RESULTS

Attijariwafa bank
as of December 31, 2018

Financial Communication

2018

Contact : Financial Information and Investor Relations - Ibtissam Abouharia, e-mail : i.abouharia@attijariwafa.com
ir@attijariwafa.com

التجاري وفا بنك
Attijariwafa bank
Believe in you

Attijariwafa bank
A limited company with a capital of MAD 2,098,596,790. Head office : 2, boulevard Moulay Youssef, Casablanca, Morocco
Phone: +212 (0) 5 22 22 41 69 or +212 (0)5 55 29 88 88 - TR 333 - IF 01085221
www.attijariwafabank.com

Attijariwafa bank key figures

❯ 20 125 Employees

❯ 3 494 Branches in Morocco

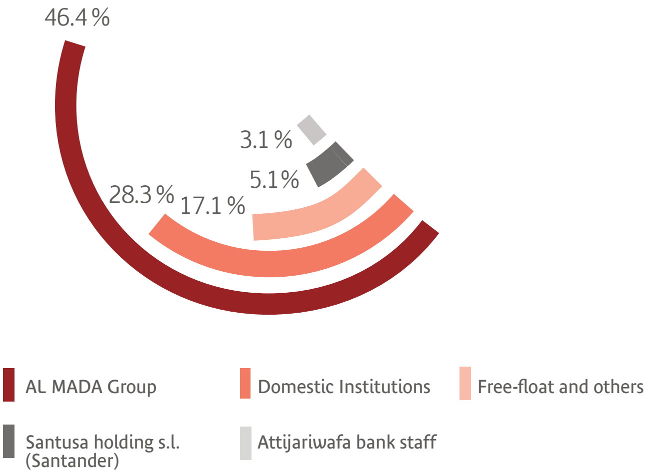
❯ 293 Branches in North Africa

❯ 69 Branches in Europe, the Middle East and America

❯ 540 Branches in West Africa

❯ 534 Branches in Central Africa

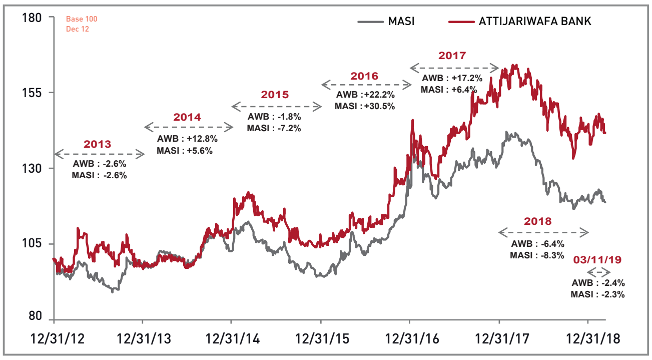
Shareholding structure
as of December 31, 2018



Attijariwafa bank's share price performance

Attijariwafa bank vs MASI from 12/31/2012 to 03/11/2019

Largest bank by market capitalization in Morocco:
MAD 95,1 billion at 31 December 2018



Stock Market Indicators

Attijariwafa bank	2016	2017	2018
Price	413	484	453
P/B	2.06x	2.27x	2.12x
PER	17.67x	18.27x	16.66x
DY	2.91%	2.58%	2.87%
Number of Shares	203,527,226	203,527,226	209,859,679
Market capitalization (in million MAD)	84,057	98,507	95,066

GENERAL MANAGEMENT AND COORDINATION COMMITTEE

General Management

Mr. Mohamed EL KETTANI	Chairman & Chief Executive Officer
Mr. Omar BOUNJOU	Managing Director, Retail Banking Division
Mr. Ismail DOUIRI	Managing Director, Finance, Technology and Operations Division
Mr. Boubker JAI	Managing Director, Corporate and Investment Banking, Capital Markets & Financial Subsidiaries
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management

Distribution Network

Mr. Hassan BERTAL	Head of Casablanca region
Mr. Saâd BENWAHOUD	Head of North-West region
Mr. Said SEBTI	Head of North-East region
Mr. Mohamed BOUBRIK	Head of South-West region
Mr. Fouad MAGHOUS	Head of South Region

Head officer

Mr. Mouawia ESSEKELLI	Transaction Banking
Mr. Karim Idrissi KAITOUNI	SMEs banking
Mr. Mohamed SOUSSI	Group Human Resources
Mrs. Wafaa GUESSOUS	Procurement, Logistics and Secretary of the Board
Mr. JAMAL AHIZOUNE	International Retail Banking
Mr. Youssef ROUISSI	Corporate & Investment Banking
Mr. Younes BELABED	General Audit
Mrs. Saloua BENMEHREZ	Group Communication
Mr. Ismail EL FILALI	Back Offices and Customer Services
Mrs. Malika EL YOUNSI	Group Legal Advisory
M. Jalal BERRADY	Private Banking
Mr. Rachid KETTANI	Group Finance Division
Mrs. Soumaya LRHEZZIOUI	Group Information Systems
Mr. Driss MAGHRAOUI	Personal & Professional Banking
Mr. Hassan BEDRAOUI	Transformation Office
Mr. Omar GHOMARI	Specialized Financial Companies
Mrs BOUCHRA BOUSSERGHINE	Group Compliance
M. Rachid EL BOUZIDI	Retail Banking Support Functions

BOARD OF DIRECTORS at 31 December 2018

Mr. Mohamed EL KETTANI	Chairman of the Board
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing AL MADA
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director
Mr. Aymane TAUD	Director
Mr. Abed YACOUBI SOUSSANE	Director
Mr. Manuel VARELA	Director, Representing Santander
Mr. Aldo OLCESE SANTONJA	Independant Director
Mr. Lionel ZINSOU	Independant Director
Mrs. Wafaa GUESSOUS	Secretary

Rating

Fitch Rating	March 2018
Long-term	BB+
Short-term	B
Long-term in local currency	AA-(mar)
Outlook	stable

Standard & Poor's	November 2018
Long-term	BB
Short-term	B
Outlook	stable

Moody's	July 2018
Long-term	Ba2
Short-term	NP
Outlook	stable

Attijariwafa bank's press release

التجاري وفا بنك Attijariwafa bank

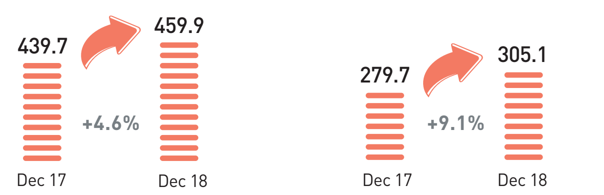
Continued growth thanks to a diversified model

Attijariwafa bank's Board of Directors, chaired by Mr Mohamed El Kettani, met on 15th march 2019, in order to review the activity and approve the financial statements for the 31 December 2018.

Total consolidated assets	509.9 billion	+8.2 %
Consolidated shareholders' equity	50.5 billion	+9.6 %
Net banking income	22.4 billion	+3.4 %
Operating income	9.9 billion	+4.6 %
Net income	6.7 billion	+2.3 %
Net income group share	5.7 billion	+5.8 %
Total network	4,930 branches in 25 countries	
Total staff	20,125 employees	

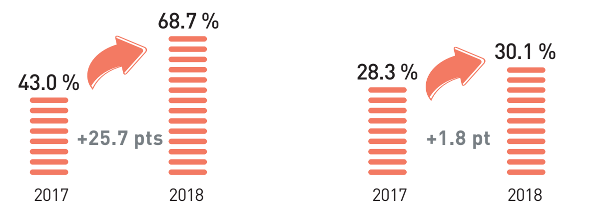
N° 1 Savings institution — N° 1 provider of financing to the economy

Total savings* (billion MAD) — Total consolidated loans (billion MAD)



1st player in digital banking and electronic payments in Morocco

% of operations** processed through digital banking — Market share in electronic payments***



(*) Consolidated customer deposits + assets under management + bancassurance assets
(**) Operations with a low added value for branches and migrated to digital banking, eg: transfers, disposal, payment of invoices...
(***) Electronic payment through different channels (eg: payment cards, ebanking, ATM, mobile banking...)

Attijariwafa bank reported in 2018 strong growth, driven by continued improvement in loans growth and asset quality in Morocco and by solid results of its international subsidiaries.

NET INCOME GROUP SHARE UP 5.8%

Net banking income grew by **3.4%** to reach **MAD 22.4 billion**, mainly driven by loan growth. Net interest income and net fee income rose by **8.4%** and **5.2%** respectively.

Operating income soared by **4.6%** to **MAD 9.9 billion** benefiting from a drop of 20.5% in consolidated cost of risk to MAD 1,7 billion (**0,53%** in 2018 compared to **0,72%** in 2017).

Net income group share totaled **MAD 5.7 billion** up **5.8%.** Profitability improved with RoE standing at **15.4%** and RoA at **1.3%.**

INCOME GROWTH BY BUSINESS LINES

Net income group share's growth has been supported by:

- The Bank in Morocco, Europe and Tanger Offshore (BMET): **+15.0%;** thanks to strong growth in lending activities and continued focus on cost control and risk management;
- International Retail Banking (IRB): **+2.9%** in spite of a mixed geographic trend and various one-off and non-recurring negative items.
- Specialized Financial Companies: -7.0% due to an increase in consumer finance and leasing cost of risk;
- Insurance: **-50.5%** impacted by an increase of claims' cost related to the automobile segment and one-off claims.

ACHIEVEMENTS IN 2018 AHEAD OF THE OBJECTIVES OF THE «ENERGIES 2020» STRATEGIC PLAN

In Morocco, the bank is pursuing the implementation of its **«Energies 2020»** strategic plan and closed the financial year exceeding its strategic, operational and financial targets, as defined by the plan.

In this context, and as a further proof of its commitment to its Human Capital, Attijariwafa bank successfully completed a capital increase reserved for the employees of the bank and its subsidiaries in Morocco. As a result of this operation, employees' share ownershipin the bank reached **3.65%,** one of the highest such levels in Morocco.

AN ENVIRONMENTAL AND CSR POLICY IN LINE WITH THE HIGHEST STANDARDS

2018 was also marked by significant progress in articulating and implementing the Group's CSR policy, in line with the vision of its strategic shareholder Al Mada, .

Accordingly, green project financing in the African continent will benefit from the Group's recent accreditation by the United Nations Green Climate Fund (GCF).

As such, Attijariwafa bank becomes the only commercial bank in Middle East Africa region and 7th commercial bank in the world to obtain this accreditation with a regional coverage.

A MAJOR PLAYER IN THE PROMOTION OF SOUTH-SOUTH COOPERATION

In terms of South-South cooperation, 2018 was marked by the organization of the **6th edition of the International Africa Development Forum**. This annual African meeting took place on 14 and 15 March under the theme, **«When East meets West»**.

The Forum has catalyzed many opportunities for trade and investment between economic actors on the continent. Since its creation, the Forum has brought together more than **7,500 operators** from **36 countries** and generated more than **17,000 business meetings** enabling Attijariwafa bank to further support its clients and help them identify new opportunities.

The Board of Directors congratulated all the Group's teams on the performance achieved for the year 2018.

The Board has also decided to convene the Ordinary General Meeting of Shareholders, to submit for approval the accounts as of December 31, 2018 and to propose the distribution of a dividend of 13 dirhams per share.

Board of Directors
Casablanca, 15th March 2019

ACCOUNTING STANDARDS AND PRINCIPLES APPLIED BY THE GROUP

Attijariwafa bank's consolidated financial statements have been prepared under International Financial Reporting Standards (IFRS) since first-half 2007 with the opening balance at 1 January 2006.

In its consolidated financial statements as of 31 December 2018, the Attijariwafa bank Group has applied the obligatory principles and standards set out by the International Accounting Standards Board (IASB).

On July 24, 2014, the IASB published the complete version of IFRS 9 "Financial Instruments," which replaced IAS 39. This standard establishes the principles for accounting and financial information concerning financial assets and liabilities. These principles are intended to replace those currently set out in IAS 39 "Financial Instruments" (IFRS 9.1.1) (Cf. note IFRS 9-Financial Instruments).

The project was divided into three phases:

- Phase 1 – Classification and measurement of financial instruments;
- Phase 2 – Impairment of financial assets (initially amortized cost and impairment of financial assets);
- Phase 3 – Hedging. This phase is divided into two parts: hedging of financial items, closed portfolios, and portions of financial and nonfinancial items; and macro-hedging.

Application of the new standard is mandatory for annual periods beginning on or after January 1st , 2018.

The first application of IFRS 9 on January 1, 2018, is retroactive. However, as allowed by the transition guidance of IFRS 9, the Group will not restate the comparative figures for prior periods.

As of January 1st , 2018, valuation adjustments of financial assets and liabilities, provisions and impairment for credit risk, and unrealized gains and losses recognized directly in profit or loss due to the retrospective application of IFRS 9 at that date will be recognized directly in equity (consolidated reserves, or unrealized gains and losses recognized directly in profit or loss) at this date.

Application of IFRS 9 for insurance activities

On September 12, 2016, the IASB published amendments to IFRS 4 "Insurance Contracts" titled "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts.'" These amendments were applicable for annual periods beginning on or after January 1, 2018. These amendments allow entities whose primary activity is insurance to defer the application of IFRS 9 until January 1, 2021. This deferral allows the entities concerned to continue to report their financial statements in accordance with the existing IAS 39.

This temporary deferral of application of IFRS 9, limited in the IASB amendments to groups whose majority business is insurance, was expanded by Bank Al-Maghrib to insurance entities consolidated by credit institutions reporting their consolidated financial statements in accordance with the PCEC (Moroccan chart of accounts for credit institutions).

AWB has chosen to apply this deferral for insurance entities, including funds falling under this activity, which will apply IAS 39 "Financial Instruments: Recognition and Measurement" until December 31, 2020.

As of January the first, Attijariwafa Group implemented also the new IFRS 15 standard " Revenue from Contracts with Customers" , its application did not have any material impact on earnings or equity.

This standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and their interpretations and sets out the new requirements for recognising revenues earned from all types of contracts entered into with customers, with the exception of leases, insurance contracts, contracts in financial instruments and guarantees. The recognition of revenues in the income statement shall depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 "Leases", issued in January 2016, will supersede IAS 17 "Leases" and the interpretations relating to the accounting of such contracts. The new definition of leases relies on both the identification of an asset and the control of the right to use the identified asset by the lessee. The main change made by IFRS 16 relates to accounting for lessees. IFRS 16 will call for a model in respect of lessees that recognises all leases on the balance sheet, with a lease liability on the liability side representing commitments over the life of the lease and on the asset side, an amortisable right-to-use. IFRS 16 will apply to reporting periods beginning 1 January 2019

Consolidation principles:

Standard:

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

The Group likewise consolidates legally independent entities specifically established for a restricted and well-defined purpose known as « special purpose entities », which are controlled by the credit institution, without there being any shareholder relationship between the entities.

The extent to which the Group exercises control will determine the consolidation method: fully consolidated for entities under the exclusive control of the Group as required by IFRS 10 "Consolidated Financial Statements" or under the equity method for associate companies or joint ventures as required by IFRS 11 "Joint Arrangements" and IAS 28 "Investments in Associates Joint Ventures".

Policies adopted by Attijariwafa bank:

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

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

Specialist mutual funds (UCITS) are consolidated according to IFRS 10 which addresses the issue of consolidation of special purpose entities and in particular funds under exclusive control.

Those entities controlled or under exclusive control whose securities are held for a short period of time are excluded from the scope of consolidation.

Fixed assets:

Property, plant and equipment:

Standard:

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

Cost model

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

Revaluation model

On being recognised as an asset, an item of property, plant and equipment, whose fair value may be accurately assessed, must be marked to market. Fair value is the value determined at the time the asset is marked to market less accumulated depreciation.

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

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

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

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

Borrowing costs

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

Policies adopted by Attijariwafa bank:

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

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

Under the sum-of-parts approach, the Group has decided to not include those components whose gross value is less than MAD 1000 thousand.

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

Residual value:

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

Investment property:

Standard:

An investment property is a property which is held either to earn rental income or for capital appreciation or for both.

An investment property generates cash flows in a very different way to the company's other assets unlike the use of a building by its owner whose main purpose is to produce or provide goods and services.

An entity has the choice between:

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

The cost model – an estimate of the fair value of investment properties must be recorded either in the balance sheet or in the notes to the financial statements.

It is only possible to move from the cost method to the fair value method.

Policies adopted by Attijariwafa bank:

All buildings not used in ordinary activities are classified as investment property except for staff accommodation and buildings expected to be sold within a year.

The Group's policy is to retain all buildings used in ordinary activities and those leased to companies outside the Group.

The historical cost method, modified by the sum-of-parts approach, is used to value investment properties. Information about fair value must be presented in the notes to the financial statements.

Intangible assets:

Standard:

An intangible asset is a non-monetary asset which is identifiable and not physical in nature.

An intangible asset is deemed to be identifiable if it:

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

Two valuation methods are possible:

- The cost method;
- The revaluation model. This treatment is possible if an active market exists.

Amortisation of an intangible asset depends on its estimated useful life. An intangible asset with an unlimited useful life is not amortised but subject to impairment testing at least once a year at the end of the period. An intangible asset with a limited useful life is amortised over the life of the asset.

An intangible asset produced by the company for internal use is recognised if it is classified, from the R&D phase, as a fixed asset.

Policies adopted by Attijariwafa bank:

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

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

Leasehold rights :

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

Business goodwill:

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

Software:

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

Valuation of software developed in-house:

Group Information Systems' Management provides the necessary information to value software developed in-house. In the event that the valuation is not accurate, then the software cannot be recognised as an asset.

Transfer fees, commission and legal fees:

These are recognised as expenses or at purchase cost depending on their value.

Separate amortisation schedules are used if there is a difference of more than MAD 1000K between parent company financial statements and IFRS statements.

Goodwill:

Standard:

Cost of a business combination:

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

The acquirer must measure the acquisition cost as:

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

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

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

The acquirer must, at the date of acquisition, allocate the cost of a business combination by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree that satisfy the recognition criteria at their respective fair values on that date.

Any difference between the cost of the business combination and the acquirer's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

Accounting for Goodwill:

The acquirer must, at the date of acquisition, recognise the goodwill acquired in a business combination.

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

If the share of the fair value of the assets, liabilities and contingent liabilities of the acquired entities exceeds the acquisition cost, negative goodwill is recognised immediately through profit or loss.

If initial recognition of a business combination can be determinedonly provisionally by the end of the reporting period in which the business combination takes place, the acquirer must account for the business combination using provisional values. The acquirer must recognise adjustments to provisional values relating to finalising the recognition within that financial period, beyond which time no adjustments are possible.

Policies adopted by Attijariwafa bank:

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

Inventories:

Standard:

Inventories are assets:

- Held for sale during the normal business cycle;
- In the process of being produced for future sale;
- In the form of raw materials or supplies consumed during the production process or to provide services.

Inventories must be valued at the lower of cost or net realisable value.

Net realisable value is the estimated sales price in the normal course of business activity less

- Estimated costs of completion;
- Costs required for making the sale.

Policies adopted by Attijariwafa bank:

Inventories are valued according to the weighted average unit cost method.

Leases:

Standard:

A lease is an agreement by which the Lessor transfers to the Lessee for a specific period of time the right to use an asset in exchange for payment or a series of payments.

Distinction must be made between:

- A finance lease, which is a contract by which almost all the risks and benefits inherent in ownership of the asset are transferred to the lessee;
- An operating lease, which is any contract other than a finance lease.

Finance leases are financial instruments whose nominal value relates to the value of the property acquired/leased minus/plus fees paid/received and any other fees. The rate used in this case is the effective interest rate.

The effective interest rate is the discount rate which is used to equate:

- The net present value of minimum payments to be received by the Lessor plus the non-guaranteed residual value; and
- The property's entry value (equal to initial fair value plus initial direct costs).

Policies adopted by Attijariwafa bank:

No restatement is needed for operating leases for a specific period and which are automatically renewable.

Long-term rental contracts are considered as operating leases.

Leasing contracts are finance leases in which Attijariwafa bank is the Lessor. The Bank only accounts for its share of the contract in its financial statements.

At the beginning of the contract, rents relating to lease contracts for an indefinite period and leasing contracts are discounted using the effective interest rate. Their value relates to the initial financing amount.

Financial assets and liabilities – Classification and measurement

Standard:

Classification

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

- Amortised cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value recognized in profit and loss ("FVPL")

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

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

Debt instruments:

This standard distinguishes three business models :

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

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

- the measurement method, monitoring and risk management associated with the financial instruments concerned;
- realized and expected asset sales (size, frequency, type).

Equity instruments:

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

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

Measurement :

Assets at amortised cost :

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

- reduced by capital reimboursments
- increased or reduced by the amortization accumulated calculated by the effectif interest rate method, by any difference between this initial amount and the amount of reimboursment at maturity.
- Reduced by all the cuts for depreciation or no recoverability.

This calculation should include all the fees and other amounts paid or received directly attributable to credits, transaction fees and every valuation haircut or premium.

Assets valuated at fair value through profit or loss :

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

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

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

This class of securities is not subject to impairment.

Assets valuated at fair value through equity :

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

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

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

Borrowings and deposits:

When initially recognised, a deposit or borrowing classified under IFRS in "Other financial liabilities" must be initially measured in the balance sheet at fair value plus or minus:

- transaction costs (these are external acquisition costs directly attributable to the transaction) ;
- fees received constituting professional fees that represent an integral part of the effective rate of return on the deposit or borrowing.

Deposits and borrowings classified under IFRS as "Other financial liabilities" are subsequently measured at the end of the reporting period at amortised cost using the effective interest rate method (actuarial rate).

Deposits classified under IFRS as "Liabilities held for trading" are subsequently measured at fair value at the end of the reporting period. The fair value of the deposit is calculated excluding accrued interest.

A deposit or borrowing may be the host contract for an embedded derivative. In certain circumstances, the embedded derivative must be separated from the host contract and recognised in accordance with the principles applicable to derivatives. This analysis must be done at the inception of the contract on the basis of the contractual provisions.

Policies adopted by Attijariwafa bank:

Loans and receivables

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

Borrowings:

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

Deposits:

Sight deposits:

Attijariwafa bank applies IFRS 13. The fair value of a sight deposit cannot be lower than the amount due on demand. It is discounted from the first date on which the repayment may be demanded.

Interest-bearing deposits:

- Deposits bearing interest at market rates – the fair value is the nominal value unless transaction costs are significant.

A historical record of 10-year bond yields needs to be kept to be able to justify that the rates correspond to the original market rates.

- Deposits bearing interest at non-market rates – the fair value is the nominal value plus a discount.

Savings book deposits:

The rate applied is regulated for the vast majority of credit institutions.

Accordingly, no specific IFRS accounting treatment is required for savings book deposits.

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

Portfolio classification

Attijariwafa bank and other entities excluding insurance companies

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

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

Securities lending/borrowing and repurchase agreements

Securities temporarily sold under repurchase agreements continue to be recognised in the Group's balance sheet in the category of securities to which they belong. The corresponding liability is recognised under the appropriate debt category except in the case of repurchase agreements contracted by the Group for trading purposes where the corresponding liability is recognised under "Financial liabilities at fair value through profit or loss". Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables" except in the case of reverse repurchase agreements contracted by the Group for trading purposes, where the corresponding receivable is recognised under "Financial assets at fair value through profit or loss".

Treasury shares

The term "treasury shares" refers to shares issued by the consolidating company, Attijariwafa bank. Treasury shares held by the Group are deducted from consolidated shareholders' equity. Gains and losses arising on such instruments are also eliminated from the consolidated profit and loss account.

Financial assets and liabilities – Impairment:

Standard:

IFRS 9 introduces a new model for recognizing impairment of financial assets based on expected credit losses (ECL). This new model is applicable to financial assets measured at amortized cost or at fair value through other comprehensive income; The new model represents a change from the current IAS 39 model on the basis of incurred credit losses.

Assessment of increase in credit risk:

The new standard outlines a "three-stage" model. The allocation of a financial asset to one of these three stage (or "buckets") is made on the basis of whether a significant rise in credit risk has occurred since initial recognition.

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

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

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

<u>Measurement of expected credit losses</u>

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

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

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

Policies adopted by Attijariwafa bank

<u>Monitoring of risk degradation</u>

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

<u>Definition of Default</u>

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

<u>Measurement of expected credit losses</u>

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

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

Derivatives

Standard:

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

- Its value changes in response to a change in a variable such as specified interest rate, the price of a financial instrument, a price, index or yield benchmark, a credit rating, a credit index or any other variable, provided that in the case of a non-financial variable, the variable must not be specific to any one party to the contract (sometimes known as «the underlying »);
- Requires no initial investment or one that is smaller than would be required for a contract having a similar reaction to changes in market conditions; and
- Is settled at a future data.

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

Policies adopted by Attijariwafa bank

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

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

Embedded derivatives

Standard:

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

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

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

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

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

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

Policies adopted by Attijariwafa bank

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

Fair value:

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in a principal market (or the most advantageous market) at the measurement date based on current market conditions (i.e. an exit price) providing that this price was directly observable or estimated by using an appropriate valuation technique.

IFRS 13 uses a 'fair value hierarchy' which categorises the inputs used in valuation techniques into three levels in order to determine fair value. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 inputs

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions (§ 79).

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

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

Adjustments to Level 2 inputs will vary depending on factors specific to the asset or liability. Those factors include the following: the state or location of the asset, the extent to which inputs relate to items that are comparable to the asset or liability, as well as the volume and the level of activity in the markets within which the inputs are observed.

An adjustment to a Level 2 input that is significant to the entire measurement might result in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

Level 3 inputs

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs must be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Market value is determined by the Group:

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

➥ **Case 1: Instruments traded on active markets**

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

➥ **Case 2: Instruments traded on inactive markets**

Instruments traded on an inactive market are valued using an internal model based on directly observable or deduced market data.

Certain financial instruments, although not traded on active markets, are valued using methods based on directly observable market data.

Observable market data may include yield curves, implied volatility ranges for options, default rates and loss assumptions obtained by market consensus or from active over-the-counter markets.

Insurance

Standard:

Insurance contracts:

The main provisions for insurance contracts are summarised below:

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

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

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

Policies adopted by Attijariwafa bank:

Insurance contracts:

A liability adequacy test has already been carried out by Wafa Assurance, which appointed an external firm of actuaries to assess its technical reserves.

The provision for fluctuations in claims relating to non-life insurance contracts is to be cancelled.

Investment-linked insurance:

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

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

Liabilities provisions:

Standard:

A provision must be booked when :

- the company has a present obligation (legal or implicit) resulting from a past event.
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; and
- the amount of the obligation can be reliably estimated.

If these conditions are not satisfied, no provision may be recognised.

Under IFRS, when the outflow of expected future economic benefits exceeds one year, it is compulsory to discount the provisions for risks and charges.

Except in the case of combinations, contingent liabilities are not provisioned. When the contingent liability or asset is material, it is compulsory to mention it in the notes to the financial statements.

Policies adopted by Attijariwafa bank:

The Group has analysed all its general provisions and:
- How they are matched to inherent risks;
- Has reviewed how they are measured and booked under IFRS.

Current & deferred taxation:

Standard:

A deferred tax asset or liability is recognised each time that the recovery or payment of an asset or liability's carrying amount will result in an increase or reduction in future tax payments compared to what they would have been previously.

A company will most likely be able to offset a deductible temporary difference against taxable income:
- If it has sufficient taxable temporary differences within the remit of the same tax authority and in relation to the same entity;
- If the company is likely to generate sufficient profit within the remit of the same tax authority and in relation to the same entity;
- Tax management allows it the opportunity to generate taxable income in the related periods.

Deferred taxes may not be amortised under IFRS.

Policies adopted by Attijariwafa bank:

<u>Assessing the probability of generating future taxable income:</u>

Deferred tax assets are not recognised unless it is probable that future taxable income will be generated. This probability can be ascertained by the business projections of the companies in question.

<u>Accounting for deferred tax liabilities in respect of temporary differences relating to intangible assets resulting from business combinations:</u>

A deferred tax liability is recognised for goodwill relating to intangible assets resulting from business combinations even if these intangible assets have an indefinite life.

<u>Accounting for deferred tax assets in respect of deductible temporary differences relating to consolidated investments in affiliates:</u>

A deferred tax asset must be recognised in respect of deductible temporary differences relating to consolidated investments in affiliates when these temporary differences are likely to be resolved in the foreseeable future and when it is probable that taxable profit will be generated.

<u>Possibility of revising Goodwill if a deferred tax asset is identified after the regularisation period allowed under IFRS:</u>

A deferred tax asset, which is not identifiable at the time of acquisition but recognised subsequently, is recognised through consolidated income and Goodwill is restated retrospectively even after the regularisation period expires. The impact of this revision is also recognised through consolidated income.

<u>Deferred taxes recognised initially in equity:</u>

The impact of changes to tax rates and/or tax rules is recognised in equity.

Employee benefits

Standard:

The objective of this Standard is to prescribe the accounting treatment and disclosure for employee benefits. This Standard shall be applied by an employer in accounting for all employee benefits, except those to which IFRS 2 "Share-based Payment" applies. These benefits include those provided:

- Under formal plans or other formal agreements between an entity and individual employees, groups of employees or their representatives;
- Under legislative requirements, or through industry arrangements, whereby entities are required to contribute to national, state, industry or other multi-employer plans; or
- By those informal practices that give rise to a constructive obligation and those where the entity has no realistic alternative but to pay employee benefits.

Employee benefits are contingent considerations of any type provided by an entity for services rendered by members of staff or in the event that their employment is terminated. They comprise 4 categories:

<u>Short-term benefits:</u>

Are employee benefits (other than termination benefits), that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services e.g. wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses etc.

When an employee has rendered service to an entity during an accounting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- As a liability, after deducting any amount already paid, if applicable; or
- As an expense.

<u>Post-employment benefits:</u>

These are employee benefits which are payable post-employment e.g. retirement benefits, post-employment life insurance and post-employment medical care.

Distinction is made between two types of post-retirement benefit plan:

1. Defined contribution plans: an entity pays defined contributions into a fund and has no other legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to meet expected benefits relating to services rendered by staff. As a result, actuarial risk and investment risk fall on the employee.

Accounting for defined contribution plans is straightforward because no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss.

The entity shall recognise the contribution payable to a defined contribution plan in exchange for the service rendered by an employee:
- As a liability, after deducting any amount already paid, if applicable; or
- As an expense.

2. Defined benefit plans: the entity's obligation is to provide the agreed benefits to current and former employees As a result, actuarial risk and investment risk fall on the employee.

Accounting for defined benefit plans is quite complex due to the fact that actuarial assumptions are required to measure the obligation and there is a possibility of an actuarial gain or loss. In addition, the obligations are discounted to their present value as they may be paid several years after the employee has rendered the corresponding service.

A multi-employer plan which is neither a general plan nor a compulsory plan must be recognised by the company as either a defined contribution plan or a defined benefit plan depending on the characteristics of the plan.

<u>Other long-term employee benefits:</u>

Other long-term employee benefits include long-term paid absences, such as long-service or sabbatical leave. They also include jubilee or other long-service benefits such wissam schoghl, long-term disability benefits, profit-sharing, bonuses and deferred remuneration if not expected to be settled wholly before twelve months after the end of the annual reporting period.

In general, the measurement of other long-term employee benefits is usually not subject to the same degree of uncertainty as the measurement of defined benefit plans. Therefore, this standard provides a simplified method which does not recognise re-measurements in other comprehensive income.

Termination benefits:

Termination benefits are employee benefits payable as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits.

The entity should recognise a liability and expense for termination benefits at the earlier of the following two dates:

- The date after which it may no longer withdraw its benefits;
- The date at which it recognises the costs of restructuring as required by IAS 37 and envisages the payment of related benefits.

In the case of termination benefits payable following an entity's decision to terminate the employment of an employee, the entity may no longer withdraw its offer of benefits once it has informed the employees in question of the termination plan, which should satisfy the following criteria:

- The measures required to successfully execute the plan would suggest that is it unlikely that major changes would be made to the plan;
- The plan identifies the number of employees to be terminated, the job classifications or functions that will be affected and their locations and when the terminations are expected to occur;
- The plan establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated.

Measuring obligations:

Method:

Accounting for defined benefit plans requires the use of actuarial techniques to reliably estimate the benefits accruing to employees in consideration for current and past service rendered.

This requires estimating the benefits, demographic variables such as mortality rates and staff turnover, financial variables such as the discount rate and future salary increases that will affect the cost of benefits.

The recommended method under IAS 19 is the "projected unit credit method".

This amounts to recognising, on the date that the obligation is calculated, an obligation equal to the probable present value of the estimated benefits multiplied by the length of service at the calculation date and at the retirement date.

The obligation can be considered as accruing pro-rata to the employee's length of service. As a result, an employee's entitlement is calculated on the basis of length of service and estimated salary at the retirement date.

Policies adopted by Attijariwafa bank:

Attijariwafa bank has opted for a defined contribution retirement benefits plan. Accordingly, no specific accounting treatment is required under IFRS.

In the case of post-employment medical cover, Attijariwafa bank does not have sufficient information to be able to account for its medical cover as a defined benefit plan.

The Group, on the other hand, has booked specific provisions for liabilities to employees including end-of-career bonuses and service awards (Ouissam Achoughl).

Share-based payments

Share-based payments are payments based on shares issued by the Group. The payments are made either in the form of shares or in cash for amounts based on the value of the Group's shares.

Examples of share-based payments include stock options or employee share plans.

Under the subscription terms, employees may subscribe for shares at a discount to the current market price over a specified period. The inaccessibility period is taken into consideration when expensing this benefit.

IFRS 9 FINANCIAL INSTRUMENTS

On July 24, 2014, the IASB published the complete version of IFRS 9 "Financial Instruments," which replaced IAS 39. This standard establishes the principles for accounting and financial information concerning financial assets and liabilities. These principles are intended to replace those currently set out in IAS 39 "Financial Instruments" (IFRS 9.1.1).

The project was divided into three phases:

– Phase 1 – Classification and measurement of financial instruments;

– Phase 2 – Impairment of financial assets (initially amortized cost and impairment of financial assets);

– Phase 3 – Hedging. This phase is divided into two parts: hedging of financial items, closed portfolios, and portions of financial and nonfinancial items; and macro-hedging.

Application of the new standard is mandatory for annual periods beginning on or after January 1, 2018.

The first application of IFRS 9 on January 1, 2018, is retroactive. However, as allowed by the transition guidance of IFRS 9, the Group will not restate the comparative figures for prior periods.

As of January 1, 2018, valuation adjustements of financial assets and liabilities, provisions and impairment for credit risk, and unrealized gains and losses recognized directly in profit or loss due to the retrospective application of IFRS 9 at that date will be recognized directly in equity (consolidated reserves, or unrealized gains and losses recognized directly in profit or loss).

Application of IFRS 9 for insurance activities

On September 12, 2016, the IASB published amendments to IFRS 4 "Insurance Contracts" titled "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts.'" These amendments were applicable for annual periods beginning on or after January 1, 2018.

These amendments allow entities whose primary activity is insurance to defer the application of IFRS 9 until January 1, 2021. This deferral allows the entities concerned to continue to report their financial statements in accordance with the existing IAS 39.

This temporary deferral of application of IFRS 9, limited in the IASB amendments to groups whose majority business is insurance, was expanded by Bank Al-Maghribto insurance entities consolidated by credit institutions reporting their consolidated financial statements in accordance with the PCEC (Moroccan chart of accounts for credit institutions).

AWB has chosen to apply this deferral for insurance entities, including funds falling under this activity, which will apply IAS 39 "Financial Instruments: Recognition and Measurement" until December 31, 2020.

Classification and measurement

IFRS 9 Phase 1 replaces the classification and measurement models for financial assets under IAS 39 with a model comprising only three accounting categories (which are also applicable for financial assets with embedded derivatives):

- amortized cost;
- fair value through other comprehensive income ("FVOCI");
- fair value through profit or loss ("FVPL").

The classification of a financial asset under one of these three categories is determined on the basis of the following key criteria:

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

Debt instruments

The standard distinguishes three business models:

- "hold to collect" model: assets managed to collect contractual cash flows;
- "hold to sell" model: assets managed to sell the financial assets;
- "mixed" model: assets managed to collect contractual cash flows and sell the financial asset.

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

- the measurement method, monitoring and risk management associated with the financial instruments concerned;
- realized and expected asset sales (size, frequency, type).

On the basis of business models analyzed and the features of financial assets held by the Group, the principal classifications expected as of January 1, 2018, are the following:

- Loans and receivables for credit institutions and customers, and repurchase transactions recognized under "Loans and liabilities" in accordance with IAS 39, are eligible for "Amortized cost" under IFRS 9.
- "Available-for-sale financial assets" in accordance with IAS 39 which are not held by insurance entities are recognized under "fair value through other comprehensive income."
- "Held-to-maturity investments" in accordance with IAS 39 which are not held by insurance entities are recognized under "amortized cost."

Equity instruments

Optionally, investments in equity instruments may be classified as instruments with no recycling of fair value changes to profit or loss. Consequently, when securities are sold, unrealized gains and losses previously recognized through profit or loss will not be recognized in profit or loss. Only dividends will be recognized in profit or loss.

Impairment

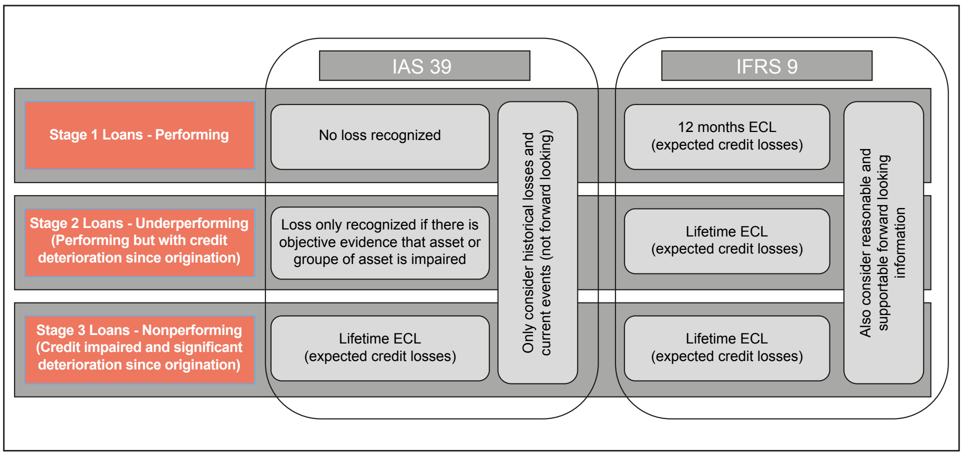
IFRS 9 Phase 2 introduces a new model for recognizing impairment of financial assets based on expected credit losses (ECL). This new model is applicable to financial assets measured at amortized cost or at fair value through other comprehensive income; The new model represents a change from the current IAS 39 model on the basis of incurred credit losses.

The new standard outlines a "three-stage" model. The allocation of a financial asset to one of these three stage (or "buckets") is made on the basis of whether a significant rise in credit risk has occurred since initial recognition.

- Bucket 1 (Performing loans): no significant increase in credit risk since initial recognition;
- Bucket 2 ("Loans with a significant increase in credit risk"): significant increase in credit risk since initial recognition;

- Bucket 3 (NNon performing loans): incurred credit/default event. The application of IFRS 9 does not change the definition of default currently employed by the Group to assess the existence of objective evidence of impairment of a financial asset.

IAS 39 vs IFRS 9 - Impairment model



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

The amount of expected losses is determined by means of three principal factors: probability of default (PD), loss given default (LGD) and exposure at default (EAD) which take into consideration amortization profiles. Expected losses are calculated as: PD x LGD x EAD.

The new provisions model will result in higher impairment for credit risk because of calculation of credit risk over 12 months for all financial assets, and because of recognition of forward-looking scenarios for the measurement of expected credit losses. In addition, assets that have incurred a significant rise in credit risk will be distinguished from assets with a portfolio provision in accordance with IAS 39.

The accounting principles for restructuring due to financial difficulties remain similar to those of IAS 39.

The impact of the application of IFRS 9 on the consolidated shareholders' equity of Attijariwafa bank Group at 31 December 2017 is MAD 4.6 bilion.

CONSOLIDATED IFRS BALANCE SHEET at 31 December 2018

(thousand MAD)

ASSETS (under IFRS)	Notes	12/31/2018	01/01/2018
Cash - Central banks - Postal cheque		18 536 591	18 224 849
Financial assets at fair value through profit or loss (FV P&L)	**2.1**	**61 567 279**	**60 765 376**
Trading assets		61 318 331	60 571 636
Other financial assets at fair value through profit or loss		248 947	193 740
Hedging derivatives			
Financial assets at fair value through other comprehensive income	**2.2/2.11**	**43 190 734**	**46 208 032**
Debt instruments at fair value through other comprehensive income (recycling)		10 086 448	15 002 669
Equity instruments at fair value through other comprehensive income (no recycling)		2 328 058	2 285 141
Financial assets instruments at fair value through other comprehensive income (Insurance)		30 776 229	28 920 222
Financial assets at amortised cost	**2.11/2.12**	**15 101 428**	**9 401 965**
Loans & receivables Financial Institutions at amortised cost	2.3/2.11	28 791 443	25 267 604
Loans & receivables Customers	**2.4/2.11**	**305 059 677**	**279 682 245**
Asset reevaluation difference - PF interest hedged			
Financial Placement of insurance activities			
Current tax assets		181 922	123 659
Deferred tax assets		2 866 699	3 012 395
Adjustment & other asset accounts		13 667 001	8 648 895
Non current assets held for sale		97 044	114 322
Investments in equity method companies		86 699	106 949
Investment property		2 522 538	2 247 468
Property, plant, equipment	2.5	5 687 723	5 550 721
Intangible assets	2.5	2 617 343	2 124 258
Goodwill	2.6	9 951 595	9 996 150
TOTAL ASSETS IFRS		**509 925 715**	**471 474 889**

LIABILITIES (under IFRS)	Notes	12/31/2018	01/01/2018
Central banks, Public treasury, Postal cheque		3 056	97 064
FINANCIAL LIABILITY FV PL	**2.7**	**400 624**	**716 739**
Financial assets held-for-trading		400 624	716 739
Financial assets designated at fair value through profit or loss			
Hedging derivatives			
Debts - Financial Institutions	2.8	47 314 854	37 651 602
Debts - Customers	2.9	332 005 586	316 210 403
Notes & certificates issued		15 508 094	11 120 406
Liability reevaluation difference - PF interest hedged			
Current tax liability		864 710	613 644
Deferred tax liability		1 975 571	2 435 504
Adjustment & other liability accounts		12 306 933	10 714 737
Debt related to non current assets held for sale			
Insurance technical provision		33 639 357	28 634 562
Provision for credit and expense	2.10/2.11	2 608 204	2 446 353
Subsidies, allocated funds, special guarantee funds		361 230	129 252
Subordinated funds		12 466 102	14 645 903
SHAREHOLDERS' EQUITY		**50 471 394**	**46 058 720**
Equity and related reserves		12 551 765	10 151 765
Consolidated reserves		**29 387 656**	**33 763 752**
Group share		*25 596 383*	*28 639 863*
Non-controlling interests		*3 791 273*	*5 123 889*
Unrealized or deferred Gains / losses		**1 796 769**	**2 143 202**
Group share		*665 060*	*829 598*
Non-controlling interests		*1 131 708*	*1 313 604*
Current net income		**6 735 205**	
Group share		*5 706 129*	
Non-controlling interests		*1 029 075*	
TOTAL LIABILITIES IFRS		**509 925 715**	**471 474 889**

CONSOLIDATED INCOME STATEMENT at 31 December 2018

(thousand MAD)

	Notes	12/31/2018	12/31/2017
Interest income	3.1	20 910 854	18 819 180
Interest income	3.1	-6 916 158	-5 910 854
INTEREST MARGIN		**13 994 695**	**12 908 326**
Commissions (income)	3.2	5 836 324	5 405 347
Commissions (expenses)	3.2	-801 976	-618 350
MARGIN ON COMMISSIONS		**5 034 348**	**4 786 997**
Net gains or losses occured by the hedging of net positions			
Net gains and losses on financial instruments at fair value through profit or loss		**3 115 065**	**2 870 289**
Net gain on trading assets		3 125 084	2 870 289
Net gain on other financial assets at fair value through profit or loss		- 10 019	
Net gain on Financial assets at fair value through other comprehensive income		**725 810**	**1 035 505**
Net gain debt instruments at fair value through other comprehensive income (recycling)		37 499	8 733
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be subsequently to profit or loss (dividends)		128 905	142 959
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (insurance)		559 406	883 812
Net gains (losses) arising from the derecognition of financial assets at amortised cost			
Net gains (losses) arising from the reclassification of financial assets through other comprehensive income to financial assets at fair value through profit or loss			
Income on other activities		**8 699 100**	**7 925 769**
Expenses on other activities		**-9 198 302**	**-7 882 109**
NET BANKING INCOME		**22 370 716**	**21 644 776**
Operating genral expenses		-9 647 858	-9 043 552
Amortization & Depreciation expenses - tangible & intagible assets		-1 065 250	-937 293
GROSS OPERATING INCOME		**11 657 608**	**11 663 931**
Risk cost	3.3	-1 723 565	-2 168 124
NET OPERATING INCOME		**9 934 043**	**9 495 808**
+/- Share net income Equity method		11 915	16 488
Net gains or losses on other assets		52 642	23 361
Goowill variation values			
PRE-TAX INCOME		**9 998 601**	**9 535 657**
Net income tax		-3 263 396	-2 951 691
Net income from discounted or held-for-sale operations			
NET INCOME		**6 735 205**	**6 583 965**
Non-controlling interests		-1 029 075	-1 193 064
NET INCOME GROUP SHARE		**5 706 129**	**5 390 902**
Basic earnings per share		27,19	26,49
Diluted earnings per share		27,19	26,49

STATEMENT OF NET INCOME AND GAINS AND LOSSES DIRECTLY RECORDED IN SHAREHOLDERS EQUITY at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Net Income	**6 735 205**	**6 583 965**
comprehensive income on items that may be reclassified to profit or loss		
Gains and losses on translation adjustments	-374 454	-36 735
Reevaluation of financial assets at fair value through other comprehensive income (recyclable)	-539 486	378 367
Gains and losses on hedging derivative instruments		
Share of net gains and losses recorded through equity method	-5 655	-4 392
Other changes in Shareholders		
Related income tax	193 053	-144 843
Non Recyclable elements on net income :		
Revaluation of fixed assets		
Revaluation (Actuarial gains and losses) of the limit on a defined benefit Asset		
Revaluation of the own credit risk of financial liabilities that have been subject to recognising option at fair value through profit or loss		
Revaluation of Equity instruments at fair value through through other comprehensive income		
Share of gains and losses through OCI on Items regarding enterprises by equity method non recyclable		
Other elements at non recyclable OCI		
Related Taxes		
Total gains and losses directly recorded in shareholders' equity	**-726 542**	**192 397**
NET INCOME DIRECTLY RECORDED IN SHAREHOLDERS' EQUITY	**6 008 662**	**6 776 362**
Of which Group share	5 348 045	5 467 743
Of which non-controlling interests	660 617	1 308 618

TABLE OF SHAREHOLDERS EQUITY VARIATION at 31 December 2018

(thousand MAD)

	Share capital	Reserves (related to share capital)	treasury stock	Reserves and consolidated income	Gains or losses by OCI (recycling)	Gains or losses by OCI (non recycling)	Share-holders equity group share	non-controlling interests	Total
Shareholders' equity at 31 December 2017	**2 035 272**	**8 116 493**	**-2 461 129**	**35 189 098**	**818 514**		**43 698 251**	**7 102 798**	**50 801 049**
Other restatement not related to IFRS 9 impacting opening balance sheet				-82 381			-82 381	-49 792	-132 173
Shareholders' equity at 31 December 2017 restated from IFRS 9 first application	**2 035 272**	**8 116 493**	**-2 461 129**	**35 106 717**	**818 514**		**43 615 870**	**7 053 006**	**50 668 876**
Reclassification from Available for Sale to Financial assets at fair value through profit or loss				-2 511	2 511				
Reclassification from Available for Sale to Financial assets at fair value through OCI - NOT recyclable					23 833	-23 833			
Reclassification from Available for Sale to Financial assets at amortised cost					8 573		8 573		8 573
Expected credit losses (on Financial assets and off balance sheet items)				-4 003 217			-4 003 217	-615 513	-4 618 730
Opening Shareholders' equity at 1st of january 2018	**2 035 272**	**8 116 493**	**-2 461 129**	**31 100 989**	**853 431**	**-23 833**	**39 621 227**	**6 437 493**	**46 058 720**
Transactions related to share capital	63 325	2 336 675		-410 274			1 989 726	-532 867	1 456 859
Share-based payments									
Transactions related to treasury stock									
Dividends				-2 743 968			-2 743 968	-654 833	-3 398 801
Net income				**5 706 129**			**5 706 129**	**1 029 075**	**6 735 205**
Intangible and fixed assets : revaluation and disposals									
Financial instruments : fair value variation and transfer through P&L					-154 268	-10 270	-164 538	-181 895	-346 433
Translation adjustments : change and transfer through PL				-187 891			-187 891	-186 562	-374 454
Latent or differed gains or losses				**-187 891**	**-154 268**	**-10 270**	**-352 429**	**-368 458**	**-720 887**
Other variations				266 296			266 296	-10 958	255 338
Changes in scope of consolidation				32 358			32 358	52 606	84 964
Shareholders' equity at 31 December 2018	**2 098 597**	**10 453 168**	**-2 461 129**	**33 763 639**	**699 163**	**-34 103**	**44 519 337**	**5 952 057**	**50 471 394**

CONSOLIDATED CASH FLOW STATEMENT at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Pre-tax income	**9 998 601**	**9 535 657**
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets	1 123 146	1 139 901
+/- Net impairment of goodwill and other fixed assets		
+/- Net impairement of financial assets		
+/- Net provisions	1 939 699	2 265 863
+/- Net income from companies accounted for under the equity method	-10 188	-16 488
+/- Net gain/loss from investment activities	-102 757	-253 717
+/- Net gain/loss from financing activities		
+/- Other movements	-752 798	-617 020
Total non-cash items included in pre-tax income and other adjustments	**2 197 102**	**2 518 538**
+/- Flows relating to transactions with credit institutions and similar establishments	12 075 675	3 619 843
+/- Flows relating to transactions with customers	-9 582 248	15 240 710
+/- Flows relating to other transactions affecting financial assets or liabilities	-949 394	-17 608 708
+/- Flows relating to other transactions affecting non-financial assets or liabilities		
- taxes paid	-3 161 363	-2 765 681
Net increase/decrease in operating assets and liabilities	**-1 617 330**	**-1 513 836**
Net cash flow from operating activities	**10 578 372**	**10 540 358**
+/- Flows relating to financial assets and investments	-10 458	-5 430 006
+/- Flows relating to investment property	-565 341	-284 307
+/- Flows relating to plant, property and equipment and intangible assets	-339 816	-1 114 531
Net cash flow from investment activities	**-915 615**	**-6 828 844**
+/- Cash flows from or to shareholders	-3 398 801	-3 223 799
+/- Other net cash flows from financing activities	2 207 418	992 389
Net cash flow from financing activities	**-1 191 383**	**-2 231 410**
Effect of changes in foreign exchange rates on cash and cash equivalents	**-529 190**	**-409 879**
Net increase (decrease) in cash and cash equivalents	**7 942 184**	**1 070 225**

the composition of cash position	12/31/2018	12/31/2017
Cash and cash equivalents at the beginning of the period	**14 926 600**	**13 856 375**
Net cash balance (assets and liabilities) with central banks, the treasury and post office accounts	18 127 784	13 980 487
Inter-bank balances with credit institutions and similar establishments	-3 201 184	-124 113
Cash and cash equivalents at the end of the period	**22 868 784**	**14 926 600**
Net cash balance (assets and liabilities) with central banks, the treasury and post office accounts	18 533 535	18 127 784
Inter-bank balances with credit institutions and similar establishments	4 335 248	-3 201 184
Net change in cash and cash equivalents	**7 942 184**	**1 070 225**

2.1 Financial assets at fair value through profit or loss at 31 December 2018

(thousand MAD)

	12/31/2018		01/01/2018	
	Financial assets held for trading	Financial assets at fair value through income	Financial assets held for trading	Financial assets at fair value through income
Loans and advances to financial institutions and similar establishments				
Loans and advances to customers				
Financial assets held as guarantee for unit-linked policies				
Securities received under repo agreements				
Treasury notes and similar securities	38 636 438		36 678 353	
Bonds and other fixed income securities	6 339 187		5 677 646	
Shares and other equity securities	16 231 685	121 926	17 792 934	57 208
Non-consolidated equity investments		127 022		136 533
Derivative instruments	111 021		422 703	
Related loans				
Fair value on the balance sheet	**61 318 331**	**248 947**	**60 571 636**	**193 740**

2.2 Financial assets at fair value through other comprehensive income at 31 December 2018

(thousand MAD)

	12/31/2018		
	Balance sheet value	Latent gains	latent losses
Financial assets at fair value through other comprehensive income	**43 190 734**	**3 359 744**	**-758 622**
Debt instruments at fair value through other comprehensive income (recycling)	10 086 448	132 136	-94 051
Equity instruments at fair value through other comprehensive income (no recycling)	2 328 058	197 909	-211 647
financial assets at fair value through other comprehensive income (Insurance)	30 776 229	3 029 699	-452 924

Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	Balance sheet value	Latent gains	latent losses
Treasury bills and similar securities	3 545 981	131 498	-89 805
Bonds and other fixed income securities	6 540 466	638	-4 246
Total Debt securities	**10 086 448**	**132 136**	**-94 051**
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**10 086 448**	**132 136**	**-94 051**
Income tax charge		-35 739	21 974
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**96 397**	**-72 077**

Equity instruments recognised at fair value through other comprehensive income that cannot be reclassified	Balance sheet value	Latent gains	latent losses
Equity and other variable income securities			
Non-consolidated equity investments	2 328 058	197 909	-211 647
Total Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**2 328 058**	**197 909**	**-211 647**
Income tax charge		-65 385	76 632
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**132 524**	**-135 015**

financial assets at fair value through other comprehensive income (recycling) (insurance)	Balance sheet value	Latent gains	latent losses
Treasury bills and similar securities	12 404 613	486 926	-12 473
Bonds and other fixed income securities	4 702 921	89 429	-104 359
Equity and other variable income securities	8 393 469	2 103 018	-21 115
Non-consolidated equity investments	5 275 226	350 325	-314 977
Total financial assets at fair value through other comprehensive income (insurance)	**30 776 229**	**3 029 699**	**-452 924**
Income tax charge		-908 536	106 701
Total financial assets at fair value through other comprehensive income that may be reclassified to profit or loss (insurance) (net of income charge)		**2 121 163**	**-346 223**

2.3 Loans and advances to financial institutions and similar establishments at 31 December 2018

(thousand MAD)

Credit institutions	12/31/2018	01/01/2018
Accounts and loans	**27 499 181**	**24 488 897**
of which performing current accounts in debitof which performing current accounts in debit	10 166 161	9 497 199
of which performing overnight accounts and advances	17 333 020	14 991 698
Other loans and receivables	788 426	686 020
Gross amount	**28 287 608**	**25 174 917**
related loans	568 894	135 966
impairment (*)	65 059	43 280
Net value of loans and receivables due from credit institutions	**28 791 443**	**25 267 604**

Internal operations	12/31/2018	01/01/2018
Regular accounts	2 833 807	4 337 223
Accounts and long-term advances	23 417 918	25 219 233
Related loans	70 676	116 319

(*) see note 2.11

2.4 Loans and advances to customers at 31 December 2018

(thousand MAD)

Transactions with customer	12/31/2018	01/01/2018
commercial loans	40 665 827	40 846 606
other loans and advances to customers	234 460 174	217 272 218
securities received under repo agreements	1 107 784	11 892
subordinated loans	3 339	3 406
current accounts in debit	27 581 890	21 763 214
Gross amount	**303 819 015**	**279 897 336**
related loans	2 016 072	1 911 249
provisions (*)	20 409 812	20 999 627
Net amount of loans and advances to customers	**285 425 274**	**260 808 958**
Leasing activities		
Property leasing	3 453 617	4 421 512
leasing of movable property, long-term rental and similar activities	16 980 249	15 134 046
Gross amount	**20 433 866**	**19 555 558**
related loans	1 092	907
Provisions (*)	800 555	683 178
Net value of leasing activities	**19 634 402**	**18 873 287**
Balance sheet value	**305 059 677**	**279 682 245**

(*) see note 2.11

2.5 Plant, property and equipment and intangible assets at 31 December 2018

(thousand MAD)

	12/31/2018			01/01/2018		
	Gross value	Accumulated amortisation and impairment	Net value	Gross value	Accumulated amortisation and impairment	Net value
Land and buildings	3 312 799	1 404 761	1 908 038	3 178 977	1 344 777	1 834 200
Movable property and equipment	3 648 799	2 988 385	660 414	3 465 735	2 845 848	619 887
Leased movable property	706 977	271 643	435 335	646 023	245 949	400 074
Other property, plant and equipment	6 544 704	3 860 768	2 683 936	6 145 818	3 449 258	2 696 561
Total property, plant and equipment	**14 213 280**	**8 525 557**	**5 687 723**	**13 436 552**	**7 885 831**	**5 550 721**
It software acquired	3 848 632	2 385 334	1 463 298	3 301 645	2 117 298	1 184 347
Other intangible assets	1 710 159	556 113	1 154 046	1 487 722	547 812	939 911
Total intangible assets	**5 558 790**	**2 941 447**	**2 617 343**	**4 789 368**	**2 665 110**	**2 124 258**

2.6 Goodwill at 31 December 2018

(thousand MAD)

	01/01/2018	Perimeter variation	Translation gains and losses	Other movements	12/31/2018
Gross value	9 996 150		-44 555		9 951 595
Accumulated amortisation and impairment					
Net value on the balance sheet	**9 996 150**		**-44 555**		**9 951 595**

2.7 Financial liabilities at fair value through income at 31 December 2018

(thousand MAD)

	12/31/2018	01/01/2018
Securities pledged under repo agreements Financial Institutions	105 633	291 038
Trading derivative instruments	294 991	425 701
Fair value on the balance sheet	**400 624**	**716 739**

2.8 Amounts owing to credit institutions at 31 December 2018

(thousand MAD)

	12/31/2018	01/01/2018
Credit institutions		
Accounts and borrowings	15 844 661	18 024 326
Securities pledged under repo agreement	31 391 411	19 551 878
Total	**47 236 071**	**37 576 203**
Related debt	78 783	75 399
Value on the balance sheet	**47 314 854**	**37 651 602**

	12/31/2018	01/01/2018
Internal group operations		
Current accounts in credit	2 168 968	3 017 060
Accounts and long-term advances	24 021 345	25 654 975
Related debt	144 483	147 502

2.9 Amounts owing to customers at 31 December 2018

(thousand MAD)

	12/31/2018	01/01/2018
Ordinary creditor accounts	239 132 310	226 664 757
Savings accounts	66 585 668	65 232 537
Other amounts owing to customers	22 710 135	17 637 538
Securities pledged under repo agreements	2 656 823	5 739 521
Total principal	**331 084 937**	**315 274 353**
Related debt	920 650	936 050
Value on the balance sheet	**332 005 586**	**316 210 403**

2.10 General provisions at 31 December 2018

(thousand MAD)

	01/01/2018	Change in scope	Additional provisions	Write-backs used	Write-backs not used	Other changes	12/31/2018
Provisions for risks in executing signature loans (*)	819 865		367 999		263 670	-9 286	914 908
Provisions for social benefit liabilities	523 741		99 631	58 519		-19 767	545 085
Other general provisions	1 102 748		254 115	12 075	183 093	-13 483	1 148 211
General provisions	**2 446 353**		**721 745**	**70 595**	**446 763**	**-42 536**	**2 608 204**

(*) See note 2.11

Contingent liabilities : Some Foreign Trade operations, initiated by Attijari bank Tunisie's clients, are currently under inspection by Tunisian authorities.
At this stage, and based on the available information, Attijari bank Tunisie's responsibility is not incured.

2.11 Exposure at default and Expected credit loss by Bucket according to IFRS 9 at 31 December 2018

(thousand MAD)

12/31/2018	Exposure at Default			Expected Credit Loss			Coverage Ratio		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
Financial assets at fair value through other comprehensive income	**10 170 229**	**46 465**		**125 524**	**4 723**		**1,2%**	**10,2%**	
Loans & receivables Financial Institutions									
Loans & receivables Customers									
Debt instruments	10 170 229	46 465		125 524	4.723		1,2%	10,2%	
Financial assets at amortised cost	**318 621 655**	**29 353 140**	**22.347.052**	**2 196 282**	**4 324.893**	**14 848.124**	**0,7%**	**14,7%**	**66,4%**
Loans & receivables Financial Institutions	28 830 868		25 634	41 535		23 523	0,1%		91,8%
Loans & receivables Customers	274 806 614	29 142 012	22 321 418	2 082 332	4 303.435	14 824 601	0,8%	14,8%	66,4%
Debt instruments	14 984 173	211 128		72 415	21 459		0,5%	10,2%	
Total Financial assets	**328 791 884**	**29 399 605**	**22 347 052**	**2 321 806**	**4 329 616**	**14 848 124**	**0,7%**	**14,7%**	**66,4%**
Off Balance Sheet items	125 989 278	10 340 805	849 238	477 910	267 271	169 727	0,4%	2,6%	20,0%
Total	**454 781 162**	**39 740 410**	**23 196 290**	**2 799 717**	**4 596 886**	**15 017 851**	**0,6%**	**11,6%**	**64,7%**

2.12 Financial assets at amortised cost at 31 December 2018

(thousand MAD)

Financial assets at amortised cost	12/31/2018	01/01/2018
Treasury bills and similar securities	11 880 666	9 104 403
Bonds and other fixed income securities	3 314 635	313 581
Total	**15 195 301**	**9 417 984**
Impairment (*)	93 873	16 020
Total	**15 101 428**	**9 401 965**

(*) See note 2.11

3.1 Net interest margin at 31 December 2018

(thousand MAD)

	12/31/2018			12/31/2017		
	Income	Expenses	Net	Income	Expenses	Net
Transactions with customers	**17 576 789**	**4 203 413**	**13 373 376**	**16 107 876**	**3 678 349**	**12 429 528**
Accounts and loans/borrowings	16 668 838	4 007 491	12 661 347	15 106 788	3 528 175	11 578 613
Repurchase agreements	2 177	195 922	-193 746	1 399	150 174	-148 775
Leasing activities	905 774		905 774	999 689		999 689
Inter-bank transactions	**700 064**	**1 584 410**	**-884 345**	**652 094**	**1 192 819**	**-540 725**
Accounts and loans/borrowings	699 592	1 461 125	-761 533	652 094	1 100 354	-448 260
Repurchase agreements	472	123 285	-122 812		92 466	-92 466
Debt issued by the group		**1 128 335**	**-1 128 335**		**1 039 686**	**-1 039 686**
Available-for-sale assets	**2 634 000**		**2 634 000**	**2 059 209**		**2 059 209**
Total net interest income	**20 910 854**	**6 916 158**	**13 994 695**	**18 819 180**	**5 910 854**	**12 908 326**

3.2 Net fee income at 31 December 2018

(thousand MAD)

	Income	Expenses	Net
Net fees on transactions	**2 480 395**	**116 486**	**2 363 908**
With credit institutions	142 001	89 068	52 933
With customers	1 600 740		1 600 740
On securities	132 073	12 197	119 876
On foreign exchange	119 554	9 780	109 774
On forward financial instruments and other off-balance sheet transactions	486 026	5 442	480 585
Banking and financial services	**3 355 930**	**685 490**	**2 670 440**
Net income from mutual fund management (OPCVM)	382 491	27 212	355 279
Net income from payment services	1 886 412	581 180	1 305 232
Insurance products	19 404		19 404
Other services	1 067 623	77 098	990 525
Net fee Income	**5 836 324**	**801 976**	**5 034 348**

3.3 Cost of Risk at 31 December 2018

(thousand MAD)

	12/31/2018
Provisions	**-5 362 042**
Provisions for loan impairment	-5 023 937
Provisions for securities Impairement	-83 989
Other general provisions	-254 115
Provision write-backs	**5 396 283**
Provision write-backs for loan impairment	5 093 062
Provisions write-backs for securities Impairement	108 052
Provision write-backs for other general provisions	195 169
Change in provisions	**34 241**
Losses on written-off loans	-1 877 037
Amounts recovered on impaired written-off loans	136 290
Others	-17 059
Total	**-1 723 565**

4. INFORMATION PER CENTER OF ACTIVITIES AT 31 DECEMBER 2018

Attijariwafa bank's information by business activity is presented as follows:

- **Domestic banking, europe and offshore comprising** Attijariwafa bank SA, Attijariwafa bank Europe, Attijari international bank and holding companies incorporating the group's investments in the group's consolidated subsidiaries;
- **Specialised Financial Subsidiaries** comprising Moroccan subsidiaries undertaking consumer finance, mortgage loan, leasing, factoring and money transfer activities;
- **International Retail Banking** including banks in North Africa especially Attijaribank Tunisie, Attijariwafa bank Egypt and Attijaribank Mauritanie as well as banks in the WAEMU zone and the EMCCA zone;
- **Insurance** comprising Wafa Assurance and its significant subsidiaries.

(thousand MAD)

BALANCE SHEET DECEMBER 2018	Domestic banking, europe and offshore	Specialised Financial Subsidiaries	Insurance and property	International Retail Banking	TOTAL
Balance sheet	**315 262 044**	**35 099 483**	**40 530 830**	**119 033 358**	**509 925 715**
including					
Assets					
Financial assets at fair value through profit or loss (FV P&L)	58 863 348	80 484		2 623 446	**61 567 279**
Financial assets at fair value through other comprehensive income	1 592 202	126 360	30 776 229	10 695 943	**43 190 734**
Financial assets at amortised cost	9 242 124	12 500		5 846 804	**15 101 428**
Loans & receivables Financial Institutions	18 469 333	800 967	54 316	9 466 827	**28 791 443**
Loans & receivables Customers	204 019 570	30 787 248	2 849 859	67 403 000	**305 059 677**
Property, plant, equipment	2 904 155	627 276	170 932	1 985 360	**5 687 723**
Liabilities					
Amount owing to Financial Institutions and similar establishments	37 846 409	2 458 134	555	7 009 755	**47 314 854**
Customers deposits	239 899 905	5 041 976	3 226	87 060 480	**332 005 586**
Insurance technical provision			33 639 357		**33 639 357**
Subordinated debts	11 042 935	453 696		969 471	**12 466 102**
Shareholders' equity	38 773 107	2 761 296	4 324 978	4 612 012	**50 471 394**

INCOME STATEMENT DECEMBER 2018	Domestic banking, europe and offshore	Specialised Financial Subsidiaries	Insurance and property	International Retail Banking	Eliminations	TOTAL
Net interest margin	7 300 009	1 155 297	741 916	4 928 171	-130 698	**13 994 695**
Net fee income	2 461 514	934 667	-26 448	2 188 477	-523 862	**5 034 348**
Net banking income	11 491 287	2 418 885	1 063 045	7 813 787	-416 288	**22 370 716**
Operating expenses	4 929 740	848 296	596 193	3 689 916	-416 288	**9 647 858**
Operating income	5 272 782	1 095 982	290 482	3 274 798		**9 934 043**
Net income	3 390 704	686 705	314 200	2 343 596		**6 735 205**
Net income group share	3 363 642	545 500	128 226	1 668 762		**5 706 129**

5. FINANCING COMMITMENTS AND GUARANTEES

5.1 Financing commitments at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Financing commitments given	65 002 129	56 284 528
Financing commitments received	1 448 894	497 547

5.2 Guarantee commitments at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Guarantees commitments given	72 177 192	66 221 989
Guarantees commitments received	48 698 119	44 268 810

6. OTHER COMPLEMENTARY INFORMATON:

6.1 Certificates of deposit and finance company bonds issued during 2018:

The certificates of Deposits outstanding amounted, as of December 2018, to MAD 10.4 billion.

During 2018, MAD 7.4 billion has been issued with a maturity comprised between 13 weeks and 5 years and rates between 2.46% and 13.0%.

The outstanding of Finance Company bonds totaled MAD 4.9 billion as of December 2018.

During 2018, MAD 2.1 billion of Finance Company Bonds has been issued with a maturity

comprised between 1 and 6 years and rates between 2.28% and 3.36%.

6.2 Subordinated debts issued during 2018 :

During 2018, Attijariwafa bank's group issued four subordinated bond loans.

The first subordinated bond loan, issued by Attijariwafa bank on June 19, 2018 for an amount of MAD 1,5 billion, is split up into 15,000 bonds at per value of MAD 100,000 with a maturity of 7 years. It is divided into six parts, four of which are listed on the Casablanca stock exchange (sections A, B, E and F), the remaining being unlisted (sections C and D).

The global income from subscription to the four sections is summarized in the below table:

(thousand MAD)

	Section A	Section B	Section C	Section D	Section E	Section F
Amount withheld	18 200	1 091 800	-	-	60 000	330 000

The second perpetual subordinated bond loan, issued by Attijariwafa Bank on December 27, 2018 for an amount of MAD 500 millions.

It is split up into 5000 bonds at per value of MAD 100 000.It is divided into two parts which are not listed on the Casablanca stock exchange (sections A and B).

The nominal interest rate applied to A is revisable each 10 years and is 5.98% including a premium risk of 260 basis points. The nominal interest rate applied to B is revised each year and is 4.79% including a premium risk of 235 basis points.

The global income from subscription to the two sections is summarized in the below table :

(thousand MAD)

	Section A	Section B
Amount withheld	100 000	400 000

the third subordinated loan issued by the Compagnie Bancaire de l'Afrique de l'Ouest the 7th December 2018 of an amount of FCFA 10 billion, it is split up into 200 bonds at per value of FCFA 50 millions and a maturity of 7 years with a yield 7.5% per year.

the fourth subordinated loan issued by the Société Ivoirienne de Banque the 7th December 2018 of an amount of FCFA 10 billions, it is split up into 200 bonds at per value of 50 millions with a maturity of 7 years and a yield of 7.5% per year.

6.3 Capital and income per share

6.3.1 Number of shares and per values

During 2018, Attijariwafa bank's capital was brought to MAD 2 098 596 790 as compared with MAD 2 035 272 260 in 2017 due to a capital increase reserved for the Group's employees. The capital increase in question affected 6.332.453 share.

The capital is made up of 209 859 679 share at per value of 10 MAD.

6.3.2 Attijariwafa bank shares held by the Group

As of December 2018, Attijariwafa bank Group holds 13 226 583 shares representing a global amount of MAD 2461 million deducted from the consolidated shareholders equity.

6.3.3 Per share income

The bank has not dilutive instruments in ordinary shares. Therefore, the diluted income per share is equal to the basic income per share.

(in MAD)

	12/31/2018	12/31/2017
Earnings per share	27,19	26,49
Diluted earnings per share	27,19	26,49

6.5 Scope of consolidation

Dénomination	Sector of activity	(A)	(B)	(C)	(D)	country	Method	% control	% interest
ATTIJARIWAFA BANK	Bank					Morocco	Top		
ATTIJARIWAFA EUROPE	Bank					France	IG	99,78%	99,78%
ATTIJARI INTERNATIONAL BANK	Bank					Morocco	IG	100,00%	100,00%
COMPAGNIE BANCAIRE DE L'AFRIQUE DE L'OUEST	Bank					Senegal	IG	83,07%	83,01%
ATTIJARIBANK TUNISIE	Bank					Tunisia	IG	58,98%	58,98%
LA BANQUE INTERNATIONALE POUR LE MALI	Bank			(2)		Mali	IG	66,30%	66,30%
CREDIT DU SENEGAL	Bank					Senegal	IG	95,00%	95,00%
UNION GABONAISE DE BANQUE	Bank					Gabon	IG	58,71%	58,71%
CREDIT DU CONGO	Bank					Congo	IG	91,00%	91,00%
SOCIETE IVOIRIENNE DE BANQUE	Bank					Ivory Coast	IG	67,00%	67,00%
SOCIETE COMMERCIALE DE BANQUE CAMEROUN	Bank					Cameroon	IG	51,00%	51,00%
ATTIJARIBANK MAURITANIE	Bank					Mauritania	IG	80,00%	53,60%
BANQUE INTERNATIONALE POUR L'AFRIQUE AU TOGO	Bank		(2)			Togo	IG	56,76%	56,76%
ATTIJARIWAFA BANK EGYPT	Bank	(1)				Egypt	IG	100,00%	100,00%
WAFA SALAF	Consumer credit					Morocco	IG	50,91%	50,91%
WAFA BAIL	Leasing					Morocco	IG	98,10%	98,10%
WAFA IMMOBILIER	Real estate loans					Morocco	IG	100,00%	100,00%
ATTIJARI IMMOBILIER	Real estate loans					Morocco	IG	100,00%	100,00%
ATTIJARI FACTORING MAROC	Factoring					Morocco	IG	100,00%	100,00%
WAFA CASH	Cash Activities					Morocco	IG	100,00%	100,00%
WAFA LLD	Long-term rentals					Morocco	IG	100,00%	100,00%
ATTIJARI FINANCES CORP.	Investment bank					Morocco	IG	100,00%	100,00%
WAFA GESTION	Asset Management					Morocco	IG	66,00%	66,00%
ATTIJARI INTERMEDIATION	SM intermidiation					Morocco	IG	100,00%	100,00%
FCP SECURITE	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP OPTIMISATION	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP STRATEGIE	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP EXPANSION	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
FCP FRUCTI VALEURS	Dedicated mutual funds					Morocco	IG	39,65%	39,65%
WAFA ASSURANCE	Insurance					Morocco	IG	39,65%	39,65%
ATTIJARI ASSURANCE TUNISIE	Insurance				(3)	Tunisia	IG	58,98%	50,28%
WAFA IMMA ASSISTANCE	Insurance				(3)	Morocco	IG	72,15%	45,39%
BCM CORPORATION	holding Company					Morocco	IG	100,00%	100,00%
OGM	holding Company					Morocco	IG	50,00%	50,00%
ANDALUCARTHAGE	holding Company					Morocco	IG	100,00%	100,00%
KASOVI	holding Company					Mauritius	IG	100,00%	100,00%
SAF	holding Company					France	IG	99,82%	99,82%
FILAF	holding Company					Senegal	IG	100,00%	100,00%
CAFIN	holding Company					Senegal	IG	100,00%	100,00%
ATTIJARI AFRIQUE PARTICIPATIONS	holding Company					France	IG	100,00%	100,00%
ATTIJARI MAROCO-MAURITANIE	holding Company					France	IG	67,00%	67,00%
ATTIJARI IVOIRE	holding Company	(4)				Morocco	IG	66,67%	66,67%
MOUSSAFIR	hospitality industry					Morocco	MEE	33,34%	33,34%
ATTIJARI SICAR	risk capital					Tunisia	IG	69,06%	40,73%
PANORAMA	real estate company					Morocco	IG	39,65%	39,65%
SOCIETE IMMOBILIERE TOGO LOME	real estate company					Togo	IG	100,00%	100,00%

(A) Mouvements occuring in first half of 2017
(B) Mouvements occuring in second half of 2017
(C) Mouvements occuring in first half of 2018
(D) Mouvements occuring in second half of 2018

1 - Acquisition.
2 - Creation, crossing threshold.
3 - Entry into IFRS perimeter.
4 - Disposal.
5 - Deconsolidation.
6 - Merger between consolidated entities.
7 - Change in method - global integration to equity method.
8 - Change in method - equity method to global integration.
9 - Reconsolidation.

1. Presentation

Attijariwafa bank is a Moroccan company governed by common law. The financial statements comprise the accounts of head office as well as branches in Morocco and overseas. Material intra-group transactions and balances between Moroccan entities and overseas branches have been eliminated.

2. General principles

The financial statements are prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of Attijariwafa bank's financial statements complies with the Credit Institution Accounting Plan.

3. Loans and signature loans

General presentation of loans

- Loans and advances to credit institutions and customers are classified according to their initial maturity and type:
  - Sight and term loans in the case of credit institutions;
  - Short-term loans, equipment loans, consumer loans, mortgage loans and other loans for customers.
- Signature loans accounted for off-balance sheet relate to transactions which have not yet given rise to cash movements such as irrevocable commitments for the undrawn portion of facilities made available to credit institutions and customers or guarantees given;
- Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers);
- Interest accrued on these loans is recorded under related loans and booked to the income statement.

Non-performing loans on customers

- Non-performing loans on customers are recorded and valued in accordance with prevailing banking regulations.

The main measures applied are summarised as follows:

- Non-performing loans are classified as sub-standard, doubtful or impaired depending on the level of risk;

After deducting the guarantee portion as required by prevailing regulations, provisions for non-performing loans are made as follows:

- 20% for sub-standard loans;
- 50% for doubtful loans;
- 100% for impaired loans.

- Provisions made relating to credit risks are deducted from the asset classes in question. As soon as loans are classified as non-performing, interest is no longer accrued but is recognised as income when received;
- Losses on irrecoverable loans are booked when the possibility of recovering the non-performing loans is deemed to be zero;
- Provisions for non-performing loans are written-back on any positive development in respect of the non-performing loans in question, such as partial or full repayment or a restructuring of the debt with partial repayment.
- The bank has written off non-performing loans using provisions set aside for this purpose.

4. Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are presented in the financial statements according to their initial maturity and type:

- Sight and term borrowings in the case of credit institutions;
- Current accounts in credit, savings accounts, terms deposits and other customer accounts in credit in the case of customers.

Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers), depending on the counterparty;

Interest accrued on these loans is recorded under related borrowings and booked to the income statement.

5. Securities portfolio

5.1. General presentation

Securities transactions are booked and valued in accordance with the Plan Comptable des Etablissements de Crédit.

Securities are classified as a function of their legal characteristics (debt security or equity security) and the purpose for which they are acquired (trading securities, available-for-sale securities, investment securities and investments in affiliates).

5.2. Trading securities

Trading securities are securities which are highly liquid and are acquired with the intention of being resold in the very near future. These securities are recorded at cost (including coupon). At the end of each period, the difference between this value and their market value is recognised directly in the income statement.

5.3. Available-for-sale securities

Available-for-sale securities are securities acquired with the intention of being held for at least 6 months, except for fixed income securities intended to be held until maturity. AFS securities comprise all securities that do not satisfy the criteria required to be classified in another category.

Debt securities are booked excluding accrued interest. The difference between their purchase price and redemption price is amortised over the security's remaining life.

Equities are recorded at cost less acquisition expenses.

At the end of each period, a provision for impairment is made for any negative difference between a security's market value and carrying amount. Unrealised gains are not booked.

5.4. Investment securities

Investment securities are debt securities which are acquired, or which come from another category of securities, with the intention of being held until maturity for the purpose of generating regular income over a long period.

These securities are recorded at cost less acquisition expenses. The difference between their purchase price and redemption price is amortised over the security's remaining life.

At the end of each period, these securities are recorded at cost,

regardless of their market value. Unrealised profit or loss is therefore not recognised.

5.5. Investments in affiliates

This category comprises securities whose long-term ownership is deemed useful to the Bank.

At the end of each period, their value is estimated on the basis of generally accepted criteria such as useful value, share of net assets, future outlook for earnings and share price. Only unrealised losses give rise to provisions for impairment on a case-by-case basis.

5.6. Repos with physical delivery

- Repo securities are maintained on the assets side and continue to be valued according to the rules applicables to their category. The amount received and the interest on the debt are recorded as liabilities.
- Securities received on reversal repo transaction are not recorded as assets on the balance sheet. The amount disbursed and the interest accrued on the receivable are recorded as assets.

6. Foreign currency transactions

Foreign currency loans, amounts owing and signature loans are translated into dirhams at the average exchange rate prevailing on the balance sheet date.

Any foreign exchange difference on contributions from overseas branches and on foreign currency-denominated borrowings for hedging exchange rate risk is recorded in the balance sheet under "Other assets" or "Other liabilities" as appropriate. Any translation difference arising on translation of long-term investment securities acquired in a foreign currency is recorded as a translation difference for each category of security in question.

Any foreign exchange difference on any other foreign currency account is posted to the income statement. Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are booked.

7. Translation of financial statements drawn up in foreign currencies

The «closing rate» method is used to translate foreign currency- denominated financial statements.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of foreign entities are translated at the exchange rate prevailing on the balance sheet date.

Shareholders' equity (excluding net income for the current period) is valued at different historical rates. Any difference arising on restatement (closing rate less historical rate) is recorded in shareholders' equity under «Translation differences».

Translation of income statement items

All income statement items are translated at the average exchange rate over the year except for depreciation and amortisation expenses, which are translated at the closing rate.

8. General provisions

These provisions are made, at the discretion of the management, to address future risks which cannot be currently identified or accurately measured relating to the banking activity.

Provisions made qualify for a tax write-back.

9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recorded in the balance sheet at cost less accumulated depreciation and amortisation, calculated using the straight line method over the estimated use life of the assets in question.

Intangible assets are categorised as operating or non-operating assets and are amortised over the following periods:

Type	***Amortisation period***
- Lease rights	not amortised
- Patents and brands	N/A
- Research and development	N/A
- IT software	6.67 years
- Other items of goodwill	5 years

Property, plant and equipement are categorised as operating or non-operating assets and are amortised over the following periods :

Type	***Amortisation period***
- Land	not depreciated
- Operating premises	25 years
- Office furniture	6.67 years
- IT hardware	6.67 years
- Vehicles	5 years
- Fixtures, fittings and equipment	6.67 years

10. Deferred expenses

Deferred expenses are expenses which, given their size and nature, are likely to relate to more than one period.

Deferred expenses are amortised over the following periods:

Type	***Amortisation period***
-Start-up costs	3 years
- Expenses incurred in acquiring fixed assets	5 years
- Bond issuance expenses	N/A
- Premiums paid on issuing or redeeming debt securities	N/A
- Other deferred expenses	3-5 years on a case by case basis

11. Recognition of interest and fees in the income statement

Interest

Income and expenses calculated on principal amounts actually lent or borrowed are considered as interest.

Income and expenses calculated on a prorata temporis basis which remunerate a risk are considered as similar income or expenses. This category includes fees on guarantee and financing commitments (guarantees, documentary credits etc.).

Interest accrued on principal amounts actually lent or borrowed is booked under related loans or debt with an offsetting entry in the income statement entry.

Similar income or expenses are recorded under income or expenses when invoiced.

Fees

Income and expenses, calculated on a flat-rate basis for a service provided, are recorded under fees when invoiced.

12. Non-recurring items of income and expenditure

They consist exclusively of income and expenses arising on an exceptional basis and are, in principle, rare in that they are unusual in nature or occur infrequently.

BALANCE SHEET at 31 December 2018

(thousand MAD)

ASSETS	12/31/2018	12/31/2017
Cash and balances with central banks, the treasury and post office accounts	**8 093 723**	**9 142 735**
Loans and advances to credit institutions and similar establishments	**33 042 666**	**35 621 804**
. Sight	4 036 029	6 724 299
. Term	29 006 636	28 897 505
Loans and advances to customers	**192 683 277**	**179 237 875**
. Short-term & consumer loans and partipatory financing	54 226 667	46 406 692
. Equipment loans and participatory financing	65 803 335	62 898 671
. Mortgage loans and participatory financing	60 953 282	59 194 993
. Other loans and participatory financing	11 699 993	10 737 519
Receivables acquired through factoring	**10 861 011**	**1**
Trading securities and available-for-sale securities	**66 340 133**	**59 555 810**
. Treasury bills and similar securities	44 914 479	38 338 338
. Other debt securities	6 130 636	6 092 873
. Fixed income Funds	15 106 219	15 124 599
. Sukuk Certificates	188 799	
Other assets	**5 486 261**	**3 782 194**
Investment securities	**8 751 621**	**6 840 219**
. Treasury bills and similar securities	8 751 621	6 840 219
. Other debt securities	-	-
. Sukuk Certificates		
Investments in affiliates and other long-term investments	**18 832 707**	**19 104 819**
. Investments in affiliates compagnies	17 828 403	18 062 065
. Other and similar investments	1 004 304	1 042 754
. Moudaraba and mourabaha securities		
Subordinated loans	**-**	**-**
Investment deposits given		
Leased and rented assets	**672 004**	**395 093**
Fixed assets given in Ijara		
Intangible assets	**2 121 303**	**2 087 698**
Property, plant and equipement	**3 735 375**	**3 602 994**
Total Assets	**350 620 082**	**319 371 242**

LIABILITIES	12/31/2018	12/31/2017
Amounts owing to central banks, the treasury and post office accounts	**-**	**-**
Amounts owing to credit institutions and similar establishments	**38 672 841**	**27 432 674**
. Sight	4 009 934	6 578 787
. Term	34 662 907	20 853 887
Customer deposits	**234 507 882**	**225 368 841**
. Current accounts in credit	148 095 873	145 722 889
. Savings accounts	28 537 587	27 988 582
. Term deposits	43 595 847	41 552 032
. Other accounts in credit	14 278 574	10 105 338
Debts to customers on participatory financing		
Debt securities issued	**8 547 047**	**5 878 938**
. Negociable debt securities	8 547 047	5 878 938
. Bonds	-	-
. Other debt securities issued	-	-
Other liabilities	**12 788 959**	**7 080 313**
General provisions	**3 562 853**	**3 253 154**
Regulated provisions	**-**	**-**
Subsidies, public funds and special guarantee funds	**-**	**-**
Subordinated debt	**11 042 935**	**13 319 651**
Investment deposits received		
Revaluation reserve	**420**	**420**
Reserves and premiums related to share capital	**34 794 175**	**30 843 500**
Share capital	**2 098 597**	**2 035 272**
Shareholders, unpaid share capital (-)		**-**
Retained earnings (+/-)	**389**	**468**
Net income to be allocated (+/-)	**-**	**-**
Net income for the financial year (+/-)	**4 603 983**	**4 158 011**
Total liabilities	**350 620 082**	**319 371 242**

OFF-BALANCE SHEET at 31 December 2018

(thousand MAD)

OFF-BALANCE	12/31/2018	12/31/2017
COMMITMENTS GIVEN	**123 833 122**	**117 502 012**
Financing commitments given to credit institutions and similar establishments	1 837 664	4 574 906
Financing commitments given to customers	58 887 163	50 599 636
Guarantees given to credit institutions and similar establishments	13 662 949	15 990 395
Guarantees given to customers	49 342 317	46 333 931
Securities purchased with repurchase agreement	-	-
Other securities to be delivered	103 029	3 144
COMMITMENTS RECEIVED	**19 187 978**	**20 405 162**
Financing commitments received from credit institutions and similar establishments	-	-
Guarantees received from credit institutions and similar establishments	18 730 675	20 008 772
Guarantees received from the State and other organisations providing guarantees	457 303	381 116
Securities sold with repurchase agreement	-	-
Other securities to be received	-	15 274

MANAGEMENT ACCOUNTING STATEMENT at 31 December 2018

(thousand MAD)

I - RESULTS ANALYSIS	12/31/2018	12/31/2017
+ Interest and similar income	10 832 899	10 261 401
- Interest and similar expenses	3 486 522	3 250 857
NET INTEREST MARGIN	**7 346 377**	**7 010 544**
+ Income from participatory financing		
- Expenses on participatory financing		
PARTICIPATORY FINANCING MARGIN		
+ Income from lease-financed fixed assets	154 439	23 726
- Expenses on lease-financed fixed assets	35 609	30 852
NET INCOME FROM LEASING ACTIVITIES	**118 830**	**-7 126**
+ Income from fixed assets given in Ijara		
- Expenses on fixed assets given in Ijara		
NET INCOME FROM IJARA ACTIVITIES		
+ Fees received	1 812 809	1 638 349
- Fees paid	483	1 315
NET FEE INCOME	**1 812 326**	**1 637 034**
+ Income from trading securities	1 678 495	1 629 182
+ Income from available-for-sale securities	3 752	-6 367
+ Income from foreign exchange activities	730 748	635 577
+ Income from derivatives activities	36 433	101 838
INCOME FROM MARKET ACTIVITIES	**2 449 429**	**2 360 230**
+ Result of Moudaraba and Moucharaka Securities Transactions		
+ Other banking income	1 611 763	1 527 680
- Other banking expenses	1 152 169	1 025 638
NET BANKING INCOME	**12 186 555**	**11 502 724**
+ Income from long-term investments	-23 376	257 041
+ Other non-banking operating income	96 123	52 075
- Other non-banking operating expenses	1 887	-
- General operating expenses	4 717 433	4 507 747
GROSS OPERATING INCOME	**7 539 982**	**7 304 093**
+ Net provisions for non-performing loans and signature loans	-784 657	-935 545
+ Other net provisions	-275 303	-76 744
NET OPERATING INCOME	**6 480 023**	**6 291 804**
NON OPERATING INCOME	**-1 055**	**-530 199**
- Income tax	1 874 985	1 603 594
NET INCOME FOR THE FINANCIAL YEAR	**4 603 983**	**4 158 011**

II- TOTAL CASHFLOW	12/31/2018	12/31/2017
+ NET INCOME FOR THE FINANCIAL YEAR	**4 603 983**	**4 158 011**
+ Depreciation, amortisation and provisions for fixed asset impairment	447 657	412 389
+ Provisions for impairment of long-term investments	28 264	44 086
+ General provisions	205 000	165 700
+ Regulated provisions	-	-
+ Extraordinary provisions	-	-
- Reversals of provisions for depreciation of long-term investments	65 998	304 595
- Capital gains on disposal of fixed assets	50 607	16 942
+ Losses on disposal of fixed assets	1 887	-
- Capital gains on disposal of long-term investments	-	-
+ Losses on disposal of long-term investments		3 469
- Write-backs of investment subsidies received	-	-
+ TOTAL CASH FLOW	**5 170 185**	**4 462 118**
- Profits distributed	2 544 090	2 442 327
+ SELF-FINANCING	**2 696 096**	**2 019 791**

NON-PERFORMING CUSTOMER LOANS at 31 December 2018

(thousand MAD)

	Disbursed loans	Signature loans	Amount	Provisions for disbursed loans	Provisions for signature loans	Amount
12/31/2018	11 938 516	694 974	**12 633 490**	7 721 934	311 072	**8 033 006**

SALES at 31 December 2018

(thousand MAD)

2018	2017	2016
18 203 195	**17 721 190**	**21 639 862**

INCOME STATEMENT at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
OPERATING INCOME FROM BANKING ACTIVITIES	**18 203 195**	**17 721 190**
Interest and similar income from transactions with credit institutions	985 359	1 030 084
Interest and similar income from transactions with customers	9 590 741	8 926 121
Interest and similar income from debt securities	256 799	305 196
Income from equity securities and Sukuk certificates	1 609 613	1 512 834
Income from Moudaraba and Moucharaka securities		
Income from lease-financed fixed assets	154 439	23 726
Income from fixed assets given in Ijara		
Fee income provided from services	1 805 981	1 635 220
Other banking income	3 800 263	4 288 009
Transfer of expenses on investment deposits received		
OPERATING EXPENSES ON BANKING ACTIVITIES	**6 016 640**	**6 218 466**
Interest and similar expenses on transactions with credit institutions	874 558	592 376
Interest and similar expenses on transactions with customers	2 412 919	2 451 394
Interest and similar expenses on debt securities issued	199 045	207 086
Expenses on Moudaraba and Moucharaka securities		
Expenses on lease-financed fixed assets	35 609	30 853
Expenses on fixed assets given in Ijara		
Other banking expenses	2 494 509	2 936 757
Transfer of income on investment deposits received		
NET BANKING INCOME	**12 186 555**	**11 502 724**
Non-banking operating income	96 123	52 074
Non-banking operating expenses	1 887	3 469
OPERATING EXPENSES	**4 717 433**	**4 507 747**
Staff costs	2 196 216	2 068 105
Taxes other than on income	147 475	122 812
External expenses	1 866 504	1 885 578
Other general operating expenses	59 581	18 863
Depreciation, amortisation and provisions	447 657	412 389
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	**2 994 547**	**2 797 776**
Provisions for non-performing loans and signature loans	1 228 460	1 338 046
Losses on irrecoverable loans	1 336 332	970 324
Other provisions	429 755	489 406
PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	**1 911 212**	**2 045 997**
Provision write-backs for non-performing loans and signature loans	1 724 922	1 310 261
Amounts recovered on impaired loans	55 214	62 564
Other provision write-backs	131 076	673 172
INCOME FROM ORDINARY ACTIVITIES	**6 480 023**	**6 291 803**
Non-recurring income	12 167	695
Non-recurring expenses	13 222	530 893
PRE-TAX INCOME	**6 478 968**	**5 761 605**
Income tax	1 874 985	1 603 594
NET INCOME FOR THE FINANCIAL YEAR	**4 603 983**	**4 158 011**

STATEMENT OF DEPARTURES FROM STANDARD ACCOUNTING TREATMENT at 31 December 2018

TYPE OF DEPARTURE	REASONS FOR DEPARTURES	IMPACT OF DEPARTURES ON THE COMPANY'S FINANCIAL POSITION OR RESULTS
I. Departures from fundamental accounting principles	Not applicable	Not applicable
II. Departures from valuation methods	Not applicable	Not applicable
III. Departures from rules for drawing up and presenting the financial statements	Not applicable	Not applicable

STATEMENT OF CHANGES IN ACCOUNTING METHODS at 31 December 2018

NATURE OF CHANGES	REASONS FOR DEPARTURES	IMPACT OF DEPARTURES ON THE COMPANY'S FINANCIAL POSITION OR RESULTS
I. Changes in valuation methods	Not applicable	Not applicable
II. Changes in rules of presentation	Not applicable	Not applicable

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS at 31 December 2018

(thousand MAD)

LOANS AND ADVANCES	Bank Al Maghrib, the treasury and post office accounts	Banks	other credit institutions & equivalent in Morocco	credit institutions abroad	Total 12/31/2018	Total 12/31/2017
CURRENT ACCOUNTS IN DEBIT	**4 288 306**	**4 819**	**569 106**	**3 239 581**	**8 101 812**	**12 240 270**
NOTES RECEIVED AS SECURITY						
- overnight						
- term						
CASH LOANS			**13 045 632**	**2 330 780**	**15 376 412**	**14 872 393**
- overnight						
- term			13 045 632	2 330 780	15 376 412	14 872 393
FINANCIAL LOANS		**2 123 762**	**10 327 609**		**12 451 371**	**13 811 069**
OTHER LOANS		**1 216 806**	**12**	**630**	**1 217 448**	**46 042**
INTEREST ACCRUED AWAITING RECEIPT		**18 754**	**165 175**		**183 929**	**217 092**
NON-PERFORMING LOANS						
TOTAL	**4 288 306**	**3 364 141**	**24 107 534**	**5 570 991**	**37 330 972**	**41 186 866**

CASH FLOW STATEMENT at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
1. (+) Operating income from banking activities	16 352 932	15 945 413
2. (+) Amounts recovered on impaired loans	55 214	62 564
3. (+) Non-banking operating income	57 683	35 827
4. (-) Operating expenses on banking activities (*)	-6 374 634	-7 261 907
5. (-) Non-banking operating expenses		
6. (-) General operating expenses	-4 269 776	-4 095 358
7. (-) Income tax	-1 874 985	-1 603 594
I. NET CASH FLOW FROM INCOME STATEMENT	**3 946 434**	**3 082 945**
Change in: 8. (±) Loans and advances to credit institutions and similar establishments	2 579 138	5 093 824
9. (±) Loans and advances to customers	-24 306 413	-4 311 176
10. (±) Trading securities and available-for-sale securities	-6 784 323	-13 434 724
11. (±) Other assets	-1 704 067	1 525 081
12. (±) Lease-financed fixed assets	-276 911	-156 128
13. (±) Amounts owing to credit institutions and similar establishments	11 240 167	5 640 558
14. (±) Customer deposits	9 139 041	16 535 188
15. (±) Debt securities issued	2 668 109	-1 713 460
16. (±) Other liabilities	5 708 646	-2 824 836
II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES	**-1 736 613**	**6 354 327**
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)	**2 209 821**	**9 437 272**
17. (+) Income from the disposal of long-term investments	-1 496 647	-871 053
18. (+) Income from the disposal of fixed assets	259 296	35 018
19. (-) Acquisition of long-term investments	-166 019	-5 141 802
20. (-) Acquisition of fixed assets	-824 218	-979 869
21. (+) Interest received	240 619	262 944
22. (+) Dividends received	1 609 613	1 512 834
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-377 356**	**-5 181 928**
23. (+) Subsidies, public funds and special guarantee funds		
24. (+) Subordinated loan issuance	-2 250 000	550 000
25. (+) Equity issuance	2 400 000	
26. (-) Repayment of shareholders' equity and equivalent		
27. (-) Interest paid	-487 385	-523 765
28. (-) Dividends paid	-2 544 090	-2 442 327
V- NET CASH FLOW FROM FINANCING ACTIVITIES	**-2 881 476**	**-2 416 092**
VI- NET CHANGE IN CASH AND CASH EQUIVALENTS	**-1 049 011**	**1 839 252**
VII- CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**9 142 735**	**7 303 483**
VIII- CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**8 093 723**	**9 142 735**

(*) : including net provisions

LOANS AND ADVANCES TO CUSTOMERS at 31 December 2018

(thousand MAD)

LOANS AND ADVANCES	public sector	private sector			Total 12/31/2018	Total 12/31/2017
		Financial companies	non-financial companies	other customers		
SHORT-TERM LOANS	**1 060 471**	**4 787 478**	**34 295 865**	**2 157 900**	**42 301 714**	**35 487 690**
- Current accounts in debit	278 086	4 787 478	13 425 394	1 550 964	20 041 922	14 713 529
- Commercial loans within Morocco			4 949 304		4 949 304	4 865 371
- Export loans			348 222	85 578	433 800	470 739
- Other cash loans	782 385		15 572 945	521 358	16 876 688	15 438 051
CONSUMER LOANS			**351 532**	**11 066 105**	**11 417 637**	**10 388 318**
EQUIPMENT LOANS	**39 520 601**		**24 441 957**	**861 830**	**64 824 388**	**61 960 852**
MORTGAGE LOANS	**139 095**		**9 306 733**	**51 502 665**	**60 948 493**	**59 192 710**
OTHER LOANS	**3 333**	**5 254 157**	**2 160 924**	**59 836**	**7 478 250**	**7 693 221**
RECEIVABLES ACQUIRED THROUGH FACTORING	**10 777 337**				**10 777 337**	**1**
INTEREST ACCRUED AWAITING RECEIPT	**767 847**	**34 445**	**645 327**	**132 268**	**1 579 887**	**1 475 069**
NON-PERFORMING LOANS		**55 643**	**1 674 254**	**2 486 686**	**4 216 582**	**3 040 014**
- Sub-standard loans			120	19	139	196
- Doubtful loans			13 190		13 190	6 866
- Impaired loans		55 643	1 660 944	2 486 667	4 203 253	3 032 952
TOTAL	**52 268 684**	**10 131 723**	**72 876 592**	**68 267 290**	**203 544 288**	**179 237 875**

BREAKDOWN OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER at 31 December 2018

(thousand MAD)

SECURITIES	CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	PUBLIC ISSUERS	PRIVATE ISSUERS		12/31/2018	12/31/2017
			FINANCIAL COMPANIES	NON-FINANCIAL COMPANIES		
LISTED SECURITIES	**15 642**	**-**	**15 011 579**	**62 371**	**15 089 592**	**15 107 702**
- Treasury bills and similar instruments					-	-
- Bonds					-	-
- Other debt securities					-	-
- Fixed income Funds	15 642		15 011 579	62 371	15 089 592	15 107 702
- Sukuk Certificates						
UNLISTED SECURITIES	**2 765 304**	**56 946 393**	**1 578**	**126 511**	**59 839 786**	**51 106 637**
- Treasury bills and similar instruments	-	53 433 193			53 433 193	44 999 735
- Bonds	12 188	74 606		120 231	207 025	516 840
- Other debt securities	2 752 445	3 241 698			5 994 143	5 573 165
- Fixed income Funds	671	8 097	1 578	6 280	16 626	16 897
- Sukuk Certificates		188 799			188 799	
TOTAL	**2 780 946**	**56 946 393**	**15 013 157**	**188 882**	**74 929 378**	**66 214 339**

VALUE OF TRADING SECURITIES, AVAILABLE-FOR-SALE SECURITIES AND INVESTMENT SECURITIES at 31 December 2018

(thousand MAD)

Securities	Value	Current value	Redemption Value	Unrealised Capital gains	Unrealised Losses	Provisions
TRADING SECURITIES	**66 143 173**	**66 143 173**	-	-	-	-
- Treasury bills and similar instruments	44 857 134	44 857 134	-	-	-	-
- Bonds	104 129	104 129	-	-	-	-
- Other debt securities	5 922 402	5 922 402	-	-	-	-
- Fixed income Funds	15 070 709	15 070 709	-	-	-	-
- Sukuk Certificates	188 799	188 799				
AVAILABLE-FOR-SALE SECURITIES	**224 226**	**193 153**	-	**16 657**	**31 073**	**31 073**
- Treasury bills and similar instruments	54 748	54 748		2 123		
- Bonds	102 896	102 896		3 310		
- Other debt securities						
- Fixed income Funds	66 582	35 509		11 224	31 073	31 073
- Sukuk Certificates						
INVESTMENT SECURITIES	**8 593 052**	**8 593 052**	**-**	**-**	**-**	**-**
- Treasury bills and similar instruments	8 521 311	8 521 311		-	-	-
- Bonds						
- Other debt securities	71 741	71 741				
- Sukuk Certificates						

DETAILS OF OTHER ASSETS at 31 December 2018

(thousand MAD)

ASSETS	Amount At 12/31/2018	Amount At 12/31/2017
PURCHASED OPTIONS	**50 814**	**111 599**
SUNDRY SECURITIES TRANSACTIONS		
SUNDRY DEBTORS	**395 930**	**325 427**
Amounts due from the State	257 768	206 310
Amounts due from mutual		
Sundry amounts due from Staff		
Amounts due from customers for non-banking services	71	103
Other sundry debtors	138 091	119 014
OTHER SUNDRY ASSETS	**1 680**	**1 292**
ACCRUALS AND SIMILAR	**4 907 887**	**3 222 574**
Adjustment accounts for off-balance sheet transactions	19 792	237 806
Translation differences for foreign currencies and securities		
Income from derivative products and hedging		
Deferred expenses	190 370	50 295
Inter-company accounts between head office, branch offices and branches in Morocco	343 805	309 697
Accounts receivable and prepaid expenses	1 473 457	1 118 301
Other accruals and similar	2 880 463	1 506 475
NON-PERFORMING LOANS ON SUNDRY TRANSACTIONS	**129 950**	**121 302**
TOTAL	**5 486 261**	**3 782 194**

LEASED AND RENTED ASSETS at 31 December 2018

(thousand MAD)

TYPE	Gross amount exercise ning of the at the begin	Amount of exercise during the acquisitions	Amount of exercise during the withdrawals transfers or	gross the exercise the end of amount at	Amortisation		Provisions			net amount exercise of the at the end
					Allocation during the exercise	Aggregate depreciate	Allocation in the exercise	provision write downs	Aggregate provisions	
LEASED AND RENTED ASSETS	**834 180**	**311 740**	**38**	**1 145 882**	**35 609**	**473 878**				**672 004**
Leased intangible assets										
Equipment leasing	**807 004**	**311 740**		**1 118 744**	**35 609**	**451 942**				**666 802**
- Movable assets under lease	386			386						386
- Leased movable assets	806 618	311 740		1 118 358	35 609	451 942				666 416
- Movable assets unleased after cancellation										
Property leasing	**25 647**			**25 647**		**21 936**				**3 711**
- Immovable assets under lease										
- Immovable leased assets	25 647			25 647		21 936				3 711
- Immovable assets unleased after cancellation										
Rents awaiting receipt										
Restructured rents										
Rents in arrears	1 529		38	1 491						1 491
Non-performing loans										
RENTED ASSETS										
Rented movable property										
Rented property										
Rents awaiting receipt										
Restructured rents										
Rents in arrears										
Non-performing rents										
TOTAL	**834 180**	**311 740**	**38**	**1 145 882**	**35 609**	**473 878**				**672 004**

SUBORDINATED LOANS at 31 December 2018

(thousand MAD)

LOANS	Amount				including affiliates and related companies	
	12/31/2018			12/31/2017	12/31/2018	12/31/2017
	gross	Prov.	Net	Net	Net	Net
	1	2	3	4	5	6
Subordinated loans to credit institutions and similar establishments	NOT APPLICABLE					
Subordinated loans to customers						
TOTAL						

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT at 31 December 2018

(thousand MAD)

TYPE	gross value at the beginning of the exercise	Acquisitions	disposals	gross value at the end of the exercise	Amortisation/provisions				net value at the end of the exercise
					Amortisation and provisions at the beginning of the exercise	Additional amortisation	Amortisation on disposed assets	Accumulated amortisation and depreciation	
INTANGIBLE ASSETS	**3 646 039**	**350 528**	**198 535**	**3 798 032**	**1 558 341**	**152 902**	**34 515**	**1 676 728**	**2 121 303**
- Lease rights	319 371	-	5 850	313 521	-	-	-	-	313 521
- Research and development	-	-	-	-	-	-	-	-	-
- Intangible assets used in operations	3 326 668	350 528	192 685	3 484 511	1 558 341	152 902	34 515	1 676 728	1 807 782
- Non-operating intangible assets	-	-	-	-	-	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT	**8 153 996**	**709 767**	**306 300**	**8 557 464**	**4 551 002**	**294 755**	**23 669**	**4 822 088**	**3 735 375**
IMMOVABLE PROPERTY USED IN OPERATIONS	**2 204 813**	**134 544**	**214 797**	**2 124 560**	**917 224**	**54 108**	**977**	**970 355**	**1 154 205**
- Land	466 152	116 077	282	581 947	-	-	-	-	581 947
- Office buildings	1 686 121	18 467	214 515	1 490 073	869 485	53 174	977	921 682	568 391
- Staff accommodation	52 540	-	-	52 540	47 739	934	-	48 673	3 867
MOVABLE PROPERTY AND EQUIPMENT USED IN OPERATIONS	**2 206 515**	**129 143**	**13 631**	**2 322 027**	**1 825 306**	**91 417**	**4 271**	**1 912 452**	**409 575**
- Office property	440 203	19 045	-	459 248	392 200	11 943	-	404 143	55 105
- Office equipment	885 775	48 999	-	934 774	763 806	30 026	-	793 832	140 942
- IT equipment	872 449	61 068	13 631	919 886	661 623	49 325	4 271	706 677	213 209
- Vehicles	8 088	31	-	8 119	7 677	123	-	7 800	319
- Other equipment	-	-	-	-	-	-	-	-	-
OTHER PROPERTY, PLANT AND EQUIPMENT USED IN OPERATIONS	**1 884 562**	**117 360**	**24 077**	**1 977 845**	**1 459 905**	**112 311**	**604**	**1 571 612**	**406 233**
PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATIONS	**1 858 106**	**328 720**	**53 795**	**2 133 032**	**348 567**	**36 919**	**17 817**	**367 669**	**1 765 363**
Land	811 765	32 219	2 102	841 882	-	-	-	-	841 882
Buildings	826 516	287 068	51 677	1 061 907	222 326	27 936	17 801	232 461	829 446
Movable property and equipment	68 179	1 037	-	69 217	48 316	349	-	48 665	20 552
Other property, plant and equipment not used in operations	151 646	8 396	16	160 026	77 925	8 634	16	86 543	73 483
TOTAL	**11 800 035**	**1 060 296**	**504 835**	**12 355 496**	**6 109 343**	**447 657**	**58 184**	**6 498 816**	**5 856 678**

GAINS AND LOSSES ON FIXED ASSET TRANSFERS OR WITHDRAWALS at 31 December 2018

(thousand MAD)

date of transfer or withdrawal	type	gross amount	Aggregate depreciation	net book value	transfer income	Value-added transfers	loss in value transfers
	PROPERTY	**64 095**	**20 626**	**43 469**	**84 017**	**42 434**	**1 887**
	GROUNDS	2 384	-	2 384			
	BUILDINGS	53 543	18 778	34 765			
	REGISTRATION FEES	1 652	1 228	424			
	FIXTURES, FITTING & INSTALLATIONS	666	620	46			
	LEASE RIGHTS	5 850	-	5 850			
	MOVABLE PROPERTY	**24 233**	**8 173**	**16 060**	**24 233**	**8 173**	
	IT EQUIPEMENT	13 631	4 271	9 360			
	SOFTWARE	10 602	3 902	6 700			
TOTAL		**88 328**	**28 799**	**59 529**	**108 250**	**50 607**	**1 887**

INVESTMENTS IN AFFILIATES AND OTHER LONG-TERM INVESTMENTS at 31 December 2018

(thousand MAD)

Name of the issuing company	Sector of activity	Share capital	Share of held	gross book value	net book value	data from the issuing company's most recent financial statements: Year-end	net assets	net income	contri-bution to income year's
A - INVESTMENTS IN AFFILIATE COMPANIES				**18 197 094**	**18 000 418**				**1 554 005**
ATTIJARIWAFA BANK EGYPT	Bank	995 129 KEGP	60,00%	3 244 162	3 244 162	12/31/2018	4 613 437 KEGP	689 027 KEGP	147 165
ATTIJARI TCHAD	Bank	10 000 000 KFCFA	100,00%	166 908	166 908		-	-	
BANK ASSAFA	Bank	350 000	100,00%	350 000	350 000	12/31/2018	184 191	-106 968	
BANQUE INTERNATIONALE POUR LE MALI "BIM SA"	Bank	20 011 480 KFCFA	66,30%	829 212	829 212	12/31/2018	32 401 000 KFCFA	505 000 KFCFA	
CREDIT DU SENEGAL	Bank	10 000 000 KFCFA	95,00%	292 488	292 488	12/31/2017	19 534 000 KFCFA	3 467 000 KFCFA	23 790
CREDIT DU CONGO	Bank	10 476 730 KFCFA	91,00%	608 734	608 734	06/30/2017	19 856 475 KFCFA	3 240 139 KFCFA	82 429
COMPAGNIE BANCAIRE DE L'AFRIQUE OCCIDENTALE "CBAO"	Bank	11 450 000 KFCFA	4,90%	35 979	35 979	06/30/2017	83 258 992 KFCFA	8 604 616 KFCFA	8 714
SOCIETE IVOIRIENNE DE BANQUE " SIB "	Bank	10 000 000 KFCFA	51,00%	648 084	648 084	06/30/2017	60 131 658 KFCFA	10175488 KFCFA	78 918
SOCIETE CAMEROUNAISE DE BANQUE "SCB"	Bank	10 540 000 KFCFA	51,00%	379 110	379 110	12/31/2017	51 228 000 KFCFA	10 783 000 KFCFA	45 923
SOCIETE BIA TOGO	Bank	10 000 000 KFCFA	56,76%	153 301	153 301	06/30/2018	10 515 000 KFCFA	186 000 KFCFA	
SUCCURSALE DE BRUXELLES EX BCM	Bank	558 KEURO	100,00%	57 588	57 588	06/30/2017	1 632 KEUR		
UNION GABONAISE DE BANQUES "UGB GABON"	Bank	10 000 000 KFCFA	58,71%	848 842	848 842	06/30/2017	29 863 236 KFCFA	5 759 270 KFCFA	82 738
ATTIJARI FINANCES CORPORATION	Investment bank	10 000	100,00%	10 000	10 000	12/31/2018	38.072	26.171	56.000
ATTIJARIWAFA BANK MIDDLE EAST LIMITED	Investment bank	1 000	100,00%	8 194	8 194		-	-	
WAFACAMBIO	Credit institution		100,00%	963	963		-	-	
ATTIJARI INTERNATIONAL BANK "AIB"	Offshore bank	2 400 KEUR	100,00%	92 442	92 442	12/31/2018	24 398 KEURO	2 666 KEURO	26 407
WAFABANK OFFSHORE DE TANGER	Offshore bank		100,00%	5 842	5 842		-	-	
ANDALUCARTAGE	Holding	308 162 KEURO	100,00%	3 937 574	3 937 574	12/31/2018	358 494 KEURO	16 996 KEURO	161 913
ATTIJARI AFRIQUE PARTICIPATION	Holding	10 010 KEUR	100,00%	113 120	113 120	09/30/2018	9 846 KEUR	-12 KEUR	
ATTIJARI AFRICA HOLDING	Holding	300	100,00%	300	300	12/31/2018	284	-16	
ATTIJARI IVOIRE SA	Holding	32 450 KEUR	66,67%	236 891	236 891	09/30/2018	35 900 KEUR	3 450 KEUR	56 755
ATTIJARIWAFA EURO FINANCES	Holding	48 600 KEUR	100,00%	502 621	502 621	12/31/2017	48 137 KEURO	-51 KEURO	
BCM CORPORATION	Holding	200 000	100,00%	200 000	200 000	12/31/2018	241 233	23 058	25 000
CAFIN	Holding	1 122 000 KFCFA	100,00%	257 508	257 508	12/31/2018	6 426 160 KFCFA	1 624 261 KFCFA	26 736
KASOVI	Holding	50 KUSD	100,00%	1 519 737	1 519 737	12/31/2018	38 016 KUSD	14 091 KUSD	
OMNIUM DE GESTION MAROCAIN S.A."OGM"	Holding	950 490	50,00%	1 638 145	1 638 145	06/30/2018	1 386 278	329 854	167 500
WAFA INVESTISSEMENT	Holding investment	55 000	100,00%	46	46	12/31/2018	1 123	-34	
ATTIJARI ASSET MANAGEMENT AAM SA (Sénégal)	Asset management	1 200 000 FCFA	70,00%	13 889	13 889		-	-	7 568
ATTIJARI SECURITISES CENTRAL AFRICA (ASCA)	Asset management	1 312 000 FCFA	70,00%	15 351	15 351		-	-	14 284
SOMACOVAM	Asset management	5 000	100,00%	30 000	-	12/31/2018	-5 594	-3 857	
WAFA GESTION	Asset management	4 900	66,00%	236 369	236 369	12/31/2017	157 651	89 995	59 376
ATTIJARI INVEST.	Asset management	5 000	100,00%	5 000	5 000	12/31/2018	61 857	4 960	
ATTIJARI CAPITAL DEVELOPEMENT	Venture capital	10 320	100,00%	10 320	-	12/31/2018	-51 906	-378	
CASA MADRID DEVELOPPEMENT	Capital development	10 000	50,00%	5 000	5 000	12/31/2018	10 305	-49	
WAFA BOURSE	Securities brokerage	20 000	100,00%	40 223	40 223	12/31/2018	42 904	814	2 700
ATTIJARI TITRISATION	Securitization	11 400	100,00%	11 700	2 866	12/31/2018	9 940	7 074	
FT MIFTAH	Securitization fund	50 100	100,00%	50 100	50 100	12/31/2018	60 380	9 017	
WAFA TRUST	Consulting and financial engineering	1 500	100,00%	1 500	751	12/31/2018	751	-119	
WAFASALAF	Consumer finance	113 180	50,91%	634 783	634 783	12/31/2018	2 193 658	315 340	152 727
WAFA LLD	Leasing	20 000	100,00%	20 000	20 000	12/31/2018	38 269	13 208	19 500
WAFABAIL	Leasing	150 000	57,83%	91 158	91 158	12/31/2017	900 618	127 073	34 862
DAR ASSAFAA LITAMWIL	Specialised financial company	50 000	100,00%	50 510	50 510	12/31/2018	79 693	7 328	
ATTIJARI GLOBAL RESEARCH	Financial services	1 000	100,00%	1 000	1 000	12/31/2018	3.038	2.038	
ATTIJARI OPERATIONS	Services company	1 000	100,00%	1 000	1 000	12/31/2018	693	-52	
ATTIJARI AFRICA	Services company	2 000	100,00%	2 000	2 000	12/31/2017	19 531	790	
ATTIJARI CIB AFRICA	Services company	2 000	100,00%	2 000	2 000	12/31/2018	1 588	-81	
ATTIJARI IT AFRICA	Services company	1 000	100,00%	1 000	1 000	12/31/2017	7 718	165	
MEDI TRADE	Trading	1 200	20,00%	240	139	12/31/2018	693	-3	
WAFA COURTAGE	Brokerage	1 000	100,00%	2 397	2 397	12/31/2018	73 929	42 099	35 000
WAFACASH	Electronic banking	35 050	100,00%	324 074	324 074	12/31/2017	383 712	138 087	138 000
ATTIJARI PAYMENT PROCESSING	Electronic banking	1 000	100,00%	1 000	1 000	12/31/2018	8 665	2 564	
DINERS CLUB DU MAROC	Payment card management	1 500	100,00%	1 675	72	12/31/2018	71	-274	
STE MAROCAINE DE GESTION ET TRAITEMENT INFORMATIQUE "SOMGETI"	Data processing	300	100,00%	100	94	12/31/2018	94	-19	
WAFA SYSTEMES DATA	Data processing	1 500	100,00%	1 500	1 118	02/28/2018	1 118	-	
AGENA MAGHREB	Sale of computer equipment	11 000	74,96%	33	-	12/31/2018	-7 005	-56	
WAFA COMMUNICATION	Communication	3 000	85,00%	2 600	-	05/18/2018	-1 994	-1 629	
WAFA SYSTEMES CONSULTING	Computer systems consulting	5 000	99,88%	4 994	4 994	02/28/2018	6 045	-	
WAFA SYSTEMES FINANCES	Engineering computer science	2 000	100,00%	2 066	827	02/28/2018	827	-	
WAFA FONCIERE	Holding company	2 000	100,00%	3 700	1 742	12/31/2018	1 742	-281	
ATTIJARIA AL AAKARIA AL MAGHRIBIA	Holding company	10 000	100,00%	9 999	10 000	12/31/2018	17 237	8 048	
ATTIJARI RECOUVREMENT	Holding company	3 350	100,00%	11 863	4 450	12/31/2018	4 450	-30	
AYK	Holding company	100	100,00%	100	-	09/29/2018	-1 034	-13	
SOCIETE IMMOBILIERE ATTIJARIA AL YOUSSOUFIA	Holding company	50 000	100,00%	51 449	25 410	12/31/2018	25 411	-4 269	
STE IMMOB.BOULEVARD PASTEUR " SIBP"	Holding company	300	50,00%	25	25	12/31/2018	788	-263	
SOCIETE IMMOBILIERE DE L'HIVERNAGE SA	Holding company	15 000	100,00%	15 531	4 385	12/31/2018	4 385	-2 090	
SOCIETE IMMOBILIERE MAIMOUNA	Holding company	300	100,00%	5 266	2 442	12/31/2018	2 442	-219	
STE IMMOBILIERE MARRAKECH EXPANSION	Holding company	300	100,00%	299	299	09/29/2018	371	-10	
SOCIETE IMMOBILIERE ZAKAT	Holding company	300	100,00%	2 685	1	12/31/2018	-338	-820	
SOCIETE CIVILE IMMOBILIERE TOGO LOME	Holding company	3 906 000 KFCFA	100,00%	66 761	66 761	12/31/2016	3 796 158 KFCFA	-33 822 KFCFA	
ATTIJARI IMMOBILIER	Property	50 000	99,99%	71 686	71 686	12/31/2018	63 739	176	
AL MIFTAH	Property	100	100,00%	244	-	12/31/2018	-3 887	-488	
CAPRI	Property	25 000	100,00%	88 400	-	09/30/2018	-14 273	-19 009	
WAFA IMMOBILIER	Real estate loans	50 000	100,00%	164 364	164 364	12/31/2018	162 532	105 619	100 000
ATTIJARI PROTECTION	Security	4 000	83,75%	3 350	3 350	05/21/2018	4 184	-3	

INVESTMENTS IN AFFILIATES AND OTHER LONG-TERM INVESTMENTS at 31 December 2018

(thousand MAD)

B - OTHER INVESTMENTS				**635 408**	**502 318**				**47 419**
ATTIJARIWAFA BANK	Bank	2 098 597		623	623		-	-	
BANQUE D'AFFAIRE TUNISIENNE	Bank	198 741		2 583	-		-	-	
BANQUE MAGHREBINE POUR L'INVESTISSEMENT ET LE COMMERCE EXTERIEUR "BMICE"	Bank	500.000$	1,20%	63 846	63 846		-	-	
IMMOBILIERE INTERBANCAIRE "G.P.B.M."	Professional banker's association	19 005	20,00%	3 801	3 801		-	-	
BOURSE DE CASABLANCA	Stock exchange	-		32 628	32 628				
AGRAM INVEST	Investment funds	40 060	27,82%	10 938	8 237	12/31/2018	29 611	-1 153	
FONDS D'INVESTISSEMENT IGRANE	Investment funds	70 000	18,26%	9 970	7 802	12/31/2018	42 727	1 825	
H PARTNERS	Investment funds	1 400 010	7,14%	100 000	39 433	12/31/2017	937 686	-	
MAROC NUMERIQUE FUND	Investment funds	157 643	20,00%	22 843	7 422	12/31/2017	37 446	-	
ALTERMED MAGHREB EUR	Investment funds	-	7,94%	5 247	-	12/31/2017	432	-	
3 P FUND	Investment funds	150 020	5,00%	13 500	9 631	12/31/2017	145 856		
AM INVESTISSEMENT MOROCCO	Equity investments	400 000	3,25%	13 000	8 298	12/31/2017	255 240	-	260
FONDS ATTIJARI AFRICA FUNDS MULTI ASSETS	Asset management	31 KEURO		346	347		-	-	
EUROCHEQUES MAROC	Financial services	1 500		364	364		-	-	
MOROCCAN FINANCIAL BOARD	Financial services	400 000	12,50%	20 000	20 000	12/31/2017	398 839	13 278	
TECHNOLOPARK COMPANY "MITC"	Service provision	-		8 150	7 784		-	-	
SALIMA HOLDING	Holding	150 000	13,33%	16 600	14 614		-	-	
MAROCLEAR	Custodian of securities	20 000	6,58%	1 342	1 342		-	-	
EXP SERVICES MAROC S.A.	Risk centralization services	20 000	3,00%	600	600		-	-	
INTER MUTUELLES ASSISTANCE	Insurance	-		894	894		-	-	
SMAEX	Insurance	37 450	11,42%	4 278	4 278		-	-	
WAFA IMA ASSISTANCE	Insurance	50 000	32,50%	15 356	15 356	12/31/2017	107 986	23 590	2 437
CENTRE MONETIQUE INTERBANCAIRE	Electronic banking	98 200	22,40%	22 000	22 000		-	-	11 000
SOCIETE INTERBANK	Bank card management	11 500	16,00%	1 840	1 840		-	-	
SGFG SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE DES DEPÔTS BANCAIRES	Collective deposit guarantee fund management	1 000		59	59				
NOUVELLES SIDERURGIES INDUSTRIELLES	Steel industry	3 415 000	2,72%	62 942	62 942	06/30/2016	3 665 056	126 891	
SONASID	Steel industry	390 000	0,27%	28 391	4 598	12/31/2017	1 934 187	43 723	
BOUZNIKA MARINA	Real estate loans	-		500	-		-	-	
STE D'AMENAGEMENT DU PARC NOUACER"SAPINO"	Real estate loans	60 429	22,69%	13 714	13 714	12/31/2017	209 956	1 616	
TANGER FREE ZONE	Real estate loans	335 800	16,95%	58 221	58 221		-	-	5 617
HAWAZIN	Property	960	12,50%	704	-		-	-	
INTAJ	Property	576	12,50%	1 041	549		-	-	
FONCIERE EMERGENCE	Property	240 034	8,06%	33 844	25 852	12/31/2017	321 587	-	721
IMPRESSION PRESSE EDITION (IPE)	Puplishing	-		400	400		-	-	
MOUSSAFIR HOTELS	Hotel	193 000	33,34%	64 343	64 343	06/30/2017	282 236	10 594	27 384
CASA PATRIMOINE	Conservation & restoration of Casablanca' s heritage			500	500				
C - SIMILAR INVESTMENTS				**350 693**	**329 971**				**-**
PARTNERS CURRENT ACCOUNT				334 858	314 138				
OTHER SIMILAR INVESTMENTS				15 835	15 835				
Total				**19 183 196**	**18 832 707**				**1 601 424**

AMOUNTS OWING TO CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS at 31 December 2018

(thousand MAD)

AMOUNTS OWING	credit institutions and similar establishments in Morocco			credit institutions overseas	Total 12/31/2018	Total 12/31/2017
	Bank Al Maghrib, the treasury and post office accounts	Banks	other credit institutions and similar establishments			
CURRENT ACCOUNTS IN CREDIT		**1 847**	**319 342**	**749 808**	**1 070 997**	**1 533 336**
NOTES GIVEN AS SECURITY	**27 780 685**	**981 474**			**28 762 159**	**14 848 204**
- overnight		731 440			731 440	2 816 497
- term	27 780 685	250 034			28 030 719	12 031 707
CASH BORROWINGS	**1 500 000**	**1 875 286**	**1 884 378**	**3 356 037**	**8 615 701**	**10 944 110**
- overnight	1 000 000	741 000	380 229	86 090	2 207 319	2 227 957
- term	500 000	1 134 286	1 504 149	3 269 947	6 408 382	8 716 153
FINANCIAL BORROWINGS	**1 993**			**82**	**2 075**	**2 074**
OTHER DEBTS	**48 046**	**146 543**			**194 589**	**75 595**
ACCRUED INTEREST PAYABLE					**27 320**	**29 355**
TOTAL	**29 330 724**	**3 005 150**	**2 203 720**	**4 105 927**	**38 672 841**	**27 432 674**

CUSTOMER DEPOSITS at 31 December 2018

(thousand MAD)

DEPOSITS	public sector	private sector			Total 12/31/2018	Total 12/31/2017
		Financial companies	non-financial companies	private sector		
CURRENT ACCOUNTS IN CREDIT	1 790 700	1 218 640	30 277 081	113 678 474	146 964 895	141 414 316
SAVINGS ACCOUNTS				28 407 065	28 407 065	27 861 271
TERM DEPOSITS	3 769 500	2 977 293	11 000 782	23 312 239	41 059 814	39 040 125
OTHER ACCOUNTS IN CREDIT	187 743	2 845 829	12 094 939	2 311 977	17 440 488	16 370 350
ACCRUED INTEREST PAYABLE					635 620	682 779
TOTAL	**5 747 943**	**7 041 762**	**53 372 802**	**167 709 755**	**234 507 882**	**225 368 841**

DEBT SECURITIES ISSUED at 31 December 2018

(thousand MAD)

SECURITIES	characteristics					Value	including		Unamortised value of issue or redemption premiums
	entitlement date	Maturity	nominal value	interest rate	Redemption terms		Affiliates	Related companies	
CERTIFICATES OF DEPOSIT	23/04/2014	23/04/2019	100 000	4,60%	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	23/10/2015	23/10/2020	100 000	3,61%	IN FINE	250 000			
CERTIFICATES OF DEPOSIT	12/01/2016	14/01/2019	100 000	3,31%	IN FINE	404 000			
CERTIFICATES OF DEPOSIT	20/01/2016	21/01/2019	100 000	3,29%	IN FINE	100 000			
CERTIFICATES OF DEPOSIT	20/01/2016	20/01/2021	100 000	3,58%	IN FINE	200 000			
CERTIFICATES OF DEPOSIT	05/02/2016	05/02/2021	100 000	3,43%	IN FINE	200 000			
CERTIFICATES OF DEPOSIT	25/02/2016	25/02/2019	100 000	3,00%	IN FINE	300 000			
CERTIFICATES OF DEPOSIT	20/04/2016	22/04/2019	100 000	2,58%	IN FINE	300 000			
CERTIFICATES OF DEPOSIT	02/02/2018	02/02/2023	100 000	4,00%	IN FINE	300 000			
CERTIFICATES OF DEPOSIT	13/02/2018	13/02/2020	100 000	2,86%	IN FINE	500 000			
CERTIFICATES OF DEPOSIT	13/06/2018	13/06/2023	100 000	3,30%	IN FINE	400 000			
CERTIFICATES OF DEPOSIT	24/07/2018	24/07/2020	100 000	2,90%	IN FINE	800 000			
CERTIFICATES OF DEPOSIT	31/08/2018	31/08/2020	100 000	2,89%	IN FINE	800 000			
CERTIFICATES OF DEPOSIT	14/12/2018	14/12/2023	100 000	3,40%	IN FINE	500 000			
CERTIFICATES OF DEPOSIT	20/07/2018	19/07/2019	100 000	2,64%	IN FINE	1 573 000			
CERTIFICATES OF DEPOSIT	16/10/2018	15/01/2019	100 000	2,46%	IN FINE	357 000			
CERTIFICATES OF DEPOSIT	16/10/2018	16/04/2019	100 000	2,54%	IN FINE	843 000			
CERTIFICATES OF DEPOSIT	14/12/2018	14/06/2019	100 000	2,56%	IN FINE	497 000			
TOTAL						**8 424 000**			

DETAILS OF OTHER LIABILITIES at 31 December 2018

(thousand MAD)

LIABILITIES	Amount At 12/31/2018	Amount At 12/31/2017
OPTIONS SOLD	**274 658**	**377 445**
SUNDRY SECURITIES TRANSACTIONS	**7 871 282**	**1 976 885**
SUNDRY CREDITORS	**3 405 178**	**3 027 880**
Amounts due to the State	1 065 002	749 912
Amounts due to mutual societies	81 021	76 146
Sundry amounts due to staff	425 573	427 651
Sundry amounts due to shareholders and associates	5 080	4 756
Amounts due to suppliers of goods and services	1 807 544	1 745 018
Other sundry creditors	20 958	24 397
DEFERRED INCOME AND ACCRUED EXPENSES	**1 237 841**	**1 698 103**
Adjustment accounts for off-balance sheet transactions	9 475	1 063
Translation differences for foreign currencies and securities		
Income from derivative products and hedging		
Inter-company accounts between head office, branch offices and branches in Morocco		
Accrued expenses and deferred income	733 511	612 427
Other deferred income	494 855	1 084 613
TOTAL	**12 788 959**	**7 080 313**

PROVISIONS at 31 December 2018

(thousand MAD)

PROVISIONS	outstanding 12/31/2017	Additional provisions	Write-backs	other changes	outstanding 12/31/2018
PROVISIONS, DEDUCTED FROM ASSETS, FOR:	**8 633 816**	**1 167 559**	**1 685 004**	**3 500**	**8 119 871**
Loans and advances to credit institutions and other similar establishments					
Loans and advances to customers	8 251 238	1 136 611	1 669 415	3 500	7 721 934
Available-for-sale securities	39 090	2 684	10 701		31 073
Investments in affiliates and other long-term investments	327 111	28 264	4 888		350 487
Leased and rented assets	-				-
Other assets	16 377				16 377
PROVISIONS RECORDED UNDER LIABILITIES	**3 253 154**	**493 340**	**181 694**	**-1 947**	**3 562 853**
Provisions for risks in executing signature loans	276 676	91 849	55 506	-1 947	311 072
Provisions for foreign exchange risks	-				-
General provisions	2 064 549	205 000	61 110		2 208 439
Provisions for pension fund and similar obligations	142 666	55 603	42 875		155 394
Other provisions	769 263	140 888	22 203		887 948
Regulated provisions					
TOTAL	**11 886 970**	**1 660 899**	**1 866 698**	**1 553**	**11 682 724**

SUBSIDIES, PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS at 31 December 2018

(thousand MAD)

	ECONOMIC PURPOSE	TOTAL VALUE	VALUE AT DECEMBER 2017	UTILISATION DECEMBER 2018	VALUE AT DECEMBER 2018
SUBSIDIES	NOT APPLICABLE				
PUBLIC FUNDS					
SPECIAL GUARANTEE FUNDS					
TOTAL					

SUBORDINATED DEBTS at 31 December 2018

(thousand MAD)

currency of issue	Value of loan of issue	price (1)	Rate	Maturity (2)	terms for early redemption. subordination and convertibility (3)	Value of loan in thousand MAD	including related businesses		including other related businesses	
							Value in thousand MAD 2018	Value in thousand MAD 2017	Value in thousand MAD 2018	Value in thousand MAD 2017
MAD			3.26%	10 Years		290 000				
MAD			5.00%	10 Years		710 000				
MAD			3.29%	10 Years		320 000				
MAD			4.75%	10 Years		880 000				
MAD			4.13%	7 Years		411 800				
MAD			4.52%	10 Years		588 200				
MAD			2.66%	7 Years		240 800				
MAD			3.34%	7 Years		1 200				
MAD			3.74%	10 Years		758 000				
MAD			2.81%	7 Years		1 250 000				
MAD			3.44%	7 Years		250 000				
MAD			3.96%	Perpetual		450 000				
MAD			5.73%	Perpetual		50 000				
MAD			2.81%	7 Years		896 500				
MAD			3.63%	7 Years		603 500				
MAD			2.92%	7 Years		925 000				
MAD			3.69%	7 Years		325 000				
MAD			3.32%	7 Years		390 000				
MAD			3.57%	7 Years		1 110 000				
MAD			4.79%	Perpetual		400 000				
MAD			5.98%	Perpetual		100 000				
TOTAL						**10 950 000**				

(1) BAM price at 12/31/2018 - (2) Possibly for an unspecified period – (3) Refer to the subordinated debt contract note

SHAREHOLDERS EQUITY at 31 December 2018

(thousand MAD)

SHAREHOLDERS'	outstanding 12/31/2017	Appropriation of income	other changes	outstanding 12/31/2018
Revaluation reserve	**420**			**420**
Reserves and premiums related to share capital	**30 843 500**	**1 614 000**	**2 336 675**	**34 794 175**
Legal reserve	203 527	-		203 527
Other reserves	22 523 480	1 614 000		24 137 480
Issue, merger and transfer premiums	8 116 493		2 336 675	10 453 168
Share capital	**2 035 272**	**-**	**63 325**	**2 098 597**
Called-up share capital	2 035 272		63 325	2 098 597
Uncalled share capital				
Non-voting preference shares				
Fund for general banking risks				
Shareholders' unpaid share capital				
Retained earnings (+/-)	**468**	**-79**		**389**
Net income (loss) awaiting appropriation (+/-)				
Net income (+/-)	**4 158 011**	**-4 158 011**		**4 603 983**
TOTAL	**37 037 671**	**-2 544 090**	**2 400 000**	**41 497 564**

FINANCING COMMITMENTS AND GUARANTEES at 31 December 2018

(thousand MAD)

COMMITMENTS	12/31/2018	12/31/2017
FINANCING COMMITMENTS AND GUARANTEES GIVEN	**121 745 754**	**118 180 275**
Financing commitments given to credit institutions and similar establishments	**1 837 664**	**4 574 906**
Import documentary credits		
Acceptances or commitments to be paid	532	532
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		
Other financing commitments given	1 837 132	4 574 374
Financing commitments given to customers	**56 207 850**	**50 599 636**
Import documentary credits	15 332 405	14 210 895
Acceptances or commitments to be paid		3 332 250
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		
Other financing commitments given	40 875 445	33 056 491
Guarantees given to credit institutions and similar establishments	**13 662 949**	**15 990 396**
Confirmed export documentary credits	81 062	90 847
Acceptances or commitments to be paid		
Credit guarantees given	1 979 711	2 005 381
Other guarantees and pledges given	11 602 176	13 894 168
Non-performing commitments		
Guarantees given to customers	**50 037 291**	**47 015 337**
Credit guarantees given	8 309 072	6 490 412
Guarantees given to government bodies	20 670 289	20 061 754
Other guarantees and pledges given	20 362 956	19 781 765
Non-performing commitments	694 974	681 406
FINANCING COMMITMENTS AND GUARANTEES RECEIVED	**19 187 978**	**20 389 889**
Financing commitments received from credit institutions and similar establishments		
Confirmed credit lines		
Back-up commitments on securities issuance		
Other financing commitments received		
Guarantees received from credit institutions and similar establishments	**18 730 675**	**20 008 773**
Credit guarantees received		
Other guarantees received	18 730 675	20 008 773
Guarantees received from the State and other organisations providing guarantees	**457 303**	**381 116**
Credit guarantees received	457 303	381 116
Other guarantees received		

COMMITMENTS ON SECURITIES at 31 December 2018

(thousand MAD)

	Amount
Commitments given	**103 029**
Securities purchased with repurchase agreement	
Other securities to be delivered	103 029
Commitments received	
Securities sold with repurchase agreement	
Other securities to be received	

FORWARD FOREIGN EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVE PRODUCTS at 31 December 2018

(thousand MAD)

	hedging activities		other activities	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Forward foreign exchange transactions	**58 899 568**	**54 792 398**		
Foreign currencies to be received	22 616 285	20 670 552		
Dirhams to be delivered	6 201 179	6 030 477		
Foreign currencies to be delivered	23 172 997	21 191 080		
Dirhams to be received	6 909 107	6 900 289		
of which currency swaps				
Commitments on derivative products	**37 715 098**	**36 443 732**		
Commitments on regulated fixed income markets				
Commitments on OTC fixed income markets	2 777 271	3 665 834		
Commitments on regulated foreign exchange markets				
Commitments on OTC foreign exchange markets	17 276 255	13 766 177		
Commitments on regulated markets in other instruments				
Commitments on OTC markets in other instruments	17 661 572	19 011 721		

SECURITIES RECEIVED AND GIVEN AS GUARANTEE at 31 December 2018

(thousand MAD)

Securities received as guarantee	Net book value	Asset/off-balance sheet entries in which loans and signature loans pledged are given	Value of loans and signature loans pledged that are hedged
Treasury bills and similar assets		N/D	
Other securities			
Mortgages			
Other physical assets			
TOTAL			

Securities received as guarantee	Net book value	Asset/off-balance sheet entries in which loans and signature loans pledged are given	Value of loans and signature loans pledged that are hedged
Treasury bills and similar assets	24 830 063		
Other securities			
Mortgages			
Other physical assets		Other assets received and pledged	
TOTAL	**24 830 063**		

BREAKDOWN OF ASSETS AND LIABILITIES BY RESIDUAL MATURITY at 31 December 2018

(thousand MAD)

	d ≤ 1 month	1 month < d ≤ 3 months	3 months < d ≤ 1 year	1 year < d ≤ 5 years	d > 5 years	TOTAL
ASSETS						
Loans and advances to credit institutions and similar establishments	3 843 232	1 168 867	9 426 128	13 997 692	8 895 062	37 330 981
Loans and advances to customers	15 998 600	16 814 771	38 400 399	64 942 886	56 526 621	192 683 277
Receivables acquired through factoring	230 914	461 009	2 061 218	8 107 870		10 861 011
Available-for-sale securities	6 341	28 729	24 663	137 227		196 960
Investment securities	15 997	30 447	446 583	3 983 354	4 275 240	8 751 621
TOTAL	**20 095 084**	**18 503 823**	**50 358 991**	**91 169 029**	**69 696 923**	**249 823 850**
LIABILITIES						
Amounts owing to credit institutions and similar establishments	34 820 676	2 018 795	1 426 065	407 305		38 672 841
Amounts owing to customers	32 329 412	11 096 082	39 649 416	32 430 499	119 002 473	234 507 882
Debt securities issued	873 439	323 673	3 399 935	3 950 000		8 547 047
Subordinated debt	9 395	17 880	1 065 660	2 153 799	7 796 201	11 042 935
TOTAL	**68 032 922**	**13 456 430**	**45 541 076**	**38 941 603**	**126 798 674**	**292 770 705**

Loans & Advances and demand deposits are classified according to run-off conventions adopted by the bank.

BREAKDOWN OF FOREIGN CURRENCY-DENOMINATED ASSETS, LIABILITIES AND OFF-BALANCE SHEET at 31 December 2018

(thousand MAD)

BALANCE SHEET	12/31/2018	12/31/2017
ASSETS	**34 018 914**	**35 629 927**
Cash and balances with central banks, the Treasury and post office accounts	191 935	159 682
Loans and advances to credit institutions and similar establishments	7 265 310	10 226 499
Loans and advances to customers	5 518 276	4 397 362
Trading securities and available-for-sale securities	6 375 538	6 806 032
Other assets	651 923	113 703
Investments in affiliates and other long-term investments	14 015 932	13 926 649
Subordinated loans		
Leased and rented		
Intangible assets and property, plant and equipment		
LIABILITIES	**13 631 000**	**17 040 475**
Amounts owing to central banks, the Treasury and post office accounts		
Amounts owing to credit institutions and similar establishments	5 996 525	7 330 352
Customer deposits	7 449 214	8 786 632
Debt securities		
Other liabilities	185 261	923 491
Subsidies, public funds and special guarantee		
Subordinated debts		
Share capital and reserves		
Provisions		
Retained earnings		
Net income		
OFF-BALANCE SHEET	**57 151 796**	**60 343 017**
Commitments given	40 470 682	42 054 981
Commitments received	16 681 114	18 288 036

RISK CONCENTRATION WITH THE SAME COUNTERPARTY at 31 December 2018

(thousand MAD)

NUMBER OF COUNTERPARTIES	TOTAL
20	63 272 712

NET INTEREST MARGIN at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Interest and similar income from activities with customers	**9 590 741**	**8 926 121**
of which interest and similar income	9 334 940	8 682 864
of which fee income on commitments	255 801	243 257
Interest and similar income from activities with credit institutions	**985 359**	**1 030 084**
of which interest and similar income	909 058	969 858
of which fee income on commitments	76 301	60 226
Interest and similar income from debt securities	**256 799**	**305 196**
TOTAL INTEREST AND SIMILAR INCOME	**10 832 899**	**10 261 401**
Interest and similar expenses on activities with customers	2 412 919	2 451 394
Interest and similar expenses on activities with credit institutions	874 558	592 376
Interest and similar expenses on debt securities issued	199 045	207 086
TOTAL INTEREST AND SIMILAR EXPENSES	**3 486 522**	**3 250 856**
NET INTEREST MARGIN	**7 346 377**	**7 010 544**

FEE INCOME PROVIDED FROM SERVICES at 31 December 2018

(thousand MAD)

FEES	12/31/2018	12/31/2017
Account management	237 689	222 827
Payment services	735 407	663 751
Securities transactions	46 930	52 669
Asset management and custody	84 828	81 866
Credit services	139 023	127 032
Commissions on advisory and assistance activities	-	
Sale of insurance products	119 593	118 240
Other services provided	442 511	368 835
TOTAL	**1 805 981**	**1 635 220**

GENERAL OPERATING EXPENSES at 31 December 2018

(thousand MAD)

EXPENSES	12/31/2018	12/31/2017
Staff costs	2 196 216	2 068 105
Taxes	147 475	122 812
External expenses	1 866 504	1 885 578
Other general operating expenses	59 581	18 863
Depreciation, amortisation and provisions on intangible assets and property, plant and equipment	447 657	412 389
TOTAL	**4 717 433**	**4 507 747**

INCOME FROM MARKET ACTIVITIES at 31 December 2018

(thousand MAD)

INCOME AND EXPENDITURES	12/31/2018	12/31/2017
+ Gains on trading securities	2 195 530	1 994 475
- Losses on trading securities	517 035	365 293
Income from activities in trading securities	**1 678 495**	**1 629 182**
+ Capital gains on disposal of available-for-sale securities	31	9
+ Write-back of provisions for impairment of available-for-sale securities	10 700	4 377
- Losses on disposal of available-for-sale securities	4 295	
- Provisions for impairment of available-for-sale securities	2 684	10 753
Income from activities in available-for-sale securities	**3 752**	**-6 367**
+ Gains on foreign exchange transactions - transfers	1 024 610	1 608 702
+ Gains on foreign exchange transactions - notes	96 954	100 026
- Losses on foreign exchange transactions - transfers	375 135	1 068 310
- Losses on foreign exchange transactions - notes	15 681	4 841
Income from foreign exchange activities	**730 748**	**635 577**
+ Gains on fixed income derivative products	158 923	44 826
+ Gains on foreign exchange derivative products		211 478
+ Gains on other derivative products	304 537	306 140
- Losses on fixed income derivative products		23 967
- Losses on foreign exchange derivative products	70 028	128 219
- Losses on other derivative products	356 999	308 420
Income from activities in derivatives products	**36 433**	**101 838**

INCOME FROM EQUITY SECURITIES at 31 December 2018

(thousand MAD)

CATEGORY	12/31/2018	12/31/2017
Available-for-sale securities	-	-
Investments in affiliates and other long-term investments	1 609 613	1 512 834
TOTAL	**1 609 613**	**1 512 834**

OTHER INCOME AND EXPENSES at 31 December 2018

(thousand MAD)

OTHER BANKING INCOME AND EXPENSES	12/31/2018	12/31/2017
Other banking income	3 800 263	4 288 009
Other banking expenses	2 494 509	2 936 757
TOTAL	**1 305 754**	**1 351 252**

OTHER NON-BANKING INCOME AND EXPENSES	12/31/2018	12/31/2017
Non-banking operating income	96 123	52 074
Non-banking operating expenses	1 887	3 469
TOTAL	**94 236**	**48 605**
Provisions and losses on irrecoverable loans	2 994 547	2 797 776
Provision write-backs and amounts recovered on impaired loans	1 911 212	2 045 997

NON-CURRENT INCOME AND EXPENSES	12/31/2018	12/31/2017
Non-current income	12 167	695
Non-current expenses	13 222	530 893

DETERMINING INCOME AFTER TAX FROM ORDINARY ACTIVITIES at 31 December 2018

(thousand MAD)

I- DETERMINING INCOME	MONTANT
Income from ordinary activities after items of income and expenditure	6 480 023
Tax write-backs on ordinary activities (+)	296 453
Tax deductions on ordinary activities (-)	1 707 895
Theoretical taxable income from ordinary activities (=)	5 068 581
Theoretical tax on income from ordinary activities (-)	1 875 375
Income after tax from ordinary activities (=)	4 604 648
II- SPECIFIC TAX TREATMENT INCLUDING BENEFITS GRANTED BY INVESTMENT CODES UNDER SPECIFIC LEGAL PROVISIONS	

DETAILED INFORMATION ON VALUE ADDED TAX at 31 December 2018

(thousand MAD)

TYPE	Balance at the beginning of the exercise 1	transactions liable to VAT during the period 2	VAT declarations during the period 3	Balance at the end of the exercise (1+2-3=4)
A. VAT collected	**122 272**	**1 508 244**	**1 469 504**	**161 013**
B. Recoverable VAT	**202 177**	**598 171**	**546 675**	**253 673**
On expenses	82 250	437 609	434 548	85 311
On fixed assets	119 927	160 562	112 127	168 362
C. VAT payable or VAt credit = (A-B)	**-79 905**	**910 073**	**922 829**	**-92 660**

RECONCILIATION OF NET INCOME FOR ACCOUNTING AND TAX PURPOSES at 31 December 2018

(thousand MAD)

Reconciliation statement	Amount	Amount
I- NET INCOME FOR ACCOUNTING PURPOSES	**4 603 983**	
. Net profit	4 603 983	
. Net loss		
II- TAX WRITE-BACKS	**2 171 438**	
1- Current	2 171 438	
- Income tax	1 874 985	
- Losses on irrecoverable loans not provisioned	27 029	
- General Provisions	205 000	
- Provisions for pension funds and similar obligations	55 603	
- Non-deductible exceptional expenses	3 509	
- Personalized gifts	5 312	
2- Non-current		
III- TAX		**1 707 895**
1- Current		1 707 895
- 100% allowance on income from investments in affiliates		1 603 910
- Write-back of provisions used		42 875
- Write-back of general contingencies		61 110
2- Non-current		
TOTAL	**6 775 421**	**1 707 895**
IV- GROSS INCOME FOR TAX PURPOSES		**5 067 526**
. Gross profit for tax purposes if T1 > T2 (A)		5 067 526
. Gross loss for tax purposes if T2 > T1 (B)		
V- TAX LOSS CARRY FORWARDS (C) (1)		
. Financial year Y-4		
. Financial year Y-3		
. Financial year Y-2		
. Financial year Y-1		
VI - NET INCOME FOR TAX		**5 067 526**
. Net profit for tax purposes (A - C)		5 067 526
. Net loss for tax purposes (B)		
VII - ACCUMULATED DEFERRED DEPRECIATION		
VIII - ACCUMULATED TAX LOSSES TO BE CARRIED		
. Financial year Y-4		
. Financial year Y-3		
. Financial year Y-2		
. Financial year Y-1		

(1) up to the value of gross profit for tax purposes (A)

SHAREHOLDING STRUCTURE at 31 December 2018

(thousand MAD)

Name of main shareholders or associates	Adress	number of shares held		% of share capital
		previous period	current period	
A- DOMESTIC SHAREHOLDERS				
* AL MADA	60, RUE D'ALGER , CAASBLANCA	97 433 137	97 433 137	46,43%
* GROUPE MAMDA & MCMA	16 RUE ABOU INANE RABAT	15 597 202	15 597 202	7,43%
* WAFA ASSURANCE	1 RUE ABDELMOUMEN CASA	13 226 583	13 226 583	6,30%
* REGIME COLLECTIF D'ALLOCATION ET DE RETRAITE	HAY RIAD - B.P 20 38 - RABAT MAROC	10 417 416	10 417 416	4,96%
* CIMR	BD ABDELMOUMEN CASA	7 860 780	7 860 780	3,75%
* CAISSE MAROCAINE DE RETRAITE	AVENUE AL ARAAR, BP 2048, HAY RIAD, RABAT	4 405 769	4 405 769	2,10%
* CAISSE DE DEPOT ET DE GESTION	140 PLACE MY EL HASSAN RABAT	3 576 531	3 576 531	1,70%
* BANK STAFF*	***************************	1 462 560	6 497 329	3,10%
* RMA WATANIYA	83 AVENUE DES FAR CASA	2 683 942	2 683 942	1,28%
* AXA ASSURANCES MAROC	120 AVENUE HASSAN II CASA	1 551 495	1 551 495	0,74%
* UCITS AND OTHER SHAREHOLDERS	***************************	34 596 197	35 893 881	17,10%
B- FOREIGN SHAREHOLDERS				
*SANTUSA HOLDING	AVND CANTABRIA S/N 28660 BOADILLA DEL MONTE.MADRID. ESPAGNE	10 715 614	10 715 614	5,11%
TOTAL		**203 527 226**	**209 859 679**	**100,00%**

(*) 3,65% including the Staff of the goup's subsidiaries

APPROPRIATION OF INCOME at 31 December 2018

(thousand MAD)

	Value		Value
A- origin of appropriated income		**B- Appropriation of income**	
Earnings brought forward	468	to legal reserve	-
Net income awaiting appropriation		Dividends	2 544 090
Net income for the financial year	4 158 011	Other items for appropriation	1 614 000
Deduction from income		Earnings carried forward	389
Other deductions			
TOTAL A	**4 158 479**	**TOTAL B**	**4 158 479**

BRANCH NETWORK at 31 December 2018

(thousand MAD)

BRANCH NETWORK	12/31/2018	12/31/2017
Permanent counters	1 200	1 191
Occasional counters		
Cash dispensers and ATMs	1 362	1 306
Branches in Europe	60	64
Representative offices in Europe and Middle-East	8	7

STAFF at 31 December 2018

(thousand MAD)

STAFF	12/31/2018	12/31/2017
Salaried staff	8 681	8 533
Staff in employment	8 681	8 533
Full-time staff	8 681	8 533
Administrative and technical staff (full-time)		
Banking staff (full-time)		
Managerial staff (full-time)	4 733	4 633
Other staff (full-time)	3 893	3 900
Including Overseas staff	55	58

SUMMARY OF KEY ITEMS OVER THE LAST THREE PERIODS at 31 December 2018

(thousand MAD)

ITEM	DECEMBER 2018	DECEMBER 2017	DECEMBER 2016
SHAREHOLDERS' EQUITY AND EQUIVALENT	**41 497 564**	**37 037 671**	**35 320 900**
OPERATIONS AND INCOME IN FY			
Net banking income	12 186 555	11 502 724	14 235 602
Pre-tax income	6 478 968	5 761 605	8 519 470
Income tax	1 874 985	1 603 594	1 584 422
Dividend distribution	2 544 090	2 442 327	2 238 799
PER SHARE INFORMATION IN MAD			
Earning per share			
Dividend per share	12,50	12,00	11,00
STAFF			
Staff Costs	**2 196 216**	**2 068 105**	**1 929 338**
Average staff during the FY			

KEY DATES AND POST-BALANCE SHEET EVENTS at 31 December 2018

(thousand MAD)

I. KEY DATES	
. Balance sheet date (1)	**31 december 2018**
. Date for drawing up the financial statements (2)	**march-19**

(1) Justification in the event of any change to the balance sheet date
(2) Justification in the event that the statutory 3-month period for drawing up the financial statements is exceeded.

II. POST-BALANCE SHEET ITEMS NOT RELATED TO THIS FINANCIAL YEAR KNOWN BEFORE PUBLICATION OF THE FINANCIAL STATEMENTS

Dates	Indication of event
. Favorable	**NOT APPLICABLE**
. unfavourable	**NOT APPLICABLE**

CUSTOMER ACCOUNTS at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Current accounts	203 123	187 961
Current accounts of Moroccans living abroad	841 753	816 418
Other current accounts	2 391 443	2 180 220
Factoring liabilities	477	7
Savings accounts	963 944	922 849
Term accounts	16 101	16 815
Certificates of deposit	2 707	2 699
Other deposit accounts	1 522 803	1 303 343
TOTAL	**5 942 351**	**5 430 312**

Contact : Financial Information and Investor Relations - Ibtissam Abouharia, e-mail : i.abouharia@attijariwafa.com
ir@attijariwafa.com

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