

# PROSPECTUS SUMMARY



التجاري وفا بنك  
Attijariwafa bank

## ATTIJARIWAFABANK S.A

### ISSUE OF SUBORDINATED BONDS FOR A TOTAL AMOUNT OF MAD 1,000,000,000

	Tranche A (Listed)	Tranche B (Listed)	Tranche C (Not listed)	Tranche D (Not listed)	Tranche E (Listed)	Tranche F (Not listed)
<b>Ceiling</b>	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000
<b>Number of securities</b>	10,000 subordinated bonds	10,000 subordinated bonds	10,000 subordinated bonds	10,000 subordinated bonds	10,000 subordinated bonds	10,000 subordinated bonds
<b>Nominal value</b>	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000
<b>Maturity</b>	7 years	7 years	7 years	7 years	7 years	7 years
<b>Face interest rate</b>	<u>Fixed</u> , the reference to the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.54% increased by a risk premium, i.e. between 3.14% and 3.24%.	<u>Revisable on an annual basis</u> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.32%, increased by a risk premium, i.e. between 2.87% and 2.97% for the first year.	<u>Fixed</u> , the reference to the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.54% increased by a risk premium, i.e. between 3.14% and 3.24%.	<u>Revisable on an annual basis</u> , the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.32%, increased by a risk premium, i.e. between 2.87% and 2.97% for the first year.	<u>Fixed</u> , the reference to the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.47% increased by a risk premium, i.e. between 2.97% and 3.07%.	<u>Fixed</u> , the reference to the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.47% increased by a risk premium, i.e. between 2.97% and 3.07%.
<b>Principle repayment</b>	In fine	In fine	In fine	In fine	Constant linear annual amortization, with a 2-year grace period	Constant linear annual amortization, with a 2-year grace period
<b>Risk premium</b>	Between 60 and 70 bps	Between 55 and 65 bps	Between 60 and 70 bps	Between 55 and 65 bps	Between 50 and 60 bps	Between 50 and 60 bps
<b>Repayment guarantee</b>	None	None	None	None	None	None
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate, amortizable), then for tranches A and C (fixed rate), and then for tranches B and D (annually revisable rate)					
<b>Tradability of securities</b>	Tradable in the Casablanca Stock Exchange	Tradable in the Casablanca Stock Exchange	Over-the-counter	Over-the-counter	Tradable in the Casablanca Stock Exchange	Over-the-counter

**Subscription period: from December 20 to 24, 2019 included**

**Issue reserved to qualified investors under Moroccan Law as defined in this prospectus**

**Advising Agency**  
Attijari Finances Corp.



Attijariwafa bank  
CORPORATE FINANCE

**Agency in charge of the placement**



التجاري وفا بنك  
Attijariwafa bank

#### APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of the Dahir Law No. 1-12-55 dated December 28, 2012, promulgating Law No. 4-12 on public offerings and information required of legal entities and savings organizations, this prospectus has been approved by the AMMC on December 12, 2019 under reference VI/EM/033/2019.

LISSANIAT  
Moroccan Capital Market Authority  
Liesse Casablanca  
Tél: 0529 83 78 89  
GSM: 0664 78 99 40



## PART I: PRESENTATION OF THE OPERATION

### **I. OBJECTIVES OF THE OPERATION**

The main objective of this issue is to:

- strengthen the current regulatory capital and, consequently, strengthen the solvency ratio of Attijariwafa bank;
- finance the bank's organic development in Morocco and abroad;
- anticipate the various regulatory changes in the countries of presence.

In accordance with Bank Al-Maghrib's Circular 14/G/2013 on the calculation of the regulatory capital requirements of credit institutions, as amended and supplemented, funds collected through this operation will be classified as additional Tier 2 capital.

### **II. STRUCTURE OF THE OFFER**

Attijariwafa bank intends to issue 10,000 subordinated bonds with a nominal value of MAD 100,000. The total amount of the operation amounts to MAD 1,000,000,000 divided as follow:

- tranche "A" with a 7-year maturity and a fixed rate, listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of the principal in fine);
- tranche "B" with a 7-year maturity and an annually revisable rate, listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of the principal in fine);
- tranche "C" with a 7-year maturity and a fixed rate, not listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of the principal in fine);
- tranche "D" with a 7-year maturity and an annually revisable rate, not listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of the principal in fine) ;
- tranche "E" with a 7-year maturity and a fixed rate, listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of principal by constant linear annual amortization beyond the 2<sup>nd</sup> year);
- tranche "F" with a 7-year maturity and a fixed rate, not listed on the Casablanca Stock Exchange, ceiled at MAD 1,000,000,000 and with a MAD 100,000 nominal value (repayment of principal by constant linear annual amortization beyond the 2<sup>nd</sup> year).

The total amount allotted over the six tranches shall in no case exceed the amount of MAD 1,000,000,000.

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### III. INFORMATION RELATED TO ATTIJARIWAFABANK'S SUBORDINATED BONDS

**Disclaimer:** *The subordinated bond is distinguished from the classical bond by the rank of loans contractually defined by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the funds borrowed to all secured or unsecured creditors.*

Characteristics of tranche A (Fixed rate, 7-year maturity and listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	MAD 1,000,000,000
<b>Maximum number of securities to be issued</b>	10,000 subordinated bonds
<b>Nominal value</b>	MAD 100,000
<b>Issue price</b>	100%, i.e. MAD 100,000
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included
<b>Possession date</b>	December 31, 2019
<b>Maturity date</b>	December 31, 2026
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate), then for tranches A and C (fixed rate, amortizable), and then for tranches B and D (annually revisable rate)
<b>Face interest rate</b>	<p><b>Fixed rate</b></p> <p>The face interest rate is determined in reference to the 7-year Treasury Bonds rate computed on the secondary market yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.54%. A risk premium ranging from 60 to 70 bps will be added, i.e. <b>between 3.14% and 3.24%</b>.</p> <p>The rate is determined through linear interpolation using the two points framing the full 7-year maturity (actuarial basis).</p> <p>The selected face interest rate will be published in an Official Gazette by Attijariwafa bank and on its website, no later than December 31, 2019.</p>
<b>Risk premium</b>	<b>Between 60 and 70 basis points</b>
<b>Interests</b>	<p>Interests will be served annually at the anniversary dates of the possession date of the loan, i.e. December 31, of each year. Their payment will take place on the same day or the first business day following December 31, if this day is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No postponement of the interest will be possible under this operation.</p> <p>Interests will be calculated as per the following formula:</p> <p>[Nominal x nominal rate].</p>

#### **Listing of securities**

The subordinated bonds of tranche A will be listed on the Casablanca Stock Exchange and will be subject to a request for listing in the D compartment of the Casablanca Stock Exchange. Their listing date is planned on December 26, 2019 on the bond compartment under Ticker OATWU.

To be listed on the Casablanca Stock Exchange, the amount allocated to Tranche A must be greater than or equal to an amount of MAD 20,000,000.

If, at the end of the subscription period, the amount allocated to Tranche A is less than MAD 20,000,000, the subscriptions relating to this Tranche will be cancelled.

#### **Procedure of first listing**

The listing of tranche A will be made by direct listing in accordance with articles 2.4.13, 2.4.14 and 2.4.15 of the General Regulation of the Stock Exchange.

#### **Amortization/ Regular repayment**

Tranche A will be subject of a repayment *in fine* of the principal amount.

In the event of a merger, demerger or partial contribution of assets from of Attijariwafa bank taking place during the term of the loan and resulting in the universal transfer of the assets in favor of a distinct legal entity, the rights and obligations in connection with the subordinated bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Attijariwafa bank.

The repayment of capital is, in case of liquidation of Attijariwafa bank, subordinated to all classical, secured or unsecured debts.

#### **Early repayment**

Attijariwafa bank undertakes not to go through an advance repayment of the subordinated loan bond, stated on the present prospectus.

However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of subordinated bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities until due date and without any incident on the regular amortization schedule. The redeemed subordinated bonds will be cancelled after the consent of Bank Al Maghrib.

In case of cancellation, the issuer has to inform the stock exchange, the AMMC and the bondholders' body representative of the cancelled bonds.

#### **Entity in charge of the registration of the operation in the Casablanca Stock Exchange**

Attijari Intermédiation

#### **Tradability of securities**

The subordinated bonds, subject of tranche A, are freely tradable at Casablanca Stock Exchange.

There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.

**Assimilation clauses**

There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.

In case Attijariwafa bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of the present issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.

**Loan rank / subordination**

The capital and the interest will be the subject of a subordination clause.

The application of this clause will not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, the payment of its securities in capital and interest.

In case of liquidation of Attijariwafa bank, the capital and interests of the subordinated securities of the present issue will be paid back only after the compensation of all the classical, secured or unsecured creditors. The repayment of the subordinated securities will take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Attijariwafa bank both in Morocco and abroad, proportionally to their amount, if applicable.

**Maintenance of the loan's rank**

Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of the present loan.

**Repayment guarantee**

The present issue has not been subject to a special guarantee.

**Rating**

The present issue has not been subject to any rating request.

**Representation of the bondholders' body**

The Board of Directors held on December 101, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.

In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.

Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.

Furthermore, Hdid Consultants represented by Mr. Mohamed Hdid is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019

**Applicable law**

Moroccan law.



Competent jurisdiction

Trade Court of Casablanca.

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Altijariwafa bank

Characteristics of tranche B (Annually revisable rate, 7-year maturity and listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	<b>MAD 1,000,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>10,000 subordinated bonds</b>
<b>Nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e. MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included
<b>Possession date</b>	December 31, 2019
<b>Maturity date</b>	December 31, 2026
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate, amortizable), then for tranches A and C (fixed rate), and then for tranches B and D (annually revisable rate)
<b>Face interest rate</b>	<p><b>Revisable on an annual basis.</b></p> <p>For the first year, the reference rate for the face interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary market yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.32%. A risk premium ranging from 55 to 65 basis points will be added to this rate, thus resulting in a rate between 2.87% and 2.97% for the first year.</p> <p>The selected interest rate will be published by Attijariwafa bank on its website and in an Official Gazette by Attijariwafa bank, no later than December 31, 2019.</p> <p>For the following years, the reference rate is the full 52-week rate (monetary rate) as computed by linear interpolation on the secondary market yield curve, as published by Bank Al-Maghrib at least 5 business days before the anniversary date of the coupon payment.</p> <p>A risk premium ranging from 55 to 65 basis points (fixed at the end of the auction) will then be added to this rate. The final rate will then be communicated by Attijariwafa bank on its website to bondholders and to the Stock Exchange at least 5 trading days before the anniversary date.</p>

### Reference rate calculation method

The rate is determined by Attijariwafa bank through linear interpolation using the two points covering the full maturity of 52 weeks (on a monetary basis).

This linear interpolation will be done after the conversion of the next higher level of the 52-week maturity (actuarially) to the equivalent monetary rate.

The formula is:

$$(((\text{Actuarial rate} + 1) ^{(k / \text{exact number of days} *)}) - 1) \times 360 / k;$$

k is the maturity of the actuarial rate immediately greater than 52 weeks

\* Exact number of days: 365 or 366 days.

### Risk premium

### Interest rate determination date

#### Between 55 and 65 basis points

The coupon will be revised on an annual basis on the anniversary dates of the vesting dates, i.e. December 31 of each year.

The new rate will be communicated by the issuer on its website to the Casablanca Stock Exchange at least 5 trading days before the anniversary date.

The revised rate will be published in the Official Bulletin of Casablanca Stock Exchange.

### Interests

Interests will be annually served at the anniversary dates of the date of possession of the loan, i.e. December 31 of each year. Payment of interests will take place on the same day or the first business day following December 31 if it is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No deferral of interests will be possible as part of this operation.

Interests will be calculated using the following formula:

$$[\text{Nominal} \times \text{Face rate} \times \text{Exact number of days} / 360].$$

The subordinated bonds, subject of tranche B, will be listed on the Casablanca Stock Exchange and will be subject to a request for listing in the D compartment of Casablanca Stock Exchange. Their listing date is planned on December 26, 2019 on the bond compartment under Ticker AOTWV.

To be listed on the Casablanca Stock Exchange, the amount allocated to Tranche B must be greater than or equal to an amount of MAD 20,000,000.

If, at the end of the subscription period, the amount allocated to Tranche B is less than MAD 20,000,000, the subscriptions relating to this Tranche will be cancelled.

The listing of tranche A will be made by direct listing in accordance with articles 2.4.13, 2.4.14 and 2.4.15 of the General Regulation of the Stock Exchange.

### Listing of securities

### Procedure of first listing

LIQUIDATION  
Liquidity  
2019



<b>Loan rank/subordination</b>	<p>The capital and the interest will be the subject of a subordination clause.</p> <p>The application of this clause will not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, the payment of its securities in capital and interest.</p> <p>In case of liquidation of Attijariwafa bank, the capital and interests of the subordinated securities of the present issue will be paid back only after the compensation of all the classical, secured or unsecured creditors. The repayment of the subordinated securities will take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Attijariwafa bank both in Morocco and abroad, proportionally to their amount, if applicable.</p>
<b>Maintenance of the loan's rank</b>	<p>Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of the present loan.</p>
<b>Repayment guarantee</b>	<p>The present issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>The present issue has not been subject to any rating request.</p>
<b>Representation of the bondholders' body</b>	<p>The Board of Directors held on December 10, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.</p> <p>In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.</p> <p>Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.</p> <p>Furthermore, HDID Consultants represented by Mr. Mohamed HDID is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>
<b>Competent jurisdiction</b>	<p>Trade Court of Casablanca.</p>

Characteristics of tranche C (Fixed rate, 7-year maturity, with a principle repayment in fine, and not listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	<b>MAD 1,000,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>10,000 subordinated bonds</b>
<b>Nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e. MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included
<b>Possession date</b>	December 31, 2019
<b>Maturity date</b>	December 31, 2026
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate, amortizable), then for tranches A and C (fixed rate), and then for tranches B and D (annually revisable rate)
<b>Face interest rate</b>	<p><b>Fixed rate</b></p> <p>The face interest rate is determined in reference to the 7-year Treasury Bonds rate computed on the secondary market yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.54%. A risk premium ranging from 60 to 70 bps will be added, i.e. <b>between 3.14% and 3.24%</b>.</p> <p>The reference rate is determined through linear interpolation using the two points framing the full 7-year maturity (actuarial basis).</p> <p>The selected face interest rate will be published in an Official Gazette by Attijariwafa bank and on its website, no later than December 31, 2019.</p>
<b>Risk premium</b>	<b>Between 60 and 70 basis points</b>
<b>Interests</b>	<p>Interests will be served annually at the anniversary dates of the possession date of the loan, i.e. December 31, of each year. Their payment will take place on the same day or the first business day following December 31, if this day is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No postponement of the interest will be possible under this operation.</p> <p>Interests will be calculated as per the following formula:</p> <p>[Nominal x nominal rate].</p>



<b>Maintenance of the loan's rank</b>	Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.
<b>Repayment guarantee</b>	The present issue has not been subject to a special guarantee.
<b>Rating</b>	The present issue has not been subject to any rating request.
<b>Representation of the bondholders' body</b>	<p>The Board of Directors held on December 10, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.</p> <p>In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.</p> <p>Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.</p> <p>Furthermore, HDID Consultants represented by Mr. Mohamed HDID is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019.</p>
<b>Applicable law</b>	Moroccan law.
<b>Competent jurisdiction</b>	Trade Court of Casablanca.
<b>Characteristics of tranche D (Annually revisable rate, 7-year maturity with a principle repayment in fine, and not listed on the Casablanca Stock Exchange)</b>	
<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	MAD 1,000,000,000
<b>Maximum number of securities to be issued</b>	10,000 subordinated bonds
<b>Nominal value</b>	MAD 100,000
<b>Issue price</b>	100%, i.e. MAD 100,000
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included



## Interests

Interests will be annually served at the anniversary dates of the date of possession of the loan, i.e. December 31 of each year. Payment of interests will take place on the same day or the first business day following December 31 if it is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No deferral of interests will be possible as part of this operation.

Interests will be calculated using the following formula:

$[\text{Nominal} \times \text{Face rate} \times \text{Exact number of days} / 360]$ .

## Amortization/ Regular repayment

Tranche D will be subject of a repayment *in fine* of the principal amount.

In the event of a merger, demerger or partial contribution of assets from of Attijariwafa bank taking place during the term of the loan and resulting in the universal transfer of the assets in favor of a distinct legal entity, the rights and obligations in connection with the subordinated bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Attijariwafa bank.

The repayment of capital is, in case of liquidation of Attijariwafa bank, subordinated to all classical, secured and unsecured debts.

## Early repayment

Attijariwafa bank undertakes not to go through an advance repayment of the subordinated loan bond, stated on the present prospectus.

However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of subordinated bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities until due date and without any incident on the regular amortization schedule. The redeemed subordinated bonds will be cancelled only after the consent of Bank Al Maghrib.

In the event of cancellation, the issuer must inform the AMMC and the representative of the bondholder body of the cancelled bonds.

## Tradability of securities

Over-the-counter.

There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.

## Assimilation clauses

There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.

In case Attijariwafa bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of the present issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.

<b>Loan rank/subordination</b>	<p>The capital and the interest will be the subject of a subordination clause.</p> <p>The application of this clause will not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, the payment of its securities in capital and interest.</p> <p>In case of liquidation of Attijariwafa bank, the capital and interests of the subordinated securities of the present issue will be paid back only after the compensation of all classical, secured or unsecured creditors. The repayment of the subordinated securities will take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Attijariwafa bank both in Morocco and abroad, proportionally to their amount if applicable.</p>
<b>Maintenance of the loan's rank</b>	<p>Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<b>Repayment guarantee</b>	<p>The present issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>The present issue has not been subject to any rating request.</p>
<b>Representation of the bondholders' body</b>	<p>The Board of Directors held on December 10, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.</p> <p>In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.</p> <p>Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.</p> <p>Furthermore, Hdid Consultants represented by Mr. Mohamed Hdid is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>
<b>Competent jurisdiction</b>	<p>Trade Court of Casablanca.</p>

Characteristics of tranche E (Fixed rate, 7-year maturity, with repayment of principal by constant linear amortization beyond the 2<sup>nd</sup> year, and listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	<b>MAD 1,000,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>10,000 subordinated bonds</b>
<b>Nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e. MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included
<b>Possession date</b>	December 31, 2019
<b>Maturity date</b>	December 31, 2026
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate, amortizable), then for tranches A and C (fixed rate), and then for tranches B and D (annually revisable rate)
<b>Face interest rate</b>	<p><b>Fixed rate</b></p> <p>The face interest rate is determined in reference to the sovereign rate of equivalent maturity (7 years, fixed and amortizable annually) computed on the secondary market yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.47%. A risk premium ranging from 50 and 60 bps will be added, i.e. <b>between 2.97% and 3.07%</b>.</p> <p>The selected face interest rate will be published in an Official Gazette by Attijariwafa bank and on its website, no later than December 31, 2019.</p>
<b>Risk premium</b>	<b>Between 50 and 60 basis points</b>
<b>Interests</b>	<p>Interests will be served annually at the anniversary dates of the possession date of the loan, i.e. December 31, of each year. Their payment will take place on the same day or the first business day following December 31, if this day is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No postponement of the interest will be possible under this operation.</p> <p>Interests will be calculated as per the following formula: [Outstanding capital x nominal rate].</p>

<b>Listing of securities</b>	<p>The subordinated bonds of tranche E will be listed on the Casablanca Stock Exchange and will be subject to a request for listing in the D compartment of the Casablanca Stock Exchange. Their listing date is planned on December 26, 2019 on the bond compartment under Ticker OATWW.</p> <p>To be listed on the Casablanca Stock Exchange, the amount allocated to Tranche E must be greater than or equal to an amount of MAD 20,000,000.</p> <p>If, at the end of the subscription period, the amount allocated to Tranche E is less than MAD 20,000,000, the subscriptions relating to this Tranche will be cancelled.</p>
<b>Procedure of first listing</b>	<p>The listing of tranche E will be made by direct listing in accordance with articles 2.4.13, 2.4.14 and 2.4.15 of the General Regulation of the Stock Exchange.</p>
<b>Amortization/ Regular repayment</b>	<p>Repayment of principal on a straight-line basis, with a deferral for the first two years.</p> <p>Beyond the 2<sup>nd</sup> year of the vesting date, the repayment of the principal of Tranche E of the subordinated bond loan, which is the subject of this information note, will be made annually and on a straight-line basis (annual amortization of 20% from the 3<sup>rd</sup> year) on each anniversary date of the date on which the issue takes effect or on the 1st business day following that date if it is not a business day.</p> <p>In the event of a merger, demerger or partial contribution of assets of Attijariwafa bank occurring during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations under the subordinated obligations will automatically be transferred to the legal entity substituted in the rights and obligations of Attijariwafa bank.</p> <p>The repayment of the capital is, in the event of the liquidation of Attijariwafa bank, subordinated to all classical, secured and unsecured debts.</p>
<b>Early repayment</b>	<p>Attijariwafa bank undertakes not to go through an advance repayment of the subordinated loan bond, stated on the present prospectus.</p> <p>However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of subordinated bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities until due date and without any incident on the regular amortization schedule. The redeemed subordinated bonds will be cancelled after the consent of Bank Al Maghrib.</p> <p>In the event of cancellation, the issuer must inform the AMMC and the representative of the bondholder body of the cancelled bonds.</p>
<b>Entity in charge of the registration of the operation in the Casablanca Stock Exchange</b>	<p>Attijari Intermédiation</p>
<b>Tradability of securities</b>	<p>The subordinated bonds, subject of tranche E, are freely tradable at Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>

<b>Assimilation clauses</b>	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In case Attijariwafa bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of the present issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
<b>Loan rank/Subordination</b>	<p>The capital and the interest will be the subject of a subordination clause.</p> <p>The application of this clause will not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, the payment of its securities in capital and interest.</p> <p>In case of liquidation of Attijariwafa bank, the capital and interests of the subordinated securities of the present issue will be paid back only after the compensation of all the classical, secured or unsecured creditors. The repayment of the subordinated securities will take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Attijariwafa bank both in Morocco and abroad, proportionally to their amount, if applicable.</p>
<b>Maintenance of the loan's rank</b>	<p>Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of the present loan.</p>
<b>Repayment guarantee</b>	<p>The present issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>The present issue has not been subject to any rating request.</p>
<b>Representation of the bondholders' body</b>	<p>The Board of Directors held on December 10, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.</p> <p>In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.</p> <p>Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.</p> <p>Furthermore, Hdid Consultants represented by Mr. Mohamed Hdid is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>

**Competent jurisdiction**

Trade Court of Casablanca.

LISSA  
Rue N° 10 - Le Maroc  
Lissas  
Tél: 05 22  
GSM : 0634 11 11

Characteristics of tranche F (Fixed rate, 7-year maturity with repayment of principal by constant linear amortization beyond the 2<sup>nd</sup> year, and not listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered financial intermediaries.
<b>Legal form</b>	Bearer bond
<b>Tranche ceiling</b>	<b>MAD 1,000,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>10,000 subordinated bonds</b>
<b>Nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e. MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 20 to 24, 2019 included
<b>Possession date</b>	December 31, 2019
<b>Maturity date</b>	December 31, 2026
<b>Allocation method</b>	French Auction with a priority for tranche E and F (fixed rate, amortizable), then for tranches A and C (fixed rate), and then for tranches B and D (annually revisable rate)
<b>Face interest rate</b>	<p><b>Fixed rate</b></p> <p>The face interest rate is determined in reference The face interest rate is determined by reference to the sovereign rate of equivalent maturity (7 years, fixed and amortizable annually) computed on the secondary market yield curve as published by Bank Al-Maghrib on December 9, 2019, i.e. 2.47%. A risk premium ranging from 50 and 60 bps will be added, i.e. <b>between 2.97% and 3.07%</b>.</p> <p>The selected face interest rate will be published in an Official Gazette by Attijariwafa bank and on its website, no later than December 31, 2019.</p>
<b>Risk premium</b>	<b>Between 50 and 60 basis points</b>
<b>Interests</b>	<p>Interests will be served annually at the anniversary dates of the possession date of the loan, i.e. December 31, of each year. Their payment will take place on the same day or the first business day following December 31, if this day is not a business day. Interests on subordinated bonds will cease to accrue from the date when Attijariwafa bank will reimburse the principal. No postponement of the interest will be possible under this operation.</p> <p>Interests will be calculated as per the following formula:</p> <p>[Outstanding capital x nominal rate].</p>

#### **Amortization/ Regular repayment**

Repayment of principal on a straight-line basis, with a deferral for the first two years.

Beyond the 2<sup>nd</sup> year of the vesting date, the repayment of the principal of Tranche E of the subordinated bond loan, which is the subject of this information note, will be made annually and on a straight-line basis (annual amortization of 20% from the 3<sup>rd</sup> year) on each anniversary date of the date on which the issue takes effect or on the 1st business day following that date if it is not a business day.

In the event of a merger, demerger or partial contribution of assets of Attijariwafa bank occurring during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations under the subordinated obligations will automatically be transferred to the legal entity substituted in the rights and obligations of Attijariwafa bank.

The repayment of the capital is, in the event of the liquidation of Attijariwafa bank, subordinated to all classical, secured and unsecured debts.

#### **Early repayment**

Attijariwafa bank undertakes not to go through an advance repayment of the subordinated loan bond, stated on the present prospectus.

However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of subordinated bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities until due date and without any incident on the regular amortization schedule. The redeemed subordinated bonds will be cancelled after the consent of Bank Al Maghrib.

In the event of cancellation, the issuer must inform the AMMC and the representative of the bondholder body of the cancelled bonds.

#### **Tradability of securities**

Over-the-counter.

There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.

#### **Assimilation clauses**

There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.

In case Attijariwafa bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of the present issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.

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Attijariwafa Bank

<b>Loan rank/Subordination</b>	<p>The capital and the interest will be the subject of a subordination clause.</p> <p>The application of this clause will not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, the payment of its securities in capital and interest.</p> <p>In case of liquidation of Attijariwafa bank, the capital and interests of the subordinated securities of the present issue will be paid back only after the compensation of all classical, secured or unsecured creditors. The repayment of the subordinated securities will take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Attijariwafa bank both in Morocco and abroad, proportionally to their amount if applicable.</p>
<b>Maintenance of the loan's rank</b>	<p>Attijariwafa bank is committed, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<b>Repayment guarantee</b>	<p>The present issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>The present issue has not been subject to any rating request.</p>
<b>Representation of the bondholders' body</b>	<p>The Board of Directors held on December 10, 2019, and pending the occurrence of the General Meeting of bondholders, has designated Hdid Consultants represented by Mr. Mohamed Hdid as a temporary representative. This decision will take effect concurrently with the beginning of the subscription period. To be noted that the temporary representative appointed is the same for the tranches A, B, C, D, E and F, which are grouped together in one and same body.</p> <p>In addition, the Board of Directors takes the engagement of calling a General Meeting of bondholders to appoint a permanent representative of the bondholders within a period of one year, starting from the opening of the subscription.</p> <p>Moreover, Attijariwafa bank has no capital or business ties with Hdid Consultants represented by Mr. Mohamed Hdid.</p> <p>Furthermore, Hdid Consultants represented by Mr. Mohamed Hdid is the permanent representative of the bond holders of the issues made by Attijariwafa bank between 2014 and 2018. He is also the provisional representative of the bondholders of the issue carried out by Attijariwafa bank in June 2019.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>
<b>Competent jurisdiction</b>	<p>Trade Court of Casablanca.</p>

#### IV. SCHEDULE OF THE OPERATION

This operation schedule is as follows:

Orders	Stages	Timeline
1	Receipt of the complete file by the Casablanca Stock Exchange	December 10, 2019
2	Approval of the issue by the Casablanca Stock Exchange	December 12, 2019
3	Receipt by the Casablanca Stock Exchange of the prospectus approved by AMMC	December 12, 2019
4	Publication of the prospectus extract on the issuer's website ( <a href="http://ir.attijariwafabank.com/">http://ir.attijariwafabank.com/</a> )	December 12, 2019
5	Publication of a notice of the introduction of the bonds issued under the tranches listed in the official bulletin of the Casablanca Stock Exchange	December 13, 2019
6	Publication of an abstract of the prospectus in an Official Gazette	December 16, 2019
7	Opening of the subscription period	December 20, 2019
8	Closing of the subscription period	December 24, 2019
9	Receipt by the Casablanca Stock Exchange of the results of the operation and the rates retained per tranche, <b>before 10:00 am</b>	December 25, 2019
	Listing of bonds	
10	Publication of the operation results in the official bulletin of the Casablanca Stock Exchange Registration of the transaction in the Stock Exchange	December 26, 2019
11	Payment / Delivery	December 31, 2019
12	Publication by the issuer of the operation results and the used rates in an Official Gazette and on its website	December 31, 2019

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 Direction Générale  
 Casablanca

## PART II: OVERVIEW OF ATTIJARIWAFABANK

### I. GENERAL INFORMATION

<b>Company name</b>	Attijariwafa bank
<b>Headquarters</b>	2, boulevard Moulay Youssef – Casablanca 20 000
<b>Phone / Fax</b>	Phone: 0522.29.88.88 Fax: 0522.29.41.25
<b>Web site</b>	<a href="http://www.attijariwafabank.com">www.attijariwafabank.com</a>
<b>Email</b>	<a href="mailto:ir@attijariwafa.com">ir@attijariwafa.com</a>
<b>Legal form</b>	Limited Company with Board of Directors
<b>Incorporation date</b>	1911
<b>Company lifetime</b>	May 31 <sup>st</sup> , 2060 (99 years)
<b>Trade Register</b>	Casablanca Trade Register No.333
<b>Financial Year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Company objective (article 5 of statutes)</b>	<p>“The purpose of the company is in all countries, to perform all banking, finance, credit, commission operations and generally, under the restrictions stipulated by the applicable legal provisions, any operations directly or indirectly related to this purpose, mainly, the following operations, the list of which is not exhaustive:</p> <ul style="list-style-type: none"> <li>▪ Receive from the public deposits on accounts or otherwise whether interest bearing or not, repayable on demand, upon notice or maturity;</li> <li>▪ Discount all commercial papers, exchange letters, promissory notes, checks, warrants, instruments, vouchers issued by the Public Treasury or Local or semi-public authorities, and generally any commitments resulting from industrial, agricultural, commercial or financial operations or other operations conducted by public administrations, negotiate or rediscount the aforementioned items and provide and accept all orders, exchange letters, promissory notes, or checks, etc.;</li> <li>▪ Grant all types of loans with or without guarantees, issue advances on Moroccan or foreign annuities, on securities issued by the State, public or semi-public authorities and on securities issued by Moroccan or foreign industrial, agricultural, commercial or financial companies;</li> <li>▪ Receive deposits of all securities and objects; accept or proceed to the payment and recovery of exchange letters, promissory notes, checks, warrants, interest or dividend coupons, act as intermediary for the purchase or sale of all kinds of public funds, securities, bonds or profit shares;</li> <li>▪ Accept or at times in conjunction with loans or borrowings, grant mortgages and any other types of guarantee, underwrite any guarantee sureties or endorsements commitments, proceed to all acquisitions, real estate or personal property as well as financial leases or rental of buildings;</li> <li>▪ Proceed to or participate in the issue, investment, introduction in the market, to the negotiation of any securities of the public or private authorities, submit any borrowings of these authorities, acquire or dispose of any annuities, public sector securities, shares, bonds or securities of all kinds belonging to the said authorities, ensure the creation of corporate entities and consequently accept any offices or powers, and when possible contribute to the capital of the said companies;</li> <li>▪ Establish in any place inside or outside Morocco, subsidiaries, branches, offices and affiliates required to perform the aforementioned operations;</li> <li>▪ Acquire stakes in already existing businesses or companies in the process of creation, provided adherence to the limits set with regard to shareholders' equity and registered capital or voting rights of the issuing company in</li> </ul>

	accordance with the applicable regulations.
	<ul style="list-style-type: none"> <li>▪ And generally all operations that fall under its corporate purpose.”</li> </ul>
<b>209 859 679</b>	209 859 679 shares with a face value of 10 MAD.
<b>Legal documents</b>	The legal documents of the company, including the articles of associations, companies’ articles and General Meetings and auditors’ reports may be consulted at Attijariwafa bank’s Headquarters.
<b>List of the laws applicable on the issuer</b>	<p>Due to its legal form, Attijariwafa bank is governed by Moroccan law and Law No. 17-95, promulgated by Dahir No. 1-96-124 of August 30<sup>th</sup>, 1996 on public limited Companies as amended and supplemented by law No. 20-05-78-12;</p> <p>Due to its activity, Attijariwafa bank is governed by the Dahir No. 1-14-193 of Rabii I 1<sup>st</sup>, 1436 promulgating Law No. 103-12 on credit institutions and similar bodies (Banking Act).</p> <p>Due to its listing on the Casablanca Stock Exchange, it is subject to all applicable laws and regulations related to the financial markets, including:</p> <ul style="list-style-type: none"> <li>▪ Dahir No. 1-93-211 of September 21<sup>st</sup>, 1993 on the Stock Exchange as amended and supplemented by laws 34-96, 29-00, 52-01, 45-06 and 43-09;</li> <li>▪ General Rules of the Stock Exchange approved by the Ordinance of the Minister of Economy and Finance No. 1268-08 of July 7<sup>th</sup>, 2008, modified and supplemented by the Ordinance of the Minister of Economy and Finance No. 1156 -10 of April 7<sup>th</sup>, 2010, as amended and supplemented by Ordinance of the Minister of Economy and Finance No. 30-14 of 4<sup>th</sup> Rabii I, 1435 (January 6<sup>th</sup>, 2014)</li> <li>▪ Dahir No. 1-93-212 of September 21<sup>st</sup>, 1993 relating to the information required of legal entities making public offerings as amended and supplemented by Laws No. 23-01, 36-05 and 44-06;</li> <li>▪ General Rules of AMMC as approved by the Decree of the Minister of Economy and Finance No. 2169-16;</li> <li>▪ AMMC circular;</li> <li>▪ Dahir No. 1-95-03 of January 26<sup>th</sup>, 1995 promulgating the Law No. 35-94 on some tradable debt securities and the Decree of the Ministry of Finance and Foreign Investments No. 2560-95 of October 9<sup>th</sup>, 1995 on tradable debt securities;</li> <li>▪ Dahir No. 1-96-246 of January 9<sup>th</sup>, 1997 promulgating the law No. 35-96 relating to the creation of the Central Depository and the establishment of a general system of registration in accounts of some securities, amended and supplemented by Law No. 43-02;</li> <li>▪ General rules of the Central Depository approved by the Ordinance of the Minister of Economy and Finance No. 932-98 dated April 16<sup>th</sup>, 1998 and amended by the Ordinance of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30<sup>th</sup>, 2001;</li> <li>▪ Dahir No. 1-04-21 of April 21<sup>st</sup>, 2004 promulgating the Law No. 26-03 relating to public offerings on the stock market and amended by the Law 46-06;</li> <li>▪ Bank Al Maghrib circular No. 2/G/96 of January 30<sup>th</sup>, 1996 related to the deposit certificates and its amendment.</li> </ul>
<b>Tax system</b>	As a credit institution, Attijariwafa bank is subject to the corporate tax (37%) and the VAT (10%).
<b>Competent court in the event of dispute</b>	Trade Court of Casablanca

## II. INFORMATION ON THE ISSUER'S SHARE CAPITAL<sup>1</sup>

As of June 30, 2019, the capital of Attijariwafa bank amounted to MAD 2,098,596,790, divided into 209,859,679 shares with a nominal value of MAD 10 each. The capital allocation is presented as follows:

	Address	Number of held securities	% of capital	% of voting rights
<b>1- National shareholders</b>		<b>159 852 699</b>	<b>76.17%</b>	<b>76.17%</b>
<b>1-1- Al Mada</b>	Angle rue d'Alger et Duhaume - Casablanca	<b>97 433 137</b>	<b>46.43%</b>	<b>46.43%</b>
<b>1-2- Insurance companies</b>		<b>33 059 222</b>	<b>15.75%</b>	<b>15.75%</b>
MAMDA	16 rue Abou Inane - Rabat	7 860 054	3.75%	3.75%
MCMA	16 rue Abou Inane - Rabat	7 737 148	3.69%	3.69%
RMA-Watanya	83 avenue des FAR - Casablanca	2 683 942	1.28%	1.28%
Wafa Assurance	1 rue Abdelmoumen - Casablanca	13 226 583	6.30%	6.30%
Axa Assurances Maroc	120 avenue hassan II - Casablanca	1 551 495	0.74%	0.74%
<b>1-3- Other institutions</b>		<b>29 360 340</b>	<b>13.99%</b>	<b>13.99%</b>
Caisse de Dépôt et de Gestion (CDG)	140 Place My El Hassan - Rabat	3 576 531	1.70%	1.70%
Caisse Marocaine de Retraite	Avenue Al Araar, BP 2048, Hay Riad, Rabat	4 405 769	2.10%	2.10%
CIMR	100 Bd Abdelmoumen - Casablanca	7 860 780	3.75%	3.75%
RCAR	Hay Riad - BP 2038 - Rabat	13 517 260	6.44%	6.44%
<b>2- Foreign shareholders</b>		<b>10 715 614</b>	<b>5.11%</b>	<b>5.11%</b>
Santusa Holding	Paseo de la Castellana n°24 - Madrid (Spain)	10 715 614	5.11%	5.11%
<b>3- Float</b>		<b>39 291 366</b>	<b>18.72%</b>	<b>18.72%</b>
UCITS and others	NA*	32 808 297	15.63%	15.63%
Bank directors	NA*	700	0.00%	0.00%
Personnel de la banque	NA*	6 482 369	3.09%	3.09%
Bank staff		<b>209 859 679</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Attijariwafa bank - \* Not applicable

LISSANIAT  
 Casablanca  
 T. : 051 89 78 89  
 GSM : 0684 78 99 40

<sup>1</sup> Al Mada became Attijariwafa bank's reference shareholder with a 46.43% stake, mainly following the merger of ONA into Al Mada on 31 December 2010.

### III. ATTIJARIWAFABANK BOARD OF DIRECTORS

As of September 30, 2019, Attijariwafa bank is managed by a Board of Directors composed of 10 members and chaired by Mr. Mohamed EL KETTANI .

Directors	Appointment date <sup>1</sup>	Expiry of office term
<b>Mr. Mohamed EL KETTANI</b> CEO of the Attijariwafa bank Group, Chairman of the Board of Directors	2014	OGM called to approve the 2019 financial year
<b>SIGER</b> Represented by Mr. Mounir El Majidi, CEO of SIGER <sup>2</sup> , Director - Attijariwafa bank	2015	OGM called to approve the 2020 financial year
<b>Al Mada</b> Represented by Mr. Hassan Ouriagli, CEO of Al Mada, Director - Attijariwafa bank	2017	OGM called to approve the 2022 financial year
<b>Mr. Abdelmjid Tazlaoui</b> CEO of AMETYS <sup>3</sup> , Director - Attijariwafa bank	2017	OGM called to approve the 2022 financial year
<b>Mr. Aymane Taud</b> Deputy Managing Director of AL Mada, Director - Attijariwafa bank	2016	OGM called to approve the 2021 financial year
<b>Mr. José Reig</b> Director - Attijariwafa bank	2018	OGM called to approve the 2023 financial year
<b>Mr. Abed Yacoubi Soussane</b> Chairman of MAMDA/MCMA, Director - Attijariwafa bank	2017	OGM called to approve the 2022 financial year
<b>Mr. Aldo Olcese Santonja</b> Independent director, PhD in Financial Economics at the Royal Academy of Economic & Financial Sciences	2014	OGM called to approve the 2019 financial year
<b>Santander</b> Represented by Mr. Jose Manuel Varela, Deputy Managing Director, Director - Attijariwafa bank	2014	OGM called to approve the 2019 financial year
<b>Mr. Lionel Zinsou</b> Managing Partner Southbridge, Independent director	2019	OGM called to approve the 2024 financial year

Source: Attijariwafa bank

(1) Appointment or reappointment - the year corresponds to the year in which the General Meeting called to approve the financial statements for the previous financial year is held

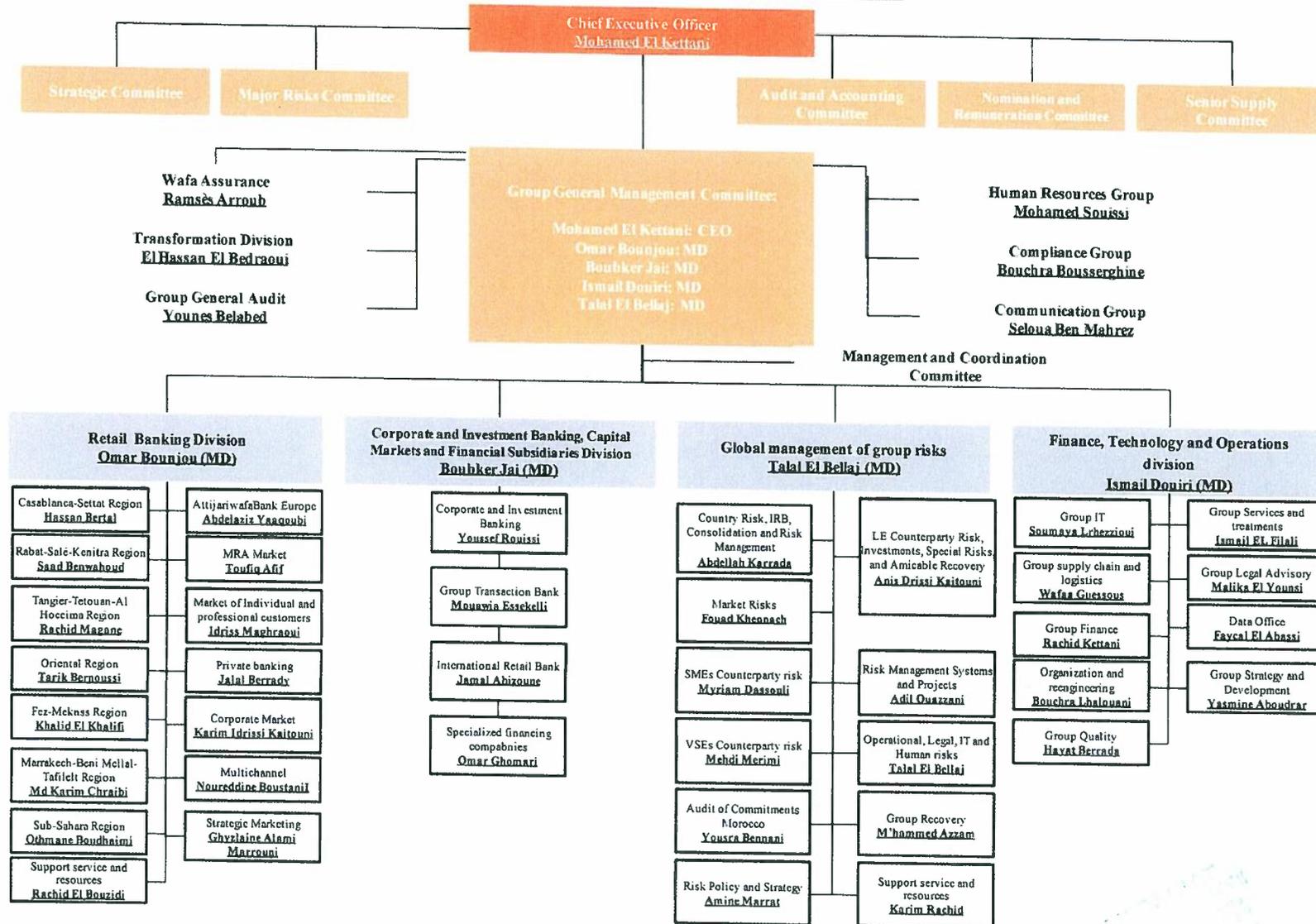
(2) Siger is a shareholder of Al Mada

(3) AMETYS is a sister company of Attijariwafa bank

### III. ATTIJARIWAFABANK ADMINISTRATIVE CHART

The administrative chart of Attijariwafa bank Group, as of September 30, 2019, is as follows:

ALISSAWAT  
 100%  
 100%  
 100%



Source: Attijariwafa bank

#### IV. ACTIVITY OF ATTIJARIWAFI BANK

##### IV.1. Evolution of loans

The outstanding loans of Attijariwafa bank evolved over the period under review as follows:

	2016	2017	2018	Var. 17/16	Var. 18/17	S1.2019	Var. S1.19/18
<b>Loans to credit institutions and similar entities (C1)</b>	<b>40 716</b>	<b>35 622</b>	<b>33 043</b>	<b>-12.5%</b>	<b>-7.2%</b>	<b>34 377</b>	<b>4.0%</b>
Demand	10 211	6 724	4 036	-34.1%	-40.0%	5 427	34.5%
Term	30 505	28 898	29 007	-5.3%	0.4%	28 949	-0.2%
<b>Customer loans (C2)</b>	<b>174 927</b>	<b>179 238</b>	<b>203 544</b>	<b>2.5%</b>	<b>13.6%</b>	<b>210 741</b>	<b>3.5%</b>
Treasury and consumer loans	49 639	45 876	53 719	-7.6%	17.1%	51 345	-4.4%
Investment loans	56 336	61 961	64 824	10.0%	4.6%	66 393	2.4%
Mortgage loans	56 253	59 193	60 948	5.2%	3.0%	62 454	2.5%
Other loans	7 971	7 693	7 478	-3.5%	-2.8%	14 778	97.6%
Factoring loans	-	-	10 777	0.0%	>100.0%	10 179	-5.6%
Past due receivables net of provision	3 323	3 040	4 217	-8.5%	38.7%	3 901	-7.5%
Accrued interest receivable	1 407	1 475	1 580	4.9%	7.1%	1 692	7.1%
<b>Total loans (C1) + (C2)</b>	<b>215 642</b>	<b>214 860</b>	<b>236 587</b>	<b>-0.4%</b>	<b>10.1%</b>	<b>245 117</b>	<b>3.6%</b>

MAD million - Source: Attijariwafa bank – Aggregate accounts

As of June 30, 2019, Attijariwafa bank's outstanding loans amounted to MAD 245.1 billion, up 3.6% compared to end-December 2018. This evolution is explained by the following combined elements:

- the improvement in outstanding customer loans from 3.5% to nearly MAD 210.7 billion as of June 2019, this change is mainly due to:
  - ✓ the 97.6% increase (+MAD 7.3 billion) in other loans, whose outstanding amount as of June 2019 amounted to MAD 14.8 billion. This change is mainly due to the increase in securities received under repurchase agreements of MAD 2.5 billion as well as the increase in loans granted to financial holding companies (MAD 4.0 billion);
  - ✓ the increase in equipment loans by 2.4% (+MAD 1.6 billion) to reach MAD 66.4 billion as of end-June 2019;
  - ✓ mortgage loans increased by MAD 1.5 billion in the first half of 2019;
  - ✓ the 4.4% decrease (-MAD 2.4 billion Dh) in cash and consumer loans.
- the improvement in loans and advances to credit institutions and similar institutions by 4.0% (+MAD 1.3 billion) over the period under review.

In 2018, Attijariwafa bank's outstanding loans amounted to nearly MAD 236.6 billion, an increase of 10.1% (+MAD 21.7 billion) compared to 2017. This evolution can be explained by the following main combined elements:

- the improvement in outstanding customer receivables from 13.6% (+MAD 24.3 billion) to more than MAD 203.5 billion as of end-2018, mainly due to:
  - ✓ the rise in cash and consumer loans by 17.1% (+MAD 7.8 billion) compared to 2017;
  - ✓ the increase in equipment loans by 4.6% (+MAD 2.9 billion) to reach MAD 64.8 billion as of end-2018;
  - ✓ the increase in outstanding mortgage loans by 3.0% (MAD 1.7 billion) to reach MAD 60.9 billion as of December 31, 2018
  - ✓ the increase of the receivables acquired by factoring of MAD 10.8 billion;
  - ✓ the increase in net provision outstanding receivables of 38.7% (+MAD 1.2 billion).

- the decline in outstanding loans to credit institutions and related institutions of 7.2% (-MAD 2.6 billion) to nearly MAD 33.0 billion as of end-2018. This situation is due to a decrease of 40.0% (-MAD 2.7 billion) of outstanding demand receivables.

For the 2017 financial year, Attijariwafa bank's outstanding loans decreased by 0.4% compared to 2016, reaching nearly MAD 214.9 billion. This decrease is mainly due to the following combined elements:

- the increase in outstanding customer loans by 2.5% (+MAD 4.3 billion) to nearly MAD 179.2 billion as of end-2017. This change is mainly due to:
  - ✓ the decrease in treasury and consumer loans by 7.6% (-MAD 3.8 billion);
  - ✓ the increase in outstanding equipment loans by 10.0% (+MAD 5.6 billion) to almost MAD 62.0 billion as of end-2017;
  - ✓ the increase in outstanding mortgage loans and the decrease in other loans by 5.2% (+MAD 2.9 billion) and 3.5% (-MAD 277 million) respectively;
  - ✓ the decrease in net provision outstanding loans 8.5%, amounting to nearly MAD 3.0 billion as of end-December 2017.
- ✓ the decrease in outstanding receivables from credit and similar institutions from 12.5% (-MAD 5.1 billion) to nearly MAD 35.7 billion as of end-2017. This situation is the result of a 34.1% (-MAD 3.5 billion) decline in outstanding demand receivables and a 5.3% decline (-MAD 1.6 billion) in outstanding term receivables in 2017.

## IV.2. Evolution of deposits

The outstanding debts of Attijariwafa bank evolved as follows over the period under review:

	2016	2017	2018	Var. 17/16	Var. 18/17	S1.2019	Var. S1.19/18
<b>Debts to credit institutions (D1)</b>	<b>21 792</b>	<b>27 433</b>	<b>38 673</b>	<b>25.9%</b>	<b>41.0%</b>	<b>42 219</b>	<b>9.2%</b>
Demand	6 749	6 578	4 010	-2.5%	-39.0%	4 845	20.8%
Term	15 044	20 855	34 663	38.6%	66.2%	37 373	7.8%
<b>Debts to customers (D2)</b>	<b>208 834</b>	<b>225 369</b>	<b>234 508</b>	<b>7.9%</b>	<b>4.1%</b>	<b>234 717</b>	<b>0.1%</b>
Current accounts payable	129 556	141 414	146 965	9.2%	3.9%	151 125	2.8%
Savings accounts	26 911	27 861	28 407	3.5%	2.0%	28 670	0.9%
Term deposits	38 366	39 040	41 060	1.8%	5.2%	37 999	-7.5%
Other accounts payable	13 248	16 370	17 440	23.6%	6.5%	16 217	-7.0%
Accrued interest payable	753	683	636	-9.3%	-6.9%	705	11.0%
<b>Total debts (D1+D2)</b>	<b>230 626</b>	<b>252 802</b>	<b>273 181</b>	<b>9.6%</b>	<b>8.1%</b>	<b>276 935</b>	<b>1.4%</b>

MAD million- Source: Attijariwafa bank – Aggregate accounts

At the end of the first half of the 2019 financial year, debts to customers amounted to nearly MAD234.7 billion, up 0.1% (+ MAD208.5 million) compared to end-December 2018. This change is mainly due to the following combined factors:

- The increase in current accounts payable by 2.8% (+MAD 4.2 billion)
- The increase of MAD263.1 million in savings accounts to more than MAD28.7 billion as of end-June 2019;
- The 7.5% decrease in term deposits (-MAD 3.1 billion);
- The decrease in other accounts payable by 7.0% (-MAD 1.2 billion).

Outstanding debts to credit institutions increased by 9.2% (+MAD 3.5 billion) to reach more than MAD 42.2 billion as of end-June 2019. The increase in outstanding term deposits by MAD 2.7 billion to MAD 37.4 billion in June 2019 remains the main reason for this change.

At the end of the 2018 financial year, debts to customers amounted to more than MAD 234.5 billion, up 4.1% (+MAD 9.1 billion) compared to 2017. This change is mainly due to the following combined factors:

- the increase in term deposits by 5.2% (+MAD 2.0 billion);
- the increase in credit current accounts by 3.9% (+MAD 5.6 billion);
- the evolution of other accounts payable by 6.5% (+MAD 1.1 billion) to reach more than MAD 17.4 billion in 2018;

On the other hand, outstanding debts to credit institutions increased by 41.0% (+MAD 11.2 billion), to reach nearly MAD 38.7 billion in 2018. The increase in outstanding term deposits by MAD +13.8 billion to MAD 34.7 billion remains the main reason for this change. This increase is mainly explained by the increase in 7-day repos at Bank Al Maghrib.

In 2017, customer deposits reached nearly MAD 225.4 billion, up to 7.9% (+MAD 16.5 billion) compared to end-2016, mainly due to:

- a 9.2% rise (MAD 11.9 billion) in current accounts payable to MAD 141.4 billion as of end-2017;
- the 3.5% increase (+MAD 950.0 billion) in savings accounts to reach more than MAD 27.9 billion as of December 31, 2017;
- the improvement in term deposits by 1.8% (+MAD 674 million) to settle at more than MAD 39.0 billion as of end-2017.

## V. FINANCIAL STATEMENTS OF ATTIJARIWAFABANK'S AGGREGATE ACCOUNTS

### V.1. 2016 – June 2019 aggregate balance sheet

	2016	2017	2018	S1.2019
<b>Assets</b>	<b>299 527</b>	<b>319 371</b>	<b>350 620</b>	<b>367 859</b>
Cash in hand, Central banks, Treasury, Postal cheque service	7 303	9 143	8 094	14 012
Loans to credit institutions and similar entities	40 716	35 622	33 043	34 377
Loans to customers	174 927	179 238	192 683	200 461
Factoring loans	0	0	10 861	10 279
Transaction and investment securities	46 121	59 556	66 340	69 403
Other assets	5 454	3 782	5 486	4 649
Investment securities	5 969	6 840	8 752	8 607
Equity securities and similar uses	13 645	19 105	18 833	19 093
Fixed assets held under finance leases and rental contracts	239	395	672	1 061
Intangible assets	1 812	2 088	2 121	2 196
Tangible assets	3 341	3 603	3 735	3 720
<b>Liabilities</b>	<b>299 527</b>	<b>319 371</b>	<b>350 620</b>	<b>367 859</b>
Central banks, Treasury, Postal cheque service	-	-	-	-
Debts owed to credit institutions and similar institutions	21 792	27 433	38 673	42 219
Customer deposits	208 834	225 369	234 508	234 717
Debt securities issued	7 592	5 879	8 547	11 491
Other liabilities	10 053	7 080	12 789	22 860
Provisions for risks and charges	3 165	3 253	3 563	3 697
Regulated provisions	-	-	-	-
Subordinated debts	12 770	13 320	11 043	11 148
Equity	35 321	37 038	41 498	41 727

MAD million- Source: Attijariwafa bank

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### 1.1. 2018 - September 2019 aggregate balance sheets

Actif	31/12/2018	30/09/2019
<b>Cash in hand, Central banks, Treasury, Postal cheque service</b>	<b>8 094</b>	<b>10 042</b>
<b>Loans to credit institutions and similar entities</b>	<b>33 043</b>	<b>31 410</b>
Demand	4 036	4 297
Term	29 007	27 112
<b>Debts owed to customers</b>	<b>192 683</b>	<b>194 256</b>
Participatory cash and customer Credits and Financing	54 227	51 168
Participatory equipment credits and financing	65 803	64 653
Participatory mortgage credits and financing	60 953	62 575
Other participatory credits and financing	11 700	15 860
<b>Factoring loans</b>	<b>10 861</b>	<b>10 518</b>
<b>Transaction and investment securities</b>	<b>66 340</b>	<b>68 851</b>
Bills and similar securities	44 914	44 554
Other debt securities	6 131	9 023
Equities	15 106	15 111
SUKUKUS certificates	189	163
<b>Other assets</b>	<b>5 486</b>	<b>3 917</b>
<b>Investment securities</b>	<b>8 752</b>	<b>8 486</b>
Bills and similar securities	8 752	8 486
Other debt securities	-	-
SUKUKUS certificates	-	-
<b>Equity securities and similar uses</b>	<b>18 833</b>	<b>19 086</b>
Participation in associated companies	17 828	18 096
Other equity securities and similar uses	1 004	990
Moudaraba and Moucharaka securities	-	-
<b>Subordinated debt</b>	<b>-</b>	<b>-</b>
<b>Placed investment deposits</b>	<b>-</b>	<b>-</b>
<b>Fixed assets held under finance leases and rental contracts</b>	<b>672</b>	<b>1 032</b>
<b>Fixed Assets in Ijara</b>	<b>-</b>	<b>-</b>
<b>Intangible assets</b>	<b>2 121</b>	<b>2 234</b>
<b>Tangible assets</b>	<b>3 735</b>	<b>3 682</b>
<b>Total Assets</b>	<b>350 620</b>	<b>353 515</b>

MAD million - Source: Attijariwafa bank

Liabilities	31/12/2018	30/09/2019
<b>Central banks, Treasury, postal cheque service</b>	-	-
<b>Amounts owed to credit institutions and similar entities</b>	<b>38 673</b>	<b>37 368</b>
Demand	4 010	3 786
Term	34 663	33 583
<b>Customer deposits</b>	<b>234 508</b>	<b>225 827</b>
Accounts payable	148 096	148 003
Savings accounts	28 538	29 125
Term deposits	43 596	38 469
Other accounts payable	14 279	10 229
<b>Debts to customers on participatory products</b>	-	-
<b>Debt securities issued</b>	<b>8 547</b>	<b>12 658</b>
Negotiable debt securities	8 547	12 658
Bond issues	-	-
Other debt securities issued	-	-
<b>Other liabilities</b>	<b>12 789</b>	<b>20 127</b>
<b>Provisions for risks and charges</b>	<b>3 563</b>	<b>3 718</b>
<b>Regulated provisions</b>	-	-
<b>Subsidies, allocated public funds and special guarantee funds</b>	-	-
<b>Subordinated debts</b>	<b>11 043</b>	<b>11 169</b>
Investment deposits received	-	-
Revaluation differences	0,42	0,42
<b>Reserves and premiums related to capital</b>	<b>34 794</b>	<b>34 794</b>
<b>Capital</b>	<b>2 099</b>	<b>2 099</b>
Shareholders. Unpaid capital (-)	-	-
Balance forward (+/-)	0,389	1 876
Net income pending allocation (+/-)	-	-
Net income for the financial year (+/-)	4 604	3 879
<b>Total Liabilities</b>	<b>350 620</b>	<b>353 515</b>

MAD million - Source: Attijariwafa bank

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## 1.1. 2018 – September 2019 aggregate income statements

	30/09/2018	30/09/2019
<b>BANKING OPERATING INCOME</b>	<b>13 715</b>	<b>14 239</b>
Interest and similar income on transactions with credit institutions	731	774
Interest and income on customer transactions	7 176	7 420
Interest and similar income on debt securities	186	218
Income on equities and Sukuks certificates	1 379	1 460
Income on Moudaraba and Moucharaka equities	-	-
Income on fixed assets under finance leases and rental contracts	18	194
Income on fixed Assets in Ijara	-	-
Other banking income	1 310	1 414
Commissions on services provided	2 914	2 761
Transfer of expenses on investment deposits received	0	0
<b>BANKING OPERATING EXPENSES</b>	<b>4 660</b>	<b>4 272</b>
Interest and similar expenses on transactions with credit institutions	639	686
Interest and expenses on customer transactions	1 820	1 667
Interest and similar charges on debt securities issued	142	225
Expenses on Moudaraba and Moucharaka equities	-	-
Expenses on fixed assets under finance leases and rental contracts	27	76
Expenses on fixed Assets in Ijara	-	-
Other banking expenses	2 032	1 619
Transfer of expenses on investment deposits received	-	-
<b>NET BANKING INCOME</b>	<b>9 056</b>	<b>9 967</b>
Non-banking operating income	65	37
Non-banking operating expenses	2	-
<b>GENERAL OPERATING EXPENSES</b>	<b>3 486</b>	<b>3 702</b>
Personnel expenses	1 632	1 720
Taxes and duties	95	95
External expenses	1 398	1 453
Other general operating expenses	37	50
Depreciation, amortization and provisions for intangible assets	324	383
<b>PROVISIONS AND LOSSES ON BAD DEBTS</b>	<b>1 191</b>	<b>1 120</b>
Allocation to provisions on non-performing loans and commitments by signature	964	775
Losses on bad debts	66	75
Other provisions charges	162	270
<b>REVERSALS OF PROVISIONS AND RECOVERIES ON AMORTIZED RECEIVABLES</b>	<b>432</b>	<b>357</b>
Prov. Reversal for non-performing loans & commitments by signature	282	246
Recoveries on amortized receivables	36	30
Other provisions reversals	114	81
<b>CURRENT INCOME</b>	<b>4 874</b>	<b>5 539</b>
Non-current income	9	5
Non-current expenses	10	92
<b>PRE-TAX INCOME</b>	<b>4 874</b>	<b>5 452</b>
Income tax	1 285	1 572
<b>NET INCOME OF THE FINANCIAL YEAR</b>	<b>3 588</b>	<b>3 879</b>

MAD million - Source: Attijariwafa bank

## I. CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS

### I.1. 2016 – June 2019 consolidated balance sheets

	2016	2017	01.2018	12.2018	S1.2019
<b>Assets</b>	<b>428 766</b>	<b>475 660</b>	<b>471 475</b>	<b>509 926</b>	<b>528 570</b>
Cash in hand, Central banks, Treasury, Postal cheque service	14 141	18 225	18 225	18 537	26 606
Financial assets at fair value through profit or loss	50 455	65 875	60 765	61 567	55 339
Hedging derivative instruments	-	-	-	-	-
Financial assets at fair value through equity	-	-	46 208	43 191	48 280
Available-for-sale financial assets	35 701	39 267	-	-	-
Securities at amortized cost	-	-	9 402	15 101	15 665
Loans and receivables from credit institutions and similar entities	22 626	25 304	25 268	28 791	27 186
Customer loans and receivables	271 627	285 995	279 682	305 060	317 594
Asset revaluation difference on portfolios hedged against interest rate risk	-	-	-	-	-
Held-to-maturity investments	8 016	8 746	-	-	-
Current tax assets	39	124	124	182	112
Deferred tax assets	540	636	3 012	2 867	2 953
Accruals and other assets	7 585	8 675	8 649	13 667	12 243
Deferred policyholder profit sharing	2 067	2 672	-	-	-
Non-current assets held for sale	88	114	114	97	101
Investments in companies accounted for by the equity method	95	107	107	87	73
Investment properties	2 020	2 247	2 247	2 523	2 480
Intangible assets	5 429	5 551	5 551	5 688	7 285
Tangible assets	1 684	2 125	2 124	2 617	2 713
Goodwill on acquisitions	6 655	9 996	9 996	9 952	9 940

MAD million - Source: Attijariwafa bank – Consolidated accounts

	2016	2017	01.2018	12.2018	S1.2019
<b>Liabilities</b>	<b>428 766</b>	<b>475 660</b>	<b>471 475</b>	<b>509 926</b>	<b>528 570</b>
Central banks, Treasury, Postal cheque service	161	97	97	3	4
Financial liabilities at fair value through profit or loss	1 034	717	717	401	800
Hedging derivative instruments	0	0	0	0	0
Amounts owed to credit institutions and similar entities	28 282	37 652	37 652	47 315	52 736
Amounts owed to customers	286 265	316 210	316 210	332 006	332 074
Debt securities issued	11 243	11 120	11 120	15 508	19 516
Passive revaluation difference on portfolios hedged against interest rate risk	0	0	0	0	0
Current tax liabilities	709	614	614	865	1 280
Deferred tax liabilities	2 341	2 576	2 436	1 976	2 228
Accruals and other liabilities	9 881	10 729	10 715	12 307	18 308
Liabilities related to non-current assets held for sale	-	-	-	-	-
Technical provisions for insurance contracts	25 961	28 635	28 635	33 639	34 665
Provisions for risks and charges	1 771	1 734	-	-	-
Provisions	-	-	2 446	2 608	2 694
Subsidies, allocated public funds and special guarantee funds	141	129	-	-	-



### 1.3. 2018 – September 2019 consolidated balance sheet

ASSETS UNDER IFRS	31/12/2018	30/09/2019
Cash in hand, Central banks, Treasury, Postal cheque service	18 537	22 111
<b>Financial assets at fair value through profit or loss</b>	<b>61 567</b>	<b>54 287</b>
Financial assets held for trading	61 318	54 052
Other financial assets at fair value through profit or loss	249	235
Hedging derivatives	-	-
Financial assets at fair value through equity	<b>43 191</b>	<b>50 599</b>
Debt instruments recognized at fair value through recyclable equity	10 086	13 480
Equity instruments carried at fair value through non-recyclable equity	2 328	2 594
Financial assets at fair value through recyclable equity (Insurance)	30 776	34 525
Securities at amortized cost	15 101	15 225
Loans and receivables from credit institutions and similar, at amortized cost	28 791	24 768
Loans and receivables from customers, at amortized cost	305 060	312 355
Asset revaluation difference on portfolios hedged against interest rate risk	-	-
Insurance business investments	-	-
Current tax assets	182	260
Deferred tax assets	2 867	3 050
Deferred policyholder profit sharing	13 667	11 483
Non-current assets held for sale	97	104
Investments in companies accounted for by the equity method	87	80
Investment properties	2 523	2 457
Intangible assets	5 688	7 151
Tangible assets	2 617	2 796
Goodwill on acquisitions	9 952	9 888
<b>TOTAL ASSETS UNDER IFRS</b>	<b>509 926</b>	<b>516 615</b>

MAD million - Source: Attijariwafa bank - (\*) Property, plant and equipment and rental liabilities include the impact of the application of IFRS 16 of MAD1.5 billion.

LIABILITIES UNDER IFRS	31/12/2018	30/09/2019
Central banks, Treasury, Postal cheque service	3	4
Financial liabilities at fair value through profit or loss	<b>401</b>	<b>421</b>
Financial liabilities held for trading	401	421
Financial liabilities at fair value through profit or loss under option	-	-
Hedging derivative instruments	-	-
Amounts owed to credit institutions and similar entities	47 315	47 157
Amounts owed to customers	332 006	324 561
Debt securities issued	15 508	21 142
Passive revaluation difference on portfolios hedged against interest rate risk	-	-
Current tax liabilities	865	976
Deferred tax liabilities	1 976	2 494
Accruals and other liabilities	12 307	15 847
Liabilities related to non-current assets held for sale	-	-
Liabilities related to insurance contracts	33 639	35 674
Provisions	2 608	2 668
Subsidies and similar funds	361	164
Subsidies, allocated public funds and special guarantee funds	12 466	13 029
<b>Equity</b>	<b>50 471</b>	<b>52 477</b>
Capital and related reserves	12 552	12 552
<b>Consolidated reserves</b>	<b>29 388</b>	<b>32 356</b>
Group share	25 596	28 601
Minority interests	3 791	3 755
<b>Gains and losses recognized directly in equity</b>	<b>1 797</b>	<b>2 317</b>
Group share	665	903
Minority interests	1 132	1 414

<b>Net income for the financial year</b>	<b>6 735</b>	<b>5 253</b>
Group share	5 706	4 400
Minority interests	1 029	853
<b>TOTAL LIABILITIES UNDER IFRS</b>	<b>509 926</b>	<b>516 615</b>

MAD million - Source: Attijariwafa bank - (\*) Property, plant and equipment and rental liabilities include the impact of the application of IFRS 16 of MAD1.5 billion.

#### 1.4. 2018 – September 2019 consolidated income statements

	30/09/2018	30/09/2019
Interest and similar income	15 621	16 239
Interest and similar expenses	-5 179	-5 231
<b>INTEREST MARGIN</b>	<b>10 442</b>	<b>11 008</b>
Commissions received	4 270	4 391
Commissions paid	-545	-576
<b>COMMISSION MARGIN</b>	<b>3 725</b>	<b>3 814</b>
<b>Net gains or losses on financial instruments at fair value through profit or loss</b>	<b>0</b>	<b>0</b>
<b>Net gains or losses on available-for-sale financial assets</b>	<b>2 255</b>	<b>2 436</b>
Net gains or losses on trading assets/liabilities	2 255	2 436
Net gains or losses on other assets/liabilities at fair value through profit or loss	-	-
<b>Net gains or losses on financial instruments at fair value through equity</b>	<b>621</b>	<b>548</b>
Net gains or losses on debt instruments recognized in recyclable equity	41	6
Remuneration of equity instruments recognized in non-recyclable equity (dividends)	83	105
Remuneration of financial assets recognized at fair value through recyclable equity (Insurance)	497	436
<b>Net gains or losses resulting from the derecognition of financial assets at amortized cost</b>	<b>0</b>	<b>0</b>
<b>Net gains or losses resulting from the reclassification of financial assets at JV by CP to financial assets at fair value</b>	<b>0</b>	<b>0</b>
<b>Income from other activities</b>	<b>5 883</b>	<b>6 835</b>
<b>Expenses from other activities</b>	<b>-6 187</b>	<b>-7 065</b>
<b>NET BANKING INCOME</b>	<b>16 739</b>	<b>17 576</b>
General operating expenses	-7 114	-7 227
Depreciation, amortization and impairment of intangible and tangible assets	-821	-1 084
<b>GROSS OPERATING INCOME</b>	<b>8 804</b>	<b>9 264</b>
Cost of credit risk	-1 426	-1 360
<b>OPERATING INCOME</b>	<b>7 377</b>	<b>7 904</b>
Share of net income of associates and joint ventures accounted for by the equity method	9	9
Net gains or losses on other assets	57	16
Changes in the value of goodwill	-	-
<b>PRE-TAX INCOME</b>	<b>7 443</b>	<b>7 929</b>
Income tax expense	-2 393	-2 676
Net income from discontinued operations or operations in the process of being sold	-	-
<b>NET INCOME</b>	<b>5 050</b>	<b>5 253</b>
Minority interests	-824	-853
<b>NET INCOME OF THE GROUP</b>	<b>4 226</b>	<b>4 400</b>
Earnings per share	0.021	0.021
Diluted earnings per share	0.021	0.021

MAD thousand - Source: Attijariwafa bank

## PART III: RISK FACTORS

Attijariwafa bank's risk management is centralized at the Global Risk Management (GGR) division level, which is responsible for supervising, controlling and measuring the risks incurred by the Group, with the exception of operational risks.

The independence of this structure from other divisions and lines of business ensures optimal objectivity in the risk taking proposals it submits to the Credit Committee and to their control.

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

In 2005, Attijariwafa bank decided to set up a specific market risk control system as part of the overall Internal Control system in accordance with the provisions of Bank Al-Maghrib's circular No. 6/G/2001.

This system focuses on three action levels:

- first-level internal control, carried out by Front Office operators who are required to comply with regulatory provisions and the bank's risk monitoring and management policy;
- risk monitoring by the *Middle Office*, which ensures daily compliance with limits relating to foreign exchange, interest rate and counterparty risks. It periodically informs Management and other control entities through a reporting system. On the other hand, the "Market Risk Monitoring and Surveillance" unit is responsible for detecting, analyzing and monitoring the bank's various interest rate and currency positions, then streamlining these positions through formal authorizations and finally being notified of any deviation from these positions. This monitoring is carried out in particular through the following means:
  - a. monthly monitoring of currency risk exposure allows the retrospective calculation of the Value at Risk (VaR), which measures the maximum potential loss related to the institution's exposure to currency risk;
  - b. a monthly reporting summarizes the bank's exposure to currency risk in relation to the limits set.
- the control bodies carry out critical and independent analyses of the quality of the system, either as part of audit assignments or on an ad hoc basis at the request of the General Management.

The VaR model<sup>2</sup> was developed by Attijariwafa bank's global risk management department. It covers the Dirham interest rate risk as well as spot and forward exchange rate risk. The choice of the RiskMetrics method developed by JP Morgan to capture a VaR measure has several advantages: it is easy to implement, takes into account existing correlations between asset prices and takes into account recent and historical price fluctuations. Therefore, the RiskMetrics method is based on a matrix of variances and covariance of the returns on the portfolio assets and their composition within the portfolio.

Global risk management produces detailed monthly reports that track the calculation and evolution of VaR and the control of regulatory and internal limits. The model allows back-testing, which is a technique used to test the validity of the VaR calculation model. It consists in using historical operations to calculate the VaR and then seeing whether this VaR actually managed the potential loss realized by comparing it to the theoretical P&L.

Furthermore, the bank has set up a system of internal limits to measure and control market risks. These limits relate to the trading portfolio, foreign exchange position, commodities and currency options.

<sup>2</sup> Value at Risk represents the maximum potential loss on the value of a financial asset or portfolio of financial assets and liabilities over a holding period and a confidence interval.

### I.1. Interest rate risk

Interest rate risk corresponds to the risk of changes in the value of positions or the risk of changes in future cash flows of a financial instrument due to changes in market interest rates.

The table below shows the positions of the Trading portfolio as of end-June 2019 as well as the 1-day and 10-day VaR of the foreign exchange, property and bond & UCITS activities:

Activities	Position	1-day VaR	Regulatory 10-day VaR
Foreign exchange	-2 731 741.35	11829.29465	37 407.51
Equities	111 543.08	3 388.20	10 714.42
Bonds and UCITS	47 488 620.58	45 641.89	144 332.33

In MAD thousand – Source: Attijariwafa bank

### I.2. Currency risk

All banking institutions are exposed to currency risk arising from the bank's various activities (shareholdings, foreign subsidiaries, foreign currency loans, foreign currency securities, foreign currency borrowings, swaps, currency options, forward exchange contracts, etc.). Banks may notice a change in future exchange rates to their disadvantage and consequently record a reduction in their projected margin. Attijariwafa bank's foreign exchange risk, as of June 30, 2019, can be analyzed according to the following table:

Currencies	Position in currencies	Exchange rate	Counter-value (MAD thousand)	% of equity
EUR	31 016	10.9	337 935	0.91%
USD	258 369	9.6	2 473 056	6.65%
GBP	-780	12.1	-9 472	-0.03%
CAD	381	7.3	2 786	0.01%
CHF	909	9.8	8 924	0.02%
JPY	-208 880	0.1	-18 549	-0.05%
DKK	10 245	1.5	14 956	0.04%
NOK	9 623	1.1	10 816	0.03%
SEK	-1 696	1.0	-1 751	0.00%
SAR	3 260	2.6	8 320	0.02%
AED	-483	2.6	-1 259	0.00%
KWD	117	31.5	3 691	0.01%
TND	-3 259	3.3	-10 846	-0.03%
DZD	13 316	0.1	1 073	0.00%
LYD	51	7.6	388	0.00%

In thousands – Source: Attijariwafa bank

As of end-June 2019, forward exchange position amounted to MAD 35.064 billion, broken down as follows:

	< 3 months	3 months - 6 months	> 6 months
<b>Hedging (MAD thousand)</b>	<b>22 758 989</b>	<b>5 885 943</b>	<b>6 419 206</b>

Source: Attijariwafa bank

As of end-June 2019, the currency options position amount to MAD 5.018 billion.

### 1.3. Asset and Liability Management

Structural ALM risks relate to risks of loss of economic value or decline in future interest margins due to interest rate differentials and maturities between the bank's assets and liabilities.

ALM provides indicators for monitoring the risks and expected returns on the various balance sheet items and sets out management rules to limit the bank's balance sheet exposure to risks and to manage its positions optimally.

Attijariwafa bank's Asset and Liability Management has a set of ALM models and agreements based on the reality of the bank's outstanding and taking into account market and economic factors that have an influence on the behavior of the bank's balance sheet lines.

These financial assumptions are dynamic and are reviewed regularly at least once a year to ensure that they truly reflect the evolution of the bank's uses and resources. Indeed, the measurement of liquidity, interest rate and exchange rate risks requires effective management of the intrinsic characteristics of the contracts, in this case maturity, the nature of the interest rate (fixed/revisable/variable rate) and the currency of each balance sheet item must be identified.

Moreover, in addition to the contractual characteristics of balance sheet items, hidden balance sheet options (e.g. early repayment options) and customer behavior (e.g. in terms of the holding period of deposit accounts) have been modeled.

The approach adopted is based on the production and static and dynamic projection of balance sheet items over time until the outstanding amounts in stock and new production from the bank's budget and strategic plan have been used up.

## II. LIQUIDITY RISK

The transformation activity, which is specific to banking institutions, necessarily involves liquidity risk. The maturities of uses and resources, all of which differ from one another, create gaps in the bank's balance sheet between the volume of assets and liabilities that are at the origin of liquidity risk.

In the event of structural upheavals, the bank may not be able to obtain liquidity under normal volume and interest rate conditions. In such a case, future refinancing needs may reduce the projected margins.

The regulatory liquidity ratio is the ratio between, on the one hand, available assets realizable in the short term and commitments by signature received and, on the other hand, demand and short-term liabilities and commitments by signature given.

The regulatory liquidity ratio is as follows:

Date	Liquidity ratio Morocco	Evolution
31-March-06	92.80%	
30-June-06	87.20%	-5.60 pts
31-Dec-06	96.40%	+9.20 pts
31-March-07	77.60%	-18.80 pts
30-June-07	131.40%	+53.80 pts
31-Dec-07	107.90%	-23.50 pts
30-juin-08	101.60%	-6.30 pts
31-Dec-08	100.60%	-1.00 pt
31-March-09	121.01%	+20.41 pts
30-June-09	100.90%	-20.11 pts
31-Dec-09	107.98%	+7.08 pts
31-March-10	94.73%	-13.25 pts
30-June-10	91.48%	-3.25 pts
31-Dec-10	94.16%	+2.68 pts

Date	Liquidity ratio Morocco	Evolution
31-March-11	87.02%	-7.14 pts
30-June-11	95.04%	+8.02 pts
31-Dec-11	95.40%	0.36 pt
30-June-12	80.56%	-14.84 pts
31-Dec-12	81.63%	1.07 pt
31-Dec-13	70.18%	-11.45 pts

Source: Attijariwafa bank

In order to ensure the convergence of Morocco's prudential framework with international standards, the central bank has implemented a major reform of Basel III relating to the short-term liquidity coverage ratio (LCR), aimed at replacing the liquidity ratio.

The “LCR” ratio, which relates high quality liquid assets to net cash outflows over a 30-day period, is intended to strengthen the liquidity profile of banks and promote their resilience to a possible liquidity shock.

Thus, from July 2015 onwards, banks are required to comply with a minimum liquidity ratio of 60%, which should gradually increase by 10 points per year to reach 100% in 2019.

The short-term liquidity coverage ratio (LCR) is as follows:

Date	Short-term liquidity ratio (LCR)	Evolution
31-Dec-14	120.00%	+38.9 pts
30-June-15	114.10%	-6.0 pts
31-Dec-15	155.00%	+35.0 pts
30-June-16	131.40%	+17.3 pts
31-Dec-16	142.00%	-13.0 pts
30-June-17	120.00%	-11.4 pts
31-Dec-17	147.00%	+5.0 pts
30-June-18	118.00%	-2.0 pts
31-Dec-18	104.00%	-43.0pts
30-June-19	115.00%	+11.0pts

Source: Attijariwafa bank

### III. COUNTERPARTY RISK MANAGEMENT

In a context of profound changes in Morocco, namely economic liberalization, the opening of borders, customs dismantling and the entry into force of several free trade agreements, the banking sector's counterparty risk could deteriorate and, consequently, lead to an increase in the overall litigation ratio. This trend could be accentuated by unfavorable economic conditions.

To manage counterparty risk, the “credit risk” entity within GGR is mainly responsible for analyzing and investigating risk-taking requests from the Group's various sales teams. It also has the prerogative to assess the consistency and validity of the guarantees, the volume of activity of the relationship and the economic justification of the financing requested. Each Business Unit has a clearly independent commitment structure and recovery structure that are hierarchically linked to the Global Risk Management division.

#### III.1. Breakdown of the institution's commitments<sup>3</sup>

##### By business sector

The allocation of risks by sector of the economy is the subject of particular attention and is coupled with a forward-looking analysis that allows for a dynamic management of the Bank's exposure. It is based on

<sup>3</sup> Source: Attijariwafa bank

studies expressing an opinion on the evolution of the sectors and identifying the factors that explain the risks incurred by their main players.

The breakdown of commitments given by sector, as a proportion of the Bank's total commitments as of June 30, 2018, is as follows:

- Financial-holding institutions and insurance companies representing 15%, (vs. 19% as of December 31, 2018). Commitments in this sector are very good risk;
- Construction & building materials represent 11% (vs. 12% on December 31, 2018) and real estate development has stagnated at around 6% (vs. 8% on December 31, 2018).

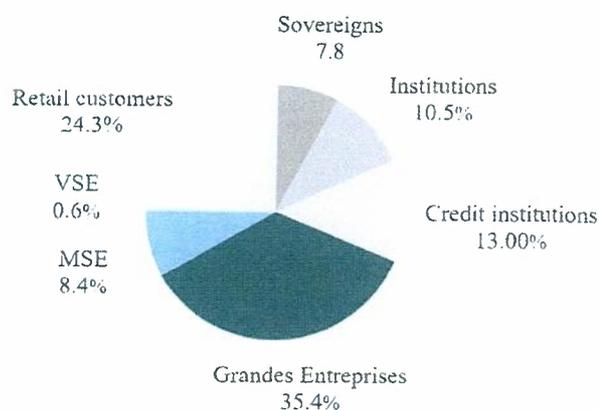
### **By counterparty**

Assessed by taking into account all the commitments made to the same beneficiary, diversification is a permanent feature of the Bank's risk policy. The scope and variety of the Group's activities could contribute to this.

Any concentrations are subject to regular review and corrective action, if necessary.

This diversification is as follows:

#### **Breakdown of the bank's commitments by counterparty category as of June 30, 2019**

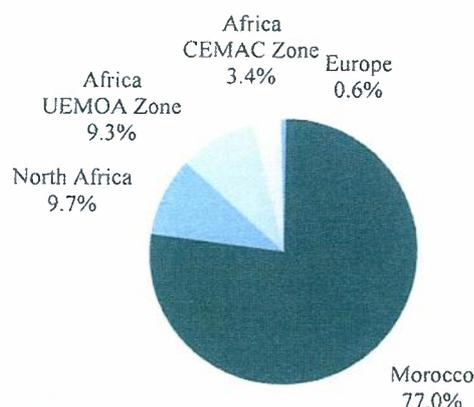


Source: Attijariwafa bank

### **By geographical area**

The graph below shows that the Group's exposure is concentrated in Morocco with nearly 77.0%. The rest is divided between sub-Saharan African countries.

#### **Breakdown of the bank's commitments by geographical area as of June 30, 2019**



Source: Attijariwafa bank

### **By portfolio quality**

In order to assess all its counterparties, the Group has developed a rating system in line with Basel II requirements. Thus, the implementation of the internal rating approach is based on minimum requirements that enable the Group to assess counterparty risk.

Indeed, the rating system is characterized by the probability of default. The time horizon for default risk assessments is estimated at 1 year.

This system is regularly validated and its performance monitored through a proven statistical approach. The fundamentals of the model, its design and operational procedures are formalized. In particular, the aspects of portfolio differentiation, rating criteria, responsibility of the various stakeholders, frequency of the review and management involvement are discussed in depth. The documentation system in place demonstrates to the central bank that their validation process allows it to assess, in a consistent and meaningful way, the performance of their internal rating and risk assessment systems.

Data relating to the rating system are collected and stored in historical databases allowing the periodic review and back-testing of risk models.

As early as June 2003, a first generation of Attijariwafa bank's internal rating systems was developed with the technical assistance of the International Finance Corporation and Mercer Oliver Wyman. This system took into account two parameters: a six-point rating scale (A, B, C, D, E and F) and estimated default probabilities (PD). The initial model was limited to five financial factors that explain credit risk.

In 2010, the Attijariwafa bank Group deployed a new internal rating model in the bank's operating system that is in line with Basel II requirements. This model, dedicated to companies, not only takes into account financial factors, but also qualitative and behavioral factors. It covers most of the bank's commitments. Its design is based on the analysis of homogeneous classes and proven statistical analyses.

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

The rating system has the following characteristics:

- scope: portfolio of companies excluding local authorities, financing companies and real estate development companies;
- the rating system of the Attijariwafa bank Group is essentially based on the Counterparty's Rating, which reflects its probability of default over a one-year observation horizon;
- the calculation of the system rating results from the combination of three types of ratings: Financial rating, qualitative rating and behavioral rating;
  - ✓ the financial rating is based on several financial factors related to the size, dynamism, indebtedness, profitability and financial structure of the company;
  - ✓ the qualitative rating is based on information about the market, the environment, shareholders and company management. This information is provided by the Network;
  - ✓ the behavior rating is based on the account's physiognomy.
- any counterparty system rating is subject to approval (at each rating) by the Credit Committee in accordance with the delegations of authority in force;
- the probability of default only assesses the creditworthiness of the counterparty, regardless of the characteristics of the transaction (guarantees, ranks, clauses, etc.);
- the risk classes of the model have been calibrated against the risk classes of the international rating agencies;

- use of internal rating: the internal rating system is currently an integral part of the credit assessment and decision-making process. Indeed, when processing the credit proposal, the rating is taken into consideration. The levels of delegation of powers in terms of credit decisions are also a function of the risk rating;
- update of the rating: counterparty ratings are reviewed at each file renewal and at least once a year. However, for clients falling within the scope of the files of companies under supervision (Class F, G or pre-recovery), the Counterparty rating must be reviewed on a semi-annual basis. In general, any significant new information must be an opportunity to question the relevance of the Counterparty's rating for an upward or downward adjustment.
- As part of its risk quality monitoring, the Risk Management Systems unit produces periodic reporting on risk mapping according to various analytical areas (Commitment, business sector, pricing, networks, expired files, etc.) and ensures that the portfolio's coverage rate is improved.

In 2017, following the completion of back-testing, which aims to test the predictive power of the rating model and ensure that the probabilities of default are correctly calibrated, a new rating model was developed to assess the counterparty risk of companies, while maintaining the same process. The system rating is still based on a combination of three types of ratings (Financial, Qualitative and Behavioral), but is adjusted by a series of qualitative criteria and decision rules. The rating grid remains structured into eight classes (A to H), including the H class reserved for default.

- the rating is assigned to a risk class of the rating scale, which consists of 8 classes grouped into 3 categories:
  - ✓ healthy counterparties: classes A to E;
  - ✓ sensitive counterparties: F and G;
  - ✓ defaulting counterparties: class H.

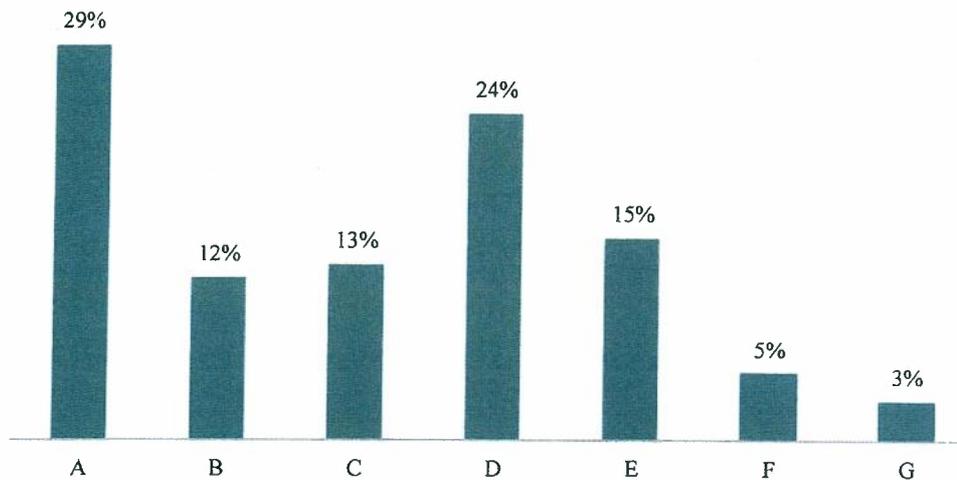
Rating	Risk level
A	Very good
B	Good
C	Quite good
D	Average
E	Fair
F	Poor
G	Very poor
H	Default

Source: Attijariwafa bank

In terms of commitments as of end-June 2019, the breakdown of risks relating to the corporate scope is as follows

**Breakdown of the bank's commitments (corporate scope) by risk class as of June 30, 2019\***


  
 Bank  
 Attijariwafa  
 Capital Bank 1000000



Source: Attijariwafa bank

\* Financing companies, public administrations, real estate development companies and litigation cases are outside the scope.

A rating system for real estate development based on two main dimensions (client / project) is operational.

This approach is part of the process to align with the advanced Basel II approaches and the new IFRS 9 accounting standard in force since January 2018.

### Rate risk

The net book value of Attijariwafa bank's marketable and investment securities as of June 30, 2019 stood as follows:

	Gross book value	Present value	Repayment value	Unrealized capital gains	Unrealized capital losses	Provisions
<b>Trading securities</b>	<b>67 668 274</b>	<b>67 668 274</b>	-	-	-	-
Bills and similar securities	48 656 539	48 656 539		-	-	-
Bonds	98 356	98 356		-	-	-
Other debt securities	3 579 763	3 579 763		-	-	-
Equities	15 171 881	15 171 881		-	-	-
SUKUKUS certificates	161 735	161 735		-	-	-
<b>Investment securities</b>	<b>1 763 538</b>	<b>1 732 006</b>	-	<b>15 595</b>	<b>31 532</b>	<b>31 532</b>
Bills and similar securities	54 633	54 633		1 690	-	
Bonds	1 642 321	1 642 321		3 825	-	
Other debt securities	0			0	-	
Equities	66 584	35 052		10 080	31 532	31 532
SUKUKUS certificates	0			-	-	
<b>Investment securities</b>	<b>8 527 821</b>	<b>8 527 821</b>	-	-	-	-
Bills and similar securities	8 456 032	8 456 032		-	-	
Bonds	-	-				
Other debt securities	71 789	71 789				

LISCAM  
By Agreement  
LISCAM  
Télé: 05 22 22 22 22  
GSM: 06 65 65 65 65

SUKUKUS  
certificates

Source: Attijariwafa bank

It should be noted that the book value of trading securities is equal to the market value. For investment securities, the book value is the historical value while the present value corresponds to the market value. In the event of an unrealized capital loss, a provision is recorded.

#### IV. REGULATORY RISKS

##### 2016 – S1 2019 solvency ratio

Attijariwafa bank has a solid financial base enabling it to meet all its commitments, as evidenced by the solvency ratio achieved over the 2016 – June 2019 period:

	2016	2017	2018	Var. 17/16	Var. 18/17	S1.2019	Var. S1.19/18
Core capital (Tier 1) (1)	27 154	23 861	27 074	-12.1%	13.5%	28 155	4.0%
Regulatory capital (2)	32 662	30 209	35 253	-7.5%	16.7%	37 163	5.4%
Weighted risks (3)	229 322	237 420	248 423	3.5%	4.6%	261 508	5.3%
<b>Core capital ratio (1) / (3)</b>	<b>11.84%</b>	<b>10.05%</b>	<b>10.90%</b>	<b>-1.79pt</b>	<b>+0.85pt</b>	<b>10.77%</b>	<b>-0.13pt</b>
<b>Solvency ratio (2) / (3)</b>	<b>14.24%</b>	<b>12.72%</b>	<b>14.19%</b>	<b>-1.52pt</b>	<b>+1.47pt</b>	<b>14.21%</b>	<b>+0.02pt</b>

MAD million - Source: Attijariwafa bank – Aggregate accounts

The preparation of solvency ratios on an individual and consolidated basis complies with the international standards of the Basel Committee and is governed by Bank Al-Maghrib's regulatory guidelines:

- Circular 26/G/2006 (detailed in the technical notice NT 02/DSB/2007) on the calculation of capital requirements for credit, market and operational risks using the standard approach;
- Circular 14/G/2013 (detailed in the technical notice NT 01/DSB/2014) on the calculation of banks' and credit institutions' regulatory capital according to the Basel III standard.

Attijariwafa bank group is required to comply with, on an individual and consolidated basis:

- a core capital ratio of at least 8.0% (this threshold includes the obligation to build a retention buffer from core capital equivalent to 2.5% of weighted risks);
- a Tier 1 capital ratio of at least 9.0%;
- a ratio of total Tier 1 and Tier 2 capital of at least 12.0%.

Attijariwafa bank is also required to build up an additional capital base to absorb the shocks of regulatory and internal stress tests and to ensure compliance with the thresholds described above after stress tests:

- stress tests on credit risk: default of the most vulnerable counterparties, migration from 10% to 15% of high-risk receivables;
- stress tests on market risk: depreciation of the MAD against the EUR, shift in the yield curve, depreciation of the net asset value of the various UCITS (bonds, money market funds, etc.);
- country risk stress tests: Stress tests on non-resident loans in countries with risks of political instability;
- scenarios combining several hypotheses.

From January 2019, for macro-prudential supervision considerations, Bank Al-Maghrib may ask credit institutions to set up a so-called "counter-cyclical capital cushion" on an individual and/or consolidated basis. The said cushion, the level of which is within a range of 0% to 2.5% of the weighted risks, is composed of core Tier 1 capital. Compliance with this additional threshold is preceded by a 12-month notice period.

The frequency of reporting solvency ratios to the regulator is half-yearly. This is accompanied by the publication of Pillar III, which is designed to ensure transparency of financial information: details of prudential ratios, composition of regulatory capital, distribution of weighted risks, etc.



### Projected solvency ratio

Attijariwafa bank's forecast ratios on an individual and consolidated basis over the next 18 months are well above the regulatory minimum in force: 9.0% for the solvency ratio on Tier 1 core capital and 12.0% on overall capital thanks to the internal capital management policy.

Prudential own funds are calculated in accordance with Circular 14 G 2013 and Technical Notice 01/DSB/2018, which incorporate IFRS9 impacts and include the program for the issuance of instruments eligible for prudential own funds over 2019 and 2020.

The table below shows the evolution of Attijariwafa bank's projected solvency ratio over the period December 2018 - December 2020:

	Dec.18	June-19	Dec-19 F	June-20 F	Dec-20 F
Tier 1 capital (1)	27.07	28.20	29.40	29.40	30.20
Tier 2 capital	8.18	9.00	9.60	11.10	11.40
<b>Regulatory capital (2)</b>	<b>35.25</b>	<b>37.20</b>	<b>39.00</b>	<b>40.50</b>	<b>41.60</b>
Weighted risks (3)	248.42	261.50	267.60	269.70	276.50
<b>Core Tier 1 ratio (1) / (3)</b>	<b>10.90%</b>	<b>10.80%</b>	<b>11.00%</b>	<b>10.90%</b>	<b>10.90%</b>
<b>Overall solvency ratio (2) / (3)</b>	<b>14.19%</b>	<b>14.20%</b>	<b>14.60%</b>	<b>15.00%</b>	<b>15.00%</b>

MAD billion - Source: Attijariwafa bank – On an individual basis

The evolution of the projected solvency ratio of the Attijariwafa bank Group over the period from December 2018 – December 2020 is as follows:

	Dec.18	June-19	Dec-19 F	June-20 F	Dec-20 F
Tier 1 capital (1)	38.58	39.50	41.80	42.20	44.70
Tier 2 capital 2	10.77	10.80	11.30	12.90	13.00
<b>Regulatory capital (2)</b>	<b>49.34</b>	<b>50.30</b>	<b>53.10</b>	<b>55.10</b>	<b>57.70</b>
Weighted risks (3)	378.50	395.40	408.30	425.10	442.30
<b>Core Tier 1 ratio 1 (1) / (3)</b>	<b>10.19%</b>	<b>10.00%</b>	<b>10.20%</b>	<b>9.90%</b>	<b>10.10%</b>
<b>Overall solvency ratio (2) / (3)</b>	<b>13.04%</b>	<b>12.70%</b>	<b>13.00%</b>	<b>13.00%</b>	<b>13.00%</b>

MAD billion - Source: Attijariwafa bank – On an individual basis

## V. COUNTRY RISK MANAGEMENT

The study conducted by the Country Risk entity with the support of an external consultant, to automate the country risk management has allowed:

- the diagnosis of the system in place and its adequacy with regulatory requirements while identifying the necessary actions for change in relation to an international benchmark;
- the development of a conceptual model for optimal country risk management (functional blocks and dedicated information system) for IT implementation with a gradual extension of the system to foreign subsidiaries.

The process of strengthening the regulatory framework and the implementation of the new organization have had the combined effect of strengthening the monitoring of BDI risks and consolidating the country risk management system. Similarly, the establishment of the Country Risks committee, the adoption of the Country Risk appetite framework and the project to set up a Risk database will contribute decisively to the culmination of this consolidation trend.

In addition, investments are tested for impairment at each closing date. The result of this test is sensitive to the different hypotheses (rate, volatility, fiscal framework, prudential system, regulatory environment, etc.) which leads to a sensitivity of the participating interests.

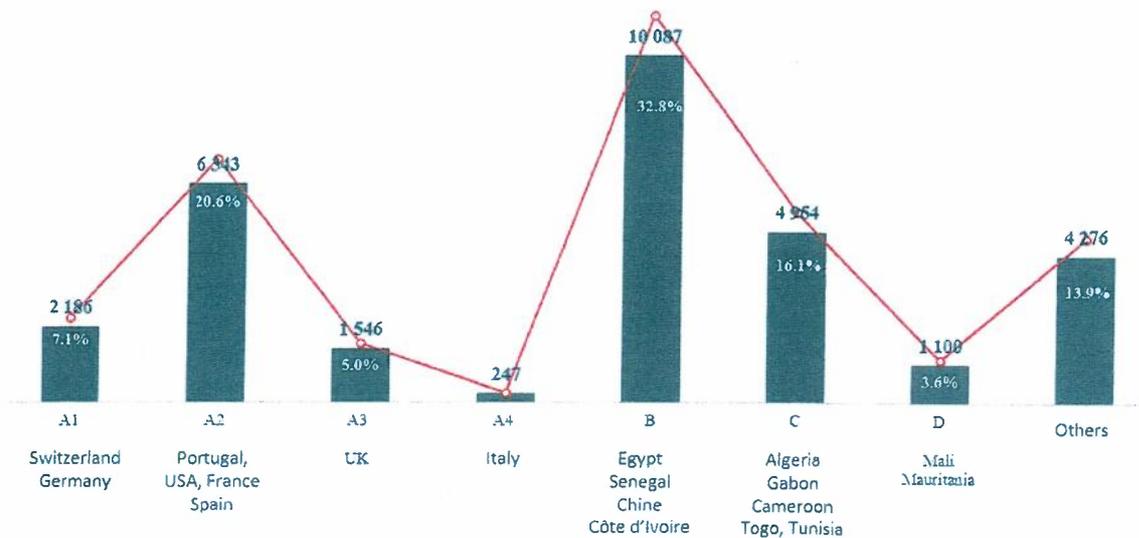
### Country risk management system:

The roll-out of the bank's international growth strategy and the provisions of Bank Al Maghreb's Directive 1/G/2008 prompted the implementation of a country risk management system in view of the ever-increasing importance of international business in the group's overall exposure.

This system is structured around the following areas:

- a country risk charter adopted by the management body and approved by the administrative body, which constitutes the reference framework governing the bank's international risk generating activities;
- the identification and assessment of international risks: The Attijariwafa bank group carries out its banking and para-banking activities both on its domestic market and in foreign countries through subsidiaries and even branches. As such, its exposure to international risks includes all types of commitments made by the bank as a creditor entity towards non-resident counterparties in both dirhams and foreign currencies;
- the restatement and calculation of country risk exposure according to the risk transfer principle. This makes it possible to highlight the areas and countries with high exposure (in value and as a % of the bank's equity) and the corresponding risk typologies. Thus, as indicated in the graph below, we note that 30.5% of the bank's exposure to international risks at the end of December 2018 is concentrated in countries with a graduated risk profile ranging from very good (A1) to acceptable (A4), i.e. the equivalent of Moroccan risk. Otherwise, it mainly concerns the bank's strategic investments in the context of the acquisitions of African banking subsidiaries;

**Distribution of country risk exposures by Coface scale – Social Exposure – June 30, 2019**



Source: Attijariwafa bank

- rules for consolidating country risk exposures that allow, in addition to an individual analysis of the commitment by country of each subsidiary and headquarters, an overview of the group's total commitment;
- the preparation and distribution of a weekly report on the evolution of country risk summarizing all the highlights that occurred during the week (agency rating changes and others...) with an update of the "World" database on country ratings by Standard & Poor's, Moody's, Fitch, Coface, OECD, the bank's internal score and the countries' CDS;
- the development of an internal economic country risk score reflecting the vulnerability index by country. This score is based on a multi-criteria evaluation approach combining macroeconomic indicators, agency ratings and market data, mainly CDS (Credit Default Swap), as a barometer of the probability of default associated with each issuer;
- the development of an internal political country risk score reflecting a country's vulnerability to political instability. This score is based on a multi-criteria evaluation approach combining the assessment of qualitative indicators relating to justice (legal guarantee, regulatory environment), administration and bureaucracy, redistribution of wealth, the Democracy Index as well as the Doing

Business score which makes it possible to study regulations that promote economic activity and those that limit it;

- the allocation of limits, calibrated according to the country's risk profile and the level of the bank's equity capital and broken down by zone, country, sector, type of activity, maturity...);
- monitoring and surveillance of compliance with limits;
- the provisioning of country risk based on the deterioration of exposures (materialization of risk, debt rescheduling, default, benefit of debt relief initiatives, etc.) or due to highly significant negative alerts;
- stress testing, a half-yearly process that consists of ensuring the bank's ability to withstand extreme risk factors (such as the materialization of political risk in Tunisia and Côte d'Ivoire) and measuring its impact on capital and profitability.

Ultimately, country risk management is governed by a system that ensures the coverage of international risks from their origination to their final unwinding.

#### Country risk management system



Source: Attijariwafa bank

## **VI. OPERATIONAL RISK AND BCP**

### **VI.1. Operational risk**

The implementation of the operational risk management (ORM) system is in line with the “Basel 2” reform and its implementation for Morocco by Directive DN/29/G/2007, issued by Bank Al Maghrib on April 13, 2007. The latter defines operational risk as “a risk of loss resulting from deficiencies or failures attributable to internal procedures, personnel and systems or external events”. This definition includes legal risk but excludes strategic and reputation risks.

For Attijariwafa bank, this operational risk management system is managed by the “Operational, Legal, IT and Human Risks” entity created within the “Global Risk Management” department. This entity has drawn up a risk map for each of the business lines based on the Bank's process reference framework. Each of the risks in the mapping is defined according to a frequency of occurrence and an impact in the event of an occurrence.

For major risks in risk mapping, action plans are defined to mitigate or prevent risks.

This risk mapping is regularly updated on the basis of incidents identified in each of the entities and/or changes in the Bank's products and services.

The methodological approach to risk mapping adopted by the Attijariwafa bank group is presented in the following 6 steps:

- process validation;
- risk identification and assessment;
- identification of risk monitoring indicators;
- development of a risk reduction action plan;
- collection of incidents and monitoring of risks to be monitored;
- Back-Testing & risk reassessment.

#### **I.1. Business Continuity Plan (BCP)**

The implementation of the BCP, which is the responsibility of the “Operational, legal, IT and human risks” entity, enables the bank to complete the operational risk management system set up in 2009, which resulted in the drafting of a charter and a complete mapping of operational risks.

The establishment of the BCP is in line with the provisions of the second pillar of Basel II and BAM Circular No. 47/G/2007, which stipulates that the BCP is a regulatory obligation.

The implementation of a Business Continuity Plan ensures the continuity of the bank's activities and the respect of its commitments when there is an occurrence of:

- a major crisis or operational disruption affecting a large urban or geographical area;
- a disruption affecting physical infrastructure;
- a natural disaster;
- an external attack;
- a major failure of information systems;
- a dysfunction resulting from a significant rate of absenteeism (e.g. Pandemic);
- a failure of a critical service.

#### **I. CONCENTRATION OF RISKS ON THE SAME BENEFICIARY<sup>4</sup>**

The concentration of credit risk is the risk inherent in an exposure to a small group of counterparties likely to generate significant losses, in the event of default by these counterparties that could threaten the financial strength of an institution or its ability to continue its essential operations.

In accordance with Circular 3 / G / 2001 on the maximum risk division ratio of credit institutions, credit institutions must at all times, on an individual and consolidated basis, comply with a maximum ratio of 20% between the total risks incurred on the same beneficiary impacted by a weighting rate according to their degree of risk, excluding the risks incurred on the State, and on the other hand, their net equity.

This coefficient is used to identify potential sources of risk concentration and to measure, manage, monitor and control them.

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<sup>4</sup> See. table B 23 (Annexes)

## DISCLAIMER

The aforementioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under the reference VI/EM/033/2019 on December 12, 2019. AMMC recommends that the entire prospectus, which is available to the public in French, be read in its entirety.