

# EXCERPT OF PROSPECTUS



التجاريف وفا بنك  
 Attijariwafa bank

## ATTIJARIWAFABANK

### CAPITAL INCREASE VIA CASH CONTRIBUTION RESERVED TO THE EMPLOYEES OF THE ATTIJARIWAFABANK GROUP

Decided by the Extraordinary General Meeting of March 29<sup>th</sup>, 2012

Maximum global amount of operation: MAD 102 449 200

#### Capital increase reserved to Attijariwafa bank staff members and subsidiaries in Morocco

Maximum amount	MAD 102 449 200
Subscription price	MAD 290 per share
Maximum number of shares offered	353 273 shares




Subscription period: from June 28<sup>th</sup> to July 2<sup>nd</sup>, 2012 inclusive

#### Consultant and Global Coordinator

ATTIJARI FINANCES CORP.



Attijariwafa bank  
 CORPORATE FINANCE

Bodies in charge of registration of operation at Casablanca Stock Exchange		Centralization and collection of subscription orders
ATTIJARI INTERMEDIATION (buyers)	WAFABOURSE (seller)	ATTIJARIWAFABANK
 Attijariwafa bank BOURSE	 wafabourse.com	 التجاريف وفا بنك Attijariwafa bank

#### VISA OF STOCK EXCHANGE ETHICS BOARD

In compliance with the provision of the circular issued by CDVM by way of application of article 14 of the Dahir enforcing law n° 1-93-212 of September 21<sup>st</sup>, 1993, relative to the Stock Market Ethics Board (CDVM) and the information required of the legal entities issuing the initial public offering as amended and completed, the original of the present prospectus has been approved and signed by CDVM on June 20<sup>th</sup>, 2012 under reference n° VI/EM/024/2012.

## **WARNING**

The Stock Exchange Ethics Board (CDVM) approved on June 20<sup>th</sup>, 2012 a prospectus regarding the capital increase relevant to the remainder of the global MAD 2 100 000 000 reserved to Attijariwafa bank's employees and its subsidiaries' employees in Morocco.

The prospectus signed by CDVM is available at all times at the following venues:

- **Attijariwafa bank Headquarters: 2, Boulevard Moulay Youssef -Casablanca.  
Phone: 05.22.29.88.88;**
- **Attijari Finances Corp.: 163, Avenue Hassan II - Casablanca.  
Phone: 05.22.47.64.35.**

The prospectus is available to the public at the headquarters of the Casablanca Stock Exchange and on its website at [www.casablanca-bourse.com](http://www.casablanca-bourse.com). It is also obtainable at the CDVM website at [www.cdvm.gov.ma](http://www.cdvm.gov.ma).

## **PART I: DESCRIPTION OF OPERATION**

### **I. PURPOSE OF THE OPERATION**

Attijariwafa bank has established a strategic plan to 2015 (Attijariwafa 2015) requiring the mobilization of all the Group's staff members jointly federated around this corporate project.

The purpose of this capital increase operation is primarily to help implement the bank's development strategy and share growth and performance results among all staff members.

### **II. CAPITAL INCREASE STRUCTURE**

This operation concerns solely the remainder of the initial amount of MAD 2 100 000 000, i.e. a maximum total of MAD 102 449 200, reserved to Attijariwafa bank's employees and its subsidiaries' employees in Morocco.

### **III. CHARACTERISTICS OF THE SHARES TO BE ISSUED – PART RESERVED TO ATTIJARIWAFABANK EMPLOYEES AND ITS SUBSIDIARIES' EMPLOYEES IN MOROCCO**

<b>Type of shares</b>	Attijariwafa bank shares are all of the same category.
<b>Share form</b>	The shares are registered and entirely dematerialized by registration to central depository (Maroclear)
<b>Maximum number of shares to be issued</b>	353 273 shares
<b>Par value</b>	10 MAD
<b>Issue price</b>	290 MAD per share
<b>Issue date</b>	January 1 <sup>st</sup> , 2012
<b>Shares paid up</b>	The shares are completely paid up and free of all other commitments
<b>Preferential subscription rights</b>	None
<b>Trading of new shares</b>	Holding of one half of the shares allocated for a minimum of 3 years and of the remainder for a minimum of 4 years as of the date of issue. Sale of the shares in this operation must adhere to the conditions set forth in this prospectus.
<b>Listing line</b>	1 <sup>st</sup> line <sup>1</sup>
<b>Listing of new shares</b>	The shares issued in this capital increase will be listed in 1st line.
<b>Rights attached to the shares acquired</b>	All shares include the same rights with regard to profit distribution and liquidation bonuses. Each share gives rise to voting rights at meetings.

<sup>1</sup>New shares shall not entail and right to dividends for FY 2011

## IV. STOCK MARKET LISTING

### IV.1. Operation schedule– Morocco

Order	Steps	At latest
1	Receipt by Casablanca Stock Exchange of the complete operation file	June 20 <sup>th</sup> , 2012
2	Issuance of approval notification by the Casablanca Stock Exchange	June 20 <sup>th</sup> , 2012
3	Receipt by the Casablanca Stock Exchange of the prospectus signed by the CDVM	June 20 <sup>th</sup> , 2012
4	Publication in the official journal of the notice of the capital increase operation reserved to Attijariwafa bank employees and its subsidiaries' employees in Morocco	June 21 <sup>st</sup> , 2012
5	Publication of the excerpt of the prospectus by Attijariwafa bank	June 22 <sup>nd</sup> , 2012
6	Opening of the subscription period	June 28 <sup>th</sup> , 2012
7	Closing of the subscription period	July 2 <sup>nd</sup> , 2012
8	Allocation of subscriptions by Attijariwafa bank	July 9 <sup>th</sup> , 2012
9	Receipt by the Casablanca Stock Exchange of the special representative signatory of the capital increase in cash	July 11 <sup>th</sup> , 2012
10	Submission to the Casablanca Stock Exchange of the global results of the operation	July 13 <sup>th</sup> , 2012
11	Settlement /Delivery	July 17 <sup>th</sup> , 2012
12	Admittance of new shares and registration of the cash capital increase operation Publication of the result of the cash capital increase in the listing journal of Casablanca Stock Exchange	July 23 <sup>th</sup> , 2012
13	Deduction of the admittance commission for new shares	July 24 <sup>th</sup> , 2012

## **PART II: GENERAL PRESENTATION OF ATTIJARIWAFABANK**

### **I. GENERAL INFORMATION**

<b>Company Name</b>	Attijariwafa bank
<b>Headquarters</b>	2, Boulevard Moulay Youssef – Casablanca 20 000
<b>Phone / Fax</b>	Phone: 0522.29.88.88 Fax: 0522.29.41.25
<b>Website</b>	<a href="http://www.attijariwafabank.com">www.attijariwafabank.com</a>
<b>Legal form</b>	Business Corporation with Board of Directors
<b>Date of creation</b>	1911
<b>Corporate life span</b>	May 31 <sup>st</sup> 2060 (99 years)
<b>Trade Register</b>	R.C 333 Casablanca
<b>Fiscal Year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Corporate Purpose (article 5 of by-laws)</b>	<p>« The purpose of the company is to perform, in any country, all Banking, finance, credit, commission operations and generally, under the same restrictions directly or indirectly attached thereto, in particular the following the list of which is not exhaustive:</p> <ul style="list-style-type: none"> <li>▪ Receive deposits from the public on accounts or otherwise whether interest bearing or not, reimbursable on sight, by notification or time deposit;</li> <li>▪ Discount all commercial papers, letters of exchange, promissory notes, checks, warrants, bills, vouchers issued by the Treasury or Local or semi-public authorities and generally all commitments resulting from industrial, agricultural, commercial or financial operations or other operations conducted by Public administrations, negotiate or rediscount the aforementioned items and accept all orders, letters of exchange, promissory notes, or checks, etc.;</li> <li>▪ Grant all types of credit with or without guarantees, issue advances on Moroccan or foreign annuities, securities issued by orders, public or semi-public authorities and on securities issued by Moroccan or foreign industrial, agricultural, commercial or financial companies;</li> <li>▪ Receive deposits of all securities and objects; accept or proceed to the payment and recovery of letters of exchange, promissory notes, checks, warrants, interest or dividend coupons, act as intermediary for the purchase or sale of all kinds of public funds, securities, bonds or profit shares;</li> <li>▪ Accept or at times in conjunction with loans or credits, grant mortgages and all other types of guarantee, underwrite all guarantee commitments, sureties or endorsements, proceed to all acquisitions, real estate or personal property as well as financial leases or rental of buildings;</li> <li>▪ Proceed or participate in the introduction or listing on the market, in the negotiation of all public or private authorities, submit all loans of such entities, acquire or dispose all annuities, public sector securities, shares, bonds or securities of all kinds belonging to said authorities, ensure the creation of corporate entities and consequently accept all mandates or powers, and when applicable any share in said entities;</li> <li>▪ Set up in any place in Morocco or outside Morocco, the branches, agencies, or offices and subsidiaries required for performing the aforementioned operations;</li> <li>▪ Take up stakes in already existing companies or companies being</li> </ul>

	<p>created, provided there is adherence to the limits set regarding shareholders' equity and registered capital or voting rights of the issuing entity in compliance with the rules and regulations currently in force.</p> <p>And generally all operations in connection with the corporate purpose. »</p>
	MAD 2 008 898 130 entirely paid up consisting of 200 889 813 shares at par value of MAD 10.
<b>Legal Documents</b>	The corporate legal documents and in particular the by-laws, the minutes of general meetings and auditors' reports can be consulted at the headquarters of Attijariwafa bank.
<b>List of legislative texts applicable to the issuer</b>	<p>By its legal form, Attijariwafa bank is governed by Moroccan law and law n°17-95 enacted by Dahir n°1-96-124 dated August 30<sup>th</sup>, 1996, relative to business corporations as amended and completed by law n° 20-05;</p> <p>By its activity, Attijariwafa bank is governed par Dahir n° 1-05-178 of February 14<sup>th</sup>, 2006, enacting law n° 34-03 relative to credit institutions and other similar institutions.</p> <p>Due to its listing on the Casablanca Stock Exchange, Attijariwafa bank is subject to all legal and regulatory provisions relative to the financial market, in particular :</p> <ul style="list-style-type: none"> <li>▪ Dahir enacting law n°1-93-211 of September 1993 relative to the Stock Exchange amended and completed by laws 34-96, 29-00, 52-01 and 45-06;</li> <li>▪ The General Stock Exchange Regulations approved by decree of the Ministry of the Economy and Finance, Privatization and Tourism n°1960-01 of October 30<sup>th</sup>, 2001, as amended by the amendment of June 2004 coming into force in November 2004 and by decree n°1268-08 of July 7<sup>th</sup>, 2008;</li> <li>▪ Dahir enacting law n°1-93-212 of September 21<sup>st</sup>, 1993, relative to the Stock Exchange Ethics Board and information required from the legal entities issuing an initial public offering as amended and completed by law n°23-01, 36-05 and 44-06;</li> <li>▪ The General Regulations of the CDVM approved by the decree of the Ministry of Economics and Finance n°822-08 of April 14<sup>th</sup>, 2008;</li> <li>▪ Dahir 1-95-03 of January 26<sup>th</sup>, 1995, enacting law n°35-94 relative to negotiable debt shares and the decree of the Ministry of finance and external investment n° 2560-95 of October 9<sup>th</sup>, 1995, relative to negotiable debts;</li> <li>▪ Dahir n°1-96-246 of January 9<sup>th</sup>, 1997, enacting law n°35-96 relative to the creation of a central depository and the institution of a general registration account of certain securities amended and completed by law n°43-02;</li> <li>▪ The General Regulation of the central depository by decree of the Ministry of the Economy and Finance n°932- 98 of April 16<sup>th</sup>, 1998, and amended by the decree of the Minister of the Economy and Finance, Privatization and Tourism n°1961-01 of October 30<sup>th</sup>, 2001;</li> <li>▪ Dahir n°1-04-21 of April 21<sup>st</sup>, 2004, enacting law n°26-03 pursuant to public offerings on the Moroccan stock exchange as amended and completed by law n°46-06;</li> <li>▪ Circular of Bank Al Maghrib n° 2/G/96 dated January 30<sup>th</sup>, 1996, relative to certificates of deposit and modifications relating thereto.</li> </ul>
<b>Tax regime</b>	As a credit institution Attijariwafa bank is subject to corporate tax (37%) and Value Added Tax (10%).
<b>Competent tribunal in the event of litigation</b>	Commercial Court of Casablanca.

## II. INFORMATION ON THE ISSUER'S SHARE CAPITAL<sup>2</sup>

On May 31<sup>st</sup>, 2012, the registered capital of Attijariwafa bank amounted to MAD 2 008 898 130 broken down into 200 889 813 shares at par value of MAD 10 each. The capital breakdown is as follows:

Shareholders	Address	Number of shares held	% of capital	% of voting rights
<b>1- Moroccan shareholders</b>		<b>151 381 403</b>	<b>75.36%</b>	<b>75.36%</b>
<b>1-1- SNI Group</b>		<b>94 376 454</b>	<b>46.98%</b>	<b>46.98%</b>
SNI	Angle rue d'Alger et Duhaume - Casablanca	94 304 494	46.94%	46.94%
Various subsidiaries of SNI	NA*	71 960	0.04%	0.04%
<b>1-2- Insurance Companies</b>		<b>35 099 219</b>	<b>17.47%</b>	<b>17.47%</b>
MAMDA & MCMA	16 rue Abou Inane - Rabat	16 379 156	8.15%	8.15%
RMA-Watanya	83 avenue des FAR - Casablanca	2 683 942	1.34%	1.34%
Wafa Assurance**	1 rue Abdelmoumen - Casablanca	13 257 604	6.60%	6.60%
Axa Assurances Maroc	120 avenue Hassan II - Casablanca	2 778 517	1.38%	1.38%
<b>1-3- Other institutional shareholders</b>		<b>21 905 730</b>	<b>10.90%</b>	<b>10.90%</b>
Régime Collectif d'Allocation et de Retraite	Angle rue d'Alger et Duhaume - Casablanca	7 839 293	3.90%	3.90%
Caisse de Dépôt et de Gestion (CDG)	140 Place My El Hassan - Rabat	4 694 810	2.34%	2.34%
Wafa Corp**	42 bd Abdelkrim Al Khattabi - Casablanca	57 602	0.03%	0.03%
Caisse Marocaine de Retraite	2 avenue des Alaouites - Rabat	4 616 769	2.30%	2.30%
CIMR	100 Bd Abdelmoumen - Casablanca	4 697 256	2.34%	2.34%
<b>2- Foreign shareholders</b>		<b>10 715 614</b>	<b>5.33%</b>	<b>5.33%</b>
Santusa Holding	Paseo de la Castellana n°24 - Madrid (Espagne)	10 715 614	5.33%	5.33%
<b>3- Floating</b>		<b>38 792 796</b>	<b>19.31%</b>	<b>19.31%</b>
Mutual funds and others	NA*	28 783 358	14.33%	14.33%
Bank employees	NA*	10 009 438	4.98%	4.98%
<b>Total</b>		<b>200 889 813</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Attijariwafa bank - \* Non applicable

<sup>2</sup> SNI has become Attijariwafa bank's main shareholder by 48.56 % of the share capital, basically following the merger-absorption of ONA by SNI on December 31<sup>st</sup>, 2010.

### III. ATTIJARIWAFABANK'S BOARD OF DIRECTORS

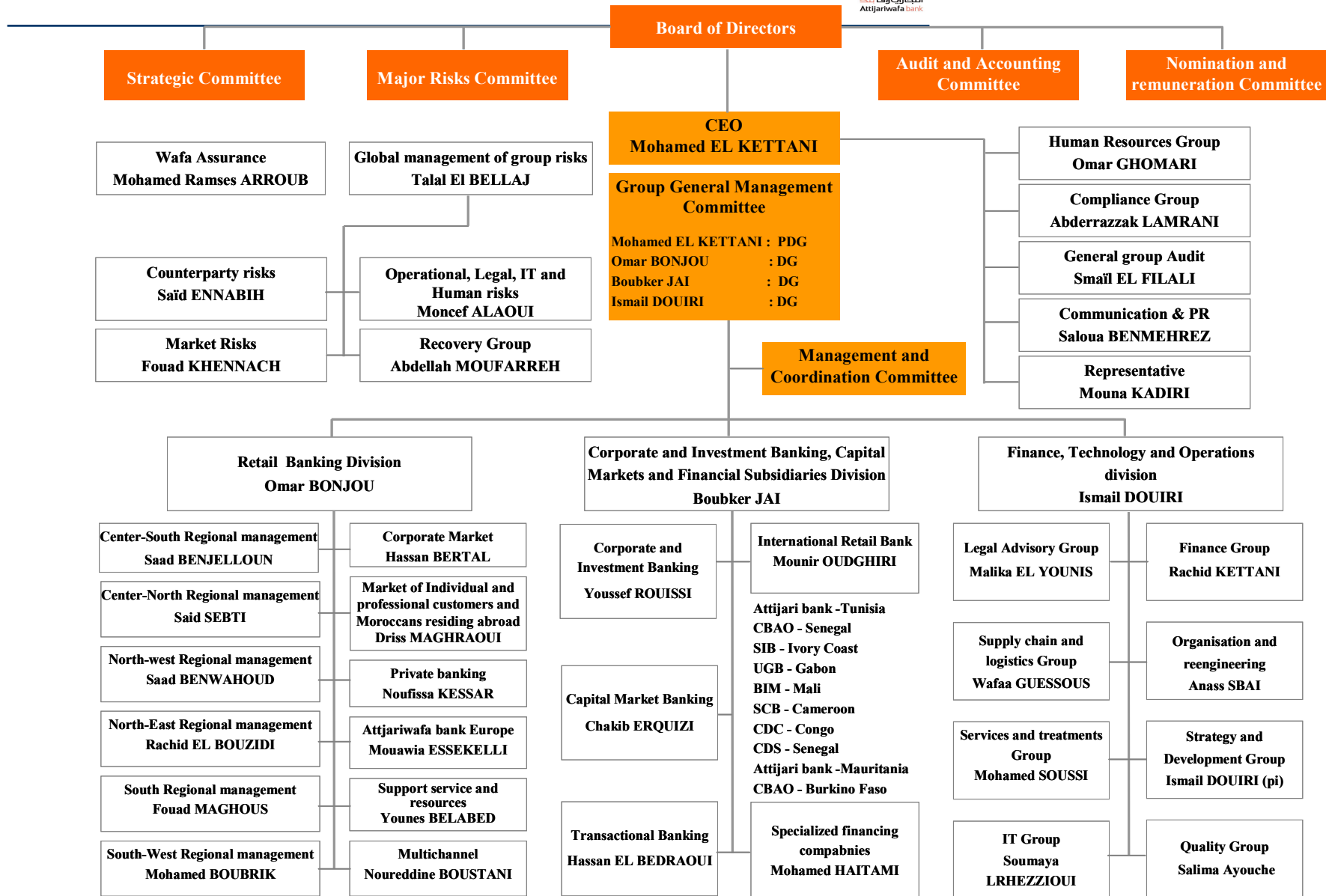
As of May 31<sup>st</sup>, 2011, Attijariwafa bank is managed by a Board of Directors consisting of 10 members and chaired by Mr. Mohamed EL KETTANI.

Administrators	Date of appointment*	Term expiry
<b>Mr. Mohamed EL KETTANI</b> Chairman of the Board of Directors	2008	OGM convened to approve financial statements of FY 2013
<b>Mr. Antonio ESCAMEZ TORRES</b> Vice President, representative of Grupo Santander General Manager and Advisor	2012	OGM convened to approve financial statements of FY 2017
<b>SIGER</b> Represented by Mr. Mounir EL MAJIDI CEO	2009	OGM convened to approve financial statements of FY 2014
<b>SNI</b> Represented by Mr. Hassan BOUHEMOU CEO	2011	OGM convened to approve financial statements of FY 2016
<b>Mr. José REIG</b> Administrator, representing Santusa Holding Deputy General Manager	2012	OGM convened to approve financial statements of FY 2017
<b>Mr. Abed YACOUBI SOUSSANE</b> Administrator, representative MAMDA-MCMA Chairman MAMDA-MCMA	2011	OGM convened to approve financial statements of FY 2016
<b>Mr. Javier HIDALGO BLAZQUEZ</b> Administrator, representative of Grupo Santander Deputy General Manager	2012	OGM convened to approve financial statements of FY 2017
<b>Grupo Santander</b> Represented by Mr. Manuel VARELA Deputy General Manager	2008	OGM convened to approve financial statements of FY 2013
<b>Mr. Hassan OURIAGLI</b>	2011	OGM convened to approve financial statements of FY 2016
<b>Ms Wafaa GUESSOUS</b> Board Secretary	2000	-

Source: Attijariwafa bank - \* Nomination or renewal of term

### IV. ORGANIZATION CHART OF ATTIJARIWAFABANK GROUP

The organization chart of Attijariwafa bank group on January 31<sup>st</sup>, 2012, is as follows:



Source: Attijariwafa bank

## V. ACTIVITY OF ATTIJARIWAFABANK

### V.1. Loans

Over the past three fiscal years, the outstanding customer loans per type stood as follows:

	2009	2010	2011	Var. 10/09	Var. 11/10
<b>Loans to credit institutions and similar (C1)</b>	<b>37 211</b>	<b>29 581</b>	<b>29 439</b>	<b>-20.5%</b>	<b>-0.5%</b>
Demand facilities	6 356	3 137	5 726	-50.6%	82.5%
Term facilities	30 855	26 444	23 713	-14.3%	-10.3%
<b>Loans to customers (C2)</b>	<b>122 321</b>	<b>138 803</b>	<b>158 215</b>	<b>13.5%</b>	<b>14.0%</b>
Net Cash and consumer loans	43 326	46 220	53 598	6.7%	16.0%
Equipment loans	34 104	42 571	49 214	24.8%	15.6%
Real estate loans	40 177	45 058	50 254	12.1%	11.5%
Other loans	2 810	2 820	2 423	0.4%	-14.1%
Factoring loans	-	-	608	ns	ns
Outstanding claims net of provisions	918	1 010	994	10.1%	-1.6%
Receivable interest income	987	1 124	1 123	14.0%	-0.1%
<b>Total loans (C1) + (C2)</b>	<b>159 532</b>	<b>168 384</b>	<b>187 654</b>	<b>5.5%</b>	<b>11.4%</b>

MMAD - Source: Attijariwafa bank- Aggregate activity

In 2009-2011 the total amount of Attijariwafa bank credit registered average annual growth of 8.5%, primarily due to a 13.7% average annual growth in customer loans.

The structure of Attijariwafa bank's loans per customer segment evolved as follows:

	2009	2010	2011	Var. 10/09	Var. 11/10
<b>Loans by net cash withdrawals*</b>					
Public sector	5 131	16 401	19 920	219.7%	21.5%
Financial institution	341	802	1 394	135.3%	73.7%
Non financial corporations	73 298	76 929	83 392	5.0%	8.4%
Other customers**	43 552	44 670	53 509	2.6%	19.8%
<b>Total loans by net withdrawals***</b>	<b>122 321</b>	<b>138 803</b>	<b>158 215</b>	<b>13.5%</b>	<b>14.0%</b>

MMAD - Source: Attijariwafa bank- Aggregate activity

\* Apart from provisions and financial institution credits

\*\* Private parties, shopkeepers

\*\*\* Including receivable credits due

Regarding credits granted to customers, Attijariwafa bank is particularly active on the non financial institution segment representing 52.7% of the total amount of customer loans at the end of 2011.

## V.2. Deposits

The outstanding customer deposits per type of product stood as follows over the 2009-2011 period:

	2009	2010	2011	Var. 10/09	Var. 11/10
<b>Liabilities due to credit institutions (D1)</b>	<b>21 833</b>	<b>21 922</b>	<b>35 639</b>	<b>0.4%</b>	<b>62.6%</b>
Demand facilities	3 280	7 077	7 589	>100.0%	7.2%
Term facilities	18 553	14 845	28 050	-20.0%	89.0%
<b>Liabilities due to customers (D2)</b>	<b>154 216</b>	<b>157 048</b>	<b>165 590</b>	<b>1.8%</b>	<b>5.4%</b>
Current credit accounts	84 353	91 123	99 841	8.0%	9.6%
Savings accounts	17 655	18 820	20 568	6.6%	9.3%
Term deposits	44 402	39 113	38 113	-11.9%	-2.6%
Other credit accounts	6 940	7 190	6 298	3.6%	-12.4%
Payable interest	867	804	771	-7.3%	-4.0%
<b>Total liabilities (D1+D2)</b>	<b>176 049</b>	<b>178 970</b>	<b>201 229</b>	<b>1.7%</b>	<b>12.4%</b>

MMAD - Source: Attijariwafa bank – Aggregate activity

The liabilities of Attijariwafa bank posted a 6.9% rise over the past three fiscal years, due in particular to a 27.8% annual average growth in liabilities due to credit institutions.

The outstanding customer deposits per segment stood as follows:

	2009	2010	2011	Var. 09/09	Var. 11/10
<b>Deposits</b>					
Public sector	1 261	1 765	1 561	40.0%	-11.5%
Financial institutions	16 597	13 924	8 240	-16.1%	-40.8%
Non financial corporations	37 130	37 205	43 322	0.2%	16.4%
Other customers	99 229	104 155	112 467	5.0%	8.0%
<b>Total customer deposits*</b>	<b>154 216</b>	<b>157 048</b>	<b>165 590</b>	<b>1.8%</b>	<b>5.4%</b>

MMAD - Source: Attijariwafa bank – Aggregate activity - \* including applicable interest

In terms of customer portfolio structure, the share of « Other Customers » consisting of individual customers (shopkeepers, liberal professions, etc.) accounted for 67.9% of outstanding customer deposits in 2011 vs. 66.3% in 2010 and 64.3% in 2009.

On December 31<sup>st</sup>, 2011, the breakdown of Attijariwafa bank deposits shows a 42.8% concentration of deposits in the Casablanca region, followed by the Oriental (11.4%), Rabat (10.0%) and Fez-Meknes (7.4%) regions.

### V.3. Signed commitments

The outstanding signed commitments stood as follows:

	2009	2010	2011	Var. 10/09	Var. 11/10
Commitments to customers	35 973	38 424	40 235	6.8%	4.7%
Commitments to financial intermediaries	5 757	4 933	7 362	-14.3%	49.2%
<b>Total signed commitments*</b>	<b>41 730</b>	<b>43 357</b>	<b>47 597</b>	<b>3.9%</b>	<b>9.8%</b>

MMAD - Source: Attijariwafa bank - Morocco Activity - \* Net outstanding commitments

### V.4. Distribution network

As of December 31<sup>st</sup>, 2011, the organization of the distribution network was based on the concept of specialized points of sale, designed as sale and advisory areas that place the emphasis on a targeted customer relationship management. This concept is built around a network consisting of branch offices dedicated to individual customers and professionals (903 branches) and branch offices dealing with corporations (37 business centers), each with specific organization and work teams.

On December 31<sup>st</sup>, 2011, the number of group branch offices (both in Morocco and in foreign subsidiaries) amounted to 2 352 offices.

Attijariwafa bank's distribution network stood as follows over the 2009-2011 period:

	2009	2010	2011
Permanent counters	795	863	944
Temporary counters	2	2	2
Automatic teller machines and automatic bank counters	752	819	933
Overseas branch offices	41	41	50
Overseas representation offices	17	17	17

Source: Attijariwafa bank

## **PART III: RISK FACTORS**

The risk management of Attijariwafa bank is centralized at the Global Risk Division (GGR) responsible for the supervision, control and measurement of the risks incurred by the Group with the exception of operational risks.

The independence of this structure from other core businesses and business lines allows optimum objectivity of the risk taking proposals submitted to the credit committee as well as their objective control.

### **I. EXCHANGE RATE AND INTEREST RATE RISK**

In 2005, Attijariwafa bank decided to set up a specific control system for market risks in the framework of the global internal control system in compliance with the provisions of circular n° 6/G/2001 of Bank Al-Maghrib.

This system revolves around three levels of intervention:

- First level internal control provided by Front Office operators, who are required to comply with the regulatory provisions spelled out by the bank regarding the follow-up and management of risks;
- Follow-up of risks by the Middle Office on a daily basis ensuring adherence to the limitations on exchange rate, interest rate and counterparty risks. The Middle Office is to ensure a regular reporting to the top management and other control entities. In addition, the « Surveillance and monitoring of market risks » entity has the task of detecting, analyzing and following the various bank positions regarding interest rates and currencies to rationalize said positions by formalized authorizations and be warned of any deviation from such positions. Such follow-up is performed by the following:
  - ✓ Monthly follow-up of exposure to exchange rate risk enables retrospective calculation of the Value at Risk (VaR) which measures the maximum potential risks in connection with the bank's exchange rate risk;
  - ✓ A monthly report presents in a summarized fashion the exposure of the bank to exchange rate risks in comparison to the preset limitations.
- The control entities carry out critical and independent analyses on the quality of the system either during auditing missions or upon one-off requests from the General Management.

The VaR<sup>3</sup> model was developed through global risk management of Attijariwafa bank. It covers the Dirham interest risk rate as well as the spot and forward exchange rate risk. The choice of the RiskMetrics method developed by JP Morgan for the VaR measurement offers several advantages: it is easy to implement, it takes into account the correlations existing between the price of assets, and considers recent and historical price fluctuations as well. Consequently, the RiskMetrics method rests on a variance and covariance matrix of the yields of the assets of a portfolio and their share in the portfolio.

Global risk management provides a detailed monthly report indicating the calculation and current situation of the VaR and the control of the regulatory and internal limitations. This model allows backtesting, a technique that enables to challenge the VaR calculation model. Based on historical VaR computations, the model determines whether the VaR actually determined the potential incurred loss by comparing it to the theoretical P&L.

Further, the bank set up a system of internal limitations to measure and control market risks. These limitations concern the negotiation portfolio, the exchange rate position, commodities and exchange rate options.

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<sup>3</sup> The Value at Risk represents the potential maximum loss on the value of an asset or a portfolio of financial assets and liabilities, taking into account of a holding period and a confidence interval.

## I.1. Interest rate risk

The banking system is subject to a downward trend in interest rates. Credit yield, combined with higher resource costs, affects banking intermediation margins. The bank runs the risk that future interest rates should reduce the forecasted net banking income.

As of December 31<sup>st</sup>, 2010, the market value of the Treasury bill trading portfolio stands at MAD 3 170 million, with a VaR of MAD 391 639. The main interest rate hedging instruments used are loans/ borrowings, rate swaps, interest rate swaps and forward-rate agreements (FRAs). In the absence of hedging tools, interest rate risk management is based on optimizing the backing of assets and liabilities (asset/ liability dynamic management) by driving the deposit and credit strategy.

As of December 31<sup>st</sup>, 2011, the market value of the Treasury bill trading portfolio stands at MAD 5 510 million with a 1 day VaR of MAD 3.681 million.

## I.2. Exchange rate risk

All banking institutions are exposed to exchange rate risk due to their many activities (stakes in corporations, overseas subsidiaries, currency loans, currency securities, currency borrowings, swaps, exchange rate options, exchange rate futures, etc.) The banking institution can be subject to unfavorable evolution of future exchange rates and therefore witness a reduction of its projected margin. As of December 31<sup>st</sup>, 2011, Attijariwafa bank's exchange rate risk can be broken down as follows:

Currency	Position in currency	Exchange Rate	Counter value (KMAD)	% of equity
USD	114 127	8,565	977 507	5,04%
EUR	112 569	11,1095	1 250 587	6,44%
JPY	150 643	0,111	16 717	0,09%
CHF	958	9,1269	8 739	0,05%
GBP	1 354	13,2987	18 000	0,09%
CAD	7 204	8,4114	60 595	0,31%
DKK	824 541	1,4947	1 232 440	6,35%
NOK	164	1,43	235	0,00%
SEK	2 101	1,2468	2 620	0,01%
DZD	574	0,1114	64	0,00%
TND	264	5,7302	1 511	0,01%
SAR	4 399	2,2838	10 046	0,05%
KWD	94	30,7433	2 905	0,01%
AED	2 872	2,3318	6 696	0,03%
LYD	54	7,049	378	0,00%
MRO	961	0,0291	28	0,00%

In thousands – Source: Attijariwafa bank

As of December 31<sup>st</sup>, 2011, the bank's total exchange rate positions stood as follows:

- In terms of long positions, the total is equal to MAD 3 507 390 thousand;
- In terms of short positions, the total is equal to MAD 81 678 thousand.

## II. LIQUIDITY RISK

The transformation activity, which is specific to banking institutions, necessarily implies a liquidity risk. The maturities of incomes and expenses, all different from one another, create gaps within the bank balance sheet between the volumes of assets and liabilities that are at the source of the liquidity risk.

In the event of structural upheavals the bank can suddenly find it impossible to obtain liquidities under normal volume and interest rate conditions. In such case, future financing requirement can reduce projected margins.

The regulatory liquidity ratio <sup>4</sup> is as follows:

Date	Liquidity ratio Morocco	Trend
march 31 <sup>st</sup> , 2006	92,80%	
june 30 <sup>th</sup> , 2006	87,20%	-5,60 pts
dec 31 <sup>st</sup> , 2006	96,40%	+9,20 pts
march 31 <sup>st</sup> , 2007	77,60%	-18,80 pts
june 30 <sup>th</sup> , 2007	131,40%	+53,80 pts
dec 31 <sup>st</sup> , 2007	107,90%	-23,50 pts
june 30 <sup>th</sup> , 2008	101,60%	-6,30 pts
dec 31 <sup>st</sup> , 2008	100,60%	-1,00 pt
march 31 <sup>st</sup> , 2009	121,01%	+20,41 pts
june 30 <sup>th</sup> , 2009	100,90%	-20,11 pts
dec 31 <sup>st</sup> , 2009	107,98%	+7,08 pts
march 31 <sup>st</sup> , 2010	94,73%	-13,25 pts
june 30 <sup>th</sup> , 2010	91,48%	-3,25 pts
dec 31 <sup>st</sup> , 2010	94,16%	+2,68 pts
march 31 <sup>st</sup> , 2011	87,02%	-7,14 pts
june 30 <sup>th</sup> , 2011	95,04%	+8,02 pts
dec 31 <sup>st</sup> , 2011	95,40%	0,36 pt

Source: Attijariwafa bank

## III. COUNTERPARTY RISK MANAGEMENT

In a context of structural changes in Morocco, namely economic liberalization, opening of borders, customs dismantlement and the entry into force of several free trade agreements, the counterparty risk of the banking sector could deteriorate and therefore induce a rise in the global litigation ratio. This trend could become more pronounced in an unfavorable economic context.

To manage the counterparty risk, the « Credit risk » entity within the GGR is charged with analyzing and handling risk taking requests coming from the group's sales forces. In addition, the entity has the prerogative of assessing the consistency and validity of guarantees, evaluating the volume of activity in the relationship and the economic validity of the requested financing. Each business unit is provided with clearly independent commitment and recovery structures that are hierarchically linked to the Global Risk Management division.

<sup>4</sup> Ratio of assets available in the short term and signed commitments received, to demand and short-term liabilities and signed commitments given.

The regulatory minimum level of the liquidity ratio is set at a 100% by Bank Al-Maghrib.

### III.1. Breakdown of bank commitments as of Dec. 31<sup>st</sup>, 2011<sup>5</sup>

#### **Breakdown by business sector**

The breakdown of risks by business sector receives particular attention along with a prospective analysis allowing dynamic management of the bank exposure. It is based on studies expressing opinions on the evolution of business sectors and identifying explanatory factors for the risks incurred by the main players.

The breakdown of commitments given by sector to total Bank commitments as of end 2011 stands as follows:

Financial-holding and insurance institutions represent 16%, down by 15.8% compared to the end of 2010. The risks on commitments in this sector are particularly low (96% of the commitments of specialized financial institutions are on bank subsidiaries);

- Construction, public works, and building materials sector represented 7.0% in 2011, i.e. 0.6 point less than in 2010. Credits by signature represented one half of the global commitments of this sector.
- Real Estate development represented 8.0% in 2011, down by 0.6 point compared to the end of 2010. The commitments in this sector witnessed strong growth due to the Bank's strategy of supporting many large scale housing unit projects.

#### **Breakdown by counterparty**

Assessed by taking into account all commitments concerning a given beneficiary, diversification constitutes a permanent feature of the Bank's risk policy. The extent and variety of the group's activities could help achieving it.

Possible concentrations are subject to regular testing giving rise to corrective measures when necessary.

#### **Breakdown by geographical area**

In Morocco, the breakdown of commitments by geographical area shows that Bank exposure is primarily concentrated in the region of Casablanca (78% of commitments) followed by the region of Rabat (9%). The regions of Meknes-Fez, Souss-Sahara and Rif-Oriental each represent 3% of commitments while the remaining 4% are spread out over other Moroccan regions.

This concentration is mainly due to:

- The fact that the regions of Casablanca and Rabat are the "economic, financial and administrative cores" of the Kingdom;
- The establishment of accounts in Casablanca and Rabat of the main infrastructure projects launched and carried out in the provinces.

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<sup>5</sup> Source: Attijariwafa bank

## **Breakdown by portfolio quality**

In order to assess all its counterparties, the Group has devised a rating system in line with the Basel II requirements. Thus, the implementation of the internal rating approach is based on meeting minimal requirements that enable each credit institution to select the systems and methods best adapted to their specific activity.

Indeed, the rating system must be characterized by two clearly separate parameters: the borrower's risk of default and the transaction specificities. The time period for evaluating the risk of default is estimated to be of 1 year.

This system, which is subject to regular validation and performance-monitoring, must also be of a predictive nature and also take into account human estimates.

In terms of documentation, the design of the rating system and its operational modalities must be formalized, mainly the aspects concerning portfolio differentiation, rating criteria, responsibility of the relevant stakeholders, frequency of review and implication of management that all must be looked into in great depth.

The data on the main borrowers and the characteristics of the provided facilities must be gathered and duly stored.

In addition, banks must have a reliable system enabling them to validate the precision and the coherence of the rating systems and procedures, as well as the estimation of all the major risk factors. They must give evidence to their authority of control that the validation processes enable them to assess the performance of their internal rating systems and assessment of risk in a coherent and significant way.

Starting from June 2003, the Attijariwafa bank Group developed a first generation of internal rating systems with the technical assistance of international financing firm and consulting firm Mercer Oliver Wyman. This system took into account two parameters: a rating scale of six categories (A, B, C, D, E and F) and estimated probability of default (PD). The initial model was limited to five financial factors behind credit risk.

In 2010 the Attijariwafa bank Group developed a new internal rating model at the level of the bank operating system in line with the Basel II requirements. This corporate-dedicated model also takes into account financial, qualitative and behavioral elements. It covers the core elements of the bank's commitments. Its design is based on the analysis of homogeneous classes and tested statistical analysis.

The rating system is essentially based on the Counterparty Rating which reflects the probability of default over a 1-year observation period. The rating is assigned to a risk category of the rating scale which consists of eight risk classes including one for default (A, B, C, D, E, F, G, and H).

Note	Risk level
A	Excellent
B	Good
C	Quite good
D	Average
E	Mediocre
F	Bad
G	Very bad
H	Default

Source: Attijariwafa bank

The rating system is characterized by the following:

- Perimeter: portfolio of companies apart from local authorities, financing institutions and real estate developers;
- The Attijariwafa bank Group rating system is basically founded on the Counterparty Rating reflecting the probability of default over a 1-year observation period;
- Computation of the system rating is the resulting combination of three types of rating, i.e. financial rating, qualitative rating and behavioral rating;
  - ✓ The financial rating is based on several financial factors relative to the company's size, dynamism, indebtedness, profitability and financial structure;
  - ✓ The qualitative rating is based on the information relative to the company's market, environment, shareholding structure and management. This information is provided by the Network;
  - ✓ The behavioral rating is based on the account structure.
- All counterparty ratings must be approved (for each instance) by the credit committee according to the delegation of powers in force;
- The probability of default assesses solely the solvency of the counterparty, irrespective of the transaction characteristics (guarantees, rankings, clauses, etc.);
- The risk classes of the model are calibrated by matching them to the risk classes of international rating agencies;
- The rating is assigned to a risk category on the rating scale consisting of 8 classes grouped together in 3 categories:
  - ✓ Sound counterparties: Classes A to D;
  - ✓ Sensitive counterparties: E to G;
  - ✓ Counterparties in default: class H (Doubtful, Compromised, Consolidation, Recovery, and Provision).
- Use of internal rating: The internal rating system is currently an integral part of the assessment and credit decision process. Indeed, the rating is taken into account in the processing of any credit proposal. The levels of delegation of competencies in terms of credit decisions actually depend on the risk rating;
- Rating update: the counterparty ratings are re-examined upon each application update and at least once a year. However, for companies that fall under the surveillance categories (Classes F, G or pre-recovery), the Counterparty rating must be reviewed every six months. Generally speaking, any new significant information must give rise to a challenging of the Counterparty rating, either upwards or downwards.

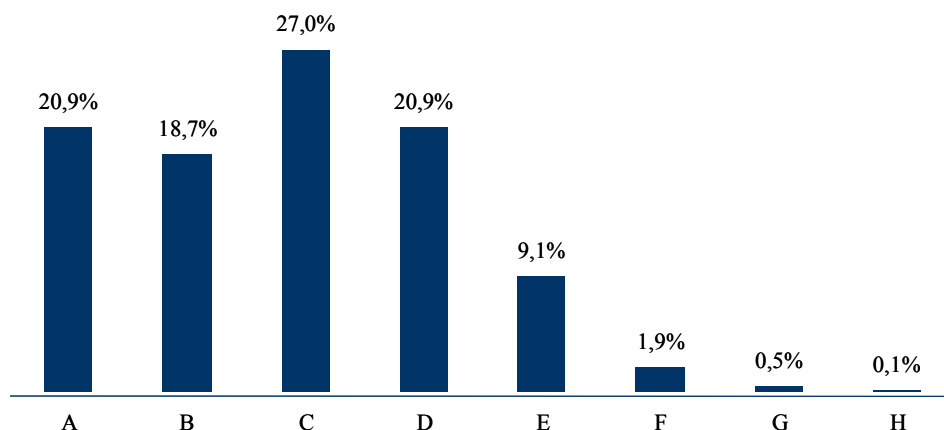
The rating system is dynamic and subject to annual back testing in order to:

- Test the predictive power of the rating model;
- Ensure the proper calibration of default probabilities.

In order to ensure the surveillance of risk quality, the Risk Management Systems entity produces regular reports on the risk cartography according to different analysis factors (Commitments, business sector, pricing, network, overdue files, etc) and makes sure to improve the rate of portfolio hedging.

As far as commitments are concerned, the breakdown of risks concerning the corporate perimeter stands as follows:

**Breakdown of bank commitments (corporate perimeter) per risk class as of December 31<sup>st</sup>, 2011 \***



Source: Attijariwafa bank

\* Public administrations, financing institutions and real estate development companies are not included in this perimeter

A rating system for real estate development focusing on two main dimensions (customer/project) is currently under development.

This approach falls in the process of getting in compliance with the advanced methods of Basel II.

**Stock market risk**

The net book value of Attijariwafa bank's investment securities as of December 31<sup>st</sup>, 2011, stands as follows:

	Gross book value	Current value	Reimbursement value	Unrealized gains	Unrealized losses	Provisions
<b>Transaction securities</b>	<b>32 076 343</b>	<b>32 076 343</b>	-	-	-	-
Treasury bills and similar securities	21 676 171	21 676 171	-	-	-	-
Bonds	1 689	1 689	-	-	-	-
Other debt securities	138 007	138 007	-	-	-	-
Ownership securities	10 260 476	10 260 476	-	-	-	-
<b>Investment securities</b>	<b>5 489 983</b>	<b>5 463 930</b>	-	<b>104 438</b>	<b>26 053</b>	<b>26 053</b>
Treasury bills and similar securities	4 101 640	4 097 815	-	75 702	3 825	3 825
Bonds	1 292 836	1 288 459	-	21 009	4 377	4 377
Other debt securities	-	-	-	-	0	0
Ownership securities	95 508	77 656	-	7 727	17 851	17 851
<b>Investment securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Treasury bills and similar securities	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Other securities	-	-	-	-	-	-

Thousand MAD - Source: Attijariwafa bank

It should be noted that the book value of the transaction securities is equal to their market value. The book value of investment securities is the historical value while the current value corresponds to the market value. In the event of an unrealized loss, a provision must be made.

## IV. REGULATORY RISKS

### Solvency ratio

Attijariwafa bank has a healthy financial base enabling it to confront all its commitments, as evidenced by the solvency ratio as of december 31<sup>st</sup>, 2011:

	2011 *
Regulatory shareholders' equity - MMAD (1)	18 566
Weighted risks - MMAD (2)	184 285
<b>Solvency ratio (1) / (2)</b>	<b>10.07%</b>

MMAD - Source: Attijariwafa bank – Aggregate accounts - \* The solvency ratio for FY 2011 is provisional (waiting the validation of Bank Al-Maghrib).

## V. COUNTRY RISK MANAGEMENT

The country risk, which encompasses political, economic and financial risks, is being given more and more importance among banks' concerns.

In particular, Attijariwafa bank decided to set up a country risk evaluation and management system within the Global Risk Management division.

During FY 2011, the Risk Management and Reporting entity consolidated the follow-up and monitoring activities at the level of the bank and its banking and financial subsidiaries, and put in place a country risk management system.

### Country risk management system:

The implementation of the bank growth strategy abroad as well as the provisions of circular 1/G/2008 of Bank Al Maghrib led to the establishment of a country risk management system given the escalating importance of overseas activities in the Group's global exposure.

This system revolves around the following principles:

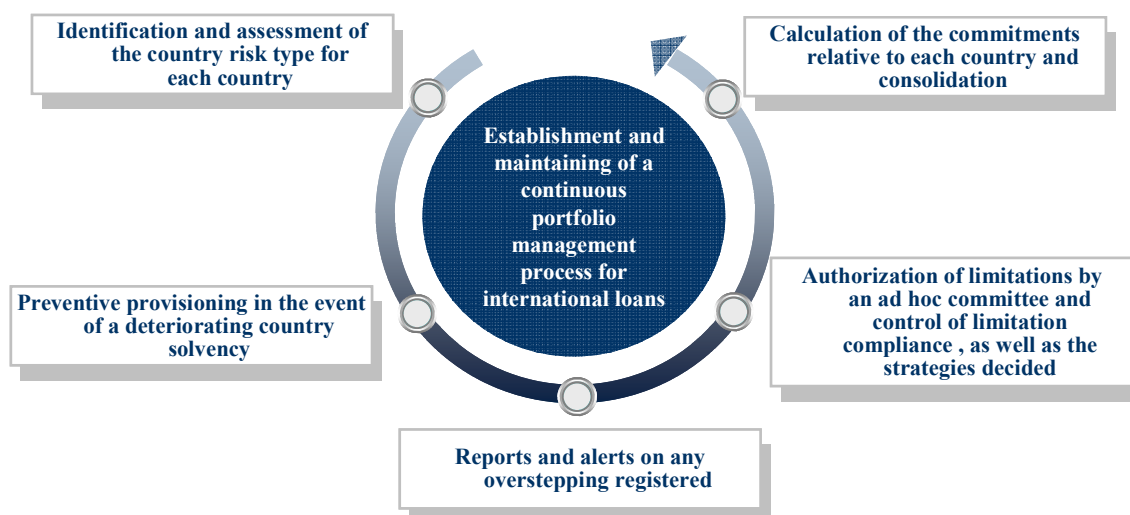
- A country risk chart adopted by the management entity and the administrative body, constituting the reference framework governing activities that generate international risks for the bank;
- A survey and assessment of international risks: the Attijariwafa bank Group deploys its banking and semi-banking activity on its domestic market as well as in foreign countries through its subsidiaries and branch offices. In this respect, its exposure to international risks involves all kinds of commitment made by the bank as a credit entity for non resident counterparties in both dirham and foreign currencies;
- A restatement and computation of country risk exposure according to the principle of risk transfer which enables to point out high exposure areas and countries (in value and in % of shareholders' equity) as well as the typologies of the corresponding risks;
- Consolidation rules for exposure to country risks that allow to have a broader view of the group's global commitment, beyond individual country analysis of bank's and subsidiaries' commitments ;
- Elaboration and distribution of a weekly report on the evolution of country risks summarizing all the noteworthy events that occurred over the week (updates on agency ratings and others..) with an update of the "Monde" database on country ratings by Standard & Poor's, Moody's, Fitch, Coface, and OECD, as well as the internal score internal attributed by the bank and country CDS;
- Conception of an internal economic country risk score assessing the vulnerability index by country. This score is based on a multiple criteria assessment approach combining macroeconomic indicators, agency ratings and market data, mainly credit default swaps as a barometers of default probability linked to each issuer;
- Development of an internal political country risk score assessing a country's vulnerability to political instability. This score is based on a multiple criteria assessment approach combining the evaluation of qualitative indicators related to legal aspects (legal guarantee, regulation

environment), administration and bureaucracy, redistribution of wealth, the Democracy Index as well as the Doing Business score making it possible to study the regulations conducive to economic activity as well as those placing limits thereupon;

- Allocation of limits calibrated according to the risk profile of the country and the level of bank shareholders' equity by area, by country, by business sector, by type of activity, by maturity...;
- Monitoring and oversight of respect of limits;
- Provisioning of the country risk according to the downgrade of exposure (risk materialization, debt rescheduling, payment default, benefits of deleveraging initiatives, etc.);
- A stress test performed every six months, in order to make sure of the bank's capacity to resist extreme risk factors (case of materialization of the political risk in Tunisia and Ivory Coast) and measurement of the impact on capital and profitability.

In conclusion the country risk management is covered by a system ensuring the coverage of international risks from origination to the final outcome.

#### Country risk management system



Source: Attijariwafa bank

## VI. EXCEPTIONAL EVENTS AND LITIGATION

N/A

## PART IV: APPENDICES

### VII. SUMMARY STATEMENTS OF ATTIJARIWAFABANK AGGREGATE ACCOUNTS

#### VII.1. Balance Sheet 2009-2011

ASSETS	2009	2010	2011
<b>Cash securities, central banks, public Treasury, Postal Check Service</b>	<b>11 073 971</b>	<b>9 704 499</b>	<b>8 883 843</b>
<b>Loans to credit institutions and similar</b>	<b>37 210 728</b>	<b>29 580 619</b>	<b>29 439 482</b>
Demand facilities	6 355 600	3 136 973	5 726 467
Term facilities	30 855 128	26 443 646	23 713 015
<b>Loans to customers</b>	<b>122 321 368</b>	<b>138 803 053</b>	<b>157 605 524</b>
Cash and consumer loans	44 002 865	46 871 043	54 250 125
Equipment loans	34 396 158	43 032 617	49 681 787
Real Estate loans	40 194 664	45 069 432	50 256 714
Other loans	3 727 681	3 829 961	3 416 898
<b>Factoring loans</b>	<b>0</b>	<b>0</b>	<b>609 141</b>
<b>Transaction and investment securities</b>	<b>37 649 961</b>	<b>29 908 542</b>	<b>37 540 273</b>
Treasury bills and similar securities	24 369 175	16 594 647	25 773 986
Other debt securities	4 986 564	5 292 932	1 428 155
Ownership securities	8 294 222	8 020 963	10 338 132
<b>Other assets</b>	<b>2 325 996</b>	<b>3 725 029</b>	<b>2 165 642</b>
<b>Investment securities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Treasury bills and similar securities	0	0	0
Other debt securities	0	0	0
<b>Stock securities and similar assets</b>	<b>10 630 925</b>	<b>10 859 413</b>	<b>12 190 156</b>
<b>Subordinated assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Leasing and rental fixed assets</b>	<b>302 292</b>	<b>550 404</b>	<b>695 773</b>
<b>Intangible fixed assets</b>	<b>1 748 994</b>	<b>1 775 679</b>	<b>1 858 483</b>
<b>Tangible fixed assets</b>	<b>2 616 074</b>	<b>2 552 874</b>	<b>2 340 178</b>
<b>TOTAL ASSETS</b>	<b>225 880 310</b>	<b>227 460 112</b>	<b>253 328 494</b>

In thousand MAD

LIABILITIES	2009	2010	2011
Central banks, public Treasury, Postal Check Service	0	0	0
<b>Liabilities due to credit institutions and similar institutions</b>	<b>21 832 616</b>	<b>21 921 800</b>	<b>35 638 653</b>
Demand facilities	3 279 834	7 076 666	7 588 676
Term facilities	18 552 782	14 845 134	28 049 978
<b>Customer deposits</b>	<b>154 216 342</b>	<b>157 047 962</b>	<b>165 590 451</b>
Current credit accounts	84 654 088	91 145 133	99 859 627
Savings accounts	17 795 778	18 961 677	20 717 644
Term deposits	45 115 781	39 751 445	38 715 162
Other credit accounts	6 650 695	7 189 707	6 298 019
<b>Debt securities issued</b>	<b>4 311 376</b>	<b>8 334 259</b>	<b>10 189 227</b>
Negotiable debt securities issued	4 311 376	8 334 259	10 189 227
Bonds issued	0	0	0
Other debt securities issued	0	0	0
<b>Other liabilities</b>	<b>18 670 722</b>	<b>10 124 681</b>	<b>9 214 395</b>
<b>Provisions for risks and expenditure</b>	<b>745 324</b>	<b>849 752</b>	<b>880 241</b>
<b>Legal provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Subsidies, affected public funds and special guarantee funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Subordinated debts</b>	<b>8 118 729</b>	<b>9 347 844</b>	<b>10 370 972</b>
<b>Revaluation differences</b>	<b>420</b>	<b>420</b>	<b>420</b>
<b>Reserves and share premiums linked to capital</b>	<b>13 262 667</b>	<b>14 896 000</b>	<b>16 358 000</b>
<b>Share capital</b>	<b>1 929 960</b>	<b>1 929 960</b>	<b>1 929 960</b>
<b>Non paid up share capital (-)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Retained earnings (+/-)</b>	<b>-4 853</b>	<b>909</b>	<b>1 497</b>
<b>Net income to be allocated (+/-)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net income of FY (+/-)</b>	<b>2 797 007</b>	<b>3 006 525</b>	<b>3 154 677</b>
<b>TOTAL LIABILITIES</b>	<b>225 880 310</b>	<b>227 460 112</b>	<b>253 328 494</b>

En thousand MAD

## VII.2. Off Balance Sheet 2009-2011

COMMITMENTS GIVEN	2009	2010	2011
Financing commitments to credit institutions and similar institutions	1 211	533	1 183
Financing commitments to customers	13 511 736	14 380 260	12 176 841
Guarantee commitments to credit institutions and similar institutions	5 755 938	4 932 906	7 360 666
Guarantee commitments to customers	22 461 388	24 043 600	28 058 293
Securities purchased on repurchase agreements	0	0	0
Other securities payable	0	0	0
<b>Total</b>	<b>41 730 273</b>	<b>43 357 299</b>	<b>47 596 983</b>

In thousand MAD

COMMITMENTS RECEIVED	2009	2010	2011
Financing commitments received from credit institutions and similar institutions	0	0	266 628
Guarantee commitments received from credit institutions and similar institutions	15 474 570	15 188 837	14 831 908
Guarantee commitments received from the State and various guarantee entities	82 348	66 391	59 078
Securities sold on repurchase agreements	0	0	0
Other securities receivable	0	0	0
<b>Total</b>	<b>15 556 918</b>	<b>15 255 228</b>	<b>15 157 614</b>

In thousand MAD

### VII.3. Income statement 2009-2011

INCOME STATEMENT	2009	2010	2011
<b>I BANKING OPERATING INCOME</b>			
Interest income and similar from operations with credit institutions	1 202 733	1 152 758	1 112 246
Interest income and similar from operations with customers	6 768 349	7 619 171	8 432 809
Interest income and similar from debt securities	497 284	421 715	397 555
Income from ownership securities	563 440	855 487	886 480
Income from lease and rental fixed assets	103 704	117 287	146 308
Fees and commission income	998 760	1 073 729	1 132 225
Other banking income	1 793 420	2 061 124	1 962 113
<b>TOTAL I</b>	<b>11 927 690</b>	<b>13 301 271</b>	<b>14 069 736</b>
<b>II. BANKING OPERATING EXPENDITURE</b>			
Interest expense and similar on operations with credit institutions	658 435	739 081	711 245
Interest expense and similar on operations with customers	2 711 104	2 428 329	2 488 750
Interest expense and similar on debt securities issued	154 726	205 109	420 663
Expense on lease and rental fixed assets	89 489	99 295	135 418
Other banking expenses	1 263 358	1 591 224	1 340 599
<b>TOTAL II</b>	<b>4 877 113</b>	<b>5 063 038</b>	<b>5 096 674</b>
<b>III. NET BANKING INCOME</b>	<b>7 050 577</b>	<b>8 238 233</b>	<b>8 973 062</b>
Non banking operating income	673 017	64 100	31 413
Non banking operating expense	56 292	32 781	1
<b>IV. GENERAL OPERATING EXPENDITURE</b>			
Personnel expenses	1 286 307	1 377 972	1 540 770
Taxes and duty	84 078	91 593	101 056
External expenses	1 117 635	1 220 930	1 278 854
Other general operating expenses	15 804	9 280	7 098
Depreciation and amortization of tangible and intangible fixed assets	377 218	414 092	418 130
<b>TOTAL IV</b>	<b>2 881 043</b>	<b>3 113 867</b>	<b>3 345 908</b>
<b>V. PROVISIONS AND WRITE-OFFS ON BAD DEBT</b>			
Provisions for outstanding loans and signed commitments	823 398	1 095 966	1 058 640
Write-offs on bad debt	605 337	434 499	783 859
Other provisions	370 070	238 366	380 658
<b>TOTAL V</b>	<b>1 798 805</b>	<b>1 768 831</b>	<b>2 223 157</b>
<b>VI. REVERSAL OF PROVISIONS AND AMOUNTS RECOVERED ON AMORTIZED LOANS</b>			
Amounts recovered on outstanding loans and signed commitments	948 342	760 714	831 081
Amounts recovered on amortized loans	112 081	72 645	74 056
Other reversal of provisions	241 446	133 070	288 703
<b>TOTAL VI</b>	<b>1 301 868</b>	<b>966 429</b>	<b>1 193 840</b>
<b>VII. PROFIT FROM RECURRING OPERATIONS</b>	<b>4 289 323</b>	<b>4 353 283</b>	<b>4 629 248</b>
Non current income	826	1265	297
Non current expenses	40 120	9 338	25 031
<b>VIII. PROFIT BEFORE TAX</b>	<b>4 250 029</b>	<b>4 345 210</b>	<b>4 604 514</b>
Income tax	1 453 022	1 338 685	1 449 837
<b>IX. PROFIT FOR THE YEAR</b>	<b>2 797 007</b>	<b>3 006 525</b>	<b>3 154 677</b>

In thousand MAD

## VIII. SUMMARY STATEMENT OF IFRS CONSOLIDATED ACCOUNTS

### VIII.1. Consolidated Balance Sheet 2009-2011

	2009	2010	2011
<b>ASSETS</b>			
Cash, central banks, public Treasury, Postal Check Service	13 937 027	13 374 249	13 817 615
Financial assets at fair value through profit	23 415 807	23 776 381	36 111 566
Hedging derivatives			
Financial assets available for sale	26 130 492	29 921 521	25 965 979
Loans and advances to other credit institutions and similar institutions	27 240 871	16 912 923	15 164 488
Loans and advances to customers	178 992 641	200 216 617	230 681 667
Asset reevaluation difference on interest rate hedged portfolios			
Held to maturity investments			
Payable tax assets	60 972	135 373	72 623
Deferred tax assets	732 402	625 727	381 699
Adjustment accounts and other assets	6 539 854	7 011 157	6 301 601
Non current assets available for sale		0	150 209
Deferred participation of insured parties in profits		816 307	501 467
Investments in equity affiliates	97 734	108 935	110 980
Investment property	1 077 449	1 319 993	1 158 463
Tangible fixed assets	1 222 753	1 396 860	1 339 331
Intangible fixed assets	4 490 309	4 647 412	5 077 373
Goodwill	6 408 911	6 391 864	6 616 988
<b>Total assets</b>	<b>290 347 222</b>	<b>306 655 318</b>	<b>343 452 049</b>
<b>LIABILITIES</b>			
Central banks, public Treasury, Postal Check Service	111 049	164 915	227 490
Financial liabilities at fair value through profit	2 145 888	3 390 320	2 591 760
Hedging derivatives	-	0	
Liabilities due to other credit institutions and similar institutions	26 093 428	23 006 975	34 655 547
Customer accounts	194 705 935	201 447 928	218 815 270
Debt securities issued	6 550 653	11 872 036	15 613 534
Liabilities reevaluation difference on interest rate hedged portfolios	-	0	
Current tax liabilities	804 006	133 609	636 759
Deferred tax liabilities	1 498 993	1 837 115	1 384 100
Adjustment accounts and other liabilities	8 481 286	8 350 041	8 763 194
Debts on non current assets available for sale		0	
Technical provisions of insurance contracts	15 628 317	17 579 940	18 602 128
Provisions for risks and expenses	1 062 927	1 123 111	1 171 295
Subsidies, affected public funds and special guarantee funds	210 746	207 289	187 587
Subordinated debts	8 271 775	9 516 757	10 523 289
Share capital and reserves	7 366 523	7 366 523	7 366 523
Consolidated reserves	12 123 880	14 992 969	17 132 734
<i>Attributable to the Group</i>	<i>9 149 861</i>	<i>11 578 042</i>	<i>13 759 424</i>
<i>Attributable to non-controlling interests</i>	<i>2 974 019</i>	<i>3 414 927</i>	<i>3 373 310</i>
Unrealized or deferred gains or losses, attributable to the Group	700 923	921 357	478 677
Profit for the year	4 590 892	4 744 433	5 302 162
<i>Attributable to the Group</i>	<i>3 940 837</i>	<i>4 102 489</i>	<i>4 458 745</i>
<i>Attributable to non-controlling interests</i>	<i>650 055</i>	<i>641 944</i>	<i>843 417</i>
<b>Total liabilities</b>	<b>290 347 222</b>	<b>306 655 318</b>	<b>343 452 049</b>

In thousand MAD

## VIII.2. IFRS consolidated income statement 2009- 2011

	2009	2010	2011
Interest income and similar	12 298 097	14 075 852	15 479 302
Interest expense and similar	4 929 556	5 177 078	5 713 876
<b>Interest margin</b>	<b>7 368 541</b>	<b>8 898 774</b>	<b>9 765 427</b>
Fee and commission income	2 407 257	3 113 089	3 473 516
Fee and commission expense	203 683	234 668	314 261
<b>Commission margin</b>	<b>2 203 574</b>	<b>2 878 420</b>	<b>3 159 255</b>
Net financial gains or losses at fair value through profit	1 510 262	1 801 666	1 459 016
Net gains or losses on financial assets available for sale	1 556 706	776 999	927 739
<b>Profit from market operations</b>	<b>3 066 969</b>	<b>2 578 664</b>	<b>2 386 755</b>
Income from other activities	4 337 748	4 584 467	5 467 924
Expenditure on other activities	3 721 661	4 273 749	4 897 287
<b>Net banking income</b>	<b>13 255 170</b>	<b>14 666 576</b>	<b>15 882 074</b>
General operating expenses	4 762 794	5 705 321	6 404 286
Depreciation and amortization of intangible and tangible fixed assets	642 495	717 088	798 012
<b>Gross operating income</b>	<b>7 849 881</b>	<b>8 244 167</b>	<b>8 679 776</b>
Cost of risk	-988 329	-1 218 243	-749 701
<b>Operating income</b>	<b>6 861 552</b>	<b>7 025 925</b>	<b>7 930 075</b>
Share of income from equity affiliates	12 394	18 156	16 099
Gains or losses from other assets	-6 262	2 622	687
Variations in value of goodwill	0	0	0
<b>Profit before tax</b>	<b>6 867 684</b>	<b>7 046 703</b>	<b>7 946 861</b>
Income tax	2 276 792	2 302 270	2 644 699
<b>Profit for the year</b>	<b>4 590 892</b>	<b>4 744 433</b>	<b>5 302 162</b>
Profit attributable to non-controlling interests	650 055	641 944	843 417
<b>Profit attributable to Group share</b>	<b>3 940 837</b>	<b>4 102 489</b>	<b>4 458 745</b>

In thousand MAD

## NOTICE

**The aforementioned information is only a part of the prospectus approved by the Stock Exchange Ethics Board (CDVM) under reference VI/EM/024/2012 dated June 20<sup>th</sup>, 2012. The CDVM advises reading of the entire prospectus made available to the public in French.**