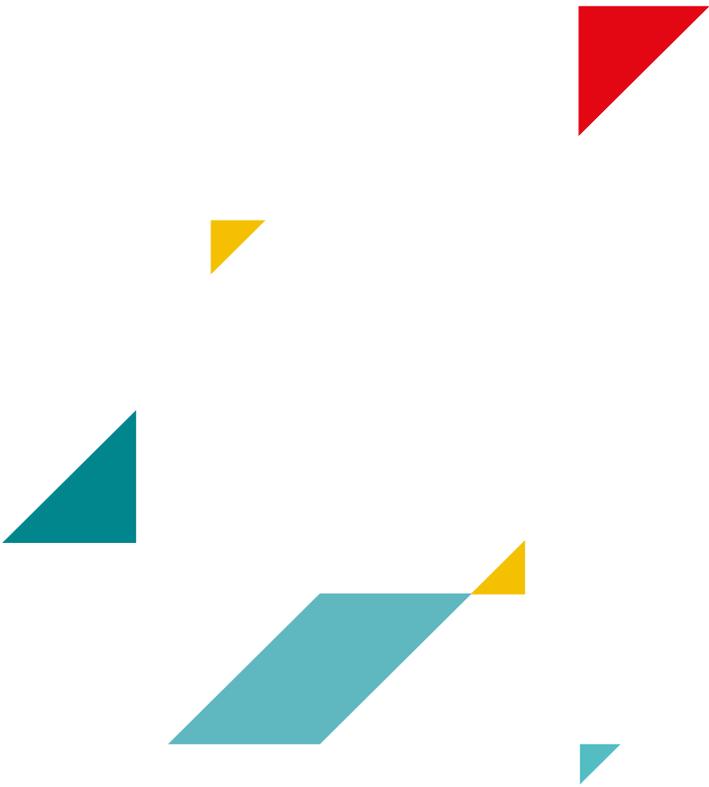




التجاري وفا بنك
Attijariwafa bank



Annual report and corporate social responsibility report 2017



Annual report
and corporate
social responsibility
report 2017



CHAIRMAN'S MESSAGE

Mohamed EL KETTANI
Chairman & Chief Executive Officer,
Attijariwafa bank Group

Today's world requires us to be faster, simpler, more flexible and more reliable, all at the same time. In such a context, Attijariwafa bank Group has been able to assist its customers by taking into account changes in their behaviour and by adapting to their lifestyles.

Innovation

Last year, each of the Group's businesses rode the digital revolution wave. Never before have they undergone such a transformation as seen in 2017. We managed to embrace on a daily basis, continually enriching and reinventing customer experience and combining the very best of human endeavour and digital technology. To achieve this, we developed predictive tools and resources that enable us to anticipate trends and predict market transformations by analysing our customers' behaviour and ensuring that a framework of trust prevails at all times within which our customers' personal data are protected.

Innovation has also meant that our Group harnessed every ounce of its creative energy as part of an ongoing reflective process involving all our employees as well as our external partners, particularly start-ups. It was in such a context that we launched 'Smart Up', the world's largest FinTech hackathon, which has proved a powerful catalyst for innovation and for generating a multitude of synergies within Attijariwafa bank and its ecosystem.

We have also transformed the way we work and go about our business by implementing new organisational processes and more flexible methods to improve our operational efficiency. We have invested heavily in digitising internal processes and have continued to adopt an approach to recruitment which encourages youngsters to display their talents. Our employees are invited to express their ideas freely, fostering their sense of ambition or curiosity, which ultimately benefits our customers.

Development

Overseas, we pursued our growth strategy in Africa while endeavouring to identify more suitable grassroots solutions to meet the needs of local communities. We continued to play our part in the continent's development by offering solutions that make it easier to access banking services, by funding infrastructure investment and by bolstering the Africa Development Club's initiatives for the benefit of local businesses.

Flexibility

In addition, 2017 will forever be a milestone year in the Group's history, remembered for being the year in which the Group launched its new Egyptian subsidiary, Attijariwafa bank Egypt, after acquiring the entire company from Barclays Bank Egypt. We have also adopted an integrated strategy aimed at growing the latter's customer base, developing its range of banking services and bolstering trade and economic ties between Egypt and other African countries.

In 2017, we enhanced our approach to CSR by incorporating it within the Group's overall strategy. As a result, we were able to identify a number of priorities and draw up a 2020 roadmap. During the year, our efforts were focused on supporting small businesses by setting up Dar Al Moukawil centers for SMEs. As a result, we have become more responsive to the needs of our corporate customers, making it easier for them to access attractive and appropriate finance solutions. On the climate finance front, we continued to lend our support to a number of major projects in Morocco, Tunisia and Egypt. We also intend to consolidate our leading position within the region by helping our customers make the transition to a low carbon economy.

Attijariwafa bank Group has worked tirelessly to conduct and develop all its activities ethically, endeavouring to make a positive impact and create value for all its stakeholders. We were named 'Top CSR Performer 2017' in Morocco by Vigeo Eiris, Europe's leading non-financial rating agency. This award perfectly illustrates our commitment.

As in previous years, the Attijariwafa bank Foundation continued to support numerous initiatives that benefit communities and high-impact organisations, particularly in education and entrepreneurship, art and culture, public debate and intellectual initiative, consistent with the CSR policy of our reference shareholder, AL MADA.

Commitment



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In 2017, Attijariwafa bank had 19,754 employees, operations in 26 countries and 9.1 million customers. With 4,306 branches, the Group boasts the most extensive branch network in Morocco and Africa.

As the undisputed market leader of Morocco's banking and financial services industry, Attijariwafa bank is the country's No. 1 institution in savings, lending, electronic payments and digital banking. It also tops the rankings in investment banking and financial market activities in Morocco.

Attijariwafa bank is also the leading banking group in North Africa and the WAEMU (West African Economic and Monetary Union) region as well as being a major player in the CEMAC (Central Africa Economic and Monetary Community) region.



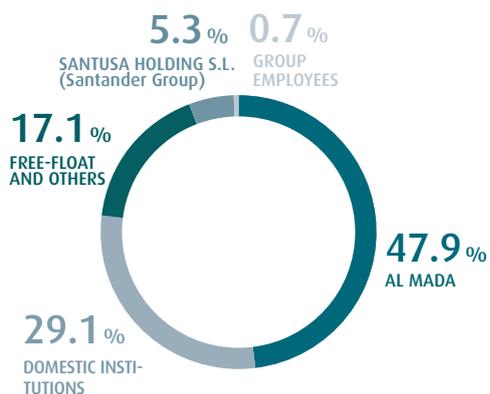
GROUP PROFILE

AFRICA'S NO. 1 BRANCH NETWORK WITH
4,306
 BRANCHES

SHARE CAPITAL
2,035,272,260 MAD

SHAREHOLDERS

At 30 April 2018



BRANCH NETWORK, CUSTOMERS AND EMPLOYEES

at 31 December 2017

26
 COUNTRIES

4,306
 BRANCHES

3,407
 BRANCHES IN MOROCCO

290
 BRANCHES IN NORTH AFRICA

443
 BRANCHES IN WEST AFRICA

96
 BRANCHES IN CENTRAL AFRICA

70
 BRANCHES AND REPRESENTATIVE
 OFFICES IN EUROPE, THE MIDDLE EAST
 AND NORTH AMERICA

19,754
 EMPLOYEES

9.1
 MILLION CUSTOMERS



CORPORATE GOVERNANCE MANAGEMENT AND COORDINATION COMMITTEE



Mohamed EL KETTANI
Chairman & Chief Executive
Officer



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



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



Talal EL BELLAJ
Deputy Chief Executive
Officer Group Global Risk
Management



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



Hassan BERTAL
Deputy Managing Director
Transformation Division



Hassan BEDRAOUI
Managing Director
Attijariwafa bank Europe



Youssef ROUISSI
Deputy Managing Director
Group Corporate and
Investment Banking



Mouawia ESSEKELLI
Deputy Managing Director
Group Transactional
Banking



Jamal AHIZOUNE
Deputy Managing Director
International Retail
Banking



Malika EL YOUNSI
Executive Director
Group Legal Advisory



Soumaya LRHEZZIOUI
Executive Director
Group Information Systems



Saloua BENMEHREZ
Executive Director Group
Communications



Karim IDRISSE KAITOUNI
Executive Director
Corporate Banking



Younes BELABED
Executive Director Group
General Audit



Omar GHOMARI
Deputy Managing Director
Specialised Finance
Companies



Mohamed SOUSSI
Executive Director Group
Human Capital



Badr ALIOUA
Executive Director
Private Banking



Rachid EL BOUZIDI
Executive Director
Support and Resources



Saâd BENJELLOUN TOUIMI
Deputy Managing Director
Greater Casablanca Region



Said SEBTI
Deputy Managing Director
North-East Region



Ismail EL FILALI
Executive Director Group
Services and Processing



Rachid KETTANI
Executive Director
Group Finance



Mohamed BOUBRIK
Executive Director
South-West Region

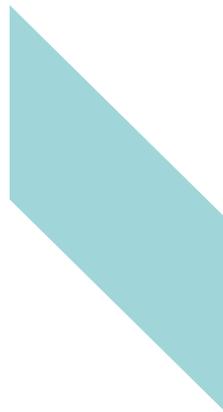


Driss MAGHRAOUI
Executive Director, Personal
& Professional Banking

Fouad MAGHOUS
Executive Director
South Region



Saâd BENWAHOUD
Deputy Managing Director
North-West Region



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 six-year period, the Board of Directors met on six occasions in 2017 with an attendance rate of 75%.

In accordance with good governance rules, Attijariwafa bank initiated a training program for Board members with 4 seminars organised in 2017.

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

Advisory Committees	Function	Number of members	Number of meetings and attendance rate (%) in 2017
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.	4 members	7 meetings (96%)
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 (100%)
Appointments and Remuneration Committee	Makes proposals to the Board relating to the appointment and remuneration of the Group's managers.	4 members	2 meetings (100%)
Major Risks Committee	Rules on the Group's overall risk policy and validates its major commitments.	3 permanent members	7 meetings (100%)
Senior Purchasing Committee	Approves the Group's major purchases.	4 permanent members	2 meetings (100%)

MEMBERS in 2017		Specialised committees					
Director	Term of office ends (*)	Board of directors	Audit and accounts committee	Appointments and remuneration committee	Strategy committee	Major risks committee	Senior purchasing committee
Mr Mohamed EL KETTANI Chairman & CEO	Current term: 2014 - 2020	C		M	C	C	C
Mr Antonio ESCAMEZ TORRES Vice-Chairman	Current term: 2012 - 2018	VC					
Mr Mounir EL MAJIDI Director, representing SIGER	Current term: 2015 - 2021	M		P			
Mr Hassan OURIAGLI Director, representing AL MADA	Current term: 2017 - 2023	M		M	M	M	
Mr Abdelmjid TAZLAOUI Director	Current term: 2017 - 2023	M	M		M		M
Mr Aymane TAUD Director	Current term: 2016 - 2022	M					M
Mr Abed YACOUBI SOUSSANE Director	Current term: 2017 - 2023	M	C				
Mr José REIG Director	Current term: 2012 - 2018	M	M	M	M	M	M
Mr Aldo OLCESE SANTONJA Independent Director	Current term: 2014 - 2020	M					
Mr Manuel VARELA Director, representing Santander	Current term: 2014 - 2020	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.

M: Member C: Chairman VC: Vice-Chairman

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 22 divisional and departmental heads who are either Deputy Managing Directors or Executive Directors, as well as 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.

PERFORMANCE

Net banking income

MAD **21.6** billion **+10.0%**

Gross operating income

MAD **11.7** billion **+10.8%**

Net income

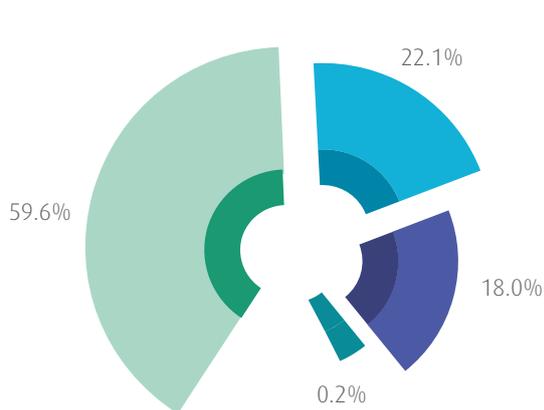
MAD **6.6** billion **+16.5%**

Net income Group share

MAD **5.4** billion **+13.3%**

Breakdown of consolidated net banking income

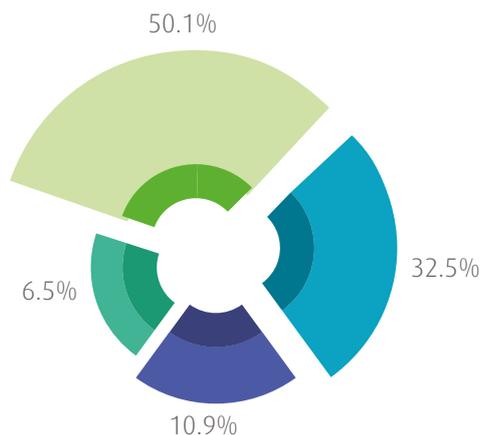
at 31 December 2017



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

Contribution by business line to consolidated net banking income

at 31 December 2017

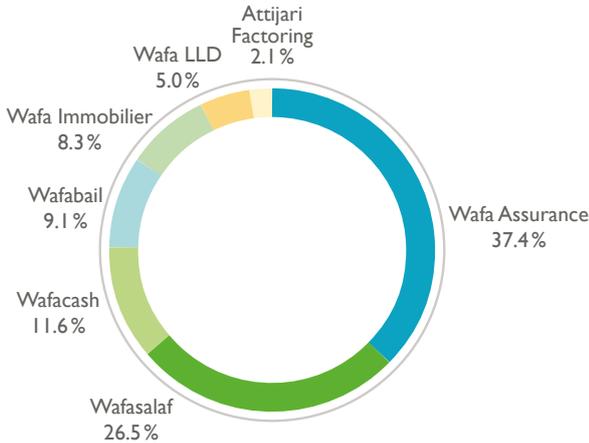


- Banking in Morocco, Europe and Offshore Zone (BMET)
- International Retail Banking (BDI)
- Specialised Finance Companies (SFS)
- Insurance

Breakdown of net banking income of Moroccan subsidiaries

at 31 December 2017

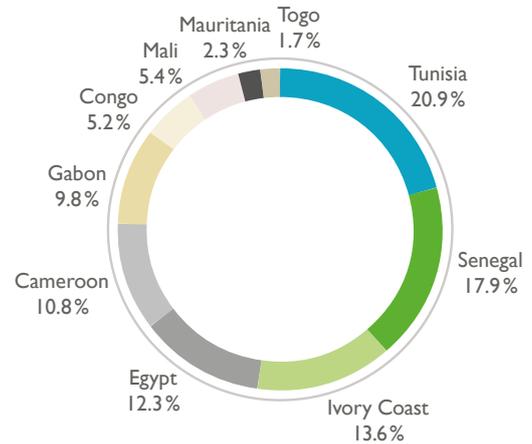
Net banking income of Moroccan subsidiaries: MAD 3,842.2 million
 Net banking income - SFS: MAD 2,404.0 million
 Net banking income - Insurance: MAD 1,438.4 million



Breakdown of net banking income of overseas subsidiaries by country

at 31 December 2017

Net banking income BDI: MAD 7,183.4 million

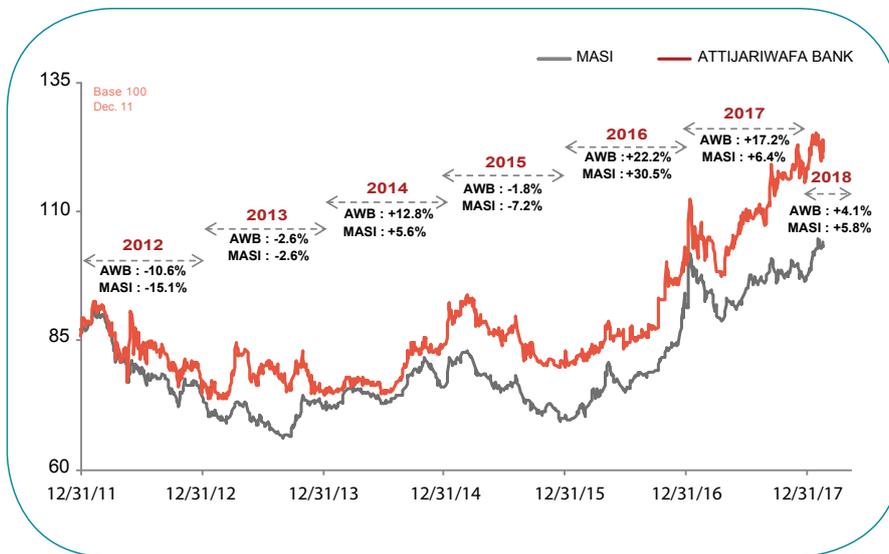


Attijariwafa bank's share price performance

Attijariwafa bank vs. MASI

from 31/12/2011 to 13/02/2018

Morocco's largest banking stock by market capitalisation: MAD 98.5 billion at 31 December 2017.



Stock market indicators

Attijariwafa bank	2015	2016	2017
Price	338	413	484
P/B	1.86x	2.06x	2.27x
PER	15.28x	17.67x	18.27x
DY	3.26%	2.91%	2.58%
Shares outstanding	203,527,226	203,527,226	203,527,226
Market capitalisation (MAD millions)	68,772	84,057	98,507

A YEAR IN REVIEW



2017 was a year of strong growth for Attijariwafa bank Group. This was due to it consolidating Attijariwafa bank Egypt for the first time as well as a strong performance by each of the Group's business segments, in line with 'Energies 2020', the strategic plan initiated in 2016.

In Morocco, Attijariwafa bank successfully consolidated its position as the country's leading deposit-taker and lender and initiated a number of strategic projects.

The Group has acquired a reputation as the leading relationship-based bank for both retail and corporate customers, a beneficiary of Big Data exploitation and increased digitisation of processes and customer relations. The efforts made in these areas are now enabling Attijariwafa bank to anticipate and meet the specific needs of each customer in a personalised way, while ensuring a superior quality of service with reduced processing costs and optimised risk management.

Attijariwafa bank also bolstered its already-dominant position in digital banking considerably (accounting for 43% of its customers' transactions, up 24.6 points compared to 2016) and electronic payments (28.3% market share, up 3.5 pts compared to 2016). Such strong gains may be respectively explained by the extensive range of products accessible on Attijarinet and L'bankalik (e.g. the ability to open accounts, approve consumer loans and retail loans, pay invoices, make immediate Cash Express transfers, etc.) as well as an emphasis on increasing bank card usage and other electronic payment means.

It is worth noting that Attijariwafa bank has set up Agile platforms to be able to add new functionality on an ongoing basis. In doing so, it intends to meet the ever-changing needs of its customers and make their experience as straightforward as possible.

The Group continued to promote financial inclusion, targeting persons on low incomes as well as supporting small businesses and SMEs with a range of services that are tailored to their needs. It also underlined its pioneering status in participatory finance in Morocco with Bank Assafa commencing operations in 15 Moroccan cities, leveraging Dar Assafa's experience over the past 8 years.

As far as the Group's business in Africa excluding Morocco was concerned, International Retail Banking (BDI) contributed almost one-third of net income Group share in 2017 versus only 23% in 2016. This increase was mainly due to Attijariwafa bank Egypt, consolidated for the first time in 2017, which saw remarkable growth its main performance indicators.

This growth underlines the considerable development potential of the Egyptian market, both in terms of size and profitability; Attijariwafa bank Group intends to leverage this opportunity by means of an ambitious strategic plan for Attijariwafa bank Egypt, which aims to significantly bolster its position in the Egyptian market while maximising Group synergies.

It is also worth noting that the Group's presence in Egypt offers a real opportunity for developing business relations with Middle Eastern countries.

AWARDS



« African Bank of the Year » award at the CEO Forum

Attijariwafa bank Group won the prestigious « African Bank of the Year 2017 » award for the second time at the 5th Africa CEO Forum, organised by Jeune Afrique Group in partnership with the African Development Bank (AfDB). This award is tribute to the Group's active role in developing not only the domestic economy but also the African economy through its commitment to finance and entrepreneurship and its leadership in extending banking services and financial inclusion.



« Best bank in Morocco », « Best bank in Africa » and « Best bank in Senegal » at the Euromoney Awards for Excellence 2017

At the Euromoney Awards for Excellence 2017, Attijariwafa bank Group won the prestigious 'Best bank in Africa in 2017' award, a new category which was introduced this year by Euromoney, a leading international magazine that has been providing information on global financial markets since 1992.

The Group picked up two other awards, « Best bank in Morocco » and « Best bank in Senegal », awarded to CBAO, the Group's Senegalese subsidiary.



« African Bank of the Year 2017 »

At the Africa Investment Forum & Awards (AIFA), Attijariwafa bank won the « African Bank of 2017 » trophy. This award is given to the African bank that has seen the greatest expansion in Africa. This award is tribute to Attijariwafa bank Group's active role as market leader in banking and financial services in Morocco and as a leading institution in investment banking and financial markets in developing the domestic and African economies.



« Best African bank in North Africa » according to the African Banker magazine

On the occasion of the African Banker Awards 2017 ceremony which took place in India in conjunction with the annual meeting of the African Development Bank (AfDB), Attijariwafa bank was awarded the Best Bank in North Africa trophy from the prestigious African Banker, a magazine published by IC Publications.

This trophy offered recognition of the Group's contribution to the ever-changing banking landscape, by offering innovative services and promoting financial inclusion for those unable to access mainstream financial products and for its active role in the region's economic development.



« Best bank in Morocco » and « Best investment bank » by Global Finance

Attijariwafa bank was presented with the « Best Bank in Morocco in 2017 » award by Global Finance magazine at an awards ceremony held in conjunction with the annual meetings of the International Monetary Fund (IMF) and the World Bank. Attijariwafa bank also won the 'Best investment bank in Morocco 2017' award for the first time, for having continued to boost investment and finance for major projects both in Morocco and Africa.



« Best Moroccan bank of the year », « Best investment bank in Morocco » and « Best bank in Senegal » according to EMEA Finance

Attijariwafa bank once again won the « Best Moroccan bank of 2017 » award at the EMEA Finance Awards 2017, sponsored by this leading British publication, which provides information for the finance industry in the EMEA region.

jeuneafrique

No. 1 banking group within the top 200 African banks according to Jeune Afrique

In the rankings of the top 200 African banks published by Jeune Afrique in 2017, Attijariwafa bank Group was ranked first among Africa's top banking groups, excluding South Africa. Attijariwafa bank Group moved up in the rankings from 8th in 2016 to 6th place in 2017, ranked by total assets. Other Group subsidiaries to be ranked included Attijari bank Tunisie, Société Ivoirienne de Banque (SIB) and Société Commerciale de Banque Cameroun (SCB).

Attijariwafa bank Group was therefore represented in four places in the rankings. In the top 100 African insurance companies, Wafa Assurance was ranked in 9th place, improving its position by a notch compared to the previous year's rankings.



« Top Performers CSR 2017 » by Vigeo Eiris

Attijariwafa bank was named « Top Performer CSR 2017 » by Vigeo Eiris, Europe's leading non-financial ratings agency. This award recognises those companies listed on the Casablanca Stock Exchange which are the most advanced when it comes to demonstrating a commitment to corporate social responsibility (CSR). This award also underlines the Group's ongoing commitment to CSR, particularly in relation to two criteria, « Responsible customer information » and « Non-discrimination », for which it received some of the highest scores in the market.



Attijari bank named « Bank of the Year – Tunisia » in 2017

In 2017, for the fourth consecutive year, Attijari bank received the 'Bank of the Year – Tunisia' award from the prestigious magazine, The Banker, at The Banker Awards ceremony in London in which a number of leading international banks participated.

The Banker underlined Attijari Tunisie's active financing role the economy as well as commending it for its corporate governance model, overseas expansion strategy, technological development and remote banking services.



Mohamed El Kettani, the top-ranked Moroccan among the top 100 most influential Africans

In its December edition, IC Publications' New African magazine published the rankings of the top 100 most influential Africans in 2017.

Mr Mohamed El Kettani, Attijariwafa bank Group's Chairman & Chief Executive Officer, appeared in 4th place in these rankings in the Business and Finance category and was the top-ranked Moroccan in the overall rankings.

Attijariwafa bank wins SNI Africa Series trophy for its Barclays Egypt acquisition

At the second annual business forum organised by SNI for its main directors, Attijariwafa bank won the SNI Africa Series trophy for its Barclays Bank Egypt acquisition. This award underlines the importance of the deal which marks a major turning point.

It is in fact the most important deal ever done by the Group in Africa, paving the way for it to develop its business in African countries with strong growth potential, including English-speaking countries.



#Customer Experience

Offering the very best in human endeavour
and digital technology



“ As a leading relationship-based and digital bank, our customers are able to interact effectively with the bank whenever and however they choose. We endeavour to offer them a day-to-day banking experience that combines the very best of human endeavour and digital technology. ”

Omar BOUNJOU
Deputy Chief Executive Officer
Retail Banking Division



Helping our customers to achieve their life goals

As a trusted partner, Attijariwafa bank Group is constantly reinventing itself to enable its customers to fulfil their aspirations. We are able to do this by offering them a comprehensive range of innovative solutions in account management, making payments and transferring money, among other things. In 2017, the Group quickened the pace of its transformation in order to be more empathetic and proactive, resulting in increasingly bespoke, readily accessible services.

Fostering ever closer relations

Attijariwafa bank Group's customers have a variety of channels at their disposal giving them the freedom to interact with the Bank however and whenever they want. In 2017, Attijariwafa bank made considerable progress in organisational and technological aspects in terms of multichannel distribution, e-banking platforms, process digitisation and Big Data. As a result, the Group has a better understanding of its customer's needs, which will enable it to provide them with an increasingly personalised value proposition and an optimised customer experience.

Branch network sees further expansion

By expanding its branch network each year, even in the remotest areas, the Group is able to receive and serve its customers more effectively. With 4,306 branches in 2017, the Group has the largest banking network in Africa.

Numerous multi-channel spaces

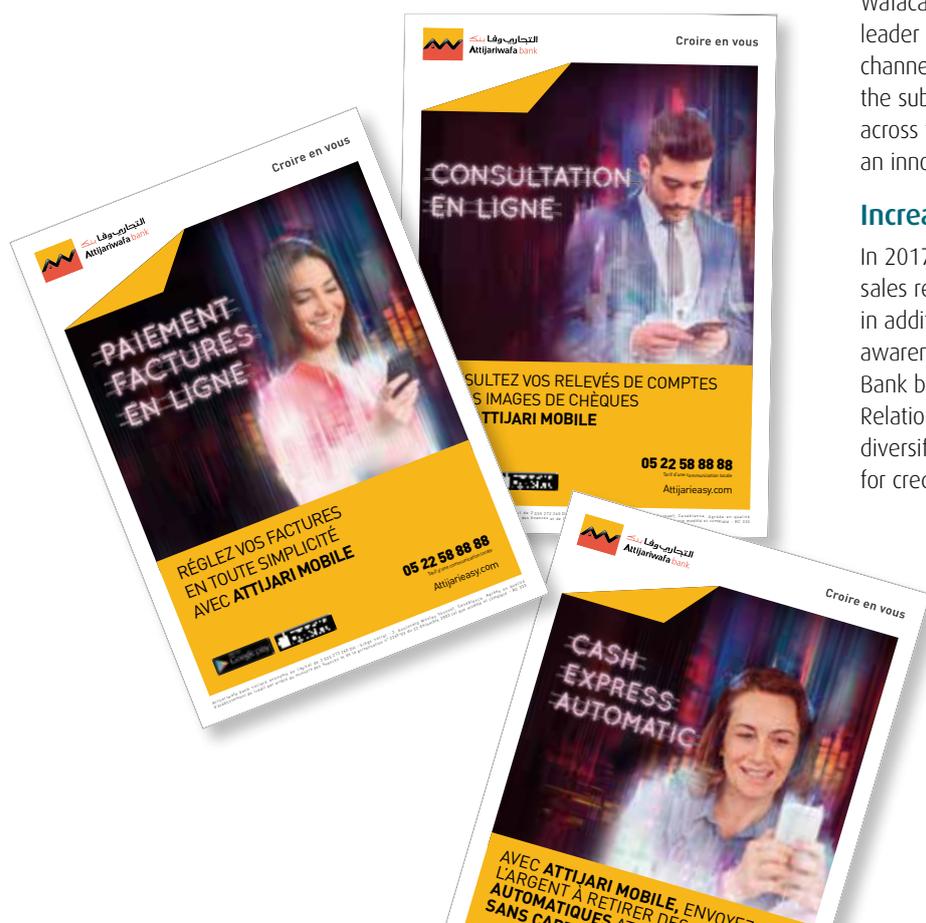
In 2017, Attijariwafa bank opened dozens of self-service banking spaces with extended opening hours to be able to continue offering banking services such as cash deposit and cheque delivery well after branch closing time.

Money transfer kiosks

Wafacash, a Group subsidiary and the undisputed industry leader in money transfers, introduced a new distribution channel to foster closer ties with its customers. In 2017, the subsidiary opened almost 80 kiosks in major cities across the Kingdom, offering extended hours and adopting an innovative approach to communication.

Increased emphasis on distance selling

In 2017, a training course was launched for branch-based sales representatives to introduce them to distance selling, in addition to a telesales initiative so as to raise customer awareness about digital banking and its benefits. The Bank began marketing consumer loans via the Customer Relationship Center as part of a new strategy aimed at diversifying the ways by which customers may apply for credit.



+512,734

new banking customers
in Morocco in 2017

630,766

new bank cards issued
in 2017

+12.1 %

No. 1

institution in electronic
payments

Innovations 2017

Attijari Mobile, new functionality

The Bank also added new functionalities to its mobile applications in 2017, including being able to locate the Bank's branches and ATMs on the Attijari Mobile application as well as introducing new billers to enable customers to pay invoices via Attijarinet or Attijari Mobile.

attijarieasy.com, everything you need to know about distance banking

[Attijarieasy.com](http://attijarieasy.com) was launched as a vehicle for publicising the Group's extensive range of distance banking services. This straightforward, informative and interactive online portal is available to existing and prospective customers. It contains useful information about the different channels and remote services available to the Bank's existing and prospective customers.

Money transfer, autonomy and rapidity

Wafacash bolstered its presence in the global money transfer market by signing two new partnership agreements with two British global transfer specialists, Small World and WorldRemit, enabling customers of both companies to transfer money to their relatives in Morocco to be collected at any Wafacash branch. In 2017, the subsidiary registered

28.6 million transactions and, for the second consecutive year, won the Best Money Transfer Services Morocco award from CFI.co in recognition of its simple, flexible and high-quality services.

Electronic banking, 24/7 assistance

To constantly improve the quality of services provided to customers, Attijariwafa bank enhanced its product range with the addition of Global Customer Assistance Services (GCAS) as well as continuing to provide assistance in handling customer enquiries 24/7.

Mobile Money on the move

In 2017, Wafacash submitted an application to become an authorised payment institution and to expand its range of service to include payment means. This new banking concept was introduced under recent banking legislation (Act 103-12), designed to improve financial inclusion and optimise cash circulation.

When it launches its JIBI and JIBI PRO service in 2018, Wafacash will become the first institution to offer mobile payment for individuals and shopkeepers.

A targeted response to specific needs

PRIVATE BANKING

Wealth management proposition enhanced

Attijariwafa bank Group is constantly striving to generate real added value for its Private Banking clients. In 2017, the Group introduced a number of bespoke wealth transfer solutions for family businesses. The Bank also continued to overhaul its organisational set-up last year by making a greater marketing effort. New wealth management offices were opened so as to provide its customers with a more personalised service. The Group also introduced digital channels to monitor and immediately deal with clients' requests.

PARTICIPATORY BANKING

Bank Assafa, a novel banking experience

Bank Assafa, Attijariwafa bank Group's participatory bank, officially commenced operations in 2017 with 23 branches spread across the Kingdom and 180 employees. Its philosophy, embodied in its 'Straight to the point' slogan, is underpinned by a clear and transparent approach to handling all banking operations and on a strong corporate social responsibility ethos.

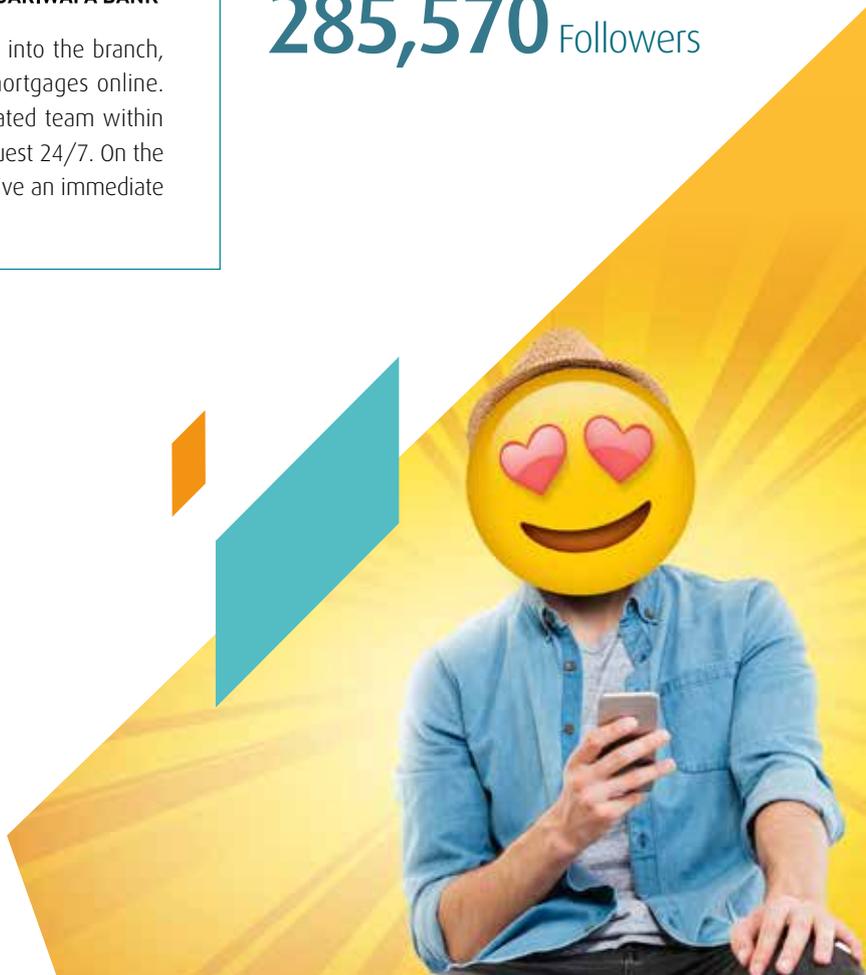
Dar Assafa's staff have acquired specific expertise and knowledge about the needs and aspirations of Moroccans due to it being operational in the alternative finance market since 2010. This experience has enable Bank Assafa to accelerate its development. At the end of 2017, Bank Assafa had total assets of more than MAD 900 million and customer deposits of MAD 452 million.

L'BANKALIK, 100% mobile banking

Since its launch in 2016, L'bankalik, the 100% mobile bank, has continued to expand its range of services, making its customers' day-to-day lives much easier. As well as being able to open an account without having to come into the branch, customers may apply for consumer loans and mortgages online. L'bankalik customers also have access to a dedicated team within the Customer Relationship Center handling any request 24/7. On the L'bankalik Facebook page, customers will also receive an immediate answer to any question asked.



285,570 Followers



Making it easier to take out a loan

Attijariwafa bank Group is continuing to adopt a proactive yet disciplined approach to credit approval. In 2017, its share of the retail customer market reached 24.03%, an increase of 4.0% on 2016.

Last year, the Group and its specialised subsidiaries worked hard to quicken the pace of digitisation. Thanks to the www.jeveuxuncredit.ma banking interface, enabling customers to apply for a consumer loan or mortgage online, the Group has made it much easier for customers to take out a loan, as well as offering personalised advice to help them to fulfil their aspirations.

Innovations 2017

« Salaf Auto Occaz »

This is a new loan enabling online customers to purchase goods on Avito, making the financing aspect much easier flexi-loan, paperless application process and a pre-agreement in just 15 minutes.

« Crédit Rasmali »

'Crédit Rasmali' enables craftsmen and shopkeepers to take advantage of a flexible and adaptable financing formula. Until now, they have not been eligible to subscribe for a consumer loan.

« Wafy », Wafasalaf's chatbot

In 2017, Wafasalaf began work on a new consumer loan-related service – a chatbot on a Facebook page which can answer queries from Moroccan online users. Regardless of whether they are Wafasalaf's existing customers or are simply interested in applying for a loan, a virtual assistant is available 24/7 to help them find the information that they require. The chatbot, nicknamed 'Wafy', is able to converse in Moroccan dialect (darija) and French.

Making it easier to get a foot on the housing ladder

Wafa Immobilier, which is committed to helping everyone get access on the housing ladder, provides mortgages within the framework of preferential agreements with employers and property developers. It also finances property developments on behalf of housing associations and co-operatives as well as residential social housing projects, categorised as public utility facilities. 58 affordable housing developments were financed in 2017. The subsidiary also pursued its policy of enabling customers to submit loan applications online. The Group's corporate website was redesigned, resulting in a more dynamic and interactive online interface.

Wafa Immobilier was also presented with the 'Best Regional Enterprise' and 'Manager of the Year' awards at this year's Socrates Awards in recognition of excellence.

21.4%

share of the consumer loan market
(at parent level at 31 December 2017)

24.8%

share of the mortgage market
(at parent level at 31 December 2017)

58

affordable housing developments financed in 2017

Digitisation, making life simpler and more accessible

Wafa Assurance, a subsidiary of Attijariwafa bank Group, has continued to adopt a set of priorities which includes constantly remaining in touch with customers, anticipating their expectations and needs so as to be able to respond to them more effectively and making it easier for customers to access insurance and assistance products. 2017 followed the same logic – our every action being characterised by transformation, adaptability, responsiveness and innovation – which saw us launch new segmented products and accelerate digitisation for an enhanced customer experience.

Even more accessible

More easily accessible products

Wafa Assurance has endeavoured to simplify its product range and assist its customers, whatever their needs, by offering segmented products, digital services, a simplified customer experience and quicker claims processing. Against such a backdrop, the company is committed, across its entire product range, to offering its customers bespoke solutions, 24/7 assistance, ultra-fast claims processing and interest-free insurance premiums payable in 3, 6 or 10-monthly instalments. Wafa Assurance offers its customers several solutions to settling claims. In launching à la carte solutions, the insurer is able to offer services that are adaptable to each type of accident so as to meet customers' expectations. In the vehicle insurance segment policyholders may choose between various pay-out solutions depending on how quickly they would like their claim to be settled. « Ta3wid Sari3 », for example, is a quick pay-out product which reimburses policyholders based on a loss adjustor's assessment without them having to make a formal claim in person. With 'Wafa Drive', the pay-out is immediate.

The standard settlement procedure allows for claims to be settled in under 5 days in almost 90% of cases. In 2017, Wafa Assurance saw total revenue rise by a steep 10.1% to MAD 8,050 million, breaching the MAD 8 billion mark for the first time.

Assistance on demand

Through its Wafa IMA Assistance subsidiary, the Group provides vehicle, medical and funeral assistance, offering policyholders fast and efficient services and the best possible solution. In 2017, Wafa Ima Assistance launched a three-year development plan for the period 2017-2019. It also enhanced its product range to include the African diaspora. Written premiums rose by 17% to MAD 244 million while more than 100,000 assistance applications were filed. Wafa Ima Assistance also signed a strategic partnership agreement with a major banking institution this year.

MAD **8.050** billion
of revenue for Wafa Insurance

more than
100,000
assistance applications handled
by Wafa IMA Assistance

Innovations 2017

« My Wafa », a constantly evolving app

In 2017, the « My Wafa » app saw innovative functionality added. This new geolocation service enables users to call and send, in real time, the precise location of their vehicle and seek assistance from an intelligent assistant in the event of a sudden collision. Customers' GPS coordinates are sent automatically. The app can also alert the driver if he or she is exceeding the speed limit.

The « My Wafa » app won the Silver Award for best digital innovation at the Moroccan Digital Awards. It was the first time that an African insurance company had received this award, which was presented to Wafa Assurance at the African Digital Summit.

« Wafa Santé », a new mobile app

« Wafa Santé » is a free app for Wafa Assurance health insurance policyholders. The application allows policyholders to access information in real time (illness records, beneficiaries, expenses incurred, reimbursements, additional information etc.). Available for free on the App Store and Google Play, Wafa Santé, which enhances navigability and customer experience, is raising broker and back office productivity and facilitating targeted communications and digital marketing.

Tailor-made, flexible savings

Flexible savings are something of an innovation in the Moroccan market and represent a breakthrough by comparison with standard savings and bank insurance products such as school fee plans and retirement savings plans. Customers have the option of automatically increasing, each year, the regular amount set aside, depending on their financial situation. Customers may choose from four options to increment their savings – 20 Dh, 40 Dh, 60 Dh or 100 Dh – over and above their chosen regular amount.



Supporting businesses, whatever their size

Supporting companies, whatever their size, has always been one of Attijariwafa bank's priorities. Day by day, the Group continues to find new ways of meeting their expectations by providing them with a range of suitable financial products and services, digital solutions to optimise their interaction with the bank, advice and training to effectively support their development.

Bolstering support for small businesses and fostering close ties

Since 2010, Attijariwafa bank group has embarked on an ambitious program to develop a full range of day-to-day banking and financial services to help small businesses to grow. In 2017, the Bank bolstered its support for existing and prospective small business customers by fostering close ties and focusing heavily on the social aspect.

Dar Al Moukawil centers providing support for existing and prospective small business customers

To support small businesses, three Dar Al Moukawil specialised centers opened in Ait Melloul, Tangier and El Jadida respectively. These are centers of expertise which provide support, training and advice, particularly when it comes to company formation, project development, market access or how to apply for the various government-backed support measures available to small companies. The centers perfectly complement the free of charge services available on the www.daralmoukawil.com website, launched in 2016. In addition to the Dar Al Moukawil centers, the Bank has developed a network of 120 small business centers across the country whose priority is to foster close ties, listen to and advise small businesses on a daily basis.



MAD **7.1** billion
of loans disbursed to
32,500 small businesses

5,000
entrepreneurs trained
in Dar Al Moukawil Centers

300,000
visitors registered on
www.daralmoukawil.com

Innovations 2017

Digitising the loan application process

To facilitate the credit approval process and enable customers to apply for a loan online, Attijariwafa bank has digitised its loan approval process for small businesses with the introduction of an in-house platform for managing the entire loan application process, disbursing loans on the basis of scanned documents and issuing guarantees automatically.

« Wafa PRO » offering better protection for small businesses

In addition to providing insurance cover to companies in the event of fire, water damage, theft or workplace accidents, 'Wafa PRO', a mobile application launched by the Group's Wafa Assurance subsidiary and marketed by the banking network, aims to make life easier for small business subscribers by providing 24/7 assistance, simpler administrative procedures when declaring and assessing damage, personal protection and the safeguard of undamaged goods.

Small business meetings organised to raise awareness

Meetings were organised during the year on the theme of 'Accompanying our small business customers more efficiently'. These were aimed at introducing small business customers to Attijariwafa bank's entire system of specifically supporting them as they grow and boosting their development. In 2017, no fewer than 20 events were organised with a high level of participation.

Specific support for « Moukawilates »

Agreements were also signed with ANAPEC as well as the Al Moukawila network of female entrepreneurs in support of small businesses. Under the terms of these agreements, Attijariwafa bank ensures that the small businesses introduced by these partners are supported in their business development. They are given access to Dar Al Moukawil centers and the various services offered by the latter, including information, training, expert advice from specialist consultants, the networking portal as well as a range of appropriate products and services.

Helping companies in difficulty

In 2017, Attijariwafa bank continued to support corporate and financial restructuring through the Financial Support Fund for Small Businesses. The latter is designed to help companies overcome cash flow difficulties by providing joint financing arrangements at preferential rates, the possibility of deferring repayments and longer repayment periods. 2017 also saw the launch of 'Ana Maâk', a new television show broadcast on 2M, Morocco's national television channel, every Tuesday evening. This is a new reality-TV concept which spotlights a different small business every week (tradesmen, shopkeepers, 'auto-entrepreneurs', etc.) requiring help in overcoming a problem or a project that needs developing. In 2017, 8 small businesses encountering difficulties were supported through an action plan and personalised coaching. Each episode of the TV show was watched by nearly 3.5 million viewers.

Greater involvement with SMEs and Large Enterprises

As a long-standing partner to SMEs and Large Enterprises, Attijariwafa bank Group has made it a priority to focus on this customer segment. In 2017, the Group attracted more than 2,000 new SME customers while disbursing MAD 16.8 billion of loans, an increase of 7.4% year-on-year in outstanding loans. The Group also bolstered its policy of generating value for its corporate customers by offering innovative financing and cash flow management solutions as well as supporting them in their digital transformation. In 2017, average outstanding loans disbursed to Large Enterprises posted positive growth, despite credit distribution capacity being held back by regulatory constraints.

+2,000

new SME customers
in 2017

MAD 16.8
billion disbursed
to SMEs in 2017

In 2017, the Group launched its all-encompassing 'SME Plan', a program which is focused on fostering closer ties with businesses and offering personalised support. The program's tailor-made support for customers is underpinned by a sector and theme-based approach, enabling the Group to respond appropriately to each sector's particular needs, expectations and challenges and thereby contributing effectively to its development.

The four SME plans, business accelerators

The **SUCCESSION PLAN** : is an all-in-one integrated offer aimed at those selling and acquiring companies. It covers a wide variety of issues including raising awareness, providing information, finance aspects and the triggering of an entire support system, thereby making it easier to implement and handle entrepreneurial succession and ensure the company's long-term future. This offer is a comprehensive and pragmatic solution for those needing to acquire, sell or transfer a business.

The **OFFSHORE PLAN** : is designed to support the development of foreign companies established in Morocco and Moroccan companies operating in free zones. This new offer draws on the services provided by Attijari International Bank (AIB), the Group's offshore bank, standard banking services, specific foreign currency-denominated finance solutions for offshore businesses, insurance and assistance products, whole-company agreements and preferential offers for employees.

The **AUTOMOTIVE PLAN** : has been specially designed for local and foreign investors in the automotive industry and includes finance solutions for onshore and offshore investment and bespoke solutions for financing operational needs. This offer also includes support measures such as business networking services, among other things, so as to help companies in the automotive industry meet the challenges of growth and be competitive.

The **EL KHEIR PLAN** : is a tailor-made offer aimed exclusively at the agricultural sector. The Plan consists of appropriate investment finance solutions with bespoke terms and conditions for each sub-sector. The Plan focuses primarily on eight sub-sectors with strong growth potential – vegetable production, citrus production, arboriculture, olive production, wine growing, date palm cultivation, dairy, red meat production and industrial crop production.



Croire en vous

**DIRIGEANTS DE PME
BESOIN D'ACCOMPAGNEMENT?
NOUS AVONS UN PLAN**

PLAN PME 

**FINANCEMENT • SERVICES DIGITAUX
BUSINESS NETWORKING • CONSEIL**



Attijariwafa bank société anonyme au capital de 2 035 272 260 DH - Siège social : 2, boulevard Moulay Youssef, Casablanca. Agréée en qualité d'établissement de crédit par arrêté du ministre des finances et de la privatisation n° 2269-03 du 22 décembre 2003 tel que modifié et complété - RC 333. attijariwafabank.com

« Attijari Business Link », Africa's leading B-to-B network

Attijari Business Link is the result of a strategic partnership between the Attijariwafa bank Group entered into in November 2016. It is the first Africa-wide digital community within Euroquity, offering high value-added services in support of business growth. Its goal is to connect project leaders, companies of all sizes and every type of business sector with development partners and investors who are looking for investment opportunities. This community, which had 500 members at the end of 2017, offers access to an extensive network of more than 7,200 companies, 1,200 investors and 850 support organisations (incubators, accelerators, financial consultancy firms, etc.).



Croire en vous

ATTIJARI BUSINESS LINK
ESPACE GÉNÉRATEUR DE SYNERGIES



Découvrez Attijari Business Link sur :
<http://bit.ly/AttijariBL>

Inscrivez vous gratuitement sur :
<http://bit.ly/AttijariBL-inscription>

500
members at the
end of 2017

A network of more than
7,200
companies

850
support organisations

Corporate Banking

Providing Large Enterprises with a one-stop-shop to be able to access the Group's entire business lines

Attijariwafa bank has reorganised its Corporate Banking business to create a synergy between each of the various business units that serve the Large Enterprises customer segment. It has become the one-stop-shop for each of the Bank's specialised business lines. As a result, nearly 280 business relationships were transferred to the Business Centers and the customer relationship managers' remit was extended to include a business development role in relation to his or her customer portfolio.

Cash Management

Simplifying cash flow management

In 2017, Attijariwafa bank Group continued to offer businesses innovative solutions and a personalised follow-up in order to help them manage the receipt of digital payments, cash optimisation and digitisation. The Bank also continued to develop its e-banking and m-banking portals, enhancing them with a number of billers and partners so as to diversify its online payment services. The Cash Management business performed extremely well in 2017. Net banking income from Cash Management rose by 29.6% in 2017.

+29.6%

net banking income –
Cash Management in 2017

+ 9.7%

net banking income – Trade Finance
in 2017

Trade Finance

Supporting local and international businesses with innovative services

To help customers manage their cash flow more efficiently in different markets, Group Transactional Banking continued to provide them with high value-added innovative services. As a result, in 2017, the Trade Finance Morocco business saw its net banking income grow by 9.7% while its share of the foreign currency-denominated refinancing market rose from 18% to 23%. As far as the Group's international banking subsidiaries were concerned, the Group set about implementing the business steering system in three subsidiaries, CBAO Senegal, Crédit du Sénégal and CBAO Benin. It also embarked on a project to introduce a trade finance platform at Attijariwafa bank Egypt. Furthermore, Attijariwafa bank Europe, via its Global Trade Finance business unit, is now offering products and services to import-export companies doing business between Europe and Africa. It helps European companies gain a better understanding of their African counterparts as well as mitigating risk in overseas transactions. In 2017, Attijariwafa bank Europe saw production from its corporate business grow by 34% to EUR 2,237 million.



Asset management

Wafa Gestion further consolidated its position as market leader of the mutual fund industry by size and multi-disciplinary approach as well as by transferring its unique know-how. In 2017, Wafa Gestion's assets under management breached the MAD 100 billion mark for the first time. The subsidiary was also awarded segregated mandates worth MAD 2.5 billion from two institutional customers. This year, Fitch Ratings affirmed Wafa Gestion's 'Excellent' Investment Management Quality Rating in recognition of the subsidiary's experience, acquired over many years, and its status as domestic market leader.

Custody

The Custody business, which is constantly striving to foster close ties with its customers and is ever attentive to their needs, has developed sophisticated reporting tools for corporates and investors alike, providing execution transparency. In 2017, the Custody business' market share rose to 34% while revenue reached MAD 102 million, underlining its status as the unrivalled market leader in securities services for investors. Assets under custody reached MAD 528 billion. In 2017, the Custody business earned recognition for the first time from Global Custodian Magazine, receiving three major awards in acknowledgement of the quality of its services along the entire securities value chain. The Group excelled in the following three categories: 'Outperformer-Market', 'Outperformer' and 'Global Outperformer' thanks to extensive marketing efforts, high-quality operational processing and robust information systems.

Stock market investment

Wafa Bourse continued to foster close ties with customers, offering them a unique experience via a combination of different channels. Whether online or by phone, assistance is available to customers at all times regarding any of their stock market transactions. In 2017, Wafa Bourse's share of online stock market trading surpassed **45% while assets under management** reached more than MAD 1.2 billion. Attijari Intermédiation handled trading volumes of **MAD 17.9 billion, up 13.8% compared** to 2016. For the fourth consecutive year, the subsidiary won the 'Highest Traded Value' award on the Casablanca Stock Exchange from the Arab Federation of Exchanges.

MAD **100** billion
of assets under management

45%
share of the online trading
market

MAD **1.2** billion
of assets under management

Offshore banking

Excellent performance by Attijari International bank

Attijari International Bank, an offshore bank, reported an excellent performance in 2017 despite the steeply declining Eurozone interest rates. The Bank was ranked first in the offshore market for both deposits (51%) and loans (35%).

Research and analysis

A new subsidiary providing coverage of financial markets in Africa

To support the Group's rapid development in Africa and diversify its range of value-added services, a new subsidiary, Attijari Global Research (AGR) was established, specialising in research and analysis. The latter will be responsible for providing multi-asset and multi-zone coverage, encompassing macroeconomics, interest rates, foreign exchange, equities and commodities as well as developing asset allocation strategies for the Moroccan, WAEMU, CEMAC, Egyptian and Tunisian markets. The goal is also to build a highly-reputed research center in Africa specialising in African markets. Attijari Global Research, meeting the highest international standards in terms of corporate governance, independence and publications, will genuinely add value for a variety of investor profiles.



Attijari
Global Research

Supporting corporates' trading in financial markets

Attijariwafa bank Global Capital Markets continues to develop an integrated range of 'market' services for its customers, including interest rates, credit, commodities, equities and treasury services. In 2017, with the aim of facilitating market trading and, in doing so, continuing to improve service quality, Attijariwafa bank Global Capital Markets launched its in-house electronic platform for processing foreign exchange transactions. Customers may now access MAD spot prices versus major currencies in real time and are able to trade online. This year, 23,716 contracts were traded by the subsidiary on organised markets (Chicago, London, etc.) to hedge commodity price risk for a wide range of underlying instruments (crude oil, precious metals, base metals, agricultural commodities, etc.).

MAD **753** billion
foreign exchange volume
(spot+term)

MAD **40** billion
foreign exchange
derivatives volume

No. **1** book-runner for
Moroccan Treasury bond
issues

Innovations 2017

«Fawatir », Morocco's second largest bank receipts network

To offer businesses and local authorities a new channel for receiving payments, Attijariwafa bank launched its 'Fawatir' service in 2016. This service allows billers to dematerialise management of their receipts by collecting their receivables via physical collection counters. The Fawatir brand currently has 1,696 collection counters. In just one year, it has expanded to become the second largest bank receipts network in the Kingdom in terms of coverage. In 2017, one out of every three road tax discs was paid via Group channels while transactions rose by 205% in number and by 171% by volume.

Optimising fleet management

Wafa Assurance has launched a new integrated range of insurance products for corporate vehicle fleets at preferential rates. The range includes a number of optional innovative types of cover and assistance services for every conceivable use such as for heavy goods vehicles and, as a bonus, flexible fleet management software that may be adapted to a customer's particular business sector. Wafa LLD, a Group subsidiary and a major player in the vehicle leasing market, registered more than 1,535 new vehicle registrations in 2017 while disposing of 1,025 vehicles, resulting in a total fleet of 5,414 at the end of the year. As a result, its estimated market share was more than 18%.



Supporting the African diaspora

In Europe, Attijariwafa bank Group has acquired expertise in immigrant banking and trade finance and has developed an extensive network in various countries. In 2017, Attijariwafa bank Europe continued to implement its «AFRIWAY» strategic plan aimed at becoming the leading bank in immigrant banking. To achieve this, the Group is offering its customers innovative money transfer solutions and is responding to their need for day-to-day account management, insurance, finance and savings products.

Innovations
2017

92,852
retail customers

643,790
retail customer
transfers

- «Trans'carte»

«Trans'carte» is a service which enables customers in Belgium, Holland, France, Spain and the United Kingdom to make transfers by bank card via an electronic payment terminal, thereby making it easier to transfer money.

- «Cash-to-Cash»

«Cash-to-Cash» is a savings account linked to a non-physical savings book which enables customers to earn interest on on-sight deposits without the need to invest for any given period of time. Morocco-based customers are therefore able to build up savings.

- The «Bila Houdoud Tawfir» package

This package is designed for Moroccan customers living abroad and is linked to a non-physical savings book account. The package also includes the main banking products and services which have been adapted to a savings book account.

- The «Bila Houdoud Oumla» package

This package contains a range of banking services including a dirham convertible account for Moroccans living abroad.

Fostering closer customer ties with a new distribution model

In 2017, Attijariwafa bank Europe embarked on a process of redesigning its distribution model so as to meet the standards set by major European banks. The project is focused on four aspects, redesigning the physical network by implementing a new branch format, bolstering mobile sales, developing the remote banking channel and improving customer relationship management. This is to be achieved through CRM software, an effective solution that should enable the subsidiary to focus on developing relationships with customers.

«Attijari'Money», a 100% digitised prepaid card

This new card is available in five different currencies, the euro, the US dollar, pound sterling, the Canadian dollar and the Swiss franc. «Attijari'Money», which may be topped up online via a customer's web or mobile account by bank card or bank transfer, enables cardholders to make secure withdrawals via the entire Mastercard network.



Forever fostering closer customer ties

To promote its extensive range of products and services and foster closer ties with its customers, the Bank, throughout the year, conducted a number of large-scale communications campaigns for the general public via billboards, the press, web, TV, radio etc. A number of non-media outreach initiatives were also organised to establish and bolster direct links with customers.

Digital communication campaigns

To promote its extensive range of products and services and foster closer ties with customers, Attijariwafa bank Group rethought its communications strategy in 2017, opting for a combination of traditional and digital media. As a result, the Group reviewed its digital platforms and bolstered its social media coverage so as to promote dialogue with customers and raise the visibility of its products and services.



L'bankalik campaign receives an award

The L'bankalik campaign won an award at the African Cristal Festival in recognition of its creativity which was deemed appropriate and original. Its effective media strategy was also lauded

for its relevant content and target message (integrated campaign). L'bankalik also carried off an award at the Mena 2017 MasterCard Forum in London.

First-ever online financial series

Wafacash launched Morocco's first-ever online financial series, '1002 nights', which proved a resounding success, registering more than 10 million online viewers. The subsidiary became the first financial institution in Morocco to produce an actual film exclusively for online streaming. It was an original and quirky production, « made entirely in Morocco » as far as the production team and actors were concerned.

Wafa Immobilier in virtual reality mode

« Make your dreams come true » was the new slogan for the institutional campaign initiated by Wafa Immobilier in 2017. The subsidiary stepped into the future with a staging that involved virtual reality headsets.

Redesigned corporate websites

The corporate websites of a number of Group subsidiaries were given a makeover this year. Attijariwafa bank Europe, Attijari Intermediation, Wafa Real Estate and Wafa Ima Assistance revamped their online platforms for greater fluidity and to make them more user-friendly for customers. The new websites, which are more intuitive, ergonomic and informative, now respond to the latest trends in consumer behaviour with simplified navigation and enhanced and well-structured content.



Events organised to reach out to customers

To foster closer ties and to reach out to existing and prospective customers, communities and the various business ecosystems, Attijariwafa bank Group each year organises a number of major events as well as regional tours and caravans etc. The Group also participates in several major national and international events.



«Automobile», the business networking event

Attijariwafa bank bolstered its support for automotive ecosystems by organising a business networking event for this particular industry on the theme of 'The automotive ecosystem in Morocco, investment opportunities in a fast-growing industry'. This initiative demonstrates Attijariwafa bank Group's intention to support one of the economy's most promising growth industries, which is at the very heart of its corporate strategy, and to provide considerable help in developing relations between local and foreign car makers and equipment manufacturers.

« Les Rendez-vous du Patrimoine »

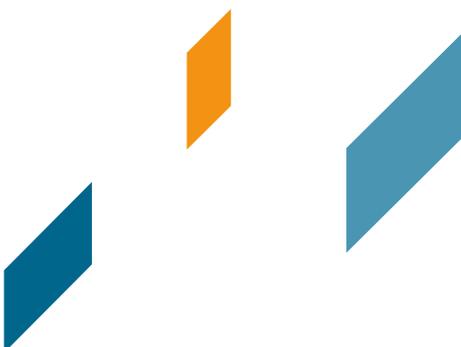
On the cultural front, Private Banking again organised several cultural gatherings this year including «Rendez-vous du Patrimoine», a conference series dealing with themes such as passing family wealth down to the next generation. The Bank also organised new theme-based meetings on financial markets and bank insurance.

Attijari Tour, an unmissable roadshow

For the seventh consecutive year, Attijariwafa bank Europe organised the «Attijari Tour» roadshow in France, Belgium, Spain, Italy and the Netherlands. Sales teams travelled the length and breadth of the five countries to meet the African diaspora living in areas that are geographically distant from branches. The goal was to retain existing customers and attract new customers. Attijari Tour continued during the summer months in Morocco in those areas with high numbers of Moroccans living abroad.

The International Student Forum

Attijariwafa bank's participation in the 2017 Moroccan Student Forum again proved a resounding success. As a longstanding sponsor of the event, the Bank this year focused on online banking, bolstering its presence in four cities, Rabat, Marrakesh, Fez and Casablanca, to promote its L'bankalik product range to students.



Establishing sustainable trust-based customer relationships

Attijariwafa bank Group strives to stand out from its peers by teaming up with its customers, listening closely to their needs and fostering loyalty as well as continuing to develop a genuine relationship with them based on trust. To achieve this, customer satisfaction is an absolute priority, while ensuring that products and services are of high quality and by adopting an innovative approach to be able to quickly deal with any complaint.

Improving the way in which customer complaints are handled

Handling complaints effectively is one of the best ways of satisfying and retaining customers. The Bank has established a variety of channels for receiving complaints from customers such as bank branches, the Customer Relationship Center (CRC), social media, letters, faxes or emails.

Customers may contact the Customer Relationship Center. This service, which is free of charge and available 6/7 days, handles a wide variety of requests including information enquiries, online assistance, bank card opposition and dealing with complaints. In 2017, the Center handled more than 284,000 incoming calls. In 2017, a project was initiated across the Group's Moroccan operations to improve complaints handling. As a result, there was a reduction of more than 50% year-on-year in the time required to handle complaints, while the customer satisfaction rate relating to complaints handling improved from 56% in 2016 to 71% in 2017.



Enhancing the quality culture within the Group

Attijariwafa bank Group's quality culture depends on every front- and back-office employee being highly committed to the 'CEV' or 'Believe in You' system. The role of CEV correspondents is to ensure that the Group's quality policy is properly implemented within their respective departments. CEV correspondents were an integral part of the campaigns that were conducted to raise awareness about the way in which staff interact with customers on the telephone, in person or online. They also contributed to the improvement in complaints handling. In 2017, Attijariwafa bank revitalised its CEV system. Consisting of about 150 employees, CEV staff are genuine guardians of a service quality culture within networks, head office departments and subsidiaries.

91%

of customers satisfied
in Morocco in 2017

284 000

incoming calls handled by
the Customer Relationship
Center in 2017

-50%

year-on-year reduction in
the time required to handle
customer complaints in Morocco

Customer focus

Each year, Attijariwafa bank's Customer focus Program enables it to measure the level of satisfaction of its external and internal (banking networks, subsidiaries and head office departments) customers. In 2017, 15,800 external customers participated in an extensive program of hot and cold surveys, opinion polls and focus groups. 4,000 mystery calls and 561 mystery visits were also made to measure the quality of the reception provided by employees on the telephone or in person. The overall customer satisfaction rate in Morocco, as measured by this program, was 91% in 2017.

Digital kiosks to be able to immediately assess customer satisfaction

Wafasalaf has set up digital terminals in each branch to be able to gauge on-the-spot customer satisfaction. These terminals enable the Group to measure and steer customer satisfaction simply, quickly and in real time, take corrective action immediately and convert criticism into positive opinion. They also provide a means of encouraging employees by offering rewards and trophies as well as challenging them.





Innovation

Reinventing ourselves through
innovation

“ Attijariwafa bank Group is accentuating its focus on innovation for the benefit of its customers by harnessing the full potential of digital technology. We are endeavouring to anticipate our customers’ needs and invent new banking solutions. To achieve this, we are transforming the way in which we work and are adapting our processes while guaranteeing that our customer’s transactions are secure at all times. ”

Ismail DOUIRI

Deputy Chief Executive Officer Finance,
Technology and Operations Division



Transformation as a way of enhancing performance and security

Big Data, digitising business processes, transforming working systems and methods... in order to redefine customer experience in the new digital age, the Group has adapted its information systems and embraced new technologies and more powerful IT infrastructure. As a result, it is able to provide customers with a personalised experience while improving employee security and expertise.

Anticipating customers' needs thanks to data expertise

Attijariwafa bank Group has implemented a data strategy with the launch of a new analytics platform that meets international standards. The goal is to encourage developing data usage as a means of improving customer service and fostering closer ties, while protecting and securing customers' data so as to gain trust. Achieving these goals has required dedicated governance and the appointment of a Chief Data Officer.

An adaptive Information Systems architecture and new IT engineering practices

To be able to offer a scalable customer experience and adjust the processes and services provided to customers, Attijariwafa bank Group has redesigned its architecture so as to guarantee the urbanisation and proper development of its information system. It has also adopted a more flexible and more efficient delivery model to reduce time to market. The Group now has a customer-centric architecture and a more outward-looking information system, underpinned by a multi-channel PLC base and a digital factory, enabling the level of openness to be controlled. The Group has also incorporated DevOps practices within its projects, resulting in accelerated lead times, thanks to closer collaboration between operational staff and developers.

Increased operational efficiency and synergies

As part of an ongoing process of improving the quality of the service provided to customers, the Group carried out a number of initiatives this year aimed at becoming more operationally efficient. These included centralising the process of making funds available to Moroccans living abroad, resulting in improved control and reduced processing times, digitising guarantees, implementing a documentary workflow in relation to small business loans and introducing regulatory control for international transfers.

The Group also pursued its policy of realising intra-Group synergies by supporting projects to centralise the electronic banking process at its subsidiaries in Mali, Togo and Mauritania and its Egyptian subsidiary's credit card business.

Skills enhancement and attracting new talent

Significant progress was made in 2017 regarding two complementary cornerstone projects, Strategic Workforce Planning (GPEC) and Performance Management. Both these projects are designed to pro-actively support the transformation process and bolster a performance-based culture and dialogue. In 2017, 64 new hires, including 56 executive staff, were required as part of the Group Information Systems' transformation process. Attijariwafa bank is dependent on its employees as the primary drivers of its digital transformation for developing in-house digital skills, attracting IT talent and adopting new working methods, among other things.

Ensuring that customer transactions are secure

In a bid to combat cybercrime, Attijariwafa bank Group has adopted an information systems risk management system and has introduced solutions that help to mitigate cyber risk by detecting threats before they turn into attacks. A Security Information and Event Management (SIEM) system became operational in 2017. The system collects, aggregates and categorises security events and detects the most doubtful among them to enable the necessary measures to be taken. As is the case for customers in Morocco, Attijariwafa bank also introduced '3D Secure', an online payment security service for cardholders who are customers of the French subsidiary, thereby reducing the risk of online fraud resulting from fraudulent use of payment card numbers.

Protecting personal data

In a context of digital transformation, Attijariwafa bank Group is particularly attentive to offering customers a digital service that is user-friendly, accessible and highly secure.

In 2017, the Bank in Morocco continued to develop its personal data protection system by completing the various declarations required by the CNDP and ensuring that the L'Bankalik, 'Auto-entrepreneur' and Dar Al Moukawil portals comply with the provisions of Act 09-08.

Attijariwafa bank is also endeavouring to foster a culture of personal data protection by including the latter in awareness guides and the formal training given to employees. 1,388 employees working in ethically-sensitive posts within the Bank's Moroccan network received training in personal data protection in 2017. 1,388 employees working in ethically-sensitive posts within the Bank's Moroccan networks received training in personal data protection.

Innovations
2017

1,388 employees
of the Bank in Morocco trained
in personal data protection.

New agile platforms

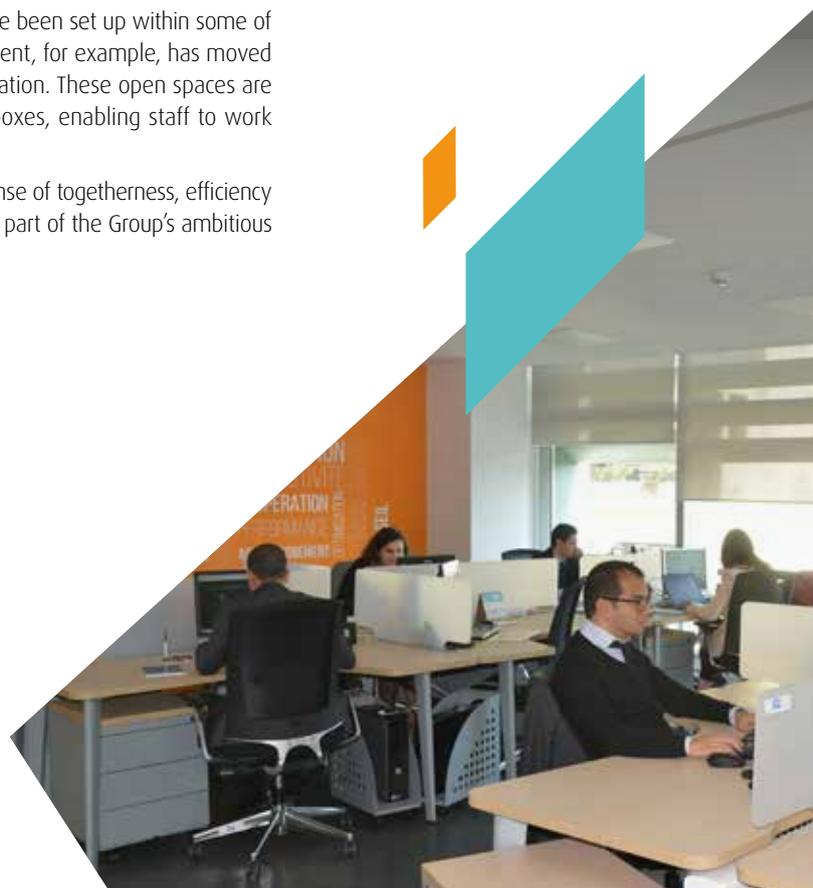
Attijariwafa bank Group has adopted new, more agile ways of working, with the launch, in January 2017, of agile platforms. These bring together multidisciplinary teams, enabling large-scale projects to be implemented more rapidly. A growing number of projects are now being handled in this way across a variety of businesses. Alongside these changes, the Group has introduced a change management process and is encouraging all staff to adopt a digital culture.

New open-plan and collaborative workspaces

New collaborative, modern and relaxed workspaces have been set up within some of the Group's business units. The transformation department, for example, has moved into open-plan offices for greater flexibility and cooperation. These open spaces are equipped with collaborative systems and Workshop boxes, enabling staff to work together in small groups.

These new working practices are designed to foster a sense of togetherness, efficiency and synergy within the Group. They are also an integral part of the Group's ambitious digital transformation program.

ENERGIES 20//20



Promoting a collective approach and developing a culture of innovation

Attijariwafa bank Group has identified innovation as one of the major levers in being able to meet the many new challenges and constraints posed by its environment. It is therefore one of the priorities of its Energies 2020 strategic plan. The Group has adopted an open innovation approach, working closely with its ecosystem, in order to generate even more value for its customers, embed a culture of innovation within the company and play its part in boosting African start-ups and promoting entrepreneurship.



« Smart Up » program encouraging innovation among youngsters

In 2017, the Group launched its Smart Up open innovation program, the highlight of which was the first ever international FinTech hackathon, organised in May 2017 in partnership with SrenDy, a start-up. The event was held simultaneously in five major cities, Abidjan, Casablanca, Dakar, Paris and Tunis. The

goal was to unearth projects that are likely to act as catalysts for the Bank's transformation into a bank of the future.

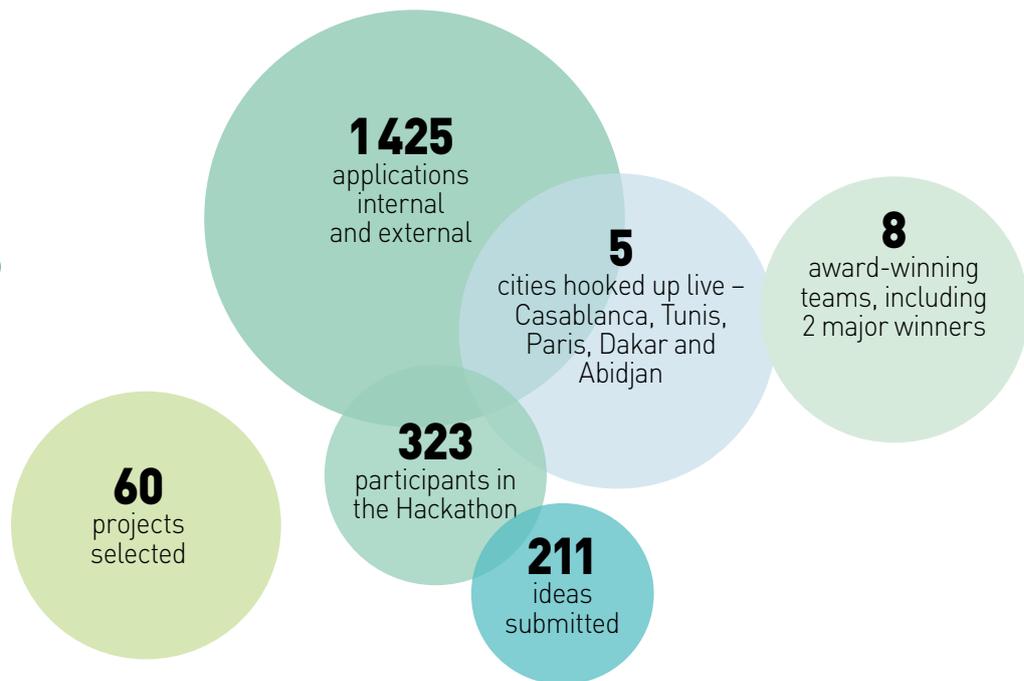
From more than 1,025 external candidates and 420 applications from Group employees, the jury selected 323 participants. For 48 hours non-stop, these talented youngsters from a variety of backgrounds worked at finding innovative solutions in response to the chosen theme, « Know your customer, know your banker, know your colleague »

In total, 60 projects were presented. Of the 20 local award-winning teams, 8 were short-listed by the international jury and were invited to participate and train in a boot camp in Casablanca in preparation for the Minimum Viable Product (MVP) pitch on Demo Day. In the end, two teams were awarded prizes of MAD 200,000 each while MAD 100,000 was awarded to the winner of Special Jury Prize. The two winning project leaders were enrolled in a training program in 2018 in Silicon Valley.

« Lab Innovation »

In 2017, « Lab Innovation » was set up within the Group Information Systems department. The Lab, which is an action-oriented « ideas laboratory », is intended to be an innovative initiatives incubator. Bringing together bank staff, start-ups, FinTechs, business idea generators and entrepreneurs, the Lab aims to foster a culture of innovation, collective intelligence, shared growth and experimentation.

Smart Up in figures



«Yellow Challenge», promoting African start-ups

Four entrepreneurs were chosen to participate in the Yellow Challenge organised by Wafacash, a subsidiary of Attijariwafa bank Group. Yellow Challenge is an open innovation program connecting big business to African start-ups. This program, organised with the support of CEED Morocco, attracted more than 500 African entrepreneurs. Some 76 applications were accepted, 32 of which were presented to a jury comprising Wafacash and CEED Morocco staff. The incubation phase involved 13 start-ups prior to the final cut, which saw four companies invited to join the Wafacash ecosystem. A number of different issues were tackled during the program such as 'blockchain' and 'smart contracts', sales force and 'chatbot' and how to dematerialise and simplify operations management.

«Smart Start», supporting young entrepreneurs

Corporate executives from Attijariwafa bank Group's Corporate and Investment Banking (BFIG) division have made a sizeable contribution to 'Smart Start', a program which aims to help young entrepreneurs to set up their business. This program is open only to those youngsters who have already completed 'Company Program', Injaz Al-Maghrib's flagship university-based program, which provides training on how to set up and manage a business. The Smart Start program's educational approach is based on learning by doing and mentoring. BFIG staff supervised and guided the youngsters in how to go about their project during a weekly 2 hours meeting over a 6 month period.

In 2017, 23 BFIG mentors assisted 10 start-ups. Mentoring consisted of brain-storming sessions, designing support documents, carrying out financial and strategic analysis of the project, financial modelling, among other things.



Africa's Growth Dynamic

Contributing to the development
of local economies and regions

“ Now more than ever before, one of the main priorities of our corporate strategy is to contribute to Africa's growth dynamic. Our focus remains on a number of key issues such as contributing to sustainable economic development, serving our customers everywhere in Africa, supporting African businesses in their development and encouraging South-South cooperation.

”

Boubker JAI

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

Fostering sustainable economic development

To have a positive influence on the economy's functioning, Attijariwafa bank Group's priorities include extending banking services and supporting economic development by facilitating access to banking and financial services, supporting company formation and business development as well as striving for regional development.

Making it easier for everyone to access banking and financial services



Promoting banking inclusion

The Group's endeavours in promoting banking inclusion combines technological innovation and human relations in order to offer accessible and secure digital solutions and products and services which are tailored to every type of customer, especially low-income households. The Group has continued to market Hissab Bikhir in Morocco, a banking service for low-income households. The Group aims to accelerate the pace of the country's development and reduce poverty, precariousness and social exclusion. Alongside its partner organisations, the Group remains committed to encouraging new inclusive concepts which promote equal opportunity. Wafacash, in partnership with Al Amana, market leader in microfinance in Morocco, has therefore continued to market microcredit services through its own and its partner's networks. In 2017, the subsidiary financed 98 customer applications. Prospects for this business are very good over the coming years.

Improving financial education

To enhance the understanding of how the business world really works, particularly among youngsters, the Group supports a variety of financial education initiatives. Each year, in Morocco, the Bank participates in Financial Education Week organised by the Moroccan Foundation for Financial Education, a civic and educational initiative which aims to encourage young people to use financial services responsibly. The Bank's different websites and customer spaces offer guides, video spots, training and support for financial education such as L'Bankalik, the online banking portal, the Dar Al Moukawil platform for small businesses and SMEs and the Jamiati website for students.

Innovations 2017



IVORY COAST

« Les journées du banquier »

In 2017, in Ivory Coast, Société Ivoirienne de Banque supported 'Journées du Banquier', an initiative run by Ivory Coast's Professional Association of Banks and Financial Institutions (APBEFCI) on the theme of 'Financial education, a tool for combating poverty'.

EGYPT

The Spettro Academy's « 360° Banking » program

The Spettro Academy was founded by a group of employees who have been supported and funded by Attijariwafa bank Egypt since 2011. This initiative aims to reduce unemployment in Egypt by enhancing the skills-set of university students, thereby enabling them to be better meet the demands of the jobs market. Through the Academy's '360° Banking' program, employees of the Bank organised six banking workshops in 2017 which focused on commercial banking, risk management, human resources and compliance. As far as the 'Be accepted!' program was concerned, ten new areas of banking were covered during the intensive sessions delivered by fourteen of the Bank's volunteers over a four-month period in 2017.

Serving our customers everywhere in Africa

Attijariwafa bank Group, which has the most extensive pan-African network and comprehensive knowledge of African markets, is uniquely positioned, combining the attributes of an international bank with the proximity of a local bank. The Group is now the leading banking partner in 13 African countries (excluding Morocco) and aspires to become one of the top three banks in each African country in which it has operations.

In 2017, the Group bolstered its footprint in North Africa with the launch of Attijariwafa bank Egypt, the Group's new Egyptian subsidiary. Going forward, it will focus on offering customers ever more innovative products and services. International Retail Banking (BDI), a genuine interface between the Group's African subsidiaries and its different businesses and entities, contributed 30.1% to net income Group share in 2017.

13

countries
(excluding Morocco)

829

branches

7,538

employees

2.3

million
customers

African footprint (excluding Morocco)

African subsidiaries	Share of the deposit market	Share of the loan market	Number of branches
North Africa			
Attijari bank Tunisie	11 %	9 %	207
Attijari bank Mauritanie	11 %	11 %	26
Attijariwafa bank Egypt		0.8 %	56
West Africa			
CBAO Sénégal and Benin, Burkina Faso and Niger branch offices	16 %	15 %	99
Crédit du Sénégal	3 %	2 %	8
Banque Internationale pour le Mali (BIM)	11 %	10 %	80
BIA Togo	4 %	3 %	12
Société Ivoirienne de Banque (SIB)	9 %	10 %	60
Central Africa			
Union Gabonaise de Banque (UGB)	17 %	19.6 %	21
Société Commerciale de Banque Cameroun (SCB Cameroun)	11 %	10 %	55
Crédit du Congo	14 %	11 %	20

Innovations 2017

Enhancing the mobile experience

Tunisia - In 2017, Attijari bank Tunisie, in partnership with Ooredoo, a local telecoms operator, launched a co-branded card. This new card enables customers to top up their Ooredoo GSM phone line, transfer money to a registered user with a Mobicash prepaid card, pay shopkeepers registered for the mobile payment acceptance service and request money from another Mobicash user's prepaid card.

Mali - Banque Internationale pour le Mali (BIM) now enables its customers to access their bank whenever and wherever they are via their smartphone with the new SMSEXRESS mobile app. The app provides an entire range of options and features to meet customers' day-to-day banking needs.

Ivory Coast - Société Ivoirienne de Banque and MTN CI have launched MoMo, a mobile banking service, enabling SIB customers who are subscribers to the MTN Mobile Money service to transfer money between their MoMo and SIB accounts. Using MTN Mobile Money technology, the MTN MoMo Bank service enables customers to transfer funds from their Mobile Money account to their current or savings accounts and vice versa.



Meeting the needs of customers living overseas

Tunisia - Attijari bank has developed a specific range of products and services for Tunisians living abroad. 'Bledi Privilege Pack' is an all-in-one package providing day-to-day banking services, fee-exemption on transfers received from overseas as well as preferential rates on loans for Tunisians living abroad wishing to acquire property.

Furthermore, to make it easier for Tunisians living abroad to make transfers, Attijari bank signed a partnership agreement with the Office of Tunisians Abroad (OTE) in June 2017. Under the terms of this agreement, this community enjoys a number of advantages when it comes to money transfers and property loans.

Mauritania - Attijari Bank Mauritanie's new Attijari Express service has made money transfers easier, faster and, above all, more accessible thanks to an exceptionally attractive pricing structure, the lowest on the market. The subsidiary also broke new ground this year by enabling non-customers to order and receive funds on a nationwide basis.

Burkina Faso and Cameroon

CBAO in Burkina Faso launched its money transfer business this year in partnership with MoneyGram and Cash Express. SCB Cameroon also launched a range of money transfer and affordable banking products in the country in partnership with Wafacash.

Attijari bank Tunisie wins
« Bank of the Year – Tunisia »
award for the fourth consecutive
year from the Banker

Supporting micro-enterprises in Africa

Senegal - CBAO Sénégal launched a cheque account for small businesses as well as a comprehensive package for businesses involved in a commercial activity but which not registered on the trade register.

Cameroon - SCB Cameroon signed an agreement with the Confederation of Cameroonian Businesses (E-CAM) aimed at supporting small businesses by providing advice, training and finance.

Reinventing the branch format and expanding networks

Senegal - As part of an ongoing process of innovation and to foster closer ties with customers, CBAO Sénégal this year launched a pilot scheme to try out a new branch format in a chosen sample of four Dakar-based branches.

Togo - BIA Togo continued to expand its network of branches and ATMs this year. It now has 12 branches.

Cameroon - LCB Cameroon consolidated its position as the country's leading banking network by opening two branches, taking the total number of branches to 56 and 110 ATMs.



Enhanced user experience

Gabon - In 2017, Union Gabonaise des Banques launched its corporate website. This new communicative portal provides an excellent means of showcasing UGB as a leading institution within the Gabonese economy as well as its range of products and services.

Union Gabonaise des Banques consolidated its position as the second-ranked institution within the banking industry in all market segments. It is market leader in signature loans and is ranked second in lending and deposit-taking.

CBAO Sénégal named
« Best bank in Senegal »
in 2017 by Euromoney

Offering effective insurance solutions

Cameroon - SCB Cameroun signed an agreement with Wafa Assurance to promote its range of bank insurance products and services in the country, enabling Cameroonian customers to access the company's entire range.

Wafa Assurance's African operations now include Ivory Coast, Tunisia, Senegal and Cameroon.

Congo - Despite Congo's banking industry undergoing a number of major regulatory changes this year, Crédit du Congo maintained strong sales momentum and posted a high level of net income. As a result, it maintained its status at the forefront of the banking industry. It was ranked second in deposits with a 14% market share and third in loans with an 11% market share without experiencing any major deterioration in risk quality.

56
branches

Contribution of
7.4 %
to net income
Group share

Attijariwafa bank Egypt, a very encouraging first year

Attijariwafa bank Group launched its new Egyptian subsidiary, Attijariwafa bank Egypt, this year, after acquiring 100% of the company from Barclays Bank Egypt and securing the requisite regulatory approval. Attijariwafa bank Egypt, based in Cairo, has a staff of 1,456 and a network of 56 branches in 18 Egyptian cities. This deal has enabled the Group to expand its international network into Africa's third-richest economy with a population of 100 million and to gain a foothold in what is a fast-growing banking market. It also paves the way for the Group to grow its business in the Middle East and in East Africa. In 2017, Attijariwafa bank Egypt exceeded all expectations, becoming one of the main contributors to net income Group share (7.4%) in 2017, just eight months after commencing operations.

Striving for regional development

Financing the development of small businesses and SMEs

As Morocco's leading banking institution for micro-enterprises and small- and medium-sized enterprises, Attijariwafa bank Group has adopted, since 2014, a positive and proactive approach to financing these businesses which are crucial to Morocco's economic development. As in previous years, in 2017, the Group renewed its commitment to small businesses by allocating an annual budget. MAD 16.8 billion was earmarked for SMEs and MAD 7.1 billion for 32,500 small businesses.

Supporting young innovative entrepreneurs

As part of the annual 'Young Entrepreneur Awards' event organised in conjunction with the Africa Development International Forum for start-ups, Attijariwafa bank recognises young, innovative and dynamic African companies which are contributing to sustainable development.

In March 2017, Attijariwafa bank again presented awards to the best projects in 'innovation', 'social entrepreneurship' and 'sustainable development'. The three winners benefited from a MAD 100,000 financial subsidy, help in accelerating the development and reputation of their respective companies and membership of the Africa Development Club.



« Young Entrepreneur Award » presented by Mr Hassan OURIAGLI, Chairman & Chief Executive Officer, Al Mada

861,000

small business customers in Morocco

Supporting government-sponsored corporate programs

Attijariwafa bank has supported various government-sponsored programs in Morocco for many years. In 2017, Attijariwafa bank lent its support to 33% of the companies accredited under Morocco's SME programs such as « Istitmar Croissance », which subsidises small businesses up to a maximum of 30% of their investment or up to MAD 2 million and 'Imtiaz Croissance', which helps small businesses access funding by providing a subsidy of up to MAD 10 million.

Shoulder to shoulder with Moroccan farmers

This year, once again, Attijariwafa played an active role in the International Agriculture Show in Morocco (SIAM). Its participation is part-and-parcel of the Group's proactive policy of supporting every segment of the agricultural sector and agribusiness. The El Kheir Plan, which is a tailor-made offer aimed exclusively at the agricultural sector, illustrates the Group's commitment. The Plan consists of solutions which have been specifically adapted for funding agricultural investment, co-financing schemes to help farmers invest and develop their export business, pre-financing state subsidies and a finance package to help with agricultural harvests and operational needs. The Plan is primarily focused on eight sub-sectors with strong growth potential: vegetable production, citrus production, arboriculture, olive production, wine growing, date palm cultivation, dairy, red meat production and industrial crop production.



Contributing to developing Morocco's foreign trade

As part of the national E-GOV program, Attijariwafa bank Group signed an agreement with the Directorate-General of Customs and Indirect Taxes (ADII) to provide import-export customers with a solution enabling them to securely dematerialise customs guarantees in relation to accounts subscribed under customs control arrangements via its online automated customs clearance system for merchandise (BADR). This national digitisation

project, entirely consistent with Attijariwafa bank's « Energies 2020 » strategic plan, has incited the Group to expand its range of secure remote banking solutions for corporate customers to enable them to dematerialise payments, meet administrative

requirements and carry out international transactions via Online Trade and Attijarinet Entreprise.



Financing cornerstone projects

Attijariwafa bank Group's commitment to the real economy is also reflected in the way in which it actively contributes to the success of sector-specific programs in those countries in which it has operations. In 2017, the Group signed a number of financing agreements totalling more than MAD 3.5 billion in some of the economy's strategically-important sectors. These include the energy, transport, education, hospitality, property and automotive industries.

MAD **3.5** billion
of fresh funding for
major projects

A strong belief in Africa and support for regional integration

As one of Africa's leading banking partners, Attijariwafa bank Group is constantly demonstrating its commitment to contributing to the continent's economic development and to South-South and North-South cooperation. By establishing the Africa Development Club, organising the annual Africa Development International Forum and constantly searching for strategic partners, the Group is firmly committed to helping African businesses and supporting African countries' national development plans.

Supporting economic and financial integration in Africa

To contribute to economic and financial integration in Africa, the Group has signed a number of partnership agreements and major cooperation agreements aimed at developing market operations in Africa.

In 2017, Attijariwafa bank Group signed an important memorandum of understanding with the West African Development Bank (BOAD) to foster cooperation between Attijari Titrisation and BOAD Titrisation, a BOAD subsidiary. The aim is to accelerate the trend towards developing securitisation in WAEMU countries. This agreement will therefore improve financial mechanisms within the zone.

The Group also signed a memorandum of understanding with Sumitomo Corporation Europe Limited, a subsidiary of Sumitomo Corporation, a Japanese conglomerate, whereby both parties agree to develop a long-term partnership in large-scale operations in Africa in the automotive, infrastructure, chemicals, mining and agricultural sectors.

A memorandum of understanding was also signed in 2017 between Attijariwafa bank and Sinosure, the China Export & Credit Insurance Corporation, aimed at developing a partnership in foreign trade finance, investment, infrastructure, energy, machinery and other electrical and mechanical equipment in those countries in which the Group has operations.

In 2017, the Group signed a number of other memorandums of understanding and financing agreements including those with Zambia National Commercial Bank (ZANACO), Ghana Commercial Bank (GCB), Afreximbank, International Islamic Trade Finance Corporation (ITFC) and the European Investment Bank (BEI).

Memorandum of understanding signed in 2017 with the BOAD.



Protocole d'accord en 2017 avec la BOAD

Africa Development International Forum (FIAD)

Creating investment opportunities and encouraging South-South cooperation

The Africa Development International Forum is a major annual event established by Attijariwafa bank in 2010 to promote trade, investment and South-South cooperation in Africa. Each year, African decision-makers and investors participate in discussion panels, B-to-B meetings and debates while a 'project bank' in the Investor Marketplace serves to unearth business opportunities. This event is an opportunity to promote dialogue and share ideas to be able to identify solutions to the numerous challenges facing African countries.

In 2017, the 5th Africa Development International Forum dealt with the issues of financial inclusion and investment opportunities in Africa. The Forum's theme was 'New inclusive growth models in Africa'. More than 2,000 companies from 30 African countries were able to meet in the B-to-B meeting area and no fewer than 4,000 business meetings were organised. Since it was established, the Africa Development International Forum has brought together nearly 6,000 businesses from 36 different countries and has generated just short of 13,000 business meetings, resulting in countless trade and investment opportunities.

30

countries participated
in FIAD 2017

4,000

business meetings
organised at FIAD
in 2017



2017 edition of the Africa Development International Forum

Developing trade in Africa

Attijariwafa bank Group established the Africa Development Club in 2015 as a means of endeavouring to promote regional trade and South-South cooperation. It serves as a networking vehicle for businesses wishing to expand their interests in Africa by leveraging business opportunities or investing in this part of the world. The Club also provides access to information, training, services and expert advice, aimed at helping

entrepreneurs implement their projects, assisting governments with their major infrastructure projects and fostering South-South and North-South cooperation. In 2017, the Club organised 6 multi-sector missions in Morocco, West Africa and Central Africa, which brought together more than 1,300 companies from 15 African countries and generated more than 1,000 business meetings. During the year, the Club launched satellite branches in Tunisia, Congo and Mali.



AFRICA
DEVELOPMENT CLUB

More than **1,000**
business meetings
generated by the Africa
Development Club in 2017

Africa Development
Club launched in Tunisia,
Congo and Mali



Responsibilities

Being responsible in our business dealings and with stakeholders



QR code
for CSR 2017



“ At Attijariwafa bank, being responsible and acting ethically entails responding to customers’ needs, while preserving the interests of all our stakeholders in compliance with principles of business ethics and mitigating the risks inherent in our business. ”

Talal EL BELLAJ
Deputy Chief Executive Officer
Group Global Risk Management

“ Being responsible also means actively contributing to the social, environmental and sustainable development of the local economies of those countries in which we have operations. ”

Saloua BENMEHREZ
Executive Director
Group Communications

Respecting the environment and combating climate change

The Group is committed to minimising the impact on the environment from its business activities and to combating climate change. Its environmental policy aims to reduce the environmental footprint generated by the Group's own activities and the environmental impact from customer activity. The Group is also doing its utmost to accelerate the transition towards a low-carbon and less polluting economy, by funding renewable energy, energy efficiency and sustainable mobility projects.



Financing renewable energy

After acting as advisor to Masen in respect of its first green bond issue, which saw it raise MAD 1.15 billion, the two companies signed an agreement in 2016 to pool their respective areas of expertise in order to develop green finance in Morocco. Following on from that initial experience, in 2017, Attijariwafa bank again acted as strategic and financial advisor to MASEN in respect of the Noor PVI tender to select a partner to develop 3 solar projects (Ouarzazate, Laayoune and Boujdour) totalling 170 MW. Noor PVI is the fourth photovoltaic power station planned under the Noor solar scheme. As a leading player in financing renewable energy projects, the Group's funding commitments in Morocco amounted to more than MAD 4.7 billion in 2017.

More than MAD **4.7** billion of funding for renewable energy projects in 2017

-33%

year-on-year decline in the Bank's paper consumption in Morocco in 2017

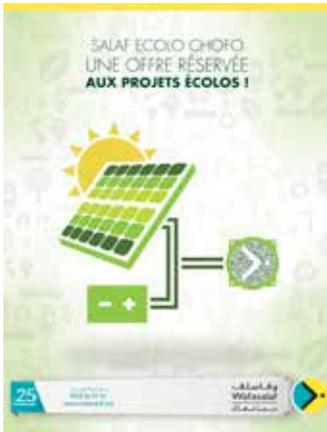
A wind farm in Egypt

The Group, through its Attijari International Bank subsidiary, gave an undertaking to provide a bridging loan in relation to a capital injection by Orascom Construction to carry out the Gulf of Suez Wind project in Gabal El Zeit in Egypt. This project consists of developing, building and operating a 262.5 MW wind farm at a cost of USD 420 million.

It is run by the Gulf of Suez Wind IPP (RGWE SAE), the project management company and developed by a consortium of sponsors comprising ENGIE, Toyota Tsucho, Eurus Holding and Orascom Construction. As far as Attijariwafa bank Group's involvement in this project is concerned, it has been appointed as lead manager for the bridging loan.

Supporting households' energy transition

The Group has developed a number of solutions for corporate as well as retail customers to facilitate their energy transition. Wafasalaf has continued to market Salaf Ecolo, a loan for customers who would like to purchase solar water heaters or hybrid or electric cars. In Tunisia, Attijari Bank earmarked TND 361 million of funding in 2017 for the latest version of the PROSOL-Elec program. This will enable households to generate their own electricity from renewable energy sources.



Promoting sustainable mobility

Last year, consistent with good environmental practices, Wafa

Assurance bolstered its partnership agreement that it had entered into in 2016 with Toyota Morocco. Under the terms of this agreement, Wafa Assurance's car insurance policy-holders can benefit from a hybrid replacement vehicle should their vehicle be immobilised in the event of an accident. In 2017, 80 hybrid vehicles were made available to Wafa IMA assistance subsidiary's network of car rental companies. It is estimated that this partnership will reduce the replacement fleet's CO2 emissions by almost 50% over 3 years, which equates to 8 tonnes of carbon offsets.

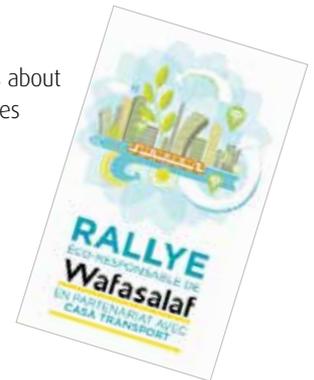
Encouraging energy-efficient buildings

Attijariwafa bank Group is enhancing the energy performance of its physical infrastructure by promoting initiatives designed to improve buildings' energy efficiency and optimising water, electricity and paper consumption – by better regulating the room temperature of premises and lighting, and detecting leaks, etc. As a result, the Bank in Morocco was able to reduce its paper consumption by 33% compared to 2016.

Raising awareness about environmental protection

To raise awareness among youngsters about the environmental impact from vehicles in Casablanca, Wafasalaf organised an Eco Responsible Rally in 2017. This experience, the first of its kind, saw 20 teams of 5 people and a team of Wafasalaf employees roam the entire city of Casablanca, including its historic center, embracing various challenges relating to sustainable mobility, global warming and the city's history.

At the end of both competitions, the participants met at Wafasalaf's headquarters in a relaxed atmosphere ahead of the results announcement and the awarding of prizes to the winners, Wafasalaf and Casa Transports. Last year, awareness posters were displayed at Wafasalaf's premises and employees and visitors were asked about best practices in lighting, air conditioning, paper, computers and water usage.



Innovations 2017

The new « Effinergie & Sustainable Development » label

In order to provide recognition to start-ups that are serious about sustainable development, Attijariwafa bank has created the 'Effinergie & Sustainable Development' label to highlight their efforts and contribution to environmental protection. This label is awarded to African companies which have made a commitment to ecological transition in order to be energy efficient and grow sustainably by creating or using products and services which respect the environment or by adopting processes that have a positive environmental impact.

High Environmental Quality (HQE) certification for the Bank's regional headquarters in Rabat

In 2017, the planned design for the new Rabat Souissi regional headquarters obtained « Very Good » High Environmental Quality certification by Cerway, an international certification body. This recognition highlights Attijariwafa bank's endeavours in respecting the environment and ensuring a comfortable and healthy environment for the building's occupants. The building incorporates all the main sustainable development criteria – the building's sustainability, controlling the environmental impact and ease of maintenance. Priority was also given to controlling energy consumption.



New Rabat Souissi regional head office

Anticipating and steering risk

Attijariwafa bank Group has a responsibility to serving its customers by mitigating risk. The Group's approach to risk management complies fully with industry and regulatory standards and is underpinned by sophisticated systems for enhanced performance. In 2017, the Group reviewed and updated its entire set of procedures while ensuring that regulatory requirements were incorporated within its risk management system as well as adopting a process-oriented approach.

'Risk Transformation' initiative – modernity and performance

2017 saw the launch of the 'Risk Transformation' initiative, which aims to provide the Group with a more structured risk appetite framework shared by all stakeholders. This risk appetite framework, which lies at the very center of the Group's strategy, ensures that the goals of business development, financial performance and risk management and control are fully aligned. It also aims to optimise the risk-return trade-off and use of capital in a context of growing regulatory constraints. The « Risk Transformation » initiative is also intended to bolster the risk management system, especially the Group's overall risk profile by developing analytical, simulation and stress-testing systems. The initiative is underpinned by a key priority, that of promoting a risk culture among the Group's various business lines and bodies.

A new scoring model for retail customers

After four years of effective usage, the scoring models for small businesses and professional customers were reviewed and new data blocks incorporated, including external credit bureau data and data relating to card payments and withdrawals. This latest version, which continues to be based on quantitative and qualitative data and customer behaviour, has better predictive power. The Bank also set up a scoring hub to extend the system to subsidiaries and other product types.

It also plans to digitise scoring through e-banking solutions in order to respond to customers' preference for online credit applications. A scoring system for self-employed and retail customers will be incorporated within the overall system from 2018. These models will from now on be an integral part of the small business system, helping to automate the credit approval process for small business applicants and thereby bolstering the Bank's capacity to process applications.

New rating models for the Bank and subsidiaries

In 2017, the Group rolled out new rating models for SMEs and Large Enterprises. These models leverage feedback from risk managers and robust statistical tests. The models are practical and easy-to-use and enable advanced simulations to be carried out as part of Basel II and IFRS9 projects. They have also been extended to domestic and overseas subsidiaries such as SIB in Ivory Coast and Attijari bank Tunisie.

Last year, two other specific models were reviewed and enhanced, the real estate development and project finance models. Attijariwafa bank Egypt also embarked on a process of reviewing its rating models which is likely to be completed in June 2018.

Country risk

Integrating the recently-acquired Attijariwafa bank Egypt subsidiary

The country risk management system was progressively bolstered last year in order to ensure a rigorous approach to managing cross-border risk in light of the Group's rapid regional expansion. Barclays Bank's Egyptian subsidiary was successfully integrated after a number of workshops were organised to bring the new subsidiary into line with the Group's risk governance standards while taking into consideration the planned transformation and the specific features of the local economy. In such a context, the Group reviewed and adjusted the subsidiary's risk policy, risk appetite framework, sector limits, delegation of powers, credit approval and risk monitoring process. The goal was to ensure that risk continues to be managed at parent company level for each subsidiary as well as on a consolidated basis.

Innovations 2017

Debt recovery management automated

After conducting a feasibility study, a non-performing loan recovery management software solution (IMX) was chosen to meet a variety of end-to-end management needs and comply with regulatory requirements. This software solution will enable the Bank to monitor loans from the time of default until final recovery, encompassing management of the amicable settlement phase, automated management of legal proceedings and enforcement of guarantees.

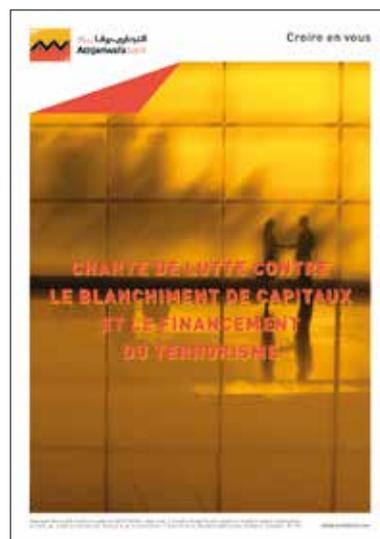
Risk Data Warehouse extended to retail banking customers

The Risk Data Warehouse's remit was extended last year as far as data content was concerned. Until now, the focus has been entirely on corporate data, but this has been extended to include retail banking customers. The Data Warehouse provides a centralised view of the Bank's portfolio and monitors certain risk areas accurately. It also enables the Bank to track the credit quality of the portfolio as a whole, generate risk indicators based on different criteria and provide a historical database for back-testing purposes for internal rating models and for carrying out specific research and analysis.



Being exemplary in our business dealings

Attijariwafa bank Group is committed to applying a socially-responsible approach to every stakeholder with whom it interacts. This interaction is underpinned by the utmost respect for ethical rules, especially when it comes to the Group's business practices and purchasing policy.



Ensuring integrity, loyalty and transparency

Promoting a culture of ethics and professional conduct and combating fraud

Attijariwafa bank ensures that it complies with principles of integrity, fair treatment and transparency. As a result, the Group's various codes of ethics stipulate the ground rules for respecting the primacy of customers' interests and market integrity and for preventing and managing conflicts of interest. In addition to the Code of Conduct given to new employees, the Group has introduced:

- a Purchasing Code of Conduct for the bank's officers responsible for authorising expenditure;
- A code of ethics for Group directors which governs the practices associated with the post of director;
- An anti-fraud policy, implemented thanks to a permanent monitoring system which is ring-fenced from operations.

Combating money laundering and countering terrorism financing

The Group's anti-money laundering and countering the financing of terrorism (AML/CFT) system was enhanced in 2017 with the introduction of a new behavioural analysis tool and an upgraded version of flow filtering tools as well as an updated AML/CFT Charter. The Group also continued to work on developing and standardising subsidiaries' AML/CFT systems based on Group standards, mainly in terms of managing relations with partners and applying international economic sanctions. 92 % of employees working in ethically-sensitive posts within the Bank's Moroccan networks received training in combating money laundering and countering terrorism financing.

Protecting sensitive and confidential information

The Code relating to disseminating important or sensitive information outlines the rules for disseminating important or sensitive information for employees who perform so-called 'sensitive' tasks and are primarily permanent 'insiders'. The Code specifies security measures for preventing the unauthorised dissemination of confidential information. In addition, a confidentiality charter relating to internal data describes the circumstances in which internal data must be handled by the users in question.

808 new signatories to the Code of Good Conduct within the Bank in Morocco in 2017

Purchasing responsibly

A formal charter for purchasing responsibly

In order to bolster the purchasing policy's guiding principles, a formal Responsible Purchasing Charter was introduced in 2017 which includes new undertakings such as preventing dependency and respecting payment periods to suppliers. Suppliers will be informed of this Charter in 2018.

Shortening payment periods to suppliers

Attijariwafa bank Group pays particular attention to ensuring that it complies with the statutory payment deadline. The latter is monitored at every stage of the processing and validation process. The aim is to improve the processes for processing invoices and reduce payment periods. In 2017, the average payment period to suppliers was 11 days from the date of receiving the invoice. This remains well below the 60-day statutory payment deadline.

A new supplier approval policy to promote sourcing from small businesses and local suppliers

As part of Attijariwafa bank's Small Business Act initiative, which aims to make it easier for small businesses to become a supplier to the Group, the Group Purchasing department has introduced a new policy for approving very small suppliers. The aim is to not only make it easier for the Group to access this type of supplier but also to appraise them against a number of relevant criteria. As a result, 39 small businesses have been approved by the Group since 2016. Small businesses accounted for 78% of Attijariwafa bank's suppliers in 2017.

71 % of suppliers in Morocco are satisfied with their partnership with the Group

Small businesses accounted for **78 %** of Attijariwafa bank's suppliers in 2017

The Bank's average payment period to suppliers was **11** days in 2017

First ever supplier satisfaction evaluation survey in Morocco

In 2017, the Bank conducted a satisfaction survey of its suppliers and service providers so as to identify their perception and level of satisfaction as well as the quality of the relationship that the Bank has with its service providers. The results of the survey showed that 87% of those surveyed were satisfied overall with the partnership with Attijariwafa bank (74% were very satisfied). In addition, 93% of the service providers questioned stated that the Bank had respected ethical principles and rules of professional conduct as far as purchasing was concerned.

Transforming HR for every employee

Attijariwafa bank Group aspires to become the country's leading relationship-bank bank, enjoying a close relationship with each of its stakeholders. This aim underpins its Human Resources policy, which closely links the human aspect to corporate strategy and corporate culture to performance, for its customers' benefit. A number of major HR transformation projects were initiated in 2017, in line with the Bank's « Energies 2020 » development plan, aimed at tackling the challenges faced by the various business lines and the changing operating environment.

Career management

In 2017, consistent with the Group's current and future staffing needs, Attijariwafa bank helped more than 118 of the Bank's employees with their internal transfer applications to other posts within the Group, including those within the Group's specialised subsidiaries. In addition, in 2017, 125 prospective managers appeared before a commission which met on 14 occasions to validate their new BAC+5 diploma, thereby enhancing these employees' status. The Bank also made a concerted effort to identify high-potential employees. 38 Group employees were recognised as such (8 from Moroccan subsidiaries, 6 from sub-Saharan subsidiaries and 24 from the Bank), 45% of whom were women.

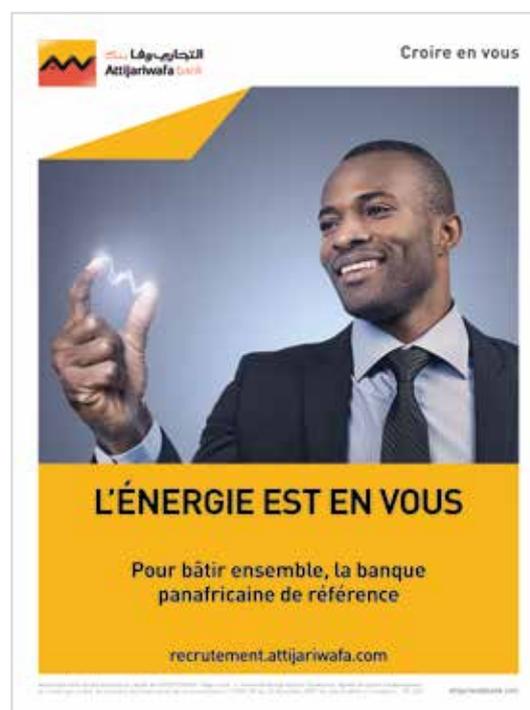
A preference for recruiting recently-qualified graduates

Attijariwafa bank recruited 813 recently-qualified graduates in 2017 to help it to fulfil its growth aspirations. To attract talented individuals, the Group has stepped up efforts to participate in forums organised by prestigious educational institutions in Morocco and overseas. In addition, to support higher education in Morocco, particularly at state universities and centers of excellence, the Bank offered 1,203 internships in 2017. 208 of these were for students from prestigious educational establishments or those completing their final year projects, while 975 were 'taster' internships.

813 recently-qualified graduates were recruited by the Bank in 2017

Promoting gender equality

Attijariwafa bank advocates an equal opportunities policy as far as recruitment is concerned to ensure an appropriate gender balance across the workforce. As a result, 44% of the employees recruited by the Bank in 2017 were women versus 37% in 2016. The Group has also made a priority of promoting women to positions of responsibility. Women accounted for 40.9% of the Group's workforce and 39.9% of its managerial staff in 2017.



HR strategy

Rising to the transformation challenge

Significant progress was made in 2017 regarding to two complementary cornerstone projects, Strategic Workforce Planning (GPEC) and Performance Management. These projects form the basis of the Bank's HR strategy and are designed to pro-actively support its transformation and bolster a performance-based culture and dialogue. At the end of 2017, a new target-setting model for employees was finalised and will be introduced in 2018. A set of job description profiles for every post has been drawn up and the level of importance of each post identified based on a standard model.



Providing employees with the best possible health and safety benefits

Attijariwafa bank's employee benefits policy strongly emphasises preventive medicine.

As a result, the Bank organised a number of initiatives in 2017 to prevent risks that could potentially have an impact on employees' health. Screenings and awareness campaigns are regularly organised to best anticipate health risks.

The Bank in Morocco organised 5,264 medical visits for employees in 2017. Since 2007, the Bank in Morocco has progressively implemented a nationwide employee benefits policy. A Health and Safety Committee oversees health and safety policy in all regions to ensure greater efficiency and proximity. Every Bank employee is covered.

Nearly **66%** of the Bank's employees in Morocco are under 35 years old in 2017

Women accounted for **40%** of the Group's managerial staff in 2017

In 2017, the e-learning platform saw **132,006** connections

Innovations 2017

e-Learning

A serious game, 'My life in the branch', was launched in 2017, which marked a turning point regarding the different types of training method used. In addition to business line-specific courses delivered by the Attijariwafa bank Academy and managerial and behavioural training as part of the core structural training programs, the new e-learning platform offers an innovative alternative with courses customised to the specific needs and expectations of future generations. In 2017, the e-learning platform saw 132,006 connections.

To generate synergies with subsidiaries, joint training sessions (core structural programs and specific training) were organised with 132 participants from subsidiaries. The Bank also continued to invest heavily in training in 2017, organising more than 31,512 training days for more than 5,647 participants. The training budget was MAD 29.9 million for the Bank alone.

Engaging with local communities and with civil society

The Group is not only committed to serving its customers on a daily basis but, over and above its business activities, supporting causes that are in the public interest. These include art and culture, education, entrepreneurship, public debate, intellectual initiative and solidarity-based causes. The Group is able to express one of its core values – commitment – through a variety of initiatives in which the Group’s employees are involved. In 2017, the Group consistently contributed, on a daily basis, to generating value through its business entities and subsidiaries as well as through its Foundation.

Supporting art and culture

Supporting the arts scene in Morocco and Africa

In 2017, Attijariwafa bank Group sponsored Morocco’s major musical events including the Fez Festival of World Sacred Music, the Rabat Mawazine Festival, the Timitar Festival, Signs and Culture of Agadir, the Casablanca Boulevard Festival, the Africa Laughter Festival, and many others besides. International subsidiaries are also helping to developing their local arts scene. In 2017, Attijari bank in Tunisia sponsored the International Festival of Carthage for the third year in succession and the International Gafsa Festival for the second consecutive year. CBAO, the Group’s Senegalese subsidiary, helped to organise the 25th anniversary of the ever-popular Saint-Louis International Jazz Festival and the Salam Festival in Dakar. In 2017, Société Ivoirienne de Banque renewed its support for the Anoumabo Festival of Urban Music (FEMUA), a flagship cultural event in Ivory Coast.

Recognising artistic creativity and young talent

Attijari bank, the Group’s Tunisian subsidiary, sponsors ‘Our Beautiful Tunisia’, an annual event organised by the Tunisian Union of Industry, Commerce and Handicrafts (UTICA). This event aims to highlight the wealth of Tunisia’s cultural heritage and to promote artists, craftsmen and fashion designers through a national competition. In 2017, the Bank awarded three prizes. It also allocated space at its head office to a dozen or so craftsmen over a one-week period to exhibit and promote their craft to the Bank’s employees.

The Group’s Tunisian subsidiary also received the award for ‘Best Company for Promoting Tunisian Handicrafts’ in recognition of the Bank’s support for handicrafts.

Developing multilingualism and intercultural exchange

In 2017, Attijariwafa bank Europe provided ongoing support to Kidilangues, a charitable organisation that promotes multilingualism and intercultural exchange. The European subsidiary is committed to providing financial support for language learning workshops in a variety of languages. The program, which consists of several online lessons, language workshops and other activities, enables children to explore foreign languages in a light-hearted and creative way.



Developing access to education and encouraging entrepreneurship

Renovating primary schools

For several years, Attijari bank Tunisie has helped to renovate primary schools in Tunisia's most disadvantaged regions. This year, the Bank assumed responsibility for maintaining and equipping new establishments within the Saouaf, Takelsa and Menzel Bouzelfa jurisdictions. Similar initiatives were carried out in the Jabouza and Chorfine jurisdictions so as to reduce the financial burden on low-income families in these disadvantaged regions at the start of every school year. As a result, these families now have a more positive opinion about education, resulting in improved pupil achievement.

Encouraging success and fostering excellence

Since 2015, Attijariwafa bank Europe has partnered ZupdeCo, a charitable organisation which supports and provides encouragement to 1,300 pupils from disadvantaged neighbourhoods in 45 high schools in France. This partnership entails sponsoring the organisation each year. In 2017, Attijariwafa bank Europe also organised a one-week internship for Year 11 pupils. In 2017, Attijari bank in Tunisia presented awards to pupils with the best exam results in two schools, one in the Snad (Gafsa) jurisdiction, the other, in the Hidra (Kasserine) jurisdiction. The Bank decided to present them with bicycles, making it easier for them to get to school. CBAO Sénégal sponsors the General Competition of Senegal, a major annual event which recognises excellence in education. Société Ivoirienne de Banque supports Réseau pour l'Excellence, a charitable organisation which provides funding for deserving students who are pursuing their studies overseas.

Instilling an entrepreneurial flair in youngsters

Supporting entrepreneurship is strategically important for Attijariwafa bank. Attijariwafa bank Group is a founder member of INJAZ Al Maghrib, a charitable organisation whose mission is to promote entrepreneurship among youngsters. The Group has provided financial and skills-based sponsorship since the Association was first established. In addition to the Bank, a number of other Group subsidiaries are involved in this initiative, including Wafacash, Wafasalaf and Group Corporate and Investment Banking.

Supporting solidarity-based initiatives in those countries in which the Group has operations

Attijariwafa bank Group provides assistance to those in need, women facing hardship, sick persons and those with reduced mobility. It also promotes social integration and health-related initiatives in Morocco and other African countries. In 2017, the Group's Mauritanian subsidiary, Attijari bank Mauritanie, together with Société Ivoirienne de Banque, once again encouraged staff and customers to donate blood. In Ivory Coast, Société Ivoirienne de Banque partnered the Abidjan Heart Institute Foundation (FICA) in its fight against cardiovascular disease by contributing financially to help the Institute meet its various needs such as raising awareness and prevention, purchasing medicines and covering the cost of operations for sick children, etc. For the third year in succession, Attijariwafa bank Europe participated in the famous women-only La Parisienne race. Each year, the event attracts thousands of runners from all over Europe who wish to participate, either because they love of sport or they simply want to visit or revisit the world's most beautiful city and support the campaign against breast cancer.



Employee Engagement Program in Egypt

Attijariwafa bank Egypt has developed an « Employee Engagement Program » which enables employees to play an active role in supporting those local communities in which the Bank has operations, by providing them with opportunities to volunteer and share their experience. Employees are involved in sponsorship, volunteering or raising funds. In 2017, employee-led initiatives were focused on a number of areas such as a rehabilitation program for street children involving the building of a small carpentry workshop, organising training sessions in sewing for women in precarious situations to enable them to become financially independent, fund-raising to help educate disabled and orphaned children as well as sponsoring children from disadvantaged backgrounds to help finance their schooling.

Preventive action

Each year, Wafa Assurance organises the Prevention Awards in recognition of the efforts made by companies in terms of safety and risk prevention. In 2017, seven Moroccan companies were presented with awards and given training to enhance their skills in risk management and insurance. The company has also been the leading sponsor and partner to the Preventica Congress for the past four years, which aims to raise companies' awareness about risk prevention. The 2017 Congress was focused on occupational health and organisational safety. Wafa Assurance sponsored the first International Preventica Forum in Dakar, which proved a great success. Wafa Assurance also launched 'the Prevention Experts', a radio program in which prevention experts discuss specific cases of risk prevention in a business setting.

The Attijariwafa bank Foundation

Strongly committed to local communities

Attijariwafa bank Foundation was established almost 40 years ago. It is involved in a number of areas in which it has acquired recognised expertise by participating in a number of innovative, cornerstone projects.

It strives to promote education and entrepreneurship, art and culture, public debate and intellectual initiative as well as supporting solidarity-based high-impact organisations.

The Foundation strives to bring about sustainable changes that have a positive impact on society through strong long-standing partnerships with members of civil society, which help it fulfil its ambitions.



Please refer to the Attijariwafa bank Foundation's 2017 achievements

KEY FIGURES

Just under **20,000** items of IT hardware donated to Al Jisr Association since 2007

Nearly **16,000** hours of entrepreneurship training provided by Group volunteers in Morocco since 2014

Nearly **20,000** students have attended preparatory classes for the entrance exam to prestigious higher educational establishments since 2007

266 graduates since the Banking and Financial Markets Masters degree was first launched in 2007

Nearly **11,000** visitors to Attijariwafa bank Foundation's Actua and Moulay Ali Kettani art spaces

More than **450** pupils participating in the Academy of Arts program in 2017

More than **1,450** participants in the « Discuss to understand better » conference series with an average of 150 participants per conference in 2017.



FONDATION
Attijariwafa bank

Croire en vous



CHAÏBIA ET HOUCINE TALLAL
UNE ŒUVRE EN MIROIR

Du 9 février au 14 avril 2017
Du lundi au vendredi de 9h à 18h - accès libre
Espace d'art Actua - 60, rue d'Alger, Casablanca



Attijariwafa bank société anonyme au capital de 2 035 272 260 DH - Siège social : 2, boulevard Moulay Youssef, Casablanca. Agréée en qualité d'établissement de crédit par arrêté du ministre des finances et de la protection n° 2249/02 du 22 décembre 2002 tel que modifié et complété - RCS 303

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Management Report

Analysis of business activity and results

Parent financial statements

Consolidated financial statements



Analysis of the Group's results

Business activity in Morocco

Customer resources

Attijariwafa bank's customer deposits rose by 8.0% to MAD 224.7 billion in 2017. This was due to:

- 7.9% growth in non-interest-bearing deposits to MAD 152.0 billion, attributable to:
- A 10.3% increase in cheque accounts to MAD 103.5 billion;
- A 6.1% rise in current accounts in credit to MAD 38.0 billion;
- And, 8.0% growth in interest-bearing deposits to MAD 72.6 billion.

Attijariwafa bank's market share of customer deposits stood at 26.7% at the end of 2017.

Loan disbursements

In 2017, Attijariwafa bank's loan disbursements grew by 2.6% to MAD 209.7 billion. This was primarily due to:

- A 10.0% increase in equipment loans to MAD 62.0 billion;
- A 7.0% rise in mortgages to MAD 60.2 billion;
- 9.4% growth in consumer loans to MAD 11.7 billion.

Attijariwafa bank's market share of loans stood at 25.8% at the end of 2017.

Attijariwafa bank's non-performing loans declined by 2.0% to MAD 11.3 billion. Loan loss provisions rose by 0.7% to MAD 8.3 billion, resulting in a loan loss coverage ratio of 73.1%. The non-performing loan ratio stood at 5.4% while the cost of risk was 0.43%.

Signature commitments

Signature commitments grew by 58.4% to MAD 117.6 billion in 2017. The Bank now has a 40.0% market share of signature commitments.

Source: GPBM

Parent company results at 31 December 2017

Net banking income

In 2017, net banking income declined by 19.2% year-on-year to MAD 11.5 billion. This was primarily due to a 66.7% fall in other banking income as a result of non-recurring income booked in 2016. Excluding non-recurring items, net banking income rose by 3%.

The breakdown of net banking income was as follows:

	2017	Share of net banking income	2016	Share of net banking income	Change	
					MAD M	%
Net interest income	7,011	60.9%	6 854	48.1%	157	2.3%
Income from lease financing and similar agreements	-7	-0.1%	59	0.4	-66	-112.0%
Fee income	1 637	14.2%	1 494	10.5%	143	9,6%
Income from market operations	2360	20,5%	2 203	15,5%	158	7.2%
(+) Other banking income	1,528	13.3%	4 588	32.2%	-3 060	-66.7%
(-) Other banking expenses	1,026	8.9%	961	6.8%	64	6.7%
Net interest income	11,503	100.0%	14,236	100.0%	-2 733	-19.2%

Net interest income

Net interest income rose by 2.3% to MAD 7.0 billion. The breakdown of net interest income was as follows:

- Interest and similar income was broadly unchanged (+0.1%) at MAD 10.3 billion. This was due to a modest decline in interest and similar income on customer transactions (-0.2%) and a rise in interest and similar income on transactions with credit institutions (+6.6%), mainly as a result of lower interest rates.
- Interest and similar expenses fell by 4.4% to MAD 3.3 billion because of lower interest and similar expenses on customer transactions (-13.9%) while interest and similar expenses on transactions with credit institutions increased by 13.8%.

Income from lease financing and similar agreements

Income from lease financing and similar agreements was negative MAD 7.1 million in 2017 versus positive MAD 59.2 million in 2016.

Fee income

Fee income totalled MAD 1.6 billion in 2017, a 9.6% year-on-year increase.

Income from market operations

Income from market operations totalled MAD 2.4 billion, an improvement of 7.2% compared to 2016. This was due to an increase in income from foreign exchange transactions (+MAD 187 million) and income from derivatives transactions (+MAD 162 million), which offset the fall in income from transactions in trading securities (-MAD 150 million) and in income from transactions in available-for-sale securities (-MAD 42 million).

Other banking income and expenses

In 2017, other banking income totalled MAD 1.5 billion versus MAD 4.6 billion in 2016. This was primarily due to non-recurring income booked in 2016. Other banking expenses rose by 6.7% to MAD 1.0 million.

General operating expenses

General operating expenses totalled MAD 4.5 billion in 2017, an increase of 5.2% compared to 2016. This was primarily due to higher staff costs (+7.2%) and external expenses (+4.5%). The cost-to-income ratio stood at 39.2%.

MAD millions	December 2017	December 2016	Change	
			MAD M	%
Staff costs	2,068	1,929	139	7.2 %
Taxes other than income taxes	123	120	3	2.5 %
External expenses	1,886	1,804	81	4.5 %
Other general operating expenses	19	16	3	20.5 %
Depreciation and amortisation expenses*	412	415	-3	-0.6%
General operating expenses	4,508	4 286	224	5.2%

* Tangible and intangible assets

Gross operating income

Gross operating income totalled MAD 7.3 billion in 2017 versus MAD 10.1 billion in 2016. This decline was due to lower net banking income (-19.2%) and an increase in general operating expenses (+5.2%).

Income from ordinary operations

Income from ordinary operations totalled MAD 6.3 billion in 2017, a decline of 27.7% year on year.

Net provisions declined by 44.6% to MAD 751.8 million due to:

- An overall gross provision of MAD 2.7 billion in 2017 versus MAD 2.4 billion in 2016;
- An overall provision write-back of MAD 2.0 billion in 2017 versus MAD 1.1 billion in 2016.

The loan loss coverage ratio stood at 73.1% in 2017.

Net income

Net income declined by 40.1% year-on-year to MAD 4.2 billion in 2017.

Shareholders' equity

Shareholders' equity rose by 15.8% to MAD 32.9 billion in 2017 versus MAD 28.4 billion in 2016.

Total assets

At 31 December 2017, total assets stood at MAD 319.4 billion, up 6.6% from a year earlier.

Difficulties encountered: None

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

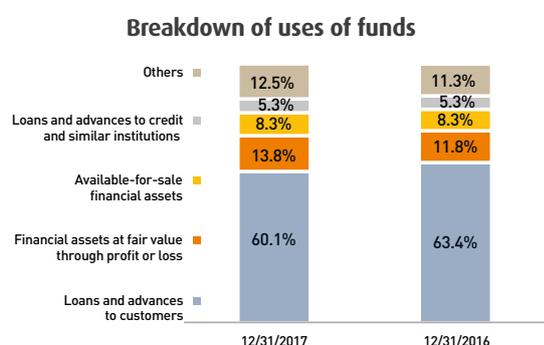
Analysis of consolidated business activity

Total assets

At 31 December 2017, Attijariwafa bank Group's total assets amounted to MAD 475.7 billion, an increase of 10.9% year on year.

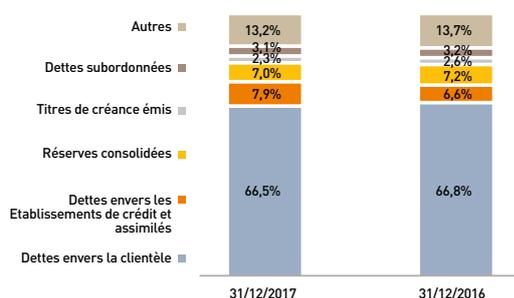
By geographical region, Morocco accounted for 73.9% of total assets with the remainder split between North Africa, WAEMU, CEMAC and Europe.

Loans and advances to customers accounted for 60.1% of total assets, financial assets at fair value through profit or loss accounted for 13.8% and available-for-sale financial assets for 8.3%. These three categories together accounted for 82.2% of total assets.



The increase in assets was primarily due to:

- 5.3% growth to MAD 286.0 billion in loans and advances to customers;
- A 30.6% increase to MAD 65.9 billion in financial assets at fair value through profit or loss;
- An 11.8% rise to MAD 25.3 billion in loans and advances to credit and similar institutions.



The increase in liabilities was primarily due to:

- 10.5% growth to MAD 316.2 billion in amounts owing to customers;
- A 33.1% increase to MAD 37.7 billion in amounts owing to credit and similar institutions;
- A 7.7% rise to MAD 33.2 billion in consolidated reserves.

Ressources

At 31 December 2017, customer deposits totalled MAD 316.2 billion, accounting for 66.5% of total liabilities versus MAD 286.3 billion a year earlier. This was attributable to:

- 8.3% growth in deposits from Banking in Morocco, Europe and Offshore zone to MAD 230.3 billion;
- A 16.7% increase in deposits from International Retail Banking to MAD 81.5 billion.

Uses of funds

Loans and advances to customers rose by 5.3% to MAD 286.0 billion in 2017. Customer loans increased by 3.1% for Banking in Morocco, Europe and Offshore zone and by 12.3% for International Retail Banking.

The resulting loan-to-deposit ratio stood at 90.4% in 2017 versus 94.9% the previous year.

Consolidated shareholders' equity

Consolidated shareholders' equity rose by 7.2% to MAD 50.8 billion in 2017. This bolstering of the Group's financial position was largely due to first-time consolidation of Attijariwafa bank Egypt on Attijariwafa bank Group's balance sheet.

Group's capital adequacy

As far as prudential ratios were concerned, Attijariwafa bank Group closed first-half 2017 with a Tier 1 capital ratio of 9.7% and a capital adequacy ratio of 12.3%, well above the minimum regulatory requirements of 9% and 12% respectively, applicable since 30 June 2014.

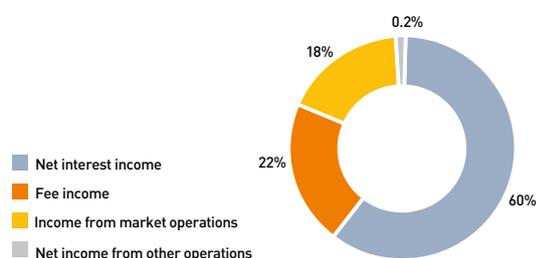
Attijariwafa bank Group's consolidated results

Consolidated net banking income

In 2017, consolidated net banking income totalled MAD 21.6 billion versus MAD 19.7 billion in 2016. This 10% increase was due to:

- 11.2% growth in net interest income to MAD 12.9 billion;
- An 8.3% increase in fee income to MAD 4.8 billion;
- A 14.5% rise in income from market operations to MAD 3.9 billion;
- An 81.2% decline in income from other operations to MAD 43.7 million.

Breakdown of net banking income at 31 December 2017



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

- Net banking income from Banking in Morocco, Europe and Offshore zone: +4.4% to MAD 11.1 billion;
- Net banking income from Specialised Finance Companies: +3.4% to MAD 2.4 billion;
- Net banking income from Insurance: +0.2% to MAD 1.4 billion;
- Net banking income from International Retail Banking: +23.7% to MAD 7.2 billion.

Gross operating income

Gross operating income rose by 10.8% to MAD 11.7 billion in 2017. General operating expenses, including depreciation, amortisation, and impairment increased by 9.2%, to MAD 10.0 billion. The cost-to-income ratio stood at 46.1%.

Cost of risk

The cost of risk increased by 8.3% to MAD 2.2 billion. As a share of total outstanding loans, the cost of risk was 0.72%, broadly unchanged on the previous year. The non-performing-loan ratio stood at 7.0%, an improvement compared to 2016 (-0.1 pts).

Consolidated net income

Group consolidated net income rose by 16.5% to MAD 6.6 billion in 2017.

Net income Group share

Net income Group share grew by 13.3% to MAD 5.4 billion in 2017.

Return on equity (ROE) stood at 14.9% in 2017 while return on assets (ROA) was unchanged at 1.4%.

Contributors to net income (Group share) at 31 December 2017

Banking in Morocco, Europe and Offshore zone	+14.7%
Specialised Finance Companies	+1.3%
Insurance	-49.5%
International Retail Banking	+45.2%

PUBLISHED FINANCIAL STATEMENTS

Parent financial statements at 31 December 2017

AGGREGATE BALANCE SHEET AT 31 DECEMBER 2017

(MAD thousands)

ASSETS	12/31/2017	12/31/2016
Cash and balances with central banks, the treasury and post office accounts	9 142 735	7 303 483
Loans and advances to credit and similar institutions	35 621 804	40 715 628
. Sight	6 724 299	10 210 911
. Term	28 897 505	30 504 718
Loans and advances to customers	179 237 875	174 926 696
. Operating loans and consumer loans	46 406 692	50 168 125
. Equipment loans	62 898 671	57 207 000
. Mortgage loans	59 194 993	56 254 850
. Other loans	10 737 519	11 296 721
Receivables acquired through factoring	1	1
Trading securities and available-for-sale securities	59 555 810	46 121 087
. Treasury bills and similar securities	38 338 338	25 251 542
. Other debt securities	6 092 873	2 204 321
. Equity securities	15 124 599	18 665 224
Other assets	3 782 194	5 453 551
Investment securities	6 840 219	5 969 166
. Treasury bonds and similar securities	6 840 219	5 969 166
. Other debt securities	-	-
Investments in affiliates and other long-term investments	19 104 819	13 644 919
Subordinated loans	-	-
Leased and rented assets	395 093	238 965
Intangible assets	2 087 698	1 812 149
Property, plant and equipment	3 602 994	3 340 980
Total ASSETS	319 371 242	299 526 626

LIABILITIES	12/31/2017	12/31/2016
Amounts owing to central banks, the treasury and post office accounts	-	-
Amounts owing to credit and similar institutions	27 432 674	21 792 115
. Sight	6 578 787	6 748 610
. Term	20 853 887	15 043 506
Customer deposits	225 368 841	208 833 653
. Current accounts in credit	145 722 889	130 692 299
. Savings accounts	27 988 582	27 020 923
. Term deposits	41 552 032	40 328 997
. Other accounts in credit	10 105 338	10 791 434
Debt securities issued	5 878 938	7 592 398
. Negotiable debt securities	5 878 938	7 592 398
. Bonds	-	-
. Other debt securities issued	-	-
Other liabilities	7 080 313	10 052 514
General provisions	3 253 154	3 165 024
Statutory provisions	-	-
Subsidies, public funds and special guarantee funds	-	-
Subordinated debt	13 319 651	12 770 020
Revaluation reserve	420	420
Reserves and premiums related to share capital	30 843 500	26 350 000
Share capital	2 035 272	2 035 272
Shareholders, unpaid share capital (-)	-	-
Retained earnings (+/-)	468	160
Net income to be appropriated (+/-)	-	-
Net income for the financial year (+/-)	4 158 011	6 935 048
Total liabilities	319 371 242	299 526 626

AGGREGATE OFF-BALANCE SHEET AT 31 DECEMBER 2017

(MAD thousands)

OFF-BALANCE SHEET	12/31/2017	12/31/2016
COMMITMENTS GIVEN	117 502 012	74 223 173
Financing commitments given to credit and similar institutions	4 574 906	532
Financing commitments given to customers	50 599 636	18 287 612
Guarantees given to credit and similar institutions	15 990 395	15 981 109
Guarantees given to customers	46 333 931	39 953 920
Securities purchased with repurchase agreement	-	-
Other securities to be delivered	3 144	-
COMMITMENTS RECEIVED	20 405 162	23 034 121
Financing commitments received from credit and similar institutions	-	1 491 560
Guarantees received from credit and similar institutions	20 008 772	21 270 627
Guarantees received from the State and other organisations providing guarantees	381 116	271 934
Securities sold with repurchase agreement	-	-
Other securities to be received	15 274	-

For the first time in 2017, the Bank recognised unused commitments totalling MAD 43,109 million. Unused commitments totalled MAD 58,341 million at 31 December 2016. Unused commitments have always been included when calculating capital adequacy ratios.

AGGREGATE INCOME STATEMENT at 31 December 2017

(MAD thousands)

	12/31/2017	12/31/2016
OPERATING INCOME FROM BANKING OPERATIONS	17 721 190	21 639 862
Interest and similar income from transactions with credit institutions	1 030 084	966 137
Interest and similar income from transactions with customers	8 926 121	8 941 326
Interest and similar income from debt securities	305 196	347 179
Income from equity securities	1 512 834	4 587 637
Income from lease-financed fixed assets	23 726	301 048
Fee income	1 635 220	1 493 786
Other banking income	4 288 009	5 002 750
OPERATING EXPENSES ON BANKING OPERATIONS	6 218 466	7 404 260
Interest and similar expenses on transactions with credit institutions	592 376	436 578
Interest and similar expenses on transactions with customers	2 451 394	2 718 007
Interest and similar expenses on debt securities issued	207 086	246 466
Expenses on lease-financed fixed assets	30 853	241 802
Other banking expenses	2 936 757	3 761 407
NET BANKING INCOME	11 502 724	14 235 602
Non-banking operating income	52 074	104 797
Non-banking operating expenses	3 469	-
GENERAL OPERATING EXPENSES	4 507 747	4 285 515
Staff costs	2 068 105	1 929 338
Taxes other than on income	122 812	119 829
External expenses	1 885 578	1 804 780
Other general operating expenses	18 863	15 649
Depreciation, amortisation and provisions	412 389	415 918
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	2 797 776	2 410 213
Provisions for non-performing loans and signature loans	1 338 046	1 529 038
Losses on irrecoverable loans	970 324	351 404
Other provisions	489 406	529 771
PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	2 045 997	1 053 971
Provision write-backs for non-performing loans and signature loans	1 310 261	807 898
Amounts recovered on impaired loans	62 564	44 317
Other provision write-backs	673 172	201 756
INCOME FROM ORDINARY OPERATIONS	6 291 803	8 698 642
Non-recurring income	695	11 999
Non-recurring expenses	530 893	191 171
PRE-TAX INCOME	5 761 605	8 519 470
Corporation tax	1 603 594	1 584 422
NET INCOME FOR THE FINANCIAL YEAR	4 158 011	6 935 048

AGGREGATE MANAGEMENT ACCOUNTING STATEMENT at 31 December 2017

(MAD thousands)

I - TABLE OF INCOME FORMATION	12/31/2017	12/31/2016
+ Interest and similar income	10 261 401	10 254 641
- Interest and similar expenses	3 250 857	3 401 051
NET INTEREST INCOME	7 010 544	6 853 590
+ Income from lease-financed fixed assets	23 726	301 048
- Expenses on lease-financed fixed assets	30 852	241 802
INCOME FROM LEASING OPERATIONS	-7 126	59 246
+ Fees received	1 638 349	1 493 786
- Fees paid	1 315	18
FEE INCOME	1 637 034	1 493 767
+ Income from trading securities	1 629 182	1 778 977
+ Income from available-for-sale securities	-6 367	35 518
+ Income from foreign exchange operations	635 577	448 742
+ Income from derivatives operations	101 838	-60 652
INCOME FROM MARKET OPERATIONS	2 360 230	2 202 585
+ Other banking income	1 527 680	4 587 670
- Other banking expenses	1 025 638	961 256
NET BANKING INCOME	11 502 724	14 235 602
+ Income from long-term investments	257 041	56 823
+ Other non-banking operating income	52 075	104 797
- Other non-banking operating expenses	-	-
- General operating expenses	4 507 747	4 285 515
GROSS OPERATING INCOME	7 304 093	10 111 707
+ Net provisions for non-performing loans and signature loans	-935 545	-1 028 226
+ Other net provisions	-76 744	-384 838
INCOME FROM ORDINARY OPERATIONS	6 291 804	8 698 642
NON-RECURRING INCOME	-530 199	-179 172
- Corporation tax	1 603 594	1 584 422
NET INCOME FOR THE FINANCIAL YEAR	4 158 011	6 935 048

II- CASH FLOW	12/31/2017	12/31/2016
+ NET INCOME FOR THE FINANCIAL YEAR	4 158 011	6 935 048
+ Depreciation, amortisation and provisions for fixed asset impairment	412 389	415 918
+ Provisions for impairment of long-term investments	44 086	77 679
+ General provisions	165 700	100 000
+ Statutory provisions	-	-
+ Extraordinary provisions	-	-
- Provision write-backs	304 595	134 502
- Capital gains on disposal of fixed assets	16 942	69 684
+ Losses on disposal of fixed assets	-	-
- 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	4 462 118	7 324 459
- Distributed earnings	2 442 327	2 238 799
+ NET CASH FLOW	2 019 791	5 085 660

NON-PERFORMING CUSTOMER LOANS at 31 December 2017

(MAD thousands)

	Disbursed loans	Signature loans	Total	Provisions for disbursed loans	Provisions for signature loans	Total
12/31/2017	11 291 252	681 406	11 972 658	8 251 238	276 676	8 527 914

REVENUE TABLE AT 31 DECEMBER 2017 at 31 December 2017

(MAD thousands)

2017	2016	2015
17 721 190	21 639 862	18 849 440

CASH FLOW STATEMENT at 31 December 2017

(MAD thousands)

	12/31/2017	12/31/2016
1. (+) Operating income from banking operations	15 945 413	16 791 247
2. (+) Amounts recovered on impaired loans	62 564	44 317
3. (+) Non-banking operating income	35 827	47 112
4. (-) Operating expenses on banking operations (*)	-7 261 907	-8 159 296
5. (-) Non-banking operating expenses		
6. (-) General operating expenses	-4 095 358	-3 869 597
7. (-) Corporation tax	-1 603 594	-1 584 422
I. NET CASH FLOW FROM INCOME STATEMENT	3 082 945	3 269 361
Change in:		
8. (±) Loans and advances to credit and similar institutions	5 093 824	-5 666 141
9. (±) Loans and advances to customers	-4 311 176	-10 676 272
10. (±) Trading securities and available-for-sale securities	-13 434 724	7 307 829
11. (±) Other assets	1 525 081	-1 668 000
12. (±) Lease-financed fixed assets	-156 128	1 023 376
13. (±) Amounts owing to credit and similar institutions	5 640 558	-8 078 162
14. (±) Customer deposits	16 535 188	7 874 612
15. (±) Debt securities issued	-1 713 460	543 497
16. (±) Other liabilities	-2 824 836	3 955 758
II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES	6 354 327	-5 383 503
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)	9 437 272	-2 114 142
17. (+) Income from the disposal of long-term investments	-871 053	520 791
18. (+) Income from the disposal of fixed assets	35 018	283 403
19. (-) Acquisition of long-term investments	-5 141 802	-227 062
20. (-) Acquisition of fixed assets	-979 869	-865 851
21. (+) Interest received	262 944	260 978
22. (+) Dividends received	1 512 834	4 587 637
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	-5 181 928	4 559 896
23. (+) Subsidies, public funds and special guarantee funds		
24. (+) Subordinated loan issuance	550 000	2 000 000
25. (+) Equity issuance		
26. (-) Repayment of shareholders' equity and equivalent		
27. (-) Interest paid	-523 765	-479 686
28. (-) Dividends paid	-2 442 327	-2 238 799
V. NET CASH FLOW FROM FINANCING ACTIVITIES	-2 416 092	-718 485
VI. NET CHANGE IN CASH AND CASH EQUIVALENT	1 839 252	1 727 269
VII. CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	7 303 483	5 576 214
VIII. CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	9 142 735	7 303 483

(*) including net provisions

STATEMENT OF DEPARTURES FROM STANDARD ACCOUNTING PRACTICE at 31 December 2017

(MAD thousands)

TYPE OF DEPARTURE	REASONS FOR DEPARTURE	IMPACT OF DEPARTURE ON THE COMPANY'S ASSETS, FINANCIAL POSITION OR RESULTS
I. Departures from fundamental accounting principles	N/A	N/A
II. Departure from valuation methods	N/A	N/A
III. Departures from rules for drawing up and presenting the financial statements	N/A	N/A

STATEMENT OF CHANGES IN ACCOUNTING METHODS at 31 December 2017

(MAD thousands)

TYPE OF CHANGE	REASONS FOR CHANGE	IMPACT OF CHANGE ON THE COMPANY'S ASSETS, FINANCIAL POSITION OR RESULTS
I. Changes in valuation methods	N/A	N/A
II. Changes in rules of presentation	N/A	N/A

PUBLISHED FINANCIAL STATEMENTS

Consolidated financial statements at 31 December 2017

CONSOLIDATED BALANCE SHEET UNDER IFRS at 31 December 2017

(MAD thousands)

ACTIF IFRS	Notes	12/31/2017	12/31/2016
Cash and balances with central banks, the Treasury and post office accounts		18 224 849	14 141 202
Financial assets at fair value through profit or loss	2.1	65 875 084	50 454 731
Derivative hedging instruments		-	-
Available-for-sale financial assets	2.2	39 266 654	35 701 001
Loans and advances to credit and similar institutions	2.3	25 304 396	22 625 866
Loans and advances to customers	2.4	285 995 046	271 627 179
Interest rate hedging reserve		-	-
Held-to-maturity investments		8 746 253	8 015 501
Current tax assets	2.5	123 659	39 319
Deferred tax assets	2.5	636 262	539 849
Other assets	2.6	8 674 655	7 585 194
Insured parties' share of deferred profits	2.2	2 672 478	2 066 502
Non-current assets held for sale		114 322	87 538
Investments in companies accounted for under the equity method	2.7	106 949	94 908
Investment property	2.8	2 247 468	2 020 107
Property, plant and equipment	2.9	5 550 721	5 428 512
Intangible assets	2.9	2 125 180	1 683 656
Goodwill	2.10	9 996 150	6 655 000
TOTAL ASSETS (UNDER IFRS)		475 660 126	428 766 067

LIABILITIES (under IFRS)	Notes	12/31/2017	12/31/2016
Amounts owing to central banks, the Treasury and post office accounts		97 064	160 715
Financial liabilities at fair value through profit or loss	2.11	716 739	1 033 814
Derivative hedging instruments		-	-
Amounts owing to credit and similar institutions	2.12	37 651 602	28 282 255
Customer deposits	2.13	316 210 403	286 264 527
Debt securities issued	2.14	11 120 406	11 243 383
Interest rate hedging reserve		-	-
Current tax liabilities	2.5	613 644	709 425
Deferred tax liabilities	2.5	2 576 416	2 340 944
Other liabilities	2.6	10 728 982	9 881 260
Liabilities related to non-current assets held for sale		-	-
Insurance companies' technical reserves		28 634 562	25 960 939
General provisions	2.15	1 734 104	1 771 087
Subsidies, public funds and special guarantee funds		129 252	141 392
Subordinated debt	2.14	14 645 903	13 565 244
Share capital and related reserves		10 151 765	10 151 765
Consolidated reserves		33 246 804	30 861 381
- Group share		27 337 070	25 059 651
- Minority interests		5 909 734	5 801 729
Unrealised deferred capital gains or losses, Group share		818 514	744 812
Net income for the financial year		6 583 965	5 653 125
- Group share		5 390 902	4 757 421
- Minority interests		1 193 064	895 705
TOTAL LIABILITIES (under IFRS)		475 660 126	428 766 067

CONSOLIDATED INCOME STATEMENT UNDER IFRS at 31 December 2017

(MAD thousands)

	Notes	12/31/2017	12/31/2016
Interest and similar income	3.1	18 819 180	17 117 126
Interest and similar expenses	3.1	5 910 854	5 504 228
NET INTEREST INCOME		12 908 326	11 612 899
Fees received	3.2	5 405 347	4 991 813
Fees paid	3.2	618 350	573 539
FEE INCOME		4 786 997	4 418 274
Net gains or losses on financial instruments at fair value through profit or loss	3.3	3 329 684	3 063 010
Net gains or losses on available-for-sale financial assets	3.4	576 110	347 472
INCOME FROM MARKET OPERATIONS		3 905 794	3 410 482
Income from other operations	3.5	7 925 769	7 174 835
Expenses on other operations	3.5	7 882 109	6 943 163
NET BANKING INCOME		21 644 776	19 673 327
General operating expenses		9 043 552	8 246 893
Depreciation, amortisation and provisions		937 293	896 005
GROSS OPERATING INCOME		11 663 931	10 530 429
Cost of risk	3.7	-2 168 124	-2 001 359
OPERATING INCOME		9 495 808	8 529 070
Net income from companies accounted for under the equity method		16 488	3 538
Net gains or losses on other assets	3.8	23 361	54 596
Changes in value of goodwill		-	-
PRE-TAX INCOME		9 535 657	8 587 204
Corporation tax		2 951 691	2 934 078
NET INCOME		6 583 965	5 653 125
Minority interests		1 193 064	895 705
NET INCOME GROUP SHARE		5 390 902	4 757 421
Earnings per share (in dirhams)		26,49	23,37
Dividend per share (in dirhams)		26,49	23,37

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY at 31 December 2017

(MAD thousands)

	12/31/2017	12/31/2016
NET INCOME	6 583 965	5 653 125
Changes in assets and liabilities recognised directly in equity	192 397	405 264
Translation gains or losses	-36 735	-368 393
Changes in the value of available-for-sale financial assets	233 525	785 239
Revaluation of fixed assets		
Changes in the deferred value of derivative hedging instruments		
Items relating to companies accounted for under the equity method	-4 392	-11 582
Total	6 776 362	6 058 390
Group share	5 467 743	4 399 551
Minority interest share	1 308 618	1 658 839

TABLE OF CHANGES IN SHAREHOLDERS' EQUITY at 31 December 2017

(MAD thousands)

	Share capital	Reserves related to share capital	Treasury shares	Reserves and consolidated earnings	Total assets and liabilities recognised directly in equity	Shareholders' equity Group share	Minority interests	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Closing shareholders' equity at 31 December 2015	2 035 272	8 116 493	-2 050 326	28 339 501	504 600	36 945 541	4 283 617	41 229 157
Changes in accounting policies								
Closing shareholders' equity at 31 December 2015 (corrected)	2 035 272	8 116 493	-2 050 326	28 339 501	504 600	36 945 541	4 283 617	41 229 157
Corporate actions	-			3 545 524		3 545 524	3 560 431	7 105 955
Share-based payments						-		-
Treasury stock transactions						-		-
Dividends				-2 213 127		-2 213 127	-3 466 791	-5 679 918
Net income for the financial year				4 757 421		4 757 421	895 705	5 653 125
Changes in assets and liabilities recognised directly in equity (A)					-126 541	-126 541	911 780	785 239
Translation gains or losses (B)					-219 748	-219 748	-148 645	-368 393
Unrealised or deferred gains or losses (A)+(B)	-	-	-	-	-346 288	-346 288	763 135	416 846
Other changes			-432 988	-1 542 433		-1 975 421	661 339	-1 314 082
Changes in the scope of consolidation						-		-
Closing shareholders' equity at 31 December 2016	2 035 272	8 116 493	-2 483 314	32 886 886	158 312	40 713 649	6 697 435	47 411 083
Changes in accounting policies								
Closing shareholders' equity at 31 December 2016 (corrected)	2 035 272	8 116 493	-2 483 314	32 886 886	158 312	40 713 649	6 697 435	47 411 083
Corporate actions	-			2 131 187		2 131 187	201 748	2 332 936
Share-based payments						-		-
Treasury stock transactions						-		-
Dividends				-2 496 116		-2 496 116	-727 682	-3 223 799
Net income for the financial year				5 390 902		5 390 902	1 193 064	6 583 965
Changes in assets and liabilities recognised directly in equity (C)					73 703	73 703	159 822	233 525
Translation gains or losses (D)					7 532	7 532	-44 267	-36 735
Unrealised or deferred gains or losses (C)+(D)	-	-	-	-	81 235	81 235	115 555	196 790
Other changes			22 185	-2 183 328		-2 161 142	-377 320	-2 538 463
Changes in the scope of consolidation				38 534		38 534		38 534
Closing shareholders' equity at 31 December 2017	2 035 272	8 116 493	-2 461 129	35 768 066	239 546	43 698 251	7 102 798	50 801 049

CONSOLIDATED CASH FLOW STATEMENT at 31 December 2017

(MAD thousands)

	12/31/2017	12/31/2016
Pre-tax income	9 535 657	8 587 204
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets	1 139 901	1 045 487
+/- Net impairment of goodwill and other fixed assets	-	-
+/- Net amortisation of financial assets	-	2 387
+/- Net provisions	2 265 863	2 016 267
+/- Net income from companies accounted for under the equity method	-16 488	-3 538
+/- Net gain/loss from investment activities	-253 717	-541 050
+/- Net gain/loss from financing activities	-	-
+/- Other movements	-617 020	5 360
Total non-cash items included in pre-tax income and other adjustments	2 518 538	2 524 912
+/- Flows relating to transactions with credit and similar institutions	3 619 843	7 729 733
+/- Flows relating to transactions with customers	15 240 710	-6 982 931
+/- Flows relating to other transactions affecting financial assets or liabilities	-17 608 708	7 365 147
+/- Flows relating to other transactions affecting non-financial assets or liabilities	-	-
- Taxes paid	-2 765 681	-2 750 907
Net increase/decrease in operating assets and liabilities	-1 513 836	5 361 042
Net cash flow from operating activities	10 540 358	16 473 158
+/- Flows relating to financial assets and investments	-5 430 006	5 152 260
+/- Flows relating to investment property	-284 307	-144 184
+/- Flows relating to plant, property and equipment and intangible assets	-1 114 531	-450 941
Net cash flow from investment activities	-6 828 844	4 557 134
+/- Cash flows from or to shareholders	-3 223 799	-5 679 918
+/- Other net cash flows from financing activities	992 389	-261 530
Net cash flow from financing activities	-2 231 410	-5 941 448
Effect of changes in foreign exchange rates on cash and cash equivalent	-409 879	-235 183
Net increase/decrease in cash and cash equivalent	1 070 225	14 853 662
	12/31/2017	12/31/2016
Cash and cash equivalent at the beginning of the period	13 856 375	-997 287
Net cash balance (assets and liabilities) with central banks, the treasury and post office accounts	13 980 487	12 415 251
Inter-bank balances with credit and similar institutions	-124 113	-13 412 538
Cash and cash equivalent at the end 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 and similar institutions	-3 201 184	-124 113
Net change in cash and cash equivalent	1 070 225	14 853 662



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