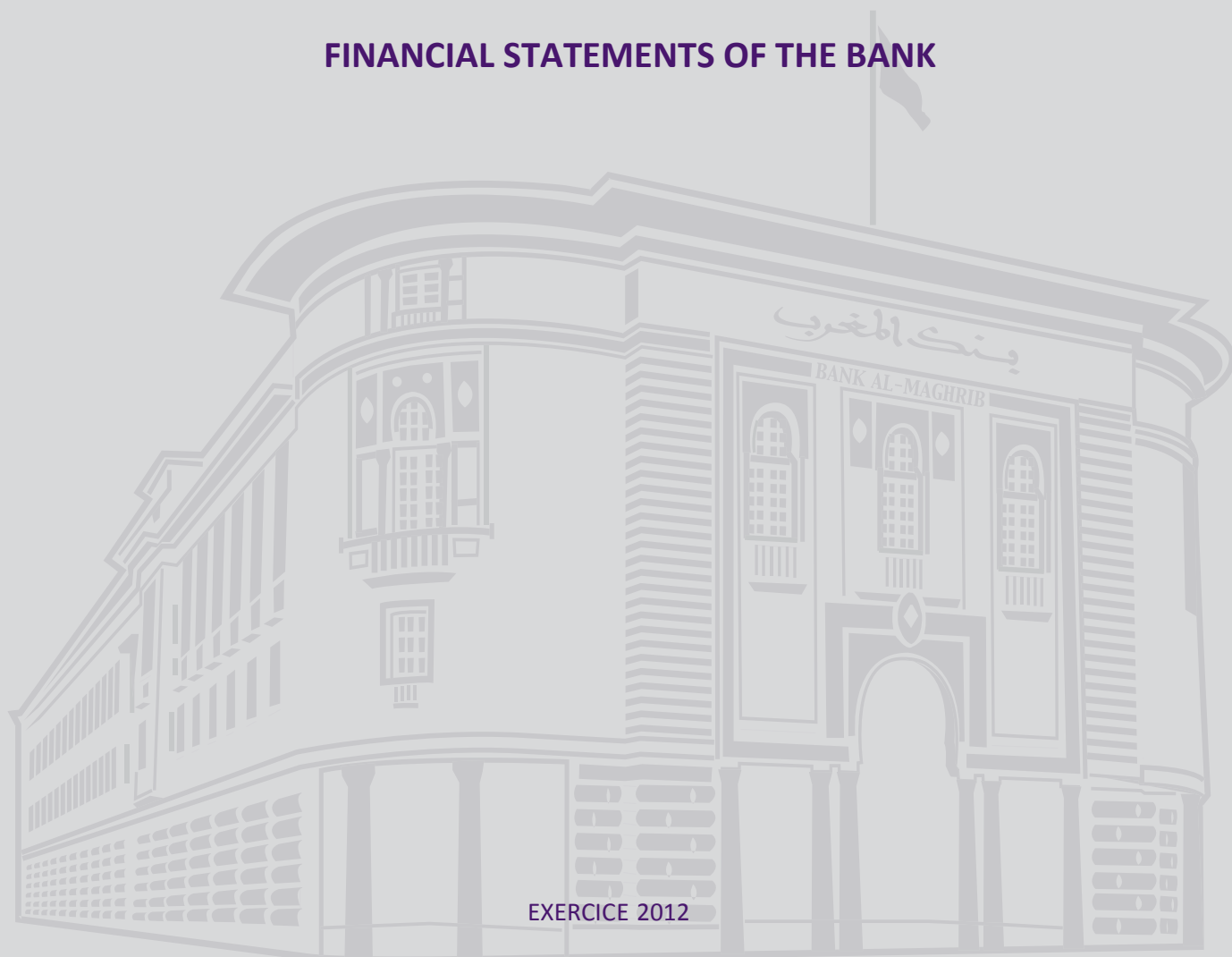




FINANCIAL STATEMENTS OF THE BANK



EXERCICE 2012

Balance sheet

1. Balance sheet as at December 31, 2012

Assets (in KDH) ^(*)	Notes	31/12/2012	31/12/2011
Holdings and investments in gold	1	9 946 351	9 571 626
Holdings and investments in foreign currency	2	134 367 658	161 265 474
- Holdings and investments held in foreign banks		26 662 609	19 472 831
- Foreign Treasury bills and similar securities		102 249 212	137 307 963
- Other holdings in foreign currency		5 455 837	4 484 680
Holdings in international financial institutions	3	5 142 456	6 668 110
- IMF subscription-Reserve tranche		1 105 435	1 110 328
- Special Rights Drawings holdings		3 769 687	5 286 188
- Subscription to the Arab Monetary Fund		267 333	271 593
Lending to the Government		-	-
- Conventional advances		-	-
- Overdraft facilities advances		-	-
- Other facilities		-	-
Claims on Moroccan credit institutions and similar bodies	4	69 286 710	39 330 041
- Securities received under repurchase agreements		15 005 114	15 001 597
- Advances to the banks		54 182 946	24 001 223
- Other claims		98 650	327 221
Treasury bills - Open market operations		-	-
Other assets	5	7 533 358	7 058 502
- Sundry debtors		5 028 720	5 629 441
- Other miscellaneous assets		2 504 638	1 429 061
Fixed assets	6	3 577 145	3 182 867
TOTAL ASSETS		229 853 677	227 076 620

(*) In thousands of dirhams.

In this part, 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.

Liabilities (in KDH)	Notes	31/12/2012	31/12/2011
Banknotes and coins in circulation	7	172 493 352	166 252 990
- Banknotes		169 925 633	163 807 102
- Coins		2 567 719	2 445 888
Liabilities in gold and in foreign currency	8	3 380 196	3 451 385
- Liabilities in gold		-	-
- Liabilities in foreign currency		3 380 196	3 451 385
Liabilities in convertible dirhams	9	222 014	211 949
- Liabilities in convertible dirhams to international financial institutions		212 813	202 136
- Other liabilities		9 201	9 813
Deposits and liabilities in dirham	10	26 997 811	29 566 029
Current account of the Treasury		2 870 774	1 979 729
Deposits and liabilities in convertible dirhams to Moroccan banks		20 126 676	23 787 663
- Current accounts		20 126 676	23 787 663
- Liquidity-withdrawal accounts		-	-
- Deposit facility accounts		-	-
Deposits of general government and public institutions		1 515 766	1 309 496
Other accounts		2 484 594	2 489 141
Other liabilities	11	12 422 322	13 155 415
Special Rights Drawings Allocations	12	7 276 936	7 392 898
Equity capital and the like (including)	13	5 533 954	5 533 810
- Equity capital		500 000	500 000
- Reserves		5 001 340	5 001 340
- Retained earnings		21 014	20 869
Net income of the fiscal year		1 527 091	1 512 144
TOTAL LIABILITIES		229 853 677	227 076 620

2. Profit and loss statement as at December 31, 2012

(in KDH)	Notes	31/12/2012	31/12/2011
Interests earned on holdings and investments on gold and foreign currency	17	2 908 570	3 983 664
Interests earned on claims on Moroccan credit institutions and similar ones	18	1 927 422	778 872
Other interests earned	19	7 660	-56 923
Commissions earned	20	325 859	371 070
Other financial revenues	21	131 597	137 159
Sales of produced goods and services	22	143 845	207 373
Miscellaneous revenues	23	21 803	27 726
Reversal of amortization		-	4 528
Reversal of provisions (*)	24	144 511	3 744 373
Noncurrent revenues	25	59 156	894
Total revenues		5 670 423	9 198 736
Interests paid on liabilities in gold and foreign currency	26	7 883	28 698
Interests paid on deposits and liabilities in dirham	27	324 201	368 814
Commissions paid	28	14 798	15 009
Other financial expenses	29	844 052	941 514
Staff expenses	30	799 713	955 483
Purchase of materials and supplies	31	203 326	268 827
Other external expenses	32	284 699	242 838
Amortization and provisions expenses (*)	33	674 364	3 905 157
Noncurrent expenses	34	39 876	5 498
Corporate taxes	35	950 419	954 753
Total expenses		4 143 332	7 686 592
Income		1 527 091	1 512 144

(*) See Box 3.2.1: New accounting presentation of expenses and reversal of provisions

3. Off-balance sheet as at December 31, 2012

In KDH	Notes	31/12/2012	31/12/2011
Spot foreign exchange transactions			
- Spot delivery of currencies			
- Spot purchase of dirhams			
Forward foreign exchange transactions			
- Currencies receivable			
- Currencies payable			
Currency exchange-deposit transactions	14	2 045 124	-
Foreign exchange transaction-arbitrage operations	14		
- Foreign currencies receivable		306 496	720 073
- Foreign currencies payable		305 632	718 247
Off-balance currency adjustment		-	-
Liabilities on derivatives		-	-
Liabilities on securities	15	-	-
- Securities received on advances granted		73 336	41 069
		198	179
- Securities received on advances to be granted		2 968 300	2 144 600
- Foreign securities receivable		-	832 950
- Securities deliverable		-	-
Other liabilities	16		
- Received market guarantees		100 586	40 171
- Liabilities of guarantees received for staff loans		787 544	731 954
- Financing liabilities granted to the staff		41 431	43 019
- Other granted liabilities		1 000	1 000

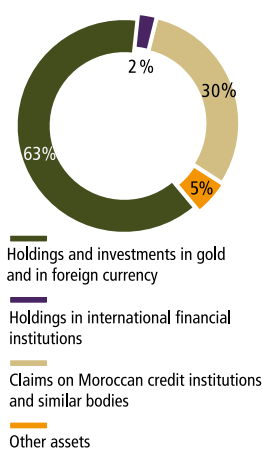
3.1 Bank balance sheet

At the end of the fiscal year 2012, Bank Al-Maghrib balance sheet totaled 229,853,677 KDH, up 2,777,057 KDH or 1 percent compared to 2011.

In terms of assets, this change results from the combined effect of higher advances to banks as part of the monetary policy and lower holdings and investments in foreign currency.

As to liabilities, the change is due to higher currency in circulation, offset by lower deposits of banks with BAM.

3.1.1 ASSETS

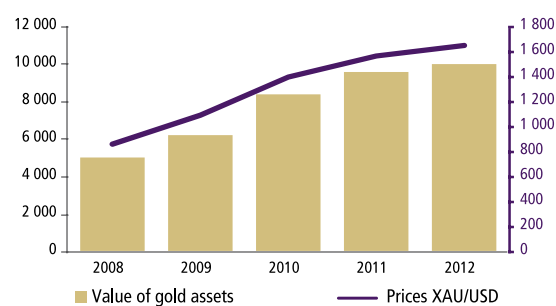


(In KDH)	Notes	2012	2011	Δ %
Holdings and investments in gold	1	9 946 351	9 571 626	4
Holdings and investments in foreign currency	2	134 367 658	161 265 474	-17
Holdings in international financial institutions	3	5 142 456	6 668 110	-23
Claims on Moroccan credit institutions and similar bodies	4	69 286 710	39 330 041	76
Other assets	5	7 533 358	7 058 502	7
Fixed values	6	3 577 145	3 182 867	12
Total assets		229 853 677	227 076 620	1

Holdings and investments in gold

The equivalent value of assets in gold continued to rise in 2012 to 9,946,351 KDH, up 4 percent compared to 2011, in connection with rising gold prices, which reached 1,664 dollars per ounce at the end of December 2012. The gold stock held by the Bank remained almost unchanged at 708,766 ounces (equivalent to 22 tonnes).

Chart 3.1.1: Change in the value of gold assets (in MDH)



Holdings and investment in foreign currencies

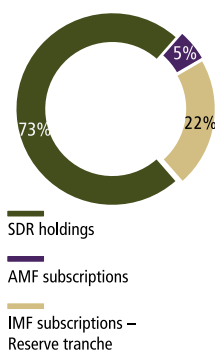
With a total of 134,367,658 KDH, assets and investments in foreign currencies are the most important asset item. Their share in the balance sheet, which was 84 percent in 2010 and 71 percent in 2011, is no more than 58 percent in 2012, in conjunction with the contraction of foreign exchange reserves.

Month on month, this item showed one-off increases of 0.7 percent in August 2012 due to foreign currency earnings during the summer and 6 percent at end-December 2012, owing to the Treasury issuance of 1.5 billion U.S. dollars, on the international financial market.

The share of bond securities stands at the end of the year at 76 percent, while monetary investments fell to 4 percent while other assets and investments accounted for 20 percent of this item.

The rise in the latter in 2012 is mainly due to the increase by the Bank of its deposits with central banks given zero or even negative rates and higher credit risk.

Assets with international financial institutions



These assets decreased from 6,668,110 KDH to 5,142,456 KDH, down 23 percent compared to the previous year, reflecting mainly lower SDR holdings following the repayment during this year of loan installments, for the Treasury, contracted with the Arab Monetary Fund, totaling 105,136,806 SDR as against 80,513,415 SDR settled in 2011.

Table 3.1.1: Change in the volume effect and exchange rates on holdings and investments in foreign currencies

Effect 2012/2011	Δ %
Volume	
EUR	-23.5
USD	19.9
Exchange rate	
EUR	0.4
USD	-1.7

Table 3.1.2: Structure of holdings and investments in foreign currencies

In KDH	2012		2011	
	Montant	Part	Montant	Part
Monetary investments ⁽¹⁾	4 714 327	4%	11 112 764	7%
Bond securities held for sale	56 518 862	42%	72 047 023	44%
Investment bond securities	46 140 625	34%	65 419 160	41%
Miscellaneous ⁽²⁾	26 993 844	20%	12 686 527	8%
Total assets in foreign currencies	134 367 658	100%	161 265 474	100%

(1) With foreign banks

(2) Including demand deposits with central banks and management authorizations

Table 3.1.3: Breakdown of bond portfolios by maturity

	2012	2011
< 1 year	61%	79%
> 1 year	39%	21%
Total	100%	100%

Claims on Moroccan credit institutions and similar bodies

Box 3.1.1: Monetary policy decisions

The Bank Board decided at its meeting of March 2012 to bring the key rate from 3.25 percent to 3 percent, against a backdrop of significant decline in economic activity and a central inflation forecast permanently in line with the price stability objective and a balance of risks tilted to the downside in the first quarter of the year

Moreover, taking into account the extent and sustainability of liquidity needs as well as forecast changes in liquidity factors, the Board also reduced in September the required reserve ratio from 6 percent to 4 percent. This measure resulted in the reduction of 7,600 MDH in the minimum amount of the required reserve.

Following the intensification of liquidity needs in 2012 in connection with the widening trade balance deficit, Bank Al-Maghrib continued its accommodative policy by injecting liquidity necessary for maintaining the bank treasuries balance and the stability of the interbank rate at a level close to the key rate.

The Bank also initiated in December, as part of its longer-term operations, a loan secured by private securities for SMEs and VSEs, amounting to 2,380,000 KDH and relaxed eligibility standards of certificates of deposit, as part of enlarging the collateral eligible for monetary policy operations.

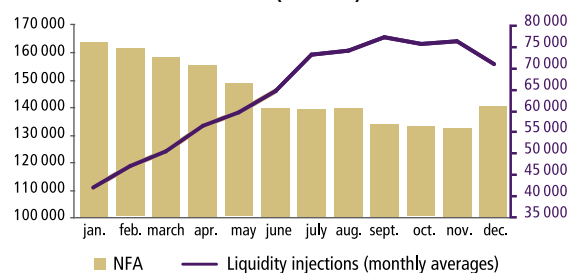
In 2012, the bank liquidity deficit amplified significantly, owing to the restrictive effect of autonomous factors, particularly foreign currency assets.

In this context, Bank Al-Maghrib increased the volume of its liquidity injections, which continued to be carried out, mainly through 7-day advances.

Table 3.1.4 : Claims on credit institutions

In KDH	2012	2011	Δ %
Repurchase agreements			
7-day advances	51 002 182	24 001 223	112
24-hour advances	800 764	-	NS
Repos	15 005 114	15 001 597	-
Secured loans			
	2 380 000	-	NS

Chart 3.1.2: Restrictive effect of NFA on bank liquidity in 2012 (in MDH)



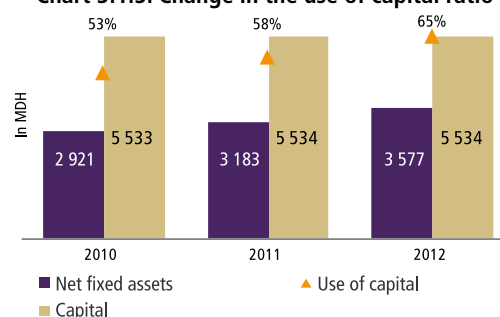
Fixed assets

Table 3.1.5: Composition of fixed assets

In KDH	2012	2011	Δ value	Δ %
Fixed loans	638 520	728 806	-90 286	-12
Equity securities	66 536	146 924	-80 387	-55
Tangible and intangible fixed assets	5 671 158	4 864 322	806 836	17
Gross fixed assets	6 376 214	5 740 051	636 162	11
Amortization and provisions	2 799 068	2 557 184	241 884	9
Net fixed assets	3 577 145	3 182 867	394 278	12

Gross fixed assets of the Bank rose at end-December 2012 to 6,376,214 KDH, which is an annual increase of 636,162 KDH or 11 percent. Given allocations to amortization or to provisions for depreciation, amounting to 2,799,068 KDH, net fixed assets totaled 3,577,145 KDH, up 12 percent compared to 2011.

Chart 3.1.3: Change in the use of capital ratio



Fixed loans fell by 90,286 KDH to 638,520 KDH at the end of December 2012, mainly due to the conversion in 2012 of a long-term loan of 150,000 KDH granted by the Bank to the Pension Fund into special dues.

Table 3.1.6 : Equity securities

In KDH	2012	2011	Δ valeur	Δ %
Securities held in Moroccan institutions (including)	26 765	26 765	-	-
Dar Ad-Damane	1 265	1 265	-	-
Maroclear	4 000	4 000	-	-
Moroccan Financial Board	20 000	20 000	-	-
Securities held in foreign financial institutions	39 772	120 159	-80 387	-67
Ubac Curaçao	23 228	104 081	-81 852	-78
Swift	519	188	330	175
Arab Monetary Fund	5 926	5 791	134	2
Arab Trade Financing Program	10 099	10 099	-	-
Gross total of equity securities	66 536	146 924	-80 387	-55
Provisions	3 000	60 650	-57 650	-95
Net total of equity securities	63 536	86 274	-22 737	-26

The gross value of the Bank portfolio of equity securities declined from 146,924 KDH in 2011 to 66,536 KDH in 2012, down 80,387 KDH. This is due to lower equities held by the Bank in Ubac Curaçao, as this institution reduced in 2012 its capital following the reduction of the nominal value of its shares from 50 to 10 USD.

The value of the Bank's equities in the capital of SWIFT moved up, year on year, from 188 to 519 KDH, in conjunction with the purchase by the Bank of 9 additional shares, in accordance with the general rules applicable to shareholders which stipulate that SWIFT shares must be reallocated at least every three years.

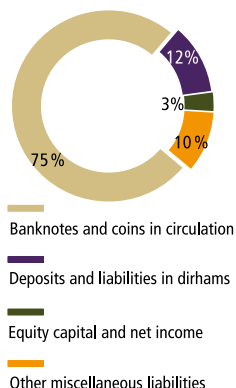
Table 3.1.7 : Tangible and intangible fixed assets

In KDH	Real properties	Land	Constructions and works in progress	Fixtures, fittings and facilities	Furniture and equipment	Miscellaneous	Intangible fixed assets	Total
Gross amount beginning of the fiscal year	2 109 098	232 732	187 448	160 396	1 499 102	203 091	472 455	4 864 322
Increase								
Purchase	225		66 044	28 568	648 593	24 146	45 131	812 707
Transfer	128 772		41		23 970		5 953	158 736
Decrease								
Sale	26	3	741	460	4 641			5 871
Transfer			128 772	41			29 923	158 736
Gross amount end of the fiscal year	2 238 070	232 729	124 020	188 463	2 167 023	227 237	493 616	5 671 158

The increase of 806,836 KDH or 17 percent in gross tangible and intangible fixed assets in 2012 is mainly due to:

- the continued modernization of Dar As-Sikkah equipment (624,711 KDH) and the Bank buildings (operating and non operating);
- the construction of a holiday center in Agadir and an indoor swimming pool at the holiday center of Tangier (27,595 KDH), as part of social activities;
- and the strengthening of the Bank's information systems (20,575 KDH).

3.1.2 LIABILITIES



In KDH	Notes	2012	2011	Δ %
Banknotes and coins in circulation	7	172 493 352	166 252 990	4
Liabilities in gold and foreign currency	8	3 380 196	3 451 385	-2
Liabilities in convertible dirhams	9	222 014	211 949	5
Deposits and liabilities in dirhams	10	26 997 811	29 566 029	-9
Other liabilities (*)	11	12 422 322	13 155 415	-6
Special Drawing Rights allocations	12	7 276 936	7 392 898	-2
Equity capital and the like	13	5 533 954	5 533 810	-
Net income of the fiscal year		1 527 091	1 512 144	1
Total liabilities		229 853 677	227 076 620	1

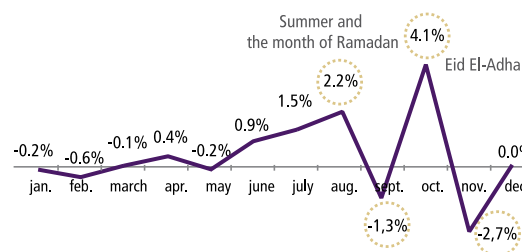
(*) Including account of reevaluation of foreign exchange reserves

Notes and coins in circulation

Currency in circulation, which remains the most significant liability item (75 percent), increased due to higher demand for banknotes. It reached 172,493,352 KDH, which is an annual increase of 4 percent compared to 9 percent in 2011.

Month on month, currency in circulation overall changed depending on its seasonal pattern. Indeed, it recorded peaks followed by periods of reflux in the 3rd and 4th quarters of 2012, during summer time, the month of Ramadan and the celebration of Eid El-Adha.

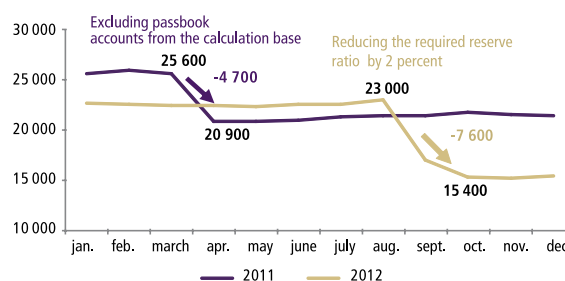
Chart 3.1.4: Monthly change in banknotes and coins in circulation in 2012



Deposits and liabilities in dirhams

They fell to 26,997,811 KDH, down 2,568,218 KDH, mainly due to a 15 percent decrease in assets of banks' current accounts, reflecting partially a decline in required reserve ratio from 6 percent to 4 percent, in September 2012.

Chart 3.1.5: Change in amount of required reserve (in millions of dirhams)



The current account position of Treasury and deposits of general government and public institutions rose respectively by 45 percent and 16 percent to 2,870,774 KDH and 1,515,766 KDH at the end of December 2012.

Special Drawing Rights allocations

The value of the Special Drawing Rights allocations declined by 115,961 in KDH, totaling 7,276,936 KDH, mainly due to the depreciation of the dollar at the end of December 2012 compared to the end of 2011.

Equity capital and the like

Their amount stood at 5,533,954 KDH remained virtually unchanged from the previous year.

Table3.1.8 : Equity capital and the like

In KDH	2012	2011
including		
Capital	500 000	500 000
Reserves	5 001 340	5 001 340
Retained earnings	21 014	20 869

3.1.3 Balance sheet by main transactions as at December 31, 2012

Transactions in gold and foreign currencies

In KDH	2012	2011	Δ %
Assets	149 456 465	177 505 210	-16
Holdings and investments in gold	9 946 351	9 571 626	4
Holdings and investments in foreign currency	134 367 658	161 265 474	-17
Assets in international financial institutions	5 142 456	6 668 110	-23
Liabilities	22 261 025	21 663 837	3
Liabilities in gold, foreign currency and convertible dirhams	3 602 210	3 663 334	-2
Special Drawing Rights allocations	7 276 936	7 392 898	-2
Account of revaluation of foreign exchange reserve	11 381 879	10 607 605	7
Transactions in gold and foreign currency (*)	-127 195 439	-155 841 373	-18

(*) Liabilities - assets

Transactions with the State

In KDH	2012	2011	Δ %
Assets	-	-	-
Moroccan Treasury bills	-	-	-
Liabilities (including)	3 644 960	2 676 208	36
Treasury account	2 870 774	1 979 729	45
Hassan II Fund	636 309	582 568	9
Transactions with the State (*)	3 644 960	2 676 208	36

(*) Liabilities - assets

Net position of credit institutions

In KDH	2012	2011	Δ %
Assets	69 286 710	39 330 041	76
Claims on Moroccan credit institutions and similar bodies	69 286 710	39 330 041	76
Liabilities	20 126 676	23 787 663	-15
Deposits and liabilities to Moroccan banks	20 126 676	23 787 663	-15
Net position to credit institutions (*)	-49 160 033	-15 542 377	216

(*) Liabilities - assets

3.2 Profit and loss account

In this part of the document on profits and losses, the change in the presentation of allocations/ reversals of provisions for depreciations of investment securities must be taken into account.

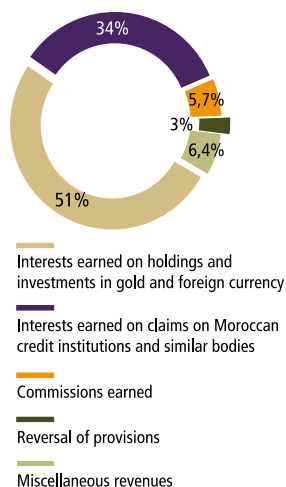
Box 3.2.1: New accounting presentation of allocations and reversals of provisions

In accordance with the principle of clarity, the accounting presentation of allocations and reversals of foreign securities provisions was revised in 2012. Regarding the fiscal year 2011, this new approach helped better track the cost of the risk on these securities during the year in the endowment accounts.

Meanwhile, the total or partial reduction of this risk is recorded in the withdrawal accounts.

This operation has no impact on the income as the differential (allocations-reversals) remains the same in both presentations, while improving the reading of the Bank's profit and loss accounts.

3.2.1 Revenues



Main items in KDH	Notes	2012	2011	Δ %
Interests earned on holdings and investments in gold and foreign currency	17	2 908 570	3 983 664	-27
Interests earned on claims on credit institutions and similar bodies	18	1 927 422	778 872	147
Commissions earned	20	325 859	371 070	-12
Other financial revenues	21	131 597	137 159	-4
Sales of produced goods and services	22	143 845	207 373	-31
Miscellaneous revenues	23	21 803	27 726	-21
Reversal of provisions	24	144 511	3 744 373	-96
Noncurrent revenues	25	59 156	894	NS
Total revenues		5 670 423	9 198 736	-38

The Bank revenues fell, from one year-end to another, from 9,198,736 KDH to 5,670,423 KDH, showing a contraction of 38 percent, largely due to the change, which occurred at the end of the year, in the presentation of allocations/reversals of provisions for depreciation of foreign securities, thus responding to a recommendation by the statutory auditor. Excluding the impact of this new presentation, revenues would be up by 2 percent compared to 2011.

This operation has no impact on income since the differential (allocations - reversals) remains the same in both presentations. This differential stood at + 251,902 KDH in 2012 as against -135,879 KDH in 2011.

Table 3.2.1 : Structure of revenues

In KDH	2012		2011	
	Amount	Share	Amount	Share
Revenues of investment in foreign currency	3 028 581	53%	4 053 277	44%
Monetary policy revenues	1 927 262	34%	778 872	9%
Revenues of other operations ^(*)	714 580	13%	4 366 587	47%
Total revenues	5 670 423	100%	9 198 736	100%

(*) including commissions, sales of secured documents and reversals of provisions.

Interests of investments in gold and foreign currency

Reflecting the contraction of foreign assets and the persistent context of low interest rates, interest from management operations of foreign exchange reserves showed a decline of 27 percent to 2,908,570 KDH compared to 2011.

Table 3.2.2 : Interests earned on holdings in foreign currency

In KDH	2012	2011	Δ %
Monetary segment	36 347	125 499	-71
Bond segment-holding	831 231	1 157 467	-28
Bond segment - investment	2 016 430	2 641 421	-24
SRD holdings	5 086	23 489	-78

Revenue of bonds dropped by 951,227 KDH or 25 percent, to 2,847,661 KDH, while the monetary item generated interests of around 36,347 KDH, down 89,152 KDH or 71 percent compared to 2011.

Interest received on claims on Moroccan credit institutions and similar bodies

In 2012, bank refinancing increased significantly, in conjunction with continued tight bank liquidity. Against this background, Bank Al-Maghrib intervened mainly through 7-day advances whose average outstanding amount reached 47,436,650 KDH as against 21,598,105 KDH at the end of December 2011.

It extended long-term repo operations, amounting to 15,005,114 KDH and initiated a secured loan operation of 2,380,000 KDH. It also conducted, occasionally, 24-hour advances for an average outstanding amount of 416,309 KDH.

These various operations generated interests totaling 1,927,262 KDH as against 778,872 KDH in 2011.

Table 3.2.3 : Interests earned on bank refinancing operations

En KDH	2012	2011	Δ %
Repo operations			
7-day advances	1 441 887	701 938	105
Repurchase agreement	466 616	74 938	NS
24-hour advances	16 652	1 995	NS
Secured loans	2 107	-	NS

Commissions earned

The commissions earned by the Bank in payment for services provided to customers stood at end-December 2012 at 325,859 KDH, down 45,210 KDH or 12 percent compared to the previous year. This change is mainly attributable to lower foreign exchange commission.

Other financial revenues

Other financial revenues, which essentially consist of gains generated from foreign currency transactions, fell by 5,562 KDH or 4 percent to 131,597 KDH, in conjunction with:

- drops of 49 percent in revenues from deferral of discounts on foreign securities and 51 percent in gains in management authorizations;
- an increase of 94 percent in gains from foreign investment securities sales due to the appreciation of their prices in a context of bearish rates.

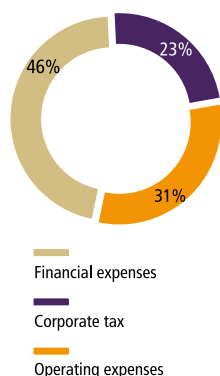
Sales of produced goods and services

The 31 percent decline in this section is mainly attributed to the decrease in inventories of goods in process, whose change stood at -34,116 KDH. Meanwhile, sales of secured documents remained at the same level of the previous year, totaling 154,485 KDH, including 143,207 KDH generated by the biometric passport.

Non-recurrent revenues

These revenues amounted at end-December 2012 to 59,156 KDH, including 28,989 KDH as proceeds from the sale of a Bank's real property.

3.2.2 Expenses



In KDH	Notes	2012	2011	Δ %
Operating expenses		1 287 739	1 467 148	-12
Staff expenses	30	799 713	955 483	-16
Purchase of materials and supplies	31	203 326	268 827	-24
Other external expenses	32	284 699	242 838	17
Financial expenses (including)		1 905 174	5 264 691	-64
Interests paid on deposits and liabilities in dirham	27	324 201	368 814	-12
Other financial expenses	29	844 052	941 514	-10
Amortization and provisions expenses	33	674 364	3 905 157	-83
Noncurrent expenses	34	39 876	5 498	NS
Total expenses excluding CT		3 192 913	6 731 839	-53
Corporate tax	35	950 419	954 753	-0,5
Total expenses		4 143 332	7 686 592	-46

The overall expenses of the Bank fell to 4,143,332 KDH, down 3,543,259 KDH or -46 percent compared to 2011, covering a decrease of 3,359,517 KDH in financial expenses. The new accounting presentation of allocations/reversals of provisions for depreciation of foreign securities is behind the change in expenses in 2012. Excluding the effect of this change, these expenses would increase 2 percent compared to 2011.

Operating expenses

Operating expenses dropped to 1,287,739 KDH at end-December 2012, down 12 percent or 179,409 KDH compared to 2011.

- **Staff expenses**

Staff expenses contracted by 155,770 KDH or 16 percent, standing at 799,713 KDH as against 955,483 KDH in 2011, including 303,482 KDH as the final installment of the annual share of the Bank's liabilities to welfare funds. Fiscal 2012 recorded a charge of 150,000 KDH relating to the conversion of a long-term loan granted in December 1994 by the Bank to the Pension Fund into special dues.

Payroll decreased by 0.4 percent to 619,323 KDH in 2012 as against 621,831 KDH in 2011 which was marked by an exceptional charge of 16,146 KDH relating to the pension coverage cost for contractual staff (Decision of the Board at its 228th meeting of March 29, 2011).

Excluding this charge, change in payroll would be around 2.2 percent, in line with the target set by the Bank to limit for three years the growth of this item around 3 percent.

- **Purchases of materials and supplies**

This item showed a decline of 24 percent or 65,500 KDH compared to the previous year, due to:

- lower purchase costs of coin blanks, owing to the use of new cheaper alloys of coin blanks for the new series of coins, which allowed this year for a budget optimization of 21 percent compared to 2011;
- higher inventories of raw materials.

- **Other external expenses**

These expenses increased by 17 percent or 41,862 KDH, mainly due to:

- higher costs for maintaining computer software;
- higher costs for renting the "Patios" building that house, temporarily, the entities of the Central Administration.

Financial expenses

Financial expenses ended the year 2012 with a decrease of 64 percent compared to 2011, amounting to 1,905,174 KDH, mainly in conjunction with the new accounting presentation of

allocations to provisions for depreciation of securities. Thus, this item fell from 3,508,604 in 2011 to 306,026 KDH in 2012.

Excluding this major trend, other expense items showed relatively moderate changes:

- a decrease of 97,463 KDH in other financial expenses due to the combined effect of:

- a decline of 116,882 KDH in losses in foreign investment securities sales and 66,725 KDH in deferral of premiums on investment securities, following the reduction of the investment portfolio size;
- a loss of 76,780 KDH resulting from the reduction of the UBAC Curaçao capital;

Table 3.2.4 : Other financial expenses

In KDH	2012	2011	Δ %
Other financial expenses (including)	844 052	941 514	-10
Losses of investment securities sales	313 880	430 762	-27
Defferal of premiums on foreign securities	434 963	501 688	-13
Losses on equity securities	76 780	-	NS

- a decrease of 44,613 KDH (-12 percent) of interests paid on deposits and liabilities in dirhams, which moved down to 324,201 KDH, in connection with a decline in both:

- interests paid by the Bank on the required reserve (-9 percent), following the decrease of the minimum required in this regard;
- a decline in the remuneration of deposit of Hassan II Fund for Economic and Social Development and Treasury current account (-18 percent) due to the decrease in their deposits with the Bank in fiscal 2012.

Table 3.2.5 : Interests paid on deposits and liabilities

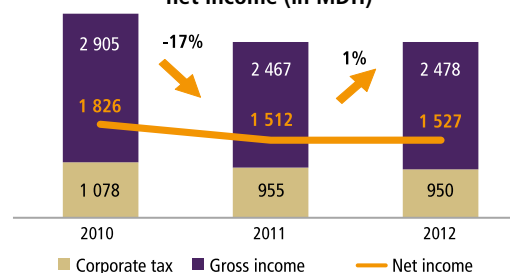
In KDH	2012	2011	Δ %
Interests paid on deposits and liabilities (including)	324 201	368 814	-12
Available reserve	157 642	173 030	-9
Hassan II Fund	29 240	39 759	-26
Treasury	64 013	74 153	-14

- increase of 34,378 KDH in non-recurrent expenses compared to 2011, primarily due to the Bank's contribution in 2012 to the Social Cohesion Fund (37,804 KDH representing 2.5 percent of the net income for fiscal 2011).

Net income

After deduction of income taxes, amounting to 950,419 KDH, net income stood at 1,527,091 KDH at the end of 2012, up 1 percent compared to 2011.

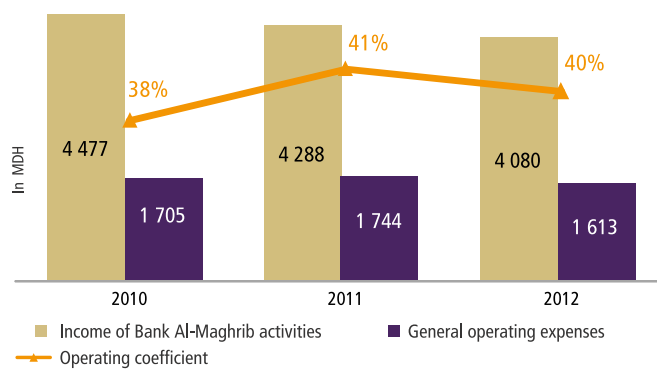
Chart 3.2.1: Change in gross income, corporate tax and net income (in MDH)



3.2.3 Statement of management balances as at December 31, 2012

In KDH	2012	2011	Δ %
Income of Bank Al-Maghrif activities	4 080 163	4 287 470	-5
Income of reserves management transactions	2 004 870	3 274 290	-39
Income of monetary policy transactions	1 769 620	605 842	192
Income of other banking transactions	305 673	407 608	-25
General operating expenses	1 613 040	1 744 466	-8
Gross operating income	2 467 123	2 543 274	-3
Noncurrent income	10 387	-76 377	-114
Corporate taxes	950 419	954 753	-0,5
Net income	1 527 091	1 512 144	1

Chart 3.2.2: Change in operating coefficient



3.3 Annexes to accounts

3.3.1 Legal Framework

The financial statements of Bank Al-Maghrib 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 the stock and its fixed and other assets, and applies peculiar assessments for all operations specific to Bank Al-Maghrib .

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

3.3.2 Accounting principles and evaluation rules

Foreign exchange operations

Foreign exchange operations include spot and forward purchases and sales of foreign exchange, whether for the Bank's own account or as part of intermediation with banks. These transactions are entered in the corresponding off-balance sheet accounts on 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 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 revaluation are entered in the account of exchange reserves evaluation posted in the liabilities of the Bank's balance sheet, in accordance with the provisions of the convention governing this account, concluded between Bank Al-Maghrib and the Government on December 29, 2006. This convention 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 management of exchange reserves 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 to re-sell them within a short deadline not exceeding six months. They are recorded, right from the start, 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 2012, Bank Al-Maghrif holds no transaction security in its portfolio.

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

- 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.
- At the end of every month, the unrealized losses in value resulting from the difference between the book value and the market value of these securities are subjected to depreciation provisions. On the contrary, 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 investment securities to include short-term discount securities. These securities are recorded at their purchase price including interests. Commitment interests are spread over the life of the securities and entered in the revenue accounts at the end of each month.

. Investment portfolio: It consists of securities acquired with the intention of being held until maturity.

- They are recorded at their purchase price, excluding costs and, if need be, accrued coupons;

- Gains or losses on these securities are not recorded.
- 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 assets in foreign currency

The Bank holds a portfolio of securities denominated in US dollars. The management of that portfolio is delegated to external managers based on contracts fixing the performance benchmark. These securities are recorded at their market value. They are initially recorded at their purchase price; the gains or losses recognized at the end of each month are entered in the appropriate profit and loss accounts, on the basis of the month-end net asset 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 are depreciated 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, is as follows:

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

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.

Being unlisted, these shareholdings are evaluated at the end of the fiscal year following the method of the net asset value, 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.

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

3.4 Information 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.

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. As at December 31, 2012, the breakdown by kind of securities of the item "foreign Treasury bills and the like" is as follows:

Table 3.4.1 : Breakdown of portfolios by type of securities

In KDH	2010	2011	2012
Investment securities	67 654 029	65 419 160	46 140 625
Provisions	-65 672	-17 866	-648
Securities held for sale	69 263 882	72 047 023	56 518 862
Provisions	-228 413	-140 556	-409 628
TOTAL	136 623 826	137 307 761	102 249 212

Note 3 : Assets with international financial institutions

This item includes:

- **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 (913,157 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 (192,279 KDH) equivalent to the subscription in national currency by Bank Al-Maghrib, deposited to the IMF "Account No.1" open in the books of our Institute.

It should be noted that Morocco's full contribution to the capital of the IMF amounts to 588.20 million SDR, of which 85.5 percent is held by the Treasury (in national currency).

- **SDR assets:** This account records 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 and reimbursement of Morocco's borrowings.

These available funds are remunerated by the IMF on a quarterly basis.

- **AMF subscription:** This account represents the fraction paid by the Bank for the subscription, paid up in foreign currency, in the capital of the AMF.

Morocco's participation in this institution amounts to 27.55 million Arab dinars, divided between Bank Al-Maghrib and the Treasury:

- 200 thousand Arab dinars paid in national currency and deposited to the AMF account open in Bank Al-Maghrib books. The share paid by the latter amounts to 150 thousand Arab dinars (5,926 KDH);

- 14.8 million Arab dinars subscribed in foreign currency, of which 6.87 million Arab dinars subscribed by the Central Bank (267,333 KDH);
- 12.55 million Arab dinars, of which 5.88 million attributable to Bank Al-Maghrib for the AMF capital increase by incorporation of reserves, which took place in 2005.

Note 4 : Claims on Moroccan credit institutions and similar bodies

This item comprises operations of refinancing credit institutions as part of the monetary policy conduct. As at December 31, 2013, this item consists mainly of:

Table 3.4.2 : Claims on credit institutions

In KDH	2012	2011	Δ %
Repurchase agreements			
7-day advances	51 002 182	24 001 223	112
24-hour advances	800 764	-	NS
Repos	15 005 114	15 001 597	-
Secured loans	2 380 000	-	NS

Note 5 : Other assets

This item includes primarily:

- Miscellaneous debtors consisting mainly of miscellaneous claims of the Bank;
- The equalization accounts which are mainly composed of expenses to be spread out over many fiscal years, expenses recognized in advance, and revenues due, making it possible to attach to each fiscal year the revenues and expenses relevant thereto as well as any other debtor amount pending equalization;
- Cash accounts including checks for immediate credit.

Note 6 : Fixed assets

This entry includes:

- Loans granted by the Bank to its staff members;
- Stakes in Moroccan and foreign financial institutions;
- Operating and nonoperating tangible and intangible fixed assets.

Note 7 : Banknotes and coins in circulation

This entry covers the difference between banknotes and coins issued by the Bank and those deposited with the Bank.

Note 8 : Liabilities in gold and foreign currency

This entry mainly comprises currency deposits of Moroccan banks, foreign banks and nonresidents.

Note 9 : Liabilities in convertible dirhams

This entry 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 relative to SDR.

Note 10 : Deposits and liabilities in dirhams

This entry includes:

- The current account of the public Treasury, where all transactions are recorded. The credit balance of this account is remunerated according to the requirements below in accordance with the convention signed between the Ministry of Economy and Finance and Bank Al-Maghrib in 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 minus one-hundred basis points;
 - The tranche higher than 2 billion dirhams up to 3 billion dirhams is remunerated at the rate of 7-day advances;
 - 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, whose rate at the end of 2012, is 4 percent, remunerated by 0.75 percent per year;
- Accounts of liquidity withdrawals and deposit facilities;
- Accounts of other residents, including the account of Hassan II Fund for Economic and Social Development, remunerated at the rate of 7-day advances, minus 50 basis points.

Note 11 : Other liabilities

This entry includes:

- Miscellaneous creditors, primarily consisting of tax and fiscal withholdings, other sums payable to the State, and contributions to provident funds and institutions for social security pending settlement;
- The equalization accounts which are mainly composed of transactions between branches, expenses to be paid and revenues recognized in advance, making it possible to attach to each fiscal year the revenues and expenses relevant thereto as well as 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 will most likely be realized. The provisions set in 2012 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 conformity with the provisions of the agreement signed between Bank Al-Maghrib and the State to regulate this account. In case of a deficit compared 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.

Note 12 : Special Drawing Rights allocations

This entry corresponds to the value in dirhams of the amounts for SDR allocations granted by the IMF to Morocco as a member country.

Commissions on these allocations are paid by the Bank on a quarterly basis.

Note 13 : Equity capital and the like

This item includes:

- The capital of Bank Al-Maghrib, totaling 500,000 KDH;
- Reserves totaling 5,001,340 dirhams at the end of December 2012, and
- Retained earnings, totaling 21,014 KDH.

3.5 Information on off-balance sheet items

The Bank keeps record of off-balance sheet liabilities, describing 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 liability includes liabilities in foreign currency, liabilities on securities and other liabilities.

Note 14 : Foreign exchange transactions

In KDH	2012	2011
Currency exchange-deposit transactions	2 045 124	-
Foreign exchange transaction-arbitrage operations		
Foreign currencies receivable	306 496	720 073
Foreign currencies payable	305 632	718 247

Note 15 : 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, credit claims, etc.).

In KDH	2012	2011
Securities received on advances granted	73 336 198	41 069 179
Securities received on advances to be granted	2 968 300	2 144 600
Foreign securities receivable	-	832 950
Securities deliverable		

Note 16 : Other liabilities

In KDH	2012	2011
Received market guarantees	100 586	40 171
Liabilities of guarantees received for staff loans	787 544	731 954
Financing liabilities granted to the staff	41 431	43 019
Other granted liabilities	1 000	1 000

3.6 Notes on profit and loss statement items

Note 17 : Interest earned on holdings and investments in gold and foreign currency

This item is the most important revenue in the profit and loss statement and 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.

Note 18 : 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.

In 2012, the bank refinancing was provided by the use of:

- Main transactions: 7-day advances at auction granted at the key rate, the main instrument for implementing the monetary policy;
- Long-term operations in the form of:
 - 3-month repurchase agreements at the key rate;
 - and secured loans, conducted on a quarterly basis, with a rate calculated based on the average key rate during the period under review.
- Standing facilities through 24-hour advances at the policy rate plus one hundred basis points.

Note 19 : Other interest earned

This item covers interests due to the Bank under loans granted to its staff for real-estate purchase and construction.

Note 20 : Commissions earned

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

Note 21 : Other financial revenues

Other financial revenues are formed mainly of gains generated from foreign currency transactions, namely:

- Gains from investment securities sales and those recognized on the basis of the month-end net asset values of management authorizations (87,342 KDH), gains from foreign exchange trading operations and derivative revenues, including futures, initiated in 2012 as part of a more dynamic management of bond portfolios.
- Deferral of discounts on Treasury bills and similar securities over their residual life (30,843 KDH). These discounts are recognized when the securities purchase price is less than the redemption price.

Note 22 : Sales of produced goods and services

This item includes revenues of the sales of various produced goods and services provided by the Bank with the exception of banking services. Sales cover mainly secured documents produced by Dar As-Sikkah, including the biometric passport.

The selling price of these documents (about fifty) is fixed on the basis of data from ABC-type analytical system established in the Bank and covers all expenses incurred in this regard.

This item also consists of sales of damaged parts, which totaled 10,437 KDH in 2012.

In addition, this item includes changes in inventories of finished products, in-process production and commemorative coins (-27,856 KDH).

Note 23 : Miscellaneous revenues

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

Note 24 : Reversals of provisions

Reversals refer to different constituted provisions (depreciation of securities and stocks, risks and charges) (see Note 33 in Profit and loss statement).

Note 25 : Noncurrent revenues

This item includes exceptional noncurrent revenues, with a significant character both in absolute and relative figures. It covers, particularly, in 2012 the proceeds from the sale of a Bank's property.

Note 26 : Interest paid on liabilities in gold and foreign currency

This item shows in 2012 a balance of 7,883 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 12 of the balance sheet).

Note 27 : 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).

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.

Note 28 : Commissions paid

These are commissions paid in exchange for financial services provided to the Bank such as the custody of Moroccan (4,867 KDH) and foreign (5,915 KDH) securities and gold assets (303 KDH).

Note 29 : 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.

Note 30 : 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-Maghrif Staff Pension Fund and contributions to the Mutual Fund, social security charges and various insurance premiums.

Note 31 : Purchases of materials and supplies

These are purchases of raw materials (paper, ink, coin blanks, etc.), which are used in the manufacture of coins and banknotes, secured documents, collector coins and commemorative coins. This item also includes changes in inventories of raw materials and supplies as well as rebates, discounts and payment deductions not included in invoices and obtained on purchases, granted to the Bank by its suppliers.

Note 32 : Other external expenses

They include all Bank overheads and current expenditure covering, inter alia, building maintenance and upkeep, rental, consumption of water, electricity, fuel, donations and grants, missions and travel, entertainment and receptions as well as various taxes.

Note 33 : Amortization and provisions expenses

Table 3.6.1 : Statements of provisions

In KDH	Outstanding amount 31/12/2011	Allocations	Reversals	Other changes	Outstanding amount 31/12/2012
Provisions for depreciation					
Foreign Treasury bills and similar securities	158 220	306 026	54 125	154	410 276
Miscellaneous stocks and values	21 044	3 655	21 044		3 655
Moroccan equity securities	1 650	3 000	1 650		3 000
Foreign equity securities	59 000	-	59 000		-
Provisions posted under liabilities					
Paid leaves	8 396	8 000	8 396		8 000
Risks (litigations)	28 920	2 994	297		31 617
Other provisions	40 168	43 930		42 057	42 042

Note 34 : Noncurrent expenses

This post reflects the exceptional non-recurrent expenses, with a significant character both in absolute and relative figures. It includes, in 2012, the amount of the Bank's contribution to the Social Cohesion Fund calculated on the basis of 2.5 percent of its net income for fiscal 2011.

Note 35 : Corporate tax

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

3.7 Statutory audit report

Deloitte.

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(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 PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2012

In accordance with our assignment 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 31st, 2012, which show a net equity of 5 533 954 thousands of Moroccan Dirhams and a net profit of 1 527 091 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 these financial statements 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 basis for our audit opinion.



Opinion on the financial statements

We certify that the financial statements mentioned in the first paragraph above give, in all their material aspects, a fair view of the results of the operations for the year ended as well as of the financial position and the assets of BANK AL MAGHRIB as of December 31st, 2012, in accordance with generally accepted accounting principles in Morocco.

Without qualifying the above opinion, we would note that assets and liabilities in gold and foreign 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 26th, 2013

Deloitte Audit

A handwritten signature in blue ink, consisting of several overlapping loops and lines, representing the name Fawzi Britel.

Fawzi BRITEL
Partner

3.8 Approval by the Bank Board

In compliance with article 55 of Law N° 76-03 on the Statutes of Bank Al-Maghrib, the financial statements are submitted by the Governor to the Board for approval.

At its meeting on March 26, 2013, after having taken cognizance of the statutory auditor's opinion on the sincerity of the financial statements and their conformity with the information provided in the Bank's management report, the Board approved the financial statements of the fiscal year 2012 and the distribution of the net income.

Bank Al-Maghrib
Finance and Strategy Department
