

ACTIVITY REPORT

2018



التجاري وفا بنك
Attijariwafa bank

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Looking to the future

2018 was a year in which Attijariwafa bank Group accomplished many things and made strategic progress in a number of areas. It is therefore able to look to the future with confidence.

The dynamism shown by Attijariwafa bank Group in 2018, bodes well for the future. Against a backdrop of continued industry-wide growth, we were able to consolidate our position as market leader. The Group's remarkable results show that our 'Energies 2020' strategic plan, which is primarily focused on helping us adapt to our constantly-evolving digital world, is yielding enormous dividends.

CHAIRMAN'S MESSAGE

Building the bank of the future, today

Our digital transformation is proceeding at a fast pace. We are preparing the Group for the future by developing powerful new technologies such as augmented reality and artificial intelligence. Tomorrow, the challenge facing the Bank will be to digitalise customer experience still further with a view to making it entirely omni-channel. We are already working on it. We are seizing the opportunities offered by a new relationship-based model to improve customer experience by adopting new commercial and managerial approaches. We are also endeavouring to make our staff and organisations more flexible to be able to respond even more rapidly to our customers in what is a highly competitive marketplace.

Reinventing our businesses by leveraging our respective strengths

Tomorrow, the entire customer experience will be compelled to change. And that's when our ability to innovate will come into play, by anticipating customers' new preferences and habits and adapting our products and services to meet their needs. We are continuing to adopt an open innovation mindset, leveraging ideas from within our internal ecosystem as well as drawing inspiration from the very latest methodological and technological approaches employed by start-ups and our partners.

Remaining the partner of choice for corporates

We are also determined to make an even greater effort to help small businesses and large companies carry out their projects. The Dar Al Moukawil system is being constantly expanded and enhanced with additional services to enable us to continuously improve the support that we provide. And we are forever renewing our commitment to helping Moroccan businesses grow by providing financial support. In 2018, we earmarked as much as MAD 26 billion to finance small businesses.

Extending our know-how to those countries in which we have operations

Last year, we also focused on extending our know-how to those countries in which we have operations, particularly Egypt, where we are leveraging the Group's longstanding experience and considerable expertise by adapting existing practices to the Egyptian context, so as to attract, equip and finance retail customers – individuals, professionals, SMEs and small businesses. We are introducing new business lines that are largely or entirely unfamiliar to the local marketplace.

We would also like to provide Egyptian and regional corporates with the Group's extensive expertise in project finance, advisory, trade finance, transactional banking and risk management products as well as access to our African network.

Doing even more to reconcile performance with social responsibility

Attijariwafa bank Group is constantly striving to nurture a solid trustworthy relationship with all its stakeholders, a relationship underpinned by values such as empathy, being permanently attentive, sincerity, transparency, professionalism and ethical behaviour. Our business is underpinned by our expertise, control and the dissemination of best practices as well as our guarantee of a service of quality. Our greatest source of pride almost certainly comes from the fact that, despite being so successful financially, we remain a socially-responsible company. In 2018, we once again made great strides, which earned us due recognition from a number of highly-renowned external organisations.

We approach the future with confidence and determination. We intend to play our part in the ongoing construction of the African banking industry. And beyond that, to continually lend our support to a rapidly developing Africa.

Mohamed EL KETTANI

Chairman & Chief Executive Officer
Attijariwafa bank Group

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Customer Experience

Tomorrow, we will be even more connected to our customers



32

Transformation

Tomorrow, we will remain at the forefront of market trends

40

Africa's Growth Dynamic

Tomorrow, we will continue to contribute to countries' economic development



54

Responsibility

Tomorrow, we will create even more shared value

GROUP PROFILE

“

Attijariwafa bank Group has been contributing to Morocco's economic development for more than a century, playing a decisive role in the financial sector's modernisation. By constantly diversifying its businesses, it has remained market leader in each market segment.

Over its entire history, the Group has managed to show a high degree of confidence in its environment, demonstrate an ongoing commitment to serving its customers as well as remaining heavily involved in Morocco's social development by providing ever-increasing support to disadvantaged communities.

The Group's 20,125 employees and its network of 4,930 branches serve more than 9.7 million retail, professional, corporate and institutional customers.

Attijariwafa bank's «Believe in you» corporate slogan embodies the confidence in which the Group has in each of its partners.

A PAN-AFRICAN GROUP COMMITTED TO SERVING ITS CUSTOMERS

Leading deposit-taker in Morocco

MAD **459.9** billion
of deposits taken

Leading lender to the economy

MAD **305.1** billion
of loans disbursed

20,125 employees
in **25** countries

9.7 million customers,
comprising individuals,
professionals, corporates
and financial institutions

Africa's No. 1 branch network

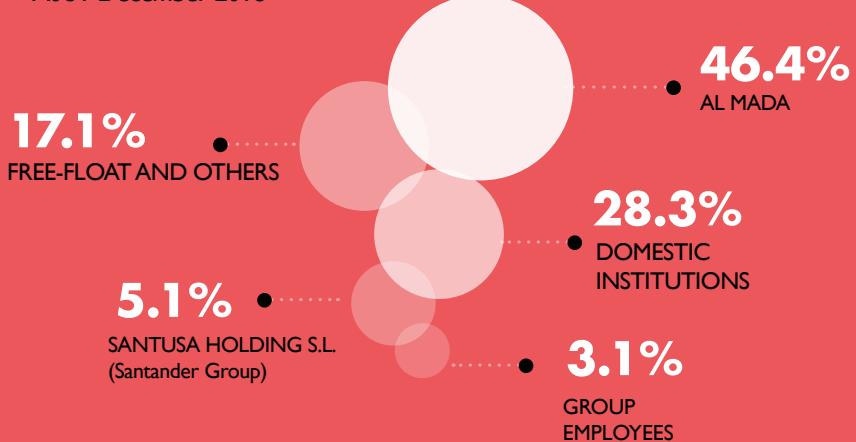


SHARE CAPITAL

MAD **2,098,596,790** MAD

Shareholders

At 31 December 2018



A RESPONSIBLE AND COMMITTED GROUP

Included in Casablanca Stock Exchange's **CSR index**

1st bank in Africa and in the MENA region to be accredited by the **Green Climate Fund**

More than **MAD 6 billion** of loan commitments to the renewable energy sector

A DIGITAL AND INNOVATIVE GROUP

Just under **450 thousand** active online customers

More than **7 million** connections each month

Nearly **6 million** digital transactions in 2018

2018 review

A YEAR IN WHICH GREAT STRIDES WERE MADE

The new relationship-based model

Service and responsiveness are the commercial values that underpin Attijariwafa bank Group's new relationship-based model. As a result, the Group has adopted highly digitalised processes and has changed its commercial and managerial approach to be able to offer its customers a seamless experience between channels – branch networks, self-service banking kiosks, the Customer Relationship Centre and mobile banking.

93%
of customers are satisfied
with the Group's services

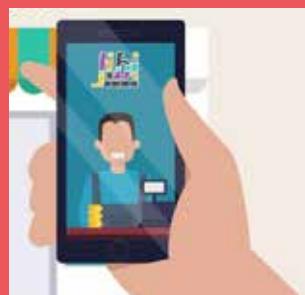


The Supply Chain Finance Plan

This new plan is far more than just a range of services. It is a comprehensive support system for industrial ecosystems, designed to reduce supplier finance costs and financial risk for each link along the supply chain.

Morocco's first mobile payment account

In July 2018, Wafacash launched JIBI and JIBI PRO, Morocco's first mobile payment accounts designed for individuals and storekeepers respectively.



6th edition of FIAD an unmitigated success

The 6th edition of the Africa Development International Forum, organised on the theme of 'When West meets East', was an unmitigated success. More than 2,000 participants from 35 countries attended and no fewer than 5,000 business meetings were organised over two days.

Attijariwafa bank included in the Casablanca Stock Exchange's new CSR index

This index comprises the 10 listed companies obtaining the best corporate social responsibility scores from the extra-financial ratings agency, Vigeo Eiris.



Believe in you 10/22

Attijariwafa bank Egypt's new strategic plan

In February 2018, Attijariwafa bank Egypt announced its 'Believe in You 10/22' strategy, with the aim of becoming one of the 10 largest banks. With an innovative value proposition and high-quality customer service, its aim is to generate strong growth.

Accreditation from the United Nations' Green Climate Fund

Attijariwafa bank Group has been accredited by the United Nations' Green Climate Fund (GCF) as an implementing financial intermediary in green finance transactions in Africa. Attijariwafa bank is the first bank in Africa and in the MENA region to be accredited.



Support for the Nachtigal hydroelectric project

Attijariwafa bank Group, through its SCB Cameroon subsidiary, is supporting the Nachtigal hydroelectric project, which is expected to cost an estimated at CFAF 786 billion. The CFAF 37 billion loan commitment from the Group's SCB Cameroon subsidiary accounts for more than 30% of the total commitment from the local banking pool. Attijariwafa bank and SCB Cameroon will also assume a number of responsibilities locally, including acting as credit agent, collateral agent and custodian bank.

«Tobacco-free Bank» initiative

In Morocco, Attijariwafa bank is committed to supporting the nationwide anti-smoking campaign launched by the Lalla Salma Foundation to combat cancer. A no-smoking policy has been adopted at each of the Bank's sites in Morocco and the smoking ban is clearly visible on the premises.



CORPORATE GOVERNANCE

As part of its corporate governance system, Attijariwafa bank has adopted a set of rules ensuring that its Board of Directors functions properly.

Internal rules define the Board of Directors' responsibilities and the way in which Board meetings are organised and run.

A Director's Charter specifies the rights and duties incumbent upon directors, particularly with regard to confidentiality, conflicts of interest and trading in Attijariwafa bank's shares. Comprising ten elected members appointed for a 6-year period, the Board of Directors met on ten occasions in 2018 with an attendance rate of 72%.

In accordance with good governance rules, Attijariwafa bank continued to implement a training programme for Board members with 3 seminars organised in 2018.

The corporate governance system adheres to general principles of corporate governance. It comprises 5 specialised committees reporting directly to the Board of Directors:

ADVISORY COMMITTEES MEETINGS	FUNCTION	NUMBER OF MEMBERS	NUMBER OF ATTENDANCE AND RATE (%) IN 2018
Group Audit and Accounts Committee	Analyses the Group's accounts, reviews the work of the statutory auditors, ensures effective risk control and internal and external audit services, ensures the ongoing independence of the internal audit function and appraises policy for controlling risk and monitoring commitments	3 permanent members	10 meetings/ (93%)
Group Appointments and Remuneration Committee	Makes proposals to the Board relating to the appointment and remuneration of the Group's managers	5 members	2 meetings/100 %
Strategy Committee	Responsible for steering and monitoring the Group, it appraises, prior approval by the Board of Directors, the important decisions pertaining to the Group's strategic development as well as the strategic guidelines adopted for the Group's main subsidiaries	5 permanent members	8 meetings/98 %
Group Major Risks Committee	Rules on the Group's overall risk policy and validates its major commitments	4 permanent members	9 meetings/100 %
Group Senior Purchasing Committee	Approves the Group's major purchases	4 permanent members	3 meetings/95 %

The General Management Committee is responsible for the Group's operational and administrative management. It steers major strategic projects and draws up questions to be submitted to the Board of Directors. Comprising the Chairman & Chief Executive Officer and the four Deputy Chief Executive Officers, it meets on a weekly basis.

The Management and Coordination Committee is responsible for the Group's operational management. Meeting on a monthly basis, it comprises 25 divisional and departmental heads who are either Deputy Managing Directors or Executive Directors in addition to the members of the General Management Committee.

Adopting a collegial approach to decision-making within the Group, a number of management committees, comprising the Bank's senior management and/or business line specialists, rule on all business activities at various decision-making levels.

MEMBERS		SPECIALISED COMMITTEES					
Director	Term of office ends (*)	Board of directors	Group audit and accounts committee	Group appointments and remuneration committee	Strategy committee	Group major risks committee	Group senior purchasing committee
Mr Mohamed EL KETTANI Chairman & CEO	2014 - 2020	C		M	C	M	C
Mr Mounir EL MAJIDI Director, representing SIGER	2015 - 2021	M		C			
Mr Hassan OURIAGLI Director, representing AL MADA	2017 - 2023	M		M	M	M	
Mr Abdelmajid TAZLAOUI Director	2017- 2023	M	M	M	M		M
Mr Aymane TAUD Director	2016 - 2022	M			M	M	M
Mr Abed YACOUBI SOUSSANE Director	2017 - 2023	M	C				
Mr José REIG Director	2018 - 2024	M	M	M	M	M	M
Mr Aldo OLCESE SANTONJA Independent Director	2014-2020	M					
Mr Manuel VARELA Director – representing Santander	2014-2020	M					
Mr Lionel ZINSOU Independent Director	2019-2025	M					

(*) For all the above terms of office, the year relates to that in which the Annual General Meeting is convened to rule on the previous year's financial statements.

C: Chairman

M: Member

CORPORATE GOVERNANCE

MANAGEMENT AND COORDINATION COMMITTEE



From left to right

Mohamed EL KETTANI

Chairman & Chief Executive Officer

Boubker JAI

Deputy Chief Executive Officer
Corporate and Investment Banking,
Capital Markets and Financial
Subsidiaries Division

Omar BOUNJOU

Deputy Chief Executive Officer
Retail Banking Division

Ismail DOUIRI

Deputy Chief Executive Officer Finance,
Technology and Operations Division

Talal EL BELLAJ

Deputy Chief Executive Officer
Group Global Risk Management

Youssef ROUSSI

Deputy Managing Director Group
Corporate and Investment Banking

Jamal AHIZOUNE

Deputy Managing Director
International Retail Banking

Wafaâ GUESSOUS

Deputy Managing Director
Group Logistics and Purchasing
and Secretary to the Board

Hassan BERTAL

Deputy Managing Director
Casablanca - Settat Region

Mohamed SOUSSI

Executive Director
Group Human Capital

Hassan BEDRAOUI

Deputy Managing Director
Transformation Division

Mouawia ESSEKELLI

Deputy Managing Director
Group Transactional Banking

Saloua BENMEHREZ

Executive Director
Group Communications



Rachid EL BOUZIDI

Executive Director Support and Resources
Retail Banking Division

Soumaya LRHEZZIOUI

Executive Director
Group Information Systems

Rachid MAGANE

Executive Director
Tangier – Tetouan – Al Hoceima Region

Karim IDRISI KAITOUNI

Executive Director Corporate Banking

KHALID EL KHALIFI

Executive Director Fez – Meknes Region

Jalal BERRADY

Executive Director Private Banking

Saâd BENWAHOUD

Deputy Managing Director
Rabat – Sale – Kenitra Region

Malika EL YOUNSI

Executive Director
Group Legal Advisory

Omar GHOMARI

Deputy Managing Director
Specialised Finance Companies

Ismail EL FILALI

Executive Director
Group Services and Processing

Mohamed Karim CHRAIBI

Executive Director
Marrakech – Beni Mellal – Taflet Region

Rachid KETTANI

Executive Director Group Finance

Othmane BOUDHAIMI

Executive Director South-West Region

Bouchra BOUSSERGHINE

Executive Director Group Compliance

Driss MAGHRAOUI

Executive Director
Personal & Professional Banking

Younes BELABED

Executive Director
Group General Audit

Tarik BERNOUSSI

Executive Director
Eastern Region

PERFORMANCE

at 31 December 2018

NBI **22.4**
MAD billion

+3.4%

NI **6.7**
MAD billion

+2.3%

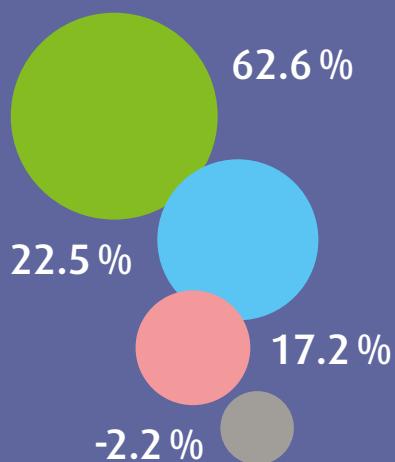
GOI **11.7**
MAD billion

NIGS **5.7**
MAD billion

+5.8%

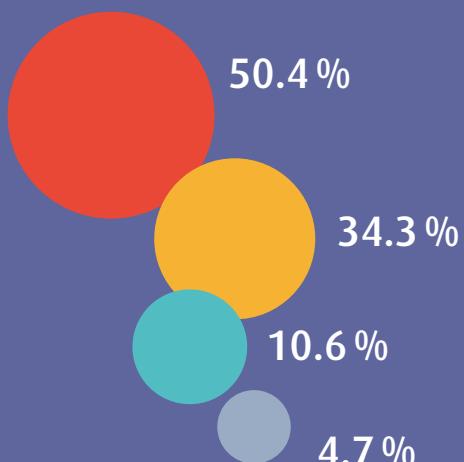
Breakdown of consolidated net banking income

at 31 December 2018



Contribution by business line to consolidated net banking income

at 31 December 2018



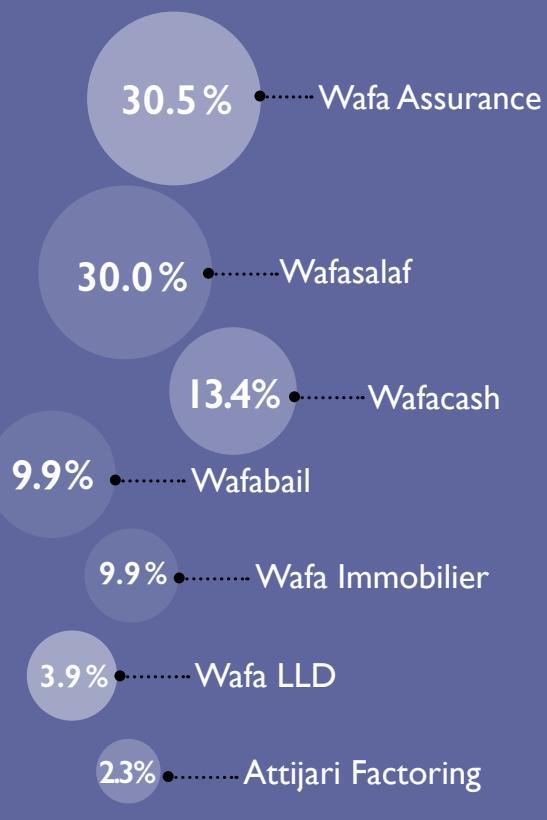
- Net interest income
- Fee income
- Income from market operations
- Income from other operations

- Banking in Morocco, Europe and Offshore Zone (BMET)
- International Retail Banking (BDI)
- Specialised Finance Companies (SFS)
- Insurance

Breakdown of net banking income of Moroccan subsidiaries

at 31 December 2018

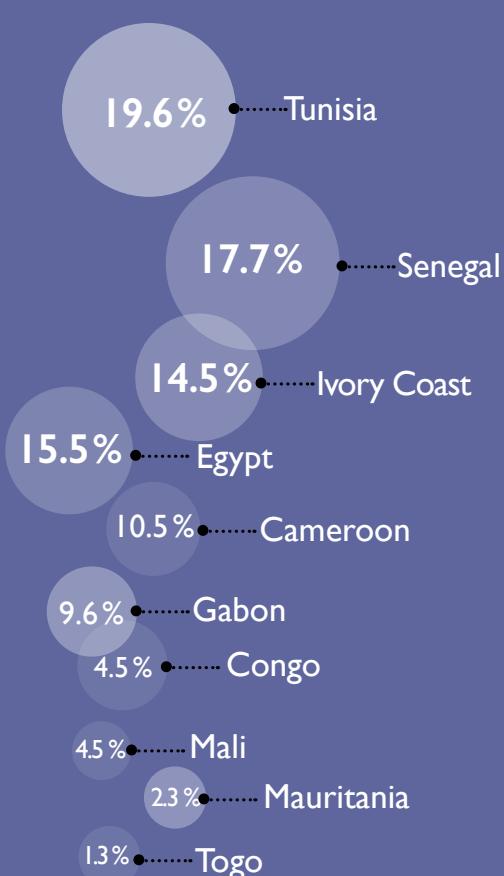
MAD 3,481.9 million



Breakdown of net banking income of African subsidiaries by country

at 31 December 2018

MAD 7,813.8 million



Attijariwafa bank's share price performance

Attijariwafa bank vs MASI

from 31/12/2012 to 11/03/2019

**Morocco's largest banking stock by market capitalisation:
MAD 95.1 billion at 31 December 2018**



AWARDS



« Best Bank in Morocco », « Best Bank for Small Businesses in Africa », « Best Private Bank in Morocco »

Awards presented by EUROMONEY, a leading British publication.



« Best Moroccan Bank of the Year », « Best Private Bank in Morocco », « Best Foreign Exchange Provider »

Awards presented by Global Finance, a prestigious British publication.



« Best Bank for SMEs in the MENA region »

Award presented by International Finance Corporation (IFC).



Attijariwafa bank Group tops Forbes' list of **Moroccan banks and companies** in its ranking of the world's 2,000 largest public companies.



« Mohamed EL KETTANI – Ai40 CEO of the year 2018 », « Best Performing Ai40 company of the year 2018 ».

Awards presented by Africa Investor (Ai), an international investment holding platform.



« Best Bank in Morocco 2018 »

Award presented for the 4th consecutive year at the 11th African Banker Awards 2018 ceremony in London.

Financial Afrik

Financial Afrik

Les 100 qui
transforment
l'Afrique

jeuneafrique

vigeo eiris



« No. 1 African Banking Group » outside South Africa in the 2018 ranking of the top 25 leading African banks published by Financial Afrik, a leading provider of financial information in Africa.

« Mr Mohamed EL KETTANI, the most pan-African of Moroccan bankers »

Mr Mohamed EL KETTANI, Attijariwafa bank Group's Chairman & Chief Executive Officer, was again ranked among the top 100 most influential Africans.

« No. 1 bank in Morocco and No. 6 in Africa »

In the rankings of the top 200 African banks in the special issue on finance published by Jeune Afrique.

« Top Performer CSR 2018 »

Award presented for the 2nd consecutive year as part of an annual assessment of global public companies.

Attijariwafa bank awarded the « **CSR Challenges Morocco 2018** » trophy in the 'Responsible Production and Consumption' corporate social responsibility category.

« Most Trusted Banking Brand in Morocco in 2018 » award presented by Global Brands Magazine, a British publication.

Mr Mohamed EL KETTANI, Attijariwafa bank Group's Chairman & Chief Executive Officer, named « **African CEO of the Year** » at the 7th Africa CEO Forum.

Customer Experience

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Tomorrow,
we will be even
more connected
to our customers

”



Becoming the benchmark in relationship-based banking

“

OUR CUSTOMERS WANT A GENUINELY OMNI-CHANNEL RELATIONSHIP.
THAT IS WHY WE NEED TO PROVIDE THEM WITH A HIGHLY DIGITALISED
EXPERIENCE AND CHANGE OUR COMMERCIAL AND MANAGERIAL APPROACH.



Omar BOUNJOU
Deputy Chief Executive Officer, Retail Banking Division

Why did Attijariwafa bank Group need to reinvent its relationship-based model?

Customer experience was the overriding factor that was behind our decision to change. We have rethought how we go about doing business by placing the customer at the very heart of the process. We need to adapt to our customers' constantly-evolving consumer habits. That means, providing them with a variety of points of contact that meet their preferences as to how to interact with the Bank.

They want an omnichannel relationship. That is why we need to provide them with a highly digitalised experience and change our commercial and managerial approach. That means, going beyond the existing channels – online banking, branch networks, self-service banking kiosks, the Customer Relationship Centre and mobile banking. It is also worth noting that this new relationship-based model is one of the flagship projects of our 'Energies 2020' strategic plan that we initiated in 2016. Its aim is for Attijariwafa bank to become the benchmark in relationship-based banking.

What are the principles governing the new relationship-based model?

To be able to give our customers the best possible banking experience and respond to their need for real-time information, we began by bolstering our digital services offering. We then adopted a new approach at branch level by introducing nearly a hundred self-service banking kiosks. These are secure areas that have extended and flexible opening hours, enabling customers to carry out a variety of day-to-day transactions via ATMs. These areas are also designed to relieve the Bank's employees of a number of simple banking operations, freeing up their time so that they may concentrate on providing customers with additional advice and support.

As far as our Customer Relationship Centre (CRC) is concerned, we have begun to revamp it so that it is a genuine offshoot of our physical branch network. We have also developed training centres specialising in telesales.

In addition, using solutions such as CRM and '360° Customer View' and analysing structured and unified data to gain a better insight into customers are also useful and significantly enhance our customer relationships.

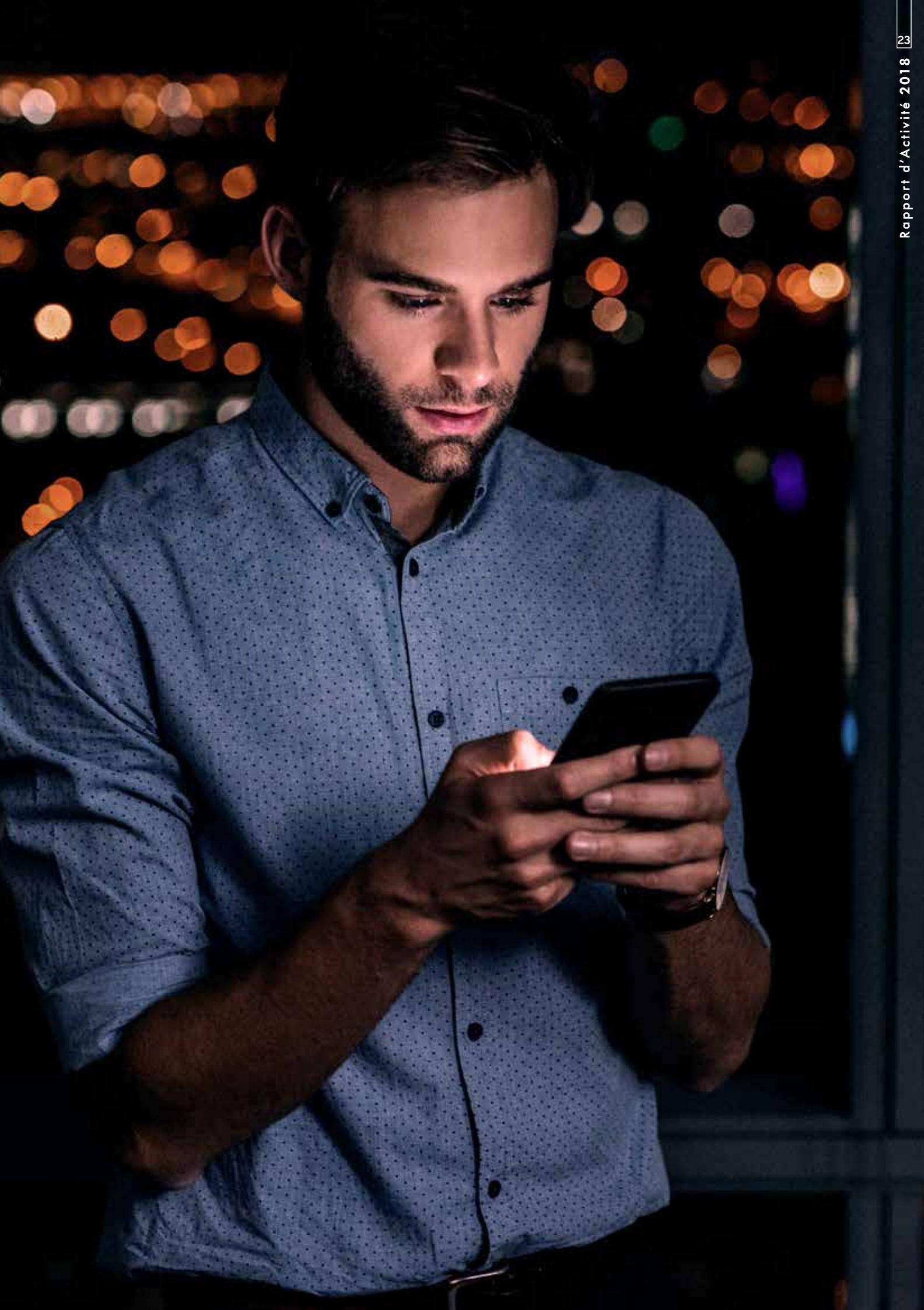
How does this new model work for the Group's corporate customers?

The new 'Corporate Programme' is much more than just a model. It is a fully integrated system that is being implemented even at the very highest echelons of our organisation. We have fine-tuned our approach to customer segmentation by identifying customers' every need, both in terms of the day-to-day management of their business and in their development projects.

We have also ensured that the Group's entire staff fully comprehend the needs of corporate customers, so that they are permanently responsive and rigorous. Digitising and dematerialising procedures have enabled us to simplify a whole set of tasks, thereby freeing up time to concentrate on sales.

What is your vision of relationship-based banking in the future?

Advice, proximity, trust and security will remain the pillars of banking in the future. We also strongly believe that digitalisation provides a wonderful opportunity to provide our customers with a seamless and secure banking experience, freeing up time for our sales staff to focus their efforts on offering high value-added services.



BEING EVEN MORE CONNECTED TO OUR CUSTOMERS

CONVINCED THAT THE ARCHETYPAL BANK OF THE FUTURE MUST BE MORE FLUID, MORE DIGITAL AND MORE EMPATHETIC AND, CONSISTENT WITH ITS 'ENERGIES

2020' STRATEGIC PLAN, ATTIJARIWAFA BANK GROUP IS CONTINUING TO ENHANCE ITS PRODUCT RANGE WITH MORE FOCUSED PRODUCTS AND WITH SERVICES THAT ARE MORE EFFECTIVE, ACCESSIBLE AND IMMEDIATE, WITH THE SOLE AIM OF BECOMING THE BENCHMARK IN RELATIONSHIP-BASED BANKING.

Responding to each customer's specific needs

Bank cards that are practical and appropriate

Attijariwafa bank Group has one of the most comprehensive range of domestic and international bank cards within the industry, offering a large number of related services. With a portfolio of 530 million active cards in 2018, the Group registered more than 13.9 million card-based transactions, which generated a payment volume of more than MAD 6.2 billion. In addition, the Bank's share of electronic payments rose from 28.3% in 2017 to 30.1% in 2018.

The Bank continues to focus heavily on marketing to take full advantage of what is a high-growth market. As a result, the Noujoum and Abtal cards, launched in partnership with Visa at the 2018 World Cup in Russia, were a great success.

A well-diversified range of savings products

With MAD 459.9 billion of deposits collected in 2018, an increase of 4.6% on 2017, Attijariwafa bank Group underlined its status as the Kingdom's No. 1 deposit-taker.

More than MAD **6.2** billion
in bank card payment volume in 2018

Nearly MAD **20** billion
of loans distributed to households in 5 years

MAD **8** billion
of property loans disbursed in 2018
(excluding Assafa Bank)

The Group continued to diversify to be able to offer each customer a bespoke service.

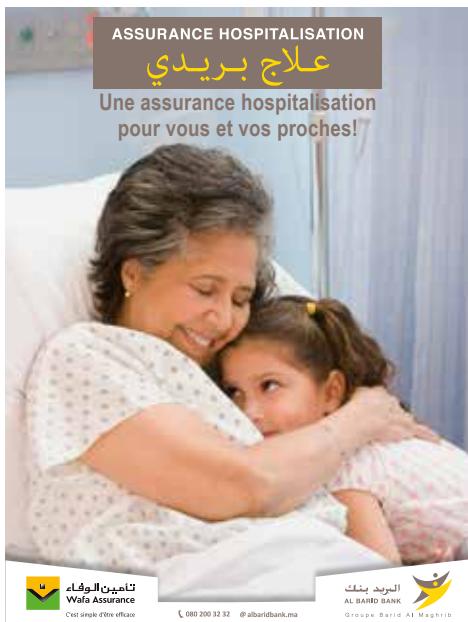
A number of new services were launched such as Smart Épargne, a free-of-charge innovative service that enables customers to build up savings by automatically paying a certain amount into their own, their spouse's or their children's savings account, each time they make a payment using their bank card.

And, responding to the concerns of those of pre-retirement age, the Group began to market Âge d'Or Symphonie, a mutual fund-based retirement savings plan. The plan enjoys certain tax benefits as well as leveraging the performance of bond and equity markets.



A comprehensive range of alternative solutions

Through its participatory bank, Bank Assafa, the Group is continuing to expand its range of products, to be able to offer its customers a variety of Murabahah finance solutions. A number of products were launched in 2018, including Assafa Sakane, enabling individuals to purchase property, Assafa Akar Mihanioun, for professionals and companies and Assafa Sayarat, enabling customers to purchase a vehicle. As a result, Bank Assafa disbursed MAD 2,167 billion of Murabahah loans, thereby underlining its status as market leader in the credit business with a 56% market share. The Group's participatory bank was voted 'Best Participatory Bank in Morocco' in 2018 for the second consecutive year at the Islamic Finance News (IFN) Awards 2019.



Innovative insurance solutions

Keen to provide its customers with innovative solutions, Wafa Assurance launched a number of new products in 2018 in partnership with other institutions. These included Ilaj Baridi, a new health insurance product designed in partnership with Al Barid Bank, providing policyholders with basic hospital cover as well as an optional daily allowance rider. Wafa Assurance also revamped its Assuremprunt Salaf Express product. The latter is a life insurance policy tied to an Express loan that guarantees payment, on death or in the event of total and permanent disability, of the insured sum. In 2018, Wafa Assurance's turnover rose by 4% year-on-year to MAD 8,371 billion.

A bespoke service for Private Banking clients

Attijariwafa bank Group's Private Banking business continued to help family businesses with their wealth transfer plans. In 2018, it also marketed a new unit-linked bank-insurance product, L'Épargne Symphonie, that invests in mutual funds, as well as enhancing its asset management service with the introduction of specialised funds. The Private Banking business was named «Best Private Bank in Morocco in 2018» by Global Finance, a prestigious American publication.



Supporting corporate projects



Supporting Morocco's small business sector through Dar Al Moukawil centres

Established in 2016, the Dar Al Moukawil platform continues to grow and has been enhanced with a number of additional services that aim to offer continuously-improving support. There are now 7 Dar Al Moukawil centres after the Fez, Meknes, Rabat and Marrakech centres opened in 2018. This year has seen two new high-value-added services added, 'Rencontres B-to-B Sectorielles', sector-based B-to-B meetings between small businesses, designed to share experience and generate business opportunities, as well as «Rencontres Marchés», which gives participants the opportunity to bid for contracts from some of the Bank's major partners. Through this medium, 19,000 small businesses and would-be entrepreneurs have benefited from free training and advice in Dar Al Moukawil centres, 35% of whom are women.

The «Ana Maâk Trophies», rewarding successful small businesses

The first edition of the Ana Maâk Trophies held in 2017 was an unmitigated success. The contest attracted a high level of interest from small businesses and would-be entrepreneurs looking for support and advice.

In 2018, there were 1,530 contest entries from all over Morocco. More than 450 candidates were auditioned from every type of category. 45 projects were selected.

In the final, prizes were awarded to 4 candidates, each receiving a financial subsidy of 75,000 dirhams, a fee-free bank account, a listing on the supplier list of Attijariwafa bank's purchasing department, a programme of personalised coaching and mentor support.

In addition, 8 small businesses featured on the Ana Maâk coaching-themed reality-TV show and were given support. Each year, the show offers advice and monitors the progress of small businesses and 'auto-entrepreneurs'. This popular programme aims to encourage entrepreneurship among the general public and encourage interest from small businesses.

The «Entrepreneurship Hub», encouraging youngsters to take an interest in entrepreneurship

A new exclusive programme promoting entrepreneurship called the 'Entrepreneurship Hub' was launched in 2018 in Dar Al Moukawil centres.

Its goal is to incite youngsters to become entrepreneurs and to equip them by means of a curriculum spanning several months. The programme provides hands-on support to candidates in how to go about navigating the actual process of setting up their company.

Comprehensive insurance for small businesses

Rasmali Chamil is a comprehensive package that meets the needs of entrepreneurs requiring hospital cover, life insurance and savings.

In subscribing to Rasmali Chamil, customers benefit from three types of cover in a single product.

4 new Dar Al Moukawil centres

19,000 small businesses and would-be entrepreneurs benefiting from Dar Al Moukawil centres

MAD **8** billion of loan commitments to **40,000** small businesses

More than **82,000** new small business customers

PLAN SUPPLY CHAIN

POUR OPTIMISER LES DÉLAIS DE PAIEMENT
DONNEURS D'ORDRES-FOURNISSEURS

UN PRODUIT DE L'OFFRE **PLAN PME >>>**

MAD **18** billion of loan commitments to SMEs

More than **2,400** new SME customers

Loans disbursed to SMEs up **+6,1%**

Partnering «suppliers and buyers»

Based on a three-way approach involving buyers, suppliers and the Bank, Attijariwafa bank's Supply Chain Finance Plan meets the financing needs of small business suppliers while mitigating bank counterparty risk, thanks to the high-quality transparency-based relationship that exists between the Bank and buyers.

Cash flow optimisation along the supply chain has improved thanks to a combination of three factors – adopting a sector-based approach to financing; combining Attijariwafa bank's various cashflow-generating products throughout the order execution cycle; and working closely with customers, resulting in better risk appraisal outcomes and appropriate hedging strategies.

Increased support for property development

Rasmali Akar is a property development loan so as to help finance the purchase of land, carry out land viability assessments or undertake property development. Up to MAD 20 million of funding is available. To provide greater fluidity, a new support system has been set up for programmes of less than MAD 5 million and for self-financed land acquisition.

Augmented reality used to enhance risk prevention in companies

Wafa Assurance decided to step up its initiatives at promoting risk prevention, the core component of the insurance business. This strategic focus has enabled the company to help businesses better protect their employees and their property. In 2018, a 'Business Innovation' campaign was launched to help corporate customers manage and reduce risk in the event of a disaster, by using virtual simulation. This innovative concept entails connecting a fire extinguisher with sensors to a virtual reality headset. The aim is to simulate a real-life situation of a fire to assess the company's reflexes and responsiveness. A campaign was carried out via a number of different media channels, including the press, billboard displays and digitally.



A personalised approach to investing in financial markets

In order to support its clients in increasingly interconnected financial markets, Attijariwafa bank's experts in trading, sales and structured products leverage the Bank's unique pan-African multidisciplinary platform and offer bespoke solutions that are adapted to each client's specific needs and risk profile.

In 2018, Attijariwafa bank Group reorganised its Attijariwafa bank Global Capital Markets business in Morocco with the aim of bolstering its position as market leader in local and regional markets. This involved redefining «client» portfolios and setting up specialised desks. «Trading portfolios» were also redefined, and new management techniques adopted.

The goal is to be able to offer innovative products and investment strategies.

In 2018, the Capital Markets business arranged four bond issues for a number of major groups such as OCP, MANAGEM, INVEST AL MOUADDAF. The entity registered MAD 776 billion of foreign exchange volume (spot, term and currency swaps) and MAD 29 billion of foreign exchange derivatives volume on customer transactions.

Effective wealth management

Underlining its status as market leader in its sector, Attijariwafa bank Group's asset management subsidiary, Wafa Gestion, launched a new wealth management solution, the Attijari Dividend Fund. The latter is an investment fund that distributes a dividend and specialises in so-called high-yielding stocks. The subsidiary also announced its new 2021 strategic plan. In 2018, Wafa Gestion's assets under management averaged MAD 109 million, resulting in a market share of 25.3% on average. Turnover was MAD 322 billion.

A new instrument to improve liquidity

In 2018, the Custody business began to market its securities lending capabilities. Securities lending enables the lender to utilise its assets to enhance its market returns and the borrower to acquire securities for a monetary transaction that will enable it to raise cash for refinancing purposes. The security is collateral that may be mobilised and transferred. In 2018, the Custody business reaffirmed its status as Morocco's leading custodian. Its market share was 34% while assets under custody amounted to MAD 520 billion.

“The bank of the future is an agile and value-accretive bank, serving an increasingly demanding corporate clientele.”

Enhancing the digital services offering...

... even simpler and universally accessible

Remote banking with Attijarinet and Attijari Mobile

Attijariwafa bank's online banking solution, Attijarinet and the Attijari Mobile application make it easy for customers to manage their accounts and day-to-day banking operations.

Both these online platforms enable users to consult their accounts 24/7, carry out transactions in real-time and benefit from a large number of services using a simplified, intuitive and secure interface.

The 100% mobile bank

L'bankalik, Attijariwafa bank Group's 100% mobile bank, has launched a mobile app to complement its website, operational since 2016. Customers are able to open an account online and consult and manage their accounts, confidentially and securely 24/7.

The L'bankalik app also enables customers to apply for an instant consumer or property loan online and consult their repayment schedule.

Rapid assistance through geolocation

Wafa Ima Assistance has developed a geolocation app for service providers, enabling policyholders to monitor a provider's geolocation on their smartphone and the subsidiary to manage its service providers' response times. The Group's subsidiary handled nearly 500,000 calls from policyholders in 2018, registered MAD 268 million of turnover and opened 120,842 cases.

In addition, a number of assistance-based products were launched this year such as Injad Morocco, Injad étudiants à l'Etranger and a travel assistance product for non-customers.

Online banking for Moroccans Living Abroad

As part of the process of developing its range of remote banking services, Attijariwafa bank has extended the remit of its online bank, Attijarinet, and its Attijari Mobile app to Moroccan customers living abroad. These customers may now access a wide range of products and services online 24/7.

Nearly **450** thousand active online customers

Nearly **6** million digital transactions in 2018

More than **60** million Mobile Banking connections

Attijariwafa bank Group's new institutional website

A new design, simplified navigation and an improved user experience

Attijariwafa bank Group has redesigned its Group-wide corporate digital ecosystem to be able to provide a single point of entry and respond to a large number of user needs. The goal is to offer a «user-centric» experience inspired by the very latest global trends.

Underpinning the www.attijariwafabank.com website is an application technology architecture that is one of the most technically advanced and secure as far as technological solutions are concerned and entirely consistent with the Group's digital transformation.

The new web interface's graphic design embodies the Group's identity. The artistic approach is based on colours that convey a positive and energetic feel and gives pride of place to 'lifestyle' videos and visuals. A resolutely modern and innovative graphic bias and a colourful universe bring the Group even closer to its multi-generational audience.

www.attijariwafabank.com is now a robust, scalable and 'mobile first' technical platform with a rich content architecture. To be able to reach out to the widest possible audience, the new site is available in 3 languages – Arabic, French and English.



CUSTOMER EXPERIENCE

Reducing the waiting time for payments and money transfers

Attijariwafa bank Group's Wafacash subsidiary has launched JIBI, Morocco's first mobile payment account for retail customers and storekeepers. This service enables customers to open a payment account via their mobile phone, add credit, make a payment in a store, send money to another mobile or branch, receive money and pay online. A specially-adapted version of the account has been developed for storekeepers, Jibi Pro, which has a number of special features. Wafacash's transactions across all operations rose by 9% year-over-year, while its overall flows increased 8% compared to 2017.



Insurance, a chatbot for increased responsiveness

To attain the very highest standards as far as user experience is concerned and to provide internet users with comprehensive up-to-date information, Wafa Assurance redesigned its website in 2018. A chatbot has been added to offer users the required information for every type of product and to ascertain their needs, to be able to respond as best as possible. It also enhances customers' purchasing experience.



... An even more effective service for corporates

Enhancements to the invoice payment service

In 2018, Attijariwafa bank Group stepped up efforts to attract new billers and creditors, thereby enhancing its new Fawatir service, a technological solution to which any company issuing invoices can connect and distribute its receivables.

This service enables billers to dematerialise the receipts management process by collecting their receivables



Un service
Attijariwafa bank

via physical collection points, thereby ensuring that received funds are credited rapidly.

Thanks to this service, the Group has been able to expand its existing portfolio of payment channels – online banking, mobile banking, ATMs and branches, as well as offering Moroccan businesses additional development leverage.

Simplifying management of «corporate» accounts

Attijariwafa bank Group's new «Infocompte» service enables its corporate customers to track every account entry by receiving notification directly in one or more pre-selected mailboxes. Customers are therefore able to respond quickly thanks to a service that provides

them with a high degree of flexibility – comprehensive information about the functioning of their accounts and alerts in real time for better account management. They can also customise the way in which notifications are configured.



+5,000 new remote banking solutions contracts

+350 mass transfer contracts

Optimising flow management thanks to digital technology

Attijariwafa bank Group is constantly innovating to provide companies with the best possible digitally-based cash management services (dematerialising processes and operations) as well as supporting them in their overseas business development thanks to its international network. In 2018, the Cash Management business performed very well. The business' net banking

income grew by 20% with more than 5,000 new remote banking solutions contracts registered and 350 new mass transfer contracts recorded, an increase of 11.3% on 2019 in terms of dematerialisation. Overseas, the Group continued to roll-out its e-banking service and develop cash management operations at its African subsidiaries, particularly in Egypt.

Waf@bailOnLine, Morocco's first specialised online leasing platform

Waf@bailOnLine is a virtual platform that enables any qualifying individual or business, regardless of whether or not they are an existing Wafabail customer, to request and complete a leasing application at any time via a secure channel, without their being required to come into an office. In 2018, Wafabail recorded MAD 4.4 billion of financing arrangements, resulting in a 27.8% market share. It now has 2,914 customers.

An unfailing commitment to fostering close customer ties

Using social media to foster closer ties with customers

Driven by a strong digital culture, a determination to foster close customer ties and an ongoing interest in attracting potential customers and internet users, Attijariwafa bank Group is developing a specific social media presence for each platform. For the Group, social media serves a dual purpose – disseminating information as well as providing a vehicle for listening to customers and facilitating online communities e.g. students, youngsters, small businesses, etc.

In 2018, Attijariwafa bank followed the very latest trends in social media usage by bolstering its presence on LinkedIn and creating a corporate page. It also gave its Facebook presence a boost by livening up its Ana maâk page for small businesses, its Bankalik page for its '100% mobile bank' and its Jamiati page, so as to foster closer ties with students. In addition, the Bank launched various digital brand content campaigns to promote its multichannel bank and Dar Al Moukawil centres through a series of targeted video clips. The three Moukawil dial Bessah capsules received more than 485,323 views, reached 1,020,079 people and generated 7,217 visits to the Dar Al Moukawil website. The Group's subsidiaries also followed the parent company's example, adopting a very proactive and innovative approach to managing their social media accounts.

With 186,000 fans on Facebook and 7,805 on Twitter at the end of 2018, Wafasalaf has a significant online community and online visibility. Bank Assafa, the Group's participatory bank, also streamed a live event on its Facebook Page, which involved an open Q&A session in which experts answered questions and requests from internet users about the participatory bank's products and services.



Reaching out to Moroccan customers living abroad

In 2018, Attijariwafa bank Group launched a mobile bank branch in the form of a fully-equipped vehicle. The latter travelled across the entire Kingdom, taking in four major cities and reaching out to Moroccans customers living abroad. Fitted out with an ATM, the Mobile Branch enabled customers to perform the full range of day-to-day banking transactions. This event complemented the Attijari Tour, Attijariwafa bank Europe's annual not-to-be-missed roadshow, which was held for the 8th consecutive year in France, Belgium, Spain, Italy and the Netherlands. The Group's sales staff travelled to all five countries to meet existing and prospective customers in geographically remote areas from its existing bank branches. The goal was to retain existing customers and attract new ones.

At 31 December 2018, the Group's total deposits from its 76,934 expatriate customers stood at MAD 50,626 billion while its customer satisfaction ratio for dealing with complaints was 89%. At the beginning of the year, the Group breached the MAD 10 billion mark for the first time in terms of foreign currency purchases.

Bolstering ties with customers

To foster closer ties with customers, Attijariwafa bank Group last year organised a number of raffles including one for the 2018 World Cup in Russia. The winners were offered a comprehensive package that included the opportunity to attend the World Cup final. An innovative raffle was organised for the Moroccan expatriate market, giving participants the opportunity of winning Attijariwafa bank-sponsored holidays in Morocco over a 10-year period. A number of L'bankalik raffles were also organised, including a Champions League 2018 raffle in partnership with Mastercard. Customers who were football fans were able to enjoy a unique experience in the form of a VIP trip to attend one of the UEFA Champions League quarter-final matches.

Improving web interfaces

Several of the Group's websites were revamped last year to improve customers' online experience. Among these were attijaribilahoudoud.com, the promotional website for Moroccans living abroad and the websites for Attijariwafa bank Europe's retail banking customers in Italy and Spain. The new websites, which are more intuitive, ergonomic and informative, respond to the latest trends in consumer behaviour with simplified navigation and enhanced, well-structured content.

Ongoing improvement in customer satisfaction



Improving customer relations by adopting an empathetic approach

As part of the Customer Empathy Programme (PEC) implemented by the Group since 2008, more than 33,500 customers in Morocco agreed to participate in satisfaction surveys and focus groups regarding the Group's products and services.

The overall satisfaction ratio was 93% in 2018, while the Net Promoter Score (NPS) was 31 and the number of complaints per 1,000 customers 13.3.

612 visits and 3,900 mystery calls were also made throughout the year to measure the quality of the reception offered by the Bank's employees in Morocco.

Face-to-face customer contact, a matter for everyone

In 2018, Attijariwafa bank Group completed a communications and awareness-raising series regarding face-to-face customer contact in accordance with corporate strategy, which aims to foster customer satisfaction and loyalty. The third part of the communications campaign was launched on the theme of 'Face-to-face customer contact, a matter for everyone'. High quality face-to-face customer contact is essential if customer experience is to be simple, natural, personalised and attentive.



More than **500,000** incoming calls handled by the CRC

93% of customers satisfied

33,500 customers benefiting from the customer empathy programme

Co-creating with each customer

To support its customers' use of the very latest digital technologies, Attijariwafa bank Group is making every effort to interact with them as much as possible and involving them in its process of innovation and creation to be able to provide them with services that are appropriate and useful. Social media as well as online apps and solutions therefore play an important role. In 2018, Wafasalaf, the Group's specialised subsidiary, signed up to Google My Business, a sure way to increase visibility in addition to offering customers another communication channel through which they can leave comments, opinions and ratings. The tool also provides useful performance indicators based on Google searches.

Maintaining customer trust by handling complaints effectively

As in previous years, in 2018, Attijariwafa bank conducted a survey of its customers about how effectively it handles complaints. It canvassed the opinion of more than 6,000 retail banking customers, small businesses and SMEs in Morocco.

The overall satisfaction ratio for handling complaints was 74%. This ratio has seen steady improvement in recent years (56% in 2016 and 71% in 2017), underlining the efforts made by the Group in this area. The Group will continue to focus its efforts on improving this aspect of its business by initiating a project to have this activity ISO 9001:2015-certified.

TRANSFORMATION

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Tomorrow,
We will continue
to **anticipate**
the evolution of
market trends

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ACCELERATING DIGITAL TRANSFORMATION TO IMPROVE OPERATIONAL PERFORMANCE AND SECURITY

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EACH DIVISION, EACH BUSINESS LINE, EACH GEOGRAPHICAL REGION IS UNDERGOING TRANSFORMATION. WE ARE CREATING AN ENVIRONMENT THAT NURTURES INNOVATION AND AGILITY AND ARE LIBERATING COLLECTIVE INTELLIGENCE AT EVERY LEVEL. WE ARE TURNING OUTWARD. SERVICE QUALITY IS A PRIORITY AND SECURITY A FUNDAMENTAL REQUIREMENT.



Ismail DOUIRI
Deputy Chief Executive Officer, Finance, Technology and Operations Division

What is your assessment of the latest stage of Attijariwafa bank Group's digital transformation process?

Digital transformation is an oft-used but rarely-defined expression. For Attijariwafa bank, it is a gradual process that began in 2005 through a series of technological choices that enabled us to enhance our IT capabilities by adopting, for each functionality, the very latest and best technology, without having to invest in cumbersome, expensive and risky programmes and, at each step of the way, making systems more agile and outward-looking, without ever jeopardising their stability and integrity. By adopting a disciplined approach to IT investment, pragmatically balancing short- and long-term goals, and complying rigorously and strictly with the architectural decisions made, the Group has been able to rapidly accelerate the process of making its systems more open, as far as its customers and employees are concerned. In 2018, bank branches in Morocco saw their entire IT systems entirely revamped, resulting in considerable gains for users in terms of customer knowledge, ergonomics, and speed. The impact on each branch's ability to enhance customer service was felt immediately. No incidents were reported despite the colossal scale of the project. In addition, self-care projects focusing on enhancing different aspects of functionality that may be directly accessed by customers from devices or via any other available channel, without having to come into a branch, have been accelerated and additional resources allocated. Particular emphasis has been placed on bolstering governance of information

systems' security and on investing in the requisite skills and technology needed to anticipate, detect and counter any potential attack, which is, unfortunately, an increasingly prevalent phenomenon around the world. It is important to mention that all this took place while our IT engineers continued their substantive work on transforming each banking subsidiary's systems and on highly intensive high-risk projects such as entirely transforming our Egyptian subsidiary's IT systems, a project that was successfully completed in fewer than 13 months.

A number of cornerstone projects were initiated that will continue to enhance the communicative process between the Bank and its subsidiaries, offering our customers direct, reliable and secure access to the very best of Attijariwafa bank Group and to services provided by trusted third party partners. That's how we are building the bank of the future, today!

Data science, analytics and artificial intelligence seems to be all the rage in the press. At what stage are you at?

Like any other business whose service model is data- and information-based, we have been doing this for years without even realising it. However, 2018 marked a genuine shift in this trend. We have adopted a centrally-organised system to ensure that data governance is bolstered at Group level, that we comply with all applicable regulations and that it is used methodically for value-creation purposes. The system is now fully operational, and several use cases have been developed and implemented by the relevant business lines. We continue to take advantage of the tremendous technologies

that have been developed in this field, which are a mix of mathematics, computer science and business. We are implementing them, so that we continue to satisfy our customers, employees, suppliers, and regulatory authorities. An example of this is the way in which these technologies have enabled us to extend credit to small businesses, despite their being often unable to provide us with any collateral or even a business plan. These technologies have also enabled us to speed up the process for handling customer complaints and make it more reliable.

Against a backdrop of regulatory tightening around the world and, given Attijariwafa bank Group's various initiatives to grow its business organically and by acquisition, does it have the necessary financial resources to achieve its ambitions?

Attijariwafa bank Group possesses three main attributes that will enable it to continue to grow, without the risk of being limited by its resources – a prioritised, quantified and consistent approach to strategic planning, highly disciplined cost management and a forward-looking approach to risk-reward arbitrages. The Group is factoring into its 18-month projections the impact from adopting new regulatory measures on individual entities as well as at the consolidated level. As soon as any new financial instrument, designed to bolster capital without causing any unnecessary dilution to shareholders, is approved by the regulatory authorities, it is appraised and implemented, depending on market appetite, while ensuring that its cost is optimised.

Lastly, initiatives are systematically prioritised based on their potential to generate value, so too, the corresponding risks generated as well as the amount of valuable IT or capital resources used. In the wake of the share offering reserved for employees and our second successful AT1 hybrid issue, our capital adequacy ratio at 31 December 2018 was comfortable. We are therefore in a position to cope with all known regulatory changes prior to 2022 as well as maintaining a safety margin in the event of an unexpected shock.

Which socially responsible initiative are you most proud of in 2018?

Although social responsibility permeates our every action, mention must be made of at least two initiatives. The first is our obtaining accreditation from the United Nations' Green Climate Fund. This will enable us to accelerate financing for renewable energy projects and climate change mitigation and adaptation initiatives in Africa. The second relates to the various efforts made by our Logistics and Purchasing staff to reduce the carbon footprint of existing and newly-constructed buildings and to formalise the informal waste recycling activities that have developed in relation to these buildings – by proactively introducing selective waste sorting, identifying recycling channels and supporting those involved, making it easier for them to enter the formal economy.



CONTINUING TO ANTICIPATE FUTURE TRENDS

IN 2018, ATTIJARIWAFA BANK GROUP CONTINUED TO IMPLEMENT NEW OPERATING MODELS, ADOPT INNOVATIVE I.T. DEVELOPMENT MODES AND TRANSFORM ITS INFORMATION SYSTEMS, DRIVEN BY DATA PROCESSING, OPEN INNOVATION AND MORE MODERN, OPEN AND FLEXIBLE INFRASTRUCTURE. THE GROUP'S DIGITAL TRANSFORMATION PROCESS IS RESULTING IN INCREASED FLEXIBILITY AND ENHANCED PERFORMANCE.

Building the bank of the future through transformation

A new workstation in support of the new relationship-based model

The Sales Program is a major component of the new relationship-based model, whose main goal is to proactively support our valued customers. As a result of this programme, a new workstation has been designed (Borj Vente, Borj Accueil and Borj Vision 360) that enables branch-based advisors to provide a value-added service for their customers (better customer knowledge, relevant offers, etc.) and their goals and activity to be monitored (on an individual basis, production indicators, contact plans generated, task lists etc.). This programme also helped establish the architectural foundations of the new commercial information systems (Datalake, introduction of an API for sales etc.). In 2018, the new workstation was successfully deployed across the entire retail banking network.

Powerful solutions and protocols to best serve customers

As part of the new relationship-based model, the customer portfolio was segmented. This allows for the value aspect of each customer as a whole (balance sheet and off-balance sheet), as well as the customer's growth potential within the Bank, to be taken into account. In addition, the Electronic Banking Internet Communication Standard (EBICS) project saw the Bank adopt a solution providing corporate customers with a modern and secure host-to-host banking file exchange channel that meets the very latest European standards.

This protocol, currently in pilot phase, supports a variety of market formats (ISO20022, Swift, ETEBAC, SIMT) for sending transfers and making mass debits as well as downloading bank statements and making exchange rate enquiries.

Collective intelligence for anticipating tomorrow's challenges

As part of the «Think & Make» programme, a new event named «Knowledge sharing» has been introduced to reach out and meet employees from the Bank's various business entities in Morocco. The aim is to discuss predefined issues in an innovative, fun and relaxed way. The goal is to inject a sense of innovation into the Group, use collective intelligence as a key driver to be able to anticipate the challenges of the future more effectively and adopt shared collective strategies.

“«Think & Make», launched, a collective intelligence initiative for harnessing the Group's energies.



Transforming HR to support the bank of the future

Since 2017, a number of cornerstone projects have been launched as part of the 2020 HR strategy. These are aimed at supporting the Bank's transformation and fostering a performance-based culture and dialogue. It is within this framework that the Bank was able to finalise, in 2018, formal job descriptions, identify and make available to managers a 'Jobs and Competencies' reference manual outlining the expectations attached to each post in terms of competencies and, lastly, develop a new reference manual specifying the contribution levels required for each post, in line with the very highest international standards.

In addition, a new performance management model was introduced in 2018, which will make it possible to measure performance more as a growth driver and differentiator, as well as promoting transparency, fairness and recognition.

These projects will continue to be implemented in 2019, in addition to a new model for overseeing fixed and variable remuneration, finalising career paths for each post within the Bank and implementing a new process for managing high-fliers.

HR processes digitalised

As part of the bank's digital transformation programme, a new HR Information System (HRIS) was introduced at the end of 2018, aimed at enhancing and modernising HR processes such as payroll processing and management of administrative and social security-related matters. In 2018, the new HR portal was also rolled-out, which will see a large number of HR processes digitalised. The portal is more user-friendly for every type of user, regardless of their profile (manager, employee or HR specialist).

The HR Information System will continue to be revamped in 2019 with the roll-out of the nomad version of the HR portal and the inclusion of Moroccan subsidiaries expected. Innovation remains a priority, with several projects to be implemented in partnership with Moroccan start-ups, thereby providing employees with innovative solutions.



Securing personal and confidential data

Cybersecurity a priority

Against a backdrop of rising cybercrime and the growing risk of hacking within the organisation and from outside, a number of ongoing initiatives are being implemented. These include continuously incorporating the security aspect into every phase of building and monitoring information systems, adopting stricter requirements with regard to service providers and including a Programme Security Officer into the Group's systems, responsible for ensuring IT project security and managing delivery risk more effectively; defining the Software Asset Management project, whose aim is to establish an efficient organisational system for the Bank's software assets and raising staff awareness through circulars relating to various security aspects (opening flows, wearing badges, complying with 'rules for living' etc.). In addition, as in previous years, Attijariwafa bank continued to deliver its e-learning training programme on anti-money-laundering and terrorism financing (AML/CFT), which was attended by 5,413 employees from the Bank's branch network in Morocco in 2018. Face-to-face training was also provided to 1,168 front office staff.

Personal data protection, a strategic issue

In 2018, the Bank continued to develop its personal data protection system in accordance with Act 09-08, which included submitting the various declarations required by the CNDP and ensuring that all contracts governing products and services for customers as well as digital platforms were compliant. Attijariwafa bank also ensured that it was fully compliant with international regulations regarding personal data protection. An impact study was conducted to ensure compliance with the provisions of the new European General Regulation on the Protection of Personal Data (GDPR).

5,413 employees from the Bank's domestic branch network received e-learning training in data protection.

“ The bank of the future must leverage the immense data-rich sources of value that it possesses to consolidate its position as market leader, innovate and differentiate itself from its peers.

DATA **The new sources of value**

The data that exists in information systems, compiled and cross-correlated, offer a valuable insight into how to improve the quality of the service provided to customers and how to best meet their needs. Attijariwafa bank Group, fully aware of what is at stake, has established a Data Office to be able govern and model data relating to customer activity and best serve their interests.



Fayçal EL ABASSI
Chief Data Officer

What are the new Data Office's strategic goals?

The Group Data Office is made up of two sub-entities, Data Management and Data Analytics. Its responsibility is the governance of data relating to the activity of the Bank's customers in Morocco, the quality of that data and the way in which is used analytically. The aim is to offer customers more personalised and appropriate services by carrying out analytical modelling and combining the very best of the human element with digital technology.

The major challenge facing Attijariwafa bank's Data Office is, unquestionably, how to use data intelligently and in a targeted way, so as to make use of the data for the benefit of customers.

In 2018, we implemented a first Data project named 'SME Risk Appetite', in collaboration with the Risk Policy and Strategy and Enterprise Market units. This inaugural project consists of automating the risk appetite process for SMEs, based on all available information in Morocco.

What are the most important projects envisaged for 2019 by the Data Office?

Our top-priority project that we have already launched in partnership with Group Compliance relates to regulatory compliance

and includes the European Regulation on the Protection of Personal Data (RGPD). This involves rethinking the way customer data is collected, the way in which it is used, and the various procedures employed for archiving and securing data.

We are also working on a selection of high value-added use cases that we will launch very soon. Lastly, we aim to design a programme to promote a more effective Data culture within the Group.

How does Data contribute to building the bank of the future?

Like many other international banks, the bank of the future must take advantage of the immense data-rich sources of value that it possesses to consolidate its position as market leader, innovate and differentiate itself from its peers.

Data can therefore provide several solutions, such as helping to understand customer profiles and behaviour, predicting and anticipating their needs and, from there, developing artificial intelligence applications to improve the services that we offer as well as improving our operational efficiency. The main goal is to create a lasting and personalised relationship with each of our customers.



Africa's growth dynamic

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Tomorrow,
we will continue
to contribute to
countries' economic
development

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CONTRIBUTING TO COUNTRIES' SUSTAINABLE DEVELOPMENT

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ATTIJARIWAFA BANK GROUP IS PLAYING ITS PART IN THE DEVELOPMENT OF A SUSTAINABLE AND RESILIENT AFRICAN ECONOMY. IT IS HELPING GOVERNMENTS AND CORPORATES ACHIEVE THEIR GOALS, IS ACTIVELY PROMOTING BANKING INCLUSION AND IS ADOPTING INNOVATIVE INITIATIVES TO BOLSTER TRADE BETWEEN AFRICAN COUNTRIES.



Boubker JAI
Deputy Chief Executive Officer, Corporate and Investment Banking, Capital Markets and Financial Subsidiaries Division

What is the Group's current strategy in Africa?

Attijariwafa bank Group's continental ambition is clear, embodied in a determination to build a leading pan-African banking group. Our policy is inspired by the forward-looking vision of His Majesty King Mohammed VI, may God bless him, which advocates closer ties with African countries, greater South-South cooperation and closer economic integration within Africa.

Our strategy is now paying off. There can be no doubt about the Group's pan-African stature. With operations in 25 countries, including 14 in Africa, Attijariwafa bank is, today, Morocco's leading bank and the sixth largest bank in Africa. We continue to promote banking inclusion in Africa by deploying a local community-based retail banking model, underpinned by an ever-growing branch network and well-adapted products and services. We continue to provide an extensive range of products and services, especially through our specialised subsidiaries.

Attijariwafa bank also supports the many African companies that wish to expand their business in those countries in which we have operations. We act as advisor to a number of governments with their fundraising deals and help finance cornerstone projects.

What is the Group's development strategy in Egypt?

Last year, we managed to successfully integrate several of our Egyptian subsidiary's businesses into those of the Group. We also finalised our 2022 strategic plan which aims to build on the progress made in those businesses in which we have a track record, such as Corporate Banking and Private Banking, as well as developing a genuine retail bank via a more extensive branch network, as well as rolling-out new services and products for the benefit of resident and non-resident Egyptian citizens.

We are as confident as ever about the prospects for the Egyptian market and we are entering this market with a clear vision. As far as the corporate sector is concerned, especially when it comes to small and medium-sized enterprises, we have acquired experience in recent years about how to go about serving SMEs. We are determined to ensure that we support the development of Egypt's economic and social fabric.

The Africa Development Club and its Forum have enjoyed considerable success since their launch. What is your assessment?

Thanks to the support of our reference shareholder, the Al Mada Pan-African Private Investment Fund, we are fully committed to our continent's development and are determined to make even more of an effort to contribute to Africa's growth dynamic.

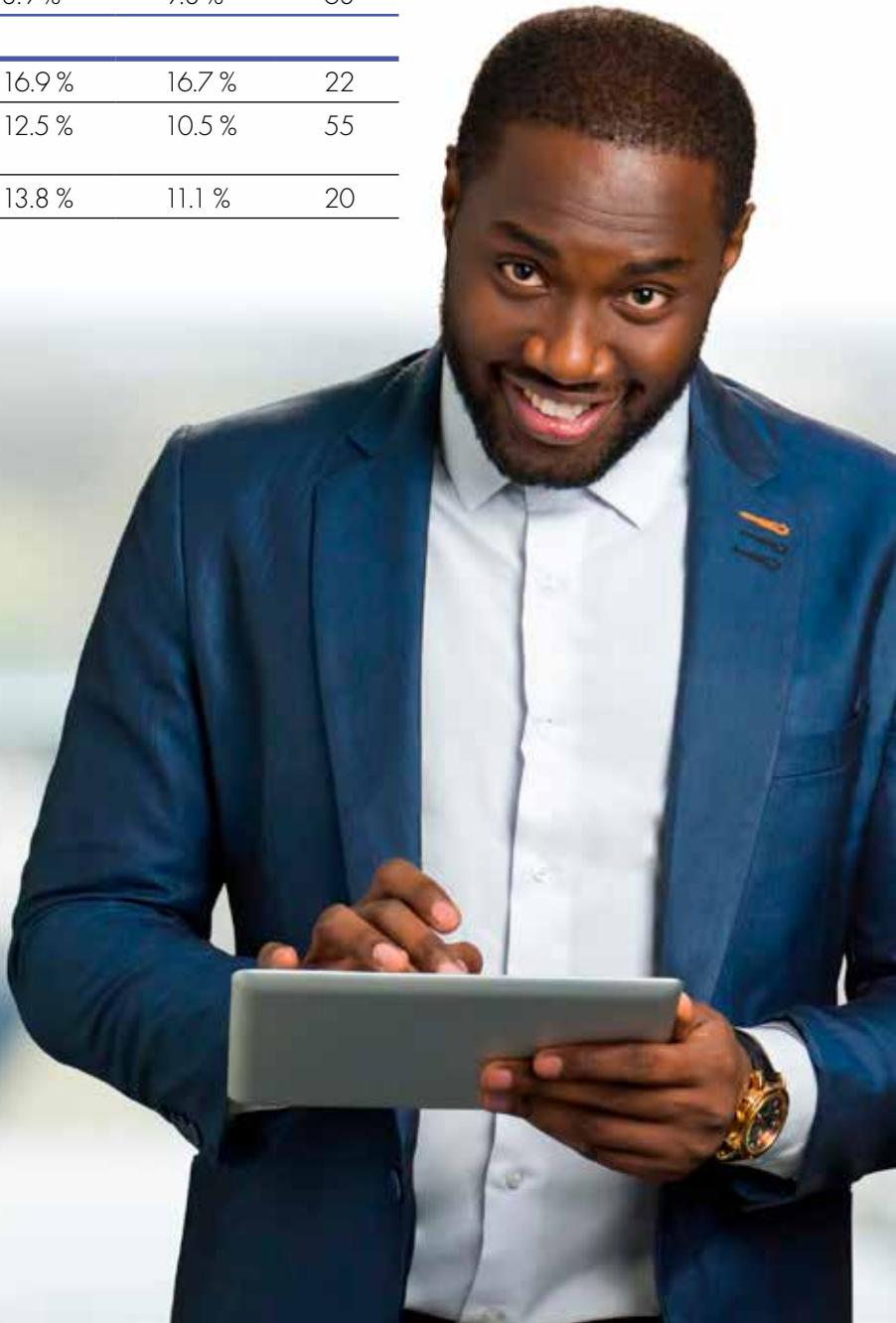
Over the past three years, the Africa Development Club has enjoyed remarkable growth. With 3,000 members and 5 satellite offices across the continent, it has conducted 15 multisectoral missions in a variety of countries in Africa. It is also the organiser of the Africa Development Forum, whose 6th edition was an unmitigated success in 2019.

Since its launch in 2010, the Africa Development International Forum has brought together no fewer than 9,500 businesses and institutions, African and international, from 40 countries and has generated more than 22,000 business meetings. Each year, the Group renews its commitment to making a lasting contribution to intra-continental growth and promoting South-South cooperation alongside the economic and political community.

A few figures about our operations in Africa

14 countries

North Africa	Share of the deposit market	Share of the loan market	Number of branches
Attijariwafa bank Morocco	26.9 %	27.0 %	1.163
Attijari bank Tunisia (ABT)	11.2 %	8.5 %	207
Attijari bank Mauritania (ABM)	11.4 %	10.4 %	30
Attijariwafa bank Egypt	0.6 %	0.8 %	56
West Africa			
CBAO and branch offices	16.7 %	14.8 %	94
Crédit du Sénégal (CDS)	2.9 %	2.2 %	8
Banque Internationale pour le Mali (BIM)	10.0 %	8.7 %	73
BIA Togo	4.5 %	4.1 %	11
Société Ivoirienne de Banque (SIB)	8.9 %	9.8 %	63
Central Africa			
Union Gabonaise de Banque (UGB)	16.9 %	16.7 %	22
Société Commerciale de Banque Cameroun (SCB)	12.5 %	10.5 %	55
Crédit du Congo (CDC)	13.8 %	11.1 %	20



Serving our customers all over Africa



We bank
BY ATTIJARI BANK

LA BANQUE EN LIGNE

www.webank.tn

Attijariwafa bank

« WE bank », Tunisia's 100% mobile bank

In 2018, Attijari bank Tunisia launched 'We bank', its 100% mobile bank. With this new brand, the bank is targeting a new customer segment comprising young people, students and start-ups.

Two packages are available to this customer category – a basic package, «We Start» and a premium range, «We Trust», offering additional services. Available in web and mobile versions, customers are able to open bank accounts remotely, while «We bank» offers them an entirely different online banking experience.

«After-sales service» in Senegal

The Group's CBAO banking subsidiary in Senegal has introduced a new centralised platform that helps customer advisers respond more efficiently to customer requests. This consists of providing a professional and standardised welcome on the telephone when customers make initial contact with the bank, assistance with products and services or when executing transactions and dealing with their complaints conscientiously. This new system should gradually help with the bank's digital transformation as well as making it easier for customers to use products such as bank cards and digital products.

Apps making day-to-day account management much easier

To make day-to-day account management much easier for customers, several of the Group's African subsidiaries have launched online banks and mobile apps. These enable customers to carry out different transactions and view their accounts in real time, confidentially and securely 24/7. Attijari Bank Mauritania (ABM) launched Attijari Mobile, the country's first digital bank, Credit du Congo, E-Banknet, BIA Togo, BIA Net and BIA Mobile, and UGB Gabon, UGB-eBank.



Promoting sustainable finance

A product range that promotes financial inclusion

In its ongoing endeavours at promoting financial inclusion, Attijariwafa bank and its subsidiaries have been rolling-out even more products and services to enable disadvantaged communities to have access to simple banking services that are adapted to their habits and needs. In July 2018, Wafacash launched JIBI and JIBI Pro, Morocco's first mobile payment accounts for retail customers and storekeepers respectively. Alongside Hissab Bikhir, a banking service for low-income households and the Floussy payment card, this new product enables the Bank to offer a range of basic banking services to the entire Moroccan population.

Attijariwafa bank Egypt is supportive of the Central Bank of Egypt's financial inclusion initiative, aimed at promoting financial education and appealing to people who do not have a bank account.

As a result, it launched the Wafa Saver account in August 2018 aimed at new retail banking customers, by offering a simplified bank account service that is adapted to their needs. The bank also carried out an information campaign by text message, targeting rural areas which do not have any bank branches, so as to promote the product on a larger scale.



«Light card», for school and university enrolment in Tunisia

Attijari bank was one of three banks to participate in a government initiative to enable enrolment for educational programmes remotely. In partnership with the Ministry of National Education, it launched Light Card, a new prepaid card. This prepaid card has neither a chip nor a magnetic strip.

It is intended to be used exclusively for online payment transactions and mobile payments in US dollars to enrol secondary pupils and high school students and for paying telephone, water and electricity bills.

Helping to combat over-indebtedness among Egyptian women

In 2018, in Egypt, the Group launched the El Gharemat programme for women in debt. The programme aims to promote gender equality and combat over-indebtedness among women from low-income communities, who are liable to criminal prosecution because of debts accumulated on behalf of their family. This financial and vocational training programme for women was developed in partnership with the Misr El Kheir Foundation. On completing the programme, the Foundation recruits these women from its ABIS factory in Belbes. The factory has helped 124 families to find a job and more than 620 people to earn a steady monthly income.

Supporting economic and regional development

Supporting major cornerstone projects

One of Attijariwafa bank Group's commitments in supporting the real economy is to support public- and private-sector flagship projects in those countries in which it has operations. In total, just under MAD 2.3 billion of fresh funding was earmarked for major projects in 2018.

Supporting government-backed schemes promoting access to housing

In 2018, Wafa Immobilier continued to promote access to housing for low-income households in Morocco by marketing mortgage products backed by government schemes such as FOGARIM, FOGALEF and FOGALOGE. The subsidiary's cumulative loan commitments since 2016 amount to almost MAD 1.7 billion.

In addition, in 2018, the company financed more than 14,000 social housing projects that also required investment in community amenities such as schools, mosques, shopping centres, waste water and rainwater treatment plants.

Honouring its pledge to finance SMEs

As in previous years, Attijariwafa bank honoured its pledge to provide financial support to Morocco's small business sector.

In 2018, the Group earmarked MAD 25.1 billion of loans for businesses including MAD 17.1 billion for SMEs and MAD 8 billion for small businesses. In 2019, the Group is committed to increasing its budget to MAD 27 billion for small businesses.

Being the leading partner to government support programmes for small businesses

In 2018, 37% of companies participating in Maroc PME's support programmes were funded by Attijariwafa bank. These programmes include Istitmar Croissance, which subsidises small businesses by up to 30% of their investment or MAD 2 million and Imtiaz Croissance, which helps small businesses access funding through a subsidy of up to MAD 10 million.

Attijariwafa bank also partnered the 'Financial Support Fund for Small Businesses' programme, which supports companies with cash flow problems. In 2018, 183 of Attijariwafa bank's business customers benefited from this support program.



MAD **25.1** billion of funding for small businesses

Nearly MAD **2.3** billion of funding for major projects

More than **14,000** social housing projects funded

EUR **100** million of loan commitments with the EIB

Partnering the EIB to improve support for Moroccan companies

The European Investment Bank (EIB) has granted Attijariwafa bank a EUR 100 million credit line to bolster support for Moroccan small- and medium-sized enterprises (SMEs) and mid-cap companies (ETI).

This new credit line will enable Attijariwafa bank to provide Moroccan companies with attractive financing that is tailored to their needs, particularly through a longer loan maturity.



Helping African start-ups grow



A Member of JA Worldwide

Attijariwafa bank's Corporate and Investment Banking (BFIG) division has been heavily committed to INJAZ Al-Maghrib's 'Smart Start' programme ever since the latter was launched in 2014. In 2018, 53 volunteer executives from Attijariwafa bank Group rallied to support 57 young would-be entrepreneurs and 20 start-ups.

In Tunisia, Attijari bank launched 'QuickStart by Attijari bank', a recurring event that is designed to promote start-ups and provide them with networking opportunities with corporate customers so as to develop potential business partnerships.

Lastly, in Egypt, Attijariwafa bank supports the 'Nilepreneurs' initiative launched by the Central Bank aimed at developing, qualifying and enhancing

the competencies of young SME entrepreneurs. The initiative is supported by Nile University, renowned for its expertise in scientific and research-based disciplines.

Closer cooperation between Attijariwafa bank and Bpifrance on behalf of SMEs

In 2018, Attijariwafa bank signed a new partnership agreement with Bpifrance, a French state-owned investment bank and a major player in business development in Europe. The agreement is designed to develop support systems for SMEs and promote trade between French and Moroccan companies, as well as helping them develop their business in France, Morocco and Africa. A number of areas for cooperation were identified as part of this agreement, such as extending the Attijari Business Link platform on EuroQuity to every African country in which the Group has operations.



Croire en vous

« QUELS SONT LES LEVIERS ET LES FREINS DE DÉVELOPPEMENT DES RELATIONS ENTRE DONNEURS D'ORDRES ET FOURNISSEURS ? »



ATTIJARI BUSINESS LINK
ESPACE GÉNÉRATEUR DE SYNERGIES

EN PARTENARIAT AVEC 



Supporting South-South and North-South cooperation

Increased cooperation in Central Africa

In order to bolster its efforts at promoting South-South cooperation and regional integration in Africa, in 2018, the Group entered into a partnership with the Development Bank of Central African States (BDEAC). This cooperation agreement is designed to accelerate the process of providing financial support for major projects within the CEMAC zone, by arranging and financing cornerstone projects in a variety of sectors such as agriculture, livestock farming, agribusiness, energy, infrastructure and telecommunications.

In addition, Attijariwafa bank and the IFC, a World Bank Group member, signed an agreement to support businesses and boost investment and cross-border trade in Africa. The partners are committed to cooperating in a number of areas, including corporate and investment banking, project finance and risk-sharing instruments. The agreement also provides support for small businesses in Morocco and Africa.

Bolstering relations between Africa and China

On the occasion of the China-Africa Cooperation Forum in Beijing, the Group signed three major agreements with leading Chinese organisations. The first memorandum of understanding was signed with Bank of China as part of China's 'One Belt, One Road' initiative, which aims to boost flows of capital, services and goods between China and the rest of the world. The second memorandum was signed with China State Construction and Engineering Company (CSCEC), the leading construction company in China and around the world, designed to encourage investment in Morocco's infrastructure, building and real estate sectors in those countries in which the Group has operations. Lastly, Attijariwafa bank signed up as a founder member of the China Africa Inter-Bank Association (CAIBA), an alliance of 16 major African banks teaming up with China Development Bank to bolster trade and investment flows between China and Africa.



The Africa Development Club

Building a network of African opportunities

Inspired by the enlightened vision of His Majesty King Mohammed VI, may God bless him, and under the aegis of the Bank's reference shareholder, Al Mada, the Africa Development Club was established in 2016. The Club is a networking platform offering a variety of services, including networking opportunities, access to reliable economic and financial information, personalised support for Club members, access to investment project banks and access to business communities in Europe and Latin America as well as Attijariwafa bank Group's banking network. Since it was founded, the Club has organised 15 multisectoral missions in Morocco, West Africa and Central Africa, bringing together more than 2,000 businessmen and women. In 2018, the Club set up a satellite office in Mauritania. The Africa Development Club now has a total of 9 satellite offices.

More than **1,400** members

and **850** persons connected via Attijari Business Link since launch

The 6th Africa Development International Forum, an unmitigated success

THE 6TH AFRICA DEVELOPMENT INTERNATIONAL FORUM ON THE THEME OF «WHEN WEST MEETS EAST» WAS AN UNMITIGATED SUCCESS, WITH MORE THAN 2,000 PARTICIPANTS FROM 35 COUNTRIES AND NO FEWER THAN 5,000 BUSINESS MEETINGS HELD OVER 2 DAYS.

Highlights

Recommendations report

One of the main highlights of the Africa Development International Forum was the recommendations report from the two plenary sessions and the various panel discussions. The first plenary session on the theme of «**Accelerating regional economic integration**» reached a unanimous conclusion, which was that East and West must work more closely together to jointly develop infrastructure on the African continent, including connectivity infrastructure, which is a key driver for integration.

The «**Stand Up for African Women Entrepreneurs**» panel highlighted the various initiatives and innovative financing mechanisms now being put in place to support women entrepreneurs, as well as the need to implement them quickly and communicate their benefits as drivers for encouraging female entrepreneurship.

Lastly, the panel on the role of digital technology as an important growth driver in Africa and as a means of promoting the contribution from young African start-ups to the economy also generated an impressive cluster of recommendations with two main conclusions – that public authorities need to provide greater support to

create champions and work more closely alongside the private sector in a more inclusive approach.

The second plenary session invited businesses to participate in a debate on the theme of «**Positive Impact, guaranteeing inclusive and responsible growth**». This theme was all the more important as it highlights the very DNA of Al Mada, the Pan-African Private Investment Fund and the Group's reference shareholder. 'Positive Impact' is the latter's raison d'être, providing meaning to its sense of social responsibility and acting a conduit for its actions over the long term.

The conclusion was that the company had a dual purpose, which is to generate wealth and contribute to the common good by enhancing the social fabric of communities in a manner that was sustainable and respectful of human dignity and nature.

As in previous years, all these recommendations are summarised in the Forum's 6th White Paper and sent to public sector and governmental decision makers.



AFRICA'S GROWTH DYNAMIC



South-South Cooperation Awards

The annual tradition of giving recognition to the most deserving companies continued at the South-South Cooperation Awards. This year, the first 'Platinum' prize was won by EL SEWEDY ELECTRIC, an Egyptian company. The second 'Gold' prize was awarded to EBOMAF, a company from Burkina Faso. And lastly, the third 'Silver' prize was awarded to a Mauritanian company, INFOLOG.

The other highlight of the year was the presentation of an honorary award to the President of Sierra Leone, His Excellency Julius Maada Bio, in recognition of his leadership, commitment and support for South-South cooperation.

Investor Marketplace

At the 6th Africa Development International Forum, the Investor Marketplace again proved very popular, unearthing several new business opportunities. This space, specifically earmarked for public- and private-sector project sponsors, enabled 8 African countries, including Sierra Leone, Ivory Coast, Egypt, Ethiopia, Mali, Kenya, Rwanda, Cameroon and, of course, Morocco, to showcase their national development plans, their flagship investment projects and the various opportunities currently available to potential investors.





A number of agreements and memoranda of understanding signed

As an adjunct to the Forum, a number of agreements were signed, including:

A cooperation agreement with Kenya Commercial Bank, Kenya's No. 1 bank

This cooperation agreement will enable Attijariwafa bank Group to provide its business customers in those countries in which it has operations with access to the Kenyan market and to every market covered by KCB in East Africa.

A memorandum of understanding with Sierra Leone

A memorandum of understanding was also signed between Attijariwafa bank and Sierra Leone's Ministry of Trade and Industry to promote investment and set up businesses in those countries in which the Group has operations, as well as in Sierra Leone.

An agreement with the Regional Investment Agency (RIA) of the Common Market for Eastern and Southern Africa (COMESA)

An agreement was signed with the Regional Investment Agency of the Common Market for Eastern and Southern Africa, which focuses on jointly developing investment opportunities in COMESA RIA member countries.

An agreement with the African Development Bank and Women Business Leader Associations

Lastly, a major agreement was signed by Attijariwafa bank Group, the African Development Bank and Women Business Leader Associations, which focuses on developing innovative initiatives and financing mechanisms in support of African women entrepreneurs. The Group is committed to providing affiliated women entrepreneurs and customers with cost-effective advisory, support and financing solutions.

More than **2,000** Forum participants from **35** countries

5,000 business meetings at the Forum



Responsibility

“

Tomorrow,
we will create
even more
shared value

“



MITIGATING THE RISKS INHERENT IN OUR OPERATIONS

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ATTIJARIWAFA BANK GROUP HAS MAPPED EVERY TYPE OF RISK AND HAS DEFINED AGGREGATE RISK APPETITE INDICATORS AFTER TAKING INTO ACCOUNT ALL REGULATORY REQUIREMENTS. AND, OVER AND ABOVE ITS CONTROL SYSTEMS, THE GROUP HAS FOSTERED A STRONG «RISK CULTURE» AMONG STAFF.



Talal EL BELLAJ
Deputy Chief Executive Officer, Group Global Risk Management.

What does the risk transformation initiative, as anticipated in the Group's «Energies 2020» strategic plan, consist of?

The risk transformation initiative, which falls within the framework of the «Energies 2020» strategic plan, has a number of goals. These include providing the Group with a formal risk appetite framework that is common to all stakeholders, optimising the process for managing the corresponding risks, bolstering the risk management system, including the Group's overall risk profile via analytical, simulation and stress-testing solutions and, lastly, promoting a risk culture among the Group's various bodies.

In 2018, several of these projects were implemented. Prior to implementing the risk appetite framework, a stress testing system was put in place. The results enabled us to define aggregate risk appetite indicators and their different thresholds as well as gauging targets, limits and capital usage, based on existing risk-return profiles.

This comprehensive system is also being rolled-out in a number of SFS (Specialised Finance Companies) subsidiaries and by BDI (International Retail Banking). As far as the nitty-gritty of the risk appetite framework is concerned, the Bank has focused its efforts on the corporate sector, which involved drawing-up risk appetite lists consistent with the Corporate Programme as well as the branch network.

What is the current status on implementing IFRS 9?

In January 2018, the new IFRS 9 standard was introduced. This is a new model for recognising financial asset impairment based on expected credit losses (ECL). Extended rating models for corporates saw risk parameters introduced (such as probability of default) covering most of the Bank's loan commitments in Morocco. This new model also takes into account financial, qualitative and behavioural aspects. It covers most of the Bank's loan commitments. It was designed on the basis of a tried-and-tested statistical approach and feedback from risk managers. Its predictive power has therefore been enhanced.

The Group has also bolstered its risk management system for subsidiaries such as Attijariwafa bank Egypt. Can you tell us more?

Special attention has been given to Attijariwafa bank Egypt. New rating models for large enterprises and SMEs have been developed, replacing the existing models originally implemented by the previous shareholder, Barclays, to bring the subsidiary into line with Group practices. A collaborative approach, involving the risk managers of the subsidiary and of the Group, led to an intuitive model being developed in a short period of time that is adapted to the local market.

At the operational level, a new rating system was rolled out in July 2018. As a result, the portfolio was rated on the basis of this new model, taking into account the most recent results. These initial results show that the new model captures the risk profile more effectively, with a positive impact when calculating provisions under IFRS 9.

In addition, the extended internal rating model for corporates has also been adopted by other international subsidiaries with a priority given to subsidiaries such as CBAO Senegal and SCB Cameroon with a high level of loan commitments. Furthermore, the models already deployed by SIB in Ivory Coast and by Attijari bank Tunisia have been back-tested and are being continuously improved.

You support the Corporate and Investment Banking division in managing the risks inherent in its operations? How did that work out in 2018?

Actually, it is the Market Risk unit within Attijariwafa bank that is responsible for supporting the Group Corporate and Investment Banking division in developing and monitoring capital markets operations. In addition, the Group underwrote 47.6% of the Ministry of Finance's first sukuk issue, thereby acquiring a foothold in this

market and helping establish a burgeoning participatory finance ecosystem in Morocco. In addition, as part of the development of a market in Green Bonds, we decided to subscribe to a number of green bond issues to support this new market segment.

The Group has also implemented a Business Continuity Plan. Where are you at in terms of implementing this plan?

We have been implementing a Business Continuity Plan (BCP) for more than ten years which is an integral part of the regulatory compliance process in terms of managing major risks. Each of the Plan's actions are designed to safeguard Attijariwafa bank Group's capital.

The BCP provides a reference framework internally as well as externally vis-à-vis supervisory authorities, customers, suppliers, service providers and partners of the Bank. In 2018, development work on the BCP back-up site was completed and delivered, while several pre-qualification BCP tests and power-on, real-life, operational and organisational tests were carried out.

Lastly, the trading floor's BCP has been a major priority in terms of managing business continuity due to the diverse and complex range of businesses on the trading floor.



CREATING EVEN MORE SHARED VALUE

“

ATTIJARIWAFA BANK GROUP IS CONVINCED THAT THE GROUP'S LONG-TERM SUCCESS LIES IN ITS ABILITY TO GENERATE BOTH ECONOMIC AND SOCIAL VALUE FOR ITS STAKEHOLDERS. ITS CSR APPROACH THEREFORE EMBODIES ITS COMMITMENT TO RESPONDING TO SUSTAINABLE DEVELOPMENT CHALLENGES. IN 2018, THE GROUP MADE SIGNIFICANT PROGRESS AND IS NOW RECOGNISED AS A KEY PLAYER WHEN IT COMES TO CSR.

CSR CSR policy central to the Group's strategy



Saloua BENMEHREZ
Executive Director,
Group Communications

What role does CSR play in Attijariwafa bank's strategy?

At Attijariwafa bank, we aspire to create value for our Group and for society as a whole. That is why our approach to CSR is underpinned by 10 undertakings, the main goal being to foster sustainable economic development. We want to respect the environment and help combat climate change, act in an exemplary manner in our business dealings and in relations with stakeholders and engage with local communities and with the general public.

Considerable progress made by the Group in terms of CSR in 2018

In 2018, the Bank and its subsidiaries made even more of an effort to prioritise CSR. Attijariwafa bank Foundation continued to support numerous initiatives that benefit local communities and solidarity-based high-impact organisations, especially in

education and entrepreneurship, art and culture, public debate and intellectual initiative. We are now a recognised player in CSR, as evidenced by the Group being included in the Casablanca Stock Exchange's new CSR index, 'Casablanca ESG 10', in recognition of our ongoing commitment to Corporate Social Responsibility (CSR) and our insistence on incorporating Environmental, Social and Governance (ESG) factors into our management system.

We are also the only commercial bank in Africa and in the MENA region, and the 7th, globally, to be accredited by the United Nations Green Climate Fund (GCF) as an implementing financial intermediary in green finance in Africa.

This accreditation marks an important milestone for us in terms of our CSR policy and in our support for energy transition.



It enables us to work in partnership with the Fund to support our public- and private-sector customers with their sustainable development projects on the African continent through co-financing or providing large-scale, high-impact investment guarantees that may exceed USD 250 million per project.

What are the priority challenges identified by the Group in terms of sustainable development?

In 2017, we identified some 20 priority issues in sustainable development. We have ranked their importance as a function of our stakeholders' expectations and the potential impacts on the Group's medium and long-term business model.

In 2018, we stepped up our action in response to the major challenge of «Supporting Entrepreneurship», which we consider as a key growth driver for Africa.

We also identified a new challenge, which is to «support customers in their efforts to reduce their environmental impact» and bolster the Group's efforts in combating global warming.

In such a context, we aim to develop innovative financing mechanisms, notably thanks to being recently accredited by the prestigious United Nations Green Climate Fund (GCF).

What is your vision of the bank of tomorrow?

The bank of tomorrow, as we imagine it within the Group, must of course leverage technological innovation to ensure that the services provided to customers are straightforward and secure. It must also be a source of solidarity, economic and social progress. It must embody the values of a bank that is useful and that serves every citizen, a trustworthy bank, which is explicitly typified in our institutional slogan «Believe in you».

“ Our ambition is to create value both for our Group and for society as a whole (...) and we are now a recognised player in CSR.

Financing savings sustainably

Attijariwafa bank obtains accreditation from the United Nations Green Climate Fund

Attijariwafa bank was officially accredited at the 22nd Green Climate Fund Board meeting in Songdo, South Korea. In doing so, Attijariwafa bank Group became the only commercial bank in Africa and in the MENA region, and the 7th, globally, to obtain accreditation with regional coverage.

This accreditation enables the Bank to work in partnership with the Fund to support its public- and private-sector customers with their sustainable development projects on the African continent through co-financing or providing large-scale, high-impact investment guarantees, that may exceed USD 250 million per project.

Inclusion in Casablanca Stock Exchange's new CSR index

In 2018, Attijariwafa bank was included in the Casablanca Stock Exchange's new CSR index, «Casablanca ESG 10», in recognition of its ongoing commitment to Corporate Social Responsibility (CSR) and its ability to incorporate Environmental, Social and Governance (ESG) factors into its management system. This new index comprises the 10 listed companies obtaining the best corporate social responsibility scores from the non-financial ratings agency, Vigeo Eiris, a non-financial ratings agency. The 'Casablanca ESG 10' will help attract socially responsible investment and promote best CSR practices in Morocco.

At the same time, Attijariwafa bank was named 'Top Performer CSR 2018' for the second consecutive year by Vigeo Eiris, as part of its annual appraisal of listed companies from around the world.

Group subsidiaries CSR-certified by the CGEM

In accordance with Attijariwafa bank Group's corporate strategy, Group subsidiaries also take CSR very seriously and have implemented a large number of initiatives in this regard.

Two Moroccan subsidiaries, Wafa Assurance and Wafasalaf, were awarded the CGEM's CSR label in Morocco, thereby becoming the first companies in their respective industries to be awarded this label.

“ 1st bank in Africa and in MENA to be accredited by the Green Climate Fund

FCFA **37** billion of investment in the Nachtigal hydroelectric project in Cameroon.

EUR **40** million earmarked for financing green economy projects in Tunisia

-15% fall in paper consumption between 2017 and 2018 (Banking in Morocco)



Supporting energy transition

Supporting Green Finance in Africa

Attijariwafa bank Group, through its SCB Cameroon subsidiary, is supporting the Nachtigal hydroelectric project, which is expected to cost an estimated at CFAF 786 billion. It will be built on the upriver section of the Sanaga River, 65 km from Yaoundé. It involves building, running and maintaining the dam, a mill canal, a hydroelectric power station and a 50 km transmission line.

The CFAF 37 billion loan commitment from the Group's SCB Cameroon subsidiary accounts for more than 30% of the total commitment from the local banking pool.

Attijariwafa bank and SCB Cameroon will also assume a number of responsibilities locally, including acting as credit agent, collateral agent and custodian bank. In addition, the Group's Cameroonian subsidiary is now marketing an 'ecological' loan facility. This is a medium- to long-term loan for companies with a project that is related to energy efficiency, renewable energy and sustainable management of woodland and forests. In Tunisia, Attijari bank signed an agreement with the IFC, a World Bank subsidiary, regarding a EUR 40 million package for financing green economy projects.

Reducing the Group's environmental impact

Managing waste sustainably through selective sorting

Attijariwafa bank Group, fully aware of its environmental impact, is committed to managing waste sustainably. A new sorting system was introduced at Attijariwafa bank's head office site in Casablanca. Communal dustbins now enable waste to be sorted with a view to the latter being recovered. This will be done by formally including and supporting ragpickers, in collaboration with the organisation, Beyti. In addition, the head office's relaxation areas have been refurbished and equipped with drinks dispensers and cup-less next-generation water.

This cornerstone initiative, to which every Group employee is committed, will enable the Group to make savings of around 171,000 plastic cups a year.

The Group is aiming for a 31% fall in waste production and a 68% reduction in CO₂ emissions by 2020, which equates to the preservation of 2.5 hectares of forest.

Ongoing improvement in the Group's energy performance

Attijariwafa bank Group is pursuing its energy efficiency policy by introducing LED lighting for signage across the entire branch network as well as at head office sites in Morocco. The Group's Gabonese subsidiary, Wafa Immobilier and Attijari bank Tunisia have also opted for this type of lighting, as has Attijariwafa bank Egypt, which introduced it at its head office as well as for 25 branches. LED lighting, which will be automatically adopted by every new branch, will enable the Group to reduce electricity consumption by 20% by comparison with conventional lighting.

7 million eco-gestures

At the end of 2018, Attijariwafa bank Group launched a «7 million eco-gestures» campaign, inviting the Group's employees to adopt one eco-gesture every day, which would collectively amount to more than 7 million environmentally-friendly actions per year. This campaign aims to raise awareness about good ecological practices and support implementation of the selective sorting process.

The campaign comprises a number of different initiatives such as awareness posters, distributing the eco-gestures guide, educational video capsules and organising an environmental day in Casablanca.



Making sustainable purchases

Responsible purchasing charter

In 2018, the Group published a formal charter, outlining each of its undertakings in terms of responsible purchasing.

Through this charter, Attijariwafa bank undertakes, and expects the same of its suppliers, to reduce the social and environmental risks relating to purchases, to contribute to regional development and to promote best business practice. The Group is committed to allowing any type of company, irrespective of its size, to bid for contracts, to reducing supplier payment periods and to innovating with suppliers. By the end of 2018, 29% of suppliers had signed up to this charter.

Improved supplier payment periods

Attijariwafa bank is contractually committed to paying its suppliers within 30 days, which is still well below the regulatory 60-day deadline in Morocco.

In 2018, invoice processing times and supplier payment periods saw some improvement. Average payment periods came down from 11 days in 2017 to 9 days from the date that an invoice is received.

Supplier CSR risks mapped

In 2018, the Group mapped its CSR risks by category and sub-category of purchase. More than 6 criteria were assessed against environmental, social and ethical criteria, enabling the Group to identify the riskiest purchasing categories in terms of CSR. Depending on Attijariwafa bank's level of exposure (strategic purchase, purchase volume, etc.), suppliers belonging to a purchasing sub-category that has been assessed and considered as 'high risk', will undergo a CSR assessment and will be offered appropriate support, if necessary.

New policy promoting local purchasing

In 2018, small businesses accounted for 81% of Attijariwafa bank's suppliers, an increase of 3% compared to 2017. This increase was due to the Bank adopting, in 2017, a new policy for approving small business-type suppliers, with a view to making greater use of this category of supplier. Lastly, regional or local purchasing is preferred as a means of reducing purchasing costs as well as boosting the regional economy. In 2018, local suppliers accounted for 85% of the Bank's active suppliers' panel in Morocco.

29% of suppliers have signed up to the Responsible Purchasing Charter

Supplier payment period **9** days on average

81% of suppliers are small businesses

III- LES ENGAGEMENTS DES FOURNISSEURS

Le groupe Attijariwafa bank souhaite faire de ses fournisseurs, des contributeurs actifs dans la réalisation de ses ambitions de RSE. Pour cela, le Groupe attend des fournisseurs avec lesquels il travaille qu'il partage ses engagements en faveur du développement durable et qu'ils respectent les principes suivants :

- **1 Respect des lois et réglementations**
- Le fournisseur s'engage à respecter les lois du pays où il exerce son activité, et respecte les règles internationales édictées par les Nations Unies et particulièrement :
 - les principes de la déclaration universelle des droits de l'homme ;
 - les conventions fondamentales de l'Organisation Internationale du Travail (OIT) ;
 - les principes fondamentaux de l'Organisation de Coopération et de Développement Economiques (OCDE) à l'intention des entreprises multinationales.
- Le fournisseur s'engage à obtenir un engagement similaire de la part de ses propres fournisseurs et sous-fournisseurs.

● **2 Éthique et déontologie**

Le fournisseur s'engage à agir conformément aux principes de loyauté, d'honnêteté et d'équité, ainsi qu'aux règlements applicables en matière de concurrence.

Dès lors, tout fournisseur s'interdit de participer à des ententes fixant les prix, et plus généralement de toute forme de coordination entre fournisseurs visant à empêcher la concurrence, notamment celles visant à évincer un concurrent du marché ou à restreindre l'accès aux marchés des nouveaux concurrents par des moyens illicites.

Le fournisseur s'engage à ne pas faire partie d'un groupe qui favorise une situation de conflit d'intérêt et dans aucun acte de corruption, d'extorsion ou de détournement de fonds, ni dans aucune forme de versement de pots-de-vin.

De plus, le fournisseur s'interdit de proposer ou d'offrir des cadeaux, invitations ou tout autre avantage en contrepartie d'une action ou d'une omission, et à leurs proches, afin de respecter l'indépendance dans laquelle doit être menée le processus d'affaires.

Tout comportement contraire à ces règles est à signaler à la Déontologie du Groupe, Mme Faiza Khatami, par email à l'adresse suivante : faiza.khatami@attijariwafa.com, qui se chargera de faire la requête et de faire la vérification que l'agence de réception ou de faire au sujet d'un collègue d'Attijariwafa bank ou d'un fournisseur.

IV- LES ENGAGEMENTS D'ATTIJARIWAFABANK

Le groupe Attijariwafa bank souhaite développer des relations avec ses fournisseurs fondées sur la confiance et le respect mutuel, et partager des pratiques et des connaissances pour renforcer et renouveler des relations durables et équilibrées. Le Groupe s'engage ainsi à respecter les principes suivants :

- **1 Équité de traitement et transparence**
- Le groupe Attijariwafa bank traite ses fournisseurs avec honnêteté et respect, et donne les mêmes chances à tous, dans le cadre d'un système équitable et transparent de sélection du panel de fournisseurs et des offres. De ce fait, les fournisseurs sont sélectionnés de manière impartiale en fonction de critères prédefinis et transparents. Les méthodes d'attribution des contrats sont également transparentes et équitables, sans que l'égalité de traitement au regard des critères de jugement fie à la consultation.
- Le Groupe s'engage à assurer une communication claire et homogène pour que chaque fournisseur reçoive la même information.

● **2 Délais de paiement**

Le groupe Attijariwafa bank s'engage à payer le fournisseur conformément à la loi en vigueur du pays où il exerce son activité.

Le Groupe Attijariwafa bank vise à améliorer et réduire les délais de paiement des fournisseurs, au-delà du cadre réglementaire, en mettant en place des solutions innovantes, permettant par exemple de réduire les circuits d'émission et de valider les factures.

● **3 Dépendance réciproque**

Le groupe Attijariwafa bank souhaite à éviter toute dépendance économique qui pourrait mettre en péril la durabilité de ses fournisseurs. De ce fait, il s'engage à être vigilant vis-à-vis du risque de dépendance réciproque avec les fournisseurs et à mettre en place des stratégies pour prévenir et gérer ce risque.

Il invite aussi ses fournisseurs à constamment diversifier leur clientèle afin d'éviter une dépendance économique significative.

La dépendance réciproque d'un fournisseur sera articulée et progresser afin de toujours chercher à l'ancrage des relations avec l'entreprise et le cas échéant du degré de dépendance, de ses possibilités de se diversifier ou de s'adapter.

Un fournisseur qui démontre une forte dépendance à l'égard d'un seul approvisionneur du Groupe Attijariwafa bank envisagera alors une seconde source d'approvisionnement, qui pourra se concrétiser par la signature de plusieurs contrats-cadres par exemple.

● **4 Relation durable / coopération**

Le groupe Attijariwafa bank s'engage à développer une relation durable avec ses fournisseurs et à leur donner la possibilité de se développer.

En tant que grand donneur d'ordre, le Groupe engage une collaboration privilégiée avec ses fournisseurs et partenaires, en se basant par exemple à :

- co-développer des produits et services
- aider les PME stratégiques à la performance de leur entreprise (production, achats, etc.)
- aider les TPE à se développer et se professionnaliser.

Being a responsible employer

Promoting youth employment

The Bank in Morocco is firmly committed to supporting employment and combating youth unemployment. As a result, it signed a partnership agreement in May 2018 with the Office of Vocational Training and Employment Promotion (OFPPT) to pool efforts in training young students and in integrating them into the workplace.

Helping to integrate young sub-Saharan graduates



Five classes of graduate have now completed the Yeelen programme. Established by the Group in 2009, its goal is to recruit, each year, sub-Saharan graduates from Moroccan higher educational establishments and train them for 12-24 months with a view to subsequently integrating them into their home country's subsidiaries.

In 2018, some fifteen young professionals from seven sub-Saharan countries completed their immersion year at the Bank's head office and are now ready to join subsidiaries in their respective countries. As part of an ongoing process, 16 new graduates are expected to join the Group from January 2019 and will attend a new Yeelen class.

Nearly **96%** of the Bank's employees in Morocco have permanent employment contracts

Women account for **40.5%** of the Bank's managerial staff in Morocco

Attijariwafa bank, now a «Tobacco-free Bank»

In 2018, as part of its health and safety policy and to promote employee welfare, in Morocco, Attijariwafa bank renewed its commitment to supporting the nationwide anti-smoking campaign launched by the Lalla Salma Foundation to combat cancer. A no-smoking policy has been adopted at each of the Bank's sites in Morocco and the smoking ban is clearly visible on the premises. Awareness-raising campaigns highlighting the harmful effects of tobacco, medical check-ups, quit-smoking products at heavily discounted prices are just some of the measures taken by the Bank to help employees give up smoking.

An inclusive approach to disabled persons

The Group is committed to supporting disabled persons by actively helping them to integrate into the workplace. It was against such a backdrop that Attijariwafa bank took part in the «Forum Handicap Maroc» in December 2018, organised by the organisation 'Espoir Maroc' in Casablanca. This disability forum is an important event for companies committed to integrating disabled persons into their workforce. Employees with serious or severe illnesses or disabilities are also entitled to medical assistance provided by the company 'Coups Durs' as well as financial assistance via the solidarity and relief fund, in the event of major difficulty, serious illness, or disability.

Encouraging volunteering within the Group

As part of its strategic partnership with INJAZ Al-Maghrib Association, the Group's volunteer employees are enrolled in a skills sponsorship programme. In 2016, the Group announced that it hoped to mobilise 1,000 volunteers by 2018 as part of this partnership. This goal was largely exceeded by the end of 2018 with more than 1,300 staff volunteering over the three years, providing 18,400 hours of training to 26,689 youngsters over the period 2016-18.

OUI à la vie **NON** au tabac

1 AN SANS TABAC
CE N'EST QU'UN PREMIER PAS !



Croire en vous



Attijariwafa bank société anonyme au capital de 2 016 594 790 DH - Siège social : 2, boulevard Moulay Youssef, Casablanca. Agrée en qualité d'établissement de crédit par arrêté du ministre des Finances et de la Préservation n°2294-02 du 22 octobre 2002 tel que modifié et complété - RC 322

Engaging with local communities and with the general public

Improving access to art and culture



Supporting the arts scene in Morocco and Africa

As in previous years, Attijariwafa bank Group underlined its reputation as the leading sponsor of major musical events in Morocco and Africa. Last year, the Group supported major events such as the Fez Festival of Sacred Music, the Rabat Mawazine Festival, the Casablanca Boulevard Festival and the Africa Laughter Festival, among many others. The Group's overseas subsidiaries also contributed to the development of the arts by sponsoring the Gafsa International Festival in Tunisia, the Arkadi Festival by Bin Kadi So, an organisation promoting African art, the Anoumabo Urban Music Festival (FEMUA) in Ivory Coast and the famous El Gouna film festival in Egypt. Wafasalaf is also supporting the arts by partnering the Moroccan Philharmonic Orchestra.

Instilling in the general public a taste for art

Art and artistic creation play a central role in promoting social harmony. That is why the Foundation, since it was founded, has striven to democratise art and culture. It endeavours to foster an appreciation of art among the general public, while contributing to youngsters' artistic education as well as inspiring young and experienced artists alike to be creative. The Foundation organises theme-based heritage and contemporary exhibitions that are inspired by the Group's values. It helps raise the profile of emerging artists through exhibitions, develops educational

Developing intercultural exchange by introducing children to foreign languages

Since 2013, Attijariwafa bank Europe has partnered Kidilangues, an organisation that strives to promote plurilingualism and intercultural exchange by introducing kindergarten and primary school children to foreign languages. The programme, which consists of several online lessons, language workshops and other activities, enables children to explore foreign languages in a light-hearted and creative way. Attijariwafa bank Europe supports Kidilangues' different cultural initiatives as well as financially supporting language learning workshops in a variety of languages.

«Currencies of the World» exhibition showcasing the city of Tangier

In 2018, Wafacash sponsored the 'Currencies of the World' exhibition in the city of Tangier. The exhibition, consisting of a 28-panel installation with each comprising visuals of 8 currencies, aimed to introduce visitors to the heritage of different countries around the world and highlight Tangier's glorious past as a thriving cultural and business centre. Today, Tangier is enjoying something of a renaissance thanks to His Majesty's desire to see the Straits city awarded a large number of cornerstone projects such as the Tangier Med I and II ports, Tangier Marina Bay, the free zones, industrial zones and road and rail infrastructure.



programmes and guided tours that are open to all sections of the public and enhances the Group's collection through loans and publications.

Supporting youth education and entrepreneurship

Tackling school dropout and failure rates

To reduce school dropout rates, the Group's subsidiaries are committed to promoting education. SIB in Ivory Coast, oversaw a number of school renovation projects last year in support of the organisation Children of Africa, which included building a high school that will provide an education to 3,000 students. Attijari bank in Tunisia provided equipment and materials to schools in several regions.

Instilling a sense of entrepreneurship in youngsters

As a founder member of the INJAZ Al-Maghrib Association, Attijariwafa bank is actively committed to helping instil a sense of entrepreneurship in youngsters. A number of the Group's subsidiaries are involved in this initiative alongside the parent company, such as Wafacash, Wafa Immobilier and Wafasalaf in Morocco, Group Corporate and Investment Banking, as well as the Group's Gabonese subsidiary, l'Union Gabonaise de Banque (UGB), through Junior Achievement, an NGO. In 2018, the Group's volunteer managers provided 8,844 hours of entrepreneurship training as part of one or more of the Association's programs, benefiting 7,500 youngsters (college, high school and university students) in 17 cities across the Kingdom. Group employees accounted for 57% of the total number of training hours provided by INJAZ's network of partners and 43% of its volunteers.

Attijari bank in Tunisia, a founder member of the INJAZ Tunisia programme, also provided support to the team that won the final of the INJAZ international competition, which took place in Kuwait. This team won the Best Business of the Year award.

Lastly, in 2018, Attijariwafa bank Egypt participated in a national competition organised by the organisation to recognise the best entrepreneurial projects, as part of the Enactus programme that it supports, which seeks to promote entrepreneurship among youngsters.



Encouraging and rewarding excellence

Through its «Elite Schools for Everyone» programme launched in 2007, the Foundation organises an intensive study programme each year for commerce and science students in Morocco so as to prepare them thoroughly for their entrance examinations to elite higher educational establishments.

In 2018, 152 students benefited from this initiative. Since it was launched, a total of 1,580 students have benefited from this programme. Similarly, each year since its launch in 2006, the Foundation has supported the AMGE caravan organised by the Moroccan Association Elite Schools (AMGE) as exclusive partner.

RESPONSIBILITY



Contributing to the development of higher education



Developed in 2007 in partnership with Banco Santander, the «International Masters in Banking and Financial Markets» is a dual Moroccan-Spanish degree from Hassan II University delivered by Casablanca's Faculty of Legal, Economic and Social Sciences and the University of Cantabria.

The 12th Masters programme was launched in October 2018. In total, nearly 400 students have enrolled since it was first launched in 2007, with 30% of students coming from sub-Saharan Africa. This underlines the programme's appeal beyond national borders. The employment rate of Masters Graduates is more than 90%.

Useful information for students under one roof

Jamiati.ma is intended to be a community-based university guide, incorporating useful information about Moroccan higher educational establishments and provide high school graduates and other students with the information needed to guide and help them decide on their choice of university degree. Jamiati.ma is Morocco's first ever portal to cater to the specific needs of Morocco's university community. It was initially developed in 2007 by Attijariwafa bank Foundation in partnership with Banco Santander's UCEIF Foundation and was inspired by its Spanish equivalent, universia.es.



A new development in 2018 was to allow high school students access, which provided fresh impetus, especially via social media, due to them being highly active social media users. In addition, in 2018, the first ever Jamiati newsletter was published, thereby bringing the year to a successful close.

Promoting public debate and intellectual initiative



«Let's discuss, for a better understanding» monthly conference series

In 2014, Attijariwafa bank Foundation set up a platform to debate current affairs, entitled «Let's discuss, for a better understanding». This forum, which is open to every section of society, invites renowned experts from Morocco and overseas to offer their informed opinion about current economic, social, societal and cultural affairs.

This monthly conference series, which is held in a variety of cities across the Kingdom, attracts several hundred businesses and members of the general public, particularly Moroccan youngsters.

The Foundation, ever attentive to the expectations of the general public, placed considerable emphasis on cultural, artistic and societal issues in 2018. Ten conferences were organised to discuss current affairs, including two literary events and a couple of regional conferences. For each event, a transcript and conference notes are published on the Bank's corporate website, www.attijariwafabank.com.

Supporting civil society initiatives

A commitment to the most disadvantaged sections of society

Last year, the Group's international subsidiaries again mobilised support for a large number of organisations working on high-social impact projects and solidarity-based initiatives. In 2014, Société Ivoirienne de Banque renewed its financial support for the Abidjan Heart Institute Foundation (FICA) in its fight against cardiovascular disease.

To help disadvantaged children, SCB Cameroon made donations to 8 orphanages in Cameroon's main regions. In Tunisia, for the third consecutive year, Attijari bank set up a solidarity caravan for the most disadvantaged sections of society and the victims of the inclement weather and the cold spell that affected Tunisia's border region.

The Group's Egyptian subsidiary is especially committed to promoting accessibility for disabled persons. In 2018, the subsidiary supported an awareness campaign organised by the Helm Foundation. In partnership with the Ministry of Social Solidarity, it has also funded a programme to provide better disability services offices and empower people with disabilities.



Green Chip Programme in 2018

Bridging the digital divide in state primary schools

As a founder member of Al Jisr Association, Attijariwafa bank Group each year provides the organisation with IT hardware, thereby contributing to its flagship mission, which is to bridge the digital divide experienced by state school pupils.

Attijariwafa bank celebrating International Volunteer Day

As an adjunct to World Volunteer Day on 5th December, the Foundation organised a number of initiatives to encourage volunteering. At Bank level, the Foundation invited employees to promote the skills sponsorship programme at secondary schools and universities alongside various partner organisations. It was therefore able to raise awareness among youngsters, encouraging them to get involved from a young age and become socially-responsible citizens.



Employee volunteers with INJAZ Al-Maghrib Association in 2018

These donations are made as part of the «Green Chip» programme, now in its 8th year, which closed in July 2018. This programme, launched in 2010, has three major goals, which are to reduce the unemployment rate of low-skilled youngsters by making them more employable and encouraging self-employment, offer a solution for dealing with IT waste and promote environmental protection and bridge the digital divide in state schools.

Those youngsters attending the programme who have been trained by the organisation are able to pass on their knowledge to school teachers.

In 2018, 3,732 items of different types of IT hardware were donated to the organisation. Since the programme was launched, more than 20,000 items of equipment have been donated.

Attijariwafa bank Foundation, creating shared value

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EVER SINCE IT WAS FOUNDED ALMOST 40 YEARS AGO, ATTIJARIWAFA BANK GROUP HAS BEEN COMMITTED TO ITS GOAL OF HELPING CREATE SHARED VALUE FOR SOCIETY. IT STRIVES TO PROMOTE EDUCATION AND ENTREPRENEURSHIP, ART AND CULTURE, PUBLIC DEBATE AND INTELLECTUAL INITIATIVE, AS WELL AS SUPPORTING SOLIDARY-BASED HIGH-IMPACT ORGANISATIONS.

Just under **440** enrolling in the « Banking and Financial Markets » Masters degree to date

More than **1,300** employee volunteers from 2016-2018

benefiting **26,689** youngsters

1,680 participants in the ‘Let’s discuss, for a better understanding’ conference series

10,000 visitors each year to the ACTUA art space

More than **20,000** students benefiting from the preparatory class support programme

More than **20,000** items of IT hardware donated to the Green Chip program since 2007





“ Art is a catalyst for development, personal fulfilment and social cohesion. That is why it has remained one of the Foundation’s priorities for more than 40 years.

Ghita Triki, Head of the Art & Culture Division



“ A number of initiatives have been implemented as part of the skills sponsorship programme, which aims to instil a sense of entrepreneurship in youngsters.

Amina Ben Amar, Head of the Education, Entrepreneurship and Support for Associations



“ To foster dialogue and encourage openness and intellectual curiosity, the Foundation organises monthly events and constructive debates on economic, social and societal issues.

Mouna Kably, Head of the Publications & Debates Division



Analysis of Group results
Parent-company Financial statements
Consolidated financial statements



Management report

Analysis of group results

Business activity in Morocco

Customer resources

Attijariwafa bank's customer deposits rose by 4.1% to MAD 233.9 billion in 2018. This was due to:

- 6.4% growth in non-interest-bearing deposits to MAD 161.8 billion, attributable to:
 - A 7.9% increase in cheque accounts to MAD 111.6 billion;
 - A 39.7% rise in other deposits and accounts in credit to MAD 14.9 billion;
- And, a 0.7% decline in interest-bearing deposits to MAD 72.1 billion.

Attijariwafa bank's market share of customer deposits stood at 26.9% at the end of 2018.

Loan disbursements

In 2018, Attijariwafa bank's loan disbursements grew by 11.6% to MAD 234.0 billion. This was primarily due to:

- A 4.6% increase in equipment loans to MAD 64.8 billion;
- A 4.7% rise in mortgages to MAD 63.0 billion;
- And, 9.1% growth in consumer loans to MAD 12.8 billion.

Attijariwafa bank's market share of loans stood at 27.0% at the end of 2018 versus 25.8% the previous year.

Attijariwafa bank's non-performing loans rose by 6.3% to MAD 12.0 billion. Loan loss provisions rose by 1.4% to MAD 8.4 billion, resulting in a loan loss coverage ratio of 69.7%. The non-performing loan ratio stood at 5.1% while the cost of risk ratio was 0.34%.

Signature commitments

Signature commitments grew by 5.2% to MAD 123.7 billion in 2018. The Bank's share of signature commitments is now 43.6%.

Source : GPBM (Moroccan Banking Association)

Parent company results at 31 December 2018

Net banking income

In 2018, net banking income rose by 5.9% year-on-year to MAD 12.2 billion. This was due to respective increases in net interest income (+4.8%), fee income (+10.7%) and income from lease financing and similar agreements (>100%).

The breakdown of net banking income was as follows:

	2018	Share of NBI	2017	Share of NBI	Change MAD millions	Change %
Net interest margin	7,346	60.3%	7,011	60.9%	336	4.8%
Income from lease financing and similar agreements	119	1.0%	-7	-0.1%	126	>100%
Fee income	1,812	14.9%	1,637	14.2%	175	10.7%
Income from market operations	2,449	20.1%	2,360	20.5%	89	3.8%
(+) Other banking income	1,612	13.2%	1,528	13.3%	84	5.5%
(-) Other banking expenses	1,152	9.5%	1,026	8.9%	127	12.3%
Net banking income	12,187	100.0%	11,503	100.0%	684	5.9%

Net interest margin

Net interest income rose by 4.8% to MAD 7.3 billion thanks to a strong performance by loan disbursements (+11.6%). The breakdown of net interest income was as follows:

- Interest and similar income grew by 5.6% to MAD 10.8 billion. This factors in an increase in interest and similar income on customer transactions (+7.4%) and a decline in interest and similar income on transactions with credit institutions (-4.3%), mainly as a result of lower interest rates.
- Interest and similar expenses rose by 7.2% to MAD 3.5 billion because of higher interest and similar expenses on transactions with credit institutions (+47.6%). Interest and similar expenses on customer transactions fell by 1.6%.

Income from lease financing and similar agreements

Income from lease financing and similar agreements leapt, reaching MAD 118.8 million in 2018 versus a deficit of MAD 7.1 million the previous year.

Fee income

Fee income totalled MAD 1.8 billion in 2018, a 10.7% year-on-year increase.

Income from market operations

Income from market operations totalled MAD 2.4 billion at 31 December 2018, an increase of 3.8% compared to 2017. This was due to respective increases in income from foreign exchange transactions (+MAD 95 million), income from transactions in trading securities (+MAD 49 million) and income from investment securities (+MAD 10 million), which offset the fall in income from derivatives transactions (-MAD 65 million). in derivatives activities.

Other banking income and expenses

In 2018, other banking income totalled MAD 1.6 billion, an increase of 5.5% compared to 2017.

Other banking expenses rose by 12.3% to MAD 1.2 billion.

General operating expenses

General operating expenses totalled MAD 4.7 billion in 2018, an increase of 4.7% compared to 2017. This was primarily due to a 6.2% increase in staff costs and a 20.1% rise in taxes other than corporation tax. The cost-to-income ratio stood at 38.7%, a 0.5 points improvement compared to 2017.

MAD millions	December 2018	December 2017	Change MAD millions	%
Staff costs	2,196	2,068	128	6.2%
Taxes other than corporation tax	147	123	25	20.1%
External expenses	1,887	1,886	-19	-1.0%
Other general operating expenses	60	19	41	>100%
Depreciation and amortization expenses*	448	412	35	8.6%
General operating expenses	4,717	4,508	210	4.7%

* Tangible and intangible assets

Gross operating income

Gross operating income totalled MAD 7.5 billion, up 3.2% compared to 2017. This was due to a rise in net banking income (+5.9%) and an increase in general operating expenses (+4.7%).

Income from ordinary operations

Income from ordinary operations totalled MAD 6.5 billion in 2018, an increase of 3.0% year-on-year.

Value of trading securities, available-for-sale securities and investment securities at 31 December 2018

(thousand MAD)

Securities	Gross carrying amount	Current value	Redemption Value	Unrealised Capital gains	Unrealised Losses	Provisions
TRADING SECURITIES	66,143,173	66,143,173	-	-	-	-
. BILLS AND SIMILAR INSTRUMENTS	44,857,134	44,857,134	-	-	-	-
. BONDS	104,129	104,129	-	-	-	-
. OTHER DEBT SECURITIES	5,922,402	5,922,402	-	-	-	-
. EQUITY SECURITIES	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
. BILLS AND SIMILAR INSTRUMENTS	54,748	54,748		2,123		
. BONDS	102,896	102,896		3,310		
. OTHER DEBT SECURITIES						
. EQUITY SECURITIES	66,582	35,509		11,224	31,073	31,073
. SUKUK CERTIFICATES						
INVESTMENT SECURITIES	8,593,052	8,593,052	-	-	-	-
. BILLS AND SIMILAR INSTRUMENTS	8,521,311	8,521,311				
. BONDS						
. OTHER DEBT SECURITIES	71,741	71,741				
. SUKUK CERTIFICATES						

Net provisions rose by 44.1% to MAD 1,083.3 million due to:

- An overall gross provision of MAD 3.0 billion in 2018 versus MAD 2.7 billion in 2017;
- An overall provision write-back of MAD 1.9 billion in 2018 versus MAD 2.0 billion in 2017.

The loan loss coverage ratio stood at 64.7% in 2018.

Net income

Net income grew by 10.7% year-on-year to MAD 4.6 billion in 2018.

Shareholders' equity

Shareholders' equity for the period ended 31 December 2018, excluding net income, rose by 12.2% to MAD 36.9 billion. This was mainly due to a MAD 2.4 billion share offering in December 2018 reserved exclusively for employees of Attijariwafa bank and its subsidiaries in Morocco.

Total assets

At 31 December 2018, total assets stood at MAD 350.6 billion, up 9.8% from a year earlier.

Difficulties encountered : None

Values of trading securities, available-for-sale securities and investment securities at 31 December 2018 : None

Payment deadlines : In compliance with law 32-10 and its implementing provisions, the bank has no accounts payable or accounts receivable of more than two months.

Allocation of net income

Net income for the period	4 603 982 564,32
Retained earnings from previous years	388 816,59
Distributable income	4 604 371 380,91
Appropriation	
Statutory dividend 6%	125 915 807,40
Amount required to bring the dividend per share to MAD 13	2 602 260 019,60
i.e. a total pay-out of	2 728 175 827,00
Retained earnings	1 876 195 553,91

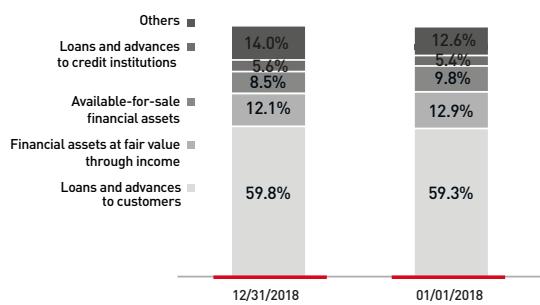
Analysis of consolidated business activity

Total assets

At 31 December 2018, Attijariwafa bank Group's total assets amounted to MAD 509.9 billion, an increase of 8.2% year on year. By geographical region, Morocco accounted for 74.8% of total assets with the remainder split between North Africa, WAEMU, CEMAC and Europe.

Loans and advances to customers accounted for 59.8% of total assets, financial assets at fair value through profit or loss accounted for 12.1% and financial assets at fair value through shareholders' equity 8.5%. These three categories together accounted for 80.4% of total assets.

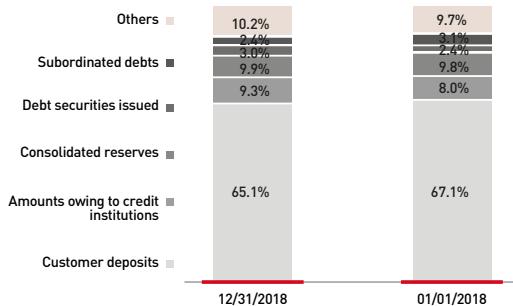
Breakdown of uses of funds



The increase in assets was primarily due to:

- 9.1% growth to MAD 305.1 billion in loans and advances to customers;
- A 60.6% increase to MAD 15.1 billion in securities at amortised cost;
- A 13.8% rise to MAD 28.8 billion in loans and advances to credit and similar institutions.

Breakdown of funding sources



The increase in liabilities was primarily due to:

- 5.0% growth to MAD 332.0 billion in amounts owing to customers;
- A 25.7% increase to MAD 47.3 billion in amounts owing to credit and similar institutions;
- A 9.6% rise to MAD 50.5 billion in Group shareholders' equity.

Funding sources

At 31 December 2018, customer deposits totalled MAD 332.0 billion versus MAD 316.2 billion a year earlier. This was attributable to:

- 4.2% growth in deposits from Banking in Morocco, Europe and Offshore Zone to MAD 239.9 billion;
- A 6.8% increase in deposits from International Retail Banking to MAD 87.1 billion.
- A 13.1% rise in deposits from Specialised Finance Companies to MAD 5.0 billion.

Uses of funds

Loans and advances to customers rose by 9.1% to MAD 305.1 billion in 2018. This was due to respective increases in customer loans for Banking in Morocco, Europe and Offshore Zone (+12.7%), International Retail Banking (+2.0%), Specialised Finance Companies (+3.5%) and Insurance (+3.6%).

The resulting loan-to-deposit ratio stood at 91.9% in 2018 versus 88.4% the previous year.

Consolidated shareholders' equity

Consolidated shareholders' equity rose by 9.6% year-on-year to MAD 50.5 billion in 2018. The fact that the Group bolstered its financial position was largely due to an increase in the Bank's capital (+MAD 2.4 billion).

Group's capital adequacy

As far as prudential ratios were concerned, Attijariwafa bank Group closed first-half 2018 with a Tier 1 capital ratio of 9.7% and a capital adequacy ratio of 12.6%, well above the minimum regulatory requirements of 9% and 12% respectively, applicable since 30 June 2014. In 2018, the Group anticipates a Tier 1 capital ratio of 10.2% and a capital adequacy ratio of 13.0%.

Attijariwafa bank Group's consolidated results

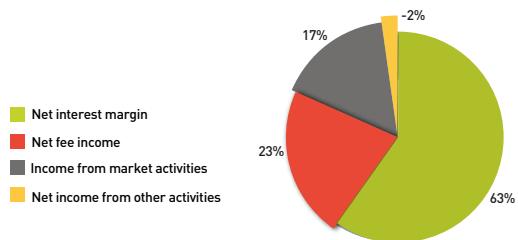
Consolidated net banking income

In 2018, consolidated net banking income totalled MAD 22.4 billion versus MAD 21.6 billion in 2017. This 3.4% increase was due to:

- An 8.4% increase in net interest income to MAD 14.0 billion;
- A 5.2% rise in fee income to MAD 5.0 billion;
- A modest 1.7% decline in income from market operations to MAD 3.8 billion.

At 31 December 2018, the breakdown of net banking income was as follows:

Breakdown of net banking income at 31 December 2018



Growth in net banking income by business line was as follows:

- Net banking income from Banking in Morocco, Europe and Offshore Zone: +3.8% to MAD 11.5 billion;
- Net banking income from Specialised Finance Companies: +0.6% to MAD 2.4 billion;
- Net banking income from Insurance: -26.1% to MAD 1.1 billion;
- Net banking income from International Retail Banking: +8.8% to MAD 7.8 billion.

Gross operating income

Gross operating income was broadly unchanged at MAD 11.7 billion in 2018. General operating expenses, including depreciation, amortisation, and impairment increased by 7.3% to MAD 10.7 billion. The cost-to-income ratio stood at 47.9%.

Cost of risk

The cost of risk fell by 20.5% to MAD 1.7 billion. As a share of total outstanding loans, the cost of risk was 0.53%, an improvement on the previous year. The non-performing-loan ratio stood at 6.8%, also an improvement on 2017 (-0.11 pts).

Consolidated net income

Group consolidated net income rose by 2.3% to MAD 6.7 billion in 2018.

Net income (Group share)

Net income Group share grew by 5.8% to MAD 5.7 billion in 2018.

Return on equity (ROE) stood at 15.4% in 2018 while return on assets (ROA) was unchanged at 1.3%.

Contributors to net income (Group share) at December 31, 2018

Banking in Morocco, Europe, and offshore zone	+15.0%
Specialized financial companies	-7.0%
Insurance	-50.5%
International retail banking	+2.9%

FINANCIAL STATEMENTS

Parent-company Financial statements at 31 December 2018

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 loans and consumer loans	54 226 667	46 406 692
. Equipment loans	65 803 335	62 988 671
. Mortgage loans	60 953 282	59 194 993
. Other loans	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	-	-
Investments in affiliates and other long-term investments	672 004	395 093
Leased and rented assets	-	-
Intangible assets	2 121 303	2 087 698
Property, plant and equipment	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	8 547 047	5 878 938
Debt securities issued	8 547 047	5 878 938
. Negotiable 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)	
	12/31/2018	12/31/2017
Off-balance		
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

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
Income from equity securities	256 799	305 196
Income from equity securities and Sukuk certificates	1 609 613	1 512 834
Income from Moudaraba and Mousharaka 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 income 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 Mousharaka 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
Iaxes 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

MANAGEMENT ACCOUNTING STATEMENT at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
I - RESULTS ANALYSIS		
+ 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 lease-financed fixed assets		
- Expenses on lease-financed fixed assets		
NET INCOME FROM LEASING ACTIVITIES		
+ Fees received	154 439	23 726
- Fees paid	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 CASH FLOW

(thousand MAD)

	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	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	Total
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

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		-4 269 776	-4 095 358
6. (-) General operating expenses		-1 874 985	-1 603 594
7. (-) Income tax		3 946 434	3 082 945
I. NET CASH FLOW FROM INCOME STATEMENT			
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		-2 250 000	550 000
24. (+) Subordinated loan issuance		2 400 000	
25. (+) Equity issuance			
26. (-) Repayment of shareholders' equity and equivalent		-487 385	-523 765
27. (-) Interest 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

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

FINANCIAL STATEMENTS

Consolidated financial statements at 31 December 2018

CONSOLIDATED IFRS BALANCE SHEET at 31 December 2018

(thousand MAD)

ASSETS (under IFRS)	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)	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	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
Securities at amortized cost	15 101 428	9 401 965
Loans & receivables Financial Institutions at amortized cost	28 791 443	25 267 604
Loans & receivables Customers at amortized cost	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	5 687 723	5 550 721
Intangible assets	2 617 343	2 124 258
Goodwill	9 951 595	9 996 150
TOTAL ASSETS IFRS	509 925 715	471 474 889

LIABILITIES (under IFRS)	12/31/2018	01/01/2018
Central banks, Public treasury, Postal cheque	3 056	97 064
FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS	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	47 314 854	37 651 602
Debts - Customers	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
Provisions	2 608 204	2 446 353
Subsidies, allocated funds	361 230	129 252
Subordinated funds, special guarantee 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
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 UNDER IFRS at 31 December 2018

(thousand MAD)

	12/31/2018	12/31/2017
Interest income	20 910 854	18 819 180
Interest income	-6 916 158	-5 910 854
INTEREST MARGIN	13 994 695	12 908 326
Commissions (income)	5 836 324	5 405 347
Commissions (expenses)	-801 976	-618 350
MARGIN ON COMMISSIONS	5 034 348	4 786 997
Net gains or losses occurred 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 Financial assets 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 amortized 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 general expenses	-9 647 858	-9 043 552
Amortization & Depreciation expenses - tangible & intangible assets	-1 065 250	-937 293
GROSS OPERATING INCOME	11 657 608	11 663 931
Risk cost	-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
Goodwill 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
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
Revaluation 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 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 shares	Reserves and consolidated earnings	Unrealised gains and losses recognised directly in shareholders' equity	Unrealised gains and losses recognised directly in non-recyclable shareholders' equity	Shareholders' equity Group share	Minority 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 amortized 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
Closing 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
Closing 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 amortisation 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		
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

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