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FINANCIAL REPORT

2020

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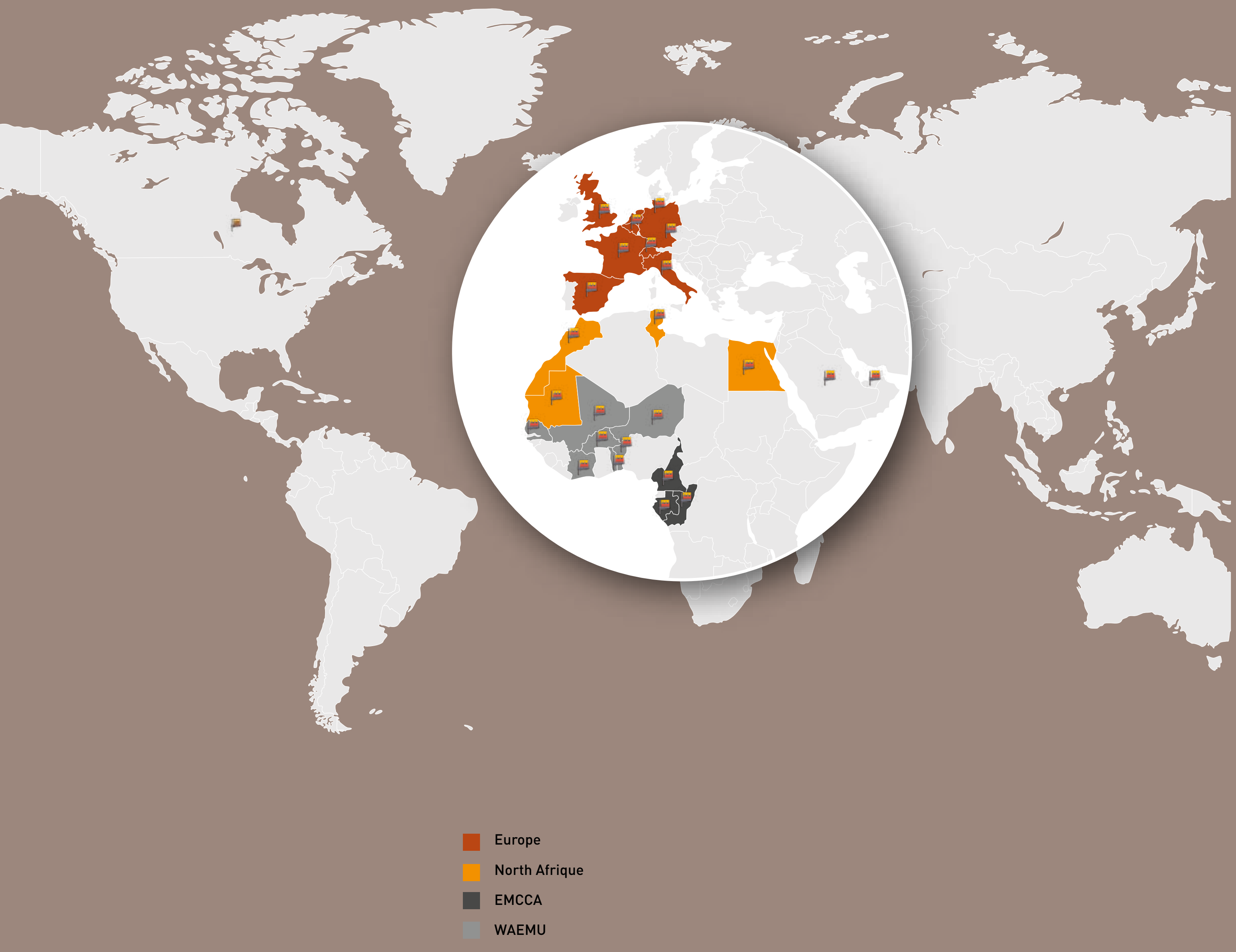
ATTIJARIWAFA BANK

AN INTERNATIONAL BANKING AND FINANCIAL GROUP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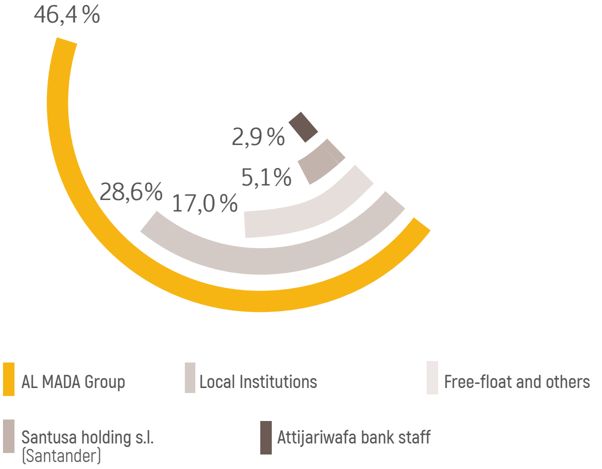
Attijariwafa bank key figures

- 20 583 Employees
- 3 496 Branches in Morocco
- 295 Branches in North Africa
- 69 Branches in Europe, the Middle East
- 821 Branches in West Africa
- 867 Branches in Central Africa

Shareholding structure as of December 31, 2020



About Attijariwafa bank

Created in 2004 with the merger of Banque Commerciale du Maroc (founded in 1911) and Wafabank (founded in 1904), Attijariwafa bank is the undisputed leader in Morocco and the sixth-largest bank in Africa.

Attijariwafa bank is the largest banking and financial group in North Africa and the WAEMU (West African Economic and Monetary Union), and a key player in the EMCCA (Economic and Monetary Community of Central Africa). In addition to banking, the Group is active in all financial activities through specialized subsidiaries: insurance, mortgage loans, consumer loans, leasing, asset management, brokerage, long-term leases, factoring and more.

Attijariwafa bank is based in Morocco and does business in 25 countries: in Africa (Egypt, Tunisia, Mauritania, Senegal, Burkina Faso, Mali, Ivory Coast, Togo, Niger, Benin, Congo, Gabon and Cameroon), in Europe (Belgium, France, Germany, the Netherlands, Italy, Spain and Switzerland) through banking subsidiaries majority controlled by the bank, and through representative offices in Dubai, Abu Dhabi, Riyadh, London and Montreal.

A leading pan-African bank, Attijariwafa bank has grown rapidly in Africa in recent years. International retail banking now accounts for 33.3% of net banking income and for 34.4%[1] of net income (Group share) at December 31, 2020.

The Group has the largest retail network in Morocco and the densest in Africa, with 5,548 branches and 20,583 employees serving 10.6 million customers as of December 31, 2020. Guided every day by values of leadership, commitment, citizenship, ethics and solidarity, Attijariwafa bank places all its resources at the service of the African continent.

AWB is listed on the Casablanca Stock Exchange with a market capitalization of USD 10.0 billion (at December 31, 2020). The principal shareholder is Al Mada, with 46.4% of AWB capital.

(1) Excluding the contribution to the special Covid-19 fund

Prevention and business continuity policy

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 activity and customers.

Health safety and protection of employees and customers

Attijariwafa bank has implemented a rigorous, strict health protocol to limit the transmission and spread 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, distribution of gel, protective masks, etc.

The bank has implemented a specific hygiene and cleaning procedure, with optimized management of employees and work spaces at central and network sites (on-site physical presence, remote working, team rotation, paid leave). Meetings, events and travel have been suspended and video conferences encouraged (as from February 24, before the first cases appear in the countries of operations).

Attijariwafa bank has also established a protocol for free medical and social services: PCR tests available for all employees and regularly scheduled targeted testing; free treatment of suspect cases (positive or contact); psychological support for employees; remote working for all fragile employees; special COVID loans for employees whose household has been affected by a decline in revenues; regular, proactive internal communication, etc.

Implementation of BCP

The principal measures taken for the Business Continuity Plan (BCP) are as follows:

- 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.), with use of distance channels and remote work encouraged;
- implementation of supervisory and safety procedures adapted to the new work organization;
- introduction of an interaction policy for "sensitive" suppliers with regard to business continuity;
- preparation of logistics and safety procedures in the event of tighter lockdown conditions or extreme scenarios.

Financial flexibility

- introduction of a liquidity crisis management unit after the outbreak of the crisis, with proactive action 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, thus protecting P&L against financial market volatility;
- faster implementation of the three-year optimization plan for expenses and investments.

Dialogue with governments and regulatory authorities

An active member and driving force for proposals on Morocco's Economic Monitoring Committee, Attijariwafa bank is in 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 countries of operations.

The Bank also has ongoing interaction with central banks and is a driving force for proposals concerning regulatory and legal changes (e.g., electronic signature bill in Morocco for faster digital development).

WORLD

GROWTH IN GLOBAL GDP

The year 2020 was notable for the unprecedented Covid-19 pandemic and its effect on the international context. The impact of the health crisis was negative on the economic and social environment, in both developed countries and emerging economies.

According to the forecasts of the International Monetary Fund (IMF), the global economy contracted by 3.5% in 2020, in line with the drastic measures taken to close businesses and lock down populations. The measures taken by various governments to contain the health crisis had very heavy consequences on economies and populations. In 2021, the global economy is expected to recover, with growth of 5.5%.

In advanced countries, GDP declined by 4.9% in 2020 but should grow 4.3% in 2021.

In emerging and developing economies, GDP fell 2.4% in 2020 but is expected to rebound by 6.3% in 2021, driven largely by growth in China.

GDP growth	2019	2020E	2021F
World	**2.8%**	**-3.5%**	**5.5%**
Developed countries	**1.6%**	**-4.9%**	**4.3%**
Eurozone	1.3%	-7.2%	4.2%
France	1.5%	-9.0%	5.5%
Germany	0.6%	-5.4%	3.5%
Spain	2.0%	-11.1%	5.9%
United Kingdom	1.4%	-10.0%	4.5%
United States	2.2%	-3.4%	5.1%
Japan	0.3%	-5.1%	3.1%
Emerging and developing countries	**3.6%**	**-2.4%**	**6.3%**
North Africa and Middle East	0.8%	-5.0%	3.2%
Sub-Saharan Africa	3.2%	-2.6%	3.2%

IMF (January 2021)

Oil prices declined from an annual average of $64.34 per barrel in 2019 to $41.75 in 2020. Inflation remained low, both in developed countries (0.7%) and emerging economies (5.0%).

AFRICA

According to the latest estimates from the African Development Bank, African economies declined in 2020, with GDP falling by 2.1%. Economic growth varies by region. Economies the most affected were those highly dependent on tourism, international trade and food exports.

Inflation rose across the continent due to supply disruptions for food and energy. The sharp fall in demand because of the lockdown and other restrictive measures contributed to inflationary pressure in some countries.

Economic indicators in Africa, by region

	GDP		Inflation	
	2020E	2021F	2020E	2021F
Africa	-2.1%	3.4%	10.4%	9.0%
Central Africa	-2.7%	3.2%	2.5%	1.7%
East Africa	0.7%	3.0%	17.3%	15.4%
North Africa	-1.1%	4.0%	6.1%	6.3%
Southern Africa	-7.0%	3.2%	12.5%	6.8%
West Africa	-1.5%	2.8%	10.4%	8.4%

Source : ADB

This section describes the main changes in 2020 in the economic environments of the countries in which Attijariwafa bank does business.

NORTH AFRICA

(2020 DATA)	Surface area (km²)	Population (m)	GDP per capita (USD)
Tunisia	163,610	12.0	3,295
Mauritania	1,030,700	4.2	1,791
Libya	1,759,540	6.7	3,282
Egypt	1,001,450	104.0	3,561

Source : IMF

ECONOMIC ENVIRONMENT

In North Africa, GDP growth declined 1.1% in 2020 but should recover by 4.0% in 2021, according to AfDB estimates. This situation is the result of recession in several North African countries because of the pandemic: Tunisia (–7.0% in 2020), Morocco (–7.1% in 2020) and Mauritania (–3.2% in 2020). Egypt ended 2020 with GDP growth of 3.5%.

Inflation in North Africa decreased relative to its average of 8% between 2011 and 2017, reaching 6.1% in 2020. The recent decline is due mainly to lower inflation in Egypt (5.5% in 2020 vs. 9.2% in 2019), where a restrictive monetary policy was adopted to limit the effects of a floating exchange rate and devaluation of the Egyptian pound.

Key economic indicators, by country

	GDP (%)		Inflation (%)		Budget balance (%)		Current account balance (%)	
	2020E	2021F	2020E	2021F	2020E	2021F	2020E	2021F
Tunisia	-7.0	4.0	5.8	5.3	-8.1	-5.1	-8.3	-8.7
Mauritania	-3.2	2.0	3.9	4.5	-3.8	-0.8	-15.3	-17.3
Libya	-66.7	76.0	22.3	15.1	-102.9	-43.2	-59.8	-22.4
Egypt	3.5	2.8	5.5	7.5	-7.5	-8.2	-3.2	-4.2

IMF, October 2020

The region's budget deficit came to –10.8% in 2020, in line with the pessimistic scenario. Country deficits came in at more than 10% of GDP: Algeria (–17% in 2020), Libya (–22.5% in 2020) and Egypt (–8.7% in 2020).

WAEMU

(2019 DATA)	Surface area (km²)	Population (m)	GDP per capita (USD)
Benin	112,622	12.5	1,259
Burkina Faso	274,200	21.5	769
Ivory Coast	322,463	27.7	2,281
Niger	1,267,000	25.1	536
Mali	1,240,192	20.3	899
Senegal	196,722	17.2	1,455
Togo	56,785	8.3	690

Source: IMF

ECONOMIC ENVIRONMENT

According to the latest IMF forecasts, GDP growth of the West African Economic and Monetary Union (WAEMU) was nearly flat in 2020, at 0.3%. This is due to the negative effects of the pandemic on the union's economies. By country, growth rates in 2020 came to: Benin (+2.0%), Burkina Faso (–2.0%), Ivory Coast (+1.8%), Mali (–2.0%), Niger (+0.5%), Senegal (–0.7%) and Togo (+0.0%).

Forecasts for 2021 show economic recovery, with GDP growth of 5.3% underpinned by the tertiary sector and by renewed activity in manufacturing, construction and public works.

Key economic indicators, by country

	GDP (%)		Inflation (%)		Budget balance (%)		Current account balance (%)	
	2020E	2021F	2020E	2021F	2020E	2021F	2020E	2021F
Benin	2.0	5.0	2.5	2.0	-3.7	-3.4	-5.5	-4.8
Burkina Faso	-2.0	3.9	2.0	2.0	-6.1	-4.6	-3.5	-3.5
Ivory Coast	1.8	6.2	1.2	1.4	-5.4	-4.1	-3.7	-2.9
Niger	0.5	6.9	4.4	1.7	-4.8	-4.7	-16.8	-19.2
Mali	-2.0	4.0	0.5	1.5	-6.2	-4.5	-2.0	-1.2
Senegal	-0.7	5.2	2.0	2.0	-6.2	-4.5	-9.2	-9.9
Togo	0.0	3.0	1.4	1.5	-7.1	-3.5	-6.3	-4.4

IMF, October 2020

The region's inflation rate rose 2.2% in 2020, but should decline to 1.7% in 2021. This change was due mainly to supply chains disrupted by the health crisis in most of the union's countries, and to higher imported food prices in 2020. The WAEMU budget deficit widened in 2020, to –5.6%.

In June 2020, the monetary policy committee decided to lower key interest rates by 50 bps. The minimum interest rate for tenders relating to liquidity operations now stands at 2.0%, and the marginal lending rate is at 4.0%. The ratio for legal reserves applicable to WAEMU banks is unchanged, at 3.0%.

EMCCA

(2019 DATA)	Surface area (km²)	Population (m)	GDP per capita (USD)
Cameroon	475,440	26.8	1,493
Congo	342,000	4.8	2,128
Gabon	267,667	2.1	7,185

Source: IMF

ECONOMIC ENVIRONMENT

GDP growth in 2020 in the Economic and Monetary Community of Central Africa (EMCCA) declined by 3.2%, with growth of 3.0% expected in 2021. Economies of the region's countries were affected mainly by underperformance in hotels, transport, construction and public works, manufacturing and food.

Inflation rose 2.7% in 2020, compared with 1.9% in 2019. This rise is attributable mainly to pressure on food and beverage prices. In terms of individual countries, Cameroon remains the principal contributor to the region's general price levels. The budget balance increased to 3.5% of GDP in 2020, in line with lower government revenues income and higher public spending.

Key economic indicators, by country

	GDP (%)		Inflation (%)		Budget balance (%)		Current account balance (%)	
	2020E	2021F	2020E	2021F	2020E	2021F	2020E	2021F
Cameroon	-2.8	3.4	2.8	2.2	-4.1	-3.3	-5.4	-4.5
Congo	-7.0	-0.8	2.5	2.6	-2.1	1.8	-5.7	-1.9
Gabon	-2.7	2.1	3.0	3.0	-5.4	-3.6	-9.1	-6.0

IMF, October 2020

In March 2020, the regional central bank (BCAS) decided to lower its prime rate by 25 bps, to 3.25%, and to cut its marginal lending facility from 6.0% to 5.0%.

MOROCCO

Like other countries, Morocco was negatively affected by the health crisis. Economic and social indicators declined, despite proactive management and support measures taken to absorb the repercussions.

- Economic growth of -7.1% was in recession in 2020, in line with:
  - a 6.9% decline in nonagricultural GDP in 2020, affected by the pandemic and especially by the tourism, transport and processing sectors;
  - a 8.1% decline in value-added agricultural activity in 2020, affected by lower cereal production (32 million quintals in 2020, down 39% from the previous harvest);
- low inflation in 2020, at 0.7%;
- a contrasting macroeconomic context:
  - budget deficit declined to –7.8% of GDP in 2020, with –6.5% forecast for 2021;
  - trade deficit widened to 18.8%, in line with greater decline in imports than in exports;
  - sovereign debt up to 76.2% of GDP in 2020, compared with 65.0% of GDP in 2019: two Moroccan sovereign bond issues (€1 billion in September 2020 and $3 billion in December 2020);
  - decline of 9.4% in final domestic consumption in 2020, hurt by measures taken to contain the pandemic and by lower revenues;
  - current account deficit contained at –4.2% of GDP in 2020, attributable to improved trade deficit and to steady remittances from Moroccans living abroad;
  - foreign-currency reserves covering 7.3 months of imports in 2020.
- The Central Bank's latest forecasts show a rebound in GDP growth of 4.7% in 2021 and 3.5% in 2022.

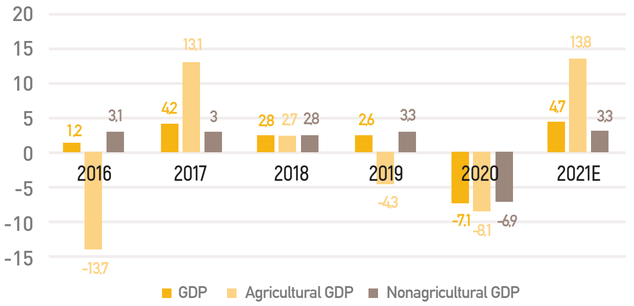
Quarterly Moroccan GDP growth (year on year)

	2018	2019	Q1 20	Q2 20	Q3 20	2020	2021*
GDP	2.8%	2.6%	0.2%	-15.8%	-6.9%	-7.1%	4.7%
Agricultural v-a	2.7%	-4.3%	-4.2%	-9.9%	-6.3%	-8.1%	13.8%
Nonagricultural GDP	2.8%	3.3%	0.7%	-16.6%	-6.9%	-6.9%	3.3%

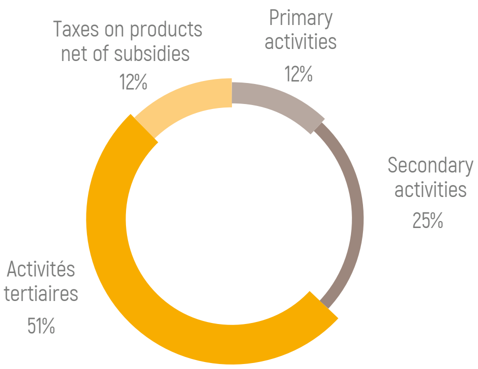
(*) : Estimates

Source: BAM (January 2021) and AWB forecasts

GDP growth 2016-2021F (in %)



GDP in 2019



Domestic economic growth was in recession in 2020, affected by the health crisis and two consecutive years of drought

In 2020, Moroccan GDP declined 7.1% under the combined effect of the Covid-19 pandemic and the second consecutive year of drought. Agricultural GDP fell 8.1% while nonagricultural GDP declined 6.9%.

In the primary sector, the 2019–20 harvest was compromised by unfavorable weather conditions. Cereal production came to 32 million quintals times, a 39% decline from the previous year.

The nonagricultural sector was hurt to various degrees by the pandemic, depending on the specific sector and its reliance on external demand. Sectors the hardest hit were hotels and restaurants; the mechanical, metal and electrical industries; textiles and clothing; retail; and transport. By contrast, other activities continued to perform well: oil and mining, agri-food, health care and education.

Domestic demand contributed negatively to GDP growth (−4.1 points in 2020, compared with +1.6 points in 2019). Restrictive measures implemented for travel and circulation, as well as unemployment caused by the pandemic, had a negative impact on both household consumption and business spending.

Morocco and Covid-19: proactive management focused on an anticipatory approach

To face this historic crisis, and thanks to the foresight of His Majesty King Mohammed VI, Morocco has implemented a series of economic and social measures, and a monitoring policy managed by the Economic Monitoring Committee through:

- the creation of a fund dedicated to the Covid-19 pandemic (MAD 35 billion, 3% of GDP) comprising MAD 10 billion from the state budget and MAD 25 billion from companies, public institutions and donations from private individuals – proof of strong economic solidarity and social unity;
- an ambitious government stimulus plan to inject MAD 120 billion into the economy (~11% of GDP) in order to finance and aid production as well as public and private investment projects.

A public health state of emergency was declared on March 19, 2020, with the implementation of a general lockdown. Several measures were taken:

Financial and monetary measures:

- a series of measures was implemented to increase the state's refinancing capacity, especially on an international level (incl. $4 billion in Eurobonds);
- use of the IMF's Precautionary and Liquidity Line (PLL) for $3 billion;
- benchmark interest rate cut by 75 bps (25 bps in March 2020 and 50 bps in June 2020);
- new liquidity instruments introduced by BAM;
- resort to application of an amending finance law.

Tax measures:

- optional deferment of tax filings to June 30, 2020.

Social measures:

- deferment of social security contributions, to June 30, 2020;
- implementation of monthly assistance for employees and fragile social classes affected by the crisis;
- creation of a dedicated Covid-19 crisis fund (MAD 35 billion, 3% of GDP).

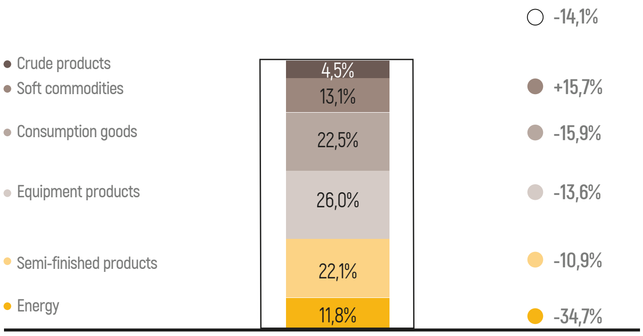
Economic and commercial measures:

- formation of an Economic Monitoring Committee (EMC);
- restrictions for certain categories of imports;
- moratorium agreement concerning repayments on bank loans;
- new state-backed loan guarantees designed to help businesses: Damane Oxygène, Damane Relance and Relance TPE.

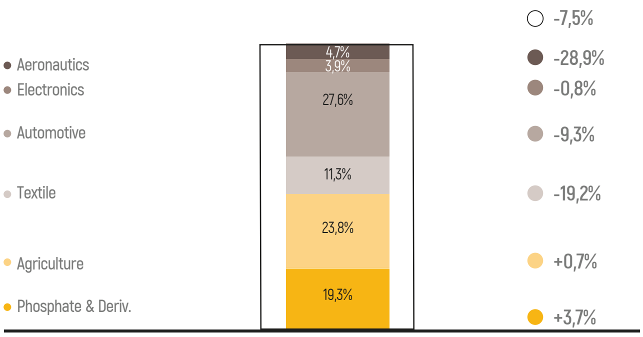
Trade deficit reduced

At the end of December 2020, the external trade balance of goods and services showed a trade deficit of –18.8%. This improvement is attributable to lower imports of goods and services (–16.5% to MAD 440.5 billion), which offset exports of goods and services (–15.9% to MAD 356.1 billion).

Total imports



Total exports



Source: Foreign Exchange Bureau

Net international reserves grew 26.6%, to MAD 320.8 billion as of December 2020, thereby covering seven months of import needs for goods and services.

ECONOMIC STIMULUS PLAN

In a context dominated by the health crisis, an industrial stimulus plan was drawn up for the period 2021–2023. The plan is designed to assist industrial sectors and strengthen their integration, to encourage industrial innovation, and to support the new generation of industrial businesses.

MAD 120 billion will be injected into the economy via :

State-backed loans :

MAD 75 billion are earmarked for several sectors:

For all segments of companies and public institutions affected by the crisis :

- DAMANE OXYGENE for very small and medium-sized enterprises, to finance their expenses during the lockdown until December 31, 2020;
- DAMANE RELANCE for the working capital needs of enterprises resuming business; DAMANE RELANCE TPE, DAMANE RELANCE PME and DAMANE RELANCE HÔTELIER.

New strategic investment fund

MAD 45 billion: MAD 30 billion financed by domestic and international institutional investors, and MAD 15 billion financed by the state (2020 budget) to be used to:

- finance investment projects with the help of public-private partnerships;
- strengthen equity so that companies can grow.

Source: Ministry of Finance

Remittances from Moroccans living abroad rose 5.0% in 2020, to MAD 68.0 billion. Net direct foreign investment was nearly unchanged, at MAD 15.5 billion.

The current account deficit came to –4.2% of GDP, compared with –4.4% the previous year.

Widened budget deficit

In 2020, the budget deficit came to –MAD 82.0 billion, compared with –MAD 46.5 billion the previous year. This change was due mainly to additional business stimulation measures combined with lower tax revenue.

As a percentage of GDP, the budget deficit came to 7.8%.

Low inflation in 2020

Inflation in Morocco was low in 2020, in a context of weak demand. The consumer price index rose 0.7%, in line with indexes for food products (+0.9%) and nonfood products (+0.5%).

Rise in government debt

In the first eleven months of 2020, domestic debt totaled MAD 645.0 billion, or nearly 59% of GDP. External debt totaled MAD 174.9 billion, or 18.7% of GDP. Total government debt in 2020 came to 76.2% of GDP.

Morocco: two successful bond issues in Q4 2020

Despite the uncertainties relating to the Covid-19 pandemic, Morocco successfully issued two sovereign bonds.

The first was carried out on September 24, 2020, for €1 billion in two tranches of €500 million each: one tranche maturing in five-and-a-half years with a coupon of 1.375%, and a second tranche maturing in ten years paying a coupon of 2.0%.

The second issue was made on December 8, 2020, for $3 billion in three tranches:

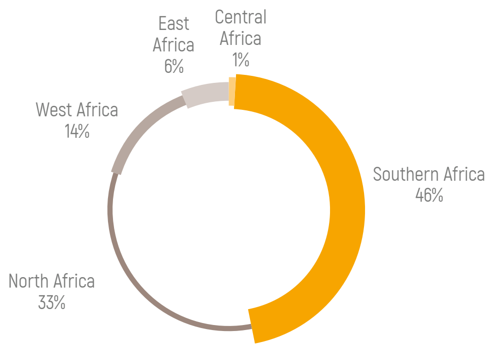
- 1st tranche maturing in seven years for $750 million, with a spread of 175 bps and a coupon of 2.375%;
- 2nd tranche maturing in 12 years for $1 billion, with a spread of 200 bps and a coupon of 3%;
- 3rd tranche maturing in 30 years for MAD 1.25 billion, with a spread of 261 bps and a coupon of 4%.

AFRICA

The African banking sector has grown significantly over the past decade with regard to assets, profitability, widespread availability of digital services, bank cards, mobile payment and access to banking facilities.

In 2019, the 200 largest African banks had assets of $1,755.4 billion (+8.8%), compared with $1,608.8 billion a year earlier, distributed as follows:

Breakdown of total assets
of the 200 leading banks by region



Source: Jeune Afrique

Boosted by the scale and performance of South African banks, Southern Africa remains the largest contributor to total assets (45.6%). North Africa is in second place, thanks to the robustness of Egyptian and Moroccan banks (contributions to total assets of 15.2% and 10.4%, respectively). West Africa is in third place (8.9%), thanks largely to Nigerian banks.

Central Africa contributes the least, with only 1.0% of total assets. In contrast, East Africa's contribution is rising, at 6.1%.

Total net banking income of the 200 banks rose 16.7%, to $83.7 billion, compared with $69.9 billion in 2019. The increase in net banking income is attributable to a rise in commercial and lending activities in numerous regions of Africa.

This following section describes the main changes in the banking environments of the countries in which Attijariwafa bank does business.

NORTH AFRICA

The North Africa banking sector plays an important role on the continent, and accounts for 33.1% of the 200 largest African banks, according to the Jeune Afrique 2019 rankings.

	Tunisia	Mauritania	Egypt
Banks	23	18	38
Branch network	1,945	291	4,423
Number of ATMs	2,854	305*	13,331
Penetration rate	48%*	18%*	33%
Total assets	TND 111.0 billion	NA	EGP 5,856.1 billion
Deposits	TND 75.4 billion	MRO 63.8 billion	EGP 4,222.5 billion
Loans	TND 78.1 billion	MRO 61.6 billion	EGP 1,890.6 billion
NBI	TND 5.5 billion	MRO 5.7 billion	NA
Net income	TND 1.315 billion	MRO 0.54 billion	EGP 83.2 billion
ROE	14.5%	3.2%	23.4%
ROA	1.2%	NA	1.8%

Source: central banks (data as of December 31, 2019) (*) 2018 figures

EGYPT

On May 3, 2017, Attijariwafa bank effectively finalized its acquisition of Barclays Bank Egypt, renamed Attijariwafa bank Egypt.

BANKING OVERVIEW

The Egyptian banking sector is very liquid, with excellent risk and return ratios (ROE of 23.4%, a nonperforming-loan ratio of 4.2% and a capital adequacy ratio of 17.7%).

At the end of 2019 there were 38 banks operating in the Egyptian market, with 4,423 branches and 13,331 ATMs.

The density of the banking network is five bank branches per 100,000 adults.

Business activity

Total assets grew 7.8% in 2019, to EGP 5,856.1 billion. The ratio of bank assets to GDP stands at 110%.

Loans totaled EGP 1,890.6 billion, while deposits amounted to EGP 4,222.5 billion. The loan-to-deposit ratio is 47%.

Results

At the end of 2019, net banking income totaled EGP 189.8 million, and net income amounted to EGP 83.2 million.

WAEMU

Banking overview

At December 31, 2019, the WAEMU banking system comprised 153 lending institutions (132 banks and 21 financial institutions offering banking services), compared with 147 a year earlier. This change is attributable to the granting of branch banking licenses to the Banque de Développement du Mali (BDM) in Senegal and Togo; to the granting of banking licenses to Coris Bank International Bénin (CBI Bénin), Mansa Bank, Orange Abidjan Compagnie (OAC) and Coris Bank International Sénégal (CBI Sénégal); and to the granting of banking licenses to the following financial institutions offering banking services: Africaine des Garanties et du Cautionnement (AFGC) in Benin and African Lease Togo (ALT) in Togo. The banking licenses of Coris Bank International (Benin branch) and Coris Bank International (Senegal branch) were withdrawn.

Network density increased 2.7%, with branches, offices and sales points totaling 3,728 units. Similarly, the number of ATMs increased 5.4%, to 3,378 units.

	Banks	Financial institutions	Total	Branches	ATMs
Benin	15	1	16	254	337
Burkina Faso	15	4	19	331	490
Ivory Coast	29	2	31	725	900
Guinea-Bissau	5		5	37	62
Mali	14	3	17	500	542
Niger	14	4	18	1,122	189
Senegal	26	4	30	512	568
Togo	14	3	17	247	290
Total	**132**	**21**	**153**	**3,728**	**3,378**

Source: General Secretariat of the Banking Commission 2019 data

Business activity

The WAEMU banking system grew in 2019 under favorable economic conditions, with economic activities continuing to trend upwards.

In 2019 total assets of lending institutions rose 9.6%, to FCFA 41,258.6 billion as a result of growth in all WAEMU countries.

	Total assets (FCFA billions)	Share of total assets
Benin	3,795	9,2%
Burkina Faso	5,764	14,0%
Ivory Coast	13,621	33,0%
Guinea-Bissau	0,305	0,7%
Mali	5,026	12,2%
Niger	1,842	4,5%
Senegal	7,865	19,1%
Togo	3,040	7,4%
Total	**41,259**	**100,0%**

Source: General Secretariat of the Banking Commission

Ivory Coast holds the largest share of total assets (33.0%), followed by Senegal (19.1%), Burkina Faso (14.0%) and Mali (12.2%). Guinea-Bissau is far behind, accounting for only 0.7% of total WAEMU assets.

Loans rose by 10.0%, to FCFA 22,924.0 billion. Deposits increased 10.8%, to FCFA 27,836.7 billion. The loan-to-deposit ratio stands at 82.4%.

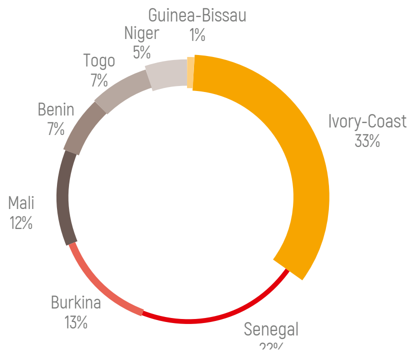
Results

Net banking income totaled FCFA 2,057.3 billion at the end of 2019, a 4.3% increase from the previous year.

Ivory Coast remains the largest contributor (33.3%) to WAEMU net banking income, followed by Senegal (21.8%), Burkina Faso (12.8%) and Mali (12.1%).

Estimated total net income rose 42.9% in 2019, from FCFA 379.4 billion in 2018 to FCFA 542.3 billion. All regions contributed to this performance. Net income was distributed as follows: Ivory Coast (42.0%), Senegal (17.4%), Burkina Faso (14.4%), Mali (9.6%), Togo (5.7%), Niger (4.9%), Benin (3.7%) and Guinea-Bissau (2.4%).

Net banking income, by country in 2019



WAEMU AND COVID-19

In 2020, in response to the consequences of the Covid-19 pandemic on the WAEMU banking and financial system, the region's central bank decided to:

- raise the resources available to banks from FCFA 340 billion to FCFA 4,750 billion;
- increase the options available to banks to access refinancing from the central bank;
- allocate FCFA 25 billion to the interest-subsidy fund of the West African Development Bank (WADB), which will subsidize interest rates and raise the amounts of concessional loans granted to states;
- help enterprises, especially SMEs, to defer payment deadlines.

Source: Central Bank of West African States

EMCCA

Banking overview

In 2019, the EMCCA banking system comprised 51 banks: 15 in Cameroon, 4 in the Central African Republic, 11 in Congo, 7 in Gabon, 5 in Equatorial Guinea and 9 in Chad.

	Banks
Cameroon	15
Central African Republic	4
Congo	11
Gabon	7
Equatorial Guinea	5
Chad	9
Total	**51**

Source: General Secretariat of the Banking Commission

Business activity

The Central African Banking Commission reports positive banking activity in the subregion for 2019.

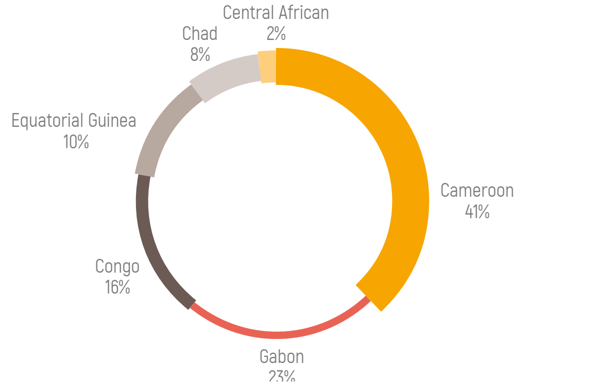
EMCCA banks had total assets of FCFA 14,093 billion at the end of 2019, a 4.6% increase from the previous year. Total assets rose in most EMCCA countries: Cameroon (+9.8%) and Chad (+11.0%). By contrast, total assets declined in Equatorial Guinea (–10.3%).

Deposits also grew (+5.2%), to FCFA 10,394 billion. Loans declined (–3.6%), to FCFA 8,442 billion. Nonperforming loans totaled FCFA 1,783 billion in 2019. The nonperforming-loan ratio came to 21.1%, nearly unchanged from the previous year.

Results

In 2018, Central African banks achieved net banking income of FCFA 985.1 billion, up 5.3%. Net income for the region totaled FCFA 138.8 billion, a rise of 7.1% due mainly to good results from banks in Gabon (+FCFA 21.2 billion) and Chad (+FCFA 3 billion).

Breakdown of net banking income by country in 2018



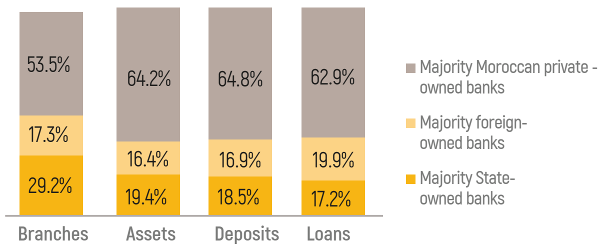
In considering the risk for monetary and financial stability from the Covid-19 pandemic, the BCAS monetary policy committee decided in March 2020 to:

- lower repo tender rates by 25 bps, to 3.25%;
- lower marginal lending facility rates by 100 bps (i.e., from 6.0% to 5.0%);
- increase liquidity injections, from FCFA 240 billion to FCFA 500 billion;
- expand the range of acceptable private collateral for monetary policy operations;
- lower applicable discounts for acceptable public and private collateral used in refinancing operations at the BCAS.

MOROCCO

The banking sector plays a key role in the Moroccan economy, with bank assets totaling 1.24 times GDP in 2019. At the end of December 2019, there were 90 credit institutions subsequent to authorization granted to six money-transfer companies, the liquidation of a surety company due to its nonviable business model, and the withdrawal of authorization of a microcredit association. The distribution is as follows: 24 banks (incl. 5 Islamic banks), 27 finance companies, 6 offshore banks, 12 microcredit associations, 19 money-transfer companies, the Caisse Centrale de Garantie and the Caisse de Dépôt et de Gestion.

Ownership structure of banks (%)



Source : Bank Al-Maghrib

The shareholding structure of the banking system is dominated by private-sector Moroccan shareholders, mainly holdings, insurance companies and mutual societies. In second place are foreign investors, which control seven banks and seven finance companies. The number of financial institutions majority held by the state remains stable at five banks and four finance companies.

With regard to cross-border business, the banking groups operate in Africa through 45 subsidiaries and 4 branches in 27 countries: 10 in West Africa (incl. 8 in the WAEMU), 6 in Central Africa, 6 in East Africa, 3 in North Africa and 2 in Southern Africa.

In the rest of the world, Moroccan banks operate in 7 European countries and China. In addition, they have 48 representative offices in 11 countries (mainly European).

With 11 credit institutions (incl. 6 banks and 5 finance companies) listed on the Casablanca Stock Exchange, the banking sector was the exchange's largest sector in terms of market capitalization (33.8%) at the end of 2020.

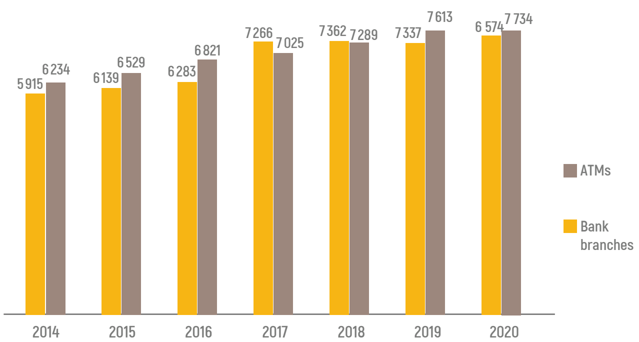
GROWTH OF BANKING FACILITIES AND NETWORKS

With the increasing development of online banking services, branch network growth fell 10.4% in 2020, compared with annual average growth of 5% during the period 2013–2018.

In 2020, bank networks totaled 6,574 branches. The ATM network totaled 7,734 units, an increase of 121 new installations year on year.

Moroccan banks are undergoing digital transition, with the creation of dedicated organizational structures and the arrival of fintechs.

Change in branch networks



Source : Bank Al Maghrib/CMI/GPBM

DEVELOPMENT OF DIGITAL CHANNELS

The banking model is moving online all over the world, with increasing use of remote banking services.

In Morocco, banks are following this trend. They have developed smartphone and internet applications for their customers. A digital transition has been implemented, mainly by equipping branches with online tools. Branches are focusing on advisory services, which provide greater value-added for both customers and the bank.

At the end of June 2020, access to banking facilities stood at 78% of the population (figure based on total accounts). The ratio of retail customers with at least one bank account compared to the total adult population came to 61%, up one point from the previous year. The ratio stands at 44% for women and 79% for men, compared with 40% and 77%, respectively, at the end of 2018. This shows that more women now hold bank accounts.

Bank density, as measured by the number of inhabitants per branch, remains at 5,400. There are 2 branches per 10,000 inhabitants, compared with 1 branch 15 years ago.

The number of Moroccan bank cards continues to grow. As of December 31, 2020, there were 17.2 million cards in circulation, a 6.3% increase from a year earlier.

The number of online retail transactions rose 46.5% in 2020, to 13.8 million transactions.

SECTOR REGULATIONS

In 2020, the Moroccan banking sector faced major challenges with the spread of the Covid-19 pandemic and the subsequent economic recession.

In response to the risks, Bank Al-Maghrib made a number of decisions and issued guidelines to support financial and banking activity, and consequently the Moroccan economy. The principal measures adopted by the Central Bank are as follows:

- two consecutive cuts in benchmark rates, from 2.25% to 2% in March 2020 then to 1.50% in June 2020, and full availability of the legal reserves account in favor of banks;
- activation of all refinancing instruments in Moroccan dirhams and hard currencies;

- refinancing in foreign currencies, guaranteed by eligible collateral in Moroccan dirhams or hard currencies;
- currency swaps of foreign currencies against Moroccan dirhams;

• extension of assets allowed as collateral:

- corporate or public debt securities, in Moroccan dirhams or foreign currencies;
- securitized debt instruments issued by investment funds;
- warrants of finance companies;
- claims on mortgage loans;
- claims on public and private debt;
- guaranteed mortgage loans;
- enhancement of the refinancing program for very small and medium-sized enterprises to include short-term loans in addition to investment lending;

• authorization of banks in Q2 2020 to use, where necessary, liquidity cushions in the form of high-quality assets under the minimum LCR ratio set at 100%; expansion of guarantees eligible for BAM operations will allow banks to better preserve their liquidity cushions;

• promotion of payment by phone and reduction of foreign currency surpluses.

At the same time, the economic monitoring committee, in charge mainly of supporting and aiding market participants, implemented a series of measures including:

• deferral of loan repayments for individuals and companies affected by Covid-19, for a three-month period (renewable);

• new state-backed loan guarantees designed to help businesses: Damane Oxygène, Damane Relance and Relance TPE:

- Damane Oxygène covers 95% of loans granted to companies in difficulty, to help them pursue their activity during the crisis period;
- Damane Relance guarantees between 80% and 90% of loans granted to stimulate business activity;
- Relance TPE guarantees 95% of business stimulation loans to very small enterprises, retailers and small craftsmen.

On the prudential level, the minimum regulatory requirements were lowered by 50 bps during the crisis period, to 8.5% for the tier 1 capital ratio and 11.5% for the capital adequacy ratio.

RESULTS OF BANKING-SECTOR ACTIVITY IN 2020

In a context dominated by the Covid-19 pandemic, the Moroccan banking sector grew in 2020.

Loan outstandings increased by 4.1%, to MAD 977,262 million at the end of 2020 (compared with +5% between 2018 and 2019, and +4% between 2013 and 2018).

The change in loans granted in 2020 comprises the following:

• growth of mortgage loans (+1.1%, compared with +3.5% in 2019), to MAD 272,738 million;

• rise in short-term cash loans (+7.5%, compared with +7.4% in 2019), to MAD 196,614 million;

• decline in equipment loans (–0.6%, compared with +4.5% in 2019), to MAD 208,014 million.

Customer deposits rose 5.3% in 2020, to MAD 999,939 million as a result of:

• 9.6% increase in checking accounts, to MAD 469,096 million;

• 1.9% rise in passport savings accounts, to MAD 168,638 million;

• 11.7% decline in term deposits, to MAD 137,426 million.

The loan-to-deposit ratio stood at 97.7% at the end of 2020, down nearly one point from 98.8% a year earlier.

Signature loans rose 4.2%, to MAD 314,003 million, of which 47.7% was for loan guarantees.

Nonperforming loans rose by 15.8%, to MAD 80,266 million, compared with an increase of 6.8% in 2019.

Provisions and bank charges increased 13.4%, to MAD 54,202 million, resulting in a nonperforming-loan ratio of 8.21% and a coverage ratio of 66.86%.

MONEY MARKET

The domestic economy faced an unprecedented crisis in 2020, with a dual shock in both supply and demand. At the beginning, strict lockdown measures were enforced in order to control the spread of the virus. In response to these difficult conditions, Bank Al-Maghrib launched a new, more accommodating monetary policy in mid-March 2020, a departure from the Central Bank's conventional approach. Inflation was kept under control, with the consumer price index up only 0.7% in 2020. Three unprecedented measures were taken:

1. Benchmark interest rates were cut an unprecedented 75 bps, to 1.5%. After an initial cut of 25 bps in March 2020, BAM cut rates another 50 bps in June 2020.
2. The reserve account was exhausted to a ratio of 0% (i.e., a liquidity injection of MAD 12.0 billion), thereby providing banks more flexibility for lending.
3. The list of collateral eligible for refinancing operations with BAM was expanded. This triples the borrowing capacity of banks, enhances the nonconventional program for refinancing loans to very small and medium-sized enterprises, and makes prudential regulations more flexible.

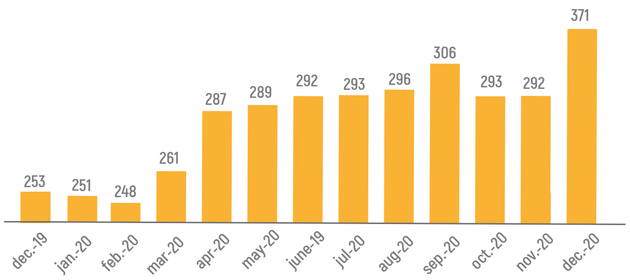
Taking into consideration the vital importance of stimulating the Moroccan economy, BAM fulfilled its role perfectly as lender of last resort and met all bank demand. Note that banking system's liquidity deficit exceeded MAD 80 billion in 2020, compared with more than MAD 64 billion the previous year, an increase of 25%. This decrease in banking liquidity is attributable mainly to the 20% rise in notes and coins in circulation, to more than MAD 300 billion at the end of 2020. This was due to a rise in volume outside the banking circuit. At the same time, the deficit was softened by growth in the official reserves, which reached a record MAD 320.9 billion at the end of 2020, thereby ensuring coverage of nearly seven months of imported goods and services, compared with MAD 253.4 billion a year earlier.

Despite the challenging conditions, Bank Al-Maghrib's expansive policy of higher liquidity injections (seven-day advances and longer) successfully contained interbank rates in line with prime rates in 2020. BAM raised the average amount of its monetary interventions, to an average weekly of MAD 104.8 billion in 2020, compared with MAD 80.6 billion in 2019. These interventions comprise MAD 42.4 billion in seven-day advances, MAD 38.1 billion in repos with physical delivery, MAD 20.0 billion in guaranteed loans granted under support programs implemented last April for the financing of very small and medium-sized enterprises, as well as the Intilaka foreign exchange swap for MAD 4.3 billion.

In addition, Bank Al-Maghrib's accommodative monetary policy has had a positive effect on outstanding bank loans. With the decline in refinancing costs due to lower interest rates, loan distribution has been boosted by the injection of liquidity and the implementation of guaranteed loans under the DAMANE OXYGENE and DAMANE RELANCE programs. Loans totaled MAD 958 billion at the end of 2020, up 4.5% for the year.

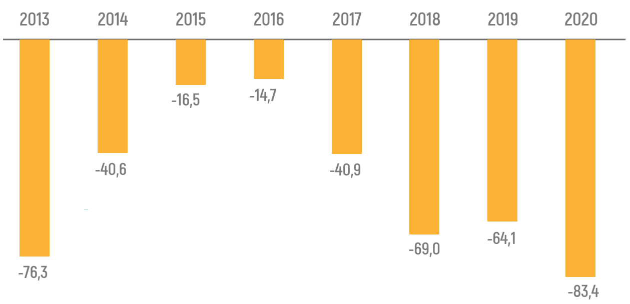
The domestic economy experienced significant recession in 2020, hurt by the combined effect of the Covid-19 pandemic and unfavorable weather. GDP declined 6.6%, according to the latest estimate from Bank Al-Maghrib. This figure is in line with estimates from Moroccan and international institutions.

Change in foreign exchange reserves
(in MAD billions)



Source : Attijari Global Research

Change in liquidity deficit
(in MAD billions)



Source : Attijari Global Research

BOND MARKET

The principal strategy aiming to alleviate the effects of the health crisis on production, and to support the economic recovery plan, weighed heavily on public finances in 2020. The budget deficit therefore reached a record high as a result of the expected decline in tax revenue and the ongoing rise of government expenses that are difficult to reduce. The budget deficit should come to 7.5% of GDP in 2020, according to the latest estimates of the amended 2020 finance bill, compared with 3.5% initially forecast.

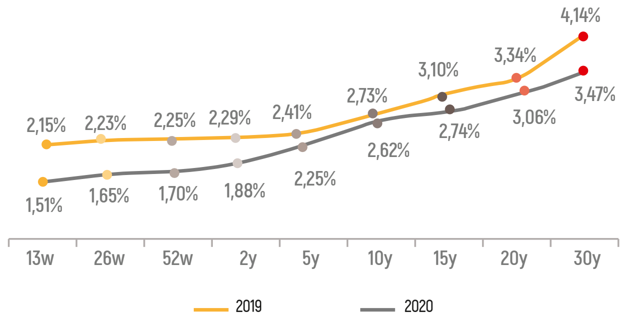
Given the economic conditions, and in order to reduce the state treasury's use of domestic financing, exterior financing has become a key alternative for enhancing the state's budget while avoiding putting additional pressure on domestic liquidity. The health crisis has lowered national savings and therefore reduced liquidity. Consequently, the state treasury department has raised the external debt limit to MAD 60 billion in the latest forecasts of the amended 2020 finance bill. The Treasury successfully completed two international issues, for €1.0 billion (September 2020) and $3.0 billion (December 2020). These two successful issues are proof of the confidence of foreign investors. Subscription rates were high, with risk premiums much lower than for emerging countries. Morocco continues to enjoy relatively advantageous conditions internationally, thanks largely to the preservation of its investment grade rating.

Consequently, amounts raised by the Treasury have nearly doubled, from MAD 66.5 billion in 2019 to MAD 129.5 billion in 2020. With government spending totaling MAD 77.1 billion, net funds raised came to MAD 52.4 billion in 2020, an increase of more than MAD 34 billion from 2019. Investor demand remains strong, with total volume of MAD 330 billion in 2020, compared with MAD 339 billion in 2019.

Matching the Treasury's offer with investor demand resulted in lower required rates of return for the full range of maturities along primary and secondary yield curves. The decline in treasury bill yields is attributable mainly to the Central Bank's 75 bps cut in benchmark interest rates in 2020. The short end of the yield curve declined immediately, with similar declines gradually spreading to medium- and long-term maturities. The primary yield curve flattened across all maturities, with declines in a range of 11–67 bps. Maturities that declined the most were those of 30 years, 13 weeks, 26 weeks and 52 weeks.

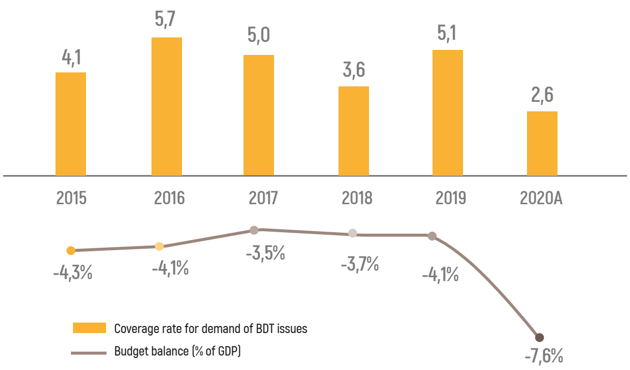
Nevertheless, despite the apparent decline in bond yields in 2020, analysis of changes in treasury yields in 2020 reveals a rise during the month of November 2020. This was soon reversed with the Treasury's international issue in USD. Gross amounts raised by the Treasury totaled more than MAD 23.9 billion in one month, compared with a target of MAD 15.3 billion initially announced in November 2020. This was the largest monthly issue in 2020, twice the average annual monthly amount. Similarly, investor demand was satisfied at 71.0% in November, one of the year's best months, compared with an annual average of 40.0%.

Change in bond yields between 2019-2020



Source : Attijari Global Research

Change in budget indicators



Source : Attijari Global Research

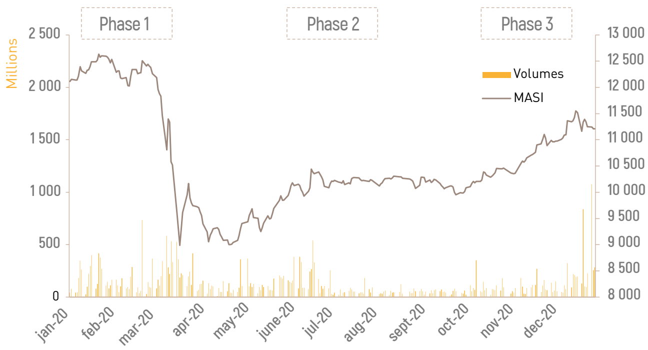
STOCK MARKET

The year 2020 was notable for the Covid-19 pandemic and its severe effect on financial markets.

Following trends worldwide, the MASI index experienced the most rapid correction in its history, declining 28% in just 18 trading days. Thanks to recovery in equity markets beginning in Q2 2020, the MASI index ended 2020 with a relatively limited decline of 7.3%, at 11,287 points. This correction followed two successive rises in 2018 (+5.2%) and 2019 (+7.1%). The MADEX index followed the same trend, declining 7.4% to 9,190 points.

Trading volume slowed slightly on the Casablanca Stock Exchange in 2020. Transaction volume on the central market totaled MAD 33 billion, or average daily volume of MAD 133 million, a decline from MAD 150 million in 2019. The three largest market capitalizations – Attijariwafa bank, Maroc Telecom and Cosumar – accounted for nearly 44% of total trading. Block-trading volume totaled MAD 15.8 billion.
A highlight of 2020 was the Aradei Capital IPO. This was the first IPO on the Moroccan market since 2018, and the largest since 2016 in terms of money raised (MAD 600 million). Aradei Capital is a commercial real estate company specialized in the acquisition of buildings for lease. This new type of property investment asset enhances the product offer on the Moroccan stock market.
Market capitalization declined 6.7% in 2020, to MAD 585 billion.

Change in capital market in 2020



Source : Attijari Global Research

The Casablanca Stock Exchange underwent three main phases in 2020 :

- Phase 1 : January 1–April 22

During this period, the MASI index corrected sharply, losing 26.0% to a four-year low of 8,988 points (March 18). This decline was accentuated by the announcement of a strict lockdown of the general population, and the suspension of several business activities as from March 20, 2020. This first phase was marked by a wave of investor panic, as seen in average daily volume of MAD 175.0 million, up 120.0% from the same period in 2019.

- Phase 2 : April 22–September 30 :

In the second phase, the MASI index recovered part of its losses, gaining a total of 11% over the period. This rise was underpinned by the Central Bank's more accommodating monetary policy, the State's unprecedented budgetary efforts and the generally reassuring performances from listed companies in Q3 2020. After declining by 10.5% in Q2 2020, revenues of listed companies lost only 4.5% in Q3 2020.

- Phase 3 : September 30–December 31 :

In Q4 2020, the stock market rose 12.7%. Consequently, equities reduced their annual loss to -7.3%, compared with -26.2% during the worst of the Covid-19 shock. Investor optimism was driven by the announcement of Covid-19 vaccination campaigns, and by the resumption of dividend payments in the banking sector.

BUSINESS ACTIVITY IN MOROCCO

CUSTOMER DEPOSITS

Attijariwafa bank's customer deposits rose 5.3% in 2020, to MAD 244.7 billion. This change is the result of:

- a 10.4% rise in non-interest-bearing deposits, to MAD 183.3 billion, in line with:
- a 9.3% increase in checking accounts, to MAD 125.0 billion;
- a 23.6% increase in current accounts with short-term lines of credit, to MAD 46.8 billion;
- a 7.4% decline in interest-bearing accounts, to MAD 61.4 billion.

Attijariwafa bank's market share of customer deposits stood at 24.5% at the end of 2020.

Loan disbursals

In 2020, Attijariwafa bank's loan disbursals rose 2.8%, to MAD 247.2 billion. This change is attributable mainly to:

- a 1.9% increase in mortgage loans, to MAD 65.7 billion;
- a 9.0% increase in consumer loans, to MAD 45.7 billion;
- a 3.2% decline in equipment loans, to MAD 61.3 billion.

Attijariwafa bank's market share in lending stood at 25.3% at the end of 2020.

Attijariwafa bank's nonperforming loans rose 17.9%, to MAD 14.9 billion. At the same time, provisions for nonperforming loans rose 27.8%, to MAD 10.1 billion, bringing the coverage ratio to 68.0%. The nonperforming-loan ratio stood at 6.0% at the end of the year, and the cost of risk came to 0.77%.

Signature loans

Signature loans grew by 12.8% in 2020, to MAD 148.9 billion, bringing the Bank's market share to 47.4%.

Source : GPBM

PARENT-COMPANY RESULTS AT DECEMBER 31, 2020

Net banking income

In 2020, net banking income (NBI) totaled MAD 12.2 billion, down 5.1% from 2019. The decline comprises lower fee income (-6.4%), lower market activities (-19.1%) and higher interest margins (+5.5%).

Net banking income breaks down as follows :

	2020	Share of NBI	2019	Share of NBI	Change	
					MAD millions	%
Net interest margin	8,283	68.0%	7,854	61.1%	429	5.5%
Income from lease financing and similar agreements	-46	-0.4%	141	1.1%	-187	-132.6%
Fee income	1,813	14.9%	1,937	15.1%	-124	-6.4%
Income from market activities	2,082	17.1%	2,574	20.0%	-491	-19.1%
(+)Other banking income	1,377	11.3%	1,668	13.0%	-291	-17.4%
(-)Other banking expenses	1,325	10.9%	1,329	10.3%	-4	-0.3%
Net banking income	12,185	100.0%	12,844	100.0%	-660	-5.1%

Net interest margin

Net interest margin totaled MAD 8.3 billion in 2020, up 5.5%, and breaks down as follows:

- Interest and related income rose 0.8%, to MAD 11.4 billion. This change comprises higher interest and related income from customer activities (+1.8%), and lower interest and related income from activities with credit institutions (-10.7%).
- Interest and related expenses fell 10.0%, to MAD 3.1 billion, because of an 8.4% decline in interest and related expenses from customer activities, and a 21.5% decline in interest and related expenses from activities with credit institutions.

Income from lease financing and similar agreements

Income from lease financing and similar agreements declined by MAD 45.9 million in 2020, compared with a rise of MAD 140.7 million in 2019.

Fee income

Fee income in 2020 totaled MAD 1.8 billion, down 6.4% from 2019.

Income from market activities

In 2020, income from market activities totaled MAD 2.1 billion, down 19.1% from a year earlier. This change is due mainly to lower income from trading activities (–MAD 274 million) and a decline in currency trading (–MAD 285 million). Income from derivatives activities rose MAD 68 million.

Other banking income and expenses

Other banking income totaled MAD 1.4 billion in 2020, a decline of 17.4% from 2019.

Other banking expenses declined 0.3%, to MAD 1.3 billion.

General operating expenses

General operating expenses in 2020 totaled MAD 4.8 billion, down 2.2% from 2019. This decrease is attributable mainly to a 6.1% decline in external expenses. The cost-to-income ratio stood at 39.6% at the end of 2020, compared with 38.4% a year earlier.

	December 2020	December 2019	Change	
			MAD millions	%
Staff costs	2,242	2,314	–72	–3.1%
Taxes	82	107	–25	–23.2%
External expenses	1,754	1,867	–113	–6.1%
Other general operating expenses	84	75	9	12.1%
Depreciation and amortization expenses*	665	571	94	16.4%
General operating expenses	4,827	4,935	–108	–2.2%

* Tangible and intangible assets

Gross operating income

Gross operating income totaled MAD 7.1 billion in 2020, down 11.7% from 2019. The change comprises the decline in net banking income (–5.1%) and the improvement in general operating expenses (–2.2%).

Income from ordinary activities

Income from ordinary activities totaled MAD 4.5 billion, down 35.3% from 2019.

Net provisions rose to MAD 2,944 million from MAD 961.8 million the previous year due to the significant increase in credit risk related to the Covid-19 crisis, and consequently the need to set aside provisions on a prudential basis. The provisions comprise:

- gross provisions of MAD 3.517 billion in 2020, compared with MAD 1.61 billion in 2019;
- write-backs of gross provisions of MAD 573 million in 2020, compared with MAD 648 million in 2019.

The coverage ratio for nonperforming loans came to 68.4% in 2020, compared with 67.8% in 2019.

Net income

Net income fell by 52.1% in 2020, to MAD 2.3 billion.

Shareholders' equity

Shareholders' equity (excl. net income) grew by 5.2% in 2020, to MAD 40.8 billion.

Total assets

At the end of 2020, total assets stood at MAD 380.5 billion, up 5.5% from the previous year.

VALUES OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTEMENT SECURITIES

SECURITIES	Gross carrying value	Current value	Redemption value	Unrealized capital gains	Unrealized capital losses	Provisions
TRADING SECURITIES	**65,780,278**	**65,780,278**	-	-	-	-
TREASURY BILLS AND SIMILAR INSTRUMENTS	44,214,784	44,214,784				
BONDS	97,376	97,376				
OTHER DEBT SECURITIES	3,218,688	3,218,688				
EQUITY SECURITIES	18,150,085	18,150,085				
SUKUK CERTIFICATES	99,345	99,345				
AVAILABLE-FOR-SALE SECURITIES	**3,278,109**	**3,247,235**	-	**13,748**	**30,874**	**30,874**
TREASURY BILLS AND SIMILAR INSTRUMENTS	38,715	38,715		101		
BONDS	1,575,693	1,575,693		1,878		
OTHER DEBT SECURITIES	1,597,117	1,597,117		-		
EQUITY SECURITIES	66,584	35,710		11,769	30,874	30,874
SUKUK CERTIFICATES	-					
INVESTMENT SECURITIES	**9,409,904**	**9,409,904**	-	-	-	-
TREASURY BILLS AND SIMILAR INSTRUMENTS	9,343,118	9,343,118		-	-	-
BONDS	-	-				
OTHER DEBT SECURITIES	66,786	66,786				
SUKUK CERTIFICATES	-	-				

Difficulties encountered : None

Significant events that occurred between the closing date and the date of the management report : 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.

Proposed allocation of earnings approved by the Board of Directors on February 23, 2021

Net income for the year	**2 318 617 926,33**
Legal reserve	-
Retained earnings from prior years	3 876 868 595,74
Distributable income	**6 195 486 522,07**
Allocation	
Statutory dividend (6%)	125 915 807,40
Amount required to bring the dividend to MAD 11 per share	2 182 540 661,60
Total payout	**2 308 456 469,00**
Extraordinary reserves	-
Retained earnings	3 887 030 053,07

ACTIVITY AND RESULTS OF PRINCIPAL SUBSIDIARIES

SPECIALIZED FINANCE COMPANIES

Wafasalaf

In a context dominated by the Covid-19 health crisis and its economic and social consequences, Wafasalaf saw business and earnings slow in 2020.

Total production in 2020 for the consumer-credit subsidiary declined by 28.9%, to MAD 9.1 billion, consistent with the 24.6% decline (to MAD 4.4 billion) of in-house production and the 32.4% decline (to MAD 4.7 billion) of managed production.

In contrast, total outstandings in 2020 rose by 0.8%, to MAD 34.4 billion, consistent with the 2.1% rise (to MAD 14.1 billion) of in-house outstandings and the 0.8% decline (to MAD 20.3 billion) of managed outstandings.

MAD millions	2019	2020	Change
Total production	**12,844**	**9,137**	**-28.9%**
In-house production	5,856	4,414	-24.6%
Managed production	6,988	4,723	-32.4%
Total outstandings	**34,272**	**34,398**	**0.4%**
In-house outstandings	13,844	14,128	2.1%
Managed outstandings	20,428	20,269	-0.8%

Wafasalaf remains the leader of its sector, with market share of 30.3% of gross outstandings at the end of 2020.

In December 2020, Wafasalaf extended the upper limit of finance company bonds to MAD 6.5 billion from MAD 5.0 billion previously. The aim was to diversify financing resources.

Net banking income declined by 3.3%, to MAD 1,087.1 million. Net income totaled MAD -123.1 million, compared with MAD 334.4 in 2019.

Wafabail

Wafabail ended 2020 with total production of MAD 2.9 billion, a decline of 32.9% from the previous year. Total outstandings declined by 4.3%, to MAD 12.6 billion.

MAD millions	2019	2020	Change
Total production	4,396	2,948	-32.9%
Total outstandings	13,115	12,556	-4.3%

The leasing subsidiary remains the leader of its sector, with a 25.6% market share in outstandings in 2020.

Net banking income totaled MAD 374.4 million in 2020, a 1.7% decline from 2019. Net income fell by 73.0%, to MAD 34.6 million.

COVID-19 HEALTH CRISIS

Like every country worldwide, Morocco is facing the Covid-19 health crisis. The sheer scale of the pandemic has had unprecedented consequences on the economy, corporate activity and more generally the daily life of citizens.

In order to contribute as much as possible to the nationwide effort to fight the health crisis, Wafabail quickly adopted exceptional measures to protect employees, customers and partners who visit the Wafabail business premises, and to ensure continuity of all services Wafabail for its customers.

To fight the pandemic and its effects, Wafabail launched a series of measures relating to its employees and customers:

- application of measures in compliance with guidelines from the Ministry of Health;

- installation of a thermal imaging camera at the main door, and equipping the security guard with a thermometer gun;
- raising awareness of all employees and reminding them of the basic rules for prevention and health safety;
- raising awareness of protective measures against Covid-19 (e.g., social distancing, hand washing);
- floor markings to encourage social distancing;
- distribution to all employees of an individual protection kit including disinfectant, masks and paper tissues.

As early as the end of February, Wafabail took action to ensure service to its customers, by implementing its business continuity plan (BCP). Wafabail opened its backup site and reorganized employees in order to 1) maintain two distinct operational teams and 2) adapt employees to social distancing and workloads.

Wafa Immobilier

Wafa Immobilier achieved total outstandings in 2020 of MAD 68.1 billion, a 3.6% increase from 2019. This change is attributable to the 4.4% rise (to MAD 55.9 billion) in home-buyer outstandings.

MAD millions	2019	2020	Change
Total outstandings	65,755	68,118	3.6%
Home-buyer outstandings	53,522	55,875	4.4%
Developer outstandings	12,233	12,243	0.1%
Number of mortgages	186,658	195,575	4.8%

Wafa Immobilier's market share as specialist in mortgage financing and real estate development now totals 24.1%.

Wafa Immobilier renewed ISO 9001:2015 certification and for the seventh consecutive year was awarded ISO 9001:2015 quality certification for its loan approval activities and customer service.

In 2020, Wafa Immobilier had net banking income of MAD 356.1 million, almost unchanged from the previous year, and net income of MAD 111.1 million, a decline of 1.5%.

TAX EXEMPTIONS

As part of the effort to combat the economic crisis from the Covid-19 pandemic, total and partial tax exemptions for registration fees in 2020 produced significant results. The tax authorities recorded 6,485 transactions with total exemption of registration fees, and 18,665 transactions with partial exemption of registration fees. The effect of these exemptions on the property market led the Finance Ministry to extend the measure for the first six months of 2021. The partial exemption limit was raised to MAD 4 million.

Wafacash

Despite the health measures and restrictions implemented by the Moroccan authorities during the pandemic, Wafacash experienced positive growth in 2020. The total number of transactions rose 10%, to 37 million. Total volume reached MAD 77 billion, up 2% from 2019. By contrast, commercial sales declined by 12%.

The principal activities affected by the pandemic were:

- Manual exchange activity fell by 64% from 2019, after borders were closed and domestic tourism declined.
- Banking activity (Salaf Cash, Hissab Bikhir, Floussy, etc.) declined by 12% from the previous year. This decline reflects weaker purchasing power for consumers, parallel with retail closings during the lockdown period.

MAD millions	2019	2020	Change
Number of transactions (millions)	33.0	37.0	10.0%
Total volume (MAD billions)	75.2	77.0	2.0%

Highlights for Wafacash in 2020 included:

- introduction of a specialized Wafacash unit for crisis management, and remote implementation of the business continuity plan;
- distribution of social assistance to both holders and non-holders of the RAMED national medical assistance card, and to CNSS (Moroccan social security fund) affiliated members through Cash Express;

- network expanded with the opening of 80 new branches;
- recruitment of 5 new partners and 71 Wafa Assurances agents;
- for the third consecutive year Wafacash received the "2021 Customer Service of the Year" award in the "payment options and money transfer" category.

Net banking income declined by 11% from 2019, to MAD 391 million, while net income fell 14%, to MAD 121 million.

For 2021 Wafacash has a new strategic plan based on eights areas of development:

- adjust the Wafacash value proposition for access to banking facilities;
- transform the distribution and sales approach;
- implement a customer relations model for the Wafacash brand;
- enact the digital transformation of the Wafacash model;
- adapt the organization and improve operational excellence;
- enhance the human resources precedures;
- expand the regional footprint of Wafacash;
- fully exploit Group synergies.

Attijari Factoring Maroc

In 2020, the factoring market declined in line with the consequences of the health crisis, particularly with regard to the export branch and to customers in the clothing, construction and public works, and communication sectors.

Attijari Factoring (AFM) had total outstandings of MAD 1.9 billion, down 18.1%. Production rose 14.1%, to MAD 20.7 billion. This change is attributable to the availability of stimulus loans to 1,240 relations for a total of MAD 4,095 million.

MAD millions	2019	2020	Change
Total production	18,160	20,721	14.1%
Total outstandings	2,381	1,949	–18.1%

Attijari Factoring remains the sector leader, with market share of 45%.

Net banking income came to MAD 74.4 million (-20.1), while net income totaled MAD 9.0 million (-74.4%).

Wafa LLD

In 2020, the long-term-lease market slowed significantly due to slower business from leasing operators as a result of the impact of Covid-19 on deliveries, the sharp rise in contract cancellations, and the strong rise in nonpayment risk from small and medium-sized enterprises.

Despite the challenging context, Wafa LLD had only 25 vehicles returned from the entire fleet. Wafa LLD ended 2020 with a fleet of 5,072 vehicles after the addition of 664 new vehicles (vs. 1,509 in 2019) and the disposal of 1,103 vehicles.

	2019	2020	Change
Total managed fleet	5,511	5,072	-8.0%

In addition, the subsidiary for long-term leasing has a clientele comprising the largest companies and government administrations in Morocco. Wafa LLD's market share totals nearly 12%.

In 2020, Wafa LLD had revenues of MAD 205.2 million (–5.8%) and a net loss of MAD 22.1 million, compared with net income of MAD 13.4 million in 2019.

Bank Assafaa

At the end of 2020, Bank Assafa had MAD 4,160 million in outstanding Mourabaha (interest free) loans, a 15.3% increase from 2019. Like the rest of the market, Bank Assafa's business is mainly in Islamic mortgages, with outstandings of more than MAD 3.6 billion (i.e., 87% of total loans).

Deposits came to MAD 1.3 billion (up 28.5% from the previous year), of which nearly 99% are demand deposits. Investment deposits totaled approx. MAD 15.0 million.

At the end of 2020, total assets of Bank Assafa totaled MAD 4,720 million, up 13.4% for the year.

Net banking income totaled MAD 93.1 million, a rise of 31.8% from the previous year. Net income totaled –MAD 65.8 million, compared with –MAD 92.3 million in 2019.

INVESTMENT BANKING SUBSIDIARIES

Corporate Finance : Attijari Finances Corp.

In 2020, Attijari Finances Corp. provided distinguished M&A advisory services on both local and regional levels in the following successful deals :

Strategic operations – M&A

- advisor to HPS for the acquisition of IPRC (Morocco);
- advisor to Karm Solar for its reserved capital increase with EDF Renewable (Egypt);
- advisor to Masen/ONEE for its selection of an IPP for the Taza wind farm (EDF Renewable & Mitsui) (Morocco);
- advisor to Wafa Assurance for life-insurance authorization in Egypt (Egypt);
- advisor to OCP/FHII for the acquisition of the Michlifen and Palais Jamail hotels, and for 50% of Marchica (Morocco).

Strategic operations – Infrastructure

- advisor to the Ivory Coast government for the Cocody Bay development program (Ivory Coast).

In market activities in 2020, the bank was active in both equity and debt capital markets, through successful completion of the following deals :

Market transactions - ECM

- advisor to Veolia for its capital increase reserved for employees in the amount of MAD 62.4 million (Morocco);
- advisor to Attijariwafa bank for the capital increase through optional conversion (partial or total) into shares of an exceptional dividend of MAD 1.4 billion (Morocco).

Market transactions - DCM

- advisor to Attijariwafa bank for the issuance of a subordinated bond for MAD 500 million (Morocco);
- advisor to Attijariwafa bank for the issuance of a perpetual subordinated bond for MAD 1.0 billion (Morocco);
- advisor to Attijariwafa bank for the annual amended prospectus for certificates of deposit (Morocco);
- advisor to CBAO for the issuance of a bond (Senegal);
- advisor to Autoroutes du Maroc for the issuance of a state-backed bond for MAD 2.2 billion (Morocco);
- advisor to Attijariwafa bank for the issuance of a subordinated bond for MAD 500 million (Morocco);
- advisor to Attijariwafa bank for the issuance of a perpetual subordinated bond with a loss absorption and coupon payment cancellation mechanism for MAD 500 million (Morocco);
- advisor to Wafabail for the annual amended prospectus for the issuance program of finance company bonds (Morocco).

Revenue for Attijari Finances Corp. totaled MAD 26.0 million in 2020, compared with MAD 69.2 million a year earlier.

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.

In 2020, Attijari Invest continued to grow and to create value-added through the following:

- monitoring of more than 20 portfolio positions;
- feasibility study for structuring new investment vehicles (OCP, ONHYM, KFW, etc.), opening Attijari Invest to new investment schemes and highly promising business sectors (energy, mines, startups).

With regard to CSR, in 2020 Attijari Invest :

- continued to encourage its employees to participate in the Fondation Al Mada and the Injaz Al Maghrib program, which support young entrepreneurs and raise awareness about entrepreneurial actions;
- participated in an intensive daylong event organized by the Fondation Attijariwafa bank for students aiming to enter business school, in order to optimize their preparation for the competitive entrance exams for the top French business schools.

CAPITAL MARKETS SUBSIDIARIES

Asset management: Wafa Gestion

At the end of 2020, Wafa Gestion had assets under management totaling MAD 128.3 billion, up 8.7% from 2019.

The Moroccan asset management market grew 11.1% in 2020, to MAD 522.7 billion.

The asset management subsidiary consolidated its leadership position, with market share of 24.6%.

Wafa Gestion had revenue growth of 10.0% in 2020, to MAD 369.2 million. Net income grew by 9%, to MAD 94.5 million.

Other highlights for Wafa Gestion included:

- the recruitment of new clients, including the Hassan II Fund for economic and social development;
- the official launch of the Wafa Gestion LinkedIn account;
- the obtaining of a new international award, "Wafa Gestion: 2020 Moroccan Asset Manager of the Year," from EMEA Finance magazine at the 2020 African Banking Awards;
- the awarding of the Thomson Reuters Lipper Fund Award 2020 to two Wafa Gestion funds in the bond and diversified categories;
- affirmation by Fitch Ratings of a domestic Investment Management Quality Rating (IMQR) of Excellent (mar) for Wafa Gestion;
- an unchanged rating by Fitch Ratings of AAA for two funds managed by Wafa Gestion;
- assisting clients and the network during the Covid-19 crisis by:

- regular video meetings of committees with clients and the network;
- distribution of notes on macro and market analysis;

- organization of Wafa Gestion webinars in partnership with the Private Bank on the theme "Gold: An Opportunity for Diversification".

Attijari Titrisation

In 2020, highlights of the securitization sector included:

- the publication of a decree by the Ministry of the Economy and Finance on synthetic securitization;
- the publication of the BAM circular opening the possibility of using securitization positions as collateral for management instruments of monetary policy.

These measures were adopted and accelerated in order to diversify financing means available to banks in the current health crisis.

In 2020, Attijari Titrisation continued to grow and to create value-added through the following:

- expansion of sales prospecting channels;
- preparation and launch of the 2020–2022 three-year strategic plan;
- development of a turnkey product;
- accelerated deployment of Attijari Titrisation digital communication: creation of a dedicated Attijari Titrisation website which will be activated in Q1 2021;
- the launch of a project to optimize and automate procedures.

Securities brokerage: Attijari Intermédiation

The Casablanca Stock Exchange fell by 7.3% in 2020, compared with growth of 7.1% in 2019. Trading volume declined by 6.7%, to MAD 66.0 billion.

The market was severely affected by the Covid-19 crisis, with heavy selling pressure in Q1 2020 (volume increase >100% vs. Q1 2019), though this was subsequently reduced over the rest of the year.

In order to limit the effects of the crisis on the market, trading sessions were shortened to Ramadan hours at the Casablanca Stock Exchange from March 24, 2020, until the end of June 2020.

Attijari Intermédiation and Wafa Bourse, in consultation with the AMMC (Moroccan financial market authority), adopted exceptional measures on March 26, 2020. These included remote working, reduction of onsite employees by 60% and stricter health measures.

Attijari Intermédiation had volume of MAD 16.2 billion in 2020, with market share of 24.5%, compared with 28.5% in 2019.

Revenues for Attijari Intermédiation totaled MAD 22.2 million in 2020. Operating income came to MAD 0.3 million, while net income totaled MAD 2.3 million, compared with MAD 15.5 million in 2019.

Securities brokerage: Wafa Bourse

Wafa Bourse had trading volume of MAD 1.7 billion in 2020, an increase of 91.1%. Market share came to 2.5%, compared with 1.4% in 2019.

Revenues for Wafa Bourse totaled MAD 9.0 million in 2020. Operating income came to MAD 0.6 million, while net income totaled MAD 1.2 million, compared with –MAD 1.3 million in 2019.

Wafa Assurance

Health and economic crisis management

Since the beginning of the Covid-19 pandemic, Wafa Assurance has implemented several preventive measures, in addition to measures taken by the insurance sector, in order to ensure business continuity for customers and policyholders:

- implementation of measures designed to function in fail-soft and lockdown mode through (i) a transversal crisis unit, (ii) a pandemic business continuity plan, (iii) backup facilities and (iv) IT capacity for remote working and computer security;
- guarantee of management of Life and P&C policies through remote and electronic processing where possible, and by teams working in shifts to process physical (paper) documents;
- guarantee of customer service continuity (telephone, website and middle office) and external communication.

In addition, Wafa Assurance has created assistance measures for policyholders and network partners.

Measures for policyholders include :

- guarantee of continuity for services and payment of claims, through processing and digital solutions for all customers and policyholders;
- free death and health benefits during Q2 2020 for employees attached to the CNSS (Moroccan social security fund) and temporarily out of work, and for corporate clients with social welfare policies as of January 1, 2020;
- continuity of guarantees even where premiums are unpaid, suspension of debt collection notices during the lockdown period, and additional time granted for the payment of premiums by policyholders the most affected by the health crisis;
- granting of free coverage, without penalties, for deadlines deferred by credit institutions for customers with a mortgage or consumer loan with death or health coverage; Wafa Assurance has thereby aligned itself with its bank partners.

Measures for network partners include :

- a substantial financial support program to remunerate performances in customer retention as well as new customers;
- temporary relaxing of deadlines for transferring premiums during the lockdown period;
- possibility for tied agents to request that payments for loans granted by the Company be deferred for three months at no charge;
- a credit line made available to agencies for up to three months of overhead costs. In addition to business continuity, this credit line allows tied agents to keep their agencies operational during the end of lockdown. This financing was granted at a preferential interest rate, with a repayment period of up to 24 months and a 12-month deferral.

International development

Wafa Assurance has enhanced operations in Africa with the opening of a subsidiary in Egypt, Wafa Life Insurance Egypt.

On August 25, 2020, the Egyptian Financial Regulatory Authority (FRA), responsible for supervising, regulating and controlling insurance activities, financial markets, mortgage finance, leasing, factoring and microfinance in Egypt, granted Wafa Life Insurance Egypt, a wholly owned subsidiary of Wafa Assurance, a license to operate in the Life and long-term Health insurance branches.

With shareholder equity of EGP 150 million (approx. MAD 87 million), Wafa Life Insurance Egypt aims to actively contribute to the already significant growth of the Egyptian insurance sector, through a value proposition focused on the coverage and health of policyholders, and on the protection and growth of their savings.

Results

<u>Premium income</u>

Premium income declined by 5.4% in 2020, to MAD 8,374 million, due to a 14.2% fall in Life business, to MAD 4,371 million.

In the Life branch, savings activities fell by 18.2%. This change is attributable to a decline in MAD-denominated savings, cushioned by growth in unit-linked products.

Life coverage (with death benefits) rose by 3.0%, boosted by policies linked to loans.

P&C premium income totaled MAD 4,003 million in 2020, up 6.5%. This growth was due mainly to solid performance in the corporate market and to the entry into force of natural catastrophe ("nat cat") insurance coverage.

<u>Results</u>

P&C earnings fell by 32.0%, to MAD 262 million. The change is attributable to the decline in financial markets and to higher provisions for impairment of receivables.

Life earnings rose by MAD 70 million, to MAD 442 million, boosted by margins for savings and policies with death benefits.

Non-technical earnings showed a loss of MAD 90 million in 2020, down MAD 99 million as a result of non-recurring expenditures.

After corporate tax of MAD 210 million, the company showed net income in 2020 of MAD 404 million, compared with MAD 649 million in 2019, a decline of 37.7%.

Subsidiaires

Wafa IMA Assistance :

Premiums written in 2020 came to MAD 275 million, down 8% (MAD 24 million) from 2019. Written premiums included assistance for remittances from Moroccans living abroad (–2.3%, to MAD 147 million), local customer assistance (–32%, to MAD 53 million), automotive assistance (+4%, to MAD 59 million), and enterprise policies (+12%, to MAD 15.8 million).

Net income totaled MAD 29.5 million in 2020, compared with MAD 25 million in 2019.

Attijari Assurance (Tunisie) :

Premium income in 2020 totaled TND 101.0 million (MAD 341.4 million), up 16.1% from TND 87 million in 2019.

Earnings from Life policies (with death benefits) declined by 8.66%, to TND 8.9 million, while earnings from savings products rose 3.85 times from 2019 levels, to TND 5.6 million.

Net income grew by 33.3%, to TND 8.02 million (approx. MAD 27.7 million), compared with TND 6 million in 2019.

Wafa Assurance Vie Sénégal :

Premium income totaled FCFA 10.25 billion (MAD 170.8 million) in 2020, up 0.81%.

Premium income from Life (with death benefits) policies rose 15%, to FCFA 2,407.2 million (MAD 40 million). This growth is due mainly to an increase in banking activity.

Activity in savings products declined by 2.9%, affected by the decline in single-premium savings products.

Net income came to FCFA 1,168 million (MAD 16.9 million), an increase of 175.6%.

Wafa Assurance Sénégal (P&C) :

Premium income totaled FCFA 2,475.7 million (MAD 41.3 million), up 18% from 2019.

Although P&C net income showed a loss of FCFA 181.3 million (MAD 2.85 million), the figure is FCFA 38.6 million higher than in 2019.

Wafa Assurance Vie Côte d'Ivoire :

Premium income totaled FCFA 11.213 billion (MAD 187 million) in 2020, up 20.3%.

Life net income came to FCFA 1,235.5 million (MAD 20.6 million), an increase of 119.3%.

Wafa Assurance Côte d'Ivoire (P&C) :

Premium income from Ivory Coast P&C came to FCFA 4,035.3 million (MAD 67.2 million), nearly unchanged (+0.64%) from 2019.

Income was mainly from property damage, casualty (misc. risks) and automotive.

P&C net income showed a loss of FCFA 554.8 million (MAD 9.25 million), compared with a loss of FCFA 102.6 million in 2019.

Wafa Assurance Vie Cameroun :

Premium income totaled FCFA 4.7 billion (MAD 79.16 million) in 2020, up 10.2% from FCFA 4,308.8 million in 2019.

This figure is due largely (70.6%) to savings products.

Life net income came to FCFA 341.6 million (MAD 5.7 million), up 2.3 times from 2019.

Wafa Assurance Pro Assur SA (P&C) :

Premium income for Pro Assur SA fell by 24.2% in 2020, to FCFA 2,273.2 million (MAD 37.9 million), of which 90% was from the health and automotive branches.

Net income showed a loss of FCFA 312.6 million (MAD 5.1 million) in 2020.

SUBSIDIARIES IN AFRICA

Attijariwafa bank is truly pan-African, with a strong presence in North Africa and in the WAEMU and EMCCA economic zones.

In compliance with its international strategy, Attijariwafa bank Group continues to expand in Africa, thereby enhancing its status as a key contributor to regional economic development and south-south cooperation.

International retail banking subsidiaries had mixed performances in 2020.

North Africa

Attijariwafa bank Group operates in North Africa through its subsidiaries Attijari bank Tunisie (ABT), Attijari bank Mauritanie (ABM) and Attijariwafa bank Egypt.

(MAD millions)

2020 FINANCIAL STATEMENTS	Attijari bank Tunisia	Attijari bank Mauritania	Attijariwafa bank Egypt
Deposits	26 503	1 895	17 552
Total loans	19 878	1 386	12 551
Total assets	32 197	2 471	23 047
NBI	1 686	170	1 341
Net income	446	19	203
Branches	204	26	64

CONTRIBUTION*	Attijari bank Tunisia	Attijari bank Mauritania	Attijariwafa bank Egypt
Customer deposits	7,4%	0,5%	3,8%
Loans and advances to customers	6,4%	0,4%	3,8%
Total assets	5,7%	0,4%	4,6%
NBI	6,8%	0,7%	5,3%
Net income	11,2%	1,2%	4,2%

* Contribution to Group (IFRS)

WAEMU zone

Attijariwafa bank Group does business 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, respectively, Société Ivoirienne de Banque, Banque Internationale pour le Mali and Banque Internationale pour l'Afrique au Togo.

(En millions de Dhs)

2020 FINANCIAL STATEMENTS	CBAO-Senegal	CDS-Senegal	SIB-Ivory Coast	BIM-Mali	BIA-Togo
Deposits	14 699	2 853	16 102	5 060	1 751
Total loans	11 762	2 219	14 188	2 904	1 319
Total assets	17 701	3 906	20 409	6 136	2 546
NBI	1 286	220	1 231	366	114
Net income	350	85	500	11	7
Branches	95[1]	8	67	71	12

(1) Includes Benin, Burkina Faso and Niger * 2019 data

CONTRIBUTIONS*	CBAO-Senegal	CDS-Senegal	SIB-Ivory Coast	BIM-Mali	BIA-Togo
Customer deposits	4.1%	0.8%	4.5%	1.4%	0.5%
Loans and advances to customers	3.5%	0.6%	4.2%	0.8%	0.4%
Total assets	3.2%	0.7%	3.7%	1.1%	0.5%
NBI	5.4%	0.9%	5.1%	1.6%	0.5%
Net income	9.6%	1.9%	13.6%	0.1%	0.3%

(*) Contribution to Group (IFRS)

EMCCA zone

The EMCCA zone comprises the following subsidiaries: Union Gabonaise de Banque, Crédit du Congo and Société Camerounaise de Banque.

(MAD millions)

2020 FINANCIAL STATEMENTS	UGB-Gabon	CDC-Congo	SCB-Cameroon
Deposits	6 121	3 209	8 471
Total loans	3 221	1 737	5 412
Total assets	8 116	3 991	10 403
NBI	746	238	727
Net income	246	34	50
Branches	22	17	55

CONTRIBUTION*	UGB-Gabon	CDC-Congo	SCB-Cameroon
Customer deposits	1.7%	0.9%	2.4%
Loans and advances to customers	1.0%	0.4%	1.6%
Total assets	1.5%	0.7%	1.8%
NBI	2.9%	1.1%	3.1%
Net income	8.1%	-2.2%	0.7%

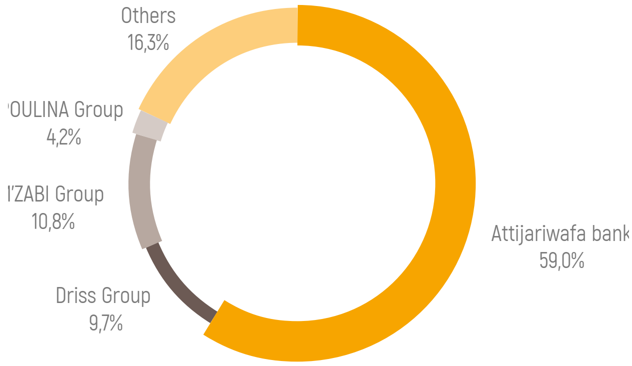
Contribution to Group (IFRS)

Focus on Attijari bank Tunisie (ABT)

HIGHLIGHTS OF 2020

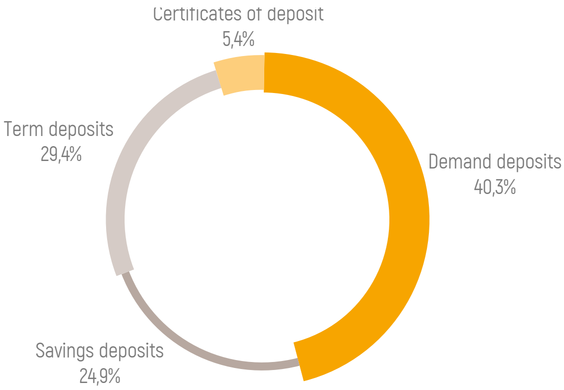
- Signing of a memorandum of understanding with UNDP Tunisia (United Nations Development Program), which promotes inclusive local development and the entrepreneurial ecosystem.
- Signing of an agreement with EBRD (European Bank for Reconstruction and Development) for a risk-sharing mechanism worth €20 million; this agreement aims to facilitate financing for Tunisian SMEs.
- Launch of the Moussanada program to assist companies impacted by the Covid-19 health crisis.

ABT'S SHAREHOLDING STRUCTURE AT 2020



KEY PERFORMANCE INDICATORS FOR THE TUNISIAN BANKING SECTOR

Structure of deposits in 2019



(MAD billions)	2020	2019	2018
Number of banks	23	23	23
Network branches	NA	1,945	1,913
Number of inhabitants per bank branch (in thousands)	NA	6.03	6.04
Total assets / GDP (%)	NA	124	126
Benchmark interest rate	6.25%	7.75%	6.75%

Source : Central Bank of Tunisia

KEY FINANCIAL-PERFORMANCE INDICATORS FOR ATTIJARI BANK TUNISIE

Attijari bank showed great resilience to extremely challenging conditions due to the health and economic crisis. Deposits grew by 11.6%, to MAD 26.5 billion, while loans increased 4.8%, to MAD 19.9 billion.

Net banking income of the Tunisian subsidiary totaled MAD 1.7 billion, up 1.0% from 2019. Net income totaled MAD 445.7 million, down 24.3% mainly because of a 50% rise in provisions.

(MAD billions)	2020	2019
Total deposits	26.5	23.7
Total loans	19.9	19.0
Total assets	32.2	31.0
NBI (parent company)	1.7	1.7
NI (parent company)	0.45	0.59
ROE	18.3%	31.9%
Deposit market share	11.2%	11.0%
Loan market share	8.2%	8.5%
Number of branches	204	206

Exchange rates: TND 1 = MAD 3.3244 (Dec. 31, 2020) and 3.3790 (2020 avg.)

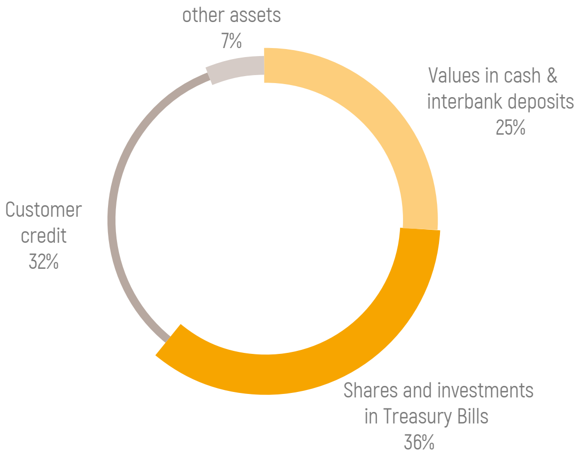
Focus on Attijariwafa bank Egypt (ABE)

HIGHLIGHTS OF 2020

- Participation in three securitization deals in 2020.
- Launch of Corporate Payment Service (CPS), an automated service for government payments (taxes, social security, customs).
- Implementation of bill payments through Fawry network ATMs, and a Moneygram service for the Egyptian diaspora.
- Digital onboarding for SMEs, credit cards and loans for retail customers.
- Launch of IBAN transfers and WhatsApp for Business service.

KEY PERFORMANCE INDICATORS FOR THE EGYPTIAN BANKING SECTOR

Breakdown of the balance sheet in 2019



(MAD billions)	2020	2019	2018
Number of banks	38*	38	38
Network branches	4 451*	4 423	4 220
Penetration rate	47,4%*	46,7%	46,2%
Legal reserves	14%	14%	14%
Benchmark rate	8,75%	12,75%	17,25%
Nonperforming-loan ratio	3,4%*	4,2%	4,1%
Coverage ratio	96,4%*	97,6%	98,0%
Capital adequacy ratio	19,8%*	17,7%	15,7%

Source : Central Bank of Egypt
(*) Data at September 30, 2020

KEY FINANCIAL-PERFORMANCE INDICATORS FOR ATTIJARIWAFA BANK EGYPT

Attijariwafa bank Egypt enjoyed solid growth in 2020. Loans increased 25.7%, to MAD 12.6 billion, while deposits totaled MAD 17.6 billion, up 12.9% from 2019.

Net banking income rose 4.1%, to MAD 1.3 billion. Net income totaled MAD 203.3 million, down 30.3% mainly because of a sharp rise in the cost of risk.

(MAD billions)	2020	2019
Total deposits	17.6	12.1
Total loans	12.6	10.0
Total assets	23.0	17.9
NBI (parent company)	1.3	1.3
NI (parent company)	0.20	0.29
ROE	6.6%	10.6%
Deposit market share	0.6%	0.5%
Loan market share	0.9%	0.9%
Number of branches	64	64

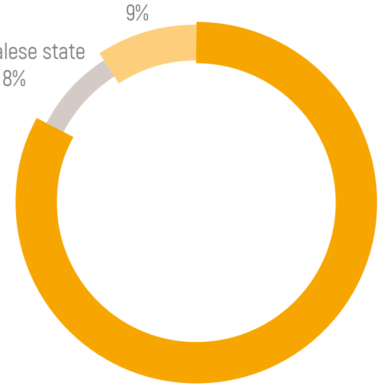
Exchange rates: EGP 1 = MAD 0.5666 (Dec. 31, 2020) and MAD 0.5996 (2020 avg.)

Focus on Compagnie Bancaire de l'Afrique de l'Ouest (CBAO)

HIGHLIGHTS OF 2020

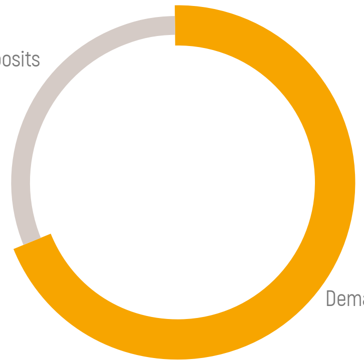
- Customers given 12 months free for new subscriptions to CBAO mobile and web banking services, to limit the spread of Covid-19.
- CBAO named "2019 Best Bank in Senegal" by EMEA Finance, for the third consecutive year.

CBAO SHAREHOLDER STRUCTURE IN 2020



KEY PERFORMANCE INDICATORS FOR THE SENEGALESE BANKING SECTOR

Breakdown of the balance sheet in 2019



(MAD billions)	2020	2019	2018
Number of banks	26	25	25
Network branches	Nd	512	488
Minimum bid rate for liquidity tenders	2,00%	2,50%	2,50%
Discount rate for marginal lending facility	4,00%	4,50%	4,50%
Legal reserve ratio	3,0%	3,0%	3,0%

Source : Central Bank of West African States

FINANCIAL-PERFORMANCE RATIOS FOR CBAO

In 2020, deposits at CBAO rose by 2.1%, to MAD 14.7 billion. Total outstanding loans totaled MAD 11.8 billion, an increase of 1.4%.

Net banking income totaled MAD 1.3 billion, up 1.2% from 2019. Net income fell by 19.0%, to MAD 349.8 million.

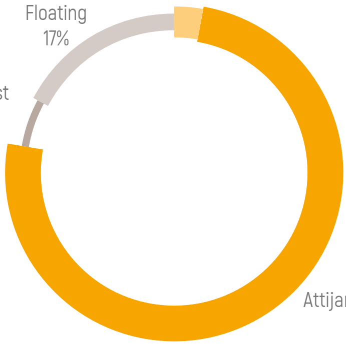
(MAD billions)	2020	2019
Total deposits	14,7	14,4
Total loans	11,8	11,6
Total assets	17,7	17,2
NBI (parent company)	1,3	1,3
NI (parent company)	0,35	0,43
ROE	23,1%	31,2%
Deposit market share	14,9%	16,1%
Loan market share	13,9%	13,8%
Number of branches*	95	94

Exchange rates: FCFA 1 = MAD 0.01667 (Dec. 31, 2020) and MAD 0.01654 (2020 avg.)

(*) y.c. Burkina Faso, Niger et Bénin

Focus on Société Ivoirienne de Banque (SIB)

SIB SHAREHOLDER STRUCTURE IN

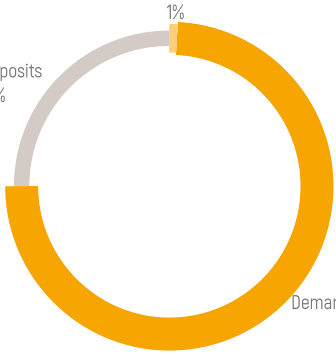


HIGHLIGHTS OF 2020

- In 2020, for the fourth consecutive year, SIB was awarded the prize for "Best Primary Dealer in Treasury Securities in Ivory Coast" by the WAEMU Securities Regional Agency.
- Expansion of network with the opening of a branch in Bassam.

KEY PERFORMANCE INDICATORS FOR THE IVORIAN BANKING SECTOR

Structure of deposits in banking sector 2019



(MAD billions)	2020	2019	2018
Number of banks	29	30	28
Network branches	NA	725	694
Minimum bid rate for liquidity tenders	2.00%	2.50%	2.50%
Discount rate for marginal lending facility	4.00%	4.50%	4.50%
Legal reserve ratio	3.0%	3.0%	3.0%

Source : Central Bank of West African States

KEY FINANCIAL-PERFORMANCE RATIOS FOR SIB

In 2020. deposits at SIB grew 15.4%. to MAD 16.1 billion. Total outstanding loans increased by 10.8%. to MAD 14.2 billion.

Net banking income at SIB totaled MAD 1.2 billion. up 3.2% from 2019. Net income totaled MAD 500.4 million. up 7.9% from 2019.

(MAD billions)	2020	2019
Total deposits	16.1	14.0
Total loans	14.2	12.8
Total assets	20.4	18.3
NBI (parent company)	1.2	1.2
NI (parent company)	0.50	0.46
ROE	48.2%	51.0%
Deposit market share	8.3%	8.8%
Loan market share	10.0%	10.0%
Number of branches	67	66

change rates: FCFA 1 = MAD 0.01667 (Dec. 31. 2020) and MAD 0.01654 (2020 avg.)

CONSOLIDATED RESULTS

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

In addition to its specialized subsidiaries based in Morocco, the Bank began to expand its regional footprint in 2005 with the acquisition, in syndication with Grupo Santander, of 53.54% of Banque du Sud in Tunisia (renamed Attijaribank Tunisie). At the end of 2020, the Groupe held 58.98% of the Tunisian bank.

In July 2006, Attijariwafa bank undertook greenfield development in Senegal and opened four branches in Dakar, the first stage of the Group's large-scale project to establish operations in sub-Saharan Africa. In January 2007, Attijariwafa bank acquired 66.70% of Banque Sénégalo-Tunisienne and merged the two Senegalese entities to create Attijari bank Sénégal.

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

In 2009, with SNI, its principal shareholder, 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 the first half of 2018, Attijariwafa bank's stake in BIM was raised to 66.3% after a capital increase by the Malian subsidiary.

In December 2009, the Group completed the acquisitions of a 95.0% stake in Crédit du Sénégal, a 58.7% stake in Union Gabonaise de Banque, a 91.0% stake in Crédit du Congo and a 51.0% stake in Société Ivoirienne de Banque.

In 2010, the Group enhanced its status as regional leader by opening a CBAO branch in Burkina Faso.

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

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

In September 2015, Attijariwafa bank finalized the acquisition of a 39% stake in Société Ivoirienne de la Banque (SIB) held by the Ivory Coast state. With this acquisition, Attijariwafa bank raised its stake in SIB to 90%, of which 12% was earmarked for an IPO and 3% for the subsidiary's staff. At the end of 2020, the Groupe held 67% of SIB.

Attijariwafa bank also increased its stake in CBAO (Senegal) to 83.07% (compared with 52% previously).

As part of the agreement signed with Barclays Bank PLC for the acquisition of its Egyptian subsidiary, Attijariwafa bank and SNI created a joint venture for the insurance sector and became equal shareholders in Wafa Assurance. This operation provides Attijariwafa bank with sufficient capital for international development, particularly in Egypt and more generally in Anglophone African countries.

On May 3, 2017, Attijariwafa bank finalized the 100% acquisition of Barclays Bank Egypt, renamed Attijariwafa bank Egypt.

Principal consolidated subsidiaries

Morocco, Europe and Offshore Banking Zone	International Retail Banking	Specialized Finance Subsidiaries	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 Tunisia - Banque Internationale pour le Mali - Crédit du Sénégal - Union Gabonaise de Banque - Crédit du Congo - Société Ivoirienne de Banque - Société Commerciale de Banque Cameroun - Attijari bank Mauritania - Banque Internationale pour l'Afrique au Togo - Attijariwafa bank Egypt	- Wafasalaf - Wafabail - Wafa Immobilier - Attijari Immobilier - Attijari Factoring Maroc - Wafacash - Wafa LLD - Bank Assafaa	- Wafa Assurance - Attijari Assurance Tunisie - Wafa IMA Assistance

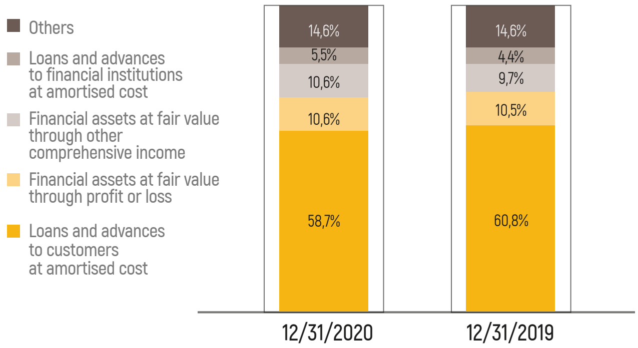
ANALYSIS OF CONSOLIDATED ACTIVITY

Total assets

At the end of 2020, Attijariwafa bank Group had total assets of MAD 568.1 billion, a rise of 6.7% from the previous year.

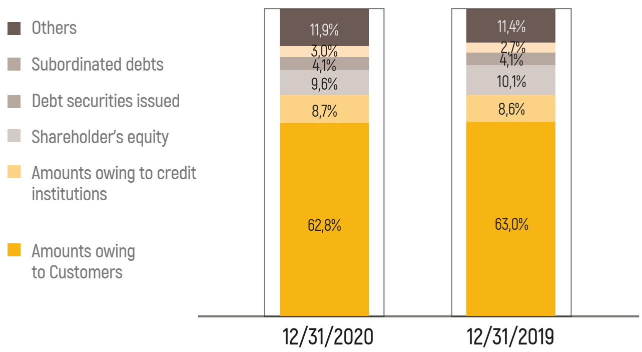
By geographic area, 74.3% of total assets are in Morocco, with the rest in other North African countries, WAEMU, EMCCA and Europe.

Total assets comprise loans and advances to customers (58.7%), financial assets at fair value through profit or loss (10.6%) and available-for-sale financial assets (10.6%). These three items account for 79.9% of total assets.



The increase in assets is attributable mainly to:

- a 3.1% increase in loans and advances to customers, to MAD 333.7 billion;
- a 7.8% increase in available-for-sale financial assets, to MAD 60.2 billion;
- a 33.8% increase in loans and advances to credit institutions and similar establishments, to MAD 31.3 billion.



The rise in liabilities is attributable to:

- a 6.3% increase in customer deposits, to MAD 356.6 billion;
- a 5.1% increase in debt securities issued, to MAD 23.1 billion;
- a 7.1% increase in payables to credit institutions and similar establishments, to MAD 49.2 billion.

Deposits

At the end of 2020, customer deposits of MAD 356.6 billion accounted for 62.8% of total liabilities, compared with MAD 335.6 billion a year earlier. This trend is attributable to :

- a 4.9%* rise in Morocco, Europe and offshore banking zone deposits, to MAD 250.8 billion;
- an 11.0% increase in international retail banking deposits, to MAD 100.4 billion;
- a 9.9%* decline in specialized finance company deposits, to MAD 5.5 billion.

Loans

At the end of 2020, loans and advances to customers totaled MAD 333.7 billion, up 3.1%. This growth is the result of rises in consumer loans by the Bank in Tangier and the offshore zone (+2.1%), international retail banking (+4.7%), specialized finance subsidiaries (+5.7%) and insurance entities (+8.8%).

The loan-to-deposit ratio came to 93.6%, compared with 96.5% in 2019.

Consolidated shareholders' equity

Consolidated shareholders' equity totaled MAD 54.3 billion in 2020, a rise of 0.7%.

Group solvency

Attijariwafa bank Group ended 2020 with a tier 1 capital ratio of 10.8% and a capital adequacy ratio of 13.4%. Subsequent to the outbreak of the health crisis, the Central Bank lowered the regulatory minimum by 50 bps, to 8.5% for the tier 1 capital ratio and 11.5% for the capital adequacy ratio.

CONSOLIDATED RESULTS OF ATTIJARIWAFA BANK GROUP

Consolidated net banking income

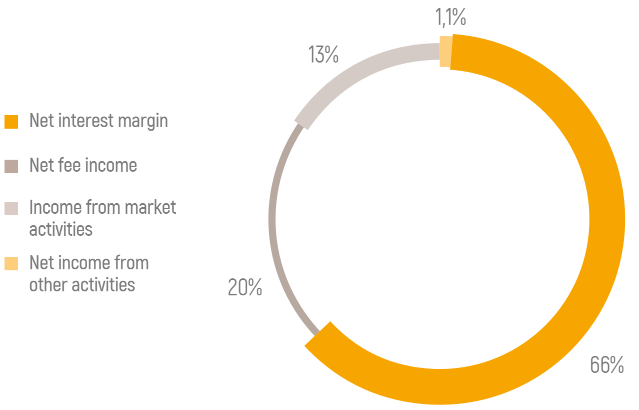
At December 31, 2020, consolidated net banking income totaled MAD 23.9 billion, compared with MAD 23.5 a year earlier. This 1.6% increase is attributable to:

(*) Morocco, Europe and offshore banking and specialized finance companies pro forma: Bank Assafa reclassified from the former to the latter

• a 5.7% rise in interest margin, to MAD 15.8 billion;

• a 7.3% decline in fee income, to MAD 4.8 billion;

• an 18.3% decline in income from market activities, to MAD 3.0 billion



At the end of 2020, changes in consolidated NBI by activity broke down as follows:

• Morocco, Europe and offshore banking: –2.3%*, to MAD 11.9 billion;

• specialized finance companies: –0.9%*, to MAD 2.6 billion;

• insurance activities: +46.1%, to MAD 1.7 billion;

• international retail banking: +1.9%, to MAD 8.1 billion.

Gross operating income

Gross operating income rose 4.3% in 2020, to MAD 12.8** billion. General operating expenses (incl. depreciation, amortization and impairment) declined by 1.2%, to MAD 11.1** billion. The cost-to-income ratio came to at 46.5%**.

Cost of risk

The cost of risk totaled MAD 5.5 billion. As a share of total outstandings, the cost of risk came to 1.51%, up from 2019. The nonperforming-loan ratio rose 1.15 points in 2020, to 7.8%.

Consolidated net income

Group consolidated net income fell by 46.7% in 2020, to MAD 3.7 billion.

Net income (Group share)

Net income (Group share) fell by 48.1%, to MAD 3.0 billion.

Return of equity (ROE) came to 8.7%** in 2020, while return on assets (ROA) was 0.8%.

Contributors to net income (Group share) at December 31, 2020	
Banking in Morocco, Europe and offshore zone	-57.1%*
Specialized finance subsidiaries	-66.8%*
Insurance entities	-19.7%
International retail banking	-26.3%

(*) Morocco, Europe and offshore banking and specialized finance companies pro forma: Bank Assafa reclassified from the former to the latter

(**) Excluding the contribution to the special Covid-19 fund

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:

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.

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.

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.

In the 2020 strategic plan, the risk transformation initiative aims to:

- provide the Group with a structured risk appetite framework which is shared by all stakeholders; place a framework for risk taking at the core of Group strategy which optimizes risk/return and the employment of capital in the light of new regulatory constraints;
- optimize risk management processes;
- enhance risk management, particularly the Group's global risk profile, by means of software for analysis, modeling and stress testing;
- raise risk awareness among the Group's various bodies.

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.

<u>General Management's role:</u>

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.

<u>Role of Committees:</u>

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.

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

Group Credit Risk Committee

The Group Credit Committee is competent in all the commitments of Attijariwafa bank group up to a limit of MAD 600 million.

It also sets, on the proposal of the Correspondent Banking, the counterparty limits granted to international banks.

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.

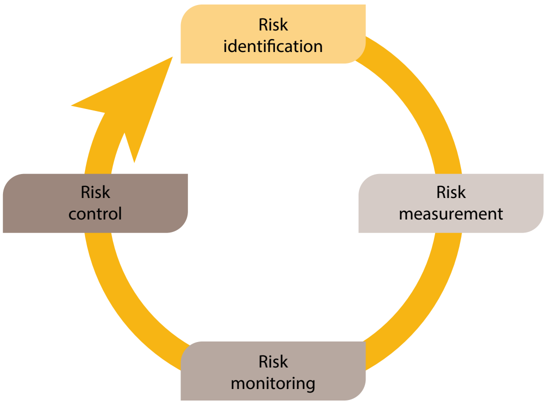
Global Risk Management's role:

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- Risk Appetite Framework (RAF):

1.1 Risk management strategy

The Group risk strategy consists of employing available capital in order to optimize the balance of risk and return, while retaining an appropriate level of economic capital (i.e., sufficient to cover risks) and regulatory capital. Consequently, the objectives of Group risk management are to:

- implement a policy of rigorous risk management at all levels of activity, on the basis of risk appetite that is clearly defined and adhered to;

- ensure that capital is allocated in order to obtain the best returns on a weighted risk basis;
- satisfy the expectations of shareholders and stakeholders that we are retaining surplus capital in order to be able to meet our commitments, even when extreme risks occur.

Le Cadre de gestion des risques d'Attijariwafa bank fait partie intégrante des processus et du cadre de décision du Management et du Conseil d'Administration et a vocation à aider à la réalisation de ces objectifs. Attijariwafa bank s'efforce d'intégrer la prise de décision fondée sur le risque dans l'élaboration de sa stratégie et dans son processus de planification financière et opérationnelle, permettant ainsi que le business plan soit examiné sous l'angle des risques et que le plan amène le Groupe à passer de son profil de risque actuel au profil de risque souhaité (tenant compte des préférences de risques approuvées par Attijariwafa bank).

The Attijariwafa bank risk management framework is an integral part of the decision-making procedures of Management and the Board of Directors, and is designed to help them reach these objectives. Attijariwafa bank endeavors to include risk-based decision making in its strategic planning, and in its operating and financial procedures. In so doing the Group can examine its business plan in terms of risk, and can adapt its current risk profile to satisfy risk preferences approved by Attijariwafa bank.

The procedure for establishing strategic, financial and operational objectives must allow the Group to achieve optimal risk/return. This involves examination of a portfolio of identified opportunities with regard to the competitive environment, internal resources and the Group's capacity to assume risk (or risk appetite), taking into account the entire Group and its risk profile. With this procedure, our economic model (i.e., how we intend to generate profits) and its underlying assumptions must be made explicit.

It is imperative that discussions about planning take into consideration the nature and type of risks to which the Group is exposed. Discussions should focus on the risk of over- or underestimating the solidity of our economic balance sheet, as well as our liquidity and reputation. The Group must measure and control the risks it has knowingly taken on, while monitoring risks as they change, emerge or threaten to emerge, and which could impact capital, liquidity, brand value or any other of the Group's key indicators.

Analyses, scenarios and stress tests (including reverse stress tests) must be carried out for business plans and projects, and applied for decision making.

Targets must reflect the returns expected by the Group, in terms of risk. Performance management must provide information that is relevant, precise and timely, and which emphasizes risk and return in decision making.

It is imperative that the entire Group have access to measures for risk appetite, delegations of power and critical thresholds. These should be consistent and clearly defined, in line with the approved plan, thereby allowing employees to manage risk proactively while respecting risk appetite, and to react quickly or alert their hierarchy where violations have occurred or are likely to occur.

The Board of Directors must assess and approve the strategy and plan of Attijariwafa bank, and should take into consideration implicit risk and the approved risk appetite.

1.2 Definition of risk appetite framework

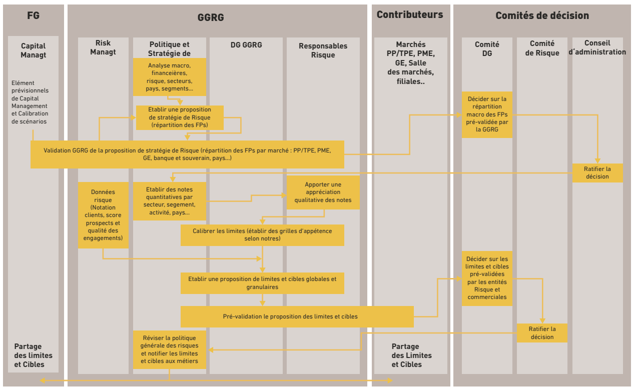
The Attijariwafa bank risk appetite framework defines the risks that the Group 1) selects and manages in order to generate profit; 2) accepts but aims to minimize; and 3) wishes to avoid or transfer. The risk appetite framework includes:

- General risk appetites: quantitative statements that help determine the level of risk that Attijariwafa bank can tolerate (e.g., the amount of capital that can be put at risk); risk appetites are defined at an aggregate level and by type of risk;
- Risk preferences: qualitative statements that set out 1) the risks that Attijariwafa bank considers it can manage effectively, and that are expected to produce profits; 2) risks that the Attijariwafa bank can take on but that must be managed; and 3) risks that Attijariwafa bank should avoid or minimize;
- Tolerances and limits for operational risks are specific quantitative limits (e.g., limits for specific risks). The business standards (i.e., related requirements and comments) set out the Attijariwafa bank methodology for:
  i. identifying which risks are acceptable and which are not;
  ii. setting limits and tolerances for operational risks, with Group requirements and preferences taken into consideration.

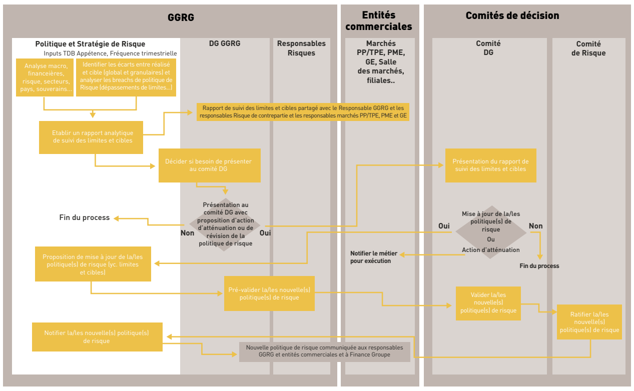
Risk appetites form an integral part of the planning process. They must be clearly defined, regularly updated, and examined and approved by the boards of directors and/or the competent specialized committees. At each meeting of the Risk Committee, risk profiles should be compared with risk appetites, and the results transmitted to the competent specialized committees. At their business review meetings, management and specialized bodies should examine and discuss positions in relation to risk appetite.

1.3 Procedure for defining targets and limits

As defined, the risk appetite framework provides a specific target, to be improved on wherever possible, for each accepted risk level. The limit is bound by both regulatory requirements and maximum capacity. Targets and limits are defined through a transversal procedure involving a large number of employees of various bank units, from front office to back.



The procedure for defining targets and limits has a dual objective. First, all risk levels which will help the Group achieve its strategic targets must be defined. Second, a methodology for the monitoring and continual updating of changes in measured indicators must be established.



1.4 Risk transformation - 2020 achievements, by project

The year 2020 was marked by the Covid-19 pandemic and the extreme uncertainty surrounding national and global economies. Consequently, AWB Group gave special attention to creating and continually updating economic scenarios, and applying them to various exercises carried out internally, particularly in the framework of risk appetite, budget procedure, strategic planning and regulatory exercises: the internal crisis recovery plan (ICRP) and the internal capital adequacy assessment process (ICAAP).

The objective of this anticipatory approach was twofold: 1) to closely follow changes in business sectors and to continually update various early warning indicators, and 2) to strengthen the proactiveness of the sales and risk management teams so that they act at the right time and apply the necessary measures for risk control.

Consequently, the indicators and appetite levels were continually updated to account for macro and risk changes. These levels were the basis for calibrating targets and exposure limits, and for the use of capital by segment and type of risk within the ICAAP framework. Attijariwafa bank submitted to Bank Al-Maghrib a full report on the system implemented by the Bank to ensure that capital planning is sufficient for macro and risk forecasts, and for the Bank's robustness under stress tests covering all risks. Similarly, a third ICRP report was submitted to Bank Al-Maghrib in May 2020, and a second version of the ICAAP report was submitted in July 2020.

Work on bottom-up appetite and its convergence with the Corporate Program deployment was fully automated in 2020. A risk appetite indicator was installed in all software in the corporate network.

Moreover, to raise risk awareness, numerous workshops and webinars were held for risk management and business lines in order to monitor changes in the economy and specific business sectors, and to stress the importance of close working relations with customers, especially those in difficulty during the crisis.

In addition, the Group Risk General Policy report has been updated to include new items introduced in 2020.

The Bank's loan commitments by sector as a percentage of total loan commitments at December 31, 2020, were as follows:

- Financial institutions, holding companies and insurance companies accounted for 14%, down from 2019. Commitments in this sector carry a very low level of risk.
- Construction and public works, including building materials, accounted for 10%, unchanged from 2019.
- Real estate development accounted for 5%, up slightly from 2019.
- "Other sections" groups retail loans (mortgages and consumer loans).

II 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 t o 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:

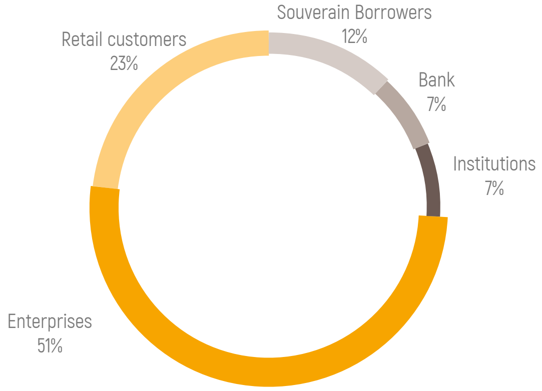
- Pursuing opportunities in high-growth sectors;
- Focusing on activities in which the bank has a relatively high penetration rate or on those where visibility is limited;
- Reducing exposure to industries in decline (unfavourable prospects, high loss experience etc.).

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.

Breakdown of commitments by counterparty at the end of December 2020

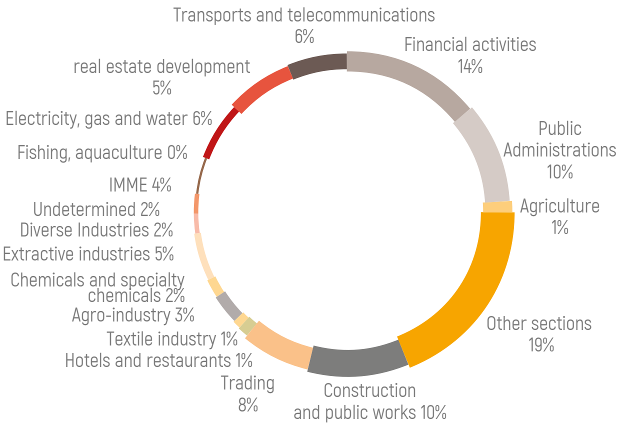


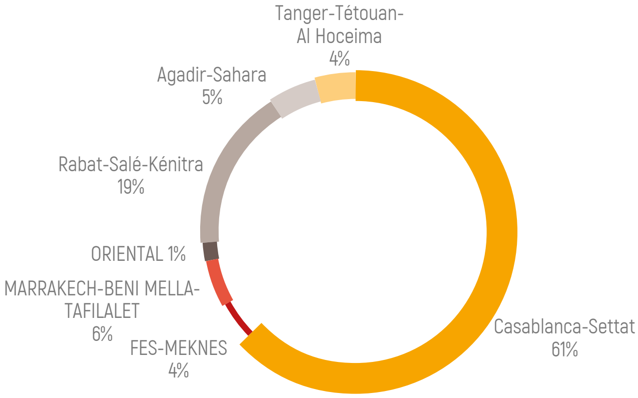
III.2.2 - Diversification by sector:

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.

The bank's loan commitments by sector as a percentage of total loan commitments at 31 December 2020 was as follows:

- Financial institutions, holding companies and insurance companies accounted for 14%, down from 2019. Commitments in this sector carry a very low level of risk.
- Construction and public works, including building materials, accounted for 10%, unchanged from 2018.
- Real estate development accounted for 5%, up slightly from 2019.
- "Other sections" groups retail loans (mortgages and consumer loans).

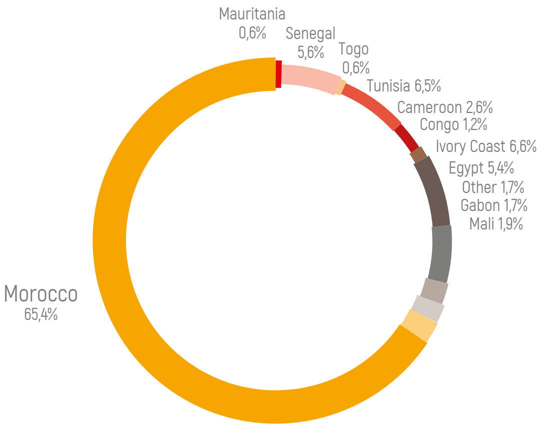




III.2.3 - Geographical distribution:

The geographical distribution of the Group's commitments shows high exposure to Morocco 69%, followed by Tunisia.

Breakdown of commitments by geographical area at the end of December 2020



In Morocco, the Greater Casablanca region alone accounted for 61% of the bank's commitments, followed by the northwest region (Rabat–Kenitra) for 19%.

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:

In Attijariwafa bank Group's new organizational structure, the Loan Audit unit is responsible mainly 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 indicators 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.

Conciliatory collection consists of continually monitoring the consistency and quality of the Bank's total loan commitments, and of monitoring (mainly through the branch network or directly with the customers concerned) the correction of any shortcomings.

Collection by legal means consists of employing any legal measures necessary to recover nonperforming loans.

The purpose of Group Payment Collection is to make use of all available actions, whether conciliatory or legal, in order to collect nonperforming loans.

The unit's principal activities are to:

- draft and propose a collection policy on a Group scale;
- negotiate conciliatory solutions with customers before taking legal action;
- prepare and transmit doubtful loans to lawyers for legal action;
- monitor legal collection actions with the designated lawyers;
- minimize collection costs and related risks.

Efficient collection requires a clearly defined policy:

- compliance with instructions for provisions and accounting principles: circulars 8G and 19G, BAM and DGI (Moroccan tax authority) instructions for provisions and write-backs, weighting of guarantees, and adjusting mortgages;
- flexible, collective decision-making process: several specialized committees which deliberate on proposed debt settlement, and a Group collection committee which meets weekly to examine other proposals;

• categorizing customers: retail, very large debts, debts in receivership and court-ordered liquidation;
• preliminary analysis of cases (excl. retail): guarantees are examined and useful information is gathered;
• choice of strategy to adopt: preferably conciliatory, otherwise legal;
• efficient partnership with implementation and overhaul of collaborative agreements, renewal of the pool of lawyers on the basis of performance and quality of service provided, definition of case-attribution policy, and institution of quotas;
• enhanced productivity of current resources: specific training courses, recruitment and adequate staff for each business line, preparation of the next generation;
• introduction of five specialized collection committees: adherence to the principle of collective action, recording of decisions in committee minutes;
• overhaul of information system;
• adoption of annual action plan: quantitative and qualitative targets;
• creation of performance indicators and reporting: achievements and monitoring of activity;
• Analysis of performance by service providers: monitoring and analysis of costs, general operating expenses, and fees and commissions of service providers.

III- 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:

Interest rate risk relates to changes in the value of positions or in future cash flows of financial instruments due to changes in market interest rates. Interest rate limits include:

• nominal limits;
• duration limits;
• stop-loss limits.

- Foreign exchange risk

Foreign exchange risk relates to changes in a position or financial instrument due to changes in foreign exchange rates.

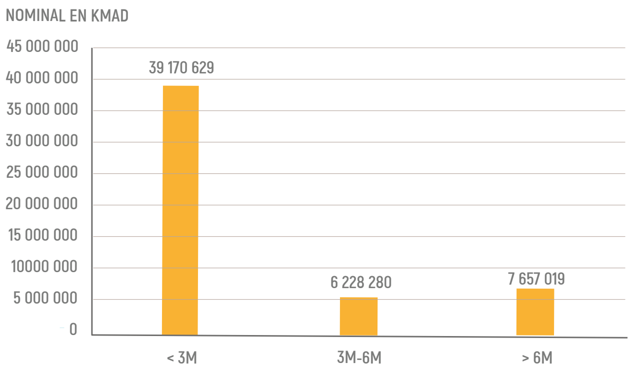
Technically, foreign exchange risk is measured as a function of the foreign exchange position, which includes:

• spot foreign exchange transactions;
• forward foreign exchange transactions;
• foreign exchange swaps;
• foreign exchange options.

Foreign exchange limits include:

• end-of-day limit for each currency;
• end-of-day overall limit;
• short limit;
• "Greeks" limits;
• stop-loss limit;
• counterparty limit.

At 31 December 2020, the bank's foreign exchange options positions amounted to MAD 53.055 billion:



At 31 December 2020, the bank's foreign exchange options positions amounted to MAD 4,9 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.

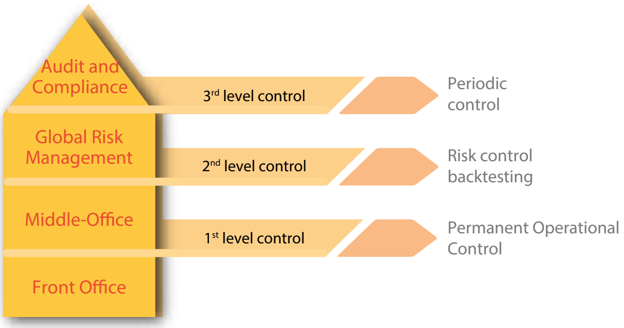
2- Monitoring and control measures

The first level of monitoring limits is performed by the Middle Office & Risk Management unit of Capital Markets; the second level is ensured by Group GRM's market risk unit. Dealing room internal control, which reports to the Group compliance unit, also ensures that limits are respected.

The Middle Office & 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.

Roles of various participants



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

The market risk unit of the GRM 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.

In September 2013, the market risk unit created a subunit: market risk for subsidiaries. The function of this subunit is to monitor and analyze the Bank's various positions in market (mainly foreign-exchange) and interbank activities for Group subsidiaries.

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 to:

- validate new limits proposed by the dealing room, or propose other limits as needed;
- review the various overruns of observed market limits;
- ascertain the efficiency of the market-risk management and its suitability within the defined policy of risk management;
- report the risk of each dealing room activity (indicators for market risk, regulatory stress tests, etc.).

3- Governance of risk management

4- 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.

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.

5- System for managing market risks

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- Policy and implementation of market-risk management

Risk identification	Counterparty and/or market risk can arise from any market activity. The main risks of market activities are related to: interest rates, foreign exchange (floating rates), pegged rates, valuation models, commodities, and equities.
Risk quantification	Risks are measured and quantified by the following indicators and factors: -indicator of counterparty risk: equivalent credit risk -indicators of market risk: sensitivity, VaR, economic capital, backtesting, and stress testing -risk factors: exposure under nominal and marked-to-market, maturity, duration, past yield/price, etc.
Risk control	Risk control is achieved by managing counterparty and market limits (from front office to back office). Risk control requires a framework for handling requests and an information system that allows market activity to be monitored in real time, particularly for market risk and counterparty risk.
Operational risk management	Daily and monthly monitoring of market activity, with declarations of any overruns and/or reports not submitted on operational risk. Half-year monitoring on the impact of regulatory and internal stress tests.
Risk oversight	The market-risk committee reviews all trading-floor risk exposure as well as potential risk arising from the limits granted. The committee also ascertains the efficiency of market-risk management and its suitability within the defined policy of risk management.
Risk reporting	Risk reporting includes: indicators of market and counterparty risks, overall risk exposure of market activities, overruns, results of stress tests, etc. Risk reporting is monthly and concerns market activities, overruns of counterparty limits, and regulatory and internal stress tests.

C- Methodology for measuring market risks (internal model)

The management of Market risk is based on several indicators:

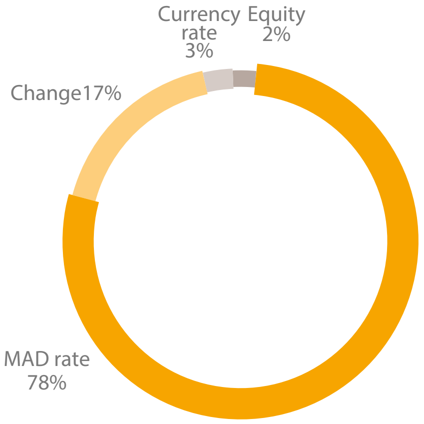
- **Value at Risk**
- **Backtesting**
- **Sensitivity indicators**
- **Economic capital**
- **Stress-testing**

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 interest rate risk, foreign exchange risk and equity risk. The historical VaR model is also used in Murex software.

Value at risk breakdown :



Activity in KMAD	Position MAD	VaR (1 day)	Regulatory VaR 10 days
Foreign exchange	5,365,742	20,140	63,690
Equities	84,331	2,235	7,069
MAD rate	55,369,623	90,513	286,227
Currency rate	8,453,376	3,956	12,511

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- Sensitivity indicators

Sensitivity indicators measure the impact of a market change on an asset price. A portfolio's delta measures the change in the portfolio's value for each 1 bp rise of the underlying asset.

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

4- Stress-testing

The stress test, also called scenario analysis, measures through simulations the impact of one or several scenarios on the Bank's portfolio

In contrast with VaR, which measures the maximum loss under normal market conditions, stress tests measure the maximum loss under extreme market conditions.

5- Regulatory and internal stress tests

Stress test programs, as defined by Bank Al-Maghrib, are carried out every six months. Internal stress tests, identified by the market risk unit on the basis of past crisis scenarios, are distinguished from regulatory stress tests, which are defined by the regulatory authority. Results are reported every six months.

6-Forward-looking stress tests

Forward-looking stress tests are based on a macroeconomic approach. They require the modeling of the economic environment's transmission phenomena on the Bank's market activities.

Forward-looking stress tests are developed in collaboration with the GRM's Risk Policy and Strategy unit.

MARKET RISK OF SUBSIDIARIES

A. Monitoring of market risk

1- Foreign exchange activity

Market activities related to foreign exchange are still relatively undeveloped in the subsidiaries, and are limited mainly to spot and forward transactions.

Because of the size and infrequency of transactions, the GGRM has begun to gradually apply foreign exchange limits to subsidiary counterparties.

Moreover, limits on foreign currency positions have been set for subsidiaries in the WAEMU and CAEMC zones in order to control devaluation risk.

Devaluation stress tests are also carried out every six months by the subsidiaries.

2- Interest rate activity

The country risk unit is responsible for sovereign risk.

3- Money market activity

Money market activities are limited to loans/borrowings, pensions and foreign exchange swaps :

Analyses on the banking counterparties in the WAEMU, EMCCA and MENA zones are performed in order to set annual limits.

B- Market risk management in subsidiaries

1- Information system

The Amplitude liquidity model has been implemented for the

SIB and UGB subsidiaries, and is currently being deployed by the other subsidiaries.

Acquired in May 2017, the Egyptian subsidiary has its own market risk unit. Murex software has been phased in and is now operational.

Information is transmitted through daily, mandatory reports communicated by the subsidiaries to all stakeholders.

2- Risk policy

This charter is being adapted to individual WAEMU, EMCCA and MENA zones for compliance with local regulations.

The charter has already been implemented in Egypt and Tunisia, including organizational, operational and governance components.

3- Trading and liquidity committees

With regard to governance, meetings of combined committees in subsidiaries have been held quarterly since 2018. These committees monitor the subsidiary's strategy and define its requirements for limits to be submitted to the GGRM.

III- COUNTRY RISK

Risk Management

In order to maintain the rigorous monitoring of cross-border risks, but above all to consolidate long-term enhancement of the macro prudential framework, country risk management continued to develop at a steady clip in 2017 following the Group's acquisition of the Egyptian subsidiary of Barclays Group. To achieve this, the Risk Appetite Framework (RAF) brought to the risk function the tools needed to establish an informed development plan optimally combining both commercial ambition and risk requirements and profitability.

For this, a dedicated seminar on risk appetite was organized for regional risk managers. They were provided with templates in the form of software for formalizing risk, with definitions of aggregate indicators and appetite levels for the top-down approach. These levels served as a basis for calibration (by segment and type of risk) for exposure targets and limits, and for the use of capital. First integrated into SIB's new strategic plan, the tools will be generalized throughout all IRB subsidiaries in 2020.

Consolidation of the Barclays Egyptian subsidiary:

This constituted a major event in the international development of Attijariwafa bank Group. The acquisition of this subsidiary was carried out in a macroeconomic context unlike that of any other country in which the Group operates, and added significant cross-border risk to the consolidated loan portfolio (see below).

With regard to risk, integration began after the completion of several workshops designed to bring the new entity into alignment with Group risk governance. The turnaround plan and characteristics of the local economy were also taken into account.

It was in this framework that reviews and/or adjustments were carried out with regard to the subsidiary's risk, risk appetite, sector limits, internal risk rating, delegation of powers, and procedures for assuming and monitoring risk. These were carried out to ensure and maintain risk management both on an individual subsidiary basis and on a consolidated basis.

The new organization has reinforced risk management as a growth area, and has established risk oversight as a core managerial duty. To enhance this oversight, the IRB risk unit has integrated the Egyptian subsidiary into all banking subsidiaries up to monitoring-oversight, taking into consideration that country risk management is an integral part of international exposure.

Similarly, the internal rating model was overhauled with the help of the risk management unit of Group Global Risk Management. The model, based on the work of experts, was converted into a more predictive statistic model.

This assistance also concerns the implementation of IFRS 9.

For a broader assessment of risk, the individual approach by counterparty is always underpinned by a more global approach (portfolio, subsidiary, and country).

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 forth 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 regional regulatory authority of the WAEMU also decided to overhaul banking supervision by directing it more towards convergence with international standards (governance, internal control, and risk management).

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

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.

The deployment of the new global banking system and organizational model in compliance with central standards definitively secures the attachment of this subsidiary to the Group, and is a decisive step in its transformation plan.

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.

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:

- 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.

- Methodology for identifying and appraising international risks

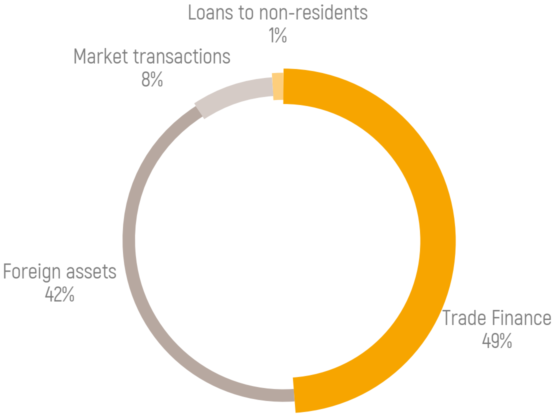
Attijariwafa bank undertakes banking and banking-related activities in its domestic market and in foreign countries through subsidiaries and in some cases branches. In this respect, its exposure to international risks encompasses all types of commitment entered into by the bank in its capacity as creditor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

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

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

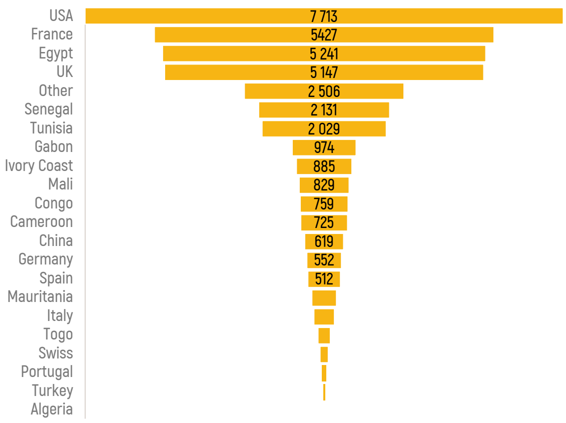
At the end of December 2019, AWB's cross-border risks amounted to MAD 30,980 thousand. Foreign-asset transactions accounted for 50% of total cross-border risks, followed by trade-finance transactions (39%). The percentage of foreign assets is due to the consolidation of the Egyptian subsidiary, which reflects the bank's international ambitions in a context of Morocco's opening to the global economy.

Cross-border risks (Individual basis) at December 2019



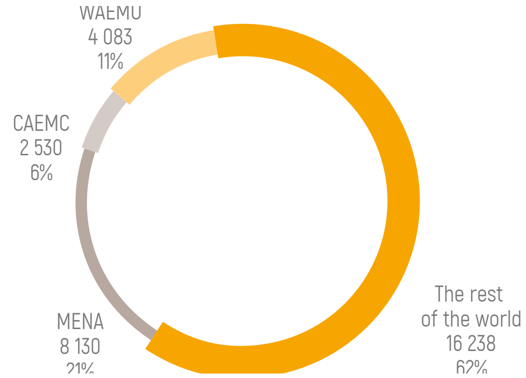
- Methodology for calculating and restating country risk exposure based on the risk transfer principle which highlights regions and countries to which exposure is high (in value terms and as a share of the bank's shareholders' equity) as well as mapping corresponding risks:

Cross-border risks by country at December 2020



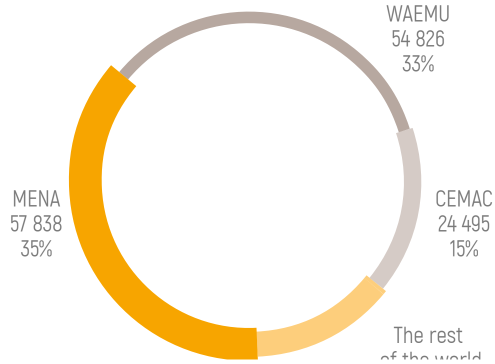
In the zones where it operates, the bank's exposure is represented by financial holdings in banking subsidiaries which bolster growth for the bank's strategic development in Africa. As a result of the acquisition of the Egyptian subsidiary, the MENA zone is dominant at 26% for the acquisition of the Egyptian subsidiary.

Cross-border risks by region at December 2020

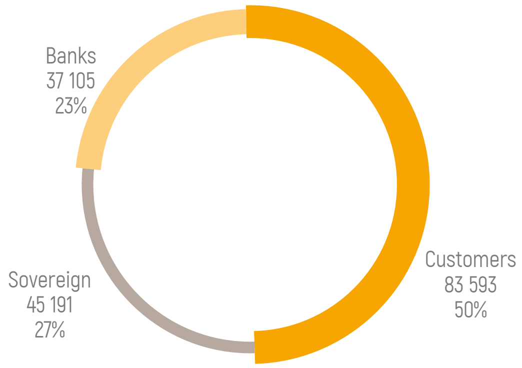


- Consolidation rules for country risk exposure providing an analysis of each subsidiary's commitments by country as well as those of the headquarter and an overall perspective of the Group's total commitments.

Group cross-border risks by zone: MAD 165,829 million

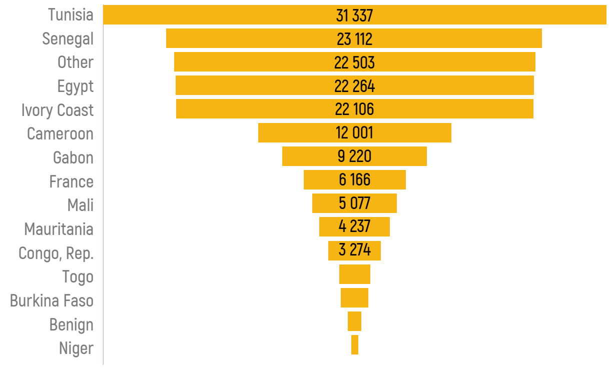


Group cross-border risks by economic operator



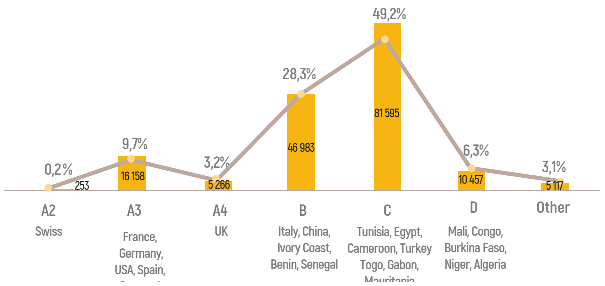
Diversification of cross-border exposure is balanced in terms of geography and economic operators, although brokerage activity is dominant in our economic model.

Similarly, breakdown by country of operations reveals a level of diversification which significantly mitigates concentration.



Breakdown of country risk exposure using the Coface scale, with a 51% weighting of countries with acceptable risk.

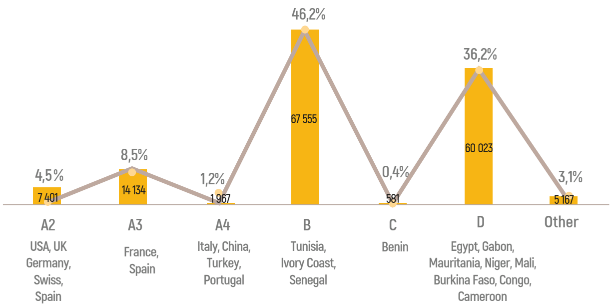
Breakdown of group cross-border risk exposure using Coface scale at December 2020



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

Breakdown of cross-border risk exposure according to internal scoring December 2020



According to the internal country scoring system (vulnerability index), exposure to countries with average risk (B1) and higher amounted to 46%..

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.

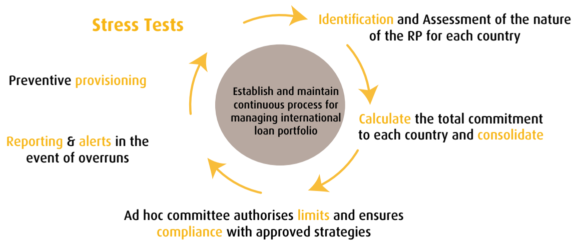
Publication of a weekly country risk report summarising the previous week's main events including changes to ratings agencies' ratings with updated internal scores, CDs and country ratings from institutions such as Standard & Poor's, Moody's, Fitch, Coface and the OECD in the "World" database;

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

1. 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.

A. Missions and components of the ORM policy

B1- ORM missions

- To meet the regulatory requirements in terms of ORM of Bank Al Maghrib and the regulators of the countries where Attijariwafa bank is established
- Validate the coverage of operational risks by equity

- Provide the bank and its subsidiaries with the ORM tools necessary to control its operational risks with a view to operational efficiency.
- Standardize and consolidate ORM deliverables

- Leading the ORM channel (collection of OR incidents, annual seminar...)
- Sharing feedback from the bank's entities and subsidiaries on ORM (risks, incidents, CAP, etc.).

- Ensure the central management of major risks (Strengthening of DMRs)
- Follow up on serious incidents
- Elaborate reports for internal and external instances

B2- ORM policy components

Attijariwafa bank Group's ORM policy is based on the following components:

Normative body

The **ORM normative body** is described in the **ORM charter** through descriptions of the:
- methodology for operational risk modeling
- organizational principles for the OR network
- ORM procedures (OR mapping, inventory of incidents, reporting)

ORM reference system

The **ORM reference system** comprises:
- the mapping process for all Bank/subsidiary activities;
- consolidated risk mapping by process, including the risk control system

ORM organization

The **organizational system at the AWB level** is deployed at two levels:
- **1st level / ORM unit:** responsible for measuring and controlling operational risks. It is also responsible for informing business lines of their operational risk levels and helping them to take appropriate action. These activities are carried out by the **Operational Risk Managers (ORM).**
- **2nd level / business line:** the business lines (**corresponding OR, OR relays**) are themselves responsible for identifying and compiling an inventory of incidents, and for implementing measures to hedge against risk.

ORM reporting

The **reporting provided** is the following:
- Reporting (monthly and quarterly) addressed to various **business lines**
- Reporting addressed to the **Management Committee** and the **Bank's Board of Directors**
- Reporting addressed to the regulator, **Banque Al-Maghrib** (CI and other reports requested)

Change management

Training material has been created for specific profiles

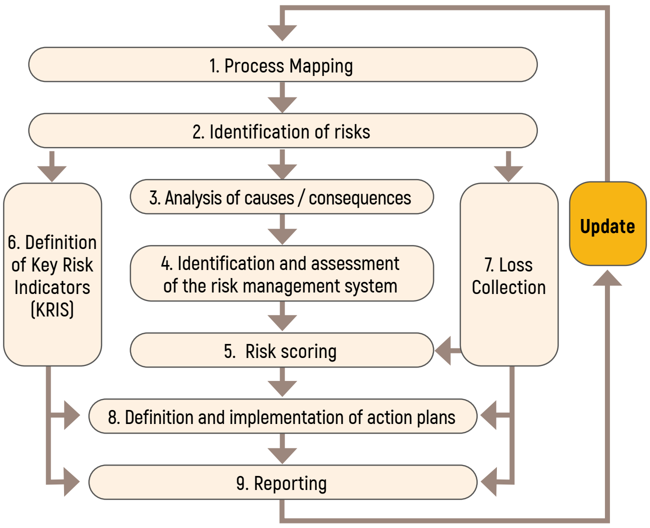
Awareness raising sessions are held regularly for business line OR employees

ORM software **user guides** have been written and distributed

Evaluation surveys have been carried out on the level of **OR culture**

B. METHODOLOGY FOR OPERATIONAL RISK MANAGEMENT

The chart below shows the process used to map operational risks:



The risk control framework (RCF) groups all measures taken to prevent and/or minimize risks and their impact:

- 1st and 2nd level controls
- automatic controls
- existing procedures
- training courses and awareness raising

5 possible levels of evaluation, from "efficient" to "nonexistent"

Frequency		Average financial impact		Scale of net rating	
Rating	Level of impact	Rating	Frequency level	OR net rating	
1	Less than MAD 10 thousand	1	Extremely rare	Less than once every 5 years	1	Weak
2	MAD 10 thousand to 100 thousand	2	Rare	Less than once a year	2	Average
3	MAD 100 thousand to 1 million	3	Infrequent	Several times a year (1-15 times per year)	3	Strong
4	MAD 1 million to 10 million	4	Frequent	Several times a month (16-50 times per year)	4	Critical
5	MAD 10 million to 100 million	5	Very frequent	Several times a week (51-350 times per year)	5	Unacceptable
6	Over MAD 100 million	6	Constant	Several times a day (at least 350 times per year)		

In order to have a credible indicator for the Bank's risk exposure, risk mapping is updated annually for frequency and impact, both quantitative (financial) and qualitative.

C. Hedging of operational risk management

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

The range of hedging was extended after the deployment and harmonization project for ORM systems in IRB subsidiaries (WAEMU, EMCCA, others) launched in 2019.

MOROCCO	WAEMU	EMCCA	OTHER
· AWB · SFC subsidiaries: - Wafabail - WafaLLD - Attijari factoring - Wafasalaf - Wafacash - Wafa Immobilier · BFIG subsidiaries: - Wafa bourse - Attijari Intermédiation - Wafa Gestion	· SIB – Ivory Coast · CBAO – Senegal · CDS – Senegal · BIM – Mali · BIAT – Togo	· UGB – Gabon · CDC – Congo · SCB – Cameroon	· ABM – Mauritania · AWB Egypt · ABT – Tunisia · AWB Europe

D. ORM governance

The operational risk management policy is monitored by governance organized in three principal

General Management Committee

Main objectives :
- Validation of standards, procedures and OR management methods
- Validation of the OR mapping and its future evolutions
- Monitoring of indicators and action plans on major risks
- Review of incidents and losses and their mitigation measures

Actors:
CEO or Deputy General Director, Persons in charge: ORM, GRM, Audit, Compliance, Permanent Control, Finance, HR, Legal, Sales and Marketing Development

ORM Committee

Main objectives :
Implementation of the charter, standards, procedures and OR management methods Examination of the mapping of the OR of the various business lines and its future developments Review of major risks and monitoring of the implementation of mitigation measures (CAP, outsourcing, insurance…)
Follow-up of the evolution of incidents and losses Preparation of the OR regulatory committee and arbitration points

Actors:
ORM Manager, Business Manager, MRO, CRO
Frequency: Quarterly

Operational Risk Committee

Main objectives :
Presentation and analysis of incidents and lossesMonitoring of indicators and action plans on major risksValidation of updates to OR repositories (Processes, Risks and Organizational System)

Actors:
ORM Manager, Business Manager, MRO, CRO
Frequency: Quarterly

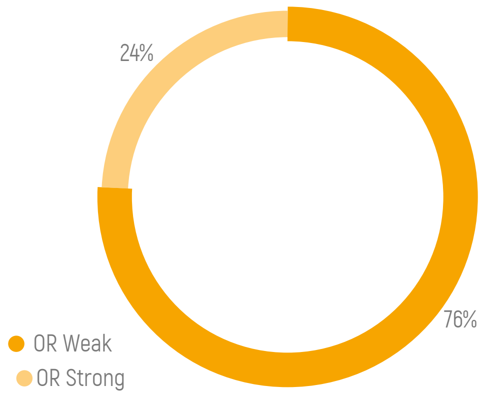
QUANTITATIVE DATA

A. Risk mapping analysis of Group operational risks (Bank + IRB subsidiaries)

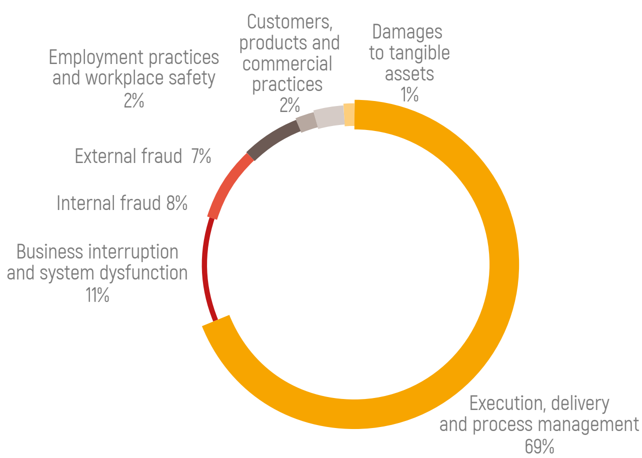
The principal characteristics of operational risk mapping are as follows:

- 24% are major risks (ratings of "Strong," "Critical" or "Unacceptable")
- 69% of risks are the result of Basel Accords-related "Execution, delivery and process management"
- 11% of risks are IT-related (business interruption and system malfunction)

Risks by rating

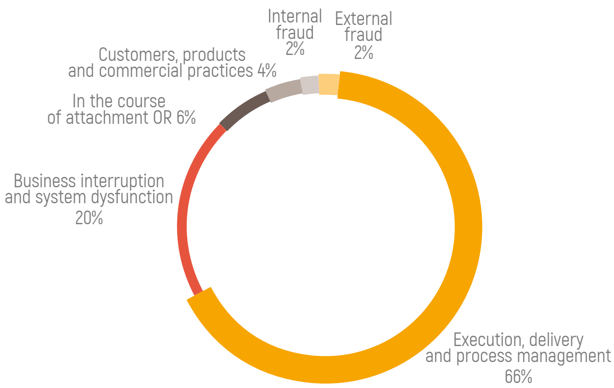


Risks from Basel Accords (Level 1)

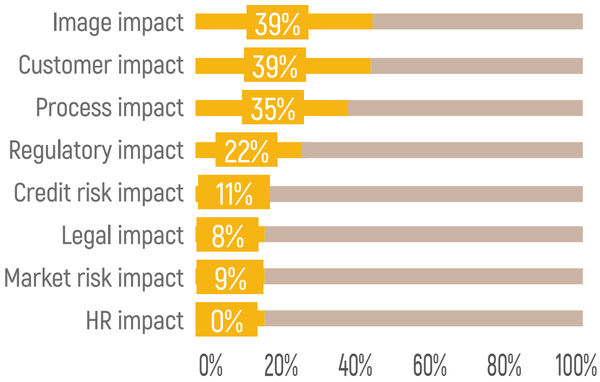


B. Analysis of 2019 incidents recorded at Bank level

Incidents by category of events (number of occurrences)



Qualitative impact generated
by the incidents collected



The majority of incidents collected in 2020 related to failure to execute, deliver and process management (66%) followed by incidents related to business interruptions and system malfunctions (20%).

The predominant qualitative impacts are the impact on image and the impact on customer satisfaction (39% of incidents),followed by the impact on process interruption with 35%.

Group Business Continuity Management (BCP)

Implementation of the BCP is part of the process of regulatory compliance with Banque Al-Maghrib circular 47G/2007, relating to management of major risks. The BCP aims to protect Attijariwafa bank Group capital and ensure the resilience of all activities.

2019: confirmation of BCP operationality and deployment of plan at the African subsidiary level.

2020 BCP highlights

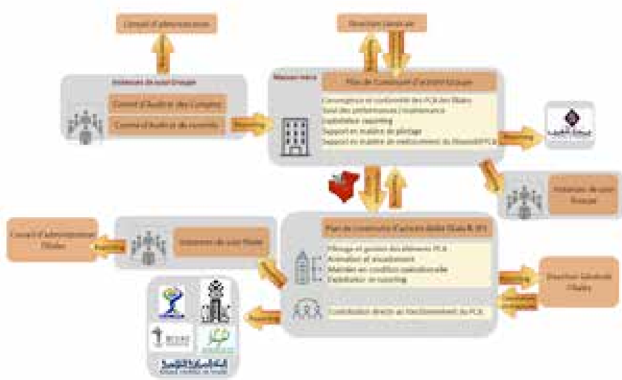
The year 2020 was remarkable for the successful activation of the BCP at the Bank and AWB Group subsidiary levels. This was done to mitigate the impact of the unprecedented COVID-19 crisis.

- activation of the Covid-19 BCP:
- introduction of health safety and prevention measures at the AWB Group level;
- support and help for our customers in Morocco and in all countries of AWB operations.

I. Organisation & Gouvernance

1. Gouvernance PCA globale

La politique PCA du Groupe intègre une gouvernance globale du PCA entre le Groupe et ses filiales



2. An organization well adapted to the Covid-19 pandemic

Role and definition of the Covid-19 crisis unit

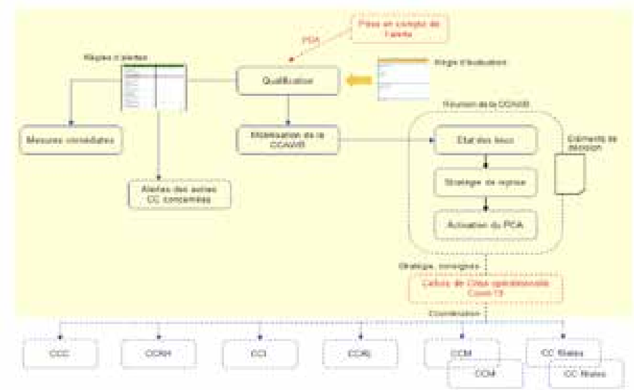
The crisis unit's role is to keep general management informed on:

- management of the crisis situation;
- operational and financial robustness of AWB activities;
- safety of people and assets.

The Covid-19 crisis unit coordinates decisions of the central crisis unit at the Group level. Its role is to:

- monitor the implementation of the decisions and aid strategy selected by the central crisis unit;
- coordinate all active plans in accordance with the selected strategy, and process issues submitted by specialized crisis units;
- manage and coordinate the implementation of actions of specialized crisis units;
- ensure that the aid strategy defined for subsidiaries by the central crisis unit is adhered to and effectively implemented;
- regularly inform the central crisis unit on any changes in the situation and submit important decisions for it to make;
- coordinate actions for returning to normal;
- record all events that occur during crisis management, and at the end of the crisis produce a report designed to improve existing plans.
- Procedures for the implementation of the central crisis unit of the Covid-19 BCP

Procedures for the implementation of the central crisis unit of the Covid-19 BCP



I. Covid-19 BCP

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 risks and their impact on the 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;
  - measures introduced to ensure social distancing;
  - distribution of hydroalcoholic gel, protective masks, etc.
- introduction of a specific procedure for hygiene, cleaning and prevention (health care products, hand washing and temperature check);
- optimized management of employees and work spaces at central and network sites (on-site physical presence, remote working, team rotation, leave);
- awareness-raising actions for employees and "sensitive" partners and service providers;
- 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: PCR tests available for all employees, and regularly scheduled targeted testing; free treatment of suspect cases (positive or contact); psychological support for employees;
- remote working required for all fragile employees;
- special COVID loan for employees whose household has been affected by a decline in revenues; frequent, proactive internal communication, etc.

> Up to 70% of employees of various headquarters work from home

> 27,000 PCR tests have been administered (on average 2 tests per employee in countries the hardest-hit, e.g., Morocco)

Deployment of flexible BCP procedures adapted to governmental measures

- activation of BCP with implementation of a crisis committee and a monitoring unit;
- 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;
- increased responsiveness of infrastructures and appropriate technological solutions (IT solutions, VPN, video conferences, etc.), and use of distance channels and remote work encouraged;
- implementation of supervisory and safety procedures adapted to the new work organization;
- introduction of an interaction policy for "sensitive" suppliers with regard to business continuity;
- preparation of logistics and safety procedures in the event of tighter lockdown conditions or extreme scenarios.
- ~100% of services maintained in all countries of operations
- Business continuity is the result of progress in digital transformation
- 42% of customers active online
- More than 12 million connections per month in 2020 (+60%)

These procedures are based on Group initiatives and adapted to governmental measures.

The subsidiaries received Group assistance.

II. Supporting and helping our customers and communities in all countries of operations

Attijariwafa bank has introduced a wide range of measures to help customers and communities in all segments and geographic areas of operations to meet the unprecedented COVID-19 challenges and its socioeconomic effects.

- nearly all services and branches are open in all countries of operations (5,359 agencies);
- mobilization and commitment to customers and communities during this challenging period:
- free use of branch and ATM networks to bring government aid to the most vulnerable populations;
- sales teams mobilized to actively assist business customers (contact plan, customer survey, etc.);
- contribution to special COVID-19 funds in countries of operations;

- introduction of "fast track" procedure for Covid-19 purchases, and an electronic payment system for suppliers;
- organization of a series of thematic digital conferences and webinars relating to various effects of the COVID 19 health crisis.

Detailed information

Assistance measures implemented by AWB subsidiaries	
Hygiene	
Distribution of health products (packs of paper tissues, antibacterial soap, hydroalcoholic gel, etc.) for each employee	√
Installation of products for handwashing in the entranceways of headquarters and agencies	√
System for taking temperature in the entranceways of headquarters and agencies	√
Communication	
Communication for customers, employees and service providers (posters, internet, etc.)	√
Adaptation of facilities	
Revised business hours at agencies	√
Modified access conditions to headquarters (e.g., number of employees authorized to allow customers to enter)	√
Rearrangement of workspaces in order to meet the one meter social distancing requirement	√
Human resources	
Use of leave	√
Use of remote working	√
Use of employee rotation	√
Activities	
Maintain all activities	√
All agencies open	√
BCP	
BCP activation	√
Implementation of a crisis committee	√
Designation of a head of BCP	√
Implementation of a monitoring unit to follow the pandemic and government measures	√

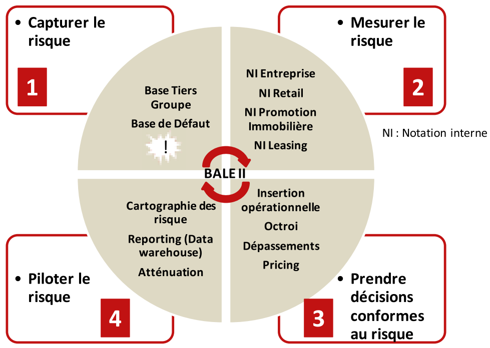
V- Risk Management

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 and 2017), 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



Ratings map in accordance with the new corporate model

In 2020, the new model for corporate internal ratings (2017) was the basis for portfolio ratings and for requirements of the new IFRS 9.

The new model takes into account not only financial items, but also qualitative and behavioral items. It covers the majority of the Bank's commitments. It was designed on the basis of a proven statistical approach and with feedback from experienced risk managers. The result was enhanced forecasting capacity.

The adoption of the internal ratings model reflects the Group's determination to comply with international standards of risk management (Basel II). This approach took form in 2010 with the implementation of a new internal ratings system.

A new internal ratings system was introduced in 2017. This system has better forecasting capacity than the previous model, and was designed and approved by various management bodies. The model was successfully introduced throughout the year by means of the latest software, with the help of the IT and other group teams. The model will serve as a basis for future improvements regarding compliance with the Bale directives and the new IFRS 9.

The new model takes into account not only financial items, but also qualitative and behavioral items. It covers the majority of the bank's commitments. The rebalanced weighting of various components is based on tested statistical analyses.

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

The ratings system has the following features:

a) Scope: corporate portfolio, excluding public administration, finance companies and real estate development companies;

b) Attijariwafa bank's ratings model is primarily based on assigning a counterparty rating reflecting the probability of default within one year ;

c) 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

d) All counterparty ratings are subject to credit committee approval (for each rating) by the appropriate credit committee in accordance with current delegated powers.

e) Probability of default only assesses a counterparty's solvency, independent of the transaction's characteristics (guarantees, ranks, clauses, etc.).

f) 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).

g) 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.

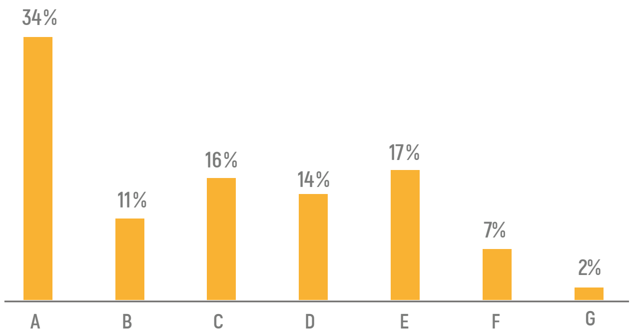
h) Ratings update: counterparty ratings are re-examined at each renewal date and at least once a year. However, for corporate customers under watch (Classes F, G or pre-recovery), the counterparty rating must be reviewed every six months. In general, any significant new information will result in the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

In 2020, the model was backtested and reviewed on the basis of recent data and in compliance with IFRS 9 guidelines, thereby updating the ratings scale in terms of PD. An external audit mission by an international firm corroborated the internal methods and approved the "corporate" ratings model.

Based: 4,915 files totaling MAD 108 billion



• Public administrations, real estate companies and litigate files are out of perimeter.

The ratings map shows the quality of assets: 45% of the Bank's commitments are considered healthy "A and B" commitments. The rating stood at 98% at the end of December 2020, evidence that implementation of the ratings approach is widespread. .

Adjustment of ratings models for IFRS 9

In January 2018, the new IFRS 9 introduced a new model for recognizing impairment of financial assets on the basis of expected credit losses (ECL). The amount of expected losses is determined by means of three principal parameters: the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD), which take into consideration amortization profiles. ECL = PD x LGD x EAD.

Moreover, the standard adopts an approach to asset classification in 3 buckets:

- Bucket 1 ("healthy portfolio"): assets show no significant rise in credit risk after initial recognition;
- Bucket 2 ("portfolio with significant rise in credit risk"): significant rise in credit risk after initial recognition;
- Bucket 3 ("portfolio in default"): recognized credit event or default.

The broadening of corporate ratings models provides risk parameters (particularly probability of default) that cover most of the Bank's commitments in Morocco, especially the probability of default, which is now much lower than in previous models. The calculation of Bucket 1 provisions is made on the basis of the PD estimated on a 12-month point in time (PIT) horizon.

Where there is a significant rise in credit risk (Bucket 2), the PD employed is at maturity, in order to take the provision into account throughout the instrument's remaining life. This led the Bank to develop new models for forecasting probability of default over several timeframes, in compliance with the standard.

Moreover, the inclusion of an outlook component (i.e., on the basis of macroeconomic forecasts) is being implemented with probability scenarios that include past events, current conditions and reasonable, justifiable macroeconomic forecasts. These new models, called "forward looking," are able to estimate a default rate over several timeframes. The estimated default rate is used to measure the Life in Time (LIT) probability of default.

n 2020, the risk parameters for the calculation of provisions in compliance with IFRS 9 were immediately adjusted for the impact of changing economic conditions as reflected in forward-looking macroeconomic scenarios for PDs (both PIT and at maturity).

Ratings: foundation of the digital transformation

Ratings of self-employed professionals and retail customers, as calculated using ratings software, rose significantly. Operational implementation is scheduled.

All models contribute to the partial automatization of credit decisions, and ultimately increase the capacity for processing them. The automation rate is continually improving. These policies will be reviewed and improved in order to better address the targets that are the focus of the 2020 ANA MAAK program, particularly new companies and young entrepreneurs. In addition, decision-making and acceptance policies will be relaxed to increase access to financing for very small enterprises eligible for the INTELAKA program. A pre-rating procedure was successfully performed on the basis of the current system for the distribution of relaunch products.

To bring the ratings project to the Group level, the Bank has implemented new technology that eliminates geographic barriers. The ratings hub (currently being tested in a pilot subsidiary) centralizes ratings sources, thereby giving easier access to them for the Bank and its subsidiaries.

Ratings models are regularly monitored by risk management, both for operational performance and for robustness.

During the period 2014–2020, the number of decision-making strategies and ratings rose from 5 to 20 to meet the growing needs of the Bank's strategic programs. In view of targets defined in the new strategic plan, the number of ratings is expected to rise significantly.

With regard to change management and the increased use of ratings, risk management actively participated in a media campaign designed to help Moroccan companies understand ratings. Also in 2020, an e-learning module was developed in collaboration with Group human resources to promote the use of ratings. Monitoring displays were also designed for the network.

Enhancement of risk management for subsidiaries

The broadening of the corporate internal ratings system continues at the international subsidiary level, with priority given to those with significant commitments. In 2019, four subsidiaries were covered by the ratings model (UGB, CBAO, CDS, SCB).

In addition, the models deployed prior to 2019 were continually improved, especially SIB (Ivory Coast), ATB (Tunisia) and Attijariwafa bank Egypt, which was given special attention. A review in 2019 confirmed the robustness of the models deployed and their effective operational implementation.

In 2020, the UGB and CDCO sites were equipped with new ratings models. For our AWB Egypt subsidiary, ratings models are regularly reviewed to ensure they remain adequate for changes in the Egyptian economy. These missions have confirmed the successful operational implementation and the increasing acceptance of new models. In addition, IFRS 9 risk parameters have been adjusted to take into account the latest observed default rates as well as the macroeconomic scenarios affected by the COVID-19 pandemic.

As the use of ratings becomes increasingly common, priority is given to subsidiaries that have the necessary quality, access and storage of data.

In 2020, an external audit validated the models of two subsidiaries, ATB (Tunisia) and SIB (Ivory Coast). At the local subsidiary level, ratings models are broadening to include factoring and real estate development (Wafa Immobilier).

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 Attijariwafa bank 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.

Governance

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, 2020, outstanding free treasury securities amounted to MAD 38.9 billion, compared with MAD 29.7 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, 2020, high-quality liquid assets totaled MAD 46.2 billion, compared with MAD 42.1 billion at December 31, 2019.

Hedging wholesale liquidity gaps (12 months) by means available liquidity reserves

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, 2020, 12-month wholesale liquidity gaps totaled MAD 20.2 billion, compared with MAD 20.0 billion a year earlier. The coverage rate by means available liquidity reserves stood at 228% at December 31, 2020, compared with 211% at December 31, 2019..

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, 2020, the static liquidity gaps were as follows (in MAD billions):

	0-1 year	1 to 5 years	more than 5 years
Asset flow	174	113	77
Liability flow	145	70	149
Static liquidity gap	29	43	-72

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, 2020, the LCR stood at 202% , compared with 127% at December 31, 2019.

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, 2019, the NSFR stood at 129% , compared with 121% at December 31, 2018.

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, 2020 (in MAD billions), were as follows:

(in thousand MAD)

	0-1 year	1 to 5 years	more than 5 years
Asset flow	179	120	81
Liability flow	146	80	154
Rate gap	33	40	-73

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, 2020, the sensitivity for a 100 bp rise was MAD -105 million -1.27% from the estimated interest margin, and MAD 2 593 million -6.28%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

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 Europe	Banking	France	IG	99.78%	99.78%
Attijari International Bank	Banking	Morocco	IG	100.00%	100.00%
Attijariwafa bank Egypt	Banking	Egypt	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	66.30%	66.30%
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	67.00%	67.00%
Société Commerciale de Banque	Banking	Cameroon	IG	51.00%	51.00%
Attijari bank Mauritanie	Banking	Mauritania	IG	100.00%	67.00%
Banque Internationale pour l'Afrique Togo	Banking	Togo	IG	56.58%	56.58%
Wafasalaf	Consumer credit	Morocco	IG	50.91%	50.91%
Wafabail	Leasing	Morocco	IG	98.57%	98.57%
Wafa immobilier	Mortgage loans	Morocco	IG	100.00%	100.00%
Attijari Factoring Maroc	Factoring	Morocco	IG	100.00%	100.00%
Wafa LLD	Long-term leasing	Morocco	IG	100.00%	100.00%
Bank ASSAFA	Banking	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 is required to comply with, on both an individual and a consolidated basis, a core-capital ratio of no less than 8.0% (including a conservation buffer of 2.5%), a Tier 1[1] capital ratio of no less than 9.0%, and a Tier 1 and Tier 2 capital ratio of no less than 12.0%.

At the end of December 2020, in accordance with circular 14/G/2013, the regulatory capital of Attijariwafa bank Group comprised both Tier 1 and Tier 2 capital.

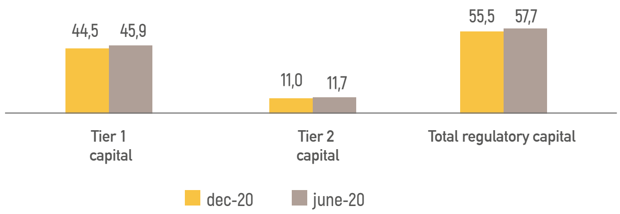
Tier 1 capital is determined on the basis of Core Equity Tier 1 capital (CET1) adjusted for: the anticipated distribution of dividends; the deduction of goodwill, intangible assets, and unconsolidated equity investments [2] that are held in the capital of credit institutions and equivalent in Morocco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

	Dec-20	June-20
Tier 1 capital= CET1+AT1	44,498,922	45,929,278
Items to be included in core capital	53,117,634	54,849,453
Share capital	3,384,160	2,098,597
Reserves	46,478,106	48,404,113
Retained earnings	1,204,235	1,292,315
Minority interests	4,030,221	3,888,672
Ineligible core capital	-78,608	133,729
	-1,178,445	-967,973
Items to be deducted from core capital	-13,118,712	-12,920,175
Core Equity Tier 1	39,998,922	41,929,278
Additional equity (AT1)	4,500,000	4,000,000
Tier 2 capital	11,044,095	11,730,458
Subordinated debt with maturity of at least five years	10,680,929	11,381,612
Unrealized gains from marketable securities	202,317	192,290
Other items	160,849	156,556
Total regulatory capital (Tier 1 + Tier 2)	55,543,017	57,659,736

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



4- Solvency ratios

At December 31,2020, the Group's Tier 1 capital ratio amounted to 10.73% and its capital adequacy ratio stood at 13.40%.

(in thousand MAD)

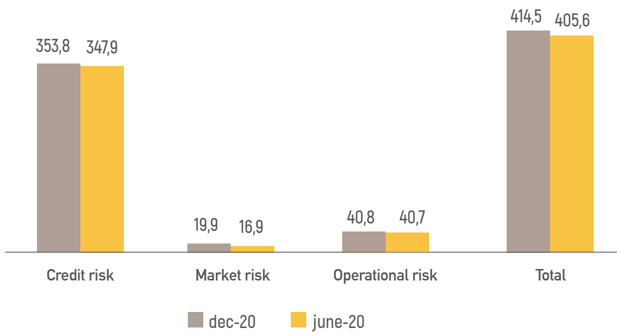
	Dec-20	June-20
Tier 1 capital	44,498,922	45,929,278
Total capital	55,543,017	57,659,736
Risk-weighted assets	414,547,090	405,564,946
Tier 1 capital ratio	10,73%	11,32%
Capital adequacy ratio	13,40%	14,22%

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

At December 31, 2020, 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 414,547,090 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 weighted 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%.

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

(en,milliers,de,dirhams)

	Dec-20		June-20		Variation	
	Risk-weighted assets	Capital requirements[3]	Risk-weighted assets	Capital requirements[3]	Risk-weighted assets	Capital requirements
Credit,risk,on,balance,sheet	**268,324,738**	**21,465,979**	**269,219,531**	**21,537,562**	**-894,793**	**-71,583**
Sovereigns	22,907,635	1,832,611	22,771,446	1,821,716	136,189	10,895
Institutions	12,900,051	1,032,004	11,922,823	953,826	977,227	78,178
Corporate	181,283,502	14,502,680	185,693,718	14,855,497	-4,410,216	-352,817
Retail	51,233,551	4,098,684	48,831,544	3,906,524	2,402,007	192,161
Credit,risk,off,balance,sheet	**49,473,793**	**3,957,903**	**48,628,281**	**3,890,262**	**845,512**	**67,641**
Sovereigns	1,793,375	143,470	2,024,331	161,947	-230,956	-18,476
Institutions	1,106,986	88,559	1,062,382	84,991	44,605	3,568
Corporate	46,178,459	3,694,277	45,183,146	3,614,652	995,313	79,625
Retail	394,972	31,598	358,422	28,674	36,550	2,924
Counterparty,risk[4]	**1,162,010**	**92,961**	**2,096,389**	**167,711**	**-934,379**	**-74,750**
Institutions	80,357	6,429	1,277,234	102,179	-1,196,877	-95,750
Corporate	1,081,653	86,532	819,155	65,532	262,498	21,000
Credit,risk,from,other,assets[5]	**34,886,269**	**2,790,902**	**28,004,517**	**2,240,361**	**6,881,752**	**550,540**
Market,risk	**19,863,336**	**1,589,067**	**16,923,088**	**1,353,847**	**2,940,248**	**235,220**
Operational,risk	**40,836,943**	**3,266,955**	**40,693,139**	**3,255,451**	**143,804**	**11,504**
Total	**414,547,090**	**33,163,767**	**405,564,946**	**32,445,196**	**8,982,144**	**718,572**

1- 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.

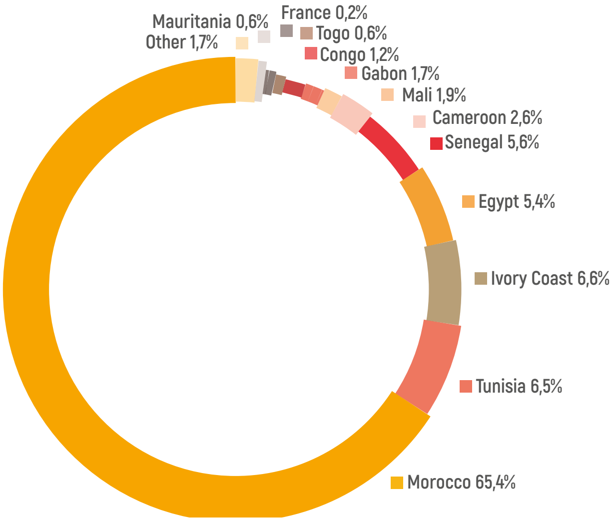
(in thousand MAD)

	Exposure before CRM[6] (EAD)		Risk-weighted exposure after CRM (RWA)	
	Balance sheet	Off balance sheet[7]	Balance sheet	Off balance sheet[7]
Sovereigns	50,801,903	8,933,753	22,907,635	1,793,375
Institutions	28,892,812	3,594	111,406	359
Credit establishments and equivalent	26,827,812	4,731,177	12,788,645	1,106,627
Corporate	206,732,503	125,616,854	181,283,502	46,178,459
Retail	95,037,702	1,272,102	51,233,551	394,972
Total	**408,292,733**	**140,557,481**	**268,324,738**	**49,473,793**

· 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- (eg Mali, Mauritania, and Togo), sovereign and corporate risk is weighted at 150%.

Geographical breakdown of weighted risks



2-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, 2020, the Group's net exposure to counterparty risk to security-financed transactions and derivative products totaled to security-financed transactions and derivative products totaled MAD 30,943,776 thousand, rose by 13% compared to June 2020. Risk-weighted exposure came to MAD 1,162,010 thousand decreased by 45% compared to June 2020.

3-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. Since the entry

into force of the prudential framework for participative banks, market

risk now includes inventory 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.

- Inventory risk

The calculation of inventory risk concerns the assets held by the participative bank for resale or lease through Murabaha or Ijara contracts respectively.

The capital requirement related to inventory risk is calculated according to the simplified method (cf. Article 56, Part V of Circular 9/W/2018 relating to the capital requirements of participative banks, according to the standard method) retaining 15% of the value of the asset held in inventory.

- Capital requirements for market risks

(in thousand MAD)

Capital requirements	Dec-20	June-20
Interest-rate risk	1,165,794	960,846
Specific interest-rate risk	237,989	337,353
General interest-rate risk	927,805	623,494
Equity risk	12,968	12,594
Currency risk	404,056	376,294
Inventory risk	6,250	4,113
Commodity risk	0	0
Total	1,589,067	1,353,847

4- 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 thousand MAD)

Capital requirements	Banking in Morocco, Europe, and offshore zone	Specialized financial companies	International retail banking	Total
June 20	1,711,467	362,059	1,181,925	3,255,451
December 20	1,714,366	362,134	1,190,455	3,266,955

5- 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	
		IRBF	IRBA
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 December 2020, as well as the hedge amounts for credit risk included in the calculation of risk-weighted assets (standardised approach) at the end of December 2020:

(in thousand MAD)

	Dec-20
Guarantees and collateral	211,088,718
Guarantees	26,885,603
Real[9] and financial collateral	184,203,115
Guarantees and collateral eligible for the standardized approach	123,160,058
Guarantees	26,885,603
Real and financial collateral	96,274,455
- Mortgage on residential home loan	62,788,819
- Mortgage on residential home loan	6,639,379
- Other	26,846,258

9) Collateral at 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).

The islamic bank of the group, Bank Assafa, reports its solvency ratio on a social basis according to circular 9/W/2018 relating to the calculation of capital requirements for credit, market and operational risk.

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.

IV. Internal capital management

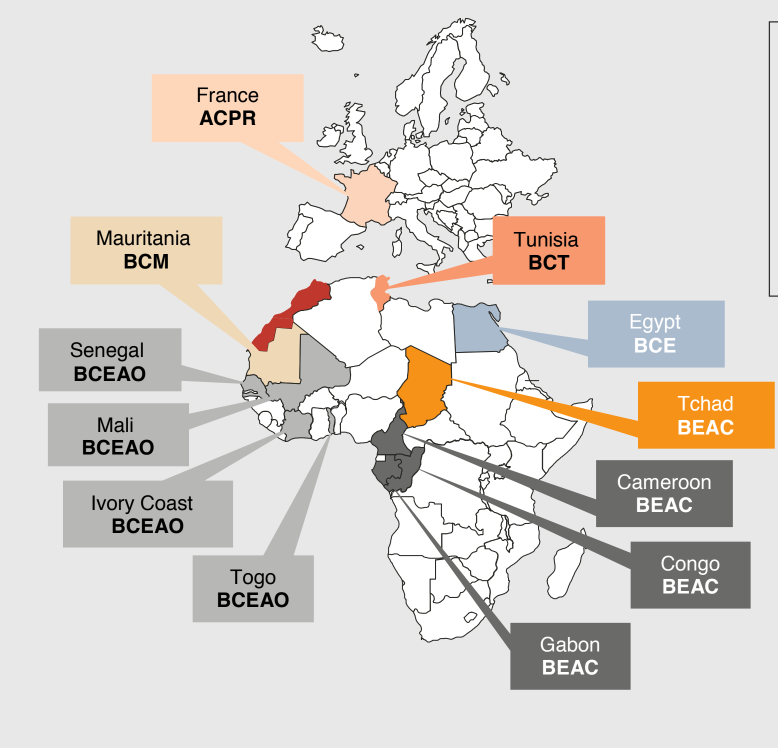
1- Capital management

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

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
CBE : Central Bank of Egypt

2- Ratios des principales filiales

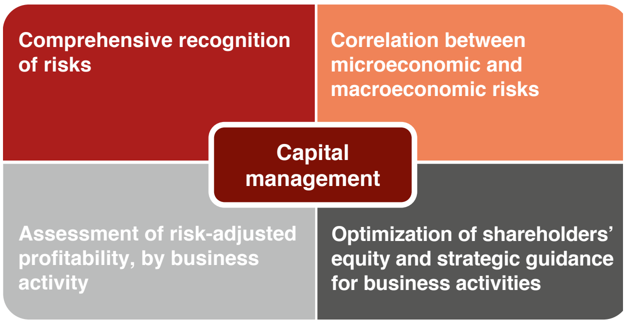
Entity	Regulatory authority	Minimum Required	Currency	Regulatory capital requirements (thousands)	Risk-weighted assets (thousands)	Total ratio
Attijariwafa bank	Bank Al-Maghrib	11.50%	MAD	40,209,053	261,759,661	15.36%
Wafasalaf	Bank Al-Maghrib	11.50%	MAD	1,849,165	13,109,647	14.11%
Bank ASSAFA	Bank Al-Maghrib	11.50%	MAD	280,667	1,258,351	22.30%
Wafa Immobilier	Bank Al-Maghrib	11.50%	MAD	166,634	358,088	46.53%
Wafabail	Bank Al-Maghrib	11.50%	MAD	1,276,087	8,862,513	14.40%
Attijari Factoring Maroc	Bank Al-Maghrib	11.50%	MAD	284,841	1,385,114	20.56%
Attijari bank Tunisie	BCT	10.00%	TND	849,368	6,562,978	12.94%
Attijari bank Mauritanie	BCM	10.00%	MRU	1,068,932	7,528,530	14.20%
Attijariwafa bank Egypt	BCEAO	12.50%	EGP	4,900,288	26,585,705	18.43%
Société Commerciale de banque Cameroun	BEAC	10.50%	FCFA	55,778,000	489,690,000	11.39%
Crédit du Congo	BEAC	10.50%	FCFA	23,115,000	131,884,300	17.53%
Union Gabonaise de Banque	BEAC	10.50%	FCFA	33,312,000	185,027,300	18.00%
Compagnie Bancaire de l'Afrique de l'Ouest	BCEAO	9.50%	FCFA	113,531,465	925,944,947	12.26%
Crédit du Sénégal	BCEAO	9.50%	FCFA	24,910,980	198,229,730	12.57%
Banque Internationale pour le Mali	BCEAO	9.50%	FCFA	26,040,093	227,802,437	11.43%
Société Ivoirienne de Banque	BCEAO	9.50%	FCFA	111,042,884	879,997,901	12.62%
Banque Internationale pour l'Afrique au Togo	BCEAO	9.50%	FCFA	10,938,991	72,086,347	15.17%

Subsidiaries (in MAD thousands)	Regulatory authority	Margin	Minimum solvency margin	Ratio
Wafa Assurance	ACAPS	6 259 318	2 378 717	263%

Currency rate : FCFA (0,01667) MRU (0,024626), TND(3,3244), EGP(0,5666)
* Following the health crisis, the central bank lowered the minimum required for capital adequacy ratio by 50 bps to 11.5% .

for all business lines and fulfilling capital requirements for both strategic goals and regulatory changes.

Targets for « Capital Management »



2- Gouvernance

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 December 2020, 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 December 2020 covered the following scenarios:

- Credit risk: claims rising from 10% to 15%, representing high risk for total portfolio and per business segment
- Concentration risk: default of key business relationships
- 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.

V. Corporate Governance

Governance system established adheres to the general corporate principles. This system consists of five 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. Hassan BEDRAOUI	Managing Director	2020
Mr. Omar BOUNJOU	Managing Director	2004
Mr. Ismail DOUIRI	Managing Director	2008
Mr. Talal EL BELLAJ	Managing Director	2014
Mr. Youssef ROUISSI	Managing Director	2020

2- Coordination and Synergy Committee

Headed by the Chairman and Chief Executive Officer or at least two Managing Directors, the Coordination and Synergy Committee is a forum for information exchanging and sharing. In particular the Committee :

- ensures overall coordination between the various programs of the Group and focuses mainly on the review of key performance indicators ;
- takes note of the major strategic orientations and the Group's general policy, as well as the decisions and the priorities agreed in the ad hoc instances ;
- takes functional and operational decisions to maintain objectives and maximize results.

On a monthly basis, the Coordination and Synergy Committee is composed of the members of the Executive Committee and heads of key business areas.

Members of Executive Committee	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer

Mr. Omar BOUNJOU	Managing Director, Morocco and Europe Retail Banking Division
Mr. Ismail DOUIRI	Managing Director, International Retail Banking and Specialized Financial Subsidiaries
Mr. Talal EL BELLAJ	Managing Director, Group Global Risk Management
Mr. Hassan BEDRAOUI	Deputy General Manager, Transformation, Innovation, Technologies and Operations
Mr. Youssef ROUISSI	Deputy General Manager - Corporate Banking, Markets & Investor solutions
Mr. Mohamed SOUSSI	Executive Director - Group Head of Human Ressources
Mr. Rachid KETTANI	Executive director - Chief Financial Officer
NETWORK	
Mr. Saâd BENWAHOUD	Deputy General Manager - Head of Rabat - Kenitra - Salé Region
Mr. Hassan BERTAL	Deputy General Manager - Head of Morocco Network
Mr. Othmane BOUDHAIMI	Executive Director - Head of South-West Region
Mr. Tarik BERNOUSSI	Executive Director – Head of Eastern Region
Mr. Mohamed Karim CHRAIBI	Executive director - Head of Marrakech - Beni Mellal - Tafilalet Region
Mr. Rédouane EL ALJ	Executive director - Head of Casablanca - Settat Region
Mr. Khalid EL KHALIFI	Executive Director - Head of Fès - Meknes Region
Mr. Rachid MAGANE	Executive director - Head of Tanger - Tetouan - Al Hoceima Region
CENTRAL ENTITIES	
Mr. Jamal Ahizoune	Deputy General Manager - West & Central Africa Retail Banking Manager
Mr. Mouaouia Essekelli	Deputy General Manager - Specialized Financial Subsidiaries Manager
Mrs Wafaa Guessous	Deputy General Manager - Group Head of Logistics and Security
Mrs Yasmine Aboudrar	Executive director - Group Strategy & Development Manager
Mr. Jalal Berrady	Executive Director - Head of Private banking
Mr. Younes Belabed	Executive Director - Group head of General Audit
Mrs Saloua Benmehrez	Executive Director - Group head of Communication
Mrs Bouchra Bousserghine	Executive Director - Chief Compliance officer
Mr.Rachid El Bouzidi	Executive Director - Head of Retail Banking Support Functions
Mr.Rachid Kamal	Executive Director - Chief operations officer
Mr. Réda Hamedoun	Executive director - Group Head of North Africa Retail Banking
Mr.Karim Idrissi KAITOUNI	Executive Director - Head of SMEs Banking
Mrs Soumaya Lrhezzioui	Executive Director- Chief IT officer
Mrs Ghizlane ALAMI MARROUNI	Executive Director- Head of Retail Banking Marketing
Mr. Karim Idrissi KAITOUNI	Executive director - Head of SMEs Banking
Mr. Driss MAGHRAOUI	Executive Director- Head of Retail and Corporate Market

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.

Members	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing AL MADA
Mr. Abdelmjid TAZALOUI	Director
Mr. José REIG	Director
Mr. Aymane TAUD	Director
Mr. Azdine El Mountassir Billah	Director
Guest Members	
Mr. Omar BOUNJOU	Managing Director, Retail Banking Division
Mr. Ismail DOUIRI	Managing Director, International Retail Banking and Specialized Financial Subsidiaries
Mr. Talal El BELLAJ	Managing Director, Group Global Risk Management
Mr. Hassan EL BEDRAOUI	Deputy General Manager – Head of Transformation, Innovation, Technologies and Operations
Mr. Youssef ROUISSI	Deputy General Manager - Corporate Banking, Markets & Investor solutions
Secretary of the committee	
Mrs Wafaâ GUESSOUS	Deputy General Manager – Procurement Logistics Group

• Group Risk Committee:

The Group Risk Committee is responsible for monitoring the process of risk identification and management, with the aim of assisting the Board of Directors in the strategy, management and monitoring of the risks to which the bank is exposed. The Group Risk Committee is set of a minimum of three permanent nonexecutive members, chosen from among the members of the Board of Directors and meets four times a year and whenever it deems necessary at the Chairman's invitation.

Members	Function
Permanent Members	
Mr. Abdelmjid TAZLAOUI	Director
Mr. Aymane TAUD	Director
Mr. José REIG	Director
Mr. Lionel ZINSOU	Independent Director
Guest members	
Mr. Talal EL BELLAJ	Managing Director, Group Global Risk Management
Mr. Younes BELABED	Executive director - Group head of General Audit
Mrs Bouchra BOUSSERGHINE	Executive director - Chief Compliance Officer
Secretary of the Committee	
Mrs Myriam NAFAKH LAZRAQ	General Affairs Manager

• Group Audit Committee:

The Group Audit Committee monitors the Risk, Audit, Internal Control, Accounting and Compliance functions. This committee meets at least four times a year.

Members	Function
Permanent members	
Mr. Abed YACOUBI-SOUSSANE	President of the Committee
Mr. Abdelmjid TAZLAOUI	Director
Mr. Aymane TAUD	Director

Mr. José REIG	Director
Mr. Aldo OLCESE	Independent Director
Guest members	
Mr. Talal EL BELLAJ	Managing Director, Group Global Risk Management
Mr. Younes BELABED	Executive director - Group head of General Audit
Mrs Bouchra BOUSSERGHINE	Executive director - Chief Compliance Officer
Mr. Rachid KETTANI	Executive director - Chief Financial Officer
Secretary of the Committee	
Mrs Bouchra BOUSSERGHINE	Executive director - Chief Compliance Officer

• Group Governance, Appointment and Remuneration Committee:

The Governance, Appointment and Remuneration Committee submits to the Board proposals relating to the governance system, the appointment and remuneration of Board members and the Group's main executives.

The Group Governance, Appointment and Remuneration Committee meets twice a year and whenever it deems necessary under the Chairman's call.

Members	Function
Mr. Mohammed Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director , Representing AL MADA

The second sub-committee is composed of the following members:

Members	Function
Mr. Mohammed Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing AL MADA
Mr. Abdelmjid TAZLAOUI	Director
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. José REIG	Director

The third sub-committee is composed of the following members:

Members	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing AL MADA
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director
Secretary of the Committee	
Mr. Mohamed SOUSSI	Executive Director - Group Head of Human Ressources

• The Group High Credits Committee:

TThe Group's High Credit Committee, which meets on convened by the Chairman and Chief Executive Officer, decides on commitments and recovery operations exceeding a certain Group threshold before their ratification by the Board of Directors .

It is composed of 4 members (including the Chairman and Chief Executive Officer), appointed from among the members of the Board. The Group's High Credit Committee meets at least once a month and may be convened at any time at the Chairman's initiative if he considers it necessary: if the operation or transaction is urgent or if it is required due to current events at the bank.

Members	Function
Permanent Members	
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer
Mr.. Hassan OURIAGLI	Director, Representing AL MADA
Mr. Aymane TAUD	Director
Mr. José REIG	Director
Guest members	
Mr. Talal EL BELLAJ	Managing Director, Group Global Risk Management
Secretary of the Committee	
Mr. Talal EL BELLAJ	Managing Director, Group Global Risk Management

Combined ordinary and extraordinary general meeting

Within the authority of the ordinary general meeting

First resolution

The General Meeting, having been informed of the reports of the Board of Directors and the Statutory, expressly approves the summary financial statements for financial year 2020, as presented, as well as the transactions reflected in those financial statements or summarized in those reports, which show earnings of MAD 2,318,617,926,33.

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 and seq. of Act 17/95 pertaining to limited liability companies, as amended and supplemented, 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 2,318,617,926,33 as follows:

(MAD)

- Net income of the year	2 318 617 926,33
- Legal reserve	-
- Retained earnings from previous exercises	3 876 868 595,74
Distributable earnings	6 195 486 522,07
ALLOCATION :	
- Statutory dividend 6 %	125 915 807,40
- Amount necessary to raise the dividend per share to MAD 11	2 182 540 661,60
TOTAL DISTRIBUTION OF	2 308 456 469,00
- Special reserve	-
- Retained earnings	3 887 030 053,07

Fourth resolution

The Ordinary General Meeting determines that the dividend for financial year 2020 in the amount of MAD 2,308,456,469 will be subject to:

- payment in cash to shareholders o f a total amount of MAD 1,416,552,833.25, or MAD 6.75 per share; and
- option between a dividend payment in cash and a conversion (partial or full) into Bank shares for a total amount of MAD 891,903,635.75, or MAD 4.25 per share.

The 3,313,308 shares issued for the capital increase through the optional conversion (partial or full) into shares of dividend amounts, under the prospectus approved by the AMMC effective December 25, 2020 (reference VI/EM/030/2020), and whose vesting date is January 1, 2021, do not have dividend rights for financial year 2020.

The Extraordinary General Meeting, convened to follow the Ordinary General Meeting, authorizes a capital increase to be paid solely through the conversion (partial or full) of dividends into shares.

Fifth resolution

The Ordinary General Meeting grants all powers to the Board of Directors to take the necessary measures for application and execution of the above-mentioned resolution, to ensure payment of the dividend in cash or through conversion (partial or full) into new shares by specifying the procedures for the application, execution and payment date, and to carry out all transactions related or subsequent to the option for conversion (partial or full) of dividends into shares.

Sixth 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.

Seventh resolution

The General Meeting sets at MAD 5,700,000 the amount of directors' fees to be allocated to members of the Board of Directors for financial year 2020.

The Board of Directors shall divide this sum among its members in whatever manner it sees fit.

Eighth resolution

The General Meeting, having noted that the Siger's Director mandate Mr. Mohammed Mounir El Majidi, was due to expire at the end of this Meeting, resolves to renew the said mandate for the statutory period of six years, expiring on the day of the General Meeting convened to deliberate on the financial statements for financial year 2026.

Ninth 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.

Within the authority of the extraordinary general meeting

First resolution

The Extraordinary General Meeting, having been informed of the report of the Board of Director, authorizes a capital increase for a maximum amount of MAD 891,903,635.75 (including share premium), open to all Company shareholders to be paid up exclusively by optional total or partial conversion of dividends into shares (the "Capital Increase").

The Extraordinary General Meeting determines that only the amount of dividends with, as applicable, taxes and other withholdings deducted in accordance with the tax code and double taxation treaties concluded with Morocco, shall be applied to new shares subscribed by individuals or entities.

Shareholders shall have preemptive subscription right to the Capital Increase.

The Extraordinary General Meeting determines that if subscriptions have not absorbed the full amount of the Capital Increase, the amount of the Capital Increase may be limited to the amount of subscriptions effectively carried out.

Second resolution

The Extraordinary General Meeting confers on the Board of Directors all powers, particularly those with the following effects:

- Establish the final terms and conditions for the completion of the Capital Increase, as well as its characteristics :
  - establish the Capital Increase within the authorized limit;
  - approve the Capital Increase and establish the subscription price;
  - establish the opening and closing dates of the subscription period;
  - close the subscription period early when preemptive subscriptions have been completed;
  - limit the amount of the Capital Increase to the amounts effectively subscribed;
  - constater les souscriptions et libérations de l'Augmentation du Capital Social ;
  - record the definitive completion of the Capital Increase;
- amend the bylaws subsequent to the Capital Increase;
- carry out all procedures necessary to complete the Capital Increase;
- in general, apply all useful measures and perform all necessary formalities for the definitive completion of the Capital Increase.

Third resolution : Powers to carry out formalities

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.

Board of directors

FINANCIAL STATEMENTS 2020

CONSOLIDATED FINANCIAL STATEMENTS

PARENT COMPANY FINANCIAL STATEMENTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

Deloitte Audit

288, Bd Zerktouni
Casablanca - Maroc

EY

37, Bd Abdellatif Ben Kaddour
20 050 Casablanca - Maroc

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FISCAL YEAR JANUARY 1, 2020–DECEMBER 31, 2020

Opinion

We have audited the consolidated financial statements of **ATTIJARIWAFA BANK and its subsidiaries** (the "Group"), which comprise the consolidated balance sheet as at December 31, 2020, the consolidated income statement, the consolidated management accounting statement, the consolidated cash flow statement for the year ended on this date, the notes to the financial statements and a summary of the main accounting methods employed. The consolidated financial statements show consolidated shareholders' equity of **MAD 54,292,985 thousand** and net income of **MAD 3,705,028 thousand**. These statements were approved by the Board of Directors on February 23, 2021, in the uncertain context of the Covid-19 epidemic, on the basis of elements available at the time.

We hereby certify that the consolidated financial statements mentioned in the first paragraph above provide in all material respects a true and fair view of the Group's consolidated financial position as at December 31, 2020, its consolidated financial performance and its consolidated cash flows for the year closed on this date, in accordance with standards of Bank Al-Maghrib. These standards comprise IFRSs published by the ASB, with the exception of application of the provisions of IFRS 9 for Group insurance activities, deferred until the entry into force of IFRS 17.

Basis of the opinion

We conducted the audit in accordance with professional standards applicable in Morocco. Our responsibilities relating to these standards are more fully described under "Responsibilities of the auditor with regard to the audit of consolidated financial statements" in the present report. We are independent of the Group, in compliance with the ethical policies applicable to the audit of consolidated financial statements in Morocco. We have discharged other ethical responsibilities applicable to us in compliance with the policies. We believe that the evidence obtained from our audit is adequate and appropriate as a basis for our opinion.

Key audit questions

Key audit questions are questions which, in our professional judgement, were critical in our audit of the consolidated financial statements for the period under consideration. The questions were raised during our audit of the consolidated financial statements and approached globally in order to form an opinion on the consolidated financial statements. We do not express an opinion on individual questions.

Credit risk and impairment of customer loan portfolios	
Key audit question	Audit reply
Loans and advances to customers bear credit risk which exposes the Group to potential losses if the customers or counterparties prove unable to meet their financial commitments. The Group constitutes impairments to cover this risk. These impairments are estimated in accordance with the provisions of IFRS 9, Financial Instruments. The assessment of expected loan losses for the customer loan portfolios requires management judgement, in particular to: - determine the classification of outstanding loans depending on whether they are healthy (Bucket 1), deteriorated (Bucket 2) or in default (Bucket 3); - estimate the amount of expected losses on the basis of the various Buckets; - establish macroeconomic forecasts whose impacts are included in the calculation of expected losses. The qualitative information on the evaluation of how expected losses are accounted for is detailed under "Accounting standards and principles" in the notes to the consolidated financial statements. At December 31, 2020, the gross amount of loans and advances to customers exposed to credit risk totaled MAD 360,150 million; the total amount of related impairment totaled MAD 26,447 million. We considered that the rise in credit risk and the evaluation of impairments constitute a key audit point, as these items require management judgement and estimates, especially in the uncertain context of Covid-19.	We focused our audit on the largest outstanding loans and customer loan portfolios, and particularly on corporate financing with specific risks. We reviewed the Group internal control procedure as well as the controls we consider key for our audit, relating to the assessment of credit risk and the evaluation of expected losses. With regard to impairment, our audit was intended mainly to: - examine the governance procedure and test key controls implemented at Group level; - analyze the principal factors applied by the Group to classify outstanding loans and assess impairments in Buckets 1 and 2 as at December 31, 2020; - test the calculation of expected losses for a selection of outstanding loans in Buckets 1 and 2; - test the principal assumptions selected by management for estimation of impairments of outstanding loans in Bucket 3; - review the methodology selected by the Group to take into account the effects of the Covid-19 health crisis in its assessment of expected losses. We also examined the information on credit risk in the notes to the consolidated financial statements.

GOODWILL	
Key audit question	Audit reply
The Group made acquisitions which resulted in the recording of goodwill under assets on the consolidated balance sheet. Goodwill corresponds to the difference between the price paid for the company acquired and the fair value of identifiable assets and liabilities assumed on the acquisition date. At December 31, 2020, goodwill totaled MAD 9,948 thousand. Goodwill is allocated to CGUs and is subject to impairment testing at least once a year, or whenever there is evidence of impairment loss. When the recoverable amount is less than book value, impairment is recognized. Further information on the methods for determining the recoverable amount is under "Goodwill" in the notes to the consolidated financial statements. We consider that the assessment of goodwill constitutes a key audit point because of: - the significant amount of goodwill on the Group's consolidated balance sheet; - the importance of management judgement in choosing the method for determining the recoverable amount as well as the assumptions underlying future results of companies concerned and the discount rate applied to cash flow forecasts.	Our audit approach is based on the examination of procedures relating to goodwill impairment testing, and controls implemented by the Group to identify evidence of impairment loss. The audit of financial statements as at December 31, 2020, consisted of: - analysis of the methodology selected by the Group; - review of business plans established by management, to assess whether estimates of future cash flows are reasonable; - analysis of principal assumptions and factors employed with regard to available market data; - review of sensitivity analyses of estimates for key factors, in particular where the recoverable amount is close to net book value; - recalculation of determined recoverable amounts for principal entries of goodwill recognition. We examined the information on the results of these impairment and sensitivity tests in the notes to the consolidated financial statements.

Responsibilities of management and heads of governance with regard to the consolidated financial statements

Management is responsible for the preparation and faithful presentation of the consolidated financial statements in accordance with IFRSs, as well as for internal control it considers necessary for the preparation of consolidated financial statements which are free of material misstatements due to fraud or error.

During the preparation of the consolidated financial statements, management is responsible for assessing the Group's capacity to continue operations, to transmit if necessary any questions about business continuity, and to apply the business continuity accounting principle except where management intends to liquidate the Group or cease activity, or where there is no other realistic solution available.

Heads of governance are responsible for monitoring the Group's financial information process.

Auditor's responsibilities in auditing the consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements overall are free of material misstatements due either to fraud or error, and to provide an auditor's report containing our opinion. Reasonable assurance corresponds to a high level of assurance, though it does not guarantee that an audit carried out in accordance with professional standards in Morocco will always detect material misstatements. Misstatements may result from fraud or error, and are considered material where it is reasonable to expect that, individually or collectively, they may influence economic decisions of users of the consolidated financial statements.

In the framework of an audit carried out in accordance with professional standards in Morocco, we applied our professional judgement and critical faculties throughout the audit. Furthermore:

- We identify and assess the risks that the consolidated financial statements contain material misstatements due to fraud or error; devise and implement audit procedures to meet the risks; and combine sufficient, appropriate evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than that of not detecting a material misstatement due to error, because fraud can involve collusion, falsification, voluntary omissions, false declarations and the circumvention of internal control.
- We acquire an overall understanding of the internal control items necessary in order to devise audit procedures appropriate for the circumstances, and not with the aim of expressing an opinion on the effectiveness of the Group's internal control.
- We assess the appropriateness of the accounting methods used and the reasonableness of management's accounting estimates, as well as related information provided by management.
- We draw conclusions as to the appropriateness of management's use of the business continuity accounting principle and, given the audit evidence obtained, as to whether there is material uncertainty relating to events or situations likely to cast significant doubt on the Group's capacity to continue operations. When we conclude that there is material uncertainty, we are required to highlight in our report the information provided in the financial statements about the uncertainty or, when this information is inadequate, to express an amended opinion. Our conclusions are based on audit evidence obtained up to the report date. Future events or situations could lead the Company to cease operations.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including information provided in them. We assess whether the consolidated financial statements represent underlying operations and events sufficiently to provide a true and faithful view.
- We obtain sufficient and appropriate evidence on the financial information of Group entities and activities to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and performance of the Group audit. We take full responsibility for the audit opinion.

We communicate to the heads of governance specifically on the extent and schedule of the audit and on our significant observations, including any significant deficiency in internal control that we have identified during our audit.

Casablanca, April 27, 2021

The Statutory Auditors

ERNST & YOUNG

Abdeslám Berrada Allam
Associé

DELOITTE AUDIT

Sakina Bensouda Korachi
Associée

FINANCIAL STATEMENTS

Consolidated Accounts at 31 December 2020

Accounting Standards and Principles applied by the Group

1.1 Context

Attijariwafa bank's consolidated financial statements have been prepared under International Financial Reporting Standards (IFRS) since first-half 2007 with the opening balance at 1 January 2006. In its consolidated financial statements as of 31 December 2020, the Attijariwafa bank Group has applied the mandatory principles and standards set out by the International Accounting Standards Board (IASB).

1.2 Accounting standards applied

1.2.1 Consolidation principles :

Standard :

The scope of consolidation is determined on the basis of what type of control (exclusive control, joint control or material influence) is exercised over the various overseas and domestic entities in which the Group has a direct or indirect interest.

The Group likewise consolidates legally independent entities specifically established for a restricted and well-defined purpose known as « special purpose entities », which are controlled by the credit institution, without there being any shareholder relationship between the entities. The extent to which the Group exercises control will determine the consolidation method: fully consolidated for entities under the exclusive control of the Group as required by IFRS 10 "Consolidated Financial Statements" or under the equity method for associate companies or joint ventures as required by IFRS 11 "Joint Arrangements" and IAS 28 "Investments in Associates Joint Ventures".

Policies adopted by Attijariwafa bank :

Attijariwafa bank includes entities in its scope of consolidation in which:

- It holds, directly or indirectly, at least 20% of the voting rights (existing or potential);
- The subsidiary's consolidated figures satisfy one of the following criteria:
  - The subsidiary's total assets exceed 0.5% of consolidated total assets;
  - The subsidiary's net assets exceed 0.5% of consolidated net assets;
  - The subsidiary's sales or banking income exceed 0.5% of consolidated banking income.

Specialist mutual funds (UCITS) are consolidated according to IFRS 10 which addresses the issue of consolidation of special purpose entities and in particular funds under exclusive control. Those entities controlled or under exclusive control whose securities are held for a short period of time are excluded from the scope of consolidation.

1.2.2 Fixed assets :

Standard :

Items of property plant and equipment are valued by entities using either the cost model or the revaluation model.

Cost model

Under the cost model, assets are valued at cost less accumulated depreciation.

Revaluation model

On being recognised as an asset, an item of property, plant and equipment, whose fair value may be accurately assessed, must be marked to market.

Fair value

is the value determined at the time the asset is marked to market less accumulated depreciation.

The sum-of-parts approach breaks down the items of property, plant and equipment into their most significant individual parts (constituents). They must be accounted for separately and systematically depreciated as a function of their estimated useful lives in such a way as to reflect the rate at which the related economic benefits are consumed.

Estimated useful life under IFRS is the length of time that a depreciable asset is expected to be usable.

The depreciable amount of an asset is the cost of the asset (or fair value) less its residual value.

Residual value is the value of the asset at the end of its estimated useful life, which takes into account the asset's age and foreseeable condition.

Borrowing costs

The IAS 23 standard entitled « Borrowing costs » does not allow to recognise immediately as expenses the cost of borrowing directly attributable to acquisition, construction or production of an eligible asset. All the costs of borrowing must be added into the exp.

Policies adopted by Attijariwafa bank :

The Group has opted to use the cost model. The fair value method may be used, however, without having to justify this choice, with an account under shareholders' equity.

Attijariwafa bank has decided against using several depreciation schedules but a single depreciation schedule in the consolidated financial statements under IFRS standards. Under the sum-of-parts approach, the Group has decided to not include those components whose gross value is less than MAD 1000 thousand.

- Historical cost (original cost) is broken down on the basis of the breakdown of the current replacement cost as a function of technical data.

Residual value :

The residual value of each part is considered to be zero except in the case of land. Residual value is applied only to land (non amortisable by nature), which is the only component to have an unlimited life.

1.2.3 Investment property :

Standard :

An investment property is a property which is held either to earn rental income or for capital appreciation or for both. An investment property generates cash flows in a very different way to the company's other assets unlike the use of a building by its owner whose main purpose is to produce or provide goods and services. An entity has the choice between :

The fair value method : if an entity opts for this treatment, then it must be applied to all buildings ;

The cost model

An estimate of the fair value of investment properties must be recorded either in the balance sheet or in the notes to the financial statements. It is only possible to move from the cost method to the fair value method.

Policies adopted by Attijariwafa bank :

All buildings not used in ordinary activities are classified as investment property except for staff accommodation and buildings expected to be sold within a year. The Group's policy is to retain all buildings used in ordinary activities and those leased to companies outside the Group. The historical cost method, modified by the sum-of-parts approach, is used to value investment properties. Information about fair value must be presented in the notes to the financial statements.

1.2.4 Intangible assets :

Standard :

An intangible asset is a non-monetary asset which is identifiable and not physical in nature. An intangible asset is deemed to be identifiable if it:

- Is separable, that is to say, capable of being separated and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract or;
- Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Two valuation methods are possible:

- The cost method;
- The revaluation model.

This treatment is possible if an active market exists. Amortisation of an intangible asset depends on its estimated useful life. An intangible asset with an unlimited useful life is not amortised but subject to impairment testing at least once a year at the end of the period. An intangible asset with a limited useful life is amortised over the life of the asset. An intangible asset produced by the company for internal use is recognised if it is classified, from the R&D phase, as a fixed asset.

Policies adopted by Attijariwafa bank :

Attijariwafa bank has decided against using several amortisation schedules but a single amortisation schedule in the consolidated financial statements under IFRS/IAS.

Acquisition costs not yet amortised as expenses at 1 January 2006 have been restated under shareholders' equity.

Leasehold rights :

Leasehold rights recognised in the parent company financial statements are not amortised. In the consolidated financial statements, they are amortised using an appropriate method over their useful life.

Business goodwill :

Business goodwill recorded in the parent company financial statements of the different consolidated entities has been reviewed to ensure that the way in which it is calculated is in accordance with IAS/IFRS.

Software :

The estimated useful life of software differs depending on the type of software (operating software or administrative software).

Valuation of software developed in-house: Group Information Systems' Management provides the necessary information to value software developed in-house. In the event that the valuation is not accurate, then the software cannot be recognised as an asset. Transfer fees, commission and legal fees: These are recognised as expenses or at purchase cost depending on their value. Separate amortisation schedules are used if there is a difference of more than MAD 1000K between parent company financial statements and IFRS statements.

1.2.5 Goodwill :

Standard :

Cost of a business combination :

Business combinations are accounted for using the acquisition method according to which the acquisition cost is contingent consideration transferred in order to obtain control.

The acquirer must measure the acquisition cost as:

- The aggregate fair value, at the acquisition date, of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company ;
- The other costs directly attributable to the acquisition are recognised through profit or loss in the year in which they are incurred.

The acquisition date is the date at which the acquirer obtains effective control of the acquired company.

Allocation of the cost of a business combination to the assets acquired and to the liabilities and contingent liabilities assumed:

The acquirer must, at the date of acquisition, allocate the cost of a business combination by recognising 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 recognised under goodwill. Accounting for Goodwill: The acquirer must, at the date of acquisition, recognise the goodwill acquired in a business combination.

- Initial measurement : this goodwill must be initially measured at cost, namely the excess of the cost of the business combination over the acquirer's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.
- Subsequent measurement: following initial recognition, the acquirer must measure the goodwill acquired in a business combination at cost less cumulative impairment subsequent to annual impairment tests or when there is any indication of impairment to its carrying value.

If the share of the fair value of the assets, liabilities and contingent liabilities of the acquired entities exceeds the acquisition cost, negative goodwill is recognised 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 takes place, the acquirer must account for the business combination using provisional values. The acquirer must recognise adjustments to provisional values relating to finalising the recognition within that financial period, beyond which time no adjustments are possible.

Policies adopted by Attijariwafa bank :

- Option taken not to restate the existing goodwill at 12/31/05, in accordance with the provisions of IFRS 1 "First-Time Adoption" ;
- Goodwill amortisation is discontinued when the asset has an indefinite life in accordance with amended IFRS 3 "Business combinations";
- Regular impairment tests must be carried out to ensure that the carrying amount of goodwill is below the recoverable amount. If not, an impairment loss must be recognised;
- the Cash Generating Units mirror the segment reporting to be presented at Group level ; these are the banking business and the insurance business ;
- The recoverable amount is the higher of the unit's value in use and its carrying amount less costs of disposal. This is used in impairment tests as required by IAS 36. If an impairment test reveals that the recoverable amount is less than the carrying amount, then the asset is written down by the excess of the carrying amount over its recoverable amount.

1.2.6 Lease contracts :

Standard :

In January 2016, the IASB published IFRS 16, its new accounting standard on leases, which replaced IAS 17 standards and related interpretations IFRS 16 implementation from January 2019 removes the distinction between "operating lease" and "finance lease". As of now, leases contracts are all accounted in the same way. The leased asset shall be recognized as right of-use asset and the financing commitment as a lease liability. The right of use is amortized on a straight line bases through P&L, and the lease liability is amortized using the declining balance method over the lease term contract.

Policies adopted by Attijariwafa bank :

Transition According to IASB, IFRS 16 first time application can be done through 2 approaches:

- The full retrospective approach : this approach effectively restates the financial statements as if IFRS 16 had always been applied,
- The modified retrospective approach with 2 options
  - measure the right of use and the lease liability of the remaining lease payments from January 1, 2019 to the lease term (cumulated retrospective approach)
  - measure that right-of-use asset as if IFRS 16 had been applied since the commencement date of the lease and measure the lease liability as the sum of discounted remaining lease payments (simple retrospective approach)

The transition approach elected by Attijariwafa bank group is the modified approach option cumulated retrospective approach. This approach does not generate impact on equity. Therefore, 2018 comparative information has not been restated.

Threshold exemption :

A lessee may elect not to recognize a right-of-use asset and a lease liability to:

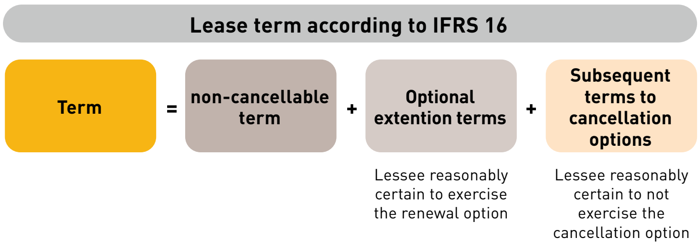
- Contracts with term less than 12 months if it does not include a purchase option at the end of the term; - Contracts with an underlying asset value equal or lower to the limit defined by the lessee. IASB suggested a 5000 kUSD limit. Attijariwafa bank group elected both exemption types to implement IFRS 17.

Lease term :

Lease term is defined as the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

Enforceable term, or non-cancellable term, can be increased with:

- Optional period of contract renewal where it is reasonably certain that the option will be exercised
- Period following optional periods of contracts renewal where it is reasonably certain that the option will not be exercised.



Lease terms defined by Attijariwafa bank group are as follows :

Type of leased asset	Lease term
Commercial rental	9 years
Residential rental	3 years
Temporary occupation of public property	20 years
Construction rental	20 years

- Leases :

According to IFRS 16, the lease payments included in the measurement of the lease liability comprise the following payments:

(a) Fixed lease payments.

(b) Variable lease payments that depend on an index or a rate.

(c) Amounts expected to be payable by the lessee under residual value guarantees.

(d) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

(e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability increased by initial direct costs, payments made in advance, and restoring the underlying asset costs. As Attijariwafa bank group elect the modified retrospective method, the right-of-use has been evaluated for the first-time application as the lease liability as defined above.

· Discount rate :

The lease payments used to estimate the right-of-use or the lease liability shall be discounted using one of the following rates:

- The implicit interest rate in the lease i.e. the rate of the lease contract.
- If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset. The discount rate chosen by Attijariwafa bank to evaluate is lease contract is the incremental borrowing rate. This rate rely on 3 components :
- Reference rate
- Risk premium
- Individual adjustment from the lease contract.

1.2.7 Financial assets and liabilities – Classification and measurement :

Standard :

Classification

Classification Financial assets, except those related to insurance activities, are classified in the following 3 accounting categories :

· Amortised cost

· Fair value through other comprehensive income ("FVOCI")

· Fair value recognized in profit and loss ("FVPL")

The classification of a financial asset in one of these three categories is based on the following criteria:

· type of the asset held (debt or equity instrument);

· for debt instruments on the basis of both (i) contractual cash flows of the asset (SPPI: solely payment of principal and interest) and (ii) the business model defined by the company. The business models are based on how the company manages its financial assets to generate cash flows and create value.

Debt instruments

This standard distinguishes three business models :

· "hold to collect" model: assets managed to collect contractual cash flows;

· "hold to sell" model: assets managed to sell the financial assets;

· "mixed" model: assets managed to collect contractual cash flows and sell the financial asset

The allocation of debt instruments to one of these models is made on the basis of how the groups of financial instruments are managed collectively in order to determine the economic objective. The identification of the economic model is not made instrument by instrument, but rather at the portfolio level of financial instruments, particularly through the analysis and observation of:

· the measurement method, monitoring and risk management associated with the financial instruments concerned;

· realized and expected asset sales (size, frequency, type).

Equity instruments

Investments in equity instruments are classified as "financial assets at fair value through profit or loss" or as " Non recyclable equity at fair value". In this last case, when securities are sold, unrealized gains and losses previously recognized in equity will not be recognized through profit or loss will not be recognized in profit or loss.

Only dividends will be recognized in profit or loss.

Investments in mutual funds do not meet the definition of equity instruments as they are puttable to the issuer. They do not meet the cash flow criterion either, and thus are recognized at fair value through profit or loss.

Measurement

Assets at amortised cost

The amortised cost of a financial asset or liability is the amount at which this instrument was first recognised :

- reduced by capital reimbursements

- increased or reduced by the amortization accumulated calculated by the effective interest rate method, by any difference between this initial amount and the amount of reimbursement at maturity.

- Reduced by all the cuts for depreciation or no recoverability. This calculation should include all the fees and other amounts paid or received directly attributable to credits, transaction fees and every valuation haircut or premium.

Assets valuated at fair value through profit or loss

In accordance with IFRS 9, financial assets or liabilities at fair value through profit or loss are assets or liabilities acquired or generated by the business primarily for the purpose of making a profit related to short-term price fluctuations or arbitraging margin.

All derivative instruments are financial assets (or liabilities) at fair value through profit or loss except when designated as hedges.

Securities classified as financial assets at fair value through profit or loss are measured at fair value and variations in fair value are recognized in profit or loss.

This class of securities is not subject to impairment.

Assets valuated at fair value through equity

This class of securities relates to the debt instruments of the investment portfolio and the long-term debt instruments held.

Variations in the fair value of securities (positive or negative) classified as "Assets at fair value through equity" are recorded in equity (Recyclable).

The depreciation over time of the potential increase / decrease in fixed income securities is recognized in the income statement using the effective interest rate method (actuarial spread).).

Borrowings and deposits :

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 amortised 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.

Policies adopted by Attijariwafa bank :

Loans and receivables The Group's policy is to apply the cost model to all loans maturing in more than one year as a function of their size. Loans maturing in less than one year are recorded at historical cost.

Borrowings: Borrowings and deposits are classified under different categories including « Financial liabilities », « Trading liabilities » and « Liabilities accounted for under the fair value option ».

Deposits :

Sight deposits :

Attijariwafa bank applies IFRS 13. T

he fair value of a sight deposit cannot be lower than the amount due on demand. It is discounted from the first date on which the repayment may be demanded. Interest-bearing deposits:

- Deposits bearing interest at market rates
– the fair value is the nominal value unless transaction costs are significant. A historical record of 10-year bond yields needs to be kept to be able to justify that the rates correspond to the original market rates.
- Deposits bearing interest at non-market rates
– the fair value is the nominal value plus a discount.

Savings book deposits :

The rate applied is regulated for the vast majority of credit institutions. Accordingly, no specific IFRS accounting treatment is required for savings book deposits.

Deposits must be classified under the «Other liabilities » category.

Portfolio classification

Attijariwafa bank and other entities excluding insurance companies

SPPI debt instruments held in portfolios are classified according to the following principles:

Assets at FVPL	Debt instruments at FVOCI	Debt instruments at depreciated cost
• Trading and dealing Room portfolios	• Negotiable treasury bills classified in the Investment Portfolio • Bonds and other negotiable debt securities	• Treasury Bills

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".

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.

1.2.8 Financial assets and liabilities –Impairment :

Standard :

IFRS 9 introduces a new model for recognizing impairment of financial assets based on expected credit losses (ECL). This new model is applicable to financial assets measured at amortized cost or at fair value through other comprehensive income; The new model represents a change from the current IAS 39 model on the basis of incurred credit losses. Assessment of increase in credit risk: The new standard outlines a "three-stage" model. The allocation of a financial asset to one of these three stage (or "buckets") is made on the basis of whether a significant rise in credit risk has occurred since initial recognition.

- Bucket 1 (Performing loans): no significant increase in credit risk since initial recognition;
- Bucket 2 ("Loans with a significant increase in credit risk"): significant increase in credit risk since initial recognition. There is also, according to the standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when the contractual payments are more than 30days past due;
- Bucket 3 (Non performing loans): incurred credit/default event.

The amount of impairment and the basis for application of an effective interest rate depend on the bucket to which the financial asset is allocated.

The approach of expected credit losses under IFRS 9 is symmetrical, meaning that if expected credit losses at maturity have been recognized in a previous closing period, and if it turns out that there is no longer a significant increase in the credit risk for the financial instrument and for the current closing period since its initial recognition, the provision is again calculated on the basis of a credit loss expected at 12 months discounted with the effective interest rate of the exposure.

Measurement of expected credit losses

Expected credit losses are defined as an estimate of credit losses (i.e. the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of financial instrument. They are measured on an individual basis, for all exposures.

The amount of expected losses is determined by means of three principal factors : the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD) taking into account the amortization profiles. Expected losses are calculated as the product of PD by LGD and EAD discounted at the effective interest rate of the exposure.

- Probabilities of Default (PD): the PD represent the likehood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation
- Exposure at Default (EAD): EAD is based on the amounts the group expects to be owed at thhe time of default, over the next 12 months or over the remaining lifetime.
- Loss Given Default (LGD) : LGD represents the group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month of lifetime basis, where 12 month LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Policies adopted by Attijariwafa bank :

Monitoring of risk degradation

The assessment of the significant increase in credit risk is based primarily on the internal credit risk rating system implemented by the Group, as well as on the monitoring of sensitive receivables and overdue payments. In addition, there is, according to the standard, a rebuttable presumption of a significant increase in the credit risk associated with a financial asset since initial recognition in the event of unpaid loans of more than 30 days.

Definition of Default

The definition of default is aligned with the criteria adopted by BAM in its circular n°19/G/2002. This definition is also the one used by the group in its internal management.

Measurement of expected credit losses

The Attijariwafa bank group has developed statistical models, specific to each of its entities, to calculate expected losses on the basis of:

- Credit rating systems ,
- Historical default occurences,
- Historical data relating to recovery of non-performing loans;
- Information about non-recurring loans available to loan recovery units for relatively significant amounts;
- Guarantees and pledges held.

1.2.9 Derivatives :

Standard :

A derivative is a financial instrument or another contract included in IFRS 9's scope of application which meets the following three criteria:

Its value changes in response to a change in a variable such as specified interest rate, the price of a financial instrument, a price, index or yield benchmark, a credit rating, a credit index or any other variable, provided that in the case of a non-financial variable, the variable must not be specific to any one party to the contract (sometimes known as «the underlying »);

- Requires no initial investment or one that is smaller than would be required for a contract having a similar reaction to changes in market conditions; and
- Is settled at a future data.

A hedging instrument is a designated derivative or, in the case of a hedge for foreign exchange risk only, a non-derivative designated financial asset or liability. The latter's fair value or cash flows are intended to offset variations in the fair value or cash flows of the designated hedged item.

Policies adopted by Attijariwafa bank :

Attijariwafa bank does not currently use derivatives for hedging purposes and is not therefore subject to provisions applicable to hedge accounting.

All other transactions involving the use of derivatives are recognised as assets/liabilities at fair value through income.

Embedded derivatives :

Standard :

An embedded derivative is a feature within a financial contract whose purpose its to vary a part of the transaction's cash flows in a similar way to that of a stand-alone derivative.

The IFRS 9 standard defines a hybrid contract as a contract comprising a host contract and an embedded derivative.

Where the host contract is a financial asset, the entire hybrid contract is measured at fair value through profit or loss because its contractual cash flows do not pass the SPPI test.

Where the host contract is a financial liability, the embedded derivative is separated from its host contract and accounted for as a derivative when the following three conditions are met:

- The hybrid contract is not recognised at fair value;
- Separated from the host contract, the embedded derivative possesses the same characteristics as a derivative;
- The characteristics of the embedded derivative are not closely related to those of the host contract.

IFRS 9 recommends that the host contract is valued at inception by taking the difference between the fair value of the hybrid contract (i.e. at cost) and the fair value of the embedded derivative.

Policies adopted by Attijariwafa bank :

If there is a material impact from measuring embedded derivatives at fair value, then they are recognised under «Financial assets held at fair value through income ».

1.2.10 Insurance

Insurance contracts :

The treatment of contracts qualifying as insurance contracts within the meaning of the definition given by IFRS 4 and of investment contracts with discretionary participation features is governed by IFRS 4, the main provisions of which are summarized below:

May continue to recognise these contracts in accordance with current accounting policies by making a distinction between three types of contract under IFRS 4:

1. Pure insurance contracts;
2. Financial contracts comprising a discretionary participation feature;
3. And liabilities relating to other financial contracts, in accordance with IAS 39, which are recorded under «Amounts owing to customers ».

- Requires that embedded derivatives, which do not benefit from exempt status under IFRS 4, are accounted for separately and recognised at fair value through income;
- Requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets;
- A reinsurance cession asset is amortised, by recognising this impairment through income, when and only when:
  - Tangible evidence exists, following the occurrence of an event after initial recognition of the asset in respect of reinsurance cessions, resulting in the cedant not receiving all its contractual cash flows;
  - This event has an impact, which may be accurately assessed, on the amount which the reinsurer is expected to receive from the primary insurer.
- Requires an insurer to keep insurance liabilities on its balance sheet until they are discharged, cancelled, or expire and prohibits offsetting insurance liabilities against related reinsurance assets;
- Requires that a new insurance liability is recorded in accordance with IFRS 4 «Shadow accounting » in respect of policyholders' deferred participation in profits which represents the portion of unrealised capital gains on financial assets to which policyholders are entitled, in accordance with IAS 39.

Investment-linked insurance

On September 12, 2016, the IASB published amendments to IFRS 4, "Insurance contracts" entitled "Application of IFRS 9 Financial Instruments and IFRS 4 Insurance contracts". These amendments are applicable for the financial years open as of January 1, 2018. These amendments give entities that are primarily engaged in insurance activities the ability to defer until January 1, 2023 the date of application of IFRS 9. This deferral allows entities to continue to present their financial statements in accordance with IAS 39. This temporary exemption from application of IFRS 9, which is limited to groups the IASB's amendments, has been extended by Bank Al-Maghrib to the insurance entities consolidated by institutions of credit producing consolidated financial statements in accordance with the chart of accounts for credit institutions.

Options taken by Attijariwafa bank :

Insurance contracts :

A liability adequacy test has already been carried out by Wafa Assurance, which appointed an external firm of actuaries to assess its technical reserves. The provision for fluctuations in claims relating to non-life insurance contracts is to be cancelled.

Investment-linked insurance :

Attijariwafa bank opted for this exemption to the insurance entities, including the funds belonging to this activity, which thus applied the IAS 39 standard "Financial instruments: recognition and measurement".

The instruments held in portfolios are currently classified in the following categories :

HFT	AFS	HTM	Loans & receivables
• Portfolio of consolidated UCITS	• Shares and other equity • Investments in SCIs (Panorama) ; • Treasury bills and unquoted debt instruments.	• Not applicable	• Long-term investments

1.2.11 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 maturity (contractual), a Level 2 input must be observable for almost the entire life of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads.

Adjustments to Level 2 inputs will vary depending on factors specific to the asset or liability. Those factors include the following: the state or location of the asset, the extent to which inputs relate to items that are comparable to the asset or liability, as well as the volume and the 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 might result in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

Level 3 inputs

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs must be 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 measurement 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 shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Market value is determined by the Group:

- Either from quoted market prices in an active market;
- Or by using a valuation technique based on mathematical models derived from recognised financial theories, which makes maximum use of market inputs :

➥ Case 1: Instruments traded on active markets

Quoted market prices on active markets are the best evidence of fair value and should be used, where they exist, to measure the financial instrument. Listed securities and derivatives such as futures and options, which are traded on organised markets, are valued in this way. The majority of over-the-counter derivatives, such as plain vanilla swaps and options, are traded on active markets. They are valued using widely-accepted models (discounted cash flow model, Black and Scholes model and interpolation techniques) and based on quoted market prices of similar or underlying instruments.

➥ Case 2: Instruments traded on inactive markets

Instruments traded on an inactive market are valued using an internal model based on directly observable or deduced market data. Certain financial instruments, although not traded on active markets, are valued using methods based on directly observable market data. Observable market data may include yield curves, implied volatility ranges for options, default rates and loss assumptions obtained by market consensus or from active over-the-counter markets.

Transfer :

Transfers between levels of the hierarchy can occur when instruments meet the criteria for classification in the new level, as these criteria are dependent on market and product conditions. Changes in observability, the passage of time and events affecting the life of the instrument are the main factors that trigger transfers. Transfers are deemed to have been made at the beginning of the period.

During fiscal 2020, there were no transfers between the levels of fair value.

1.2.12 Liabilities provisions

A provision must be booked when :

- the company has a present obligation (legal or implicit) resulting from 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, when the outflow of expected future economic benefits exceeds one year, it is compulsory to discount the provisions for risks and charges.

Except in the case of combinations, contingent liabilities are not provisioned.

When the contingent liability or asset is material, it is compulsory to mention it in the notes to the financial statements.

1.2.13 Employee benefits

Standard :

The objective of this Standard is to prescribe the accounting treatment 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 Payment" applies.

These benefits include 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, state, industry or other multi-employer plans; or
- By those informal practices that give rise to a constructive obligation and those where the entity has no realistic alternative but to pay employee benefits.

Employee benefits are contingent considerations of any type provided by an entity for services rendered by members of staff or in the event that their employment is terminated.

They comprise 4 categories :

Short-term benefits :

Are employee benefits (other than termination benefits), that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services e.g. wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses etc.

When an employee has rendered service to an entity during an accounting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- As a liability, after deducting any amount already paid, if applicable; or
- As an expense.

Post-employment benefits :

These are employee benefits which are payable post-employment e.g. retirement benefits, post-employment life insurance and post-employment medical care.

Distinction is made between two types of post-retirement benefit plan:

1. Defined contribution plans: an entity pays defined contributions into a fund and has no other legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to meet expected benefits relating to services rendered by staff. As a result, actuarial risk and investment risk fall 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. The entity shall recognise the contribution payable to a defined contribution plan in exchange for the service rendered by an employee:

- As a liability, after deducting any amount already paid, if applicable; or
- As an expense.

2. Defined benefit plans: the entity's obligation is to provide the agreed benefits to current and former employees .As a result, actuarial risk and investment risk fall on the employee.

Accounting for defined benefit plans is quite complex due to the fact that actuarial assumptions are required to measure the obligation and there is a possibility of an actuarial gain or loss. In addition, the obligations are discounted to their present value as they may be paid several years after the employee has rendered the corresponding service.

A multi-employer plan which is neither a general plan nor a compulsory plan must be recognised by the company as either a defined contribution plan or a defined benefit plan depending on the characteristics of the plan.

<u>Other long-term employee benefits :</u>

Other long-term employee benefits include long-term paid absences, such as long-service or sabbatical leave. They also include jubilee or other longservice benefits such wissam schoghl, long-term disability benefits, profitsharing, bonuses and deferred remuneration if not expected to be settled wholly before twelve months after the end of the annual reporting period.

In general, the measurement of other long-term employee benefits is usually not subject to the same degree of uncertainty as the measurement of defined benefit plans. Therefore, this standard provides a simplified method which does not recognise re-measurements in other comprehensive income.

<u>Termination benefits :</u>

Termination benefits are employee benefits payable as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits.

The entity should recognise a liability and expense for termination benefits at the earlier of the following two dates:

- The date after which it may no longer withdraw its benefits;
- The date at which it recognises the costs of restructuring as required by IAS 37 and envisages the payment of related benefits.

In the case of termination benefits payable following an entity's decision to terminate the employment of an employee, the entity may no longer withdraw its offer of benefits once it has informed the employees in question of the termination plan, which should satisfy the following criteria:

- The measures required to successfully execute the plan would suggest that is it unlikely that major changes would be made to the plan;
- The plan identifies the number of employees to be terminated, the job classifications or functions that will be affected and their locations and when the terminations are expected to occur;
- The plan establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated.

<u>Measuring obligations :</u>

Method :

Accounting for defined benefit plans requires the use of actuarial techniques to reliably estimate the benefits accruing to employees in consideration for current and past service rendered.

This requires estimating the benefits, demographic variables such as mortality rates and staff turnover, financial variables such as the discount rate and future salary increases that will affect the cost of benefits.

The recommended method under IAS 19 is the "projected unit credit method".

This amounts to recognising, on the date that the obligation is calculated, an obligation equal to the probable present value of the estimated benefits multiplied by the length of service at the calculation date and at the retirement date.

The obligation can be considered as accruing pro-rata to the employee's length of service. As a result, an employee's entitlement is calculated on the basis of length of service and estimated salary at the retirement date.

Policies adopted by Attijariwafa bank :

Attijariwafa bank has opted for a defined contribution retirement benefits plan. Accordingly, no specific accounting treatment is required under IFRS.

In the case of post-employment medical cover, Attijariwafa bank does not have sufficient information to be able to account for its medical cover as a defined benefit plan.

The Group, on the other hand, has booked specific provisions for liabilities to employees including end-of-career bonuses and service awards (Ouissam Achoughl).

1.2.14 Share-based payments

Share-based payments are payments based on shares issued by the Group. The payments are made either in the form of shares or in cash for amounts based on the value of the Group's shares. Examples of share-based payments include stock options or employee share plans.

Under the subscription terms, employees may subscribe for shares at a discount to the current market price over a specified period. The inaccessibility period is taken into consideration when expensing this benefit.

1.2.15 The covid-19 health crisis

The Group's consolidated financial statements have been prepared in the context of the health and economic crisis linked to Covid-19 and strong uncertainties as to the consequences, intensity and duration of the crisis. For the determination of impairment and provisions for credit risk in accordance with IFRS 9, estimates and judgment are applied particularly to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and of amount of expected credit losses on these financial assets.

Impact of support measures on the evaluation of increase in credit risk

IIn accordance with the IASB's statement on the recognition of expected credit losses pursuant to IFRS 9 in the current exceptional circumstances, the importance of judgement was recalled in the application of the IFRS 9 credit risk principles and the resulting classification of financial instruments.

It stated in particular :

- The deferral of payments due does not automatically call into question clients' financial positions and it does not necessarily imply an increased counterparty credit risk.
- In general, amendments to agreements timely limited cannot be understood as restructuring due to financial difficulties.

The deferrals given according to support measures did therefore not result in the mechanic shift from Bucket 1 "performing loans" to Bucket 2 "loans with significant increase in credit risk" or from Bucket 2 to Bucket 3 Defaulted loans.

Forward looking in expected credit losses calculation

Expected Credit losses should :

- Reflect an unbiased amount and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- And consider reasonable and supportable information, that is available without undue cost or effort, at the reporting date about past events, current conditions and forecasts of future economic conditions

In accordance with Group ECL calculation methodology including forward looking expectations, the group used three scenarios to measure the IFRS 9 impairment parameters. These scenarios have been established by Group economists. A weighting coefficient is assigned for each scenario and the outputs of the models correspond to a probabilised average of these scenarios.

These three scenarios incorporate differentiated assumptions with regard to the impacts, the size, and timing of the crisis

Expected losses are calculated as the product of PD by LGD and EAD with a 12 months maturity for performing loans ("Buclet 1") and a lifetime maturity for loans with a significant increase ("Bucket 2") or defaulted loans ("Bucket 3").

- Probabilities of Default (PD): the PD represent the likehood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation
- Exposure at Default (EAD): EAD is based on the amounts the group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- Loss Given Default (LGD) : LGD represents the group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

Macroeconomic assumptions described above led to a deterioration of risk parameters and mainly to an increase in Probability of default used for calculation as of December 31, 2020.

Some sector supplements established at the local level on specific portfolios or entities supplement the macroeconomic scenarios defined centrally.

On the basis of the scenarios and weightings mentioned above, and after taking into account the methodological adjustments and support measures, the calculation of expected credit losses led the Group to record a loss in Cost of risk of 5,454 million dirhams on 31 December 2020 i.e. an increase of 3,865 million dirhams (+243%) compared to 31 December 2019.

PUBLICATION DES COMPTES

Consolidated financial statements at 31 December 2020

Consolidated Balance Sheet at 31 December 2020

(thousand MAD)

ASSETS	Notes	12/31/2020	12/31/2019
Cash - Central banks -Public treasury- Postal cheque		26 333 795	24 731 843
Financial assets at fair value through profit or loss (FV P&L)	2.1	**60 156 256**	**55 788 147**
Trading assets		58 667 799	54 323 800
Other financial assets at fair value through profit or loss		1 488 457	1 464 347
Derivatives used for hedging purposes		-	
Financial assets at fair value through other comprehensive income	2.2	**60 164 696**	**51 845 481**
Debt instruments at fair value through other comprehensive income (recycling)		19 493 148	13 756 133
Equity instruments at fair value through other comprehensive income (no recycling)		2 534 187	2 183 878
Financial assets at fair value through other comprehensive income (Insurance)		38 137 360	35 905 470
Securities at amortised cost	2.17	17 233 471	16 120 400
Loans & receivables to credit institutions at amortised cost	2.3	31 304 951	23 394 354
Loans & receivables to customers at amortised cost	2.4	333 702 415	323 752 579
Remeasurement adjustment on interest-rate risk hedged portfolios			
Financial investments of insurance activities			
Current tax assets	2.5	715 953	141 683
Deferred tax assets	2.5	3 767 981	2 935 008
Accrued income and other assets	2.6	12 171 129	11 112 167
Non current assets held for sale		78 636	75 125
Equity-method investments	2.7	86 916	83 871
Investment property	2.8	2 538 530	2 466 111
Property, plant, equipment	2.9	6 812 820	7 289 029
Intangible assets	2.9	3 092 049	2 952 568
Goodwill	2.10	9 948 055	9 913 347
TOTAL ASSETS		**568 107 651**	**532 601 713**

LIABILITIES	Notes	12/31/2020	12/31/2019
Central banks-Public treasury-Postal cheque		4 455	4 408
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (FV P&L)	2.11	**1 499 799**	**688 210**
Trading liabilities		1 499 799	688 210
Other financial liabilities at fair value through profit or loss		-	
Derivatives used for hedging purposes		-	
Deposits from credit institutions	2.12	49 237 940	45 994 702
Deposits from customers	2.13	356 614 160	335 576 694
Notes & certificates issued	2.14	23 105 757	21 993 710
Remeasurement adjustment on interest-rate risk hedged portfolios		-	
Current tax liabilities	2.5	1 021 537	1 178 770
Deferred tax liabilities	2.5	2 695 949	2 603 572
Accured expenses and other liabilities	2.6	20 338 279	16 613 569
Debts related to non current assets held for sale		-	
Insurance liabilities		38 956 953	36 482 016
Provisions	2.15 / 2.16	3 080 071	2 761 922
Subsidies and allocated funds		160 429	157 270
Subordinated debts and special guarantee funds	2.14	17 099 338	14 621 834
Shareholders' equity		**54 292 985**	**53 925 039**
Equity and related reserves		12 551 765	12 551 765
Consolidated reserves		**35 446 439**	**31 791 529**
Group share		*31 158 933*	*28 210 456*
Non-controlling interests		*4 287 506*	*3 581 073*
Unrealized or deferred Gains / losses		**2 589 753**	**2 630 652**
Group share		*1 070 905*	*1 049 529*
Non-controlling interests		*1 518 849*	*1 581 124*
Net income		**3 705 028**	**6 951 093**
Group share		*3 018 002*	*5 816 007*
Non-controlling interests		*687 026*	*1 135 086*
TOTAL LIABILITIES		**568 107 651**	**532 601 713**

Income Statement at 31 December 2020

(thousand MAD)

	Notes	12/31/2020	12/31/2019
Interest income	3.1	22 512 251	21 901 219
Interest expenses	3.1	-6 727 268	-6 964 574
NET INTEREST MARGIN		15 784 983	14 936 645
Fees income	3.2	5 596 600	5 964 361
Fees expenses	3.2	-825 419	-816 471
NET FEE MARGIN		4 771 180	5 147 890
Net gains or losses occured by the hedging of net positions		-	
Net gains or losses on financial instruments at fair value through profit or loss	3.3	2 397 915	3 065 509
Net gains or losses on trading assets		2 391 168	3 026 360
Net gains or losses on other assets at fair value through profit or loss		6 748	39 149
Net gains or losses on financial assets at fair value through other comprehensive income	3.4	632 670	643 374
Net gains or losses on debt instruments at fair value through other comprehensive income (recycling)		47 867	12 092
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)		157 170	165 373
Remuneration of financial assets measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (insurance)		427 634	465 909
Net gains or losses on derecognised financial assets at amortised cost			
Net gains or losses on reclassified financial assets at fair value through comprehensive income to financial assets through profit or loss			
Income on other activities		8 972 997	9 543 882
Expenses on other activities		-8 701 683	-9 864 523
NET BANKING INCOME		23 858 063	23 472 778
Total operating expenses		-10 617 948	-9 678 920
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-1 616 642	-1 544 190
GROSS OPERATING INCOME		11 623 473	12 249 668
Cost of risk	3.7	-5 454 385	-1 589 044
NET OPERATING INCOME		6 169 088	10 660 624
+/- Share of earnings of associates and equity-method entities		-16 323	13 287
Net gains or losses on other assets	3.8	-70 716	30 732
Goowill variation values		-	
PRE-TAX INCOME		6 082 049	10 704 643
Net income tax		-2 377 021	-3 753 550
Net income from discounted or held-for-sale operations		-	
NET INCOME		3 705 028	6 951 093
Non-controlling interests		-687 026	-1 135 086
NET INCOME GROUP SHARE		3 018 002	5 816 007
Earnings per share		14,38	27,71
Diluted earnings per share		14,38	27,71

Statement of net income and gains and losses directly recorded in shareholders equity at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
NET INCOME	3 705 028	6 951 093
Items that may be reclassified subsequently to income statement :		
Currency translation adjustments	-78 608	244 290
Revaluation of financial assets at fair value through other comprehensive income (recyclable)	-38 480	1 315 591
Revaluation of hedging derivative instruments		
Share of gains and losses accounted directly in equity of equity method entities	19 368	-1 418
Other items accounted in equity (recyclable)		
Related income tax	29 608	-466 082
Items that will not be reclassified subsequently to income statement		
Revaluation of fixed assets		
Revaluation (or Actuarial gains/ losses) of defined benefit pension plans		
Revaluation of credit risk specific to financial liabilities that are not mandatorily measured at fair value through profit or loss		
Revaluation of equity instruments through other comprehensive income	-50 777	-23 760
Share of gains and losses through other comprehensive income on items regarding equity-method investments (non recyclable)		
Other comprehensive income (non recyclable)		
Related Taxes	18 751	8 131
Total gains and losses directly recorded in shareholders' equity	-100 139	1 076 752
NET INCOME DIRECTLY RECORDED IN SHAREHOLDERS' EQUITY	3 604 890	8 027 845
Of which Group share	2 977 820	6 377 222
Of which non-controlling interests	627 070	1 650 623

Table of shareholders equity variation at 31 December 2020

(thousand MAD)

	Share capital	Reserves (related to share capital)	treasury stock	Reserves and consolidated income	total assets and liabilities entered directly in capital	Gains or losses by OCI (non recycling)	Shareholders equity group share	Non-controling interests	TOTAL
Opening Shareholders' equity at 31 December 2018	2 098 597	10 453 168	-2 461 129	33 763 639	699 163	-34 103	44 519 337	5 952 057	50 471 394
Transactions related to share capital		-		407 457	-	-	407 457	253 743	661 200
Share-based payments				-	-	-	-	-	-
Transactions related to treasury stock				-	-	-	-	-	-
Dividends				-2 733 310	-	-	-2 733 310	-727 158	-3 460 468
Net income	-	-	-	5 816 007	-	-	5 816 007	1 135 086	6 951 093
Intangible and fixed assets : revaluation and disposals						-	-	-	-
Financial instruments : fair value variation and transfer through P&L					393 022	-8 554	384 468	449 415	833 883
Translation adjustments : change and transfer through PL				178 167		-	178 167	66 122	244 290
Latent or differed gains or losses	-	-	-	178 167	393 022	-8 554	562 636	515 537	1 078 173
Other variations				-528 562	-		-528 562	-831 983	-1 360 545
Changes in scope of consolidation				-415 808	-	-	-415 808	-	-415 808
Shareholders' equity at 31 December 2019	2 098 597	10 453 168	-2 461 129	36 487 590	1 092 185	-42 657	47 627 757	6 297 282	53 925 039
Transactions related to share capital		-		115 805	-	-	115 805	-23 420	92 385
Share-based payments				-	-	-	-	-	-
Transactions related to treasury stock				-	-	-	-	-	-
Dividends				-2 835 142	-	-	-2 835 142	-348 589	-3 183 731
Net income	-	-	-	3 018 002	-	-	3 018 002	687 026	3 705 028
Intangible and fixed assets : revaluation and disposals						-	-	-	-
Financial instruments : fair value variation and transfer through P&L					52 308	-30 932	21 376	-62 275	-40 899
Translation adjustments : change and transfer through PL				-80 927		-	-80 927	2 319	-78 608
Latent or differed gains or losses	-	-	-	-80 927	52 308	-30 932	-59 551	-59 956	-119 506
Other variations				-64 771	-		-64 771	-61 458	-126 230
Changes in scope of consolidation				-2 495	-	-	-2 495	2 495	-
Shareholders' equity at 31 December 2020	2 098 597	10 453 168	-2 461 129	36 638 063	1 144 493	-73 589	47 799 605	6 493 380	54 292 985

Cash flow statement at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Pre-tax income	6 082 049	10 704 643
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets	1 660 842	1 591 298
+/- Net impairment of goodwill and other fixed assets	-	
+/- Net impairement of financial assets	-	
+/- Net addition to provisions	5 657 327	1 669 426
+/- Share of earnings of equity-method entities	16 323	-13 287
+/- Net gain/loss from investment activities	5 471	-18 681
+/- Net gain/loss from financing activities	-	
+/- Other movements	-1 482 686	1 591 297
Non-monetary items included in pre-tax net income and other adjustments	5 857 276	4 820 053
+/- Flows related to transactions with credit institutions and similar institutions	339 188	-3 235 596
+/- Flows related to transactions with customers	9 320 060	-15 254 680
+/- Flows related to other transactions affecting financial assets or liabilities	-11 574 634	506 419
+/- Flows related to other transactions affecting non-financial assets or liabilities	-	
- Taxes paid	-3 854 154	-3 368 729
Net increase/decrease in operating assets and liabilities	-5 769 541	-21 352 586
Net cash flow generated from operating activities	6 169 785	-5 827 891
+/- Flows related to financial assets and investments	-1 527 794	-952 396
+/- Flows related to investment property	-172 883	56 427
+/- Flows related to plant, property and equipment and intangible assets	96 157	-532 295
Net cash flow related to investing activities	-1 604 521	-1 428 264
+/- Cash flows related to transactions with shareholders	-3 183 731	-3 460 468
+/- Other net cash flows from financing activities	7 728 848	8 544 965
Net cash flow from financing activities	4 545 117	5 084 497
Effect of movement in exchange rates on cash and equivalents	-167 038	287 598
Net increase (decrease) in cash and cash equivalents	8 943 344	-1 884 059

Composition of cash position	12/31/2020	12/31/2019
Cash and cash equivalents at the beginning of the period	20 984 724	22 868 784
Net cash balance (assets and liabilities) with central banks, the treasury and post office accounts	24 727 436	18 533 535
Inter-bank balances with credit institutions and similar institutions	-3 742 711	4 335 248
Cash and cash equivalents at the end of the period	29 928 069	20 984 724
Net cash balance (assets and liabilities) with central banks, the treasury and post office accounts	26 329 340	24 727 436
Inter-bank balances with credit institutions and similar institutions	3 598 729	-3 742 711
Net change in cash and cash equivalents	8 943 344	-1 884 059

2. NOTES TO BALANCE SHEET

2.1 Financial assets at fair value through profit or loss at 31 December 2020

(thousand MAD)

	12/31/2020		12/31/2019	
	Trading assets	Other financial assets at fair value through profit or loss	Trading assets	Other financial assets at fair value through profit or loss
Loans and advances to financial institutions				
Loans and advances to customers				
Financial assets held as guarantee for unit-linked policies				
Securities received under repo agreements	-			
Treasury notes and similar securities	36 812 260		31 780 018	
Bonds and other fixed income securities	3 427 289	208 375	7 196 548	
Shares and other equity securities	18 259 866	1 131 175	15 237 714	1 320 858
Non-consolidated equity investments		148 907		143 489
Derivative instruments	168 384		109 519	
Related loans				
Fair value on the balance sheet	58 667 799	1 488 457	54 323 800	1 464 347

2.2 Financial assets at fair value through other comprehensive income at 31 December 2020

(thousand MAD)

	12/31/2020		
	Balance sheet value	Latent gains	Latent losses
Financial assets at fair value through other comprehensive income	60 164 696	4 532 814	-729 117
Debt instruments at fair value through other comprehensive income (recycling)	19 493 148	276 321	-6 089
Equity instruments at fair value through other comprehensive income (no recycling)	2 534 187	173 273	-261 549
Financial assets at fair value through other comprehensive income (Insurance)	38 137 360	4 083 220	-461 479

Debt instruments at fair value through other comprehensive income (recycling)	Balance sheet value	Latent gains	Latent losses
Treasury bills and similar securities	5 390 891	137 578	-2 760
Bonds and other fixed income securities	14 102 257	138 743	-3 329
Total Debt securities	19 493 148	276 321	-6 089
Total Debt instruments at fair value through other comprehensive income that may be reclassified subsequently to income statement	-	276 321	-6 089
Income tax expense	-	-71 362	3 307
Total other comprehensive income on debt instruments that may be reclassified subsequently to income statement (net of income tax)	-	204 959	-2 782

Equity instruments at fair value through other comprehensive income (no recycling)	Balance sheet value	Latent gains	Latent losses
Equity and other variable income securities	-	-	-
Non-consolidated equity investments	2 534 187	173 273	-261 549
Total Equity instruments at fair value through other comprehensive income that will not be reclassified subsequently to income statement	2 534 187	173 273	-261 549
Income tax expense	-	-51 949	94 414
Total other comprehensive income on equity instruments that will not be reclassified subsequently to income statement	-	121 324	-167 135

Financial assets at fair value through other comprehensive income that may be reclassified subsequently to income statement (Insurance)	Balance sheet value	Latent gains	Latent losses
Treasury bills and similar securities	15 014 302	990 300	-9 235
Bonds and other fixed income securities	5 981 112	178 379	-1 137
Equity and other variable income securities	11 498 469	2 357 036	-419 006
Non-consolidated equity investments	5 643 477	557 505	-32 102
Total Financial assets at fair value through other comprehensive income that may be reclassified subsequently to income statement (Insurance)	38 137 360	4 083 220	-461 479
Income tax expense	-	-1 354 202	165 849
Gains and losses directly recorded in shareholders' equity of financial assets at fair value through other comprehensive income that will be reclassified susequently to income statement (Insurance)	-	2 729 018	-295 630

2.3 Loans and receivables to credit institutions at amortised cost

2.3.1 Loans and receivables to credit institutions at 31 December 2020

(thousand MAD)

Credit Institutions	12/31/2020	12/31/2019
Accounts and loans	30 937 869	22 804 173
of which performing on demand accounts	17 109 092	8 789 843
of which performing overnight accounts and advances	13 828 778	14 014 329
Other loans and receivables	335 486	565 090
Gross value	**31 273 355**	**23 369 262**
Related loans	90 747	86 262
Impairment (*)	59 151	61 170
Net value of loans and receivables due from credit institutions	**31 304 951**	**23 394 354**

Intercompany operations	12/31/2020	12/31/2019
Demand accounts	3 427 866	3 806 853
Accounts and long-term advances	23 273 586	22 991 912
Related receivables	139 539	58 258

(*) see note 2.16

2.3.2 Breakdown of loans and receivables to credit institutions by geographical area at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Morocco	9 961 649	7 462 064
North Africa	3 226 482	3 062 262
The WAEMU Region	630 308	1 396 214
The EMCCA Region	1 531 204	1 316 285
Europe	6 827 746	5 900 142
Others	9 095 966	4 232 296
Total principal	**31 273 355**	**23 369 262**
Related receivables	90 747	86 262
Impairement (*)	59 151	61 170
Net value at balance sheet	**31 304 951**	**23 394 354**

(*) see note 2.16

2.3.3 Maturity analysis of of loans and receivables to credit institutions at 31 December 2020

(thousand MAD)

	< = 3months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Loans and receivables to credit institutions	12 298 618	8 474 558	5 894 673	4 546 355	**31 214 204**

2.4 LOANS & RECEIVABLES TO CUSTOMERS AT AMORTISED COST

2.4.1 Loans & receivables to customers at amortised cost at 31 December 2020

(thousand MAD)

Transactions with customers	12/31/2020	12/31/2019
Trade receivables	48 034 934	45 245 335
Other loans and receivables to customers	263 064 682	251 834 906
Securities received under repurchase agreements	5 018 546	921 840
Subordinated loans	3 334	3 282
On demand accounts	22 566 717	25 218 899
Gross value	**338 688 212**	**323 224 262**
Related receivables	1 943 439	1 856 014
Impairment (*)	25 410 405	20 980 905
Net value of loans and receivables to customers	**315 221 246**	**304 099 371**
Finance leases		
Property leasing	4 418 085	3 716 577
Equipement leasing, long-term rental and similar activities	15 098 430	16 810 107
Gross value	**19 516 515**	**20 526 684**
Related receivables	1 730	1 359
Impairment (*)	1 037 076	874 836
Net value of leasing activities	**18 481 169**	**19 653 207**
Balance sheet value	**333 702 415**	**323 752 579**

(*) see note 2.16

2.4.2 Breakdown of loans and receivables to customers by geographical area at 31 December 2020

(thousand MAD)

12/31/2020	Exposure at Default			Expected Credit Loss (*)		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
Morocco	224 353 970	28 867 611	21 329 189	1 168 829	3 855 893	14 242 792
North Africa	32 713 013	2 542 015	1 716 398	240 526	331 135	1 218 621
The WAEMU Region	31 178 940	666 926	3 248 561	502 018	139 315	2 521 373
The EMCCA Region	9 241 141	1 327 407	1 757 635	283 174	458 303	1 470 293
Europe	1 192 713	-	14 376	3 150	-	12 060
Net value at balance sheet	**298 679 777**	**33 403 959**	**28 066 160**	**2 197 697**	**4 784 646**	**19 465 139**

(*) See note 2.16

(thousand MAD)

12/31/2019	Exposure at Default			Expected Credit Loss (*)		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
Morocco	224 015 637	23 017 440	16 652 785	1 279 046	3 307 284	10 838 951
North Africa	31 369 989	1 194 039	1 653 750	204 426	222 110	1 132 978
The WAEMU Region	27 410 202	2 221 522	3 242 164	492 735	154 909	2 292 958
The EMCCA Region	10 049 323	1 631 119	1 404 723	303 358	487 361	1 121 139
Europe	1 728 009	-	17 617	3 101	-	15 386
Net value at balance sheet	**294 573 161**	**28 064 120**	**22 971 039**	**2 282 666**	**4 171 663**	**15 401 412**

(*) See note 2.16

2.4.3 Loans & receivables to customers by economic operator at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Wholesale	224 330 184	217 842 665
Large corporates	104 553 330	94 332 830
Individuals	107 456 090	104 052 541
Total principal	**331 786 274**	**321 895 206**
Related receivables	1 916 141	1 857 373
Balance sheet value	**333 702 415**	**323 752 579**

The fair value of healthy outstanding loans to customers and financial institutions is estimated at 364,353 million.

2.4.4 Maturity analysis of loans & receivables to customers

(thousand MAD)

	< = 3 months	Between 3 months and 1year	Between 1 year and 5 years»	> 5 years	Total
Loans and receivables to customers	61 811 662	61 393 630	130 851 267	76 111 037	330 167 596

2.5 CURRENT AND DEFERRED TAXES

2.5.1 Current and deferred taxes at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Current taxes	715 953	141 683
Deffered taxes	3 767 981	2 935 008
Current and differed tax assets	**4 483 934**	**3 076 691**
Current taxes	1 021 537	1 178 770
Deffered taxes	2 695 949	2 603 572
Current and differed tax liabilities	**3 717 486**	**3 782 342**

2.5.2 Net income tax at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Current tax expense	-3 013 434	-3 854 154
Deferred tax expense for the year	636 413	100 604
Corporate income tax expense	**-2 377 021**	**-3 753 550**

2.5.3 Effective tax rate at 31 December 2020

	12/31/2020	12/31/2019
Net income	3 705 028	6 951 093
Corporate income tax expense	2 377 021	3 753 550
Average effective tax rate	**39,1%**	**35,1%**

Analysis of effective tax rate at 31 December 2020

	12/31/2020	12/31/2019
Tax rate	37,0%	37,0%
Differential in tax rate on foreign entities	-3,3%	-2,3%
Permanent differences	17,4%	2,0%
Other items	-12,1%	-1,7%
Average effective tax rate	39,1%	35,1%

2.6 ACCRUED INCOME/EXPENSE

2.6.1 Accrued income and other assets at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Other assets	6 225 235	6 997 134
Other debtors	3 918 686	4 612 824
Values and miscellaneous uses	189 060	171 968
Other insurance assets	1 812 483	1 905 926
Others	305 005	306 415
Total accrued income	5 945 894	4 115 034
Accrued income	2 861 801	1 243 825
Prepaid expenses	511 037	602 190
Other accrued income	2 573 056	2 269 018
Total accrued income and other assets	12 171 129	11 112 167

2.6.2 Accrued expense and other liabilities at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Other liabilities	11 391 194	9 344 177
Miscellaneous operations on securities	111 310	260 238
Miscellaneous creditors	10 898 100	8 562 275
Other insurance liabilities	381 784	521 664
Total accrued expense	8 947 085	7 269 392
Accrued expense	4 431 858	3 437 758
Deferred income	1 952 468	1 695 918
Other accrued expense	2 562 759	2 135 716
Total accrued expense and other liabilities	20 338 279	16 613 569

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 METHOD INVESTMENTS at 31 December 2020

(thousand MAD)

	Equity method value	Income	Total balance sheet	Revenue (Turnover)	Share of income in equity method entities
Credit institutions					
Non-credit institutions	86 916	-48 959	770 973	97 816	-16 323
Total equity-method entities	86 916	-48 959	770 973	97 816	-16 323

Participation of the Group in equity method companies concerns only Moussafir Hotels..

2.8 INVESTMENT PROPERTY at 31 December 2020

(thousand MAD)

	12/31/2019	Scope Variation	Divestments & due dates	Transfers & due dates	Others movements	12/31/2020
Gross value	3 103 383		168 570	20 782	-5 690	3 245 481
Depreciation, amortisation and impairment	637 271		75 576	3 713	-2 183	706 951
Net value	2 466 111	-	92 994	17 070	-3 506	2 538 530

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 fixtures	15
Technical furniture	20
Internal and external joinery	15

The market value of the land and structures classified as investment property in 2020 is estimated at MAD 2,703 million.

2.9 PLANT, PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

2.9 Plant, property and equipment and intangible assets at 31 December 2020

(thousand MAD)

	12/31/2020			12/31/2019		
	Gross value	Accumulated amortisation and impairment	Net value	Gross value	Accumulated amortisation and impairment	Net value
Land and buildings	3 487 994	1 513 456	1 974 538	3 240 276	1 310 658	1 929 618
Movable property and equipment	6 274 078	4 103 562	2 170 517	5 710 129	3 475 802	2 234 326
Leased movable property	716 932	298 609	418 323	716 440	259 083	457 357
Other property, plant and equipment	6 465 269	4 215 827	2 249 442	6 808 731	4 141 004	2 667 727
Total property, plant and equipment	**16 944 273**	**10 131 454**	**6 812 820**	**16 475 577**	**9 186 548**	**7 289 029**
IT software acquired	5 366 144	3 119 684	2 246 459	4 943 871	2 755 810	2 188 061
Other intangible assets	1 349 194	503 605	845 589	1 241 681	477 174	764 507
Total intangible assets	**6 715 338**	**3 623 289**	**3 092 049**	**6 185 552**	**3 232 984**	**2 952 568**

CHANGE IN RIGHT-OF-USE

(thousand MAD)

Change in right-of-use	12/31/2019	Increases	Decreases	Other	12/31/2020
Property					
Gross amount	1 762 906	248 567	-72 072	-8 865	1 930 535
Amortisation and impairment	-306 670	-326 433	45 201	3 034	-584 868
Total property	1 456 236	-77 867	-26 870	-5 831	1 345 667
Movable property					
Gross amount					
Amortisation and impairment					
Total movable property					
Total right-of-use	**1 456 236**	**-77 867**	**-26 870**	**-5 831**	**1 345 667**

(thousand MAD)

Change in lease debt	12/31/2019	Increases	Decreases	Other	12/31/2020
Lease debt	1 495 605	242 466	-306 219	28 374	1 460 225
Total lease Debt	**1 495 605**	**242 466**	**-306 219**	**28 374**	**1 460 225**

(thousand MAD)

Detail of lease contracts' expenses	12/31/2020	12/31/2019
Interests expenses on lease liability	-79 772	-90 436
Right-of-use amortisation	-320 105	-324 765

(thousand MAD)

Right-of-use asset	12/31/2020	12/31/2019
Plant, property and equipment	**6 812 820**	**7 289 029**
Of which right-of-use	1 345 667	1 456 236

(thousand MAD)

Lease liability	12/31/2020	12/31/2019
Adjustment & other liability accounts	**20 338 279**	**16 613 569**
Of which lease liability	1 460 225	1 495 605

PROPRETY, PLANT, EQUIPMENT :

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 amortisation
Buildings per component	15-50 ans
Equipment and furniture	4-10 ans
Plant and equipment leased as lessor under operating leases	N/A
Other property, plant and equipment	15-20 ans

Par ailleurs les composants des constructions ont été amortis de la façon suivante :

Components	Annual duration of amortisation
Components	50
Main structure	20
Proofing	15
Fittings and fixtures	20
Technical furniture	15

INTANGIBLE 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 amortisation
Purchased software	5 years
Internally-developed software	N/A
Other intangible assets	15-20 years

2.9.2 Operating leases : complementary information

(thousand MAD)

Residual term	For the lessor – Future minimum lease payments receivable under non-cancellable leases
≤ 1 year	171 184
> 1 year ≤ 5 years	544 606
> 5 years	-
Total	715 791

Note - Goodwill

At December 31, 2020, goodwill broke down by CGU as follows

(thousand MAD)

In MAD millions	12/31/2019	Increase	Decrease	Impairement difference	Loss of value	Other	12/31/2020
BDI	7,172						7,207
Crédit à la consommation	550						550
Assurance	590						590
Banque au Maroc	1,602						1,602
TOTAL	9,913	0	0	35	0	0	9,948

Goodwill impairment tests are based on three distinct valuation methods: 1) transactions for entities with comparable activities (cost approach); 2) market factors affecting stock prices of entities with comparable activities (comparables approach); 3) discounted cash flow method (DCF approach).

Where one of the two methods based on comparables reveals a need for impairment, the DCF method is employed to validate the decision and, where needed, to determine the amount. The IRB CGU is valued annually by means of the DCF method, even when there is no impairment identified by the comparables methods.

Impairment loss is recognized when the CGU's book value is greater than the value calculated for the period. Subsequently, the impairment is deducted from goodwill on the balance sheet.

As of 12/31/2020, only the IRB CGU was subject to a DCF valuation.

The DCF valuation is based on four key principles:

- Future distributable earnings are determined on the basis of a three-year business plan (2021–2023), extrapolated from a period longer than three years in order to converge on a normalized terminal value. Because of the health crisis, this year's financial forecasts were based on specific economic scenarios in preparing the annual budget, to account for the uncertainty relating to the Covid-19 crisis.
- These estimates take into consideration objectives of shareholders' capital allocated in compliance with the regulations in force in each zone and country where AWB Group does business. The assumptions applied were unchanged from those as of December 31, 2019.
- The perpetual growth rates used to calculate the terminal value are based on longterm inflation forecasts. On 12/31/2020, the perpetual growth rate stood at 3.5%.
- Capital costs are based on risk-free Moroccan rates, with a Moroccan risk premium rounded up by a country risk premium. On 12/31/2020, the discount rate was 10.3%.

IRB CGU valuation sensitivity to major valuation factors

The following table shows the sensitivity to the value in use of the IRB CGU with a variation of 100 bps in cost of capital, 50 bps in the perpetual growth rate, 100 bps in the terminal year operating ratio and 10% in the terminal year cost of risk.

UGT BDI

Cost of capital	
Negative variation of +100 bps	-13,3%
Positive variation of –100 bps	10,7%
Perpetual growth rate	
Negative variation of –50 bps	-3,0%
Positive variation of +50 bps	3,4%
Operating ratio	
Negative variation of +100 bps	-3,8%
Positive variation of –100 bps	3,8%
Cost of risk	
Negative variation of +10 bps	-3,2%
Positive variation of –10 bps	3,2%

The above-mentioned goodwill (Group share) sensitivity tests, even applying the four most unfavorable scenarios for recoverable amounts, show that impairment is not required.

2.11 Financial liabilities at fair value through profit or loss (FV P&L)

2.11.1 Financial liabilities at fair value through profit or loss (FV P&L) at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Securities pledged under repurchase agreements Credit Institutions	184 134	261 843
Derivative instruments	1 315 665	426 367
Fair value on the balance sheet	**1 499 799**	**688 210**

2.11.2 Derivative instruments by nature of risk at 31 December 2020

(thousand MAD)

By nature of risk	Book value		Notional Amount
	Assets	Liabilities	
Foreign exchange derivatives	141 435	678 679	59 567 893
Interest rate derivatives	26 949	99 521	40 905 010
Raw materials derivatives	0	262	227 306
Other derivatives		537 203	302 135
Total	**168 384**	**1 315 665**	**101 002 344**

2.12 Deposits from credit institutions

2.12.1 Deposits from credit institutions at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Credit Institutions	23 134 313	21 946 244
Accounts and borrowings	**25 892 666**	**23 970 838**
Securities pledged under repurchase agreements	49 026 979	45 917 082
Related debt	**210 960**	**77 620**
Value on the balance sheet	49 237 940	45 994 702

Interbank operations	12/31/2020	12/31/2019
On demand accounts	2 189 229	2 066 040
Accounts and long-term advances	24 289 773	23 794 147
Related debt	146 205	138 214

2.12.2 Maturity analysis of deposits from credit institutions at 31 December 2020

(thousand MAD)

	< = 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Deposits from credit institutions	34 325 812	10 001 933	1 552 192	3 147 042	49 026 979

2.13 Deposits from customers

2.13.1 Deposits from customers at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
On demand deposits	235 729 404	207 980 634
Savings accounts	101 128 717	103 543 220
Other deposits from customers	18 207 868	22 283 369
Securities pledged under repurchase agreements	761 962	875 899
Total principal	355 827 951	334 683 122
Related debt	786 209	893 572
Value on the balance sheet	**356 614 160**	**335 576 694**

2.13.2 Breakdown of deposits from customers by geographical area at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Morocco	252 880 806	241 588 032
North Africa	41 710 614	36 267 143
The WAEMU Region	40 291 133	36 531 663
The EMCCA Region	18 035 337	17 276 124
Europe	2 910 061	3 020 160
Total principal	**355 827 951**	**334 683 122**
Related debt	786 209	893 572
Value on the balance sheet	**356 614 160**	**335 576 694**

2.13.3 Breakdown of deposits from customers by economic operator at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Wholesale	130 701 438	121 987 091
Large corporates	40 884 076	29 330 870
Individuals	225 126 513	212 696 031
Total principal	**355 827 951**	**334 683 122**
Related debts	786 209	893 572
Balance sheet value	**356 614 160**	**335 576 694**

2.13.4 Maturity analysis of deposits from customers at 31 December 2020

(thousand MAD)

	< = 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Deposits from customers	107 196 111	47 336 743	68 041 625	133 253 472	355 827 951

2.14 Debt securities and subordinated debt at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Other debt securities	**23 105 757**	**21 993 710**
Negotiable debt securities	23 071 460	21 952 076
Bonds	34 297	41 633
Subordinated debt	**17 099 338**	**14 621 834**
Subordinated loans	17 099 338	14 621 834
Undated	17 099 338	14 621 834
Dated		
Subordinated securities		
Undated		
Dated		
Total	**40 205 095**	**36 615 544**

2.15 Provisions for contingencies and charges at 31 December 2020

(thousand MAD)

	12/31/2019	Change in scope	Additional provisions	Write-backs used	Write-backs not used	Other changes	12/31/2020
Provisions for commitments by signature (*)	935 636	-	234 863	176 602		151	994 048
Provisions for employee benefits	590 795	-	101 542	79 315		37 045	650 067
Other provisions for contingencies and charges	1 235 491	-	373 893	4 545	266 155	97 271	1 435 956
Total provisions for contingencies and charges	**2 761 922**	**-**	**710 299**	**260 462**	**266 155**	**134 467**	**3 080 071**

(*) see note 2.16

2.16 Exposure at default and Expected credit loss by Bucket according to IFRS 9 at 31 December 2020

(thousand MAD)

12/31/2020	Exposure at Default			Expected Credit Loss			Coverage Ratio		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
Financial assets at fair value through other comprehensive income	20 032 312	67 368	-	599 056	7 475	-	3,0%	11,1%	
Loans & receivables to credit institutions									
Loans & receivables to customers									
Debt instruments	20 032 312	67 368	-	599 056	7 475	-	3,0%	11,1%	
Financial assets at amortised cost	**347 324 077**	**33 491 477**	**28 089 754**	**2 338 961**	**4 836 887**	**19 488 624**	**0,7%**	**14,4%**	**69,4%**
Loans & receivables to credit institutions	31 340 508	-	23 594	35 666	-	23 485	0,1%		99,5%
Loans & receivables to Customers	298 679 777	33 403 959	28 066 160	2 197 697	4 784 646	19 465 139	0,7%	14,3%	69,4%
Debt instruments	17 303 792	87 518	-	105 598	52 241	-	0,6%	59,7%	
Total assets	**367 356 389**	**33 558 844**	**28 089 754**	**2 938 017**	**4 844 363**	**19 488 624**	**0,8%**	**14,4%**	**69,4%**
Off Balance Sheet commitements	138 859 107	14 567 977	558 025	585 386	212 207	196 455	0,4%	1,5%	35,2%
Total	**506 215 496**	**48 126 821**	**28 647 779**	**3 523 403**	**5 056 570**	**19 685 079**	**0,7%**	**10,5%**	**68,7%**

12/31/2019	Exposure at Default			Expected Credit Loss			Coverage Ratio		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
Financial assets at fair value through other comprehensive income	13 873 123	20 513		135 870	1 632		1,0%	8,0%	
Loans & receivables to credit institutions									
Loans & receivables to customers									
Debt instruments	13 873 123	20 513		135 870	1 632		1,0%	8,0%	
Financial assets at amortised cost	**333 529 240**	**28 751 709**	**22 996 233**	**2 405 354**	**4 179 966**	**15 424 531**	**0,7%**	**14,5%**	**67,1%**
Loans & receivables to credit institutions	22 844 129	586 201	25 194	37 817	235	23 119	0,2%		91,8%
Loans & receivables to Customers	294 573 161	28 064 120	22 971 039	2 282 666	4 171 663	15 401 412	0,8%	14,9%	67,0%
Debt instruments	16 111 950	101 389		84 871	8 068		0,5%	8,0%	
Total assets	**347 402 363**	**28 772 222**	**22 996 233**	**2 541 224**	**4 181 598**	**15 424 531**	**0,7%**	**14,5%**	**67,1%**
Off Balance Sheet commitements	140 869 735	9 207 108	495 597	534 228	299 803	101 604	0,4%	3,3%	20,5%
Total	**488 272 098**	**37 979 330**	**23 491 830**	**3 075 453**	**4 481 401**	**15 526 135**	**0,6%**	**11,8%**	**66,1%**

2.17 Impaired outstanding amounts (Bucket 3) at 31 December 2020

(thousand MAD)

	12/31/2020			12/31/2019		
	Outstanding amount Bucket 03			Outstanding amount Bucket 3		
	Gross Value	Expected Credit Loss	Net Value	Gross Value	Expected Credit Loss	Net Value
Loans & receivables to credit institutions	23 594	23 485	109	25 194	23 119	2 075
Loans & receivables to customers	28 066 160	19 465 139	8 601 021	22 971 039	15 401 412	7 569 627
Debt instruments	-	-	-			
Total impaired outstanding amount at amortised cost (Bucket 3)	28 089 754	19 488 624	8 601 131	22 996 233	15 424 531	7 571 702
Total impaired off-balance sheet commitements (Bucket 3)	558 025	196 455	361 570	495 597	101 604	393 993

2.18 Securities at amortised cost at 31 December 2020

(thousand MAD)

Securities at amortised cost	12/31/2020	12/31/2019
Treasury bills and similar securities	13 428 249	12 409 759
Bonds and other fixed income securities	3 963 061	3 803 580
Total	17 391 310	16 213 339
Impairment	157 839	92 940
Total	17 233 471	16 120 400

3.NOTES TO INCOME STATEMENT

3.1 Net interest margin at 31 December 2020

(thousand MAD)

	12/31/2020			12/31/2019		
	Income	Expenses	Net	Income	Expenses	Net
Transactions with customers	19 101 484	3 680 271	15 421 213	18 714 454	3 914 851	14 799 603
Deposits, loans and borrowings	18 053 463	3 593 147	14 460 316	17 635 956	3 843 669	13 792 287
Repurchase agreements	3 508	87 123	-83 615	14 355	71 182	-56 827
Finance leases	1 044 513		1 044 513	1 064 143		1 064 143
Inter-bank transactions	496 510	1 440 452	-943 942	728 876	1 734 551	-1 005 675
Deposits, loans and borrowings	495 762	1 285 758	-789 996	724 206	1 623 152	-898 946
Repurchase agreements	748	154 694	-153 946	4 670	111 399	-106 729
Debt issued by the group		1 606 545	-1 606 545		1 315 172	-1 315 172
Securities transactions	2 914 257		2 914 257	2 457 890		2 457 890
Total interest margin	22 512 251	6 727 268	15 784 983	21 901 219	6 964 574	14 936 645

3.2 Net fees at 31 December 2020

(thousand MAD)

	12/31/2020			12/31/2019		
	Income	Expenses	Net	Income	Expenses	Net
Net fees on transactions	2 157 817	81 109	2 076 707	2 473 856	91 427	2 382 430
With credit institutions	103 837	74 848	28 989	127 689	77 480	50 209
With customers	1 350 729		1 350 729	1 630 103		1 630 103
On securities	202 542	-124	202 666	176 306	7 514	168 792
On foreign exchange	43 102	4 360	38 742	77 114	4 105	73 010
On forward financial instruments and other off-balance sheet transactions	457 606	2 026	455 581	462 643	2 328	460 315
Banking and financial services	3 438 783	744 310	2 694 473	3 490 505	725 044	2 765 461
Net income from mutual fund management (UCITS)	432 064	30 934	401 130	394 666	34 379	360 287
Net income from payment services	1 967 172	508 250	1 458 921	2 006 105	610 946	1 395 159
Insurance	4 477		4 477	19 323		19 323
Other services	1 035 070	205 125	829 944	1 070 411	79 719	990 692
Net fee income	5 596 600	825 419	4 771 180	5 964 361	816 471	5 147 890

3.3 Net gains or losses on financial instruments at fair value through profit or loss at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Fixed income securities	1 221 026	1 510 362
Variable income securities	553 533	595 951
Financial derivative instruments	-711 342	-120 956
Revaluation of manual exchange position	1 334 698	1 080 152
Total	2 397 915	3 065 509

3.4 Net gains or losses on financial assets at fair value through other comprehensive income at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Income from variable income securities	480 066	557 202
Income from disposals	182 190	100 022
Net gains	192 507	146 209
Net losses	-10 317	-46 187
Gains or losses of variable income securities	-29 586	-13 850
Total	632 670	643 374

3.5 Net income from other activities at 31 December 2020

(thousand MAD)

	12/31/2020			12/31/2019		
	Income	Expenses	Net	Income	Expenses	Net
Net income from insurance	8 279 685	7 738 457	541 229	8 857 019	8 876 407	-19 388
Net income from investment property	81 483		81 483	76 980		76 980
Net income from assets held under operating leases	25 192	0	25 192	29 128	1 786	27 342
Other net income	586 636	963 226	-376 590	580 754	986 330	-405 575
Total net income from other activities	8 972 997	8 701 683	271 314	9 543 882	9 864 523	-320 641

3.6 Net income from insurance activities at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Gross premiums earned	8 930 094	9 440 371
Changes in technical reserves	-1 830 765	-2 859 296
Policy benefit expenses	-5 918 105	-6 220 422
Income/Expenses from ceded reinsurance	-639 995	-380 041
Total	541 229	-19 388

3.7 Cost of risk at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Additional provisions	**-7 375 440**	**-3 796 486**
Provisions for loan impairment	-6 787 484	-3 441 311
Provisions for securities Impairement	-214 063	-30 140
Other general provisions	-373 893	-325 035
Provision write-backs	**2 191 436**	**2 605 447**
Provisions for loan impairment	1 909 417	2 336 245
Provisions for securities Impairement	11 319	21 975
Other general provisions	270 700	247 227
Change in provisions	**-270 381**	**-398 004**
Losses on written-off loans	-284 519	-413 716
Pertes sur prêts et créances irrécouvrables non provisionnées	-75 503	-65 871
Amounts recovered on impaired written-off loans	131 069	98 067
Others	-41 427	-16 484
Total	**-5 454 385**	**-1 589 044**

	12/31/2020
Impairment of healthy assets (Bucket 1 and Bucket 2)	-1 023 118
Bucket 1: Losses estimated from the amount of loan losses expected over the next 12 months	-447 950
Debt instruments recorded at fair value through recyclable equity	-463 185
Debt instruments recorded at amortized cost	66 393
Signature loans	-51 158
Bucket 2: Losses estimated from the amount of loan losses expected over the life of the loan	-575 168
Debt instruments recorded at fair value through recyclable equity	-5 843
Debt instruments recorded at amortized cost	-656 921
Signature loans	87 596
Impairment of impaired assets (Bucket 3)	
Bucket 3: Impaired assets	-4 158 944
Debt instruments recorded at fair value through recyclable equity	
Debt instruments recorded at amortized cost	-4 064 093
Signature loans	-94 851
Provisions for risks and charges excluding credit risk (IAS 37)	-103 193
Impairment losses on loans and uncollectible debts	-360 023
Recovery of losses on loans and debts	131 069
Other movements	-59 824
Cost of credit risk	-5 454 385

3.8 Net gains or losses on other assets at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Proprety,plant, equipment and intangible assets used in operations		
Gains on disposals of property, plant and equipment and intangible assets used in operations	22 409	32 837
Losses on disposals of property, plant and equipment and intangible assets used in operations	-93 125	-2 105
Net gains or losses on other assets	**-70 716**	**30 732**

3.9 General Operating expenses

3.9.1 Detail of general operating expenses at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Staff Expenses	-5 632 371	-5 623 377
Taxes and contributions	-363 995	-364 232
External services and other operating expenses [1]	-4 621 582	-3 691 311
Net gains or losses on other assets	-10 617 948	-9 678 920

(1) decrease related to the first-time adoption of IFRS 16 "Lease contracts"

3.9.2 Detail of staff expenses

(thousand MAD)

	12/31/2020	12/31/2019
Remuneration	-4 124 358	-4 154 223
Employee benefit expense Payroll taxes	-1 508 013	-1 469 153
Total	-5 632 371	-5 623 377

3.10 Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

(thousand MAD)

	12/31/2020	12/31/2019
Depreciation and amortisation	-1 522 979	-1 495 425
Property, plant and equipment	-1 083 862	-1 127 583
Intangible assets	-439 117	-367 841
Depreciation or reversales on impairment	-93 663	-48 766
Property, plant and equipment	-93 663	-48 766
Immobilisations incorporelles Intangible assets		
Total (*)	-1 616 642	-1 544 190

(*) The increase is mainly due to the first application of IFRS 16 "Leases"

4. INFORMATION BY BUSINESS LINES AT 31 DECEMBER 2020

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 Subsidiaries comprising Moroccan subsidiaries undertaking consumer finance, mortgage loan, leasing, factoring and money transfer activities;
- International Retail Banking including banks in North Africa especially Attijaribank Tunisie, Attijariwafa bank Egypt and Attijaribank Mauritanie as well as banks in the WAEMU zone and the EMCCA zone;
- Insurance comprising Wafa Assurance and its significant subsidiaries.

(thousand MAD)

Balance Sheet	Domestic banking, europe and offshore	Specialised Financial Subsidiaries	Insurance	International Retail Banking	TOTAL
Total Balance Sheet	345 595 064	37 961 201	47 212 695	137 338 691	568 107 651
including					
Assets					
Financial assets at fair value through profit or loss	58 885 400	93 449	0	1 177 407	60 156 256
Financial assets at fair value through other comprehensive income	2 921 342	146 125	38 137 360	18 959 869	60 164 696
Securities at amortised cost	10 580 659	12 500	-	6 640 312	17 233 471
Loans and advances to financial institutions at amortised cost	25 252 163	449 916	210 968	5 391 904	31 304 951
Loans & receivables Customers at amortised cost	219 996 167	33 450 795	3 028 174	77 227 279	333 702 415
Property, plant, equipment	3 337 803	834 409	177 306	2 463 301	6 812 820
Liabilities					
Debts - Financial Institutions	42 367 665	1 622 757	843	5 246 675	49 237 940
Customers deposits	250 750 090	5 502 505	3 915	100 357 650	356 614 160
Insurance technical provision	-	-	38 956 953	-	38 956 953
Subordinated funds and special guarantee funds	15 573 597	505 327	-	1 020 414	17 099 338
Shareholders' equity	40 889 839	2 441 747	4 127 348	6 834 052	54 292 985

Income Statement	Domestic banking, europe and offshore	Specialised Financial Subsidiaries	Insurance	International Retail Banking	Eliminations	TOTAL
Interest margin	8 209 125	1 250 710	826 679	5 582 955	-84 486	15 784 983
Margin on fees	2 713 249	894 681	-19 238	2 079 644	-897 156	4 771 180
Net banking income	11 919 771	2 562 343	1 676 822	8 071 249	-372 121	23 858 063
Operating expenses	5 939 259	714 508	663 174	3 673 128	-372 121	10 617 948
Net operating income	2 922 471	267 822	395 865	2 582 930		6 169 088
Net income	1 531 198	109 639	257 464	1 806 727		3 705 028
Net income group share	1 498 969	163 609	107 025	1 248 400		3 018 002

5. FINANCING COMMITMENTS AND GUARANTEES

5.1 Financing commitments

at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Financing commitments given	78 529 974	78 839 937
Financing commitments received	3 658 405	3 761 711

5.2 Guarantee commitments

at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Financing commitments given	75 455 135	71 732 504
Financing commitments received	63 899 433	48 654 595

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

(thousand MAD)

	Fully consolidated companies
Assets	29 449 262
Loans, advances and securities	27 977 914
Ordinary accounts	3 512 866
Loans	23 849 191
Securities	615 857
Miscellaneous assets	
Other assets	1 471 348
Total	29 449 262
Liabilities	29 449 262
Deposits	27 898 844
Ordinary accounts	3 462 866
Other loans	24 435 978
Debts represented by security	79 070
Miscellaneous liabilities	1 471 348
Total	29 449 262
Financing and guarantee commitments	
Commitments given	8 223 054
Commitments received	8 223 054

6.1.2 Income items regarding operations conducted with associated parties

(thousand MAD)

	Fully consolidated companies
Interest and equivalent income	603 028
Interest and equivalent expenses	519 107
Commissions (income)	1 055 873
Commissions (expenses)	151 778
Income from other activities	191 028
Expenses from other activities	843 251
Other expenses	375 153

Relationships with members of administrative and management bodies:

In 2020, remuneration of Attijariwafa bank Board of Directors comes to 4.7 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 2020 came to MAD 113 million. Loans to these members came to MAD 142 million at the end of 2020.

6.2 Wafa assurance

(thousand MAD)

Balance sheet	12/31/2020	12/31/2019
Assets		
Assets available for sale	28 628 115	26 591 925
Loans and debts to credit institutions and equivalent	203 620	
Loans and debts to customers	2 769 992	2 570 106
Tangible fixed assets	146 669	149 274
Debts to credit institutions and equivalent		
Insurance contract technical provisions	37 283 865	35 103 141
Shareholders equity	3 394 071	3 642 769

Income statement	12/31/2020	12/31/2019
Interest margin	530 624	510 667
Margin on commissions	-15 470	-22 080
Net income from other activities	504 140	-12 294
Net banking income	1 327 806	842 087
Operating expenses	-731 889	-637 479
Operating income	16 974	22 537
Net income	-87 423	41 855
Net income group share	-34 658	16 593

7. OTHER COMPLEMENTARY INFORMATON :

7.1 Certificates of deposit and finance company bonds issued during 2020:

The certificates of Deposits outstanding amounted, as of December 2020, to MAD 15.8 billion.

During 2020, MAD 4.6 billion has been issued with a maturity comprised between 52 weeks and 5 years and rates between 2.07% and 14%. The outstanding of Finance Company bonds totaled MAD 7.0 billion as of December 2020.

During 2020, MAD 3.7 billion of Finance Company Bonds has been issued with a maturity comprised between 2 and 5 years and rates between 2.15% and 3.13%.

7.2 Subordinated debts issued during 2020:

During 2020, the group Attijariwafa bank issued five subordinated bonds.

On June 18, 2020, Attijariwafa bank issued a perpetual subordinated bond loan with a mechanism of loss absorption and cancellation of coupon payment, for an amount of MAD 1 billion, divided into 10,000 bonds with a nominal value of MAD 100,000. It is split into 2 unlisted tranches (A and B).

The nominal interest rate relating to tranche A is revisable every 10 years and amounts to 5.31% including a risk premium of 250 basis points. The nominal interest rate applicable to tranche B can be revised annually and amounts to 4.48%, including a risk premium of 230 basis points.

The global result of subscriptions is summarized in the following table :

(thousand MAD)

	Section A	Section B
Amount withheld	175 000	825 000

The second subordinated bond was issued by Attijariwafa bank on June 18, 2020 for an amount of MAD 500,000,000, divided into 5,000 bonds with a nominal value of MAD 100,000. It is broken down into 3 listed tranches (A, B and E) and 3 unlisted tranches (C, D and F).

The global result of subscriptions to the four tranches is summarized in the following table :

(thousand MAD)

	Section A	Section B	Section C	Section D	Section E	Section F
Amount withheld	-	-	-	-	-	500 000

On December 18, 2020, Attijariwafa bank issued a perpetual subordinated bond loan with a mechanism of loss absorption and cancellation of coupon payment, for an amount of MAD 500,000,000, divided into 5,000 bonds with a nominal value of MAD 100,000. It is split into 2 unlisted tranches (A and B).

The global result of subscriptions to the four tranches is summarized in the following table :

(thousand MAD)

	Section A	Section B
Amount withheld	-	500 000

The fourth subordinated bond was issued by Attijariwafa bank on December 18, 2020 for an amount of MAD 500,000,000, divided into 5,000 bonds with a nominal value of MAD 100,000. It is broken down into 3 listed tranches (A, B and E) and 3 unlisted tranches (C, D and F).

The global result of subscriptions to the four tranches is summarized in the following table :

(thousand MAD)

	Section A	Section B	Section C	Section D	Section E	Section F
Amount withheld	-	-	100 000	330 000	-	70 000

On September 17, 2020, Compagnie Bancaire de l'Afrique de l'Ouest (CBAO) issued a subordinated loan of FCFA 10 billion, divided into 200 bonds with a nominal value of FCFA 50 million.

7.3 Capital and income per share

7.3.1 Number of shares and per values:

As of 30 December 2020, Attijariwafa bank's capital amounted to MAD 2,098,596,790 and made of 209,859,679 shares at a nominal value of MAD 10.

7.3.2 Attijariwafa bank shares held by the Group:

As of 31 December 2020, Attijariwafa bank Group hold 13,226,583 shares representing a global amount of MAD 2,461 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)

	12/31/2020	12/31/2019
Earnings per share	14,38	27,71
Diluted earnings per share	14,38	27,71

7.3.4 Increase in share capital by conversion (full or partial) into shares of sums distributed on an exceptional basis

On December 21, 2020, the Ordinary Shareholders' Meeting decided :

- Exceptional distribution of a total amount of MAD 1,416,552,833.25 to the benefit of shareholders paid in cash, to be debited from the optional reserves, i.e. a unit amount per share of MAD 6.75. The payment of the distributed amounts in favor of the shareholders will take place as from January 13, 2021;
- Exceptional distribution of a total amount of MAD 1,416,552,833.25 to the benefit of shareholders paid in cash to be debited from the optional reserves, i.e. a unit amount per share of MAD 6.75 representing the distributed amounts under the operation of increase in the share capital by full or partial optional conversion into shares.

The Extraordinary General Meeting, held on December 21, 2020, after reading the Board of Directors' report, authorized an increase in the share capital, open to all the Bank's shareholders, of a maximum global amount, including the issue premium, of MAD 1,416,552,833.25 to be paid up exclusively by conversion (full or partial) of the distributed amounts in shares.

The shares thus created will carry dividend rights as from January 1st, 2021.

The shareholders will be able to subscribe to this capital increase as an irreducible entitlement. The amount of the share capital increase may be limited to the amount of effective subscriptions if the subscriptions have not absorbed the entire amount of the share capital increase.

Assumptions for calculation purposes :

	12/31/2020	12/31/2019
Start of period	01 January 2020	0 January 2019
End of period	31 December 2020	31 December 2019
Discount rate	3,13%	3,54%
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 the actuarial debt	12/31/2020	12/31/2019
Actuarial liability N-1	590 795	545 085
Current service cost	90 794	100 920
Discounting effect	14 333	-43
Employee contributions	-	
Change / curtailment / settlement of the plan	-	
Acquisition, disposal (change in consolidation scope)	-	
Termination benefits	-69 294	-71 072
Benefits paid (mandatory)	-	
Actuarial gains (losses)	23 438	15 903
Actuarial liability N	650 067	590 795

expense recognized	12/31/2020	12/31/2019
Current service cost	-90 794	-100 920
Discounting effect	-14 333	43
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	82 900	4 754
Net expense recognized in profit or loss	-22 227	-96 124

7.5 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	66,30%	66,30%
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	67,00%	67,00%
SOCIETE COMMERCIALE DE BANQUE CAMEROUN	Bank					Cameroon	IG	51,00%	51,00%
ATTIJARIBANK MAURITANIE	Bank					Mauritania	IG	100,00%	67,00%
BANQUE INTERNATIONALE POUR L'AFRIQUE AU TOGO	Bank					Togo	IG	56,58%	56,58%
ATTIJARIWAFA BANK EGYPT	Bank					Egypt	IG	100,00%	100,00%
BANK ASSAFA	Bank		(3)			Morocco	IG	100,00%	100,00%
WAFA SALAF	Consumer credit					Morocco	IG	50,91%	50,91%
WAFA BAIL	Leasing	(2)				Morocco	IG	98,57%	98,57%
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	100,00%	100,00%
WAFA CASH	Cash Activities					Morocco	IG	100,00%	100,00%
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 intermidiation					Morocco	IG	100,00%	100,00%
FCP SECURITE	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP OPTIMISATION	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP STRATEGIE	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP EXPANSION	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP FRUCTI VALEURS	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
WAFA ASSURANCE	insurance					Morocco	IG	39,65%	39,65%
ATTIJARI ASSURANCE TUNISIE	insurance					Tunisia	IG	58,98%	50,28%
WAFA IMMA ASSISTANCE	insurance					Morocco	IG	72,15%	45,39%
BCM CORPORATION	Holding					Morocco	IG	100,00%	100,00%
OGM	Holding					Morocco	IG	50,00%	50,00%
ANDALUCARTHAGE	Holding					Morocco	IG	100,00%	100,00%
KASOVI	Holding					Mauritius	IG	100,00%	100,00%
SAF	Holding					France	IG	99,82%	99,82%
FILAF	Holding					Senegal	IG	100,00%	100,00%
CAFIN	Holding					Senegal	IG	100,00%	100,00%
ATTIJARI AFRIQUE PARTICIPATIONS	Holding					France	IG	100,00%	100,00%
ATTIJARI MAROCO-MAURITANIE	Holding					France	IG	67,00%	67,00%
ATTIJARI IVOIRE	Holding					Morocco	IG	66,67%	66,67%
MOUSSAFIR	hospitality industry					Morocco	MEE	33,34%	33,34%
ATTIJARI SICAR	risk capital					Tunisia	IG	74,13%	43,72%
PANORAMA	real estate company					Morocco	IG	39,65%	39,65%
SOCIETE IMMOBILIERE TOGO LOME	real estate company					Togo	IG	100,00%	100,00%

(A) Mouvements occuring in first half of 2019
(B) Mouvements occuring in second half of 2019
(C)Mouvements occuring in first half of 2020
(D) Mouvements occuring in second half of 2020

1 - Acquisition	6 - Merger between consolidated entities
2 - Creation, crossing threshold	7 - Change in method - Equity method to global integration
3 - Entry into IFRS perimeter	8- Change in method - Equity method to proportional integration
4 - Disposal	9 - Reconsolidation
5 - Deconsolidation	

AUDITORS' REPORT ON PARENT COMPANY FINANCIAL STATEMENTS

Deloitte.

Deloitte Audit

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ATTIJARIWAFA BANK S.A
GENERAL REPORT OF THE STATUTORY AUDITORS
FISCAL YEAR JANUARY 1, 2020–DECEMBER 31, 2020

Opinion

In accordance with the mission granted us by the General Meeting, we have audited the attached financial statements of ATTIJARIWAFA BANK. The financial statements comprise the balance sheet, the income statement, the management accounting statement, the cash flow statement and notes to the financial statements for the year ended December 31, 2020. The financial statements show shareholders' equity of **MAD 58,668,608 thousand** and net income of **MAD 2,318,618 thousand**. These statements were approved by the Board of Directors on February 23, 2021, in the uncertain context of the Covid-19 epidemic, on the basis of elements available at the time.

We hereby certify that the financial statements mentioned in the first paragraph above provide in all material respects a true and fair view of the operating results, financial position and assets of ATTIJARIWAFA BANK as at December 31, 2020, in accordance with accounting standards applicable in Morocco.

Basis of the opinion

We conducted the audit in accordance with accounting standards applicable in Morocco. Our responsibilities related to these standards are detailed under "Responsibilities of the auditor" in the present report. We are independent of the company, in compliance with the ethical policies applicable to the audit of financial statements. We have discharged other ethical responsibilities applicable to us in compliance with the policies. We believe that the evidence obtained from our audit is adequate and appropriate as a basis for our opinion.

Key audit questions

Key audit questions are questions which, in our professional judgement, were critical in our audit of the financial statements for the period under consideration. The questions were raised during our audit of the financial statements and approached globally in order to form an opinion on the financial statements. We do not express an opinion on individual questions.

Credit risk and provisioning customer loans	
Key audit question	Audit reply
Customer loans bear credit risk which exposes the Bank to potential loss if the customers or counterparties prove unable to meet their financial commitments. The Bank constitutes provisions to cover this risk. As indicated under A1, "Principal accounting methods," in the notes to the financial statements, these provisions are estimated and accounted for in application of 1) the principles of the Accounting Plan for Credit Establishments, 2) the provisions set out in circular 19/G/2002 of Bank Al-Maghrib on the classification of loans and their coverage through provisions, and 3) the rules of Bank Al-Maghrib relating to provisions for watchlist loans. Assessing provisions for customer loans requires: - identifying nonperforming loans and watchlist loans; - evaluating the amount of provisions as a function of the various categories of loan and collateral classifications the Bank may resort to. At December 31, 2020, the amount of provisions for impairment stood at MAD 10,327 million, bringing net customer loans to MAD 207,577 million. We considered that the rise in credit risk for customer loans and the assessment of related provisions constitute a key audit point, as these items are significant amounts which require management judgement and estimates.	We reviewed the Bank's internal control procedure and the key controls relating to the classification of loans and the evaluation of related provisions. Our audit consisted mainly of: - examining compliance with the Accounting Plan for Credit Establishments, and especially with circular 19/G/2002 of Bank Al-Maghrib, of principles implemented by the Bank; - examining the governance procedure and testing key controls implemented at the Bank level; - testing by sample for the correct classification of loans in all appropriate categories; - testing the assessment of provisions through a selection of watchlist and nonperforming loans.

Investments in affiliates	
Key audit question	Audit reply
Investments in affiliates are recorded on the balance sheet at a net book value of MAD 18,943 million. They are recorded individually at their purchase price. When the value is use falls below the net book value, impairment is recorded in the amount of the difference. Value is use is determined for each investment by referring to a valuation method based on available data such as discounted future cash flows, net asset value and multiples commonly used which are useful for assessing future profitability and, for listed investments, the stock price. Because of balance sheet overweighting of investments in affiliates, and the choices of valuation method for determining the value is use and underlying assumptions, we determined that investments in affiliates constitute a key point of our audit.	Our audit consisted mainly of: - examining, on the basis of samples, the justification of valuation methods and quantified items employed by the Bank to determine various values in use; - testing by sample the arithmetic precision of the calculated values in use selected by the Bank.

Management report

We verified that the information contained in the Board of Directors' management report is consistent with the Company's financial statements, as provided for by law.

Responsibilities of management and heads of governance with regard to the financial statements

Management is responsible for the preparation and faithful presentation of the 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, and for the establishment of accounting estimates that are appropriate for the circumstances.

During the preparation of the financial statements, management is responsible for assessing the Company's capacity to continue operations, to transmit if necessary any questions about business continuity, and to apply the business continuity accounting principle except where management intends to liquidate the Company or cease activity, or where there is no other realistic solution available.

Heads of governance are responsible for monitoring the Company's financial information process.

Auditor's responsibilities in auditing the financial statements

Our responsibility is to express an opinion on the financial statements on the basis of our audit. We conducted the audit in accordance with accounting standards applicable in Morocco.

Our objectives are to obtain reasonable assurance that the financial statements overall are free of material misstatements due either to fraud or error, and to provide an auditor's report containing our opinion.

Reasonable assurance corresponds to a high level of assurance, though it does not guarantee that an audit carried out in accordance with professional standards will always detect material misstatements. Misstatements may result from fraud or error, and are considered material where it is reasonable to expect that, individually or collectively, they may influence economic decisions of users of the financial statements.

In the framework of an audit carried out in accordance with professional standards in Morocco, we have apply our professional judgement and critical faculties throughout the audit. Furthermore:

- We identify and assess the risks that the financial statements contain material misstatements due to fraud or error; devise and implement audit procedures to meet the risks; and combine sufficient, appropriate evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than that of not detecting a material misstatement due to error, because fraud can involve collusion, falsification, voluntary omissions, false declarations and the circumvention of internal control.
- We acquire an overall understanding of the internal control items necessary in order to devise audit procedures appropriate for the circumstances, and not with the aim of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of the accounting methods used and the reasonableness of management's accounting estimates, as well as related information provided by management.
- We draw conclusions as to the appropriateness of management's use of the business continuity accounting principle and, given the audit evidence obtained, as to whether there is material uncertainty relating to events or situations likely to cast significant doubt on the Company's capacity to continue operations. When we conclude that there is material uncertainty, we are required to highlight in our report the information provided in the financial statements about the uncertainty or, when this information is inadequate, to express an amended opinion. Our conclusions are based on audit evidence obtained up to the report date. Future events or situations could lead the Company to cease operations.
- We evaluate the overall presentation, structure and content of the financial statements, including information provided therein. We assess whether the financial statements represent underlying operations and events sufficiently to provide a true and faithful view.

We communicate to the heads of governance specifically on the extent and schedule of the audit and on our significant observations, including any significant deficiency in internal control that we identified during our audit.

Casablanca, April 27, 2021

The Statutory Auditors

ERNST & YOUNG

Abdeslam Berrada Allam
Associate

DELOITTE AUDIT

Sakina Bensouda Korachi
Associate

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.

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 signature loans

General presentation of loans

- Loans and advances to credit institutions and customers are classified according to their initial maturity and type:
  - Sight and term loans in the case of credit institutions;
  - Short-term loans, equipment loans, consumer loans, mortgage loans and other loans for customers.
- Signature loans accounted for off-balance sheet relate to transactions which have not yet given rise to cash movements such as irrevocable commitments for the undrawn portion of facilities made available to credit institutions and customers or guarantees given;
- Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers);
- Interest accrued on these loans is recorded under related loans and booked to the income statement.

Non-performing loans on customers

- Non-performing loans on customers are recorded and valued in accordance with prevailing banking regulations.

The main measures applied are summarised as follows:

- Non-performing loans are classified as sub-standard, doubtful or impaired depending on the level of risk;

After deducting the guarantee portion as required by prevailing regulations, provisions for non-performing loans are made as follows:

- 20% for sub-standard loans;
- 50% for doubtful loans;
- 100% for impaired loans.

- Provisions made relating to credit risks are deducted from the asset classes in question. As soon as loans are classified as non-performing, interest is no longer accrued but is recognised as income when received;
- Losses on irrecoverable loans are booked when the possibility of recovering the non-performing loans is deemed to be zero;
- Provisions for non-performing loans are written-back on any positive development in respect of the non-performing loans in question, such as partial or full repayment or a restructuring of the debt with partial repayment.
- The bank has written off non-performing loans using provisions set aside for this purpose.

4. Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are presented in the financial statements according to their initial maturity and type:

- Sight and term borrowings in the case of credit institutions;
- Current accounts in credit, savings accounts, terms deposits and other customer accounts in credit in the case of customers.

Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers), depending on the counterparty;

Interest accrued on these loans is recorded under related borrowings and booked to the income statement.

5. Securities portfolio

5.1. General presentation

Securities transactions are booked and valued in accordance with the Plan Comptable des Etablissements de Crédit.

Securities are classified as a function of their legal characteristics (debt security or equity security) and the purpose for which they are acquired (trading securities, available-for-sale securities, investment securities and investments in affiliates).

5.2. Trading securities

Trading securities are securities which are highly liquid and are acquired with the intention of being resold in the very near future. These securities are recorded at cost (including coupon). At the end of each period, the difference between this value and their market value is recognised directly in the income statement.

5.3. Available-for-sale securities

Available-for-sale securities are securities acquired with the intention of being held for at least 6 months, except for fixed income securities intended to be held until maturity. AFS securities comprise all securities that do not satisfy the criteria required to be classified in another category.

Debt securities are booked excluding accrued interest. The difference between their purchase price and redemption price is amortised over the security's remaining life.

Equities are recorded at cost less acquisition expenses.

At the end of each period, a provision for impairment is made for any negative difference between a security's market value and carrying amount. Unrealised gains are not booked.

5.4. Investment securities

Investment securities are debt securities which are acquired, or which come from another category of securities, with the intention of being held until maturity for the purpose of generating regular income over a long period.

These securities are recorded at cost less acquisition expenses. The difference between their purchase price and redemption price is amortised over the security's remaining life.

At the end of each period, these securities are recorded at cost,

regardless of their market value. Unrealised profit or loss is therefore not recognised.

5.5. Investments in affiliates

This category comprises securities whose long-term ownership is deemed useful to the Bank.

At the end of each period, their value is estimated on the basis of generally accepted criteria such as useful value, share of net assets, future outlook for earnings and share price. Only unrealised losses give rise to provisions for impairment on a case-by-case basis.

5.6. Repos with physical delivery

- Repo securities are maintained on the assets side and continue to be valued according to the rules applicables to their category. The amount received and the interest on the debt are recorded as liabilities.

- Securities received on reversal repo transaction are not recorded as assets on the balance sheet. The amount disbursed and the interest accrued on the receivable are recorded as assets.

6. Foreign currency transactions

Foreign currency loans, amounts owing and signature loans are translated into dirhams at the average exchange rate prevailing on the balance sheet date.

Any foreign exchange difference on contributions from overseas branches and on foreign currency-denominated borrowings for hedging exchange rate risk is recorded in the balance sheet under "Other assets" or "Other liabilities" as appropriate. Any translation difference arising on translation of long-term investment securities acquired in a foreign currency is recorded as a translation difference for each category of security in question.

Any foreign exchange difference on any other foreign currency account is posted to the income statement. Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are booked.

7. Translation of financial statements drawn up in foreign currencies

The «closing rate » method is used to translate foreign currency- denominated financial statements.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of foreign entities are translated at the exchange rate prevailing on the balance sheet date.

Shareholders' equity (excluding net income for the current period) is valued at different historical rates. Any difference arising on restatement (closing rate less historical rate) is recorded in shareholders' equity under «Translation differences».

Translation of income statement items

All income statement items are translated at the average exchange rate over the year except for depreciation and amortisation expenses, which are translated at the closing rate.

8. General provisions

These provisions are made, at the discretion of the management, to address future risks which cannot be currently identified or accurately measured relating to the banking activity.

Provisions made qualify for a tax write-back.

9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recorded in the balance sheet at cost less accumulated depreciation and amortisation, calculated using the straight line method over the estimated use life of the assets in question.

Intangible assets are categorised as operating or non-operating assets and are amortised over the following periods:

Type	*Amortisation period*
- Lease rights	not amortised
- Patents and brands	N/A
- Research and development	N/A
- IT software	6.67 years
- Other items of goodwill	5 years

Les immobilisations corporelles ventilées en immobilisations d'exploitation et hors exploitation sont composées sont amorties sur les durées suivantes :

Type	*Amortisation period*
- Land	not depreciated
- Operating premises	25 years
- Office furniture	6.67 years
- IT hardware	6.67 years
- Vehicles	5 years
- Fixtures, fittings and equipment	6.67 years

10. Deferred expenses

Deferred expenses are expenses which, given their size and nature, are likely to relate to more than one period.

Deferred expenses are amortised over the following periods:

Type	*Amortisation period*
-Start-up costs	3 years
- Expenses incurred in acquiring fixed assets	5 years
- Bond issuance expenses	N/A
- Premiums paid on issuing or redeeming debt securities	N/A
- Other deferred expenses	3-5 years on a case by case basis

11. Recognition of interest and fees in the income statement

Interest

Income and expenses calculated on principal amounts actually lent or borrowed are considered as interest.

Income and expenses calculated on a prorata temporis basis which remunerate a risk are considered as similar income or expenses. This category includes fees on guarantee and financing commitments (guarantees, documentary credits etc.).

Interest accrued on principal amounts actually lent or borrowed is booked under related loans or debt with an offsetting entry in the income statement entry.

Similar income or expenses are recorded under income or expenses when invoiced.

Fees

Income and expenses, calculated on a flat-rate basis for a service provided, are recorded under fees when invoiced.

12. Non-recurring items of income and expenditure

They consist exclusively of income and expenses arising on an exceptional basis and are, in principle, rare in that they are unusual in nature or occur infrequently.

FINANCIAL STATEMENTS

Parent company financial statements at 31 December 2020

Balance sheet at 31 December 2020

(thousand MAD)

ASSETS	12/31/2020	12/31/2019
Cash and balances with central banks, the treasury and post office accounts	9 579 714	10 466 455
Loans and advances to credit institutions and similar establishments	42 771 234	33 288 468
. Sight	13 703 360	5 796 155
. Term	29 067 874	27 492 313
Loans and advances to customers	207 577 423	199 389 610
. Short-term & consumer loans and participatory financing	59 353 560	56 296 253
. Equipment loans and participatory financing	62 224 119	64 159 419
. Mortgage loans and participatory financing	64 086 421	62 686 215
. Other loans and participatory financing	21 913 323	16 247 723
Receivables acquired through factoring	10 138 680	10 985 972
Trading securities and available-for-sale securities	69 047 359	67 908 173
. Treasury bills and similar securities	44 255 378	43 130 214
. Other debt securities	6 506 843	9 402 617
. Fixed income Funds	18 185 793	15 246 365
. Sukuk Certificates	99 345	128 977
Other assets	5 991 609	3 884 867
Investment securities	9 595 637	8 488 531
. Treasury bills and similar securities	9 595 637	8 488 531
. Other debt securities		
. Sukuk Certificates		
Investments in affiliates and other long-term investments	18 942 733	19 271 702
. Investments in affiliates companies	17 918 659	18 252 705
. Other and similar investments	1 024 074	1 018 997
. Moudaraba and mourabaha securities		
Subordinated loans		
Investment deposits given		
Leased and rented assets	834 420	997 456
Fixed assets given in Ijara		
Intangible assets	2 523 161	2 413 121
Property, plant and equipement	3 509 788	3 703 400
Total Assets	380 511 758	360 797 755

LIABILITIES	12/31/2020	12/31/2019
Amounts owing to central banks, the treasury and post office accounts	-	-
Amounts owing to credit institutions and similar establishments	42 804 688	37 492 675
. Sight	2 324 599	3 758 643
. Term	40 480 089	33 734 032
Customer deposits	245 156 343	233 128 874
. Current accounts in credit	172 590 254	153 596 621
. Savings accounts	29 558 322	29 344 406
. Term deposits	32 308 060	37 017 174
. Other accounts in credit	10 699 708	13 170 673
Debts to customers on participatory financing		
Debt securities issued	11 850 235	12 969 319
. Negociable debt securities	11 850 235	12 969 319
. Bonds		
. Other debt securities issued		
Other liabilities	17 148 689	16 876 549
General provisions	4 379 195	3 676 934
Regulated provisions	504 000	
Subsidies, public funds and special guarantee funds		
Subordinated debt	15 573 597	13 043 905
Investment deposits received		
Revaluation reserve	420	420
Reserves and premiums related to share capital	31 967 402	34 794 175
Share capital	2 098 597	2 098 597
Shareholders, unpaid share capital (-)		
Retained earnings (+/-)	6 709 974	1 876 196
Net income to be allocated (+/-)		
Net income for the financial year (+/-)	2 318 618	4 840 111
Total liabilities	380 511 758	360 797 755

OFF-BALANCE SHEET at 31 December 2020

(thousand MAD)

OFF-BALANCE	12/31/2020	12/31/2019
COMMITMENTS GIVEN	143 369 572	138 738 107
Financing commitments given to credit institutions and similar establishments	1 077 126	3 673 291
Financing commitments given to customers	71 127 971	70 761 110
Guarantees given to credit institutions and similar establishments	14 785 726	11 138 687
Guarantees given to customers	56 378 749	52 055 604
Securities purchased with repurchase agreement		
Other securities to be delivered		1 109 415
COMMITMENTS RECEIVED	17 696 128	18 555 786
Financing commitments received from credit institutions and similar establishments		191 864
Guarantees received from credit institutions and similar establishments	17 228 794	16 826 998
Guarantees received from the State and other organisations providing guarantees	463 938	499 815
Securities sold with repurchase agreement		
Other securities to be received	3 396	1 037 109

Management accounting statement at 31 December 2020

(thousand MAD)

I - RESULTS ANALYSIS	12/31/2020	12/31/2019
+ Interest and similar income	11 364 855	11 276 742
- Interest and similar expenses	3 081 423	3 422 477
NET INTEREST MARGIN	8 283 432	7 854 266
+ Income from participatory financing		
- Expenses on participatory financing		
PARTICIPATORY FINANCING MARGIN		
+ Income from lease-financed fixed assets	99 063	251 033
- Expenses on lease-financed fixed assets	145 007	110 308
NET INCOME FROM LEASING ACTIVITIES	-45 944	140 725
+ Income from fixed assets given in Ijara		
- Expenses on fixed assets given in Ijara		
NET INCOME FROM IJARA ACTIVITIES		
+ Fees received	1 814 155	1 937 321
- Fees paid	892	517
NET FEE INCOME	1 813 262	1 936 804
+ Income from trading securities	1 762 844	2 036 579
+ Income from available-for-sale securities	-496	515
+ Income from foreign exchange activities	398 729	683 561
+ Income from derivatives activities	-78 906	-146 997
INCOME FROM MARKET ACTIVITIES	2 082 171	2 573 658
+ Result of Moudaraba and Moucharaka Securities Transactions		
+ Other banking income	1 376 680	1 667 505
- Other banking expenses	1 324 998	1 328 527
NET BANKING INCOME	12 184 603	12 844 430
+ Income from long-term investments	-420 676	20 669
+ Other non-banking operating income	113 290	52 130
- Other non-banking operating expenses	-	32
- General operating expenses	4 826 997	4 934 793
GROSS OPERATING INCOME	7 050 221	7 982 404
+ Net provisions for non-performing loans and signature loans	-1 908 295	-864 545
+ Other net provisions	-615 371	-117 896
NET OPERATING INCOME	4 526 554	6 999 962
NON OPERATING INCOME	-877 926	-142 941
- Income tax	1 330 010	2 016 910
NET INCOME FOR THE FINANCIAL YEAR	2 318 618	4 840 111

II- TOTAL CASH FLOW	12/31/2020	12/31/2019
+ NET INCOME FOR THE FINANCIAL YEAR	2 318 618	4 840 111
+ Depreciation, amortisation and provisions for fixed asset impairment	664 966	571 440
+ Provisions for impairment of long-term investments	428 519	6 342
+ General provisions	572 000	106 300
+ Regulated provisions		
+ Extraordinary provisions	504 000	-
- Reversals of provisions for depreciation of long-term investments	7 843	27 011
- Capital gains on disposal of fixed assets	7 817	8 657
+ Losses on disposal of fixed assets		32
- Capital gains on disposal of long-term investments		
+ Losses on disposal of long-term investments		
- Write-backs of investment subsidies received		
+ TOTAL CASH FLOW	4 472 443	5 488 557
- Profits distributed	2 833 106	2 728 176
+ SELF-FINANCING	1 639 337	2 760 381

NON-PERFORMING CUSTOMER LOANS at 31 December 2020

(thousand MAD)

	Disbursed loans	Signature loans	Amount	Provisions for disbursed loans	Provisions for signature loans	Amount
12/31/2020	15 091 086	817 091	15 908 177	10 327 477	394 147	10 721 624

SALES at 31 December 2020

(thousand MAD)

2020	2019	2018
18 580 424	18 790 646	18 203 195

income statement at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
OPERATING INCOME FROM BANKING ACTIVITIES	18 580 424	18 790 646
Interest and similar income from transactions with credit institutions	912 452	1 021 801
Interest and similar income from transactions with customers	10 140 011	9 960 187
Interest and similar income from debt securities	312 391	294 754
Income from equity securities and Sukuk certificates	1 376 680	1 665 795
Income from Moudaraba and Moucharaka securities		
Income from lease-financed fixed assets	99 063	251 033
Income from fixed assets given in Ijara		
Fee income provided from services	1 813 491	1 936 547
Other banking income	3 926 335	3 660 529
Transfer of expenses on investment deposits received		
OPERATING EXPENSES ON BANKING ACTIVITIES	6 395 821	5 946 215
Interest and similar expenses on transactions with credit institutions	697 211	888 072
Interest and similar expenses on transactions with customers	2 033 508	2 221 060
Interest and similar expenses on debt securities issued	350 704	313 344
Expenses on Moudaraba and Moucharaka securities		
Expenses on lease-financed fixed assets	145 007	110 308
Expenses on fixed assets given in Ijara		
Other banking expenses	3 169 391	2 413 431
Transfer of income on investment deposits received		
NET BANKING INCOME	12 184 603	12 844 430
Non-banking operating income	113 290	52 130
Non-banking operating expenses		32
OPERATING EXPENSES	4 826 997	4 934 794
Staff costs	2 241 884	2 314 118
Taxes other than on income	82 114	106 906
External expenses	1 754 035	1 867 384
Other general operating expenses	83 997	74 946
Depreciation, amortisation and provisions	664 966	571 440
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	3 517 327	1 609 758
Provisions for non-performing loans and signature loans	2 152 461	1 160 447
Losses on irrecoverable loans	93 860	99 237
Other provisions	1 271 006	350 074
PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	572 985	647 987
Provision write-backs for non-performing loans and signature loans	295 189	329 727
Amounts recovered on impaired loans	42 837	65 413
Other provision write-backs	234 960	252 847
INCOME FROM ORDINARY ACTIVITIES	4 526 554	6 999 963
Non-recurring income	5 668	4 928
Non-recurring expenses	883 594	147 869
PRE-TAX INCOME	3 648 628	6 857 021
Income tax	1 330 010	2 016 910
NET INCOME FOR THE FINANCIAL YEAR	2 318 618	4 840 111

Statement of departures from standard accounting treatment at 31 December 2020

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 2020

NATURE DES CHANGEMENTS	REASONS FOR CHANGES	IMPACT OF DEPARTURES 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 2020

(thousand MAD)

LOANS AND ADVANCES	Bank Al Maghrib, the treasury and post office accounts	Banks	other credit institutions & equivalent in Morocco	credit institutions abroad	Total 12/31/2019	Total 12/31/2019
CURRENT ACCOUNTS IN DEBIT	5 132 731	5 040	1 314 290	12 256 504	18 708 565	11 730 625
NOTES RECEIVED AS SECURITY						
- overnight						
- term						
CASH LOANS			10 438 207	2 723 308	13 161 515	12 302 973
- overnight						
- term			10 438 207	2 723 308	13 161 515	12 302 973
FINANCIAL LOANS		1 882 110	8 972 930	3 371 503	14 226 543	13 717 726
OTHER LOANS		1 621 841	12	906	1 622 759	1 459 597
INTEREST ACCRUED AWAITING RECEIPT		21 915	158 455	4 212	184 582	173 138
NON-PERFORMING LOANS						
TOTAL	5 132 731	3 530 906	20 883 894	18 356 433	47 903 964	39 384 059

cash flow statement at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
1. (+) Operating income from banking activities	16 935 040	16 854 915
2. (+) Amounts recovered on impaired loans	42 837	65 413
3. (+) Non-banking operating income	111 141	48 401
4. (-) Operating expenses on banking activities (*)	-8 083 051	-6 625 073
5. (-) Non-banking operating expenses		
6. (-) General operating expenses	-4 162 031	-4 363 353
7. (-) Income tax	-1 330 010	-2 016 910
I. NET CASH FLOW FROM INCOME STATEMENT	3 513 926	3 963 393
Change in:		
8. (±) Loans and advances to credit institutions and similar establishments	-9 482 766	-245 802
9. (±) Loans and advances to customers	-7 340 522	-6 808 136
10. (±) Trading securities and available-for-sale securities	-1 139 185	-1 568 041
11. (±) Other assets	-2 106 742	1 601 394
12. (±) Lease-financed fixed assets	163 036	-325 452
13. (±) Amounts owing to credit institutions and similar establishments	5 312 013	-1 180 166
14. (±) Customer deposits	12 027 469	-1 379 008
15. (±) Debt securities issued	-1 119 084	4 422 272
16. (±) Other liabilities	-2 560 966	4 087 590
II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES	-6 246 747	-1 395 349
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)	-2 732 821	2 568 044
17. (+) Income from the disposal of long-term investments		263 718
18. (+) Income from the disposal of fixed assets	47 090	20 472
19. (-) Acquisition of long-term investments	-1 198 813	-418 954
20. (-) Acquisition of fixed assets	-620 665	-843 129
21. (+) Interest received	268 704	269 936
22. (+) Dividends received	1 376 680	1 665 795
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	-127 004	957 838
23. (+) Subsidies, public funds and special guarantee funds		
24. (+) Subordinated loan issuance	2 500 000	2 000 000
25. (+) Equity issuance		
26. (-) Repayment of shareholders' equity and equivalent		
27. (-) Interest paid	-526 916	-424 974
28. (-) Dividends paid		-2 728 176
V- NET CASH FLOW FROM FINANCING ACTIVITIES	1 973 084	-1 153 150
VI- NET CHANGE IN CASH AND CASH EQUIVALENTS	-886 741	2 372 732
VII- CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	10 466 455	8 093 723
VIII- CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9 579 714	10 466 455

(*) : including net provisions

loans and advances to customers at 31 December 2020

(thousand MAD)

LOANS AND ADVANCES	public sector	private sector: Financial companies	private sector: non-financial companies	private sector: other customers	Total 12/31/2020	Total 12/31/2019
SHORT-TERM LOANS	2 153 820	922 862	41 822 882	2 170 670	47 070 234	43 555 357
- Current accounts in debit	525 874	922 862	15 667 537	1 562 080	18 678 353	17 544 930
- Commercial loans within Morocco			3 696 852		3 696 852	5 308 574
- Export loans			218 029	31 167	249 196	341 657
- Other cash loans	1 627 946		22 240 464	577 423	24 445 833	20 360 196
CONSUMER LOANS			351 835	11 383 809	11 735 644	12 210 433
EQUIPMENT LOANS	37 197 568		23 096 458	1 003 001	61 297 027	63 300 738
MORTGAGE LOANS	75 822		12 009 853	51 996 570	64 082 245	62 683 481
OTHER LOANS	14 721	14 428 933	2 444 246	255 329	17 143 229	12 176 174
RECEIVABLES ACQUIRED THROUGH FACTORING	10 092 290				10 092 290	10 939 581
INTEREST ACCRUED AWAITING RECEIPT	806 373	26 648	619 280	79 523	1 531 824	1 444 218
NON-PERFORMING LOANS	11 907	6 659	1 218 112	3 526 932	4 763 610	4 065 600
- Sub-standard loans			91	1 529 768	1 529 859	1 228 644
- Doubtful loans			24 056	570 045	594 101	558 515
- Impaired loans	11 907	6 659	1 193 965	1 427 119	2 639 650	2 278 441
TOTAL	50 352 501	15 385 102	81 562 666	70 415 834	217 716 103	210 375 582

BREAKDOWN OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER at 31 December 2020

(thousand MAD)

SECURITIES	CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	PUBLIC ISSUERS	PRIVATE ISSUERS: FINANCIAL COMPANIES	PRIVATE ISSUERS: NON-FINANCIAL COMPANIES	12/31/2020	12/31/2019
LISTED SECURITIES	3 617		18 080 346	85 205	18 169 168	15 229 740
- Treasury bills and similar instruments						
- Bonds						
- Other debt securities						
- Fixed income Funds	3 617		18 080 346	85 205	18 169 168	15 229 740
- Sukuk Certificates						
UNLISTED SECURITIES	4 776 755	53 789 143	1 598 695	103 656	60 268 249	60 981 242
- Treasury bills and similar instruments		53 596 617			53 596 617	53 533 062
- Bonds	1 552 327	23 366		97 376	1 673 069	1 718 092
- Other debt securities	3 223 757	61 717	1 597 117		4 882 591	5 584 484
- Fixed income Funds	671	8 098	1 578	6 280	16 627	16 627
- Sukuk Certificates		99 345			99 345	128 977
TOTAL	4 780 372	53 789 143	19 679 041	188 861	78 437 417	76 210 982

Value of trading securities, available-for-sale securities and investment securities at 31 December 2020

(thousand MAD)

SECURITIES	Value	Current value	Redemption Value	Unrealised Capital gains	Unrealised Losses	Provisions
TRADING SECURITIES	65 780 278	65 780 278				
- Treasury bills and similar instruments	44 214 784	44 214 784				
- Bonds	97 376	97 376				
- Other debt securities	3 218 688	3 218 688				
- Fixed income Funds	18 150 085	18 150 085				
- Sukuk Certificates	99 345	99 345				
AVAILABLE-FOR-SALE SECURITIES	3 278 109	3 247 235		13 748	30 874	30 874
- Treasury bills and similar instruments	38 715	38 715		101		
- Bonds	1 575 693	1 575 693		1 878		
- Other debt securities	1 597 117	1 597 117				
- Fixed income Funds	66 584	35 710		11 769	30 874	30 874
- Sukuk Certificates						
INVESTMENT SECURITIES	9 409 904	9 409 904				
- Treasury bills and similar instruments	9 343 118	9 343 118				
- Bonds						
- Other debt securities	66 786	66 786				
- Sukuk Certificates						

details of other assets at 31 December 2020

(thousand MAD)

ASSETS	AMOUNT AT 12/31/2020	AMOUNT AT 12/31/2019
PURCHASED OPTIONS	168 384	45 117
SUNDRY SECURITIES TRANSACTIONS		
SUNDRY DEBTORS	1 451 449	618 580
Amounts due from the State	965 658	300 500
Amounts due from mutual		
Sundry amounts due from Staff		
Amounts due from customers for non-banking services	37	43
Other sundry debtors	485 754	318 037
OTHER SUNDRY ASSETS	801	2 015
ACCRUALS AND SIMILAR	4 237 832	3 085 632
Adjustment accounts for off-balance sheet transactions	34 981	7 331
Translation differences for foreign currencies and securities		
Income from derivative products and hedging		
Deferred expenses	1 008 105	213 177
Inter-company accounts between head office, branch offices and branches in Morocco	291 580	437 667
Accounts receivable and prepaid expenses	2 056 632	1 594 790
Other accruals and similar	846 534	832 667
NON-PERFORMING LOANS ON SUNDRY TRANSACTIONS	133 143	133 523
TOTAL	5 991 609	3 884 867

LEASED AND RENTED ASSETS

at 31 December 2020

(thousand MAD)

TYPE	Gross amount exercise ning of the at the begin	Amount of exercise during the acquisitions	Amount of exercise during the withdrawals transfers or	gross the exercise the end of amount at	Amortisation		Provisions			net amount exercise of the at the end
					Allocation during the exercise	Aggregate depreciate	Allocation in the exercise	provision write downs	Aggregate provisions	
LEASED AND RENTED ASSETS	1 578 866	4 109	32 003	1 550 972	145 007	716 552				834 420
Leased intangible assets										
Equipment leasing	1 513 927	4 109		1 518 036	145 007	694 616				823 420
- Movable assets under lease	386			386						386
- Leased movable assets	1 513 541	4 109		1 517 650	145 007	694 616				823 034
- 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	39 292		32 003	7 289						7 289
Non-performing loans										
RENTED ASSETS										
Rented movable property										
Rented property										
Rents awaiting receipt										
Restructured rents										
Rents in arrears										
Non-performing rents										
TOTAL	1 578 866	4 109	32 003	1 550 972	145 007	716 552				834 420

Subordinated loans at 31 December 2020

(thousand MAD)

LOANS	Amount				including affiliates and related companies	
	12/31/2020			12/31/2019	12/31/2020	12/31/2019
	gross	Prov.	Net	gross	Net	Net
	1	2	3	4	5	6
Subordinated loans to credit institutions and similar establishments	N E A N T					
Subordinated loans to customers						
TOTAL						

Intangible assets and proprety, plant and equipment at 31 December 2020

(thousand MAD)

TYPE	gross value at the beginning of the exercise	Acquisitions	disposals	gross value at the end of the exercise	Amortisation/provisions: Amortisation and provisions at the beginning of the exercise	Additional amortisation	Amortisation on disposed assets	Accumulated amortisation and depreciation	net value at the end of the exercise
INTANGIBLE ASSETS	4 291 621	362 952	43 263	4 611 310	1 878 500	242 471	32 822	2 088 149	2 523 161
- Lease rights	315 426			315 427					315427
- Research and development									
- Intangible assets used in operations	3 976 195	362 952	43 263	4 295 884	1 878 500	242 471	32 822	2 088 149	2 207 734
- Non-operating intangible assets									
PROPERTY, PLANT AND EQUIPMENT	8 890 469	257 713	70 369	9 077 815	5 187 066	422 495	41 536	5 568 025	3 509 788
IMMOVABLE PROPERTY USED IN OPERATIONS	2 152 352	24 280	19 307	2 157 325	1 018 490	49 601	1 755	1 066 336	1 090 989
- Land	581 026		2 329	578 697					578 697
- Office buildings	1 521 947	24 280	16 978	1 529 249	971 897	49 036	1 755	1 019 178	510 071
- Staff accommodation	49 379			49 379	46 593	565		47 158	2 221
MOVABLE PROPERTY AND EQUIPMENT USED IN OPERATIONS	2 481 299	142 370	37 567	2 586 103	2 021 079	123 801	36 009	2 108 871	477 231
- Office property	475 527	6 872	4 824	477 575	418 802	14 909	3 267	430 444	47 131
- Office equipment	987 980	57 720	28 032	1 017 668	830 821	41 161	28 032	843 950	173 718
- IT equipment	1 009 610	77 778	4 710	1 082 678	763 534	67 603	4 710	826 427	256 251
- Vehicles	8 182			8 182	7 922	128		8 050	132
- Other equipment									
OTHER PROPERTY, PLANT AND EQUIPMENT USED IN OPERATIONS	2 122 768	86 581	160	2 209 189	1 686 001	116 387	668	1 801 720	407 469
PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATIONS	2 134 050	4 482	13 335	2 125 198	461 496	132 706	3 104	591 098	1 534 100
Land	841 504	-	1 241	840 263	-	-	-	-	840 263
Buildings	1 052 326	-	11 173	1 041 153	317 371	123 299	2 291	438 379	602 774
Movable property and equipment	69 547	20	813	68 755	48 780	55	813	48 022	20 733
Other property, plant and equipment not used in operations	170 673	4 462	108	175 027	95 345	9 352	-	104 697	70 330
TOTAL	13 182 090	620 665	113 632	13 689 125	7 065 566	664 966	74 358	7 656 174	6 032 949

Gains and losses on fixed asset transfers or withdrawals at 31 December 2020

(thousand MAD)

date of transfer or withdrawal	type	gross amount	Aggregate depreciation	net book value	transfer income	Value-added transfers	loss in value transfers
	REAL ESTATE	69 442	37 681	31 761	39 578	7 817	
	GROUNDS	3 571		3 571			
	BUILDINGS	21 400	3 651	17 749			
	LEASE RIGHT	874	874				
	FEES	334	334				
	FIXTURES, FITTING & INSTALLATIONS	43 263	32 822	10 441			
	PROPERTIES	36 822	36 822				
	MOBILIER DE BUREAU	3 267	3 267				
	MATÉRIEL DE BUREAU	28 845	28 845				
	MATÉRIEL INFORMATIQUE	4 710	4 710				
TOTAL GENERAL		106 264	74 503	31 761	39 578	7 817	-

investments in affiliates and other long-term investments at 31 December 2020

(thousand MAD)

Name of the issuing company	Sector of activity	Share capital	Share of held	gross book value	net book value	data from the issuing company's most recent financial statements			contri-bution to income year's
						Year-end	net assets	net income	
A- investments in affiliate companies				18 654 912	18 090 675				1 294 180
ATTIJARIWAFA BANK EGYPT	Bank	995 129 KEGP	60,00%	3 244 162	2 871 649	30/06/20	5 256 353 KEGP	133 652 KEGP	-
ATTIJARI TCHAD	Bank	10 000 000 KFCFA	100,00%	166 280	166 280		-	-	
BANK ASSAFA	Bank	600.000	100,00%	600 000	600 000	12/31/19	241.877	-92.315	-
BANQUE INTERNATIONALE POUR LE MALI "BIM SA"	Bank	20 011 480 KFCFA	66,30%	829 212	829 212	12/31/19	32 934 000 KFCFA	532 000 KFCFA	-
CREDIT DU SENEGAL	Bank	10 000 000 KFCFA	95,00%	292 488	292 488	12/31/19	28 572 000 KFCFA	6 707 000 KFCFA	37.166
CREDIT DU CONGO	Bank	10 476 730 KFCFA	91,00%	608 734	608 734	12/31/19	25 482 000 KFCFA	5 717 000 KFCFA	-
COMPAGNIE BANCAIRE DE L'AFRIQUE OCCIDENTALE "CBAO"	Bank	11 450 000 KFCFA	4,90%	35 979	35 979	12/31/19	123 179 000 KFCFA	25 985 000 KFCFA	13.456
SOCIETE IVOIRIENNE DE BANQUE "SIB"	Bank	10 000 000 KFCFA	51,00%	648 084	648 084	12/31/19	127 031 000 KFCFA	33 529 000 KFCFA	108.395
SOCIETE CAMEROUNAISE DE BANQUE "SCB"	Bank	10 540 000 KFCFA	51,00%	379 110	379 110	12/31/19	56 626 000 KFCFA	9 521 000 KFCFA	-
SOCIETE BIA TOGO	Bank	10 000 000 KFCFA	56,58%	153 301	153 301	12/31/19	11 514 000 KFCFA	833 000 KFCFA	-
SUCCURSALE DE BRUXELLES EX BCM	Bank	558 KEURO	100,00%	57 588	57 588	30/06/17	1 632 KEUR		-
UNION GABONAISE DE BANQUES "UGB GABON"	Bank	10 000 000 KFCFA	58,71%	848 842	848 842	12/31/19	48 425 000 KFCFA	15 505 000 KFCFA	-
ATTIJARI FINANCES CORPORATION	Investment bank	10.000	100,00%	10 000	10 000	12/31/19	27 554	1 373	
ATTIJARIWAFA BANK MIDDLE EAST LIMITED	Investment bank	1.000	100,00%	8 194	8 194		-	-	-
WAFACAMBIO	Credit institution		100,00%	963	963		-	-	-
ATTIJARI INTERNATIONAL BANK "AIB"	Offshore bank	2 400 KEUR	100,00%	92 442	92 442	30/06/20	23 627 KEURO	1 198 KEURO	26 040
WAFABANK OFFSHORE DE TANGER	Offshore bank		100,00%	5 842	5 842				-
ANDALUCARTAGE	Holding	308 162 KEURO	100,00%	3 937 574	3 937 574	12/31/19	356 986 KEURO	14 300 KEURO	37 283
ATTIJARI AFRIQUE PARTICIPATION	Holding	10 010 KEUR	100,00%	167 245	167 245	30/09/19	11 289 KEUR	1 446 KEUR	40 000
ATTIJARI AFRICA HOLDING	Holding	300	100,00%	300	300	12/31/19	198	-86	-
ATTIJARI IVOIRE SA	Holding	32 450 KEUR	66,67%	236 891	236 891	30/09/19	37 199 KEUR	4 577 KEUR	35 237
ATTIJARIWAFA EURO FINANCES	Holding	48 600 KEUR	100,00%	502 621	502 621	12/31/18	48 137 KEURO	-61 KEURO	-
BCM CORPORATION	Holding	200.000	100,00%	200 000	200 000	12/31/19	241 096	23 863	23 000
CAFIN	Holding	1 122 000 KFCFA	100,00%	257 508	257 508	12/31/19	6 475 381 KFCFA	2 249 221 KFCFA	33 095
KASOVI	Holding	50 KUSD	100,00%	1 519 737	1 519 737	12/31/19	121 393 KUSD	83 391 KUSD	369 215
OMNIUM DE GESTION MAROCAIN S.A."OGM"	Holding	950490	50,00%	1 638 145	1 638 145	12/31/19	1 576 523	525 245	165 000
WAFA INVESTISSEMENT	Holding investment	1.787	100,00%	46	46	12/31/19	1 082	-33	-
ATTIJARI ASSET MANAGEMENT AAM SA (Sénégal)	Asset management	1 200 000 FCFA	70,00%	13 889	13 889	12/31/19	2 677 902	619 253	9 318
ATTIJARI SECURITISES CENTRAL AFRICA (ASCA)	Asset management	1 312 000 K FCFA	70,00%	15 351	15 351	12/31/19	3 838 996 KFCFA	1 621 064 KFCFA	9 680
SOMACOVAM	Asset management	5 000	100,00%	30 000	-	12/31/19	-9 774	-4 181	-
WAFA GESTION	Asset management	4 900	66,00%	236 369	236 369	30/06/20	191 613	37 627	56 918
ATTIJARI INVEST.	Asset management	5 000	100,00%	5 000	5 000	12/31/19	59 818	1 520	-
ATTIJARI CAPITAL DEVELOPEMENT	Venture capital	10 320	100,00%	10 320	-	12/31/19	-73 449	-22 089	-
CASA MADRID DEVELOPPEMENT	Capital development	10 000	50,00%	5 000	5 000	12/31/19	10 270	-36	-
WAFA BOURSE	Securities brokerage	20 000	100,00%	40 223	40 223	12/31/19	41 589	-1 316	19 589
ATTIJARI INTERMEDIATION	Securities brokerage	5 000	100,00%	39 492	39 492				
ATTIJARI TITRISATION	Securitization	11 400	100,00%	11 700	11 102	12/31/19	11 102	1 183	-
FT MIFTAH	Securitization fund	50 100	100,00%	50 100	50 100	12/31/19	854 000	2 607	8 787
FT MIFTAH II	Securitization fund	50 100	100,00%	50 100	50 100	12/31/19	1 000 928	777	-
WAFA TRUST	Consulting and financial engineering	1 500	100,00%	1 500	595	12/31/19	595	-140	-
WAFASALAF	Consumer finance	113 180	50,91%	634 783	634 783	12/31/19	1 777	337	-
WAFA LLD	Leasing	20 000	100,00%	20 000	20 000	12/31/19	41 562	13 166	10 000
WAFABAIL	Leasing	150 000	58,57%	97 886	97 886	12/31/19	1 092 502	128 152	-
DAR ASSAFAA LITAMWIL	Specialised financial company	50 000	100,00%	50 510	50 510	12/31/19	88 917	9 224	-
ATTIJARI GLOBAL RESEARCH	Financial services	1 000	100,00%	1 000	1 000	12/31/19	3 045	-6	-
ATTIJARI OPERATIONS	Services company	1 000	100,00%	1 000	640	12/31/19	640	-53	-
ATTIJARI AFRICA	Services company	2 000	100,00%	2 000	2 000	12/31/19	20 859	621	-
ATTIJARI CIB AFRICA	Services company	2 000	100,00%	2 000	1 503	12/31/19	1 503	-84	-
ATTIJARI IT AFRICA	Services company	1 000	100,00%	30 000	30 000	12/31/19	48 773	11 669	-
ATTIJARI REIM	Titrisation	5 000	100,00%	5 000	5 000	12/31/19	4 728	-272	-
MEDI TRADE	Trading	1 200	20,00%	240	138	12/31/19	690	-3	-
WAFA COURTAGE	Brokerage	1 000	100,00%	2 397	2 397	12/31/19	76 015	42 086	40 000
WAFACASH	Electronic banking	35 050	100,00%	324 074	324 074	12/31/19	387 592	140 844	140 000
ATTIJARI PAYMENT PROCESSING	Electronic banking	1 000	100,00%	25 000	25 000	12/31/19	107 658	15 382	-
DINERS CLUB DU MAROC	Payment card management	1 500	100,00%	1 675	-34	12/31/19	-177	-248	-
STE MAROCAINE DE GESTION ET TRAITEMENT INFORMATIQUE "SOMGETI"	Data processing	300	100,00%	100	75	12/31/19	75	-19	-
WAFA SYSTEMES DATA	Data processing	1 500	100,00%	1 500	1 118	28/02/18	1 118	-	-
AGENA MAGHREB	Sale of computer equipment	11 000	74,96%	33	-	12/31/19	-7 104	-100	-
WAFA COMMUNICATION	Communication	3 000	85,00%	2 600	-	31/05/20	-2 481	-214	-
WAFA SYSTEMES CONSULTING	Computer systems consulting	5 000	99,88%	4 994	4 994	28/02/18	6 045	-	-
WAFA SYSTEMES FINANCES	Engineering computer science	2 000	100,00%	2 066	827	28/02/18	827	-	-
WAFA FONCIERE	Holding company	2 000	100,00%	3 700	1 704	12/31/19	1 704	-38	-
ATTIJARIA AL AAKARIA AL MAGHRIBIA	Holding company	10 000	100,00%	9 999	9 999	12/31/19	17 527	-137	-
ATTIJARI RECOUVREMENT	Holding company	3 350	100,00%	11 863	4 428	12/31/19	4 428	-22	-
AYK	Holding company	100	100,00%	100	-	29/09/19	-1 052	-18	-
SOCIETE IMMOBILIERE ATTIJARIA AL YOUSSOUFIA	Holding company	50 000	100,00%	51 449	25 368	12/31/19	25 368	-43	-
STE IMMOB.BOULEVARD PASTEUR " SIBP"	Holding company	300	50,00%	25	25	12/31/19	452	-313	-
SOCIETE IMMOBILIERE DE L'HIVERNAGE SA	Holding company	15 000	100,00%	15 531	2 579	12/31/19	2 579	-1 806	-
SOCIETE IMMOBILIERE MAIMOUNA	Holding company	300	100,00%	5 266	2 205	12/31/19	2 205	-237	-
STE IMMOBILIERE MARRAKECH EXPANSION	Holding company	300	100,00%	299	299	12/31/19	365	-6	-

investments in affiliates and other long-term investments at 31 December 2020

(thousand MAD)

SOCIETE IMMOBILIERE ZAKAT	Holding company	300	100,00%	2 685	-	12/31/19	-1 973	-1 634	-
SOCIETE CIVILE IMMOBILIERE TOGO LOME	Holding company	3 906 000 KFCFA	100,00%	66 761	66 761	12/31/19	3 725 324 KFCFA	- 21 570 KFCFA	-
ATTIJARI IMMOBILIER	Property	50 000	99,99%	71 686	71 686	12/31/19	64 107	368	-
AL MIFTAH	Property	100	100,00%	244	-	12/31/20	-5 313	-768	-
CAPRI	Property	25 000	100,00%	88 400	-	12/31/20	-61 779	-22 611	-
WAFA IMMOBILIER	Real estate loans	50 000	100,00%	164 364	164 364	12/31/19	170 315	112 784	112 000
ATTIJARI PROTECTION	Security	4 000	83,75%	3 350	3 350	31/05/20	4 136	-16	-
B - Other investments		648 622	522 086						17 014
ATTIJARIWAFA BANK	Bank	2 098 597		623	623		-	-	
BANQUE D'AFFAIRE TUNISIENNE	Bank	198 741		2 583	-		-	-	
BANQUE MAGHREBINE POUR L'INVESTISSEMENT ET LE COMMERCE EXTERIEUR "BMICE"	Bank	150 000 KUSD	4,00%	53 848	52 441	12/31/19	64 096 KUSD	- 6797 KUSD	
IMMOBILIERE INTERBANCAIRE "G.P.B.M."	Professional banker's association	19 005	20,00%	3 801	3 801		-	-	
BOURSE DE CASABLANCA	Stock exchange	387 518	8,42%	32 628	32 627	12/31/19	710 420	36 107	
AGRAM INVEST	Investment funds	40 060	27,82%	10 938	6 937	30/06/20	25 102	-	
FONDS D'INVESTISSEMENT IGRANE	Investment funds	54 600	18,26%	9 970	9 157	30/06/20	55 144	-	
H PARTNERS	Investment funds	1 400 010	7,14%	100 000	49 089	12/31/19	764 636	-46 231	
MAROC NUMERIQUE FUND	Investment funds	75 000	20,00%	15 000	7 654	30/06/20	41 675	-148	
MAROC NUMERIQUE FUND II	Investment funds	40 000	19,61%	7 843	2 519	30/06/20	12 844	-1 973	
ALTERMED MAGHREB EUR	Investment funds	-	7,94%	5 247	-	12/31/17	432	-	
3 P FUND	Investment funds	270 020	5,00%	13 500	8 930	30/06/20	180 967	-	
AM INVESTISSEMENT MOROCCO	Equity investments	218 310	3,25%	13 000	7 411	12/31/19	228 019	-20 020	
FONDS ATTIJARI AFRICA FUNDS MULTI ASSETS	Asset management	31 KEURO		346	-	-	-	-	
AGRAM GESTION	Asset management			1	1				
EUROCHEQUES MAROC	Financial services	1 500		364	-		-	-	
MOROCCAN FINANCIAL BOARD	Financial services	400 000	12,50%	20 000	20 000	12/31/18	408 571	9 731	
TECHNOLOPARK COMPANY "MITC"	Service provision	46 000	17,72%	8 150	7 784	12/31/19	65 392	835	
SALIMA HOLDING	Holding	150 000	6,07%	16 600	13 533	12/31/19	222 941	-2 961	
MAROCLEAR	Custodian of securities	100 000		1 342	1 342	12/31/19	306 248	1 369	
EXP SERVICES MAROC S.A.	Risk centralization services	20 000	3,00%	600	-		-	-	
INTER MUTUELLES ASSISTANCE	Insurance	-		894	-		-	-	
SMAEX	Insurance	50 000		4 278	4 278	12/31/19	133 902	4 995	
WAFA IMA ASSISTANCE	Insurance	50 000	32,50%	15 356	15 356	12/31/19	146 382	25 039	2 437
CENTRE MONETIQUE INTERBANCAIRE	Electronic banking	98 200	22,40%	22 000	22 000	30/06/20	110 575	-12 858	7 700
SOCIETE INTERBANK	Bank card management	11 500	16,00%	1 840	-		-	-	
SGFG SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE DES DEPÔTS BANCAIRES	Collective deposit guarantee fund management	1 000		59	59	12/31/19	4 719	1 204	
NOUVELLES SIDERURGIES INDUSTRIELLES	Steel industry	3 415 000	2,72%	62 942	62 942	30/06/16	3 665 056	126 891	
SONASID	Steel industry	390 000	0,27%	28 391	2 478	12/31/19	1 284 666	8 304	
BOUZNIKA MARINA	Real estate loans	-		500	-		-	-	
STE D'AMENAGEMENT DU PARC NOUACER"SAPINO"	Real estate loans	60 429	22,69%	13 714	13 714	12/31/18	241 656	31 700	
TANGER FREE ZONE	Real estate loans	335 800	16,95%	58 221	58 221		-	-	5 692
HAWAZIN	Property	960	12,50%	704	-		-	-	
INTAJ	Property	576	12,50%	1 041	-		-	-	
FONCIERE EMERGENCE	Property	372 172	8,06%	37 057	34 346	30/06/20	420 028	4 734	1 185
IMPRESSION PRESSE EDITION (IPE)	Puplishing	-		400	-		-	-	
MOUSSAFIR HOTELS	Hotel	253 000	33,34%	84 343	84 343	30/06/20	199 113	-15 924	
CASA PATRIMOINE	Conservation & restoration of Casablanca' s heritage	31 000	1,61%	500	500				
C- Emplois assimilés				389 693	329 972				-
PARTNERS CURRENT ACCOUNT				373 858	314 137				
OTHER SIMILAR INVESTMENTS				15 835	15 835				
Total Général				19 693 227	18 942 733				1 311 194

Amounts owing to credit institutions and similar establishments at 31 December 2020

(thousand MAD)

AMOUNTS OWING	credit institutions and similar establishments in Morocco			credit institutions overseas	12/31/2020	12/31/2019
	Bank Al Maghrib, the treasury and post office accounts	Banks	other credit institutions and similar establishments			
CURRENT ACCOUNTS IN CREDIT		938	873 020	1 126 281	2 000 239	684 967
NOTES GIVEN AS SECURITY	23 767 614				23 767 614	22 120 544
- overnight						1 050 073
- term	23 767 614				23 767 614	21 070 471
CASH BORROWINGS	9 400 000	254 000	1 932 991	1 801 864	13 388 855	12 692 710
- overnight		254 000	70 348		324 348	2 023 456
- term	9 400 000		1 862 643	1 801 864	13 064 507	10 669 254
FINANCIAL BORROWINGS	1 992			3 424 728	3 426 720	1 914 933
OTHER DEBTS	73 076	98 231			171 307	36 662
ACCRUED INTEREST PAYABLE					49 953	42 859
TOTAL	33 242 682	353 169	2 806 011	6 352 873	42 804 688	37 492 675

customer deposits at 31 December 2020

(thousand MAD)

DEPOSITS	public sector	private sector			Total 12/31/2020	Total 12/31/2019
		Financial companies	non-financial companies	private sector		
CURRENT ACCOUNTS IN CREDIT	2 668 805	4 179 121	37 547 690	127 373 551	171 769 167	152 229 350
SAVINGS ACCOUNTS				29 431 984	29 431 984	29 213 302
TERM DEPOSITS	186 800	3 464 899	7 223 793	20 935 477	31 810 969	36 462 339
OTHER ACCOUNTS IN CREDIT	308 446	381 442	8 077 031	2 914 027	11 680 946	14 636 970
ACCRUED INTEREST PAYABLE					463 277	586 913
TOTAL	3 164 051	8 025 462	52 848 514	180 655 039	245 156 343	233 128 874

debt securities issued at 31 December 2020

(thousand MAD)

SECURITIES	characteristics					Value	including		Unamortised value of issue or redemption premiums
	entitlement date	Maturity	nominal value	interest rate	Redemption terms		Affiliates	Related companies	
Certificate of deposit	20/01/16	20/01/21	100	3,58%	IN FINE	200 000			
Certificate of deposit	05/02/16	05/02/21	100	3,43%	IN FINE	200 000			
Certificate of deposit	02/02/18	02/02/23	100	4,00%	IN FINE	300 000			
Certificate of deposit	13/06/18	13/06/23	100	3,30%	IN FINE	400 000			
Certificate of deposit	14/12/18	14/12/23	100	3,40%	IN FINE	500 000			
Certificate of deposit	25/01/19	25/01/21	100	2,94%	IN FINE	800 000			
Certificate of deposit	25/01/19	25/01/22	100	3,08%	IN FINE	700 000			
Certificate of deposit	18/03/19	18/03/22	100	2,94%	IN FINE	300 000			
Certificate of deposit	28/03/19	28/03/23	100	3,06%	IN FINE	450 000			
Certificate of deposit	29/03/19	29/03/22	100	2,94%	IN FINE	240 000			
Certificate of deposit	29/03/19	29/03/23	100	3,05%	IN FINE	210 000			
Certificate of deposit	18/04/19	18/04/22	100	2,90%	IN FINE	200 000			
Certificate of deposit	18/04/19	18/04/23	100	3,03%	IN FINE	200 000			
Certificate of deposit	13/06/19	11/06/21	100	2,69%	IN FINE	500 000			
Certificate of deposit	20/06/19	20/06/22	100	2,74%	IN FINE	500 000			
Certificate of deposit	20/06/19	20/06/23	100	2,86%	IN FINE	500 000			
Certificate of deposit	10/07/19	12/07/21	100	2,66%	IN FINE	431 000			
Certificate of deposit	10/07/19	10/07/23	100	2,88%	IN FINE	500 000			
Certificate of deposit	31/07/19	01/08/22	100	2,84%	IN FINE	400 000			
Certificate of deposit	09/09/19	09/09/21	100	2,68%	IN FINE	500 000			
Certificate of deposit	28/11/19	29/11/21	100	2,65%	IN FINE	200 000			
Certificate of deposit	28/11/19	28/11/22	100	2,71%	IN FINE	350 000			
Certificate of deposit	28/11/19	28/11/23	100	2,78%	IN FINE	500 000			
Certificate of deposit	12/03/20	14/03/22	100	2,67%	IN FINE	400 000			
Certificate of deposit	12/03/20	13/03/23	100	2,75%	IN FINE	630 000			
Certificate of deposit	20/03/20	25/03/25	100	2,98%	IN FINE	450 000			
Certificate of deposit	29/07/20	29/07/22	100	2,10%	IN FINE	270 000			
Certificate of deposit	07/09/20	07/09/22	100	2,16%	IN FINE	390 000			
Certificate of deposit	07/09/20	09/09/24	100	2,39%	IN FINE	110 000			
Certificate of deposit	02/10/20	03/10/22	100	2,15%	IN FINE	133 000			
Certificate of deposit	02/10/20	02/10/25	100	2,55%	IN FINE	100 000			
Certificate of deposit	15/12/20	14/12/21	100	2,07%	IN FINE	100 000			
TOTAL						11 664 000			

details of other liabilities at 31 December 2020

(thousand MAD)

LIABILITIES	MONTANT AU 12/31/2020	MONTANT AU 12/31/2019
OPTIONS SOLD	652 960	426 395
SUNDRY SECURITIES TRANSACTIONS	7 464 965	11 593 693
SUNDRY CREDITORS	5 860 094	3 135 491
Amounts due to the State	884 326	977 790
Amounts due to mutual societies	86 951	85 656
Sundry amounts due to staff	556 004	471 387
Sundry amounts due to shareholders and associates	2 837 585	6 281
Amounts due to suppliers of goods and services	1 471 536	1 571 857
Other sundry creditors	23 692	22 520
DEFERRED INCOME AND ACCRUED EXPENSES	3 170 670	1 720 970
Adjustment accounts for off-balance sheet transactions	531 491	15 531
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	893 411	877 718
Other deferred income	1 745 768	827 721
TOTAL	17 148 689	16 876 549

Provisions at 31 December 2020

(thousand MAD)

PROVISIONS	outstanding 12/31/2019	Additional provisions	Write-backs	other changes	outstanding 12/31/2020
PROVISIONS, DEDUCTED FROM ASSETS, FOR:	8 933 847	2 478 185	287 346	535	11 125 221
Loans and advances to credit institutions and other similar establishments					
Loans and advances to customers	8 557 095	2 048 943	279 096	535	10 327 477
Available-for-sale securities	30 558	723	407		30 874
Investments in affiliates and other long-term investments	329 817	428 519	7 843		750 493
Leased and rented assets	-				-
Other assets	16 377				16 377
PROVISIONS RECORDED UNDER LIABILITIES	3 676 934	946 006	243 210	503 465	4 883 195
Provisions for risks in executing signature loans	307 256	103 519	16 093	-535	394 147
Provisions for foreign exchange risks	-				-
General provisions	2 314 739	572 000			2 886 739
Provisions for pension fund and similar obligations	173 812	87 380	52 613		208 579
Other provisions	881 127	183 107	174 504		889 730
Regulated provisions				504 000	504 000
TOTAL	12 610 781	3 424 191	530 556	504 000	16 008 416

Subsidies, public funds and special guarantee funds at 31 December 2020

(thousand MAD)

	ECONOMIC PURPOSE	TOTAL VALUE	VALUE AT DECEMBER 2018	UTILISATION DECEMBER 2019	VALUE AT DECEMBER 2019
SUBSIDIES	NOT APPLICABLE				
PUBLIC FUNDS					
SPECIAL GUARANTEE FUNDS					
TOTAL					

Subordinated debts at 31 December 2020

(thousand MAD)

currency of issue	Value of loan of issue	price (1)	Rate	Maturity (2)	terms for early retion and convertibility demption. subordina- (3)	Value of loan in thousand MAD	including related businesses: Value in thousand MAD 2019	including related businesses: Value in thousand MAD 12/2020	including other related businesses: Value in thousand MAD 2019	including other related businesses: Value in thousand MAD 12/2020
MAD			2,66%	7 Years		240 800				
MAD			2,81%	7 Years		2 146 500				
MAD			2,97%	7 Years		1 000 000				
MAD			3,32%	7 Years		390 000				
MAD			3,34%	7 Years		1 200				
MAD			3,44%	7 Years		250 000				
MAD			3,57%	7 Years		1 110 000				
MAD			3,63%	7 Years		603 500				
MAD			3,69%	7 Years		325 000				
MAD			4,13%	7 Years		257 500				
MAD			2,92%	10 Years		925 000				
MAD			3,29%	10 Years		154 300				
MAD			3,74%	10 Years		758 000				
MAD			3,80%	10 Years		320 000				
MAD			4,52%	10 Years		588 200				
MAD			4,75%	10 Years		880 000				
MAD			3,96%	Perpetual		450 000				
MAD			4,60%	Perpetual		849 000				
MAD			4,62%	Perpetual		649 900				
MAD			4,79%	Perpetual		400 000				
MAD			5,23%	Perpetual		350 100				
MAD			5,48%	Perpetual		151 000				
MAD			5,73%	Perpetual		50 000				
MAD			5,98%	Perpetual		100 000				
MAD			4,48%	Perpetual		825 000				
MAD			4,12%	Perpetual		500 000				
MAD			2,37%	7 Years		330 000				
MAD			5,31%	Perpetual		175 000				
MAD			2,97%	7 Years		500 000				
MAD			2,97%	7 Years		100 000				
MAD			2,79%	7 Years		70 000				
TOTAL						15 450 000				

Shareholders equity at 31 December 2020

(thousand MAD)

SHAREHOLDERS EQUITY	outstanding 12/31/2019	Appropriation of income	other changes	outstanding 12/31/2020
Revaluation reserve	420			420
Reserves and premiums related to share capital	34 794 175	6 333	-2 833 106	31 967 402
Legal reserve	203 527	6 333		209 860
Other reserves	24 137 480		-2 833 106	21 304 374
Issue, merger and transfer premiums	10 453 168			10 453 168
Share capital	2 098 597			2 098 597
Called-up share capital	2 098 597			2 098 597
Uncalled share capital				
Non-voting preference shares				
Fund for general banking risks				
Shareholders' unpaid share capital				
Retained earnings (+/-)	1 876 196	4 833 778		6 709 974
Net income (loss) awaiting appropriation (+/-)				
Net income (+/-)	4 840 111	-4 840 111		2 318 618
TOTAL	43 609 499		-2 833 106	43 095 011

Financing commitments and guarantees at 31 December 2020

(thousand MAD)

COMMITMENTS	12/31/2020	12/31/2019
FINANCING COMMITMENTS AND GUARANTEES GIVEN	144 186 664	138 328 691
Financing commitments given to credit institutions and similar establishments	**1 077 126**	**3 673 291**
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	1 076 594	3 672 759
Financing commitments given to customers	**71 127 972**	**70 761 110**
Import documentary credits	15 190 148	16 815 101
Acceptances or commitments to be paid	3 258 543	2 857 772
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		
Other financing commitments given	52 679 281	51 088 237
Guarantees given to credit institutions and similar establishments	**14 785 726**	**11 138 687**
Confirmed export documentary credits	415 149	245 059
Acceptances or commitments to be paid		
Credit guarantees given	1 081 693	662 412
Other guarantees and pledges given	13 288 884	10 231 216
Non-performing commitments		
Guarantees given to customers	**57 195 840**	**52 755 603**
Credit guarantees given	11 181 571	10 005 360
Guarantees given to government bodies	23 235 077	22 281 453
Other guarantees and pledges given	21 962 101	19 768 791
Non-performing commitments	817 091	699 999
FINANCING COMMITMENTS AND GUARANTEES RECEIVED	17 692 732	17 518 677
Financing commitments received from credit institutions and similar establishments		**191 864**
Confirmed credit lines		
Back-up commitments on securities issuance		
Other financing commitments received		191 864
Guarantees received from credit institutions and similar establishments	**17 228 794**	**16 826 998**
Credit guarantees received		
Other guarantees received	17 228 794	16 826 998
Guarantees received from the State and other organisations providing guarantees	**463 938**	**499 815**
Credit guarantees received	463 938	499 815
Other guarantees received		

commitments on securities at 31 December 2020

(thousand MAD)

	Montant
Commitments given	
Securities purchased with repurchase agreement	
Other securities to be delivered	
Commitments received	**3 396**
Securities sold with repurchase agreement	
Other securities to be received	3 396

Forward foreign exchange transactions and commitments on derivative products at 31 December 2020

(thousand MAD)

	hedging activities		other activities	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Forward foreign exchange transactions	**103 571 123**	**51 755 161**		
Foreign currencies to be received	41 620 303	17 351 175		
Dirhams to be delivered	10 764 955	9 336 235		
Foreign currencies to be delivered	41 389 879	16 362 125		
Dirhams to be received	9 795 986	8 705 626		
of which currency swaps				
Commitments on derivative products	**57 033 265**	**40 015 316**		
Commitments on regulated fixed income markets				
Commitments on OTC fixed income markets	10 555 067	5 604 226		
Commitments on regulated foreign exchange markets				
Commitments on OTC foreign exchange markets	19 071 307	17 237 247		
Commitments on regulated markets in other instruments				
Commitments on OTC markets in other instruments	27 406 891	17 173 843		

Securities received and given as guarantee at 31 December 2020

(thousand MAD)

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	N/D		
Other securities			
Mortgages			
Other physical assets			
TOTAL			

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	20 700 451		
Other securities			
Mortgages			
Other physical assets			
TOTAL	20 700 451		

Breakdown of assets and liabilities by residual maturity at 31 December 2020

(thousand MAD)

	d ≤ 1 month	1 month < d ≤ 3 months	3 months < d ≤ 1 year	1 year < d ≤ 5 years	d > 5 years	TOTAL
ASSETS						
Loans and advances to credit institutions and similar establishments	2 374 880	6 981 596	16 705 828	12 471 824	9 369 837	47 903 965
Loans and advances to customers	12 850 620	19 190 532	38 194 697	82 931 121	54 410 453	207 577 423
Receivables acquired through factoring	3 992	528 563	1 478 634	5 944 195	2 183 296	10 138 680
Available-for-sale securities	308 174	527 322	843 556	3 281	1 584 759	3 267 092
Investment securities	18 573	37 147	130 013	7 027 665	2 382 239	9 595 637
TOTAL	15 556 239	27 265 160	57 352 728	108 378 086	69 930 584	278 482 797
LIABILITIES						
Amounts owing to credit institutions and similar establishments	24 827 096	3 965 862	9 762 642	1 007 360	3 241 728	42 804 688
Amounts owing to customers	33 168 507	10 431 476	34 438 927	43 272 606	123 844 827	245 156 343
Debt securities issued	1 018 624	237 247	1 861 365	8 733 000		11 850 235
Subordinated debt	12 360	24 719	159 511	9 239 128	6 137 879	15 573 597
TOTAL	59 026 586	14 659 304	46 222 445	62 252 094	133 224 434	315 384 863

- Loans & Advances and demand deposits are classified according to run-off conventions adopted by the bank.

Breakdown of foreign currency-denominated assets, liabilities and off-balance sheet at 31 December 2020

(thousand MAD)

BALANCE SHEET	12/31/2020	12/31/2019
ASSETS	27 635 378	38 395 222
Cash and balances with central banks, the Treasury and post office accounts	94 192	226 778
Loans and advances to credit institutions and similar establishments	18 992 991	9 145 568
Loans and advances to customers	3 871 403	7 122 785
Trading securities and available-for-sale securities	4 203 157	7 465 229
Other assets	473 635	365 433
Investments in affiliates and other long-term investments		14 069 429
Subordinated loans		
Leased and rented		
Intangible assets and property, plant and equipment		
LIABILITIES	17 372 029	20 476 260
Amounts owing to central banks, the Treasury and post office accounts		
Amounts owing to credit institutions and similar establishments	8 098 863	13 443 037
Customer deposits	8 256 482	6 945 813
Debt securities		
Other liabilities	1 016 684	87 410
Subsidies, public funds and special guarantee		
Subordinated debts		
Share capital and reserves		
Provisions		
Retained earnings		
Net income		
OFF-BALANCE SHEET	58 546 112	54 122 173
Commitments given	43 397 919	39 080 040
Commitments received	15 148 193	15 042 133

Risk concentration with the same counterparty at 31 December 2020

(thousand MAD)

NUMBER OF COUNTERPARTIES	TOTAL ENGAGEMENT
18	59 760 841

net interest margin at 31 December 2020

(thousand MAD)

	12/31/2020	12/31/2019
Interest and similar income from activities with customers	10 140 011	9 960 187
of which interest and similar income	9 866 372	9 685 517
of which fee income on commitments	273 639	274 670
Interest and similar income from activities with credit institutions	912 453	1 021 801
of which interest and similar income	853 727	952 869
of which fee income on commitments	58 726	68 932
Interest and similar income from debt securities	312 391	294 754
TOTAL INTEREST AND SIMILAR INCOME	11 364 855	11 276 742
Interest and similar expenses on activities with customers	2 033 508	2 221 060
Interest and similar expenses on activities with credit institutions	697 211	888 072
Interest and similar expenses on debt securities issued	350 704	313 344
TOTAL INTEREST AND SIMILAR EXPENSES	3 081 423	3 422 476
NET INTEREST MARGIN	8 283 432	7 854 266

Fee income provided from services at 31 December 2020

(thousand MAD)

FEES	12/31/2020	12/31/2019
Account management	247 072	230 033
Payment services	769 894	798 061
Securities transactions	45 264	51 008
Asset management and custody	84 174	84 052
Credit services	151 291	147 430
Sale of insurance products	135 666	139 651
Other services provided	380 130	486 312
TOTAL	1 813 491	1 936 547

General operating expenses at 31 December 2020

(thousand MAD)

EXPENSES	12/31/2020	12/31/2019
Staff costs	2 241 884	2 314 118
Taxes	82 114	106 906
External expenses	1 754 035	1 867 384
Other general operating expenses	83 997	74 946
Depreciation, amortisation and provisions on intangible assets and property, plant and equipment	664 966	571 440
TOTAL	4 826 997	4 934 794

income from market activities at 31 December 2020

(thousand MAD)

INCOME AND EXPENDITURES	12/31/2020	12/31/2019
+ Gains on trading securities	2 438 695	2 387 599
- Losses on trading securities	675 851	351 020
Income from activities in trading securities	1 762 844	2 036 579
+ Capital gains on disposal of available-for-sale securities		
+ Write-back of provisions for impairment of available-for-sale securities	407	594
- Losses on disposal of available-for-sale securities	180	
- Provisions for impairment of available-for-sale securities	723	79
Income from activities in available-for-sale securities	-496	515
+ Gains on foreign exchange transactions - transfers	1 033 882	781 944
+ Gains on foreign exchange transactions - notes	54 049	122 056
- Losses on foreign exchange transactions - transfers	664 001	177 974
- Losses on foreign exchange transactions - notes	25 201	42 465
Income from foreign exchange activities	398 729	683 561
+ Gains on fixed income derivative products	160 933	111 328
+ Gains on foreign exchange derivative products	131 675	37 063
+ Gains on other derivative products	106 031	217 461
- Losses on fixed income derivative products	335 091	273 388
- Losses on foreign exchange derivative products		
- Losses on other derivative products	142 454	239 461
Income from activities in derivatives products	-78 906	-146 997

income from equity securities at 31 December 2020

(thousand MAD)

CATEGORY	12/31/2020	12/31/2019
Available-for-sale securities		
Investments in affiliates and other long-term investments	1 376 680	1 665 795
TOTAL	1 376 680	1 665 795

other income and expenses at 31 December 2020

(thousand MAD

OTHER BANKING INCOME AND EXPENSES	12/31/2020	12/31/2019
Other banking income	3 926 335	3 660 529
Other banking expenses	3 169 391	2 413 431
TOTAL	756 944	1 247 098

OTHER NON-BANKING INCOME AND EXPENSES	12/31/2020	12/31/2019
Non-banking operating income	113 290	52 130
Non-banking operating expenses	-	32
TOTAL	113 290	52 098
Provisions and losses on irrecoverable loans	3 517 327	1 609 758
Provision write-backs and amounts recovered on impaired loans	572 985	647 987

NON-CURRENT INCOME AND EXPENSES	12/31/2020	12/31/2019
Non-current income	5 668	4 928
Non-current expenses	883 594	147 869

Reconciliation of net income for accounting and tax purposes at 31 December 2020

(thousand MAD)

Reconciliation statement	Amount	Amount
I- NET INCOME FOR ACCOUNTING PURPOSES	2 318 618	
. Net profit	2 318 618	
. Net loss		
II- TAX WRITE-BACKS	2 709 487	
1- Current	2 709 487	
- Income tax	1 330 010	
- Losses on irrecoverable loans not provisioned	27 242	
- General provisions	572 000	
- Non-current provisions	504 000	
- Provisions for pensions and similar obligations	87 380	
- Other provisions	20 354	
- Non deductible extraordinary expenses	3 418	
- Contribution to social cohesion	136 278	
- Penalties /depreciation of non-operating fixed assets"	26 415	
- Personalized gifts	2 390	
2- Non current		
III- TAX		1 433 483
1- Current		1 433 483
- 100% allowance on income from investments in affiliates		1 362 170
- Write-back of provisions used		52 613
- Write-back of contingencies and losses		18 700
2- Non-current		-
TOTAL	5 028 105	1 433 483
IV- GROSS INCOME FOR TAX PURPOSES		3 594 622
. Gross profit for tax purposes if T1 > T2 (A)		3 594 622
. 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		3 594 622
. Net profit for tax purposes (A - C)		3 594 622
. Net loss for tax purposes (B)		
VII - ACCUMULATED DEFERRED DEPRECIATION		
VIII - ACCUMULATED TAX LOSSES TO BE CARRIED		
. 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)

determining income after tax from ordinary activities at 31 December 2020

(thousand MAD)

I- DETERMINING INCOME	Amount
Income from ordinary activities after items of income and expenditure	4 526 554
Tax write-backs on ordinary activities (+)	1 379 477
Tax deductions on ordinary activities (-)	1 433 483
Theoretical taxable income from ordinary activities (=)	4 472 548
Theoretical tax on income from ordinary activities (-)	1 654 843
Income after tax from ordinary activities (=)	2 871 711
II- SPECIFIC TAX TREATMENT INCLUDING BENEFITS GRANTED BY INVESTMENT CODES UNDER SPECIFIC LEGAL PROVISIONS	

detailed information on value added tax at 31 December 2020

(thousand MAD)

TYPE	Balance at the beginning of the exercise 1	transactions liable to VAT during the period 2	VAT declarations during the period 3	Balance at the end of the exercise (1+2-3=4)
A. VAT collected	175 135	1 464 419	1 481 275	158 279
B. Recoverable VAT	241 023	516 697	520 607	237 113
On expenses	75 507	426 752	422 368	79 891
On fixed assets	165 516	89 945	98 239	157 222
C. VAT payable or VAt credit = (A-B)	-65 888	947 722	960 668	-78 834

Shareholding structure at 31 December 2020

(thousand MAD)

Name of main shareholders or associates	Adress	number of shares held		% of share capital
		previous period	current period	
A- DOMESTIC SHAREHOLDERS				
* AL MADA	60, RUE D'ALGER , CAASBLANCA	97 433 137	97 433 137	46,43%
* OPCVM ET AUTRES DIVERS ACTIONNAIRES	**************************	38 067 351	35 689 573	17,01%
* GROUPE MAMDA & MCMA	16 RUE ABOU INANE RABAT	14 695 732	14 695 732	7,00%
* REGIME COLLECTIF D'ALLOCATION ET DE RETRAITE	Hay Riad - B.P 20 38 - Rabat Maroc	13 517 260	13 630 230	6,49%
* WAFA ASSURANCE	1 RUE ABDELMOUMEN CASA	13 226 583	13 234 912	6,31%
* CIMR	BD ABDELMOUMEN CASA	8 560 380	8 612 109	4,10%
* PERSONNEL DE LA BANQUE	**************************	6 115 740	6 064 294	2,89%
* CAISSE DE DEPOT ET DE GESTION	140 PLACE MY EL HASSAN RABAT	3 576 531	1 602 048	0,76%
* RMA WATANIYA	83 AVENUE DES FAR CASA	2 683 942	2 034 075	0,97%
* CAISSE MAROCAINE DE RETRAITE	AVENUE AL ARAAR, BP 2048, HAY RIAD, RABAT	474 087	5 440 523	2,59%
* AXA ASSURANCES MAROC	120 AVENUE HASSAN II CASA	793 322	707 432	0,34%
B- FOREIGN SHAREHOLDERS				
*SANTUSA HOLDING	AVND CANTABRIA S/N 28660 BOADILLA DEL MONTE.MADRID. ESPAGNE	10 715 614	10 715 614	5,11%
TOTAL		209 859 679	209 859 679	100,00%

Appropriation of income at 31 December 2020

(thousand MAD)

	Value		Value
A- origin of appropriated income		B- Appropriation of income	
Earnings brought forward	1 876 196	to legal reserve	6 333
Net income awaiting appropriation		Dividends	
Net income for the financial year	4 840 111	Other items for appropriation	
Deduction from income		Earnings carried forward	6 709 974
Other deductions			
TOTAL A	6 716 307	TOTAL B	6 716 307

Branch network at 31 December 2020

(en nombre)

BRANCH NETWORK	12/31/2020	12/31/2019
Permanent counters	1 206	1 203
Occasional counters		
Cash dispensers and ATMs	1 475	1 477
Branches in Europe	56	57
Representative offices in Europe and Middle-East	7	7

Staff at 31 December 2020

(en nombre)

EFFECTIFS	12/31/2020	12/31/2019
Salaried staff	8 639	8 769
Staff in employment	8 639	8 769
Full-time staff	8 639	8 769
Administrative and technical staff (full-time)		
Banking staff (full-time)		
Managerial staff (full-time)	5 050	4 875
Other staff (full-time)	3 589	3 894
Including Overseas staff	53	54

Summary of key items over the last three periods at 31 December 2020

(thousand MAD)

NATURE	DECEMBER 2020	DECEMBER 2019	DECEMBER 2018
SHAREHOLDERS' EQUITY AND EQUIVALENT	43 095 011	43 609 499	41 497 564
OPERATIONS AND INCOME IN FY			
Net banking income	12 184 603	12 844 430	12 186 555
Pre-tax income	3 648 628	6 857 021	6 478 968
Income tax	1 330 010	2 016 910	1 874 985
Dividend distribution	2 833 106	2 728 176	2 544 090
PER SHARE INFORMATION IN MAD			
Earning per share			
Dividend per share	13,50	13,00	12,50
STAFF			
Staff Costs	2 241 884	2 314 118	2 196 216

Key dates and post-balance sheet events at 31 December 2020

I. KEY DATES	
. Balance sheet date [1]	31, December 2020
. Date for drawing up the financial statements [2]	February 21

(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 events
. Favorable	NOT APPLICABLE
. unfavourable	NOT APPLICABLE

customer accounts at 31 December 2020

(en nombre)

	12/31/2020	12/31/2019
Current accounts	257 706	214 114
Current accounts of Moroccans living abroad	886 262	867 474
Other current accounts	2 876 928	2 564 688
Factoring liabilities	654	590
Savings accounts	1 065 045	1 010 894
Term accounts	11 616	15 499
Certificates of deposit	2 712	2 706
Other deposit accounts	1 989 921	1 761 714
TOTAL	7 090 844	6 437 679

Note III.2.N Statement of fees paid to the auditors Global Vision

	statutory auditors 1						statutory auditors 2						Total
	Amount/ Year			Pourcentage/ Year			Amount/ Year			Pourcentage/ Year			
	N	N-1	N-2	N	N-1	N-2	N	N-1	N-2	N	N-1	N-2	
Statutory audit, certification, review of individual and consolidated financial statements	4 238 600	3 405 100	3 208 100	0,78	0,97	0,45	3 206 000	2 321 000	2 081 000	0,91	0,91	0,54	18 459 800
Issuer	1 900 000	1 250 000	1 250 000	0,35	0,36	0,17	1 900 000	1 250 000	1 250 000	0,49	0,49	0,32	8 800 000
Issuer	2 338 600	2 155 100	1 958 100	0,43	0,61	0,27	1 306 000	1 071 000	831 000	0,42	0,42	0,21	9 659 800
Other procedures and services directly related to the Statutory Auditor's assignment	253 200	105 000	1 839 000	0,05	0,03	0,26	100 000	230 000	1 800 000	0,09	0,09	0,46	4 327 200
Issuer	100 000	90 000	1 800 000	0,02	0,03	0,25	100 000	90 000	1 800 000	0,04	0,04	0,46	3 980 000
Subsidiaries	153 200	15 000	39 000	0,03	0,00	0,01	-	140 000		0,05	0,05	-	347 200
Subtotal	4 491 800	3 510 100	5 047 100	0,82	1,00	0,71	3 306 000	2 551 000	3 881 000	1,00	1,00	1,00	22 787 000
Other services provided	960 000	-	2 108 188	0,18	-	0,29	-	-	-	-	-	-	3 068 188
Others	960 000	-	-	0,18	-	-	-	-	-	-	-	-	960 000
Subtotal	960 000	-	2 108 188	0,18	-	0,29	-	-	-	-	-	-	3 068 188
Total	5 451 800	3 510 100	7 155 288	1,00	1,00	1,00	3 306 000	2 551 000	3 881 000	1,00	1,00	1,00	25 855 188

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