

# Attijariwafa bank presentation

Attijariwafa bank

December 2020

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Financial Communication

# 2020



التجاري وفا بنك  
Attijariwafa bank

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# Agenda



## **Overview of macroeconomic environment in AWB's countries of presence (2020 and 2021)**


Continued support of customers and communities through Covid-19 crisis

Liquidity, Capital Adequacy Ratio and Financial Performance

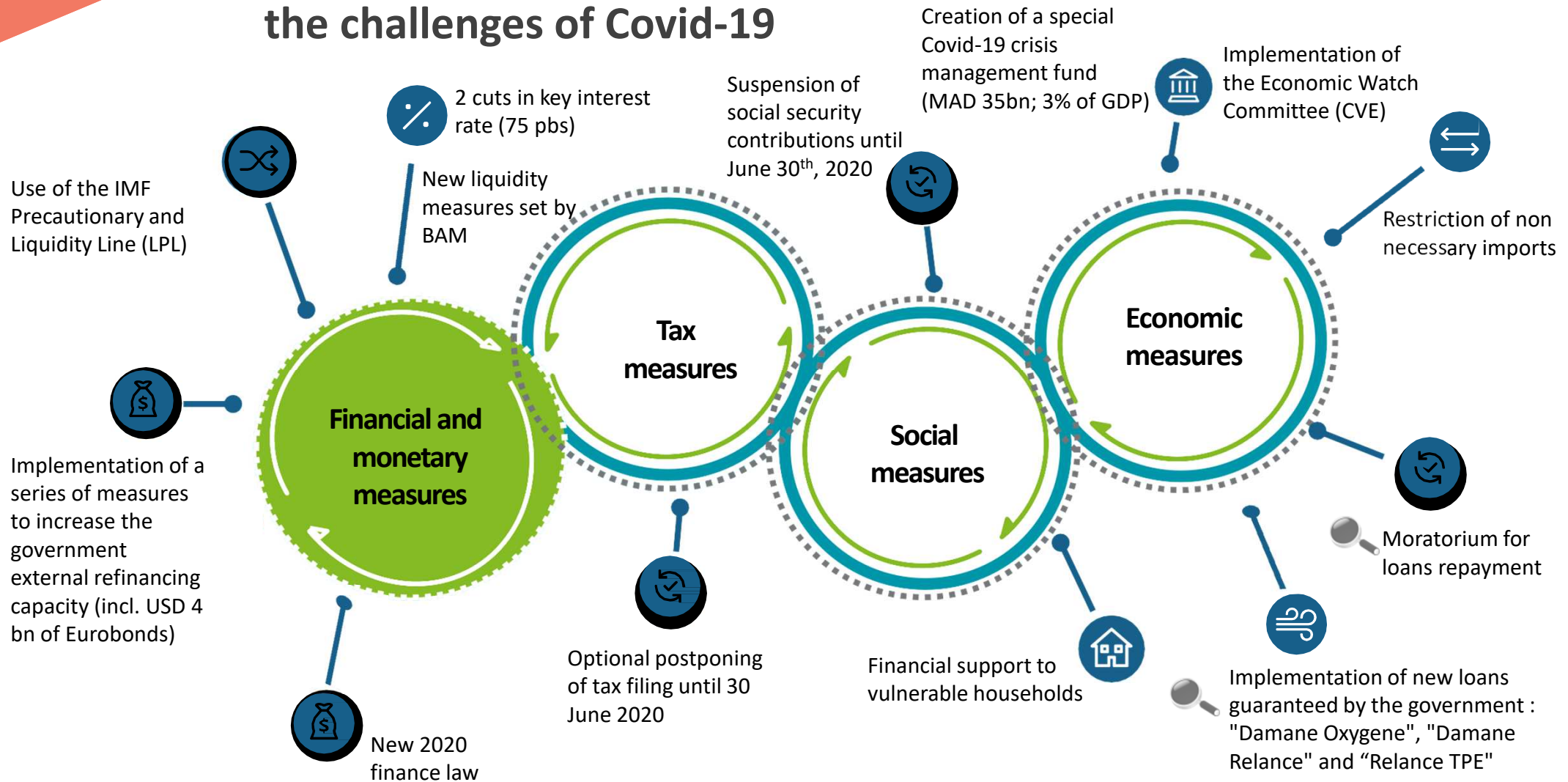
Back up

# Overview of the measures taken by AWB's countries of presence

**Morocco is among the African countries to have implemented a significant number of economic, fiscal, social and monetary measures to deal with the Covid-19 crisis**

Measures implemented	USA	Euro zone	UK	Morocco 	Egypt	Tunisia	EMCCA zone	WAEMU zone
Moratorium for loans repayment	X	X	X	X	X	X		X
Government backed loans	X	X	X	X				
<u>Central Bank</u> : Facilities provided to banks for liquidity management (including enlargement of eligibility conditions for collateral)	X	X	X	X		X	X	X
<u>Central Bank</u> : Liquidity injection	X	X	X	X		X	X	X
<u>Central Bank</u> : Interest rate cut	X		X	X	X	X	X	X
Suspension / postponing of dividend distribution	X	X	X	X		X		
Asset buyback program (QE - quantitative easing) - Purchase of public debt	X	X	X					
Asset buyback program (QE - quantitative easing) - purchase of private debt	X	X						
Easing of regulatory and / or accounting requirements	X	X	X	X			X	X

# Morocco: main answers from public authorities to address the challenges of Covid-19



- Creation of a **Special Fund** for the management of the Coronavirus pandemic (**MAD 35bn ; 3% of GDP**) including MAD 10bn from the budget and MAD 25bn from private and public companies and personal donations contributing to a **social cohesion and solidarity movement**
- A **MAD 120bn (~11% of GDP) economic recovery plan** launched by the government



# Macroeconomic environment in Morocco

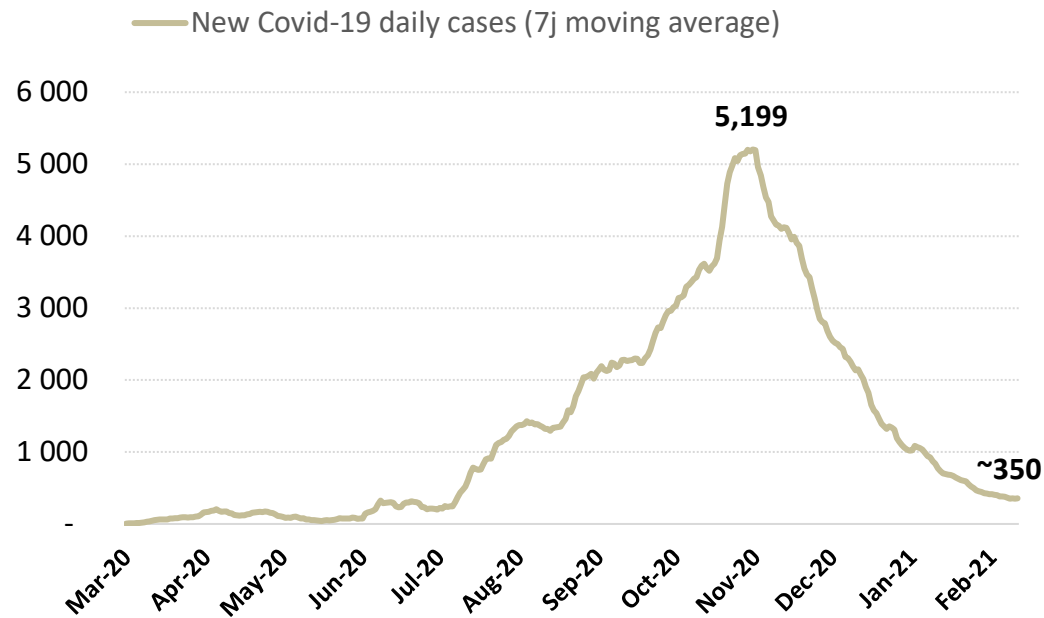
## Outlook and main indicators

Main indicators	Average 2016-2018	2019	2020 Initial Forecast	2020	2020 BAM Forecast	2021 <sup>F</sup>
GDP growth (%)	2.7%	2.6%	3.5%	-7.1%	-6.6%	3.8%
Non agricultural GDP (%)	3.0%	3.3%	3.0%	-6.9%	-6.6%	3.0%
Agricultural GDP (%)	1.1%	-4.3%	6.4%	-8.1%	-5.3%	11.0%
Domestic consumption	3.5%	3.3%	3.5%	-9.4%		3.5%
Export G&S (%)	6.6%	4.2%	7.0%	-15.9%	-16.6%	7.6%
Import G&S (%)	8.4%	1.2%	5.6%	-16.5%	-17.4%*	8.0%*
Current account deficit (%GDP)	-4.3%	-4.1%	-4.6%	-4.2%	-4.2%	-3.3%
Foreign currency reserves (months of imports)	6.0	5.0	5.4	7.3	7.1	7.0
Budget deficit (%GDP)	-3.9%	-4.1%	-3.7%	-7.8%	-7.7%	-6.5%
Treasury debt (%GDP)	65.1%	65.0%	66.2%	76.2%	76.1%	76.0%

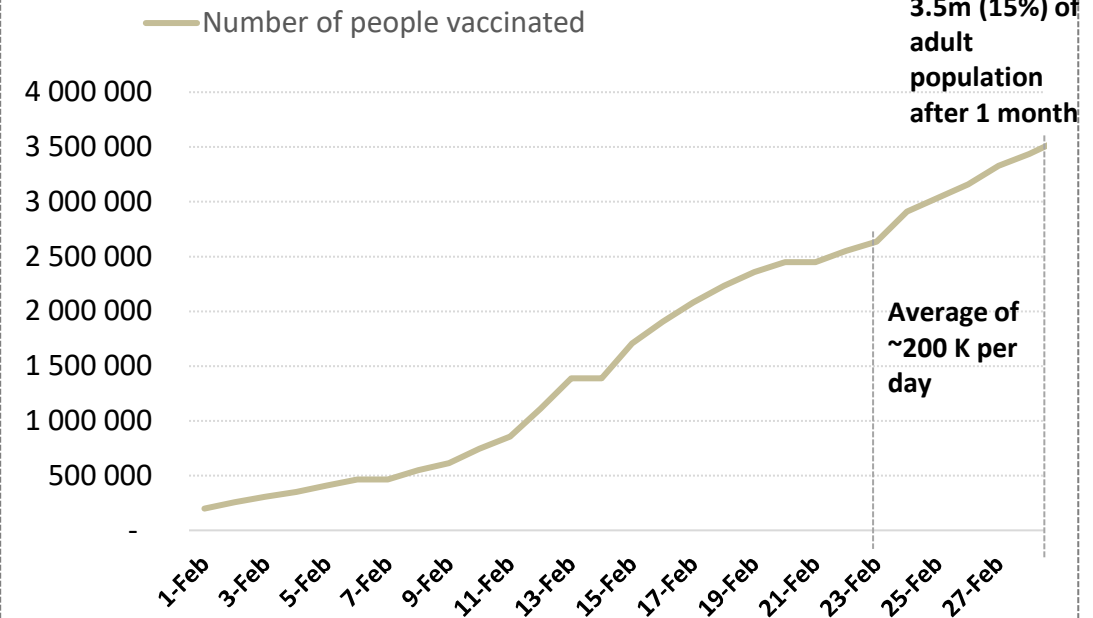
Internal AWB's forecast; BAM  
(\* ) Imports of goods

# Positive trend of Covid-19 new cases and vaccination pace

## Number of cases



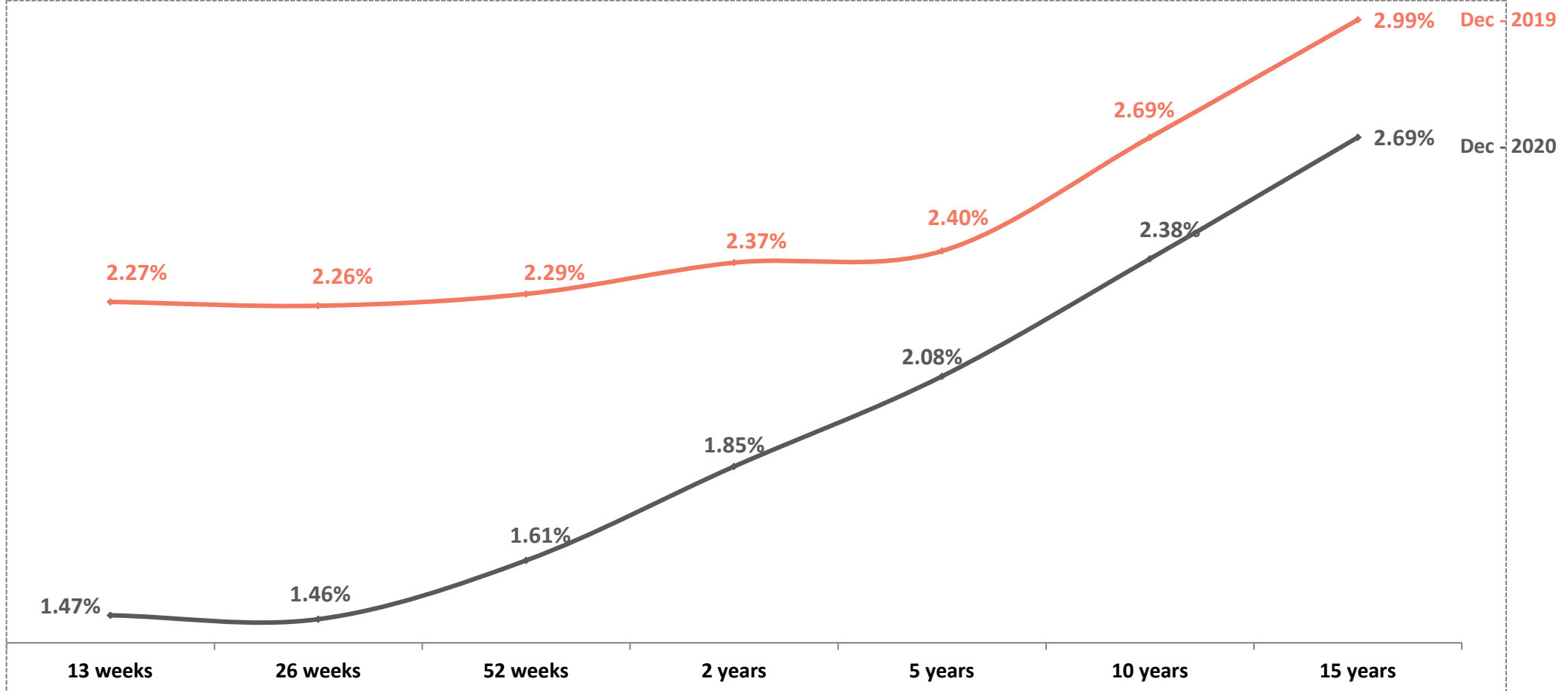
## Evolution of the vaccination campaign



# Sovereign bonds yield curve trend between Dec 2019 and Dec 2020

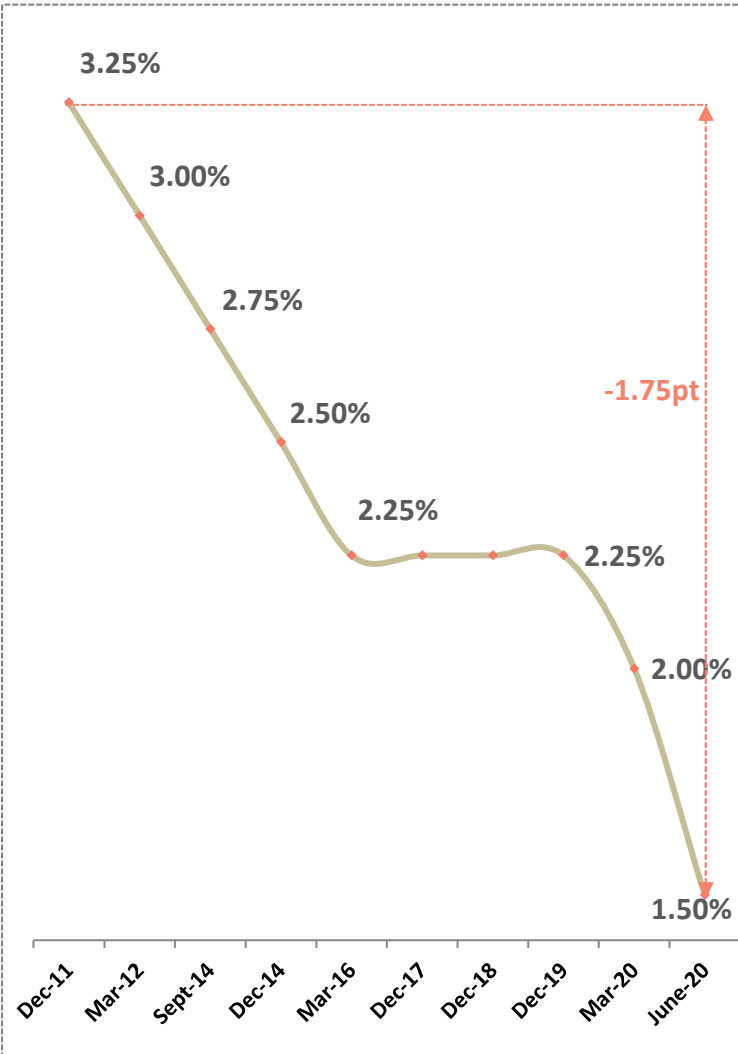
— Dec - 2020  
— Dec - 2019

- 2 successive Cuts in key interest rate **to 1.50%** (**25bps** in March and **50 bps** in June 2020)
- Mandatory cash reserve at **0%** of deposits vs. **2%** before

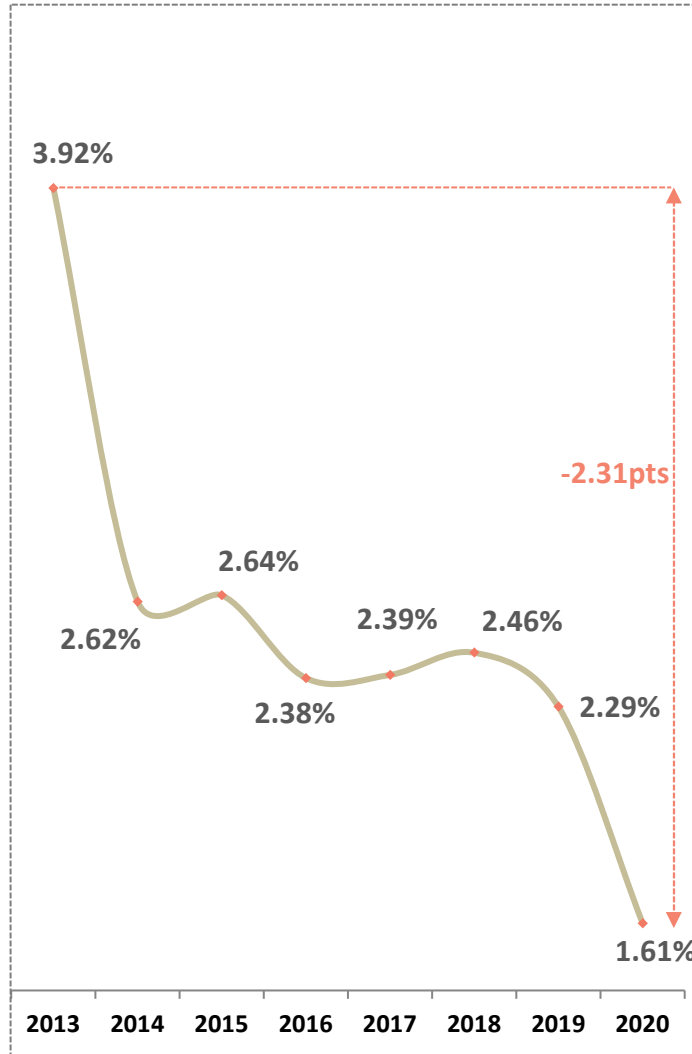


# Sovereign bonds yield curve trend since 2013

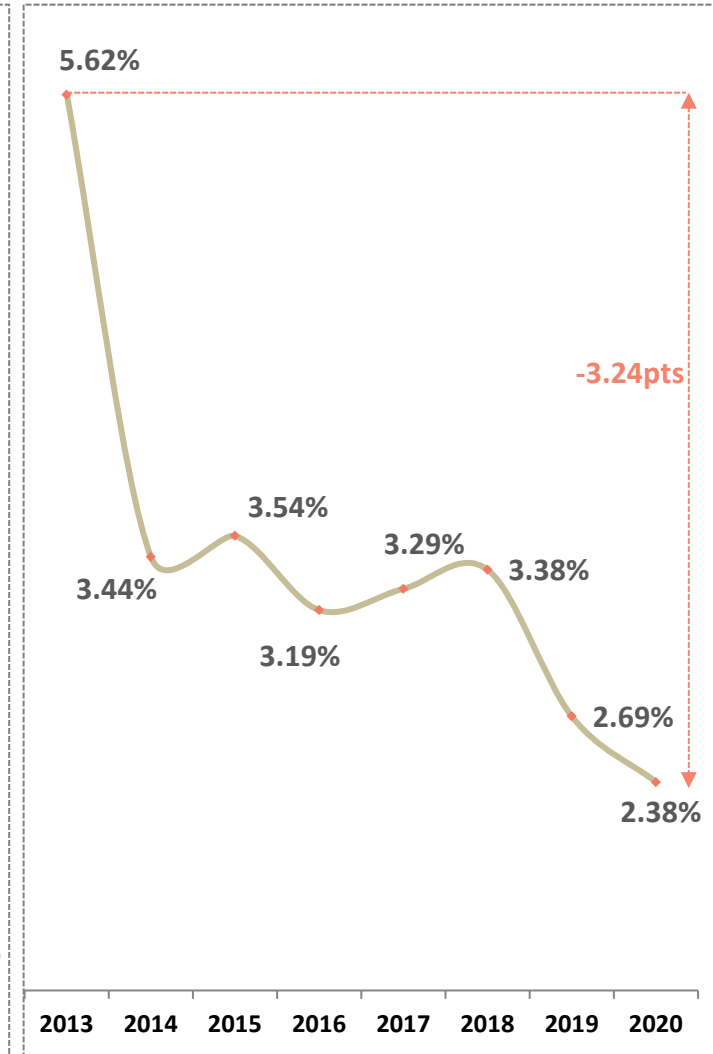
Key interest rate



52w Sovereign bonds



10y Sovereign bonds





# Exchange rates trend in 2020






— EUR/MAD  
— USD/MAD



**March 9<sup>th</sup>, 2020:** Widening the fluctuation band of the dirham from +/- 2.5% to +/- 5.0% compared to a Central rate set by BAM




+15.8%

## Macroeconomic environment in AWB's main countries of presence – Focus on economic growth

Real GDP growth (%)	2019	2020 <sup>F</sup>	2021 <sup>F</sup>
 Egypt	5.6%	3.5%	2.8%
 Tunisia	1.0%	-7.0%	4.0%
 Ivory coast	6.5%	1.8%	6.2%
 Senegal	5.3%	-0.7%	5.2%
 Cameroon	3.9%	-2.8%	3.4%

IMF, BAD, BEAC

# Monetary policy in AWB's main countries of presence

Main countries of presence	Monetary policy after the crisis
 <p><b>Morocco</b></p>	<ul style="list-style-type: none"> <li>2 successive cuts in key interest rate to <b>1.50%</b> (<b>25bps</b> in March and <b>50 bps</b> in June 2020)</li> </ul>
 <p><b>Tunisia</b></p>	<ul style="list-style-type: none"> <li><b>150 bps cut of key interest rate to 6.25%</b> ( 100 bps in March and 50 bps in October 2020)</li> </ul>
 <p><b>Egypt</b></p>	<ul style="list-style-type: none"> <li><b>400 bps cut of key interest rate to 8.75%</b> in 2020 (<b>300 bps</b> in March 2020 and <b>50 bps</b> in September 2020 and <b>50 bps</b> in November 2020) after <b>450 bps decrease</b> in 2019 (<b>100 bps</b> in February 2019 and <b>150 bps</b> in August 2019, <b>100 bps</b> in September 2019 and <b>100 bps</b> in November 2019) and <b>200 bps decrease</b> in 2018 (<b>100 bps</b> in February 2018 and <b>100 bps</b> in April 2018)</li> </ul>
<p><b>WAEMU<sup>(1)</sup></b></p>	<ul style="list-style-type: none"> <li><b>50 bps</b> cut in the main key interest rates to <b>2.00%</b></li> </ul>
<p><b>EMCCA<sup>(2)</sup></b></p>	<ul style="list-style-type: none"> <li><b>25 pbs</b> cut of interest rate for to <b>3.25%</b></li> </ul>

(1) WAEMU: Senegal, Burkina Faso, Mali, Ivory-Coast, Benin, Niger, Togo and Guinea-Bissau.

(2) EMCCA: Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic and Chad

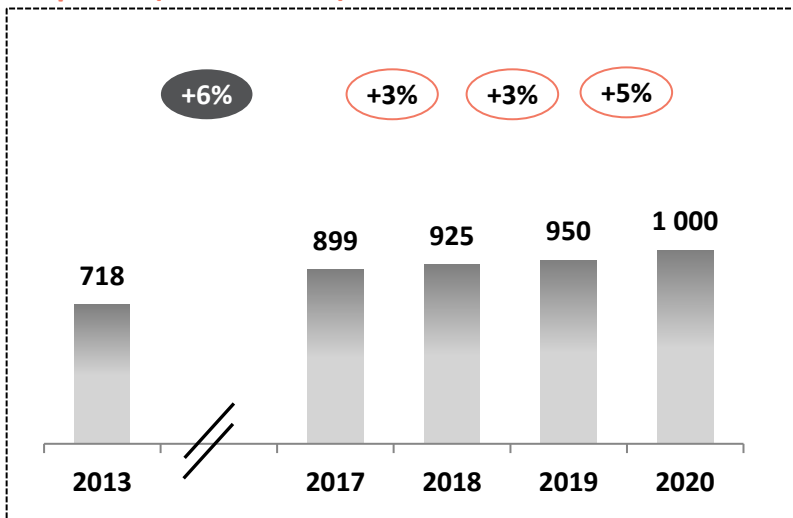
# Moroccan banking sector YoY growth

— YoY growth

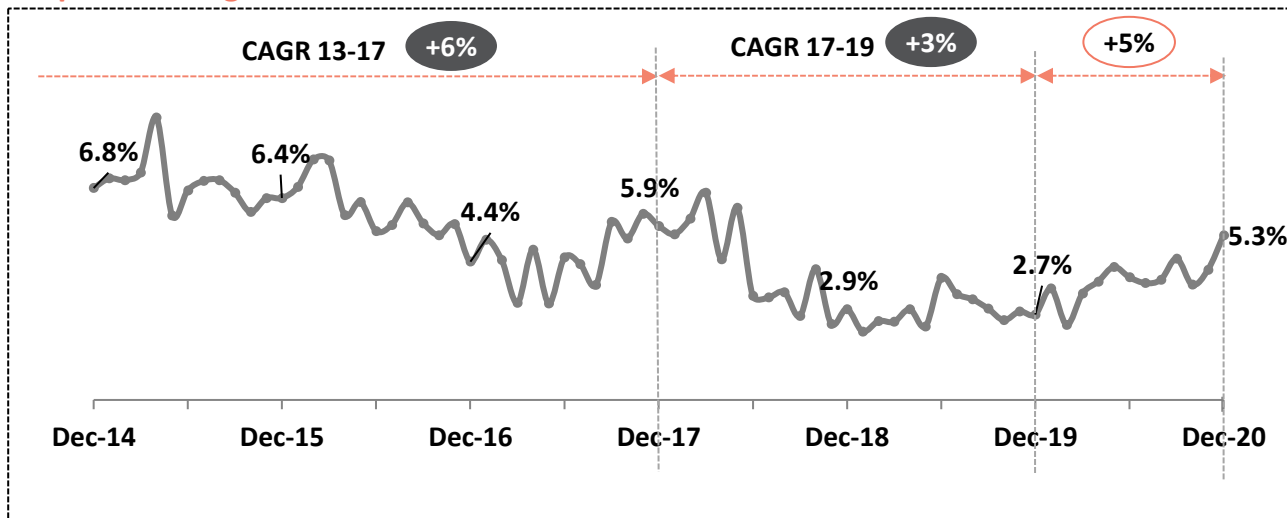
X% CAGR

X% +/-

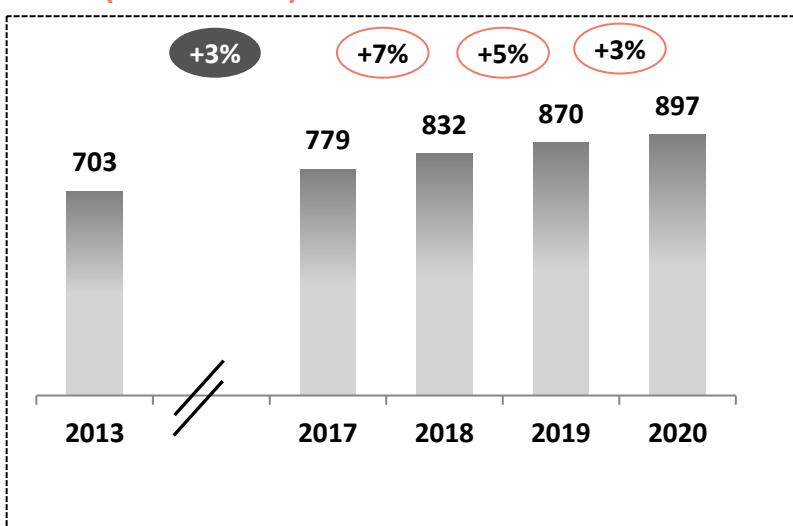
## Deposits (MAD billion)



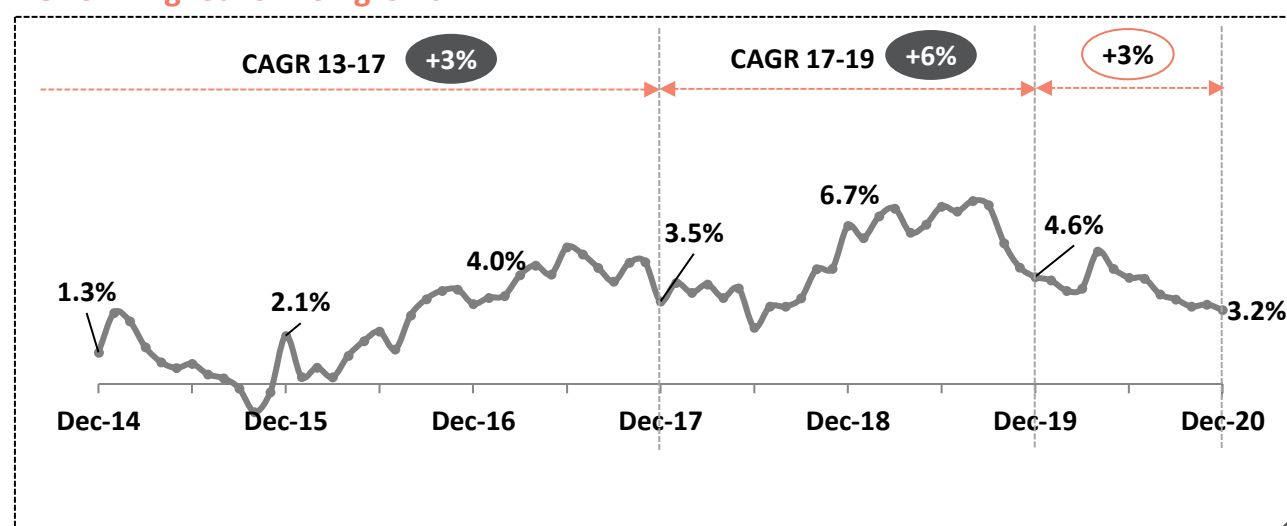
## Deposits: YoY growth



## Loans (MAD billion)



## Performing loans : YoY growth



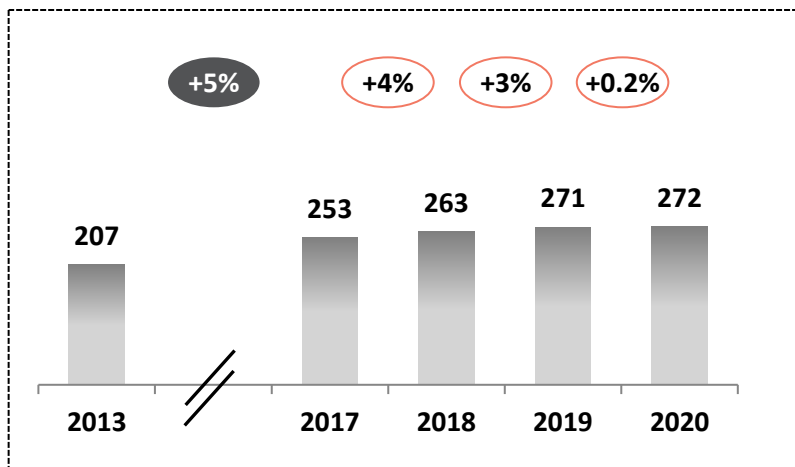
Source : GPBM (the Moroccan banking association)

# Moroccan banking sector

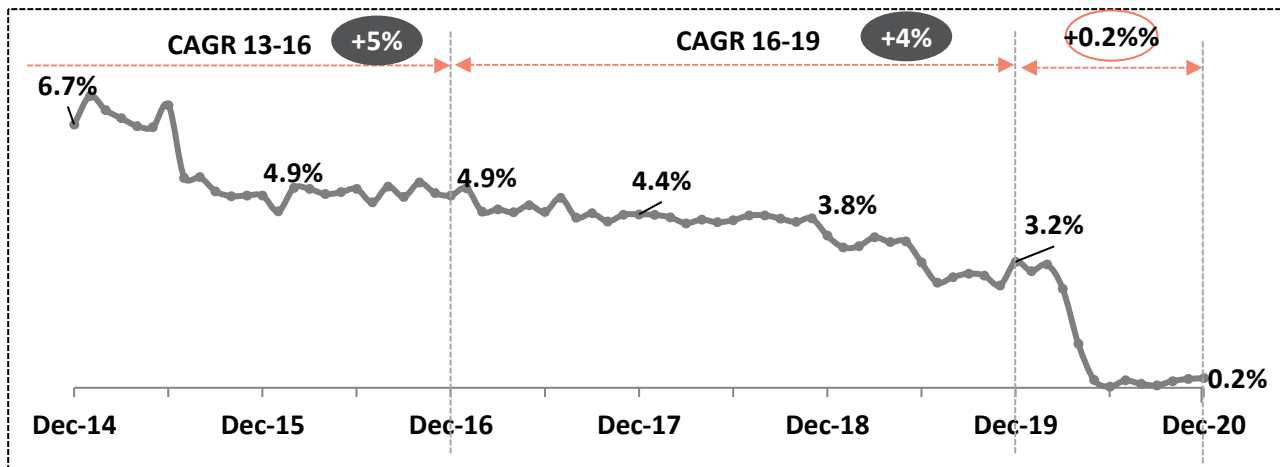
## YoY growth

— YoY growth  
 ● X% CAGR  
 ○ X% +/-

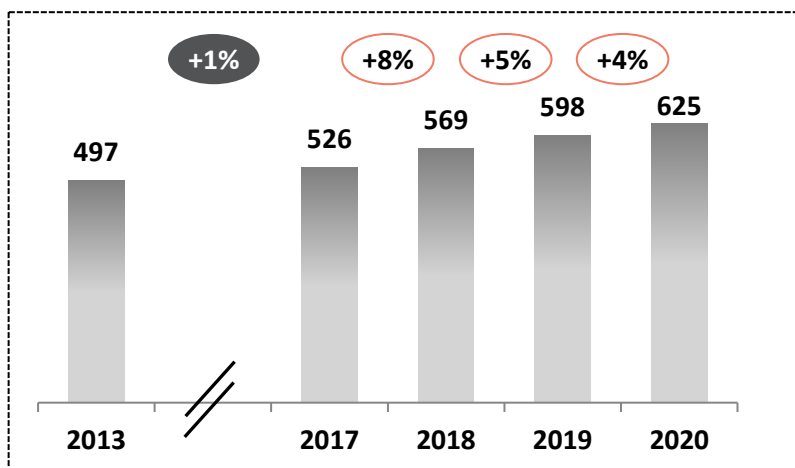
Retail loans <sup>(1)</sup> (MAD billion)



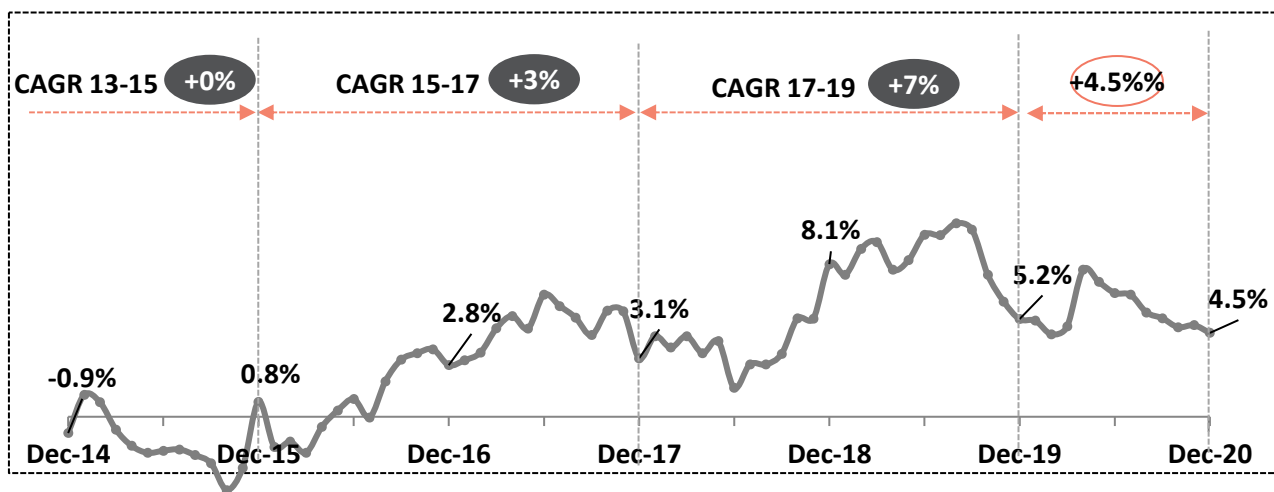
Retail loans: YoY growth



Corporate loans <sup>(2)</sup> (MAD billion)



Corporate loans : YoY growth



(1) Mortgage loans+ consumer loans

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

Source : GPBM (the Moroccan banking association)

# Focus on government backed loans to support VSMEs and Corporates during the crisis

April, 2020

June, 2020

« DAMANE OXYGENE »

« DAMANE RELANCE »

## Purpose

- Working capital loan in order to help VSMEs to finance their expenses (Wages, suppliers) during lockdown period

- Long term loan in order to support companies restarting the business

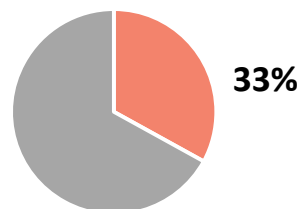
## Main features

- 3 months of current expenses of companies
- Guaranteed up to 95% by the government
- Rate: key interest rate + 200 bps
- Tenor: 9 months (could be transformed to a 5 years loan)

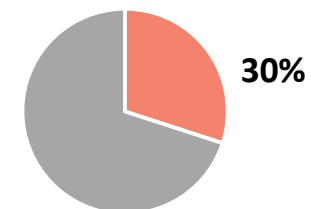
- 1 to 1.5 month of turnover
- Guaranteed for 80%-100% by the government
- Rate: key interest rate + 200 bps
- Tenor: 7 years

## AWB's market share

- Total loan already disbursed MAD17 bn** (AWB's market share: 33% as of 31<sup>st</sup> Dec 2020)



- Loans approved by the banking sector amounted to **MAD 36bn** as of 31<sup>st</sup> Dec 2020



# Agenda

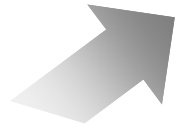
Overview of macroeconomic environment in AWB's countries of presence (2020 and 2021)

 **Continued support of customers and communities through Covid-19 crisis**

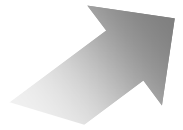
Liquidity, Capital Adequacy Ratio and Financial Performance

Back up

## Business continuity and operational resilience



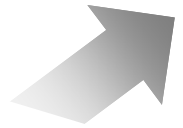
**5,548 branches, 100%** of the distribution network, remained open



**~100% of services** maintained in all geographies








**Up to ~70% of employees** of various headquarters working remotely







**~30 k PCR** test administrated



## Continued support for customers and communities

-  **Financing of 68,700 VSMEs** through disbursement of **MAD 40 bn new loans** in Morocco
-  **30-35% market share** for Damane loans (with government guarantee)
-  **Financing of 6,500** young entrepreneurs
-  **215,000 customers** benefiting from loan moratoria at no additional cost (**MAD 35 bn** or 20% of investment, mortgage and consumer loans) 🔍
-  **1.2 million** vulnerable households receiving government aid payments through AWB ATMs and branches

# 🔍 Loan moratoria as of 30 June 2020

		<b># cases</b> <i>Thousands of customers</i>	<b>Deferred outstanding loans</b> <i>MAD billion</i>
<b>Attijariwafa bank</b>		42	14
<b>Wafasalaf</b>		68	5
<b>Wafabail</b>		3	6
<b>Total Morocco</b>		<b>113</b>	<b>25</b>
<b>IRB</b>		<b>102</b>	<b>10</b>
<b>Total Group</b>		<b>215,000 customers</b>	<b>MAD 35 billion</b>

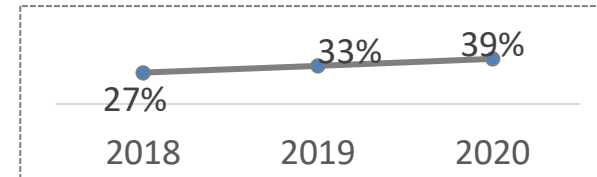
20% of investment, mortgage and consumer loans (on a consolidated basis)

# ...leveraging on best-in-class digital assets

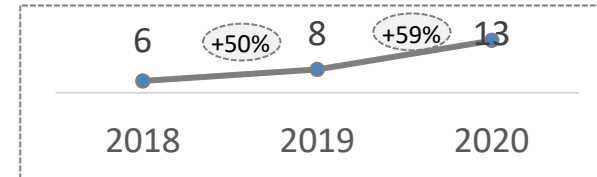
*Preserving business continuity as well as the safety of employees and customers is possible thanks to the digital transformation of recent years*



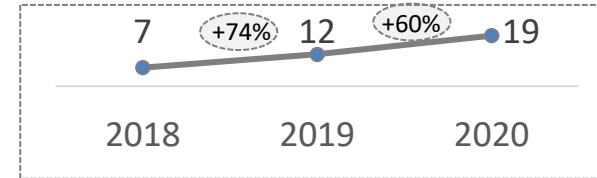
~**39%** of active digital customers



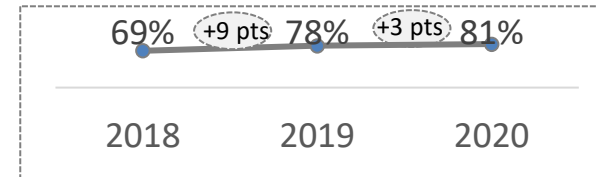
More than **13 millions** connections per month in 2020 (+60%)



~**19 million of transactions** processed through digital platforms in 2020



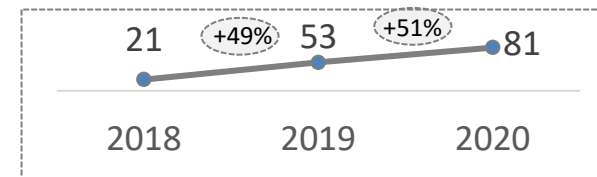
**81% of all transactions\*** processed through digital platforms in 2020



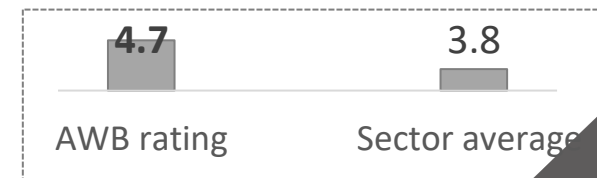
**81K customers** acquired by « L'BANKALIK », AWB's full digital Banking platform



Attijari mobile has the **highest rating for banking app in Morocco** (between **4.6 and 4.7** according to Android and Apple stores, vs. a sector average of 3.8)



**98%** customer satisfaction rate for the AWB digital experience



(\* ) All available operations on the various digital channels (e.g., transfers , provisions, bill payments) "virements unitaires"

# Agenda

Key measures taken by the Moroccan government and Central Bank to manage the global Covid-19 pandemic and its socio-economic impacts

Overview of Macroeconomic environment and banking sector growth in Morocco in 2020

 **Liquidity, Capital Adequacy Ratio and Financial Performance**

Back up

## FY 2020 consolidated P&L

<i>(in MAD million)</i>	FY 2019	FY 2020	Growth Rate	Growth Rate at a constant exchange rate
<b>Net banking income</b>	<b>23,473</b>	<b>23,858</b>	<b>1.6%</b>	<b>1.1%</b>
<i>Net interest income</i>	<i>14,937</i>	<i>15,785</i>	<i>5.7%</i>	<i>5.1%</i>
<i>Net fee income</i>	<i>5,148</i>	<i>4,771</i>	<i>-7.3%</i>	<i>-7.8%</i>
<i>Income from market activities</i>	<i>3,709</i>	<i>3,031</i>	<i>-18.3%</i>	<i>-18.5%</i>
<i>Others</i>	<i>-321</i>	<i>271</i>	<i>NA</i>	<i>NA</i>
<b>General operating expenses</b>	<b>11,223</b>	<b>11,084*</b>	<b>-1.2%</b>	<b>-1.8%</b>
<b>Gross operating income</b>	<b>12,250</b>	<b>12,775*</b>	<b>4.3%</b>	<b>3.8%</b>
<b>Cost of risk</b>	<b>1,589</b>	<b>5,454</b>	<b>243.2%</b>	<b>242.2%</b>
<b>Net income group share</b>	<b>5,816</b>	<b>3,018</b>	<b>-48.1%</b>	<b>-48.4%</b>
<b>Net income group share excl. the contribution to COVID-19 special fund</b>	<b>5,816</b>	<b>3,696</b>	<b>-36.5%</b>	<b>-36.7%</b>

(\*) excl. the contribution to COVID-19 special fund

## FY 2020 key financial indicators

	FY 2019	FY 2020
<b>Net interest margin* (bps)</b>	<b>461</b>	<b>473</b>
<b>Non-interest income** (bps)</b>	<b>160</b>	<b>142</b>
<b>Cost income ratio</b>	<b>47.8%</b>	<b>46.5%***</b>
<b>NPL ratio</b>	<b>6.6%</b>	<b>7.8%</b>
<b>Cost of risk</b>	<b>0.46%</b>	<b>1.51%</b>
<b>RoA</b>	<b>1.31%</b>	<b>0.78%***</b>
<b>RoE</b>	<b>14.8%</b>	<b>8.9%***</b>
<b>Leverage</b>	<b>9.9x</b>	<b>10.5x</b>

(\*) Net interest income / Customer loans

(\*\*) Non-interest income / total assets

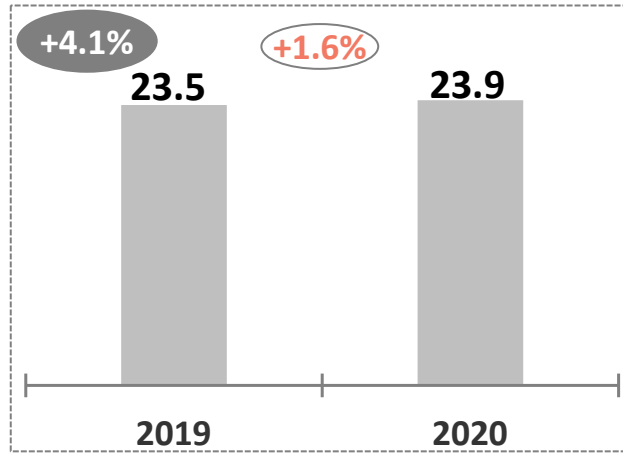
(\*\*\*) Excl. the contribution to COVID-19 special fund

# Growth of NBI by business line

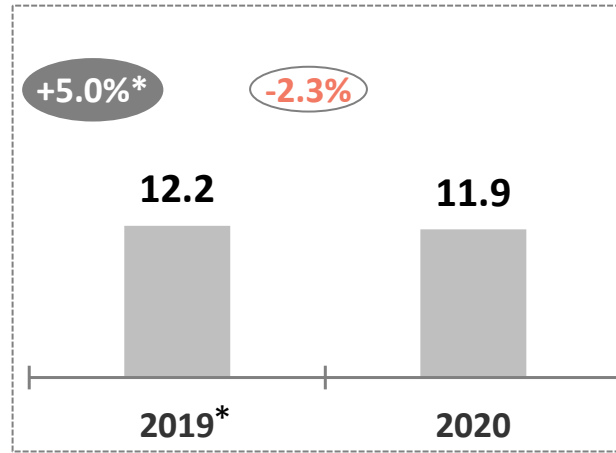
X% +/-  
 X% CAGR 17-19

MAD billion

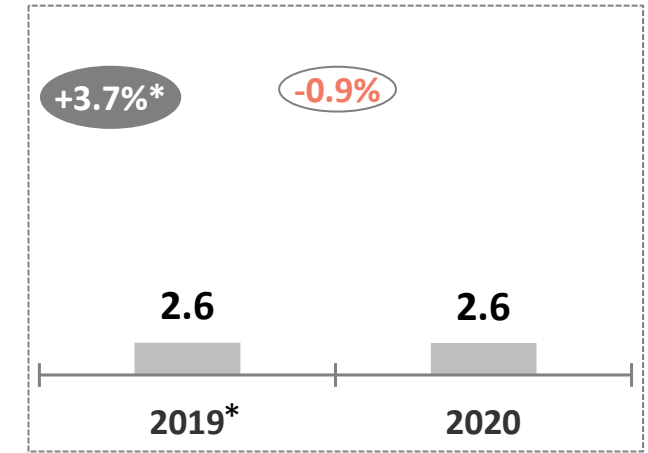
## NBI



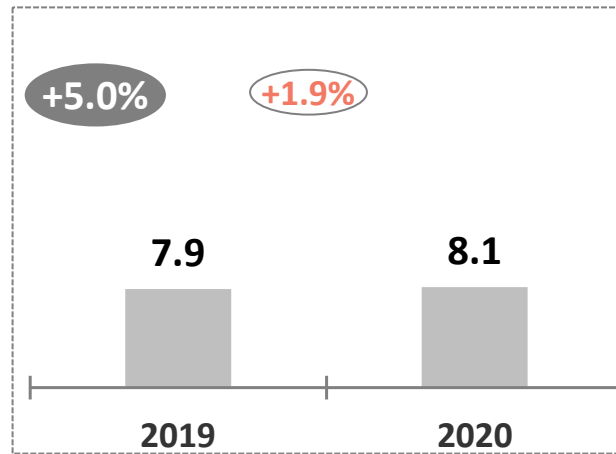
## BMET



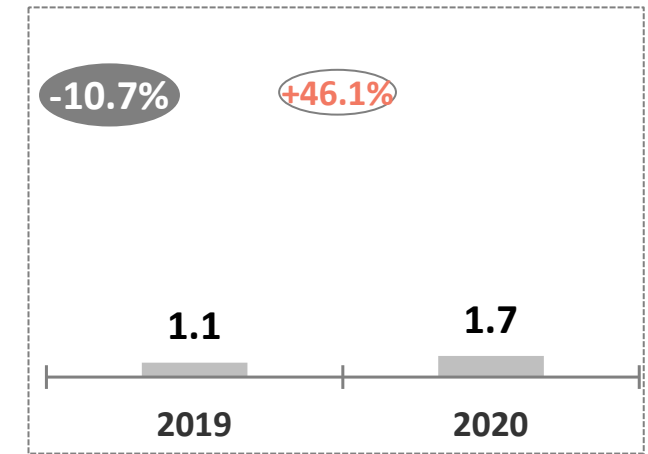
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance



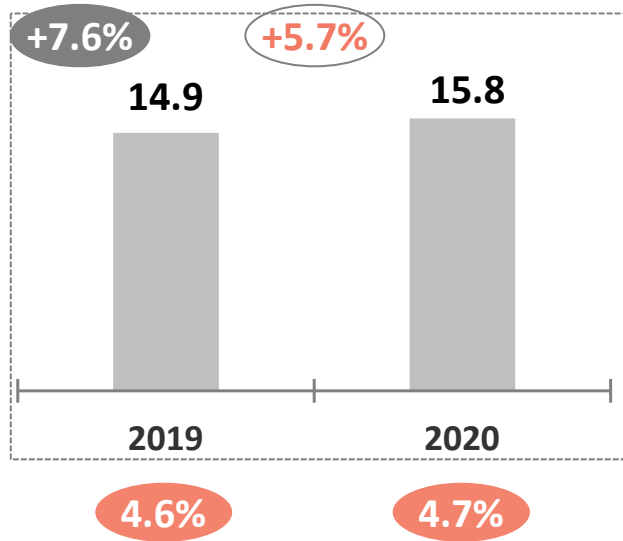
(\* ) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

# Net Interest Income by business line

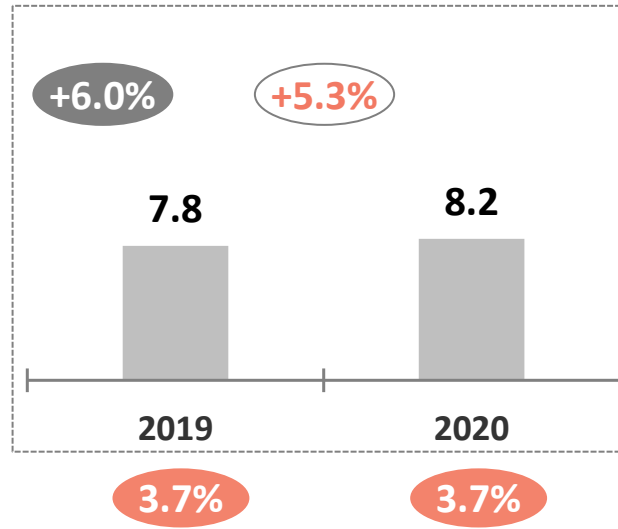
X% +/-  
 X% CAGR 17-19

MAD billion

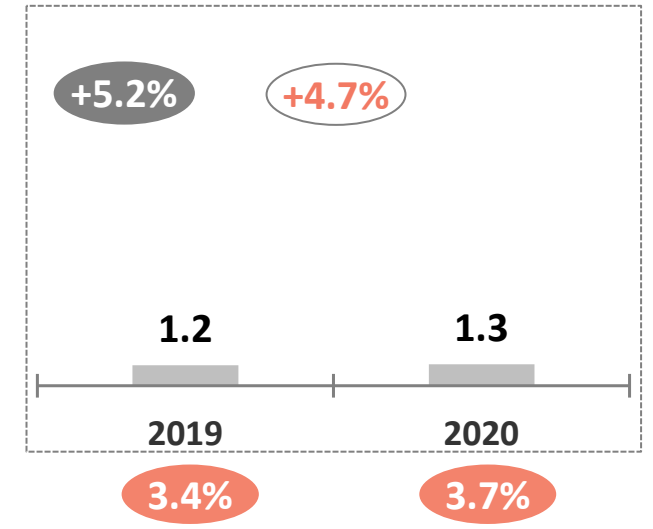
## Net interest income



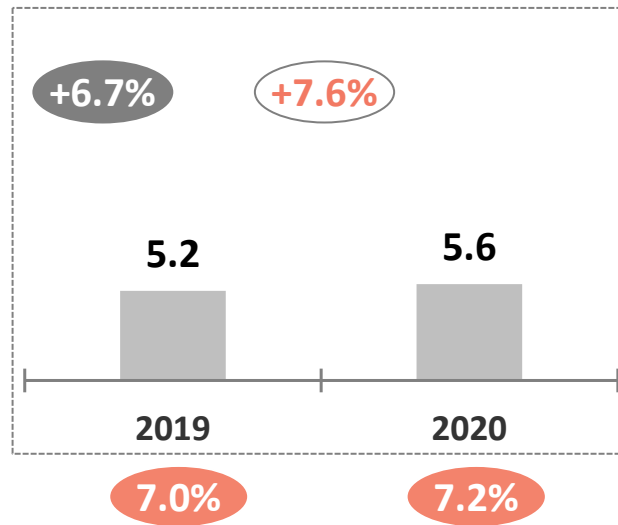
## BMET



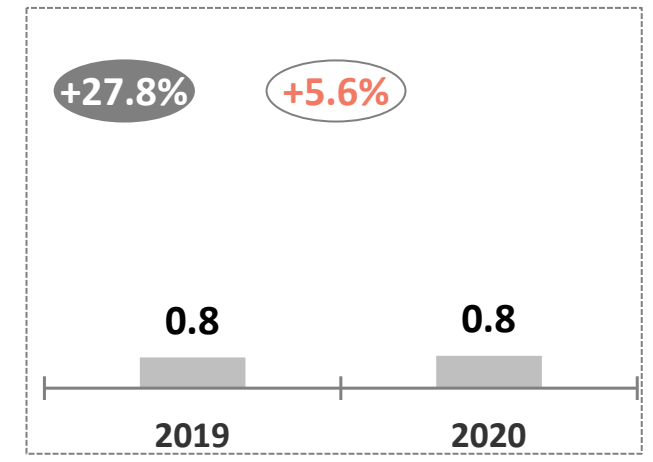
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance



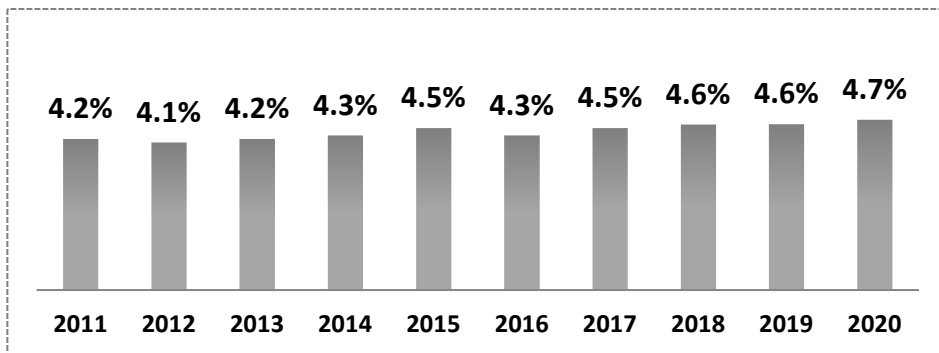
X% Net interest income / Loans



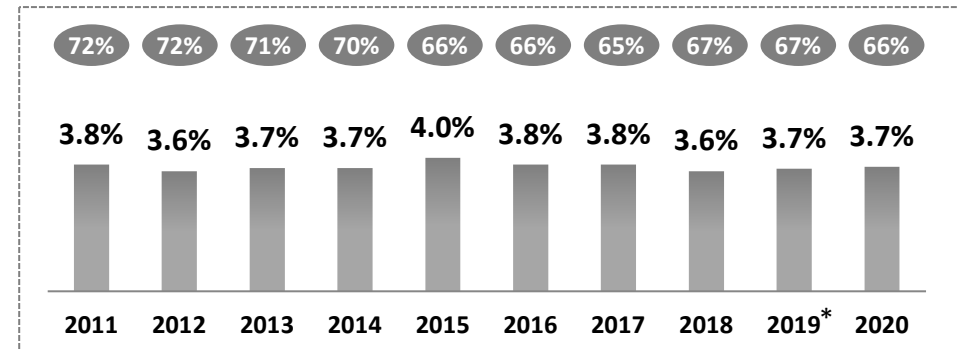
# Net interest margin by business line between 2011 and FY2020

xx% Contribution to net customer loans (end of period)

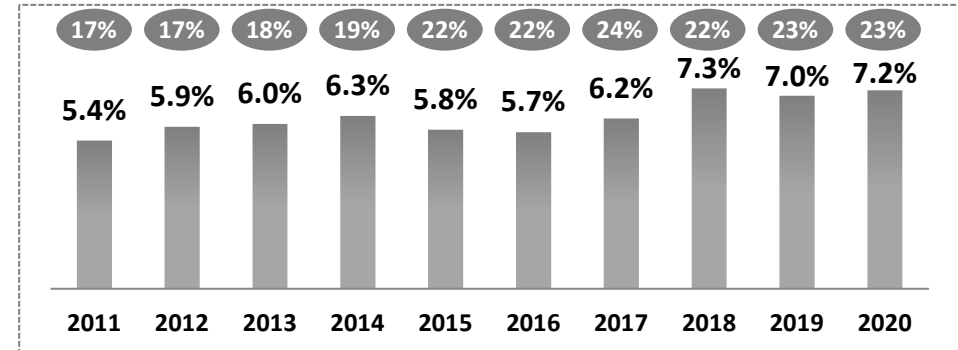
## Net interest margin/ customer loans (end of period)



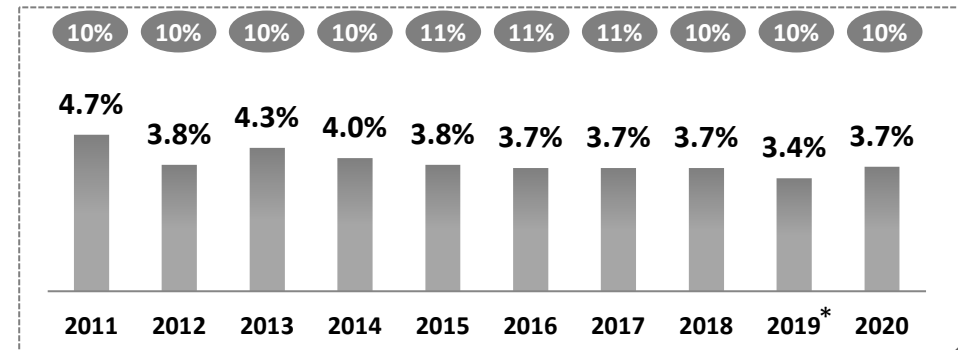
BMET



IRB



SFS



(\* ) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

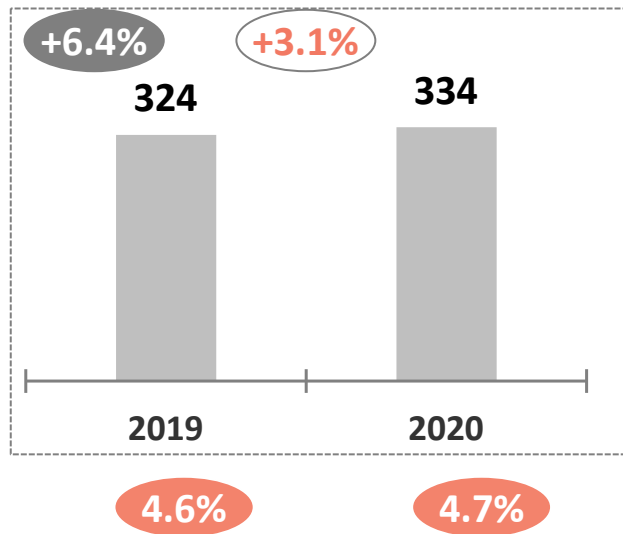
Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

# Loans by business line

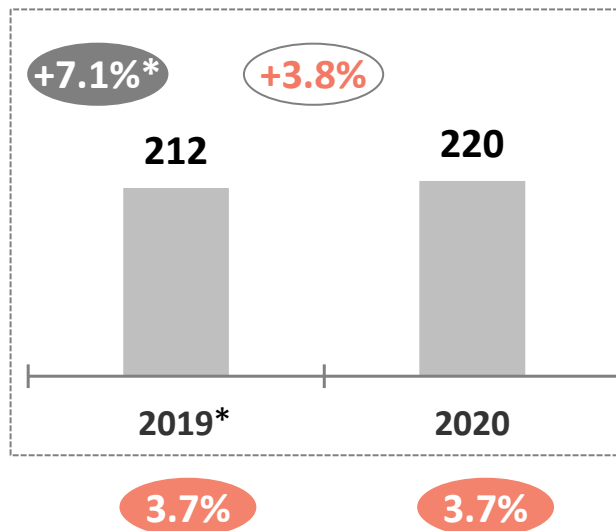
X% +/-  
X% CAGR 17-19

MAD billion

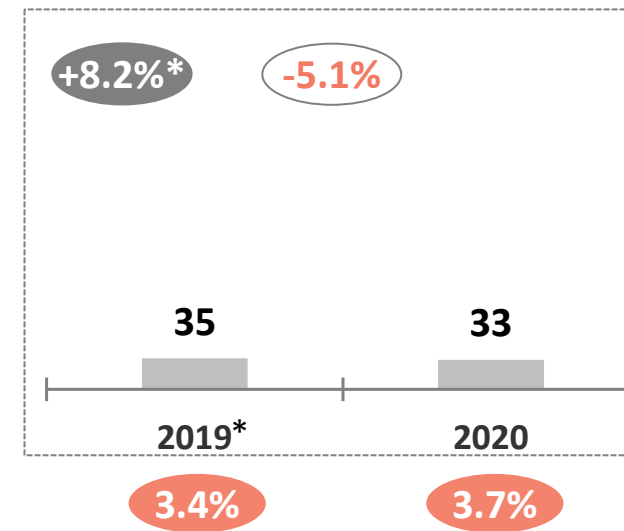
## Loans



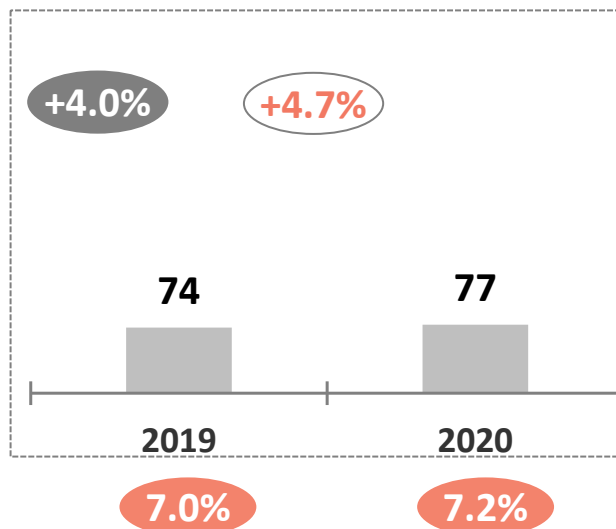
## BMET



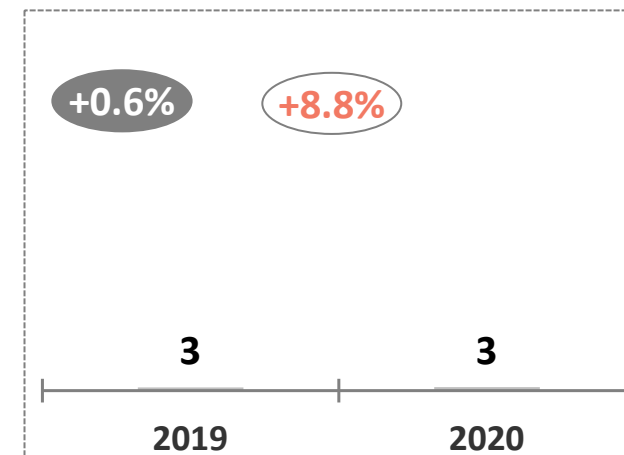
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance



X% Net interest income / Loans

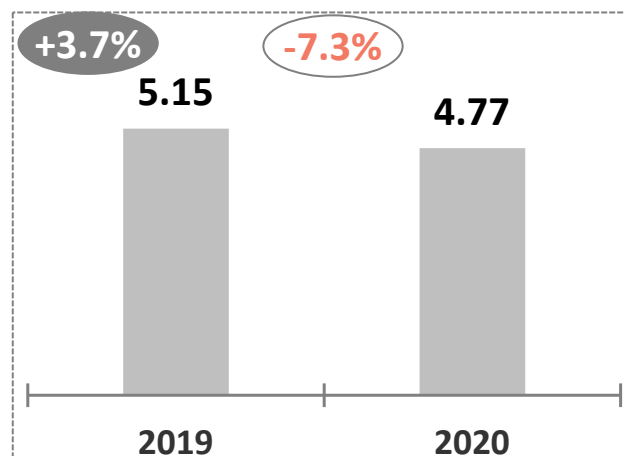
(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

# Fees by business line

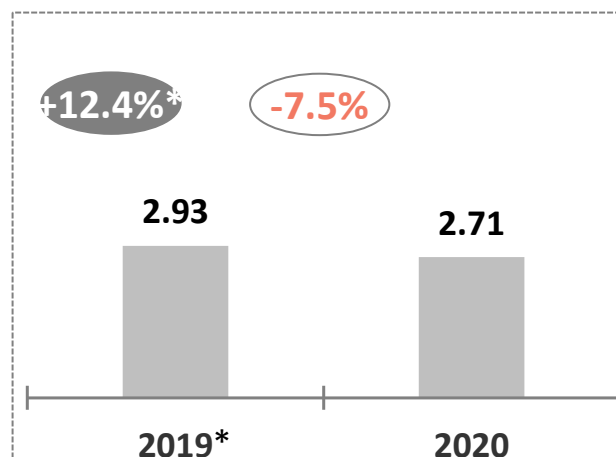
X% +/-  
 X% CAGR 17-19

MAD billion

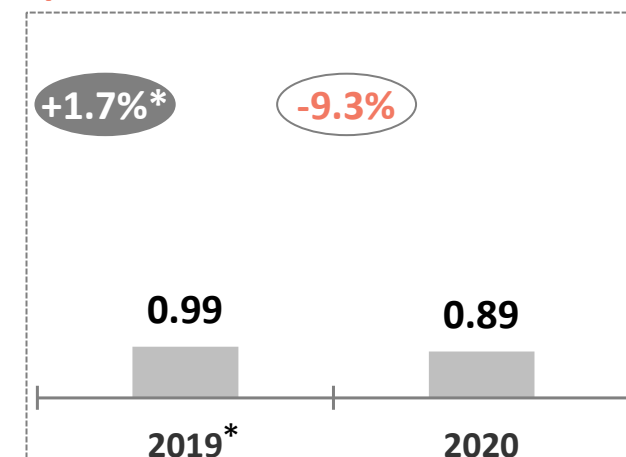
## Net fee income



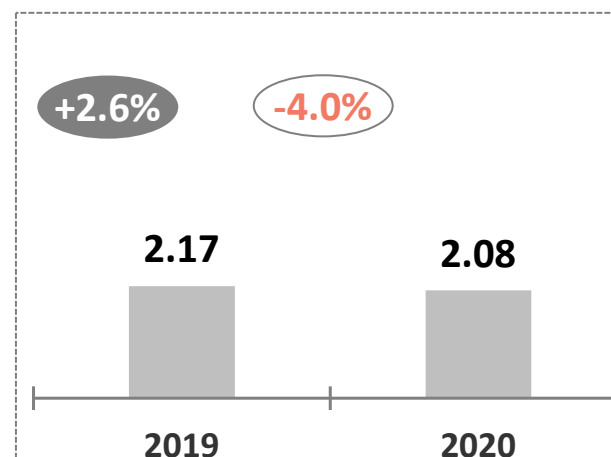
## BMET



## Specialized Financial Subsidiaries



## International Retail Banking

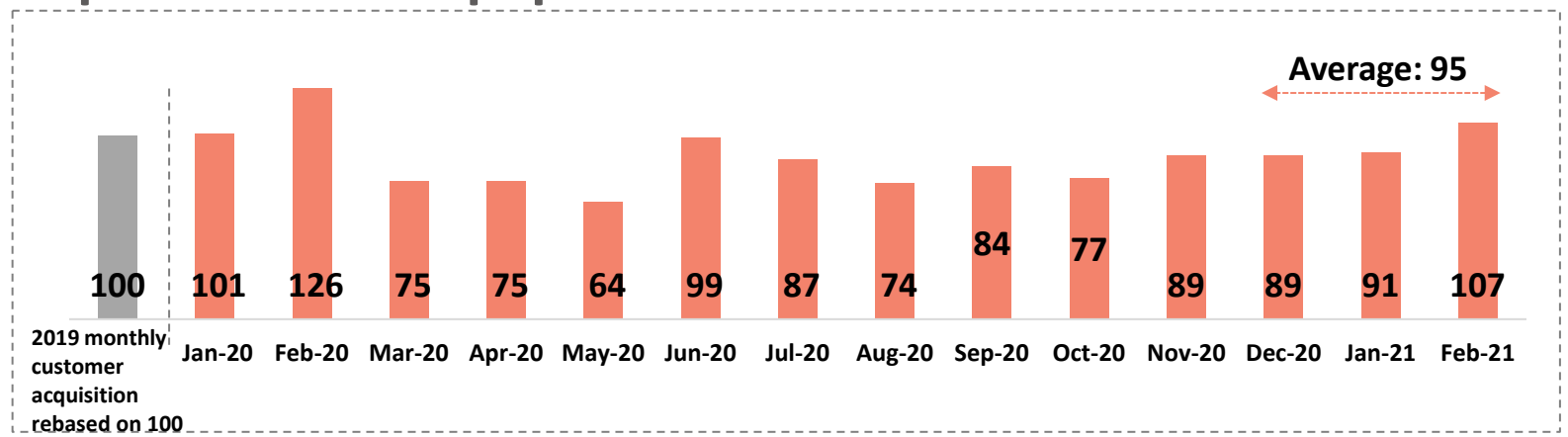


(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

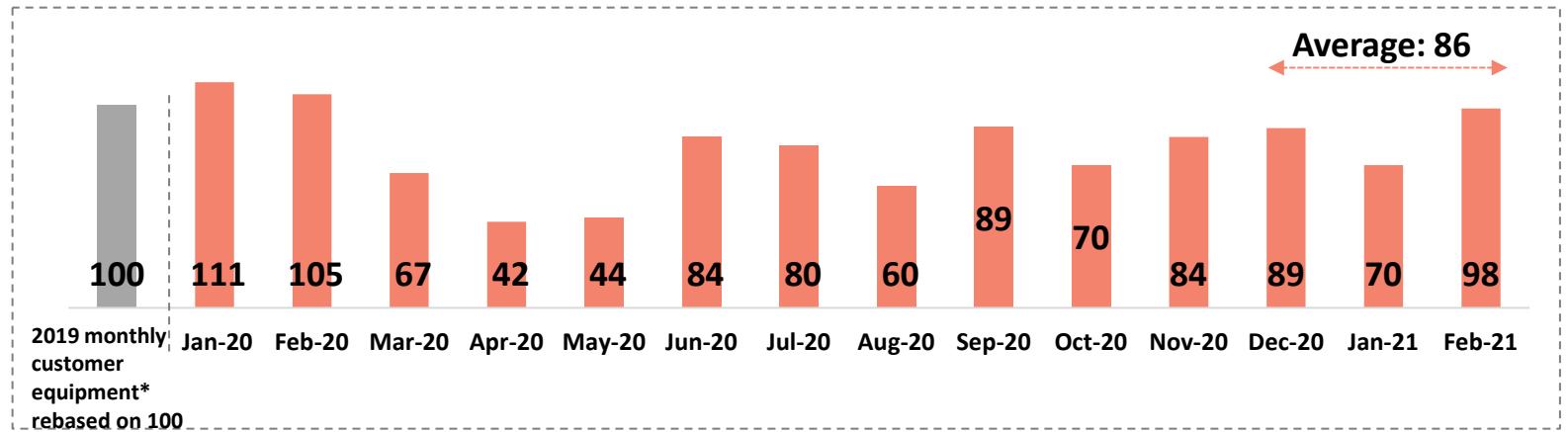
# Fee income: main drivers – The bank in Morocco

## Acquisition and equipment of retail customers

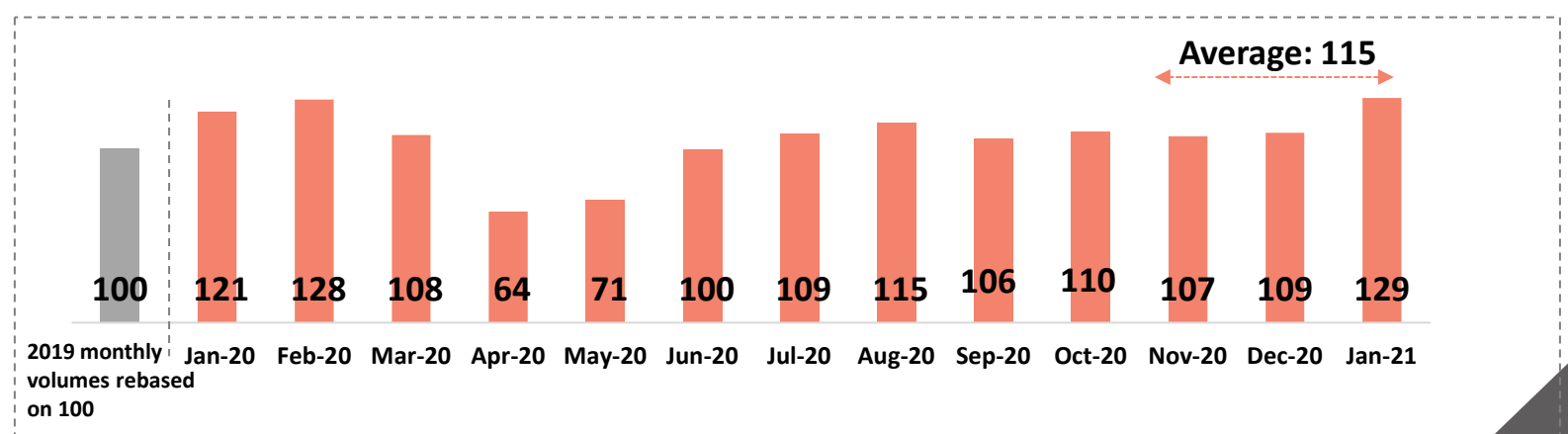
### Customer acquisition



### Customer\* equipment



### Electronic payments

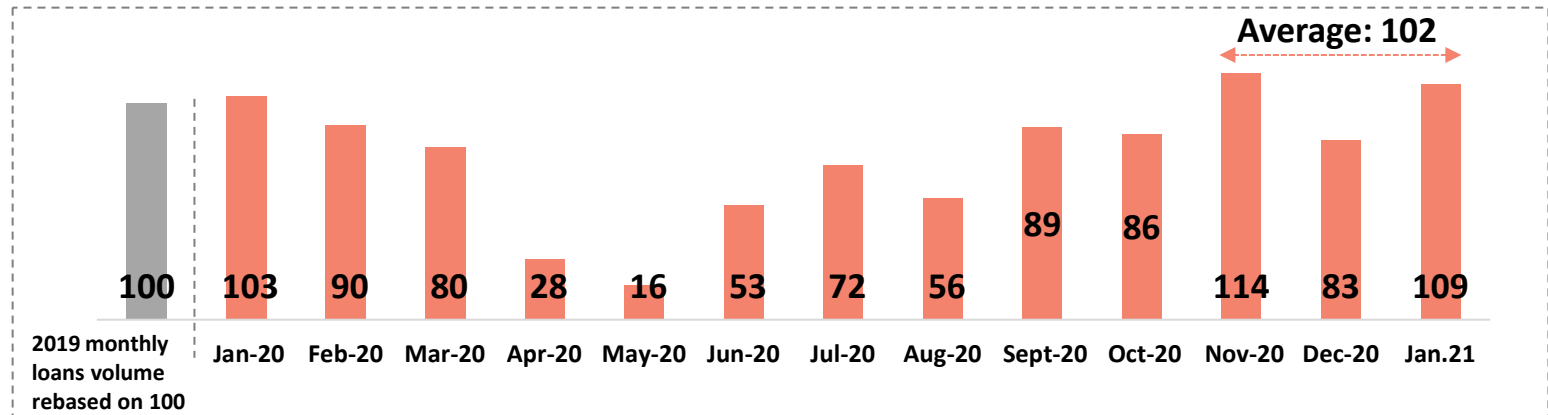


(\*) : packages, credit cards and insurance

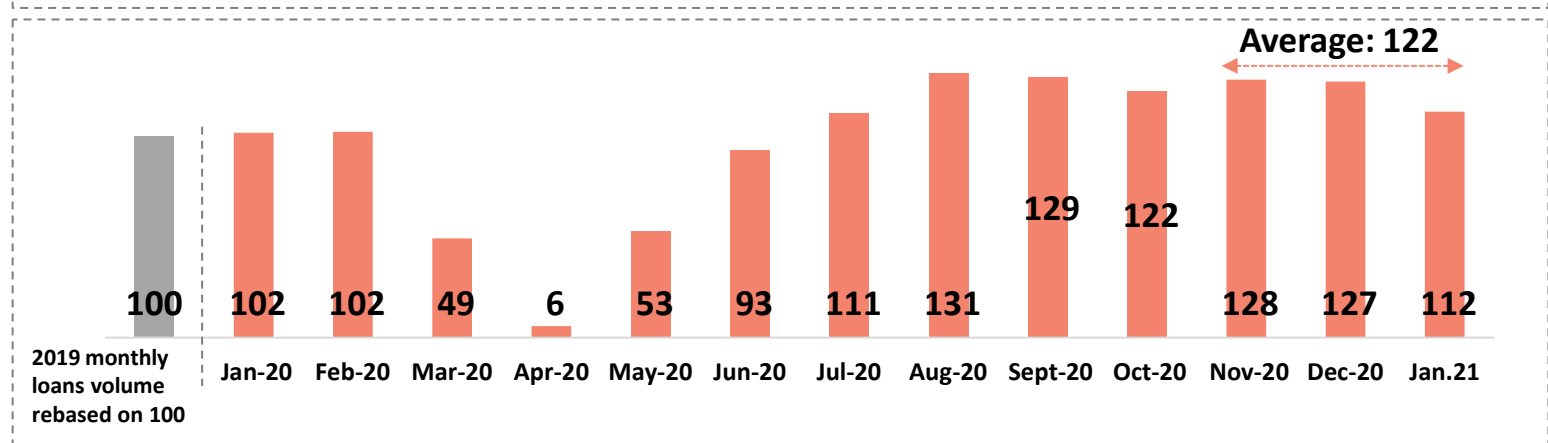
# Fee income: main drivers – The bank in Morocco

## Loans distribution

### Consumer\* loans



### Mortgage loans



(\*): consumer loans booked in Wafasalaf

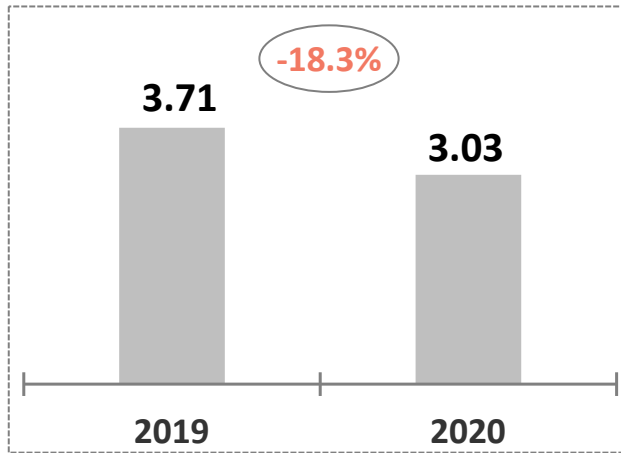
# Income from market activities by business line

X%

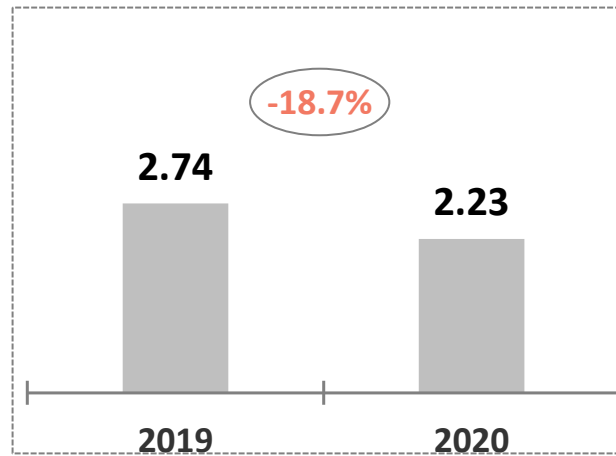
+/-

MAD billion

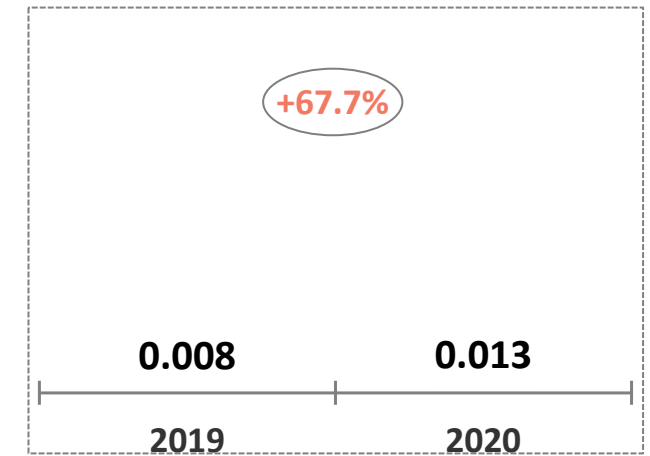
## Income from Market activities



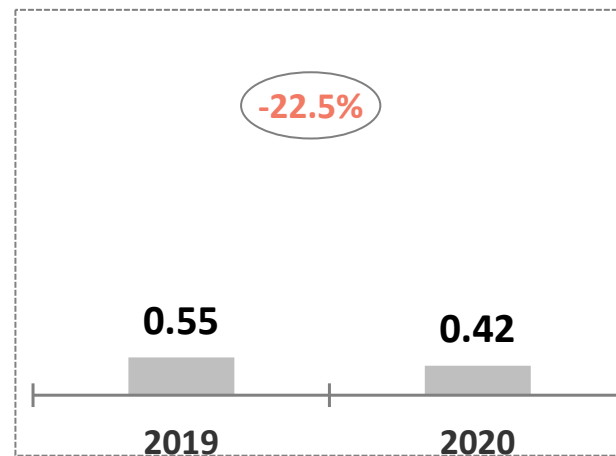
## BMET



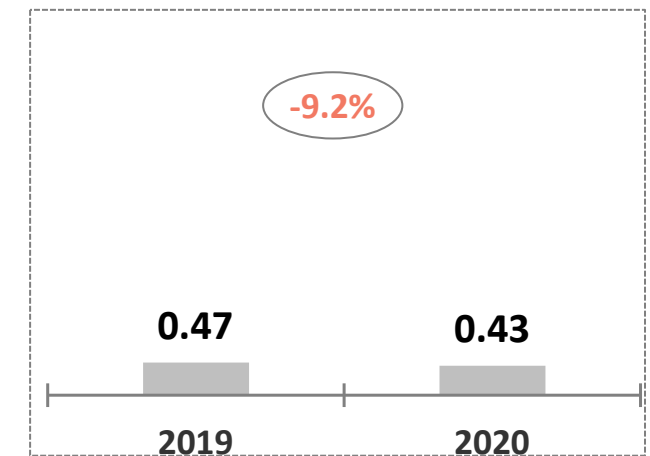
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance

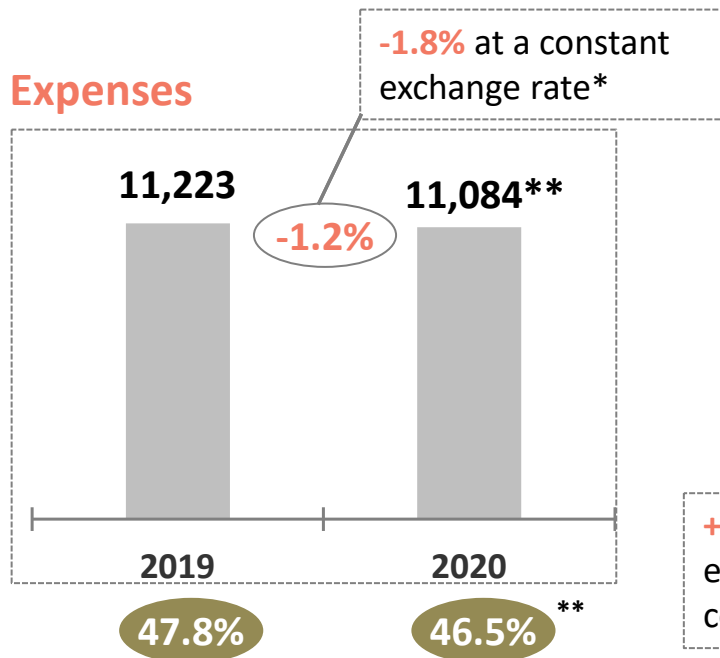


# Expenses by business line

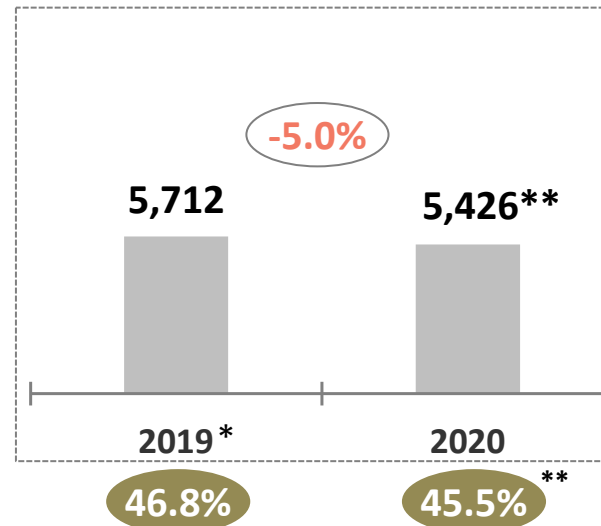
X% +/-  
X% Cost-Income ratio

MAD million

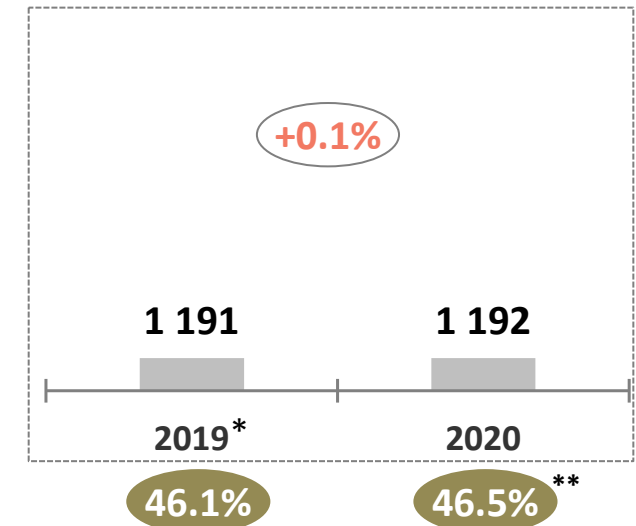
## Expenses



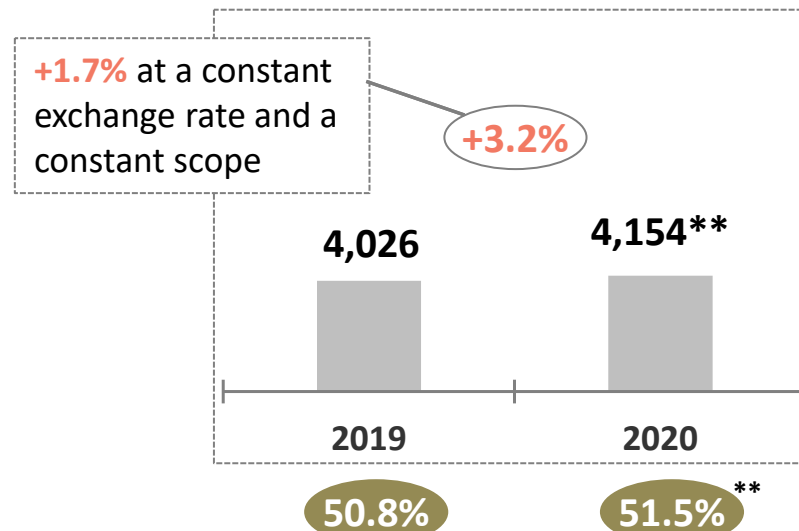
## BMET



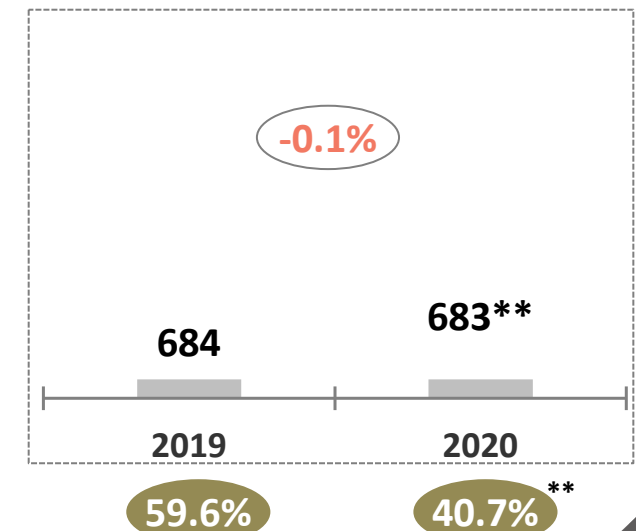
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance



(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS  
 (\*\*) excluding contribution to COVID-19 special fund

# IFRS 9 Provisioning methodology

## Stage 1 – Performing Loans

### Description

- 12 months ECL

$$ECL = EAD \times PD_{1\text{year}} \times LGD$$

## Stage 2 – Performing loans but with significant credit risk deterioration since origination

- Lifetime ECL

$$ECL = EAD \times PD_{\text{Life time}} \times LGD$$

## Stage 3 – NPL (Credit impaired)

- Lifetime ECL

$$ECL = EAD \times LGD$$

ECL : Expected Credit Loss  
 EAD : Exposure at default  
 PD : Probability of default  
 LGD : Loss given default

- Probability of Default

=

- Probability of Default “Point in Time”

+

- Forward looking

- Forward looking main assumption:

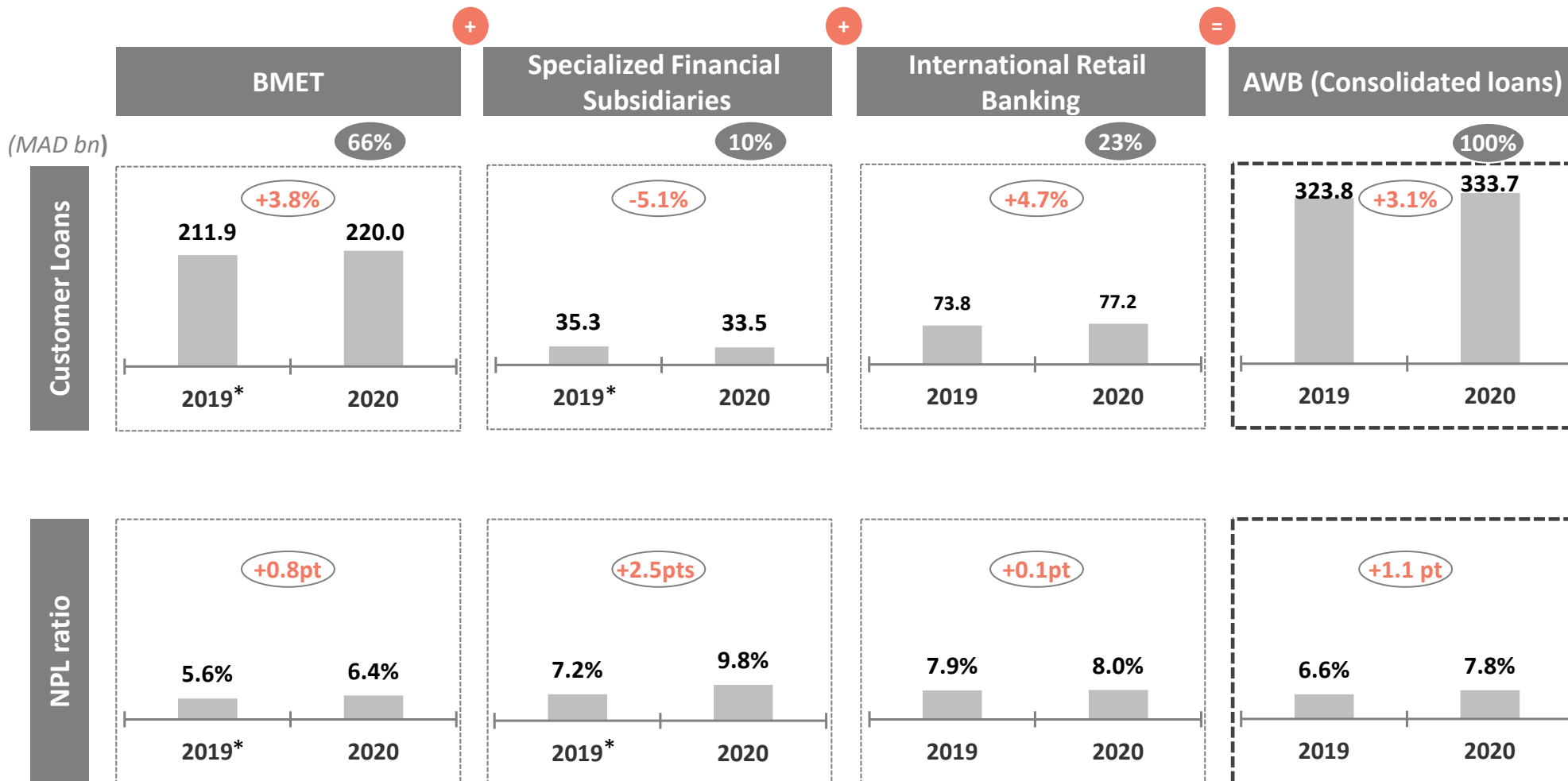
	2019	2020
Economic growth	2.6%	-7.1%
Budget deficit	-4.1%	-7.8%
Current account deficit	-4.1%	-4.2%



# Growth of customer loans and NPL ratio by business line

X% +/-

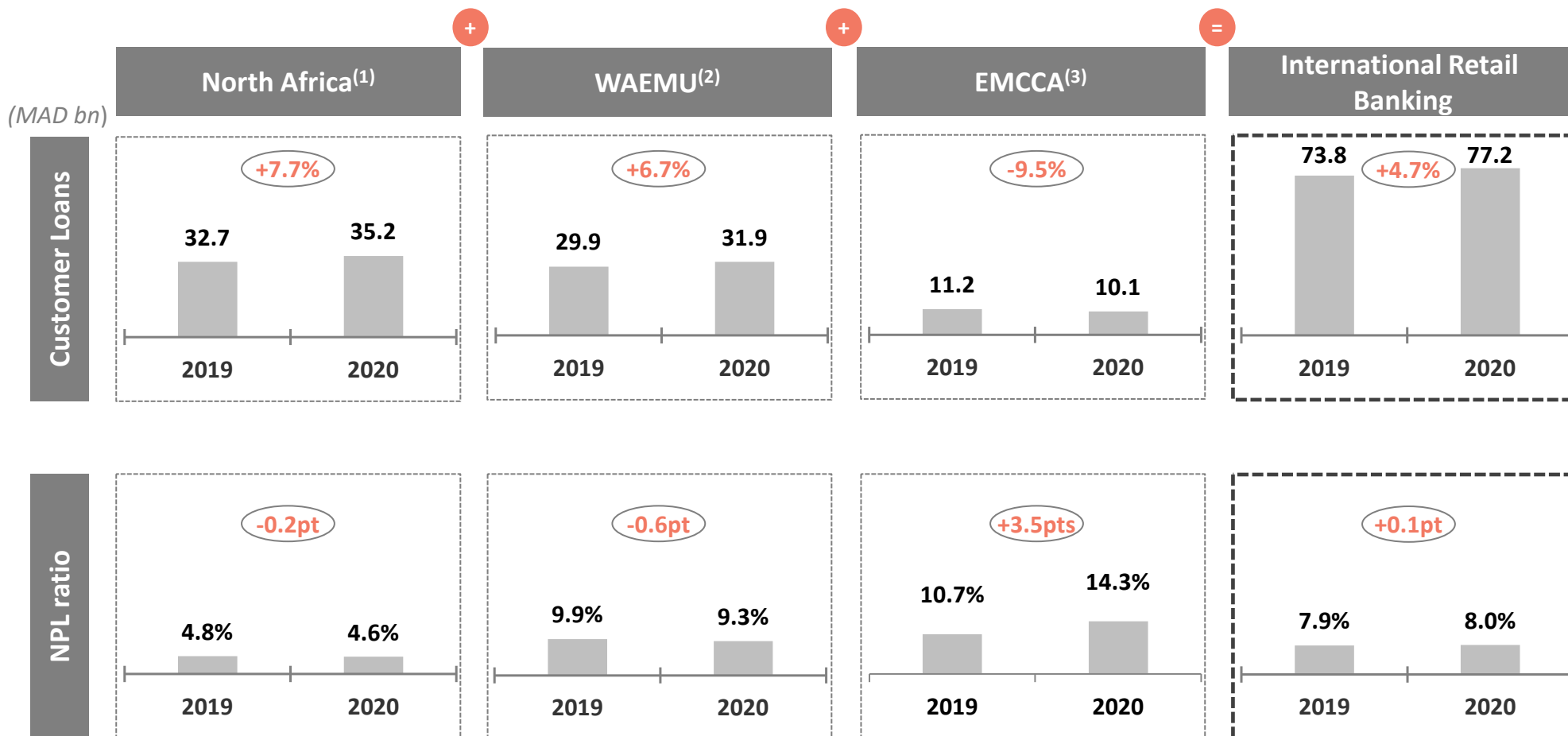
Xx% Contribution to net customer loans (end of period)



(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

# Growth of customer loans and NPL ratio by business line: Focus on IRB\*

X% +/-



- (1) North Africa: Tunisia, Mauritania and Egypt
- (2) WAEMU: Senegal, Mali, Ivory Coast and Togo
- (3) EMCCA: Cameroon, Congo and Gabon

(\* IRB: International Retail Banking)

# Exposures, staging & coverage

In MAD million, figures as of 31 Dec. 2020

GROUP	Exposure at default			
	Bucket 1	Bucket 2	Bucket 3	Total
Loans	298 680	33 404	28 066	360 150
off balance loans	138 859	14 568	558	153 985
<b>Total (31 Dec. 2020)</b>	<b>437 539</b>	<b>47 972</b>	<b>28 624</b>	<b>514 135</b>
<b>Total (31 Dec. 2019)</b>	<b>435 443</b>	<b>37 271</b>	<b>23 467</b>	<b>496 181</b>
<b>Change (in MAD million)</b>	<b>+ 2 096</b>	<b>+ 10 701</b>	<b>+ 5 157</b>	<b>+ 17 954</b>
<b>Change (in %)</b>	<b>+ 0,5%</b>	<b>+ 28,7%</b>	<b>+ 22,0%</b>	<b>+ 3,6%</b>

Coverage ratio			
Bucket 1	Bucket 2	Bucket 3	Total
0,7%	14,3%	69,4%	7,3%
0,4%	1,5%	35,2%	0,6%
<b>0,6%</b>	<b>10,4%</b>	<b>68,7%</b>	<b>5,3%</b>
<b>0,6%</b>	<b>12,0%</b>	<b>66,1%</b>	<b>4,6%</b>

of which Bank in Morocco	Exposure at default			
	Bucket 1	Bucket 2	Bucket 3	Total
Loans	186 554	26 390	15 091	228 034
off balance loans	120 303	14 199	425	134 927
<b>Total (31 Dec. 2020)</b>	<b>306 856</b>	<b>40 589</b>	<b>15 516</b>	<b>362 961</b>
<b>Total (31 Dec. 2019)</b>	<b>308 073</b>	<b>29 469</b>	<b>12 983</b>	<b>350 525</b>

Coverage ratio			
Bucket 1	Bucket 2	Bucket 3	Total
0,5%	13,8%	65,4%	6,3%
0,2%	0,9%	22,1%	0,4%
<b>0,4%</b>	<b>9,3%</b>	<b>64,2%</b>	<b>4,1%</b>
<b>0,4%</b>	<b>11,3%</b>	<b>61,1%</b>	<b>3,6%</b>

of which IRB*	Exposure at default			
	Bucket 1	Bucket 2	Bucket 3	Total
Loans	73 132	4 536	6 723	84 391
off balance loans	14 074	365	132	14 572
<b>Total (31 Dec. 2020)</b>	<b>87 207</b>	<b>4 902</b>	<b>6 855</b>	<b>98 964</b>
<b>Total (31 Dec. 2019)</b>	<b>81 635</b>	<b>5 558</b>	<b>6 428</b>	<b>93 621</b>

Coverage ratio			
Bucket 1	Bucket 2	Bucket 3	Total
1,4%	20,5%	77,5%	8,5%
2,1%	21,4%	77,4%	3,2%
<b>1,5%</b>	<b>20,5%</b>	<b>77,5%</b>	<b>7,7%</b>
<b>1,6%</b>	<b>17,2%</b>	<b>71,7%</b>	<b>7,3%</b>

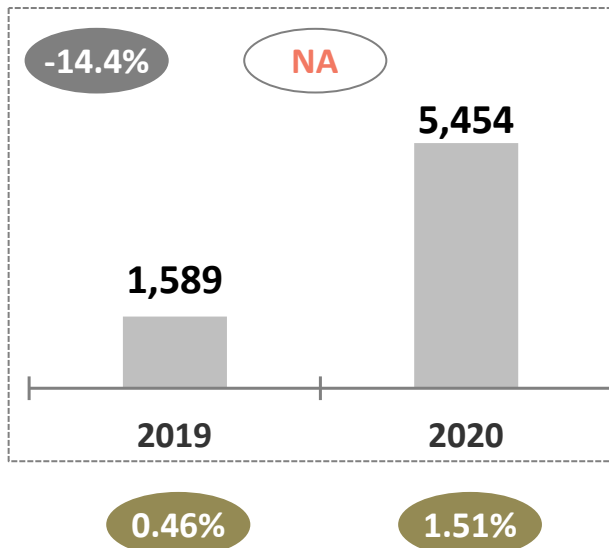
(\*) IRB: International Retail Banking

# Evolution of Cost of Risk by business line

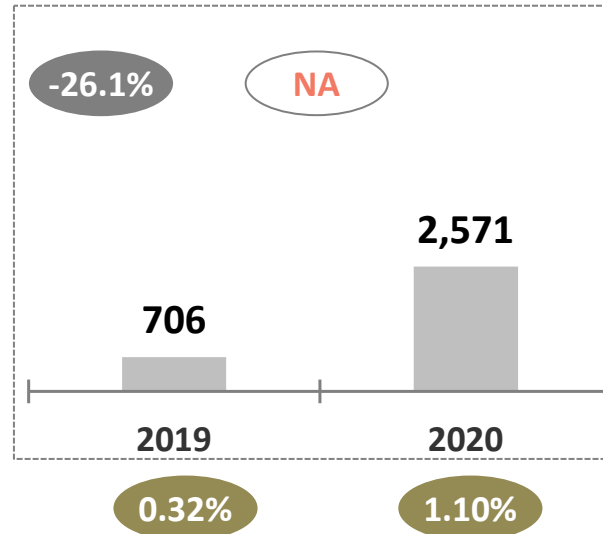
X% +/-  
X% CoR (%)  
X% CAGR 17-19

MAD million

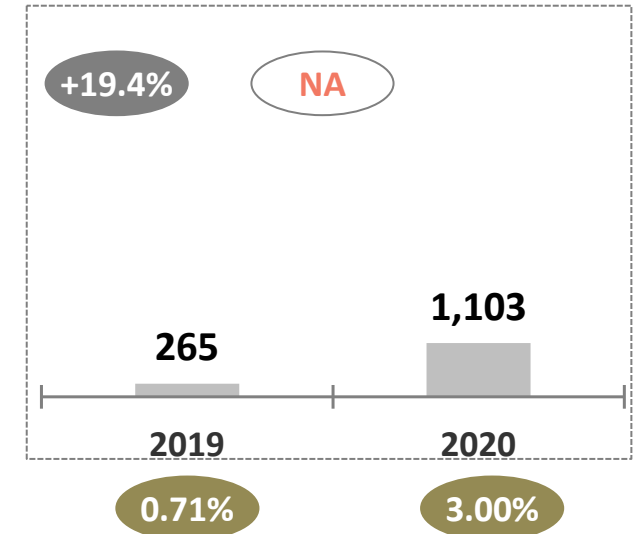
## Cost of Risk



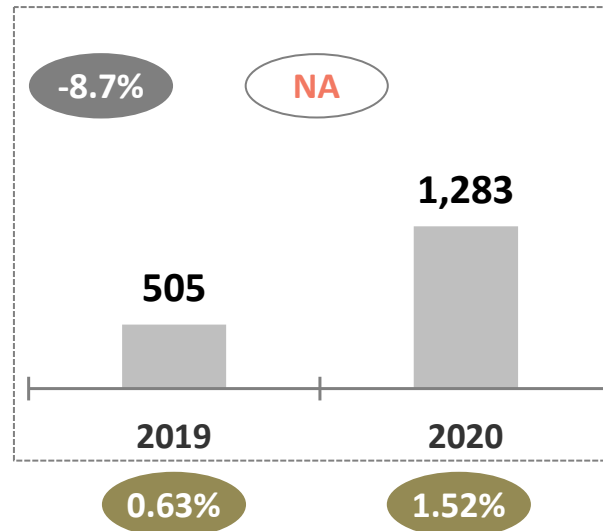
## BMET



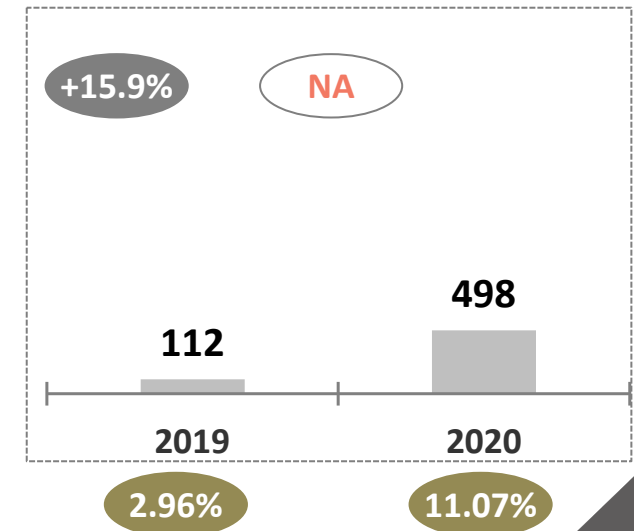
## Specialized Financial Subsidiaries



## International Retail Banking



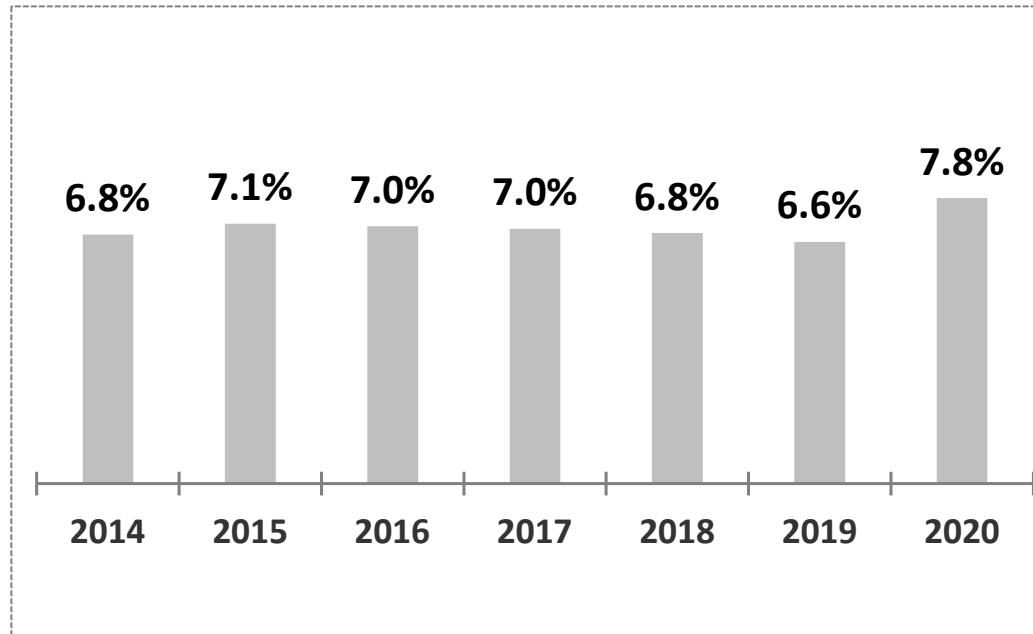
## Insurance



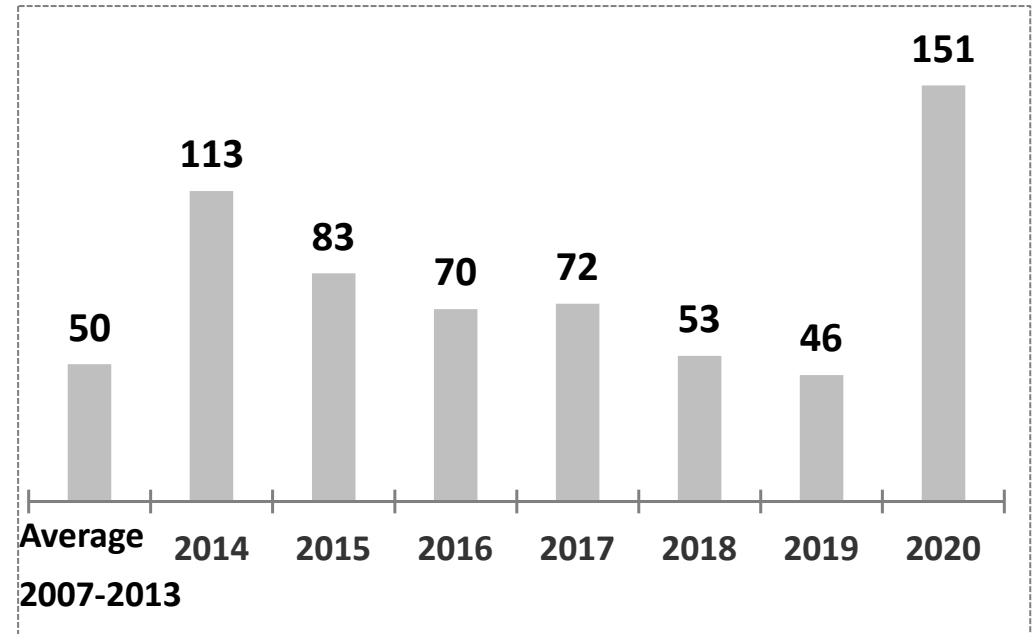
# IFRS consolidated financial statements

## NPLs and cost of risk

### NPL ratio



### Cost of risk (in bps)

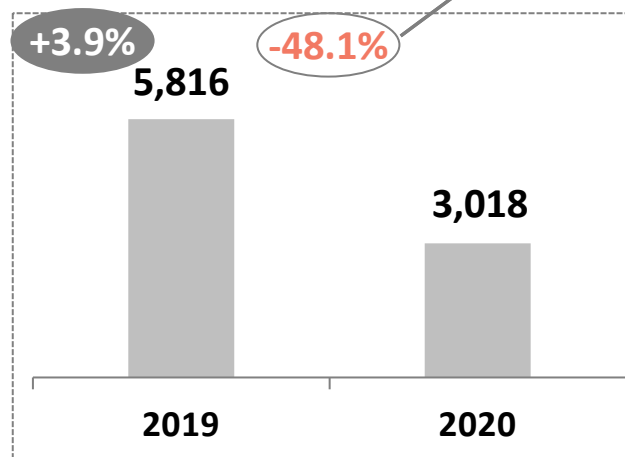


# NIGS by business line

MAD million

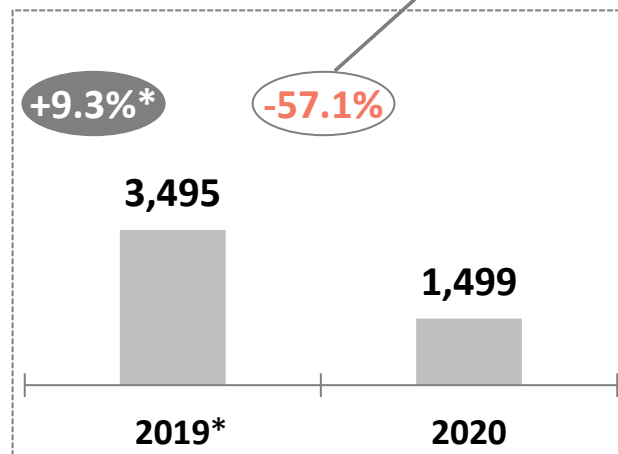
X% +/-  
X% CAGR 17-19

## Net income group share



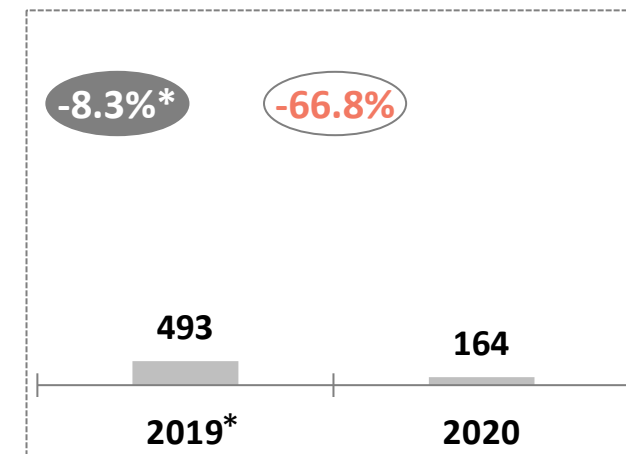
-36.7% at a constant exchange rate and excluding covid19 contribution

## BMET

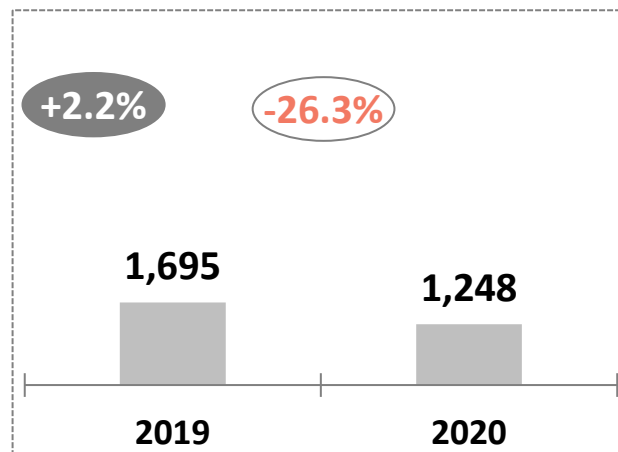


-39.1% at a constant exchange rate and excluding covid19 contribution

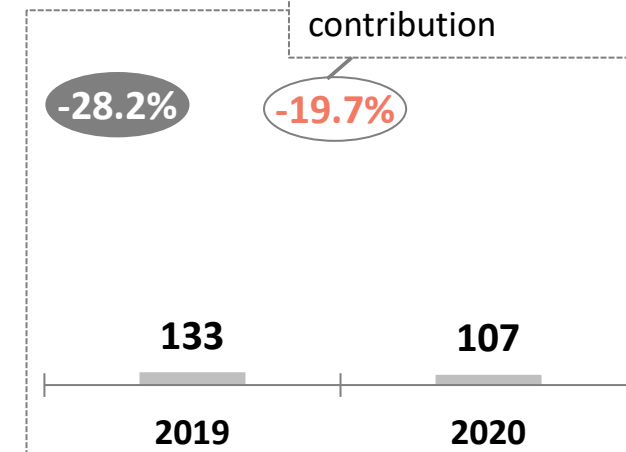
## Specialized Financial Subsidiaries



## International Retail Banking



## Insurance



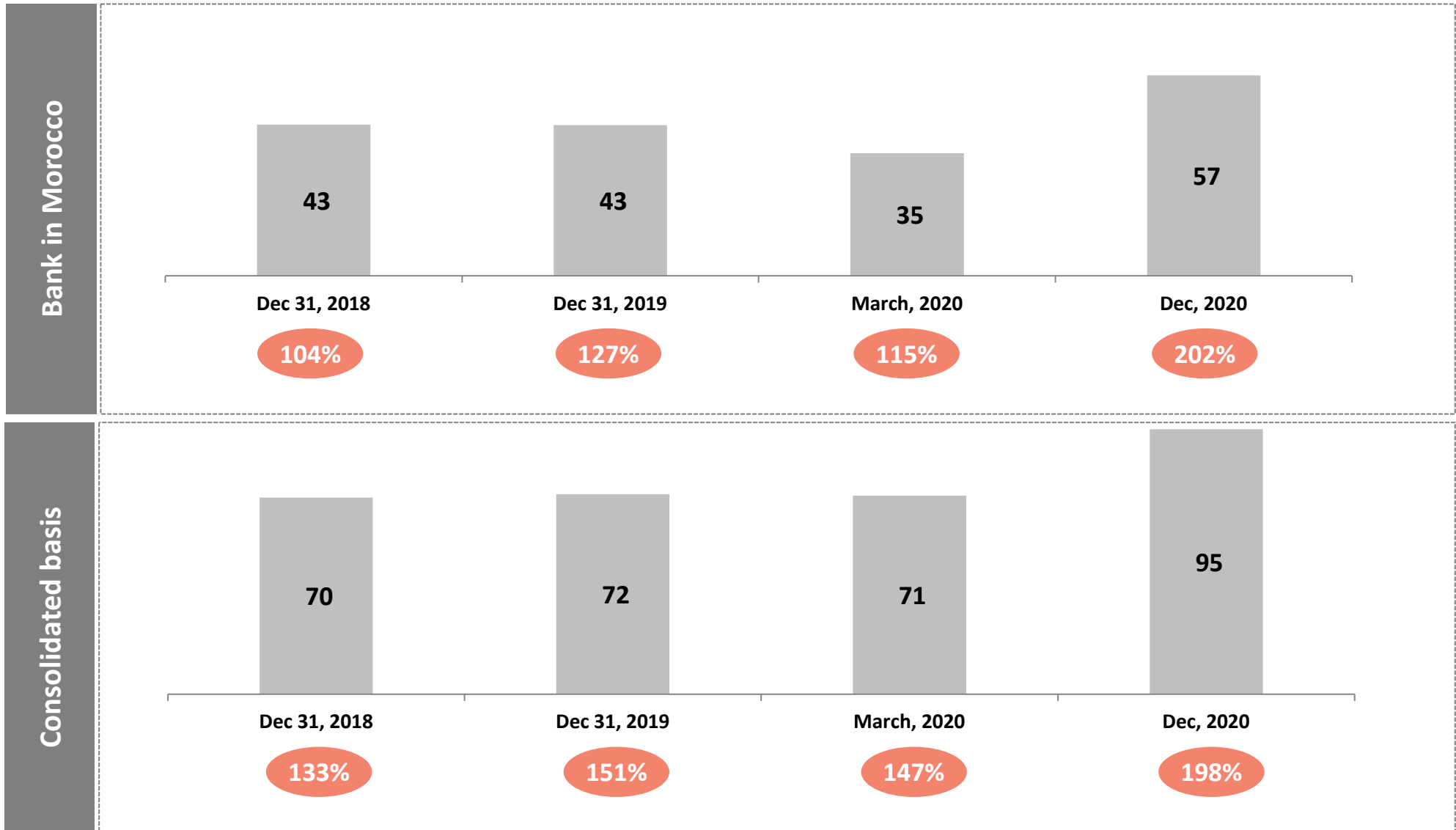
-1.3% at a constant exchange rate and excluding covid19 contribution

(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

# Solid liquidity position

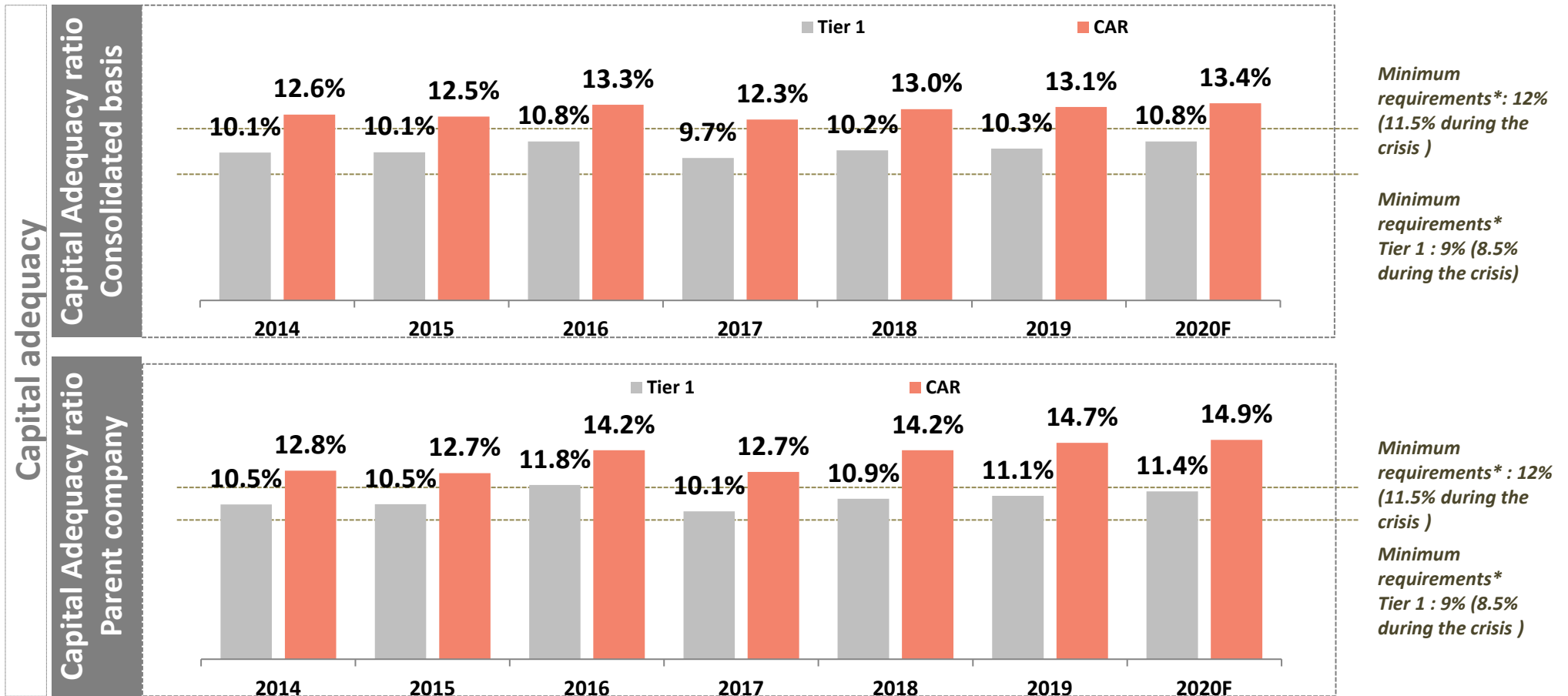
Liquid and free assets (HQLA)

in MAD billion



**XX%** Liquidity Coverage Ratio (LCR)

# Solid capital position



- **June 20 :**
  - Issuance of **MAD 1.0 bn AT1 (230 bps of risk premium)**
  - Issuance of **MAD 0.5 bn of Tier2 (50 bps of risk premium)**
- **Dec 20 :**
  - Issuance of **MAD 0.5 bn AT1 (240 bps of risk premium)**
  - Issuance of **MAD 0.5 bn of Tier2 (60-70 bps of risk premium)**
- **Feb 21 :**
  - Capital increase through conversion of dividends for an amount of **MAD 1.3 bn**

(\*) Minimum requirements during the Covid-19 crisis: **8.5% for Tier1 and 11.5% for CAR**



# A solid, resilient and diversified business model

- Satisfactory growth of the top line and resilient margins

- Strong operating performance & improvement of cost efficiency

- Sound liquidity and capital position

## *Main indicators*

Net banking income	+1.6%
NIM (%)*	+12 bps

General Operating Expenses	-1.2%**
Gross Operating Income	+4.3%**
Cost-income ratio	-1.4 pt**

## *Bank in Morocco*

LCR	202%
CAR	14.9% <sup>F</sup>
Tier1	11.4% <sup>F</sup>

## *On a consolidated basis*

LCR	198%
CAR	13.4% <sup>F</sup>
Tier1	10.8% <sup>F</sup>

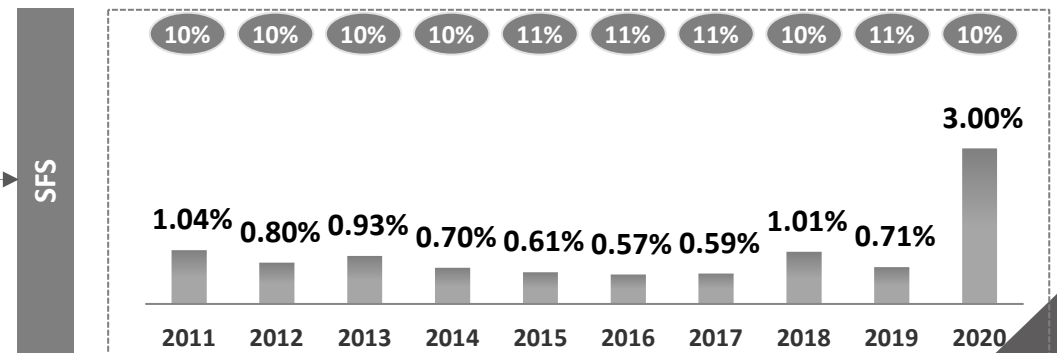
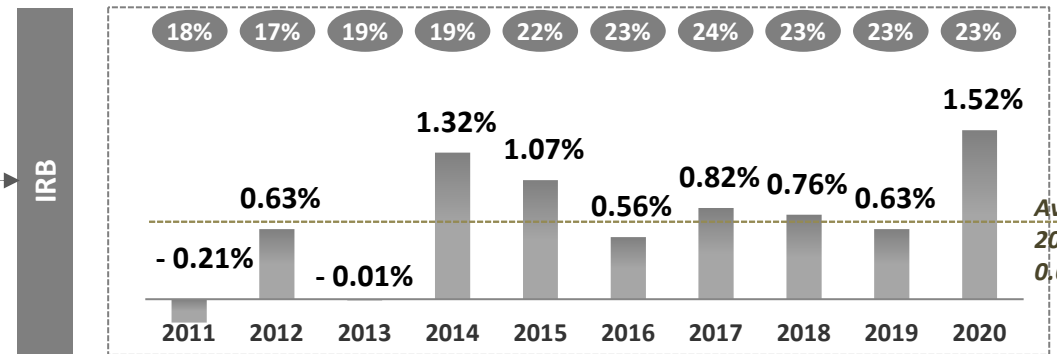
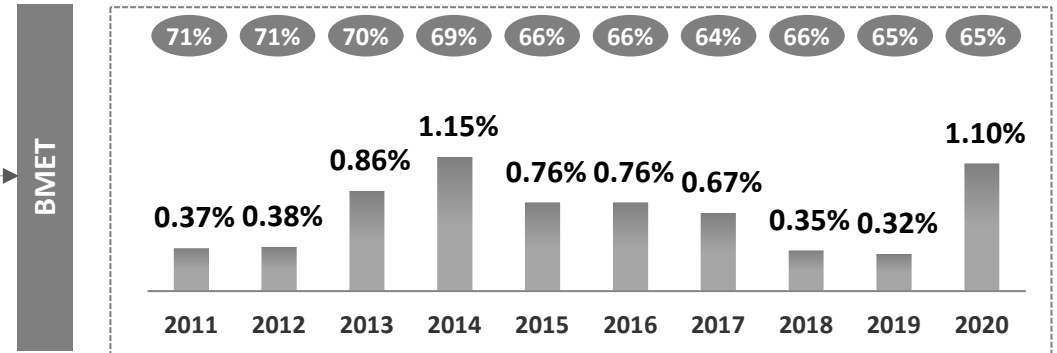
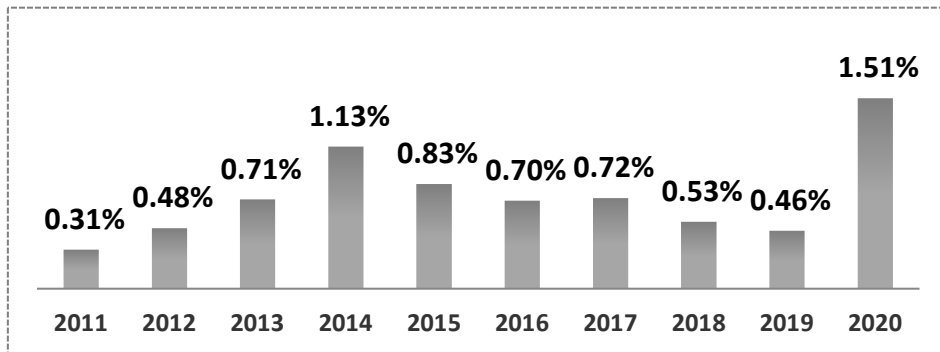
(\*) Net Interest income / Loans ; (\*\*) Excl. AWB's contribution to COVID-19 special fund

Back up

# Cost of risk by business line between 2011 and FY 2020

xx% Contribution to gross customer loans (end of period)

## Cost of risk

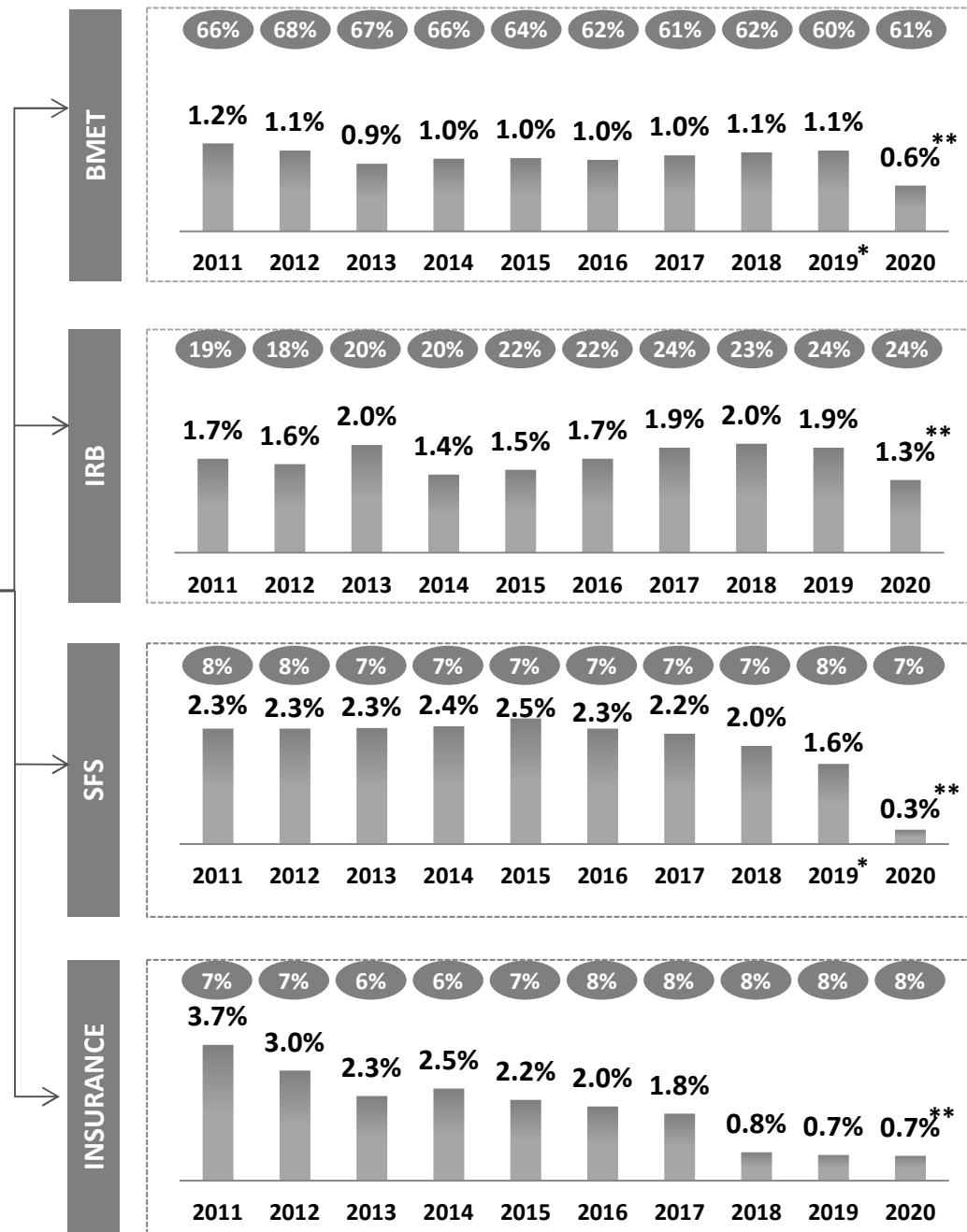
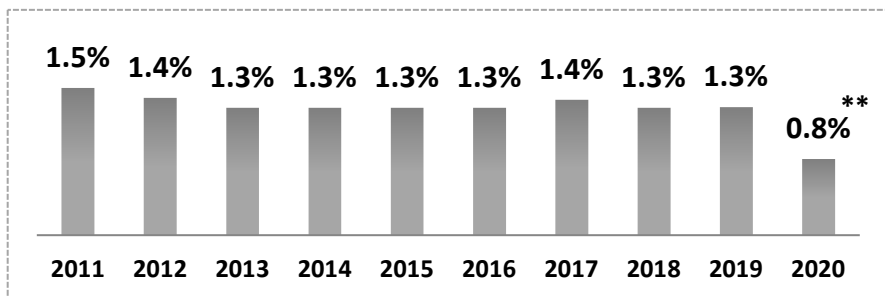


Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

# RoA by business line between 2011 and FY2020

xx% Contribution to total assets (end of period)

RoA



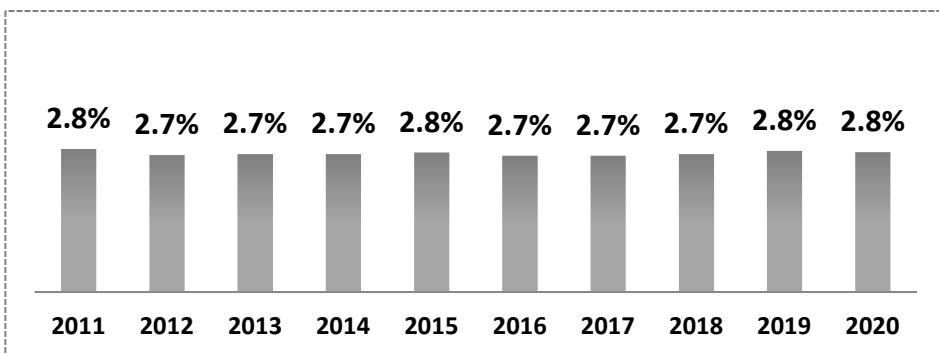
(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS  
 (\*\*) excl. the contribution to COVID-19 special fund

Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

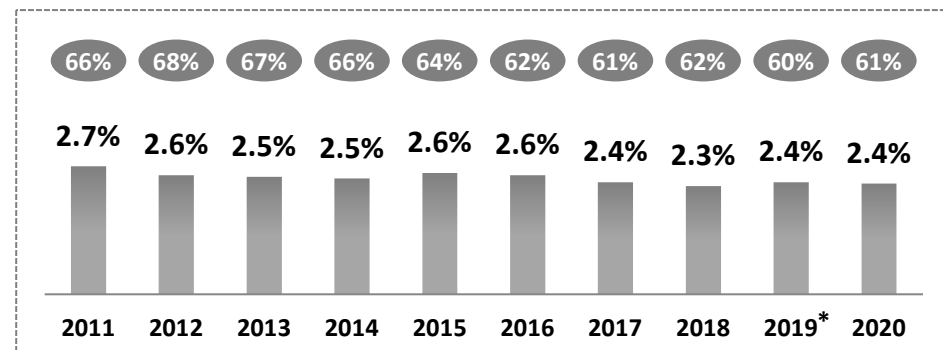
# Net interest margin by business line between 2011 and FY2020

xx% Contribution to total assets (end of period)

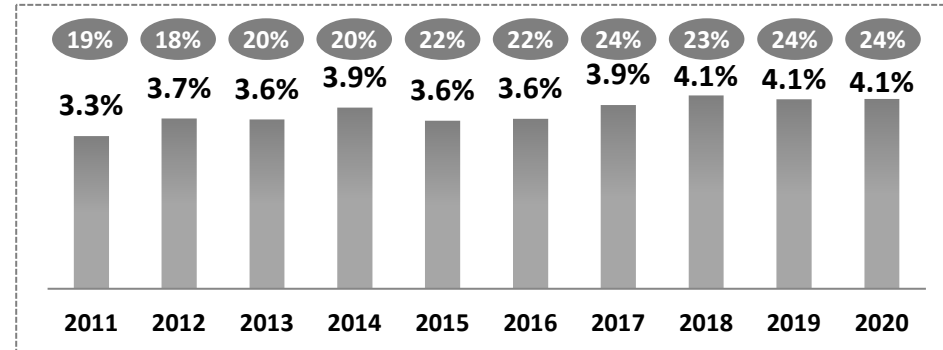
Net interest margin/ Total assets (end of period)



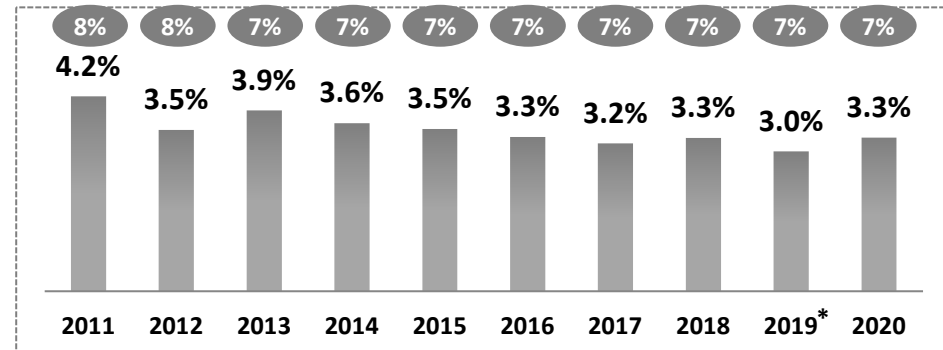
BMET



IRB



SFS



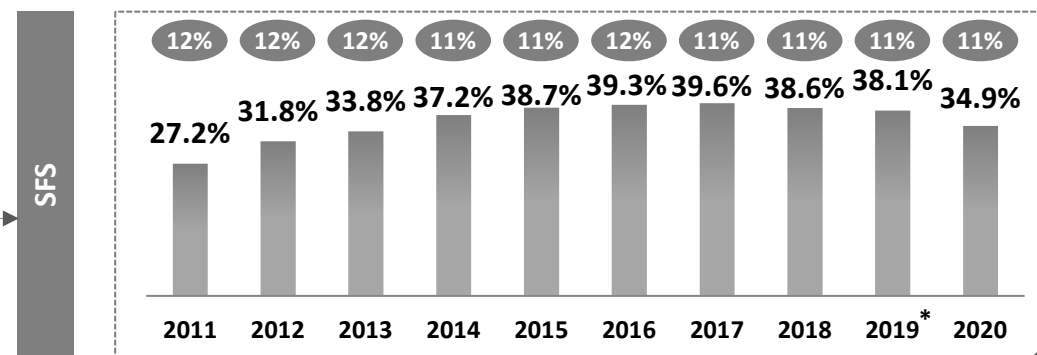
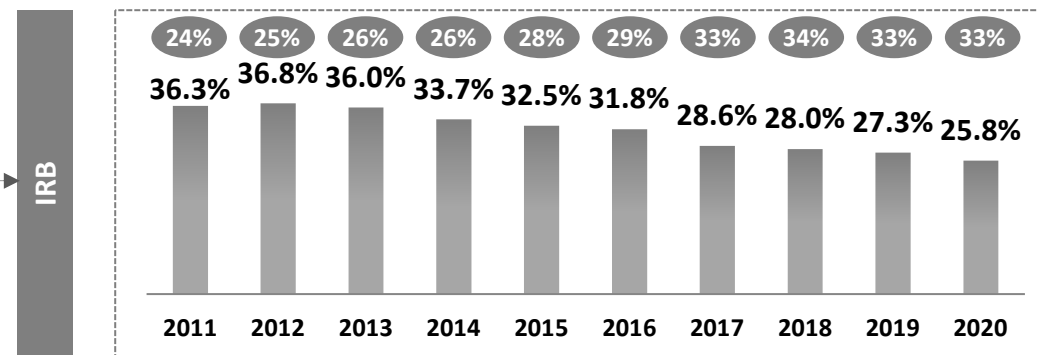
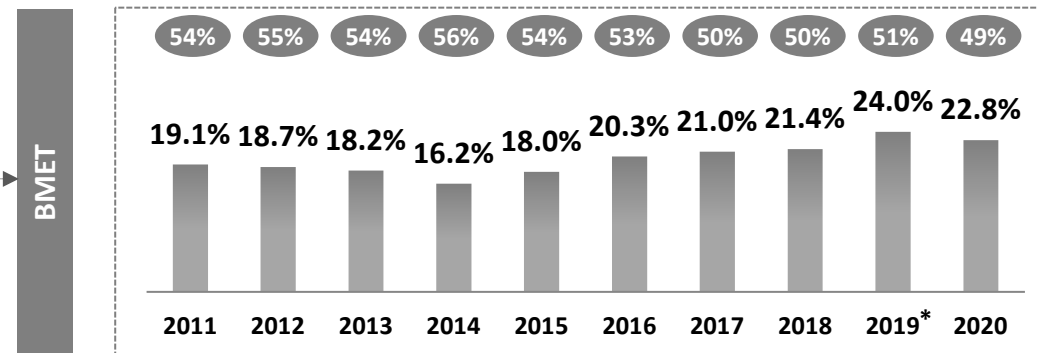
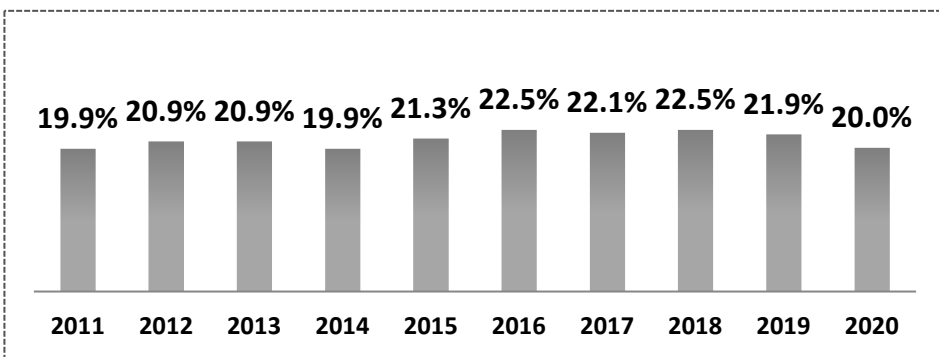
(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

# Net fee income by business line between 2011 and FY2020

xx% Contribution to net banking income

## Net fee income/ Net banking income



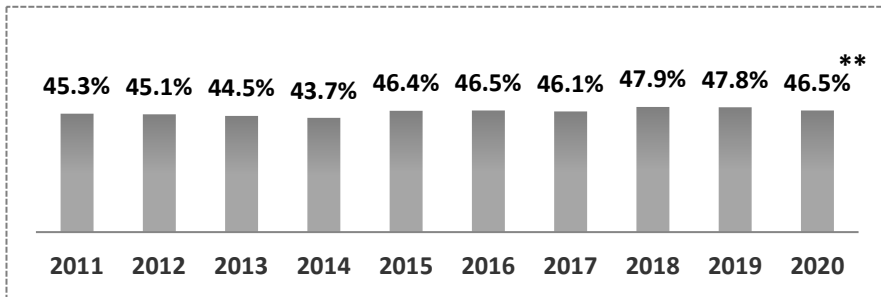
(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS

Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

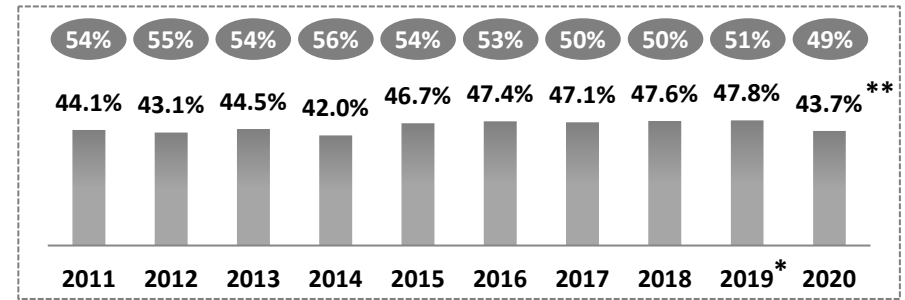
# Cost-Income ratio by business line between 2011 and FY 2020

xx% Contribution to net banking income

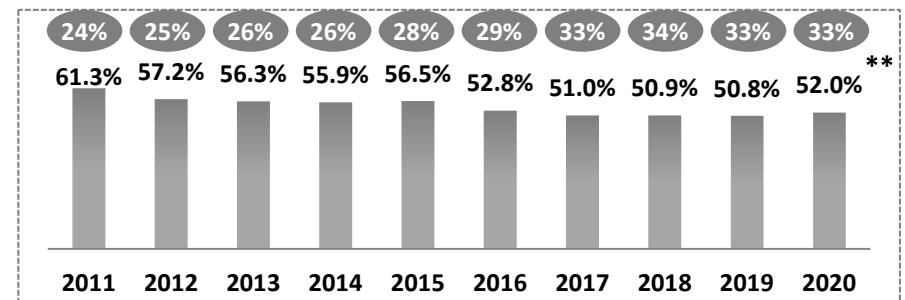
## Cost-Income ratio



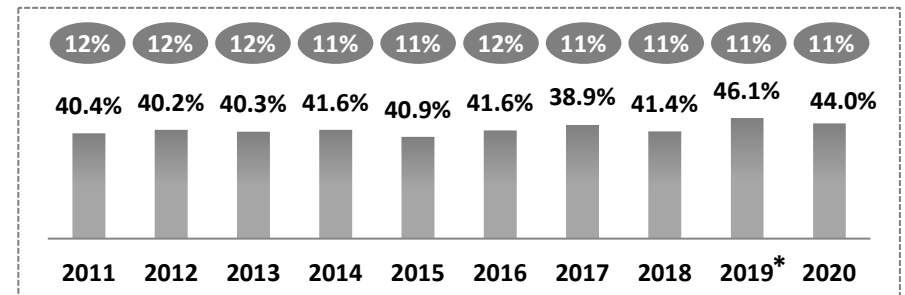
BMET



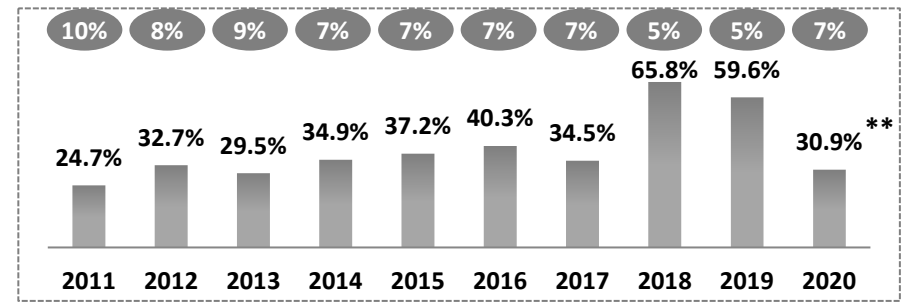
IRB



SFS



INSURANCE



(\*) BMET and SFS proforma: Reclassification of "Bank Assafa" from BMET to SFS  
 (\*\*) excl. the contribution to COVID-19 special fund

Note:  
 BMET: Banking in Morocco, Europe and Offshore ; IRB: International Retail Banking  
 SFC: Specialized Financial Subsidiaries

# Key measures taken by the Moroccan government and Central Bank to manage the global Covid-19 pandemic and its socio-economic impacts

## Executive Summary

- 1
  - An early declaration of a state of health emergency and 3 months lockdown period in order to **mitigate the pandemic health impacts**
- 2
  - Several economic measures deployed by the government to support Moroccan companies through injection of **MAD 120bn** into the economy (**~11% of GDP**) including **MAD 75bn (~8% 2019 loans)** new government backed loans
- 3
  - Various social measures deployed by the government in order to help and support **~5.5m Moroccan vulnerable households**
- 4
  - **Significant support from Bank Al Maghrib** easing its monetary policy and supporting the banking sector liquidity



# Implementation of a recovery plan

## Injection of MAD 120bn into the economy (~11% of GDP)

Loans guaranteed by the government

- **MAD 75bn** targeting a wide range of economic sectors and business segments
- For all business segments including the business most affected by the crisis:
  - **“DAMANE OXYGENE”** to help VSMEs to finance their expenses during the lockdown period
  - **“DAMANE RELANCE”** to support companies restarting their business after the lockdown: **“DAMANE RELANCE VSE”**, **“DAMANE RELANCE SME”** and **“DAMANE RELANCE HÔTELIER”**

New strategic investment fund

- **MAD 45bn** (MAD 30bn from national and international institutions and MAD 15bn financed by the government - 2020 Finance Law) in order to:
  - Finance investments projects through public-private partnerships
  - Reinforce strategic companies' equity

# Prevention and business continuity plan

*The Group has implemented a series of measures for its COVID-19 prevention plan to ensure business continuity, to reduce the risk of spreading, and to control the risks and impact on its P&L and balance sheet*

## Health safety and protection of employees and customers



- Implementation of a rigorous, strict **health protocol** to limit the transmission/spreading of the virus: restricted access between the various sites for employees and external suppliers, limited access to branches, and measures introduced to ensure social distancing, gel distribution, face masks, etc.
- Introduction of a **specific procedure for hygiene and cleaning**
- **Optimized management of employees and work spaces** at central and network sites (on-site physical presence, remote working, team rotation, paid leave)
- **Suspension** of meetings, events and travel, with **video conferences** encouraged (as from February 24, before the first cases are recorded in countries of operations)
- Establishment of a **protocol for free medical and social services**: availability of PCR tests for all employees, with regularly scheduled targeted testing; free treatment of suspect cases (positive or contact); psychological support for employees; remote working for all fragile employees; special COVID loan for employees whose household has been affected by lower revenues; regular, proactive internal communication, etc.



**Up to 70%** of employees of various headquarters working remotely



**27K PCR tests** administered

On average **2 tests per employee** in the hardest-hit countries (e.g., Morocco)



**~100%** of services maintained in all countries of operations

## Implementation of BCP



- Identification, **duplication** and **distribution of BCP teams** at various sites
- Identification of **critical duties/employees**, separation of teams and **activation of backup sites**
- Identification of **backup teams working** remotely but able to intervene if needed
- **Faster availability of infrastructures and appropriate technological solutions** (IT solutions, VPN, video conferences, etc.) and encouragement to use distance channels and **remote working**
- Implementation of **supervisory and safety procedures** adapted to the new work organization
- Introduction of an interaction policy for **“sensitive” suppliers in terms of business continuity**
- Preparation of **logistics and safety procedures** in the event of **tighter lockdown conditions or extreme scenarios**

# Prevention and business continuity plan

*The Group has implemented a series of measures for its COVID-19 prevention plan to ensure business continuity, to reduce the risk of spreading, and to control the risks and impact on its P&L and balance sheet*

## Financial adaptability



- A **liquidity crisis management unit** was set up after the outbreak of the crisis, with voluntary **actions plans** implemented to **strengthen liquidity buffers** in local and foreign currencies
- Implementation of a **capital reinforcement plan** and use of levers to soften the impact of lower 2020 results on solvency ratios
- **Review of risk appetite framework** favoring customer activities over own-account activities, thereby protecting the P&L against financial market volatility
- Faster implementation of **three-year optimization plan for expenses and investments**



**+100 bps de Tier1** in 2020



**+50 points** liquidity ratio in 2020

## Dialogue with governments and regulatory authorities



- Active member and driving force for proposals on Morocco's **Economic Monitoring Committee**
- Ongoing **dialogue** with **representative institutions** from the private sector (industry associations and federations representing companies, chambers of commerce and industry, etc.), **unions**, the **media** and various **ministerial departments** in the countries of operations
- Ongoing interaction with **central banks**
- Driving force for proposals concerning regulatory and legal changes (e.g., electronic signature bill in Morocco for faster digital development)


# Supporting and helping our customers and communities in all countries of operations

*Attijariwafa bank has introduced a series of measures to help customers and “communities” in various segments and geographic areas of operations to meet the COVID 19 challenges and its unprecedented socioeconomic effects*

Supporting our customers and communities in all countries of operations




- Introduction of “fast track” procedure for Covid 19 purchases and an **electronic payment system for suppliers**
- Implementation of **nonfinancial aid to help** customers and project initiators during this unprecedented period, especially:
  - Launch of **DigiDam**, a DAM internet platform (training, consulting, B2B, etc.)
  - Regular dialogue with sector federations and professional associations
  - Implementation of quality opinion polls and surveys to understand the impact of the crisis on customers and their needs
  - Organization of a series of thematic **digital conferences** and **webinars** relating to various effects of the COVID 19 health crisis with regard to health, economic, psychologic, social and societal aspects

 **8 days** of extended payment deadlines for suppliers (**-2 days // 2019**)

 **10,000 VSE founded, 2,000 remote meetings held** and **42 B2B** sectors

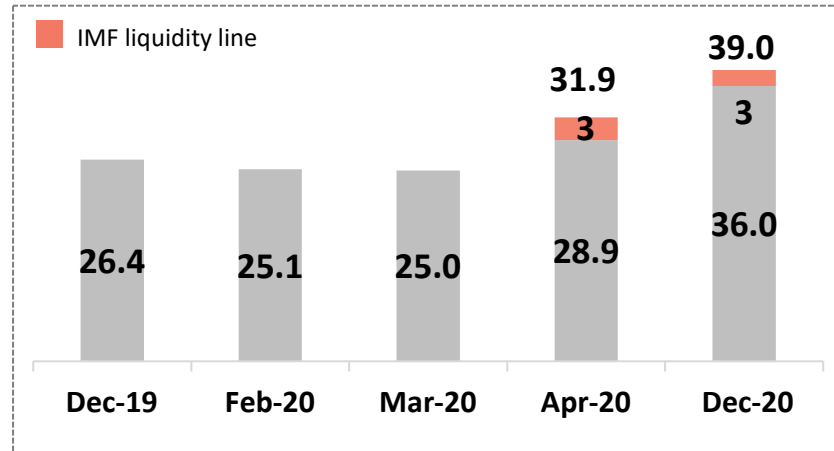
 **15 meetings** with sector federations

 **5 quality surveys**

 **20 webinars** organized

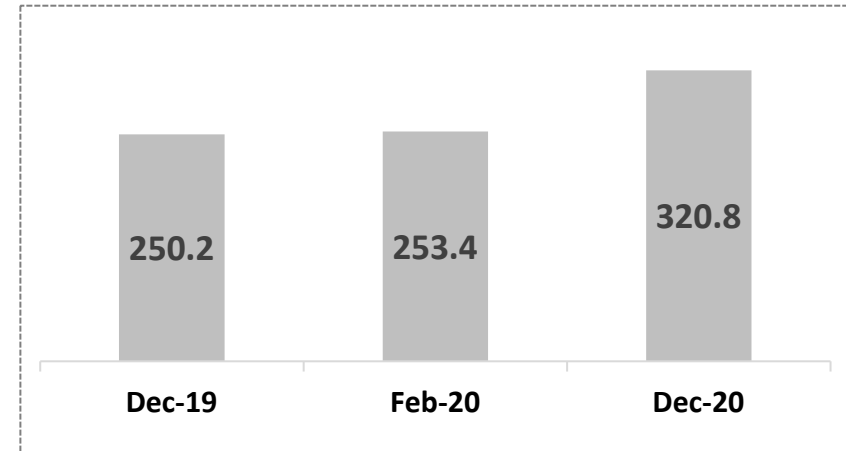
# Moroccan banking sector liquidity: exogenous factors

## Foreign reserves in USD bn



- Improvement of foreign reserves (even excluding IMF liquidity line)
- Decrease of inflows offset by the significant drop in outflows

## Cash in MAD bn



- Significant increase of cash due to the monthly assistance to vulnerable households distributed mainly in cash

	2019	2020	Change in MMAD	Change in %
Imports	527.5	440.5	-87.0	-16.5%
Imports excl. Energy	451.2	390.7	-60.5	-13.4%
Exports	423.4	356.1	-67.4	-15.9%
Exports excl. phosphates	374.5	305.3	-69.2	-18.5%
Tourism	57.8	25.8	-32.0	-55.3%
Remittances from MLA	64.8	68.0	+3.2	-5.0%

# Key measures taken by the Bank Al Maghrib (BAM) and impacts on AWB

## Monetary policy

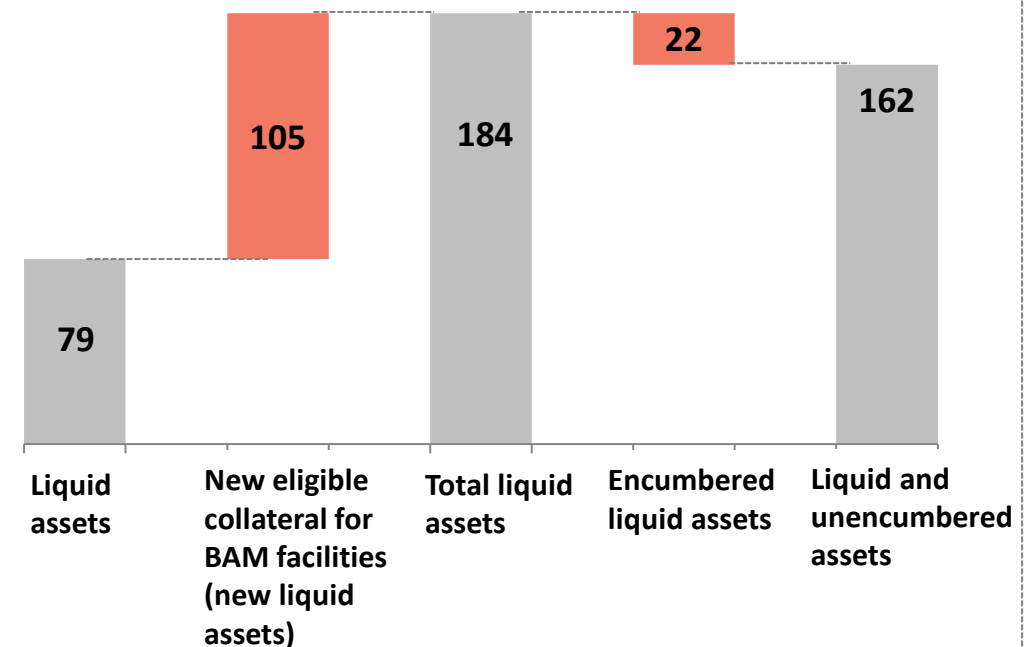
- 2 successive cuts in key interest rate to **1.50%** (25bps in March and 50 bps in June 2020)
- Mandatory cash reserve at **0%** of deposits vs. **2%** before

## Liquidity

### Main measures implemented by BAM

- **New FCY facility** instruments put in place by BAM
  - Foreign currencies funding, guaranteed by an eligible collateral denominated in foreign currency or in dirhams
  - Foreign currency swaps against dirham
- Extension of **assets accepted as collateral with BAM** to include:
  - Debt securities, denominated in dirhams or in foreign currencies, issued by companies and public establishments
  - Debt securities issued by collective investment funds in securitization
  - Bonds issued by finance companies
  - Loans with the Government guarantees
  - Loans on Public Enterprises and Establishments
  - Mortgage backed loans
  - Broadening of VSE (very small enterprises) refinancing program to capital working loans in addition to investment loans
- Authorization of banks, if necessary, to use, during the second quarter of 2020, the liquidity buffers constituted in the form of High Quality Liquid Assets **below the minimum LCR ratio**, noting that the **widening of eligible collateral for operations with BAM is likely to allow banks to best preserve these buffers**
- Promotion of the use of **mobile payments** and reduction of cash currency stock

### Impacts on AWB liquid and free assets (HQLA) in MAD billion, December 31, 2020



BAM: Moroccan Central Bank