PILLAR III

as of June 30, 2017

التجاري وفا بنك
Attijariwafa bank

Believe in you

Pillar III : Risks and capital adequacy

The publication of financial information with regard to regulatory capital and risk exposure is conducted on a consolidated basis in compliance with Article 2 of directive 44/G/2007. Other information about the parent company and significant subsidiaries is published separately, in compliance with Article 8 of the same directive.

Pillar 3 of the Basel III framework aims to promote market discipline through regulatory disclosure requirements with regard to supplementary financial communication. These requirements enable market participants to access key information relating to a bank's regulatory capital and risk exposure, in order to increase transparency and confidence about a bank's exposure to risk and the overall adequacy of its regulatory capital.

I. Capital management and capital adequacy of Attijariwafa bank Group

1- Moroccan regulatory framework

The Moroccan regulatory framework is changing in compliance with the principles laid down by the Basel Committee. In 2007, Bank Al-Maghrib put forward the Basel II accord, which is based on three pillars:

- **Pillar 1**: calculation of minimum capital requirements for various prudential risks: credit risk, market risk, and operational risk;
- **Pillar 2**: implementation of internal reviews of capital adequacy and risks incurred. This pillar covers all quantitative and qualitative risks;
- **Pillar 3**: disclosure requirements and standardization of financial information.

Bank Al-Maghrib has also applied the Basel III Committee guidelines for regulatory capital. The new requirements took effect in June 2014.

2- Prudential scope of application

Solvency ratios prepared on a parent-company basis (domestic banking) and on a consolidated basis are subject to Basel Committee international standards and governed by Bank Al-Maghrib regulatory directives:

- circular 26/G/2006 (see technical note NT 02/DSB/2007) about the standard calculation of capital requirements with regard to credit, market, and operational risk;
- circular 14/G/2013 (see technical note NT 01/DSB/2014) about the Basel III calculation of regulatory capital of banks and credit institutions.

For ratios prepared on a consolidated basis, in accordance with Article 38 of circular 14/G/2013, the shareholdings of insurance and reinsurance companies shall be treated on a consolidated basis using the equity method, even where the shareholdings are wholly owned or part of a joint venture.

Name	Business activity	Country	Method	% control	% stake
Attijariwafa bank	Banking	Morocco	Top		
Attijariwafa bank Europe	Banking	France	IG	99.78%	99.78%
Attijari International Bank	Banking	Morocco	IG	100.00%	100.00%
Attijariwafa bank Egypt	Banking	Egypt	IG	100,00%	100,00%
CBAO Groupe Attijariwafa bank	Banking	Senegal	IG	83.07%	83.01%
Attijari bank Tunisie	Banking	Tunisia	IG	58.98%	58.98%
La Banque Internationale pour le Mali	Banking	Mali	IG	51.00%	51.00%
Crédit du Sénégal	Banking	Senegal	IG	95.00%	95.00%
Union Gabonaise de Banque	Banking	Gabon	IG	58.71%	58.71%
Crédit du Congo	Banking	Congo	IG	91.00%	91.00%
Société Ivoirienne de Banque	Banking	Ivory Coast	IG	67.00%	67.00%
Société Commerciale de Banque	Banking	Cameroon	IG	51.00%	51.00%
Attijaribank Mauritanie	Banking	Mauritania	IG	80.00%	53.60%
Banque Internationale pour l'Afrique Togo	Banking	Togo	IG	55.00%	55.00%
Wafasalaf	Consumer loans	Morocco	IG	50.91%	50.91%
Wafabail	Leasing	Morocco	IG	98.10%	98.10%
Wafa Immobilier	Mortgage loans	Morocco	IG	100.00%	100.00%
Attijari Factoring Maroc	Factoring	Morocco	IG	100.00%	100.00%
Wafa LLD	Long-term leasing	Morocco	IG	100.00%	100.00%
Attijari Immobilier	Mortgage loans	Morocco	IG	100.00%	100.00%

3- Capital composition

In June 2014, Bank Al-Maghrib's prudential regulations for the adoption of Basel III entered into force. Consequently, Attijariwafa bank is required to comply with, on both an individual and a consolidated basis, a core-capital ratio of no less than 8.0% (including a conservation buffer of 2.5%), a Tier 1[1] capital ratio of no less than 9.0%, and a Tier 1 and Tier 2 capital ratio of no less than 12.0%.At the end of June 2017, in accordance with circular 14/G/2013, the regulatory capital of Attijariwafa bank Group comprised both Tier 1 and Tier 2 capital.

Tier 1 capital is determined on the basis of Core Equity Tier 1 capital (CET1) and additional Tier 1 adjusted for: the anticipated distribution of dividends; the deduction of goodwill, intangible assets, and unconsolidated equity investments[2] that are held in the capital of credit institutions and equivalent in Morocco and abroad, and in the capital of entities with banking-related operations in Morocco and abroad and prudential filters.

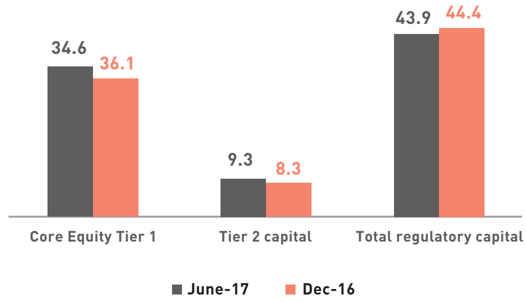
Tier 2 capital consists mainly of subordinated debt whose initial maturity is less than five years. An annual discount of 20% is applied to subordinated debt with less than five years of residual maturity. Tier 2 capital is restricted to 3% of risk-weighted assets.

(in MAD thousands)

	June - 2017	Dec. - 2016
Tier 1 capital= CET1+AT1	**34,603,891**	**36,103,150**
Items to be included in core capital	45,225,684	43,695,364
Share capital	2,035,272	2,035,272
Reserves	37,960,841	35,904,290
Retained earnings	1,372,201	2,317,048
Minority interests	3,981,162	3,584,268
Ineligible core capital	-123,792	-145,514
Items to be deducted from core capital	-11,121,793	-8,092,214
Core Equity Tier 1 (CET1)	**34,103,891**	**35,603,150**
Additional Tier 1 capital (AT1)	**500,000**	**500,000**
Tier 2 capital	**9,267,490**	**8,289,691**
Subordinated debt with maturity of at least five years	9,080,210	8,065,549
Unrealized gains from marketable securities	131,709	146,831
Other items	133,572	141,812
Ineligible Tier 2 capital	**-78,000**	**-64,500**
Total regulatory capital	**43,871,382**	**44,392,841**

At June 30, 2017, Group statutory shareholders' equity amounted to KMAD 34,603,891. They include KMAD 500 000 additional Tier 1 following the issuance of perpetual subordinated debts in December 2016 fulfilling the eligibility criteria for additional Tier 1 as described by Bank Al Maghrib circular 14/G/2013. Group Tier 2 capital amounted to **MAD 9,267,490 thousand**. Total capital amounted to **MAD 43,871,382 thousand**, down by 1,2% compared to December 2016.

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



4- Solvency ratio

At 30 June 2017, the Group's Core Equity Tier 1 ratio (T1) amounted to 9.70% and its capital adequacy ratio stood at 12.30%.

(in MAD thousands)

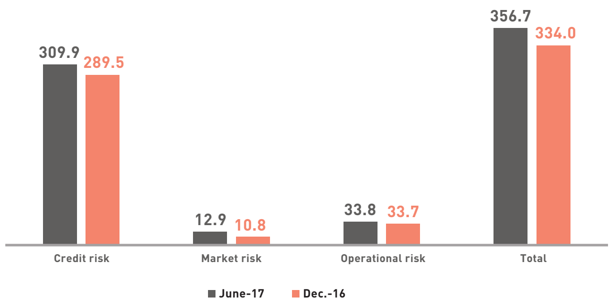
	June-17	Dec-16
Core capital	34,603,891	36,103,150
Total capital	43,871,382	44,392,841
Risk-weighted assets	**356,695,251**	**333,999,394**
Core equity Tier 1 ratio (CET1)	9.70%	10.81%
Capital adequacy ratio	**12.30%**	**13.29%**

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

At June 30, 2017, total risk-weighted assets for Pillar I, in compliance with circular 26/G/2006 (standards for calculating capital requirements under credit and market risk, using the standardized approach) for Attijariwafa bank Group amounted to MAD 356,695,251 thousand. Risk-weighted assets are calculated by means of the standardized approach for credit, counterparty, and market risks, and by means of the Basic Indicator approach for operational risks.

	Pillar I	
	Hedged risk	Method for assessment and management
Credit and counterparty risk	√	Standardized approach
Market risk	√	Standardized approach
Operational risk	√	BIA (Basic Indicator Approach)

Changes in weighted risks in Attijariwafa bank group (in MAD billions)



1) Tier 1 capital is composed of equity capital and additional capital (any instrument that can be converted to capital or depreciated when the solvency ratio falls below a predefined threshold of 6%) after deductions and prudential adjustments

2) Equity holdings of more than 10% whose historical value is less than 10% of Group Tier 1 capital are weighted at 250%.

• Capital requirements and risk-weighted assets of Attijariwafa bank Group:

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

(in MAD thousands)

	June - 2017		Dec. - 2016		Change	
	Risk-weighted assets	Capital requirements[3]	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements
Credit risk on balance sheet	**248,505,722**	**19,880,458**	**230,334,212**	**18,426,737**	**18,171,510**	**1,453,721**
Sovereigns	15,883,986	1,270,719	10,795,819	863,666	5,088,167	407,053
Institutions	16,407,492	1,312,599	11,140,332	891,227	5,267,160	421,373
Corporate	170,574,635	13,645,971	164,289,132	13,143,131	6,285,504	502,840
Retail	45,639,610	3,651,169	44,108,929	3,528,714	1,530,680	122,454
Credit risk off balance sheet	**36,790,991**	**2,943,279**	**36,062,173**	**2,884,974**	**728,818**	**58,305**
Sovereigns	1,472,803	117,824	200,000	16,000	1,272,803	101,824
Institutions	1,401,140	112,091	1,242,027	99,362	159,113	12,729
Corporate	33,471,202	2,677,696	34,368,914	2,749,513	-897,712	-71,817
Retail	445,847	35,668	251,232	20,099	194,615	15,569
Counterparty risk[4]	**1,296,658**	**103,733**	**2,133,914**	**170,713**	**-837,256**	**-66,980**
Institutions	174,174	13,934	817,447	65,396	-643,273	-51,462
Companies	1,122,484	89,799	1,316,467	105,317	-193,983	-15,519
Credit risk from other assets[5]	**23,359,519**	**1,868,761**	**20,944,965**	**1,675,597**	**2,414,554**	**193,164**
Market risk	**12,941,490**	**1,035,319**	**10,839,341**	**867,147**	**2,102,149**	**168,172**
Operational risk	**33,800,871**	**2,704,070**	**33,684,790**	**2,694,783**	**116,081**	**9,286**
Total	**356,695,251**	**28,535,620**	**333,999,394**	**26,719,952**	**22,695,857**	**1,815,669**

1- Credit risk

The amount of weighted credit risk is calculated by multiplying the assets and the off balance sheet by the weight coefficients provided for in Articles 11–18 and 45–47 of circular 26/G/2006. Credit risk depends mainly on the type of commitment and the counterparty.

Risk-weighted assets are calculated from net exposure less guarantees and collateral, then adjusted by risk weight (RW). Off-balance-sheet commitments are also weighted by the conversion coefficient factor (CCF).

• Analysis of credit risk by segment

The following wokrdom shows the net and weighted exposure to credit risk for various segments, by type of commitment: on and off balance sheet.

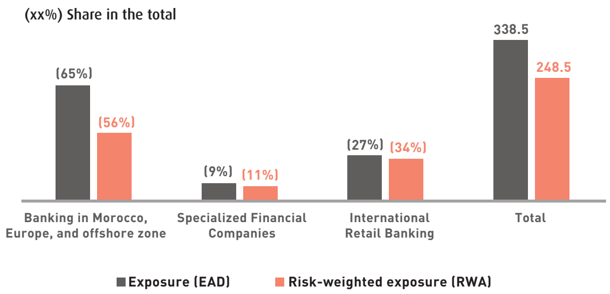
(in MAD thousands)

	Exposure before CRM (EAD)[6]		Risk-weighted exposure after CRM (RWA)	
	BALANCE SHEET	OFF BALANCE SHEET[7]	BALANCE SHEET	OFF BALANCE SHEET
Sovereigns	32,400,930	10,401,252	15,883,986	1,472,803
Institutions	21,506,619	166,188	427,463	33,238
Credit establishments and equivalent	28,534,759	8,190,220	15,980,028	1,367,902
Large enterprises	172,295,433	102,384,812	170,574,635	33,471,202
Retail customers	83,815,712	2,008,818	45,639,610	445,847
Total	**338,553,453**	**123,151,290**	**248,505,722**	**36,790,991**

• Analysis of balance-sheet credit risk by business line

The following Breakdown shows the net and weighted exposure to Group balance-sheet credit risk by business line.

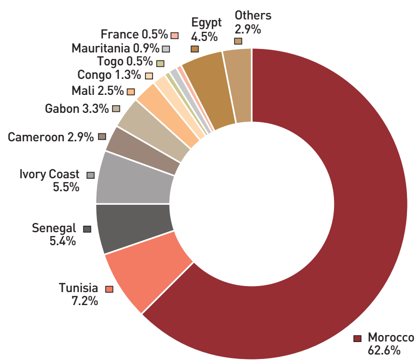
Breakdown of credit risk by business activity in June 2017 (in MAD billion)



• Geographic analysis of risk-weighted assets

Below is a breakdown of balance-sheet credit risk, by country of the counterparty bearing the default risk. In compliance with Bank Al-Maghrib regulations, when a country rating is less than B– (e.g., Mali, Mauritania, and Togo), sovereign and corporate risk is weighted at 150%.

Geographical breakdown of weighted risks



2- Counterparty risk

Market activities (involving contracts with two counterparties) expose the bank to default risk of the counterparty. The amount of risk depends on market factors that might affect the future value of the transactions involved.

• Analysis of net and weighted exposure to counterparty risk, by prudential segment

At June 30, 2017, the Group's net exposure to counterparty risk to security-financed transactions and derivative products totaled **MAD 32,742,972 thousand**, increased by 133% compared to December 2016. Risk-weighted exposure came to **MAD 1,296,658 thousand**, down by 39% compared to December 2016.

(in MAD thousands)

	June 2017		December 2016	
	Exposure at default (EAD)	Risk-weighted assets (RWA)	Exposure at default (EAD)	Risk-weighted assets (RWA)
Sovereign	27,187,695	0	1,971,488	0
Credit establishments and equivalent	382,319	174,174	3,830,398	817,447
Corporate	5,172,958	1,122,484	8,278,127	1,316,467
Total	**32,742,972**	**1,296,658**	**14,080,013**	**2,133,914**

3) Calculated as 8% of risk-weighted assets.
4) Credit risk arising from market transactions, investments, and settlements.
5) Fixed assets, various other assets, and equity holdings not deducted from capital.
6) CRM: Credit-risk mitigation: techniques employed by financial institutions to reduce their counterparty risk.
7) Off-balance-sheet commitments comprise financial and other guarantees.

3- Market risk

Pursuant to Article 48 of circular 26/G/2006 of Bank Al-Maghrib, market risk is defined as risk of losses due to fluctuations in market prices. The definition comprises:

- risk related to instruments in the trading book;
- currency risk and commodities risk for all assets on and off the balance sheet except those in the trading book.

Article 54 of circular 26/G/2006 describes the regulatory authority's methods for calculating all categories of market risk.

Market risk comprises:

• Interest-rate risk

Interest-rate risk is calculated for fixed-income products in the trading book. It is the total general and specific risk related to interest rates.

Capital requirements for general interest-rate risk are calculated using the amortization-schedule method. Specific risk is calculated from the net position. The weighting depends on the type of issuer and the maturity of the security, on the basis of the criteria listed in the technical note for 26/G/2006 (see Article 54, part I, paragraph A).

• Equity risk

The calculation of equity risk comprises: stock positions, stock options, stock futures, index options, and other derivatives whose underlying instrument is a stock or an index. Total equity risk is the sum of general and specific equity risk.

Capital requirements for general equity risk (see Article 54, part II, paragraph B of the technical note for 26/G/2006) represents 8% of the total net position.

Specific risk is calculated on the total position by applying the weightings indicated by the regulatory authority, in accordance with the type of asset.

• Currency risk

Capital requirements for currency risk are calculated whenever the total net position exceeds 2% of the core capital. The total net position corresponds to the highest position between the total long positions and the total short positions for the same currency.

• Capital requirements for market risks

(in MAD thousands)

Capital requirements	June 17	December 16
Interest-rate risk	**986,190**	**717,094**
Specific interest-rate risk	172,888	130,159
General interest-rate risk	813,302	586,935
Equity risk	**7,598**	**11,722**
Currency risk	**41,502**	**138,295**
Commodity risk	**29**	**37**
Total	**1,035,319**	**867,147**

4- Operational risk

Operational risk is calculated using annual NBI for the three past years and Basic Indicator Approach.

Capital requirements are 15% of the average NBI for the past three years.

• Capital requirements for operational risk by business line

(in MAD thousands)

Capital requirements	Banking in Morocco, Europe, and offshore zone	Specialized finance companies	International retail banking	Total
June 2017	1,507,170	342,744	854,156	2,704,070
Dec 2016	1,537,983	329,559	818,369	2,694,783

5- Credit-risk mitigation techniques

Credit-risk mitigation techniques are recognized pursuant to the regulations of Basel II. Their effect is measured by scenario analysis of an economic downturn. There are two main categories of credit-risk mitigation techniques: personal guarantees and collateral.

- A personal guarantee is a commitment made by a third party to replace the primary debtor in the event of default by the latter. By extension, credit insurance and credit derivatives (e.g., protective calls) also belong to this category.
- Collateral is a physical asset placed with the bank as guarantee that the debtor's financial commitments will be satisfied in a timely manner.
- As shown below, exposure can be mitigated by collateral or a guarantee in accordance with criteria established by the regulatory authority.

Collateral	Personal guarantees
Cash, equities, mutual funds, etc. Mortgages	Collateral, Insurance, Credit derivatives

Bank Al Maghrib regulations by standardized approach

Eligibility criteria

• Eligibility of credit-risk mitigation techniques

Attijariwafa bank Group calculates its solvency ratio using the standardized approach, which, contrary to IRB approaches, limits credit-risk mitigation techniques.

For risks treated using the standardised approach:

- personal guarantees are taken into account (subject to eligibility) by enhanced weighting that corresponds to that of the guarantor, for the guaranteed portion of the exposure which accounts for any currency and maturity mismatch.
- collateral (e.g., cash, securities) are subtracted from exposure after any currency and maturity mismatch has been accounted for.
- collateral (e.g., mortgages) that meet eligibility conditions which allow a more favorable weighting for the debt that they guarantee.

Below is a comparative table of collateral eligible on the basis of two methods: standardized and advanced.

	Standardized approach	Advanced approach	
		IRB	IRB advanced
Financial collateral			
• Liquidities/DAT/OR	√	√	√
• Fixed-income securities			
- Sovereign issuer with a rating of ≥ BB-	√	√	√
- Other issuers ≥ BBB-	√	√	√
- Other (without external rating but included in internal-rating models)	X	X	√
• Equities			
- Principal index	√	√	√
- Primary stock exchange	√	√	√
- Other	X	X	√
• Mutual funds and private equity	√	√	√
Collateral			
• Mortgage on a residential property loan	√	√	√
• Mortgage on a commercial property lease	√	√	√
• Other collateral as long as: - there is a liquid market for disposal of the collateral; - there is a reliable market price applicable to the collateral.	X	√	√
Personal guarantees			
• Sovereign banks and other entities ≥ A-	√	√	√
• Other entities < A-	X	X	√
• Unrated entities	X	X	√
Credit derivatives			
• Sovereign issuers, MDB, and financial institutions or other entities with a rating ≥ A-	√	√	√
• Other	X	√	√

• CRM amounts

Below are the guarantees and collaterals (real and financial) as at the end of June 2017, as well as the hedge amounts for credit risk included in the calculation of risk-weighted assets (standardised approach) at the end of June 2017:

(in MAD thousands)

	June-17
Guarantees and collateral	**158,995,681**
Collateral	3,742,471
Real and financial collateral[8]	155,253,210
Guarantees and collateral eligible for the standardised approach	**62,934,320**
Guarantees	3,742,471
Real and financial collateral	59,191,849
Mortgage on residential home loan	53,190,870
Mortgage on commercial lease	6,000,979
Other	

III. Information on significant subsidiaries

1- Regulatory framework

At the parent-company level, Attijariwafa bank must satisfy capital requirements calculated in accordance with the same prudential standards required by Bank Al-Maghrib as those for the consolidated level.

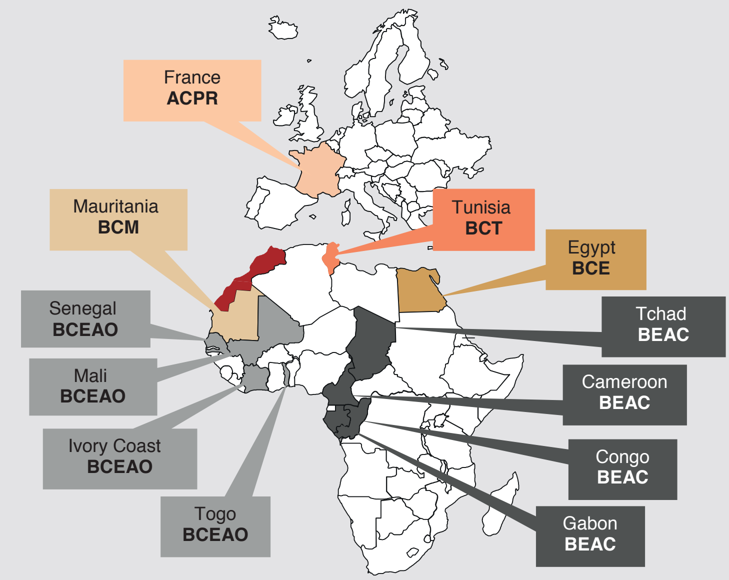
All subsidiary credit institutions in Morocco: Wafabail, Wafasalaf, and Attijari Factoring individually report their solvency ratios to Bank Al-Maghrib, as governed by:

- circular 25/G/2006 (in compliance with Basel I) on calculating capital requirements for credit risk;
- circular 14/G/2013 (see technical note NT 01/DSB/2014) on calculating the regulatory capital of banks and credit institutions (in compliance with Basel III).

Wafa assurance is governed by the regulations of the Autorité de Contrôle des Assurances et de Prévoyance Sociale (ACAPS, the Moroccan insurance regulatory authority).

Attijariwafa bank Group's international banking subsidiaries calculate their capital requirements in accordance with local prudential standards in the jurisdictions of the countries in which they do business. They are in compliance with Basel I standards in Africa (Tunisia, Mauritania, WAEMU, CAEMC) and with Basel III standards in Europe.

Regulatory authorities of Attijariwafa bank international subsidiaries



BCT: Tunisian Central Bank

BCM: Mauritanian Central Bank

ACPR: Prudential Supervisory Authority

BCEAO: Central Bank of West African States, which oversees banks operating in the WAEMU

BEAC: Central Africa Bank that oversees banks operating in the CAEMC zone

8) Collateral at domestic-banking level.

2- Ratios of principal subsidiaries

The following table provides information on the solvency of Group subsidiaries. The parent-company scope corresponds to in-house outstandings.

Entités	Régulateur	Minimum requis	FP réglementaires (milliers)	Risques pondérés (milliers)	Ratio global	FP réglementaires (milliers MAD)[9]	Risques pondérés (milliers MAD)
Attijariwafa bank	Bank Al-Maghrib	12%	29,751,153	234,579,372	12,68%	29,751,153	234,579,372
Wafasalaf	Bank Al-Maghrib	12%	1,364,688	11,328,301	12,05%	1,364,688	11,328,301
Wafabail	Bank Al-Maghrib	12%	1,112,019	9,268,919	12,00%	1,112,019	9,268,919
Wafa Immobilier	Bank Al-Maghrib	12%	54,060	243,696	22,18%	54,060	243,696
Attijari Factoring	Bank Al-Maghrib	12%	192,767	669,711	28,78%	192,767	669,711
Attijariwafa bank Egypt	BCE	11.25%	3,393,399	19,598,584	17,31%	1,801,216	10,402,928
Attijari bank Tunisie	BCT	10%	592,192	5,273,081	11,23%	2,375,697	21,154,019
CBAO	BCEAO	8%	68,233,000	579,725,000	11,77%	1,142,016	9,702,857
Attijariwafa bank Europe	ACPR	12%	43,875	313,941	13,98%	481,682	3,446,603

Filiale	Régulateur	Marge	Minimum de la marge de solvabilité	Ratio
Wafa Assurance	ACAPS	7,035,014	1,702,087	413.32%

IV. Internal capital management

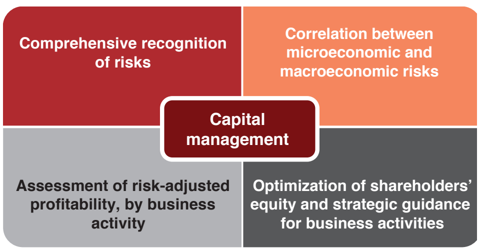
1- Capital management

In recent years, the forecasting of capital requirements has become a vital part of Attijariwafa bank Group's strategic planning. Since Bank Al-Maghrib adopted Basel II in 2006, regulations have undergone constant change, resulting in ever-increasing needs for capital.

The Group's capital-management policy is designed to control this costly obligation and all associated factors. The policy aims to ensure that the Group and its subsidiaries remain solvent and satisfy prudential requirements on both the consolidated and parent-company levels (respecting prudential rules of the local regulatory authority) while simultaneously optimizing returns for shareholders, who provide the required capital.

The capital-management policy extends beyond the regulatory framework, to overseeing investments and their returns (calculations of IRR, dividend forecasts, divestments, tax engineering, etc.), thereby ensuring optimal capital allocation for all business lines and fulfilling capital requirements for both strategic goals and regulatory changes.

Targets for « Capital Management »



2- Governance

The Finance Department's Capital Management Committee (CMC) meets semi-annually, It's Composed of the members of the General Management Committee, the managers of the risk business lines and the Finance Department. The Secretary of the Capital Management Committee is responsible for the entity "Financial Management and Capital Management". The main missions of the CCM can be summarized as follows :

- define the capital-management policy and the changes needed on the basis of market conditions and competition, regulations, interest rates, cost of capital, etc.;
- anticipate capital requirements for the Group and its subsidiaries and credit institutions, for the next 18 months;
- analyze capital allocation by business line and division;
- make decisions on subjects that can impact capital (all Group entities).

In general, support all actions and initiatives that promote optimized capital management.

3- Regulatory stress tests

The results of regulatory stress tests (Bank Al-Maghrib directive 01/DSB/2012) are reported twice yearly to the regulatory authority. At the end of June 2017, post-shock solvency ratios for Tier 1 and total capital of Attijariwafa bank were superior than the minimum regulatory requirements.

Regulatory stress tests at the end of June 2017 covered the following scenarios:

- **Credit risk**: claims rising from 10% to 15%, representing high risk for total portfolio and per business segment
- **Concentration risk**: default of the main relationships
- **Market risk:**
  - MAD weakening against the EUR;
  - MAD weakening against the USD;
  - yield curve shifts;
  - interest rates rise;
  - share prices fall;
  - NAVs of mutual funds (bond, money market, etc.) decline.
- **Country risk:**
  - stress tests on loans to non-residents in countries with political instability;
  - stress tests on loans to non-residents in countries to which the bank has significant exposure.

4- Forecast ratios

Individual and consolidated capital adequacy ratios (CAR) forecast over the next 18 months are well above the current minimum regulatory level of 9.0% for Tier 1 and 12.0% for CAR through the internal policy of capital management.

Forecast ratio in an individual basis

Projections conducted with a constant prudential environment and constant accounting standard.

In MAD billion	Dec.-16	June-17	Dec.-17 F	June-18 F	Dec.-18 F
Tier 1 capital	27.2	23.8	24.1	24.0	24.0
Tier 2 capital	5.5	6.0	6.5	7.2	7.7
Total regulatory capital	**32.7**	**29.8**	**30.5**	**31.2**	**31.8**
Risk-weighted assets	**229.3**	**234.6**	**246.0**	**252.1**	**258.1**
Core equity Tier 1 ratio	11.84%	10.14%	9.78%	9.52%	9.31%
Capital adequacy ratio	14.24%	12.68%	12.42%	12.37%	12.31%

Forecast ratio in a consolidated basis

Projections conducted with a constant prudential environment and constant accounting standard.

In MAD billion	Dec.-16	June-17	Dec. 17 F	June 18 F	Dec. 18 F
Tier 1 capital	36,1	34,6	36,5	38,2	40,0
Tier 2 capital	8,3	9,3	9,9	9,7	10,1
Total regulatory capital	**44,4**	**43,9**	**46,4**	**47,9**	**50,2**
Risk-weighted assets	**334,0**	**356,7**	**374,0**	**387,3**	**401,6**
Core equity Tier 1 ratio	10,81%	9,70%	9,75%	9,86%	9,97%
Capital adequacy ratio	13,29%	12,30%	12,40%	12,37%	12,49%

V. Corporate Governance

Governance system established adheres to the general corporate principles. This system consists of six control and management bodies emanating from the Board of Directors.

Board of Directors

The Board of Directors (BD) consists of a group of institutions and individual persons (administrators) in charge of managing the bank. They are appointed by the shareholders general meeting. The BD includes several members including a chairman and a secretary.

Any institution which is member of the BD appoints an individual person to represent it. The organization and the prerogatives of the BD are set by the bank by-laws and are subject to national law.

1- General Management Committee

The general management committee joins together the heads of the various centers under the chairmanship of the Chairman and Chief Executive Officer.

This Committee meets once a week and provides a summary view of the operational activities in the different sectors and prepares questions to be submitted to the Board of Directors in a joint approach.

Member	Function	Since
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer	2007
Mr. Boubker JAI	Managing Director	2003
Mr. Omar BOUNJOU	Managing Director	2004
Mr. Ismail DOUIRI	Managing Director	2008
Mr. Talal EL BELLAJ	Managing Director	2014

2- General Management and Coordination Committee

The General Management and Coordination Committee is a discussion body to exchange and share information. More particularly, this committee:

- Provides overall coordination between the different programs of the Group and focuses primarily on the review of key performance indicators;
- Acknowledges the major strategic guidelines, the Group's general policy and also the decisions and the priorities defined in ad hoc meetings;
- Takes functional and operational decisions to maintain objectives and optimize results.

Chaired by the Committee's chairman or at least by two senior managers, this committee meets monthly and consists of members of the General Management and also the managers of the main business lines.

Member	Function	Title
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer	Chairman and Chief Executive Officer
Mr. Omar BOUNJOU	Managing Director, Retail Banking Division	Managing Director
Mr. Ismail DOUIRI	Managing Director, Finance, Technology and Operations Division	Managing Director
Mr. Boubker JAI	Managing Director, Corporate and Investment Banking, Capital Markets and Financial Subsidiaries	Managing Director
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management	Managing Director
Mr. Saad BENJELLOUN	Head of the Great Casablanca region	Deputy Managing Director
Mr. Saad BENWAHOUD	Head of North-West region	Deputy Managing Director
Mr. Said SEBTI	Head of North-East region	Deputy Managing Director
Mr. Mohamed BOUBRIK	Head of South-West region	Executive Director
Mr. Rachid EL BOUZIDI	Retail Banking Support Functions	Executive Director
Mr. Fouad MAGHOUS	Head of South region	Executive Director
Mr. Hassan BEDRAOUI	Managing Director, Attijariwafa bank Europe	Deputy Managing Director
Mr. Mouaouia ESSEKELLI	Transaction Banking Group	Deputy Managing Director
Mr. Omar GHOMARI	Specialized Financial Companies	Deputy Managing Director
Mrs. Wafaa GUESSOUS	Procurement, Logistics and Secretary of the Board	Deputy Managing Director

Mr. Jamal AHIZOUNE	International Retail Banking	Deputy Managing Director
Mr. Youssef ROUISSI	Corporate & Investment Banking	Deputy Managing Director
Mr. Hassan BERTAL	Transformation Office	Deputy Managing Director
Mr. Younes BELABED	Group General Audit	Executive Director
Mrs Saloua BENMEHREZ	Group Communication	Executive Director
Mr. Ismail EL FILALI	Back Offices and Customer Services	Executive Director
Mrs Malika EL YOUNSI	Group Legal Advisory	Executive Director
Mr. Badr ALIOUA	Private Banking	Executive Director
Mr. Rachid KETTANI	Group Finance Division	Executive Director
Mrs. Soumaya LRHEZZIOUI	Group Information Systems	Executive Director
Mr. Driss MAGHRAOUI	Retail & Business Markets	Executive Director
Mr. Mohamed SOUSSI	Group Human Resources	Executive Director
Mr. KARIM IDRISSI KAITOUNI	Head of SMEs Banking	Executive Director

3- Other Committees reporting to the Board of Directors

• Strategic Committee:

Chaired by the Chairman and Chief Executive Officer, this committee is in charge of operational results and strategic projects of the Group. This committee meets every two months.

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director

• Group Risk Committe:

The Group Risk Committee meeting upon call from the Chairman and Chief Executive Officer, examines and hands down judgment on the direction to be taken by the commitments and investments beyond a certain threshold.

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director
Guest Members	
Mr. Ismail DOUIRI	Managing Director, Finance, Technology and Operations Division
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management

• Group Audit Committee:

The Group Audit Committee monitors the Risk, Audit, Internal Control, Accounting and Compliance functions. This committee meets quarterly.

Member	Function
Mr. Abed YACOUBI-SOUSSANE	Chairman
Mr. Abdelmjid TAZLAOUI	Director
Mr. José REIG	Director
Guest Members	
Mr. Talal EL BELLAJ	Managing Director, Global Risk Management
Mr. Younes Belabed	Executive Director - General Audit
Mr. Rachid KETTANI	Executive Director - Group Finance
Mrs Bouchra BOUSSERGHINE	Group Compliance Officer

• Appointment and Remuneration Committee:

Meeting annually, the appointment and remuneration committee manages the appointments and remunerations of the group's principal executives.

Three sub-committees issued from "Appointment and Remuneration Committee", with different compositions depending on the prerogatives of each sub-committee.

Member	Function
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director

Member	Function
Mr. Mounir EL MAJIDI	Director, Representing SIGER
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank

Member	Function
Mr. Mohamed EL KETTANI	Chairman and Chief Executive Officer Attijariwafa bank
Mr. Hassan OURIAGLI	Director, Representing SNI
Mr. José REIG	Director

التجاري وفا بنك
Attijariwafa bank

Believe in you