ANNUAL REPORT **2009**

التجاري وفا بنك
Attijariwafa bank

# Contents

# Chairman's message

In 2009 the Attijariwafa bank Group experienced accelerated deployment of the "Attijariwafa 2012" strategic plan and saw improved profitability lending definite credibility to the options put forth.

By strengthening its position as a major national and regional financial player, our Group reported significant progress in all indicators. The consolidated net banking income grew by 21% at 13.3 billion MAD, with net income group share at 3.9 billion MAD, i.e. up 26%, and the total balance sheet settling at 290.4 billion MAD rising to 12.1%. This situation testifies to the dynamism of Group entities basing their action on an approach linking disciplined risk management, cost control and bolstering of customer satisfaction.

In Morocco, the synergy between our fields of expertise in all banking and finance areas, together with the mobilization of our work teams made it possible to compensate for the impact of the international financial crisis on the domestic economy placing our Group in a leading position with regard to savings collection, financing of the different economic operators, market operations and investment banking. At the same time, we have resolutely invested in new fields of activity, opening up access to financial products addressing a wider number of individuals via several endeavors fostering wealth creation conducive to social progress, in particular: « Hissab Bikhir » an entirely new concept of « low income banking », « Pacte Rasmali » for helping small size enterprise development, and « Pacte Vert » an innovative financial offering addressing the agricultural sector in direct relation to the Plan Maroc Vert (Green Morocco Plan).

At the regional level, the rapidly growing contribution by the Attijariwafa bank subsidiaries outside Morocco to the Bank's operating income solidifies the validity of our strategic operations by constituting diversified and complimentary relays. With this in view, the Group has proceeded to reinforce banks recently acquired in sub-Saharan Africa by rapidly placing them in a new growth dynamic along with integration into the Group's risk, control and compliance systems.

Attijariwafa bank Europe also participated in this forward thrust. The subsidiary's system was consolidated in the direction of the enlargement of its intervention perimeter with the aim of increasingly wide participation in the growth of flows between our banks in Europe, North, West and Central Africa. The Parisian platform dedicated to enterprises was reorganized and saw the strengthening of its resources. In addition, in seven European countries the transformation of our businesses into banking networks at the service of the Moroccan Diaspora and Africa Diaspora in general, is currently in full swing.

As for banks in Morocco, 2009 also saw the implementation of the first large structure-building projects in the master plan for information systems integrated into the analytical management of profitability, the improvement in risk management systems and growth in marketing efficiency. Along the same lines, the review of internal governance and organization of the various Group entities and subsidiaries made it possible to build linkages between the Bank's work teams operating in some twenty countries and injection of a new culture and shared objectives.

Hence, in 2009 this constituted a major step in the life of the Group for building the pan African foundation of Attijariwafa bank by translating into action the ambitions of our development project. It is with renewed enthusiasm that we embark on financial 2010 made possible by work teams of recognized competency, capitalizing on multiple areas of expertise with the advantage of cultural diversity. We are determined to consolidate the foundations of our strategy by placing it in logic of strong and long-lasting growth in the interest of our partners, clients, staff members and shareholders.

**Mohamed EL KETTANI**
**Chairman and Chief Executive Officer**

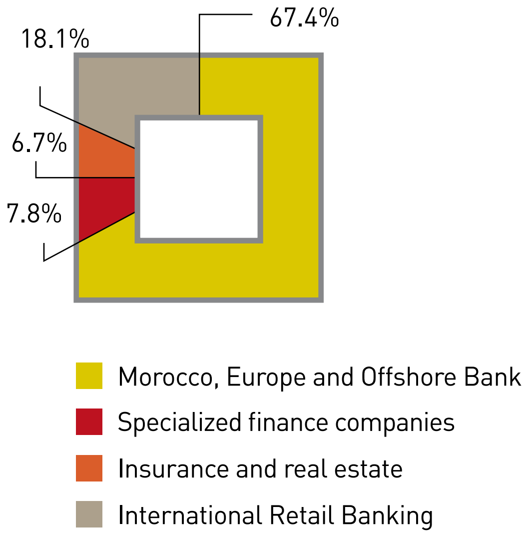
# Leader of African dimension

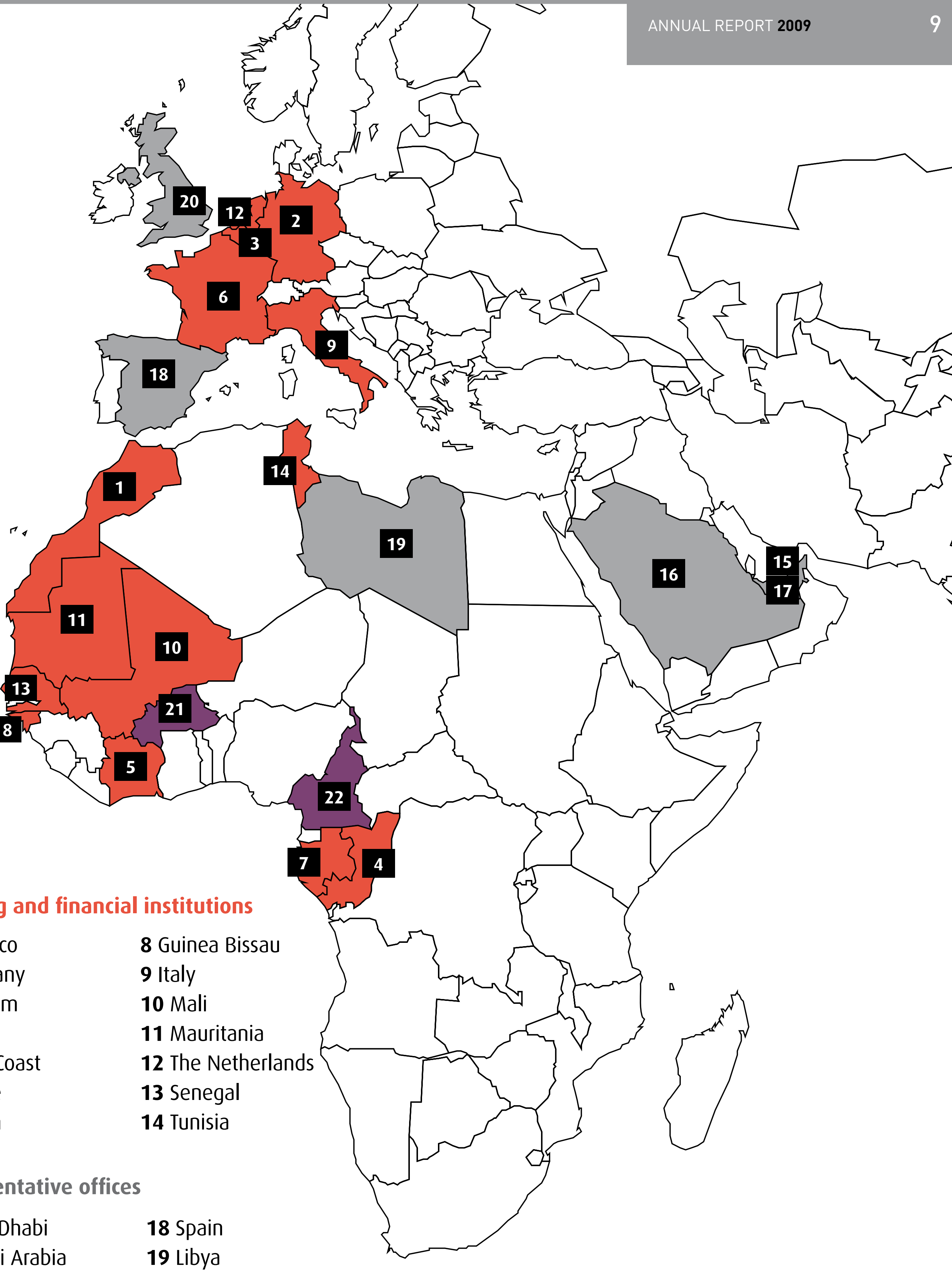
## Leading bank in North Africa
## Leading bank in WAEMU
## Top player in EMCCA

**More than 11 000 staff members at the service of over 4 million customers and presence in 22 countries**

### Per activity contribution to total consolidated balance sheet

31 December 2009






### Banking and financial institutions

**1** Morocco
**2** Germany
**3** Belgium
**4** Congo
**5** Ivory Coast
**6** France
**7** Gabon
**8** Guinea Bissau
**9** Italy
**10** Mali
**11** Mauritania
**12** The Netherlands
**13** Senegal
**14** Tunisia

### Representative offices

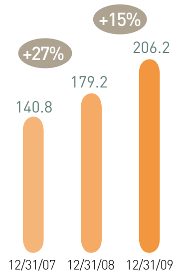
**15** Abu Dhabi
**16** Saudi Arabia
**17** Dubai
**18** Spain
**19** Libya
**20** United Kingdom

### In process of installation

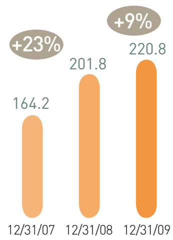
**21** Burkina Faso
**22** Cameroon
**23** China (not shown on map)

# Solid and Long-Lasting Financial Performance

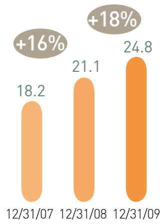
## Key consolidated figures according to IFRS standards



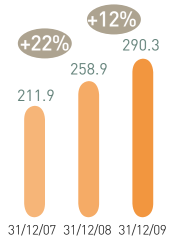

**Customer loans**
In billion MAD



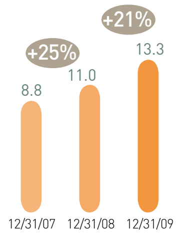

**Customer deposits**
In billion MAD



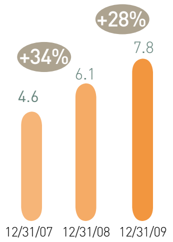

**Shareholders equity**
In billion MAD



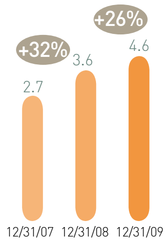

**Total Assets**
In billion MAD



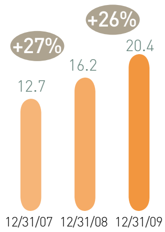

**Net banking income**
In billion MAD



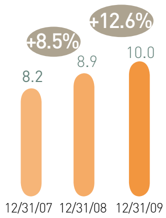

**Gross Operating income**
In billion MAD



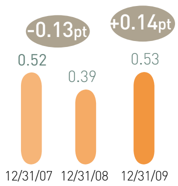

**Net income**
In billion MAD



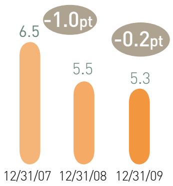

**Earning share** [1]
In billion MAD



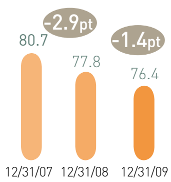

**Non-performing loans**
In billion MAD




**Cost of risk**
en %



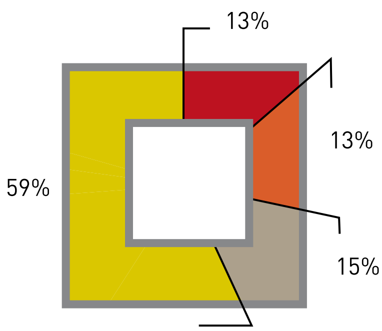

**Litigation ratio**
In %




**Hedging ratio**
In %

## Structure du produit net bancaire

31 décembre 2009




- Banking in Morocco, Europe and Offshore zone
- International Retail Banking
- Specialized financial subsidiaries
- Insurance and real estate

[1] Net income group share of the period/Total shares outstanding.

## Key Consolidated Figures according to IFRS standards

| (MAD m) [1] | 2007 | 2008 | 2009 |
|---|---|---|---|
| Total Assets | 211 911 | 258 942 | 290 347 |
| Shareholders' equity | 18 156 | 21 091 | 24 782 |
| Customer loans [2] | 140 764 | 179 176 | 206 234 |
| Customer deposits [3] | 164 158 | 201 833 | 220 799 |
| Net banking income | 8 793 | 10 967 | 13 255 |
| Gross operating income | 4 568 | 6 120 | 7 850 |
| Net income | 2 750 | 3 637 | 4 591 |
| Net income group share | 2 454 | 3 118 | 3 941 |
| NPL Ratio | 6.5% | 5.5% | 5.3% |
| Hedging ratio | 80.7% | 77.8% | 76.4% |
| Cost to Income Ratio | 48.1% | 44.2% | 40.8% |
| Cost of risk | 0.52% | 0.39% | 0.53% |
| ROE [4] | 17.8% | 20.8% | 22.7% |
| ROA [5] | 1.3% | 1.4% | 1.6% |

(1) As of 12/31/2009: 1 US$ = 7.89955 MAD 1 Euro = 11.30400 MAD.
(2) Customer loans include non-treasury loan to financial institutions credit and similar institutions.
(3) Customer deposits include non-treasury deposits with financial institutions.
(4) shareholders' equity at the outset of the financial year. Return on initial equity excluding net income of the previous period.
(5) Net income/total assets.

## Rating

| FITCH RATINGS | Dec. 2009 |
|---|---|
| LongLong-term in currency | BB+ |
| Short-term in currency | B |
| Long-term in local currency | BBB- |
| Short-term in local currency | F3 |
| Perspective | stable |

| STANDARD & POOR'S | Jul. 2009 |
|---|---|
| Long-term | BB |
| Short-term | B |
| Perspective | stable |

| CAPITAL INTELLIGENCE | March 2009 |
|---|---|
| Long-term | BBB- |
| Short-term | A3 |
| Financial Strength | BBB |
| Perspective | stable |

# Board of Directors

**Mr. Abdelaziz ALAMI**
Honorary Chairman

**Mr. Mohamed EL KETTANI**
Chairman and Chief Executive Officer

**Mr. El Mouatassim BELGHAZI**
Vice-Chairman

**Mr. Antonio ESCAMEZ TORRES**
Vice-Chairman

**Mr. Mounir EL MAJIDI**
Director
Representing SIGER

**Mr. Hassan BOUHEMOU**
Director
Representing SNI

**Mr. José REIG**
Director

**Mr. Abed YACOUBI SOUSSANE**
Director

**Mr. Javier Hidalgo BLAZQUEZ**
Director

**Mr. Manuel VARELA**
Representing Grupo Santander

**Mr. Hassan OURIAGLI**
Representing F3I

**Mr. Matias AMAT ROCA**
Representing Corporacion Financiera Caja de Madrid

**Ms. Wafaa GUESSOUS**
Secretary

# Governance Principles compliant with best Practices

To meet the expectations of its customers, shareholders and staff members, the Attijariwafa bank Group has set ambitious goals with regard to corporate governance, ethics and risk management.

Four bodies, all emanating from the Board of directors, have been set up:

- Strategy committee
- Appointment and remuneration committee
- Audit and accounts committee
- Major risks committee

These committees have the task of issuing and preparing the decisions by the Board of directors with regard to strategy, risk management and optimization of the Group's priority management levers.

The principle of equal sharing of decision with respect to Group management is ensured through:

- General management committee consisting of the General Managers and chaired by the Chairman and General Manager, oversees management of Group performance and keeps close watch on the implementation of the strategy as approved by the Board of directors;
- Executive committee chaired by the Chairman and General Manager or member of the General Management managing bank organization, operation and administration;
- Specialized committees chaired by the Chairman and General Manager or member of the General Management added to the governance bodies completing the entire system.

# Executive Committee

## General Management Committee

**Mr. Mohamed EL KETTANI**
Chairman and Chief Executive Officer

**Mr. Boubker JAÏ**
Managing Director – Financing, Investment Banking and Capital Markets and Financial Subsidiaries Division

**Mr. Omar BOUNJOU**
Managing Director – Retail Banking Division

**Mr. Ismaïl DOUIRI**
Managing Director – Finance, Transformation and Operations division

**Mr. Hassan BEDRAOUI**
Group Information Systems

**Mr. Saâd BENJELLOUN TOUIMI**
Corporate Banking

**Mr. Abdeljaouad DOSS BENNANI**
Group Finance

**Mr. Talal EL BELLAJ**
Global Risk Management

**Mr. Chakib ERQUIZI**
Capital Markets

**Mr. Mouawia ESSEKELLI**
Chief Executive Officer
Attijariwafa bank Europe

**Mr. Omar GHOMARI**
Group Human Capital

**Ms. Wafaâ GUESSOUS**
Buying, Logistics and Secretary to the Board

**Ms. Mouna KADIRI**
Group Communication

**Mme Noufissa KESSAR**
Private Banking

**Mr. Abderrazak LAMRANI**
Group Compliance

**Mr. Mounir OUDGHIRI**
Chief Executive Officer
SIB Attijariwafa bank group

**Mr. Abdelkrim RAGHNI**
Chief Executive Officer
CBAO Attijariwafa bank group

**Mr. Youssef ROUISSI**
Financing

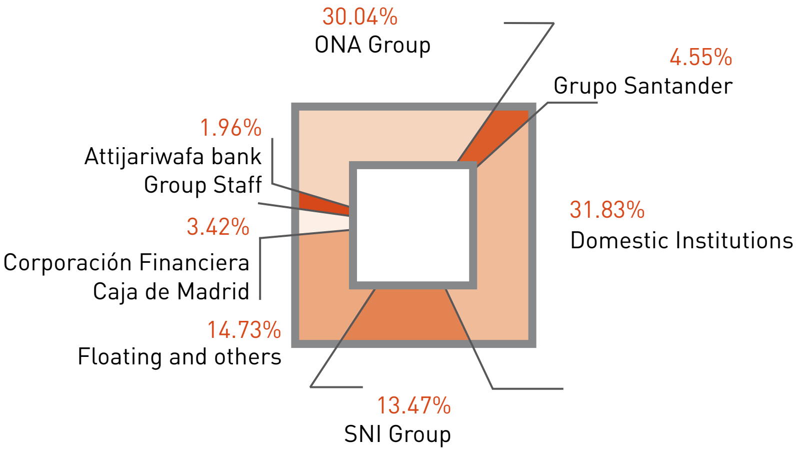
**Mr. Brahim SAÏD**
General Audit

**Mr. Said SEBTI**
Personal and Professional Banking

**Mr. Abdellatif SEDDIQI**
Rationalization of structures

**Mr. Hicham SEFFA**
Services and Customer Processing

## Capital Structure on 31 December 2009



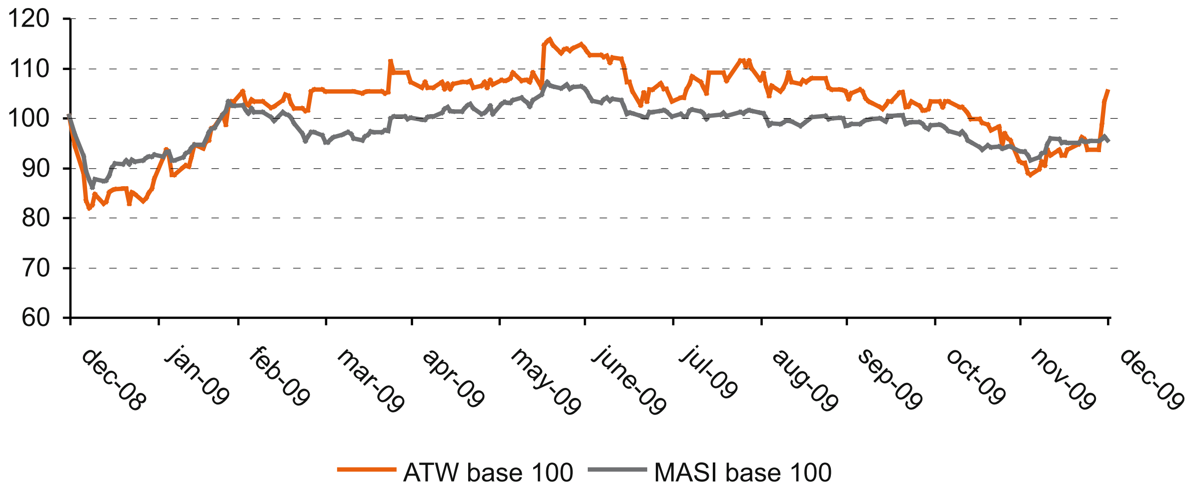

## Principal Equity Holders on 31 December 2009

| | Subsidiary Name | % Control |
|---|---|---|
| **Financial Institutions** | Attijariwafa bank Europe | 100.00% |
| | Attijari International Bank | 50.00% |
| | Attijari bank Tunisie | 54.56% |
| | Banque Internationale pour le Mali | 51.00% |
| | CBAO Groupe Attijariwafa bank | 80.16% |
| | Crédit du Sénégal | 95.00% |
| | Union Gabonaise de Banque | 58.71% |
| | Crédit du Congo | 91.00% |
| | Société Ivoirienne de Banque | 51.00% |
| **Semi-banking subsidiaries** | Wafasalaf | 50.94% |
| | Wafabail | 97.83% |
| | Wafa Immobilier | 100.00% |
| | Attijari Immobilier | 100.00% |
| | Attijari Factoring Maroc | 75.00% |
| | Wafacash | 99.13% |
| | Wafa LLD | 100.00% |
| **Financial Subsidiaries** | Attijari Finances Corp. | 100.00% |
| | Wafa Gestion | 66.00% |
| | Attijari Intermédiation | 100.00% |
| **Insurance** | Wafa Assurance | 79.23% |

## Profitability Higher than the Market

In 2009, the Attijariwafa bank share outperformed the general MASI index. After growing at the pace of the market in Q1, the announcement of the annual income for 2008 propelled the share to a high of 297 MAD prior to a correction incurred on the market as a whole. Nonetheless, the ATWB share showed a degree of resilience to the bearish trend of the market as of June 2009 showing a six-monthly decline of -9.1% compared to -10.4% by the MASI.

The Attijariwafa bank share closed 2009 at 270 MAD registering an annual performance of 4.9%, as opposed to the MASI which fell by -4.9% in the banking sector index declining by 1.4%. This trend occurred along with rising exchanges, the average daily global volume of which stood at 118 million MAD vs. 77 million MAD in the previous year.




## Stock market indicators

| Attijariwafa bank | 12/31/2007 | 12/31/2008 | 12/31/2009 |
|---|---|---|---|
| Closing price | 308 | 258 | 270 |
| Highest | 340 | 355 | 297 |
| Lowest | 230 | 247 | 210 |
| P/B(*) | 3.5x | 2.6x | 2,5x |
| P/E(*) | 24.2x | 15.9x | 13.2x |
| DY | 1.6% | 1.9% | 2.2% |
| Number of shares | 192 995 960 | 192 995 960 | 192 995 960 |
| Stock Market Capitalization (Mn MAD) | 59 443 | 49 696 | 52 109 |

(1) Based on end of period consolidated shareholders equity (Group Share).
(2) Based on end of period on consolidated net income.

# Highlights

## Continuation of the program for extension of the distribution network in Morocco and abroad

**Strengthening of the distribution capacity for financial products with a network of branch offices totaling 1806 units at the end of 2009.**

- Attijariwafa bank: +92 branch offices.
- Wafacash: + 61 branch offices including 12 in own name and 49 under franchise.
- Attijari bank Tunisie: + 12 branch offices.
- CBAO – Attijariwafa bank Group (Senegal) + 6 branches and 7 offices.
- BIM (Mali): + 3 branch offices.
- Wafa Assurance: granting of authorization to 17 new agents.

## Acceleration of external growth policy

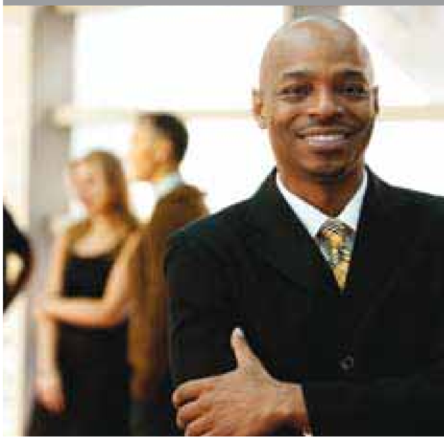
**Deployment of a regional Development Plan focusing on West and Central Africa**

- Finalization of the acquisition of majority stakers in Crédit du Congo, l'Union Gabonaise de Banque, the Société Ivoirienne de Banque, and Crédit du Sénégal, along with the transfer of 24% of the Wafa Assurance stock in Crédit du Maroc to the benefit of Crédit Agricole (France) and the transfer of 15% of Wafasalaf to Sofinco.
- Launch of activities in Libya via the opening of a representative office.
- Strengthening of shareholders equity of Attijariwafa bank and its subsidiaries:
  - Attijariwafa bank Morocco: issue of two subordinated debts of 1 billion MAD each ;
  - Attijari bank Tunisie: capital increase of 56 million Dinars.

## International Distinctions: Attijariwafa bank awarded best bank in 2009

For the 3rd successive year, the prestigious magazine The Banker published by the Financial Times Group chose Attijariwafa bank as best bank in Morocco in 2009. It was the intention of the editors of this magazine to reward the bank for the quality of its performances and the accuracy of its strategy.

Global Finance awarded the banking group for the sixth time in a row by rewarding its initiatives primarily for the launch of the innovative concept of economic or « low income banking», its strategy of expansion across the national territory via the opening of new banking branch offices, and the significant increase in the number of bank card holders.

## Commercial dynamic given impetus by the development of all Group business lines

- Attijariwafa bank :
  - Pacte vert: financing offering dedicated to farmers and agro-industry operators within the « Plan Maroc Vert 2020 » (green Morocco Plan 2020);
  - Miftah Assaad: real estate loan for facilitating access to housing by the middle classes ;
  - « Solutions Bidaya » : banking product addressing young working people under 35.
- Wafacash :
  - Hissab Bikhir: innovative concept of low income banking;
  - Partnership with Moneygram reinforcing the money transfer offering.
- Wafa Assurance: reorganization of the automobile insurance product range and lunch of two new products.
- Attijari bank Tunisie: significant broadening of the product ranges addressing business in individual person customers.

## Launch and development of large-scale organizational and computer based projects

- Attijariwafa bank: substantial progress in the implementation of the « e-btikar » master plan :
  - Deployment of a customer relation management tool ;
  - Account remuneration and launch of the « inbitak » project for the trading room;
  - Continuation of the Basle II project with the seting-up of internal customer rating;
  - Data depository: start up of the analytical profitability management project.
- BIM (Mali): launch of the transformation plan called « Nyeta ».
- Wafa Immobilier: general deployment of a sales system in the Attijariwafa bank network.
- Attijari Factoring: integration of the « confirming » activity and the implementation of an activity management system.

« With its financial services branch networks and savings programs adapted to our needs, Attijariwafa bank helps us achieve our life projects. »

**AMADOU THIAM,** Doctor (Dakar)

A strategic vision that creates wealth
for our customers, shareholders,
staff members and partners

# A strategic vision that creates wealth

## for our customers, shareholders, staff members and partners

**Universal bank, key player in North Africa and sub-Saharan Africa, Attijariwafa bank saw in 2009, its development efforts pay off thanks to the consolidation of positioning on historical and new markets via dynamic and securitized external growth.**

## The Group Strategy
### is focused around several specific areas

- The choice of recurrent and profitable growth: the Attijariwafa bank Group emphasizes recurrent and profitable growth with an eye to increasing its investment capacity, achieving economies of scale and cost reduction, thereby allowing it to offer customers innovative products and services at the very best price.
- Consolidation of leadership at the local level: in the framework of the strategic plan «Attijariwafa 2012», the Group will strive to consolidate its market share via the development of the retail banking, improvement in the small-sized entreprise management and financing of small enterprises, as well as the optimization of synergy between the various departments of the universal bank.
- Development of the universal bank in the African subsidiaries: Attijariwafa bank is resolutely committed to work hand in hand with the economic dynamics present on the African continent through the deployment of all its business lines, sharing of know-how and networking among all its areas of expertise. The Group actively contributes to the spread of bank use among the local populations, to the enlargement the customer base to all economic operators, as well as to the financing of infrastructures in the countries of operation.

A STRATEGIC VISION CREATING WEALTH FOR OUR CUSTOMERS, SHAREHOLDERS, STAFF MEMBERS AND PARTNERS

# Resolutely proactive positioning targeting customers little served by the banking system.

**In 2009 the Attijariwafa bank embarked on several endeavors geared to the conquest of new customer targets thereby completing its positioning as a universal bank and reiterating its good citizen role.**

## Low Income Banking

In 2009 Attijariwafa bank developed an innovative concept intended to democratize access to banking products and services. **Hissab Bikhir** is the first bank offering low income customers the possibility of joining Morocco's socio-economic system.

Targeting a population usually external to the banking system, it is constituted by a simplified bank account including basic electronic money products marketed via a network of more than 360 branch offices.

Attijariwafa bank makes full use of an extensive distribution network located in areas in proximity to the targeted populations in urban and suburban zones under the aegis of the well-known name of Wafacash. This refers to branch offices with well adapted merchandizing and environment, and flexible opening hours conveying an attractive image of being ready to work with low or irregular income customers.

## Small-sized Enterprises

Faithful to its good citizen policy, the Attijariwafa bank Group restated the support offered to small-sized enterprises via the **« Pacte Rasmali »**, an offering dedicated to enable continued development, the achievement of high performance and gaining positions making it possible to confront the challenges of growth.

## The Agricultural Sector

To work hand in hand with the national Moroccan sectoral plan called « Plan Maroc Vert » (Green Morocco Plan), Attijariwafa bank devoted an outlay of 25 billion MAD for deployment over forthcoming years through the launch of the « Pacte Vert » (Green Pact), i.e. a tailor-made offering with the aim of supporting all aspects of the agricultural and agro-industrial sector through:

- The Macharii investment loan, a product adapted to all investment projects, scalable reimbursements and flexible rate modalities.
- The dedicated Agram Invest fund: for equity investments in corporate entities specialized in the agro-food and agro-industry companies.

Investments are made in the form of taking out stakes in capital or by subscription to bond issues allowing access to the capital of the firm targeted.

- Country loans: bank loans for financing specific needs of farm or agro-industrial units and providing relief to cash requirements.
- Wide range of insurance product offerings: the bank offers a range of life and non life insurance products including « Multirisques Agro Plus » and « Multirisques Agricole ».

# A Top Regional Player

## Group Positioning

Attijariwafa bank has emphasized a strategy based on targeted acquisitions and organic investment in high potential areas.

Based on a universal bank model, the specific nature of local markets, the Group has managed to develop its presence and establish firmly held positions in North and sub-Saharan Africa.

Three major principles are behind this strategy of development abroad:

- The deployment of a governance model consistent with the backdrop of Group standards, practices and values while keeping close watch on the harmonization of processes and management of activities.
- The deployment of all the bank business lines and the development of semi-banking activities by using as best possible the synergy created with the Attijariwafa bank Group.
- Accompanying the economic dynamics of the targeted countries through active contribution to the spread of bank use, innovative solutions in support of small and medium-sized entreprises and significant participation in infrastructure project financing.

## Development of the Network in Africa and Europe

2009 was marked by the continuation of the acquisition of proximity banks in the countries of sub-Saharan Africa. The Attijariwafa bank Group purchased the banking subsidiaries of the Crédit Agricole Group France operating in Central and West Africa.

**• Union Gabonaise de Banque**
Third ranking bank in Gabon, Union Gabonaise de Banque has a network of five branch offices with a staff of 298 staff members;

**• Société Ivoirienne de Banque**
This bank has a network of 16 branch offices and staff of 407 staff members. It ranks 6th in the Ivorian banking market;

**• Crédit du Sénégal**
This banking institution has a network of 8 branch offices and staff of 210 staff members ranking in 6th position among banks in Senegal;

**• Crédit du Congo**
Top player on the Congolese market, the Crédit du Congo has a network of 4 branch offices and staff of 200 staff members.

This strategic operation made this year made it possible to achieve the objectives as stated in the « Attijariwafa 2012 » development plan.

Over the same period, Attijariwafa bank continued the deployment of transformation and development plans of the other subsidiaries.

**• Continuation of the expansion plans for Attijari bank Tunisie**
This banking institution continued its conquest of the Tunisian banking market in 2009 via the enlargement of its network and the opening of 12 new branch offices bringing the total number to 149.

Finalization of the transformation program made it possible place the bank among the leaders with regard to profitability criteria. With an equity profitability ratio of nearly 30% and observed growth of almost 50% in the stock market prices, Attijari bank Tunisie reiterated its determination to become a top player within the Tunisian banking market.

**• Consolidation of the positioning of CBAO-Attijariwafa bank group**
Following 2008 marked by the takeover of CBAO by the Attijariwafa bank Group and the successful merger between CBAO and Attijari bank Senegal, in 2009 CBAO-Attijariwafa bank Group consolidated its leading position on the banking market in the WAEMU. The implementation of a new commercial approach, the extension of the network, as well as the enlargement of the product range in 2009 constituted one of the principal levers of the development strategy.

Headquarters of CBAO - Attijariwafa bank group (Dakar)

In the framework of strengthening its position on the individual customer and professional market the bank undertook several tasks addressing the public at large: 6 new branch offices were opened in different regions of the country (Thies, Saint Louis, Touba and Ziguinchore). The Attijariwafa bank group now has a network of 60 branch offices throughout Senegal.

Well beyond its participation in the spread of bank use, CBAO and Attijariwafa bank confirm their leading position on the corporate market thank to adapted offerings and genuine commitment to economic development and financing of structure-building projects in the country.

- **Transformation of BIM (Banque International pour le Mali)**

The major event in 2009 for BIM was undoubtedly the launch of the transformation plan called « Nyeta » the goal of which is to place the bank to Group standards and acceleration of its activities.

- **Continuation of the transformation of Attijariwafa bank Europe into a retail bank**

Targeting the African Diaspora living in Europe, as well as enterprises operating between Africa and Europe crossed a new bridge in 2009 by the acquisition of a new computerized system transforming the greater share of its representative offices into full-fledged branch offices.

At the same time it adapted its internal organization to the new situation and continued the development of its distribution network.

Headquarters of Attijariwafa bank Europe (Paris)

« Since I entrusted my financial transactions to the Attijariwafa bank Group my portfolio has been in much better shape »

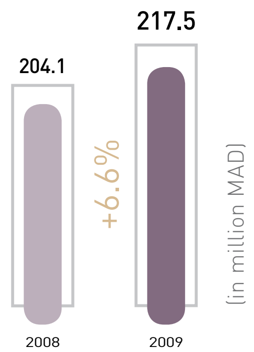
**ANAS OUAZZANI,** real estate developer [Casablanca]

High performance achievements testifying to the Group's new dimension

# Morocco's leading savings collector

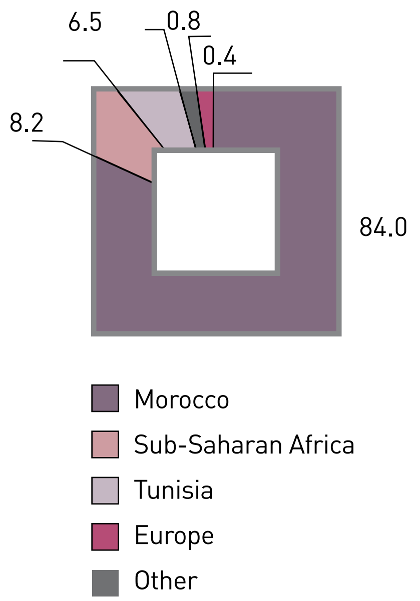
**The Attijariwafa bank Group operates on markets undergoing extensive transformation. In Morocco, the banking industry is experiencing strong development characterized by the multiplication of savings products and the potential spread of bank use in the country.**

Through the various investment vehicles proposed by Bank to its customers, Attijariwafa Bank is Morocco's leading savings collector accounting for a total of 217.5 billion MAD, i.e. up by 6.6% compared to 2008.

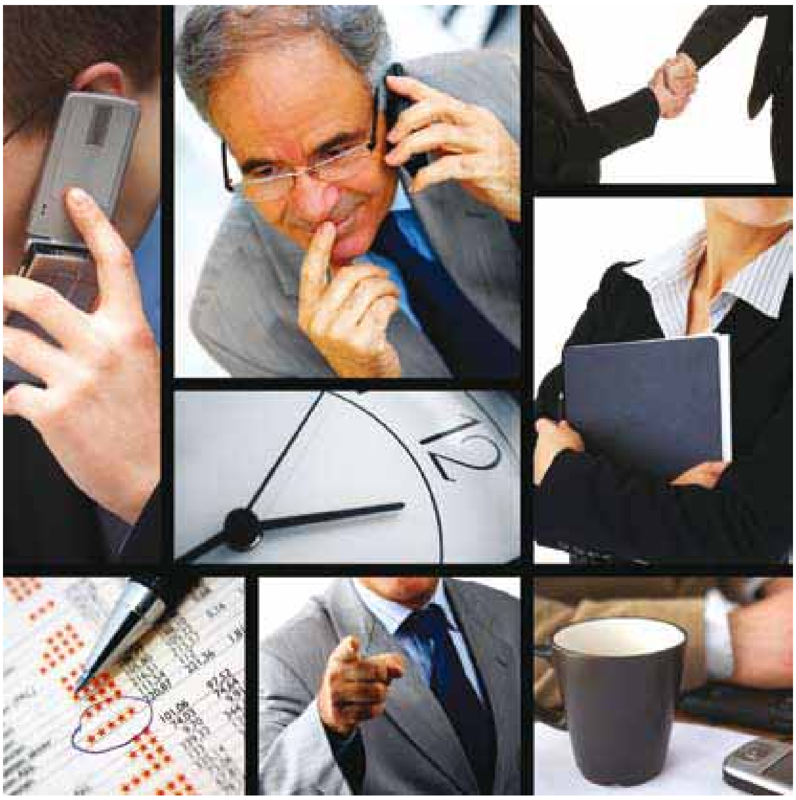



Trend in global savings collected by the Group in Morocco

Savings structure per geographical area (in %)*




* global savings collected by the Group

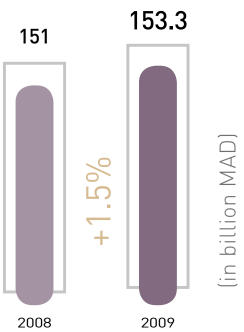


# HIGH PERFORMANCE ACHIEVEMENTS TESTIFYING TO THE GROUP'S NEW DIMENSION

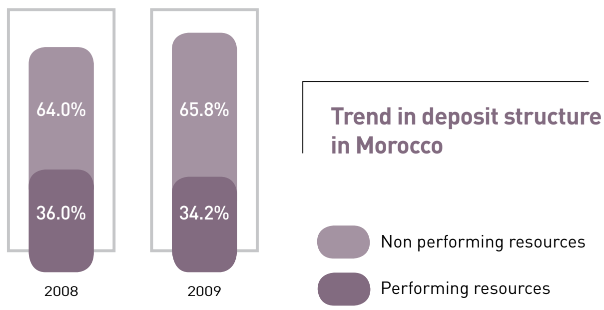
## Customer Deposits

With a market share of 26% in 2009, the average growth of 1.5% finally settled at upwards of 153 billion MAD.

The structure of the Bank's resources is among the most positive in the sector, the share of non productive resources representing more than 65% of the global amount, testifying to well targeted commercial management and ever widening customer base.




Trend in outstanding deposits in Morocco




Trend in deposit structure in Morocco

**The various retail bank markets contributed to the collection of deposits**

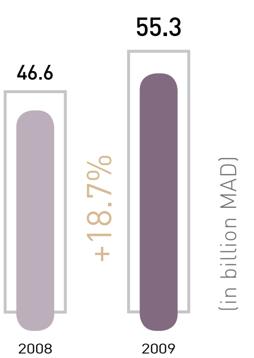
- **Personal and Profesional Banking:** the principal market for collection of conventional savings, the Individual and Professional Bank moved in a continuous and steady dynamic of customer conquest based on the launch of innovative products and the diversification of offerings (Hissab kafi, Hissab Fayda, Solutions Bidaya, etc.).
- **Banking for Moroccans Living Abroad:** in spite of the prevailing economic and financial crisis, the Group continued to provide assistance to Moroccans Living abroad (MRE) through the creation of a specific instrument, i.e. reduction in the cost of transfers, extension of the bank's network abroad and the launch of innovative banking products. The initial fallout of these measures swiftly became evident as the Group saw a 2.2% rise of MRE transfers, up by 1.5 points in market share and the capture of nearly one third of the said transfers (MRE). Deposits rose by 5.9% settling at 32.3 billion MAD, i.e. a market share of 26.7%;
- **Private Banking:** constantly operating in a proactive approach of assistance to its best customers, the Group set up the Private Banking as a Business Unit connected to the Retail Banking Division and took substantial measures aiming at improving service quality and the development of a an exclusive and tailor-made product range addressing the said customers.

## Asset Management

**Via its Wafa Gestion subsidiary, the Attijariwafa bank Group occupies a major position in asset management in Morocco in terms of outstanding asset management and also through its multiple expertise approach covering all customer segments such as institutional investors, corporate entities and individuals, in addition to all other sorts of assets.**

Customer satisfaction is at the heart of Wafa Gestion priorities. Its corporate culture is nourished by the rules and values required by its branch of activity, i.e. the protection and development of customer savings by searching for yield optimization. Wafa Gestion proposes to its customers several offerings coinciding with the investor profile:

Trend in outstanding asset management





- **Personal and Professional Customers**

The offering designed for personal customers comprises seven product ranges of differing levels of profitability and risk along with competitive advantages compared to those available on the market.

- **Corporate and Institutional Customers**

Wafa Gestion offers three product ranges ranging from cash management without risk on the capital invested, to investment in securities issued or guaranteed by the State for a minimum term of two years.

- **Private Customers**

Four mutual funds are dedicated to this type of customer the main objective being optimization of yield for a minimum term and scope of investment according to the risks accepted.

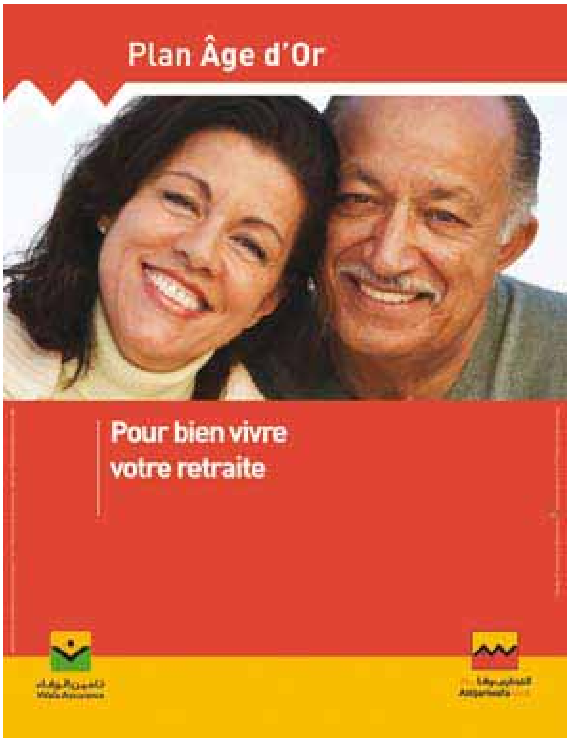
In 2009, Wafa Gestion consolidated its leading position on the asset management market with more than 55 billion MAD of outstanding amounts managed representing a market share of 29.6%.

While the mutual management market registered growth of 31 billion MAD in 2009, settling at 187 billion MAD, Wafa Gestion reported additional collection of 8.7 billion MAD thereby maintaining its position on the market.

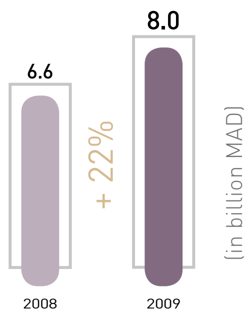
As for the institutional segment, Wafa Gestion was awarded 3 tenders and for the private customer segment the Group's subsidiary established new mandates for fund management dedicated to individual persons (bond fund, share fund, structured fund).

## Bank Insurance

Institutionalized by the enactment of the Insurance Code in 2002, bank insurance today occupies a leading position in the distribution of insurance products in Morocco. In 2009 the Attijariwafa bank Group consolidated its position of leader in bank insurance with growth in the outstanding amount by 22% and expansion of the product range.



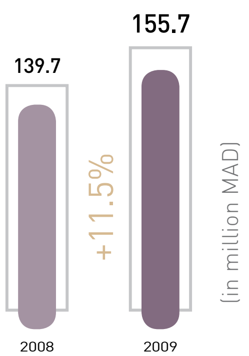

**Trend in Bank Insurance outstanding savings**



# Morocco's front ranking loan issuer

**In a context marked by the international economic and financial crisis and the scarcity of resources, Attijariwafa bank continued to assist its customers thereby contributing to the Moroccan economy while maintaining disciplined risk management.**

Trend in loans issued by the Group in Morocco*

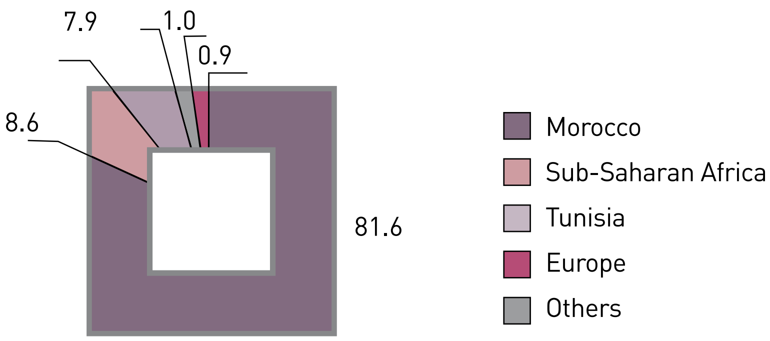



## Vitalization of positioning on the large-sized enterprises segment

In 2009 Attijariwafa bank saw is cash commitment on this segment in Morocco reached nearly 71 billion MAD thereby actively contributing to financing of the Moroccan economy and large infrastructure projects.

Strong momentum was given to diversification and broadening of the customer services through optimized collaboration and coordination between the business lines and subsidiaries around Large Corporate Entities and their employees, today Attijariwafa bank offers global services and products implicating all the business lines of the Group.

Loans structure per geographical area (in %)*




* Loans by disbursement after deletion of outstanding intra group amounts

## Constant support to small and medium-sized enterprises

Attijariwafa bank continued to strengthen its positioning on this segment via dedicated organization stressing greater proximity and a dynamic commercial policy across the national territory.

In 2009 the distribution network was widened across Morocco in conjunction with the opening of four new Business Centers in Nador, Berkane, Beni Mellal and Ait Melloul.

Drawing on the expertise and professionalism of its work teams, in 2009 the Group carried out its commercial strategy with the launch of several theme-based campaigns dealing with the principal products and services the most likely to reinforce the competitiveness of SMEs, i.e.: development abroad and supplier management.

The Group also works with the National Industrial Emergence Plan including the important aspect of SME competitiveness. In this framework, programs and specific offerings targeting the consolidation of the SME fabric, support for the growth and strengthening productivity were put in place.

At the same time, assistance dedicated to small-size enterprises was launched.

At the same time the Bank signed several partnership and cooperation agreements with external bodies that eventually proved beneficial, in particular:

- Agreement for offering support to sectors in difficulty, i.e. textiles, leather, automotive equipment and electronics.
- Launch of investment loan called « Macharii Bila Houdoud » to response to the public authority incentive in favor of Moroccan living abroad (MRE).
- Agreement signed with Renovotel II for co-financing between the Bank and the Moroccan State for the renovation of hotel establishments.
- The partnership with ANPME dealing with the implementation of assistance solutions via the Imtiaz and Moussanada programs.
- Partnership with the Caisse Centrale de Garantie designed to enlarge the range of products and guarantees offered to SMEs.

## Global response to household financing needs

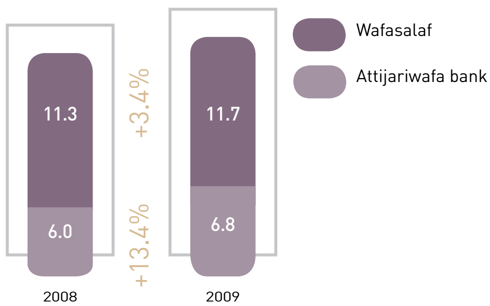
### Consumer Loans

The Bank and its specialized subsidiary Wafasalaf reinforced the Group's positioning at the head of the consumer loan market in Morocco for all products such as personal loans, car loans and household equipment loans.

In 2009 innovative and diversified products were launched by the Personal and Professional Banking such as « Solutions Bidaya », a package of products including access to consumer loans and other banking products. This offer dedicated to young working people encompassing answers to all banking needs was behind the massive conquest of a new pool of young customers.

Wafasalaf placed 2009 under the sign of proximity. Indeed, the adoption of a new « Dima Maak » (Always with You) signature occurred in the framework of reinforcement of the development dynamic of the brand name and its positioning. Wafasalaf also opened 5 new branch offices thereby bringing the network to a total of 40 branch offices and established new partnerships widening its network of indirect distributors.

**Trend in consumer loans**
(billion MAD)

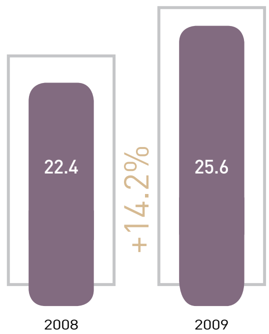


## Housing loans

In late 2009 real estate purchase loans reported growth of 14.2% totaling 25.6 billion MAD placing the Bank's market share on this segment at 23.1%., i.e. up by 50 points. In 2009 the Bank launched a new variant in the Miftah range called Miftah Assaad with backing from the Damane Assakane guarantee, this product is intended for financing main residences by 800 000 MAD geared to the middle classes.

Thank to its wide range of products, in close collaboration with the Wafa Immobilier subsidiary, in 2009 the Bank registered a high degree of dynamism with regard to real estate loans and strengthened its rate of penetration on a promising market.


**Trend in real estate purchase loans**
(in billion MAD)



« For my international operations, the Attijariwafa bank Group provides me with the required support ensuring rapidity, efficiency and security... »

**Adel BENYAHIA,** forwarding agent (TUNIS)

High performance achievements testifying to the group's new dimension

# Top ranking position
## in investment banking and capital markets activities in Morocco

**Capital Markets and Investment Banking (BMI) strengthened its position in 2009 in capital market activities, financial counseling and stock market intermediation.**

### Attijari Finances Corp.
### A step forward bolstered by wide ranging experience

Attijariwafa bank Group's Investment banking registered in 2009 large-scale strategic operations and therefore consolidated its advance as consultant for merger-acquisitions and market operations.

- **Merger and acquisitions Advisory services: A high value added business**

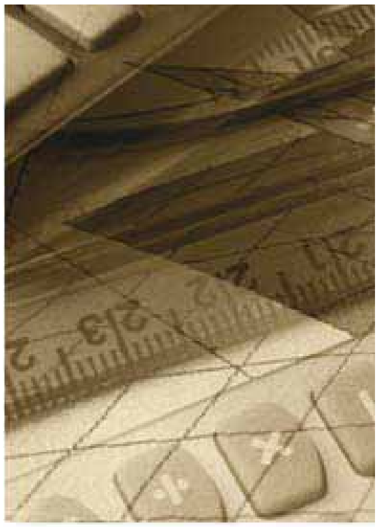
Thanks to the expertise of the Attijari Finances Corp., the Group's subsidiary carried out the following operations:

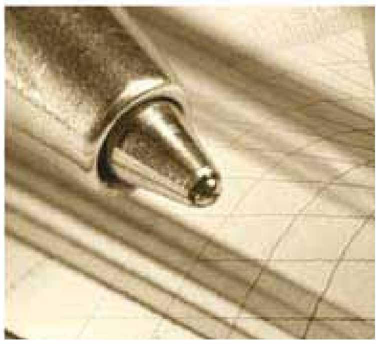
- Advisor to ALHIF investment firm in the framework of the structuring of the funds and private investment.
- Advisor to Zalagh holding and Al Atlas groups in the framework of their strategic rapprochement.
- Advisor to Alliances Développement [ADI]/Palermaie Développement/ Somed/Actif Invest/ Compagnie des Alpes group in the framework of the call for the international expression of interest for the completion of an integrated development program of the Sindibad area and operation of the Amusement Park.
- Advisor to ONA in the framework of the stakes taken out in the capital of Mercure.com.

- **Capital market transactions: strong presence in all compartments**

Attijari Finances Corp exhibited its strong presence on the equity capital market and debt capital market by providing consultancy to the principal issuers having called upon the market:

- Advisor to Autoroutes du Maroc in the framework of the issue of bond loans worth 3 billion MAD.
- Advisor to SNI and Attijariwafa bank in the framework of the issue of bond loans for the respective amounts of 1.5 billion MAD and 2 billion MAD.
- Advisor to Wafasalaf in the framework of a program entailing the issue of financing institution bonds (1.5 billion MAD).
- Advisor to Alliances Développement Immobilier [ADI] in the framework of the share buyback program.





# HIGH PERFORMANCE ACHIEVEMENTS TESTIFYING TO THE GROUP'S NEW DIMENSION

## Stock market Intermediation, leading position strengthened in spite of the market slowdown

In a 2009 context marked by a drop in volumes, prices and indices, Attijari Intermediation managed to uphold its leading position by achieving a transaction volume of 37.6 billion MAD.

Wafa Bourse, an on-line brokerage company in 2009 placed 2009 under the sign of strengthening of its commercial position on the individual customer segment. Hence, it consolidated its advance in terms the number of contracts signed with 27% of the market share.

## Capital Markets, expertise at the service of performance

**The foreign exchange** activity reported a volume of exchange derivatives amounting to 18 billion MAD. With regard to risk coverage for raw materials (energy, metals, grain, and oilseed products) nearly 62000 contracts were processed on organized markets (Chicago, London, etc.).

On the **primary and secondary bond markets** Capital Markets reported a global volume of nearly 49 billion MAD. In addition, it partook in 6 bond issues for a global amount of 8 billion MAD as leader or co-leader.

Further, the **Structuring finance** team in 2009 confirmed its advance in terms of innovation and expertise via the development of made-to-measure market solution for corporate entities.

In 2009 the **assets under custody** registered a slight drop of -0.96% compared to 2008 while stock market indices were down by -4.9% for the MASI and -6.6%% for the MADEX.

Thanks to the efforts anticipation, Attijariwafa bank was able to consolidate its leading position in the custody activity on behalf of local institutional investors thereby bringing its market share to 37.1%.

## Attijari Invest, Consolidated Positioning

A subsidiary specialized in Capital Investment within Attijariwafa bank, Attijari Invest manages more than 2.5 billion MAD via various investment funds such as the Moroccan Infrastructure Fund, the Morocco Hospitality Investment Fund (H-Partners), Igrane and Agram Invest.

FY 2009 saw the reorganization of Attijari Invest, the revamping of its internal management procedures and the establishment of uniform governance methods of the managed investment funds.

The MIF (Moroccan Infrastructure Fund) saw its portfolio expand via two new stakes operating in the building and public works engineering sector under the names of « Somadiaz » and « Entreprise Marocaine des Travaux » (EMT) acquired in June 2009 in conjunction with co-investment with Alliances Développement group.

H-Partners was able to take advantage of the launch of « Mediterrania Saidia », the first seaside resort of the Azur plan, by opening its first hotel the management of which was entrusted to Spanish Group Barcelo.

The Igrane Investment Fund dedicated to the Sous Massa Draa region participated in the round table on the Haliopolis halieutic park in the general framework of the National Pact for Industrial Emergence.

These endeavors actually contributed to consolidating the position of Attijari Invest as a major player in Capital Investment in Morocco, and to continue its dynamic and determined implication in the development of the country's industrial fabric.

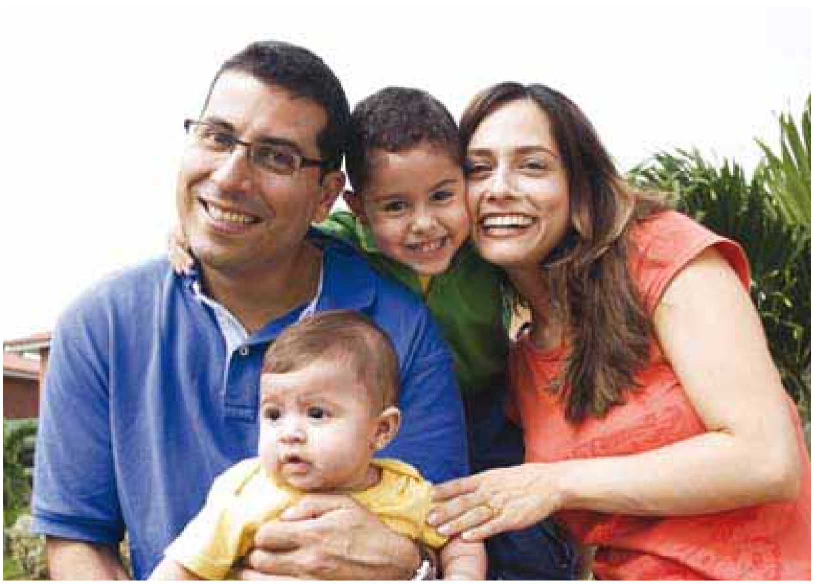
Attijari Invest also remains highly active in the establishment and structuring of new investment funds, in collaboration with front running financial and strategic partners.

# Uncontested leadership
## in the Insurance sector

**The leading operator in Morocco's insurance sector for the second consecutive years, in 2009 Wafa Assurance saw its turnover move ahead by 3.5% reaching 4.3 billion MAD.**

The trend in the activity of Wafa Assurance is the result of several factors:

- Development of partner networks through the opening of 17 new points of sale bringing the total number of agents to 145.
- Enlargement of the commercial offering in the non life branch with revamping of the automotive product range through a segmented approach. Four products were launched addressing senior citizens, families, wage earners and new vehicle owners. In this framework the company opened up speedy indemnity centers called « Wafa Drive » in Casablanca and Rabat and set up « Wafa Moujoud », an indemnity system at the place of accident.
- Consolidation of positioning with corporate customers and reduction in the rate of loss via « Wafa Prevention ».
- Development of the life insurance branch via special attention to recurrent production in savings products and the corresponding levels of remuneration. In FY 2008 Wafa Assurance posted the best rate of savings valuation on the market (5.75%).



« The Attijariwafa bank Group is a good citizen company respectful of codes, committed to the development of society from the standpoint of the economy, social conditions and culture »

**Yasmina CHAOUKI,** student (Marrakech)

# A committed and responsible group

# A committed and responsible Group

The Group's social responsibility rests on five fundamental pillars:

- Strict and acute sense of ethics, the kingpin of sustainable performance and development.
- A transparent and quality approach focusing on the customers and permanent striving for satisfaction.
- Strict risk management and internal control mechanisms
- Policy of human capital management at the heart of the Group's strategy.
- A full-fledged commitment to education and culture.

## An Ethical Approach compliant with the best of Standards

The geographical and operational diversity of Attijariwafa bank makes necessary strict management of reputation and image risks in all countries where it operates.

This risk control is an essential element in the organization, management and strategies of the Group. Among these risks, those detrimental to ethics are pivotal. They cover protection of the Group's reputation and the implementation of rules of good conduct; respect of market integrity, the guiding principle of customer interests, the contribution to the fight against corruption, and the professional ethics of staff members.

With a permanent eye to strengthening the method of governance and to better respond to the ever greater regulations and development of the banking environment, in January 2004 the Group took on a logical ethical approach geared to the highest standards.

In FY 2009 the Group continued its work focusing on high level terms of reference. This approach was characterized by:

- « Maintaining of what already exists »: several employees of the Bank and subsidiaries attended awareness sessions dealing with training and regular information about the ethics codes applied.
- Continuation of the policy with regard to personal transactions of staff members for financial instruments via the code for so-called « sensitive » functions.

# A COMMITTED AND RESPONSIBLE GROUP

- The reinforcement of ethics expertise (training, awareness, etc.) and the conveyance thereof to local and international entities.

The coherence of the methodology is strictly adhered to by the Group: after Morocco, Europe and Tunisia, the approach was launch in Senegal in April 2009 with the establishment of a steering committee and working group dedicated to the project.

The provisions of the Group Code of Good Conduct have a major impact on customer relations for whom it oversees constant improvement in the protection of interests; and relations between staff members and suppliers. This is the case with regard to conflicts of interest, the adequacy of product matching customer needs, better execution of orders, transparency and reporting.

With regard to « sensitive functions », a compliment to the Code of Good Conduct, it addresses staff members whose functions can be considered as « sensitive » due the related responsibilities within the Group. This code comprises provisions complimentary to the general code of ethics making it possible to answer to the regulatory obligations contained in circular 10/05 of the CDVM (Conseil Déontologique de Valeurs Mobilières – or Stock Market Ethics Board).

These provisions give detailed information on the modalities the Group has adopted with regard to the rules of conduct for financial transaction on the market and operations on the Attijariwafa bank security by « permanent insider » employees.

Thee various ethics codes in place within the Group answer to the principles of exhaustiveness and universality. They are applied with the same degree of exigency whatever the activity or entity, whether in Morocco or abroad, via application of the principle of the lowest possible price which stipulates that the most highly demanding rule is to be applied among those specified by the laws and regulations in the different countries and the guidelines and procedures inherent to the Group.

## New quality measures to enhance customer satisfaction

The customer remains at the heart of the Group concerns. A place of choice is accorded thereto in formulating the definition of the Group's strategic priorities.

The Group's quality approach focuses around 3 major factors:

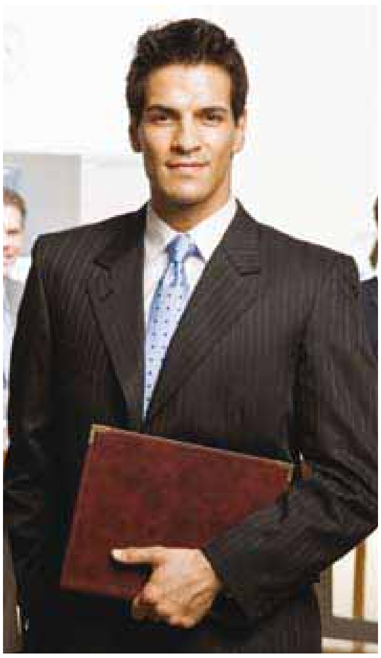
- Listening to the customer and taking the measure of his/her satisfaction
- Developing an objective and reliable management system
- Adhere to an approach of permanent improvement.

In 2009 a global revamping of the "PEC" or Customer listening Program was conducted to monitor trends in the Group's strategic orientations and remain in seamless adequacy with the prevailing needs in the form of satisfaction surveys, barometers for measuring service commitments, unannounced visits, unannounced calls, focus groups and internal quality audits.

This system of listening enables reliable feedback on the level of perception and satisfaction about quality by the customer, to collect customer expectations and provide answers adapted thereto.

The Attijariwafa bank Group encourages the deployment of progress approaches to achieve continuous improvement of process performance. Special efforts are deployed for the implementation and situation of certification approaches by service commitments.

These commitments with regard to the corporate customers, certified in 2006 by « AFAQ AFNOR France » were confirmed by certificate validity audits in 2009 and arrived at a good level of achievement. Currently a reflection is being carried out to assess the situation of the said commitments and the widening of their perimeter.



## New standards in terms of global risk management and compliance

The Attijariwafa bank approach in terms of global risk management exists within the framework of the rules defined internationally and recommendations of the competent authorities.

Group risk management is centralized at Gestion Globate des Risques (GGR), a structure independent of the commercial functions and attached to the General Management Committee. The GGR is organized in compliance with the risk typology as laid down by the Basle Committee. The Counterparty Risk and Market Risk functions have the task of detecting, analyzing and monitoring the various risks, rationalizing its positions via formalized authorizations and remaining attentive to any gap in the risk distribution. The Operational, Legal, Computer and Human Risk function is in charge of detecting, analyzing and monitoring the various operational risks within the Group.

## A Human Capital Management Policy at the heart of Group Strategy

The Attijariwafa bank Group continuously strives to make efforts with regard to its human capital with the aim of improving individual and collective performance thereby converging toward the growth objectives at the national and international level.

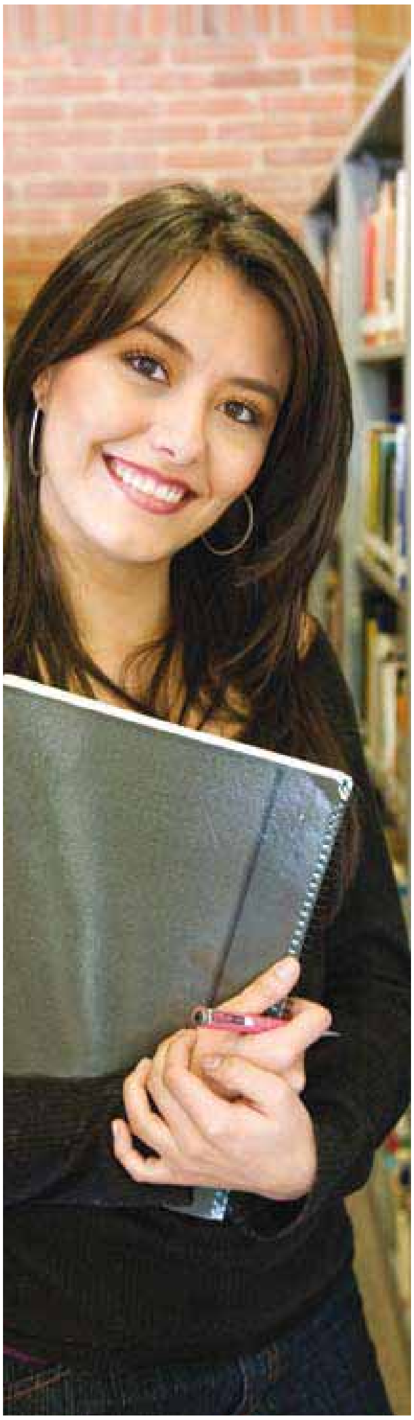
With regard to recruitment, the Group Human Capital develops differentiated and adapted approaches taking account of the specific nature of each business line according to the expertise required, the adequacy of degrees and regional particularities. It is with this in view that the Group has initiated a proactive approach addressing young degree-holders in all countries where it operates.

Participation in student exhibits and forums in Morocco and abroad and the support given to student associations enable the Attijariwafa bank Group to remain in permanent contact with graduates in different disciplines. In 2009 nearly 1000 employees were recruited by the Group including approximately 50% managerial staff.

Further, in 2009 the Group devoted extensive resources to in-service training of its employees, in particular via the Attijariwafa bank Academy and specific training cycles. In 2009, 28 432 man/days in training were administered, representing an average of 4.7 days of training per employee.

The staff trained amounted to more than 5 200 participants including 1 512 benefited from access to managerial and behavioral development cycles, while 1 338 took the business training curriculum in particular on the Personal and Professional Banking networks, the Corporate Banking, and 1 236 received training adapted to their entity. In addition, nearly 1 150 instances of participation were registered for interbank training winding up with diplomas, language and office technology courses and external seminars.

The dialog with social partners was continued and strengthened. In addition, the program for regionalization of cultural and sports activities was accelerated. In May 2009, the election of personnel delegates occurred and saw a particularly high level of participation.



## Committed Partner in Education

Promotion and enhancement of knowledge in view of developing young people is the task that Attijariwafa bank set for itself through its Foundation. This is translated by large scale actions in support of all levels of public education, primary schools and universities as well a preparatory classes.

***Attijariwafa Universities: ambitious and innovative projects translating the commitments of Attijariwafa bank in favor of Moroccan universities.***

- **The Jamiati Card** developed in partnership with Santander and in collaboration with Hassan II University, a pilot site, is the first university electronic card in Morocco. Addressing students, faculty members and administrative staff of universities, at interactive terminals it is used for accessing a certain number of extra banking services and can even act as a bank card for those wishing to do so.

This approach already initiated in Morocco several years ago, is gradually being expanded overseas. By way of example the Jamiati card was integrated by Attijari bank Tunisie in its project portfolio.


- **The Jamiati.ma Portal** developed in collaboration with Universia, is the first Moroccan university site federating all Moroccan universities.

Jamiati.ma which addresses a very large Moroccan university community is a showcase looking into the university world, a channel of communication between universities and their partners and a site for exchange of information, experience and knowledge akin to Spanish university portal universia.es, enjoying a high degree of popularity

- **The Master in « Banking and Financial Markets »** is yet another successful example of partnership and collaboration between the world of education and businesses (Hassan II University Casablanca, University of Cantabria, and Attijariwafa bank via its Foundation, Santander, the UCFIF Foundation and the Euro-Arab Foundation). In September 2009 this Master program received its classes for the third year.


### *Primary and secondary school: a contribution to better quality education*

Attijariwafa bank is one of the founding members of Al Jisr. This association under the honorary presidency of His Majesty the King Mohammed VI, has been declared of public utility and has demonstrated much commitment with regard to education in Morocco. A genuine bridge between schooling institutions and businesses, the association emphasizes school sponsorship by partner businesses. They initiate concrete actions geared to improving the conditions of apprenticeship of students in the form of renovation of classrooms, fitting out libraries and multimedia facilities, support to semi-schooling activities and the organization of training sessions in enterprises. The association's objective is to sponsor 1 000 institutions by 2012.

### *Prépa Plus, support and recognition of merit*

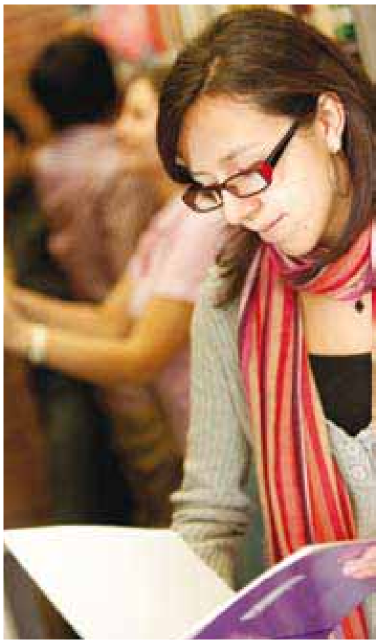
The Attijariwafa bank Foundation initiated several support actions benefiting students in public preparatory classes which constitute an instrument of excellence within the public education system and foster equal opportunity and progress through merit and hard work, values very close to the heart of Attijariwafa bank.

As in previous years, the Attijariwafa bank Foundation at Ifrane in June organized a week of concentration for these students with pedagogical help from the Ministry of National Education and the participation of Al Akhawayne University. Altogether, 98 students were able to benefit from preparation for oral exams in the form a high level coaching administered by highly skilled professionals.

FY 2009 was also marked by the accompaniment of students to Paris by 4 preparatory class teachers to assist them in preparing oral exams.

The Attijariwafa bank Foundation also awarded the most deserving and best classified students.

Students were awarded in conjunction with two ceremonies, one in Paris in October 2009 at the Moroccan Embassy in Paris and another in December 2009 at the Attijariwafa bank headquarters.



## Active patronage at the service of Art and Culture

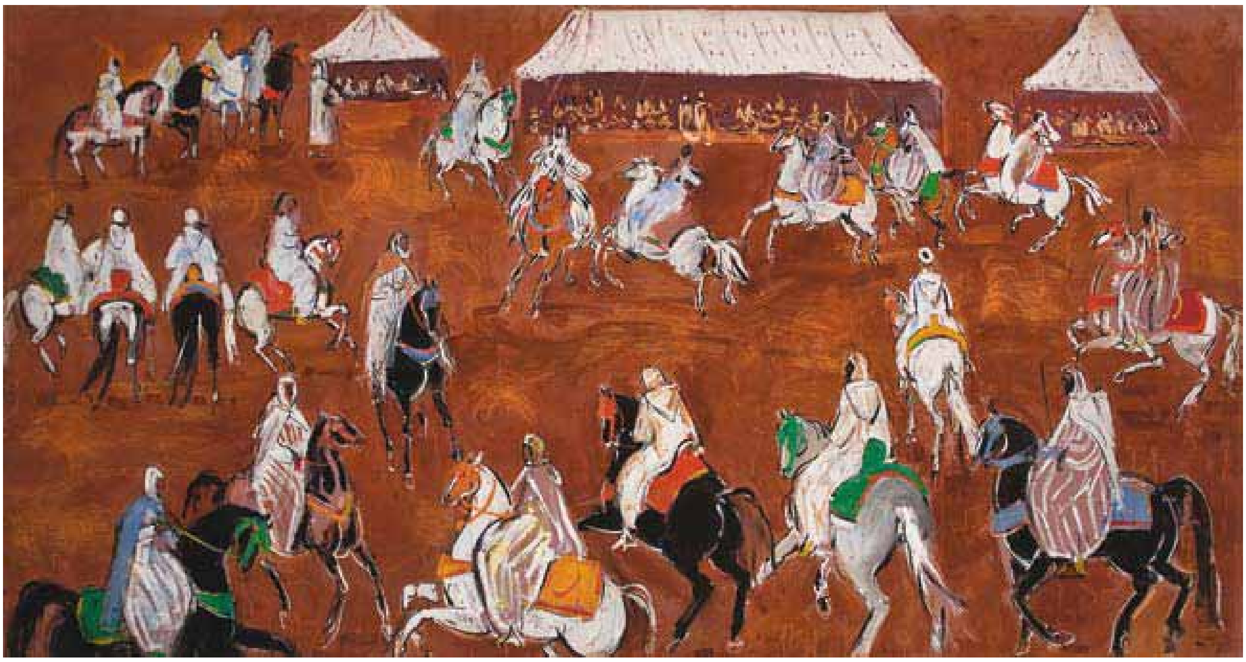
For several decades Attijariwafa bank has acted to promote contemporary Moroccan art and multiply inter-cultural get-togethers. Through its Actua Foundation the Group also shows increasingly close interest in young artists.

Indeed, the Actua Foundation has made substantial strides in achieving its principal missions:

- Building awareness and initiation to art addressing the widest of publics by capitalizing on a painting collection of more than 1500 works.
- Creation of intercultural bridges by promoting contemporary African art.
- Conservation, enhancement and dissemination of the paining collection.
- Establishment of long-lasting value-creating partnerships such the Fez Festival and the Education Academy of Greater Casablanca.
- Synergy with the Education sector to bring closer together the world of art and education.

These missions were organized into a program of actions dealing with exhibits, artistic creation workshops and publications.

In the 2009 academic year, thirty of the most talented and motivated students were selected to partake in a painting workshop conducted and overseen by the Foundation. Themes of the workshop were taken directly from the Attijariwafa bank art collection and inspired by Morocco's greatest artists.



***Painting workshop for public schools in figures***

- Preliminary workshops: participation of 650 students coming from 35 schools from all Casablanca delegations over a period of four weeks.
- Permanent work: 30 students 10 to 14 years old for the entire 2009 academic year.
- Approximately 400 works produced and 3 promising young talents identified.

# Management Report

# Economic environment [1]

## I - WORLD: RECOVERY OF GROWTH IN THE MAJORITY OF ADVANCED COUNTRIES IN 2009

• After a sharp drop in activity in 2008 and in Q1 of 2009 in the majority of western nations, activity contracted much less in advanced countries as of the second quarter basically due to massive State intervention (drop in interest rates, unlimited injection of liquidities in the banking system, asset repurchases). France, Germany and Japan returned to growth in Q2 of 2009 with interest rates of 0.3%, 0.4% and 0.7%, respectively,

• As of Q3 it was the United States and the Euro Area that pulled out of a recession lasting more than one year with respective rates of 0.9% and 0.4%. Nonetheless, the Spanish economy appeared to remain impacted by the crisis with a negative growth rate in the third and fourth quarters.

**Quarterly trend in growth of the principal OECD countries**

| | Q1-2008 | Q2-2008 | Q3-2008 | Q4-2008 | Q1-2009 | Q2-2009 | Q3-2009 | Q4-2009 | 2009* | 2010* |
|---|---|---|---|---|---|---|---|---|---|---|
| World | - | - | - | - | - | - | - | - | **-0.8 %** | **+3.9 %** |
| Euro Area | + 0.8 % | - 0.3 % | - 0.4 % | - 1.8 % | - 2.5 % | - 0.2 % | + 0.4 % | 0.0% | **-3.9 %** | **+1.0 %** |
| France | + 0.5 % | - 0.4 % | - 0.2 % | - 1.5 % | - 1.4 % | + 0.3 % | + 0.2 % | +0.6 | **-2.3 %** | **+1.4 %** |
| Germany | + 1.6 % | - 0.6 % | - 0.3 % | - 2.4 % | - 3.5 % | + 0.4 % | + 0.7 % | 0.0% | **-4.8 %** | **+1.5 %** |
| Spain | + 0.4 % | + 0.0 % | - 0.6 % | - 1.1 % | - 1.6 % | - 1.1 % | - 0.3 % | -0.1% | **-3.6 %** | **-0.6 %** |
| United Kingdom | + 0.6 % | - 0.1 % | - 0.7 % | - 1.8 % | - 2.5 % | - 0.6 % | - 0.43% | +0.4% | **-4.8 %** | **+1.3 %** |
| United States | - 0.2 % | + 0.4 % | - 0.7 % | - 1.4 % | - 1.6 % | - 0.2 % | + 0.6 % | +1.4% | **-2.5 %** | **+2.7 %** |
| Japan | + 1.0 % | - 0.7 % | -1.7 % | - 3.0 % | - 3.2 % | + 0.7 % | -0.1% % | +0.9% | **-5.3 %** | **+1.7 %** |

(*) : IMF – January 2010-08-25 OCDE- November 2009

• The growth rate registered in the world in 2009 was of -0.8% vs. 3.0% in 2008 due to the negative performance of advanced countries: -2.5% for the United States, -3.9% for the Euro Area, and -5.3% for Japan. However, developing nations resisted the crisis better with a growth rate of 8.7% in China and 5.6% in India. In Africa the growth rate was of 1.9% in 2009 vs. 5.6% in 2008. South Africa, Nigeria, Ghana and Kenya were the first nations to feel the effect of the crisis and a fall in stock market prices, reversal of capital flows and tension on exchange rates. Sub-On the other hand, sub-Saharan Africa resisted better posting growth of 1.6% in 2009.

[1] Source: IMF, WB, INSEE, OECD, DPEG, BAM, OPEC
[2] The FED, Bank of England and Bank of Japan reduced them to nearly 0¨% and the ECB to 1%.
[3] The FED and the Bank of English announced massive asset purchase programs amounting to 12.3% and 12.3 and 8.7 GDP points.

- World growth is expected to reach 4% in 2010 (International Monetary Fund: +3.5%, World Bank: +2.2% against a contraction in 2009 of roughly -0.8% (IMF) and -2.7% (WB). This modest rebound is expected to occur in 2011 according to the World Bank which predicts growth of approximately 3.2%.

### Modest rebound in world trade as of the second quarter of 2009

- Sustained by resurgent demand from advanced economies and emerging countries, world trade grew by 4.2% in Q3 according to the IMF (quarterly variation) after stabilization in the second quarter and exceptional collapse in the first quarter of 2009 fourth quarter of 2008 attributable to the tightening of credit conditions and contraction of demand. However, the volume of world trade (goods and services) registered a drop of 12.3% in 2009 vs. +2.8% in 2008 .

### Inflation and oil

- The rates of inflation returned to positive as of November due to the improvement in economic activity and the rise in raw materials prices. In Q4 they settled at 1.1% in the United States and at 0.2% in the Euro Area vs. 1.7% and -0.4% in Q3, respectively.
- With regard to oil, consumption resumed in Q4 due to the improvement in economic activities around the world. However, world demand for black gold contracted by 1.4 mb/day in 2009 (1 mb/day) in 2008. The average oil price depreciated by 36% in 2009 compared to 2008 at an average rate of 62 dollars per barrel.

### Euro-Dollar parity: reversal of trend early in the year

- In 2009, the price of the dollar continued its slippery slide against the Euro settling at 0.69 Euros on 31 December (-3.4% in one year). The dollar was penalized by the weakening of its role as a safe haven value further the widening U.S. pubic deficit and loss of confidence among investors. In 2009 its price vs. the Moroccan Dirham over the year reached 11.2429 MAD.

## II - MOROCCO: CONFIRMATION OF GROWTH IN 2009 AT 5.3% FUELLED BY THE AGRICULTURAL SECTOR AND RISING DOMESTIC DEMAND

### II-1- Macroeconomics

**Morocco: GDP grew by 7.8% in the fourth quarter of 2009 (Haut Commissariat au Plan – HPC)**

- GDP grew by 7.8% in Q4 vs. the 5.8% published previously. This rise is due to the increase in farm and non-farm value added in Q4 of 2009, of 26.0% and 4.9%, respectively, vs. 16.6% and 1.4% one year earlier.

[4] 85 to 90 million barrels are produced on average per day
[5] Average price of UK Brent, Dubai and West Texas Intermediate

• Year-over-year, GDP marked growth of 5.2% in 2009 vs. 5.6% in 2008.

**Quarterly trend in Morocco's GDP year-over-year**

| In volume | Q1-08 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | Q2-09 | Q3-09 | Q4-09 | 2009 | 2010* |
|---|---|---|---|---|---|---|---|---|---|---|
| GDP (volume)<br>(% growth) | 144.497<br>7.2 % | 148.442<br>6.3 % | 146.313<br>5.7 % | 145.602<br>3.1 % | 149.904<br>3.7 % | 156.481<br>5.4 % | 165.244<br>5.6% | 178.133<br>7.8% | **5.2%** | **3.5%** |
| Farm VA<br>(excluding fishing) | 18.805<br>16.0 % | 20.479<br>16.6 % | 19.671<br>16.1 % | 20 363<br>16.6 % | 23.845<br>26.8 % | 26.172<br>27.8 % | 32.977<br>26.0% | 41.848<br>26.9% | **25.7%** | **-2.4%** |
| Non farm VA | 107.681<br>6.2 % | 109.287<br>4.8 % | 108.894<br>4.3 % | 107.598<br>1.2 % | 108.296<br>0.6 % | 111.451<br>2.0 % | 114.349<br>2.6% | 119.952<br>4.9% | **2.3%** | **4.4%** |

(*) : Forecast in Finance Law 2010 Source: National accounts Q4 – HCP

• The HCP forecasts were close to those of the government that for 2009 predicted growth of 5.3%

• The slowdown in growth of the non farm value added is explainable by the 2.8% drop in activity of the secondary sector. Indeed, the 10% slump in world demand addressed to Morocco compared to 2008 strongly hit export-oriented industrial and mining activities (drop in output of phosphate by-products, in garments and automotive equipment). In this context and to compensate for the effect of the international crisis, the State intervened to lend support to exporting activities via targeted actions taken by the Strategic Oversight Committee.

**Contribution in percentage points of the primary, secondary and tertiary sector to global growth**

| Sectors | Q1-08 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | Q2-09 | Q3-09 | Q4-09* |
|---|---|---|---|---|---|---|---|---|
| Primary (**) | 2.5 | 2.5 | 2.7 | 2.8 | 3.3 | 4.2 | 4 | 4 |
| Secondary | 1.7 | 1.1 | 1.0 | -0.8 | -1.0 | -0.5 | -0.3 | -0.2 |
| Tertiary | 3.0 | 2.7 | 2.0 | 1.1 | 1.4 | 1.7 | 1.9 | 2.0 |

(*) : S&O estimates , (**): including fishing Source: HCP BAM

**Draft finance law based on growth of 3.5% in 2010 and the HCP (high economic planning commissariat) on 4.4%**

• The draft finance law (PLF):

- estimates growth of 3.5% in 2010 vs. 5.3% in 2009 basically due to the drop in farm value added based on an average cereals crop year of 70 million quintals.

# Management Report Fiscal 2009

- Sustained growth in non farm activities of 4.4%.
- Inflation controlled at about 2%.
- Budgetary deficit of about 4% further to the jump in investment expenses.

• The HCP forecasts estimate growth of 4.1% in 2010 vs. 5% in 2009 given the resumption of non farm activities the value added of which predicts growth of only 4.4%) and continuation of the dynamism in the primary sector and maritime fishing.

**Morocco's economic outlook will improve in 2010 according to the IMF and other international bodies**

• The economic outlook for Morocco should see improvement in 2010, pointed out the IMF delegation visiting Rabat from 2 to 13 November 2009. It underlined that in spite of the world economic crisis, "Morocco's economic performance remained sound. The country's outlook should improve in 2010 but remains contingent on external factors. Although weak, the growth expected to occur in the Euro zone should contribute to a gradual resumption in goods and services exports as well as money transfers."

• Further, the International Fitch Rating last September reiterated its ranking of "Investment grade". for Morocco with a stable outlook. A press release of the Ministry of the Economy and Finance pointed out that the debt in currency and local money received the ratings of BBB- and BBB.

• The Oxford Business Group on 9 December submitted the report entitled "The Report: Morocco 2009" stating that "Morocco on average is resisting better than Europe and the MENA region. Growth was maintained at around 5% in 2009. In spite of the crisis GDP should move ahead by nearly 3.5% in 2010".

## Statistics at end of December 2009

**Public finances, the outcome stemming from application of the Finance Law after the first 11 months of the 2009, look good**

Enforcement of the Finance Law 2009 at the end of the first eleven months of 2009 resulted in a budgetary deficit of 3.9 billion MAD. Tax receipts were down by 9.6% compared to end of November 2008 settling and 136.5 billion MAD. Ordinary expenses remained under control and the downward trend held further to the lower compensation expenses down by 61% totaling 11.5 billion MAD at the end of November 2009 attributable to the contraction of world raw materials prices. Compensation expenses set aside, ordinary expenses were up by 8.2%.

- Expenses for goods and service wee up by 10.6% reaching 103.9 billion MAD due to the jump in payroll expenses of 4.8% and for other goods and services of 22.8%.
- Debt interest and charges were down by 4.8% attributable to the combined effect of the 5.9% drop in internal debt charges and the quasi stagnation of the cost of the external debt (+0.9%).
- On the other hand, the issue of investment charge registered a rise of 16% at the end of November totaling 37.3 billion MAD completed by 96.8%;
- The 2009 budget was affected by the international economic situation and the fallout thereof on the Moroccan economy. Indeed, after two successive years of a budgetary surplus, receipts were globally down due to the drop in tax revenues. The balance of the State budget was thought to represent -2.7% of GDP in 2009 and -4% in 2010 vs. +0.4% in 2008 and +0.7% in 2007.

### Inflation: rise in the annual consumption index of 1% in 2009

- The annual consumer price index (CPI) was up by 1.0% at the end of 2008. This rise concerned food products (+1.0%) and non food products (+0.9%).
- The CPI for December 2009 was down by 0.5% compared to the previous month due to the drop in the food price index of 1.0% and non food product index of 0.1%.
- According to the assumptions of the finance law 2010 inflation is expected to remain in the region of 2%.

### Unemployment was at 9.0% in the fourth quarter of 2009

- The figures pursuant to the fourth quarter of 2009 suggest that the national rate of unemployment at that date hovered around 9.0% vs. 9.5% one year earlier. In fallback is basically attributable to the drop of 0.8 point in urban joblessness in annual variation finally settling at 13.8%, and rural joblessness of 0.1 point.
- In 2009 the rate of unemployment is thought to have reached 9.1% the lowest level ever recorded, i.e. down by 0.5 point vs. 2008. This drop was enjoyed more in urban areas (-0.9 points) than in rural parts of the country where it hovered around 4%.

**Quarterly Trend in the rate of unemployment in %**

| | | 2007 | | |
|---|---|---|---|---|
| T1 | T2 | T3 | T4 | **Year** |
| 10.1% | 9.4% | 9.9% | 9.7% | **9.8%** |
| | | **2008** | | |
| T1 | T2 | T3 | T4 | **Year** |
| 9.6% | 9.1% | 9.9% | 9.5% | **9.6%** |
| | | **2009** | | |
| T1 | T2 | T3 | T4 | **Year** |
| 9.6% | 8.0% | 9.8% | 9.0% | **9.1%** |

Source: HCP – BAM – DEPF

# Management Report Fiscal 2009

- In 2009 the national workforce increased by 0.9% in annual changes totaling about 10.3 million persons. This corresponds to net job creation of 95 100 positions in one year spread out as follows: services (78 800 new jobs) and building and civil engineering (62 000 positions). However, due to the negative impact of the international crisis, in 2009 the other sectors lost some 45 700 jobs: -39 700 jobs in industry including craftsmanship, -1 100 jobs in agriculture and fishing, -4 000 positions in other activities.

### Balance in goods and services in deficit

- In December 2009 the balance in goods and services shows a deficit of 95.7 billion MAD and rate of coverage of 68.6%, down by 3.7 points compared to 2008. Indeed, the import of goods and services totaled 305.1 billion MAD, i.e. down by 14.9% compared to 2008. Goods and services exports amounted to 209.4 billion MAD, i.e. down by 19.2%.

### Worsening deficit in trade balance (goods) in 2009

#### The two components of the trade balance showed a drop in 2009

- At the end of 2009 the trade balance settled at -152.6 billion MAD vs. 170.3 billion MAD one year earlier, reported the Foreign Exchange Office.

#### Drop in goods exports in 2009

- The drop in goods exports (FOB) was greater in 2009: -28.2% at 11.8 billion MAD vs. 155.7 billion MAD in 2008. This situation is explainable by the drop of 10.7% in exports apart from phosphates and by-products (93.1 billion MAD vs. 104.3 billion MAD year on year). Along the same lines, sales of phosphates and by-products were down by 63.6% at 18.8 billion MAD vs. 51. billion MAD at the end of December 2008). Therefore, the coverage rate fell by 5.5 points rising from 42.3% vs. 47.8% previously.

#### Drop in goods exports in 2009

- Drop in goods imports (CAF) totaling 264.4 billion MAD in December vs. 326.0 billion MAD at the end of December 2008, i.e. down by 23.4% billion MAD vs. 295.4 billion MAD, i.e. – 16.3%. Oil imports amounted to 30.7 billion MAD in the same period of last year, i.e. -44.1%.
- Per continent, with 237 063.3 billion MAD (475 806.0 million MAD in 2008), Europe accounted for 63.0% (+0.3% vs. 2008) in the total amount of Morocco's foreign trade followed by Asia (19%: -1 point), America (11.2%: 0.8 point) Africa 6.0% +0.6 point) and Oceania (0.3%: 0.7 point).

- Per country France come in first place in terms of trade with a market share of 18.2% (+0.4 points vs. 2008), followed by Spain (14.4%: +1.9%) and China (5.5%: +1.6 point).

### A slight recovery in external demand addressed to Morocco according to the HCP as of the second quarter

- After four quarters of contraction, world demand addressed to Morocco recovered slightly in Q2 of 2009 (+1.2% in quarterly variation) due to economic upturn in Morocco's leading partners, in particular France and Germany.
- In the third and fourth quarter the rebound in emerging economies, together with the improvement in activity of advanced economies gave a push to world trade (+4.2) in Q3). This trend aided recovery of foreign demand addressed to Morocco estimated at 4% in Q3 and 5% in Q4.

### Considerable surplus in the service balance

- At the end of December 2009, the service trade in Morocco with the rest of the world according to the Foreign Exchange Office showed a surplus of 41.2 billion MAD (vs. +51.5 billion MAD at the end of 2008). Receipts amounted to 97.6 billion MAD, i.e. down by 5.6% vs. 2008. Expenses came to 56.4 billion MAD (+8.6% in annual variation).

### FDI: 2009 saw a sizeable drop in foreign direct investment

- The world economic and financial crisis led to a substantial drop in the flow of foreign direct investment (FDI) throughout the world. The last annual report issued by the United National Conference for Trade and Development (UNCTAD) published in September 2009, purports that there was a drop of 30% in FDI in 2009. However it predicts a modest rebound in 2010. In 2009 the flow of FDIs is thought to have totaled 1 200 billion US dollars vs. 1 700 US dollars in 2008 representing a decline of 29.41%.
- In December 2009 income from foreign private investments and loans amounted to 26.1 billion MAD vs. 2008, i.e. -26.1%. The distribution of receipts stemming from foreign investments and loans remains predominated by direct investments with 73.4% of the total amount, followed by foreign private loans at 14.3% and portfolio investments at 12.3%.

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**Flow of FDI per country 2006-2008**
**In billion USD**

| Region/country | Incoming flow of FDI | | | |
|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 F |
| Egypt | 10.0 | 11.6 | 9.5 | ~6.5 |
| Libya | 2.0 | 4.7 | 4.1 | - |
| Morocco | 2.5 | 2.8 | 2.4 | ~1.9 |
| Tunisia | 3.3 | 1.6 | 2.8 | - |
| Algeria | 1.8 | 1.7 | 2.7 | - |
| Sudan | 3.5 | 2.4 | 2.6 | - |
| Total North Africa | 23.2 | 24.8 | 24.0 | ~18.0 |
| Total Africa | 57.1 | 69.2 | 80.7 | ~33.0 |
| Developing countries | 433.8 | 529.3 | 629.7 | - |
| World | 1.461.1 | 1.978.8 | 1.697.4 | 1.190.0 |

(F): S&D
Source: World Investment Report 2009 – UNCTAD – September 2009

### Flagging remittances from Moroccan Expatriates

- The international crisis sharply impacted the transfer of remittances from Moroccans Living Abroad (MLA). Indeed, MLA remittances declined by 5.3% in 2009 according to the Foreign Exchange Office hovering around 502. billion MAD vs. 53.1 billion MAD in 2008.
- This drop is explainable by the unfavorable context characterized by the economic slowdown in the host countries, particularly in Europe, as well as the rise in the rate of unemployment. The World Bank in its last publication on migration and development in November estimates that the transfer of funds conducted in the first nine months of the year by Moroccan emigrants in the direction of their home county dropped by roughly 20% (a gap of more than 10 points compared to official statistics).
- According to the World Bank, the flow of funds sent to developing countries will probably fall less than expected, finally settling at 317 billion dollars in 2008. They should remain almost stable in 2010 with a slight rise of 3.9% in 2011.
- In 2010 the CMC is banking a rise between 2 and 3%. Internal projections by Strategy and Development (S&D) expect growth of 3 to 4% in 2010 and 2011;

### At about 7 months of imports, exchange reserves remain relatively correct

- The drop in MLA remittances compounded with the drop tourism receipts (-5%) and FDI (-14%) contributed to reducing foreign currency reserves by 3.6% in annual variation, finally settling at 189.4 billion MAD vs. 196.5 billion MAD in 2008.
- In 2009 reserves covered about 7 months of imports, i.e. still far removed from the critical threshold of 3 months, analysis say.

## II-2- Sectoral situation: healthy agricultural sector and decline in other sectors of activity

### Bumper cereal harvest in 2009 and quasi stagnation in 2010

- As mentioned above, the pace of growth in agricultural activities in 2009 accelerated by nearly 24% compared to 2008. State subsidies addressing the sector at the end of December 2009 amounted to 1.84 billion MAD in the framework of the implementation of the Green Morocco Plan in 2008 the target being agricultural GDP in 2020 of 100 billion MAD vs. the current 38 billion MAD.
- In September the Ministry of Agriculture and Fisheries expressed its satisfaction with the 2008-2009 crop year; The national weather conditions and the international economic situation (input prices) contributed considerably thereto. Cereal production totaled 102 million quintals compared to the previous crop year. The said production was split up between soft wheat at 43.4 million quintals, barley at 37.8 million quintals and durum wheat at 20.3 million quintals.
- The Finance Law for 2010 foresees a growth rate in agricultural value added of 2.4% based on an assumption of a harvest of 70 million quintals. Nevertheless, given the heavy rainfall and dam fill rate at roughly 95%, the cereal harvest could turn out to be better than expected if weather conditions are positive in March (grain fill stage). Thus, the growth rate in agricultural value added is expected to be -1.5% and -0.5%.
- Moreover, the implementation of the Green Morocco Plan with regard to the new agricultural strategy is currently in progress. This strategy, headed by the Agricultural Development Agency (ADA) is focused on a global approach based on two pillars: Pillar 1 (development of modern agriculture) and Pillar 2 (fight against poverty approach). In the 2009-2010 crop year there is a plan to launch some twenty projects for Pillar 1 and 48 projects for Pillar II. To be recalled in that the Green Morocco Plan launched last year targets reaching in 2020 a farm GDP of 100 billion MAD vs. the current 38 billion MAD.

### Fisheries: 25% decline in the sale of fish and seafood

- At the end of 2009 Morocco's halieutic output, all species taken together, totaled a volume of 1 157.994 tons and turnover of 7.1 billion MAD, i.e. a rise of 16% in weight and fall of 16% in value compared to the same period in 2008; (Ministry of Maritime Fishing).

- Halieutis Plan: In October Morocco launched the Halieutis Plan designed to stimulate to the fishing sector and increase income by 22 billion MAD between now and 2020 via the establishment of three competitiveness centers in Agadir, Tangier and Dakhla. According to the Ministry of Agriculture and Maritime Fishing, the "Haliopolis" mega park in Agadir will cost almost 6.6 billion MAD. It should enable processing of 500 000 tons including 150 000 tons for delocalized plants and 350 000 tons for new industrial facilities.

**Tourism: 8.3 million tourists in 2009 (+5.9%)**

- According to the most recent statistics issued by the Moroccan Ministry of Tourism, tourist arrivals increased by 5.9% settling at 8.3 million in 2009 vs. 7.9 million in 2008: Dutch (+12.2%), Belgians (+11.9%), Italians (+10.8%), Spanish (+9.7%) and French (+4%). The number of Moroccan Expatriates visiting their home country was up at 10.4% finally settling at 4 million. The provisions of Cap 2009 with the opening of the new seaside resorts of Essaidia and Mazagan contributed to the promotion of national tourism. With regard to internal tourism, it appears that the Kounouz Biladi met with some success.
- Nonetheless, the number of nights spent in classified tourist accommodations was down by 1.4% in 2009 in annual variation. But globally in annual variation, the number of nights improved by 13.7% in December after a fall of 4.7% in November and rise of 1.3% in October.
- Tourism receipts were down respectively by 5.0% in annual variation reaching 52.8% billion MAD; According to S&D forecasts travel receipts are expected to grow by 3% in 2010 in connection with the upswing the world over.

**Energy: fall of 44% in Morocco's oil bill in 2009**

- Following the bearish path described in 2008, growth in the energy sector remained very uneven in 2009. Indeed, after the 5% growth in the first quarter, a decline of 3.5% was registered in the second quarter before posting an improvement of 2% in the third quarter. This saw tooth trend is explainable by the uneven contribution of hydraulic power plants caused by the drop in dam water reserves in the third quarter. Thermal electricity production also experienced low growth due to the contraction of fuel-fired power plants and the rise in coal prices (+7.3%). Globally, electricity output dropped in the third quarter of 2009 by nearly 0.6% in quarterly variation, further to the 8.7% strengthening in imports.

- Throughout 2009 net local production improved by 3.3% vs. 2008.
- Conversely, oil imports fell by 44% in December 2009 compared to the drop in deliveries from refineries primarily addressing electrical and industrial activities, and the upturn in local output. Apart from the drop in volume of imports, Morocco's lower oil bill (17.2 billion MAD in 2009 vs. 30.7 billion MAD in 2008) is explainable by falling oil prices on the international market.
- Moreover, a solar energy program with the aim of covering 42% of country's electricity needs in 2020 was initiated in November. It is an ambitious solar energy project representing a capacity of 2 000 megawatts and outlay of 9 billion dollars (approximately 70 billion MAD).

**Mines: drop in phosphate exports and by-products in December**

- It was only in the second quarter of 2009 that mining activities saw improvement taking advantage of a technical rise in non metallic ore after four quarters of uninterrupted decline. Indeed, the sector value added grew by 9.3% in Q3 vs. +26% in Q2 and -27.5% in Q1. Throughout 2009 mining value added slumped by more than 16% in annual variation. However, the recovery of phosphate output (+47% in Q3 of 2009 in quarterly variation) appears once again to be strengthening the activity. However this rebound remains shaky given weak foreign demand for gross mining products.
- At the end of 2009, phosphate output declined by 29.1% after a drop of 7.2% in 2008. Phosphate and by-products exports were down of 63.3% vs. the same period in the previous year.

**Telecommunications: drop in value added in Q3 of 2009**

- Value added for post office and telecommunications registered a drop of 1.4% in the third quarter vs. the previous one (+5.3) according to the HCP which announced an improvement in the fourth quarter.
- Growth in the total number of cell phones (6.5% in Q3 vs. Q2) remained below the historical growth levels observed. Land line phones registered quarterly growth of 3.9%, in line with its growth trend attributable to the higher number of Internet subscribers, up by 8.9% in Q3 as opposed to Q2.

**Industrial sector: industrial output up in Q3**

- Value added of the industrial sector was up by 0.4% in Q3, year on year. However, trends contracted from one branch to another. Indeed, textiles and leather posted positive growth for the first time in a year (value added up by 3.8% in Q3 year on year) while the agro-food industry held its own according to the growth rate begun in Q2 (value added of agro-food industries moved ahead by 2.7% year-over-year). On the other hand, activity of the other sectors remained lackluster. IMME industries advanced well below their productive potential (added value in Q3 slumped

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by 0.4% in annual variation). Chemicals and semi-chemicals on the other hand experienced saw tooth progress (value added dropped by 0.6% in annual variation).

**The real estate sector still hit by the economic crisis**

- Since early 2009 a slowdown in the activity was felt becoming more intense in Q3 (drop in value added by -0.1% year-over-year). Globally, 2009 saw an unprecedented slowing in activity due to the impact of the crisis in upscale housing sales and drop in the production of social housing by more than 30% in 2009.
- However, this situation was contrasted between the building and public works, say sector professions. Indeed, as opposed to the building segment which was hit by the slump in demand addressed to the real estate sector, demand for public works has registered sustained growth since 2008, in spite of moderate stabilization in the third quarter of 2009.
- Moreover, the slowdown in real estate activities largely affected demand addressed to building materials (marble, tiles, sanitary fixtures and bricks). Also, these products imported from Egypt and Turkey at more competitive prices swamped the Moroccan market. Sales of cement, the principal barometer in construction activity, grew by 16.2% in Q4 year-over-year after a drop of 2.4% in Q1, a rise of 3.9% in Q2 and fall of 2.4% in Q3.
- Cumulative cement sales in 2009 grew by 3.4% in annual variation.
- As for sector financing, outstanding real estate loans in 2009 amounted to 172.3 billion MAD thereby registering growth of 12.8% vs. 2008. In addition, more than 54 000 households benefited from the FOGARIM guarantee since the creation of this fund for a total amount of 7.9 billion MAD.

# Banking and financial environment

## Banking environment

### 1- Banking sector outcome at the end of 2009

The Moroccan banking sector demonstrated its soundness and reliability in face of the international financial crisis thanks to an effective regulatory and prudential policy. In 2009 banking activity was marked by a gradual resurgence in the granting of loans.

#### Lending to the economy

At the end of 2009, lending to the economy totaled 568 373 million MAD, i.e. up by 13% compared to 2008. It represented nearly 90% of resources (91% in 2008). This rise is primarily attributable to real estate, equipment and consumer loans which rose by 21.5% at 174 006 million MAD by 23% at 125 077 million MAD and by 26% at 29 810 million MAD.

#### Customer deposits

Customer deposits in the banking system on 31 December 2009 registered growth of 3% settling at 589 504 million MAD. Non productive deposits represented 61.9% of market resources, up by 0.7 point compared to 2008. MLA (Moroccans Living Abroad) deposits were up by 6.8% at 120 960 million MAD which corresponds to 33.6¨% of the overall collection in the banking sphere.

Commitments by signature grew by 7.5% settling at 164 922 million MAD.

### 2- Money Market

The tightening of cash in banks triggered in 2008, continued in 2009. After mitigation in Q1 of 2009 further to the lowering of the money reserve rate on 1 January 2009 from 15% to 12%, it grew upwards in Q2 and Q3. This situation persisted in spite of the second reduction in the money reserve rate as of 1 July 2009 bringing it to 10%. This development is primarily due to the restrictive effect induced on one hand, by operations on external assets further to currency purchases by commercial banks and on the other hand, by the higher circulation of paper money.

In front of this situation the Central Bank decided for the third time to reduce the money reserve required as of 1 October 2009 setting it at 8%. These decisions occurred at the same time as the drop in the key rate from 3.5% to 3.25% on 24 March 2009.

Consequently, insufficient cash in banks was reabsorbed in the fourth quarter of 2009.

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To answer system needs, Bank Al-Maghrib injected liquidities primarily through 7-day advances the average volume of which increased from 11 billion MAD in 2008 to 16.6 billion MAD in 2009.

Starting the second quarter these interventions made it possible to maintain interest rate stability at levels near the key rate with the exception of the significant drop observed at the end of the periods of constitution of the money reserve. The quarterly average weighted interbank rate decreased passing from 3.41% in Q1 to 3.21% in Q2 and 3.15% in Q3 prior to increasing to 3.28% in Q4. The average annual interbank rate fell by 11 basis points compared to 2008 settling at 3.26%¨ and its volatility was down by 2 basis points compared to 2008 settling at 0.27% in 2009. At the same time, the average interbank transactions decreased compared to 2008 by 7.9% settling at 2.7 billion MAD.

### 3- Bond Market

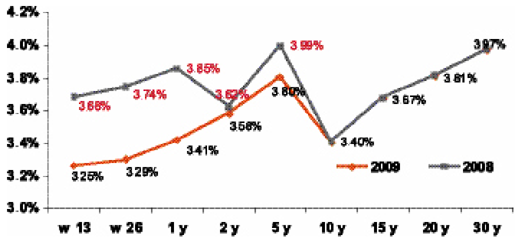
In 2009 the Treasury raised 72.9billion MAD, up by 56.7% compared to 2008 of which 21.4% occurred in November. These sums were for short and medium maturities with respective shares of 68.4% and 31.6% instead of the 94.5% and 5.5% in 2008, as well as for the second consecutive year the Treasury did not take recourse to long term maturities. Reimbursement of Treasury bills reached 67.7 billion MAD, up by 26.6% compared to 2008.

Outstanding Treasury bills by auction in 2009 amounted to 257.9 billion MAD, up by 2.1% compared to the end of 2008, after a drop of 2.7% last year.

As for investor offerings in 2009 these were up by 40.3% compared to 2008 reaching 456.4 billion MAD totaling 16% instead of the 14.3% in the previous year and basically oriented to the short-term (63.7%) and medium-term (34.4%).

The latest rates for 13-week, 26-week and 52-week maturities were respectively of 3.25%, 3.29% and 3.42%, i.e. drops of 43 basis points compared to the end of 2008. To a lesser degree, the rate of medium maturities, i.e. 2 and 5 years fell in 2008, by 4 basis points at 3.56% and 19 basis points at 3.80%, respectively.

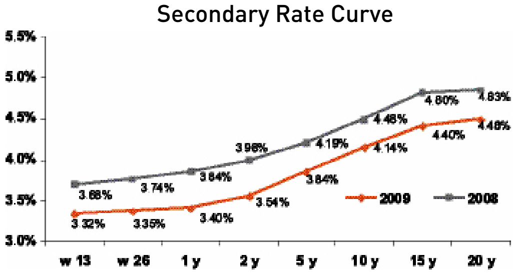
**Primary Rate Curves**



Long-term rates stabilized at the same level as those registered in 2008 as the Treasury did not take recourse to long maturities.

On the secondary market, compared to 2008, the rates were globally down. Indeed, the 13-week, and 5 and 15-year rates lost respectively 36 basis points at 3.32%, 35 basis points at 3.81% and 40 basis point at 4.40%;

Secondary Rate Curve




## 4- Interest Rates

The average weighted interbank rate registered a drop of 11 basis points compared to 2008 finally settling at 3.26%.

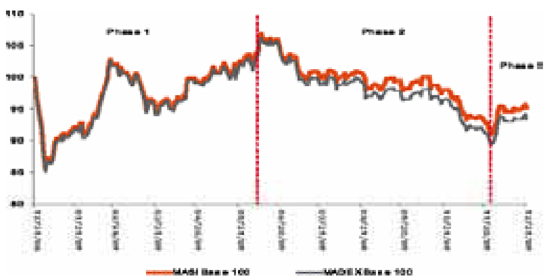
This drop is primarily due to the fall in the key rate of 0.25% declining from 3.50% to 3.25% further to the decision by Bank Al-Maghrib on 24 March 2009.

The interest rate on savings accounts in banks indexed on 52-week treasury bills in the previous half year minus the 50 basis points was set at 3.11% for the second half year of 2009 vs. 3.29% in the first half year.

The maximum contractual interest rate (TMIC) which was of 14.17% between 1 April 2008 and 31 March 2009 settled at 14.40% from 1 April 2009 to 31 March 2010.

## 5- Stock Market

The stock market trend in 2009 was highly contrasted but globally down during the prolongation of the correction in March 2008. Indeed, after a pause in the second quarter of 2009 the stock market was in the red in the third and fourth quarter. In the fourth quarter the correction was less acute. This sluggishness is explainable by the international financial crisis in the behavior of the different economic sector and the disquiet of investors with regard to the outlook for listed companies.



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Equity market performance can be broken down into three phases:

**Technical rebound phase**

After beginning the year with a severe correction of 13%; the MASI (Moroccan All Shares Index) registered it first technical rebound of 17.3% in anticipation of the annual income of listed companies.

The publication of earnings below the forecasts with profit growth down by 3.1%, led the MASI into a fall of 8% in 1 month at 10 402.09 points.

The second technical rebound occurred further to rekindled interest by investors in certain large capitalizations offering attractive points of entry. During this phase the MASI reached an annual peak of 11 729.86 points.

**Correction phase**

This was a correction phase during which the index registered a negative performance of -8.9%. Indeed the start of the summer season compounded with the publication in September of half yearly earning severely impacted by the international crisis gradually bringing the market down for almost 6 months, reaching its lowest level of 9997.56 points.

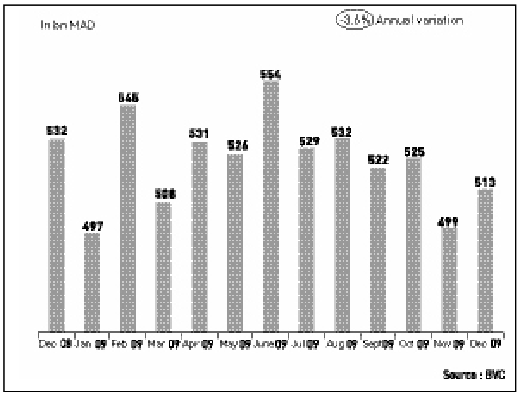
**Recovery phase**

During this period the MASI ended its bearish trend posting a significant resumption of 4.46%. As in each year, we noted an upward acceleration of the index over the last two weeks due to a to and fro movement by investors in a bid to reinvigorate share portfolios.

The Casablanca Stock Exchange closed the year with drops of 4.9% for the MASI and 6.6% for the MADEX (Moroccan Most Active Shares Index) after respective falls of 13.5% and 13.4% in 2008. Stock market capitalization fell by 4.3% settling at 508.9 billion MAD.

From a sectoral standpoint, the biggest drops in 2009 were seen in 12 sectors out of 21 representing Casablanca stock exchange listings. This refers to banks (-.2.7%) , telecommunications (-12.5), real estate (-10.7%) building and civil engineering (-7.9%), holding companies (-5%) and insurance (-11.1%). To be noted, however, is that the indices of 9 sectors registered positive annual performances (+95.7%), agro-food (+24.6%), beverages (+95.7%), mines (+52.3%), computer industry (+26.6%) and electronics (+31.7).

**Monthly trend in stock market capitalization**



The global volume of transactions reached 144.4 billion MAD at the end of 2009, down by 40.9% compared to 2008. In December the volume represented 25.5% of the global amount.

The central market accounted for 54.5% of the global volume of transactions. It was the Addoha, Itissalat Al-Maghrib, Attijariwafa bank, BMCE and CGI that were the most active with volumes in share transactions on this market of 18.6%, 12.4%, 9.9%, 9.3% and 5.9%, respectively.

The block market accounted for 34.1% of the global volume of exchange basically with regard to Attijariwafa bank (28.%), BMCE (15%), Credit du Maroc (14.8%) and CGI (9.7%).

The remainder of the flow of transactions was split up between capital increases (4.4%), securities contributions (4.4%) and bond loan listings (2.1%).

## Analysis of Attijariwafa bank Activities and income

### 1- Activity (Morocco)

#### Customer resources

By the end of 2009 Attijariwafa bank customer deposits totaled 154.2 billion MAD, i.e. up by 1.7% compared to 2008. This trend is due to the rise at 0.6% of 62.9 billion MAD of productive resources and the improvement of 2.4% at 91.3 billion MAD in non productive deposits. The market share of Attijariwafa bank was of 26.1% at the end of 2009.

Non productive resources at the end of December 2009 represented 59.2% of customer deposits. The said deposits covered an improvement of 3.1% at 63.4 billion MAD in checking accounts and a rise of 0.8% at 20.7 billion MAD in current creditor accounts. The bank comes in second position in non productive resources with a market share of 27.8%.

Productive resources represent 40.0% of the total amount of deposits. The trend thereof stemmed from a drop of 8.8% at 34.8 billion MAD in time deposits and rise of 9.0% at 17.7 billion MAD in savings accounts.The market share of Attijariwafa bank for performing resources stood at 23.5%.

#### Credit by disbursement

Representing 25.7% of lending to the economy by the banking system, credits by disbursement of Attijariwafa bank in 2009 registered a rise of 9.9% at 144.4 billion MAD compared to 2008.

The rise in debts is primarily explainable by:

- The rise of 3.2 billion MAD in real estate loans for purchasers and 1.0 billion MAD in real estate loans for developers bringing the total amount of real estate loans to 40.2 billion MAD at 31 december 2009;

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- The appreciation from 12.8 billion MAD to 34.1 billion MAD in equipment loans (including 3 billion MAD in cash loan reclassification);
- Improvement from 0.8 billion MAD to 5.4 billion MAD in consumer loans;
- Drop from 0.8 billion MAD at to 18.3 billion MAD in financing institution debts.

Outstanding loans amounting to 4.64 billion MAD, up by 0.65 billion MAD were up by 0.65 billion MAD. Provisions for outstanding loans closed 2009 at 3.72 billion MAD after a write off of 496 million MAD.

The rate of litigation stood at 3.34%, i.e. down by 4 basis point and the cost of risk settled at 0.19% (apart from provisions for global risks).

The sound loans of Attijariwafa bank were up by 9.7% at 139.7 billion MAD accounting form 26.3% of the market share. The bank also maintained its leading position with respect to sound loans.

### Commitments by signature

At the end of 2009 commitments by signature totaled 41.7 billion MAD, i.e. down by 10.3% compared to 2008.

The market share for this activity settled at 25.4% at the close of 2009.

## 2- INCOME

### Net baking income

At the end of 2009 the Net Banking Income (NBI) amounted to 7.05 billion MAD as opposed to 6.57 billion MAD on 31 December 2008, i.e. up by 7.4% (+482.9 million MAD). This trend is primarily attributable to the improvement in earnings gleaned from market operations amounting to 308 million MAD, the rise in other banking income of 153.5 million MAD and the margin on commissions of 24 million MAD.

The structure of net banking income is split up as follows:

| | Dec. 2009 | Share/ PNB | Dec. 2008 | Share/ PNB | Variations | |
|---|---|---|---|---|---|---|
| | | | | | (Mn MAD) | % |
| Net interest margin | 4 944.1 | 70.1% | 4 928.6 | 75.0% | 15.5 | 0.3% |
| Income from leasing activities | 14.2 | 0.2% | 18.8 | 0.3% | -4.6 | -24.5% |
| Net fee income | 998.8 | 14.2% | 974.6 | 14.8% | 24.2 | 2.5% |
| Income from market activities | 1126.4 | 16.0% | 818.3 | 12.5% | 308.1 | 37.7% |
| Other banking income | 563.4 | 8.0% | 409.9 | 6.2% | 153.5 | 37.5% |
| Other banking expenses | 596.4 | 8.5% | 582.5 | 8.9% | 13.9 | +2.4% |
| **Net Banking Income** | **7 050.6** | **100.0%** | **6 567.7** | **100.0%** | **482.9** | **7.4%** |

### Net interest margin

Representing 70.1% of NBI, the net interest margin was up only slightly at 4.94 billion MAD. This improvement is primarily attributable to the rise of 21.0 billion MAD (+17.8%) in medium outstanding loans by commitment and the drop of 3 basis points in the rate of yield which had a positive effect of 30 million MAD. The net interest margin is spread out as follows:

- The interest and similar income the interest and similar income are up by 11.4% at 8.47 billion MAD, primarily thanks to the growth of 16.2% (+0.94 billion MAD) at 6.77 billion MAD in interest and similar income from transactions with customers.
- Interest and similar expenses were up by 31.7% at 3.52 billion MAD. This changes is essentially due to the rise of 24.7% (536.5 billion MAD at 2.71 billion MAD in interest and similar expenses from transactions with customers and 658.4 million MAD in interest and similar expenses from transactions with credit institutions.

### Income from leasing activities

A the end of 2009, income from leasing activities was down by 24.5% settling at 14.2 million MAD as opposed to the 18.8 million MAD one year earlier.

### Net fee income

The margin on commissions posted growth of 2.5% (24.2 million MAD), at the end of December 2009 settling at 998.8 million MAD. This trend is attributable to the extension of the network and marketing of new customer products and services.

### Income from market activities

Income from market activities in 2009 totaled 1 126.4 million MAD as opposed to the 818.3 million MAD in 2008, i.e. a rise of 37.7%. This changes covered (i) an increase in income from derivatives activities which rose from 81.3 million MAD in 2008 to 139.5 million MAD in 2009, (ii) income of security transactions and investment operations of 484.1 million MAD, up by 28.7%, (iii) and rise of 39.4% at 502.9 million MAD in income from foreign exchange activities.

### Other banking income

Other banking income was up by 37.5% settling at 563.4 million MAD. This variation stems from the rise in dividends earned by Attijariwafa bank further to the good performance by the Group's subsidiaries.

### Other banking expenses

At 31 december 2009 other banking expenses increased by 2.4% at 596.4 million MAD.

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## General operating expenses

At the end of 2009 and in spite of an extension development plan, Attijariwafa bank managed to curtail the rise in general expenses to an acceptable level. Indeed, at the end of December 2009 it rose by 5.7% at 2.88 billion MAD. This variation was due to the rise of 80.4 million MAD in operating expenses and the increase of 25.7 million MAD in allocations to provisions for tangible and intangible fixed assets.

The operating ratio came to 40.9% in 2009 instead of the 41.5% at the end of December 2008, i.e. an improvement of 66 basis points.

| | Dec. 2009 | Dec. 2008 | Variations | |
|---|---|---|---|---|
| | | | Mn MAD | % |
| **General Expenses** | **2 488,0** | **2 345,6** | **142,5** | **6,1%** |
| Payroll | 1 287,3 | 1 207,0 | 80,4 | 6,7% |
| Operating expenses | 1 189,1 | 1 127,0 | 62,1 | 5,5% |
| Financial leasing fees | 11,6 | 11,6 | 0 | 0% |
| **Allocation to operating depreciation** | **393,0** | **367,3** | **25,7** | **7,0%** |
| Expenses on previous years | - | 14,0 | -14,0 | ns |
| Other general operating expenses | - | - | - | - |
| **General operating expenses** | **2 881,0** | **2 726,8** | **154,2** | **5,7%** |

## Gross operating income

The gross operating income improved by 25.8% rising from 3.84 billion MAD in 2008 to 4.83 billion MAD in 2009. This appreciation is primarily due to the:

- Increase of 482.9 million MAD in GDP
- Sharp increase of 654.9 million MAD in income from financial fixed asset operations.
- Appreciation of 154.2 million MAD in general operating expenses.

## Current income

At the end of December 2009, current income totaled 4.29 billion MAD as opposed to the 3.49 billion MAD one year earlier signifying an improvement of 22.9%.

Allocations to net provisions of write-offs amounted to 368.3 million MAD, i.e. down by 258.5 million MAD compared to 2008. The provisioning primarily stems from the:

- Gross global allocation of 1 284 million MAD in 2009 vs.1 192 million MAD in 2008.
- Write down from global provisions of 757 million MAD in 2009 vs. 876 million MAD in 2008.

The rate of coverage of outstanding debts in provisions in 2009 totaled 80.2%.

### Net income

Net income at the end of 2009 came to 2.80 billion MAD vs. 2.36 billion MAD in 2008, i.e. up by 18.6%.

### Shareholders equity

Shareholders equity for 2009, apart from net income, totaled 15.19 billion MAD instead of 13.80 billion MAD in 2008, i.e. an appreciation of 10.1%.

### Total balance sheet

At the end of December 2009 the total balance sheet came to 225.88 billion MAD vs. 204.82 billion MAD in 2008.

## Allocation of Income

| | |
|---|---|
| **Net income for the period** | **2 797 007 487.57 DH** |
| Legal reserve | - |
| Investment reserve | 83 333 333.33 DH |
| Net earnings brought forward | 625 407.85 DH |
| **Distributable income** | **2 714 299 562.09 DH** |
| **Appropriation** | |
| Statutory dividend 6% | 115 797 576.00 DH |
| Amount required fo paying a dividend of 6 MAD per share | 1 042 178 184.00 DH |
| **i.e. a distribution total of** | **1 157 975 760.00 DH** |
| **Extraordinary reserves** | **1 550 000 000.00 DH** |
| **Retained earnings carried forward** | **6 323 802.09 DH** |

## Outlook for 2010

FY 2009 abounded in significant events. Evidence thereof is borne out by the dynamics of the bank in terms of the expansion of its branch office network and operations abroad. Indeed, in terms of regional development, Attijariwafa bank acquired Credit du Congo and Union Gabonaise de Banque with the hand over of 15% of Wafasalaf in September 2009. December 2009 saw the acquisition of the Société Ivoirienne de Banque and Crédit du Sénégal with the hand over of the stakes of Crédit du Maroc in Wafaassurance (24%) to Crédit Agricole France.

To be recalled is that in November 2008 Attijariwafa bank signed an agreement with Crédit Agricole for the hand over of its stakes in these countries. The realization of this operation therefore hinged on authorization by the competent authorities.

The Attijariwafa strategic development plan 2012 enabled the Group to focus on the following aspects:

- Continuation of the development of the proximity policy with the opening of 92 branch offices by Attijariwafa bank, of 62 Wafacash agencies and 11 points of sale by Attijari bank Tunisia, of 7 branch offices by the Banque Internationale pour le Mali and with the setting up of delocalized units in Meknes and Oujda by Wafa Immobilier (real estate) in 2009;

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- Launch of the innovative concept of low income bank "Hissab Bikhir" via the Wafacash subsidiary
- Launch of the various targeted products such as the housing loan "Miftah Assaad" addressing the middle classes, the active youth pack called "Solution Bidaya" and the "Hissab Faida" backed by the savings account.
- Launch of a determined policy of support to all agricultural sectors in the framework of the national "Green Morocco 2020" plan with the "Green Pact" product.
- Optimization of group synergies (Morocco and international subsidiaries).
- Consolidation of the Group positioning as the undisputed leader for Corporate and Market and Investment Bank activities.

In addition, Attijariwafa bank will continue the implementation of the policy of development abroad organized around the following two major channels:

- Strengthening of presence in North Africa through deployment of the Attijari bank Tunisia development Plan and the launch of activities in Libya.
- Continuation of regional expansion in North, West and Central Africa.

# Business activity and results of banking-related subsidiaries and investment banking subsidiaries

## 1- BANKING-RELATED SUBSIDIARIES

### Wafasalaf

The Moroccan automotive market was down by 8% in the second half of 2009 giving rise to fierce competition between financing entities in terms of effective global rate, commissions and product innovation.

Fierce competition also hit the personal loan market, particularly the civil servant and retirement segment.

In its wake, Wafasalaf reported global production of 9.53 billion MAD, i.e. up by 6% compared to 2008. This trend took advantage of the 22% increase at 3.56 billion MAD in managed output. The global outstanding amount grew by 12% settling at 17 105 billion MAD further to the respective rise of 4% at 11 685 million MAD in the outstanding amount and the improvement of 37% at 5 419 million MAD in the managed amount. The good performances of the consumption made it possible for this entity to consolidate its leadership with a global market share of outstanding loans of 30.9% at the end of December 2009.

In terms of commercial development, Wafasalaf launched several campaigns, in particular over the Internet for loan applications at the "hemzat l'hmouz" addressing civil servants and CMR retirees.

With regard to earnings, the net banking income grew by 5% settling at 909 million MAD. Net operating income amounted to 640 million MAD, up by 4% compared to the previous year. The cost to income ratio came to 29.6% in 2009 instead of 28.9% in 2008. Finally, the financial income came to 302 million MAD, i.e. down by 6%.

### Wafa Immobilier

In 2009 the Attijariwafa bank Group achieved a market share of 23.5% in terms of buyer real estate loans thanks the dynamism of its subsidiary. Through this improvement Attijariwafa bank Group financed one housing unit out of three in Morocco thereby establishing one of the strategic point of the bank for 2010.

Wafa Immobilier was very active throughout the year. It participated in various exhibits and trade shows in Morocco and abroad and organized and moderated several round tables on trends in the real estate sector and meetings with numerous real estate developers. Similarly, the real estate subsidiary sponsored the national notaries' convention.

For greater proximity Wafa Immobilier opened 2 branch offices bringing its network to a total of 47 specialized branch offices and in 2009 focused its strategy on the signing of several agreements.

With regard to activities, total output declined by 9% at 7.98 billion MAD. This drop was attributable to the slump in the upscale and social housing segment. The global outstanding amount settled at 28.80 billion MAD, i.e. up by 17% compared to 2008.

In terms of outcome, the net banking income stood at 192 million MAD thereby marking a slight drop of 4%. Gross operating income amounted to 87 million MAD, i.e. a drop of 5% compared to 2008. This led to net income of 48 million MAD in 2009 as opposed to 54 million MAD in 2008.

### Wafabail (leasing)

The financial leasing market ended the Q3 of 2009 with a slight rise in output (1%) further to the drop in leasing, down by 2.9% in amount.

In a very mixed context, Wafabail saw its market share grow at 24.9% at the end of December 2009 (in terms of production) vs. 23.8% in 2008. The performance rose to 3.52 billion MAD, i.e. up by 3% vs. 2008. This performance is primarily due to Group synergy with the Attijariwafa bank network and better positioning on the supply channel.

In terms of profitability, Wafabail reported net banking income of 261 million MAD, i.e. up by 3% vs. 2008. Net operating income rose by 3% at 203 million MAD.

The cost to income ratio improved by 0.1 point at 22.5%. Finally, the net financial income registered a decline of 33% settling at 98 million MAD.

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### Attijari Factoring Morocco

At the end of 2009 the production of Attijari Factoring moved from 3.27 billion MAD in 2008 to 4.17 billion in 2009, i.e. up by 28%. Per activity, the improvement in production covers:

- Growth of 62% at 3.16 billion MAD of the output of Domestic Factoring.
- Drop of 22% at 546 million MAD in the output of Exports.

Outstanding financing amounts reported net recovery at the end of 2009 of 54% thanks to the good behavior of Domestic Factoring operations.

In terms of outcome, net banking income rose by 21% at 37.5% million MAD. General operating expenses were contained at 7.6 million MAD. This resulted in gross operating income of 30 million MAD, up by 18% standing at 17.1 million MAD.

### Wafa LLD

In 2009 Wafa LLD operated on a market characterized by the rise in pricing but in a context of fierce competition. In its wake the long-term rental subsidiary in 2009 reported a customer renewal rate of 48.6%. The rate of customer extension reached 10.6%.

At the end of December 2009, Wafa LLD had a fleet of 4 061 vehicles, down by 1% vs. 2008. The market share was deemed to be of more than 20%. Gross production amounted to 1 031 new vehicles put on the road and 1 087 vehicles sold.

Wafa LLD revised its strategy setting the goal of stabilizing the automotive fleet while targeting profitability and enlargement of upscale SME customers.

### Wafacash

Wafacash was marked by the continuation of the international crisis in 2009 and the impact thereof, although limited, on the national economic situation. Indeed, MLA remittances were down at the end of December 2009 by 5.3% standing at 50.2 billion MAD. Similarly, tourism receipts declined by 5% at 52.8 billion MAD

In this context the Attijariwafa bank subsidiary reported satisfactory performances exceeding those of the market.

Cash express reported a volume representing a leap of 36% vs. 2008, settling at 5.32 billion MAD. The number of transaction grew by 41% at a total of 1.68 million.

With regard to Western Union transfers, in 2009 Wafacash maintained its leading position on the express money transfer segment. The volume handled in 2009 registered a slight decline of 6% at 4.78 billion MAD. The number of transactions was down by 1% settling at 1.62 million.

For over-the-counter foreign exchange the volume rose from 1 031 million MAD in 2008 to 1 346 million MAD in 2009, i.e. growth of 31%. The number of transactions improved by 43% at total of 0.64 million.

In terms of product innovation, Wafacash launched the "Floussy" card addressing non bank account holders. The number of cards sold since the launch amounted to 36 608 at the end of December 2009.

The Attijariwafa bank Group money transfer subsidiary continued an extensive opening and network modernization process with the inauguration of 61 new branch offices including 12 independent ones and 49 in the franchise network, bringing the total Wafacash network to a total of 368 of which 88 independent entities.

## 2- Investment banking subsidiaries

### Corporate Finance: Attijari Finances Corp.

In 2009 the Attijariwafa bank Group investment bank subsidiary reinforced its leadership as consultant for merger-acquisitions and capital increases via the following strategic operations:

- Advisor to investment company ALHIF in the framework of the fund structuring and private investment for an amount of 1.15 billion MAD;
- Advisor to Zalagh Holding and Al Atlas Groups in the framework of their strategic rapprochement;
- Advisor to Alliances Developpement Immoblier (ADI)/Palmeraie Developpement/Somed/Actif Invest/ Compagnie des Alpes further the international call for expression of interest for the choice of investors for the completion of an integrated development program of the Sindibad Zone and running of an amusement park;
- Advisor to ONA group in the framework of the hand over of share in the capital of Mercure.com for an amount of 97 million MAD;
- Advisor to Attijariwafa bank Group for the finalization of the transaction dealing with the acquisition of 91%of the capital of Crédit du Congo (CDC) and 58.7% of the Union Gabonaise de Banque (UGB);
- Advisor to Attijariwafa bank Group for the finalization of the transaction dealing with the acquisition of 95% of the capital of Crédit du Senegal (CDS) and 51% of the capital of the Société Ivoirienne de Banque (SIB).

For market operations, the main references of Attijari Finances Corp. for fiscal 2009 were as follows:

- Advisor to Alliances Développement Immobilier (ADI) in the framework of its share purchase program.

# MANAGEMENT REPORT
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- Advisor to Attijariwafa bank in the framework of the issue of a subordinated bond loan for the amount of 1 billion MAD (June 2009).
- Advisor to Wafasalaf in the framework of Financing Institution Bills for an amount of 1.5 billion MAD;
- Advisor to "Autoroutes du Maroc" in the framework of a bond loan issue for 1.5 billion MAD (July 2009).
- Advisor to SNI in the framework of the issues of a bond loan for amount of 1.5 billion MAD.
- Advisor to Autoroutes du Maroc in the framework of the issue of a bond loan for 1.5 billion MAD (November 2009).
- Advisor to Attijariwafa bank in the framework of a subordinated bond loan of 1 billion MAD (December 2009).

### Securities brokerage : Attijari Intermediation

Continuing the bearish trend begun in September 2008, the Casablanca Stock Exchange in 2009 registered a negative performance limited at -4.9% as opposed to the -13.4% in 2008.

This slump in the market led to a contraction in the securities exchange which reached 144.4 billion MAD, down by 49.9% compared to the previous year, and by a total absence of stock market listing operations.

This decline in volumes was felt more strongly in the central market where trading dropped by -56.1% at 71.8 billion MAD.

In this context the drop in stock market activity, Attijari Intermediation consolidated its positioning with a grain of 6 points of the market share on the central compartment at 27%, i.e. 19.4 billion MAD.

**Volume and market share per market type**

| ((In million MAD) | MARKET | ATI | MS |
|---|---|---|---|
| CENTRAL MARKET | 71 887 | 19 431 | 27.0% |
| BLOCK MARKET | 38 878 | 18 149 | 46.7% |
| **GRAND TOTAL** | **110 764** | **37 580** | **33.9%** |

The ambition of Attijari Intermediation is to gain positions as a leading broker, consultant and investment advisor while engaging in additional efforts making it possible to boost Group synergy.

## 3- Insurance and Asset Management Subsidiaries

### Asset Management: Wafa Gestion

Wafa Gestion held on to its position of leader on the asset management market at the end of December 2009 with more than 55 billion MAD of outstanding assets management, i.e. a market share of 29.55%.

At the end of 2009, the collective management market registered growth of 31 billion MAD compared to the end of December 2008 (outstanding assets at end of period) including 14.9 billion MAD collected by the 3 leading entities (Wafa Gestion, CDG Capital Gestion and BMCE Capital Gestion) and 11.5 billion MAD contributed by RMA Capital (new arrival).

Therefore, Wafa Gestion consolidated its positioning thanks to the collection performed among the large corporate and institutional investors.

In 2009 Wafa Gestion was awarded three tenders from the institutional segment notably the CIMR (share funds and monetary fund) and Bank Al-Maghrib (diversified fund).

For private customers, Wafa Gestion instituted three new mandates for fund management dedicated to individual persons (bond fund, share fund and structured fund).

Further, in 2009 Wafa Gestion revamped its Mutual Fund product range for the public at large with 14 funds spread over 2 customer segments:

- Individual person and professional customers (7)
- Private customers (4)
- Corporate customers (3)

In 2009 Wafa Gestion organized a seminar addressing the largest institutional and big enterprise customers (90 participants) under the slogan of "Investment in Raw Materials."

### Wafa Assurance

FY 2009 was marked by the launch of the Program Contract upon the initiative of the Ministry of Finance. This plan has the aim of strengthening the insurance sector by 2015 turning it into a genuine lever of country's economic, social and financial development.

- With regard to fiscal policy, the 2009 finance law shortened from 10 to 8 years the time period opening exit rights:
- for tax exoneration for life insurance contracts.
- and tax reduction of retirement savings contracts.

This new taxation policy targeted contracts underwritten as of January 2009. The advantage of this scheme is henceforth attached to new requirements in form.

From a regulatory standpoint, the sector saw the end of legal transfer in the event of death and institution of new time periods for the payment of premiums by intermediaries to insurance companies. These new time periods will apply to a transitory period of 2 years starting 1 January 2010.

To strengthen its dominant position on the individual/ profession market, in 2009 Wafa Assurance continued it product innovation policy.

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### Automobile Market

On the automotive market

Wafa Assurance reinforced it automobile range via a segmented approach. For each segment the product adapted has been designed for:

- « Wafa oTo Maalem » for senior citizens
- « Wafa oTo Aaily » for families
- « Wafa oTo WW » for new vehicles
- « Wafa oTo wage earners »

This revised product range occurred at the same time as an entertaining communication campaign in the form of a saga.

With regard to indemnities, an innovation saw the light of day through the creation of a rapid indemnification center called "Wafa Drive",

The first center was opened in Casablanca and the second one in Rabat.

In addition, during the month of Ramadan Wafa Assurance tested the "Wafa Moujoud" system of indemnification on the spot.

### On the corporate market

The company initiated the "Wafa Prevention" where a team of engineers specialized in the safety of goods and persons in the workplace in a bid to lower the number of occupational accidents.

The commercial efforts made possible a good rate of renewal in 2009 with a significant rate of capture. In addition, the teams set up the Group's reception and insurance portfolio processing system.

### On the "life insurance" market

In 2009 the company took on a new and important strategic direction with the aim of emphasizing for "bank insurance" recurrent production as opposed to single or exceptional payments. This strategic objective making it possible to obtain longevity in future turnover was accomplished against a limited drop in "Life" premiums in 2009.

### Partner networks

The exclusive network added on 17 new representatives in 2009.

The activation and training systems of partner networks saw their human and material resources strengthened and processes revised to improve service quality for life and automobile insurance.

### With regard to investment

The outstanding event during the year was the transfer of 24% of Crédit du Maroc and the strengthening of the strategic position in Attijariwafa bank. At the same time the company continued the progressive implementation of its asset strategic allocation.

The quality of the investments of Wafa Assurances also made it possible to achieve a rate of remuneration of the insured of 5.75% in fiscal 2008.

In addition, the organic development model based on Group and partner synergy with our intermediaries, put in place over several years, in 2009 was rewarded by the achievement of becoming number one on the insurance market.

In 2009 the company initiated a new strategic plan called "Wafa Assurance 2012"enabling it to reinforce its leadership on the individual customer and corporate markets.

### Income

• Premiums

At the end of 2009 the premiums issued amounted to 4 297.9 million MAD, i.e. up by 3.5% compared to 2008.

This growth was fuelled by the "non life" activity the premiums for which marked a rise of 15.4% over the year settling at 1 717 million MAD. The performance was attributable to the 23.1% growth registered in the corporate sector.

At the same time, in 2009 the "Life" turnover declined by 3.2% at 2 581 million MAD given the company's determination on savings to emphasize periodic premium production. The death activity was up by 12.3%;

The issuance of premiums per insurance category for the last two years was as follows:

| Distribution of turnover | 2008 | 2009 |
|---|---|---|
| Automobile | 19.8% | 21.2% |
| AT-RC | 4.8% | 6.3% |
| Property damage | 6.6% | 7.5% |
| Illness and bodily accidents | 4.7% | 5.0% |
| **Non life** | **35.8%** | **40.0%** |
| Death | 10.0% | 10.8% |
| Savings | 54.2% | 49.2% |
| **Life** | **64.2%** | **60.0%** |
| **Total** | **100.0%** | **100.0%** |

The non life activity reinforced its share in the company's turnover rising from 35.8% in 2008 to 40% in 2009. The trend is further to the compounded effect of the drop in single premium savings production, growth in automobile insurance and on the corporate market.

• Services and costs

The services and costs showed growth of 1.9% at 3 738.8 million MAD vs. growth in premiums issued of 3.5%.

For non life insurance, services and costs mounted to 1 072.2 million MAD vs. 898.8 million MAD in 2008.

For Life insurance, this came to 2 666.6 million MAD, i.e. down by 104.7 million MAD vs. the previous year, given the drop in production and technical interest of the year.

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• Technical provisions

The technical reserves totaled 16.3 billion MAD, i.e. up by 14.7% vs. 2008.

Provisions for Life Insurance were of 10.1 billion MAD, i.e. 62% of reserves vs. 59% in 2008.

• Technical operating expenses

The technical operating expenses came to 648.7 million MAD, i.e. up by 15.5%.

Acquisition expenses were up by 24% at 315.0 million MAD due to the adaptation of compliance of the network with market practices which for life insurance led to a rise in commissions of 41.5% for the financial year.

Included in premiums acquired, life insurance acquisition expenses were at 4.0% vs. 2.8% in 2008. The ratio for non life insurance remained relatively stable at 12.4%.

Management expenses stood at 33.7 million MAD, i.e. up by 8.6%.

For non life insurance, the management expenses included in the premiums issued were down 1 point vs. 2008, at 15.4%.

For life insurance, the management expense ratio on overage outstanding amounts was down by 0.81% in 2008 at 0.72% in 2009.

• Investment income

Investment income came to 1 341.2 million MAD vs. 1 078.6 million MAD in 2008, i.e. a rise of 27.4%.

This growth was primarily due to the transfer of 24% of Crédit du Maroc which generated a value added of 738 million MAD.

The income of investments assigned to non life insurance came to 1 028.0 million MAD, i.e. down by 441 million MAD vs. the previous fiscal year.

The income of investments assigned to life insurance amounted to 366.1 million MAD, i.e. down by 29.6% vs. 2008.

• Income

At the end of fiscal 2009, the Company's technical activity posted a pre-tax profit of 988.8 million MAD vs. 762.9 million MAD, i.e. up by 29.6%.

This outcome was split up as follows.

- The Technical Non Life income comes to 933.4 MAD vs. 169.5 million MAD in 2008

Given the non technical outcome of 27 million MAD and the integration of corporate tax of 338.9 million MAD, the company registered a net profit for 2009 of 277.3 million MAD vs. 467.5 million MAD at the end of the previous fiscal year.

In conclusion, fiscal 2009 enabled, in addition to the distribution of 241.5 million MAD, the strengthening of shareholders equity of 2 175 million MAD vs. 1 739 million MAD at the end of December 2008; up by 25.1% while the underlying value added on listed shares and mutual funds amounted to 2 174 million MAD vs. 2 651 million MAD on 31 December 2008 further the transfer of the Crédit du Maroc shares.

By way of application of the regulatory provisions, the rate of coverage of the solvency margin came to 346.5% vs. 421.5% in the previous year.

With regard to the coverage risk, the company continued to improve the rate of coverage of pending debts amounting to 92.4% in 2009 vs. 89.4% in 2008.

## 4- Subsidiaries in Africa and Europe

### Tunisia

The Tunisian economy registered an estimated growth rate of 3.1 in 2009 vs. an annual average of 5% over the past few years, according to the Central Bank of Tunisia (BCT). This rate was made possible thanks to the improvement in agricultural output and growth in services activities, both sectors that contributed to the maintaining of internal and external financial balances of the country. The rate of inflation was contained at 3.7% vs. 5% in 2008 in spite of the appearance of a certain amount of tension over the past few months on the prices of some food products.

In this context, the Attijariwafa bank subsidiary, Attijari bank Tunisia closed 2009 with high growth in outstanding amounts. Indeed, customer resources registered a rise of 16% reaching 16.88 million MAD, bringing the market share to 8.9% at the end of December 2009.

Gross disbursement loans increased by 14% totaling 14.72 billion MAD. The market share of Attijari bank Tunisia amounted to 7.9% at the end of December 2009.

Attijari Bank Tunisia also continued it expansion strategy by enlarging its network with 12 new branch offices bringing the total number to 149 at the end of 2009.

The net banking income of the Tunisian subsidiary was up by 15% at 885 million MAD; net income grew by 15% million MAD.

### WAEMU Zone

FY 2009 was marked by the spread of the fallout of the international crisis on member country economies.

Indeed, economic growth in this area in 2009 was estimated to be of 3.0% vs. 3.8% in 2008. Receipts from foreign trade slowed down particularly with regard to goods and raw materials exports and emigrant remittances. The financial systems of these countries were also weakened by the international crisis with the growth in deposits down (by about 10% at the end of June 2009 year on year vs. 17% at the end of June 2008) and lending to the economy clearly slid back (10% year on year at end of June 2009 vs. 21% at the end of June 2008).

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The WAEMU zone is covered by the following subsidiaries:

CBAO, Crédit du Sénégal, Banque Internationale pour le Mali (BIM) and Société Ivoirienne de Banque

To be pointed out is that in December 2009 the Société Ivoirienne de Banque and Crédit du Sénégal were acquired in the framework of the transfer of the stakes of Crédit du Maroc in Wafa Assurance (24%) to Crédit Agricole.

In spite of the slowdown, these subsidiaries managed to increase their resources.

The CBAO saw its resources increase by 12% at 8.50 billion MAD, the BIM by 9% at 2.75 billion MAD, the Société Ivoirienne de Banque by 18¨% at 2.76 billion MAD and Crédit du Senegal by 15% at 1.59 billion MAD.

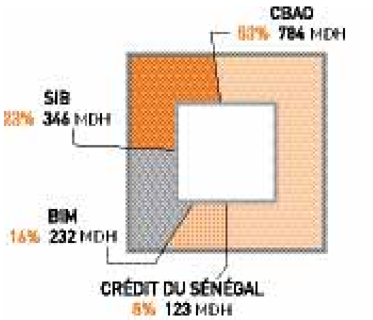
The global resources of the Attijariwafa bank Group in the WAEMU zone climbed to 15.59 billion MAD, i.e. up by 13% at the end of 2009.

Gross disbursement loans were up by 7% at 12.64 billion MAD.

The CBAO represented 48.8% of the Group's loans in this zone with a rise of 8% at 6.049 billion MAD. As for the Société Ivoirienne de Banque loans represented 21% with a rise of 20% at 2.72 billion MAD at the end of 2009.

The growth in Group activities in the WAEMU zone enabled the net banking income to rise by 7% at 1.49 billion MAD. The highest contribution was represented by the CBAO with a net banking income of 0.78 billion MAD, up by 8%, i.e. 53% of the global net banking product of the zone.

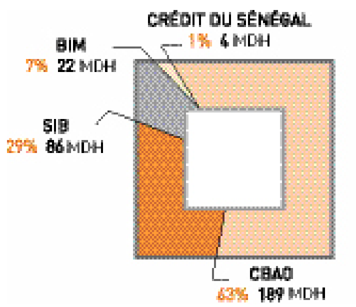
**Net Banking Income 2009**




Net income was up by 11% at 0.30 billion MAD at the end of December 2009.

This rise is primarily due to the increase in net income of CBAO of 31% at 0.19 billion MAD in 2009 compensated by the drop in that of Société Ivoirienne de Banque of 21% at 86 million MAD over the same period.

**Net Income 2009**



### CEMAC zone

Economic growth in the CEMAC zone in 2009 was estimated at 2.4% vs. 4.1% in 2008.

The countries in this zone were severely hit by the drop in prices of oil, mining and wood products compounded with a drop in international demand.

In 2009 inflation was also down at 4% vs. 5.9% in 2008 in connection with the reflux in world prices.

Further to the international crisis, the international financial community (IMF, EU, and IBRD) made donations to make up for the collapse in export receipts and the HIPC debts were partially lifted).

The CEMAC zone was covered by Group subsidiaries: Union Gabonnaise de Banque and Crédit du Congo.

To be recalled is that in September 2009 these two banks were acquired by Attijariwafa bank by transfer of 15¨% of Wafasalaf.

Confronted by this slowdown, Union Gabonnaise de Banque managed to increase its resources by 5% at 3.47 billion MAD and gross disbursement loans by 11% at 2.20 billion MAD while the resources of Crédit du Congo were down by 2% at 2.23 billion MAD and disbursement loans were up by 10% at 0.74 billion MAD at the end of December 2009.

At the end of FY 2009 net banking income reported in the zone by the Attijariwafa bank Group was of 0.54 billion MAD, i.e. down by 9%

In 2009 the Union Gabonnaise de Banque and Crédit du Congo saw respective drops of 10% at 0.33 billion MAD and 7% at 0.21 billion MAD.

Net income was down by 41% at 73 million MAD for the Union Gabonnaise de Banque and 50% at 45 million MAD for Crédit du Congo.

### Europe

For Attijariwafa bank Europe, 2009 was placed under the sign of change and innovation.

#### Development of the "Retail Bank" activity in France

Deployment of this new activity accelerated in 2009 with the opening of three new branch offices in Nimes, Courcouronnes and Rennes and upgrading of the already existing windows.

Product offerings were also expanded in France with two new regulated Savings products: Booklet A and the Sustainable Development Booklet.

#### Development of "retail bank" activity in Europe in general

The determination to develop the "Retail Banking" activity is not limited to the French network because it extends over other European countries where the Group operates. The Antwerp office in Belgium opened its doors early on in the year and in anticipation of the European passport, particularly in Italy, the new point of sale in Padua

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was established as a "branch office". Projects for the transformation of points of sale in Germany and The Netherlands were acquired in Liege and Schaerbeek (Belgium).

**Launch of new market: Tunisians living abroad**

In April 2009, the European subsidiary of the Group opened the doors of its French network to entirely new customers consisting of Tunisian expatriates. Working together with Attijari bank Tunisia, Attijariwafa bank Europe was able to introduce offerings and propose intermediation and money transfer services. Teams were also put together and awareness built up to make sure this new target is welcomed in the best of conditions.

**Synergy with the commercial network in Morocco: reverse intermediation**

Capitalizing on the breath of the commercial network in Morocco, the BMF and Attijariwafa bank Europe devised a new model for the distribution of products marketed in Europe. Thus, the "reverse intermediation" activity was launched in conjunction with the campaign for receiving Moroccan expatriates in the summer of 2009. As of June of that year, all the branch offices with a high concentration of MLA customers within the Moroccan network proposed subscription to product hitherto available in Europe only.

**Application of new governmental guidelines**

Further to the governmental measures put in place to support Moroccan expatriates during these time of crisis, the Group, though its European subsidiary, rapidly offers free money transfers as new loan solutions in Morocco such as the "Macharii Bila Houdoud" designed to foster investment by Moroccan expatriates, and the housing loan called "Miftah Assaad BiLa Houdoud".

**Cap Europe 2010: Master Plan**

Initiated in 2008, this project dealing change over of the Information System in France was successfully completed in June 2009. As a result, the entire French network now has a high performance tool answering the operational and regulatory requirements in force. Once the most recent adjustments were finalized, the IS work team of the subsidiary migrated to Belgium to prepare the change of the subsidiary's system.

# Consolidated Income

The Attijariwafa bank Group since 30 June 2007 has published consolidated income results according to IFRS standards.

In 2009 the consolidation perimeter of the Group expanded with the acquisition of 95% of Crédit du Senegal, 58.7% of Union Gabonnaise de Banque, 91% of Crédit du Congo and 51% of Société Ivoirienne de Banque.

## Group Income

### Total Balance Sheet

On 31 December 2009 the Attijariwafa bank Group total balance sheet came to 290.35 billion MAD, i.e. up by 12.1% compared to 2008. The principal Group assets were loans and advances to customers, available for-sale financial assets, loans and advances to credit institutions and similar establishments, financial assets at fair value through income that together represent 88% of total assets (87% on 31 December 2008). The 12.1% increase in the total assets is basically attributable to:

- The 16.6% rose at 178.99 billion MAD on loans advances to customers
- The 25.7% increase at 6.54 billion MAD of other assets
- The 6.0% growth at 27.24 billion MAD in loans and advances to credit institutions and similar establishments
- and the 11.5% increase at 23.42 billion MAD in financial assets at fair value through income.

In counterparty, the increase in liabilities is basically attributable to:

- The 10.3% growth at 194.71 billion MAD in customer deposits which alone represented 67% of the total balance sheet
- The 67.4% rise at 8.48 billion MAD in other liabilities.

### Consolidated shareholders equity

The consolidate shareholders equity amounted to 24.78 billion MAD, up by 17.78 billion MAD, i.e. an improvement of 17.5% compared to the previous year.

### Consolidated net banking income

The consolidated net banking income of Attijariwafa bank posted growth of 20.9% at 13.24% billion MAD.This situation is basically due to:

- The 5.8% rise at 7.37 billion MAD on the interest rate margin
- The 2.4% increase at 2.20 billion MAD on the net fee margin
- The 44.6% increase (apart from value added) at 3.07 billion MAD from market activity income and the value added of 1.13 billion MAD from Wafasalaf and Crédit du Maroc in the framework of the CERES project.

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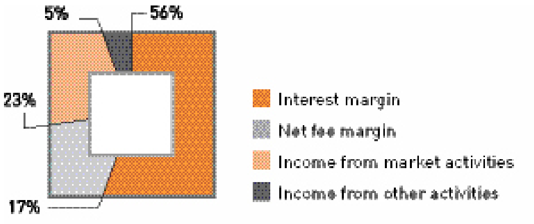
At 31 december 2009, the structure of consolidated gross banking income was as follows:

**Net Banking Income structure as of 31 December 2009**




### Gross Operating Income

Gross operating income saw growth of 28.3% at 7.85 billion MAD. This growth is the result of good control of general expenses limiting it to 9.3%. The cost to income ratio was therefore improved by 40.8% as opposed to the 44.2% one year earlier.

### Cost of risk

The cost of risk registered a rise of 56.3% at 988 million MAD. Included in the total outstanding amount, the cost of risk was up by 14 basis points settling at 0.53%. Outstanding debts stood at 10.52 billion MAD for a total outstanding amount of 186.6 billion MAD. The NPL ratio stood at 5.3%.

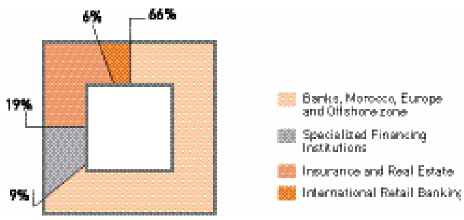
### Net consolidated income

At the close of 2009 the Group's net consolidated income for the first time crossed the 4 billion MAD mark settling at 4.59 billion MAD, i.e. up by 26.2% compared to 2008.

### Net Income Group Share

The net income group share was up by 26.4% at 3.94 billion MAD. This performance is the result of the efforts put forth by the various bank entities and subsidiaries, in particular the real estate, insurance and Banks in Morocco, Europe and offshore. Indeed, the contribution of the real estate and insurance activity grew from 10% in 2008 to 19% in 2009 while the contribution of the banks in Morocco, Europe and offshore stabilized at 66%.

**Contribution per activity to the NIGS at 31 december 2009**




The shareholders equity profitability – ROE – amounted to 22.7% in 2009 instead of 20.8% in 2008. The profitability ratio included in the total balance sheet amounted to 1.6% in 2009 vs. 1.4 one year earlier.

# Global Risk Management

# Global Risk Management

## Mission and Organization of Risk Management

The approach of Attijariwafa bank to risk management enters into the framework of professional and regulatory standards and rules defined internationally, as well as recommendations by the competent authorities. The Group's risk management is centralized by the Global Risk Management (GRM) unit independent of the sector and business lines and reports directly to the General Management Committee.

This configuration works within the principle of a global approach to Group Risk Management and testifies to the complete independence with regard to the other centers and business lines of the Bank. This independence enables it to provide optimum objectivity in examining risk taking and control measures.

The principle mission of GRM is to cover and supervise all the risks inherent to group activities and the assessment and control thereof. This function applies permanent control, more often than not a priori, clearly differentiated from that of Internal Audit, conducted periodically and a posteriori.

Its permanent mission consists of formulating recommendations with regard to risk policies, analyzing loan portfolios with a prospective outlook, approve loans to corporate entities and private individuals, trading activities and guaranteeing the quality and efficiency of risk oversight.

The main risks are categorized into three families:

- Credit and counterpart risk: corresponds to the risk of complete or partial failure by the counterparty with whom balance sheet or off balance sheet commitments have been contracted.
- Market risk: owing to the risk of loss in connection with unfavorable trends in market parameters (interest rates, exchange rates, price of shares and raw materials, etc.).
- Operational risk: include computer risks, legal risk, human risk, fiscal risk, commercial risk, etc.

The organization of the Global Risk Management Center is designed according to the risk typology as spelled out by the Basle II agreements. It is organized around the following entities

### 1 - "Counterparty Risk" Entity

The principal mission of this entity consists of:

**On the upside**

- Analyzing and taking decisions on risk taking coming from the Bank sales force by the counterparty/transaction paradigm.
- Assess the validity of the guarantees.
- Evaluate the volume of activity of the relationship, and the economic soundness of the financing solutions requested.

**On the downside**

- On a regular basis review all the commitments for qualifying the portfolio per risk category.
- Take a close look at the weekly statements of authorization and use.
- Identify the overshooting and take the measures necessary to clear them out.
- Catch the debts demonstrating signs of difficulty and solve any payment incidents.
- With the network oversee the recovery of these debts.
- Provision the debts classified as pending.

### 2 - "Market Risk" entity

The function of this entity is to detect, analyze and follow the various positions of the Bank regarding rates and currency, to rationalize its positions by formal authorizations and remain on the lookout for any departure from its positions.

### 3 - "Market Risk" Entity

The function of the entity is to detect, analyze and follow the various operational risks inherent to the banking activity (human, computer, fiscal, legal).
At the end of 2008, the GRM was provided with a new entity dedicated to the Risk Management systems to comply with the best risk management practices, in particular Basle II. This entity is assigned with three tasks:

1. Design of rating models in compliance with the spirit of the Basle II regulations.
2. Establishment of standards and methods designed to govern operation of the GRM
3. Management of project pursuant to risk management, in particular Basle II.

## General Provisions

### 1- Governance and Organization

The governance and organization of risk management systematically point out and apply the management principles laid down by the bank authorities.
For better coordination of joint actions, the responsibilities of the principal players were clearly drawn up.
The relevant players are the following:

- Board of directors
- General Management
- Decision-making Committees
- Global Risk Management

**- Role of Board of directors:**

In the framework of the exercise of market activities the Board of directors has the following responsibilities:

- Defining and revising on a regular basis the commercial strategy and risk management policies;
- Apprehend the principal risks to which the bank is exposed in its activities;

- Validate the global limits of risks and making sure the Board of directors and decision-making committees take the measures necessary to identify, measure, follow and keep close watch on the risks, the limits of risk being set taking account of shareholders equity;
- Approve the organizational structures.
- Make sure the General Management checks the efficiency of the internal control system.

### Role of General Management

- Implement the strategies and policies approved by the Board of Directors.
- Implement the processes and means making it possible identify measure, follow and check the risks linked to commercial activities.
- Establish the internal control standards and methods.
- Inform the Board of directors of the key components and conclusions that can be drawn from the risks measurement methods to which the bank is exposed.
- Associate the Board of directors with the management of market activities by submitting thereto for approval, the policies developed for risk management.

### Role of Committees

**High Risk Committee** (committee issuing from the Board of directors)

Chaired by the Chairman and General Manager, this committee examines and authorizes the major Group operations (loans, recovery, investment, procurement) beyond a certain threshold.

Henceforth, this committee supervises and oversees the trends in risk indicators and sets the short-term orientations regarding risk management.

#### Group Credit Risk Committee

The Group Credit Committee is competent with respect to all commitments of the Attijariwafa bank Group to a limit of 600 million MAD.

Also, upon proposal by Correspondent Banking, it sets the counterparty limits granted to international banks.

#### Market Risk Committee (CRM)

The Market Risk Committee (CRM) is the internal decision-making and monitoring body for market risks in all aspects. Its responsibilities are:

- Monitoring and analysis of market risks and how they stand
- It oversees adherence by the monitoring indicators of the specific management rules and limits defined.
- It spells out limits to the various product lines in the framework of the strategies put forth by the bank.

# Global Risk Management

### Role of Global Risk Management

It ensures the role of supervision of methodologies and counterparty, market and operational risks. The principal responsibilities are the following:

- Formulate recommendation regarding risk polices
- Investigate applications for credit limits and trading before submission to the competent committee
- Ensure follow-up of counterparty, market and operational risks by consolidating all bank exposure.
- Validate the principle of the system and methods of measurement by ensuring homogeneity with those of the Group.
- Validate the internal models and software models used for valuating financial instruments.

## 2 – Risk Management Process

The risk management process comprises four basic steps calling for action taken by several entities:

- Risk identification
- Risk measurement
- Risk monitoring
- Risk control

### Risk identification

Risk identification consists of a complete detailed inventory of risks and factors inherent to each one.

The regularly scheduled updating of this inventory is necessary for taking account of the direction being taken by risk generating factor and changes introduced by updating of the management orientations and policies.

The Control and Methods entity is responsible for this function with regard to routine activity and the launch phase of new products or actions. It is also based on the reports and information notes edited by internal Control.

### Risk measurement

This is for assessing the probability of the occurrence of risk and the financial consequences thereof on the positions or bank assets.

The risk measurement methods adopted largely take inspiration from the "sound practices" declared by the Basle Committee and in compliance with the prudential regulations under the authority of the Risk Committees and the GRM.

The bank proceeded to invest in the institution of advanced techniques regarding risk management by integrating new developments in order to prepare the application of internal methods.

### Risk Mastery

Risk control concerns the measures taken by the bank to limit risks at acceptable levels.

### Risk control

Risk control is a step encompassing the monitoring and oversight of risks and the risk management also making it possible to identify the limits as the situation evolves.

# I- Credit Risk

## A- Credit policy

### I- General Principles

The general credit risk (PGC) has the purpose of defining the terms of reference governing counterparty risk generating activities for the bank.

The counterparty risk represents the risk the financial loss due to the inability of a debtor to honor his contractual obligations. It concerns loan activities as well as other activities exposing the bank to the risk default by a counterparty or issuer, in particular with regard to transactions on the capital market or settlement-delivery operations.

The provisions of this PGC are general in scope and apply permanently. They can be updated when trends in the market economic and financial situation call for it.

These provisions can be completed by specific policies pursuant to particular group activities or entities. They can also be accompanied with periodically revisable credit orientations.

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

1.1 **Ethics and Compliance:** The Group adheres to strict adherence to the ethical principles laid down in the internal code and the regulatory provisions governing its activities.

1.2 **Independence:** functional independence of the risk structures with respect to the operational entities in order to maintain the quality of risks and the objectivity of decision making.

1.3 **Responsibility for risks.** The business units remain integrally responsible for their own credit risks. This responsibility is also shared by the credit granting bodies.

1.4 **Collective responsibility for decisions:** loan decisions by a minimum require double signature and investigation as provided by the commercial and risk entities fostering adversarial analysis.

Submittal to arbitration at a higher level can be taken into consideration for certain diverging decisions.

# Global Risk Management

No credit decision will be taken unilaterally unless asked to do so through special delegation by the administrative unit.

1.5 **Sufficient remuneration:** Each risk taken by the Bank must be correctly remunerated. Pricing must always correspond to the rating.

1.6 **Monitoring:** Each risk taken by the Bank must be monitored on a continuous and permanent basis.

1.7 **Separation** of the management and risk control functions.

1.8 **Prudence and consultancy** must be applied in the event of doubt or ambiguity.

1.9 **Prior analysis** by the new products of any counterparty risk in connection with the launch of new activities.

1.10 **Restrictive rule:** no financing can be granted for a relationship subject to abandonment or having been declassified with ensuing litigation. The rating system is discriminatory for this type of customer (eliminatory rating).

## II. Structuring of counterparty risk

General risk taking principles

La Risk taking must occur in the framework of the duly approved risk strategies. The strategies are adapted to each business line, the development plan thereof and are based on:

- Global limits
- Intervention criteria
- Delegation plan

These strategies are also divided into:

- Business line
- Entity
- Sector of activity
- Country

Adherence to the said strategies is incumbent on the business lines and controlled by the GRM.

All risk decisions require in-depth analysis of the counterparty and the transaction and must be decided by due assessment of risk/yield. It must fit into the risk strategy of the relevant business and limits currently in force.

### II.1 Customer selection

The Group deals only with counterparts enjoying a good reputation. The sales teams are responsible for gathering pertinent information on the customers while excluding any one listed in the negative databases (account, check book prohibited and litigation).

If a counterparty fails to honor its signature with our group it can no longer expect to obtain further loans. In the absence of rapid settlement of the disputed debt, Attijariwafa bank withdraws any further dealings with the said counterparty.

If an amicable settlement leads to abandonment of debts, the counterparty can no long attempt to approach Attijariwafa bank (unless otherwise decided by the Major Risk Committee).

The sales management units must also double check the bona fide origin and the legitimate nature of customer resources.

The final decision for commitments is based on the internal advisory and independent opinion of the GRM. The committee remains the ultimate instrument of decision.

### II.2 Structuring of operations

The credit activity assumes flawless mastery of the credit operations structure according to the following points:

- Purpose: the economic justification of the credit operation must be proven.
- Structure: the operations: must be clearly explained and understood and follow-up thereupon must be provided.
- Maturity: the maturities of credit commitments must correspond to their maturities and investment loans must in principle be given 7 year maturity without exception for housing loans in the framework of a policy of resource backed maturities.
- Transparency the credit grating procedure must be in compliance with the ethical rules.
- Security: the reimbursement capacity of the counterparties must be analyzed and duly confirmed.
- Guarantees or security: the loan must have attaché to it different guarantee. The economic value must be validated via expertise and updated on a regular basis. Similarly the asset holdings of the guarantors must be listed in detail and updated.
- Notification: the credit modalities must be formally notified to the customer so as to preserve the interests of the relevant parties.

## III. Supervisory framework of loan activity

Given its pivotal importance and also due to the inherent risks, the credit activity is supervised by a system organized around three major orientations:

- Adherence to the prudential rules laid down by Bank Al-Maghrib.
- Rating of counterparties targeting strict risk selection and monitoring.
- Sectoral diversification capable of mitigating the risk of concentration.

### III.1 Prudential rules

The risk inherent to credit activity is covered by a set of prudential rules designed to mitigate the resulting impact as it represents a major danger. These rules involve the three risk taking rules.

#### Before risk taking

At this juncture, the bank must permanently make sure of the flawless minimum solvency ratio of 10%. This is tantamount to tying an increase in credit activity to the rise in the level of shareholders.

# Global Risk Management

equity (credit equal to ten times net equity) to limit the level of bank indebtedness which is also a factor of fragility.

### Risk taking

This phase is subject to regulatory provisions with respect to:

- Decision on credit applications in terms of minimal check list.
- Adherence to the maximum exposure ceiling limited to 20% of equity for just one individual or collective applicant.
- The need for de-concentration of the portfolio of commitments to limit the extent of risk.
- The obligation of compliance of the credit activity with the rules of law, ethics, taxation, etc..

### After risk taking

The large risks taken with the same individual or collective customer are monitored particularly with regard to the regulatory constraints in place (CMDR 20% of shareholders equity and declaration to Bank Al-Maghrib starting 5% of equity).

Groups for which our Bank has reached a regulatory commitment ceiling must be subjected to specific joint management between the commercial entities and the GRM so as to enable our organization to seize any potential financing possibilities by improving the profitability without endangering exposure.

Likewise, the commitment portfolio must be reviewed on a regular basis and re-qualified to structure the portfolio in sound outstanding amounts, and debts under surveillance with the adequate provision coverage.

The efficiency of these rules must be ensured by the establishment of an internal control system encompassing the:

- Degree of exposure of the Bank and its subsidiaries with regard to commitments (mobilized and confirmed as unused) and as counterparty risk for market operations.
- Full mastery over risks at the Group level thanks to precise identification of third party risk bearers to ensure the coherency and exhaustiveness of risk follow-up and allocation of outstanding amounts to the Basle portfolios.
- The stress test as a simulation tool of the banks ability to counter deterioration of the commitments portfolio further to any negative turns taken in the economic situation.

## III.2 Concentration risk

The risk of concentration of credit refers to the risk inherent to an exposure likely to cause substantial losses threatening the financial soundness of an institution or its capacity to continue to engage in essential activities.

The risk of concentration of credit can arise due to exposure to

- Individual counterparties
- Interest groups
- Counterparts belonging to a given sector of activity or same geographical region
- Counterparts the financial income of which is dependent on a single activity or core product.

The international expansion policy of our Group induces risks owing to the concentration of counterparts belonging to a given geographical region. This concentration entails the management of limits (regarding exposure and delegation of powers) and alert thresholds.

The risk of individual concentration and interest groups is governed by the provision of the central bank regarding the division of risks. This assumes group management according to a standardized process based on a particularly broad notion of business groups and an approach matching the business lines so as to:

- Define the limits of global exposure and the options for action.
- Consolidate into a single database the information on counterparty groups.

Similarly the organization of a sectoral policy regarding credit distribution takes account of:

1. The rate of penetration of the bank in each sector of activity.
2. The quality of its assets (losses and rating).
3. The growth margins suggested by the economic situation (economic intelligence, consultancy committees with professionals, federations, a the legal provisions of the finance law, etc.) to pave the way for sales endeavors and maintain the level of the bank commitment portfolio, as well as optimal risk profile in terms of sectoral concentration.

Periodic review of the bank's exposure in light of economic trends enables well is conducive to well managed decision-making and dynamic adjustment of the quantitative and even qualitative limits leading to:

- Increase of high development potential sectors.
- Consolidation of activities where the rate of penetration is rather high or for which we do not have a high degree of visibility.
- Fallback with regard to depressed sectors (unfavorable outlooks, high degree of loss, etc.)

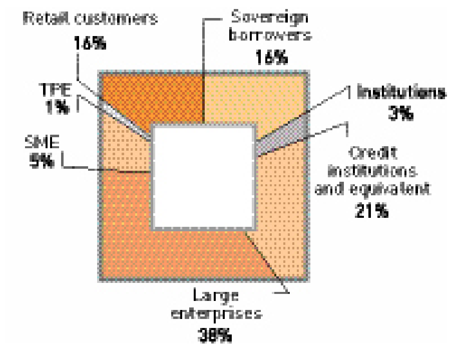
These quantitative sectoral limits are openly challenged between the sales units (cf. business plan) and the GRM prior to approval by the authorized bodies. They must also react to applications for re-evaluation and entry into relationships. Exceeding these limits must be submitted to the same body for authorization and updating of fresh thresholds.

# Global Risk Management

### III.2.1 - Counterparty Diversification

Evaluated while taking account of all the commitments entered into with a given beneficiary, diversification constitutes a constant factor of the bank's risk policy. The extent and variety of the Group's activities could participate therein. Concentration forms the subject of periodic examination, if necessary giving rise to corrective measures. This diversification consists of the following:

**Ventilation des engagements de la banque par catégorie de contrepartie at 31 december 2009**




### III.2.2 - Sectoral diversification

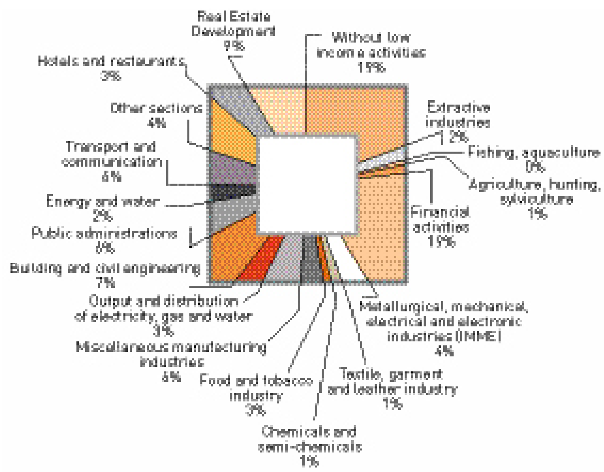
The split up of risks according to sectors of the economy is given the same attention along with prospective analysis enabling dynamic management of Bank exposure. It is based on

studies expressing an opinion on the situation of different sectors and identifying the factors explaining the risks taken by the principal players.

The breakdown of the commitments entered into per sector included in the total number of the Bank's commitments is as follows:

- Financial institutions, holding and insurance companies representing 19¨%, i.e. in quasi stagnation compared to 2008. The commitments in this sector constitute an excellent risk (96% of the commitments of specialized financial institutions are subsidiaries of banks and the CDG).
- In 2009 building and civil engineering and construction materials represented 7%, i.e. in quasi stagnation compared to 2008. Commitments by signature represented more than 50% of global commitments in this sector.
- Real estate development represented 9%, i.e. in quasi stagnation compared to 2008. Since 2006, commitments in this sector saw substantial growth due to the Bank's strategy of participation in the completion of several large-scale housing projects.

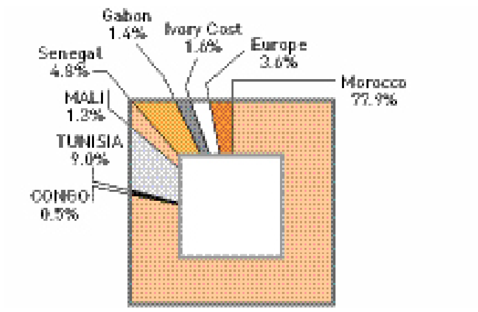
**Breakdown of the Bank's commitments per sector of activity at 31 december 2009**



### III.2.3 - Geographical breakdown

The breakdown of commitments per geographical zone shows that the Group's exposure is largely concentrated in Morocco with 78%. The remainder is spread out between Tunisia (9%), Europe (4%), Senegal (5%) and other African countries (4%).

**Breakdown of bank's commitments per country at 31 december 2009**

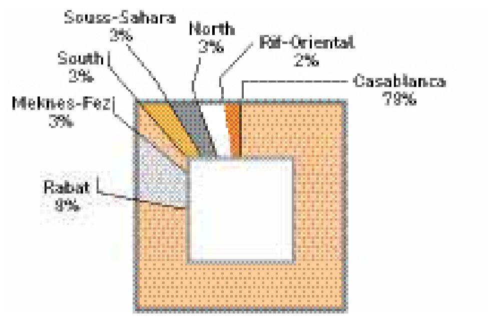



In Morocco the Casablanca region alone represents 78% of the bank's commitments followed by the region of Rabat (8%), Meknes-Fez, Souss-Sahara and Rif Oriental each representing 3% of the commitments, and the others 6%.

This concentration is explainable by:

- The fact that the regions of Casablanca and Rabat represent the economic, financial and administrative heart of Morocco.
- The domiciliation of accounts in Casablanca of the principal infrastructure projects launched and completed in the provinces.

**Breakdown of commitments in Morocco per geographical zone at 31 december 2009**




## B- Procedures

### 1- Decision making

#### a- Competencies

The decision making system regarding credit is based on a series of delegated authorities implying the gathering of opinions in compliance with a representative of the risk function specifically appointed by name. The agreement is always issued in writing whether by a booklet of signature or by formal holding of a credit committee meeting.

The delegated authority competencies are specified per amount of risks varying in accordance with the categories of internal advisories and specific nature of the business lines.

The credit proposals must adhere to the general credit policy principles. Any exceptions imply recourse to the next highest level of authority.

# Global Risk Management

With regard to the Bank, the various decision making bodies as validated by the Board of directors are the following (classified per ascending level of competency):

- Restricted GRM committees (3 levels)
- BE credit committee
- Group credit committee
- Major risk committee, chaired by the Chairman and General Manager, the ultimate decision making body for risk taking and counterparty decisions.

As regards the Group's subsidiaries, the competencies are defined according to the amount of risk. In the event of exceeding a threshold, the decisions are taken by the various bank committees.

**b- Processes**

### Application and proposal

Application and contact with the customer and initial assessment of his/her activity and/or revenue, the office sales manager devises a credit proposal via a dedicated computerized application. He/she constitutes a proposal administrative file dealing with the exhaustiveness of the documents required by BAM regulations and the internal rules of the institution regarding the credit commitment.

This proposal must include all the information required for enabling decision making at the level of the "Global Risk Management" entity.

### Study and decision

The analysts of the "Global Risk Management" entity receive the credit proposal and make an initial and complete diagnostic of the relationship via the following elements:

- Activity and profitability of the relationship
- Capacity for reimbursement of the counterparty
- Financial structure
- History of relationship
- Quality of guarantees in connection with the credit
- Profitability of the operation
- Rating determined by the bank's internal rating system.

In addition to these elements and to improve control over the risks incurred by the Bank, study of the credit application files is carried out in addition to the sectoral studies conducted by the "Economic and Sectoral Study" entity.

The main objective of these studies is to analyze the situation of the macroeconomic environment by performing analyses to contribute to setting the major orientations of the Bank's credit policy.

This diagnostic is then approved by an expert in risk management (GRM divisional authority). The latter takes the appropriate decisions in the framework of the competencies delegated thereto intuiti personae sine qua non, and he submits the proposal to the body authorized to proceed to the decision.

#### Decision Notification

In the framework of the credit process certification project, this new procedure has made it possible to render official all the terms and conditions of our credit decisions thereby clarifying the relationships with our customers in a bid for transparency and preservation of mutual interests..

Improvements are underway to include the establishment of a credit opening and/or specific letter of notification for certain types of financing, in particular real estate.

#### Revision

Akin to the establishment proposal, the proposal for revision of credit lines is issued by the sales units. However, it can be issued upon request of the GRM entities, in particular when the monitoring tools give evidence to discrepancies justifying an upward or downward revision of the amounts authorized. The study and decision circuit follow the same methods as for the credit granting phase.

#### Related artificial persons:

The granting of credit to related artificial persons complies with the same rules and procedure applied to ordinary customers.

### c- Credit file management

The customer physical files include the:

- Relationship file
- Guarantee file
- Administrative file
- Operational service file.

In addition and in compliance with the terms of the Bank Al-Maghrib Guideline dated 01 April 2005, the credit files are to be completed by the following items:

- Minutes of meeting handing down decisions on the FY accounts
- Annual summary reports
- Auditors report or the declaration of validity and truthfulness of accounts
- Receipt of submittal of summary statements and auditor's report to the clerk of the commercial court.

The credit files will be kept at the branch office. For needs of consultation, copies of the originals are sent to the relevant central services to enable the credit decision to be taken.

To be noted is that the relevant credit proposals, decisions and documents are kept in archives at the Global Risk Management office.

At the same time as management of the physical files, the electronic archiving system set up by Attijariwafa bank provides historical records across several years of a series of statements and statuses allowing in-depth research based on previously defined criteria.

# Global Risk Management

**d- Guarantee Management**

The guarantees are proposed by the sales unit in the framework of the credit proposal. Therefore they are negotiated in advance with the customer in order to cover any credit risk.

These guarantees are assessed simultaneously with the evaluation of the credit proposal. This evaluation is conducted using a certain amount of information and documents required in the framework of the dealing with any credit proposal. The principal guarantees retained by the bank and the method of assessment are as follows:

- The personal guarantee is assessed on the basis of a recent detailed asset survey complying with the pre-established model.
- The mortgage pledge is assessed on the basis of: the:

- Expertise report drawn up by an expert approved by Attijariwafa bank for guarantees greater or equal to one million MAD.
- Report of a person in charge of the institution backed by an inspection report for guarantees of less than one million MAD.

For annual renewal of the credit file, if necessary the analyst updates the expertise performed for the property assigned to the mortgage.

- The value of the pledge on goodwill can also be backed by an expert's report.
- The goods pledged on a regular basis give rise to an inventory declaration or can even be subject to control by duly authorized bodies.
- The equipment financed and pledged is corroborated by invoices and proof of the corresponding payments.

### Guarantee file Management

The original guarantee deeds are kept under the responsibility of the Guarantee Administration at the headquarters.

The applications for release of the guarantees follow the same processing circuit as the credit proposal. However, they must be stamped by the Commitment Control Entity. Any authorized modification of the guarantees therefore has an effect on the credit decision.

For flawless control over the operations, the processing of releases is centralized by the Guarantee Administration with the authorized signatures having been strictly applied.

The AGMA project initiated by the bank in 2007 has the aim of revamping the guarantee file management system via centralization and the setting up of a computerized system for guarantee and release management.

## 2- Surveillance

In the new organization of the Attijariwafa bank group the role of surveillance and detection of credits in difficulty is basically handled by the "Credit Risk Surveillance and Control" entity.

The "Credit Risk Surveillance and Control" entity, by way of prevention keeps a permanent eye on the soundness and quality of the bank's commitments. A key function in the risk control process, this preventive management consists of providing foresight on degradation of risks and proceeding to the appropriate adjustments.

In the framework of the exercise of this function, this entity has to:

- Oversee the regularity of the commitments: compliance with the purpose of the credit and adherence to the authorized limits, examination of payment incidents, review of maturity files.
- Detect the debts showing signs of persistent weakness (so-called difficult debts) based on a certain number of flash points.
- With the network monitor the principal risks (difficult debts, the largest and/or most sensitive commitments).
- Determine the files eligible for declassification with regard to the regulations in force governing the outstanding debts;
- With the network, monitor the status of the principal risks (difficult debts, highest and/or most sensitive commitments.
- Determine the close out of certain specific risks in connection with the regulations in force pursuant to outstanding debts
- Monitor with the network the status of certain risks, in particular temporary admittance, advances on government contracts and on goods.

This entity is organized into three sub-entities akin to the current network organization:

- Retail bank
- Corporate bank
- Subsidiaries and branch offices.

The expected effect of these types of control is to predict any risks that could result from overshooting or payment incidents, as well as a substantial drop in operations domiciled by the customer in conjunction with rapid reaction to apprehend on time any impending problems and finding appropriate solutions.

### 3- Provisioning

To identify sensitive debts and debts eligible for provisioning according to the regulations in force, an exhaustive review of the Bank portfolio is conducted quarterly via a statement of flash points drawn up with reference to outstanding debts classification criteria by circular n° 19 of BAM, as well as other additional security criteria referred to by the Bank.

These flash points the detection rules of which comply with the regulations in force, form a part of the following four families:

- Flash points pursuant to overshooting
- Flash points pursuant to defaulted payments (bank discount or depreciable credits)
- Flash points referring to frozen account
- Flash points relative to freezing of account
- Flash points referring to financial criteria.

# Global Risk Management

Added to these normal detection criteria, is a group of pro-active ratios recently introduced in the flash point statement and determined by certain headings at the bottom of the balance sheet.These ratios allow the possibility of identifying early one any forerunning signs of risk degradation.

The debts detected and pre-classified in a second step are examined in the framework of difficult debt monitoring committees in collaboration with other Bank entities (Network, Credit, Recovery).

These committees regularly follow up the situation of pending loans that can lead to one of the following actions:

- Accruals and therefore re-classification of the said debts in normal category.
- Rescheduling or restructuring for viable economic and financial business
- Final declassification of the debt in one of the outstanding debt categories after prior notification to the relevant customer.
- Holding of credit for follow-up for cases that, although not yet formally eligible with regard to regulatory criteria, due to their sensitivity, require certain measures by the concerned entities and, if necessary, can be covered by provisions for general risks.

The outstanding debts are evaluated and calculated in compliance with the banking regulations currently in force. They are split up into three different categories:

- Potentially doubtful debts
- Doubtful debts
- Compromised debts.

Further, the cases eligible for provisioning are warned beforehand by the relevant entities of the Bank.

The mortgage guarantees the amount of which is equal or above one million MAD are systematically evaluated before being included in the calculation of provisions.

To be noted is that in a quest for conservatism, the Group's policy considers that outstanding debts are mostly classified directly as "Compromised" and provisioned accordingly.

To be noted is that the Risk and Accounts Committee at regular intervals at its periodic meetings, examines the situation of commitments classified as outstanding and those calling for special monitoring, further to indicators that may be negative.

### 4- Corrective Portfolio Management

To improve the efficiency of recovery of difficult debts, an amicable recovery system has been set up at the Bank. The said system is provided with two structures, one dedicated to the activities of the corporate network and the other to those of the Individual and Professional network.

Connected to the risk, corporate, professional and individual customer recovery division of the Global Risk Management unit, these entities have the following tasks:

- Permanently overseeing the validity and quality of all the Bank's commitments.
- Monitoring, primarily through the network or directly with the customer, the settlement of any insufficiency.
- Adopt a proactive approach with the aim of avoiding any degradation in the quality of risk.

## C- Internal Rating

Internal rating constitutes a tool for assisting in evaluation, decision-making and risk monitoring. It is one of the instruments for detection of degradation or improvement of a risk in connection with periodic portfolio reviews.

The internal rating system of Attijariwafa bank was developed in 2003 with technical assistance from the international financing company and consultants Mercer Olive Wyman

a) Perimeter: corporate portfolio apart from local authorities, banks, holding companies, financing firms, agricultural sector enterprises, hotel sector enterprises and real estate development.

b) The "compromise" classification was adopted as definition of default.

c) The system takes account of two parameters: a rating scale of six grades (A, B, C, D, E and F) and estimated default probabilities (PD).

d) The model integrates five financial factors explanatory of credit risk:

- Size
- Structure
- Profitability
- Liquidity
- Lever

e) Method of calculation of the grade: For each of the five factors, a rating table was created. The final score is the total of the weighted grade obtained at the level of each factor:

f) Attijariwafa bank Rating Grid:

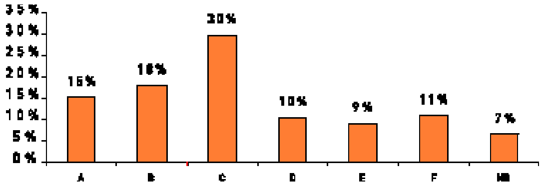
- The score categories were segmented into six classes of risk of the "Master Scale" type.
- The PDs have been calculated and adjusted with respect to each risk category.

| Attijariwafa bank Classification | Description |
|---|---|
| A | Excellent |
| B | Good |
| C | Above average |
| D | Average |
| E | Below average |
| F | To be watched |

The distribution of Attijariwafa bank commitments according to the internal rating system is given in the following graph:

# Global Risk Management

**Breakdown of bank's commitments per risk classification at 31 december 2009**




Currently the internal rating system is an integral part of the evaluation and decision-making process. Indeed, at the time of processing the credit proposal, confirmation of the rating is given in agreement with the decision-making body. The levels of delegation of competency in terms of credit decisions depend on the risk rating.

g) Maintenance of the Attijariwafa bank rating system:

A new rating model has just been designed to improve the predictive qualities of the system.

- A fresh specification of the financial factors was developed.
- The model was expanded by qualitative and behavioral factors.
- A distinction between "Major Enterprises" and "SME" in henceforth operation in the rating system.

This new rating model comprises eight classes of risk including one for default (A, B, C, D, E, F, G and H). The risk classes of the model have been calibrated with respect to the risk classes of international rating agencies (S&P and Moody's).

| Attijariwafa bank classification | Description |
|---|---|
| A | Very good |
| B | Good |
| C | Rather good |
| D | Average |
| E | Mediocre |
| F | Poor |
| G | Very poor |
| H | Default |

Calculation of the grade henceforth will take account of three types of factor: financial, qualitative and behavioral. The said model was tested on a representative "SME/LE" (LE = large enterprise) sampling. This occurred in a test environment and was subject to preliminary validation by the GRM and the network. The new model showed that more than two thirds of the portfolio is rated in classes A-D (Very good, Good, Rather Good, Average).

These findings resulting from statistical models strengthen the opinion of risk managers.

The implementation of the SME rating model in the framework of the bank operating system is in its final stage. Deployment of the new rating model was scheduled sometime in Q1 of 2010.

The tools for conducting the large enterprise model are slated to be used in 2010. Other rating models dedicated to other segments (TPE) or specific sectors are planned.

This approach forms a part of the framework of the process for compliance with the suggested Basle II methods.

# II- Market Risk

Market activities constitute an area where risk management is considered a major concern in operation, profitability and general performance.

A series of provisions and measure have been established by the bank to foresee, reduce risks and seek betterment of control thereof.

## A – Market Risk Management

### 1- Market Risk Categories

The principal market risks are as follows:

- Interest rate risk
- Foreign exchange risk
- Share risk
- Core product risk

**- INTEREST RATE RISK**

This risk corresponds to the risk in variation of the value of positions or risk of variation in future cash flows of a financial instrument due to the interest rate trends on the market.

**- FOREIGN EXCHANGE RISK**

This risk corresponds to the risk in variation of a position or of a financial instrument due to the foreign exchange situation on the market.

From a technical standpoint, the foreign exchange risk is measured by the exchange position which includes:

- Exchange spot market
- Forward foreign exchange
- Loans in currency
- Exchange options

The limits regarding foreign exchange risk are:

- Limit in position per currency at the day's end
- Loss in global position at the day's end
- Limit in short-term position
- Limit in stop loss.

These limits are determined on the basis of regulatory measures.

The structural positions connected to strategic investments in currency by the bank receive no particular coverage.

At the end of December 2009, the forward foreign exchange position amounted to 22.5 billion MAD broken down as follows:

| (Figures in Mn MAD) | < 3 months | 3M-6M | > 6 months |
|---|---|---|---|
| Couverture des résultats | 14 800 | 1 850 | 5 850 |

# Global Risk Management

At the end of December 2009 the foreign exchange option position amounted to 5 billion MAD.

**- SHARE RISK**

This risk results from the variation in the value of a share portfolio further to an unfavorable trend in stock market prices.

**- CORE PRODUCT RISK**

This risk results from the variation in positions further to an unfavorable trend in raw materials prices on the various markets on which the banks intervenes.

## 2- Monitoring and Control System

Control of the market risk is accomplished by comparing the risk measures to the corresponding limits adherence thereto is the permanently incumbent on the trading floor product lines.

The control functions pursuant to the monitoring of market risks are primarily provided by the:

- Market Bank Control and Method entity.
- Market Risk entity of the GRM.
- Internal Control.

The Control and Methods entity is attached to the Market Bank, but remains independent from the Front Office and sales teams. Internal Control from a hierarchical standpoint is attached to the Market Bank and functionally to the Group Compliance entity.

**Role of various Stakeholders**

Contrôle et Méthodes

The Control and Methods entity is responsible for control at level 1. It has operational functions linked to the applications it administers. Its major tasks are as follows:

- Produce and analyze on a daily basis the outcomes and risks.
- Make sure of the reliability of the market parameters used to develop the outcomes and risks (rates, foreign exchange rate, stock market rate, raw materials prices, swap quotes, etc.).
- Propose risk calculation methods of outcomes while making sure of their exhaustiveness and adequacy with the type of risks incurred.
- In collaboration with the GRM design the limit system as well as the risk calculation methods.
- Follow up and notify any overstepping of the market limits.
- Ensure compliance of the operations initiated by the Front Office compared to the market practices and rules put in place by the bank.
- Validate the prices used by the Front Office.

### Global Risk Management (Market Risks)

The GRM ensures the financial control component of level 2 playing a role of supervision of methodologies and market. Its major tasks are:

- Validation of the principles of the system and the methods proposed by the Control and Methods entity while making sure of the homogeneity of the methods within the Group and if necessary to transmit recommendations.
- Ensures global internal and external reporting on market risks.
- Validating the methods developed internally and the software models used to further develop portfolio products.
- Validate the various authorizations and limits requested for the various product lines;

### Market Risk Committee

This committee meets quarterly among the people in charge of the various control levels as well as those of the Front Office. The Committee validates the new limits, changes to the limits proposed and reviews the various instances of overshooting.

## 3- Limit Management

The limits are set by the Market Risk Committee for each type of exposure over one year but these can be revised according to product line needs and to take account of market developments.

The limit requests are expressed by the various product lines of the Trading Floor and must be addressed to the Control and Methods entity along with a note explaining:

- The limits requested and the type of corresponding risks.
- The motivations behind the request.

To be noted is that the Market Control Committee put in place a stop loss system per product (exchange, rates, shares, etc.). This system is based on immediate closure of the position if the trader reaches the maximum loss levels set by the Committee.

Monitoring of the limits and processing of the overshoots. Control of respect of the limits is ensured by:

- Control and Methods entity.
- GRM.

The Control and Methods entity permanently oversees cases of exposure and carried out risk measurement comparing them to the limits. On a daily basis it puts out relevant reports set to:

- The executive management
- The GRM
- Internal control

It immediately points out any overshooting of the limits and proposes measures to be taken to correct them.

The counterparty limits are revised:

- Annually upon renewal of the counterparty files by the GRM.

# Global Risk Management

- As the need arises, to take account of activity trends and counterparty risk.

For the annual revisions, the Control and Methods entity examines the limits defined and compares them to the outcomes of the previous year. In collaboration with the Capital Markets and other commercial entities it proposes the adjustments necessary for the upcoming year

For any necessary revisions, the stakeholders in the establishment of limits can ask for a revision of the limits ascribed to counterparty to help confront a new set of circumstances. The revision can concern the increase of a limit, or the reduction and deletion thereof.

All requests for revision are centralized by the Control and Methods entity which examines the impact thereof on Trading Floor activities prior to addressing them to the GRM.

### 4- System set up for Management of Market Risks

To answer a regulation reporting requirement Attijariwafa bank opted for the acquisition of a computer-based solution called "Fermat" to meeting the internal and regulatory needs regarding the calculation of shareholder equity requirement relevant to the market risk, calculation of the solvency ratio and measure of the market risks incurred.

In 2007, the bank put in place the standard Basle II method using the Fermat tool.

In addition to the Fermat tool, internally the bank developed applications for measuring and quantifying the market risks for different trading room products.

## B – MARKET RISK MEASUREMENT METHODOLOGY (INTERNAL MODEL)

### 1- VaR Measurement

The risk value (VaR) is a measurement of the maximum variation of the value of a financial instrument portfolio over a given period under normal market conditions.

The VaR model was developed by the Global Risk Management entity of Attijariwafa bank. It covers the Dirham rate risk, the foreign exchange cash and future risk as well as equity instruments risk. This is an internal application based on the implementation of the RiskMetrics method development by JP Morgan.

This method offers several advantages:

(i) It is easy to implement, (ii) takes account of the correlations existing between the price of assets (iii) it takes into consideration recent and historical price fluctuations.

The RiskMetrics methods is based on a variation and covariance matrix of portfolio asset yields as well as on the make up therein/ The Global Risk Management entity on a daily basis puts out a detailed report dealing with the calculation and trend in VaR, and control of regulatory and internal limits.

| Activity (in MAD) | MAD Position | VaR (1 day) | Regulation VaR 10 days |
|---|---|---|---|
| Foreign exchange | 1 900 000 000 | 4 900 000 | 15 800 000 |
| Equity instruments | 76 500 000 | 2 300 000 | 7 300 000 |
| Rates (including mutual funds) | 11 300 000 000 | 7 600 000 | 24 000 000 |

### 2- Back testing

This model makes it possible to conduct back testing. Back testing is a technique for testing the validity of the VaR calculation model. It consists of taking as a basis historical operations of VaR calculation and to see further on if the said VaR actually covers the potential loss by comparing it to theoretical P&L.

### 3- Stress tests

For technical reasons, the current VaR model does not make it possible to do any stress testing. It is an operation that will be developed at a later stage.

# III- Operational Risk

## A- Context and Methodology

### Contexte

The project for the establishment of an operational risk management system (GRO) enters into the framework of the "Basle II" reform and its version for Morocco by Guideline DN/29/0/2007 published by Bank Al Maghrib on 13 August 2007.

It has the aim of improving and structuring operational risk management in all businesses and the support functions of the Group so as to:

- Ensure the coherence of the whole system in terms of standards, methods and tools within the Group
- Instill into the business lines a genuine culture of operational risk management.

This project is managed by the "Operational, Legal, Computerization and Human Risk" entity created in 2008 within "Global Risk Management" and continued throughout FY 2009 at the Bank and its subsidiaries in Morocco.

### Adopted Methodology

#### Operational Risk Model Building

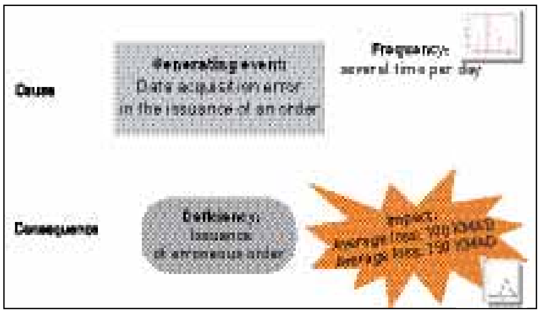
The operational risk is defined by Bank Al-Maghrib as being "a risk of losses arising from deficiencies attributable to procedures, personal and internal systems or to external events". This definition

# Global Risk Management

includes the legal risk but excludes strategic and reputation risks.

A risk is the generation of an event (the cause) and deficiency (the consequence) to which an impact can or cannot be associated.

**Risk Evaluation – Illustration**




The objective of operational risk model building is to represent in standardized fashion events that could lead to an operational failure and via objective, documented and standardized document, to be able to formulate an adequate assessment.

- Frequency of occurrence
- Impact in the case of occurrence

The risk cartography therefore lists all the risks represented according to this model in a given organizational perimeter (action center, business line, subsidiary, etc.).

**Methodological Approach**

Attijariwafa bank has adopted an approach founded on the formulation of risk by business experts and the consultants of a specialized consultancy firm for setting up the organizational risk management entity dividing bank into 23 business lines and 19 subsidiaries. This project includes several phases:

- Scoping phase of the system which primarily resulted in:
  - The construction and formalization of methodological deliverables.
  - Definition of organizational principles/
  - Establishment of provisional tools for organizational risk elements
  - Deployment of 2 pilot business lines.

All of these points were consolidated into a formal global risk management charter.

- A deployment phase n° 1 comprising 23 bank business lines and subsidiaries (Attijariwafa band Europe, Wafasalaf, Wafacash and Wafa Immobilier).
- Deployment phase n° 2 comprising the other Moroccan subsidiaries as well as those abroad.

The methodologies retained in the deployment of the organizational risk project are based on the following steps:

**1. Process validation:** This step is based on a split up of the business line into macro and key processes for risk identification within each business line.

**2. Identification and evaluation of risks:** The operational risks identified are graded by means of occurrence frequency and impact formalizing the business line operational cartography risks. this stage, the major risks are given special attention.

**3. and 4. Identification of Indicators and Action Plans:** Indicators and action plans are linked to major risks. The target is to limit the frequency of arising incidents and/or to mitigate the impact thereof.

**5. Collection of incidents and Monitoring of Risks to be managed:** An organizational system for the collection of incidents and monitoring of operational risks has been put in place within the business lines to:

- Evaluate the causes of incidents
- Evaluate the appropriate actions to reduce the operational risks.
- Guarantee the coherence of the whole system.

**6. Back testing and Re-evaluation of Risks:** This step is performed by a minimum after one full fiscal year for each of the business lines. Back testing enables confrontation of the incidents occurring in the business line and assessment of the operational risks identified in the cartographies.


### Operational Risk Deliverables per Business Line

After deployment of a business line and by way of application of the operational risk management charter the deliverables primarily consist of:

- Operational breakdown of the operational risk management charter.
- Cartography of business line operational risk.
- Training and formation media.
- Provision of office system tools for collection of operational risk incidents
- Terms of reference of macro processes and processes.

## B- Summary of Operational Risk Organization

### Organizational Process

The system works according to a central structure (Operational, Legal, Computerization and Human Risks or "ROJIH" attached to the GRM (Global Risk Management entity) with two levels of management:

# Global Risk Management

- **1st level / ROJIH entity:** The measure and control of operational risks fall within its responsibility. It is in charge of providing the business lines with information on their operational risk level and to clarify the establishment of action plans.
- **2nd level / business line:** The detection, collection of incident and implementation of risk coverage actions fall under the responsibility the business lines themselves.

Within each of the business lines, the principal stakeholders in the operational risk management system are:

**ORR :** Operational Risk **Relays** (business line level)

**ROC :** Operational Risk **CORRESPONDENT** (business line level)

**ROM :** **MANAGER** Risques Opérationnels (au niveau de l'entité ROJIH)

**RM :** Business line **MANAGER**

## Principal Committees

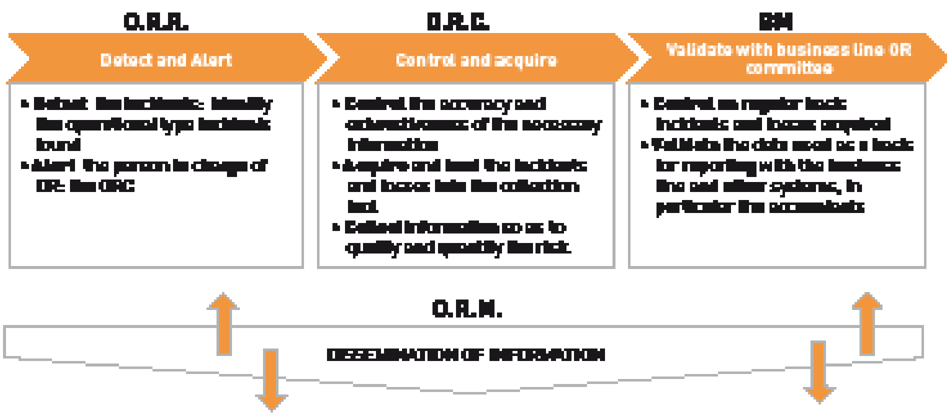
The operational risk system includes a series of committees :

➤ **Business Line Operational Risk Committee** meeting at quarterly intervals with the objectives of:

- Reviewing losses and operational incidents of the past period.
- Monitoring of risks to be managed with the relevant indicators and action plans.
- Evaluation of the changes having an impact on the operational risks and launch of ad hoc action plans.
- Validation of the updating of reference documents (processes, cartography).

➤ **ROJIH Committee** meeting monthly intervals, its objectives being: to:

- Verify deployment of the operational risk system in the Group entities.
- Validate trends in the cartography of risks (validated by the business line operational risk committee).
- Examine the major risks arising at the group level and propose updating of the relevant action plans.



- Devise reports addressed to the General Management and various bank management bodies.

➤ **Operating Committee** meeting weekly having the objectives of:

- Drawing up a balance sheet of the work accomplished over the past week and plans for the week to come.
- Preparing upcoming projects in terms of reports, tools, resources and objectives.

## C - Achievements

### Achievements 2008

Upon completion of n° 1, the systems was deployed throughout the bank bus iness lines and the 4 subsidiaries (cf. table below)

| Bank Business Lines | |
|---|---|
| 1. Corporate Bank | 13. BMF Headquarters |
| 2. CTN Market Operations | 14. Group Quality |
| 3. CTN Currency | 15. Legal Consultancy |
| 4. CTN Commitments | 16. Procurement, Logistic and Security |
| 5. CTN Dirhams | 17. SI Group |
| 6. CTN electronic banking | 18. Banque de financement |
| 7. Customer Service | 18. Finance Bank |
| 8. Group recovery | 20. Group Human Capital |
| 9. CTR | 21. Custody |
| 10. BPP | 22. Global Risk Management |
| 11. Group Communications | 23. Group Finance |
| 12. Organization and reengineering | |

| Subsidiaries |
|---|
| 24. Wafasalaf |
| 25. Wafacash |
| 26. Wafa Immobilier |
| 27. Attijariwafa bank Europe |

Twenty-three (23) operational risk cartographies were created covering all the bank business lines with the:

- Number of operational risks identified: 581
- Number of risks to be managed: 148

For the 4 Attijariwafa bank Europe, Wafasalaf, Wafacash and Wafa Immobilier subsidiaries:

- Number of operational risks identified: 405
- Number of risks to manage: 93

### Achievements 2009

➤ **Operational Risk Cartography**

The bank operational risk cartography was updated. The number of operational risks amounted to 605 and the number of risks to manage amounted to 166.

Identification of these new risks was further to:

- Analysis of incidents not attached to risks identified.
- Establishment of new products and/or processes.

➤ **Implementation of the Operational Risk Management Charter**

In the 2nd half of 2009 the ROJIH entity developed and set up an indicator making it possible to assess adherence to the deployment of the GRO of each of the 23 entities of the Bank in compliance with the GOR charter.

# Global Risk Management

### ➤ Operational Risk Incidents

The establishment of the GRO system over the past three quarters of 2009 enabled the collection of 2895 incidents in the 23 business lines of the bank.

Future deployment of the software package will make it possible to consolidate the incidents, refine the analysis and connect them to the causes and the Basle business lines.

### ➤ Deployment of the GOR system of the subsidiaries

The operational risk management system n° 2 (group subsidiaries) was begun in FY 2009.

Nine subsidiaries were deployed in 2009:

- Attijariwafa bank Europe
- Wafasalaf
- Wafacash
- Wafa Immobilier
- Wafa Bail
- Attijari Factoring
- Wafa LLD
- Wafa Bourse
- Attijari Intermediation

The risk cartographies of these 9 subsidiaries account for 693 operational risks identified including 149 that are considered as "risks to be managed".

Also to be noted is that the deployment of the CBAO Senegal subsidiary was begun in 2009 and completed in early 2010.

### ➤ Upcoming operations

The principal project scheduled for 2010 are:

- Continuation of the optimization of the GRO system
- Deployment of an integrated operational risk management software and internal control package.
- Transition from a "basic indicator" approach to "standard" approach for calculation of the regulation equity requirements regarding operational risks.
- Continuation of the deployment of the GRO system within the subsidiaries abroad.

## IV – Asset/LiabilityManagement

The structural ALM risks refer to risks of loss in economic value or drop in future interest margins given rate variations in the due date between the bank's assets and liabilities.

The ALM provides indicators for monitoring expected risks and profitability on the various balance sheet products and specifies the management rules likely to limit exposure of the bank balance sheet to risks and to provide maximum management of its positions.

That being said, the ALM approach follows a process of identification, assessment and management of the rules for treating the balance sheet entries via economic and financial study which constitute one of the fundamental steps of the ALM approach.

## A – ALM agreements and models

Asset and liabilities management of Attijariwafa bank has a series of ALM conventions and models based on the reality of the bank outstandings and market and economic factors influencing behavior the bank's balance sheet lines.

These financial assumptions are dynamic and are reviewed on a regular basis to reflect tends in bank uses and resources.

Indeed, measurement of the risks in liquidity, interest rates and foreign exchange makes it necessary to take into account the intrinsic characteristics of contracts, i.e. maturity, type of interest rate (fixed/revisable/variable) and the currency of each heading must be thoroughly described.

In addition, apart from the contractual characteristics of the balance sheet heading, the concealed options of the balance sheet (possibility of early reimbursement, for example) and customer behavior (duration of keeping deposit accounts) have been given models.

The approach adopted is based on the production and static and dynamic projection of the balance sheet entries and new production of the budget and strategic plan of the bank.

The ALM financial model building is centered on:

• Apportionment of balance sheet:

- According to contractual modalities for scheduled headings.
- On the basis of statistical studies for headings without schedule.
- On the basis of budgetary and strategic assumption for the dynamic version.

• Customer Options and Behavior

- Reimbursement options (credit activity) and deposit withdrawal options (collection activity).
- Continuance and renegotiation behavior.

## B- Interest Rate Risk

The unfavorable trends of the interest rate curve can negatively impact future sensitive revenues of the bank. (Example: the effect of a risk in interest rates on the cost bank short-term financing not backed on assets under the same conditions).

The sensitivity to interest rate risk can be explainable when fixed or variable rate assets and liabilities react with a time gap and in unequal volumes (rate gaps) to changes in the rate curve.

Interest rate risk management has the aim of keeping the forecast interest margins and amputation of the shareholders equity value against any negative interest rate movement.

# Global Risk Management

### 1. Interest Rate Risk Management

The interest rate approach deals with the outstanding amounts whose rates remain fixed without indexation on market rates or determined in advance and fixed over a given period. The determination of these positions makes it possible to calculate their sensitivity to interest rate variation of the VAN of these positions in case of a negative trend in the rate curve.

The bank interest rate policy consists of reducing exposure to risk in view of limiting the sensitivity of the outcome and of the asset value by coverage measures than can concern certain activities and maturities.

Management of interest rate gaps by Attijariwafa bank (structural interest rate surpluses) consists of reinforcing medium and long-term customer assets of the same type of rate or if not, by a strategy of investment of the surpluses in State securities without risk and transferable.

### 2. Exposure

Capital interest rate gaps (Liabilities inventory – Asset inventory) (billion MAD)

| 3 months | 1 year | 2 years | 5 years | 10 years |
|---|---|---|---|---|
| -1 | 2.8 | 7.9 | 11.2 | -12.1 |

The sensitivity for 1 basis point of parallel shock in rates on GDP is approximately 0.0002%, and on shareholder equity 0.02%.

| Interest Rate Trend | Variation of 50 bp | Variation of 200 bp |
|---|---|---|
| Impact/GDP | 0.01% | 0.1% |
| Impact/SE | 0.75% | 3% |

## C – LIQUIDITY RISK

The goal being to make sure the bank, given the levels of resource transformation conducted, can cope with its commitments by simple and easy mobilization of its assets in the event of massive customer withdrawals, extensive credit issues, crisis in confidence or general market liquidity.

Liquidity risk management is accomplished in the framework of an ALM system set up by the bank for managing liquidities in ordinary conditions and in case of a liquidity crisis.

### 1. Liquidity Risk Management

Liquidity risk management leads to:

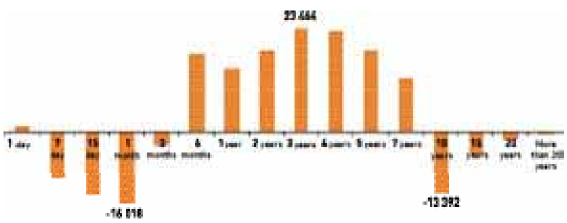
- Measurement of this risk via study of the contractual or per model schedules of use of the said recourse which makes it possible to demonstrate the enforceability or deadlock of liquidity at different maturities.
- A transformation policy better adapted to the quality of the resources collected and projects financed.

A treasury committee was created to monitor and manage short-term liquidity risk by ensuring close watch on market conditions, checking the internal capacities of the bank to be able to handle various liquidity needs and manage the liquidity ratio.

### 2. Exposure

The bank liquidity deadlocks at the end of December 2009 were as follows:

**Bank Liquidity Deadlocks**
**at 31 december 2009** **(million MAD)**




FY 2009 is characterized by a tightening of liquidity on the market. For the bank this led to a rise in short-term refinancing.

The liquidity ratio registered an average of 100% in 2009 (108% at end of year).

## D- Foreign Exchange Risk

The foreign exchange risk is the risk of a fall in the net currency margin, depreciation of the value of an asset (debt or credit), rise in a liability (debt) or commitment off balance sheet in foreign currency further to adverse trends in currency rates.

At the bank, three major families of foreign exchange positions are generated and are regularly managed.

- Structural exchange risk: results from long lasting investments in currency assets. This primarily deals with bank stock abroad and Moroccan treasury bills issued in Euros and at the end of 2009 representing outstanding amounts of approximately 7.9 billion MAD.
- Operational exchange risk: this primarily concerns current collection activities, bank loans in currency as well as forward exchange expressed by customers as coverage of their forward currency needs.
- Transactional exchange risk: this refers to currency operations initiated and managed by the bank trading floor for its own account.

The operational and transactional positions are subject to regularly scheduled follow-up (in limit and sensitivity) by the Global Risk Management entity.

### Bank ALM Governance

The ALM policy of the bank is applied in the framework of an ALM Committee responsible for determining the major orientations of the bank with regard to financial risk management, coverage strategy and global balance sheet management.

# Global Risk Management

The ALM Committee is responsible for defining the global ALM framework of liquidity, interest rate and foreign exchange risk, working capital management, orientation of the financing and investment strategy of the bank according to market conditions.

The ALM Committee meet quarterly and is chaired by the bank Chairman and General Manager to take action and make decisions on the following points:

- Organization and monitoring of the group liability and asset function.
- Validation of liability and asset management methodologies and conventions.
- Setting of ALM limits and keeping close watch on adherence thereto.
- Supervision of global interest rate risk, foreign exchange risk and liquidity risk.
- Internal rules setting for financial risks and balance sheet management.
- Keeping close watch on application of prudential regulations.
- Definition of bank investment and financing policy.

## Outlook

The Attijariwafa bank Group has chosen to implement the "Basle II" approaches and to include therein the best practices with regard to risk management and measurement. In this framework, the internal rating system for enterprises was renovated and transformation of the Global Risk Management entity is now well underway.

The GRM transformation project covers risk governance aspects (risk policy, granting procedures, power delegation), and also optimization of processes and development of the information system to accelerate deadlines and meet the imperatives of Basle II.

The approaches suggested by "Basle II" imply deep seated changed in bank business processes, in order to:

- Guarantee the reliability of information on consolidated risks and the data required for calculation of the regulatory and economic indicators.
- Have a single customer view at the Group level integrating all the balance sheet and off balance sheet commitments, credit limits, guarantees, security, rating and contractual provisions, etc.
- Update operational risk management (Watch list, prevention, default management, etc.)
- Integrate consideration of trends in commercial operation for the selection of commitments (rating, etc.), credit decision and pricing of credit operations.
- Formulate the organizational impacts (reconciliation Risks and Finance, separation of origination and credit management activities).

The principal processes impacted by the adoption of this approach are as follows:

- Granting of credit: an basis of the internal rating system rules.
- Management of the limits at the group level: overshooting, temporary authorizations, renewal of maturities and consolidation.
- Control and oversight: Consolidated credit risk portfolio (CR).
- Security and guarantees: management, re-evaluation and consideration rules for credit risk assessment prior to granting.
- Recovery: convergence leading to Basle II according to trends in the local environment pursuant to debtor rights, recovery and guarantees.
- Pricing according to risk, allocation of shareholders equity and measurement of performance.
- Risk data quality management: customer data and terms reference

Given the impacted processes, a series of required projects has been identified according to the road map established.

# PILLAR III

## Quantitative and Qualitative Information

The publication of financial information regarding shareholders equity and risks is conducted on consolidated bases in compliance with article 2 of circular 44/G/2007.

The third pillar of the Basle agreement has the aim of promoting market discipline via the publication of a series of data completing the financial communication. The purpose of this communication is to allow market players to assess the items of essential information on shareholders equity, exposure to different type of risk, risk assessment procedures and therefore, the adequacy of shareholders equity of the institution as per it risk profile;

### 1. Capital Management and Adequacy of Shareholders Equity

#### 1-1 Shareholders Equity make-up

At 31 december 2009 the Attijariwafa bank Group prudential shareholders equity consisted of basic and complimentary elements

The basic equity is determined based on the Group accounting capital adjusted by known items under the name of “prudential filters”. These adjustments primarily consist of anticipation of dividend distribution and deduction of acquisition gaps and other intangible assets.

The complimentary own funds basically consist of subordinated debts. A discount is applied to subordinated debts with maturity of less than 5 years. Subordinated debts are limited in amount to 50% of basic equity funds.

# Global Risk Management

For determination of prudential shareholders equity, the amount of stocks held in the capital of credit institutions and similar bodies in Morocco and abroad and the entities practicing operations akin to banking activity in Morocco and abroad are deducted by half of the basic equity and half of the complimentary equity.

| (In thousands of MAD) | 12/31/09 | 12/31/08 |
|---|---|---|
| **Basic shareholders equity** | **17 239 036** | **14 482 492** |
| **Items to be included in basic equity** | **24 220 130** | **20 168 031** |
| Corporate capital or allocation | 1 929 960 | 1 929 960 |
| Reserve | 18 968 469 | 16 183 139 |
| Minority creditor interests | 3 321 701 | 2 054 932 |
| **Item to be deducted from basic equity** | **(6 981 094)** | **(5 685 539)** |
| **Prudential deduction** | **(137 982)** | **(54 405)** |
| **Basic equity after deduction (Tier 1)** | **17 101 054** | **14 428 087** |
| **Complimentary equity** | **8 993 928** | **7 215 765** |
| Including: | | |
| Underlying value added resulting from the holding of investment securities (AFS) | 746 847 | 910 542 |
| Subordinated debts with initial term above or equal to five years (*) | 7 880 000 | 6 163 701 |
| **Prudential deduction** | **(137 982)** | **(54 405)** |
| **Complimentary equity after deduction (Tier 2)** | **8 855 946** | **7 161 360** |
| **Grand total of shareholders equity after deduction of equity interests** | **25 956 999** | **21 589 447** |

(*) Within the limit of 50% of basic shareholders equity prior to deduction of equity interests

At the end of December 2009 the basic regulatory shareholders equity of the Group before deduction of 50% of the capital holdings, amounted to 17 239 026 K MAD.

The complimentary original funds of the Group before deduction of 50% of capital held, amount to 8 993 928 million MAD. The total amount of own funds after deduction of capital held amounts to 25 956 999 thousand MAD.

### 1-2 Adequacy of shareholder equity (Internal Capital Adequacy Assessment Process or ICAAP)[1]

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

Furthermore, projects are currently in progress for adoption of best practices.

### 1-3 Shareholders equity Requirement

At 31 december 2009, the equity requirement in the framework of Basle II for Attijariwafa bank Group amounted to 18 639 685 thousand MAD. This is calculated by standard methods for credit, counterparty and market risks and basic indicator method for operational risks.

| (In thousands of MAD) | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Credit and counterparty risk** | **16 590 233** | **13 989 645** |
| Credit risk (*) | 16 304 009 | 13 811 643 |
| Counterparty risk | 286 224 | 178 002 |
| **Market risk** | **437 654** | **482 529** |
| **Operational risk** | **1 611 797** | **1 278 357** |
| **Total** | **18 639 685** | **15 750 530** |

(*) including credit risk for other assets (fixed tangible assets, various other assets and equity shares).

[1] Internal Capital Adequacy Assessment Process.

| | Pillar I | |
|---|---|---|
| | Risk covered | Assessment and Management Method |
| Credit and Counter party risk | √ | Standard Method |
| Market risk | √ | Standard Method |
| Operational risk | √ | Basic Indicator Approach – BIA |

### 1-4 Solvency ratio

At 31 december 2009, the Group own equity ratio amounted to 7.34% and the solvability ratio stood at 11.14% vs. 10.97% one year earlier.

| (Thousand MAD) | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Original shareholders equity | 17 101 053 | 14 428 087 |
| Total shareholders equity | 25 956 999 | 21 589 447 |
| Weighted risks | 232 996 062 | 196 881 629 |
| **Original shareholder equity ratio** | **7.34%** | **7.33%** |
| **Solvability Ratio** | **11.14%** | **10.97%** |

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

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

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

The foreign exchange options are assessed using the Garman-Kohlhagen[2] model.

### 2-2 Net credit risk on derivative instruments

The credit risk equivalent on derivative instruments at 31 december 2009 amounted to 3 630 770 thousand MAD.

The breakdown of this exposure per segment is as follows:

(in thousand MAD)

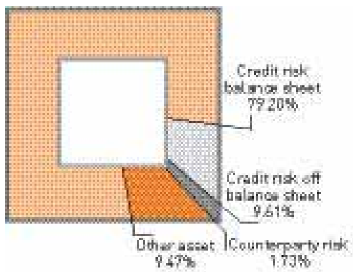
| Exposure category | Equivalent Credit Risk |
|---|---|
| Institutions | 113 514 |
| Credit institutions and equivalent | 561 282 |
| Customers | 2 955 923 |
| **Total** | **3 630 720** |

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

In compliance with circular 26/G/2006, Attijariwafa bank opted for the application of a 100¨% weighting of all debts on enterprises independently of their external rating.

### 2-4 Level of exposure pursuant to counterparty risk

The counterparty risk represents 1.73% of the total counterparty credit/risk. It concerns temporary transfers and derivatives in the bank and negotiation portfolio.




### 2-5 Counterparty risk: exposure covered by securities

The total amount of financial securities on exposure subjected to a counterparty risk amounted to 17 416 200 thousand MAD.

[2] Black & Shoals derivative model for application to foreign exchange options

# Global Risk Management

(in thousand MAD)

| Net exposure | Exposure covered by securities |
|---|---|
| 21 395 830 | 17 416 299 |

### 2-6 Counterparty risk on credit derivatives: Exposure covered by guarantees

The total net exposure for credit derivatives is of 3 630 720 MAD including 143 231 thousand MAD in guarantee.

(thousand MAD)

| Net exposure | Exposure covered by guarantees |
|---|---|
| 3 630 720 | 143 231 |

### 2-7 Guarantees

| (thousand MAD) | Exposure guaranteed |
|---|---|
| Sovereign | 10 656 794 |
| Multilateral development banks | 7 612 |
| Credit institutions and equivalent in Morocco and abroad | 2 856 909 |
| Entities engaging in operation similar to banking activity in Morocco and abroad | 593 |
| Other entities scoring a rating equal to at least "A-" | 382 296 |
| **Total** | **13 904 204** |

## 3. Enterprise governance

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

### BOARD OF DIRECTORS

The Board of Director (BD) consists of a group of artificial 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 secretary. Any artificial person who is member o the BD appoints an individual person to represent him/her.

The organization, operation and prerogatives of the BD are set by the bank by-laws and are subject to national law.

### 3-1 General Management Committee

The general management committee joins together the heads of the various centers under the chairmanship of the Chairman and Director General. The Committee meeting together once per week provides a summary view of the operational activities in the different sectors and the preparation of questions to be submitted to the Board of Directors in a joint approach.

| Member office | Function | Date of taking |
|---|---|---|
| M. Mohamed EL KETTANI | Chairman and Chief Executive Officer | 2007 |
| M. Boubker JAI | Managing Director | 2003 |
| M. Omar BOUNJOU | Managing Director | 2003 |
| M. Ismail DOUIRI | Managing Director | 2008 |

### 3-2 Executive Committee

The executive committee also chaired by the Chairman and General Manager, provides the operational and administrative management of the Group. Meeting at bi-monthly intervals the executive committee consists of the members of the general management and persons in charge of the principal fields of activity.

| Members | Position | Date of taking office |
|---|---|---|
| Mr. Mohamed EL KETTANI | Chairman and Chief Executive Officer | 2007 |
| Mr. Boubker JAI | Managing Director– Financing, Investment banking and Capital Markets and Financial Subsidiaries Division | 2003 |
| Mr. Omar BOUNJOU | Managing Director, Retailing Banking Division | 2003 |
| Mr. Ismail DOUIRI | Managing Director, Finance, Transformation and Operations Division | 2008 |
| Mr. Hassan BEDRAOUI | Group Information Systems | 2007 |
| Mr.Saâd BENJELLOUN TOUIMI | Corporate Banking | 2007 |
| Mr. Abdeljaouad DOSS BENNANI | Group Finance | 2004 |
| Mr.Talal EL BELLAJ | Global Risk Management | 2007 |
| Mr. Chakib ERQUIZI | Capital Markets | 2007 |
| Mr. Mouâwia ESSEKELLI | Managing Director- Attijariwafa bank Europe | 2008 |
| Mr. Omar GHOMARI | Group Human Capital | 2007 |
| Mme Wafaa GUESSOUS | Buying, Logistics and Secretary of the Board | 2007 |
| Mme Mouna KADIRI | Group Communications | 2007 |
| Mme Noufissa KESSAR | Private Banking | 2008 |
| Mr. Abderrazak LAMRANI | Group Compliance | 2009 |
| Mr. Mounir OUDGHIRI | Managing Director- SIB Attijariwafa bank Group | 2009 |
| Mr. Abdelkrim RAGHNI | Managing Director- CBAO Attijariwafa bank Group | 2008 |
| Mr. Youssef ROUISSI | Financing Bank | 2005 |
| Mr. Brahim SAID | General Audit | 2007 |
| Mr. Said SEBTI | Personnal and Professional Banking | 2008 |
| Mr. Abdellatif SEDDIQI | Rationalization of Structures | 2007 |
| Mr. Hicham SEFFA | Services and Customer Processing | 2007 |

## 3-3 Other Committee emanating from the Board of Directors

### • Strategic Committee

| Members | Position |
|---|---|
| Mr. Mohamed EL KETTANI | Chairman and Chief Executive Officer Attijariwafa bank |
| Mr. Hassan BOUHEMOU | Director, representing SNI |
| Mr. El Mouatassim BELGHAZI | Director, representing SNI |
| Mr. Antonio ESCAMEZ TORRES | Vice-chairman |
| Mr. José REIG | Representative Groupo Santander |

### • Major Risk Committee

The Major Risk Committee meeting upon call from the Chairman and General Manager examines and hands down judgment on the direction to be taken by the commitments and investments beyond a certain threshold.

| Members | Position |
|---|---|
| Mr. Mohamed EL KETTANI | Chairman and General Manager Attijariwafa bank |
| Mr. Hassan BOUHEMOU | Director, SNI representative |
| Mr. José REIG | Representing Grupo Santander |
| Mr. Talal EL BELLAJ | Global Risk Management Manager |
| Mr. Said ENNABIH | Counterparty Risk Manager |

### • Audit and Accounts Committee

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

| Members | Position |
|---|---|
| Mr. Hassan OURIAGLI | Director |
| Mr. José REIG | Director |
| Mr. Abed YACOUBI-SOUSSANE | Director |
| Mr. Abderrazak LAMRANI | Group Compliance Manager |
| Mr. Brahim SAID | General Audit Manager |
| Mr. Abdeljaouad DOSS BENNANI | Finances Group Manager |
| Mr. Talal El BELLAJ | Global Risk Management Manager |

# Global Risk Management

**• Appointment and Remuneration Committee**

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

| Members | Position |
|---|---|
| Mr. Hassan BOUHEMOU | Director, SNI representing |
| Mr. El Mouatassim BELGHAZI | Vice-chairman, ONA representing |
| Mr. José REIG | Representing Grupo Santander |

# Ordinary General Meeting Resolutions

## 20 APRIL 2010

### • FIRST RESOLUTION

After hearing the reading of the Board of Directors and Auditors reports on the financial year ending 31 December 2009; the General Meeting expressly approves the summary reports thereupon, as submitted, as well as the operations described in the said statements or summarized in the said reports winding up in a net profit of **2 797 007 487.57** Moroccan Dirhams (MAD).

### • SECOND RESOLUTION

After hearing the reading of the special report of the Auditors on the agreements pursuant to article 56 and above of law 17/95 with respect to business corporations as amended and completed by law 20/05, the General Meeting approves the conclusions of the said report and the agreements mentioned therein.

### • THIRD RESOLUTION

The General Meeting approves the allocation of the income as proposed by the Board of Directors, i.e.:

| | |
|---|---|
| – Net income of financial year | 2 797 007 487.57DH |
| – Legal reserve | - |
| – Legal investment reserve | 83 333 333.33 DH |
| – Carried forward from previous fiscal years | 625 407.85 DH |
| **• DISTRIBUTABLE INCOME:** | **2 714 299 562.09 DH** |
| **• BREAKDOWN:** | |
| – Statutory dividend 6% | 115 797 576.00 DH |
| – Amount necessary to bring the dividend per share to 6 MAD | 1 042 178 184.00 DH |
| **• DISTRIBUTABLE TOTAL OF** | **1 157 975 760.00 DH** |
| – Extraordinary reserve | 1 550 000 000.00 DH |
| – Carried forward | 6 323 802.09 DH |

Therefore, the Ordinary General Meeting decided on the distribution of a dividend for one full year, of 6 MAD per share payable as of 1 July 2010 at the bank headquarters, in compliance with the regulations currently in force.

### • FOURTH RESOLUTION

Further to the aforementioned resolutions, the General Meeting confers to the members of the Board of Director final release without reservations, of management during the fiscal years the accounts of which have been approved here above and to the statutory auditors for the mandate held during the said financial year.

### • FIFTH RESOLUTION

The General Meeting set the amount ascribed to the attendance tokens to be allocated to the members of the Board of Directors for FY 2010 at 4 000 MAD.

The Board of Directors will split up this amount between its members in the proportions it deems suitable.

### • SIXTH RESOLUTION

The General Meeting accords all powers to the bearer of an original or copy of this document for proceeding to the advertising or other formalities required by law.

# General Auditors Report Consolidated Financial statements At 31 december 2009

ERNST & YOUNG
37 Bd. Abdellatif Ben Kaddour
20 050 Casablanca - MAROC

Deloitte.
288, Bd Zerktouni
20000 Casablanca - MAROC

To the Shareholders of
Attijariwafa bank
Casablanca

## AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2009

We have conducted the audit of the consolidated financial statements attached hereto for Attijariwafa bank (Attijariwafa bank Group) including the balance sheet at 31 december 2009, the operating account, the global income statement, the shareholders equity capital variation statement, and the cash flow table for the financial year ending at that date, as well as the advisories containing the summary of the principal accounting methods and other explanatory notes.

**Executive Management Responsibility**
The executive management is responsible for the drawing up and format of the said financial statements in compliance with the International Financial Reporting Standards (IFRS). This responsibility includes the design, establishment and follow-up of internal control pursuant to the establishment and format of financial statements presenting no significant discrepancies other than those resulting from fraud or errors, as well as the determination of reasonable accounting estimates pursuant to the prevailing circumstances.

**Auditors' responsibility**
Our responsibility is to express and opinion of the said financial statements on the basis of our audit. We conducted our audit according to the Professional Standards as they stand in Morocco. The standards require us to comply with the ethical rules, to plan and carry out the said audit in order to obtain reasonable assurance that the said summary statements include no significant discrepancy.

An audit implies the implementation of procedures in view of gathering significant information regarding the amounts and information provided in the summary reports. The choice of procedures is up to the auditor and the assessment of risk in the financial statements must contain no significant discrepancies or if so, are the result of fraud or errors. In proceeding to risk assessment, the auditor takes into account the internal control system in force at the entity regarding the establishment and format of the financial statements so as the spell out the auditing procedures appropriate to the circumstances and not for the purpose of expression an opinion on the efficiency thereof.

An audit also comprises a judgment on the appropriate nature of the accounting methods used and the reasonable nature of the accounting methods developed by the management, as well as a judgment on all the financial statements.

We deem that the significant items gathered are sufficient and appropriate enough to formulate our opinion.

**Opinion on summary statements**
In our opinion the consolidated financial statements mentioned in the first paragraph here above in all significant aspects paint a faithful picture of the financial standing of the group consisting of the entities included in the consolidation on 31 December 2009, as well as the performance and cash flow for the financial year ending a that date in compliance with the International Financial Reporting Standards (IFRS).

Casablanca, 26 March 2010

Auditors

ERNST & YOUNG
Bachir TAZI
Associate

DELOITTE AUDIT
Ahmed BENADELKHALEK
Associate

# 1 – Accounting Standards and Principles applied by the Group

## 1.1 CONTEXT

Application of IFRS standards is mandatory since the financial year ending on 31 December 2008.

The overriding objective of the regulatory authorities is to provide credit institutions an accounting and financial information framework in compliance with international standards regarding financial transparency and quality of the information provided.

The Attijariwafa bank Group anticipated the implementation of the project for the adoption of the international financial reporting standards (IFRS) for the Consolidated Financial statements in the first half-year of 2007 using FY 2006 as the basis of comparison.

The Attijariwafa bank Group has applied the new standards, amendments and interpretations approved by International Accounting Standards Board (IASB) for its accounts closing at 31 december 2009.

The financial statements of Attijariwafa bank have been drawn up account to revised IAS1 standard "Financial Statement Format". The purpose of this revised standard is to facilitate analysis and comparison by users of the information given in the financial statement. It deals exclusively with aspects relative to format and content. Application of revised standard IAS 1 to the group's annual accounts led to the introduction of a new summary statement submitted further to the operating account entitled "Net income statement and profits and losses accounts directly calculated in shareholders equity" such as the re-evaluation of assets available for sale and of coverage instruments.

The Group did not anticipate the application of new standards, amendments and interpretations adopted by the International Accounting Standards Board (IASB) when in 2009 application thereof was only optional particularly with regard to revised IFRS 3.

The essential changes in terms of impacts, in particular with regard to the organization of systems are the following:

- New categories of financial assets based on intention and the market: AFS (Available for Sale) securities, securities held until maturity, securities at fair income value, securities classified in loans and advances.
- New assessment methods introduced for the financial instruments based on intention and the market.
- Several items of information to be managed with regard to attributes: re-discountable nature or not, economic operators, initial term, etc.
- Application of fair value for the assessment of all the assets and liabilities with depreciation tests each time there is a risk of depreciation in value.
- Application of the principle of pre-eminence of economic reality over the legal aspect. Therefore, the property acquired in the framework of a financial lease contract is included as fixed assets.
- No more off balance sheet items
- Deletion of the provision for general risks to the extent in which the provisions entered must be justified and measured.
- Change in the perimeter of consolidation for integration of the ad hoc entities and mutual funds.
- Addition of appendices to provide the investor with reliable and exhaustive information.

## 1.2 ACCOUNTING STANDARDS APPLIED

### 1.2.1 CONSOLIDATION

The determination of a consolidation perimeter assumes the integration of all national or foreign entities over which the Group exercises exclusive control.

The determination of a consolidation perimeter implies the integration of all national and foreign entities on the group exercises either exclusive or joint control or noteworthy influence.

Among the entities over which the credit institution exercises noteworthy influence and which must be consolidated are the ad hoc entities whatever their legal form or the country where they exercise activity.

An ad hoc entity is a legal structure created specifically for reaching clearly defined objectives (for example, letting or securitization of financial assets).

An entity is excluded from consolidation if:

- It is controlled for limited period of time, in other words it is acquired and held in the sole perspective of exiting for a maximum of 12 months.
- It represents assets held for transactions and entered in the books at fair value and with variation thereof in the operating account (recorded as per IAS 39).

The nature of the control determines the consolidation method (global integration, proportional consolidation and equity method).

A subsidiary is included in the consolidation perimeter if its activities are different to those of the other group entities.

With regard to the adoption of global integration, the IAS 27 standard does not include any presumption of control for subsidiaries held from 40% and 50%. In this instance the control must be demonstrated.

Also, entities identified as a joint venture are consolidated according to the proportional integration method or evaluated by the equity method;

#### 1.2.1.1 Options adopted by Attijariwafa bank

**Definition of "perimeter"**

To define the companies to be integrated into the consolidation perimeter, the following criteria must be respected:

- Attijariwafa bank must hold either directly or indirectly at least 20% of existing or potential voting rights.
- One of the below limits must be reached:

• The total balance sheet of the subsidiary represents more than 0.5% of the total consolidated balance sheet.

• The net situation of the subsidiary represents more than 0.5% of the net consolidated situation.

• The turnover or banking income of the subsidiary represents ore than 0.5% of the consolidated banking income.

The equity interests over which the group exercises no control are not integrated into the perimeter even if the contribution thereof fulfils the criteria listed above.

**Exception**

An entity disposing of an insignificant contribution must integrate the consolidation perimeter if it holds shares in the subsidiaries complying with one of the aforementioned criterions.

#### Consolidation of the ad hoc entities

Consolidation of the ad hoc entities and more particularly the funds under exclusive control was described by SIC 12.

By way of application of this text, dedicated mutual funds are consolidated.

#### Exclusion from the consolidation perimeter

An entity controlled or under substantial influence is excluded from the consolidation perimeter when upon acquisition, the securities of the said entity are held solely in view of eventual transfer at an early date.

These securities are entered into the category of assets to be transferred and assessed at fair value per profit and loss.

The equity holding (apart from majority ones) held by the risk capital entities are also excluded by the consolidation perimeter to the extent in which they are classified as fair value financial assets per profit and loss upon option.

#### Consolidation methods

The methods of consolidation are set respectively by IAS 27, 28 and 31 standards. They result from the type of control exercised by Attijariwafa bank on entities that can be consolidated whatever the activity and regardless of having an artificial personality or not.

#### 1.2.1.2 Divergence with Moroccan standards:

Determination of the consolidation methods depends on the nature of the control exercised by the group and also the type of activity of the subsidiaries controlled.

The equity method for joint ventures is prohibited by Moroccan law.

### 1.2.2 TANGIBLE FIXED ASSETS

A tangible fixed asset is an item of durable property held by the company for use thereby or rented to third parties.

For assessment of tangible fixed assets an entity must choose one of the following methods: cost model or re-evaluation model.

#### Cost model

This is the top way of evaluation after initial entry of a tangible fixed asset.

The cost corresponds to the cost minus the cumulative depreciation and loss of value.

#### Revaluation model

After entry as an asset the tangible fixed assets the fair value of which can be reliably evaluated must be recorded at its re-valued amount. This refers to its fair value at the date of re-evaluation minus the cumulative amount of future depreciation and losses in value.

The frequency of re-evaluation depends on the fluctuation in the fair value of the fixed asset being re-valued. When the fair value of a re-valued asset differs significantly from the book value a fresh re-evaluation is necessary.

#### Fair value

The fair value is the amount at which an asset could be exchanged between well informed parties with their consent and under normal competitive conditions.

# Consolidated Financial statements

## At 31 December 2009

**Rules of depreciation per significant components**

Each significant component of a tangible fixed asset must be entered separately and depreciated systematically over the full term of its own use so as to reflect the pace of consumption of the economic advantages.

**Conditions of depreciation pursuant to the depreciable amount**

The depreciable base of an asset corresponds to the cost thereof (or re-evaluated amount) minus the residual value.

The allocation to depreciation in a given fiscal year is generally entered into the outcome. However, when the future representative economic advantages of the said asset are absorbed in the production of other assets, the allocation to depreciation makes up a part of the cost of the other assets and is considered as included in the relevant book values. By way of example, depreciation of production facilities in included in the cost of manufacture of stocks (IAS2).

The terms and methods of depreciation must be periodically reviewed by the company.

In the event of revision of these assumptions, a change in the accounting estimate must be calculated. Similarly, allocation to depreciation during the current and future fiscal years must be adjusted accordingly.

The depreciation is entered even if the fair value of the asset is greater than the book value so long as the residual value does not exceed the book value.

**Residual value**

This refers to the current price of the asset taking account of the estimated age and condition of the fixed asset at the end of its term of usefulness. Actually it is often an intangible value that does not include the effect of inflation.

It must be readjusted at each closing date.

**Term of usefulness**

The term of usefulness is the period during which the entity expects to use the asset.

The depreciation of an asset begins when the said asset becomes available for use. Consequently, the depreciation of an asset ends when the said asset is off the balance sheet.

To determine the term of use, all the following factors are taken into account.

Expected use of this asset: the said use is evaluated by reference to the capacity or physical production of the asset.

The expected physical use which depends of factors of activity such as the pace at which the asset is used and the maintenance program, the care provided and maintenance of the asset outside the period of use.

- Technical or commercial obsolescence resulting from the changes for improvements in the preparation or trends in market demand for the product or service delivered by the asset.
- The legal or similar limits on the use of the asset such as the expiry dates and rental contracts.

**Borrowing costs**

The new version of IAS 23 entitled "Borrowing costs" does away with the possibility of immediately entering 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 expenses.

### 1.2.2.1 Options accepted by Attijariwafa bank

**Evaluation**

**The Group standard means refraining from adopting the re-evaluation option stated in IAS 16.**

However, it is possible for a Group entity to choose the fair value option (IFRS1) for one or more buildings without justification of this option with as a counterparty, on the shareholders equity account.

**Term of depreciation**

**The Group standard is to refrain from multiplying depreciation schedules and to have an identical one in the IAS/IFRS Consolidated Financial statementss.**

It is admitted that the terms of depreciation applied by the Group subsidiaries have differences compared to those adopted by the Group within a span of 2 years.

**Per component approach**

**For Group needs, it is not necessary to isolate the components whose gross value is less than 1 000K MAD.**

A breakdown of the initial gross value of fixed assets into components is necessary for construction projects (main structure, internal fittings and arrangement, proofing, stationary technical facilities, joinery).

This proposal of spit up between components is a minimum.

The terms of depreciation for this proposal of division into components of a building are summarized in the table hereafter:

| | Annual Term Depreciation | Monthly Term Depreciation |
|---|---|---|
| Main structure | 50 | 600 |
| Proofing | 20 | 240 |
| Internal fittings and arrangement | 15 | 180 |
| Stationary technical facilities | 20 | 240 |
| Joinery | 15 | 180 |

**The above components necessarily apply to head offices.**

For branch offices a more restrictive breakdown can be made depending on the material nature of the items in question.

With regard to professional housing, there is no exception to the principle of breakdown of components (IAS 16). These housing units are also broken down (IAS 16).

***Architect fees are to be activated***

For reasons of simplification it was decided that these fees should not be broken down and instead integrated into the principal component that formed the object of the expert's work.

**Breakdown of components**

The historical reconstitution method of the components based on the original invoices was rejected by the Group.

It is easier to break down the original historical cost according to distribution of the current new cost in accordance with technical data.

This entry cost should no be restated retrospectively according to the distribution between expenses and fixing of the acquisition accessory charges. On the other hand, for all acquisitions after 01 January 2006 differentiated monitoring should be applied.

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2009

between the entry costs according to local and IAS standards.

For this purpose, the acquisition costs net yet adsorbed as expenses to be spread out on 01/01/06 are to be restated as counterparty for shareholders equity.

**Residual value**

The residual value of components other than the land is assumed to be nil. Indeed, this value is placed in the perennial component of the property which is none other than the land which by its very nature is not depreciable.

#### 1.2.2.2 Divergence with Moroccan Standards

En règles marocaines, il est possible d'opter pour la comptabilisation groupée des immobilisations et de constituer des provisions pour réparations.

Contrairement aux règles marocaines, l'IAS16:

- Calls for regular review and revision of the depreciation methods and terms.
- Recognizes the residual value.

### 1.2.3 INVESTMENT PROPERTY

Investment property is a piece of real estate (land or building or part of a building, or both) held (by the owner or the tenant in the framework of a financial lease contract) for the payment of rent or to increase the value of the capital, or both, rather than:

- Using for production, the supply goods or services or for administrative purposes.
- Sell it in the framework of ordinary activity.

The criteria of distinction between an investment property and real estate occupied by the owner is that an investment property generates cash flow largely independent of the other assets held by the company which is not the case for the production or supply of goods and services when this is the principal purpose of use of real estate occupied by the owner.

If the entity is the owner of real estate rented to and occupied by the parent company or another subsidiary, and in the Consolidated Financial statementss the real estate does not fulfill the conditions of an investment property because, from the standpoint of the entire Group, the property is occupied by its owner.

An entity has the choice between:

**- The fair value model:** (Cf paragraphe 2.2)

If the entity chooses this option, it must be applicable to all investment properties. To be noted is that recourse to this model is recommended by independent assessors.

**- Cost model:** (Cf paragraphe 2.2)

In both bases, an estimate of the fair value of investment property remain mandatory for entry into the balance sheet or listing in the appendices.

Changes in model are allowed only if it results in a more appropriate presentation. Only the switch from the cost model to the fair value model is possible.

#### 1.2.3.1 Options chosen by Attijariwafa bank

**Identification**

**Investment property consists of all buildings not used part from those for the personnel or slated for sale within a timeframe of one year.**

Property such as furniture, equipment and other tangible fixed assets assigned thereto

by members of the personnel is not construed to be investment property.

Buildings up for sale are mostly buildings in datio in solutem. It is uncertain whether these fixed assets in less than one year will be sold given the conditions under which the type of operation is conducted. Therefore, the registration of an investment asset as a fixed asset to be sold should be formally documented by reliable indications demonstrating that the probability of sale within 12 months is imminent.

The other tangible fixed assets no used in connection with investment property should be treated likewise.

**All operational buildings rented to companies outside the Group**

The operational buildings not directly used for administrative purposes are considered to be investment property.

**Intra Group Operations**

Real estate property rented by group subsidiaries does not fulfill the conditions of an investment property as from the standpoint of the Group, it is occupied by the owner.

**Valuation:**

**The option was taken to valuate investment property at the historical cost corrected according to the component approach.**

**The fair value information must be given in the appendices.** Valuation of the fair value must be done by internal experts.

Come real estate property comprises a part that is held to obtain payment of rents or to increase the value and another part is used for the production or supply of goods and services or for administrative purposes. If these two parts can be sold or rented separately, the entity enters them separately. If the two parts cannot be sold separately the real estate is an investment property only if the share held for use in the production or supply of goods or services for administrative purposes is not significant.

Valuation of the fair value of the separate parts considered as operational building should be done in a reliable manner.

#### 1.2.3.2 Divergence with Moroccan Standards

Unlike IFRS, there are no provisions specific to investment property in the credit institutions accounting plan.

- No separate presentation on the balance sheet is required.
- No option for fair value foreseen
- No information in the appendices is given for the fair value of the investment property when the when the cost method has been chosen.

### 1.2.4 INTANGIBLE FIXED ASSETS

An intangible fixed asset is a non monetary asset identifiable and without any physical substance.

It is:

- Identifiable: to distinguish it from goodwill.
- Controlled: if the company disposes of the power to obtain economic advantages and if it can also restrict access thereto by third parties.

Two evaluation methods are possible:

**Cost model:**

The fixed asset is entered as its cost minus the cumulative depreciation and loss of value.

# Consolidated Financial statements

## At 31 december 2009

**Re-evaluation method:**

The fixed asset must be entered at its re-evaluated amount corresponding to the fair value at the date of re-evaluation with deduction of the future cumulative depreciation and cumulative future losses.

Depreciation of an intangible fixed asset is an item dependent on its service life. A tangible fixed asset of undetermined service life is not absorbed and is subject to a depreciation test by a minimum at the close of each year. On the other hand, an intangible fixed asset of determined service life is depreciated over the said period.

The residual value, the service life, and the methods of depreciation are reviewed at each closure (IAS 8, change in evaluation).

To judge whether for an internally generated intangible fixed asset meeting the requirements for entry in the accounts, it is necessary to classify the fixed asset into:

- Research phase: no intangible fixed asset resulting for research must be entered. Research expenses must be entered under expenses whenever incurred.
- Development phase: an intangible fixed asset resulting from development must be entered into the account if it fulfils the following conditions:

• The technical feasibility of achieving the asset so it can be either used or sold.

• The intention of achievement of the intangible asset and using or selling it.

• Ability of the asset to generate future economic advantages.

• Existence of sufficient resources for carrying out the project.

• Capacity for reliable measurement of the costs in connection with the project.

### 1.2.4.1 Options adopted by Attijariwafa bank

**Depreciation**

The Group standard is to refrain from multiplying depreciation and to have a depreciation schedule identical to the consolidate IAS/IFRS accounts.

The acquisition chares not year absorbed as expenses to be spread out on 01 January 2006 were not restated in counterparty to shareholders capital.

**Lease rights**

The lease rights must be valuated reliably by an external expert. If this valuation proves difficult to conduct the said leases must be cancelled as counterparty to consolidated reserves.

Monitoring of lease rights must be done according to an annual frequency. In the event the said monitoring cannot be regularly conducted or the costs generated by this procure turn out to be very high, the leases must be cancelled as counterparty to consolidated reserves.

**Goodwill**

The goodwill acquired must be regularly monitored and formalized upon each closure. If monitoring for this goodwill is impossible, the option for cancellation is possible.

**Software**

The life spans of the software used vary depending on whether they represent operating software office software. The said life spans must be defined by the Information Systems division.

It is admissible that the terms of depreciation applied by the Group subsidiaries comprise some difference compared to those adopted by the Group within a scope of 2 years.

**Valuation of internally developed software**

The information systems management must be in a position to valuate the software developed internally during the development phase. If the valuation is not reliable, no fixed asset is to be entered.

**Transfer duty, fees, commissions and legal fees**

Transfer duty, fees, commissions and legal fees are entered into the value recorded in charges or integrated in the acquisition cost while in IAS, these expenses are to be activated.

Monitoring of two separate depreciation schedules between Moroccan accounts and IAS accounts is to be carried out when the gap is greater the 1000 thousands of MAD.

#### 1.2.4.2 Divergence with Moroccan standards

The accounting rules pursuant to research and development in Morocco differ from those of IFRS. According to the Moroccan rules expenses for research and development are fixed under certain conditions. The maximum depreciation period is 5 years unless otherwise waived.

Transfer duty, fees, commissions and legal charges, according to their value, are recorded under expenses or integrated into the acquisition cost.

## 1.2.5 INVENTORIES

Inventories are assets:

**Definition**

Inventories are assets:

- Held for sale in the normal course of activity
- In the process of production for future sale.
- In the form of raw materials or supplies to be consumed in the production or service provision process.

**Evaluation**

The inventories must be according the most reliable cost and net sales value;

The net sales value is the sales price estimated in the normal framework of activity minus the:

- Estimated cost for completion.
- Costs necessary for conducting sale.

The cost of inventories for non fungible items must be determined by proceeding to specific identification of individual costs.

On the other hand, the cost of inventories for fungible items can be determined by two different methods:

- First in – first out methods (FIFO)
- Weighted average cost method.

A single cost calculation method must be used for all inventories of the same type or similar usage.

#### 1.2.5.1 Options adopted by Attijariwafa bank

The inventories are valuated according to the average weighted Unit Cost method.

The securities slated for sale are registered in the inventories.

There are no other IFRS restatements

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Equity interest in non-trading real estate firms must be reclassified amount the assets held for sale in the event the said securities are not consolidated.

### 1.2.5.2 Divergence with Moroccan standards:

No divergence is to be pointed out with regard to the inventory evaluation principles.

However, the information to be provided is much more complete than for IAS/IFRS.

## 1.2.6 RENTAL CONTRACTS

A rental contract is an agreement by which the lessor hands over to the lessee for a determined time the right to use and asset in exchange for one or more payments.

A financial lease contract is a contract that transfers to the lessee almost all the risks and advantages inherent to the ownership of an asset.

A simple rental contract is for a rental contract other than a financial leasing contract.

For the lessee, the entry of financial lease contracts determined at the beginning of the rental period must be included in the balance sheet assets and liabilities in equal amounts:

- At the fair value of the rented asset
- or, if less that the updated value of the minimal payments for the rental agreement.

The lessor must include in his/her balance sheet the assets held pursuant to a financial lease contract and display them as debts for an amount equal to the net investment in the rental agreement (IAS 17).

The entry of financial income must be done on the basis of a formula showing a periodic constant profitability rate in the net outstanding investments of the lessor in the financial leasing contract (IAS 17).

**Definition of implicit interest rate (IIR)**

The IIR is an updating rate making it possible to make equal:

- The updated value of minimum payments receivable by the lessor increased by the non guaranteed residual value.
- And the entry value of the property (= fair value at the outset increased by the initial direct costs).

**Trend in residual value of a financial lease contract**

The IAS 17 standard requires that the non-guaranteed residual values be subject to regularly scheduled revision. A drop in the estimated non guaranteed residual value must lead to a modification of the revenue charge profile for the entire term of the contract (recalculated by a new depreciation schedule).

The share of variation during completed periods is registered as flat income and the share of variation regarding upcoming periods is indicated by a modification in the implicit interest rate.

According to IAS standard, the depreciation is spread out over the entire term of the life of the contract.

### 1.2.6.1 Options adapted by Attijariwafa bank

**Simple rental contracts Attijariwafa bank**

For simple rental contracts the terms of which are specific and automatically renewable no restatement is necessary.

**Open ended rental contracts**

A building handed over for rental with contracts carrying terms of 3, 6 or 9 years. Automatic renewal of the rental term means the contract is open ended. It is qualified as a financial leasing contract.

The term of validity of the contract is of 50 years.

These assets must be entered into the lessor balance sheet as debts for an amount equal to the net investment in the rental contract.

At the contract start date, the rents are updated at the effective interest rate (EIR). The amount thereof corresponds to the initial financing amount.

**Leasing contract**

Leasing contracts are financial leasing contracts. Attijariwafa bank is the lessor. The bank enters into its accounts only its share in the contract.

These assets are entered into the lessor balance sheet as debts for an amount equal to the net investment in the rental contract.

At the contract start date the rents are updated at the effective interest rate (EIR). The total amount thereof corresponds to the initial financing amount.

#### 1.2.6.2 Divergence with Moroccan Standards

It is the legal approach that predominates, indeed:

No distinction is to be made between simple rental and financing lease.

In the absence of transfer of ownership of the asset to the user portfolio, restatement of rental contracts is prohibited.

According to Moroccan rules, depreciation of the value of the asset concerned by the rental contract is listed as flat rate. Indeed, regularly scheduled revision of the service life is a provision that substitutes for the current provisioning rule for depreciation of asset value

## 1.2.7 FINANCIAL ASSETS AND LIABILITIES

**Credit**

.The amortized cost of a financial asset or liability corresponds to the amount against which this instrument was evaluated at the time of initial entry minus the reimbursement in principal and increased or minus the cumulative depreciation. This is calculated per the effective interest rate method and any difference between the initial amount and the reimbursement amount at maturity, minus the any reduction for depreciation or non-recoverability.

This calculation must include all the commissions and other amounts paid or received directly in settlement of loans, transaction costs or any discount or inflated amount.

The amortized cost method consists of spreading out the various components by means of the effective interest rate.

The effective interest rate (EIR) is the rate that precisely updates the disbursements or deposits of future cash over the expected life span of this financial instrument or, depending on the case, over a shorter period so as to obtain the net book value of the financial asset or liability.

**Future evaluation of financial assets**

After initial registration, an entity must evaluate the financial assets including the derivatives constituting assets, at the fair value, with no deduction for the transaction costs that can be incurred upon sale or any other form of exit, except with regard to the following assets:

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- Loans and advances that must be evaluated at the amortized cost using the effective interest rate method.
- Investment in own equity instruments without any price listed on an active market and the fair value of which cannot be evaluated in reliable fashion, as well as derivative instruments linked to the unlisted equity capital instrument that should be settled by write-down of such instruments to be evaluated per cost.

**Loan and deposit**

Upon placement, an IAS classified deposit or loan in the "Other financial liabilities" category must be evaluated at fair value in the balance sheet increase or minus the:

- The cost of transactions (they correspond to external acquisition costs directly attributable to the operation).
- Commissions paid in corresponding to "fees constituting an integral part of the effective rate of yield of the deposit or loan".

The IAS deposits classified under the "Liabilities held for transaction purposes" are subject at a specified date for future evaluation at fair value.  The fair value of the deposit is calculated excluding the interest incurred.

A deposit or loan can be the host contract of an embedded derivative. Under certain conditions the embedded derivative must be separated from the host contract and entered according to the principles applicable to derivatives. This analysis must be conducted upon initiation of the contract on the basis of contractual clauses.

### 1.2.7.1 Options adopted by Attijariwafa bank

**Credit**

The bank will apply an amortized cost to credits of more than one year and according to their significant size.

Credits of less than one year will be at the historical cost.

**Loans**

To develop the comparative statement of 2006 the debts and deposits will be broken down per type between the "Financial Liabilities" / "Trading Liabilities" and "Liabilities" categories at fair value.

**Deposits**

**For sight deposits:**

For sight deposits Attijariwafa bank applies  IAS 39&49.

- The fair value of a sight deposit cannot be less that the amount payable upon request
- It is updated starting the first date when the payment of the said amount could be issued.

**For productive deposits**

**Deposits remunerated at market rates**

For deposits remunerated at market rates, the fair value will be the par value provided the marginal transactions costs are insignificant.

- In the event of the existence of correlative costs directly assignable, they can be included in the fair value:

- The marginal cost of the transaction and commission directly assignable and external to the group, for example business generator commissions.
- Cost of transaction and commission directly assignable intra group must also be subject to analysis (identify the non neutral inter company operations and impact on income).

It is necessary to conserve the rate histories so as to be able to justify the fact that the interest rates were the actual rate of the original market.

The term of conservation of the historical records is 10 years similar to the period of conservation of accounting documents (see commercial code text).

**Productive deposits at off market rates**

For productive deposits at off market rates, the fair value will consist of the face value and discount.

For proceeds sold at off market rates the fair value is not equal to the face value. Therefore, it will be necessary to estimate this fair value, in other words, determine the value on entry into the balance sheet of these operations.

Therefore it will be necessary go over the collection operations and decide whether the rate accorded is substantially different from the one granted by other institutions on the market (this may be the case for certain time deposits.

For productive deposits at off market rates account should be taken of a discount for future entry. If the company issues a loan bearing interest at a rate different from that on the market and if it must pay fees by deduction on issue for remuneration, the said company will enter the loan at its fair value, in other words net of the commission received. The company will inscribe the discount in the operating account according to the effective interest rate method.

**N.B**.: Advances on productive deposits are systematically entered as loans and advances and stated per IFRS as such.

**Saving accounts**

A given regulated rate applied by the great majority of credit institutions on the market is considered to be a market rate.

Consequently, there is no IFRS restatement for savings accounts.

**Position of Attijariwafa bank position**

The proceeds from collection must be classified under "other liabilities".

The Attijariwafa bank Group will enter financial liabilities at fair value per profit and loss only via waiver by the Financial Management (Group).

Indeed, in principle, the collection activity making up a part of the banking intermediation activity must be entered in the category of "other liabilities" which allows it to maintain its historical cost (under certain conditions) and not at the fair value.

Only if otherwise waived and expressly pointed out, the aforementioned options will also apply to debt securities issued.

### 1.2.7.2 Divergence with Moroccan Standards

**Credit**

The notion of amortized cost and effective interest rate does not exist in the Moroccan terms of reference.

According to Moroccan rules, credits are inscribed on the balance sheet at their face value and are entered into the historical cost (face rate).

Commissions and expenses are entered as flat rates or prorata temporis.

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**Loans and deposits**

Loans and deposits are currently entered in the historical cost record.

At the cut-off date, the interest accrued calculated at the face value (the net par value of depreciation and since establishment or the date of the last cut-off date or the date of the last interest maturity) are debited on an expense account by credit to the liabilities in the "Debt" Receivables account.

The accumulated interest is calculated on the basis of a daily scale.

## 1.2.8 SECURITIES

The IAS 39 standard defines four asset categories applicable to securities:

- Transaction securities (financial assets at fair value per profit and loss).
- Securities available for sale (AFS)
- Securities held to maturity
- Loans and advances (category open to unlisted securities on an active market and directly subscribed with the issuer).

The securities are classified accruing the management intension.

The securities must be initially assessed at the cost which was the fair value of the counterparty given or received by the purchaser.

The future evaluation of the securities depends on the category in which they have been classified.

A review was performed within the Group of securities operations per type of category of portfolio. By analyzing their characteristics, the principles were defined for classification of securities according to IAS standards, the method of evaluation and type of depreciation calculation to be applied.

### 1.2.8.1 Transaction portfolio securities: Financial assets at fair value per profit and loss, allocation per type or upon option

According to IAS 39.9 standard, the financial assets or liabilities at fair value per profit and loss are assets or liabilities acquired or generated by the company primarily in view of making a profit linked to short-term price fluctuations or arbitrage dealer margin.

A financial asset will be classified in the category of financial assets at fair price per profit and loss if independently of the reasons for which it has been acquired, it is included in a portfolio for which a indication an effective pace of recent short-term profits exists.

**N.B.**: All derivative instruments are financial assets (or liabilities) at fair value per profit and loss, except when they are ascribed for coverage.

Standard IAS 39 limits the scope of the fair value option per profit and loss when:

- The category still exists that records the securities the classification of which in financial assets at fair value per profit and loss results from a true management intention or allocation by nature.
- The "fair value option per profit and loss" category in which certain financial assets have been acquired not with an intention of trading but for which evaluation at fair value are recorded (with indication of fair value per profit and loss) makes it possible to answer to the desire for accounting and operational management (for example to avoid separation of derivatives embedded for financial assets that have to be entered separately according to IAS 39).

**Accounting Principles**

Initial Evaluation

The securities classified as financial asset at fair value per profit and loss must initially be entered at their acquisition price, apart from transaction costs directly attributable to the acquisition and coupons accrued included.

Future evaluation:

The securities classified as financial assets at fair value per profit and loss are evaluated at their fair value and variations thereof re entered in the operating income.

**This category of security is not subject to depreciation.**

**1.2.8.2 Available for sale portfolio securities**

IAS 39 states a second category of security called "security available for sale" in which classification can be made of investment securities, portfolio activity securities, non consolidated equity securities and other long-term securities held.

The available for sale category is defined as the default category.

Indeed, the standard stipulated that to be classified in this category are the assets and liabilities that do not meet the conditions of classification required by the other three categories.

**Accounting principles**

According to IAS 39, the accounting principles regarding securities available for sale are as follows:

Initial evaluation

Securities available for sale must initially be entered at their acquisition price with the costs directly attributable to the acquisition (theoretically) coupons accrued included (in an associated debt account).

Future Evaluation

Variations in the fair value of securities (positive or negative) classified as available for sale are recorded shareholders equity (recyclable). Depreciation over time of any extra value or discount on fixed income securities is entered into operating account according to the effective instars rate method (actuarial deferment).

**Depreciation**

In the event of any objective significant and long-lasting sign of depreciation for equity securities materialized by the occurrence of a credit risk for debt securities, the underlying depreciation entered as shareholders equity must be extracted and entered into the outcome of the fiscal year.

In the event of future improvement, this depreciation can be written down per profit and loss for interest rate instruments but not for shareholders equity instruments. In the latter case, the variation in positive fair value will be entered into a recyclable own equity account and the negative variation will be entered into the outcome.

Principle of income classification:

The valuation at fair value of the securities of this portfolio is spread out between the following lines of the operating account:

- "interest income" for the amount corresponding to the amortized cost of the period.
- Net income from available assets for sale at the amount corresponding to dividends, long-term depreciation in variable income securities and sales income.

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- Cost of risk for long-term depreciation and re-appreciation of fixed income securities.
- Shareholders equity line for variation in value of assets available for sale.

### 1.2.8.3 Held to maturity portfolio securities

The category of securities held to maturity (defined maturity) is open to fixed income securities or income the bank has the intention and capacity to hold until the date of maturity (IAS 39.9) other than:

a) Those the company has designated upon initial entry as assets assessed at fair price as counterparty of income

b) Those the company has designated as assets available for sale.

c) Those answering to the definition of loans and advances. Debt securities unlisted on an active market cannot be classified in the category of assets held until maturity.

**Management intention and tainting rule**

Classification in this category implies the imperative obligation of respecting the prohibition of selling securities before maturity (on pain of declassification of the entire portfolio in assets available for sale and access to this category for 2 years).

Nonetheless, exceptions to the tainting rule may exist when:

- The sale is near the maturity date (less than 3 years).
- Sale occurs after the company has already cashed in the quasi totality of the asset's principal (about 90%).
- Sale is justified by an external event that is either unpredictable or isolated.
- If the entity does not expect to substantially recover its investment due to deterioration of the issuer's (in which case the asset is classified in AFS).
- Sale of securities between Group entities (intra group sales).

**Holding capacity**

The company must testify to its intention and its capacity to hold the securities to maturity at the moment acquisition and at each date specified.

Prohibition of rate coverage:

If coverage of the interest rate risk is prohibited for this portfolio, the other types of coverage (counterparty risk, foreign exchange risk) are authorized.

**Accounting Principles**

**- Initial evaluation**

The securities held until maturity must be initially entered at the acquisition price, with the transaction fees directly attributable to the acquisition and coupons accrued included (in the associated debt account).

**- Future evaluation**

Further, the entry will be made at the amortized cost with depreciation of the extra cost or discount according to the effective interest rate (actuarial spread).

**Depreciation**

In the event of any sign of depreciation a provision must be provided for the difference between the book value and the estimated recovery value.

The estimated recovery value is obtained by updating for the expected future flow in original actual interest rates.

In the event of a future improvement, a write down of the surplus provision is to be recorded.

**Principle of Allocation to Income**

The amortized cost is allocated to the "interest and equivalent proceeds", depreciation and write downs from provisions when the sale and the losses therefrom are entered under "risk cost".

The value added from sales in the instances stipulated by IAS 29 is recorded under "profits or losses for financial assets available for sale".

**"Loans and advances" portfolio securities**

The loans and advances" category is open to unlisted financial assets not to be sold and for which the institution has the intention of holding long-term.

**Accounting principles:** Accounting at amortized cost (according to ETR) corrected by possible provisions for depreciation.

**Depreciation**

In the event of an obvious sign of depreciation, a provision must be identified for the difference between the book value and estimated recovery value.

In case of future improvement a write down from the surplus provision is possible.

**Remark:** The advances that can be consolidated with non consolidated equity securities remain valuated at their face value regardless of the remuneration or reimbursement method.

**Principle allocation to outcome**

The amortized cost is allocated to "interest income and income of the like", depreciation and write downs from provisions at the time of sale, as well as the loss at sale are entered under "risk cost".

The sales value added in the instances as stipulated by IAS 39 (income from sale of unlisted securities).is entered under "profits or losses on financial assets available for sale".

### 1.2.8.1 Options adopted by Attijariwafa bank

**Classification des portefeuilles**

Attijariwafa bank and other entities apart from insurance companies.

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

| HFT | AFS | HTM | Loans and advances |
|---|---|---|---|
| • Trading portfolios of the Trading Room | • Negotiable treasury bills classified in investment portfolios<br>• Bonds and other negotiable debt securities.<br>•Equity interest. | • N/A | • CAM debt<br>• CIH debt<br>• Socio-economic bills<br>• Non negotiable treasury bills entered into accounts at Bank Al-Maghrib |

**Security allocation options:**

- Non use of HTM category
- Limitation of allocation to AFS class at 10% of total amount of consolidated balance sheet.

**Security depreciation criteria**

- Continuous drop by more than 20% in the average price over a period of 6 consecutive months.

### 1.2.8.2 Fair value

The market value is determined:

- Either on the basis of the listed prices on an active market
- Or on a valuation techniques calling for mathematical calculation methods based on recognized financial theories and observable market parameters.

**CASE 1: Instruments dealt with on active markets**

When the listed prices on an active market are available, they are used for determining the market value. Valuated in this way are listed securities and derivatives on organized markets such as futures and options. The majority of over-the-counter derivatives, swaps and simple options are dealt with on active markets. Their valuation is accomplished on commonly accepted models (updating of future cash flows model, Black and Scholes, interpretation techniques) and based on listed market prices of instruments or similar underlying items.

**CASE 2: Instruments dealt with on inactive markets**

Income dealt with on an inactive market valuated with an internal model based on directly observable parameters or deduced from observable data

Certain financial instruments, although not dealt with on active markets, are valuated according to methods founded on observable parameters.

The models use market parameters calibrated according to observable data such as interest rate curves, implied volatility layers of operations, default rates and loss assumptions obtainable from implied volatility layers, default rates and loss assumptions obtained from consensus data or over-the-counter asset markets.

**Case of unlisted shares**

The market value of unlisted shares is determined on the basis of the quota of the net situation of the Group calculated on the most recent information available.

### 1.2.8.3 Divergence with Moroccan standards:

The "financial asset at fair value by outcome" category is largely similar to the "transaction securities " category defined by the PCEC eliminating the holding period limitation at 6 months and offering the opportunity, through registration of securities at fair price, to avoid separation of the incorporated derivative and the documentation requirements of certain coverage relations.

However, the security category classified as "Financial assets at fair value per profit and loss" is broader than in PECE as it does away with the limitation of holding set at 6 months and offers the opportunity, by recording securities at fair value, to avoid separation of the embedded derivative and the documentation constraints of certain coverage relations.

Standard IAS 39 stipulates a securities available for sale category the method of entry of which differs from that of property securities under Moroccan standards. Under Moroccan standards property securities are recorded at cost with provisioning for underlying loss in value.

Description of the criteria testifying to the ability of the company to hold onto securities until maturity is less precise under IAS standards than under Moroccan PECE.

Indeed IAS standard 39.87 mentions only the existence of sufficient resources and the absence of legal constraints affecting the ability to hold assets to maturity while Moroccan bank accounting regulations required the observation of certain restrictive conditions.

### 1.2.9 INSURANCE

**Insurance contract**

Handling of contracts qualified as insurance contracts in the meaning of the definition given in IFRS 4 as well and discretionary participation investment contracts is governed by IFRS 4 the principal provisions of which are recapped as follows:

- Possibility of continuing to calculate these contracts according to the current accounting principles by distinguishing the three insurance contracts complying with IFRS 4:
  • Outright insurance contracts
  • Financial contracts comprising a discretionary clause for participation in profits
  • Liabilities pursuant to other financial contracts attached to IAS 29 entered under "Debts owed to customers".
- Obligation to separate and enter at fair value per profit and loss the derivatives embedded that do not benefit from any exemption according to IFRS 4.
- Prohibition of constituting provisions for applications for indemnification according to insurance contracts not yet underwritten at the date of reporting (such as the provisions for disaster risk and provisions for equalization).
- Obligation to implement a test on the sufficiency of liabilities in compatible insurance and a depreciation test with regard to reassurance assignments.
- Further, the insurer is not required but remains authorized to change his accounting methods pursuant to insurance contracts to do away with excessive conservatism. However, if an insurer already evaluates his insurance contract with sufficient conservatism, he must not resort to any additional conservatism.
- An asset in the form of reassurance is depreciated by entering it into the outcome of this loss of value only if:
  • Tangible proof exists further to an event rising after initial entry of the asset as reassurance assignments meaning that the assignor may not receive all the amounts owed thereto according to the contract terms and conditions.
  • This event has a low assessable impact on the amount that the assignor will receive from the re-insurer.
- The obligation for an insurer to maintain the insurance liabilities in the balance sheet until payment, cancellation or expiry and to state the insurance liabilities without compensation with regard to the assets to re-assurance assignments
- The possibility of applying accounting appropriate to insurance or investment insurance comprising a profit sharing clause for recognition of the effect on the liabilities of amounts not entered into the assets according to existing accounting standards. Also this means entering them into the shares available for sale category against which a provision for differed participation is directly recognized by shareholders equity..
- Obligation to enter a new insurance liability under shadow accounts (IFRS) called sharing of the subscribers in differed profits in the underlying value added of assets assigned to financial contracts covered by IAS 39.

**Insurance investment**

IAS 39 defines four categories of financial assets depending on the origin of the operation and the intention to hold:

- Loans and advances: This category groups together assets with fixed payment or payment to be determined not listed on an active market. These financial instruments at the outset are entered at their fair value along with commissions, internal and external costs directly assignable upon establishment of the credit and any inflated cost or discount to constitute the cost of entry on the balance sheet. These financial instruments are computed at a later date in the amortized cost by means of an effective interest rate (EIR).

- Financial instruments at fair value per profit and loss: an asset can be classified under:
- • Trading category when it is purchase in view of short-term resale or include din a trading portfolio.
- • Fair value per profit and loss category when:
- The asset carries an embedded derivative.
- The variations in fair price of the asset are substantially made up of variations in liability or a derivative for which the documentation on a coverage relation is not desirable.
- Investments held to maturity: these are financial assets with fixed or variable payments and fixed maturity that with an explicit intention and financial capacity of the entity is maintained until maturity. These financial assets are entered in the amortized cost.
- Assets available for sale: this portfolio groups together all the instruments that have not been classified in one of the three aforementioned categories. This refers to the "default" category. The financial assets available for sale are evaluated at fair value.

Remark: In terms of format, items of the same type but evaluated differently must be shown on a separate line of the balance sheet. Insofar as possible, the items are then broken down into type of counterparty in order of liquidity.

#### 1.2.9.1 Options adopted by Attijariwafa bank

**Insurance Investment**

Classification of the investment portfolio held by Wafa Assurance:

- Mutual funds non consolidated in the framework of the consolidation perimeter of the Attijariwafa bank Group are classified under "Trading" for evaluation at their fair value per profit and loss.
- Unlisted treasury bills and bonds are classified as "loans and advances" and evaluated at amortized cost. Listed bonds are classified under assets available for sale for evaluation at fair value.
- Bills of financing institutions and fixed asset loans are classified under "loans and debts" and evaluated at fair value.
- All other investments are classified "AFS" and evaluated at fair value per shareholders equity. For depreciation this is to be conducted according to the aforementioned classifications.

#### 1.2.9.2 Divergence with Moroccan Standards

**Insurance Contract**

Evaluation of provisions for insurance contracts (mathematical provisions for life insurance, provisions for losses and provisions for unpaid premiums) is conducted according to methods backed by Moroccan regulatory provisions and based on statistical and/or contract prices.

The assets and liabilities directly linked to insurance contracts as evaluated according to Moroccan standards may not necessarily reflect economic reality.

**Insurance Investment**

According to Moroccan rules investments assigned to insurance operations and other fixed assets are listed on the balance sheet according to type, under the following categories:

- Real estate investment
- Bonds and bills
- Shares and common rights
- Loans and instruments of the like
- Deposits and tied up accounts
- Other investments.

These assets are all evaluated according to their historical cost minus the provisions for depreciation.

## 1.2.10 PROVISIONS

**Provisions for General Risks**

A provision must be entered when:

- The enterprise has a current obligation (legal or implicit) resulting from a past event.
- It is probable that an exit of resources representing economic advantages will be necessary to extinguish the obligation.
- The amount of the obligation can be estimated in a reliable manner.

If these conditions do not exist, no provision is to be entered.

With IFRS, when the instrument is significant, obligatory updating of the provisions for risks and expenses for which the likely exit of resources is planned, is of more than year.

With IFRS, the liabilities, apart from business combinations, are not provisioned. Mention in the appendix is an absolute necessity when the liability or asset is significant.

**Provisions for customer debts**

With IAS there is no specific accounting category for doubtful outstanding amounts.

A provision is constituted when there is an objective depreciation index on loans classified under loans and advances.

The provisions are determined by the difference between the net book value of the loan (impact of amortized cost) and the estimated recoverable amount representing the updated value at the original contract effective interest rate (EIR) of the estimated recoverable flows.

**Provision for depreciation on individual basis**

For a loan including unpaid amounts:

The losses are determined on the basis of the total amount of future cash flows updated at the effective interest rate of the loan. The future flows take account of the evaluation of the guarantees received and recovery costs.

The observable data make it possible to estimate the future flow that must be sufficient and pertinent enough to obtain a reliable estimate. If the observable data prove to be limited or are no longer fully pertinent given the prevailing circumstances, the company shall refer to its own judgment through experience.

For loans not comprising any unpaid sums but whose target depreciation indices point to future difficulties:

The bank shall refer to historical loss statistics for similar loans to estimate and position future flows.

If the statistics or observable data prove to be limited or are no longer pertinent given the prevailing circumstances, the company will refer to its own judgment based on fully documented experience.

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Once positioned over time, future flows will be updated per original EIR of the loan.

**Provision for depreciation on a collective basis**

When the individual depreciation test of debts does not show the existence of an objective depreciation index, the said debts will be joined together per homogenous set of similar credit risk characteristics, for submittal to a collective depreciation test.

**Appreciation of target depreciation indices**

In the framework of a collective examination, a target depreciation index can consists of summarizing the observable events indicating that it is a measurable decrease in the estimated future cash flows of a group of loans since recording for the first time, even though the said decrease cannot yet be integrated into the loans in the said group.

Among the targeted indices, are the following:

- Unfavorable modifications of the payment ability of the borrowers in the group.
- A national or local economic situation correlated to payment default on the assets of the group.

**Depreciation on collective basis: Calculation of depreciation:**

1 – Historical use of losses on assets demonstrating the credit risk characteristics similar to those of assets of the group under examination to reliably estimate the limited effect on the cash flow of the assets under examination.

If the company has no historical records of losses, it will refer to the experience of similar entities for comparable financial asset groups.

2 – Take into consideration the current observable events to consider the effects of the conditions that did not affect the period on which the historical statistical records are based.

The historical statistics of the losses used (in particular DP), if necessary, must be corrected according to the current observable data, to take account of the effects of the conditions not affecting on which the historical statistical records are based.

If the historical records of losses are no longer valid due to a modification in the conditions existing over the sale period, the company must proceed to an adjustment according to the newly prevailing context through its own experience and fully documented judgment.

3 – On the basis of the historical record of losses (if necessary adjusted) arising on assets similar to those examined collectively, an estimation of future flows is required. The methodology and assumptions used for estimating future cash flows must be examined on a regular basis to reduce any gap between the estimated losses and the losses actually incurred.

4 - Once the future flow are estimated and positioned over time, it is necessary an update is necessary at the effective interest rate (EIR).

5 - Provisions for depreciation entered at the group level constitute an intermediate step pending identification of the depreciation of each of the assets making up the group of financial assets the depreciation of which is assessed collectively. As soon as there is enough information to specifically identify the losses relevant to each of the depreciated assets of a group, individually evaluated, the said assets are retrieved from the group. Therefore, it is necessary to find out whether

fresh information will make it possible to identify one of the group loans as being individually depreciated:

If not, no loan is exited from the group.

If so, the loan identified as individually depreciated will be exited from the group and submitted to individual examination.

### 1.2.10.1 Options adopted by Attijariwafa Group

**Provisions for general bank risks**

Analysis of the provisions for risks and expenses of more than 1 million MAD serves to make sure of full adherence to IFRS conditions.

**Provisions for customer debts**

**For provision of credit on individualized basis**

The following was decided:

- Valuate the guarantees at fair price for 80% of the files.
- Determine the collective provisions for non significant individual debts on the basis of the statistical model developed for this purpose on the basis of the rate of recovery resource weighted by the seniority of debts to estimate future cash flows via recoveries.
- A statistic model was developed by project team and approved by Bank Al-Maghrib further to the results obtained by simulation.
- Determine the flow of recoveries to estimate the recovery maturities per product and type of customer.
- Loss in the event of default will be determined according to the provisions of Basle rules if the bank fails to manage to establish a model making it possible to evaluate the market value of the guarantees and to update the future recovery flows estimated at the original contractual rate.

**For calculation of collective provisions**

For enterprises:

It is necessary base the calculations on the bank internal rating (MERCER OLIVER WYMAN base) updated by taking into account a post merger perimeter).

With regard to individual and professional customer, it is necessary to take as a basis a statistical model.

### 1.2.10.2 Divergence for general bank risks

**Provision for general banking risks**

According to Moroccan rules, this healing registered the amounts that the institution decides to allocate coverage of future risks, winding up accounts currently not identified and non measurable with full accuracy, with low probability of occurring in the short-term and available for coping with these risks if they occur.

By way of example, the following can be classified in the: provisions for sectoral and interest rate risks.

When the date of occurrence of the risk or expense is estimated at more than one year on the balance sheet date, this refers to "long-term provisions for risks and expenses". If not, they will be recorded under "other provisions for risks and expenses".

No reference is made to Moroccan accounting principles with regard to potential liabilities.

**Provisions for customer debts**

The target indications for depreciation of customer debts are identical in IAS and Moroccan terms of reference, the IAS referring to breach of contract rather than failure to pay.

The provisions are determined by the difference between the net book value of the loan and the amount calculated on a basis consisting of the capital remaining due with deduction of the guarantee after application of the cover.

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### 1.2.11 PAYABLE AND DIFFERED TAX

A deferred tax asset or liability is entered each time recovery or payment of the book value of an asset or liability will increase or decrease future tax payments compared to what they would have been if the recovery (settlement) had not had any fiscal repercussion.

It is probable that the enterprise will obtain a taxable profit on which it can apply a deductible time difference:

- When there is enough taxable time difference attached to the same authority and pursuant to the same taxable entity expected to reverse:
  • During the financial year in which the deductible time differences are expected to reverse.
  • Or during financial years during which the fiscal loss resulting for the asset can be carried forward or backward.
- When it is probable that the enterprise will produce a sufficient taxable profit attached to the same tax administration for the same taxable entity over the appropriate financial years.
- Fiscal management provides an opportunity to generate a taxable profit during the appropriate financial years.

In the framework of grouping of enterprises, the cost of the acquisition is allocated to the assets and liabilities identified as acquired via reference to the fair value without modification of the tax basis. This is a taxable time difference resulting from an identified liability.

This identified liability affects the goodwill.

In a group of enterprises, when the acquisition cost allocated to a liability is tax deductible only during the financial year or when the fair price of an asset is less that the tax basis and taxable time difference appears giving rise to an identified asset.

**This affects the goodwill**

When an identified asset of the enterprise acquired has not been entered by the purchaser as an identifiable asset at the date of a consortium charter and is so at a later date in the consolidated financial statements of the purchaser, the differed tax resulting therefrom is entered in the operating account. In addition, the purchaser adjusts the gross book value of the goodwill and the cumulative depreciation corresponding to the amount that should have been inscribed. It also enters the reduction of the net book value of the goodwill to expenses.

No modification should occur with regard to negative goodwill.

The IAS prohibits updating of the differed taxes.

In the event of a change in the tax rate or rules, the impact on the differed taxes is entered according to the principle of symmetry: if the differed tax was initially entered as shareholders equity. If not the said impact will be entered as income.

#### 1.2.11.1 Options adopted by Attijariwafa bank

**Estimation of the probability of recovery of differed tax assets**

The identifications the recovery probability of which is uncertain are not activated. The probability of recovery can be apprehended by the business plans of the relevant companies.

In addition, in IFRS the expression "probable recovery" should be interpreted as meaning "recovery more probable than improbable" which could in certain cases lead to the entry of more active differed taxes than accounting principles.

Identified assets on fiscal deficits

**Entry of differed liability tax for temporary differences pursuant to intangible fixed assets generated in the framework of a joining together of enterprises**

The gaps in evaluation linked to intangible fixed assets created in the framework of a consortium charter non transferable separately from the enterprise acquired, gives rise to a negative identification even if the said fixed assets are of undetermined term.

**Asset differed tax on deductible temporary differences in consolidated equity interests.**

The obligatory entry of a differed asset tax for deductible temporary differences on consolidated equity interests, for example, in connection with the elimination of internal outcomes on consolidated interest equity) as soon as the said temporary differences should be reabsorbed in the predictable future (a rare case in the absence of a transfer decision) and recovery of the differed tax asset is probable.

**Possibility of correcting the goodwill if the ID is identified after the period acceptable in IFRS for regularization.**

A differed tax asset considered as non identifiable at the date of acquisition and calculated later, is entered into the consolidated income and the acquisition gap is corrected retrospectively including after expiry of the allocation The impact thereof is also entered into the consolidated income.

The differed taxes initially enter as shareholders equity:

Entry of the impact of changes in the tax rate. No updating of identification occurs.

#### 1.2.11.2 Divergence with Moroccan standards

In terms of accounting principles, the expression "probable recovery" is often understood as assuming a high degree of probability.

According to Moroccan rules, it is not necessary to enter differed taxes (obligatory under IAS) concerning:

- Temporary differences originating from evaluation gaps pursuant to intangible assets generally non depreciated that cannot be transferred separately from the enterprise acquired.
- Restatements for hyperinflation
- Non distributable reserves of associated enterprises and joint ventures.
- Temporary differences pursuant to equity interests in consolidated enterprises the transfer of which is probable. The gap in rates on the former differed taxes is entered under income, in the event of a change in the rate of taxation or tax rules.

### 1.2.12 GOODWILL

**Cost of a consortium charter**

The purchaser must evaluate the cost of a consortium charter as:

- The total of fair prices at the date of exchange, all assets taken together, of the liabilities incurred or borne and shareholder equity instruments issued by the purchaser in exchange for control of the enterprise acquired;

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- Plus all the costs directly attributable to the consortium charter: fees paid to accounts, legal advisors, assessors and other consultants brought in to carry out the amalgamation.
- Deducted from general administrative costs including the operation costs of any service in charge of acquisitions and the other costs not directly ascribed to the amalgamation in the process of being recorded. These costs are entered into expenses at the time incurred.

The date of acquisition is the date at which the purchaser actually acquires control of the business acquired.

**Allocation of the cost of a consortium charter to the assets acquired and liabilities and possible liabilities accepted**

At the date of acquisition the purchaser must assign the cost of a consortium charter by entering the identifiable assets, real and potential liabilities of the enterprise acquired meeting the entry requirements at the respective fair prices prevailing at that date.

Any difference between the cost of the consortium charter and the share of interest of the purchaser at the net fair price of the assets, the actual and possible liabilities identifiable, is entered as goodwill.

The purchaser must enter separately the identifiable assets, actual and possible liabilities of the acquired company at the date of acquisition (in other words those existing at the date of acquisition, only if, at the said date, they meet the following criteria:

- In the case of an asset other than an intangible fixed asset it is probable that any future economic benefit linked thereto will go to the purchaser and that the fair value will be reliably evaluated.
- In the case of a real rather than possible liability, it is probable that the exit of resources representing economic benefits will be necessary to cancel the obligations and the fair value can then be reliably evaluated.
- In the case of an intangible fixed asset or potential liability, the fair value can be reliably evaluated.

**Goodwill**

At the date of acquisition, the purchaser can enter the goodwill acquired in connection with a consortium charter as an asset.

- Initial evaluation: this goodwill must be initially evaluated at its cost, the cost being the surplus value of the consortium charter on the share of interest of the purchaser at net fair price of the identifiable assets, actual and possible liabilities.
- Future evaluation: after the initial entry the purchaser must evaluate the goodwill acquired in connection with a consortium charter, minus the cumulative losses in value.

If the initial entry of a consortium charter can be determined temporarily only before the end of the period during which the consortium is in place, the purchaser must enter the consortium by using the said provisional values linked to completion of the initial entry within a timeframe of twelve (12) months starting the date of acquisition.

### 1.2.12.1 Options adopted by Attijariwafa bank

- Option to not restate the goodwill existing on 31 December 2005 in compliance with the provisions of IFRS 1 "FTA" standard.

- Stop of goodwill depreciation as the life term thereof is indefinite according to the IFRS3 consortium charter standard.
- Regularly scheduled depreciation tests must be conducted to ensure that the book value of the goodwill is higher than their recoverable value. In the opposite case, any depreciation should be recorded.
- The cash generating units are defined according to the sectoral information at the Group level. These units correspond to the banking and insurance activities.
- The recoverable value is the largest market value and the going value (based on updated cash flows) of the bank.

#### 1.2.12.2 Divergence with Moroccan standards

The notion of "goodwill" is a new feature compared to Moroccan standards, replacing the notion of "consolidation goodwill".

Upon entry of a company into the consolidation perimeter, the difference between the cost of acquisition of its equity interests and the share of the holding company in its equity, including the income of the fiscal year acquired at that date, is called "first consolidation goodwill".

The shareholders equity is restated to take account of the evaluation rule used for consolidation.

Whether positive or negative the first consolidation excess must be split up between:

- On one hand, the positive or negative goodwill amortizations regarding certain identifiable items in the balance sheet which are then corrected to bringing them to the required value for determination of the global value of the company, and
- On the other hand, a goodwill amortization constituted by the non allocated balance.

If the goodwill amortization is positive it is depreciated according to a previously established plan over a term determined according to the objectives of the acquisition of no more than ten (10) years.

If the goodwill amortization is negative, it is entered into the income statement either to compensate for any weakness in the corporate income at the time of acquisition and at that level or according to a pre-established plan if the gap is not attributable to an unfavorable trend in the consolidated corporate income.

### 1.2.13 EMBEDDED DERIVATIVES

An embedded derivative is a component of a financial or other contract, the effect of which is to cause variation of a part of the cash flow of the operation in a way analogous to that of an autonomous derivative.

Standard IAS39 defines a hybrid contract comprising a host contract and embedded derivative.

The embedded derivative must be separated provided the three following conditions are fulfilled:

- The hybrid contract is not entered at fair value (taking into account fair value valuations in the operating account).
- Separate from the host contract, the embedded derivative has all the characteristics of a derivative.
- The characteristics of the derivative are not closely linked to those of a host contract.

For example:

- Commercial contracts issued in a currency different to the currency of the company.
- Rental contract indexed on inflation.

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- Special contractual clauses, postponement of period of validity, reimbursement operations, extension option, interest indexation.
- Option of conversion of a debt into an equity instrument.

Some of these derivatives require entry separated by the host contract; therefore they have to be detected.

For derivatives included in financial instruments, they must be entered independently of the main contract.

Standard IAS 39 recommends valuation of the initial host contract by calculating the difference between the fair value of the hybrid contract (= cost) and the fair value of the embedded derivative.

If, however, the embedded derivative cannot be reliably determined IAS 39 makes it possible to calculate it by the difference between the fair value of the hybrid contract and that of the host contract.

If none of the solutions are feasible, IAS 39 requires valuation of the entire hybrid contract at fair value (taking into account the variations in value in the income account).

This is tantamount to entering the hybrid contract under "financial asset at fair value – allocation per option".

#### 1.2.13.1 Options adopted by Attijariwafa bank

If the outcome of calculation of the embedded derivatives at fair price shows there is a significant impact, the embedded derivative is to be entered under "trading".

#### 1.2.13.2 Divergence with Moroccan standards

The notion of embedded derivative is not recognized in local standards. An embedded derivative is therefore nee r entered separately from the host contract.

### 1.3.14 STAFF BENEFITS

**General Principle**

The entity must enter not only the legal obligation resulting from the formal conditions of the benefits spelled out, but also any implicit obligation emanating from these practices. These practices generate an implicit obligation when the entity disposes of no other realistic solution than to pay the benefits to staff members. For example there is an implicit obligation if a change in the practices of an entity gives rise to an unacceptable degradation in relations with the personnel.

**Typology of payroll benefits**

The payroll benefits are divided into five categories according to the nature and modalities of payment. The following can be pointed out:

**Short-term benefits**

Examples: Paid vacation, sick leave, salaries, bonuses, social security contributions, benefits in kind, insurance, provident funds, etc.

The short-term benefits are integrally owed within the twelve month period following the end of the financial year during which staff members have provide the corresponding services for paid holidays/vacation, bonuses and insurance. Recording thereof poses no particular difficulty. They are recorded in the expenses for the period in question.

These benefits are to be kept separate from end of work contract indemnities and shareholder equity benefits.

**Post employment benefits**

This heading joins together all the services guaranteed starting departure on retirement: pensions, medical assistance after employment, benefits in kind, provident funds, end-of-career indemnities, etc.

The providence fund covers risks for death, work cessation of employed staff and medial expenses via the payment of capital, an annuity (disability, incapacity) or reimbursement of medical costs.

The commitment regarding the providence funds and benefits in kind for retirees is subjected to the same accounting principles as for retirement.

The system of post employment benefits is classified into contribution schemes or service schemes defined according to the economic reality of the scheme resulting from the principal terms and conditions.

**Defined contribution schemes**

In defined contribution schemes, the legal or implicit obligations of the company is limited to the amount at which it agreement to pay to the fund, the actuarial and investment risk being incumbent on the staff members.

**Defined benefit schemes**

In the defined benefit schemes, the company agrees on the amount of the service to be paid to the members of its active staff or former personnel members and therefore assumes the actuarial and financial risk.

**Long-term benefits**

This heading includes holidays linked to seniority, (such as wissam schorl") long-term disability indemnities if payable 12 or more months after wind up of the financial year, premiums and differed remunerations.

These benefits are to be separated from end of work contract indemnities, equity benefits and post-employment benefits.

**End of work contact indemnities**

This heading primarily concerns benefits payable further to the decision by the company to end employment prior to retirement age allowed by collective bargaining agreements, company accords (severance pay) or acceptance by the employee of dismissal in exchange for these benefits (resignation).

**Benefits on equity**

The benefits on equity capital can take the form of capital instruments (shares, stock options, etc.) or cash payments depending on the share price trends.

Post employment benefits: defined benefit schemes

**Actuarial gains and losses**

Actuarial gains and losses can result from increases or decreases of the current value of an obligation for defined benefits or of the fair value of the assets of the corresponding scheme. Among the causes likely to generate actuarial gains and losses the following can be mentioned:

- The exceptionally high or low rate of staff rotation, departure on early retirement, mortality, salary increases, personnel benefits or medical costs.
- The effect of a change in the assessment of the rates of future staff rotation, departure on early retirement, mortality, salary increases, benefits rights (if the formal or implicit terms of a particular scheme include increases in service rights linked to inflation) or medical costs.
- The impact of trends in the discount rate, and
- The differences between the likely yield of assets of the scheme and the actual yield

**Corridor method**

The entity must record a fraction of the actuarial profits and losses in income or expenses if the actuarial cumulative profits and losses not recorded at the end of the previous financial year surpass the larger of the two values here below:

- 10% of the current value of the obligation for defined benefits at the date of closure (before deduction of the scheme assets) and
- 10% of the fair value of the scheme assets at the date of closure.

These limits must be calculated and applied separately for each defined benefit scheme

The fraction of the actuarial profits and losses to be recorded for each defined scheme is the surplus divided by the term of the average residual active life of staff members benefiting from this scheme.

**Cost of past service**

The cost of past benefits is general when the entity adopts a defined benefit scheme or changes the

services provided pursuant to an existing scheme. These changes are made as a counterpart of the services these staff members will provide over a period ending when the rights to the said services will have accrued. Therefore, the cost of past benefits is split up over the said term without taking account of the fact that it is for services rendered in previous financial years. The cost of past benefits is assessed by the change in liabilities resulting from the amendment.

The entity must record the cost of past benefits under expenses by a linear method over the average remaining term until the corresponding rights are acquired by the personnel to the extent in which benefits rights have already be acquired. To the extent in which the benefits rights at the time of adoption of the defined benefit scheme or the modification thereof, the entity must immediately record the cost of past benefits.

**Reductions and liquidations**

A reduction occurs when and entity:

- Can prove that it has proceeded to significantly reduce the number of persons benefiting from a specific scheme, or
- Changes the terms of a defined benefit scheme in such a way as a significant share of future services of the current staff members no longer allows service rights or only in reduced number.

**Reduction**

This can result from an isolated event such as the shutdown of a factory, cessation of an activity, or the termination or suspension of a particular scheme. An event is sufficiently significant to be qualified as a reduction when the fact of recognizing a profit or loss of reduction has a substantial impact on the financial statements. Reductions are often connected to restructuring. Therefore, an entity records a reduction at the same time as the corresponding restructuring operation.

**Liquidation**

When an entity concludes a transaction eliminating all future legal or implicit obligations for all or part of the services provided by a defined benefit scheme, for example when it pays the beneficiaries or on their behalf, a lump sum in exchange for their rights to benefit from post employment services.

An entity must record the profits or losses recorded by way of the reduction or liquidation of a benefit scheme defined at the moment at which the reduction or liquidation occurs.

The profit or loss linked to a reduction or liquidation must include:

- Any change in the current value of the obligation by way of the resulting defined benefits.
- Any change in the fair value of the assets of the resulting scheme/
- Any corresponding actuarial profits or losses and the cost of past benefits not recorded beforehand.

Before determining the effect of a reduction or liquidation, the entity must once again assess the obligation (and, if necessary, the assets corresponding to the scheme) by means of current actuarial assumptions (in particular current market interest rates and other current market prices).

**Long-term benefits**

The IAS 19 standard imposes a simplified accountancy method for other long-term benefits. This method differs in the following ways as compared to post employment benefits:

- The actuarial profits and losses are recorded immediately and no corridor is applied, and
- The entire cost of past benefits is immediately recorded.

**End of work contract indemnities**

An entity is clearly committed to end a work contract only if it has a formal and detailed plan of lay offs without any real possibility of changing its mind. This plan must bear mention of:

- Place, position and approximate number of persons to see their work contracts ended
- The end of work indemnities offered for each professional classification or function, and
- The date at which the plan will be implemented. Implementation must begin as soon as possible and the term must be such that any substantial changes in the plan are little probable. An entity must record the end of work indemnities in the liabilities and expenses only if it has clearly entered into this process.
- End the work contract of one or more staff members before their age of normal departure on retirement, or
- Grant end of work contract indemnities further to an offer issued to encourage voluntary termination of employment.

**Coverage of commitments**

Commitments can be covered in two different ways:

1. By the constitution of an internal provision only or complimentary to the asset coverage reimbursement rights.
2. Via outsourcing the obligation to pay benefits by subscription to an insurance policy (the company transfers its obligation to pay benefits: actuarial and placement risks are managed by the insurer who pays the benefits. The sole obligation of the company is to pay the contribution under the defined contribution scheme.

The revised version of the standard (2000 revision) specified the three criteria characterizing the asset cover (or permissible insurance contracts).

- The legal entity holding these assets must be legally separate from the company.
- The assets must be exclusively allocated to the financing of the benefits payable according to the scheme studies.
- les actifs doivent être affectés exclusivement au financement des prestations payables au titre du régime étudié,

- If these assets are sufficient to cover the commitments the company has no legal obligation to pay the benefits directly in accordance with the scheme.

Any asset designed to cover the commitments but that does not check the aforementioned criteria is a "reimbursement right". The reimbursement rights are recorded as a separate asset. They are not included in any reduction of commitments as opposed to asset covers.

**Commitment assessment**

**Method**

The valuation of defined benefit schemes implies the obligation to use actuarial techniques to reliably assess the amount of benefits accumulated by the personnel as a counterpart to services rendered during the current and former financial years.

This assumes an assessment of the benefits, mortality type, demographic variables and personnel rotation, discount rate financial variables of updated rates, and future salary increases that will have an effect on the cost of benefits.

The method recommended by standard IAS 19 is projected unit credit method which is also the one used under French standards in the framework of the preferential method.

This is tantamount to recognizing at the date of calculation; a commitment equal to the current probable value of the end-of-career benefits multiplied by the relationship between seniority at the date of the calculation and the date of departure for retirement of the wage earner.

This is like considering that the commitment is constituted at the pro rata of seniority acquired by the wage earner.

Therefore, calculation of the benefits is performed according to seniority of the wage earner and salary estimated on the day of the defined end-of-career.

**Assumptions**

The actuarial assumptions are the best estimates of the final cost of post employment benefits. The said assumptions include:

**Demographic assumptions**

They are pursuant to the future characteristics of the former and current personnel (and dependents) having all the conditions required to be able to enjoy the benefits offered. These assumptions deal with the following items:

- Mortality during and subsequent to employment
- Personnel rotation, disability and departure on early retirement.
- The proportion of members affiliated to the scheme and dependents thereof answering to the conditions required for eligibility of benefits, and
- The rate of application for indemnities in compliance with medical schemes.

**Expected rate of yield of assets in scheme**

This rate must be established on the basis of market expectations at the date of closure for the period during which the obligations are to be settled.

It must reflect the make up of the asset portfolio. The make up of asset covers of the scheme (bonds, stocks, real estate, etc.) and the likely yield used for each category of assets must be pointed out in the actuarial report.

**Discount/inflation rate**

The rate to be applied to discount the bonds according to post employment benefits (whether financed or not) must be determined by referring to a market rate at the date of closing founded on first class bonds. In countries where this type of market is not active, it is necessary to use the rate (upon closure) of State bonds. The currency and term of the entity or state bonds must be coherent with the currency and estimated term of the bonds for post employment benefits.

The term commitments must be estimated based on the schedule for future payments (single weighted average) for all the parties participating in the scheme on the date of evaluation

**Personnel salaries, benefits and health care**

The obligation with regard to post employment benefits must be assessed according to a basis reflecting:

- The estimated future salary increases.
- The rights to benefits according to the terms of the scheme (or resulting from any further implicit obligation) at the date of closure, and
- The estimated future changes in the level of benefits paid in the framework of any general and obligatory scheme affecting the benefits to be paid with regard to a defined benefit scheme only if:

• The said changes were adapted prior to the date of closure.

• Past experience or other reliable indications demonstrate that the benefits paid in the framework of a general and obligatory scheme will evolve in a predictable manner, for example they will follow along the same lines as the general price or salary levels.

The assumption regarding health care must take into account the estimated future trends in cost for health case resulting from inflation and specific trends in the said costs.

### 1.2.14.1 Options adopted by Attijariwafa bank

It was decided for Attijariwafa bank that retirement benefits would be connected to the defined contribution scheme. Therefore, the recording thereof requires no IFRS restatement.

For post employment health care (CMIM) Attijariwafa bank does not dispose of enough information for recording as such this defined benefits multiple employer scheme.

### 1.2.14.2 Divergence with Moroccan standards

The accounting rules concerning benefits of personnel in Morocco differ from those of IFRS. Moroccan standards do not state that it is necessary to constitute a provision for commitments for end-of-career benefits.

### 1.2.14.3 Payments in shares

Payments in shares are constituted by payments based on shares issued by the group whether by submittal of stocks or by the payment in hard cash the amount of which will depend on share value trends.

The said payments can be made by allocation of a stock option or by a sell out proposal.

Attijariwafa bank grants its employees sell out proposal and has agreed to a long-term plan making it possible to bring the employee shareholders to 3% of the bank capital, the purpose being to develop wage earner savings and constitute a providence fund surplus.

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For stock options offered to wage earners, a discount is granted on the average market price for a given term. The cost of this benefit is recorded taking account of the period of inalienability.

### 1.2.15 RECYCLABLE AND NON RECYCLABLE EQUITY

FTA adjustments were entered into the bank Consolidated Financial statementss in counterpart to shareholders equity.

The impacts of the value corrections on the shareholders equity can be final or temporary:

If the FTA adjustment originates from an IFRS entry that should have impacted the outcome, the gap in value is definitively frozen in shareholders equity via use of a non recyclable equity capital account.

If the FTA adjustment originates from an IFRS entry impacting shareholders equity, recycling into income is possible at the time of transfer or materialization of the cover by use of a recyclable shareholders equity account.

### 1.2.17 CASH FLOW TABLE

The cash flow balance consists of net cash account balances, central banks, postal checks, as well an the net balances of sight loans and credits from credit institutions.

### 1.2.18 ESTIMATES USED IN PREPARING FINANCIAL STATEMENTS

Devising of the financial statement of Attijariwafa bank Group requires the formulation of assumptions and the use of estimates the future realization of which can be influenced by several factors, for example:

- National and international markets
- Interest rate and foreign exchange fluctuations
- Economic situation and certain sectors of activity or countries
- Modifications in rules and legislation.

These assumptions basically concern:

- Use of internal models for valuation of the financial instruments for which there are no quotations on organized markets.
- Depreciation test on provisions for depreciation of intangible assets.
- Determination of provisions for depreciation of loans and advances and provisions for risks and expenses.
- Estimate of residual values regarding assets valued at the amortized cost for financial leasing and rental contracts.

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## At 31 december 2009

**Consolidated IFRS Balance Sheet** at 31 december 2009

(Thousand MAD)

| ASSETS (under IFRS) | NOTES | 12/31/2009 | 12/31/2008 |
|---|---|---|---|
| Cash and balances with central banks, the Treasury and post office accounts | | 13 937 027 | 15 729 694 |
| Financial assets at fair value through income | 2.1 | 23 415 807 | 20 996 239 |
| Derivative hedging instruments | | | - |
| Available-for-sale financial assets | 2.2 | 25 812 646 | 25 694 850 |
| Loans and advances to credit institutions and similar establishments | 2.3 | 27 240 871 | 25 703 520 |
| Loans and advances to customers | 2.4 | 178 992 641 | 153 472 051 |
| Interest rate hedging reserve | | - | - |
| Held-to-maturity investments | | - | - |
| Current tax assets | 2.5 | 60 972 | 37 766 |
| Deferred tax assets | 2.5 | 732 402 | 781 239 |
| Other assets | 2.6 | 6 539 854 | 5 204 763 |
| Participations of insured parties in differed profits | 2.2 | 317 846 | 149 002 |
| Non-current assets held for sale | | - | - |
| Investments in companies accounted for under the equity method | 2.7 | 97 734 | 93 571 |
| Investment property | 2.8 | 1 077 449 | 791 331 |
| Property, plant and equipment | 2.9 | 4 490 309 | 4 330 027 |
| Intangible assets | 2.9 | 1 222 753 | 902 636 |
| Goodwill | 2.10 | 6 408 911 | 5 055 213 |
| **TOTAL ASSETS** | | **290 347 222** | **258 941 902** |

| LIABILITIES (under IFRS) | NOTES | 12/31/2009 | 12/31/2008 |
|---|---|---|---|
| Amounts owing to central banks, the Treasury and post office accounts | | 111 049 | 116 881 |
| Financial liabilities at fair value through income | 2.11 | 2 145 888 | 2 801 068 |
| Derivative hedging instruments | | - | - |
| Amounts owing to credit institutions and similar establishments | 2.12 | 26 093 428 | 25 240 708 |
| Customer deposits | 2.13 | 194 705 935 | 176 592 755 |
| Debt securities issued | 2.14 | 6 550 653 | 4 453 141 |
| Interest rate hedging reserve | | - | - |
| Current tax liabilities | 2.5 | 804 006 | 476 826 |
| Deferred tax liabilities | 2.5 | 1 498 993 | 1 461 961 |
| Other liabilities | | 8 481 286 | 5 067 048 |
| Liabilities related to non-current assets held for sale | | - | - |
| Insurance companies' technical reserves | | 15 628 317 | 13 805 743 |
| General provisions | 2.15 | 1 062 927 | 1 182 392 |
| Subsidies, public funds and special guarantee funds | | 210 746 | 219 660 |
| Subordinated debt | 2.14 | 8 271 775 | 6 432 961 |
| Share capital and related reserves | | 7 366 523 | 7 366 523 |
| Consolidated reserves | | 12 123 880 | 9 129 970 |
| *- Group share* | | 9 149 861 | 7 292 229 |
| *- Minority interests* | | 2 974 019 | 1 837 741 |
| Unrealised deferred capital gains or losses | | 700 923 | 956 901 |
| Net income for the financial year | | 4 590 892 | 3 637 363 |
| *- Group share* | | 3 940 837 | 3 117 998 |
| *- Minority interests* | | 650 055 | 519 365 |
| **TOTAL IFRS LIABILITIES** | | **290 347 222** | **258 941 902** |

| SHAREHOLDERS' EQUITY | | | |
|---|---|---|---|
| - Group share | | 21 158 145 | 18 733 652 |
| - Minority interests | | 3 624 074 | 2 357 106 |
| **TOTAL** | | **24 782 219** | **21 090 758** |

## Consolidated income statement under IFRS at 31 december 2009

(Thousand MAD)

| | NOTES | 12/31/2009 | 12/31/2008 |
|---|---|---|---|
| Interest and similar income | 3.1 | 12 298 097 | 11 177 309 |
| Interest and similar expenses | 3.1 | 4 929 556 | 4 214 716 |
| **NET INTEREST MARGIN** | | **7 368 541** | **6 962 594** |
| Fees received | 3.2 | 2 407 257 | 2 318 490 |
| Fees paid | 3.2 | 203 683 | 166 682 |
| **NET FEE INCOME** | | **2 203 574** | **2 151 808** |
| Net gains or losses on financial instruments at fair value through income | 3.3 | 1 510 262 | 944 361 |
| Net gains or losses on available-for-sale financial assets | 3.4 | 1 556 706 | 379 054 |
| **INCOME FROM MARKET ACTIVITIES** | | **3 066 969** | **1 323 415** |
| Income from other activities | 3.5 | 4 337 748 | 4 157 547 |
| Expenses on other activities | 3.5 | 3 721 661 | 3 628 396 |
| **NET BANKING INCOME** | | **13 255 170** | **10 966 967** |
| General operating expenses | | 4 762 794 | 4 357 164 |
| Depreciation, amortisation and provisions | | 642 495 | 489 443 |
| **GROSS OPERATING INCOME** | | **7 849 881** | **6 120 360** |
| Cost of risk | 3.7 | -988 329 | -632 288 |
| **OPERATING INCOME** | | **6 861 552** | **5 488 072** |
| Net income from companies accounted for under the equity method | | 12 394 | 9 093 |
| Net gains or losses on other assets | | -6 262 | 2 382 |
| Changes in value of goodwill | | - | - |
| **PRE-TAX INCOME** | | **6 867 684** | **5 499 546** |
| Income tax | | 2 276 792 | 1 862 183 |
| **NET INCOME** | | **4 590 892** | **3 637 363** |
| Minority interests | | 650 055 | 519 365 |
| **NET INCOME GROUP SHARE** | | **3 940 837** | **3 117 998** |
| Earnings per share (in dirhams) | | 20.42 | 16.16 |
| Earnings per share (in dirhams) | | 20.42 | 16.16 |

## Statement of net income and gains and losses directly recorded in shareholders equity

at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Net income** | **4 590 892** | 3 637 363 |
| **Asset and liability variations directly recorded in shareholders equity** | **-299 472** | **-296 309** |
| Translation gains or losses | 8 773 | -16 802 |
| Variation in value of financial assets available for sale | -300 015 | -329 085 |
| Revaluation of fixed assets | - | 53 070 |
| Variations in differed value of derivative coverage instruments | - | - |
| Items regarding enterprises by equity method | -8 230 | -3 492 |
| **Grand total** | **4 291 420** | **3 341 054** |
| Group share | 3 686 709 | 2 815 961 |
| Minority interest share | 604 711 | 525 093 |

# Consolidated Financial statements

## At 31 december 2009

**Table of shareholders equity variation** at 31 december 2009

(Thousand MAD)

| | | Share capital (1) | Reserves (related to share capital) (2) | Treasury stock (3) | Reserves and consolidated income (4) | Total assets and liabilities entered directly in capital (5) | Share-holders' equity Group share (6) | Minority interests (7) | Total (8) |
|---|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity at 31 december 2007** | | **1 929 960** | **5 436 564** | **-1 727 356** | **10 017 082** | **1 291 261** | **16 947 510** | **1 208 336** | **18 155 846** |
| Effect of changes to accounting policies | | | | | | | - | | - |
| **Shareholders' equity restated at 31 december 2007 corrected** | | **1 929 960** | **5 436 564** | **-1 727 356** | **10 017 082** | **1 291 261** | **16 947 510** | **1 208 336** | **18 155 846** |
| Transactions related to share capital | | | | | -228 145 | | -228 145 | -59 820 | -287 965 |
| Share-based payments | | | | | | | - | | - |
| Transactions related to Treasury stock | | | | -129 332 | | | -129 332 | | -129 332 |
| Dividends | | | | | -927 851 | | -927 851 | -90 319 | -1 018 170 |
| **Net income at 31 december 2008** | | | | | **3 117 998** | | **3 117 998** | **519 365** | **3 637 363** |
| Variations in assets and liabilities recorded directly in shareholders' equity | (A) | | | | | -328 852 | -328 852 | -27 577 | -356 429 |
| Translation gains and losses | (B) | | | | | -10 176 | -10 176 | -5 190 | -15 366 |
| **Total assets and liabilities entered directly in capital** | **(A)+(B)** | **-** | **-** | **-** | **-** | **-339 027** | **-339 027** | **-32 767** | **-371 795** |
| **Other variations** | | | | | **113 906** | | **113 906** | **-157 978** | **-44 071** |
| **Perimeter variation** | | | | | **141 603** | **36 990** | **178 593** | **970 289** | **1 148 881** |
| **Shareholders' equity at 31 december 2008** | | **1 929 960** | **5 436 564** | **-1 856 688** | **12 234 594** | **989 223** | **18 733 652** | **2 357 106** | **21 090 758** |
| Effect of changes to accounting policies | | | | | | | | | |
| **Shareholders' equity restated at 31 december 2008 corrected** | | **1 929 960** | **5 436 564** | **-1 856 688** | **12 234 594** | **989 223** | **18 733 652** | **2 357 106** | **21 090 758** |
| Transactions related to share capital | | | | | 251 503 | | 251 503 | 211 616 | 463 118 |
| Share-based payments | | | | | | | - | | - |
| Transactions related to Treasury stock | | | | -195 496 | | | -195 496 | | -195 496 |
| Dividends | | | | | -737 072 | | -737 072 | -77 065 | -814 137 |
| **Net income for the period** | | | | | **3 940 837** | | **3 940 837** | **650 055** | **4 590 892** |
| Total assets and liabilities entered directly in capital | (D) | | | | | -264 208 | -264 208 | -44 037 | -308 245 |
| Variations in assets and liabilities recorded directly in shareholders' equity | (E) | | | | | 9 972 | 9 972 | -1 352 | 8 621 |
| **Latent or differed gains or losses** | **(D)+(E)** | **-** | **-** | **-** | **-** | **-254 235** | **-254 235** | **-45 389** | **-299 624** |
| **Other variations** | | | | | **-595 913** | | **-595 913** | **156 218** | **-439 695** |
| Changes in scope of consolidation | | | | | 14 763 | 108 | 14 870 | 371 534 | 386 404 |
| **Shareholders' equity at 31 December 2009** | | **1 929 960** | **5 436 564** | **-2 052 185** | **15 108 711** | **735 096** | **21 158 145** | **3 624 074** | **24 782 219** |

**Cash flow table** at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Pre-tax income** | **6 867 684** | **5 499 546** |
| +/- Net depreciation and amortisation of property, plant and equipment and intangible assets | 642 495 | 489 443 |
| +/- Net impairment of goodwill and other fixed assets | | |
| +/- Net amortisation of financial assets | -3 874 | -10 021 |
| +/- Net provisions | 1 186 570 | 710 128 |
| +/- Net income from companies accounted for under the equity method | -12 394 | -9 093 |
| +/- Net gain/loss from investment activities | -1 619 232 | -410 261 |
| +/- Net gain/loss from financing activities | | |
| +/- Other movements | -40 709 | 152 265 |
| **Total non-cash items included in pre-tax income and other adjustments** | **152 856** | **922 461** |
| +/- Flows relating to transactions with credit institutions and similar establishments | 6 533 307 | 2 537 308 |
| +/- Flows relating to transactions with customers | -7 847 641 | -9 142 506 |
| +/- Flows relating to other transactions affecting financial assets or liabilities | -2 616 781 | -5 610 497 |
| +/- Flows relating to other transactions affecting non-financial assets or liabilities | | |
| - Taxes paid | -1 982 353 | -1 516 280 |
| **Net increase/decrease in operating assets and liabilities** | **-5 913 467** | **-13 731 975** |
| **Net cash flow from operating activities** | **1 107 073** | **-7 309 968** |
| +/- Flows relating to financial assets and investments | -2 070 358 | -2 255 732 |
| +/- Flows relating to investment property | -104 049 | 26 776 |
| +/- Flows relating to plant, property and equipment and intangible assets | -682 519 | -690 670 |
| **Net cash flow from investment activities** | **-2 856 926** | **-2 919 626** |
| +/- Cash flows from or to shareholders | -814 137 | -1 018 170 |
| +/- Other net cash flows from financing activities | 3 792 590 | 4 984 637 |
| **Net cash flow from financing activities** | **2 978 453** | **3 966 467** |
| **Effect of changes in foreign exchange rates on cash and cash equivalents** | **12 634** | **37 683** |
| **Net increase (decrease) in casha and cash equivalents** | **1 241 234** | **-6 225 443** |
| **Cash and cash equivalents at the beginning of the period** | **15 696 610** | **21 922 053** |
| Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts | 15 612 813 | 16 774 635 |
| Inter-bank balances with credit institutions and similar establishments | 83 797 | 5 147 418 |
| **Cash and cash equivalents at the end of the period** | **16 937 843** | **15 696 610** |
| Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts | 13 825 978 | 15 612 813 |
| Inter-bank balances with credit institutions and similar establishments | 3 111 866 | 83 797 |
| **Net change in cash and cash equivalents** | **1 241 234** | **-6 225 443** |

# 2- Notes pursuant to balance sheet

## 2.1 Financial assets at fair value through income at 31 december 2009

(Thousand MAD)

| | Financial assets held for trading | Financial assets at fair value through income |
|---|---|---|
| Loans and advances to credit institutions and similar establishments | | |
| Loans and advances to customers | | |
| Financial assets held as guarantee for unit-linked policies | | |
| Securities received under repo agreements | - | 1 298 |
| Treasury notes and similar securities | 4 434 506 | - |
| **Bonds and other fixed income securities** | **4 382 945** | **-** |
| • Listed securities | 1 571 200 | - |
| • Unlisted securities | 2 811 745 | - |
| **Shares and other equity securities** | **11 987 690** | **134 668** |
| • Listed securities | 11 987 690 | 134 668 |
| • Unlisted securities | | - |
| **Derivative instruments** | **2 356 507** | |
| **Related loans** | **118 193** | |
| **Fair value on the balance sheet** | **23 279 841** | **135 966** |

## 2.2 Available-for-sale financial assets

(Thousand MAD)

### 2.2.1 Available-for-sale financial assets at 31 december 2009

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Securities valued at fair value** | | |
| **Treasury notes and similar securities** | **10 407 041** | **12 118 104** |
| **Bonds and other fixed income securities** | **7 831 176** | **6 773 608** |
| • Listed securities | 5 449 661 | 2 059 109 |
| • Unlisted securities | 2 381 515 | 4 714 500 |
| **Shares and other equity securities** | **4 456 555** | **3 087 219** |
| • Listed securities | 2 294 464 | 2 790 764 |
| • Unlisted securities | 2 162 092 | 296 455 |
| Securities in non-consolidated affiliates | **3 435 719** | **3 864 920** |
| **Total available-for-sale securities** | **26 130 492** | **25 843 851** |

Available-for-sale financial assets held by Wafa Assurance totalled MAD 8 035 millions at the end december 2009 vs. MAD 8003 millions at the end december 2008.

### 2.2.2 Underlying gains and losses on financial assets available for sale at 31 december 2009

| | 12/31/2009 | | | 12/31/2008 | | |
|---|---|---|---|---|---|---|
| | Fair value | Underlying gains | Underlying losses | Fair value | Underlying gains | Underlying losses |
| Public bill and securities of the like | 10 407 041 | 318 765 | -2 672 | 12 118 104 | 211 472 | -8 605 |
| Bonds and other fixed income securities | 7 831 176 | 186 372 | -5 070 | 6 773 608 | 114 491 | -42 724 |
| Share and other variable income securities | 4 456 555 | 187 820 | -2 528 | 3 087 219 | 1 323 898 | -6 972 |
| Non consolidated equity interest securities | 3 435 719 | 968 858 | -273 732 | 3 864 920 | 338 183 | -175 283 |
| **Balance sheet value of assets available for sale** | **26 130 492** | | | **25 843 851** | | |
| Total underlying gains and losses | | 1 661 815 | -284 001 | | 1 988 044 | -233 585 |
| Differed taxes | | -558 414 | 97 413 | | -623 655 | 86 006 |
| Underlying gins and losses on net financial assets available for sale | | 1 103 402 | -186 589 | | 1 364 390 | -147 578 |
| **Underlying gains and losses on net financial assets available for sale Group share** | | **870 680** | **-169 757** | | **1 092 127** | **-135 226** |

## 2.3 Loans and advances to credit institutions and similar establishments

### 2.3.1 Loans and advances to credit institutions at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Credit institutions** | | |
| Accounts and loans | 25 606 437 | 23 082 944 |
| Securities on pawn | - | 366 987 |
| Subordinated loans | 20 663 | 19 663 |
| Other loans and advances | 1 458 094 | 2 060 806 |
| **Total in principal** | **27 085 195** | **25 703 520** |
| Related loans | 230 295 | 250 012 |
| Provisions | 74 618 | 76 891 |
| **Net value** | **27 240 871** | **25 703 520** |
| **Internal operations** | | |
| Regular accounts | 2 298 031 | 1 274 286 |
| Accounts and long-term advances | 23 072 119 | 18 851 595 |
| Subordinated loans | 432 423 | 411 877 |
| Related loans | 52 536 | 158 731 |

### 2.3.2 Breakdown of loans and advances to credit institutions by geographical area at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Morocco | 12 745 425 | 15 208 829 |
| Tunisia | 1 533 924 | 957 031 |
| Sub-Saharan Africa | 4 621 610 | 1 159 238 |
| Europe | 7 432 312 | 6 939 127 |
| Others | 751 924 | 1 266 173 |
| **Total in principal** | **27 085 195** | **25 530 400** |
| Related loans | 230 295 | 250 012 |
| Provisions | 74 618 | 76 891 |
| **Net loans on the balance sheet** | **27 240 871** | **25 703 520** |

### 2.3.3 Breakdown of loans and advances per remaining term

(Thousand MAD)

| | < = 3months | Between 3 months and 1 year | Between 1 and 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Loans and advances to credit institutions | 21 668 041 | 2 982 496 | 2 028 528 | 331 512 | 27 010 577 |

## 2.4 Loans and advances to customers

### 2.4.1 Loans and advances to customers at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Transactions with customers** | | |
| Commercial loans | 33 022 389 | 29 593 559 |
| Other loans and advances to customers | 123 561 385 | 93 418 964 |
| Securities received under repo agreements | 80 304 | 48 610 |
| Current accounts in debit | 18 858 439 | 26 129 334 |
| **Total principal** | **175 522 518** | **149 190 468** |
| Related loans | 1 293 782 | 1 464 192 |
| Provisions | 7 236 974 | 6 528 980 |
| **Net value** | **169 579 326** | **144 125 679** |
| **Leasing activities** | | |
| Property leasing | 1 808 350 | 1 587 676 |
| Leasing of movable property, long-term rental and similar activities | 7 977 650 | 8 108 265 |
| **Total principal** | **9 786 000** | **9 695 940** |
| Related loans | 7 884 | 11 126 |
| Provisions | 380 570 | 360 694 |
| **Net value** | **9 413 315** | **9 346 372** |
| **Total** | **178 992 641** | **153 472 051** |

### 2.4.2 Loans and advances to customers by geographical area at 31 december 2009

(Thousand MAD)

| Country | 12/31/2009 | | | | 12/31/2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | Healthy outstandings | Impaired outstandings | Individual provisions | Collective provisions | Healthy outstandings | Impaired outstandings | Individual provisions | Collective provisions |
| Morocco | 143 298 473 | 6 736 519 | 4 515 306 | 589 263 | 126 889 730 | 5 868 816 | 4 277 203 | 490 539 |
| Tunisia | 13 635 211 | 1 480 551 | 847 953 | 171 865 | 11 720 600 | 1 545 200 | 787 135 | 218 382 |
| Sub-Saharan Africa | 14 781 438 | 1 750 598 | 1 482 625 | 6 788 | 7 115 765 | 1 435 220 | 1 101 742 | 10 773 |
| Europe | 1 672 148 | 4 426 | 3 744 | - | 910 670 | 4 586 | 3 901 | - |
| Other | 1 949 154 | - | - | - | 3 395 433 | 388 | - | - |
| **Total principal** | **175 336 424** | **9 972 094** | **6 849 628** | **767 915** | **150 032 198** | **8 854 210** | **6 169 981** | **719 693** |
| Related loans | 1 301 667 | | | | 1 475 317 | | | |
| **Net loans on the balance sheet** | **176 638 091** | **9 972 094** | **6 849 628** | **767 915** | **151 507 515** | **8 854 210** | **6 169 981** | **719 693** |

### 2.4.3 Loans and advances to customer per economic operator at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Corporate entities | 128 956 795 | 109 769 994 |
| Including Large Enterprises | 97 774 967 | 89 204 332 |
| Private individuals | 48 734 179 | 42 226 740 |
| **Total in Principal** | **177 690 974** | **151 996 733** |
| Attached receivables | 1 301 667 | 1 475 317 |
| **Net values on balance sheet** | **178 992 641** | **153 472 051** |

### 2.4.4 Breakdown of loans and advances per remaining term

(Thousand MAD)

| | < = 3months | Between 3 months and 1 year | Between 1 and 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Loans and advances to customers | 46 916 031 | 24 634 104 | 52 526 771 | 51 259 518 | 175 336 424 |

The fair value of healthy outstanding loans and advances to customers and credit institutions is estimated at 201 596 million MAD.

## 2.5 Plant, property and equipment and intangible assets

### 2.5.1 Plant, property and equipment and intangible assets at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Current taxes | 60 972 | 37 766 |
| Differed taxes | 732 402 | 781 239 |
| **Current and differed tax assets** | **793 374** | **819 005** |
| Current taxes | 804 006 | 476 826 |
| Differed taxes | 1 498 993 | 1 461 961 |
| **Current and differed tax liabilities** | **2 302 999** | **1 938 788** |

### 2.5.2 Net income tax at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Current taxes | -2 286 326 | -1 550 018 |
| Net FY differed taxes | 9 535 | -312 165 |
| **Net income tax** | **-2 276 792** | **-1 862 183** |

### 2.5.3 Actual tax rate at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Net income | 4 590 892 | 3 637 363 |
| Income tax | 2 276 792 | 1 862 183 |
| **Average actual income tax** | **33,2%** | **33,9%** |

### Analysis of actual income tax

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Income tax in force | 37.0% | 37.0% |
| Differential in tax rate on foreign entities | -0.3% | -0.6% |
| Lump sum tax | -0.1% | -0.2% |
| Permanent differences | -0.5% | -4.7% |
| Change in rate | | |
| Deficit to be forwarded | | |
| Other items | -2.9% | 2.4% |
| **Average actual tax rate** | **33.2%** | **33.9%** |

## 2.6 Equalization accounts and other assets

### 2.6.1 Equalization accounts and other assets at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Other assets** | **3 452 175** | **3 129 211** |
| Sundry debtors | 1 675 330 | 1 352 702 |
| Various securities and uses | 186 928 | 216 266 |
| Other insurance assets | 1 406 193 | 1 353 163 |
| Other | 183 724 | 207 079 |
| **Equalization accounts** | **3 087 679** | **2 075 552** |
| Receivables | 1 152 897 | 608 083 |
| Expenses estimated in advance | 103 860 | 140 752 |
| Other equalization accounts | 1 830 923 | 1 326 717 |
| **Total** | **6 539 854** | **5 204 763** |

### 2.6.2 Equalization accounts and other liabilities at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Other Liabilities** | **3 998 196** | **3 007 403** |
| Miscellaneous securities operations | 57 802 | 8 950 |
| Miscellaneous creditors | 3 666 516 | 2 716 786 |
| Other insurance liabilities | 273 878 | 281 668 |
| **Equalization accounts** | **4 483 089** | **2 059 645** |
| Payables | 756 006 | 715 915 |
| Income identified in advance | 199 719 | 196 311 |
| Other equalization accounts | 3 527 364 | 1 147 419 |
| **Total** | **8 481 286** | **5 067 048** |

The other asset and liabilities accounts basically include operations not definitively charged at the moment of recording on the balance sheet. They are re-entered in the final accounts as quickly as possible.

## 2.7 Equity interests in enterprises by equity method

(Thousand MAD)

| | Equity method value | Income | Total balance sheet | Revenue (TO) | Portion of income in MEE companies |
|---|---|---|---|---|---|
| Financial firms | | | | | |
| Non-financial firms | 97 734 | 37 174 | 647 125 | 266 690 | 12 394 |
| **Net value on balance sheet in MEE companies** | **97 734** | **37 174** | **647 125** | **266 690** | **12 394** |

Participation of the group in equity method companies concerns only Moussafir Hotels.

## 2.8 Investment property

(million MAD)

| | 12/31/2008 | Perimeter variation | Acquisitions | Transfers and due dates | Other movements | 12/31/2009 |
|---|---|---|---|---|---|---|
| Gross value | 950 180 | 1 733 | 142 774 | 66 628 | 238 231 | 1 266 290 |
| Depreciation and provisions | 158 849 | 1 733 | 23 701 | 2 424 | 6 982 | 188 842 |
| **Net value on balance sheet** | **791 331** | **-** | **119 073** | **64 204** | **231 249** | **1 077 449** |

Investment property is entered into the cost according to a per component approach.
The method of calculation of depreciation is linear. The depreciation terms corresponding to the service life per the following components:

| Components | Annual duration of depreciation |
|---|---|
| MAIN STRUCTURE | 50 |
| PROOFING | 20 |
| FITTINGS AND INSTALLATION | 15 |
| TECHNICAL FACILITIES | 20 |
| INTERNAL AND EXTERNAL JOINERY | 15 |

The market value of the land and structures classified as investment property in 2009 is estimated at 1 480 million MAD

## 2.9 Plant, property and equipment and intangible assets

### 2.9.1 Plant, property and equipment and intangible assets at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | | | 12/31/2008 | | |
|---|---|---|---|---|---|---|
| | Gross value | Accumulated amortisation and impairment | Net value | Gross value | Accumulated amortisation and impairment | Net value |
| Land and buildings | 2 480 881 | 730 451 | 1 750 429 | 2 794 525 | 608 830 | 2 185 695 |
| Movable property and equipment | 2 490 202 | 1 844 891 | 645 311 | 2 279 306 | 1 692 397 | 586 909 |
| Leased movable property | 506 133 | 187 707 | 318 426 | 551 291 | 163 476 | 387 815 |
| Other property, plant and equipment | 3 239 172 | 1 463 030 | 1 776 142 | 2 009 857 | 840 249 | 1 169 608 |
| **Total property, plant and equipment** | **8 716 388** | **4 226 080** | **4 490 309** | **7 634 979** | **3 304 952** | **4 330 027** |
| IT software acquired | 1 048 091 | 397 521 | 650 570 | 703 535 | 385 047 | 318 488 |
| Other intangible assets | 1 034 960 | 462 777 | 572 183 | 900 876 | 316 728 | 584 148 |
| **Total intangible assets** | **2 083 051** | **860 298** | **1 222 753** | **1 604 411** | **701 775** | **902 636** |

### Tangible fixed assets:

Attijariwafa bank opted for an assessment of the cost of all fixed assets.
Depreciation in linear and spread out over the following service life:

| Components | Annual duration of depreciation |
|---|---|
| Buildings per component | 15-50 years |
| Equipment, furnishings, installations | 4-10 years |
| Rented movable property | N/A |
| Other fixed assets | 15-20 years |

Elsewhere the building components were amortized as follows:

| Components | Annual duration of depreciation |
|---|---|
| Main structure | 50 |
| Proofing | 20 |
| Interior fittings and arrangement | 15 |
| Fixed technical facilities | 20 |
| Joinery | 15 |

The group opted to not activate the cost of borrowings. They will be entered directly into the FY expenses.

### Intangible fixed assets apart from goodwill:

The Attijariwafa bank group did not internally generate any intangible fixed assets. The service life thereof is as follows:

| | |
|---|---|
| Software packages acquired | 5 years |
| Company-produced software packages | N/A |
| Other intangible fixed assets | 15-20 years |

### 2.9.2 Outright rentals: additional information

(Thousand MAD)

| Residual term | For the lessor<br>Amount of future minimal payments for non cancelable outright rental contracts |
|---|---|
| 1 year | 25 468 |
| > 1 year 5 years | 275 791 |
| > 5 years | |
| **Total** | **301 259** |

### 2.10 Goodwill at 31 december 2009

(Thousand MAD)

| | 12/31/2008 | Perimeter variation | Translation gains and losses | Other movements | 12/31/2009 |
|---|---|---|---|---|---|
| Gross value | 5 055 213 | 1 564 471 | -1 294 | -209 479 | 6 408 911 |
| Accumulated amortisation and impairment | | | | | |
| **Net value on the balance sheet** | **5 055 213** | **1 564 471** | **-1 294** | **-209 479** | **6 408 911** |

The Attijariwafa bank group on a regular basis conducts depreciation test for make sure the book value of goodwill (GW) is greater than the recoverable value. In the opposite case, depreciation must be recorded. For FY 2009, no depreciation was recorded.

## 2.11 Financial liabilities at fair value through income

### 2.11.1 Financial liabilities at fair value through income at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Securities pledged under repo agreements | 1 688 | 285 992 |
| Derivative instruments | 2 144 200 | 2 515 076 |
| **Fair value on balance sheet** | **2 145 888** | **2 801 068** |

### 2.11.2 Derivative instruments per type of risk at 31 december 2009

(Thousand MAD)

| | Book value | | Notional Amount |
|---|---|---|---|
| Per type of risk | Assets | Liabilities | |
| Exchange rate derivative instruments | 169 513 | 131 547 | 16 383 968 |
| Interest rate derivative instruments | 234 449 | 796 922 | 7 486 640 |
| Raw materials derivatives | 1 050 577 | 1 041 979 | 15 846 253 |
| Other derivative instruments | 901 967 | 173 752 | 1 904 984 |
| **Total** | **2 356 507** | **2 144 200** | **41 621 845** |

## 2.12 Amounts owing to credit institutions

### 2.12.1 Amounts owing to credit institutions at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Credit institutions** | | |
| Accounts and borrowings | 18 557 233 | 15 349 752 |
| Securities pledged under repo agreements | 7 344 817 | 9 638 810 |
| **Total principal** | **25 902 050** | **24 988 561** |
| Related debt | 191 378 | 252 146 |
| **Value on the balance sheet** | **26 093 428** | **25 240 708** |
| **Internal Group operations** | | |
| Current accounts in credit | 1 705 218 | 1 014 416 |
| Accounts and long-term advances | 23 534 474 | 19 106 037 |
| Related debt | 45 122 | 118 906 |

### 2.12.2 Breakdown of debts per remaining term at 31 december 2009

(Thousand MAD)

| | < = 3months | Between 3 months and 1 year | Between 1 year and 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Amounts owing to credit institutions | 13 387 750 | 4 103 367 | 8 155 199 | 255 734 | **25 902 050** |

## 2.13 Amounts owing to customers

### 2.13.1 Amounts owing to customers at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Ordinary creditor accounts | 122 522 024 | 111 478 902 |
| Savings accounts | 52 254 462 | 49 997 288 |
| Other amounts owing to customers | 8 685 200 | 7 152 832 |
| Securities pledged under repo agreements | 10 261 172 | 7 247 237 |
| **Total principal** | **193 722 858** | **175 876 259** |
| Related debt | 983 078 | 716 496 |
| **Value on balance sheet** | **194 705 935** | **176 592 755** |

### 2.13.2 Breakdown of amounts owing to customers by geographical area

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Morocco | 121 303 233 | 118 079 943 |
| Tunisia | 15 178 294 | 14 929 273 |
| Sub-Saharan Africa | 21 450 302 | 10 170 769 |
| Europe | 33 632 399 | 31 528 351 |
| Other | 2 158 631 | 1 167 923 |
| **Total principal** | **193 722 858** | **175 876 259** |
| Related debt | 983 078 | 716 496 |
| **Value on the balance sheet** | **194 705 935** | **176 592 755** |

### 2.13.3 Breakdown of debts to customers per economic operator

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Corporate entities | 69 370 967 | 70 354 526 |
| Including large enterprises | 35 224 650 | 59 679 283 |
| Private individuals | 124 351 891 | 105 521 733 |
| **Total in principal** | **193 722 858** | **175 876 259** |
| Relevant debts | 983 078 | 716 496 |
| **Net values on balance sheet** | **194 705 935** | **176 592 755** |

### 2.13.4 Breakdown of debts per remaining term through profit and loss

(Thousand MAD)

| | < = 3months | Between 3 months and 1 year | Between 1 year and 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Customer deposits | 152 726 938 | 23 334 440 | 11 592 140 | 6 069 340 | **193 722 858** |

## 2.14 Debts represented by security and subordinated debts at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Other debts represented by a security** | **6 550 653** | **4 453 141** |
| Negotiable debt securities | 6 063 227 | 3 647 259 |
| Bond loans | 487 425 | 805 882 |
| **Subordinated debts** | **8 271 775** | **6 432 961** |
| Subordinated loan | 8 271 775 | 6 432 961 |
| with defined term | 8 271 775 | 6 432 961 |
| with undefined term | | |
| **Subordinated securities** | | |
| with defined term | | |
| with undefined term | | |
| **Total** | **14 822 428** | **10 886 101** |

## 2.15 General provisions at 31 december 2009

(Thousand MAD)

| | Stock at 12/31/2008 | Change in scope | Additional provisions | Write-backs used | Write-backs not used | Other changes | Stock at 12/31/2009 |
|---|---|---|---|---|---|---|---|
| Provisions for risks in executing signature loans | 310 072 | 2 846 | | | 238 613 | 2 009 | 76 314 |
| Provisions for social benefit liabilities | 231 231 | 27 125 | 26 202 | 922 | | -2 115 | 281 521 |
| Provisions for litigation and liability | 243 671 | 11 977 | 112 456 | 88 403 | 57 788 | -2 420 | 219 492 |
| Other general provisions | 397 418 | 114 715 | | | 26 910 | 378 | 485 601 |
| **General provisions** | **1 182 392** | **156 663** | **138 658** | **89 325** | **323 312** | **-2 148** | **1 062 927** |

# 3- Notes pursuant to operating account

## 3.1 Net interest margin at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | | | 12/31/2008 | | |
|---|---|---|---|---|---|---|
| | Income | Expenses | Net | Income | Expenses | Net |
| **Transactions with customers** | **10 445 330** | **3 156 183** | **7 289 148** | **9 113 670** | **2 605 853** | **6 507 817** |
| Accounts and loans/borrowings | 9 610 151 | 2 878 847 | 6 731 304 | 8 329 059 | 2 427 069 | 5 901 990 |
| Repurchase agreements | 13 048 | 277 335 | -264 288 | 39 774 | 178 785 | -139 011 |
| Leasing activities | 822 132 | | 822 132 | 744 837 | | 744 837 |
| **Inter-bank transactions** | **928 995** | **1 079 382** | **-150 387** | **1 215 610** | **1 114 426** | **101 184** |
| Accounts and loans/borrowings | 920 560 | 1 064 032 | -143 472 | 1 198 671 | 1 106 584 | 92 087 |
| Repurchase agreements | 8 434 | 15 350 | -6 915 | 16 939 | 7 842 | 9 096 |
| **Debt issued by the Group** | | **693 992** | **-693 992** | | **494 436** | **-494 436** |
| **Available-for-sale assets** | **923 772** | | **923 772** | **848 030** | | **848 030** |
| **Total net interest income** | **12 298 097** | **4 929 556** | **7 368 541** | **11 177 309** | **4 214 716** | **6 962 594** |

## 3.2 Net fee income at 31 december 2009

(Thousand MAD)

| | Income | Expenses | Net |
|---|---|---|---|
| **Net fees on transactions** | **1 287 468** | **86 195** | **1 201 274** |
| with credit institutions | 42 079 | 28 696 | 13 383 |
| with customers | 693 077 | | 693 077 |
| on securities | 154 285 | 18 954 | 135 331 |
| on foreign exchange | 105 429 | - | 105 429 |
| on forward financial instruments and other off-balance sheet | 292 599 | 38 544 | 254 054 |
| **Banking and financial services** | **1 119 789** | **117 488** | **1 002 300** |
| Net income from mutual fund management (OPCVM) | 244 970 | 16 786 | 228 184 |
| Net income from payment services | 682 751 | 99 198 | 583 554 |
| Insurance products | 80 209 | | 80 209 |
| Other services | 111 859 | 1 505 | 110 354 |
| **Net fee income** | **2 407 257** | **203 683** | **2 203 574** |

### 3.3 Net gains and losses on financial instrument at fair price per profit and loss at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Fixed income securities | 587 256 | 265 809 |
| Variable income securities | 99 433 | 71 240 |
| Derivative financial instruments | 722 641 | 494 670 |
| Reassessment of over the counter foreign currency cash positions | 100 933 | 112 642 |
| **Total** | **1 510 262** | **944 361** |

### 3.4 Net gains or losses on financial assets available for sale at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Income from variable income securities** | **288 400** | **266 198** |
| **Income from transfers** | **1 264 432** | **104 004** |
| Value added | 1 264 432 | 104 004 |
| Loss in value | | |
| **Gains and losses in value of variable income securities** | **3 874** | **8 852** |
| **Total** | **1 556 706** | **379 054** |

### 3.5 Income and expenses from other activities at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | | | 12/31/2008 | | |
|---|---|---|---|---|---|---|
| | Income | Expenses | Net | Income | Expenses | Net |
| Net income from insurance | 3 853 128 | 3 389 207 | 463 921 | 3 681 892 | 3 287 817 | 394 075 |
| Net income from investment property | 38 966 | | 38 966 | 21 636 | | 21 636 |
| Net income from fixed assets rented outright | 260 | 4 331 | -4 071 | -11 086 | 344 | -11 430 |
| Other income | 445 393 | 328 123 | 117 271 | 465 106 | 340 235 | 124 871 |
| **Total of interest income and expenses or equivalent** | **4 337 748** | **3 721 661** | **616 087** | **4 157 547** | **3 628 396** | **529 151** |

### 3.6 Net income from insurance activity at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Gross premiums acquired | 4 273 981 | 4 099 974 |
| Variation in technical provisions | -1 827 963 | -1 649 330 |
| Contract service expenses | -1 870 817 | -1 876 311 |
| Net expenses or income from reassurance transfers | -111 280 | -180 259 |
| **Total** | **463 921** | **394 075** |

### 3.7 Cost of risk at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Allocations to provisions** | **-1 480 598** | **-886 525** |
| Provisions for depreciation of loans and debts | -1 368 143 | -638 392 |
| Provisions for commitments by signature | | -89 224 |
| Other provisions for risks and expenses | -112 456 | -158 909 |
| **Provision write downs** | **1 113 154** | **1 370 715** |
| Provision write downs for depreciation of loans and debts | 701 439 | 1 178 441 |
| Provision write downs for commitments by signature | 238 613 | 31 535 |
| Write downs from other provisions for risks and expenses | 173 102 | 160 739 |
| **Provision variation** | **-620 884** | **-1 116 479** |
| Losses on non provisioned unrecoverable loans and debts | -11 634 | -31 386 |
| Losses on provisioned unrecoverable loans and debts | -640 493 | -1 138 684 |
| Recovery on amortized loans and debts | 119 646 | 187 449 |
| Other losses | -88 403 | -133 858 |
| **Cost of risk** | **-988 329** | **-632 288** |

### 3.8 Net gains and losses on other activities at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Operating tangible and intangible fixed assets** | | |
| Value added from transfers | 5 724 | 4 583 |
| Loss in value transfers | -11 986 | -2 202 |
| **Gains ou pertes sur autres actifs** | **-6 262** | **2 382** |

# 4. Information per center of activity

Attijariwafa bank's information by business activity is presented as follows:

- **Domestic banking, Europe and Offshore** comprising Attijariwafa bank SA, Attijariwafa bank Europe, Attijari International bank and holding companies incorporating the Group's investments in the Group's consolidated subsidiaries;
- **Specialised finance companies** comprising Moroccan subsidiaries undertaking consumer finance, mortgage loan, leasing, factoring and money transfer activities;
- **International retail banking** activities comprising Attijari bank Tunisie and CBAO – Groupe Attijariwafa bank;
- **Insurance and property** comprising Wafa Assurance.

(Thousand MAD)

| BALANCE SHEET DECEMBER 2009 | Domestic banking, Europe and Offshore | Specialised finance companies | Insurance and property | International retail banking | TOTAL |
|---|---|---|---|---|---|
| **Total net assets** | **195 830 780** | **22 709 284** | **19 367 165** | **52 439 993** | **290 347 222** |
| of which | | | | | |
| **Assets** | | | | | |
| Financial assets at fair value through income | 16 995 411 | - | 6 356 782 | 63 614 | **23 415 807** |
| Available-for-sale financial assets | 11 542 820 | 174 748 | 8 037 501 | 6 375 422 | **26 130 492** |
| Loans and advances to credit institutions and similar establishments | 19 964 397 | 237 313 | 26 013 | 7 013 148 | **27 240 871** |
| Loans and advances to customers | 128 067 745 | 19 559 575 | 2 047 646 | 29 317 675 | **178 992 641** |
| Property, plant and equipment | 2 410 572 | 482 273 | 239 172 | 1 358 292 | **4 490 309** |
| **Liabilities** | | | | | |
| Amounts owing to credit institutions and similar establishments | 19 108 739 | 4 206 416 | 1 851 | 2 776 422 | **26 093 428** |
| Customer deposits | 155 415 094 | 853 154 | 2 439 | 38 435 248 | **194 705 935** |
| Technical reserves for insurance contracts | - | - | 15 628 317 | - | **15 628 317** |
| Subordinated debt | 8 118 729 | 110 117 | - | 42 929 | **8 271 775** |
| Shareholders' equity | 17 266 394 | 1 954 481 | 3 080 465 | 2 480 879 | **24 782 219** |

| INCOME STATEMENT JUNE 2010 | Domestic banking, Europe and Offshore | Specialised finance companies | Insurance and property | International retail banking | Eliminations | TOTAL |
|---|---|---|---|---|---|---|
| Net interest margin | 4 891 988 | 1 087 712 | 188 012 | 1 200 828 | - | **7 368 541** |
| Net fee income | 1 436 082 | 403 956 | -34 782 | 706 594 | -308 275 | **2 203 574** |
| Net banking income | 7 782 211 | 1 775 342 | 1 737 187 | 2 006 262 | -45 832 | **13 255 170** |
| Operating expenses | 2 846 757 | 598 188 | 314 517 | 1 049 164 | -45 832 | **4 762 794** |
| Operating income | 4 078 115 | 831 109 | 1 394 657 | 557 670 | - | **6 861 552** |
| Net income | 2 616 434 | 512 400 | 939 838 | 522 220 | - | **4 590 892** |
| Net income Group share | 2 582 192 | 363 291 | 744 820 | 250 533 | - | **3 940 837** |

# 5. Financing commitments and guarantees

### 5.1 Financing commitments at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Financing commitments given** | **16 969 431** | **19 637 333** |
| To credit institutions and similar establishments | 71 237 | 47 797 |
| To customers | 16 898 193 | 19 589 536 |
| **Financing commitments received** | **1 249 827** | **1 484 945** |
| From credit institutions and similar establishments | 1 249 827 | 1 484 945 |
| From the State and other organisations providing guarantees | - | - |

**5.2 Financing commitments** at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Guarantees given** | **37 182 853** | **30 176 001** |
| To credit institutions and similar establishments | 5 955 951 | 6 631 191 |
| To customers | 31 226 902 | 23 544 810 |
| **Guarantees received** | **29 816 379** | **22 539 863** |
| From credit institutions and similar establishments | 18 758 229 | 20 344 940 |
| From the State and other organisations providing guarantees | 11 058 150 | 2 194 923 |

# 6. Other complimentary information:

## 6.1 Associated parties

The transactions conducted between Attijariwafa bank and parties associated therewith are conducted under the market conditions prevailing at the time of completion.

### 6.1.1 Relationship between group consolidated companies at 31 december 2009

(Thousand MAD)

| | Entities consolidated through global integration |
|---|---|
| **Assets** | |
| **Loans, advances and securities** | **26 464 465** |
| Ordinary accounts | 2 393 153 |
| Loans | 23 946 312 |
| Securities | 125 000 |
| **Miscellaneous assets** | **67 765** |
| **Total** | **26 532 231** |
| **Liabilities** | |
| **Deposits** | **25 978 177** |
| Ordinary accounts | 2 233 632 |
| Other loans | 23 744 545 |
| **Debts represented by security** | **486 288** |
| **Miscellaneous liabilities** | **67 765** |
| **Total** | **26 532 231** |
| **Financing and guarantee commitments** | |
| Commitments given | 8 393 821 |
| Commitments received | 8 393 821 |

### 6.1.2 Income items regarding operations conducted with associated parties

(Thousand MAD)

| | Entities consolidate through global integration |
|---|---|
| Interest and equivalent income | 506 501 |
| Interest and equivalent expenses | 506 501 |
| Commissions (income) | 393 282 |
| Commissions (expenses) | 85 007 |
| Income from other activities | 76 624 |
| Expenses from other activities | 339 068 |
| Other expenses | 45 832 |

**Relationships with members of administrative and management bodies:**

Remuneration of Attijariwafa bank Board of Directors comes to 4 million MAD for attendance tokens.

This global sum includes all ancillary charges inherent to travel in connection with the Board.

In addition, the annual gross remuneration of the executive members (total of 21) for FY 2009 came to 48.6 million MAD vs. 47.7 in 2008. Loans to these members came to 74.8 million MAD at the end of 2009 vs. 69.9 in 2008.

### 6.2 Wafa Assurance at 31 december 2009

(Thousand MAD)

| Balance sheet | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Assets** | | |
| Assets available for sale | 8 035 437 | 8 002 540 |
| Loans and debts to credit institutions and equivalent | | |
| Loans and debts to customers | 2 047 646 | 1 059 404 |
| Tangible fixed assets | 205 854 | 152 383 |
| **Liabilities** | | |
| Debts to credit institutions and equivalent | | |
| Insurance contract technical provisions | 15 628 317 | 13 805 743 |
| Shareholders equity | 1 559 915 | 1 429 515 |

| Income and expenses account | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Interest margin | 166 568 | 128 592 |
| Margin on commissions | -27 151 | -18 463 |
| Net income from other activities | 509 500 | 495 606 |
| Net banking income | 1 522 586 | 797 506 |
| Operating expenses | -338 776 | 287 330 |
| Operating income | 1 158 971 | 364 431 |
| Net income | 704 152 | 124 920 |
| Net income group share | 557 876 | 98 970 |

## 6.3 Other additional information:

### 6.3.1 Enterprise amalgamation

In the framework of the agreement signed with Crédit Agricole France SA, in the second half of 2009 Attijariwafa bank finalized acquisition of the following four African banks:

**- Union Gabonaise de Banque:**

Acquisition of 58.71% of the bank capital including global integration into the Consolidated Financial statementss which led to the recording of provisional goodwill consolidation under the balance sheet assets amounting to 594 million MAD.

**- Crédit du Congo:**

Acquisition of 91% of the bank capital including global integration in the Consolidated Financial statementss which led to the recording of provisional consolidated goodwill in the balance sheet assets amounting to 409 million MAD.

**- Société Ivoirienne de Banque :**

Acquisition of 51% of the bank capital including global integration into the Consolidated Financial statementss which led to the recording of provisional consolidated goodwill into the balance sheet assets totaling 457 million MAD.

**- Crédit du Sénégal :**

Acquisition of 95% of the bank capital including global integration into Consolidated Financial statementss leading to the recording of provisional consolidated goodwill under balance sheet assets amounting to 105 million MAD.

Acquisition of the Société Camerounaise de Banque will be examined and approved in 2010.

### 6.3.2 Subordinated debts and certificates of deposit issued in 2009:

6.3.2.1 debts

In FY 2009, Attijariwafa bank received approval from the Ethics Board to issue two subordinated bond loans addressing institutional investors dated 15 June and 29 December 2009;

This issue forms a part of Attijariwafa bank's strategy of development abroad via the strengthening of its presence in North Africa and expanding its activities in Central and West Africa.

The first loan was for a global amount of 1 billion MAD split up into 10 000 bonds at par value of 100 000 MAD with 10-year maturity. It is broken down into four sections two of which are listed and the Casablanca stock exchange (sections A and B) the remaining two (C and D) being non listed.

The nominal interest rate for sections A and C is fixed at 5% including a risk premium of 100 basis points, i.e. the one applied to sections B and D revisable annually, the first year amounting to 4.42% including a risk premium of 100 basis points.

The global income from subscription to the four sections is summarized in the below table:

| | Section A | Section B | Section C | Section D |
|---|---|---|---|---|
| Amount subscribed | 205 000 | - | 505 000 | 290 000 |

The second one deals with a global amount of 1 billion MAD split up into 10 000 bonds at par value of 100,000 MAD with 7-year maturity.

It is split up into four sections two of which are listed on the Casablanca Stock Exchange (sections A and B), the two others being non listed (sections C and D).

The nominal interest rate for sections A and C is fixed and amounts to 4.76% including a risk premium of 80 basis points. The one applied to sections B and D is revisable annually its reference rate being calculated on the basis of an average consisting of the Average Weighted Rates day by day observed between 25 December 2009 and 25 December 2010 (or the previous business day where applicable) as published on the Reuters website.

For the ensuing years, the reference rate is calculated on the basis of an average consisting of the Average Weighted Rates day by day observed between 25 December n (or the previous day if not a business day where applicable) and 25 December n+1 (or the previous working day where applicable) as published on the Reuters website. The reference rate thus obtained will be increased by a risk premium of 80 basis points.

The global outcome from subscription to the four sections is summarized in the below table:

| | Section A | Section B | Section C | Section D |
|---|---|---|---|---|
| Amount subscribed | - | - | 50 000 | 950 000 |

6.3.2.2 Certificates of deposit:

The outstanding certificates of deposit of Attijariwafa bank at the end of December 2009 amounted to 4.2 billion MAD.

During FY 2009, 6.8 billion MAD in certificates were issued with maturity between 15 days and 5 years and interest rates between 3.40% and 4.50%.

### 6.3.3 Capital and income per share

6.3.3.1 Number of shares and face values:

At 31 december 2009 the capital of Attijariwafa bank consisted of 192 995 960 shares of 10 MAD face value.

6.3.3.2 Attijariwafa bank share held by group:

At the end of December 2009, the Attijariwafa bank group held 15 555 980 Attijariwafa bank shares representing a global amount of 2 052 million MAD deducted from consolidated shareholders equity.

6.3.3.3 Income per share:

The bank has no dilutive instrument in the form of ordinary shares. Therefore, the diluted income per share is equal to the basic income per share.

| | 31 December 2009 | 31 December 2008 |
|---|---|---|
| Income per share | 20.42 | 16.16 |
| Income diluted per share | 20.42 | 16.16 |

### 6.3.4 Payroll benefits

The post employment benefits granted by the Group vary in accordance with legal obligations and local policies in this respect.

Group employees benefit from short-term advantages (paid vacation, sick leave) and long-term advantages ("Ouissam Achoughl service medal", Mecca pilgrimage bonus) and past employment indemnities, private pension plans, health coverage).

The short-terms benefits are recorded under expenses by the various group entities granting them.

**Post employment scheme with defined contributions**

These schemes are characterized by the payment of regularly scheduled contributions to external bodies providing administrative and financial management. These schemes release the employer from any future obligations as it handles payment to employees of the amounts owed (Social Security, Retirement Fund). Payments by the group are registered under the expenses of the relevant period.

**Post employment schemes with defined services**

These schemes are characterized by the employer's obligation with regard to the current or future beneficiaries. If not fully pre-financed, they give rise to the constitution of provisions.

The updated commitment is calculated according to the projected credit unit method taking account of the actuarial assumptions, salary increases, and the age of departure for retirement, mortality and rotation, as ell as the discount rate.

Modification of the actuarial assumptions or the difference between these assumptions and reality gives rise to actuarial difference recorded in counterparty to FY income when occurring in compliance with the accounting principles applied by the Group.

**End-of-career bonus**

These schemes include the payment of lump sum indemnities calculated on the basis of seniority in the Group of employees and salary thereof at the time of retirement.

It is granted to employees reaching retirement age. The number of years spent at the service of the company entails the right to a number of months of salary. The end-of-career bonus is equal to the outcome of the following items:

- Number of months of salary acquired by the employee due to seniority at retirement ages.
- Gross monthly salary.
- Probability of being still alive at retirement age.
- Probability of still being present in the company at retirement age.
- Updating factor of commitment pursuant to "n" which is the number of years remaining until retirement taking account of the rate of salary valuation.

**Ouisssam Achoughl bonus**

This can be granted several times in the life of an employee. The number of years spent at the service of the company gives rights to a number of months of salary. The Ouissam Achoughl bonus at 15 years of seniority is calculated on the basis of the following:

- Number of months of salary received by the employee corresponding to 15 years of seniority.
- Monthly gross salary
- Probability of still being alive with 15 years of seniority.
- Probability of still being present in the company.
- Updating factor of commitments on "n" which corresponds to the number of years remaining at 15 years of seniority taking account of the rate of valuation of the salary.

**Calculation Assumptions:**

| | 31 December 2009 | 31 December 2008 |
|---|---|---|
| Beginning of period | 10 January 2009 | 01 January 2008 |
| End of period | 31 December 2009 | 31 December 2008 |
| Discount rate | 3.81% | 4.18% |
| Rate of salary increase | 4.00% | 4.00% |
| Expected rate of yield on coverage assets | N/A | N/A |

**The outcome of these calculations is as follows:**

(Thousand MAD)

| Variation in actuarial debt | 31 December 2009 | 31 December 2008 |
|---|---|---|
| **Actuarial debts N-1** | **231 231** | **204 096** |
| Cost of services rendered over the period | 13 927 | 12 459 |
| Effect of discount | 3 476 | -6 738 |
| Employee contributions | - | 0 |
| Modification/reduction/ liquidation of plan | - | 0 |
| Acquisition, transfer (modification of consolidation | 27 125 | 23 234 |
| Indemnity for cessation of activity | - | 0 |
| Benefits paid (mandatory) | - | 0 |
| Actuarial gains/losses | 5 761 | -1 821 |
| **Actuarial debts N** | **281 521** | **231 231** |

| Expenses recorded | 31 December 2009 | 31 December 2008 |
|---|---|---|
| Cost of services rendered during FY | -13 927 | -12 453 |
| Effect of discount | -3 476 | 6 728 |
| Expected asset yield during period | - | 0 |
| Depreciation of cost of past benefits | - | 0 |
| Depreciation of actuarial gains/losses | - | 0 |
| Gains/losses on reductions and liquidations | - | 0 |
| Gains/losses on limitation of surpluses | -7 876 | 502 |
| **Net expenses recorded in operating account** | **-25 280** | **-5 223** |

## 6.4 Consolidation perimeter

| Name | Sector of activity | (A) | (B) | (C) | (D) | Country | Method | % control | % interest |
|---|---|---|---|---|---|---|---|---|---|
| ATTIJARIWAFA BANK | Bank | | | | | Morocco | Top | | |
| ATTIJARIWAFA EUROPE | Bank | | | | | France | IG | 100.00% | 100.00% |
| ATTIJARI INTERNATIONAL BANK | Bank | | | | | Maroc | IG | 50.00% | 50.00% |
| COMPAGNIE BANCAIRE DE L'AFRIQUE DE L'OUEST | Bank | (1) | (6) | | | Senegal | IG | 80.16% | 49.00% |
| ATTIJARIBANK TUNISIE | Bank | | | | | Tunisie | IG | 54.56% | 45.66% |
| LA BANQUE INTERNATIONALE POUR LE MALI | Bank | | (1) | | | Mali | IG | 51.00% | 51.00% |
| CREDIT DU SENEGAL | Bank | | | | (1) | Senegal | IG | 95.00% | 95.00% |
| UNION GABONAISE DE BANQUE | Bank | | | | (1) | Gabon | IG | 58.71% | 58.71% |
| CREDIT DU CONGO | Bank | | | | (1) | Congo | IG | 91.00% | 91.00% |
| SOCIETE IVOIRIENNE DE BANQUE | Bank | | | | (1) | Ivory Coast | IG | 51.00% | 51.00% |
| WAFA SALAF | Consumer credit | | | | | Morocco | IG | 50.94% | 50.94% |
| WAFA BAIL | Financial leasing | | | | | Morocco | IG | 97.83% | 97.83% |
| WAFA IMMOBILIER | Real estate loans | | | | | Morocco | IG | 100.00% | 100.00% |
| ATTIJARI IMMOBILIER | Real estate loans | | | | | Morocco | IG | 100.00% | 100.00% |
| ATTIJARI FACTORING MAROC | Factoring | | | | | Morocco | IG | 75.00% | 75.00% |
| WAFA CASH | Cash activities | | | | | Morocco | IG | 99.13% | 99.13% |
| WAFA LLD | Long-term rentals | | | | | Morocco | IG | 100.00% | 100.00% |
| ATTIJARI FINANCES CORP. | Investment bank | | | | | Morocco | IG | 100.00% | 100.00% |
| WAFA GESTION | Asset management | | | | | Morocco | IG | 66.00% | 66.00% |
| ATTIJARI INTERMEDIATION | SM intermediation | | | | | Morocco | IG | 100.00% | 100.00% |
| FINANZIARIA SPA | Financial firm | | | | | Italy | IG | 100.00% | 100.00% |
| FCP SECURITE | Dedicated mutual funds | | | | | Morocco | IG | 79.23% | 79.23% |
| FCP OPTIMISATION | Dedicated mutual funds | | | | | Morocco | IG | 79.23% | 79.23% |
| FCP STRATEGIE | Dedicated mutual funds | | | | | Morocco | IG | 79.23% | 79.23% |
| FCP EXPANSION | Dedicated mutual funds | | | | | Morocco | IG | 79.23% | 79.23% |
| FCP FRUCTI VALEURS | Dedicated mutual funds | | | | | Morocco | IG | 79.23% | 79.23% |
| WAFA ASSURANCE | Insurance | | | | | Morocco | IG | 79.23% | 79.23% |
| BCM CORPORATION | Holding Company | | | | | Morocco | IG | 100.00% | 100.00% |
| WAFA CORP | Holding Company | | | | | Morocco | IG | 100.00% | 100.00% |
| OGM | Holding Company | | | | | Morocco | IG | 100.00% | 100.00% |
| ANDALUCARTHAGE | Holding Company | | (2) | | | Morocco | IG | 83.70% | 83.70% |
| KASOVI | Holding Company | (1) | | | | British Virgin Islands | IG | 50.00% | 50.00% |
| SAF | Holding Company | (1) | | | | France | IG | 99.82% | 49.98% |
| FILAF | Holding Company | (1) | | | | Senegal | IG | 100.00% | 50.00% |
| CAFIN | Holding Company | | | | (3) | Senegal | IG | 100.00% | 100.00% |
| MOUSSAFIR | Hospitality industry | | | | | Morocco | MEE | 33.34% | 33.34% |
| SUD SICAR | Risk capital | | | | | Tunisie | IG | 67.23% | 30.70% |
| PANORAMA | Real estate company | | | | | Morocco | IG | 79.23% | 79.23% |

| |
|---|
| A) Movements occurring in first half of 2008 |
| B) Movements occurring in second half of 2008 |
| C) Movements occurring in first half of 2009 |
| D) Movements occurring in second half of 2009 |

| | |
|---|---|
| 1 Acquisition | 7. Change in method – integration proportional to global integration |
| 2 Creation, crossing threshold | 8. Change in method – global integration equity method |
| 3 Entry into IFRS perimeter | 9. Change in method – equity method upon global integration |
| 4 Transfer | 10. Change in method – global integration per proportional integration |
| 5 Deconsolidation | 11. Change in method – Proportional integration equity method |
| 6 Merger between consolidated entities | 12. Reconsolidation |

# GENERAL AUDITORS REPORT PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2009

ERNST & YOUNG
37 Bd. Abdellatif Ben Kaddour
20 050 Casablanca - MAROC

Deloitte.
288, Bd Zerktouni
20000 Casablanca - MAROC

To the Shareholders
of Attijariwafa bank

## GENERAL AUDITOR'S REPORT PARENT COMPANY FINANCIAL STATEMENT FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2009

In compliance with the task entrusted to us by your General Meeting, we conducted an audit of the enclosed summary statements of Attijariwafa bank including the balance sheet, the off balance sheet, the income and expenses, the situation of the management balances, the table of cash flows and the statement of complimentary information (ETIC) pursuant to the financial year closing at 31 december 2009. These summary statements show the shareholders equity and equivalent do not comprise any significant discrepancy, as well as the reasonable accounting estimates according to the prevailing circumstances.

**Executive Management Responsibility**

The executive management is responsible for the drawing up and format of the said financial statements in compliance with the International Financial Reporting Standards (IFRS). This responsibility includes the design, establishment and follow-up of internal control pursuant to the establishment and format of financial statements presenting no significant discrepancies other than those resulting from fraud or errors, as well as the determination of reasonable accounting estimates pursuant to the prevailing circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion of the said summary statements on the basis of our audit. We conducted our audit according to the Professional Standards as they stand in Morocco. The standards require us to comply with the ethical rules, to plan and carry out the said audit in order to obtain reasonable assurance that the said summary statements include not significant discrepancy.

An audit implies the implementation of procedures in view of gathering significant information regarding the amounts and information provided in the summary reports. The choice of procedures is up to the auditor and the assessment of risk that the financial statements contain no significant discrepancies or if so that they are the result of fraud or errors. In proceeding to risk assessments, the auditor takes into account the internal control system in force in the entity regarding the establishment and format of the financial statements so as the spell out the auditing procedures appropriate to the circumstances and not for the purpose of expression an opinion on the efficiency thereof.

An audit also comprises a judgment on the appropriate nature of the accounting methods used and the reasonable nature of the accounting procedures developed by the management, as well as a judgment on all the financial statements.

We deem that the significant items gathered are sufficient and appropriate enough to formulate our opinion.

**Opinion on summary statements**

We hereby certify that the summary statements mentioned in the first paragraph here above in all significant aspects paint a faithful picture of the operations conducted over the past financial year as well as of the financial situation of Attijariwafa bank at 31 december 2009 in compliance with the accounting terms of reference acceptable in Morocco.

**Specific verifications and information**

We have also conducted the specific verifications stipulated by law and can confirm matching of the information provided in the Board of Directors management report addressing the shareholders with the bank summary statements.

In compliance with the stipulation contained in article 172 of law 17-95 as amended and expanded, we hereby declare that during the financial year, the bank acquired:

- 95% of the capital of Crédit du Sénégal amounting to 290 million MAD
- 91% of capital of Crédit du Congo amounting to 580 million MAD
- 58.71% of the capital of l'Union Gabonaise des Banques amounting to 824 million MAD
- 51% of the capitol of the Société Ivoirienne de Banque amounting to 648 million MAD

Casablanca, 26 March 2010

Auditors

ERNST & YOUNG
Bachir TAZI
Associate

DELOITTE AUDIT
Ahmed BENADELKHALEK
Associate

## Financial statements

### 1. Presentation

Attijariwafa bank is a Moroccan company governed by common law. The financial statements comprise the accounts of head office as well as branches in Morocco and overseas, including the branch offices in Brussels. Material intra-group transactions and balances between Moroccan entities and overseas branches have been eliminated.

### 2. General principles

The financial statements are prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of Attijariwafa bank's financial statements complies with the Credit Institution Accounting Plan.

### 3. Loans and 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.

## 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**

This category comprises securities which are expected to be useful to the bank if held over the long term.

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.

## 6. Foreign currency-denominated transactions

Foreign currency-denominated 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 (Brussels branch offices) 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 |

# PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2009

Property, plant and equipment are categorised as operating or non-operating assets and are depreciated over the following periods:

| Type | Depreciation 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 bycase basis |

## 11. Regulated provisions

Regulated provisions are made pursuant to legal or regulatory requirements, including tax-related requirements. An optional decision to provision or not is a management-related consideration, often motivated by the desire to reduce tax.

As soon as the criteria for making and using such provisions have been met and assuming the provisions have clearly been made for tax reasons, regulated provisions, except accelerated depreciation, are treated as tax-free reserves.

## 12. 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.

### 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.

# PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2009

**Balance sheet** at 31 december 2009

(Thousand MAD)

| ASSETS | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Cash and balances with central banks, the Treasury and post office accounts** | **11 073 971** | **13 526 335** |
| **Loans and advances to credit institutions and similar establishments** | **37 210 728** | **36 298 288** |
| - Sight | 6 355 600 | 6 260 158 |
| - Term | 30 855 128 | 30 038 130 |
| **Loans and advances to customers** | **122 321 368** | **108 423 229** |
| - Short-term loans and consumer loans | 44 002 865 | 47 817 661 |
| - Equipment loans | 34 396 158 | 21 694 743 |
| - Mortgage loans | 40 194 664 | 35 992 619 |
| - Other loans | 3 727 681 | 2 918 206 |
| **Receivables acquired through factoring** | | **790 798** |
| **Trading securities and available-for-sale securities** | **37 649 961** | **27 330 344** |
| - Treasury bills and similar securities | 24 369 175 | 17 084 825 |
| - Other debt securities | 4 986 564 | 2 494 691 |
| - Equities | 8 294 222 | 7 750 828 |
| **Other assets** | **2 325 996** | **3 051 123** |
| **Investment securities** | **-** | **2 764 282** |
| - Treasury bills and similar securities | | 1 326 682 |
| - Other debt securities | | 1 437 600 |
| **Investments in affiliates and other long-term investments** | **10 630 925** | **8 080 899** |
| **Subordinated loans** | | |
| **Leased and rented assets** | **302 292** | **333 702** |
| **Intangible assets** | **1 748 994** | **1 654 129** |
| **Property, plant and equipment** | **2 616 074** | **2 571 696** |
| TOTAL ASSETS | 225 880 310 | 204 824 824 |

| LIABILITIES | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Amounts owing to central banks, the Treasury and post office accounts** | | |
| **Amounts owing to credit institutions and similar establishments** | **21 832 616** | **19 167 406** |
| - Sight | 3 279 834 | 2 573 927 |
| - Term | 18 552 782 | 16 593 479 |
| **Customer deposits** | **154 216 342** | **151 664 393** |
| - Current accounts in credit | 84 654 088 | 82 959 987 |
| - Savings accounts | 17 795 778 | 16 324 378 |
| - Term deposits | 45 115 781 | 46 197 069 |
| - Other accounts in credit | 6 650 695 | 6 182 959 |
| **Debt securities issued** | **4 311 376** | **3 333 868** |
| - Tradable debt securities | 4 311 376 | 868 333 3 |
| - Bonds | | |
| - Other debt securities issued | | |
| **Other liabilities** | | |
| **General provisions** | **18 670 722** | **7 862 449** |
| **Regulated provisions** | **745 324** | **466 105** |
| **Subsidies, public funds and special guarantee funds** | | **83 333** |
| **Subordinated debt** | | |
| **Revaluation reserve** | **8 118 729** | **6 094 079** |
| **Reserves and premiums related to share capital** | **420** | **420** |
| **Share capital** | **13 262 667** | **11 870 000** |
| **Shareholders, unpaid share capital (-)** | **1 929 960** | **1 929 960** |
| **Retained earnings (+/-)** | | |
| **Net income pending appropriation (+/-)** | **-4 853** | **-4 816** |
| **Net income for the financial year (+/-)** | | |
| **Net income FY (+/-)** | **2 797 007** | **2 357 627** |
| TOTAL LIABILITIES | 225 880 310 | 204 824 824 |

## Off-balance sheet items at 31 december 2009

(Thousand MAD)

| OFF-BALANCE | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **COMMITMENTS GIVEN** | **41 730 273** | **46 542 437** |
| Financing commitments given to credit institutions and similar establishments | 1 211 | 43 789 |
| Financing commitments given to customers | 13 511 736 | 17 518 057 |
| Guarantees given to credit institutions and similar establishments | 5 755 938 | 6 017 737 |
| Guarantees given to customers | 22 461 388 | 22 962 854 |
| Securities purchased with repurchase agreement | | |
| Other securities to be delivered | | |
| **COMMITMENTS RECEIVED** | **15 556 918** | **20 551 268** |
| Financing commitments received from credit institutions and similar establishments | | |
| Guarantees received from credit institutions and similar establishments | 15 474 570 | 20 490 227 |
| Guarantees received from the State and other organisations providing guarantees | 82 348 | 61 040 |
| Securities sold with repurchase agreement | | |
| Other securities to be received | | |

## Income statement at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **OPERATING INCOME FROM BANKING ACTIVITIES** | **11 927 690** | **10 703 738** |
| Interest and similar income from transactions with credit institutions | 1 202 733 | 1 276 745 |
| Interest and similar income from transactions with customers | 6 768 349 | 5 825 639 |
| Interest and similar income from debt securities | 497 284 | 502 553 |
| Income from equity securities | 563 440 | 409 626 |
| Income from lease-financed fixed assets | 103 704 | 97 729 |
| Fee income | 998 760 | 973 608 |
| Other banking income | 1 793 420 | 1 617 838 |
| **OPERATING EXPENSES ON BANKING ACTIVITIES** | **4 877 113** | **4 136 014** |
| Interest and similar expenses on transactions with credit institutions | 658 435 | 390 823 |
| Interest and similar expenses on transactions with customers | 2 711 104 | 2 174 578 |
| Interest and similar expenses on debt securities issued | 154 726 | 110 899 |
| Expenses on lease-financed fixed assets | 89 489 | 78 901 |
| Other banking expenses | 1 263 358 | 1 380 813 |
| **NET BANKING INCOME** | **7 050 577** | **6 567 724** |
| Non-banking operating income | 673 017 | 63 879 |
| Non-banking operating expenses | 56 292 | 8 |
| **OPERATING EXPENSES** | **2 881 043** | **2 726 819** |
| Staff costs | 1 286 307 | 1 206 955 |
| Taxes other than on income | 84 078 | 78 334 |
| External expenses | 1 117 635 | 1 059 879 |
| Other general operating expenses | 15 804 | 37 819 |
| Depreciation, amortisation and provisions | 377 218 | 343 832 |
| **PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS** | **1 798 805** | **1 748 893** |
| Provisions for non-performing loans and signature loans | 823 398 | 950 985 |
| Losses on irrecoverable loans | 605 337 | 656 803 |
| Other provisions | 370 070 | 141 106 |
| **PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS** | **1 301 868** | **1 333 007** |
| Provision write-backs for non-performing loans and signature loans | 948 342 | 803 949 |
| Amounts recovered on impaired loans | 112 081 | 176 997 |
| Other provision write-backs | 241 446 | 352 062 |
| **INCOME FROM ORDINARY ACTIVITIES** | **4 289 323** | **3 488 889** |
| Non-recurring income | 826 | 8 664 |
| Non-recurring expenses | 40 120 | 92 990 |
| **PRE-TAX INCOME** | **4 250 029** | **3 404 563** |
| Income tax | 1 453 022 | 1 046 936 |
| **NET INCOME FOR THE FINANCIAL YEAR** | **2 797 007** | **2 357 627** |

# Parent company financial statements at 31 december 2009

## Management accounting statement at 31 december 2009

(Thousand MAD)

| I - RESULTS ANALYSIS | 12/31/2009 | 12/31/2008 |
|---|---|---|
| + Interest and similar income | 8 468 366 | 7 604 937 |
| - Interest and similar expenses | 3 524 265 | 2 676 300 |
| **NET INTEREST MARGIN** | **4 944 102** | **4 928 637** |
| + Income from lease-financed fixed assets | 103 704 | 97 729 |
| - Expenses on lease-financed fixed assets | 89 489 | 78 901 |
| **NET INCOME FROM LEASING ACTIVITIES** | **14 215** | **18 828** |
| + Fees received | 998 760 | 975 305 |
| - Fees paid | 4 | 751 |
| **NET FEE INCOME** | **998 756** | **974 554** |
| + Income from trading securities | 443 755 | 348 515 |
| + Income from available-for-sale securities | 40 323 | 27 653 |
| + Income from foreign exchange activities | 502 889 | 360 851 |
| + Income from derivatives activities | 139 467 | 81 260 |
| **INCOME FROM MARKET ACTIVITIES** | **1 126 434** | **818 277** |
| + Other banking income | 563 440 | 409 899 |
| - Other banking expenses | 596 369 | 582 471 |
| **NET BANKING INCOME** | **7 050 577** | **6 567 724** |
| + Income from long-term investments | 598 395 | -56 551 |
| + Other non-banking operating income | 58 762 | 51 742 |
| - Other non-banking operating expenses | | |
| - General operating expenses | 2 881 043 | 2 726 819 |
| **GROSS OPERATING INCOME** | **4 826 692** | **3 836 097** |
| + Net provisions for non-performing loans and signature loans | -368 312 | -626 842 |
| + Other net provisions | -169 058 | 279 635 |
| **INCOME FROM ORDINARY ACTIVITIES** | **4 289 323** | **3 488 889** |
| **NON-RECURRING INCOME** | **-39 294** | **-84 326** |
| - Income tax | 1 453 022 | 1 046 936 |
| **NET INCOME FOR THE FINANCIAL YEAR** | **2 797 007** | **2 357 627** |

| II - TOTAL CASH EARNINGS | 12/31/2008 | 31/12/2007 |
|---|---|---|
| + Depreciation, amortisation and provisions for fixed asset impairment | 377 218 | 343 832 |
| + Provisions for impairment of long-term investments | 8 194 | 69 874 |
| + General provisions | 300 000 | |
| + Regulated provisions | | |
| + Extraordinary provisions | | |
| - Provision write-backs | 141 554 | 244 570 |
| + Losses on disposal of fixed assets | 5 335 | 2 950 |
| - Intangibles and tangibles | | |
| - Capital gains on disposal of long-term investments | 614 255 | 12 137 |
| + Losses on disposal of long-term investments | 56 292 | 8 |
| - Write-backs of investment subsidies received | | |
| **+ TOTAL CASH EARNINGS** | **2 777 567** | **2 511 685** |
| - Profits distributed | 964 980 | 964 980 |
| **+ NET CASH EARNINGS** | **1 812 587** | **1 546 705** |

## Non-performing customer loans at 31 december 2009

(Thousand MAD)

| | Disbursed loans | Signature loans | Amount | Provisions for disbursed loans | Provisions for signature loans | Amount |
|---|---|---|---|---|---|---|
| **december-09** | 4 636 593 | 482 744 | **5 119 337** | 3 718 901 | 130 413 | **3 849 314** |

## Sales at 31 december 2009

(Thousand MAD)

| 2007 | 2008 | 2009 |
|---|---|---|
| **8 881 214** | **10 703 738** | **11 927 690** |

## **Cash flow statement** at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| 1. (+) Operating income from banking activities | 11 364 250 | 10 149 556 |
| 2. (+) Amounts recovered on impaired loans | 112 081 | 176 997 |
| 3. (+) Non-banking operating income | 54 253 | 57 456 |
| 4. (-) Operating expenses on banking activities (*) | -5 004 926 | -4 665 908 |
| 5. (-) Non-banking operating expenses | 0 | -8 |
| 6. (-) General operating expenses | -2 503 825 | -2 382 987 |
| 7. (-) Income tax | -1 453 022 | -1 046 936 |
| **I. NET CASH FLOW FROM INCOME STATEMENT** | **2 568 811** | **2 288 170** |
| Change in:<br>8. (±) Loans and advances to credit institutions and similar establishments | -912 440 | -4 798 986 |
| 9. (±) Loans and advances to customers | -13 107 341 | -21 454 233 |
| 10. (±) Trading securities and available-for-sale securities | -7 555 335 | -11 061 771 |
| 11. (±) Other assets | 725 127 | -307 643 |
| 12. (±) Lease-financed fixed assets | 31 410 | -88 694 |
| 13. (±) Amounts owing to credit institutions and similar establishments | 2 155 149 | 11 112 033 |
| 14. (±) Customer deposits | 3 062 009 | 15 244 607 |
| 15. (±) Debt securities issued | 977 508 | 1 620 638 |
| 16. (±) Other liabilities | 10 808 273 | 4 485 355 |
| **II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES** | **-3 815 640** | **-5 248 694** |
| **III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)** | **-1 246 829** | **-2 960 524** |
| 17. (+) Income from the disposal of long-term investments | 1 534 954 | 415 163 |
| 18. (+) Income from the disposal of fixed assets | 18 217 | 81 290 |
| 19. (-) Acquisition of long-term investments | -3 532 311 | -1 959 030 |
| 20. (-) Acquisition of fixed assets | -525 025 | -554 504 |
| 21. (+) Interest received | | 118 168 |
| 22. (+) Dividends received | 563 440 | 409 626 |
| **IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES** | **-1 940 725** | **-1 489 287** |
| 23. (+) Subsidies, public funds and special guarantee funds | | |
| 24. (+) Subordinated loan issuance | 2 000 000 | 3 000 000 |
| 25. (+) Equity issuance | | |
| 26. (-) Repayment of shareholders' equity and equivalent | | |
| 27. (-) Interest paid | -299 830 | -151 457 |
| 28. (-) Dividends paid | -964 980 | -964 980 |
| **V- NET CASH FLOW FROM FINANCING ACTIVITIES** | **735 190** | **1 883 563** |
| **VI- NET CHANGE IN CASH AND CASH EQUIVALENTS** | **-2 452 364** | **-2 566 248** |
| **VII- CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **13 526 335** | **16 092 583** |
| **VIII- CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **11 073 971** | **13 526 335** |

(*) including net provisions

## **Statement of departures from standard accounting treatment** at 31 december 2009

| 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 2009

| NATURE OF CHANGES | REASONS FOR CHANGES | IMPACT OF CHANGES ON THE COMPANY'S FINANCIAL POSITION OR RESULTS |
|---|---|---|
| I. Changes in valuation methods | Not applicable | Not applicable |
| II. Changes in rules of presentation<br>Reclassification of investment securities to transaction and marketable securities and debts to credit and similar institutions and similar | Compliance with IFRS | Not applicable |

## Debts to credit institutions and equivalent at 31 december 2009

(Thousand MAD)

| LOANS AND ADVANCES | Bank Al Maghrib, the Treasury and post office accounts | Banks | Other credit institutions or equivalent in Morocco | Credit institutions abroad | Total 12/31/2009 | Total 12/31/2008 |
|---|---|---|---|---|---|---|
| **CURRENT ACCOUNTS IN DEBIT** | 9 424 295 | | 1 053 491 | 5 049 336 | 15 527 122 | 17 547 555 |
| **NOTES RECEIVED AS SECURITY** | | | | | | 366 987 |
| - overnight | | | | | | 366 987 |
| - term | | | | | | |
| **CASH LOANS** | | 1 724 344 | 15 378 196 | 627 999 | 17 730 539 | 17 619 988 |
| - overnight | | 39 498 | | 236 987 | 276 485 | 539 678 |
| - term | | 1 684 846 | 15 378 196 | 391 012 | 17 454 054 | 17 080 310 |
| **FINANCIAL LOANS** | | 2 549 680 | 10 424 244 | | 12 973 924 | 12 388 552 |
| **OTHER LOANS** | | 145 573 | 10 629 | 427 | 156 629 | 165 554 |
| **INTEREST ACCRUED AWAITING RECEIPT** | | | 160 447 | 88 275 | 248 722 | 311 522 |
| **NON-PERFORMING LOANS** | | | | | | |
| **TOTAL** | 9 424 295 | 4 419 597 | 27 027 007 | 5 766 037 | 46 636 936 | 48 400 158 |

## Loans and advances to customers at 31 december 2009

(Thousand MAD)

| LOANS AND ADVANCES | Public sector | Private sector | | | Total 12/31/2009 | Total 12/31/2008 |
|---|---|---|---|---|---|---|
| | | Financial companies | Financial companies | Other customers | | |
| **SHORT-TERM LOANS** | 298 842 | 301 285 | 35 831 055 | 1 463 775 | 37 894 957 | 42 579 384 |
| - Current accounts in debit | 298 842 | 301 285 | 12 493 628 | 1 463 775 | 14 557 530 | 20 125 695 |
| - Commercial loans within Morocco | | | 3 814 379 | | 3 814 379 | 4 461 718 |
| - Export loans | | | 335 146 | | 335 146 | 549 064 |
| - Other cash loans | | | 19 187 902 | | 19 187 902 | 17 442 907 |
| **CONSUMER LOANS** | | | | 5 430 755 | 5 430 755 | 4 611 499 |
| **EQUIPMENT LOANS** | 2 587 482 | | 31 516 842 | | 34 104 324 | 21 468 479 |
| **MORTGAGE LOANS** | 3 024 | | 4 002 017 | 36 172 147 | 40 177 188 | 35 987 574 |
| **OTHER LOANS** | 2 238 617 | 3 727 | 552 230 | 15 322 | 2 809 896 | 2 763 883 |
| **RECEIVABLES ACQUIRED THROUGH FACTORING** | | | | | | 790 798 |
| **INTEREST ACCRUED AWAITING RECEIPT** | | | 954 304 | 32 252 | 986 556 | 883 345 |
| **NON-PERFORMING LOANS** | 2 642 | 36 055 | 441 623 | 437 372 | 917 692 | 129 064 |
| - Sub-standard loans | | | | | | |
| - Doubtful loans | | | | | | |
| - Impaired loans | 2 642 | 36 055 | 441 623 | 437 372 | 917 692 | 129 064 |
| **TOTAL** | 5 130 607 | 341 067 | 73 298 071 | 43 551 623 | 122 321 368 | 109 214 026 |

## Breakdown of trading securities, available-for-sale securities and investment securities by category of issuer at 31 december 2009

(Thousand MAD)

| SECURITIES | Other credit institutions and similar establishments | Public issuers | Private issuers | | Total 12/31/2009 | Total 12/31/2008 |
|---|---|---|---|---|---|---|
| | | | Financial companies | Non-financial companies | | |
| **LISTED SECURITIES** | 444 978 | - | 8 041 824 | 191 560 | 8 678 362 | 8 100 133 |
| - Treasury bills and similar instruments | | | | | - | - |
| - Bonds | - | | | - | - | - |
| - Other debt securities | 434 678 | | | | 434 678 | 394 998 |
| - Equities | 10 300 | | 8 041 824 | 191 560 | 8 243 684 | 7 705 135 |
| **UNLISTED SECURITIES** | 794 083 | 25 090 086 | 6 032 | 3 081 398 | 28 971 599 | 21 994 493 |
| - Treasury bills and similar instruments | | 24 369 175 | | | 24 369 175 | 18 411 507 |
| - Bonds | 673 114 | 720 911 | | 1 162 822 | 2 556 847 | 1 253 904 |
| - Other debt securities | 119 969 | | | 1 875 070 | 1 995 039 | 2 283 389 |
| - Equities | 1 000 | | 6 032 | 43 506 | 50 538 | 45 693 |
| **TOTAL** | 1 239 061 | 25 090 086 | 8 047 856 | 3 272 958 | 37 649 961 | 30 094 626 |

## Value of trading securities, available-for-sale securities and investment securities at 31 december 2009

(Thousand MAD)

| SECURITIES | Gross book value | Current value | Redemption value | Unrealised capital gains | Unrealised losses | Provisions |
|---|---|---|---|---|---|---|
| **TRADING SECURITIES** | **26 631 314** | **26 631 314** | **-** | **-** | **-** | **-** |
| - Treasury bills and similar instruments | 16 077 527 | 16 077 527 | | - | - | - |
| - Bonds | 53 644 | 53 644 | | - | - | - |
| - Other debt securities | 2 309 748 | 2 309 748 | | - | - | - |
| - Equities | 8 190 395 | 8 190 395 | | - | - | - |
| **AVAILABLE-FOR-SALE SECURITIES** | **11 040 406** | **11 018 647** | **-** | **-** | **21 759** | **21 759** |
| - Treasury bills and similar instruments | 8 294 320 | 8 291 648 | | - | 2 672 | 2 672 |
| - Bonds | 2 508 272 | 2 503 202 | | - | 5 070 | 5 070 |
| - Other debt securities | 119 969 | 119 969 | | - | - | - |
| - Equities | 117 845 | 103 828 | | - | 14 017 | 14 017 |
| **INVESTMENT SECURITIES** | **-** | **-** | **-** | **-** | **-** | **-** |
| - Treasury bills and similar instruments | - | - | | - | - | - |
| - Bonds | | | | - | - | - |
| - Other debt securities | - | - | | - | - | - |

## Details of other assets at 31 december 2009

(Thousand MAD)

| ASSETS | Amount at 12/31/2009 | Amount at 12/31/2008 |
|---|---|---|
| **OPTIONS PURCHASED** | **27** | **192 839** |
| **SUNDRY SECURITIES TRANSACTIONS (1)** | | |
| **SUNDRY DEBTORS** | **225 234** | **964 728** |
| Amounts due from the State | 133 528 | 103 562 |
| Amounts due from mutual societies | | |
| Sundry amounts due from staff | | |
| Amounts due from customers for non-banking services | | |
| Other sundry debtors | 91 706 | 861 166 |
| **OTHER SUNDRY ASSETS** | **44 936** | **51 152** |
| **ACCRUALS AND SIMILAR** | **1 962 625** | **1 732 507** |
| Adjustment accounts for off-balance sheet transactions | 224 857 | 163 707 |
| Translation differences for foreign currencies and securities | 77 | 76 |
| Income from derivative products and hedging | | |
| Deferred expenses | 26 090 | 34 938 |
| Inter-company accounts between head office, branch offices and branches in Morocco | 130 | 1 312 |
| Accounts receivable and prepaid expenses | 940 117 | 743 494 |
| Other accruals and similar | 771 354 | 788 978 |
| **NON-PERFORMING LOANS ON SUNDRY TRANSACTIONS** | **93 174** | **109 897** |
| **TOTAL** | **2 325 996** | **3 051 123** |

(1) PCEC 341.3463 and 3469 if in debit

## Subordinated loans at 31 december 2009

(Thousand MAD)

| Debts | Amount | | | | including affiliates and related companies | |
|---|---|---|---|---|---|---|
| | 12/31/2009 | | | 12/31/2008 | 12/31/2009 | 12/31/2008 |
| | Gross<br>1 | Prov.<br>2 | Net<br>3 | Net<br>4 | Net<br>5 | Net<br>6 |
| Subordinated loans to credit institutions and similar establishments | | | | N/A | | |
| Subordinated loans to customers | | | | | | |
| **TOTAL** | | | | | | |

**Leased and rented assets** at 31 december 2009

(Thousand MAD)

| CATEGORY | Gross amount at beginning of FY | Amount of acquisitions during FY | Amount of transfers or withdrawals during FY | Gross amount at end of FY | Depreciation | | Provisions | | | Net amount at end of FY |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Allocation during FY | Aggregate depreciate | Allocation in FY | Provision write downs | Aggregate provisions | |
| **LEASED AND RENTED ASSETS** | **730 763** | **54 918** | | **785 681** | **86 329** | **483 390** | | | | **302 291** |
| **Leased intangible assets** | | | | | | | | | | |
| **Leased movable assets** | **702 825** | **53 482** | | **756 307** | **86 318** | **461 454** | | | | **294 853** |
| - Movable assets under lease | 702 825 | 53 482 | | 756 307 | 86 318 | 461 454 | | | | 294 853 |
| - Leased movable assets | | | | | | | | | | |
| - Movable assets unleased after cancellation | | | | | | | | | | |
| **Leased immovable assets** | **25 647** | | | **25 647** | **11** | **21 936** | | | | **3 711** |
| - Immovable assets under lease | | | | | | | | | | |
| - Immovable leased assets | 25 647 | | | 25 647 | 11 | 21 936 | | | | 3 711 |
| - Immovable assets unleased after cancellation | | | | | | | | | | |
| Rents awaiting receipt | | | | | | | | | | |
| Restructured rents | | | | | | | | | | |
| Rents in arrears | 2 291 | 1 436 | | 3 727 | | | | | | 3 727 |
| Non-performing loans | | | | | | | | | | |
| **RENTED ASSETS** | | | | | | | | | | |
| Rented movable property | | | | | | | | | | |
| Rented property | | | | | | | | | | |
| Rents awaiting receipt | | | | | | | | | | |
| Restructured rents | | | | | | | | | | |
| Rents in arrears | | | | | | | | | | |
| Non-performing loans | | | | | | | | | | |
| **TOTAL** | **730 763** | **54 918** | | **785 681** | **86 329** | **483 390** | | | | **302 292** |

**Added or lost value on fixed asset transfers or withdrawals** at 31 december 2009

(Thousand MAD)

| Date of transfer or withdrawal | Type | Gross amount | Aggregate depreciation | Net book value | Transfer income | Value added transfers | Loss in value transfers |
|---|---|---|---|---|---|---|---|
| **January 2009** | **Property Zahra Bd. Kennedy** | **5 700** | **1 007** | **4 693** | **10 000** | **5 307** | |
| | VILLA | 5 700 | 1 007 | 4 693 | | | |
| **January 2009** | **VEHICULE** | **198** | **198** | **0** | **28** | **28** | |
| | VAN Master Mile 843 A 6 | 198 | 198 | 0 | | | |
| **TOTAL** | | **5 898** | **1 205** | **4 693** | **10 028** | **5 335** | **-** |
| | | | | | | | |
| **GRAND TOTAL** | | **5 898** | **1 205** | **4 693** | **10 028** | **5 335** | |

**Intangible assets and property, plant and equipment** at 31 december 2009

(Thousand MAD)

| TYPE | Gross value at beginning of FY | Acquisitions | Disposals | Gross value at beginning of FY | Amortissements et/ou provisions | | | | Net value at end of FY |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Amortisation and provisions at beginning of FY | Additional amortisation of FY | Amortisation on disposed assets | Accumulated amortisation and depreciation | |
| **INTANGIBLE ASSETS** | **1 962 553** | **216 456** | **4 906** | **2 174 103** | **308 424** | **116 685** | **-** | **425 109** | **1 748 994** |
| - Lease rights | 252 110 | 39 719 | - | 291 829 | - | - | - | - | 291 829 |
| - Research and development | | | | | | | | | |
| - Intangible assets used in operations | 1 710 443 | 176 737 | 4 906 | 1 882 274 | 308 424 | 116 685 | - | 425 109 | 1 457 165 |
| - Non-operating intangible assets | | | | | | | | | |
| **PROPERTY, PLANT AND EQUIPMENT** | **5 009 513** | **312 887** | **9 181** | **5 313 219** | **2 437 817** | **260 533** | **1 206** | **2 697 145** | **2 616 074** |
| **Immovable property used in** | **1 688 581** | **36 206** | **-** | **1 724 787** | **452 943** | **54 454** | **-** | **507 397** | **1 217 390** |
| - Land | 273 612 | 14 883 | - | 288 495 | - | - | - | - | 288 495 |
| - Office buildings | 1 339 158 | 21 322 | - | 1 360 480 | 403 368 | 51 788 | - | 455 156 | 905 324 |
| - Staff accommodation | 75 811 | - | - | 75 811 | 49 575 | 2 666 | - | 52 241 | 23 570 |
| **Movable property and equipment used in operations** | **1 760 049** | **143 919** | **278** | **1 903 689** | **1 308 840** | **114 477** | **198** | **1 423 118** | **480 571** |
| - Office property | 373 254 | 31 651 | - | 404 905 | 260 945 | 26 534 | - | 287 479 | 117 425 |
| - Office equipment | 817 014 | 45 404 | 80 | 862 338 | 645 752 | 43 568 | - | 689 320 | 173 018 |
| - IT equipment | 560 482 | 66 432 | - | 626 914 | 392 894 | 44 023 | - | 436 917 | 189 997 |
| - Vehicles | 9 299 | 432 | 198 | 9 533 | 9 249 | 351 | 198 | 9 402 | 131 |
| - Other equipment | - | - | - | - | - | - | - | - | - |
| **Other property, plant and equipment used in operations** | **867 980** | **126 299** | **-** | **994 279** | **532 362** | **75 246** | **-** | **607 608** | **386 671** |
| **Property, plant and equipment not used in operations** | **692 903** | **6 463** | **8 902** | **690 464** | **143 672** | **16 357** | **1 007** | **159 022** | **531 442** |
| Land | 219 947 | - | - | 219 947 | - | - | - | - | 219 947 |
| Buildings | 325 769 | - | 5 700 | 320 069 | 78 552 | 12 020 | 1 007 | 89 564 | 230 505 |
| Movable property and equipment | 34 644 | 3 460 | - | 38 104 | 34 012 | 1 540 | - | 35 552 | 2 552 |
| Other property, plant and equipment not used in operations | 112 542 | 3 003 | 3 202 | 112 343 | 31 109 | 2 796 | - | 33 905 | 78 438 |
| **TOTAL** | **6 972 066** | **529 343** | **14 087** | **7 487 322** | **2 746 241** | **377 218** | **1 206** | **3 122 253** | **4 365 068** |

**Investments in affiliates and other long-term investments** at 31 december 2009

(Thousand MAD)

| NAME OF THE ISSUING COMPANY | Sector of activity | Share capital | Share of equity held | Gross book value | Net book value | Data from the issuing company's most recent financial statements | | | Contribution to current year's income |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Year-end | Net assets | Net income | |
| **A. INVESTMENTS IN AFFILIATE COMPANIES** | | | | **9 949 709** | **9 771 506** | | | | **456 629** |
| ATTIJARI FINANCES CORPORATE | Investment banking | 10 000 | 100,00% | 10 000 | 10 000 | | 51 462 | 13 787 | 35 000 |
| OMNIUM DE GESTION MAROCAIN S.A."OGM" | Holding company | 885 000 | 100,00% | 2 047 900 | 2 047 900 | | - | - | 124 880 |
| SOMACOVAM | Asset management | 5 000 | 100,00% | 30 000 | 6 108 | | - | - | - |
| WAFA GESTION | Asset management | 4 900 | 66,00% | 236 369 | 236 369 | | 170 520 | 44 592 | 29 431 |
| ATTIJARI INVEST. | | 5 000 | 100,00% | 5 000 | 5 000 | | 17 455 | 1 441 | - |
| WAFA BOURSE | Securities brokerage | 20 000 | 100,00% | 40 223 | 40 223 | | 48 344 | 3 151 | - |
| WAFA PATRIMOINE | Private portfolio management | 10 000 | 66,00% | 1 700 | 1 700 | | - | - | - |
| STE MAROCAINE DE GESTION ET TRAITEMENT INFORMATIQUE "SOMGETI" | COMPUTER TECHNOLOGY | 300 | 100,00% | 100 | 100 | | - | - | - |
| ATTIJARI CAPITAL DEVELOPEMENT | Sale of it equipment | 10 000 | 100,00% | 10 000 | 10 000 | | - | - | - |
| ATTIJARI PROTECTION | RISK CAPITAL | 4 000 | 83,75% | 3 350 | 3 350 | | - | - | - |
| BCM CORPORATION | SECURITY | 200 000 | 100,00% | 200 000 | 200 000 | | - | - | 3 000 |
| CASA MADRID DEVELOPPEMENT | HOLDING COMPANY | 10 000 | 50,00% | 5 000 | 4 765 | | - | - | - |
| MEDI TRADE | Development capital | 1 200 | 20,00% | 240 | 137 | | - | - | - |
| AL MIFTAH | Management of payment cards | 100 | 100,00% | 244 | 71 | | 71 | -2 | - |
| WAFA COURTAGE | Trading | 1 000 | 100,00% | 2 397 | 2 397 | | 10 891 | 9 715 | - |
| WAFA COMMUNICATION | Property | 3 000 | 86,67% | 2 600 | 866 | | 999 | 117 | - |
| WAFA FONCIERE | | 17 000 | 100,00% | 3 700 | 2 117 | | 2 117 | -65 | - |
| WAFA INVESTISSEMENT | | 55 000 | 100,00% | 55 046 | 55 046 | | - | - | - |
| WAFA SYSTEMES CONSULTING | Property management | 5 000 | 99,88% | 4 994 | 4 994 | | 6 474 | 897 | 950 |
| WAFA SYSTEMES DATA | Investment holding company | 1 500 | 100,00% | 1 500 | 1 500 | | 2 680 | 703 | 1 000 |
| WAFA SYSTEMES FINANCES | IT consulting | 2 000 | 99,85% | 2 066 | 2 066 | | 2 372 | 93 | - |
| WAFA TRUST | IT | 5 000 | 100,00% | 5 000 | 964 | | 964 | -298 | - |
| WAFATRADE | IT solutions | 1 000 | 100,00% | - | - | | -2 300 | 393 | - |
| ATTIJARIA AL AAKARIA AL MAGHRIBIA | Financial services | 10 000 | 100,00% | 9 999 | 6 517 | | - | - | - |
| SOCIETE IMMOBILIERE ATTIJARIA AL YOUSSOUFIA | Property | 50 000 | 100,00% | 51 449 | 51 449 | | - | - | - |
| STE IMMOB.BOULEVARD PASTEUR " SIBP" | Property | 300 | 50,00% | 25 | 25 | | - | - | - |
| SOCIETE IMMOBILIERE RANOUIL | Property | 3 350 | 100,00% | 11 863 | 3 901 | | - | - | - |
| SOCIETE IMMOBILIERE DE L'HIVERNAGE SA | Property | 15 000 | 100,00% | 15 531 | 1 679 | | - | - | - |
| SOCIETE IMMOBILIERE MAIMOUNA | Property | 300 | 100,00% | 5 266 | 4 542 | | - | - | - |
| STE IMMOBILIERE MARRAKECH EXPANSION | Property | 300 | 100,00% | 299 | 299 | | - | - | - |
| SOCIETE IMMOBILIERE ZAKAT | Property | 300 | 100,00% | 2 685 | 255 | | - | - | - |
| AYK | | 100 | 100,00% | 100 | - | | -1 097 | -5 | - |
| CAPRI | Property | 124 000 | 99,76% | 187 400 | 137 000 | | 51 837 | -15 511 | - |
| ATTIJARI IMMOBILIER | Property | 125 000 | 100,00% | 179 224 | 131 407 | | - | - | - |
| ATTIJARI INTERNATIONAL BANK | Offshore banking | 3 000 KUSD | 50,00% | 13 183 | 13 183 | | - | - | - |
| WAFACASH | Money transfers | 35 050 | 99,13% | 321 752 | 321 752 | | - | - | - |
| WAFA IMMOBILIER | Property | 50 000 | 100,00% | 164 364 | 164 364 | | - | - | 45 513 |
| WAFASALAF | Consumer finance | 113 180 | 50,94% | 634 783 | 634 783 | | 1 058 959 | 268 426 | 44 778 |

## (Cont'd) Detailed information on equity interest securities and equivalent uses at 31 december 2009

(Thousand MAD)

| NAME OF ISSUER | Sector of activity | Registered capital | Capital held | Gross book value | Net book value | Extract of most recent summary report of issuing company | | | Income in IEA of FY |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | FY closure date | Net situation | Net Income | |
| WAFA LLD | Leasing | 20 000 | 100.00% | 20 000 | 20 000 | | 27 306 | 3 353 | - |
| WAFABAIL | Lease-financing | 150 000 | 57.83% | 86 983 | 86 983 | | - | - | - |
| ANDALUMAGHREB | Holding Company | 1 000 KEUROS | 100.00% | 10 950 | 10 950 | | - | - | 168 903 |
| ANDALUCARTAGE | Holding Company | 126 390 KEUROS | 83.70% | 1 190 815 | 1 190 815 | | - | - | - |
| ATTIJARIWAFA FINANZARIA SPA | Financial Company | 600 KEURO | 100.00% | 6 590 | 6 590 | | - | - | - |
| ATTIJARIWAFA EURO FINANCES | Holding Company | 33 907 KEURO | 100.00% | 288 711 | 288 711 | | - | - | - |
| CAFIN | Holding Company | 1 122 000 KFCFA | 100.00% | 293 487 | 293 487 | | - | - | - |
| KASOVI | Holding Company | 50 KUSD | 50.00% | 731 264 | 731 264 | | 63 829 214 | 8 418 818 | 3 175 |
| BIM SA | Banking | 5 002 870 KFCFA | 51.00% | 687 577 | 687 577 | | - | - | - |
| SOCIETE IVOIRIENNE DE BANQUE | Banking | 4 000 000 KFCFA | 51.00% | 648 084 | 648 084 | | - | - | |
| CREDIT DU SENEGAL | Banking | 2 000 000 KFCFA | 95.00% | 289 665 | 289 665 | | - | - | |
| CREDIT DU CONGO | Banking | 2 222 000 KFCFA | 91.00% | 579 815 | 579 815 | | - | - | |
| UGB GABON | Banking | 7 400 000 KFCFA | 58.71% | 823 932 | 823 932 | | - | - | |
| WAFACAMBIO | | | 100.00% | 963 | 963 | | | | |
| ATTIJARIWAFA BANK OFFSHORE TANGER | | | 100.00% | 5 842 | 5 842 | | | | |
| **B- OTHER INVESTMENTS** | | | | **409 492** | **392 184** | **-** | | | **73 638** |
| NOUVELLES SIDERURGIES INDUSTRIELLES | Metals and mining | 3 415 000 | 2.7% | 92 809 | 92 809 | | - | - | 27 991 |
| SNI | Holding company | - | | 554 | 554 | | - | - | 23 |
| SONASID | Metals and mining | - | | 28 391 | 19 325 | | - | - | 2 160 |
| ATTIJARIWAFA BANK | Banking | - | | 623 | 513 | | - | - | 10 |
| AGRAM INVEST | | 10 000 | 34.9% | 3 286 | 1 059 | | 3 032 | -2 540 | - |
| AM INVESTISSEMENT MOROCCO | Investment holding company | 400 000 | 3.3% | 13 000 | 13 000 | | - | - | - |
| BOUZNIKA MARINA | Property development | | | 500 | 500 | | - | - | - |
| C.M.K.D. | | 829 483 | 1.4% | 11 280 | 11 280 | | - | - | 902 |
| EUROCHEQUES MAROC | | | | 118 | 118 | | - | - | - |
| FONDS D'INVESTISSEMENT IGRANE | | 72 500 | 18.3% | 13 239 | 11 072 | | 20 640 | -4 960 | - |
| IMMOBILIERE INTERBANCAIRE "G.P.B.M." | Professional bankers' association | 19 005 | 20.0% | 3 801 | 3 801 | | - | - | - |
| IMPRESSION PRESSE EDITION (IPE) | Publishing | | | 400 | 400 | | - | - | - |
| MOUSSAFIR HOTELS | Hotel management | 193 000 | 33.3% | 64 343 | 64 343 | | 269 506 | 25 518 | 8 506 |
| SALIMA HOLDING | Holding company | 150 000 | 13.3% | 16 600 | 16 600 | | 251 077 | 98 382 | - |
| S.E.D. FES | | 10 000 | 10.0% | - | - | | - | - | - |
| SOUK AL MOUHAJIR | | 6 500 | 15.2% | 991 | 991 | | - | - | - |
| STE D'AMENAGEMENT DU PARC NOUACER"SAPINO" | Property development | 60 429 | 22.7% | 13 714 | 13 714 | | 142 854 | 67 980 | 20 571 |
| TANGER FREE ZONE | Property development | 105 000 | 25.7% | 28 306 | 28 306 | | 205 893 | 47 968 | 2 700 |
| TECHNOLOPARK COMPANY "MITC" | Services provider | | | 8 150 | 7 784 | | - | - | - |
| MAROCLEAR | Securities custodian | 20 000 | 6.8% | 1 342 | 1 342 | | 137 480 | 33 330 | - |
| HAWAZIN | Property | 960 | 12.5% | 704 | - | | -3 293 | 249 | - |
| INTAJ | Property | 576 | 12.5% | 1 041 | 549 | | 4 393 | -41 | - |
| EXP SERVICES MAROC S.A. | Risk centralisation services | 20 000 | 3.0% | 600 | 600 | | - | - | - |
| H PARTNERS | | 1 050 008 | 7.1% | 75 000 | 72 823 | | - | - | - |
| BANQUE D'AFFAIRE TUNISIENNE | Banking | | | 2 583 | 2 583 | | - | - | - |
| VISA | | | | - | - | | - | - | 89 |
| CENTRE MONETIQUE INTERBANCAIRE | Electronic banking | 98 200 | 22.4% | 22 000 | 22 000 | | - | - | 8 846 |
| SOCIETE INTERBANK | Management of bank cards | 11 500 | 16.0% | 1 840 | 1 840 | | - | - | 1 840 |
| SMAEX | | 37 450 | 11.4% | 4 278 | 4 278 | | 75 515 | -7 706 | - |
| **C - SIMILAR INVESTMENTS** | | | | **467 524** | **467 236** | | | | **-** |
| C/C ASSOCIES | | | | 451 689 | 451 401 | | | | |
| OTHER SIMILAR INVESTMENTS | | | | 15 835 | 15 835 | | | | |
| **Grand Total** | | | | **10 826 725** | **10 630 925** | **-** | **-** | **-** | **530 267** |

## Amounts owing to credit institutions and similar establishments at 31 december 2009

(Thousand MAD)

| AMOUNTS OWING | Credit institutions and similar establishments in Morocco | | | Credit institutions overseas | Total 12/31/2009 | Total 12/31/2008 |
|---|---|---|---|---|---|---|
| | Bank Al Maghrib, the Treasury and post office accounts | Banks | Other credit institutions and similar establishments | | | |
| **CURRENT ACCOUNTS IN CREDIT** | | | **578 500** | **393 109** | **971 609** | **1 628 574** |
| **NOTES GIVEN AS SECURITY** | **350 009** | **7 504 867** | | | **7 854 876** | **8 812 010** |
| - overnight | | 510 059 | | | 510 059 | 677 572 |
| - term | 350 009 | 6 994 808 | | | 7 344 817 | 8 134 438 |
| **CASH BORROWINGS** | | **3 188 503** | **7 605 659** | **2 010 024** | **12 804 186** | **8 490 444** |
| - overnight | | 1 123 294 | | | 1 123 294 | 200 000 |
| - term | | 2 065 209 | 7 605 659 | 2 010 024 | 11 680 892 | 8 290 444 |
| **FINANCIAL BORROWINGS** | **19 168** | | | **23 096** | **42 264** | **96 373** |
| **OTHER DEBTS** | **42 161** | **12 202** | | | **54 363** | **47 608** |
| **INTEREST PAYABLE** | | **24 575** | | **80 742** | **105 317** | **92 398** |
| **TOTAL** | **411 338** | **10 730 147** | **8 184 159** | **2 506 971** | **21 832 616** | **19 167 406** |

## Customer deposits at 31 december 2009

(Thousand MAD)

| DEPOSITS | Public sector | Private sector | | | Total 12/31/2009 | Total 12/31/2008 |
|---|---|---|---|---|---|---|
| | | Financial companies | Non-financial companies | Other customers | | |
| Current accounts in credit | 719 794 | 7 874 154 | 17 430 068 | 64 057 223 | **90 081 239** | **82 273 723** |
| Savings accounts | | | | 17 654 922 | **17 654 922** | **16 202 141** |
| Term deposits | 490 736 | 8 501 297 | 13 868 347 | 16 102 122 | **38 962 502** | **38 222 202** |
| Other accounts in credit | 50 183 | 221 511 | 5 831 310 | 547 691 | **6 650 695** | **14 339 877** |
| Interest accrued awaiting payment | | | | 866 984 | **866 984** | **626 450** |
| **TOTAL** | **1 260 713** | **16 596 962** | **37 129 725** | **99 228 942** | **154 216 342** | **151 664 393** |

## Debt securities issued at 31 december 2009

(Thousand MAD)

| SECURITIES | Characteristics | | | | | Value | of which | | Unamortised value of issue or redemption premiums |
|---|---|---|---|---|---|---|---|---|---|
| | Entitlement date | Maturity | Nominal value | Redemption terms | Interest | | Affiliates | Related companies | |
| CERTIFICATES OF DEPOSIT | 14/05/08 | 14/05/10 | 605 000 | 4.25% | IN FINE | 605 000 | 85 000 | | |
| CERTIFICATES OF DEPOSIT | 9/02/09 | 8/01/10 | 200 000 | 4.05% | IN FINE | 200 000 | 100 000 | | |
| CERTIFICATES OF DEPOSIT | 18/02/09 | 18/02/10 | 100 000 | 4.00% | IN FINE | 100 000 | | | |
| CERTIFICATES OF DEPOSIT | 16/03/09 | 16/06/10 | 350 000 | 4.05% | IN FINE | 350 000 | 350 000 | | |
| CERTIFICATES OF DEPOSIT | 24/04/09 | 23/04/10 | 420 000 | 3.75% | IN FINE | 420 000 | | | |
| CERTIFICATES OF DEPOSIT | 4/05/09 | 4/05/11 | 679 000 | 4.05% | IN FINE | 679 000 | 320 000 | | |
| CERTIFICATES OF DEPOSIT | 11/05/09 | 11/05/10 | 210 000 | 3.75% | IN FINE | 210 000 | | | |
| CERTIFICATES OF DEPOSIT | 14/09/09 | 1/09/11 | 240 000 | 4.00% | IN FINE | 240 000 | | | |
| CERTIFICATES OF DEPOSIT | 21/10/09 | 21/10/14 | 200 000 | 4.30% | IN FINE | 200 000 | | | |
| CERTIFICATES OF DEPOSIT | 26/10/09 | 26/04/10 | 180 000 | 3.45% | IN FINE | 180 000 | | | |
| CERTIFICATES OF DEPOSIT | 26/10/09 | 26/10/10 | 80 000 | 3.62% | IN FINE | 80 000 | | | |
| CERTIFICATES OF DEPOSIT | 27/11/09 | 12/01/10 | 775 000 | 3.45% | IN FINE | 775 000 | 450 000 | | |
| CERTIFICATES OF DEPOSIT | 30/11/09 | 31/05/10 | 190 000 | 3.55% | IN FINE | 190 000 | | | |
| **TOTAL** | | | | | | **4 229 000** | **1 305 000** | | |

## Details of other liabilities at 31 december 2009

(Thousand MAD)

| LIABILITIES | Amount at 12/31/2009 | Amount at 12/31/2008 |
|---|---|---|
| **OPTIONS SOLD** | **11 288** | |
| **SUNDRY SECURITIES TRANSACTIONS [1]** | **13 563 726** | **5 912 100** |
| **SUNDRY CREDITORS** | **1 531 698** | **1 203 608** |
| Amounts due to the State | 850 767 | 562 096 |
| Amounts due to mutual societies | 62 530 | 52 510 |
| Sundry amounts due to staff | 186 943 | 179 852 |
| Sundry amounts due to shareholders and associates | 2 131 | 1 689 |
| Amounts due to suppliers of goods and services | 374 478 | 309 499 |
| Other sundry creditors | 54 849 | 97 963 |
| **DEFERRED INCOME AND ACCRUED EXPENSES** | **3 564 010** | **746 741** |
| Adjustment accounts for off-balance sheet transactions | | 206 928 |
| 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 | 461 151 | 479 246 |
| Other deferred income | 3 102 859 | 60 567 |
| **TOTAL** | **18 670 722** | **7 862 449** |

(1) PCEC 341, 343, 344, 3462 and 3464 if in credit

## Provisions at 31 december 2009

(Thousand MAD)

| PROVISIONS | Outstanding 12/31/2008 | Additional provisions | Write-backs | Other changes | Outstanding 12/31/2009 |
|---|---|---|---|---|---|
| **PROVISIONS, DEDUCTED FROM ASSETS, FOR:** | **4 156 861** | **778 328** | **982 347** | - | **3 952 842** |
| Loans and advances to credit institutions and other similar | | | | | |
| Loans and advances to customers | 3 861 062 | 766 958 | 909 113 | | 3 718 908 |
| Available-for-sale securities | 33 595 | 3 175 | 15 012 | - | 21 758 |
| Investments in affiliates and other long-term investments | 245 827 | 8 194 | 58 221 | | 195 800 |
| Leased and rented assets | | | | | |
| Other assets | 16 377 | - | - | | 16 377 |
| **PROVISIONS RECORDED UNDER LIABILITIES** | **549 437** | **418 315** | **222 454** | **-26** | **745 324** |
| Provisions for risks in executing signature loans | 113 203 | 56 439 | 39 229 | | 130 413 |
| Provisions for foreign exchange risks | - | - | - | | - |
| General provisions | - | 300 000 | - | | 300 000 |
| Provisions for pension fund and similar obligations | 83 902 | 8 965 | 10 362 | | 82 505 |
| Other provisions | 268 999 | 52 911 | 89 530 | -26 | 232 406 |
| Regulated provisions | 83 333 | - | 83 333 | | - |
| **TOTAL** | **4 706 298** | **1 196 643** | **1 204 800** | **-26** | **4 698 167** |

## Subsidies, public funds and special guarantee funds at 31 december 2009

(Thousand MAD)

| | ECONOMIC PURPOSE | TOTAL VALUE | VALUE AT END OF 2008 | UTILISATION 2009 | VALUE AT TEND OF 2009 |
|---|---|---|---|---|---|
| SUBSIDIES | | | | | |
| PUBLIC FUNDS | | | **Not applicable** | | |
| SPECIAL GUARANTEE FUNDS | | | | | |
| **TOTAL** | | | | | |

## Subordinated debts at 31 december 2009

(Thousand MAD)

| Currency of issue | Value of loan in currency of issue | Price (1) | Interest | Maturity (2) | Terms for early redemption, subordination and convertibility (3) | Value of loan in MADK | Including related businesses | | Including other related businesses | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Value in MADK 2008 | Value in MADK 2009 | Value in MADK 2008 | Value in MADK 2009 |
| MAD | 2 000 000 | | 3.85% | 7 YEARS | | 2 000 000 | | | | |
| MAD | 1 000 000 | | 5.10% | 10 YEARS | | 1 000 000 | | | | |
| MAD | 1 000 000 | | 4.60% | 5 YEARS | | 1 000 000 | | | | |
| MAD | 1 120 400 | | 5.60% | 10 YEARS | | 1 120 400 | | | | |
| MAD | 879 600 | | 4.73% | 10 YEARS | | 879 600 | | | | |
| MAD | 1 000 000 | | 5.00% | 10 YEARS | | 1 000 000 | | | | |
| MAD | 1 000 000 | | 4.76% | 7 YEARS | | 1 000 000 | | | | |
| **TOTAL** | **8 000 000** | | | | | **8 000 000** | | | | |

(1) BAM price at 31/12/2009 – (2) Possibly for an unspecified period – (3) Refer to the subordinated debt contract note

# PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2009

**Shareholders equity** at 31 december 2009

(Thousand MAD)

| SHAREHOLDERS EQUITY | Outstanding 12/31/2008 | Allocation to income | Other variations | Outstanding 12/31/2009 |
|---|---|---|---|---|
| **Revaluation reserve** | **420** | | | **420** |
| **Reserves and premiums related to share capital** | **11 870 000** | **1 392 667** | | **13 262 667** |
| Legal reserve | 192 996 | | | 192 996 |
| Other reserves | 6 240 440 | 1 392 667 | | 7 633 107 |
| Issue, merger and transfer premiums | 5 436 564 | | | 5 436 564 |
| **Share capital** | **1 929 960** | | | **1 929 960** |
| Called-up share capital | 1 929 960 | | | 1 929 960 |
| Uncalled share capital | | | | |
| Non-voting preference shares | | | | |
| Fund for general banking risks | | | | |
| **Shareholders' unpaid share capital** | | | | |
| **Retained earnings (+/-)** | **-4 816** | **-20** | **-17** | **-4 853** |
| **Net income (loss) awaiting appropriation (+/-)** | | | | |
| **Net income (+/-)** | **2 357 627** | **-2 357 627** | | **2 797 007** |
| **TOTAL** | **16 153 191** | **-964 980** | **-17** | **17 985 201** |

**Financing commitments and guarantees** at 31 december 2009

(Thousand MAD)

| COMMITMENTS | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **FINANCING COMMITMENTS AND GUARANTEES GIVEN** | **42 213 080** | **46 995 078** |
| **Financing commitments given to credit institutions and similar establishments** | **1 211** | **43 789** |
| Import dwocumentary credits | | |
| Acceptances or commitments to be paid | 1 211 | 43 789 |
| Confirmed credit lines | | |
| Back-up commitments on securities issuance | | |
| Irrevocable leasing commitments | | |
| Other financing commitments given | | |
| **Financing commitments given to customers** | **13 511 736** | **17 518 058** |
| Import documentary credits | 11 610 629 | 14 920 755 |
| Acceptances or commitments to be paid | 1 901 107 | 2 597 303 |
| Confirmed credit lines | | |
| Back-up commitments on securities issuance | | |
| Irrevocable leasing commitments | | |
| Other financing commitments given | | |
| **Guarantees given to credit institutions and similar establishments** | **5 755 939** | **6 017 737** |
| Confirmed export documentary credits | 28 698 | |
| Acceptances or commitments to be paid | | |
| Credit guarantees given | | |
| Other guarantees and pledges given | 5 727 241 | 6 017 737 |
| Non-performing commitments | | |
| **Guarantees given to customers** | **22 944 194** | **23 415 495** |
| Credit guarantees given | 3 084 536 | 2 555 390 |
| Guarantees given to government bodies | 13 161 886 | 12 659 915 |
| Other guarantees and pledges given | 6 214 966 | 7 747 550 |
| Non-performing commitments | 482 806 | 452 641 |
| **FINANCING COMMITMENTS AND GUARANTEES RECEIVED** | **15 556 918** | **20 551 268** |
| **Financing commitments received from credit institutions and similar establishments** | | |
| Confirmed credit lines | | |
| Back-up commitments on securities issuance | | |
| Other financing commitments received | | |
| **Guarantees received from credit institutions and similar establishments** | **15 474 570** | **20 490 227** |
| Credit guarantees received | | |
| Other guarantees received | 15 474 570 | 20 490 227 |
| **Guarantees received from the State and other organisations providing guarantees** | **82 348** | **61 040** |
| Credit guarantees received | 82 348 | 61 040 |
| Other guarantees received | | |

## Commitments on securities at 31 december 2009

(Thousand MAD)

| | Value |
|---|---|
| **Commitments given** | |
| Securities purchased with redemption rights | **Not applicable** |
| Other securities to be provided | |
| **Commitments received** | |
| Securities sold with redemption rights | **Not applicable** |
| Other securities receivable | |

## Forward foreign exchange transactions and commitments on derivative products at 31 december 2009

(Thousand MAD)

| | Hedging activities | | Other activities | |
|---|---|---|---|---|
| | 12/31/2009 | 12/31/2008 | 12/31/2009 | 12/31/2008 |
| **Forward foreign exchange transactions** | **44 603 419** | **42 929 936** | | |
| Foreign currencies to be received | 10 266 584 | 6 337 056 | | |
| Dirhams to be delivered | 3 956 468 | 2 051 454 | | |
| Foreign currencies to be delivered | 18 282 187 | 19 387 731 | | |
| Dirhams to be received | 12 098 179 | 15 153 695 | | |
| **Commitments on derivative products** | **7 804 930** | **2 090 087** | | |
| Commitments on regulated fixed income markets | 61 573 | 694 725 | | |
| Commitments on OTC fixed income markets | 5 970 051 | | | |
| Commitments on regulated foreign exchange markets | 288 097 | 235 126 | | |
| Commitments on OTC foreign exchange markets | | | | |
| Commitments on regulated markets in other instruments | 1 485 209 | 1 160 236 | | |
| Commitments on OTC markets in other instruments | | | | |

## Securities received and given as guarantee at 31 december 2009

(Thousand MAD)

| Assets received as security | Net book value | Asset/Off-balance sheet entries in which loans and signature loans pledged are recorded | Value of loans and signature loans pledged that are hedged |
|---|---|---|---|
| Treasury bills and similar assets | | N/D | |
| Other securities | | | |
| Mortgages | | | |
| Other physical assets | | | |
| **TOTAL** | | | |

| Assets received as security | Net book value | Asset/Off-balance sheet entries in which loans and signature loans pledged are recorded | Value of loans and signature loans pledged that are hedged |
|---|---|---|---|
| Treasury bills and similar assets | 1 656 197 | | |
| Other securities | | | |
| Mortgages | | | |
| Other physical assets | 922 487 | Other assets received and pledged | |
| **TOTAL** | **2 578 684** | | |

## Breakdown of assets and liabilities by residual life at 31 december 2009

(Thousand MAD)

| | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | More than 5 years | TOTAL |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Loans and advances to credit institutions and similar establishments | 27 402 189 | 5 342 191 | 2 198 742 | 1 707 981 | | 36 651 103 |
| Loans and advances to customers | 33 394 470 | 4 238 808 | 9 011 719 | 28 566 587 | 44 635 141 | 119 846 725 |
| Debt securities | 9 225 006 | 998 631 | 10 904 977 | 7 391 803 | 8 620 930 | 37 141 347 |
| Subordinated loans | | | | | | |
| Leased and rented assets | | | | | | |
| **TOTAL** | **70 021 665** | **10 579 630** | **22 115 438** | **37 666 371** | **53 256 071** | **193 639 175** |
| **LIABILITIES** | | | | | | |
| Amounts owing to credit institutions and similar establishments | 9 011 121 | 3 447 242 | 2 198 742 | 5 907 981 | | 20 565 086 |
| Amounts owing to customers | 118 351 172 | 12 914 122 | 17 484 420 | 4 588 461 | 11 184 | 153 349 359 |
| Debt securities issued | 975 000 | 100 000 | 2 035 000 | 1 119 000 | | 4 229 000 |
| Subordinated debt | | | | 3 000 000 | 5 000 000 | 8 000 000 |
| **TOTAL** | **128 337 293** | **16 461 364** | **21 718 162** | **14 615 442** | **5 011 184** | **186 143 445** |

**Remarks:**
- Loans and advances of less than 1 month comprise current accounts for credit institutions and other customers
- Amounts owing of less than 1 month comprise amounts owing to credit institutions and other customers

## Breakdown of foreign currency-denominated assets, liabilities and off-balance sheet items at 31 december 2009

(Thousand MAD)

| BALANCE SHEET | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **ASSETS:** | **29 744 294** | **23 269 381** |
| Cash and balances with central banks, the Treasury and post office accounts | 83 153 | 98 282 |
| Loans and advances to credit institutions and similar establishments | 15 180 997 | 13 726 627 |
| Loans and advances to customers | 6 018 655 | 4 836 138 |
| Trading securities and available-for-sale securities | 2 672 956 | 394 998 |
| Other assets | 41 335 | 245 052 |
| Investments in affiliates and other long-term investments | 5 723 316 | 3 944 477 |
| Subordinated loans | | |
| Leased and rented assets | | |
| Intangible assets and property, plant and equipment | 23 882 | 23 807 |
| **LIABILITIES:** | **9 166 259** | **5 648 233** |
| Amounts owing to central banks, the Treasury and post office accounts | | |
| Amounts owing to credit institutions and similar establishments | 7 152 254 | 3 308 490 |
| Customer deposits | 1 959 788 | 1 196 497 |
| Debt securities issued | | |
| Other liabilities | 51 918 | 1 140 954 |
| Subsidies, public funds and special guarantee funds | | |
| Subordinated debt | | |
| Share capital and reserves | | |
| Provisions | 7 777 | 7 753 |
| Retained earnings | -5 478 | -5 461 |
| Net income | | |
| **OFF-BALANCE SHEET ITEMS:** | **32 460 582** | **27 685 287** |
| Commitments given | 19 536 132 | 12 951 372 |
| Commitments received | 12 924 450 | 14 733 915 |

## Risk concentration with the same counterparty at 31 december 2009

(Thousand MAD)

| NUMBER OF COUNTERPARTIES | TOTAL |
|---|---|
| 9 | 29 352 260 |

## Net interest margin at 31 december 2009

(Thousand MAD)

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| **Interest and similar income from activities with customers** | **6 768 349** | **5 825 639** |
| of which interest and similar income | 6 579 643 | 5 634 553 |
| of which fee income on commitments | 188 706 | 191 086 |
| **Interest and similar income from activities with credit institutions** | **1 202 733** | **1 276 745** |
| of which interest and similar income | 1 184 527 | 1 265 913 |
| of which fee income on commitments | 18 206 | 10 832 |
| **Interest and similar income from debt securities** | **497 284** | **502 553** |
| **TOTAL INTEREST AND SIMILAR INCOME** | **8 468 366** | **7 604 937** |
| **Interest and similar expenses on activities with customers** | **2 711 104** | **2 174 578** |
| **Interest and similar expenses on activities with credit institutions** | **658 435** | **390 823** |
| **Interest and similar expenses on debt securities issued** | **154 726** | **110 899** |
| **TOTAL INTEREST AND SIMILAR EXPENSES** | **3 524 265** | **2 676 300** |
| **NET INTEREST MARGIN** | **4 944 102** | **4 928 637** |

## Fee income from services provided at 31 december 2009

(Thousand MAD)

| FEES | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Account management | 198 725 | 176 213 |
| Payment services | 352 727 | 335 867 |
| Securities transactions | 64 134 | 84 202 |
| Asset management and custody | 61 903 | 74 313 |
| Credit services | 81 779 | 55 913 |
| Corporate finance | - | - |
| Sale of insurance products | 74 234 | 50 740 |
| Other services provided | 165 258 | 196 358 |
| **TOTAL** | **998 760** | **973 608** |

## General operating expenses at 31 december 2009

(Thousand MAD)

| EXPENSES | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Staff costs | 1 286 307 | 1 206 955 |
| Taxes other than on income | 84 078 | 78 334 |
| External expenses | 1 117 635 | 1 059 879 |
| Other general operating expenses | 15 804 | 37 819 |
| Depreciation, amortisation and provisions | | |
| Intangible assets and property, plant and equipment | 377 218 | 343 832 |
| **TOTAL** | **2 881 043** | **2 726 819** |

## Income from market activities at 31 december 2009

(Thousand MAD)

| INCOME AND EXPENDITURES | 12/31/2009 | 12/31/2008 |
|---|---|---|
| + Gains on trading securities | 570 608 | 410 003 |
| - Losses on trading securities | 126 853 | 61 489 |
| **Income from activities in trading securities** | **443 755** | **348 515** |
| + Capital gains on disposal of available-for-sale securities | 28 486 | 24 974 |
| + Write-back of provisions for impairment of available-for-sale securities | 15 012 | 10 431 |
| - Losses on disposal of available-for-sale securities | - | - |
| - Provisions for impairment of available-for-sale securities | 3 175 | 7 752 |
| **Income from activities in available-for-sale securities** | **40 323** | **27 653** |
| + Gains on foreign exchange transactions - transfers | 608 603 | 684 839 |
| + Gains on foreign exchange transactions - notes | 89 153 | 98 970 |
| - Losses on foreign exchange transactions - transfers | 194 376 | 422 807 |
| - Losses on foreign exchange transactions - notes | 491 | 151 |
| **Income from foreign exchange activities** | **502 889** | **360 851** |
| + Gains on fixed income derivative products | 301 138 | |
| + Gains on foreign exchange derivative products | 180 120 | 386 650 |
| + Gains on other derivative products | 300 | |
| - Losses on fixed income derivative products | 205 924 | |
| - Losses on foreign exchange derivative products | 136 168 | 305 391 |
| - Losses on other derivative products | - | |
| **Income from activities in derivatives products** | **139 467** | **81 260** |

## Income from equity securities at 31 december 2009

(Thousand MAD)

| CATEGORY | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Available-for-sale securities | 3 308 | 1 455 |
| Investments in affiliates and other long-term investments | 560 132 | 408 171 |
| **TOTAL** | **563 440** | **409 626** |

## Other income and expenses at 31 december 2009

(Thousand MAD)

| OTHER BANKING INCOME AND EXPENSES | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Other banking income | 1 793 420 | 1 617 838 |
| Other banking expenses | 1 263 358 | 1 380 813 |
| **TOTAL** | **530 062** | **237 024** |
| **OTHER NON-BANKING INCOME AND EXPENSES** | **12/31/2009** | **12/31/2008** |
| Non-banking operating income | 673 017 | 63 879 |
| Non-banking operating expenses | 56 292 | 8 |
| **TOTAL** | **616 725** | **63 871** |
| **Provisions and losses on irrecoverable loans** | **1 798 805** | **1 748 893** |
| **Provision write-backs and amounts recovered on impaired loans** | **1 301 868** | **1 333 007** |
| **NON-RECURRING INCOME AND EXPENSES** | **12/31/2009** | **12/31/2008** |
| Non-recurring income | 826 | 8 664 |
| Non-recurring expenses | 40 120 | 92 990 |

## Breakdown of income by business activity and by geographical area at 31 december 2009

(Thousand MAD)

| | Maroc |
|---|---|
| Net banking income | 7 050 577 |
| Gross operating income | 4 826 692 |
| Pre-tax income | 4 250 029 |

## Determining income after tax from ordinary activities at 31 december 2009

(Thousand MAD)

| I - DETERMINING INCOME | Montant |
|---|---|
| Income from ordinary activities after items of income and expenditure | 4 289 323 |
| Tax write-backs on ordinary activities (+) | 320 831 |
| Tax deductions on ordinary activities (-) | 643 775 |
| Theoretical taxable income from ordinary activities (=) | 3 966 379 |
| Theoretical tax on income from ordinary activities (-) | 1 467 560 |
| Income after tax from ordinary activities (=) | 2 821 763 |
| **II- SPECIFIC TAX TREATMENT INCLUDING BENEFITS GRANTED BY INVESTMENT CODES UNDER SPECIFIC LEGAL PROVISIONS** | |

## Detailed information on value added tax at 31 december 2009

(Thousand MAD)

| TYPE | Balance at beginning of FY<br>1 | Transactions liable to VAT during the period<br>2 | VAT declarations during the period<br>3 | Balance at end of FY<br>(1+2-3=4) |
|---|---|---|---|---|
| A. VAT collected | 108 258 | 969 557 | 995 090 | 82 725 |
| B. Recoverable VAT | 72 031 | 368 014 | 343 234 | 96 810 |
| On expenses | 47 917 | 286 477 | 265 429 | 68 965 |
| On fixed assets | 24 114 | 81 536 | 77 806 | 27 844 |
| **C. VAT payable or VAT credit = (A-B)** | **36 227** | **601 544** | **651 856** | **-14 085** |

## **Reconciliation of net income for accounting and tax purposes** at 31 december 2009

(Thousand MAD)

| ITEMS | Amount | Amount |
|---|---|---|
| **I- NET INCOME FOR ACCOUNTING PURPOSES** | **2 797 007** | |
| Net profit | 2 797 007 | |
| Net loss | | |
| **II- TAX WRITE-BACKS** | **1 773 853** | |
| 1 – Current | 1 773 853 | |
| Income tax | 1 453 022 | |
| Losses on irrecoverable loans not provisioned | 10 619 | |
| Staff-related expenses | 300 000 | |
| Other write-backs | 8 965 | |
| Personal gifts | 1 247 | |
| 2- Non-recurring | | |
| **III- TAX DEDUCTIONS** | | **643 774** |
| 1- Recurring | | 643 774 |
| 100% allowance on income from investments in affiliates | | 550 080 |
| Write-back of investment provisions | | 83 333 |
| Write-back of general provisions | | 10 361 |
| 2- Non-recurring | | - |
| **TOTAL** | **(T1) 4 570 861** | **(T2) 643 774** |
| **IV - GROSS INCOME FOR TAX PURPOSES** | | **3 927 087** |
| - Gross profit for tax purposes if T1 → T2 (A) | | 3 927 087 |
| - Gross loss for tax purposes if T2 → T1 (B) | | |
| **V - TAX LOSS CARRY FORWARDS (C) (1)** | | |
| - Financial year Y-4 | | |
| - Financial year Y-3 | | |
| - Financial year Y-2 | | |
| - Financial year Y-1 | | |
| **VI - NET INCOME FOR TAX PURPOSES** | | **3 927 087** |
| Net profit for tax purposes (A-C) | | 3 927 087 |
| Net loss for tax purposes (B) | | |
| **VII - ACCUMULATED DEFERRED DEPRECIATION ALLOWANCES** | | |
| **VIII - ACCUMULATED TAX LOSSES TO BE CARRIED FORWARD** | | |
| - Financial year Y-3 | | |
| - Financial year Y-2 | | |
| - Financial year Y-1 | | |
| **VI - RESULTAT NET FISCAL** | | **3 927 087** |
| Net profit for tax purposes ( A - C) | | 3 927 087 |
| Net loss for tax purposes (B) | | |
| **VII - ACCUMULATED DEFERRED DEPRECIATION ALLOWANCES** | | |
| **VIII - ACCUMULATED TAX LOSSES TO BE CARRIED FORWARD** | | |
| - Financial year Y-4 | | |
| - Financial year Y-3 | | |
| - Financial year Y-2 | | |
| - Financial year Y-1 | | |

(1) up to the value of gross profit for tax purposes (A)

## **Appropriation of income** at 31 december 2009

(Thousand MAD)

| | VALUE | | VALUE |
|---|---|---|---|
| **A- Origin of appropriated income** | | **B- Appropriation of income** | |
| Earnings brought forward | -4 816 | To legal reserve | - |
| Net income awaiting appropriation | | Dividends | 964 980 |
| Net income for the financial year | 2 357 627 | Other items for appropriation | 1 392 684 |
| Deduction from income | | Earnings carried forward | -4 853 |
| Other deductions | | | |
| **TOTAL A** | **2 352 811** | **TOTAL B** | **2 352 811** |

## Shareholder structure at 31 december 2009

| Name of main shareholders or associates | Address | Number of shares held | | % of share capital |
|---|---|---|---|---|
| | | Previous period | Current period | |
| **A- DOMESTIC SHAREHOLDERS** | | | | |
| * FINANCIERE D'INVESTISSEMENTS INDUSTRIELS & IMMOBILIERS | C/° ONA 61 RUE D'ALGER CASA | 28 488 090 | 28 488 090 | 14,76% |
| * ONA | C/° ONA 61 RUE D'ALGER CASA | 29 410 700 | 29 410 700 | 15,24% |
| * AL WATANIYA | 83 AVENUE DES FAR CASA | 6 327 120 | 5 414 712 | 2,81% |
| * WAFACORP | 2 BD MY YOUSSEF CASA | 4 481 090 | 1 929 960 | 1,00% |
| * WAFA ASSURANCE | 1 BD ABDELMOUMEN CASA | 10 113 640 | 13 711 660 | 7,10% |
| * GROUPE MAMDA & MCMA | 16 RUE ABOU INANE RABAT | 15 047 303 | 15 047 303 | 7,80% |
| * AXA ASSURANCES MAROC | 120 AVENUE HASSAN II CASA | 4 033 040 | 4 061 740 | 2,10% |
| * REGIME COLLECTIF D'ALLOCATION ET DE RETRAITE | ANGLE RUES D'ALGER ET DUHAUME CASA | 7 172 100 | 25 987 400 | 13,47% |
| * S.N.I | 140 PLACE MY EL HASSAN RABAT | 6 085 618 | 6 810 864 | 3,53% |
| * CDG | 140 PLACE MY EL HASSAN RABAT | 4 639 560 | 4 694 810 | 2,43% |
| * CIMR | BD ABDELMOUMEN CASA | 4 697 256 | 4 697 256 | 2,43% |
| * OPCVM | ************************** | 6 639 982 | 6 817 035 | 3,53% |
| * DIVERS ACTIONNAIRES MAROCAINS | ************************** | 21 322 340 | 20 309 716 | 10,52% |
| **TOTAL - I** | | **148 457 839** | **167 381 246** | |
| **B- FOREIGN SHAREHOLDERS** | | | | |
| *SANTUSA HOLDING | PASEO DE LA CASTELLANA N° 24 MADRID (ESPAGNE) | 28 085 810 | 8 786 214 | 4,55% |
| *CORPR. FINAC. CAJA DE MADRID | ELOY GONZALO N° 10 - 28010 MADRID (ESPAGNE) | 6 604 650 | 6 604 650 | 3,42% |
| *FININVEST | 91/93 BD PASTEUR 6EME ETAGE BUREAU 30615 PARIS (FRANCE) | 2 772 000 | 2 772 000 | 1,44% |
| *VARIOUS FOREIGN SHAREHOLDERS | ************************** | 7 075 661 | 7 451 850 | 3,86% |
| **TOTAL - II** | | **44 538 121** | **25 614 714** | |
| **TOTAL** | | **192 995 960** | **192 995 960** | **100,00%** |

## Branch network at 31 december 2009

| BRANCH NETWORK | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Permanent counters | 795 | 703 |
| Occasional counters | 2 | 1 |
| Cash dispensers and ATMs | 752 | 668 |
| Overseas branches | 41 | 38 |
| Overseas representative offices | 17 | 15 |

## Staff at 31 december 2009

| STAFF | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Salaried staff | 6 039 | 5 064 |
| Staff in employment | 6 039 | 5 064 |
| Full-time staff | 6 039 | 5 064 |
| Administrative and technical staff (full-time) | | |
| Banking staff (full-time) | | |
| Managerial staff (full-time) | 2 888 | 2 567 |
| Other staff (full-time) | 3 151 | 2 497 |
| of which Overseas staff | 21 | 13 |

## Customer accounts at 31 december 2009

| | 12/31/2009 | 12/31/2008 |
|---|---|---|
| Current accounts | 107 384 | 108 235 |
| Current accounts of Moroccans living abroad | 569 408 | 536 501 |
| Other current accounts | 1 022 294 | 931 367 |
| Factoring liabilities | | 4 |
| Savings accounts | 519 708 | 485 152 |
| Term accounts | 21 826 | 21 420 |
| Other deposit accounts | 89 231 | 67 276 |
| | **2 329 851** | **2 149 955** |

## Summary of key items over the last three periods at 31 december 2009

(Thousand MAD)

| ITEM | December 2009 | December 2008 | December 2007 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND EQUIVALENT** | **17 985 201** | **16 236 524** | **15 010 503** |
| **OPERATIONS AND INCOME IN FY** | | | |
| Net banking income | 7 050 577 | 6 567 724 | 5 916 006 |
| Pre-tax income | 4 250 029 | 3 404 563 | 2 958 111 |
| Income tax | 1 453 022 | 1 046 936 | 818 345 |
| Dividend distribution | 964 980 | 964 980 | 868 482 |
| **PER SHARE INFORMATION (IN MAD)** | | | |
| Dividend per share | 5,00 | 5,00 | 4,50 |
| **STAFF** | | | |
| Total staff costs | 1 286 307 | 1 206 955 | 1 354 531 |
| **Average number of employees during the period** | | | |

## Key dates and post-balance sheet events at 31 december 2009

| I- KEY DATES | |
|---|---|
| . Balance sheet date (1) | **31 DECEMBER 2009** |
| . Date for drawing up the financial statements (2) | **FEBRUARY 2010** |

(1) Justification in the event of any change to the balance sheet date
(2) Justification in the event that the statutory 3-month period for drawing up the financial statements is exceeded

### II. POST-BALANCE SHEET ITEMS NOT RELATED TO THIS FINANCIAL YEAR KNOWN BEFORE PUBLICATION OF THE FINANCIAL STATEMENTS

| Dates | Indication of event |
|---|---|
| . Favourable | **Not applicable** |
| . Unfavourable | **Not applicable** |

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