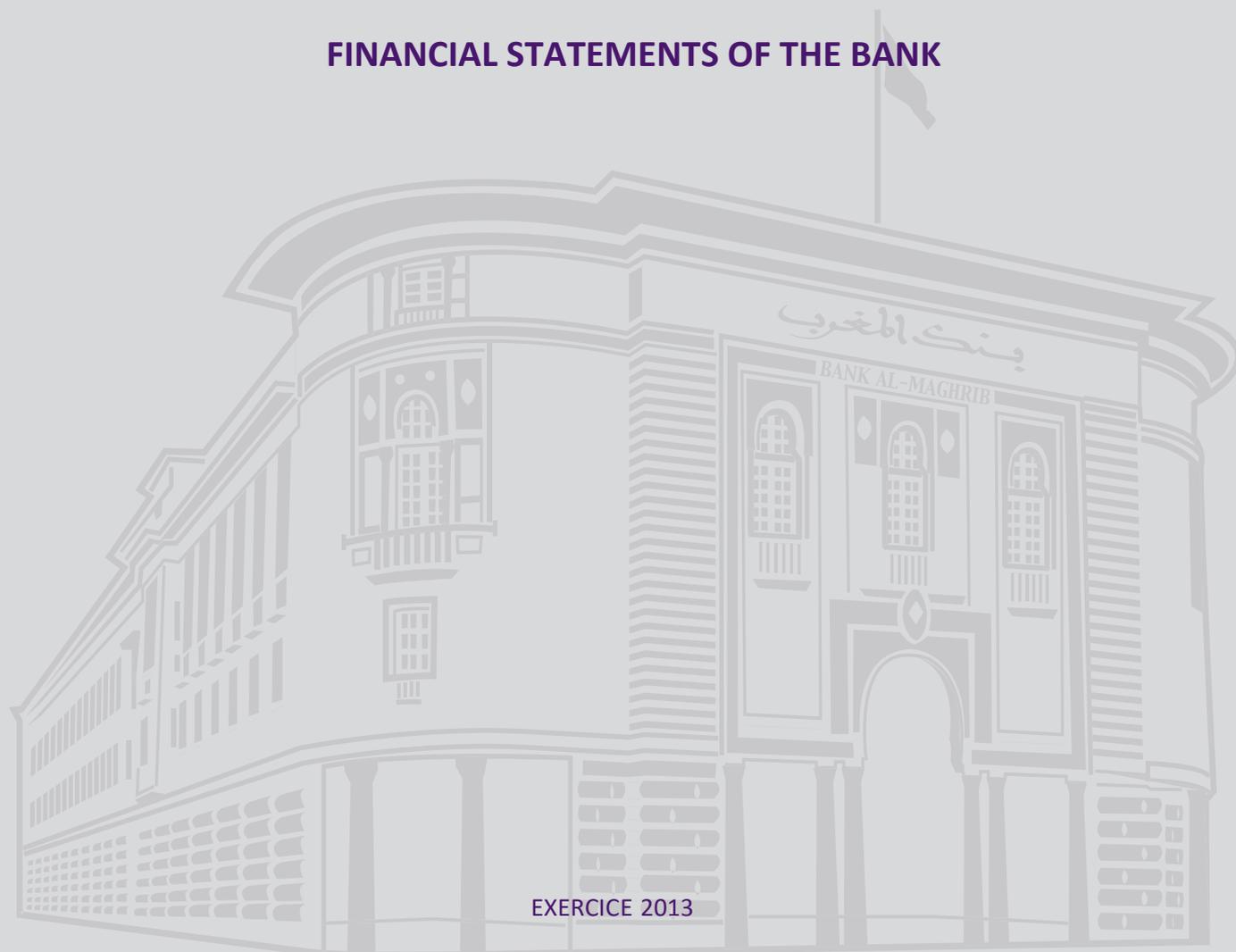




## FINANCIAL STATEMENTS OF THE BANK



EXERCICE 2013



## 3-I Changes in the financial position for the fiscal year

**Table 3-1-1: Key figures**

In thousands of dirahms	2013	2012	Change in %
Total balance sheet	240 171 971	229 853 677	4%
Use of capital ratio	63%	65%	-2%
Total revenues	4 803 899	5 670 423	-15%
Total expenses	3 630 840	4 143 332	-12%
Net income	1 173 059	1 527 091	-23%
Operating ratio	45%	40%	14%

### HIGHLIGHTS

- The key rate was kept unchanged at 3 percent during the financial year 2013.
- The required reserve remuneration was canceled as of December 19, 2013.
- Setting up a new program for encouraging bank financing for VMMEs.
- Stabilizing the Bank's operating budget at 5 percent, throughout the period covered by the 2013-2015 strategic plan.

### 3-1-1 Balance sheet

**Table 3-1-2: Balance sheet by transaction**

In thousands of dirahms	2013	2012	Change %
<b>Including</b>			
<b>Currency in circulation</b>	<b>182 079 842</b>	<b>172 493 352</b>	<b>6%</b>
Transactions with foreign countries (Including)	-134 126 868	-127 195 439	5%
Holdings and investments in gold and foreign currencies	152 884 659	144 314 009	6%
Revaluation account of foreign exchange reserves	8 685 391	11 381 879	-24%
<b>Transactions with the State (Including)</b>	<b>2 506 672</b>	<b>3 644 960</b>	<b>-31%</b>
Treasury account	2 212 364	2 870 774	-23%
Hassan II Fund	276 025	636 309	-57%
<b>Net position of credit institutions (Including)</b>	<b>-52 308 245</b>	<b>-49 160 033</b>	<b>6%</b>
Claims on Moroccan credit institutions	72 116 650	69 286 710	4%
Deposits and liabilities to Moroccan banks	19 808 405	20 126 676	-2%
<b>Assets-liabilities</b>			

At the end of the fiscal year 2013, the total balance sheet<sup>(\*)</sup> stood at 240,171,971 KDH, up 4 percent compared to 2012.

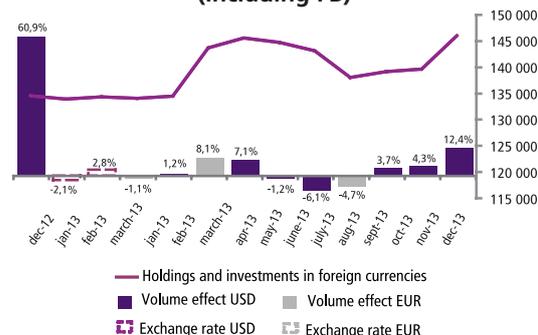
**Currency in circulation**, the main component of liabilities (76 percent), grew by 6 percent to 182,079,842 KDH, due to a higher demand for banknotes during this period.

\* The change in the balance sheet and profit and loss account items is addressed in more details in the comments section of the financial statements. For purposes of analysis, the balance sheet and profit and loss account items were adjusted in this first part of the report.

In this report, figures are rounded to the nearest thousand dirhams. Therefore, totals and sub-totals do not always correspond to the sum of the relevant rounded-off figures.

**Transactions with foreign countries** totaled 134,126,868 KDH (+5 percent), in connection with a 9 percent increase in holdings and investments in foreign currencies, due to the consolidation of foreign exchange reserves. The latter moved up by 4 percent to 150 billion dirhams, following an improvement in the trade deficit, a mobilization of external loans by the Treasury (23 billion dirhams) and donations received from the Gulf Cooperation Council (GCC).

**Chart 3-1-1: Change in holdings and investments in foreign currencies in MDH (including FB)**

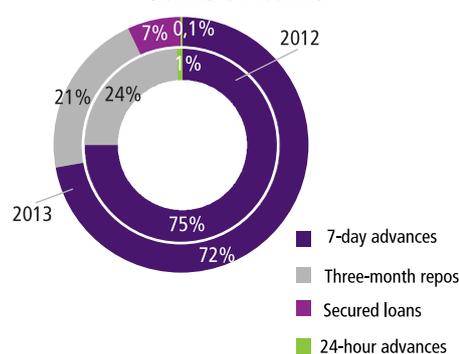


Assets in gold declined for the first time in several years to 6,940,913 KDH (-30 percent), owing to the depreciation of gold price per an ounce (1,201.5 at end-2013 as against 1,664 dollars a year earlier).

The balance of **transactions with** the State stood at 2,506,672 KDH, down 31 percent. This change is mainly attributed to a decrease in both the Treasury current account holdings (-23 percent) and Hassan II Fund deposits (-57 percent).

**Net position of credit institutions** increased by 6 percent at end-2013, as the bank refinancing at this end of the year totaled 72,005,970 KDH as against 69,188,060 KDH in 2012.

**Chart 3-1-2 : Average outstanding amount of claims on banks**



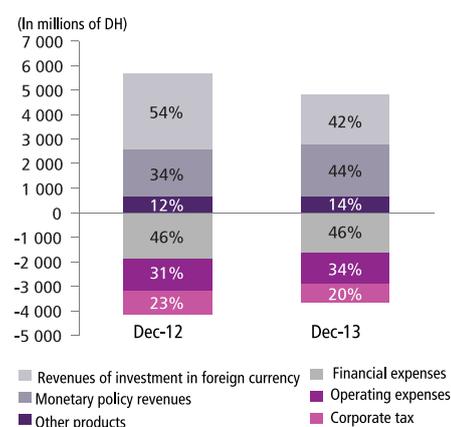
### 3-1-2 Income

**Table 3-1-3 : Net income of the fiscal year**

In thousands of dirahms	2013	2012	Var %
Income of foreign exchange reserve management transactions	1 032 482	2 004 870	-49%
Income of monetary policy transactions	2 006 355	1 769 780	13%
Income of other transactions	457 194	305 513	50%
<b>Income of activities</b>	<b>3 496 031</b>	<b>4 080 163</b>	<b>-14%</b>
General operating income	-1 569 079	-1 613 040	-3%
<b>Gross operating income</b>	<b>1 926 952</b>	<b>2 467 123</b>	<b>-22%</b>
Noncurrent income	-19 062	10 387	<100%
Corporate taxes	-734 831	-950 419	-23%
<b>Net income</b>	<b>1 173 059</b>	<b>1 527 091</b>	<b>-23%</b>

In 2013, the Bank generated a net income of 1,173,059 KDH, down 23 percent compared to 2012. This trend is primarily due to a contraction by almost half of the income of foreign exchange reserve management transactions, which was partially offset by improved income of monetary policy transactions and income of "other transactions".

**Chart 3-1-3 : Structure of revenues and expenses**



Revenues have a positive sign, while expenses have a negative one.

**Foreign exchange reserve management transactions** generated an income of 1,032,482 KDH, down 972,388 KDH compared to 2012, mainly due to lower yields, which were close to zero or even negative in the first half of 2013. This decrease encompasses:

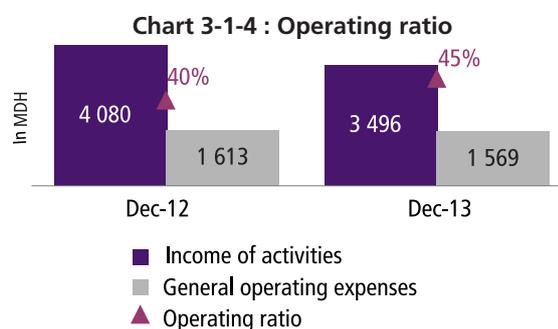
- a decline in bond investment yields (-45 percent) and monetary securities yields (-68 percent);
- an improvement of 402,332 KDH in the balance of net allocations to provisions for depreciation of investment securities that recorded, at the end of 2013, a net recovery of 133,336 KDH as against a net allocation of 268,996 KDH a year earlier.

The income of **monetary policy transactions** grew by 236,575 KDH, in a context of persistent bank liquidity deficit, reflecting:

- an increase of 92,840 KDH in interest received on 7-day advances whose average outstanding amount rose, year on year, from 47,436,650 KDH to 51,157,591 KDH in 2013;
- interests, amounting to 143,342 KDH, generated by the secured loan operations, initiated by the Bank in December 2012;
- a decline of 41,558 KDH in interests paid by the Bank on the required reserve.

**General operating expenses** dropped by 43,961 KDH, mainly due to the combined effect of lower personnel expenses (-12 percent) and higher purchases of materials and supplies (+19 percent).

Excluding one-off charges incurred in the 2012 and 2013, the increase in operating expenses would stand at 4 percent.





## 3-2 Financial statements

### 3-2-1 Balance sheet (Assets)

**Table 3-2-1**

**Assets as at December 31, 2013**

In thousands of dirhams	Notes	2013	2012
<b>Holdings and investments in gold</b>	<b>1</b>	<b>6 940 913</b>	<b>9 946 351</b>
<b>Holdings and investments in foreign currency</b>	<b>2</b>	<b>145 943 746</b>	<b>134 367 658</b>
- Holdings and investments held in foreign banks		19 895 981	26 662 609
- Foreign Treasury bills and similar securities		122 550 633	102 249 212
- Other holdings in foreign currency		3 497 131	5 455 837
<b>Holdings in international financial institutions</b>	<b>3</b>	<b>4 510 071</b>	<b>5 142 456</b>
- IMF subscription-Reserve tranche		1 073 181	1 105 435
- Special Drawings Rights holdings		3 178 007	3 769 687
- Subscription to the Arab Monetary Fund		258 883	267 333
<b>Lending to the Government</b>		-	-
- Conventional advances		-	-
- Overdraft facilities advances		-	-
- Other facilities		-	-
<b>Claims on Moroccan credit institutions and similar bodies</b>	<b>4</b>	<b>72 116 650</b>	<b>69 286 710</b>
- Securities received under repurchase agreements		14 004 034	15 005 114
- Advances to banks		58 001 937	54 182 946
- Other claims		110 679	98 650
<b>Treasury bills - Open market operations</b>		-	-
<b>Other assets</b>	<b>5</b>	<b>7 162 173</b>	<b>7 533 358</b>
- Sundry debtors		4 873 721	5 028 720
- Other miscellaneous assets		2 288 452	2 504 638
<b>Fixed assets</b>	<b>6</b>	<b>3 498 419</b>	<b>3 577 145</b>
<b>Total assets</b>		<b>240 171 971</b>	<b>229 853 677</b>

## 3-2-2 Balance sheet (Liabilities)

**Table 3-2-2**

**Liabilities as at December 31, 2013**

In thousands of dirhams	Notes	2013	2012
<b>Banknotes and coins in circulation</b>	<b>7</b>	<b>182 079 842</b>	<b>172 493 352</b>
- Banknotes in circulation		179 436 597	169 925 633
- Coins in circulation		2 643 245	2 567 719
<b>Liabilities in gold and in foreign currency</b>	<b>8</b>	<b>7 335 333</b>	<b>3 380 196</b>
- Liabilities in gold		-	-
- Liabilities in foreign currency		7 335 333	3 380 196
<b>Liabilities in convertible dirhams</b>	<b>9</b>	<b>200 210</b>	<b>222 014</b>
- Liabilities to international financial institutions		193 880	212 813
- Other liabilities		6 330	9 201
<b>Deposits and liabilities in dirham</b>	<b>10</b>	<b>26 978 301</b>	<b>26 997 811</b>
Current account of the Treasury		2 212 364	2 870 774
Deposits and liabilities in dirhams to Moroccan banks		19 808 405	20 126 676
- Current accounts		19 808 405	20 126 676
- Liquidity-withdrawal accounts		-	-
- Deposit facility accounts		-	-
Deposits of general government and public institutions		2 285 290	1 515 766
Other accounts		2 672 241	2 484 594
<b>Other liabilities</b>	<b>11</b>	<b>9 824 254</b>	<b>12 422 322</b>
<b>Special Drawings Rights Allocations</b>	<b>3</b>	<b>7 046 927</b>	<b>7 276 936</b>
Equity capital and the like (including)	<b>12</b>	<b>5 534 045</b>	<b>5 533 954</b>
- Equity capital		500 000	500 000
- Reserves		5 001 340	5 001 340
- Retained earnings		21 105	21 014
<b>Net income of the fiscal year</b>		<b>1 173 059</b>	<b>1 527 091</b>
<b>Total liabilities</b>		<b>240 171 971</b>	<b>229 853 677</b>

### 3-2-3 Off-balance sheet

**Table 3-2-3**

**Off-balance sheet as at December 31, 2013**

In thousands of dirhams	Notes	2013	2012
<b>Spot foreign exchange transactions</b>			
Spot delivery of currencies			
Spot purchase of dirhams			
<b>Forward foreign exchange transactions</b>			
Currencies receivable			
Currencies payable			
<b>Currency exchange-deposit transactions</b>	<b>13</b>	<b>4 892 800</b>	<b>2 045 124</b>
<b>Foreign exchange transaction-arbitrage operations</b>			
Foreign currencies receivable		823 807	306 496
Foreign currencies payable		821 123	305 632
<b>Off-balance currency adjustment</b>		-	-
<b>Liabilities on derivatives</b>		-	-
<b>Liabilities on securities</b>			
	<b>14</b>	-	-
Securities received on advances granted		69 064 400	73 336 198
Securities received on advances to be granted		3 493 000	2 968 300
Other guarantees received on advances granted		6 920 000	-
Foreign securities receivable		102 114	-
Securities deliverable		-	-
<b>Other liabilities</b>			
	<b>15</b>	-	-
Received market guarantees		40 906	100 586
Liabilities of guarantees received for staff loans		814 862	787 544
Financing liabilities granted to the staff		39 182	41 431
Other granted liabilities		1 000	1 000

### 3-2-4 Profit and loss account

**Table 3-2-4**

**Profit and loss account as at December 31, 2013**

In thousands of dirhams	Notes	2013	2012
<b>Revenues</b>		<b>4 803 899</b>	<b>5 670 423</b>
Interests earned on holdings and investments in gold and foreign currency	16	1 594 441	2 908 570
Interests earned on claims on credit institutions and similar bodies	17	2 122 439	1 927 422
Other interests earned	18	8 247	7 660
Commissions earned	19	411 751	325 859
Other financial revenues	20	58 963	131 597
Sales of produced goods and services	21	168 366	143 845
Miscellaneous revenues	22	42 084	21 803
Reversal of depreciation		-	-
Reversal of provisions	23	389 405	144 511
Noncurrent revenues	24	8 202	59 156
<b>Expenses</b>		<b>3 630 840</b>	<b>4 143 332</b>
Interests paid on liabilities in gold and foreign currency	25	4 479	7 883
Interests paid on deposits and liabilities in dirham	26	276 111	324 201
Commissions paid	27	12 776	14 798
Other financial expenses	28	739 548	844 052
Staff expenses	29	708 634	805 402
Purchase of materials and supplies	30	235 337	197 637
Other external expenses	31	284 869	284 699
Depreciation and provisions expenses	32	608 403	674 364
Noncurrent expenses	33	25 852	39 876
Corporate taxes	34	734 831	950 419
<b>Net income</b>		<b>1 173 059</b>	<b>1 527 091</b>

## 3-2-5 Main accounting rules and evaluation methods

### 3-2-5-1 Legal framework

The financial statements are developed and presented in conformity with the BAM Chart of Accounts, approved by the National Accounting Board in May 2007.

The Bank applies the accounting requirements specified in the General Accounting Standard for issues common to companies in terms of assessing its stock and fixed and other assets, and applies peculiar assessments for all its specific operations.

The financial statements, as cited under Article 55 of Law No. 76-03 bearing the Statutes of Bank Al-Maghrib, include the balance sheet, off-balance sheet, profit and loss account (PLA) and additional information statement (AIS).

### 3-2-5-2 Evaluation methods

#### Foreign exchange operations

Foreign exchange operations include spot and forward purchases and sales of currency, whether for Bank Al-Maghrib's own account or as part of intermediation with banks. These transactions are entered in the corresponding off-balance sheet accounts under their commitment date. Then, they are recorded in the balance sheet accounts on the value date or on the date of liquidity delivery.

#### Assets and liabilities in gold and foreign currency

Assets and liabilities in gold and foreign currency are converted into dirhams based on the exchange rate of foreign currencies on the closing date of the fiscal year.

Profits and losses resulting from this operation are entered in the account of exchange reserves reassessment posted in the liabilities of the Bank's balance sheet, in accordance with the provisions of the agreement governing this account, concluded between Bank Al-Maghrib and the Government on December 29, 2006. This agreement sets the minimum threshold of 2.5 percent of BAM's net foreign assets, at which the balance of this account shall be maintained, and provides for a mechanism for allocation of provision to, or withdrawal from this account, in cases of deficit or surplus compared to the required minimum. This reassessment mechanism has no fiscal impact.

Revenues and expenses in foreign currencies are converted at the exchange rate on the date of the transaction.

## Securities

The securities acquired as part of the exchange reserve management are classified based on the purpose for which they are held: portfolio of transaction, portfolio of securities held for sale or investment portfolio.

**Transaction portfolio:** It consists of securities purchased with the intention, right from the start, to re-sell them within a deadline not exceeding six months. They are recorded at their purchase price, including costs and, if need be, accrued coupons. Gains and losses resulting from the monthly evaluation of such securities at the market price are entered in the corresponding profit and loss accounts.

At the end of 2013, Bank Al-Maghrib holds no transaction security in its portfolio.

**Portfolio of securities held for sale** consists of securities purchased with the intention of holding them for more than six months, with no intention from the Bank to hold them to maturity. Their recording shall respect the following rules:

- Entries into the portfolio are recorded in the balance sheet at their purchase price, excluding costs and, if need be, excluding accrued coupons.
- The differences (discounts or premiums) between securities' purchase price and redemption price are not amortized over the duration of these securities holding.
- The unrealized losses resulting from the difference between the book value and the market value of these securities are subjected to depreciation provisioning on a weekly basis. However, unrealized gains are not entered in accounts.

It is worth reminding that as of October 2008, the Bank came up with a sub-category in its securities held for sale to include short-term discount securities. These securities are recorded at their purchase price, including interests. Discount securities are spread over the life of the securities and entered in the revenue accounts at the end of each month.

**Investment portfolio** consists of securities acquired with the intention of being held until maturity. They are entered in accordance with the following rules:

- They are recorded at their purchase price, excluding costs and, when applicable, accrued coupons as well;
- Gains on these securities are not recorded;
- Losses on these securities are recorded only when the Bank believes that the security, which suffers a loss, will be probably sold in the following fiscal year and in the case where there is a probable risk of default of the issuer.

- The differences (discounts or premiums) between securities' purchase price and redemption price are amortized on a straight-line basis over the remaining life of the securities.

### Other foreign assets

The Bank holds a portfolio of securities denominated in US dollars. The management of this portfolio is delegated to the World Bank based on delegation contracts.

These securities are recorded at their market value. Indeed, they are initially recorded at their purchase price; the capital gains or losses incurred at the end of each month are entered in the appropriate profit and loss accounts, on the basis of the month-end market values, duly audited and reported by authorized agents.

### Tangible and intangible fixed assets

Tangible and intangible fixed assets are recorded at their purchase cost. They are posted on the assets side of the balance sheet at a net value representing their acquisition cost minus accumulated depreciations.

Fixed assets, including incidental expenses, are amortized according to the straight-line method, depending on the estimated duration of use of the goods, and by applying the depreciation rate in force.

The depreciation periods adopted, according to the nature of each fixed asset, are as follows:

**Table 3-2-5 : Fixed assets depreciation periods**

Real properties	20 ans
Fixtures, fittings and facilities	5 ans
Materials of Dar As-Sikkah	10 ans
Office equipment, computing materials and software, vehicles and other materials	5 ans
Office furniture	10 ans

### Financial fixed assets

Shareholdings in Moroccan and foreign financial institutions are entered in the assets side of the balance sheet for their net value representing their acquisition cost minus the provisions set up at the closing date. Regarding foreign holdings, their value is converted into dirhams at the historical rate of the currency.

The provisions for depreciation of these unlisted securities are evaluated at the end of the fiscal year following the net asset value method, based on the last financial statements available.

## Inventories

Inventories are composed of:

- Consumable materials and supplies;
- Raw material for the manufacturing of banknotes and coins (paper, ink, and blanks);
- Finished goods and in-process inventory (secured documents);
- Commemorative coins.

Consumable materials and supplies are recorded in the balance sheet at their purchase price, minus the provisions for their depreciation at the closing date.

Raw materials are recorded in the balance sheet at their purchase price plus the handling costs, and minus the provisions for their depreciation, if need be.

Finished goods and in-process inventory are recorded in the balance sheet at their production cost, minus the provisions for their depreciation, if need be.

### 3-2-5-3 Comments on the balance sheet items

#### Note 1: Assets and investments in gold

Gold assets are composed of those deposited in Morocco and abroad. Since the end of 2006, gold assets are evaluated at market prices. Gains and losses resulting from this operation are allocated to the evaluation account of foreign exchange reserves.

**Table 3-2-6 : Assets and investments in gold**

	2013	2012
Gold price per ounce in dirhams <sup>(1)</sup>	9 793	14 033
Quantity of gold ounces	708 767	708 766
<b>Market value<sup>(2)</sup></b>	<b>6 941</b>	<b>9 946</b>
Gold stock (in tonnes)	22	22

<sup>(1)</sup> Gold price USD/MDH

<sup>(2)</sup> In millions of dirhams

The value of gold assets dropped by 30 percent in 2013, thus breaking up with the upward trend of recent years. This change is attributed solely to the depreciation of gold price per ounce, which fell by 28 percent from one year to another, to 1,201.5 dollars.

#### Note 2: Assets and investments in foreign currency

This item represents the equivalent in dirhams of assets in convertible foreign currencies, which are held in the form of demand deposits, time deposits and foreign securities.

**Table 3-2-7 : Breakdown by type of investment**

In thousands of dirhams	2013	Share	2012	Share
Sight deposits	4 477 290	3%	11 513 399	9%
Time account	13 296 467	9%	13 730 555	10%
Securities held for sale <sup>(1)</sup>	96 119 659	66%	56 109 235	42%
Investment securities <sup>(1)</sup>	26 430 975	18%	46 139 977	34%
Miscellaneous <sup>(2)</sup>	5 619 355	4%	6 874 493	5%
<b>Total</b>	<b>145 943 746</b>	<b>100%</b>	<b>134 367 658</b>	<b>100%</b>

<sup>(1)</sup> Taking into account provisions for depreciation of securities

<sup>(2)</sup> Including accrued interest and management authorizations

Foreign currency assets totaled 145,943,746 KDH in 2013, up 9 percent as against a decline of 17 percent in 2012, in connection with the consolidation of foreign assets. Indeed, their share in the balance sheet rose from 58 percent to 61 percent from one year to the next.

**Table 3-2-8 : Breakdown by remaining life**

	2013	2012
< 1 year	90%	61%
> 1 year	10%	39%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The Bank continued in 2013 to promote a prudent management strategy meeting the requirements of investment liquidity and security. This strategy focused during the year under review on maintaining credit quality and continuing diversification of assets comprising foreign exchange reserves.

Indeed, in order to adapt to the adverse market conditions marked by the degradation of yields during the year, the Bank, in accordance with the strategic allocation adopted, increased the liquidity tranche size, particularly through the reallocation of the investment tranche. Thus, the share of investment securities portfolio was brought to 18 percent, while the share of the portfolio of securities held for sale increased between 2012 and 2013 from 42 percent to 66 percent.

### Note 3: Assets with international financial institutions

This item is composed of position with IMF and AMF :

#### IMF position

This includes on the assets side:

- **IMF subscription - Reserve tranche:** composed of the fraction (14.5 percent) of Morocco's quota in the capital of the IMF, paid by Bank Al-Maghrib. It is composed of:

-**The available tranche:** 70.45 million SDR (884,294 KDH) paid by Bank Al-Maghrib in foreign currency. This tranche, which could be used by our country when needed, is included in the foreign exchange reserves of our Institute;

-**The mobilized tranche:** 14.71 million SDR (188,887 KDH)

equivalent to the subscription in national currency by Bank Al-Maghrib, deposited in the IMF "Account No.1" open in the books of our Institute.

- **SDR assets:** This account records the equivalent of Bank Al-Maghrib's assets with the IMF. It records, in the debit side, SDR purchase transactions by the Bank and the remunerations paid by the IMF, while in the credit side, it records payments of commissions on SDR allocations on a quarterly basis and reimbursement of Morocco's borrowings.

The SDR allocations item is registered in the liabilities side. It corresponds to the value in dirhams of the amounts of SDR allocations granted by the IMF to Morocco as a member country. In 2009, this account was credited with 5.7 billion dirhams, representing Morocco's share in the general allocation and special allocation (475.8 million SDR) granted by the IMF to member countries.

Quarterly commissions are paid by the Bank to the IMF on these allocations

**Table 3-2-9 : Position with the IMF**

In thousands of dirhams	2013	2012	Change in %
<b>Assets</b>			
IMF subscription - Reserve tranche	1 073 181	1 105 435	-3%
SDR assets	3 178 007	3 769 687	-16%
<b>Total</b>	<b>4 251 187</b>	<b>4 875 122</b>	<b>-13%</b>
<b>Liabilities</b>			
SDR allocations	7 046 927	7 276 936	-3%
Account No.1 and 2	188 909	192 301	-2%
<b>Total</b>	<b>7 235 836</b>	<b>7 469 237</b>	<b>-3%</b>

## AMF subscription

This account represents the fraction paid by the Bank for the paid-in subscription in the capital of the AMF.

Morocco's participation in this institution amounts to 34.44 million Arab dinars, divided between Bank Al-Maghrib and the Treasury as follows:

- 200,000 Arab dinars paid in national currency and deposited in the AMF account open in Bank Al-Maghrib books. The share paid by BAM amounts to 150,000 Arab dinars (5,833 KDH);
- 14.8 million Arab dinars subscribed in foreign currency, of which 6.87 million Arab dinars subscribed by the Bank (258,883 KDH);
- 19.44 million Arab dinars, of which 9.11 million attributable to Bank Al-Maghrib for the AMF capital increase by incorporation of reserves, which took place in 2005 (5.88 million Arab dinars) and in 2013 (3.23 million Arab dinars).

The components of assets with international financial institutions totaled 4,510,071 KDH, thus continuing their decrease, standing in 2013 at 12 percent. This change is attributed to a 16 percent decline in the Bank's SDR holdings, following the payment of commissions on SDR allocations, the commitment fee on the Precautionary and Liquidity Line (PLL) granted to Morocco as well as the repayment of loan installments, for the Treasury, contracted with the AMF.

### Note 4: Claims on Moroccan credit institutions and similar bodies

This item comprises refinancing operations of credit institutions as part of the monetary policy conduct, by means of:

- Main operations through 7-day advances at auction at the key rate, the main instrument for implementing the monetary policy, whose amount totaled at this year 52,001,937 KDH;
- long-term operations intended to fill the bank liquidity deficit for a period longer than that of the main operations, whose amount reached 20,004,034 KDH at the end of 2013, including:

-14,004,034 KDH under 3 months repos granted at the key rate;

**Table 3-2-10 : Structure of claims on banks**

In thousands of dirhams	2013	2012	Change in %
<b>Repurchase agreements</b>	<b>66 005 970</b>	<b>66 808 060</b>	<b>-1%</b>
7-day advances	52 001 937	51 002 182	2%
24-hour advances	-	800 764	<100%
Three-month repos	14 004 034	15 005 114	-7%
<b>Secured loans</b>	<b>6 000 000</b>	<b>2 380 000</b>	<b>&gt;100%</b>
<b>Total</b>	<b>72 005 970</b>	<b>69 188 060</b>	<b>4%</b>

-6,000,000 KDH relating to secured loans, initiated in December 2012, carried out on a quarterly basis, whose rate is calculated based on the average key rate during the period under review.

- Standing facilities allowing credit institutions to obtain liquidity for a period of 24 hours, at a key rate plus one hundred basis points.

Meanwhile, the Bank adopted additional monetary policy measures to support the financing of the economy. It expanded in December 2012 the collateral eligible for monetary policy operations to private bills and implemented a program for refinancing MSMEs over a minimum period of two years, decided by the Bank Board at its meeting of December 2013.

### Note 5: Other assets

This item includes primarily:

- Miscellaneous debtors consisting mainly of miscellaneous claims of the Bank, which amounted to 4,873,721 KDH at end- 2013;
- The equalization accounts which are mainly composed of expenses to be spread out over many fiscal years, expenses recognized in advance, and revenues due, and any other debtor amount pending equalization. They amounted to 43,734 KDH at the end of 2013.
- Cash accounts totaled 1,913,590 KDH.

**Table 3-2-11 : Other assets**

In thousands of dirhams	2013	2012	Change in %
Miscellaneous debtors	4 873 721	5 028 720	-3%
Equalization accounts	43 734	17 188	>100%
Cash accounts	1 913 590	2 197 828	-13%
Miscellaneous values and stocks	331 128	289 623	14%
<b>Total</b>	<b>7 162 173</b>	<b>7 533 358</b>	<b>-5%</b>

### Note 6: Fixed assets

**Table 3-2-12 : Fixed assets**

In thousands of dirhams	2013	2012	Change in %
(Including)			
Equity securities	73 200	66 536	10%
Tangible and intangible fixed assets	5 904 986	5 671 158	4%
<b>Gross fixed assets</b>	<b>6 629 420</b>	<b>6 376 214</b>	<b>4%</b>
Depreciation and provisions	3 131 000	2 799 068	12%
<b>Net fixed assets</b>	<b>3 498 419</b>	<b>3 577 145</b>	<b>-2%</b>

## Equity securities

**Table 3-2-13 : Equity securities**

In thousands of dirhams	2013	2012	Change in %
<b>Securities held in Moroccan institutions (including)</b>	<b>26 765</b>	<b>26 765</b>	-
Dar Ad-Damane	1 265	1 265	-
Maroclear	4 000	4 000	-
Moroccan Financial Board	20 000	20 000	-
<b>Securities held in foreign financial institutions</b>	<b>46 436</b>	<b>39 772</b>	<b>17%</b>
Ubac Curaçao	23 228	23 228	-
Swift	519	519	-
Arab Monetary Fund	5 833	5 926	-2%
Arab Trade Financing Program	16 856	10 099	67%
<b>Gross total of equity securities</b>	<b>73 200</b>	<b>66 536</b>	<b>10%</b>

The increase of 6,664 KDH in the gross value of Bank Al-Maghrib equity securities portfolio is mainly attributed to the Bank's contribution in 2013 to the capital increase of the Arab Trade Financing Program by the issuance of new securities.

## Tangible and intangible fixed assets

**Table 3-2-14 : Tangible and intangible fixed assets**

In thousands of dirhams	Cross amount of the fiscal year	Increase	Decrease	Gross amount end of the fiscal year
Real properties	2 238 070	3 868	1 128	2 240 809
Land	232 729	-	51	232 679
Construction and works in progress	124 020	42 298	-	166 319
Fixtures, fittings and facilities	188 463	16 626	15	205 073
Furniture, materials, vehicles and equipment of social character	2 167 023	132 225	16 577	2 282 670
Intangible fixed assets	493 616	52 876	9 415	537 078
Others	227 237	14 574	1 453	240 359
<b>Total</b>	<b>5 671 158</b>	<b>262 467</b>	<b>28 638</b>	<b>5 904 986</b>

At the end of 2013, the Bank's investments in tangible and intangible fixed assets totaled 5,904,986 KDH, up 233,829 KDH compared to the end of 2012, broken down by major field as follows:

- 26 percent relating to the "production of banknotes", including, mainly, the implementation of a banknote quality control and tracking system and the purchase of a new banknote manufacturing line;

- 24 percent regarding “operating and non-operating projects”, including, particularly, the extension of Dar As-Sikkah print room and the construction of the Agadir holiday center;
- 15 percent relating to “sorting and recycling”, including mainly the upgrading of sorting machines for banknote processing.

### Note 7: Banknotes and coins in circulation

The amount of this item covers the difference between banknotes and coins issued by the Bank and those deposited with the Bank.

Currency in circulation, which remains the main component of liabilities (76 percent), showed an annual growth of 6 percent, in conjunction with higher demand for banknotes. Month on month, currency in circulation trended overall in accordance with its seasonal pattern. Indeed, it recorded peaks in the third and fourth quarters of 2013 following summertime, the month of Ramadan and the celebration of Eid Al-Adha.

### Note 8: Liabilities in gold and foreign currency

This entry mainly comprises currency deposits of foreign banks and nonresidents. It rose to 7,335,333 KDH, up 3,955,137 KDH, due to higher Bank’s liabilities in foreign currencies.

### Note 9: Liabilities in convertible dirhams

This item includes the Bank’s liabilities in convertible dirhams towards foreign banks, international financial institutions (IMF, AMF, IBRD) and nonresidents.

The IMF “Account No.1” constitutes the major component of this entry. The deposits of this account as well as those of “Account No.2” of the IMF are readjusted annually to take into consideration the parity of the dirham against SDR.

**Table 3-2-15 : Liabilities in convertible dirhams**

In thousands of dirhams	2013	2012	Change in %
<b>Liabilities to international financial institutions</b>	<b>193 880</b>	<b>212 813</b>	<b>-9%</b>
Liabilities to foreign banks	4 961	16 948	-71%
Ordinary accounts of international financial institutions	188 919	195 865	-4%
<b>Other liabilities</b>	<b>6 330</b>	<b>9 201</b>	<b>-31%</b>
<b>Total</b>	<b>200 210</b>	<b>222 014</b>	<b>-10%</b>

## Note 10: Deposits and liabilities in dirhams

This item includes:

- The current account of the Treasury, remunerated according to the requirements below, in accordance with the agreement signed between the Ministry of Economy and Finance and Bank Al-Maghrib on July 28, 2009:

- The tranche lower or equal to 2 billion dirhams is remunerated at the rate of 7-day advances minus fifty basis points;

- The tranche above 2 billion dirhams and up to 3 billion dirhams is remunerated at the rate of 7-day advances minus one-hundred basis points;

- The tranche higher than 3 billion dirhams is not remunerated.

- Current accounts of banks, held mainly to honor their commitments as regards the required reserve, with a minimum of 4 percent of their liabilities and which must be respected on average over the period of observation. The remuneration of this reserve at 0.75 percent was canceled by decision of the Bank Board on December 17, 2013 with effect as of December 19 ;
- Deposits of general government and public institutions, including the account of Hassan II Fund for Economic and Social Development, remunerated at the rate of 7-day advances, minus 50 basis points.

This item can also accommodate, in a context of excess liquidity:

- 7-day liquidity withdrawals as unsecured deposits by tenders, remunerated at the key rate minus fifty basis points;
- 24-hour deposit facilities allowing banks to place, on their own initiative, a cash surplus. The remuneration applied to these deposits is the key rate minus one hundred basis points.

Given the different accounting movements in 2013, the balance of this item remains virtually unchanged from one year to another (26,978,301 KDH as against 26,997,811 KDH in 2012). It covers:

**Table 3-2-16 : Deposits and liabilities in dirhams**

In thousands of dirhams	2013	2012	Change in %
Current account of the Treasury	2 212 364	2 870 774	-23%
Current account of Moroccan banks	19 808 405	20 126 676	-2%
Liquidity withdrawals	-	-	-
Deposit facilities	-	-	-
Deposits of general government and public institutions	2 285 290	1 515 766	51%
Other accounts	2 672 241	2 484 594	8%
<b>Total</b>	<b>26 978 301</b>	<b>26 997 811</b>	<b>-0,1%</b>

- a decrease in the current account of the Treasury (-23 percent) and in banks' current account assets (-2 percent);
- and an increase in deposits of general government and public institutions (51 percent) and other accounts (8 percent).

### Note 11: Other liabilities

This entry includes, mainly:

- Miscellaneous creditors, primarily consisting of tax and fiscal withholdings, other sums payable to the State, and third parties, and contributions to provident funds and institutions for social security pending settlement;

**Table 3-2-17 : Other liabilities**

In thousands of dirhams	2013	2012	Change in %
Other securities transactions	1 086	1 086	-
Miscellaneous creditors	918 730	780 791	18%
Equalization accounts	158 240	147 358	7%
Amounts claimable after receipt of payment	22 992	29 550	-22%
Provisions for risks and expenses	37 815	81 659	-54%
Foreign exchange reevaluation account	8 685 391	11 381 879	-24%
<b>Total</b>	<b>9 824 254</b>	<b>12 422 322</b>	<b>-21%</b>

- The equalization accounts which are mainly composed of transactions between branches, expenses to be paid and revenues recognized in advance and any other debtor amount pending settlement;
- Amounts claimable after receipt of payment, including accounts making up the counterpart of securities presented for payment;
- Provisions for risks and expenses allowing to note the existing losses and expenses related to operations executed during the fiscal year and that are most likely realized. The provisions set in 2013 concern litigations and provisions for paid leaves;
- Foreign exchange reevaluation account, which includes the exchange variations resulting from the assessment of holdings and liabilities in gold and in foreign currency, based on the year-end average exchange rates, in accordance with the provisions of the agreement signed between Bank Al-Maghrib and the State to regulate this account.

This agreement also stipulates that in case of a insufficiency vis-à-vis to the required minimum, a reserve for foreign exchange losses deducted from the net profit is constituted.

The credit balance of this account can neither be posted in the revenues of the fiscal year, nor distributed or allocated to any other usage.

The components of other liabilities fell by 2,598,068 KDH, especially due to the decline of 2,696,488 KDH in the revaluation account of foreign exchange reserves, which was heavily impacted in 2013 by lower gold prices.

## Note 12: Equity capital and the like

Equity capital and the like amounted to 5,534,045 KDH, an amount almost similar to 2012.

**Table 3-2-18 : Equity capital**

In thousands of dirhams	2013	2012
Capital	500 000	500 000
Reserves	5 001 340	5 001 340
General reserve funds	500 000	500 000
Special reserve funds	4 501 340	4 501 340
Other equity capital	11 600	11 600
Retained earnings	21 105	21 014
<b>Total</b>	<b>5 534 045</b>	<b>5 533 954</b>

### 3-2-5-4 Comments on off-balance sheet items

The Bank keeps record of off-balance sheet liabilities, detailing both given and received commitments. Off-balance sheet accounts are registered to debit when the liabilities materialize on maturity or in case of realization by a debit on the balance sheet, and to credit side in the opposite case.

The off-balance sheet liabilities includes liabilities in foreign currency, liabilities on securities and other liabilities.

## Note 13: Foreign exchange transactions

**Table 3-2-19 : Foreign exchange transactions**

In thousands of dirhams	2013	2012
Currency exchange-deposit transactions	4 892 800	2 045 124
Foreign exchange transaction-arbitrage operations		
Foreign currencies receivable	823 807	306 496
Foreign currencies payable	821 123	305 632

## Note 14: Liabilities on securities

This heading records mainly securities pledged to Bank Al-Maghrib to secure various advances to banks (debt securities issued or guaranteed by the State, negotiable debt securities, private claims, etc.).

**Table 3-2-20 : Liabilities on securities**

In thousands of dirhams	2013	2012
Securities received on advances granted	69 064 400	73 336 198
Securities received on advances to be granted	3 493 000	2 968 300
Other guarantees received on advances granted	6 920 000	-
Foreign securities receivable	102 114	-
Securities deliverable		

**Note 15 : Other liabilities****Table 3-2-21 : Other liabilities**

In thousands of dirhams	2013	2012
Received market guarantees	40 906	100 586
Guarantees liabilities received for staff loans	814 862	787 544
Financing liabilities granted to the staff	39 182	41 431
Other granted liabilities	1 000	1 000

**3-2-5-5 Comments on profit and loss account items****Note 16: Interest earned on investments in gold and foreign currency**

This item is strongly correlated with levels of foreign exchange reserves and interest rates. It includes interests from foreign exchange reserves management transactions, which are, particularly:

- Bond market investments in foreign Treasury bills and similar securities (investment portfolio and portfolio of securities held for sale);
- International money market investments (Treasury portfolio);
- SDR holdings with the IMF;
- Loans of foreign treasury bills.

Foreign exchange reserves management returns shrank 45 percent to 1,594,441 KDH compared with 2012, reflecting adverse market conditions.

Bond yields thus fell by 45 percent to 1,569,421 KDH. The monetary component generated returns amounting to 11,794 KDH, down 68 percent compared to 2012.

**Table 3-2-22 : Interests earned on holdings in foreign currency**

In thousands of dirhams	2013	2012	Change in %
Foreign Treasury bills and similar securities	1 569 421	2 847 661	-45%
Holdings and investments in foreign banks	11 896	36 995	-68%
Claims on the IMF	2 343	5 673	-59%
Other interest	10 782	18 241	-41%
<b>Total</b>	<b>1 594 441</b>	<b>2 908 570</b>	<b>-45%</b>

**Note 17: interest received on claims on Moroccan credit institutions and similar bodies**

This is interest received by the Bank on various advances to credit institutions as part of the monetary policy conduct (for remuneration conditions, see Note 4 of the balance sheet).

This interest amounted to 2,122,439 KDH in 2013 from 1,927,422 KDH, as the Bank maintained liquidity injection operations given the persistent tightening of bank liquidity.

**Table 3-2-23 : Interest received on claims on Moroccan credit institutions and similar bodies**

In thousands of dirhams	2013	2012	Change in %
<b>Interest received</b>			
7-day advances	1 534 728	1 441 887	6%
Repurchase agreement	440 116	466 616	-6%
24-hour advances	4 023	16 652	-76%
Secured loans	143 342	2 107	>100%
Other interest	231	160	45%
<b>Total</b>	<b>2 122 439</b>	<b>1 927 422</b>	<b>10%</b>

In this context, the Bank intervened mainly through 7-day advances whose interest earned totaled 1,534,728 KDH. It also maintained its long-term repos, which generated proceeds of 440,116 KDH and used four secured loan operations, whose interest totaled 143,342 KDH.

**Note 18: Other interest earned**

This item covers interests due to the Bank under loans granted to its staff, which amounted on the balance sheet closing date to 8,247 KDH.

**Note 19: Commissions earned**

Commissions are deducted by the Bank in payment of banking transactions for customers, which cover, mainly, foreign exchange and management operations of Moroccan Treasury bills including, mainly, the auction centralization commission.

They amounted to 411,751 KDH, up 26 percent compared to 2012, due to higher

**Table 3-2-24 : Commissions earned**

In thousands of dirhams	2013	2012	Change in %
Foreign exchange commission	329 836	269 785	22%
Management of Treasury bills	73 204	48 465	51%
Other commissions	8 711	7 609	14%
<b>Total</b>	<b>411 751</b>	<b>325 859</b>	<b>26%</b>

commissions earned under foreign exchange operations (+22 %) and those deducted by the Bank on the centralization of the Treasury's auction operations (+51%).

### Note 20: Other financial revenues

Other financial revenues, which mainly cover gains generated from foreign currency transactions, fell by 55 percent to 58,963 KDH, in conjunction with a decline of:

- 84 percent in gains from foreign investment securities sales due to a decrease in 2013 in sales of securities compared to the previous fiscal year;
- 42 percent in deferral of discounts on foreign securities due to the reduction of the investment securities portfolio.

**Table 3-2-25 : Other financial revenues**

In thousands of dirhams	2013	2012	Change in %
Gains from investment securities sales	11 084	69 070	-84%
Deferral of discounts on foreign securities	17 873	30 843	-42%
Gains in management authorizations	18 318	18 273	0,2%
Other revenues	11 689	13 411	-13%
<b>Total</b>	<b>58 963</b>	<b>131 597</b>	<b>-55%</b>

### Note 21: Sales of produced goods and services

This item includes revenues from sales of various produced goods and services provided by the Bank, which cover mainly secured documents produced by Dar As-Sikkah, including the biometric passport. The selling price of these documents is fixed on the basis of data from the analytical system established by the Bank. This item also consists of changes in inventories of finished products, in-process production and commemorative coins.

The increase in this item to 168,366 KDH (+17%) was mainly attributed to higher inventories, mainly finished goods and in-process production, including the overall change, which stood at 18,096 KDH.

### Note 22: Miscellaneous revenues

Miscellaneous revenues include, inter alia, the recovery of costs paid by the Bank and the contribution of banks to the Moroccan Gross Settlement Systems.

Their 93 percent increase was mainly due to tax adjustments resulting from the increase of the deductible proportion rate of VAT from 25 percent to 46 percent.

### Note 23: Reversals of provisions

Reversals of provisions in 2013 cover mainly those constituted under the depreciation of foreign investment securities (see Table 3-2-31 of Note 32 of the PLA).

**Note 24: Noncurrent revenues**

This item includes exceptional noncurrent revenues, with a significant impact both in absolute and relative figures.

Noncurrent revenues dropped by 86 percent compared to 2012, which was marked by proceeds from the sale of a Bank's property.

**Note 25: Interest paid on liabilities in gold and foreign currency**

This item posts in 2013 an amount of 4,479 KDH which corresponds to the commissions paid quarterly by the Bank on SDR allocations accorded by the IMF to Morocco as a member country (see Note 3 of the balance sheet).

**Note 26: Interest paid on deposits and liabilities in dirhams**

It covers particularly interests paid by the Bank on:

- The required reserve constituted by banks with BAM and remunerated at the rate of 0.75 percent per year;
- Deposits at the account of Hassan II Fund for Economic and Social Development and the Treasury current account (for payment conditions, see Note 10 of the balance sheet).

**Table 3-2-26 : Interest on liabilities in dirhams**

In thousands of dirhams	2013	2012	Change in %
<b>Interest paid</b>			
Required reserve account	116 084	157 642	-26%
Other accounts	160 026	166 559	-4%
Treasury account	62 390	63 722	-2%
<b>Total</b>	<b>276 111</b>	<b>324 201</b>	<b>-15%</b>

This item can also include, in a context of excess liquidity, interests paid by the Bank as part of liquidity mopping up operations under liquidity withdrawals, deposits facilities and swap of dirhams against currencies.

In 2013, these interests fell to 276,111 KDH, down 15 percent compared to 2012, mainly due to lower required reserve payments (-26%).

**Note 27: Commissions paid**

These are commissions paid in exchange for financial services provided to the Bank such as the custody of Moroccan (4,072 KDH) and foreign (5,519 KDH) securities.

**Note 28: Other financial expenses**

This item covers losses on foreign currency transactions including, mainly, losses on investment securities sales and deferral of premiums on Treasury bills and similar securities.

These expenses amounted to 739,548 KDH, down 12 percent, mainly due to the following changes:

- a 72 percent decline in deferral of premiums on foreign securities, due to the reduction of the investment portfolio;
- a 91 percent increase in losses in foreign investment securities sales, mainly reflecting the nature of the securities acquired.

**Table 3-2-27 : Other financial expenses**

In thousands of dirhams	2013	2012	Change in %
Losses in investment securities sales	600 251	313 880	91%
Deferral of premiums on foreign securities	122 968	434 963	-72%
Other expenses	16 330	95 209	-83%
<b>Total</b>	<b>739 548</b>	<b>844 052</b>	<b>-12%</b>

**Note 29: Staff expenses**

This item includes the salaries and wages, allowances and bonuses paid to the Bank staff, employer basic and supplementary contributions to Bank Al-Maghrib Staff Pension Fund and contributions to the Mutual Fund, social security charges and various insurance premiums.

**Table 3-2-28 : Staff expenses**

In thousands of dirhams	2013	2012	Change in %
Staff salaries and social security contributions	687 618	783 323	-12%
Training expenses	5 297	5 689	-7%
Other expenses	15 720	16 390	-4%
<b>Total</b>	<b>708 634</b>	<b>805 402<sup>(*)</sup></b>	<b>-12%</b>

(\*) Accounting reclassification of 5.7 million dirhams in 2012 between "staff expenses" and "purchases of materials and supplies".

It decreased by 12 percent compared to 2012, a year burdened by an exceptional expense of 150,000 KDH, relating to the conversion of the long-term loan granted in December 1994 by the Bank to the Pension Fund into special dues.

Payroll rose in 2013 by 8.6 percent to 672,618 KDH, as the collective variable premium was recorded as of this year in personnel expenses, which were included previously in allocations to provisions for expenses. Excluding the effect of this charge, change in the payroll would stand at 1.7 percent, in line with the target set by the Bank three years ago to limit the growth of this entry to around 3 percent.

**Note 30: Purchases of materials and supplies**

Raw materials (paper, ink, coin blanks, electronic chips and precious metals) are used in the manufacturing of coins and banknotes, secured documents and commemorative coins. This item also includes changes in inventories of raw materials and supplies as well as rebates,

**Table 3-2-29 : Purchases of materials and supplies**

In thousands of dirhams	2013	2012	Change in %
Purchase of raw materials	179 094	159 481	12%
Purchase of consumable materials and supplies	31 993	27 913	15%
Other purchases	24 249	10 243	>100%
<b>Total</b>	<b>235 337</b>	<b>197 637<sup>(*)</sup></b>	<b>19%</b>

(\*) Accounting reclassification of 5.7 million dirhams in 2012 between "staff expenses" and "purchases of materials and supplies".

discounts and payment deductions obtained on purchases, and granted to the Bank by its suppliers.

Its 19 percent growth was mainly attributed to changes in inventories of raw materials and supplies, which stood at -24,082 KDH in 2013 as against -53,641 KDH at end-2012.

### Note 31: Other external expenses

They include all Bank overheads and current expenditure covering, inter alia, computer maintenance, building upkeep, rental, water and electricity consumption as well as various taxes. These expenses were similar to last year, standing at 284,869 KDH, thus reflecting the Bank's resolve to reduce its overheads.

### Note 32 : Depreciations and provisions

#### Depreciations

**Table 3-2-30 : Depreciations**

In thousands of dirhams	2013	2012
<b>Depreciations of tangible and intangible fixed assets</b>	<b>340 939</b>	<b>299 460</b>
Real properties	121 258	119 288
Furniture and equipment	152 325	130 285
Other tangible fixed assets	43	43
Intangible fixed assets	67 313	49 844
Amortization expenses of other costs to be spread out over many fiscal years	5 462	3 168
Amortization expenses of previous fiscal years	4 526	4 132
<b>Total</b>	<b>350 926</b>	<b>306 759</b>

#### Provisions

**Table 3-2-31 : Provisions**

In thousands of dirhams	Outstanding amount 31/12/2012	Expenses	Reversals	Other changes	Outstanding amount 31/12/2013
<b>Provisions for depreciation</b>					
Foreign Treasury bills and similar securities	410 276	237 775	371 858	-48	276 240
Miscellaneous stocks and values	3 655	4 121	3 655		4 121
Moroccan equity securities	3 000	3 900			6 900
Foreign equity securities					
<b>Provisions for risks and expenses posted under liabilities</b>					
Provisions for risks and expenses	39 617	11 680	13 892		37 404
Other provisions	42 042			41 631	411
<b>Total</b>		<b>257 476</b>	<b>389 405</b>		

For the terms of the constitution and reversal of provisions, see Section 5-2 "Assessment Methods" and Note 11 of the balance sheet.

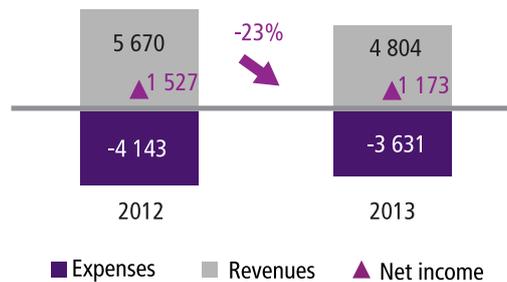
### Note 33: Noncurrent expenses

Non-recurrent expenses include mainly the amount of the solidarity social contribution on profits, calculated in 2013 based on 2 percent of the Bank's net income (23,940 KDH).

### Note 34: Corporate tax

The tax rate is fixed at 37 percent under Article 19 of the General Tax Code, which is the taxation level applied to credit institutions under common law.

Chart 3-2-1 : Change in revenues, expenses and net income (in millions of dirhams)



## 3-3 Statutory Audit Report

**Deloitte.**

I.F. : 1021006  
R.C. : 51 451  
CNSS : 2749797  
TP : 30220009

**Deloitte Audit**  
288, Boulevard Zerktouni  
Casablanca  
Maroc

Téléphone : + 212 522 22 40 25  
+ 212 522 22 47 34  
Télécopieur : + 212 522 22 40 78  
+ 212 522 22 47 59

*(This is a free translation into English of our audit report signed and issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed solely in accordance with, Moroccan law and Moroccan professional auditing standards).*

### **STATUTORY AUDIT REPORT FISCAL YEAR ENDED DECEMBER 31<sup>st</sup>, 2013**

In accordance with our engagement as statutory auditors by the Bank's Board, we have audited the accompanying financial statements including the balance sheet, the profit and loss account and the attached disclosures here attached of BANK AL MAGHRIB for the year ended December 31<sup>st</sup>, 2013, which show a net equity of 5 534 045 thousands of Moroccan Dirhams and a net profit of 1 173 059 thousands of Moroccan Dirhams.

#### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of these financials statements, in accordance with generally accepted accounting principles and standards in Morocco. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the financial statements that are free from material misstatement and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Morocco. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statements presentation.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion on the financial statements**

We certify that the financial statements mentioned in the first paragraph show, in all material aspects, a fair view of the results of the operations for the year ended as well as of the financial situation and the assets of BANK AL MAGHRIB on December 31st, 2013, in accordance with generally accepted accounting principles in Morocco.

Without disputing the above opinion, we would note that assets and liabilities in gold and currencies have been assessed according to the principles provided in the statement A1 of the attached disclosures.

**Specific Procedures and Disclosures**

We have notably ensured the correspondence of the information provided in the management report with the Bank's financial statements.

March 26<sup>th</sup>, 2014

**Deloitte Audit**

A handwritten signature in blue ink, consisting of several loops and flourishes, positioned above the name Fawzi Britel.

**Fawzi BRITEL**  
Partner

## **3-4 Approval by the Bank Board**

In compliance with article 55 of Law No 76-03 bearing Statutes of Bank Al-Maghrib, the financial statements are hereby submitted by the Governor for approval by the Board.

At its meeting on March 25th, 2014, after having taken cognizance of the statutory auditor's opinion on the sincerity of the financial statements and their conformity with the information given in the Bank's management report, the Board approved the financial statements of the fiscal year 2013 and the distribution of the net income.



---

**Bank Al-Maghrib**  
**Finance and Strategy Department**

---