwafa bank	Bank Al Maghrib	12%	22 736 984	185 951 431	12.23%

Attijariwafa bank Europe

(in Euros)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Attijariwafa bank Europe	CBF	10%	46 234 066	248 524 350	18.60%

CBF: Commission Bancaire Française

Attijari bank Tunisie

(in thousand Tunisian dinars)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Attijari bank Tunisie	BCT	9%	330 162	3 020 576	10,93%

BCT : Banque Centrale de Tunisie

Wafasalaf

(in thousand MAD)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Wafasalaf	Bank Al Maghrib	12%	1 296 141	10 795 010	12.01%

Wafabail

(en milliers de dirhams)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Wafabail	Bank Al Maghrib	12%	944 624	7 843 595	12.04%

Wafa Immobilier

(in thousand MAD)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
Wafa Immobilier	Bank Al Maghrib	12%	52 581	271 475	19.37%

Attijari Factoring

(en milliers de dirhams)	Régulateur	Minimum requis	Fonds propres	créances pondérées	Ratio
Attijari Factoring	Bank Al Maghrib	12%	131 293	1 073 445	12.23%

Wafa Assurance

(in thousand MAD)	Supervisor	Margin	Minimum of Solvency Margin	Ratio
Wafa Assurance	DAPS	4 935 953	1 461 789	337.67%

DAPS : Direction des Assurances et de la Prévoyance Sociale

CBAO

(in million FCFA)	Supervisor	Minimum required	Regulatory Capital	Risk-weighted assets	Ratio
CBAO	BCEAO	8%	57 461	396 504	14.49%

BCEAO: Banque Centrale des États de l'Afrique de L'Ouest

4. Enterprise 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.

Bord 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.

4-1 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 office	Function	Date of taking
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

4-2 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.

Members	Function	Title
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer	Chairman and Chief Executive Officer
Mr. Omar BOUNJOU	Co-CEO, Retail Banking Division	Managing Director
Mr. Ismail DOUIRI	Co-CEO, Finance, Technology and Operations Division	Managing Director
Mr. Boubker JAI	Co-CEO, Corporate and Investment Banking, Capital Markets and Financial Subsidiaries	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. Mouaouia ESSEKELLI	Managing Director, Attijariwafa bank Europe	Executive Director
Mr. Hassan BEDRAOUI	Transaction Banking Group	Deputy Managing Director
Mr. Hassan BERTAL	SMEs Banking	Deputy Managing Director
Mr. Talal EL BELLAJ	Global Risk Management	Deputy Managing Director
Mr. Chakib ERQUIZI	Capital Markets 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. Mounir OUDGHIRI	International Retail Banking	Deputy Managing Director
Mr. Youssef ROUSSI	Corporate & Investment Banking	Deputy Managing Director
Mr. Younes BELABED	Retail Banking Support & Resources	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
Mrs. Noufissa KESSAR	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

4-3 Other Committees emanating from 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.

Members	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer
Mr. Hassan BOUHEMOU	Director, Representing SNI
Mr. Antonio ESCAMEZ TORRES	Vice-chairman
Mr. José REIG	Director

• Major Risk Committee :

The Major 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.

Members	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer
Mr. Hassan BOUHEMOU	Director, Representing SNI
Mr. José REIG	Director
Guest Members	
Mr. Ismail DOUIRI	Co-CEO, Finance, Technology and Operations Division
Mr. Talal EL BELLAJ	Deputy Managing Director –Global Risk Management

• Audit and Accounts Committee :

The audit and accounts committee monitors the Risk, Audit, Internal Control, Accounting and Compliance functions. This committee meets quarterly.

Members	Function
Mr. Abed YACOUBI-SOUSSANE	Chairman
Mr. Hassan OURIAGLI	Director
Mr. José REIG	Director
Guest Members	
Mr. Talal EL BELLAJ	Deputy Managing Director - Global Risk Management Group
Mr. Ismail EL FILALI	Executive Director - General Audit
Mr. Rachid KETTANI	Executive Director - Group Finance

• Appointment and Remuneration Committee :

Meeting annually, the appointment and remuneration committee manages the appointments and remunerations of the group's principal executives.

Members	Function
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan BOUHEMOU	Director, Representing SNI
Mr. José REIG	Director



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