Annual report 2008

التجاري وفا بنك
Attijariwafa bank

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Foreword

Mohamed Abouelouakar (Morocco),
mixed technique on paper 74x105 cm, Attijariwafa bank collection

In 2008, Attijariwafa bank Group consolidated its position as domestic and regional market leader through strong organic growth and a number of well-focused acquisitions. The Group continued to generate synergies across business lines.

With solid finances, a wealth of expertise and state-of-the-art systems, Attijariwafa bank Group has successfully reached the goal it set itself, which was to establish a business model and achieve critical mass enabling it to develop a regional presence across all business lines.

The implementation of Attijariwafa 2012, the Group's new strategic plan, in 2008, resulted in a number of innovative projects being initiated in areas which have been hitherto under-exploited and in the Group gaining exposure to those overseas markets which have reached maturity in Morocco.

Contents

Mohamed Abouelouakar (Morocco),
ink on silver birch bark, Persian miniature 24x32 cm
1996, Attijariwafa bank collection

Chairman's message

The Group's performance, at both a domestic and regional level, was remarkable in 2008, a year in which the Group adopted its new Attijariwafa 2012 strategic plan. The new plan enabled the Group to consolidate its position as domestic market leader and grow its international business by way of strong organic growth and a number of well-focused acquisitions. The Group continued to generate synergies across business lines.

The achievements of the past year have enabled us to reach new milestones in our development, thanks to the commitment and motivation of our employees, who remain firmly focused on the Group's development. With consolidated net banking income of MAD 11 billion, net income Group share of MAD 3.1 billion, consolidated shareholders' equity of MAD 21.1 billion and total consolidated net assets of MAD 258.9 billion, Attijariwafa bank has further strengthened its position as domestic market leader, whilst establishing itself as a leading institution on the African continent.

Domestically, the universal banking business saw strong growth thanks to the bank's strategy focusing on innovation and an expansion of the branch network. Performance indicators show that the Group made market share gains across all business segments and continued to attract new customers. Benefiting from intra-Group synergies, the Group's specialised subsidiaries registered very strong growth. Wafa Assurance, boosted by strong momentum in bancassurance, became one of the market leaders in its industry, like all other Group subsidiaries.

The Group has also embarked on a genuine transformation process by initiating a number of large-scale projects aimed at improving operational efficiency, ensuring that the very latest global industry regulations are met, reinforcing the risk management process and supporting the Group's development. In addition to implementing a new information systems strategy, which has already made a contribution in operational terms, significant progress was made regarding the operational risk management, Basel II and ALM projects.

Overseas, the Group has continued to establish its presence across the region.

Attijariwafa bank signed an agreement to acquire Crédit Agricole's five African subsidiaries, thereby accelerating its overseas development and expanding its coverage to include Congo Brazzaville, the Ivory Coast and Cameroon.

In Tunisia, the performance of Attijari bank Tunisie was one of the best in the industry, due to the successful completion of the bank's restructuring. In Senegal, the merger between CBAO and Attijari bank Senegal, completed in record time, was a marked success and has strengthened the bank's position as market leader in the UEMOA region. In Mali, the Group completed the acquisition of a 51% stake in Banque Internationale pour le Mali (BIM), which has already embarked on an ambitious restructuring plan by capitalising on the expertise acquired by employees in this area.

In 2009, we intend to make every effort to maintain the momentum generated by the Attijariwafa 2012 strategic plan in an increasingly difficult operating environment. Attijariwafa bank is determined to continue to gain market share, deliver a high level of profitability and be a socially responsible corporation. A number of initiatives have been launched aimed at providing banking services to as many as possible and at facilitating the development of the rapidly-growing very small enterprise sector.

With its newly-acquired status, characterised by increased penetration of African markets, Attijariwafa bank is obliged to constantly strive for excellence in all ways for the benefit of its stakeholders. Our employees, with diverse skills and backgrounds, are highly motivated in reaching the common goal of delivering long-term growth.

Mohamed El KETTANI
Chairman and Chief Executive Officer

GOVERNING bodies

Executive Committee

(a) **Mr. Omar BOUNJOU**
Managing Director,
Retailing Banking Division

(b) **Mr. Boubker JAÏ**
Managing Director, Financing,
Investment Banking and Capital Markets
and Financial Subsidiaries Division

(c) **Mr. Ismaïl DOUIRI**
Managing Director, Finance,
Transformation and Operations Division

(d) **Mr. Hassan BEDRAOUI**
Group Information Systems

(e) **Mr. Amin BENJELLOUN TOUIMI**
Specialised Financial Services

(f) **Mr. Saâd BENJELLOUN TOUIMI**
Corporate Banking

(g) **Mr. Abdeljaouad DOSS BENNANI**
Group Finance

(h) **Mr. Talal EL BELLAJ**
Global Risk Management

(i) **Mr. Chakib ERQUIZI**
Capital Markets

(j) **Mr. Mouawia ESSEKELLI**
Managing Director,
Attijariwafa bank Europe

(k) **Mr. Omar GHOMARI**
Group Human Capital

(l) **Mrs. Wafaâ GUESSOUS**
Buying, Logistics
and Secretary to the Board

(m) **Mrs. Mouna KADIRI**
Group Communication

(n) **Mrs. Noufissa KESSAR**
Private Banking

(o) **Mr. Mounir OUDGHIRI**
Information Systems
Transformation

(p) **Mr. Abdelkrim RAGHNI**
Managing Director,
CBAO Groupe Attijariwafa bank

(q) **Mr. Youssef ROUISSI**
Financing

(r) **Mr. Brahim SAÏD**
General Audit

(s) **Mr. Said SEBTI**
Personal and Professional
Banking

(t) **Mr. Abdellatif SEDDIQI**
Rationalisation of Structures

(u) **Mr. Hicham SEFFA**
Services and Customer Processing

Board of Directors

Mr. Abdelaziz ALAMI
Honorary Chairman

Mr. Mohamed EL KETTANI
Chairman and Chief Executive Officer

Mr. El Mouatassim BELGHAZI
Vice-Chairman

Mr. Antonio ESCAMEZ TORRES
Vice-Chairman

Mr. Mounir EL MAJIDI
Representing SIGER

Mr. Hassan BOUHEMOU
Representing SNI

Mr. José REIG
Director

Mr. Abed YACOUBI SOUSSANE
Director

Mr. Javier Hidalgo BLAZQUEZ
Director

Mr. Manuel VARELA
Representing Grupo Santander

Mr. Hassan OURIAGLI
Representing F3I

Mr. Matias AMAT ROCA
Representing Corporación Financiera Caja de Madrid

Mrs. Wafaâ GUESSOUS
Secretary

Strategy Committee

Mr. Mohamed EL KETTANI
Chairman

Members

Mr. Hassan BOUHEMOU

Mr. El Mouatassim BELGHAZI

Mr. Antonio ESCAMEZ TORRES

Mr. José REIG

Associate members

Include the Bank's divisional heads.

Guest members

The Strategy Committee may invite any person to its meetings whom it considers useful for its work.

General Management Committee

Mr. Mohamed EL KETTANI
Chairman

Mr. Omar BOUNJOU

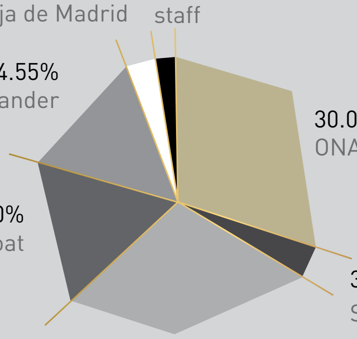
Mr. Boubker JAÏ

Mr. Ismaïl DOUIRI

Non-standing members

Include those persons with responsibility for those issues under discussion.

Shareholders at 31 December 2008



2008 HIGHLIGHTS

Attijariwafa bank's acquisition of a 51% stake in BIM (Banque Internationale pour le Mali) finalised in Bamako.

Merger of Attijari bank Sénégal and CBAO finalised, resulting in the creation of CBAO – Groupe Attijariwafa bank.

Agreement signed with Crédit Agricole to acquire the latter's majority stakes in five countries in West and Central Africa (the Gabon, Congo, Ivory Coast, Cameroon and Senegal).

Two subordinated bonds issued (one for MAD 1 billion in June and the other for MAD 2 billion in December).

Annual General Meeting of Shareholders approves a resolution to reduce the nominal value of the company's shares from 100 dirhams to 10 dirhams.

Agreement signed with Moroccan universities to provide academic, technological and financial assistance.

Second Maghreb Development Forum in Casablanca, attended by the business community from all over North Africa, attracting more than 200 companies.

Launched the first International Master in Banking and Financial Markets in Morocco in partnership with Grupo Santander, Casablanca's Hassan II Aïn Chock University's Law, Economics and Social Sciences Faculty, the University of Cantabria in Spain, the UCEIF Foundation and the Euro Arab Foundation.

Attijariwafa bank awarded « Best bank in Morocco in 2008 » by Global Finance magazine in the United States.

ATTIJARIWAFA BANK in figures

Key figures

INDICATORS (in MAD billions)	2008	2007
BUSINESS ACTIVITY		
Customer deposits *	151.7	136.4
Customer loans and advances *	132.2	106.5
FINANCIAL POSITION		
Total net assets	258.9	211.9
Share capital	1.93	1.93
Shareholders' equity before appropriation of income	18.7	16.9
RESULTS		
Net banking income	11.0	8.8
General operating expenses	4.4	3.9
Gross operating income	6.1	4.6
Net income group share	3.1	2.5
RATIOS		
Return on shareholders' equity (ROE)	20.8%	17.8%
Return on assets (ROA)	1.4%	1.3%
Cost-income ratio*	41.5%	46.1%
Deposits/Employees (in MAD millions) *	28.2	27.3
Loans/Employees (in MAD millions) *	23.4	19.1
STOCK MARKET INDICATORS		
Share price at 31 December (in MAD)	258	3 080
EPS (in MAD)	16.16	127.2
DPS (in MAD)		
PER	15.94x	24,22x
Dividend yield	1.94%	1.62%
NUMBER OF EMPLOYEES		
Bank	5 064	4 723
Domestic branch network	703	624
Overseas branch network	53	43

* In Morocco.

Attijariwafa bank's share price performance – correction in line with the market

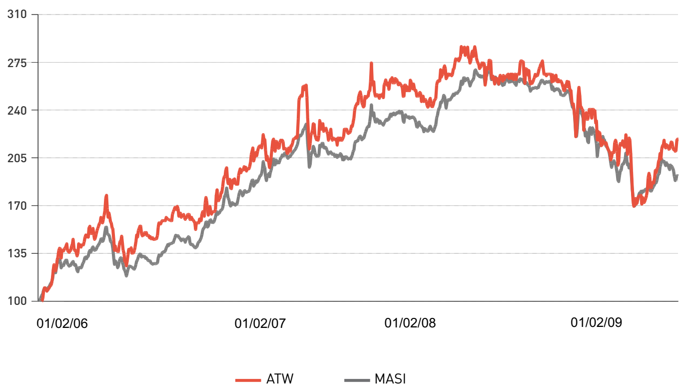
Attijariwafa bank this year split its stock, reducing the nominal value of its shares from 100 dirhams to 10 dirhams. The current number of shares outstanding is 192,995,960 shares.

In 2008, Attijariwafa bank's stock performed broadly in line with the market. Following the announcement in September 2008 of strong half-year performance, the shares continued to trend higher and reached an all-time high of 355 dirhams in February 2008.

During the second and third quarters 2008, market visibility deteriorated considerably. The share price stabilised, trading within a range of between 321.0 dirhams and 351.8 dirhams.

In September, the stock declined in line with the market to reach its year low of 247.4 dirhams. Attijariwafa bank's stock closed the year at 257.5 dirhams, registering a negative annual return of 19.5%, on average daily volume of MAD 36.8 million.

Share price performance Attijariwafa bank vs. MASI



Source : Attijari Intermédiation

Rating

FITCH RATING	July 2008
Long-term in foreign currency	BB+
Short-term in foreign currency	B
Long-term in local currency	BBB-
Short-term in local currency	F3
Outlook	stable

STANDARD & POORS	September 2008
Long-term	BB+
Short-term	B
Outlook	stable

CAPITAL INTELLIGENCE	March 2009
Long-term	BBB-
Short-term	A3
Financial Strength	BBB
Outlook	stable

Mohamed Abouelouakar (Morocco), mixed technique on paper 65x50 cm
Attijariwafa bank collection

Solid performance across the Group

Assuming a new dimension

Strong organic growth, well-targeted value-accretive acquisitions and a willingness to generate synergies between all its business lines have enabled the Group to consolidate its position as domestic and regional market leader.

Outstanding organic growth

Under the impetus of the new strategic plan, « Attijariwafa 2012 », the Group confirmed its position as domestic market leader thanks to strong organic growth. This resulted in the Group gaining market share in all businesses and strengthening its fundamentals.

Consolidated net banking income rose by 24.7% compared to 2007 to a new high of MAD 10.97 billion.

Consolidated net banking income benefited from the strong growth of each of the Group's divisions and, particularly, an increase of 93.7% in the contribution from International Retail Banking and of 22.3% in Specialised Financial Subsidiaries which made a contribution of 15% and 16% respectively to the Group's total net banking income.

Consolidated net income rose by 32.3% compared to 2007 to MAD 3.64 billion. Net income Group share increased 27.0% to MAD 3.12 billion.

At December 31, 2008, Attijariwafa bank's total net assets were MAD 258.9 billion, an increase of 22.2%.

Consolidated shareholders' equity increased 16.2% to MAD 21.1 billion.

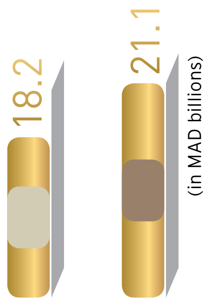
Such a strong financial performance has enabled the Group to underline its position as domestic market leader and accelerate its overseas growth and fulfil its ambition of becoming a major regional player.

With such a strong domestic base, the Group is able to implement its overseas growth strategy in a solid and controlled manner by applying a tried-and-tested business model.

Mohamed Abouelouakar (Morocco)
Attijariwafa bank collection

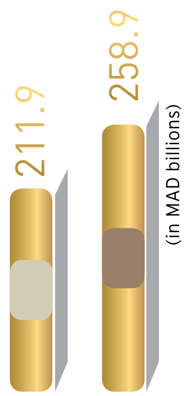
2007
2008

Consolidated shareholders' equity



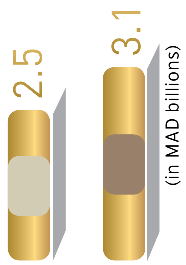
+16.2%

Consolidated net assets



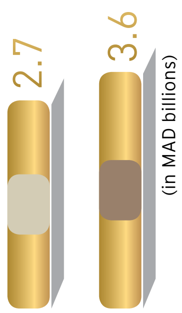
+22.2%

Net income group share



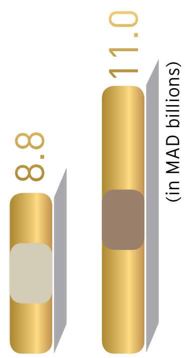
+27%

Consolidated net income



+32.3%

Consolidated net banking income



+24.7%

Assuming a new dimension

Domestic leader in all banking and financial services activities

Benefiting from a wealth of expertise across the entire spectrum of banking and financial services activities, Attijariwafa bank registered a strong performance in commercial banking, banking-related activities, and capital markets activities and investment banking.

A number of growth drivers have been identified in each business line with an emphasis placed on a dynamic and proactive sales approach, product and services innovation and a policy of customer proximity through an ambitious branch-opening programme and developing alternative distribution channels. The Group's marketing approach is in constant flux as it aims to satisfy the needs of a variety of market segments through products well-adapted to customers' needs. When new products are introduced, the branch network receives ample information and ongoing training is provided to sales staff.

Attijariwafa bank, which pioneered structured finance in Morocco, supports large domestic and foreign corporations involved in large-scale investment projects in key industries of the domestic economy such as energy, infrastructure, telecoms, off-shoring, manufacturing and property. The Group operates as a centre of expertise and advice in financial engineering and structured finance. It endeavours to work effectively with its customers in a spirit of partnership by offering innovative, competitive and made-to-measure financing solutions, adapted to the specific technical, financial and legal characteristics of each project.

Development: key figures

Consolidated net banking income : MAD 11.0 billion **(+24.7%)**
Consolidated net income : MAD 3.6 billions **(+32.3%)**
Net income group share : MAD 3.1 billions **(+27.0%)**
Consolidated shareholders' equity : MAD 21.1 billion **(+16.2%)**
Consolidated net assets : MAD 258.9 billion **(+22.2%)**

Number of Group employees (at end-2008) : 10,583 employees
Number of Group points of sale (at end-2008) : 1,456 point of sales

Farid Belkahia (Morocco)
Attijariwafa bank collection

Transformation phase

The Group has embarked on a major transformation phase commensurate with its ambitions. A number of major keystone projects supervised by multi-disciplinary managers have been initiated.

These include the « e-bitkar » IT systems project which has resulted in a number of operational programmes being implemented such as Basel II, profitability management, CRM, banking flows, European and African IT platforms as well as domestic subsidiaries sharing processing platforms.

« E-bitkar », which will support the Group's development, should have a profound impact on operations resulting in improved sales performance, better operational efficiency, new service quality standards and enhanced risk control.

The entire risk control process, which needs constant monitoring, has been rethought. This has resulted in a revamp of the Group's Global Risk Management policy so that it becomes a genuinely integral part of corporate strategy. By implementing a new IT policy for risk processes and a new operational risk policy, the Group has ensured that it not only incorporates regulatory changes but controls risks related to its rapid expansion.

The ALM function has also been bolstered. This has resulted in closer integration with the sales function, full compliance with regulatory requirements and convergence between economic goals and Basel II.

Acquisition of a 51% stake in BIM

Attjariwafa bank acquired a 51% stake in Banque Internationale pour le Mai (BIM) in 2008, thereby underlining its regional ambitions. In line with its business philosophy, the Group is committed to contributing to Mali's socio-economic development. This can primarily be achieved by giving impetus to the process of rolling-out banking services to as many as possible, not to mention the provision of financing solutions for small- and medium-sized enterprises. This latest deal shows the Group's willingness to develop south-south cooperation between two countries which have historic links.

Assuming a new
dimension

One group, two growth drivers

Attijariwafa bank, which aims to be a universal bank, is structured around two core divisions which incorporate the Group's various banking and finance businesses.

New growth drivers

Attijariwafa bank has identified a number of new domestic growth drivers. These include further developing Capital Markets and Investment Banking activities, Private Banking, Non-Resident Banking, the launch of Economical Banking, increased involvement in agricultural sector financing and support for very small enterprises and professional customers.

Investment in new business activities is a strategic priority which will enable the Group to remain ahead-of-the-curve and to prepare for the future in a socially-responsible manner.

Retail Banking Division

Personal and Professional Banking remains market leader in all market segments including deposit-taking, lending, product distribution and bancassurance.

The Group continues to aggressively expand its branch network, which now numbers 703 branches in Morocco, resulting in closer customer proximity.

Corporate Banking offers its customer a variety of appropriate products and service via its dedicated « Small- and medium-sized enterprise investment finance » unit and a network of 24 specialist business centres.

Mohamed Abouelouakar (Morocco)
Attijariwafa bank collection

Banking for Moroccans Living Abroad continues to win market share due to an appropriate sales strategy and initiatives designed to increase customer proximity with Moroccans living abroad. It draws on the capabilities of Attijariwafa bank Europe, Attijariwafa bank's European banking subsidiary, which has a presence in all countries in which Moroccans are resident with 55 points of sale.

Private Banking which is at the heart of Group strategy, is dedicated to serving high net worth clients. Private Banking, through its high-quality sales team, offers tailor-made asset management and private banking services to its clients and may draw on the expertise of other Group businesses.

Launch of Economical Banking, a first

The Group has demonstrated a strong commitment to improving the living conditions of Moroccans by launching the country's first Economical Banking service. This is aimed at democratising access to banking products and services by making such services available to those with low incomes. « Hssab Bikhir » offers customers a non-interest-bearing bank account without check book as well as straightforward products providing appropriate financing and bancassurance solutions.

Concrete expression of one of the major axes of strategic planning « Attijariwafa 2012 », « Hssab Bikhir » reflects the role of bank citizen, fully invested in the economic development and social of the country.

Assuming a new dimension

Financing Bank, Capital Markets and Investment Banking and Financial Subsidiaries

Financing Bank is the partner of choice for large companies in project finance by providing them with a range of bespoke, sophisticated services.

International Retail Banking is structured around a local bank network based in North African and sub-Saharan African countries. This network includes Attijari bank Tunisie and CBAO-Groupe Attijariwafa bank (Senegal), BIM (Mali) and the five new banks awaiting approval.

Capital Markets and Investment Banking actively encourages synergies between the Group's various business lines. The Capital Markets entity is renowned for its expertise in foreign exchange, derivatives products, trading, loan structuring and syndication. The Custody business, which enjoys a market share of 42%, is another « star » performer. In asset management, Wafa Gestion has acquired a reputation for anticipating clients' needs. By developing synergies with Personal and Professional Banking, it has again confirmed its status as market leader.

Attijari Finances Corp, the Group's corporate finance division, is domestic and regional market leader in M&A advisory activities and in equity and fixed income issuance. Attijari Finances Corp is now focusing on other markets in North Africa and French-speaking Africa to accompany its increasingly international domestic customers. Equity investment and brokerage activities are managed by Attijari Intermédiation, renowned for its highly efficient sales team, which was largely responsible for a 28% increase in trading volumes on the Casablanca Stock Exchange's Central Market and Wafabourse.com, Morocco's first live-time equity portfolio management portal. Attijari Invest, private equity specialist, manages three sector-specific funds and a regional fund.

Miloud Labied (Morocco)
Attijariwafa bank collection

Specialised Financial Services offers Attijariwafa bank's customers a comprehensive range of banking-related products and services due to constant innovation and the professionalism of its staff. Such financial services are provided by subsidiaries which are market leaders and have a recognised expertise in their respective businesses:

- Wafa Assurance in bancassurance
- Wafasalaf in consumer credit
- Wafa Immobilier in property loans
- Wafacash in money transfers
- Wafabail in leasing
- Wafa LLD in long-term rental
- Attijari Factoring Maroc in factoring

« GRC 2010 » – to improve customer service

Customer Relationship Management is a crucial factor in determining a company's success. The Group's sales approach is focused on building and developing personal relation with an increasingly broad and diversified customer base. The « GRC 2010 project », which was initiated in July 2007, is primarily aimed at improving branch employees' workstations by implementing an ultra-modern technological solution which provides an overall vision of the customer relationship. This will enable staff to become acquainted with their customers to be able to provide a better service and develop customer loyalty. The system was successfully introduced on a test-basis in a number of branches and the final version, which will include additional functionality such as customer service functions, indicators, targeting and segmentation, will be introduced during 2009-2010 across the entire branch network.

Assuming a new
dimension

One group, a new vision

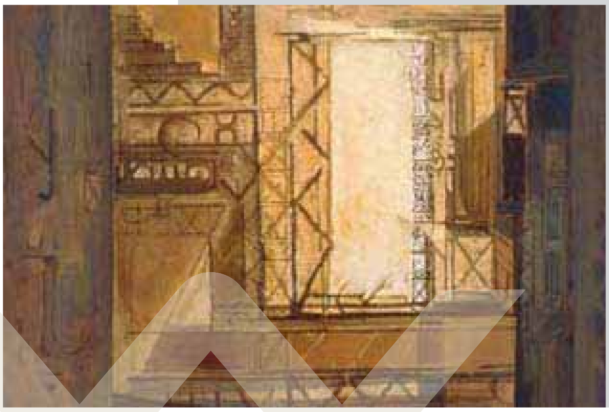
In 2008, just three years after the merger, the Group adopted a new corporate business plan, «Attjariwafa 2012». Its aim, which is to accelerate the Group's development, is ambitious and is based on two major strategic goals:

Domestically - To provide a service to as many as possible by:

- Continuing to implement a policy of customer proximity by opening, on average, a hundred new points of sale a year and adopting an approach aimed at giving more and more people access to banking services;
- Accelerating deposit-taking and lending activities as well as capturing an increasing share of money transfer volumes from Moroccans living abroad by leveraging its dedicated organisational structure: Banking for Moroccans Living Abroad and its European subsidiary, Attijariwafa bank Europe;
- Bolstering its SME strategy and adopting a strategy dedicated to very small enterprises;
- Implementing new service quality and risk control standards;
- Optimising intra-Group synergies both domestically and overseas;
- Consolidating the Group's position as undisputed market leader in corporate banking, capital markets and investment banking activities.

Overseas - To accelerate growth by:

- Bolstering the Group's presence in North Africa by implementing Attijari bank Tunisie's corporate business plan and starting operations in Libya;
- Continuing to expand throughout the region, particularly in West Africa and Central Africa;
- Developing in each country, in addition to traditional banking activities, banking-related and investment banking activities;
- Transferring experience to these countries acquired in the domestic market such as the Non-Resident Banking model.



Abdellah Sadouk (Morocco)
Attijariwafa bank collection

Countries in which Attijariwafa bank has operations

NORTH AFRICA: Attijari bank Tunisie

WEST AFRICA: CBAO-Groupe Attijariwafa bank, Banque Internationale pour le Mali (BIM), Société Ivoirienne de Banque, Crédit du Sénégal and Union Gabonaise de Banque (under approval)

CENTRAL AFRICA: Crédit du Congo and Société Camerounaise de Banque (under approval)

EUROPE: Attijariwafa bank Europe – Paris, France
Branches: Belgium, Germany, Holland, Italy
Commercial desks: Milan, Madrid, Barcelona

GLOBALLY: Representative offices: Spain, United Kingdom, Libya, Saudi Arabia, Abu Dhabi, China

Attijariwafa bank,
market leader in the region

In recent years, Attijariwafa bank has leveraged its position as domestic market leader by embarking on an ambitious yet well-planned overseas growth strategy. Attijariwafa bank has a vocation which goes beyond simply finding new growth opportunities and delivering earnings growth as Morocco's leading financial services group. It intends to fully participate in the process of developing south-south trade and capture the ever-rising volume of money transfers made by expatriate Moroccans living overseas.

At the International level 2008 was a year of change for Attijariwafa bank, which now has operations in 21 countries.

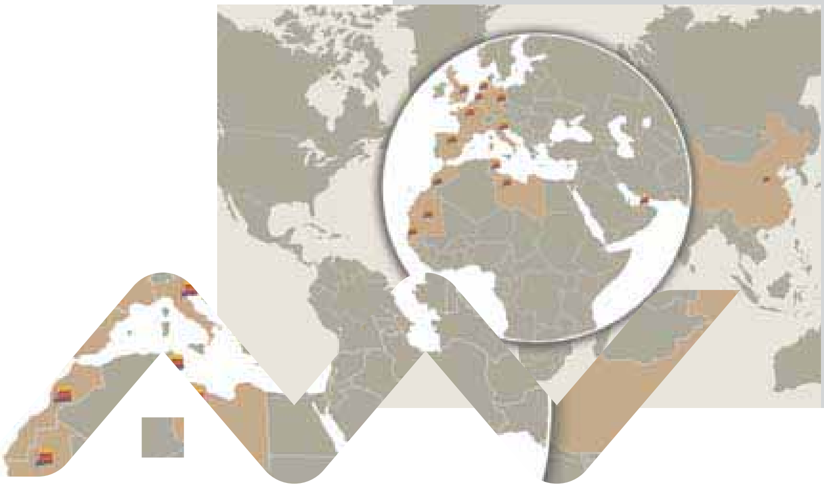
The Group's acquisition-lead growth strategy had begun with the acquisition of Tunisia's Banque du Sud, which became Attijari Bank Tunisie. The latter delivered strong growth in 2008. Banque Sénégalo-Tunisienne in Senegal was subsequently acquired and merged with Attijari Bank Sénégal.

The second pivotal phase in the bank's regional strategy saw the Group acquiring control of Compagnie Bancaire d'Afrique Occidentale (CBAO) before merging the entity with Attijari Bank Sénégal. As a result of these various acquisitions, CBAO – Groupe Attijariwafa bank was established in December 2008. This entity is now the established market leader in the West Africa Economic and Monetary Union (UEMOA).

Well-focused and pragmatic expansion

Attjiariwafa bank has continued to invest in Africa with the acquisition, in 2008, of Banque Internationale du Mali (BIM), the country's second bank, in response to an international tender by the country's government.

The same year, the Group also acquired Crédit Agricole's subsidiaries in five African countries. By acquiring majority stakes in major banks in Senegal, the Gabon, Cameroon, the Gabon, Congo and the Ivory Coast, the country's leading banking and financial services group has clearly demonstrated its determination in expanding its African business.



Attijariwafa bank Europe, considerable sales clout

The Group has also continued to pursue its European growth strategy by concentrating its entire European operations around Attijariwafa bank Europe. In order to improve its market penetration, the bank has decided to focus on two niche growth segments – retail banking services for Moroccans living abroad, particularly money transfers and corporate banking activities, aimed at developing trade between Morocco's traditional European partners and those African countries in which the bank has operations.

A coherent and visionary strategy

By developing strong relationships and synergies between its overseas subsidiaries, Attijariwafa bank has been able to maintain consistency in executing its overseas growth strategy. In doing so, the bank is able to assist Moroccan exporters penetrate new markets in Africa and develop close ties with local businesses.

Consistent with this strategy, the Group opened a representative office in Libya aimed at developing regional trade. Authorisation has also been granted by the Mauritanian government to open an office in the near future.

Attijariwafa bank is also very interested in developing its activities in the Middle East. The Group's Dubai and Abu Dhabi offices recorded a strong increase in investment activities and trading.

Mahi Bine Bine (Morocco), pigments and wax on canvas, 196x130 cm
2003, Attijariwafa bank collection

Group Human Capital

Group Human Capital,
Modernisation process on track

In 2008, Group Human Capital's strategy remained focused on four major goals – continue to modernise Human Resources' information systems (SIRH), adopt a more hands-on management approach, develop staff loyalty and implement an ambitious and innovative staff benefits policy.

Skills-enhancement by new technologies

Group Human Capital has reached an important stage in the IT systems modernisation process. Increased information-sharing within HR should result in greater efficiencies and a more hands-on management style.

Value-added HR activities such as recruitment, training, staff evaluation and skills management have been the principal beneficiaries from introducing new IT systems.

The new « Mawarid-Développement » portal has made it easier to enter data, track operations, retrieve personalised historical data and carry out reporting. Decision-making between Group Human Capital and managers has also improved as a result.

In order to generate synergies between Group Human Capital and managers, a system has been established with HR managers seconded to individual business units. By adopting this approach, internal communication has been enhanced thanks to initiatives aimed at raising staff awareness about certain issues as well as appropriate training.

Effective and high-quality management of Human Capital

Modernising HR's management methods has also made it easier for employees to access HR's information systems via a dedicated portal.

Administrative procedures have been reorganised so that each employee now has a single administration manager responsible for all administrative matters.

Implementation of SIRH has seen remuneration issues decentralised for the Group's domestic subsidiaries.

Career management, skills development and mobility high on the agenda

Anticipating staff needs and skills-development

The Group has adopted a policy aimed at matching skills to job profiles with the help of a database which matches competencies to posts which need to be filled.

Fouad Bellamine (Morocco)
Attijariwafa bank collection

This database will help to reduce the mismatch between the bank's recruitment requirements and its existing resources by 2012. It will also encourage employees to take a greater interest in their own professional development.

Several entities have also adopted succession and transfer plans at certain managerial levels.

Skills-based annual assessment

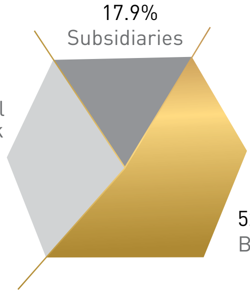
The staff assessment process has been redefined and now emphasises employees' skills development and sets out performance targets.

Internal mobility to enhance skills

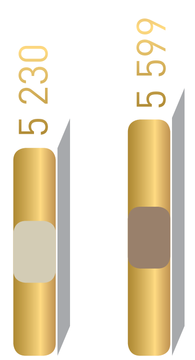
Group Human Capital attaches considerable importance to promoting staff from within the firm. The Group's recruitment unit participates fully in the decision-making process regarding posts which need to be filled.

In 2008, more than one hundred employees were transferred to other entities or subsidiaries granted either on request or as part of the business reorganisation process.

Breakdown of employees (Group) in 2008
10.583 employees

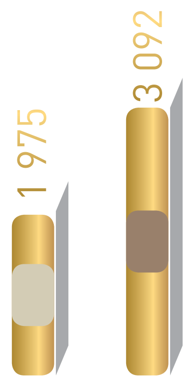


Number of employees (Bank)



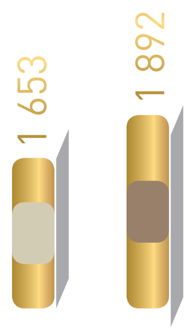
+7%

Number of employees (External network) *



+56.5%

Number of employees (Subsidiaries)



+14.4%

* including subsidiaries and temporary staff

2007
2008

Group Human Capital,
Modernisation process on track

A well-focused and highly effective recruitment strategy

Taking into account the specific characteristics of each job profile in terms of requisite expertise, suitability for the post in terms of qualifications and geographical requirements, the Group Human Capital's recruitment policy is tailored to specific requirements.

For the country's brightest university graduates, Attijariwafa bank remains a highly attractive employer – 800 employees, including 300 managerial staff, were recruited in 2008.

Attijariwafa bank constantly remains in touch with students and graduates from a wide variety of backgrounds by attending all student recruitment fairs and exhibitions in Morocco and overseas as well as supporting student associations.

HR's new information systems includes an external recruitment interface which posts job offers and automatically sorts candidates and analyses the suitability of candidates for the advertised posts.

Strong and mutually beneficial relations with universities

Attijariwafa bank offers university students work placements within its various business units during or on completing their university studies.

Attijariwafa bank is fully aware of its social responsibility in education and has offered invaluable work experience to more than a thousand candidates.

Staff training a priority

In order to plan for and support the Group's growth, particularly the expansion of the branch network, Group Human Capital ensures that all employees, whether they are managers or clerical staff, continuously develop their individual skills.

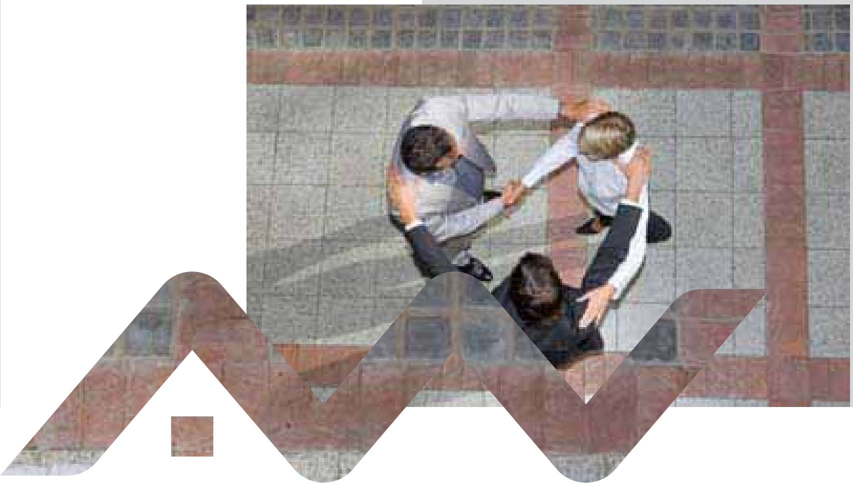
A variety of training courses available

In 2008, more than 3,500 employees underwent some form of training.

2000 of them attended programmes aimed at developing managerial or inter-relational skills including the Sindbad Cycles, Masters, Prospects and Complex Management programmes.

Healthy staff maturity profile

37.3 years	12.3 years
Average age	Average length of service



The Attijariwafa bank Academy provided training to 1,140 employees working in a variety of business lines, particularly those in Personal and Professional Banking:

- 46% attended an orientation programme on joining the firm;
- 34% benefited from training on promotion to more senior posts;
- 20% attended skills-enhancement training.

Almost 500 employees attended diploma-based programmes or language classes or received training in specific skills.

Strong employee relations

Health, increasing emphasis on prevention

In 2008, the Group's focus turned to health and security preventive measures by providing medical coverage for employees, staff awareness campaigns and recommendations to the Health and Safety Committee.

Emphasis on sport and culture

A nationwide programme has been established to provide employees' children access to cultural and sporting activities such as table football, painting and music.

A number of cultural events were also organised for employees and their families.

Staff loans, successfully outsourced

The management of staff loans has been outsourced in order to provide employees with an even better service and enable them to benefit from a broader product range.

Mortgage loans are now managed by Wafa Immobilier and consumer loans by Wafasalaf.

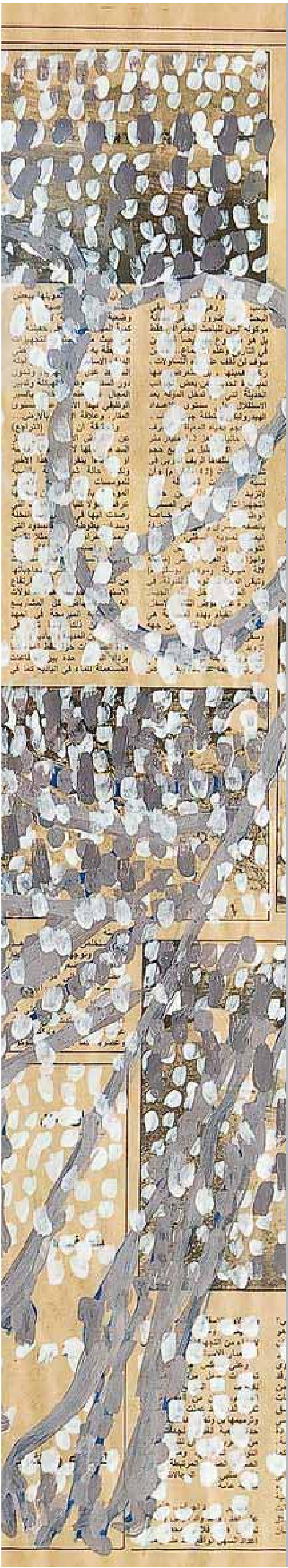
More than 80% of employees are homeowners with mortgage loans contracted with Attijariwafa bank.

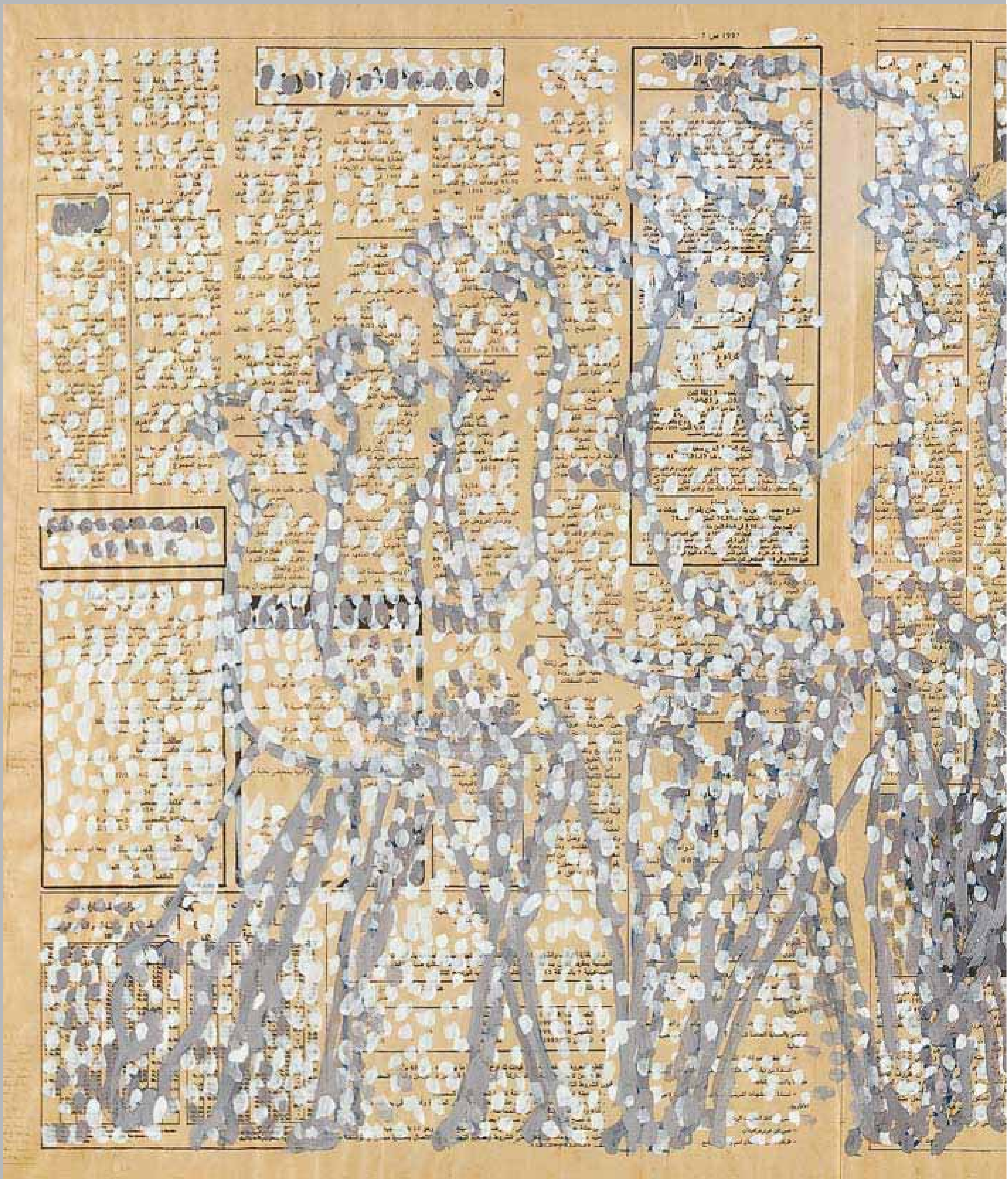
Retiring employees, preparing for a new life

In 2008, Attijariwafa bank organised a technical information day for 70 retiring employees.

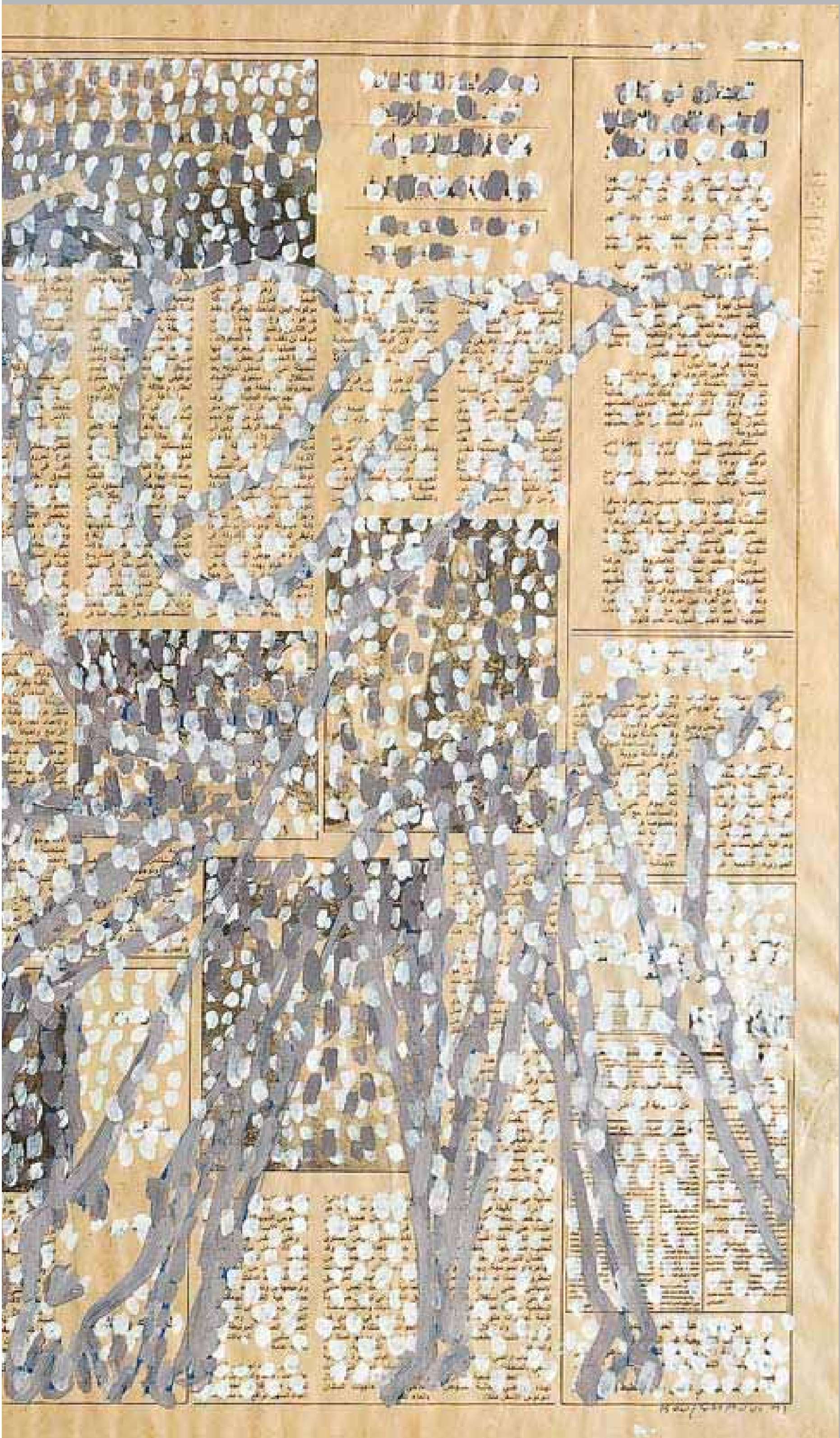
The aim of this initiative, the first of its kind in Morocco, was to bring retiring employees into direct contact with retirement benefit organisations to inform them of the administrative steps needed to be taken to obtain their pension and social security benefits.

Representatives of « Maroc Réseau Entreprendre » were also present at this event to talk about their activity which is aimed at assisting future pensioners in starting their own business.





Mustapha Boujemaoui (Morocco), « La caravane », acrylic on newspaper, 78 x 55 cm
1992, courtesy of the artist



Quality and Compliance

Quality and Compliance

Group Quality, a deeply-rooted culture for the benefit of our customers

Group Quality plays a strategically important role in determining the Group's overall corporate strategy; by listening attentively to its customers in each of its business segments, Group Quality is frequently able to gauge customer satisfaction.

Group Quality, a customer-centred approach

Group Quality plays a strategically important role in determining the Group's overall corporate strategy.

In order to monitor customers' perceptions effectively and disseminate information efficiently, customer satisfaction is monitored on a frequent basis by adopting a customer-centred approach adapted to each business segment. This involves conducting customer surveys, mystery visits and customer focus groups.

By listening attentively to its customers in each of its business segments, Group Quality is able to respond appropriately to customers' needs.

Quality-based initiatives, strategically-important for the Group

One of Group Quality's main priorities is the implementation of quality-based initiatives aimed at constantly improving process performance.

Considerable efforts have been made to establish a processes database, implement certification-based initiatives and adopt a policy for introducing service contracts.

Results positive

Service commitments to corporate clients, certified in 2006 by AFAQ AFNOR France for a three-year period, have now reached maturity. The most recent certification audit was highly complimentary.

The prospect of further enhancing the internal reference system remains promising given the culture that exists across the Group of constant self-improvement.

Following its initial certification success, the Banking for Moroccans Living Abroad unit also obtained certification in 2007 for its service commitments for MRE customers. Its quality system has now reached maturity.

Mustapha Boujemaoui (Maroc)
Courtesy de l'artiste

Group Compliance, managing all categories of risk

Given current market trends and potential risks, Attijariwafa bank has adopted a highly disciplined approach to professional conduct and ethics, commensurate with the growth of its business.

An ambitious plan has been implemented to emphasise compliance with the group's anti-money laundering policy and regulations as well as internal control.

Group Compliance, compliance with regulations a priority

Group Compliance's overall aim is to identify and assess the risk of non-compliance by the Group's activities and to permanently ensure that the bank's various entities comply with current legislation and regulations. This involves a number of specific functions such as internal control, anti-money laundering measures, ethics and regulatory monitoring. The unit is also responsible for communication and coordinating the bank's external relations with the regulatory authorities and external auditors.

Stricter internal control measures

During 2008, stricter internal control measures were introduced by the bank's main entities.

This process mainly impacted those operational units involved in the bank's day-to-day banking operations such as retail banking and central services, including the bank's back-office operations.

By reorganising, restructuring and improving the quality of the internal control reporting process, Attijariwafa bank has been able to gain a better understanding of the character and extent of the various risks incurred by the bank. Stricter control measures have also resulted in several initiatives being established which constantly improve the risk management process.

High-quality internal control management systems

High-quality management systems enable internal control activities to be planned and monitored effectively.

2008 was marked not only by the introduction of stricter internal control measures, but by an initiative ensuring that certain external providers comply with regulations. Internal control management systems were also revamped.

Quality and Compliance

A proactive anti-money laundering (LAB) policy

In 2008, Attijariwafa bank initiated an ambitious policy to ensure that its vigilance policy complies with current regulations.

LAB initiated a number of actions aimed at revamping current policy and launched an initiative to restructure the bank's vigilance systems.

A campaign was conducted at branch level to update customers' administrative records. By the end of the year, 75% of records had been updated.

New procedures for supervising operations have enabled LAB's central services to efficiently process information provided by the branch network in accordance with internal procedures. After investigation, LAB classifies suspect or non-compliant transactions.

Lastly, LAB reports back to the bank's administrative committee on a regular basis.

Anti-money laundering policy guidelines

During the second quarter 2008, Attijariwafa bank's general management validated policy guidelines aimed at establishing a more comprehensive anti-money laundering policy. The project, which aims to reinforce existing measures, was given the go-ahead in November 2008. The aim is to strengthen current policy for application on a long-term basis.

The action plan aims to:

- Ensure that the bank's LAB policy complies with current regulatory requirements;
- Ensure a better structuring of LAB-related processes;
- Automate the supervisory system;
- Implement a training policy for employees concerning LAB.

Mustapha Boujemaoui (Morocco)
courtesy of the artist

Regulatory supervision, an increasingly important entity

The regulatory supervision entity ensures that the bank's activities and those of its subsidiaries comply with current regulations. It is responsible for analysing regulatory developments, maintaining a regulatory reference system and monitoring compliance.

Following the publication of guidelines aimed at defining this new entity's remit by comparison with the other units with which it works, a detailed plan of action has been drawn up. In 2008, the unit carried out several activities including participating in drawing up a regulatory supervision handbook, contributing to devising the bank's circulars and internal procedures and ensuring regulatory compliance with circulars published by the CDVM, the Office des Changes and Bank Al-Maghrib.

Support and external relations

In 2008, the support and external relations unit coordinated the publication of various regulatory reports which are submitted to Bank Al-Maghrib on an annual basis relating to internal control activities, compliance issues, the Business Continuity Plan and Global Risk Management.

It also coordinated the Group's response to requests for information from regulatory bodies such as Bank Al-Maghrib, the Office des Changes and the CDVM.

The unit provided assistance to these regulatory bodies whilst conducting on-site checks.

It was also responsible for preparing and coordinating the Audit and Accounts Committee reports and for reporting on the implementation of recommendations made by the committee.

This unit managed and monitored Group Compliance's administrative and logistical activities such as budgets, recruitment, training and logistics.

Quality and Compliance

Professional conduct, ethics underpinning the firm's long-term growth

The global financial crisis of 2008 has underlined the importance of ethics and moral values to the long-term growth of financial institutions.

Given current market trends and potential risks, Attijariwafa bank has adopted since january 2004 a highly disciplined approach to professional conduct and ethics, commensurate with the growth of its business.

Codes of professional conduct embody the Group's corporate values

A code of professional conducted was distributed to the Group's employees, which was supported by an employee awareness campaign. Other codes of professional conduct have been written and distributed to those business units which are particularly exposed on an ongoing basis.

These codes do not simply comprise a list of regulatory provisions but, more importantly, embody a set of corporate values specific to Attijariwafa bank, which underline its brand image and the professionalism of its staff.

Constantly improving system of governance

In order to constantly improve its system of governance, Attijariwafa bank introduces new measures each year which enhance its professional code of conduct.

In 2008, inter-departmental coordination as to how best adapt ethical practice to specific business units further enhanced the Group's deeply-entrenched ethical culture.

The Group's professional code of conduct continues to be adopted across the entire firm, with Tunisia joining Moroccan and European entities in adopting the code in 2008.

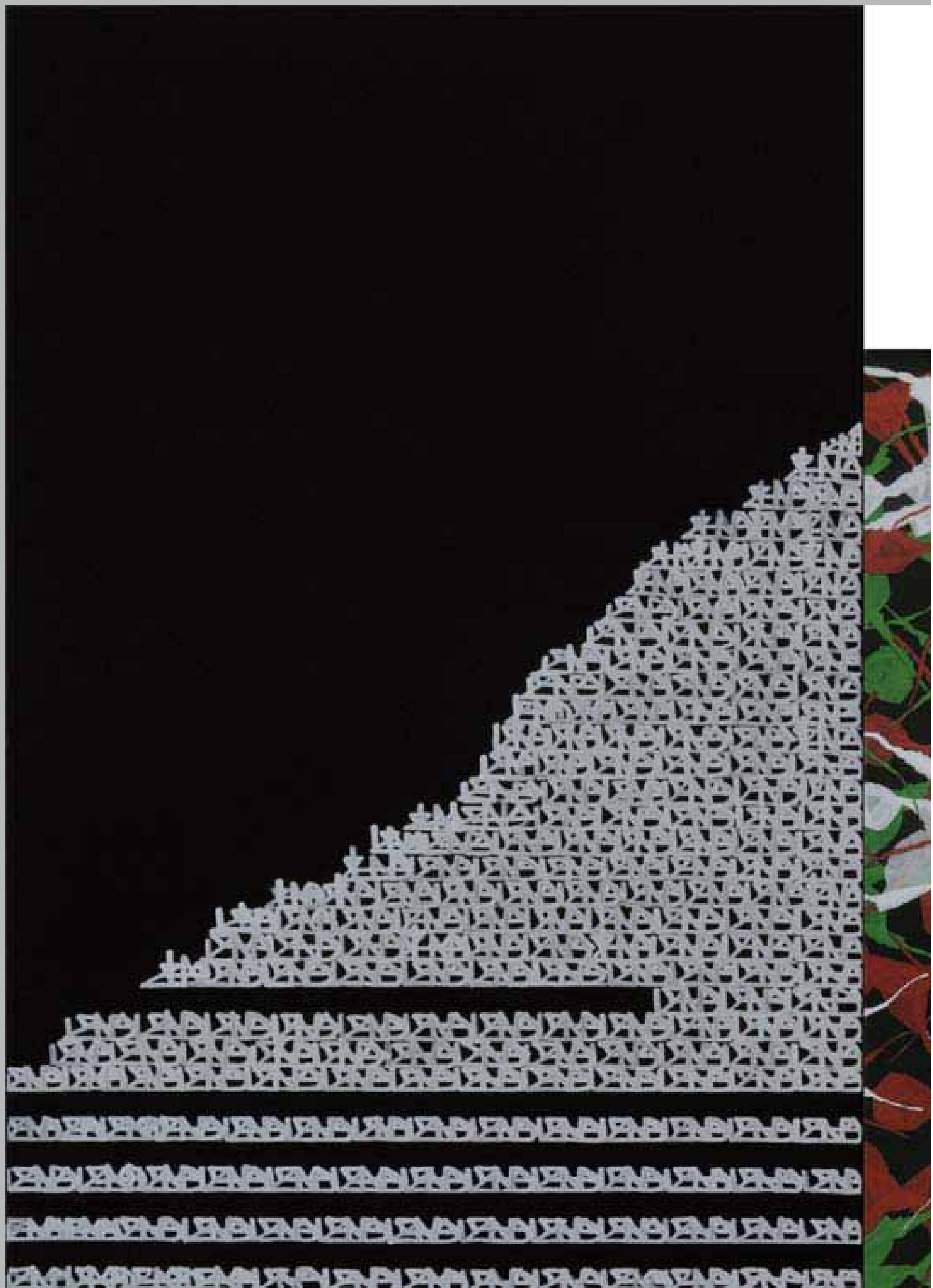
Different codes of professional conduct are employed within the Group, which take into consideration the particular characteristics of individual business units..

Adoption by Attijari bank Tunisie

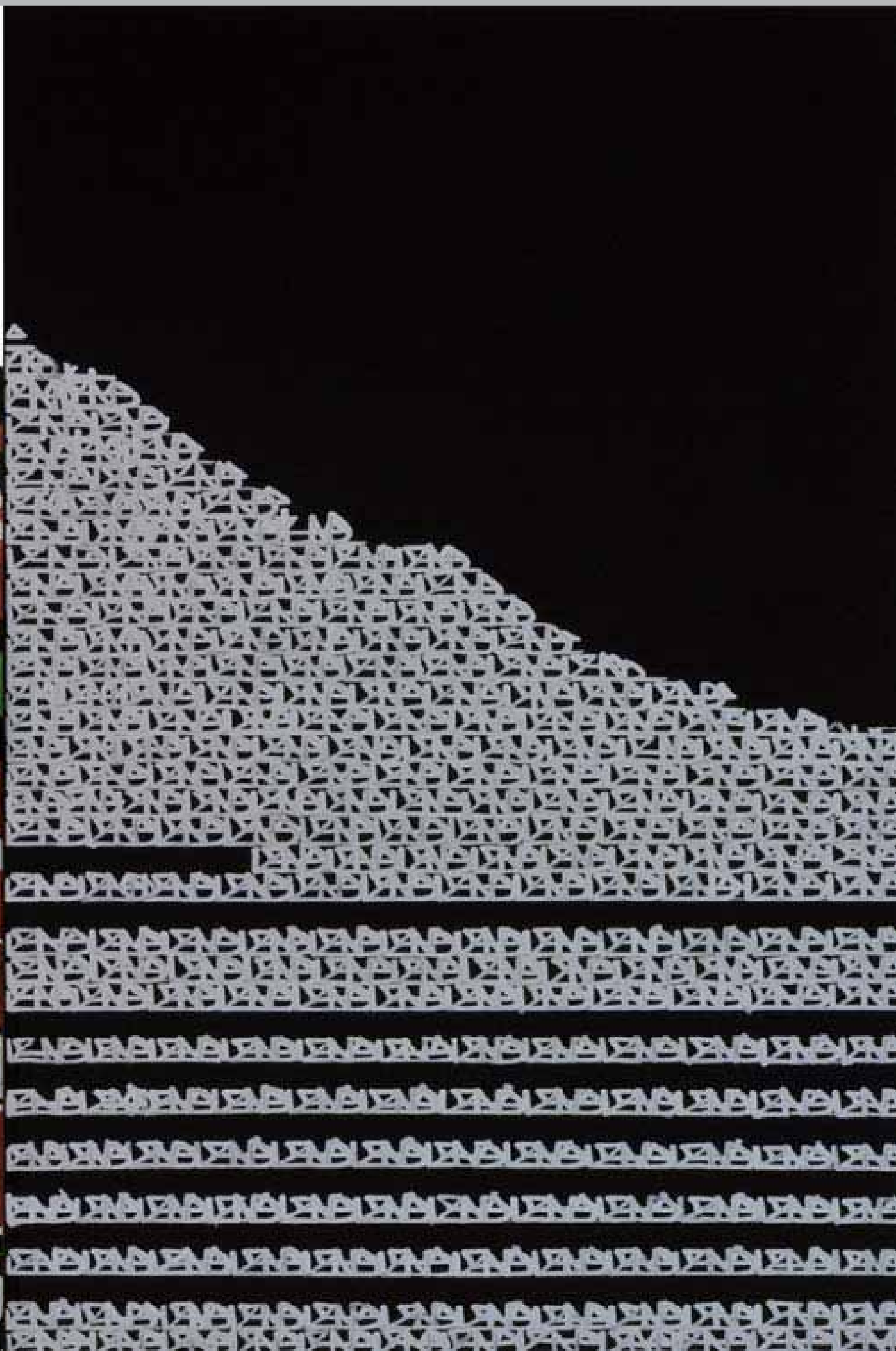
In 2008, the steering committee, working closely with Group Compliance, issued a code of professional conduct in kit form for the Tunisian bank.

After being validated by the Board of Directors, the code was officially introduced on February 29, 2009 at a ceremony held to mark the occasion at the subsidiary's Tunis headquarters.

A comprehensive training campaign has begun to raise awareness amongst employees of the bank and its subsidiaries. More than 1,500 employees attended a training programme between February and November 2008.



Fatma Charfi (Tunisia), «Maa-und Al Jabal», triptych and photo on canvas, 217x150 cm, 2009, courtesy of the artist



Social responsibility

Social responsibility,

A fundamental commitment to education and culture

Attijariwafa bank is fundamentally committed to promoting education and culture as a socially-responsible firm.

The Group has initiated a number of innovative and value-generating projects in education and youth training.

The Attijariwafa bank Foundation, serving education

The Attijariwafa bank Foundation is strongly committed to promoting and disseminating knowledge to young people in primary schools, colleges, high schools, preparatory classes and universities.

By sponsoring projects of interest to the general public, the Group is playing its part in the nation's development. The Group has therefore initiated a number of innovative and value-generating projects. Amongst these, the Group is involved in modernising the country's education system and encouraging youth development through training.

Attijariwafa bank, key partner in the Al Jisr educational programme

The Al Jisr Association, whose patron is Majesty King Mohammed VI, benefits from being an association of public utility. Attijariwafa bank is one of its founding members.

The Al Jisr Association provides a genuine bridge between educational establishments and the corporate sector and helps to improve the performance of the educational system through sponsorship.

Material support in a number of ways

The Al Jisr Association's corporate members undertake a number of initiatives which materially improve the learning environment for pupils such as refurbishing classrooms, equipping libraries and multimedia rooms, supporting extra-curricular activities and offering work placements.

Ahmed Louardiri (Maroc)
Collection Attijariwafa bank

An effective conveyor belt

Al Jisr also collects and distributes PCs and provides teachers with IT training.

The number of educational establishments sponsored by the Al Jisr Association continues to rise, reaching 200 in 2008. This is due to its highly motivated members and the success of the various initiatives undertaken.

Prépa Plus, support for and recognition of merit

In order to help highly-qualified young engineers with their studies, the Attijariwafa bank Foundation has undertaken a number of initiatives to assist students such as refurbishing libraries and providing assistance to students in preparing for oral exams for admission to prestigious French grandes écoles. The Foundation also awards scholarships to the most deserving and successful candidates sitting the entrance exam for admission to these grandes écoles.

In 2008, the Attijariwafa bank Foundation, in cooperation with Al Akhawayne University, organised a one-week course of concentrated study. A total of 50 students studying for admission to the French engineering establishments benefited from a week's coaching for the oral exams, which was provided by a team of highly-qualified professionals.

The Attijariwafa bank Foundation, which aims to promote merit, organises two awards ceremonies for candidates gaining admission to the most prestigious higher educational establishments. At a ceremony in Paris, 14 students received awards on gaining admission to French engineering establishments. At a similar ceremony in Casablanca, the best 25 candidates in nationwide competitive examinations for admission to the best Moroccan engineering establishments received awards.

Modern and efficient management of libraries

In 2008, the Attijariwafa bank Foundation provided five libraries with new management software centres, reference books and other reference works. New reference books were also provided to libraries of the other centres. Librarians received training in how best to use the materials provided.

Social responsibility,
A fundamental commitment to education and culture

Attijariwafa Universités, a major partner to academia

Attijariwafa bank is fully aware of the need to improve the quality of human capital for the country's development. The Foundation has therefore implemented a huge programme to help modernise the nation's educational system and encourage excellence by promoting closer ties between schools and the corporate sector.

The Attijariwafa bank Foundation has initiated several projects in partnership with Banco Santander and has also signed partnership agreements with several Moroccan universities.

The Jamiati card, the first steps towards a common currency on university campuses

Thanks to the innovative capabilities of its staff, Attijariwafa bank, in cooperation with Hassan II University, launched the Jamiati card, Morocco's first electronic card for universities in September 2008.

Students, teachers and administrative members can use the Jamiati card. Via interactive terminals, cardholders can access a whole range of university services including admission to restricted areas, consulting lecture notes, managing library book loans and requesting certificates.

The Jamiati card offers not only non-banking services but can also be used as a bank card.

Jamiati portal, Morocco's first universal university website

Attijariwafa bank has developed, in cooperation with Universia, the Jamiati portal www.jamiati.ma aimed at Morocco's university community.

The Jamiati portal, which is a genuine shop-window for universities and their partners, is a website for exchanging information, experiences and scientific expertise.

A Master in Banking and Financial Markets, a diploma guaranteeing success

In partnership with Casablanca's Hassan II University, the University of Cantabria in Spain and the Grupo Santander and Attijariwafa bank Foundations, the Masters in Banking and Financial Markets is now in its second year with a second intake of new students in September 2008.

The programme, which is taught by university professors and senior executives from Santander and Attijariwafa bank, has exceeded expectations. The first intake students will be awarded their diplomas in September 2009 following a 6-month in-company work placement.

Support for institutions, betting on the future

The Attijariwafa bank Foundation supports young people by providing financial assistance through the Maroc Entreprendre network. This network is aimed at assisting young people. It has also offered five scholarships to the most deserving students at the Al Akhawayne University.

Art, an integral part of a country's development

The Actua Foundation has set itself the ambitious goal of making art accessible to as many as possible by 2012 by exhibiting its private collection of more than 1,500 works to the general public.

The Actua Foundation also intends to develop synergies with the Attijariwafa bank Foundation by establishing a mutually beneficial partnership aimed at bringing together the art and educational worlds.

The Actua Foundation is also focusing its efforts on providing training for young artists and promoting contemporary art.

An art collection, a common heritage

Attijariwafa bank has gained a strong reputation for supporting the Moroccan plastic arts scene. Since 2005, the bank has organised several theme-based exhibitions for the general public based around works from its private collection.

For the third consecutive year, the Sacred Music Festival in Fez hosted an exhibition entitled « Les racines du ciel » as an extension to the festival's spiritual theme. The exhibition, at Dar Tazi, brought together the paintings and drawings of two Moroccan artists, Mohamed Abouelouakar and Fouad Bellamine. The event, which attracted more than 2,300 visitors, was a great success and aroused interest from the written press and television channels, both domestically and overseas.

Social responsibility,
A fundamental commitment to education and culture

Providing constant support to young artists

Given its success with the public, the Actua Foundation decided to re-exhibit the « Les Racines du ciel » exhibition. In cooperation with the Attijariwafa bank Foundation and the Greater Casablanca Academy, a three-month art awareness programme comprising conferences and workshops was organised for young people and students.

Art, the central theme in conference-debates

The central theme of conferences for arts students and teachers, preparatory classes and universities was the social impact of promoting art as an integral part of a country's development. That these events were so successful once again underlined Attijariwafa bank's growing reputation as a leading socially-responsible firm, committed to promoting and enhancing the nation's artistic endeavours.

Workshops for society's most disadvantaged

Various workshops were organised to raise awareness about painting amongst pupils and students living in Casablanca's most disadvantaged districts. Guided tours gave them the opportunity of discovering the works of Mohamed Abouelouakar and Fouad Bellamine. A competition and exhibition was also organised for these pupils to enable them to develop their sense of observation and encourage them to express their feelings.

During a four-week period, 430 pupils attended workshops and 30 of the most talented were invited to participate in a plastic arts workshop hosted in the bank's offices.

This pilot project will be repeated in 2009.

Interactions programme, now in its fourth year

Through the Interactions programme, Attijariwafa bank has gained a reputation as a pioneer within the banking industry in supporting young artists. The programme was designed by Attijariwafa bank to introduce young persons to contemporary art and the very latest multimedia technologies. The programme aims to enrich the artistic expression of young people through the latest multimedia technologies through joint projects. Attijariwafa bank is also committed to helping them gain acceptance in the Moroccan arts scene by exhibiting their work.

2008 was a particularly successful year

In order to reach out to a broader audience, the 2008 programme included a number of events such as the Festival of Visual Arts and New Media, the first Contemporary Art and New Media international symposium and the « Sensible Map » exhibition.

The latter resulted from an interactive video and environmental workshop by the renowned Studio Azzurro on the theme of Casablanca.

Participants were able to open a bank account and were given a « Pack Jeunes », courtesy of the bank's Private and Personal Banking division.

In total, ten young artists were selected by a jury comprising professional artists to participate in the event. The event attracted more than 2,000 people including 1,000 visitors and twenty or so researchers and artists attending the symposium from both Morocco and overseas.

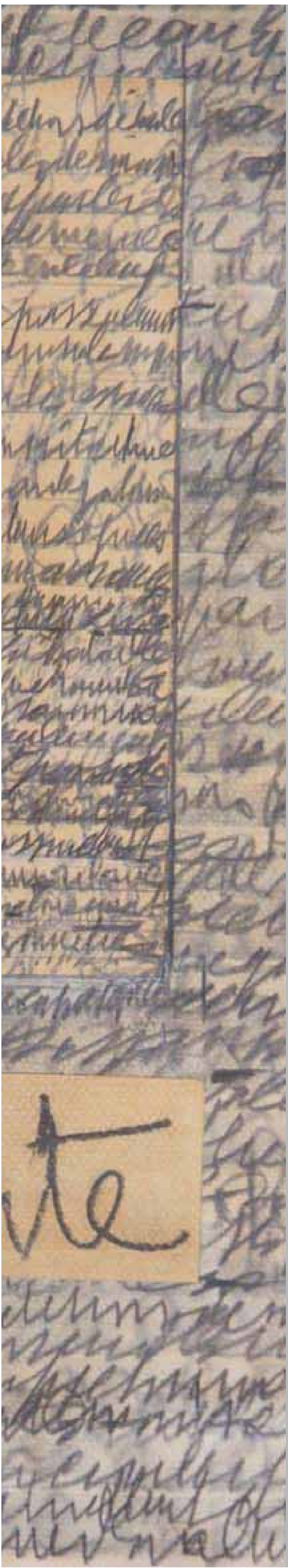
By successfully building a bridge between the education of young people and art, Attijariwafa bank has unquestionably become a major catalyst for promoting new talent in Morocco's contemporary arts scene.

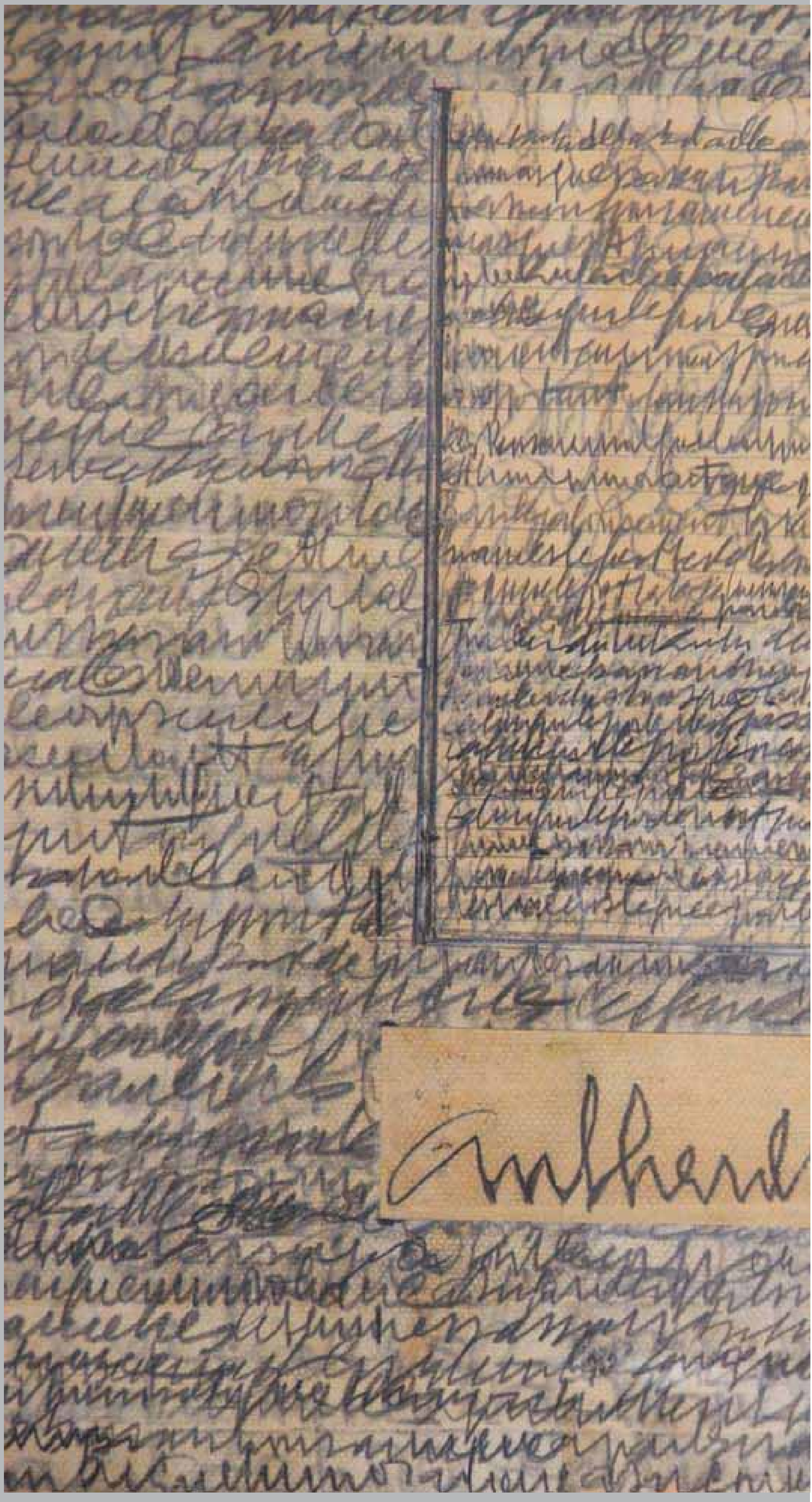
The Group has also acquired a positive image overseas by promoting the programme on the bank's portal and on other websites specialising in contemporary art.

Ceramic Ideas, promoting artists' projects

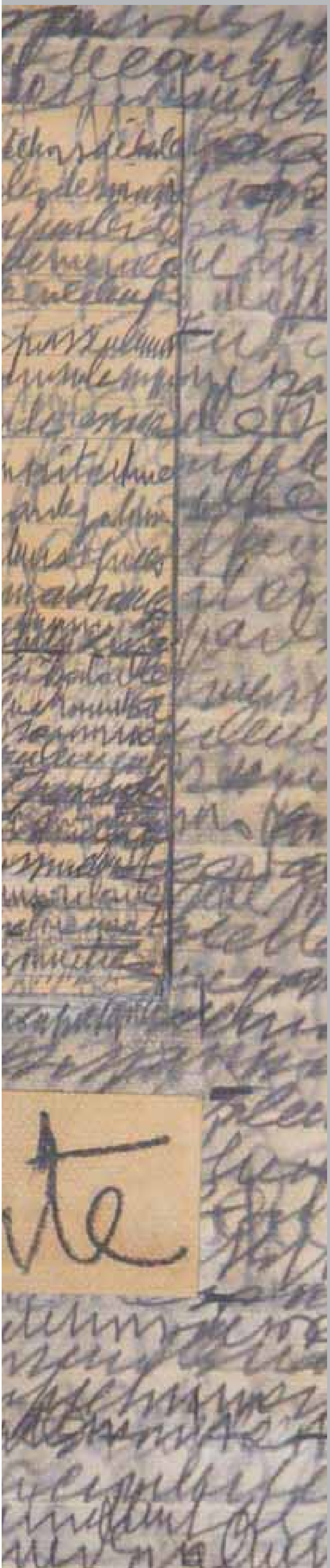
In partnership with the European Ceramic Work Centre, Attijariwafa bank lent its support to the Ceramic Ideas exhibition, comprising works by Hicham Benohoud, Safaa Erouas, Jamila Lamrani, Younes Rahmoun and Karel Goudsblom.

The Ceramic Ideas exhibition is another example of Attijariwafa bank's policy of exhibiting a diversity of artistic styles at the Actua exhibition centre.





Serigne Mbaye Camara (Senegal), pencil on paper, 60x50 cm
2008, courtesy of the artist



2008 Business activity

Corporate Banking

SMEs central to Group strategy

Corporate Banking saw significant growth in 2008 and made a strong contribution to Attijariwafa bank's exceptional results.

2008 saw Corporate Banking consolidate its position and continue to improve its organisational and marketing processes as part of the « Attijariwafa 2012 » strategic plan.

Market leader in the SME segment

Attijariwafa bank, which has a highly convincing track record in the SME segment, intends to further strengthen its position in this high-growth segment via a dedicated network of specialised business centres.

Corporate Banking has embarked on a carefully-planned expansion of its nationwide network to significantly bolster its presence and increase penetration of the SME segment.

Corporate Banking is constantly looking to improve its services and has identified service quality as a strategically important priority. The crowning achievement of 2008 was the successful completion of a process begun in 2005 to obtain accreditation for the business centres' service commitments.

A diversified range of products and services

In 2008, Corporate Banking clearly demonstrated its ambitions via a number of theme-based sales campaigns relating to its main products and services such as investment, overseas development and supplier management.

Customers' needs remain central to Corporate Banking's product development strategy for SME customers. Attijariwafa bank is able to bring suitable products to market through a deep understanding of its customers and continuous analysis of their requirements.

Corporate Banking has embarked on a process of developing industry-specific products adapted to the needs of each industry.

Serigne Mbaye Camara (Senegal)
courtesy of the artist

Investment financing solutions and assistance to firms

The financing unit's role is to be a genuine platform for promoting investment amongst small- and medium-sized enterprises.

A specialist team has actively helped develop an array of financing solutions responding to small firms' investment and financial restructuring needs.

The wide range of products and services on offer enables the Group to meet the requirements of the SME segment.

As the unit's responsibilities are both technical and commercial in nature, its day-to-day work ranges from preparing candidate applications to monitoring project implementation.

Highly beneficial partnerships

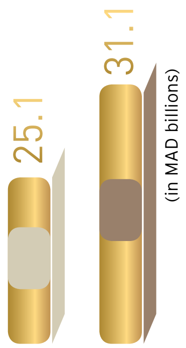
In 2008, Attijariwafa bank continued to develop close relations with a number of organisations such as the Caisse Marocaine des Marchés.

The agreement with the CMM concerns the provision of a discount bill mechanism and the establishment of a guarantee fund for companies bidding for public contracts.

A cooperation agreement was also signed with the Economic Affairs' Coordination Division, which should enable the bank to develop relations and synergies with Regional Investment Centres.

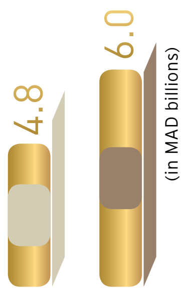
2007
2008

Loans to SMEs



+24%

Investment loans



+25%

Personal and Professional Banking

In 2008, Personal and Professional Banking continued to register strong growth in line with the objectives outlined in the «Attijariwafa 2012» strategic plan as well as consolidating its position in all business segments.

An innovative and differentiated product range

In 2008, Personal and Professional Banking continued to differentiate itself from its competitors by launching a series of well-targeted products which are adapted to customers' needs. These include:

- The Fayda card, a cheque account bank card for the general public;
- The « Pour L » card for female customers, a debit and withdrawal card, the first of its kind in Morocco;
- The Pack Ma-kart for adolescents aged 12-17 years, underlining Attijariwafa bank's strategic focus on this segment;
- The Ambition Pack, comprising an array of banking and non-banking products and services for young people;
- The Pack Jamiati, which is the first product for university students resulting from the strategic alliance between Attijariwafa bank and Hassan II University;
- The Rihla travel card, for personal and professional customers needing to make payments when overseas,
- The Hissab Kafi pack, for the general public, attractively-priced and offering a number of products and services.

An aggressive communications strategy

Personal and Professional Banking has adopted a comprehensive communications strategy to promote its new products to the general public using media such as television, radio, press, poster advertising and non-media such as direct marketing, trade fairs and exhibitions. This strategy is fully consistent with the Bank's overall communications policy.

Serigne Mbaye Camara (Senegal)
courtesy of the artist

Strong sales registered by each business activity

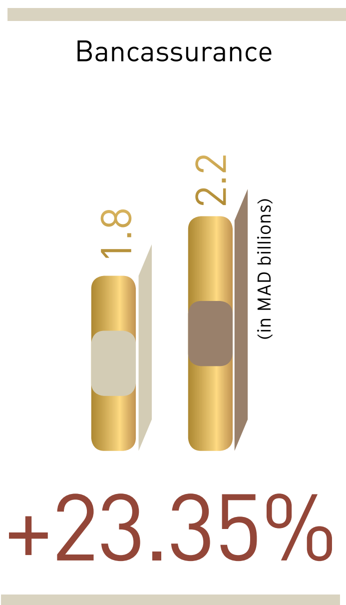
Bank card sales rose by 26%. Sales of bancassurance savings products rose 44% to 87,000 contracts versus 60,000 contracts the previous year.

Bancassurance sales increased 23.35% from MAD 1.8 billion in 2007 to MAD 2.27 billion in 2008. Such a performance helped Wafa Assurance consolidate its position as market leader.

Total consumer loans disbursed reached MAD 2.1 billion versus MAD 1.5 billion in 2007, an increase of 33%.

Constant expansion of the branch network

In order to develop even closer relations with its employees, Attijariwafa bank expanded its branch network by an additional 76 points of sale. This takes the total number of branches to 703 with 670 cash dispensers (ATMs) across the country as at December 31, 2008.



Banking for Moroccans Living Abroad

In 2008, the MRE market saw a 2.4% decrease year-on-year decline in money transfers due to a slowdown in the fourth quarter. Banking for Moroccans Living Abroad was negatively impacted by the fall-off in transfer volumes resulting in a stable level of MRE deposits.

MRE deposits increased 5.4% with new deposits reaching more than MAD 1.5 billion. The bank suffered a 23- basis point decline in its market share. This can largely be explained by the transfer of more than MAD 530 million in MRE savings to insurance-related savings vehicles such as Wafa Assurance's Capital Plus.

Highlights

Based in the heart of Paris' financial district, Attijariwafa bank Europe's dual role is to be the partner of choice for the Moroccan community resident in Europe as well as a vehicle for trade flows between European and African companies.

Developing a European sales network

Attijariwafa bank has continued to develop and improve the quality of its European to be even closer to its MRE customers. Since January 2008, the bank has opened nine new branches, in the United Kingdom (London), Italy (Bologna and Turin), France (Kremlin Bicêtre, Mantes La Jolie and Avignon) and Spain (Murcia, Tarragona and Palma de Mallorca). Several branches in France, Holland and Belgium were refurbished.

European business development

Dutch business re-launched

The Dutch subsidiary officially restarted operations in June 2008 having been closed for major refurbishment and harmonisation of its five points of sales in Amsterdam, Rotterdam, The Hague, Den Bosh and Utrecht. These branches are now fully-equipped to meet the needs of MREs living in Holland.

Well-adapted product range

Consumer credit business revamped in Belgium

Attijariwafa bank Europe, in partnership with Finalia, Belgian subsidiary of Sofinco and, accordingly, Crédit Agricole SA, has restructured its consumer credit range in Belgium. The bank has expanded its Belgian product offering and standardised its consumer credit range across Europe after deciding to work with a single partner, which is market leader in its business segment.

Product development in Morocco

2008 saw the introduction of remote banking services which enable customers to access their accounts via the internet or by mobile phones. Improvements to the basic service included the introduction of non-banking benefits of special interest to the MRE community in Morocco and abroad related to the Bila Houdoud Pack.

Banking for Moroccans Living Abroad has delivered on its promise to improve its basic service by reducing response turnaround time for mortgage loan applications to only three days. This was achieved by introducing a loan pre-authorisation facility in the customer's country of residence.

New money transfer product launched

« Trans'Vir », an ingenious new money trans'Vir product, was launched in 2008. This new money transfer solution enables users to make a transfer to Morocco from any remitting bank at a bargain-basement price. This product, which has proved incredibly successful with Attijariwafa bank's existing and new customers, meets the specific needs of the MRE community.

Large-scale projects

Development of the Retail Banking business

In July 2008, Attijariwafa bank embarked on an extensive roll-out of its retail banking activity in France. In addition to its existing branches in Asnières, in Paris' 17th arrondissement and its European subsidiary's headquarters, Attijariwafa bank opened an additional seven points of sale in France at Clichy, Kremlin Bicêtre, Marseille, Montpellier, Toulouse, Avignon and Strasbourg. The French subsidiary offers customers a one-stop-shop in banking services in Morocco and in its ten points of sale in France.

Cap Europe 2012: a ground-breaking project

Cap Europe 2012 is a ground-breaking project aimed at modernising and harmonising the subsidiary's information systems. The project, which impacts the subsidiary's entire business, will be of major benefit by simplifying and improving security when communicating between the subsidiary's and the parent company's information systems. It will enable the bank to get to know its customers better, improve service quality and enhance the product range.

Well-focused communications strategy

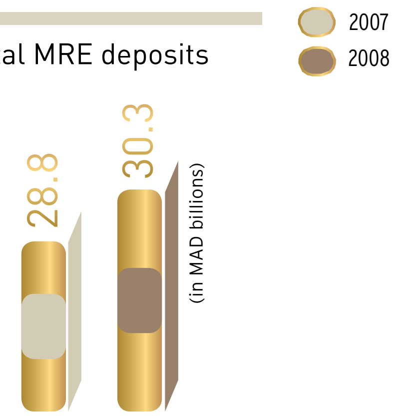
In 2008, Banking for Moroccans Living Abroad adopted a comprehensive communications strategy during the entire year to promote its new products to MREs via a media-based and non-media-based approach. A number of campaigns were launched to raise awareness about specific products.

Banking for Moroccans Living Abroad

Communication in 2008, which was tailored to take account of the specific characteristics of each country, included street marketing, artistic events and several other events during religious festivals such as Ramadan and Aid Al Adha.

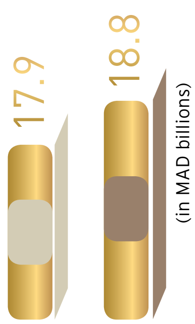
Since July 2008, Attijariwafa bank Europe has also promoted its full range of loans to net-based customers via its www.attijariwafa.net portal, as part of its internet banking strategy.

Total MRE deposits



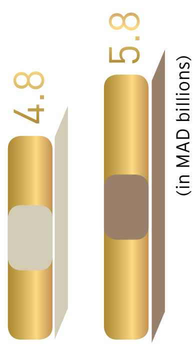
+5.4%

MRE cheque accounts



+5.5%

MRE transfers



+22.2%

Private Banking

Wealth management and advisory services

Attijariwafa bank has established a new business unit – Private Banking – within the Retail Banking division to meet the requirements of a sophisticated clientele. Its purpose is to provide wealth management and advisory services to high net worth clients.

Wealth management and advisory services central to Group strategy

Central to Group strategy, Private Banking is a new business unit within the Retail Banking division and is dedicated exclusively to Attijariwafa bank's high net worth clients.

This strategic choice underlines the Group's intent on developing private portfolio management and wealth management services which satisfy the needs of a sophisticated clientele.

Relationship managers in touch with clients' needs

Private Banking has established a high-quality team of dedicated relationship managers. Their role is to provide an in-depth, personalised advisory service covering a number of disciplines such as financial, tax-related, legal and property-related matters.

Synergies with other business lines within the Group

Private Banking will draw on the expertise of a variety of colleagues across the entire Group in addition to providing its own savoir-faire.

Each client benefits therefore from a bespoke service which includes traditional banking services and value-added advisory services.

Establishing a private banking unit has given the Group a new dimension. This will enable it to strengthen its relations with its clients and better satisfy their needs as well as contributing to the Group's bottom line.

Financing Bank

Attijariwafa bank is a leading banking and financial services group with solid finances and recognised expertise. This enables it to finance local investment projects as well as large-scale infrastructure projects across the entire country.

Large Enterprise division

One-firm sales approach a palpable success

In an increasingly competitive environment, Attijariwafa bank once again underlined its status as market leader in the Large Enterprise segment which comprises large Moroccan corporations in the public and private sectors as well as multinationals with operations in Morocco.

Attijariwafa bank saw a 28% rise in loan commitments in this segment thanks to range of products dedicated to large enterprises. The Large Enterprise division, which is a genuine transversal platform, adopts a one-firm approach to customer relations through a range of solutions specifically adapted to meet the needs of large corporate customers.

By leveraging the expertise of the Group's different business lines and subsidiaries, the Large Enterprise division is able to offer a broad range of products and services.

By adopting a one-firm approach to developing its corporate business, which draws on the synergies and savoir faire of the Group's different entities, the bank remains constantly in touch with a particularly demanding clientele.

Project finance

Gaining in expertise from one year to the next

The Project Finance entity is a pioneer of Morocco's structured finance industry. It finances the large-scale investment projects of public sector corporations, large private sector companies and international firms with operations in Morocco in key domestic growth industries. These include the energy, infrastructure, utilities, telecoms, off-shoring, manufacturing, tourism and property sectors.

This entity is a genuine centre of expertise and advice in financial engineering and structured finance. It offers innovative, competitive and made-to-measure financing solutions, adapted to the specific technical, financial and legal characteristics of each project.

Abdelhay Mellakh (Morocco)
Attijariwafa bank collection

Thanks to its solid finances and multiple synergies between its different business lines, Attijariwafa bank enjoys remarkable financial muscle and placement capabilities. Over and above its project finance services, it offers complementary services such as currency loans, foreign exchange hedging, export loan insurance, private equity and corporate finance advisory services.

In terms of human resources, the Project Finance team comprises experienced professionals with complementary skills, capable of carrying out all functions along the entire chain including analysis, structuring, legal documentation, syndication, loan management and administration.

The Project Finance unit once again underlined its position as Morocco's market leader in 2008 by participating in a number of major transactions in the cement-manufacturing, off-shoring, port infrastructure and utility distribution industries. The unit also executed a number of large-scale transactions involving debt optimisation, the acquisition of equity holdings and the transfer of employee benefits.

Cash flow management

Corporate cash flow management a priority

In 2008, the Cash Flow Management unit has continued to develop its range of products and services for large enterprises and SMEs.

A comprehensive, high-quality range

The Cash flow Management units' comprehensive range of innovative products and services includes cash flow optimisation solutions such as cash pooling in physical form, cash concentration and reporting systems.

In addition, Online Trade is an internet-based solution which allows customers to initiate and manage international transactions online.

A flexible and highly responsive organisational structure

The Cash flow Management unit has adopted a flexible and highly reactive organisational structure which fosters close relations with its large enterprise and SME clientele. As a result, the unit registered a 41% year-on-year increase in 2008 in flow volumes.

Financing Bank

Aiming to win international trade flows

In 2008, Cash Flow Management integrated its Online Trade and Macromex services to provide the bank's corporate customers doing business overseas with a one-stop solution.

The Online Trade Macromex website is a comprehensive, dynamic and flexible platform which enables customers to process import and export transactions and search easily for specific information relating to international trade.

This service enables Attijariwafa bank to provide continuous assistance to its customers from the moment that they explore new business opportunities right up to the time that they execute their overseas transactions.

A new version of the «Virement de masse» transfer service for paying suppliers is also available. This new solution enables companies to execute transactions more easily in non-physical form and facilitate their banking and accounting reconciliation process.

International business, emphasising greater synergies

Strong rise in trade flows, risks well under control

In 2008, Attijariwafa bank continued to gain market share and saw a remarkable rise in its business activity thanks to a strong increase in its regional business. Overseas trade flows rose by 36% over the period, necessitating much stricter control of technical, counterparty and sovereign risk.

Regional business major growth driver

Attijariwafa bank's international business proved to be a major growth driver in 2008. This business is strategically important with the bank focusing on the expansion of trade and investment in North Africa and sub-Saharan Africa.

Sales strategy driven by intra-Group coordination

In order to gain market share in these new markets, Attijariwafa bank has adopted a high-quality sales approach encouraging synergies between all its international subsidiaries. This is achieved by greater consultation and coordination between staff and a «one-firm» approach when negotiating and originating deals.

Correspondent Banking business revamped

The Correspondent Banking business has been revamped to maximise revenues and obtain an appropriate geographical breakdown, the objective being to support the Group's overseas expansion.

Positive impact on Attijariwafa bank Europe

Thanks to an aggressive and well-focused sales strategy, Attijariwafa bank Europe, the Group's European subsidiary, its corporate desks and AIB Offshore bank put in a strong performance due to a strong increase in production (+40% and +11% respectively).

This performance was not only due to the Group's policy of developing close customer relations but also to better coordination by the External Network unit and more appropriate geographical coverage, likely to generate value for the Group's international subsidiaries.

Promoting foreign trade

Attijariwafa bank's Foreign Trade Promotion entity organised a number of events in 2008. The second Forum Maghreb Développement was a resounding success as was the risk country information seminar and the conferences hosted jointly by Attijariwafa bank, US EXIM Bank and the SFI as part of the GTFP programme.

The Group also worked tirelessly throughout the year to develop its partnership with Grupo Santander, its Spanish shareholder, particularly through a unit dedicated to assisting Spanish companies with a presence in Morocco.

Trade Finance, spearheading international trade

In order to help firms expand overseas, the Trade Finance team was bolstered to develop closer relations and ensure a quality service for large enterprises and SMEs.

Specialised Financial Services

Attjariwafa bank is one of those rare banks able to offer its customers a comprehensive and constantly evolving range of products and services. The Group's banking-related specialised subsidiaries are capable of renewing the product range and launching new products on a regular basis as each enjoys a dominant market position and has strong innovative capabilities.

Wafasalaf, market leader in consumer credit confirmed

In an increasingly competitive environment, Wafasalaf closed 2008 with market share of 31%. Gross production rose by 12% to MAD 9 billion.

Wafasalaf, renowned for its expertise and savoir-faire, is one of the most innovative firms in the industry. It proposes financing solutions adapted to the needs of its customers and partners.

Financial indicators all positive

Net financial income rose by 32% to MAD 320.3 million due to the significant rise in production, with refinancing costs and operating costs under control. Parent company net income improved 11% to MAD 268.4 million.

Net banking income rose by 24% to MAD 864 million despite the increasingly competitive environment and downward pressure on margins. Parent company net banking income increased 6% to MAD 779.4 million.

Innovation driving customer satisfaction

Wafasalaf, a genuine market leader in terms of bringing new products to market, again demonstrated its ability to anticipate and satisfy consumers' needs by launching:

- Taksit Auto, an alternative financing option launched in agreement with Bank Al Maghrib;
- Salaf Toutes Options, a vehicle financing package which includes all ancillary expenses such road tax, insurance, registration fees ...;
- Salaf Arboune, an innovative financing option which allows customers to borrow the down-deposit for a mortgage loan.

An increasingly broad network

One of Wafasalaf's priorities is to expand its nationwide network as part of an ambitious growth strategy. Five new branches were opened across the country, taking the total number of points of sale to 34. Wafasalaf has the largest network in the industry.

Morocco's first interactive website

At the beginning of 2008, Wafasalaf launched www.wafasalaf.ma, Morocco's first interactive website enabling consumers to apply for loans on-line and obtain immediate approval.

«EVA+», a company-wide project to create a strong corporate culture

To celebrate its 20th anniversary, Wafasalaf launched a company-wide corporate development project for its long-term future. The project, which is nicknamed «EVA+», relies on the active participation and savoir-faire, not-to-mention suggestions, of the firm's entire workforce, providing the best possible environment for establishing a strong corporate culture.

«OPUS», strategic plan 2012

«EVA+» underpins Wafasalaf's ambitious growth strategy. The strategic plan, known as «OPUS», covering the period up until 2012, is aimed at delivering strong top-line growth by targeting new customer segments. True to its convictions, Wafasalaf intends to develop its range of consumer credit facilities as a way of facilitating economic and social progress.

Social initiatives a priority

Wafasalaf continued to provide support to schoolchildren in public sector schools during the academic year 2008-2009. This initiative, in partnership with the Al Jisr Association, is based on employees' voluntary participation.

Fresh ambitions in Africa

In 2008, Attijariwafa bank entered five new African markets. Wafasalaf is well-positioned to accompany the leading banking and financial services group in North Africa as it continues to implement its proactive growth strategy across the continent.

A high-quality partnership strategy

Wafasalaf continued to develop its expertise in the home equipment segment by partnering a number of retailers. The company signed new partnership agreements with Electro Planet and Atlas Voyages to offer financing packages on an exclusive basis.

In the auto sector, Wafasalaf carried out a number of promotional campaigns to launch new financing solutions in partnership with brands such as Kia, Fiat, Peugeot, Citroën, Toyota, Suzuki, Honda, Hyundai and Volkswagen. It also assumed responsibility for the entire value chain for RCI Finance Maroc, Renault Maroc's financing arm, providing made-to-measure financing solutions for the Renault, Nissan and Dacia brands.

Specialised Financial Services

Wafa Immobilier, a well-established reputation

In 2008, Wafa Immobilier maintained its status as market leader and enhanced its reputation as a well-established property sector specialist. Wafa Immobilier has successfully negotiated its way through increasingly competitive market conditions.

Growth in production and outstanding loans was remarkable due to a proactive sales strategy and an ambitious network expansion policy, fully in keeping with Attijariwafa bank's branch opening programme. Wafa Immobilier saw remarkable growth in production and loans managed for Attijariwafa bank.

Total loan authorisations amounted to MAD 10.5 billion whilst disbursed loans outstanding rose by 28% to MAD 8.8 billion.

Wafa Immobilier carried out a number of strategic initiatives during the year such as building new headquarters and opening new branches in a number of towns across the country to improve customer relations.

The Group's property subsidiary also signed several partnership agreements with major corporations in the public and private sectors such as KLK, Jet Sakane and Marina d'Or ... It also bolstered relations with its key partners and institutional developers.

Wafa Immobilier has implemented a highly effective marketing and communications policy to enhance its reputation and develop its brand image as a specialist player focusing on innovation. It launched Morocco's first online mortgage loan platform, Waf@immo.com, enabling customers to apply on-line for a loan.

Wafa Immobilier organised a series of events in 2008, including regularly attending trade fairs in Morocco and overseas. It sponsored several sporting, cultural and social events. Wafa Immobilier also participated in a number of televised debates alongside other major Moroccan property industry players.

Wafacash, maintaining its lead over its competitors

Despite the difficult operating environment in the wake of the international financial crisis, Wafacash continues to dominate the cash transfer business in Morocco. In 2008, its growth rate was superior to that of the market.

Western Union transfers rose by 2.8% in terms of the number of transactions with flows totalling MAD 1.639 billion. Cash Express saw its volumes jump 52.8% with flows totalling MAD 3.9 billion.

Fatima Hassan (Morocco)
Attijariwafa bank collection

OTC foreign exchange activity grew by 19.7% to MAD 1.031 billion.

OTC foreign exchange facilities available in branch network

Wafacash, undisputed leader in the cash transfer business, obtained authorisation from Bank Al Maghrib in 2008 to carry out OTC foreign exchange business.

In mid-August, Wafacash introduced OTC foreign exchange facilities to its own and partner branch networks.

In 2008, Wafacash launched Floussy, a prepaid card and expanded its network by opening 53 new branches, 25 of which were in its own name.

Wafacash again underlined its status as market leader with a 23% increase in its net banking income to MAD 154.168 million.

Thanks to tight cost control and, despite an ambitious branch opening programme, operating income rose by 49% to MAD 61 million.

Wafacash's net income increased 57.4% to MAD 38 million.

Wafabail, expertise and strong sales growth

Wafabail confirmed its position as market leader in 2008. The Group's leasing subsidiary continued to make market share gains in the leasing industry by improving its sales penetration and focusing on investment financing. Wafabail also worked at developing synergies with the bank's branch network by maximising business opportunities in the Large Enterprise, SME and Personal and Professional banking business segments.

Indicators positive

These strategic choices had a positive impact on the subsidiary's performance.

In terms of activity, total production in its leasing activity rose by 23.6% year-on-year to MAD 3.4 billion.

The property-related leasing activity was negatively impacted by difficult operating conditions in the second half 2008. This explains why production growth in this segment was restricted to only 7%, totalling MAD 526 million.

Specialised Financial Services

Thanks to strong synergies with the Attijariwafa bank branch network and closer ties with intermediaries and suppliers, Wafabail increased market share from 22.2% to 23.8% in 2008.

Wafabail widened the gap between itself and its nearest competitor, which has a 17.6% market share.

In 2008, financial outstandings rose by 27% to MAD 7.1 billion.

Despite the rise in the cost of finance, net banking income rose by 12.8% year-on-year to MAD 254 million. The cost-income ratio, excluding business introduction fees, was 16.8% versus 17.5% the previous year. This was due to 70 basis points of savings on general expenses.

Operating income rose increased 10.7% to MAD 197 million whilst the cost of risk did not exceed 0.20%. Net financial income jumped to MAD 148 million compared to the previous year's MAD 84 million.

Keystone projects

Wafabail initiated a number of major projects during the year to ensure that the company delivers growth over the long-term. It completed the major project of updating and optimising the firm's business processes. This will now enable the bank's leasing subsidiary to automate process management which will be controlled internally at three levels. Wafabail's internal control functions were completely revamped and replaced by a new approach ensuring permanent control.

Wafa LLD reinforces its position

Wafa LLD put in a strong performance in 2008 as it took full advantage of benign operating conditions in the long-term rental market.

There can be no better testimony to Wafa LLD's professionalism and competitiveness than the fact that it won more than half of all public tenders in 2008 from institutions such as the Ministry of Transport and Equipment, the Land Registry, Maroc Telecom, Barid Al-Maghrib and the National Ports Agency.

With a market share of more than 21%, Wafa LLD's vehicle fleet rose by 32% to 4,120 vehicles. Its net production was 996 vehicles, with 1,390 new vehicles on the road.


Abdellah Hariri (Morocco)
Attijariwafa bank collection

In 2008, Wafa LLD saw its sales rise by 27.8% to MAD 157 million. Its customer retention rate for contracts reaching maturity was 58%.

Despite the market being highly competitive, resulting in a significant price decline, Wafa LLD managed to post net income of MAD 3.6 million.

Attijari Factoring Maroc, recognised expertise

For the third consecutive year, Attijari Factoring's growth rate was above that of the market with all business segments performing strongly.

In 2008, Attijari Factoring registered a 34% increase in production to MAD 3.266 billion.

This was achieved by optimising production of the existing portfolio, sector diversification and by introducing new services which saw the firm penetrate new business sectors.

Domestic factoring rose by 63% to MAD 1.932 billion due to an increase in the production of contracts and improved sector coverage. The export business registered a 40% rise to MAD 700 million despite a difficult year-end.

The import factoring business was stable at MAD 633 million, benefiting from its partnership with Santander Factoring and a strong contribution from foreign correspondents within the Factors Chain International network.

Financial indicators positive

Financing and invoice outstandings registered gains of 35% and 50% respectively due to the strong performance of the domestic factoring business.

Net banking income increased 24% to MAD 30.975 million, whilst production rose by 34%.

Attijariwafa Factoring saw a 29% improvement in net income to MAD 14.5 million due to strong growth in net banking income and strict control of general expenses.

Capital Markets and Investment Banking

2008 was an excellent year for Capital Markets and Investment Banking (BMI). Due to the dynamism and creativity of its staff, BMI generated strong growth and a high level of profitability.

Capital Markets, strong performance across all segments

Due to strong growth in all its core activities – foreign exchange, derivative products, trading, structured finance, origination and underwriting – Capital Markets consolidated its position as market leader with MAD 720 million in earnings.

The division is reaping the rewards of a policy adopted in recent years focusing on achieving customer satisfaction by listening to, anticipating and responding to customers' every need. Its success can be attributed to a number of factors such as the responsiveness of its corporate traders, the quality of the advice given and its made-to-measure services.

Foreign exchange business expanding rapidly

In 2008, the foreign exchange business saw significant growth with volumes rising by 35% to MAD 567 billion and net income of MAD 300 million. In the foreign exchange derivatives business, Capital Markets confirmed its position as market leader with volumes of MAD 28 billion. This activity continues to generate strong growth and a high level of profitability.

Strong growth in commodity risk hedging

Capital Markets retained its position as market leader in providing Moroccan companies with commodity risk hedging solutions, particularly in energy, metals, cereals and oleaginous products. In 2008, OTC contract volumes registered growth and 150,000 contracts were traded on the official commodities exchanges (London, Chicago, ...).

Mohamed Chebaa (Morocco)
Attijariwafa bank collection

Consolidating its position as market leader in debt issuance

Capital markets consolidated its position as market leader in the primary and secondary debt markets with total volumes of almost MAD 65 billion. In 2008, Capital Markets participated in 8 debt issues, valued at MAD 9.6 billion, either as leader arranger or member of the underwriting syndicate.

Structured finance, made-to-measure solutions popular

There can be no better testimony to Attijariwafa bank's strong innovative capability than its structured finance unit, which is becoming increasingly important due to its ability to devise and execute made-to-measure solutions. In 2008, the structured finance unit registered a 65% increase in earnings to MAD 61.5 million.

Custody, innovation a priority

En Despite the fall in stock market indices and a decline of 7% in assets under custody, Custody consolidated its position as market leader with a share of 39% of the domestic market.

In overseas markets, having made considerable efforts in terms of innovation and anticipation, Attijariwafa bank became the first Moroccan bank to offer its Moroccan institutional clients overseas investment services.

Wafa Gestion, excellence in asset management

Wafa Gestion once again confirmed its position as market leader in 2008 with an increase of 9.4% in assets under management to MAD 46.6 billion. Its overall market share was 30.02% and 31.4% in the mutual fund segment.

Wafa Gestion, which enjoys a strong reputation for innovation and anticipating the needs of its clients, became the first asset management company in Morocco to market a contract-based OPCVM, Capital Garanti 2011. The contract, which guarantees repayment of capital in full on maturity, invests in a basket of four international indices – DJ Eurostoxx 50, Standard & Poors 500, Nikkei 225 and Hang Seng Index.

Wafa Gestion's « M2 (Mor) Asset Manager rating » was reconfirmed by Fitch Ratings in 2008. This rating reflects Wafa Gestion's high scores in areas of assessment such as the firm's organisation, quality of human resources, risk management and risk control policies, portfolio management, administrative management of investments and technology.

Capital Markets and Investment Banking

Attijari Finances Corp., expertise underpinning market leadership

Attijari Finances Corp., Attijariwafa bank's investment banking arm and market leader in M&A advisory services and capital market transactions, performed strongly in 2008.

Attijari Finances Corp registered a 65% rise in sales to MAD 72.2 million and posted net income of MAD 14.1 million.

Attijari Finances Corp., benefiting from the professionalism of its staff, successfully advised and assisted several leading domestic institutions in implementing their respective growth strategies.

M&A advisory services, a high value-added business

Three major M&A deals helped Attijari Finances Corp consolidate its position as market leader in mergers and acquisitions.

Advised by Attijari Finances Corp, SNI acquired a 32.9% stake in Somed for MAD 1.2 billion. Alliances Développement Immobilier's MAD 1 billion private placing was also a success. Attijariwafa bank successfully acquired a 51% stake in Banque Internationale pour le Mali (BIM).

Making its presence felt in capital market transactions

In terms of capital market transactions, Attijari Finances Corp. participated in all the main initial public offerings in 2008. These included Alliances Développement Immobilier (ADI) for MAD 2 billion, Delta Holding for MAD 938 million and Compagnie Minière de Touissit (CMI) for MAD 300 million.

Taslif, advised by Attijari Finances Corp, raised MAD 200 million through a rights issue.

Attijari Finances Corp. also acted as corporate advisor for the largest capital-raising transactions in 2008: ONA (MAD 1 billion), SNI (MAD 1.2 billion), Samir (MAD 800 million) and Attijariwafa bank (MAD 3 billion).

Wafa Bourse, innovation and mass-market distribution

2008 was Wafa Bourse's first full year of operations. The company generated MAD 3 million of net income in 2008.

By adopting an innovative approach and a unique mass-market business model, the brokerage firm has succeeded in capturing a new customer segment and democratising access to the Casablanca Stock Exchange.

By offering customers a high-quality after-sales service as well as appropriate investment advice, Wafa Bourse has established an attractive formula which encourages investors to trade on a regular basis.

Wafa Bourse's dynamism can be seen from the rapid growth in its customer portfolio which reached 1,300 active customers by the end of 2008, accounting for more than 25% of market turnover.

Attijari Intermédiation, boosted by IPOs

2008 was marked by a crisis of investor confidence from September, influenced by the dramatic decline in global stock markets.

After gaining 15.6% in the first quarter, the Casablanca Stock Exchange's MASI index suffered a 30.4% correction from its peak and closed the year down 13.4% on the year.

The index decline was also accompanied by a significant drop-off in volume, which contracted 32.1% year-on-year. Overall, total trading volumes on the Casablanca Stock Exchange amounted to MAD 244.1 billion.

In such a difficult context, Attijari Intermédiation was able to draw on its experience and resources to maintain its position as market leader with a share of 23.4% of the market.

Sales declined by a modest 4.8% to MAD111.9 million versus MAD 117.6 million in 2007.

Attijari Intermédiation's performance was highly impressive in the IPO segment, claiming a share of 62.6% of all equity issues in 2008.

In order to guarantee a consistently high level of service for its prestigious clientele, Attijari Intermediation recruited a number of professionals, taking the total number staff to thirty employees at the end of 2008.

Attijari Intermédiation makes no secret of its ambition of being the leading player in brokerage, advisory and placement activities, whilst making every effort to generate synergies within the Group.

Wafa Assurance

Wafa Assurance, key-word being innovation

In 2008, Wafa Assurance became market leader in the domestic insurance industry and breached the symbolic mark of MAD 4 billion in sales (MAD 4.15 billion, +17.7%). This result is the culmination of an exclusively organic growth strategy driven by innovation, a bancassurance business model and product distribution via a variety of channels.

A new product range was introduced in the auto segment for drivers with a clean claims history. In the corporate insurance market, Wafa Assurance launched « Wafa Prévention », an innovative policy comprising a comprehensive range of audit and engineering services devised by a team of highly-qualified engineers. This service has enjoyed a high take-up rate by corporate customers. Wafa Essiha, a new and very original health insurance product was also launched in the final quarter.

The last few months of the year saw an exceptional effort by the sales team, resulting in nearly all existing customers being retained and a large number of new customers.

The company has continued to develop and modernise its network of exclusive agents by opening 23 new points of sale in the high-street with an entirely new design and concept.

Several marketing campaigns targeting specific market segments were launched including four relating to auto insurance products and another relating to accident prevention. Other auto-related marketing events included attendance at the Salon de la Femme and Auto Expo trade fairs and organising various retail events in Marjane shopping centres.

The bancassurance activity put in an excellent performance, enabling Wafa Assurance to capture more than 3 points of market share and consolidate its position as market leader in the Life segment. The company adopted a more hands-on style of governance, tightened up several management procedures, focused on developing closer customer relations and introduced a middle office for processing claims.

In terms of investment, the company allocated more than MAD 2 billion in assets in line with its predefined asset allocation strategy.

The company also revised its organisational structure with staff and entities refocusing on strategic activities. The company recruited a number of experienced industry professionals including a new Managing Director with a wealth of experience in emerging markets such as Morocco, as well as European and North American markets.

International Retail Banking

Following the initial successes registered in implementing its overseas growth strategy, Attijariwafa bank is continuing to develop its network in North Africa and West Africa. The Group is today one of the leading banks in the region.

International Retail Banking (BDDI), a key component of the Group's overseas growth strategy, has continued to develop its businesses in Europe and West Africa without overlooking opportunities in North African countries such as Tunisia, Libya and, more recently, Mauritania. BDDI has adopted a flexible and pragmatic approach, focusing on correspondent banking and trade finance. These are businesses which will enable it to deliver strong overseas growth and support Moroccan firms in their quest to win new business overseas.

A visionary yet pragmatic strategy

The Group is rising to the challenge of building an international business. As of the end of 2008, Attijariwafa bank had operations in 21 countries, making it one of the leading banks in North Africa and the region. The progress made in less than two years has been nothing short of remarkable due to the motivation, performance and experience of its staff and its ability to capitalise on value-generating opportunities.

By being organised in this way, the Group is clearly determined to not only promote new growth niches which will positively impact profitability but also participate fully in the development of trade flows in North Africa and West Africa and continue to attract flows from MREs in Europe and North America.

CBAO - Groupe Attijariwafa bank strengthens its position in West Africa

The two major events of 2008 were the acquisition of a controlling interest in CBAO and its subsequent merger with Attijari Bank Sénégal.

A new entity, CBAO - Groupe Attijariwafa bank, was established as a result of this merger.

At end December 2008, the African subsidiary had 54 branches and several cash dispensers across Senegal. To guarantee a high-quality service, CBAO - Groupe Attijariwafa bank employees 500 persons across all business lines.

CBAO - Groupe Attijariwafa bank also has a network of shopkeepers equipped with electronic payment terminals in Senegal and the Ivory Coast. In addition, 32 branches are equipped with electronic payment terminals for cash advance distribution.

Thanks to a high-performance and dynamic sales team, CBAO - Groupe Attijariwafa bank's customers have access to a comprehensive range of products distributed via a high-quality multi-channel platform.

A high level of importance is placed on developing electronic banking services enabling the subsidiary to benefit from Group synergies and develop a range of services adapted to its customers' needs.

Senegalese Living Abroad (SRE) is a priority target customer segment for CBAO - Groupe Attijariwafa bank and a genuine growth driver for the business in the coming years.

Attijari bank Tunisie, a rising star

2008 saw a strong performance across-the-board for Attijari bank Tunisie due to a dynamic approach focusing on growth.

In order to expand its presence in the Tunisian market, Attijariwafa bank's Tunisian subsidiary opened 36 new agencies, taking the total number of points of sale to 138 at end 2008.

Attijari bank Tunisie also launched a number of new innovative products, perfectly adapted to each customer segment.

International Retail Banking

For personal customers, the Tunisian bank launched Attijari SMS, «TAWA TAWA», a rechargeable prepaid card, «Attijari Jeunes» and «Age d'Or», a retirement benefits product. In 2008, Attijari bank Tunisie also launched «Attijari Immo», a property-related website as well as a home-based GSM service.

For corporate customers, Attijari bank Tunisie launched its Tunisie Comex website, a platform for carrying out international transactions, «Credobliga» and «Online trade», an E-banking solution.

The «INTILAQ» programme was wound-down prior to launching «TAMYOUZ», a project aimed at modernising the bank's information systems.

Attijari bank Tunisie also introduced a professional code of ethics which was adopted by all Group employees in February. In addition, the Académie Attijari was inaugurated in May.

To meet the challenges outlined in its strategic growth plan, Attijari bank Tunisie is drawing inspiration from Group corporate values such as social responsibility and a commitment to support the domestic economy, whilst developing closer customer relations and building customer loyalty.

Banque Internationale pour le Mali, undergoing modernisation

Banque Internationale pour le Mali (BIM SA) became a member of the Attijariwafa bank Group on 8 November 2008.

BIM S.A., which has 60 points of sale, a portfolio of 100,000 customers and 263 employees, is Mali's second largest bank. Despite a difficult operating environment and obstacles surrounding the privatisation process, BIM's performance in 2008 was respectable. Customer deposits totalled MAD 2.48 billion (FCFA146.7 billion), disbursed loans MAD 2.15 billion (FCFA126 billion) and non-disbursed loans MAD 790 million (FCFA49 billion).

The bank's net banking income totalled MAD 226 billion (FCFA12.8 billion). Despite a high level of provisioning to clean-up the loan portfolio, the bank posted net income of MAD 14.45 million (FCFA 837 million) in 2008.

During the entire year, BIM SA endeavoured to develop its brand image as a traditional bank for Malians by drawing on the support of dedicated branches and representative offices in France, Spain and New York. The bank is also heavily involved in financing infrastructure investment.

Since acquiring control of BIM SA, shareholders, management and staff have worked together to successfully launch a transformation/development plan (Project NYETA). The goal is to provide the bank with modern systems required for its development to enable it to become a leading local bank.

Abderrahim Yamou (Morocco), mixed technique on paper, 72x56 cm
1997 - Attijariwafa bank collection

Global Risk Management

Global Risk Management

Mission and Organisation of Risk Management

Attijariwafa bank's risk management policy is based on professional and regulatory standards, international rules and recommendations made by the supervisory authorities. Risks are managed centrally by Global Risk Management (GGR), which is independent from the Bank's divisions and business lines and reports directly to the Chairman.

This set-up emphasises the global approach adopted by the Group towards risk management and underlines the Global Risk Management entity's independence in relation to the Bank's various businesses. This autonomy guarantees maxim objectivity when assessing risk-based proposals and control-related issues.

Global Risk Management's primary mission is to cover and monitor all risks inherent in the Group's activities, control and measure them. This function ensures control on a permanent basis, most often by adopting a deductive or a priori approach. This is in complete contrast to the Internal Audit function which is involved on a periodic basis using an a posteriori approach.

Its ongoing missions primarily consist of making recommendations in respect of risk policy, analysing credit portfolios in a forward-looking manner, approving loans to businesses and individuals, setting trading limits and guaranteeing a high-quality and effective risk monitoring process.

There are three main categories of risk:

- Credit and counterparty risk – this relates to the risk of total or partial default by a counterparty with whom the Bank has entered into a contract, including off-balance sheet obligations;
- Market risk – relates to the risk of loss from adverse fluctuations in interest rates, foreign exchange rates, liquidity etc;
- Operational risk – includes IT-related risk, legal risk, human risk, tax-related risk, commercial risk etc.

The organisation of the Global Risk Management division has been modelled on the classification of risks as defined by the Basel II Accord. It is organised around the following entities:

a) The Counterparty Risk entity, whose mission primarily consists of:

1. Downstream

- Analysing and investigating applications for risk-taking from the Bank's various sales-forces;
- Evaluating the substance and validity of guarantees;
- Assessing the importance of the relationship in terms of business volumes and whether the requested financing is financially viable.

2. Upstream

- Reviewing all loan commitments on a regular basis;
- Studying of authorisation and utilisation statements on a weekly basis;

Abderrahim Yamou (Morocco)
Attijariwafa bank collection

- Identifying breaches of limits and taking appropriate corrective measures;
- Assessing loans showing signs of difficulty and identifying repayment-related issues;
- Working closely with the branch network to ensure the recovery of these loans;
- Provisioning for non-performing loans.

b) The Market Risks entity, whose function is to detect, analyse and monitor the Bank's interest rate and foreign currency positions, rationalises these positions by formal authorisations and is alert to any deviation from these positions;

c) The Operational Risk entity, whose function is to detect, analyse and monitor the Bank's various operational risks inherent in its banking activity, including human, IT-related, tax-related and legal risks.

At the end of 2008, Global Risk Management established a new entity dedicated to Risk Management in line with best industry practice. This entity has three responsibilities:

1. Devise internal credit rating systems which comply with the spirit of Basel II recommendations;
2. Adopt standards and methods governing how the Global Risk Management entity should function;
3. Supervise risk management-related projects such as Basel II.

General Provisions

1- Governance and organisation

The approach to governance and organisation of risk management is unconditionally based on management principles established by the Bank's decision-making bodies.

Each of the main decision-making entities' responsibilities has been clearly defined to coordinate joint initiatives more effectively.

These entities include:

- The Board of Directors;
- General Management;
- Decision-making Committees;
- Global Risk Management;
- Control and Methods (SDM).

- Board of Directors' responsibilities

In the context of the Group's market activities, the Board of Directors' responsibilities include:

- Determining and reviewing the Group's commercial strategy and risk management policy on a recurring basis;
- Assessing the main risks to which the Bank is exposed when conducting business;
- Validating risk limits and ensuring that General Management and Decision-making Committees take the measures required to identify, measure, monitor and control these risks. Risk limits must be set in relation to capital;
- Approving the organisational structure;
- Ensuring that General Management verifies the effectiveness of internal control measures.

Global Risk Management

- General Management's role

General Management is the Group's executive body and its responsibilities include:

- Implementing the strategy and policies approved by the Board of Directors;
- Implementing the processes and the means required to identify, measure, monitor and control risks related to market activities;
- Setting up and maintaining the organisation responsible for managing market operations and monitoring risks;
- Setting up internal control standards and methods;
- Informing the Board of Directors of the essential items and conclusions which may arise from measures relating to the risks to which the Bank is exposed;
- Involving the Board of Directors in the management of market activities by submitting for its approval risk management policies.

- Role of Committees

Major Risks Committee (made up of members of the Board of Directors)

This committee, which is chaired by the Chairman and CEO, analyses and authorises the major risks to which the Group is exposed including loans, recovery activities, investments and purchases, over and above a certain limit.

This committee is now responsible for monitoring trends in risk indicators and sets short-term risk-management policy.

Group Credit Risk Committee

The Group Credit Risk Committee rules on all Attijariwafa bank's loan commitments up to a maximum of MAD 600 million.

It also sets the counterparty limits for international banks on the proposal of Correspondent Banking.

Market Risks Committee

The Market Risks Committee (CRM) is an internal body which assesses and monitors all types of market risk. Its responsibilities include:

- Monitoring and analysing market risks and any changes;
- Ensuring compliance with monitoring benchmarks, specific management rules and pre-determined limits;
- It sets limits for the various product lines as part of the Bank's overall strategy.

- Global Risk Management's role

Its role is to oversee the methodologies employed as well as counterparty and market risk. Its main responsibilities are:

- Validating the underlying principles and methods used to measure risk proposed by the Control and Methods entity and ensuring in particular that they are consistent with those of the Group;
- Monitoring counterparty and market risk in the context of the Bank's overall exposure;
- Validating the internal models and software databases used for valuing financial instruments;

Mohamed Kacimi (Morocco)
Attijariwafa bank collection

- Producing and analysing management results and dealing room risk on a daily basis;
- Ensuring that the market data and indicators used to calculate profits and risks are accurate;
- Assessing Front Office's limit requests in conjunction with Global Risk Management which in turn analyses them before submitting them to the relevant committee;
- Drawing up risk-measurement methods;
- Determining methods for measuring positions and calculating profits.

2- Risk Management Process

The risk management process comprises four main stages involving several entities:

- Risk identification;
- Risk measurement;
- Risk monitoring;
- Risk control.

- Risk identification

Risk identification consists of conducting a comprehensive and detailed inventory of the Group's risks and the factors inherent in each risk.

This inventory needs to be regularly updated to account for changes to risk-inducing factors and changes arising from any shift in management policies.

The Control and Methods entity has responsibility for this function in the course of day-to-day operations as well as during the product launch phase. It also relies on reports and notes from Internal Control.

- Risk measurement

Risk measurement consists of assessing the probability of risks occurring and their financial consequences on the Bank's positions or assets.

The risk measurement methods adopted under the guidance of the various risk committees and Global Risk Management are largely inspired by sound practices recommended by the Basel II committee and with prudential rules.

The Bank is committed to investing in the latest risk management systems by incorporating the very latest developments when applying its internal methods.

- Risk Monitoring

This consists of measures taken by the Bank to limit risk to an acceptable level.

- Risk Control

This last stage involves surveillance and supervision of the risk management process and enables new types of risk to be identified and adjusted as a function of developments.

Global Risk Management

I- Credit Risk

A- Credit Policy

1- General principles

Attijariwafa bank's credit policy is governed by a certain number of general principles:

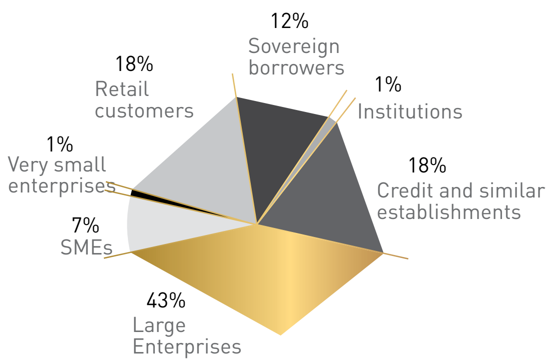
- Professional conduct and ethics: the Group insists on absolute compliance with the principles of conduct established in its internal code, compliance with legislation and respect for the rights of third parties;
- Exclusivity of risks: risks are structured to ensure that each Group entity remains functionally independent in risk terms in order to maintain an optimal risk profile for the Group;
- Responsibility for risks: each business line remains fully responsible for its own credit risks. This responsibility is also shared by the different bodies involved in the global risk management process;
- Collective decision-making: all credit-related decisions require approval by two parties and need two signatures, those of the sales and risk-management functions;
- Monitoring: each risk is constantly and permanently monitored;
- Appropriate returns: each risk assumed must earn an appropriate return as operational profitability is vitally important to the decision-making process.

2- Diversification by counterparty

Diversification is an essential component in the Bank's risk management policy which involves assessing the total exposure to any one customer. The scope and diversity of the Group's activities play a role in this process. Any potential situation in which there is material exposure is assessed on a regular basis, resulting in corrective action where appropriate.

This diversification is outlined as follows:

Group's exposure by counterparty in 2008



Houssein Miloudi (Morocco)
Attijariwafa bank collection

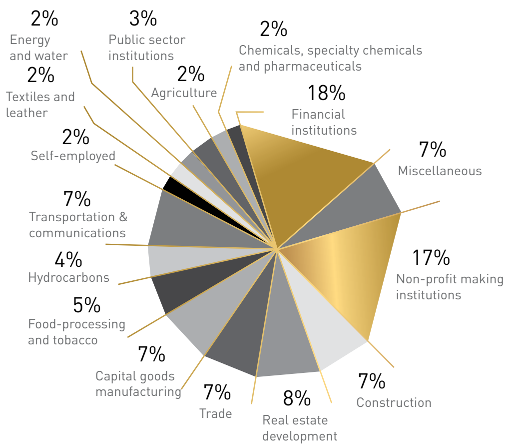
3- Diversification by sector:

The same attention is paid to the Bank's risk exposure by sector of activity together with forward-looking analysis which enables the Bank to manage its risk exposure in a proactive manner. This is based on research providing an assessment of sector trends and identifying factors explaining the risks to which counterparties are exposed.

The breakdown of the Bank's loan commitments by sector as a percentage of total loan commitments ended of December 2008 is as follows:

- Financial institutions and insurance companies accounted for 18%, virtually unchanged on 2007. Loans and advances made to this sector carry a very low level of risk (96% of loans and advances made to specialised financial establishments are to subsidiaries of banks and to the CDG);
- Construction and building materials accounted for 7% in 2008, virtually unchanged on 2007. Signature loans accounted for more than 50% of this sector's total loan commitments;
- Real estate development accounted for 8%, virtually unchanged on 2007. Since 2006, loans to this sector have risen strongly due to the Bank's strategy of financing a number of large-scale housing projects.

Group's exposure by sector of activity at 31 December 2008



Global Risk Management

4- Geographical distribution

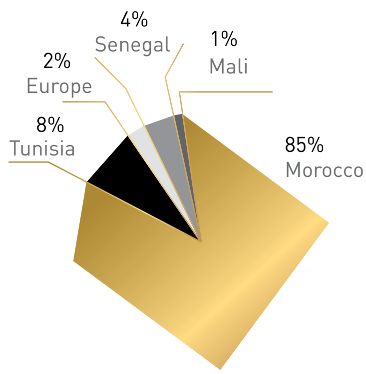
The geographical distribution of the Group's loan commitments reveals a very large concentration in Morocco which accounts for 85% of total loans. Tunisia accounts for 8%, Europe 2%, Senegal 4% and Mali 1%.

In Morocco, the Casablanca region alone accounts for 77% of the Bank's total loan commitments followed by the regions of Rabat (9%), Meknes-Fez, Souss-Sahara and Rif-Oriental which together account for 3% with "Others" accounting for the remaining 5%.

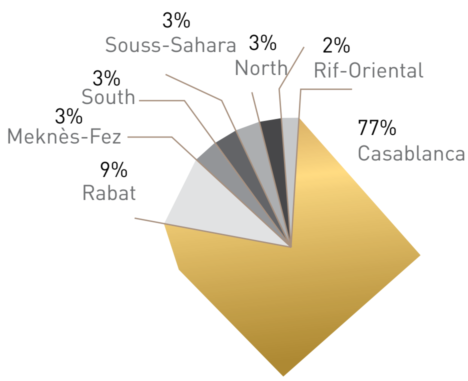
This concentration can be explained by:

- The fact that the Casablanca and Rabat regions constitute the country's economic, financial and administrative nucleus;
- The accounts of the main infrastructure projects carried out in the provinces are domiciled in Casablanca and Rabat.

Group's exposure by country at 31 December 2008



Group's exposure by geographical area (Morocco) at 31 December 2008



B- Procedures

1- Decision-making

a- Scope of powers

The Group's decision-making credit policy is based on a set of delegations which involves obtaining the assent of an appointed representative from the risk function. Agreement is always given in writing by obtaining the appropriate signatures or by a formal meeting of a credit committee.

Delegations of powers may vary depending on the level of risk, in accordance with internal ratings and the specific characteristics of each business lines.

Credit proposals must adhere to the principles governing general credit policy. Any exception must be referred to a higher level of authority.

The bank's different decision-making bodies, validated by the Board of Directors and classified in rising order of authority, are:

- Global Risk Management Select Committees (3 levels)
- BE Credit Committee
- Group Credit Committee
- Major Risks Committee, chaired by the Chairman and CEO which is the ultimate decision-making body in terms of credit and counterparty risk.

Decision-making relating to Group subsidiaries is determined as a function of the level of risk. Decisions are taken by the Bank's various committees when limits are exceeded.

b- Processes:

Applications and proposals:

After making initial contact with the customer and assessing the latter's business activity and revenues, the branch's head of sales puts together a credit proposal using a specific PC-based application form. He then puts together an administrative file for the said proposal, which includes all documents required by Bank Al Maghrib and by in-house rules relating to credit commitments.

This proposal must also comprise information required to enable a decision to be made by the Global Risk Management division.

Analysis and decision-making process:

The credit proposal is sent to analysts in the Global Risk Management division who undertake an initial thorough assessment by analysing the following:

- The business activity and how profitable is the relationship;
- The counterparty's ability to make repayments;
- How the business is structured in financial terms;
- Background to the customer relationship;
- The quality of the guarantees backing the loan;
- The profitability of the transaction;
- The rating determined by the Bank's internal ratings system.

In addition to these factors and to improve the Bank's due diligence in terms of risk management, industry-based research is carried out by the Economics and Sector Research unit. This completes the credit analysis process.

Global Risk Management

The main purpose of this research is to analyse macroeconomic trends by conducting specific research across all sectors and thereby contribute to setting the Bank's credit policy.

This analysis is then scrutinised by a risk management specialist from the Global Risk Management division. The latter takes a decision within the scope of his or her powers, before presenting the proposal to the relevant decision-making body.

Notification of the decision:

This new procedure, which has become part of the preliminary credit certification process, has enabled the Group to formalise the terms and conditions underlying credit decisions. This emphasis on greater transparency enhances customer relations and guarantees that the mutual interests of both parties are safeguarded.

Improvements are being made in this area which include sending customers a credit opening contract and a specific notification letter for certain types of loan such as mortgage loans.

Revision:

Proposals to revise credit lines are generally made by sales units in the same way as proposals to open new credit lines. Global Risk Management entities may also request a revision of credit lines when their systems indicate anomalies which justify a downward or upward revision to the authorised amounts.

The analysis and decision-making process is the same as that for approving a new credit.

Related legal entities:

The credit approval process for related legal entities follows the same rules and procedures as for normal customers.

c- Management of credit application files

Content and management of credit application files

Customer application files include:

- Customer relationship file;
- Guarantees file;
- Administrative file
- Operational services file.

In accordance with the terms of the Bank Al Maghrib directive of April 1, 2005, credit application files must also include the following:

- Minutes of the Annual General Meeting of Shareholders, ruling on the previous period's financial statements;
- Annual financial statements;
- Statutory Auditor's General Report certifying that the financial statements give a true and fair view.
- Receipt certifying that the annual financial statements and statutory auditors' report have been deposited at the Clerk's Office of the Commercial Court.

Credit application files are filed at branch level. For analytical purposes, copies of the original documents are sent for consultation to the different central departments concerned for a decision to be made.

Credit proposals and decisions as well as supporting documents are archived with Global Risk Management.

In addition, Attijariwafa bank has established a digital archiving system providing access to financial statements and other information over a number of years. The system's search engine enables user to conduct in-depth research using predefined criteria.

d- Guarantees

Sales units submit guarantee proposals as part of the overall credit proposal. They are negotiated with the customer beforehand as cover for credit risk.

These guarantees are assessed at the same time as the credit proposal itself. This assessment is made on the basis of a number of items of information and documents submitted in conjunction with the credit proposal. The main guarantees accepted by the Bank and the methods used for assessing them are as follows:

- A personal guarantee, assessed on the basis of a recent detailed inventory of the customer's assets using a pro-forma model;
- A mortgage security, assessed on the basis of:
  - A valuation report by an expert approved by Attijariwafa bank for guarantees of more than one million dirhams;
  - A report by one of the Bank's managers backed up by a visit report for guarantees of less than one million dirhams.

At the credit file's annual renewal date, the analyst may request, if necessary, an updated valuation of the mortgage-backed assets.

- The value of the business pledged as a going concern may also be backed up by a valuation report;
- Goods pledged are regularly inspected by accredited organisations;
- Invoices and evidence of payment may be used to corroborate items of equipment which have been financed and pledged.

Management of guarantee files:

The original deeds of guarantee are held by the Guarantees Administration unit at head office.

The applications procedure for guarantee release is the same as that for credit proposals once approval has been granted by the Commitments Control unit. Any authorised guarantee amendment will therefore have an impact on the credit decision.

The guarantee release procedure is centralised with the Guarantees Administration unit to ensure total operational control. Authorised signatories are decided in advance and may not be changed.

The AGMA project, which the bank initiated in 2007, is aimed at modernising the bank's management guarantee system by centralising the guarantee process and introducing IT systems for managing guarantees and their release.

2 - Monitoring:

In Attijariwafa bank's new organisational structure, the Monitoring and Credit Risk Control entity is primarily responsible for monitoring and detecting loans in difficulty.

The Monitoring and Credit Risk Control entity takes a proactive approach in permanently monitoring the health and quality of the Bank's loan commitments.

As a key part of the risk control process, this preventive management approach involves anticipating situations where there is possible deterioration in credit quality and making the appropriate adjustments.

The entity is responsible for:

- Monitoring the authenticity of commitments e.g. ensuring that the motives given for taking credit are valid and comply with authorised limits; assessing incidents relating to payment; reviewing amounts owing;
- Detecting loans showing signs of weakness (so-called loans in difficulty) based on a certain number of warning indicators;
- Working with the branch network to monitor major risks (loans in difficulty, the largest and/or most problematic loan commitments);
- Deciding on which loans need to be downgraded in the light of current regulations governing non-performing loans;
- Working with the branch network to monitor certain specific risks such as temporary admissions, advances to companies bidding for public contracts and advances for purchasing goods.

This entity is structured around three sub-entities, which are organised in a similar way to the branch network:

- Retail banking;
- Corporate banking;
- Subsidiaries and branches.

The purpose of these various forms of control is to prevent the risk of limits being breached, payment incidents, or a significant decline in the number of customer transactions. Staff must react rapidly to identify in good time the problems encountered by the customer in question and find appropriate solutions.

3 - Provisioning:

A comprehensive review of the Bank's portfolio is carried out on a quarterly basis aimed at identifying sensitive loans and those liable for provisioning. A system of indicators is used which has been devised using classification criteria for non-performing loans established by Bank Al Maghrib's Circular N°19 as well as other additional prudential criteria adopted by the Bank.

There are four categories of warning indicator whose underlying rules for detecting anomalies comply with current legislation:

- Indicators relating to limit breaches;
- Indicators relating to payments in arrears (bank discount or amortisable loans);
- Indicators relating to the freezing of accounts;
- Indicators relating to financial criteria.

In addition to these standard detection criteria, a set of proactive ratios has recently been incorporated in the system of warning indicators which are calculated using certain current balance sheet items. These ratios provide signals warning of deterioration in the risk profile so that corrective action can be taken in good time.

Such loans are identified and pre-classified prior to being assessed by credit committees responsible for monitoring loans in difficulty in conjunction with other entities within the Bank (branch network, credit division, recovery).

These committees monitor non-performing loans on a regular basis, resulting in any one of the following actions:

- Regularisation, meaning that the said loans are reclassified in the "normal" category;
- Rescheduling or restructuring in the case of economically and financially viable businesses;
- A definitive downgrade of the loan to one of the non-performing loan categories after formally informing the customer in question beforehand;
- Maintaining the loan under the "needs monitoring" category for those cases which, although not formally eligible for downgrade in respect of regulatory requirements, require particular attention, however, by the entities concerned. These loans may be provisioned, if need be, under general provisions.

Non-performing loans are assessed and accounted for in accordance with current banking legislation. They are classified under three categories:

- Pre-doubtful loans;
- Doubtful loans;
- Impaired loans.

The Bank's various entities in question will inform the customer beforehand of loans which may be provisioned.

Mortgage guarantees for an amount equal to or above MAD 1 million are automatically assessed before being taken into consideration when calculating provisions.

It must be noted that as a measure of caution, the Group's policy is to provision for non-performing loans which are mostly classified directly under the "Impaired loans" category and provisioned accordingly.

It is also to be noted that the Risk and Accounts Committee regularly meets to assess the situation of loans classified as "non-performing" and those requiring particular attention when indicators are unfavourable.

Global Risk Management

4 - Corrective portfolio measures:

To improve the effectiveness of recovering loans in difficulty, the Bank has adopted a system of recovery by conciliation. This system is structured around two entities, one for Corporate Banking and the other for Personal and Professional Banking.

These entities, which report to Global Risk Management's risk and recovery entities for loans to corporate, personal and professional banking customers, have the following responsibilities:

- Monitoring the legitimacy and quality of all the Bank's loan commitments on a regular basis;
- Correcting any shortcoming by following up initially with the branch network or directly with the customer in question;
- Adopting a proactive approach aimed at avoiding deterioration in loan quality.

C- Internal credit rating system

Attijariwafa bank's internal credit rating system was established in June 2003 with the assistance of Mercer Oliver Wyman, a global strategy consulting firm:

a) Scope: corporate portfolio, which excludes local authorities, banks, holding companies, finance companies, companies in the farming sector, hotel and property development companies.

b) The "Impaired loans" category was adopted as the default definition.

c) The system takes into consideration two specifications, one being a rating scale with six ratings (A, B, C, D, E and F) and the other, estimated probabilities of default (PD).

d) The model incorporates five financial factors explaining credit risk:

- Size;
- Structure;
- Profitability;
- Liquidity;
- Leverage.

e) Method for calculating the rating – a rating matrix has been established for each of the five factors. The final score is the sum of the ratings arrived at for each factor.

f) Attijariwafa bank's ratings matrix:

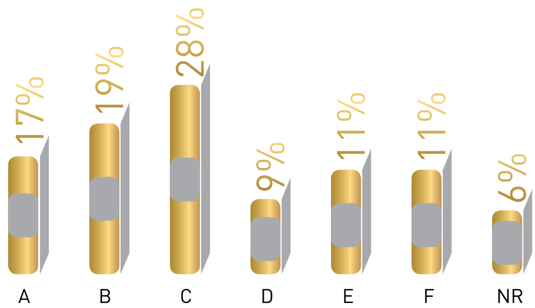
- Scores are segmented into 6 risk categories using a master ratings scale.
- Probabilities of default are calculated and adjusted for each risk category.

Overall rating (out of 100)	Attijariwafa bank Classification	Description
82 - 100.0	A	Very good
65 - 81.75	B	Good
55 - 64.75	C	Average-high
45 - 54.75	D	Average
34 - 44.75	E	Average-low
< 34	F	Needs monitoring

Mohamed Abouelouakar (Morocco)
Attijariwafa bank collection

The following bar chart demonstrates the breakdown of Attijariwafa bank's loan commitments under the internal ratings system:

Breakdown of the bank's loan commitments by rating at 31 December 2008



NR: awaiting a rating

The internal ratings system is now an integral part of the credit assessment and decision-making process. When processing a credit proposal, a rating confirmation is made in agreement with the decision-making body. The risk rating will determine which level of authority is required to take the decision.

g) Maintaining Attijariwafa bank's ratings system:

A prototype back-testing model for the internal ratings system was completed at the end of August 2007 for the "Corporate – Large Enterprises and larger SMEs" segment.

Objectives of back-testing:

- To test the predictive powers of the ratings model;
- To ensure that the probabilities of default are correctly rated.

A new internal ratings model has recently been designed to improve the system's predictive powers:

- The financial factors have been re-specified;
- The model has been enhanced by other qualitative and behavioural factors;
- A distinction has been made between Large Enterprises and SMEs.

This new model comprises eight risk categories including one default category (A, B, C, D, E, F, G and H). The model's risk categories have been standardised by adopting the risk categories of international ratings agencies such as S&P and Moody's.

The Large Enterprise and SME ratings models have three types of factor – financial, qualitative and behavioural factors.

Global Risk Management

II - Market Risk

Market activities are an area in which risk management plays a significant role and is a major determinant for profitability and performance.

The Bank has implemented a set of policies and measures to anticipate and reduce risk and improve risk quality.

A – Managing market risk

1- Categories of market risk

Attijariwafa bank's credit policy is based on a certain number of general principles:

Major types of market risk are:

- Interest rate risk;
- Foreign exchange risk;
- Equity risk;
- Commodity risk;
- Settlement risk.

- Interest rate risk:

This risk relates to the risk of variation in the value of positions or the risk of variation in a financial instrument's future cash flows due to changes in spot interest rates.

The following table shows the sensitivity of shareholders' equity and net margin to changes in interest rates by currency:

- Foreign exchange risk:

This risk relates to the risk of variation in a position or in a financial instrument due to changes in foreign exchange rates.

Technically, foreign exchange risk is measured as a function of the Bank's foreign exchange positions.

Foreign exchange limit positions comprise:

- End-of-day limit position for each currency;
- End-of-day overall limit position;
- Short limit position;
- Stop-loss limit.

These limits are governed by regulatory limit requirements.

Foreign exchange forward contracts are used to hedge the value of financial instruments. Structural positions related to strategic investments in foreign currencies are not hedged.

The following table shows the breakdown of forward contracts used to hedge profits, which stood at MAD 18.7 billion at the end of December 2008:

	< 3 months	3-6 months	> 6 months
Hedging of profits	13,379.2	2,670.4	2,692.9

Impact of 50 basis points	Overall	MAD	USD	EURO	Other currencies
% impact on shareholder's equity	2.78	3.63	0.1	0.5	0.25
% impact on interest margin	1.15	0.17	0.7	0.48	0.14

Mohamed Melehi (Morocco)
Attijariwafa bank collection

- Equity risk:

Equity risk relates to changes in the value of a portfolio of shares following changes in share prices.

- Commodity risk:

Commodity risk relates to changes in the value of commodities following unfavourable fluctuations in their market price.

- Settlement risk - delivery:

This is the risk incurred in the simultaneous and non-secure exchange of two assets such as foreign currencies or securities. It is related to the concomitant exchange of securities and cash between the Bank and its counterparty. It covers a very short period of time from when the Bank initiates the agreed settlement process until it recognises delivery by the counterparty in its accounts. To reduce this risk, Capital Markets may opt for one of two solutions:

- Sign netting agreements and only pay the difference;
- Use secure payment systems guaranteeing simultaneous payment against delivery.

2- Monitoring and control measures

Market risk is controlled by comparing the various risk measures with their corresponding limits. Responsibility for complying with these limits lies on a permanent basis with the dealing room's respective product lines.

The following entities are primarily responsible for the control functions relating to monitoring market risks:

- Capital Markets' Control and Methods entity;
- Global Risk Management's Market Risks entity;
- Internal Control.

The Control and Methods entity reports to Capital Markets but remains independent from the Front Office and sales staff. Internal Control reports to Capital Markets concerning management issues and to Group Compliance concerning operational issues.

Control and Methods:

The Control and Methods entity is responsible for Level 1 control, its operational functions being related to the applications that it manages. Its remit primarily consists of:

- Producing and analysing data relating to profits and risks on a daily basis;
- Ensuring the reliability of market inputs for calculating profits and risks (interest rates, stock prices, commodity prices, swap quotations etc.);
- Devising methods for calculating profits and risks and ensuring that they comply fully with the nature of the risks incurred;
- Devising measures for limits and risk calculation methods in conjunction with Global Risk Management;
- Monitoring and notifying in the event that market limits are breached.

Global Risk Management

- Ensuring that Front Office operations comply with accepted market practices and rules established by the Bank;
- Validating prices used by the Front Office.

Global Risk Management – Market risk

Global Risk Management assumes Level 2 financial control which involves, in particular, overseeing methodologies and market risks. Its remit primarily consists of:

- Validating the principles underlying the methods and measures proposed by the Control and Methods entity by ensuring that Group methodology is consistent and issuing recommendations, where appropriate;
- Monitoring market risks at parent or subsidiary level and particularly at Group level;
- Internal and external reporting of market risks;
- Validating the methods developed internally and the software models used to value loan portfolio products;
- Validating the various authorisations and limits requested and the different product lines.

Market Risks Committee:

This committee, which meets quarterly, is composed of the heads of the various levels of control as well as those responsible for Front Office operations. The committee validates new limit applications and adjustments to proposed limits and reviews any breaches recorded.

3- Management of limits

Limits are set by the Market Risks Committee for each type of exposure for a one-year period but may be revised as a function of the needs of individual products lines or to take into consideration changes in market conditions.

Limit applications made by the dealing room's different product lines must be submitted to the Control and Methods entity accompanied by a supporting note explaining:

- The size of the limit requested and the character of the corresponding risks;
- Reasons for such an application.

It must be noted that the Market Risks Committee has initiated a stop-loss system for each product line (foreign exchange, fixed income, equities etc.). This system will result in a position being immediately closed if a trader reaches the maximum loss set by the Committee.

Monitoring limits and breaches:

Responsibility for ensuring compliance with limits lies with:

- The Control and Methods entity;
- Global Risk Management.

The Control and Methods entity monitors exposure on a permanent basis and implements risk measures which it compares to the limits. It submits an appropriate daily report to:

- General Management;
- Global Risk Management;
- Internal Control.

Abderrahim Yamou (Morocco)
Attijariwafa bank collection

It will immediately signal any breach of limits and will propose measures to regularise the situation.

Counterparty limits are revised:

- Annually, on renewal of the counterparty credit file by Global Risk Management;
- On an ad hoc basis, depending on changes to business activity and counterparty risk.

In the case of annual adjustment, the Control and Methods entity studies the predefined limits and compares them with what actually occurred during the previous year. It will propose any adjustments required for the following year, in conjunction with Capital Markets and other commercial entities.

In the case of an ad hoc adjustment, those involved in setting limits may request an adjustment to limits granted to counterparties in the light of fresh circumstances. The limit may be revised up or down or cancelled.

Applications to adjust limits are centralised with the Control and Methods entity which studies their impact on dealing room operations before submitting them to Global Risk Management.

4 - System for managing market risks

To satisfy regulatory reporting requirements, Attijariwafa bank has installed an IT solution known as Fermat which meets internal and regulatory requirements for calculating capital adequacy in respect of market risks; the software calculates solvency ratios and measures market risks.

In 2007, the Bank adopted the standard method (Basel II) due to the Fermat system.

In addition to the Fermat system, the Bank has developed in-house applications for measuring and quantifying market risks for different dealing room products.

B- Methodology for measuring market risks (internal model)

1- Value at Risk measurement

Value at Risk (VAR) measures the maximum permitted variant in the value of a portfolio of financial instruments with a fixed probability over a given period under normal market conditions.

The Value at Risk model was developed by Attijariwafa bank's Global Risk Management entity. It covers dirham-denominated interest rate risk, foreign exchange risk in the spot and forward markets as well as equity risk. The model is an in-house application which is based on the RiskMetrics method developed by JP Morgan.

This method offers various advantages:

(i) It is easy to use;

(ii) It takes into account existing correlations between asset prices;

(iii) It takes into consideration recent and historical fluctuations in prices.

Global Risk Management

The RiskMetrics method is based on a matrix of variances and co-variances of returns on portfolio assets as well as portfolio composition. Global Risk Management produces a daily detailed report which calculates the VaR and any changes and controls regulatory and internal limits.

Activity (in MAD)	Position (MAD)	VaR (1 day)	Regulatory VaR (10 days)
Foreign exchange	1,107,629,438	374,022	3,151,091
Equities	55,571,461	3,151,091	9,964,635
Fixed income	2,376,685,862	7,413,923	23,444,883

2- Back-testing

The model allows for back-testing. This is a technique used to test the model's validity for calculating VaR. It uses historical data to calculate VaR and then to ascertain whether this VaR actually represents the potential loss realised by comparing it to the theoretical P&L.

3- Stress-testing

For technical reasons, the current VaR model does not allow for stress-testing which is a form of testing which will be developed at a later date.

C – Liquidity risk

This is the risk of not being able to meet one's obligations or not being able to liquidate or offset a position due to market conditions. Liquidity management must not result in losses on disposal of assets. (Please refer to the ALM section).

III - Operational Risk

A- Context and Methodology

Context

The project of establishing an operational risk management policy is in keeping with Basel II reforms and their application to Moroccan institutions as decreed by Bank Al Maghrib's directive DN/29/G/2007 of April 13, 2007.

The aim is to improve and structure operational risk management across the Group's entire business and support functions in order to:

- Ensure that the policy is applied consistently within the Group in terms of norms, method and systems;
- Instil in each business line a genuine operational risk management culture.

Responsibility for the project was given to a new entity, Operational, Legal, Information Systems and Human Risks, which reports to Global Risk Management. It was established as a separate unit and became operational on April 28, 2008.

Mohamed Melehi (Morocco)
Attijariwafa bank collection

Methodology adopted

Operational risk modelling

Operational risk is defined by Bank Al Maghrib as the "risk of direct or indirect loss resulting from a deficiency or failing in internal procedures, persons or systems or resulting from external events". This definition includes legal risks but excludes strategic risk and the risk of damage to the Group's reputation.

Risk can be represented as the link between a causal event (the cause) and a failing (the outcome), which may or not be adverse.

Risk evaluation:

CAUSE	**Causal Event:** Entry error when placing an order	**Frequency** Several times a day
Consequence	**Failing:** Wrong order placed	**Impact** Average loss: MAD100K Maximum loss: MAD150K

The purpose of modelling operational risk is to represent in a normal way an event that may result in a failing and to evaluate it with the help of objective, well-documented and standardised criteria:

- Frequency of occurrence;
- Resulting impact.

Risk-mapping indicates all risks represented by the model for any given organisational entity (a division, a business line, a subsidiary etc.).

Methodological approach

Attijariwafa bank's operational risk policy is based on an approach in which types of risk have been identified by experts working in the various businesses lines and by qualified external consultants. For the purpose of operational risk management, the Group has been divided into 23 business lines and 19 subsidiaries. This project comprises several phases:

- A phase, aimed at establishing a policy framework, which has culminated in:

– Building and formalising deliverable methodologies;

– Defining organisational principles;

– Implementing provisional systems for operational risk management;

– Implementing policy in two "test" business lines.

All these issues have been consolidated in a formal operational risk chart.

- Group 1 implementation phase comprising 23 of the bank's business lines and 4 subsidiaries (Attijariwafa bank Europe, Wafasalf, Wafacash and Wafa Immobilier);
- Group 2 implementation phase comprising 15 subsidiaries based in Morocco and overseas.

Those foreign subsidiaries recently-acquired by Attijariwafa bank will be allocated to an additional group.

Global Risk Management

The methodology adopted for implementing the operational risk management process is based on the following steps:

1. Process validation – this step is based on dividing business lines into macro-processes and key processes to identify risks within each business line;
2. Risk identification and evaluation – the operational risks identified are graded by frequency and impact resulting in a formalised risk map by business line. Particular attention is given to major risks during this phase;
3. Identifying indicators and action plans related to major risks – the purpose is to limit the frequency of incidents and to cushion their impact;
4. Posting incidents and risk monitoring – organisational measures have been established within each business line in order to:

- Understand the causes of incidents;
- Determine appropriate action to reduce operational risk;
- Establish a database of incidents and losses;
- Guarantee consistency across the entire process.

5. Back-testing and risk re-evaluation – this step will only be carried out after each business line concerned has experienced a full year of process implementation. Back-testing aims to match the incidents occurring within each business line to operational risks initially identified in the risk maps.

Implementation of the operational risk management process by business line

Once the business line concerned has implemented the operational management methodology and when applying the Charter, implementation of operational risk management primarily comprises:

- Operational implementation of the operational risk charter;
- Operational risk-mapping by business line;
- Training materials;
- Adoption of administrative procedures to post operational risk incidents;
- A reference guide of macro-processes and processes.

B- Organisation of operational risk entity

Organisational process

Operational risk management policy, which is the responsibility of a centralised unit known as ROJIH (Operational, Legal, Information Systems and Human Risks) reporting to Global Risk Management, is enforced at two levels:

- **Level 1 / ROJIH :** is responsible for measuring and controlling operational risks. It is also responsible for informing each business line of its current level of operational risk and helping to implement an appropriate action plan.
- **Level 2 / Business lines :** are responsible for identifying and posting incidents and implementing initiatives to hedge risk.

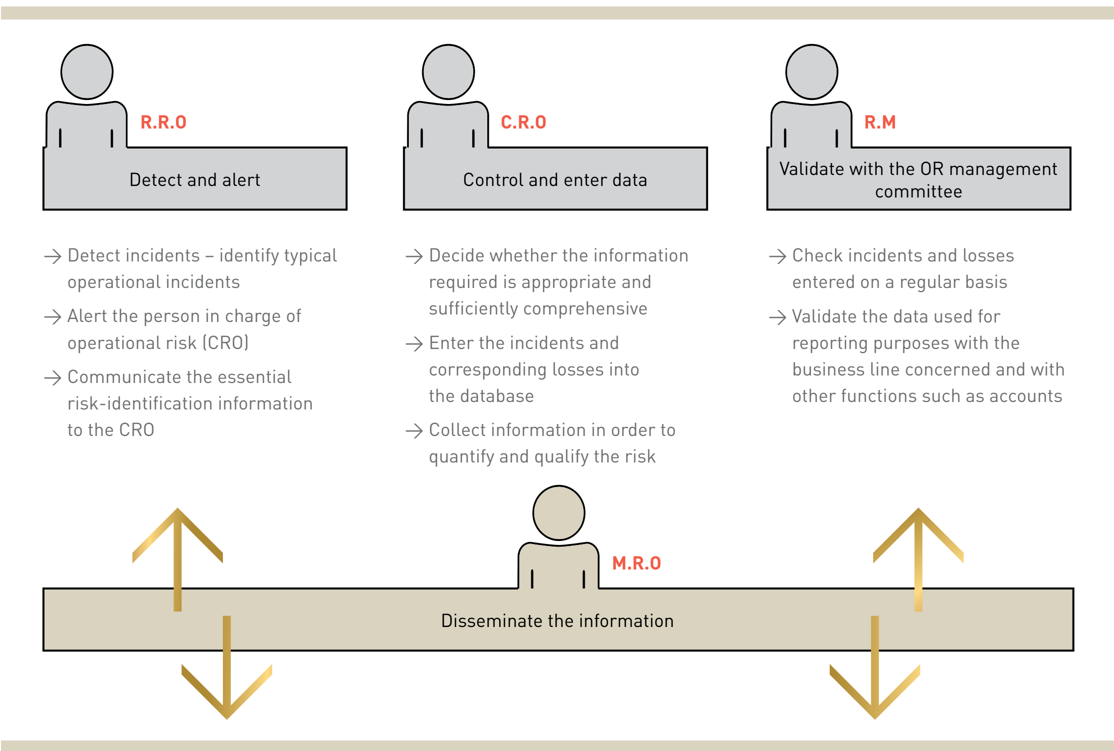
Within each business line, the main officers responsible for implementation of operational risk management are:

RRO: Operational risk coordinators (business line)

CRO: Operational risk correspondents (business line)

MRO: Operational risk managers (ROJIH)

RM: Head of business line



Global Risk Management

Main committees

Operational risk management policy comprises a number of committees including:

Operational risk management committees, which meet on a monthly basis, have the following objectives:

- Review operational incidents and losses over the period under review;
- Monitor the risks needing specific attention using indicators and appropriate action plans;
- Assess the impact of changes on operational risks and initiate appropriate action plans;
- Validate the update of reference documents relating to processes.

The ROJIH committee, which meets on a monthly basis, has the following objectives:

- Ensure implementation of operational risk management policy within each of the Group's entities;
- Identify changes to the risk-map (validated by the business unit's operational risk committee);
- Examine major risks arising at Group level and propose appropriate action plans;
- Draw up procedures for reporting to General Management and to the bank's various administrative bodies.

Achievements

Policy has been successfully implemented in all Group 1 entities, comprising all of the bank's business lines and 4 subsidiaries:

Business lines		Subsidiaries
1. Corporate banking **2.** CTN capital markets operations **3.** CTN foreign currencies **4.** CTN loans **5.** CTN dirhams **6.** CTN electronic banking **7.** Customer service **8.** Group recovery **9.** CTR **10.** Personal and Professional Banking **11.** Group communications **12.** Organisation and reengineering	**13.** Banking for Moroccans Living Abroad head office **14.** Group Quality **15.** Legal and advisory **16.** Buying, logistics, health and safety **17.** Group information systems **18.** Financing **19.** Capital Markets **20.** Capital Humain Groupe **21.** Custody **22.** Global Risk Management **23.** Group Finance	**24.** Wafasalaf **25.** Wafacash **26.** Wafa Immobilier **27.** Attijariwafa bank Europe

23 operational risk road maps covering the bank's business lines have been established with:

- The number of operational risks identified: 581
- The number of risks requiring specific attention: 148

Road maps covering the 4 subsidiaries have been established with:

- The number of operational risks identified: 405
- The number of risks requiring specific attention: 93

The same methodology will be applied to the other remaining subsidiaries in Morocco and overseas.

Mohamed Abouelouakar (Morocco)
Attijariwafa bank collection

IV - Asset-Liability Management

ALM-type structural risks relate to the risk of loss of economic value or a decline in future interest income due to interest rate gaps or a mismatch in the structural asset-liability maturity profile.

ALM provides indicators for monitoring the risk and expected return for various balance sheet products and outlines management rules for reducing the bank's balance sheet exposure to risks and managing its positions in the most efficient way possible.

ALM policy involves a process of identifying, evaluating and managing the risk positions assumed. One of the fundamental tasks of ALM policy is to define rules for removing certain assets from the balance sheet by carrying out appropriate economic and financial analysis.

A- ALM conventions and models:

In 2008, Attijariwafa bank's ALM models and conventions were comprehensively overhauled based on the economic reality of the bank's assets and in light of market and economic factors influencing the behaviour of the bank's balance sheet lines.

These financial assumptions are dynamic and will be reviewed on a regular basis and at least once a year, to reflect actual changes in the bank's loan/deposit structure.

The measurement of liquidity, interest rate and foreign exchange risk effectively requires a detailed understanding of the intrinsic characteristics of contracts, including a coupon's maturity (fixed, adjustable, variable) and the currency denomination of each balance sheet item.

In addition to the contractual characteristics of balance sheet items, the balance sheet's "hidden" options (e.g. mortgage loans which may be redeemed early) and customer behaviour (particularly in terms of how long a deposit account is held open) have also been modelled.

The approach adopted is based on the static and dynamic production and projection of balance sheet items over time until assets are run-off and new ones produced as a result of the bank's budget and corporate strategy.

ALM's financial modelling of the balance sheet focuses on:

• The balance sheet schedule:

- In accordance with contractual terms for those items with a maturity;
- Based on statistical research for those items without a maturity;
- On the basis of budgetary and strategic assumptions for a dynamic vision

• Options and customer behaviour:

- Repayment options (credit activity) and deposit withdrawal (deposit activity);
- Decisions taken to extend, renegotiate etc.

Global Risk Management

B- Interest rate risk:

Unfavourable fluctuations in interest rates may have a significantly negative impact on the bank's future interest income e.g. the impact from a rise in interest rates on the bank's cost of short-term finance collateralised against assets having different terms.

Interest rate risk sensitivity can be explained by the reaction of fixed-rate or adjustable-rate assets and liabilities in terms of duration or volume differences (interest rate gaps) to changes in the term structure of interest rates.

Interest rate risk management aims to ensure that adverse movements in interest rates do not negatively impact anticipated net interest margin and reduce shareholders' equity.

1. Interest rate risk management:

The Group's interest rate policy is to secure a fixed rate for its assets, determined in advance for a fixed period, rather than a variable rate determined by the market. By establishing these positions in advance, the bank is able to calculate its sensitivity to changes in the term structure of interest rates (sensitivity being defined as the change in the Net Present Value (NPV) of these positions in the event of adverse fluctuations in interest rates).

The Bank's interest rate policy consists of reducing risk exposure in order to reduce the impact on net interest margin and shareholders' equity through hedging strategies for certain activities and for certain maturities.

Management of the bank's interest rate gaps (interest rate equivalent to structural surpluses) consists of increasing medium- and long-term customer assets in line with interest rates by investing its surpluses in risk-free transferable Government securities.

2. Exposure:

Interest rate gaps (in MAD billions)

3 months	1 year	2 years	5 years
11.8	9.5	10.01	4.7

A 1 basis point parallel move in interest rates has a 0.024% impact on net banking income and a 0.065% impact on shareholders' equity.

Interest rate change	50 bp change	200 bp change
Impact on net banking income	1.2%	4.8%
Impact on shareholders' equity	3.25%	13.0%

C – Liquidity risk

The purpose is to ensure that the bank, given the extent to which it is able to convert its deposits, can meet its obligations solely by mobilising its assets without difficulty, particularly in the event of massive withdrawals of customer deposits, a high level of loan distribution, a crisis of confidence or should market liquidity contract.

Liquidity risk is managed within the framework of the bank's ALM policy. The aim is to manage the bank's current liquidity situation on the assumption that a liquidity crisis could arise at any moment.

1. Liquidity risk management:

Liquidity risk management is conducted by:

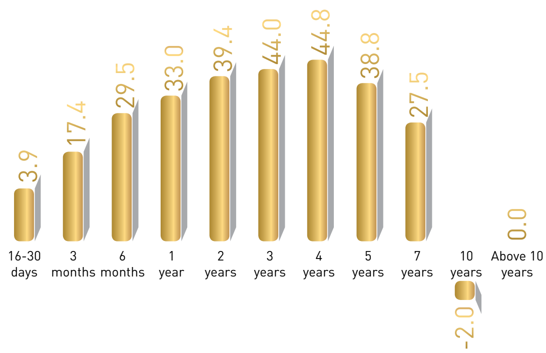
- Measuring this risk by analysing the contractual or modelled term structure of loans and deposits, highlighting short or long gaps at maturity;
- A more appropriate policy of conversion depending on the quality of deposits taken and loans financed.

A treasury committee has been established to monitor and manage short-term liquidity risk by regularly monitoring market conditions, checking the bank's intrinsic ability to meet potential liquidity needs and manage its liquidity ratio...

2. Exposure:

The bank's liquidity gaps at 31 December 2008 were as follows:

Bank's liquidity gaps at 31 December 2008 (in MAD million)



The bank's short-term financing capacity in 2008 was significantly above the required level. The bank's liquidity ratio was 114.9% on average in 2008.

Global Risk Management

D- Foreign exchange risk

Foreign exchange risk is the risk of decline in foreign currency-denominated net interest margin, decline in the value of an asset (loan or credit), an increase in a liability (borrowing) or off-balance sheet commitment denominated in a foreign currency following adverse fluctuations in exchange rates.

The bank has three categories of foreign exchange position which need to be regularly managed:

- Structural foreign exchange risk – resulting from long-term investment in foreign currency-denominated assets. These consist primarily of the bank's stakes in foreign banks, totalling MAD 2.6 billion at the end of December 2008;
- Operational foreign exchange risk – primarily concerns the bank's day-to-day deposit and lending activities denominated in foreign currencies as well as customers' long-term hedging requirements through use of foreign exchange forward contracts;
- Transactional foreign exchange risk – includes foreign currency-denominated transactions originated and managed by the bank's traders for its proprietary book.

Operational and transactional positions are monitored on a regular basis (in terms of limit and size) by Global Risk Management.

The bank's ALM governance:

The bank's ALM policy is managed by the ALM committee which has responsibility for determining the bank's strategy in terms of financial risk management, its hedging strategy and overall balance sheet management.

The ALM committee is responsible for defining ALM policy in respect of liquidity, interest rate and foreign exchange risk, managing the bank's working capital requirement and its financing and investment strategy depending on market conditions. The ALM committee, which meets on a quarterly basis, is chaired by the bank's Chairman and Chief Executive Officer. It decides and acts on the following issues:

- Organise and monitor the Group's asset-liability management function;
- Validate asset-liability management methodologies and conventions;
- Set ALM limits and ensure compliance;
- Monitor interest rate, foreign exchange and liquidity risk;
- Set internal rules in respect of financial risks and balance sheet management;
- Ensure that prudential rules are applied;
- Define the bank's investment and financing strategy..

Outlook

Attijariwafa bank has chosen to implement Basel II's advanced approach and to adopt the very best industry practice in terms of measuring and managing risk. The bank has revised its internal credit rating system for corporations and has embarked on a project to transform the Global Risk Management division. Basel II Advanced Approaches involve profound changes in the bank's processes such as:

- Guaranteeing accuracy of information relating to consolidated risks and data required for calculating regulatory ratios and economic indicators;
- Providing a single customer perspective at Group level, incorporating balance sheet loan commitments, off-balance sheet loan commitments, credit limits, guarantees, collateral, ratings and contractual provisions in their entirety;
- Updating operational risk management procedures (watch-lists, preventive measures, default management etc.);
- Incorporating commercial considerations when deciding on loan commitments (ratings etc.), credit decisions and for pricing credit transactions;
- Making organisational changes (closer cooperation between Risks and Finance functions, separating origination activities from those of credit management etc.).

The main processes affected by such a transition are the following:

- Credit approval – based on rules governing the internal ratings system;
- Management of limits at Group level – breaches, provisional authorisations, renewals, consolidations;
- Control and supervision – consolidated management of the credit risk portfolio;
- Collateral and guarantees – management and reassessment rules governing credit risk assessment;
- Recovery – convergence with Basel II standards as a function of changes to the domestic legal framework in respect of creditors, loan recovery and the realisation of guarantees;
- Pricing – depending on the risk, allocation of shareholders' equity, performance measurement;
- Risk data quality management – systems and customer data.

Given the impact on these processes, a number of projects have been identified and a road map established.

Fouad Bellamie (Morocco), Acrylic on canvas, 172 x 200 cm,
1986, Attijariwafa bank collection

Financial report

Management report

for the period ended 31 december 2008

Economic environment[1]

Slowdown in global economic activity in 2008

In 2008, the global economy was confronted with a certain number of challenges. The after-effects of the sub-prime mortgage crisis in the United States and rising inflationary pressures cast a shadow over international financial markets, undermined economic activity and drained liquidity from the entire financial system.

Latest International Monetary Fund (IMF) projections estimate gross domestic product growth of 3.4% in 2008 and 0.5% in 2009 compared to 5.2% in 2007. In developed countries, growth is expected to be 1% in 2008 and -2% in 2009. In the United States, growth is likely to be 1.1% in 2008 and -1.6% in 2009 and in the Euro zone 1% in 2008 and -2% in 2009. In emerging economies, however, growth is forecast to be 6.3% in 2008 and 3.3% in 2009.

Against a backdrop of slowing activity, global trade volumes have contracted resulting in a weakening in raw materials prices. The period of high raw materials prices seen in recent years appears to have come to an end. Inflation rose by 1.6% year-on-year in December 2008 after rising by 2.1% the previous month. In the United States, the inflation rate was 4.2% in 2008 against 2.9% the previous year, in the Euro zone 3.4% compared to 2.1% in 2007 and 1.4% in Japan compared to zero inflation the previous year.

International oil prices likewise continued to trend down from their peak last August, declining by 23.1% over the year to USD 41.5 a barrel. This was primarily due to a major decline in global energy consumption, particularly in the United States. Fears of economic recession in industrialised nations have also cast a shadow on the outlook for global oil demand. In July 2008, the price of a barrel had reached the USD 147 from USD 140.

The dollar has suffered in the wake of the global economic crisis. Its average rate against the dirham in 2008 was USD 7.7503 compared to USD 8.1924 in 2007 and MAD 11.348 against the euro in 2008 compared to MAD 11.219 the previous year.

1- Source: IMF, DPEG, BAM

Strong domestic economic performance in 2008 despite a difficult global context

Despite a somewhat unpromising global context, the domestic economy benefited from the strong performance of the primary and secondary sectors and registered growth of 5.8% in 2008 against 2.7% in 2007, according to Haut Commissariat du Plan (HCP) estimates. Economic activity was sustained by an 11.1% rise in agricultural value-added and an estimated 5% increase on non-farm value-added.

The performance of the agricultural sector was positive due to favourable weather conditions resulting in a highly satisfactory agricultural harvest compared to the previous year. This can be seen from cereal production (common wheat, durum and barley) which, in respect of the 2007-2008 harvest, registered an increase of 114% in estimated production to almost 50.2 million quintals. In 2008, the primary sector accounted for almost 12.8% of the nation's gross domestic product compared to an average of 14.7% over the period 1998-2007.

The non-farm sector continued to register strong growth, despite the difficult international environment, thanks to a strong performance from the trade and manufacturing, construction and civil engineering, transportation and telecommunications sectors and to the high level of investment.

The effects of the global crisis, although modest and contained, were indeed felt by certain industries during the final quarter 2008 in the wake of the slowdown in economic activity by Morocco's main trade partners. The effects were predominantly noticeable in tourism, MRE transfers, foreign investment and foreign demand for Moroccan products. Until now, however, there has been no impact on the fundamentals and on the domestic economy's growth prospects which remain strong due to healthy domestic demand and limited exposure to international financial markets.

Such a scenario has been confirmed by the International Monetary Fund which forecasts growth of 5.2% in African countries in 2008 and 3.4% in 2009.

In its latest report dated October 3, 2009, the Fitch Ratings agency reassigned the Kingdom of Morocco a foreign currency issuer default rating of BBB- (investment grade), which it had awarded the previous year.

The Director of the Treasury and External Finance estimates that, in 2009, the impact from the crisis on the domestic economy, albeit limited until now, will be offset by

(i) Robust domestic demand, which remains the economy's growth engine;

(ii) A decline in oil prices;

(iii) By a slowdown in imports.

Likewise, the Finance Act 2009 expects growth to remain at the 5.8% level due to a rise in public spending, which should reach MAD 135.04 billion in 2009, an improvement in purchasing power and increased diversification in the sources of growth by reinforcing existing industry-specific programmes and by implementing new ones (Agriculture, Water, Energy).

Strong growth in non-farming sectors[2]

1- Construction and civil engineering

The construction and civil engineering sector continues to benefit from an increase in public investment and strong residential investment, easy credit conditions and declining interest rates. In 2008, cement sales rose by 9.86% year-on-year to 14.1 million tonnes. This rise was primarily driven by the Marrakech-Tensift-Haouz and Greater Casablanca regions which accounted for 11.83% and 15.22% respectively of total volumes and registered growth of 15.95% to 1.4 million tonnes and 11.10% to 1.9 million tonnes respectively.

Bank lending to the property industry rose by 35.4% to MAD 143.2 billion in 2008. Real estate-related bank loans accounted for 28.0% of total loans.

The main features of 2008 were:

- Infrastructure development programmes including the construction of motorways, ports, airports, railways, dams and manufacturing and tourism-related facilities;
- Stronger relations between the public and private sectors (Renault-Nissan);
- Expansion of off-shoring facilities (Casa-Shore, Rabat-Shore, Tangier-Shore and Fez-Shore).

The construction and civil engineering industry has benefited from an enormous programme to modernise and expand infrastructure:

2- Source: Office des Changes, DPEG, BAM

- Housing – continued development of satellite towns in several conurbations across the country and reinforced measures to eradicate housing unfit for human inhabitation;
- Roads – acceleration in the road construction programme – an average of 150 km of motorways built versus 40 km and an average of 2,000 km of roads in the countryside build versus 1,500 km;
- Railways – completion of the double track on the Fez-Meknes line, the line serving the Tangier-Med port, the Taourirt-Nador line, construction and development of stations and investment in rolling stock;
- Energy – development of wind farms and thermal and hydraulic power stations; ONE's investment should exceed MAD 11 billion in 2008;
- Ports – development of port facilities in Casablanca, Jorf Lasar, Dakhla, Laâyoune and Tangier-Med;
- Airports – expansion of airfields and airports, including Casablanca Mohammed V, Nador Al Aroui, Marrakech Menara, Dakhla, Essaouira, Mogador, Tangier, Al Hoceima, to attract 10 million tourists in 2010;
- Water – completion of project to raise the height of the Sidi Mohammed ben Abdallah dam near Rabat and construction work continues on the Ouirgane dam near Marrakech;
- Drinking water – programme aimed at accelerating access to drinking water in urban and rural populations and provision of water to economic zones such as the Tangier-Med complex.

2- Energy and mining:

In 2008, the energy sector saw a 10.9% decline in refining production due to the arrival of 50 ppm diesel on the domestic market and the withdrawal of ordinary petrol and 350 ppm diesel since February 2009. The decline in production was offset by a rise in refined imported products during the last few months of 2008.

Net domestic electricity production rose by 3.3% to 19,741 million kWh in 2008. Growth in production was slower than that of demand, which rose by 6.2% compared to 2007 to 21,711 million kWh. The shortfall, due to delays in adding new production capacity, was covered by imports of electricity from Algeria and Spain.

After trending up in 2006 and 2007, mining production was negatively impacted by the decline in commercial phosphate production. Mining production registered a drop of 7.2% to 25.8 million tonnes in 2008.

3- Primary sector:

Following the slowdown in 2007 due to unfavourable weather conditions, the performance of the primary sector improved in 2008 due to a satisfactory agricultural harvest, although production remained below its five-year average.

Cereal production rose by 114% compared to 2007 to 50.2 million quintals but declined by 19% by comparison with its five-year average.

Sugar production averaged 450,000 tonnes whilst fruit and vegetable production increased 13% year-on-year to 1,730,000 tonnes.

Citrus fruit production declined 4.3% year-on-year to 1,230,000 tonnes.

The coastal and small-scale fisheries sector registered an increase of 17.7% in the volume of landed catch over the first eleven months of the year due to an increase in the sardine catch.

4- Tourism:

In 2008, the number of tourists visiting Morocco rose by 6.4% to more than 7.9 million. By visitor category, foreign tourists rose by 4.5% whilst Moroccans living abroad (MRE) increased 8.6%.

Overnight stays in classified hotels, on the other hand, declined by 2.6% to 16.5 million. This decline primarily concerned non-residents (-4.6%), tourists from France (-7.4%), German (-3.0%) and the United Kingdom (-21.4%) due to the economic slowdown in the Euro zone. Spanish tourists and residents registered increases of 6.6% and 6.4% respectively.

5- Foreign trade:

In terms of foreign trade, the slowdown in the economies of Morocco's trade partners had a negative impact on foreign demand for Moroccan goods in 2008. Exports performed strongly, despite a decline in volumes, due to rising raw materials prices, primarily those of phosphates and its derivatives. Imports weighed down on the balance of payments, suffering the impact from higher raw materials prices on global markets.

Morocco's largest trading partner remains Europe, which accounts for 62.7% of trade, followed by Asia with 20.5%, the Americas 10.4% and Africa 5.4%. Amongst European countries, France topped the list with commercial transactions worth MAD 84.86 billion, accounting for 17.8% of total trade with overseas countries. Spain was in second place with MAD 59.44 billion or 12.5% of trade followed by Italy, in third place, with MAD 27.48 billion or 5.8% of trade. Next was Saudi Arabia with 4.9% of trade followed by the United States, in fifth place, with MAD 21.45 billion or 4.5% of trade.

In 2008, exports of goods rose by 24.3% compared to 2007 to MAD 154.01 billion. This improvement was primarily attributable to an increase in exports of phosphates and derivatives to MAD 51.38 billion, more than double the level seen in 2007. Excluding phosphates and derivatives, export sales improved 1% to MAD 102.63 billion. Phosphates and derivatives accounted for 33.4% of total export sales in 2008 compared to 18% the previous year.

Imports of goods rose by 23.9% to MAD 321.79 billion. This was primarily due to a 24.6% rise in non-oil imports to MAD 290.95 billion. Crude oil purchases rose by 17.5% in 2008 to MAD 30.84 billion.

The balance of trade in goods deficit widened 23.5% to MAD 167.78 billion, resulting in a coverage ratio of 47.9% versus 47.7% the previous year.

Morocco's balance of trade in services improved 9.8% year-on-year to MAD 49.80 billion. This included a 10.9% increase in imports of services to MAD 49.10 billion, whilst exports of services were broadly unchanged at MAD 98.89 billion.

The balance of trade in goods and services registered a deficit of MAD 98.90 billion and a coverage ratio of 71.9%.

6- Revenues from tourism and Moroccans Living Abroad:

With the external environment unfavourable, revenues from tourism declined by 3.5% to MAD 56.60 billion in 2008. This represents an increase of 29.9% by comparison with average revenues over the period 2003-2007.

Travel expenses increased 42% to MAD 10.18 billion. In 2008, the tourism and travel balance recorded a surplus of MAD 46.42 billion.

Revenues from Moroccans Living Abroad (MRE) declined by a modest 2.4% compared to 2007 to MAD 53.66 billion. By comparison with the five-year average, MRE revenues increased 24.5%.

7- Investments and foreign private loans:

After a strong performance in 2007, foreign direct investment declined in 2008. Receipts from investments and foreign private loans declined 23.3% to MAD 31.73 billion in 2008. This fall was primarily due to the impact from tourism, manufacturing, transportation and trade.

By category, foreign direct investment accounted for 83% of total receipts. Portfolio investment and private loans accounted for 15.1% and 1.9% respectively.

Expenditures declined 42% to MAD 13.08 billion. Expenditures relating to the disposal of foreign direct investments accounted for 62.7% of total expenditures, expenditures related to disposal of portfolio investments 28% and repayments of foreign private loans 9.3%.

8- Public finances:

Despite a difficult global environment in 2008, the performance of the domestic economy in terms of the nation's public finances was highly satisfactory. This was due to the impact from the global economic recession and the increase in raw materials prices for a little over half the year. The fiscal balance showed a budget surplus of MAD 2.7 billion in 2008, primarily due to a high level of tax receipts and relatively tight control over spending despite the high level of compensation subsidies.

• Receipts

Ordinary receipts registered an increase of 17.8% year-on-year to MAD 184.7 billion in 2008. This rise can mainly be explained by a 23.6% improvement in tax receipts to MAD 167.1 billion including (i) a 35.3% increase in direct taxes to MAD 81.6 billion and (ii) an 18.1% increase in indirect taxes to MAD 61.6 billion.

Non-tax receipts, on the other hand, declined 15.5% to MAD 15.5 billion due to an absence of receipts from privatisation. Receipts from monopolies and concessions were broadly unchanged at MAD 7.8billion.

• Expenditure

At the end of december 2008, ordinary expenses rose by 16.4% year-on-year to MAD 155.8 billion in 2008 despite the high level of compensation subsidies which totalled MAD 31.5 billion against MAD 16.4 billion the previous year. This trend was mainly attributable to an 8.0% increase in spending on goods and services to MAD 106.1 billion. Staff costs increased 6.6% to MAD 70.0 billion and other goods and services expenditure rose by 11.0% to MAD 36.2 billion.

The ordinary balance showed a surplus of MAD 28.8 billion in 2008, an improvement of almost 26% compared to 2007.

9- Monetary aggregates and liquid investments:

In 2008, M3 rose by 10.8% year-on-year to MAD 714.32 billion including:

(i) A 7.8% increase in deposit money to MAD 353.44 billion;

(ii) A 7.4% rise in notes and coins in circulation to MAD 134.77 billion;

(iii) A 9.9% increase in site deposits to MAD 79.20 billion;

(iv) A 22.9% rise in term deposits to MAD 153.77 billion.

Money supply growth was primarily driven by a 22.9% increase in loans to MAD 536.10 billion. All loan categories saw growth, particularly mortgage loans (+35.9% to MAD 142.6 billion) accounts in debit and short-term loans (+16.2% to MAD 151.9 billion), and loans for purchasing equipment (+19.8% to MAD 97.5 billion). Net foreign assets, on the other hand, declined by 5.5% to MAD 197.12 billion.

Net claims on the State increased a modest 1.0% to MAD 80.6 billion following a MAD 2.34 billion improvement in the net position vis-a-vis Bank Al Maghrib and a MAD 2.66 billion decline in bank borrowings.

The effect of this increase in money supply was a year-on-year increase of 7.5% in M1 to MAD 481.35 billion, a 7.9% improvement in M2 to MAD 560.55 billion and a 10.8% increase in M3.

Liquid assets, on the other hand, declined by MAD 7.87 billion to MAD 42.87 billion, primarily due to a decline of MAD 6.12 billion in fixed income mutual funds (PL3) to MAD 16.53 billion and a fall of MAD 3.16 billion in equity mutual funds (PL4) to MAD 4.80 billion. Money market mutual funds (PL2) increased by MAD 1.10 billion to MAD 20.51 billion.

10- Inflation:

Inflation rose in 2008 following an unfavourable increase in the price of several imports. The upward trend was reversed as raw materials prices on global markets declined significantly towards the end of 2008, impacted by the slowdown in global economic growth.

The average annual cost of living index rose by 3.9% in 2008 to 184.7 points on an annualised basis. This was attributable to food and non-food items whose indices rose by 6.8% to 194.2 points and 1.4% to 176.8 points respectively.

On a regional basis, average annual prices rose by between +4.9% in Rabat to 189.7 points and to +2.5% to 168.6 points in Laâyoune.

The cost of living is the highest in the following towns: Tangier (196.0 points), Tetouan (192.6 points), Agadir (191.8 points), Rabat (189.7 points), Meknes (189.1 points) and Casablanca (180.8 points).

Banking and financial environment

1 - Banking environment and regulations:

• The banking industry

Morocco's banking sector comprises 16 banks (4,592 dispensers including 1,738 at Barid Al Maghrib). Business activity is primarily concentrated on a core group of financially solid, high-quality commercial banks. In 2008, the three largest banks accounted for 67.8% of customer deposits and 61.6% of loans. The six banks listed on the Casablanca Stock Exchange accounted for 25.5% of total market capitalisation at 31 December 2008.

Several foreign banks have stakes in Moroccan private banks. Grupo Santander, through its subsidiary Santusa Holding, has a 14.55% stake in Attijariwafa bank, Banque Fédérative du Crédit Mutuel (BFCM) has a 15% holding in BMCE Bank, BNP Paribas controls 63.85% of BMCI, Société Générale has a 53% stake in SGMB and Crédit Agricole controls 52.64% of CDM.

A major challenge facing the industry is to provide banking services to as many people as possible. Banks are expanding their branch networks and launching new retail banking products. The share of the population with a bank account has risen from 25% in 2006 to 27% in 2007 and to almost 40% when taking into consideration Barid Al Maghrib accounts.

The process of modernising systems and means of payment continues with the exchange of cheques and bills of exchange in non-physical form. The next step in the process will be foreign currency-denominated transfers in non-physical form.

• Banking sector results for the period ended 31 December 2008

Despite the unfavourable economic and financial global context, the domestic banking sector delivered further growth and demonstrated a high level of stability and profitability. This performance was partly due to the fact that exposure to overseas financial markets by the bank and its customers is limited due to the development of domestic capital markets; domestic investment and consumption also remain relatively robust.

Moroccan bank's foreign commitments account for only 1.2% of deposits. Likewise, Moroccan companies' foreign currency-denominated commitments account for barely 3.3% of bank borrowings. Such limited exposure can be explained by

(i) The fact that financing terms are more advantageous in the domestic market and

(ii) By the decline in public external debt.

Customer deposits registered growth of 13.4% to MAD 563,883 million in 2008. Non-interest bearing deposits accounted for 61.2% of total deposits, down 1.9 points versus 2007. MRE deposits rose 6.9% to MAD 113,235 million, accounting for 20.1% of total deposits.

In 2008, loans increased 22.6% year-on-year to MAD 511,812 million, accounting for almost 91% of total deposits versus 84% the previous year. This increase was primarily due to a 35.4% rise in mortgage loans to MAD 143,176 million and a 15.7% increase in short-term loans to MAD 151,550 million. Healthy loans accounted for 93.7% of total loans.

Signature loans increased 26.2% to MAD 153,405 million.

In 2008, in terms of credit risk, the Moroccan banking industry registered an 11.4% decline in non-performing loans to MAD 32,408 million, mainly due to a 13.1% decline in provisions and bank charges to MAD 25,232 million. These improvements were due to a favourable economic context and the considerable efforts made by banks to improve loan quality and increase provisions.

• Sector regulations

During the past three years, the banking sector has accelerated its modernisation process and has made substantial progress on regulatory reform. In 2007, priority was given to cleaning-up government-controlled banks, a process which was successfully completed. Another major initiative was to bring Morocco's regulatory framework into line with international standards. This involved adopting Basel II's standard approach and adopting International Financial Reporting Standards (IFRS).

In 2008, the Central Bank strengthened its banking regulatory and supervisory role by introducing new reporting procedures and raising the banks' solvency ratio to 10% at ended december. Bank Al Mahrib (BAM) also reviewed each bank's risk management procedures as a function of the bank's risk profile and risk map. As a result, banks were asked to implement more rigorous procedures in terms of governance and internal control.

In the same vein, in order to encourage banks to disclose and exchange financial information about their counterparties, BAM decided to outsource management of its risk management unit to a private firm with a view to establishing a credit bureau expected to be operational in 2009.

Banks adopted International Financial Reporting Standards (IFRS) in 2008 which should result in higher standard and increased transparency in financial reporting.

It is to be recalled that Attijariwafa bank, as part of a joint project with ONA, its parent company, published its first half 2007 financial statements under IFRS a year ahead of the deadline set by BAM for banks to adopt IFRS.

Given the contraction in liquidity on money markets in the fourth quarter of the year and the liquidity outlook, BAM's Board decided, on December 23, 2008, to reduce its required reserve ratio by 3 points from 15% to 12% with effect from 1 January 2009.

2- Money markets:

Money markets experienced a tightening in bank liquidity in 2007 and this trend continued through 2008. Banks' liquidity requirements passed from MAD -10.45 billion at 31 December 2007 to MAD -18.34 billion at 31 December 2008. This situation was primarily due to a contraction in Bank Al Maghrib's net foreign assets following an increase in the number of foreign currency purchases by commercial banks for hedging purposes in the context of the international financial crisis.

In order to satisfy the financial system's need for liquidity and avoid a liquidity crunch on money markets, BAM injected liquidity into the market throughout the year by providing banks with 7-day loans and advances. In the fourth quarter 2008, following deterioration in liquidity conditions, BAM resorted to a number of monetary instruments such as 24-hour advances, currency swaps and Treasury bill repurchase agreements.

In December 2008, the Central Bank's monetary policy committee decided to reduce its required reserve ratio by 3 points to 12%.

Such interventions during the year ensured that money market rates remained relatively close to BAM's base rate, which was raised from 3.25% to 3.50% on September 23, 2008.

In its wake, the weighted average annual overnight inter-bank rate rose by 8 basis points to 3.37% versus ended 2007. The average volume of inter-bank transactions rose by 34.9% to MAD 3 billion.

There were three distinct phases to money market trends in 2008. During the first two quarters, rates remained broadly unchanged at 3.20% on average. This stability was primarily due to persistent intervention by BAM, which left its base rate unchanged at 3.25% during the first three quarters of the year.

Given increased inflationary pressures, however, the Central Bank resolved to tighten monetary policy by raising its base rate to 3.50%. This decision resulted in a rise in the weighted average rate to 3.56% at the end of the third quarter.

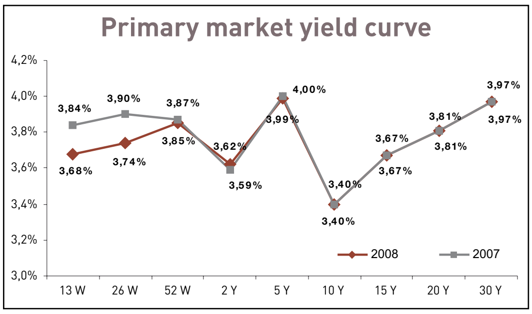
3- Fixed income market:

2008 was marked by an improvement in the public finances due to an increase in tax receipts. This had an impact on the Treasury's capital-raising programme. Treasury subscriptions totalled MAD 46.5 billion during the year, 50% of which were in November and December. Receipts totalled MAD 53.4 billion in 2008. In 2008, Treasury bond auctions raised MAD 252.7 billion, down MAD 6.9 billion on the previous year, representing 98.3% of total domestic debt.

Investor demand increased 96.5% year-on-year to MAD 325.3 billion in 2008, only 14.3% of which was satisfied.

Treasury issuance primarily focused on shorter maturities, the proportion of which rose by 34.1 points to 94.5%. The remaining 5.5% was in medium maturities. There was no long-dated bond auction in 2008.

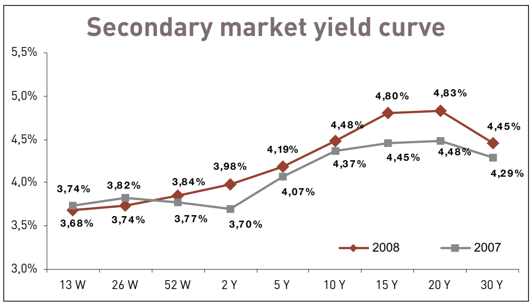
After trending down during the first three quarters of the year, short- and medium-dated bond yields in the primary market then moved higher as a result of the base rate being increased to 3.5% in September 2008.



Yields on 13-week and 26-week paper stood at 3.68% and 3.74% respectively. Each declined by 16 basis points. Similarly, the 52-week maturity lost 2 basis points to 3.85%.

In 2008, medium-dated bond yields (2-year and 5-year) declined by 2 basis points and 1 basis point to 3.85% and 4.00% respectively.

Yields at the long end were broadly unchanged on 2007 levels due to the absence of Treasury issuance.



In the secondary market, yields declined moderately at the short-end and rose on medium- and long-dated maturities. Yields on 13-week and 26-week paper lost 6 basis points and 8 basis points to 3.68% and 3.74% respectively.

Yields on 52-week paper rose by 7 basis points to 3.84% and 2-year paper rose by 28 basis points to 3.98%. Yields on long-dated maturities were as follows: 4.48% for 10-year, 4.80% for 15-year, 4.83% for 20-year and 4.45% for 30-year bonds.

4- Interest rates:

Despite a contraction in bank liquidity in 2008, particularly during the final quarter, the weighted average overnight rate ended the year at 3.37%, an increase of 8 basis points versus 2007. The increase in inter-bank rates was also due to the Central Bank committee's decision of September 23, 2008 to raise its base rate by 25 basis points to 3.50%.

In 2008, the weighted average rate on 6-month deposits trended up to a high of 4.75% in December before ending the year at 3.96%.

The weighted average rate on 12-month deposits performed similarly, ending the year at 4.34%.

Interest rates on bank savings accounts, indexed to the previous half-year's 52-week Treasury bill yield, declined by 50 basis points to 3.10% in the second half 2008, versus 3.11% the previous half.

National Savings Accounts, indexed to the yield on 5-year Treasury notes, paid interest of 1.90% during the second half of 2008, compared to 2.0% for the first half of 2008.

The maximum conventional interest rate (TMIC), which had been set at 14.17% for the period beginning April 1, 2007 and ending March 31, 2008, was set at the same level for the period beginning April 1, 2008 and ending March, 31 2009.

5- Stock market

The Casablanca Stock Exchange experienced a reversal after five consecutive years of gains. The MASI Float (Moroccan All Shares Index) declined by 13.48% to 10,984.29 points and MADEX Float (Moroccan Most Active Shares Index) by 13.41% to 9,061.02 points at end 2008.

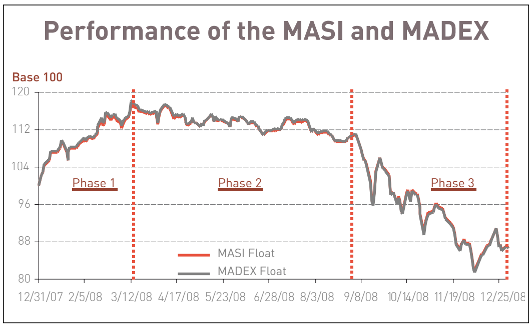
This trend was most likely due to a feeling of uncertainty which prevailed towards the end of the third quarter 2008 following brutal declines on global stock markets and to valuation levels which had become overextended.

Five companies were floated on the Casablanca Stock Exchange in 2008 – Delattre Levivier, Delta Holding, Minière Touissit, Label Vie and Alliances Développement – taking the total number of listed companies to 77 across 21 industries. The total amount raised through these initial public offerings was MAD 3.85 billion in 2008, versus MAD 6.83 billion the previous year, accounting for 1.9% of total market volume in 2008.

Equity market performance can be broken down into three phases:

Uptrend : The Casablanca market began the year on a positive note with its two main indices registering strong gains. At March 14, 2008, the MASI float had gained 16.81% to 14,828.92 points whilst the MADEX float had risen by 17.39% to 12,283.70 points;

Consolidation phase : During this phase, the stock market entered a period of hesitation and uncertainty in the wake of the international financial crisis with investors judging that market valuations had reached overextended levels.



During this second phase from March 15, to September 03, 2008, the benchmark index and that of the most liquid stocks in the market surrendered 1.35% and 1.58% to 14,077.58 points and 11,615.77 points respectively. Year-to-date performance of the MASI and MADEX was thus clawed back to 10.89% and 11.0% respectively.

Correction phase : The Casablanca market suffered a brutal correction with investors, fearful of a possible impact on the domestic economy from the international financial crisis, deciding to take profits.

The MASI index lost 21.97% to 10,984.29 points and the MADEX index 21.99% to 9,061.02 points, resulting in year-to-date performance by the Moroccan All Shares Index of -13.48% and by the Moroccan Most Active Shares Index of -13.41%.

The market's overall capitalisation declined 9.31% year-on-year to MAD 531.75 billion, the equivalent of almost 81% of Morocco's estimated gross domestic product.

In 2008, total trading volumes on the Casablanca Stock Exchange declined by 32.1% year-on-year to MAD 244.16 billion.

Equity market volumes totalled MAD 202.11 billion versus MAD 321.43 billion the previous year. Volumes on the Central Market, which accounted for 77.5% of overall volumes, declined 26.1% year-on-year to MAD 156.67 billion in 2008. Volumes on the Block-trade Market stood at MAD 45.44 billion, a decline of 58.5% compared to the previous year.

The low volumes were most likely due to the mood of hesitation and uncertainty which prevailed since the second quarter 2008. This also explains the decline in the number of IPOs during the year.

Against such a backdrop, all sector indices posted negative annual returns except for food-manufacturing (+15.6%), telecommunications (+5.7%) and pharmaceuticals (+4.6%).

The biggest decliners amongst the other sectors were electronic and electrical equipment makers (-58.7%), chemicals (-55.7%), software and information services (-51.0%), mining (-44.7%), transportation (-37.9%), property development (-25.8%), construction and civil engineering (-19.9%), hotels and leisure (-33.1%) and insurance (-28.4%).

Analysis of Attijariwafa bank's business activity and results

1- Business activity (Morocco)[3]

• Customer deposits

At ended 2008, Attijariwafa bank's customer deposits totalled MAD 151.7 billion, an increase of 11.2% compared to the previous year. This was due to growth of 27.7% in interest bearing deposits to MAD 62.5 billion and a 1.9% rise in non-interest bearing deposits to MAD 89.1 billion. Attijariwafa bank saw its market share rise from 26.5% in 2007 to 26.8% in 2008.

Non-interest bearing deposits accounted for 58.8% of total customer deposits at ended December 2008 versus 57.3% previously. This improvement was due to a 2.7% improvement in cheque accounts to MAD 61.7 billion and a rise of 1.4% in current accounts in credit to MAD 20.5 billion. The bank is market leader in non-interest bearing deposits with a market share of 28.0%.

Interest bearing accounts accounted for 41.1% of total deposits.
Growth in interest bearing deposits was driven by a 28.3% increase in term deposits to MAD 38.2 billion and a 10.7% rise in savings accounts to MAD 16.2 billion. Attijariwafa bank's share of interest bearing deposits stood at 24.9%.

• Disbursed loans

Attijariwafa bank's disbursed loans rose by 24.2% year-on-year in 2008 to MAD 132.2 billion, accounting for 25.6% of total loans within the banking industry.

This increase was primarily due to:

- A MAD 10.3 billion increase in loans to property developers and a MAD 2.87 billion increase in mortgage loans to individuals, taking the total amount of mortgage loans to MAD 36.0 billion at 31 December 2008;
- An increase of MAD 2.9 billion in loans for purchasing equipment to MAD 21.7 billion;
- A MAD 4.1 billion increase in loans and advances to financing companies to MAD 19.1 billion;
- An increase of MAD 3.8 billion in short-term and consumer loans to MAD 47.8 billion.

3- Figures uses by GPBM to calculate market share do not include repurchase agreements.

Non-performing loans rose by 1.7% to MAD 3.99 billion. Provisions for non-performing loans increased 4.5% to MAD 3.86 billion following a MAD 456.2 million write-off.

The non-performing loan ratio declined by 0.67 points to 3.02% and the cost of risk stood at 0.39%.

Attijariwafa bank's healthy loans increased 24.3% to MAD 127.4 billion. The bank maintained its position as market leader in the healthy loan category with a 26.5% share of healthy loans.

• Signature loans

In 2008, signature loans increased 39.9% to MAD 46.5 billion versus MAD 33.7 billion the previous year.

The bank's market share in this segment stood at 30.4% in 2008 versus 27.5% in 2007.

2- Results

• Net banking income

Net banking income rose by MAD 651.7 million or 11.0% to MAD 6.57 billion at 31 December 2008, compared to MAD 5.92 billion at 31 December 2007. This increase was mainly due to a 17.2% rise in the net interest margin to MAD 4.929 billion and an 11.5% rise in fee income to MAD 974.6 million.

The table below provides a breakdown of net banking income:

	December 2008	Share of Net banking income	December 2007	Share of Net banking income	Change MAD millions	%
Net interest margin	4 928.6	75.0%	4 205.6	71.1%	723.0	17.2%
Income from leasing and similar operations	18.8	0.3%	4.0	14.9	0.3%	26.7%
Fee income	974.6	14.8%	874.2	14.8%	100.4	11.5%
Income from market activities	818.3	12.5%	706.9	11.9%	111.4	15.8%
Other banking income	409.9	6.2%	544.8	9.2%	-134.9	-24.8%
Other banking expenses	582.5	8.9%	430.4	7.3%	152.1	35.3%
Net banking income	**6 567.7**	100.0%	**5 916.0**	100.0%	**651.7**	**11.0%**

• Net interest margin

In 2008, the net interest margin increased 17.2% to MAD 4.93 billion, accounting for 75.0% of net banking income. This improvement was primarily due to a MAD 28.0 billion or 31.0% rise in disbursed loans and to a 1 basis point increase in yields which had a positive MAD 7 million impact. The net interest margin may be analysed as follows:

- Interest and similar income increased 20.1% to MAD 7.60 billion due to a 29.6% increase (MAD 1.33 billion) to MAD 5.83 billion in interest and similar income from transactions with customers and a 9.0% rise (MAD 105.2 million) to MAD 1.28 billion in interest and similar income from transactions with credit institutions.
- Interest and similar expenses rose by 25.9% to MAD 2.68 billion. This was primarily due to a 20.6% increase (MAD 371.3 million) to MAD 2.17 billion in interest and similar expenses from transactions with customers and a 36.6% increase (MAD 104.7 million) to MAD 390.8 million in interest and similar expenses from transactions with credit institutions.

• Income from leasing and similar operations

A In 2008, income from leasing and similar operations increased 26.7% to MAD 18.8 million compared to MAD 14.9 million the previous year.

• Fee income

Fee income posted growth of 11.5% (MAD 100.3 million) to MAD 974.6 million at 31 December 2008, due to an 11.5% increase to MAD 975.3 million in fees received. This was due to an expansion of the branch network and the introduction of new customer products and services.

• Income from market activities

In 2008, income from market activities rose by 15.8% to MAD 818.2 million compared to MAD 706.9 million in 2007. This rise was due to:

(i) An increase in income from derivatives activities which jumped from MAD 12.1 million in 2007 to MAD 81.3 million in 2008;

(ii) Income of MAD 348.5 million from trading securities following the creation of a trading portfolio after adopting a new PCEC;

(iii) A rise of 1.1% in income from foreign exchange activities to MAD 360.9 million;

• Other banking income

Other banking income declined by 24.8% to MAD 409.9 million in 2008. This was due to a decline in dividend income following the exceptional dividend distributions of 2007 and the non-recurrence of income brought forward from previous periods.

• Other banking expenses

At December 31, 2008 other banking expenses rose by 35.3% to MAD 582.5 million in 2008 due to a 49.3% increase in fees paid to Wafasalaf and Wafa Immobilier as a result of an increase in mortgage and consumer loans and a 21.5% rise in the contribution to the public guarantee fund.

• General operating expenses

In 2008, Attijariwafa bank succeeded in containing the rise in general operating expenses to their 2007 level.

General operating expenses rose by a modest 0.1% to MAD 2.73 billion at the end of December 2008. This performance was due to a decline MAD 147.6 million in staff costs to MAD 1.21 billion. Staff costs in 2007 included an exceptional charge relating to the share offering for Group employees. Stripping-out this impact, staff costs would have risen 4.5% and general operating expenses 8.0%.

The decline in staff costs offset the impact from the increase of MAD 97.4 million in operating expenses and an increase of MAD 45.7 million in depreciation of property, plant and equipment and amortisation of intangible assets.

The cost-to-income ratio improved by 4.5 points to 41.5% in 2008 compared to 46.1% in 2007.

	December 2008	December 2007	Change MAD millions	%
General expenses	**2 345.6**	**2 396.5**	**-51.0**	**-2.1%**
Staff costs	1 207.0	1 354.5	-147.6	-10.9%
Operating expenses	1 127.0	1 029.6	97.4	9.5%
Rental, hire purchase and leasing expenses	11.6	12.4	-0.8	-6.7%
Depreciation and amortisation	**367.3**	**321.6**	**45.7**	**14.2%**
Expenses brought forward from previous financial years	14.0	6.2	7.8	125.6%
Other general operating expenses	-	-	-	-
General operating expenses	**2 726.8**	**2 724.3**	**2.5**	**0.1%**

• Gross operating income

Gross operating income rose by 8.8% from MAD 3.53 billion in 2007 to MAD 3.84 billion in 2008. This improvement can be explained by:

- An increase of MAD 651.7 million in net banking income;
- A decline of MAD 327.8 million in income from long-term investments;
- A modest decline of MAD 2.5 million in general operating expenses.

• Income from ordinary activities

Income from ordinary activities increased 8.2% to MAD 3.49 billion in 2008 against MAD 3.23 billion the previous year.

Net provisions rose by MAD 350.3 million in 2007 to MAD 626.8 million in 2008. This was primarily due to:

- A 21.3% rise (MAD 167.1 million) in provisions for non-performing loans and signature loans to MAD 951 million;
- A write-off of MAD 456.2 million versus MAD 592.6 million in 2007;
- A provision write-back of MAD 524.7 million compared to MAD 518.1 million in 2007.

In 2008, other provisions included a write-back of MAD 279.6 million, relating to an investment provision of MAD 166.7 million and provisions for general risks of MAD 76.7 million.

The ratio of non-performing loans for which the bank has provisioned stood at 96.8% in 2008.

• Net income

Net income totalled MAD 2.36 billion in 2008 compared to MAD 2.14 billion in 2007, an increase of 10.2%.

• Shareholders' equity

At 31 December 2008, shareholders' equity before appropriation of income stood at MAD 19.90 billion compared to MAD 15.70 billion, an increase of 26.8%.

• Total net assets

At 31 December 2008, total net assets stood at MAD 204.82 billion compared to MAD 168.24 billion in 2007.

Appropriation of income

Net income for the financial year	**2 357 626 942.13 MAD**
To legal reserve	-
To investment reserve	166 666 666.67 MAD
Net earnings brought forward	644 932.39 MAD
Distributable income	**2 191 605 207.85 MAD**
Appropriation	
Statutory dividend	115 797 576.00 MAD
Amount required for paying a dividend of MAD 50 per share	849 182 224.00 MAD
i.e. a distribution totalling	**964 979 800.00 MAD**
To extraordinary reserves	1 226 000 000.00 MAD
Retained earnings carried forward	625 407.85 MAD

2009 Outlook

2008 was an eventful year as can be seen from the rapid expansion of the bank's branch network and the various overseas acquisitions during the year. In terms of its regional development, Attijariwafa bank acquired a 51% stake in Banque Internationale pour le Mali (BIM) from the Mali government as part of its privatisation programme.

In November 2008, Attijariwafa bank accelerated the implementation of its growth strategy in a number of western and central African countries – Ivory Coast, the Gabon, Cameroon and Congo after signing an agreement with Crédit Agricole to acquire the latter's holdings in these countries. The successful completion of this deal is dependent on approval by the relevant regulatory authorities.

Attijariwafa bank remains ahead of its strategic objectives in terms of results, business activity and regional development. In 2008, it initiated a think-tank comprising 120 employees, which resulted in a new strategic plan, "Attijariwafa 2012". This strategic plan is intended to update the former "Izdihar 2010" plan, with new objectives and exploratory areas, covering 12 strategic themes, to be reached by 2012.

Domestically, the Group intends to focus on the following strategic goals:

- Continue to develop close customer relations by opening a further 120 branches in 2009;
- Grow its MRE business, particularly in deposit-taking, lending and transfers. This will be achieved by drawing on the capabilities of its dedicated subsidiary, Banking for Moroccans Living Abroad as well as Attijariwafa bank Europe, its French banking subsidiary which has a European footprint;
- Continue to implement its SME acquisition plan and adopt a dedicated policy for very small enterprises;
- Adopt new service quality and risk control standards;

- Maximise Group synergies (domestic and overseas subsidiaries);
- Consolidate the Group's position as the undisputed market leader in the Corporate Banking and Capital Markets & Investment Banking segments.

Attijariwafa bank will also continue to deploy its overseas growth strategy with two major objectives:

- Expand its presence in North Africa by implementing the next stage of its growth strategy for Attijari bank Tunisie and by launching new activities in Libya;
- Continue its regional expansion in North, West and Central Africa.

Business activity and results of banking-related subsidiaries and investment banking subsidiaries

1- Banking-related subsidiaries

- Wafasalaf

The consumer credit market was marked by two distinct phases in 2008. The first half of the year saw very strong demand across all market segments. The second half, on the other hand, saw a modest slowdown in the market, particularly in the auto segment. The industry was also affected by the rise in interest rates which had an overall impact of about 20 basis points.

As a result, Wafasalaf's overall production rose by 12.1% year-on-year to MAD 9.03 billion in 2008. This rise was due to growth of 53.7% in managed production to MAD 2.92 billion. Total loans outstanding increased 18.5% to MAD 15,220 million due to a 9.4% rise in contributed loans outstanding to MAD 11,251 million and a 55.1% increase to MAD 3,969 million in managed loans outstanding. This strong performance enabled Wafasalaf to maintain its position as market leader with an overall market share of loans outstanding of 31.2% at 31 December 2008.

Wafasalaf introduced 6 new products and carried out 7 promotional campaigns aimed at retaining its status as market leader in new product development and at boosting sales. The company also opened 5 new branches, taking the total number of branches to 33.

In terms of results, net banking income increased 23.8% year-on-year to MAD 864 million. Gross operating income increased 30.3% year-on-year to MAD 615 million. The cost-income ratio stood at 28.8% in 2008, versus 32.4% in 2007. Net financial income rose by 31.7% to MAD 320 million.

• Wafa Immobilier

Thanks to its highly dynamic subsidiary, Attijariwafa bank gained 2.75 points in market share in 2008 to take its share of the mortgage loan market to 25.12%, versus 22.37% the previous year. Attijariwafa bank Group has already reached one of its 2010 strategic goals, which is to finance the acquisition of one in three homes in Morocco.

2008 was an eventful year with Wafa Immobilier participating in a number of domestic and international trade fairs and organising several round-table debates about the outlook for the property industry as well as organising meetings with federations and property developers. It also sponsored the national convention of notaries. In April 2008, Wafa Immobilier launched an on-line mortgage service www.wafaimmo.com.

Wafa Immobilier pursued its strategy of expanding its branch network by opening 12 new branches, taking the total number of specialised branches to 47 at 31 December 2008.

In 2008, Wafa Immobilier's total production was broadly unchanged at MAD 8.78 billion, due to a decline in the luxury holiday home segment. Total loans outstandings rose by 34.8% year-on-year to MAD 25.96 billion.

In terms of results, net banking income rose by 40.8% to MAD 200 million in 2008. Gross operating income leapt by 66.1% year-on-year to MAD 93 million. Net income stood at MAD 54 million in 2008 compared to MAD 34 million the previous year.

• Wafabail

The leasing market continued to see strong growth in the first three quarters of 2008. The fourth quarter was marked by a slowdown due to an increase in the cost of finance.

In such a context, Wafabail was able to meet its objectives for the year in terms of results and market share. Attijariwafa bank's leasing subsidiary maintained its position as market leader with a share of 26.3% of total production at end-September 2008. In 2008, its production increased 33.8% year-on-year to MAD 3.42 billion. This was mainly due to Group synergies and better positioning with its supplier channel.

In terms of results, Wafabail's net banking income rose by 12.9% year-on-year to MAD 254 million in 2008. Gross operating income increased 13.5% to MAD 202 million. Its cost-income ratio saw a 4 basis point improvement to 20.8%. Net financial income leapt by 75% to MAD 147 million.

• Attijari Factoring Maroc

Attijari Factoring Maroc's production rose from MAD 2.43 billion in 2007 to MAD 3.27 billion in 2008. This 34.3% increase exceeded initial expectations of 13% growth. The strong performance was due in part to a new agreement with Fiat Auto Maroc which alone generated about MAD 300 million of production. By activity, the improvement in production was due to:

- A rise of 63.3% to MAD 1.93 billion in domestic factoring production;
- An increase of 40.3% in export production to MAD 700 million;

In 2008, financing outstandings and loan outstandings jumped by 34.6% and 12.8% respectively, due in particular to the strong performance of domestic factoring.

In terms of results, net banking income rose by 24.9% to MAD 30.9 million in 2008. General operating expenses were contained at MAD 6.9 million. As a result, gross operating income rose by 28.3% year-on-year to MAD 24 million. Net income increased 27.4% to MAD 14.6 million.

• Wafa LLD

In 2008, the long-term vehicle rental market was characterised by much stiffer competition resulting in steep price declines. In such a context, Wafa LLD won more than 50% of market tenders in 2008. Its contract renewal ratio was more than 58%.

At 31 December 2008, Wafa LLD's vehicle fleet rose by 32% to 4,120 vehicles and its estimated market share stood at more than 21%. Production comprised 390 new vehicles on the road with 394 vehicles retired.

Wafa LLD, which enjoys a strong partnership with the « Association des Importateurs de Véhicules Automobiles au Maroc », (AIVAM), sponsored the annual trade fair, Auto Expo 2008.

In terms of results, Wafa LLD saw sales increase 26.2% year-on-year to MAD 154.9 million in 2008. Net income totalled MAD 3.1 million.

In 2009, Wafa LLD expects strong growth in sales and profits.

• Wafacash

Wafacash's operating environment was modestly affected by the international financial crisis in the second half 2008. MRE transfers declined 2.4% to MAD 53.7 billion in 2008, whilst travel receipts fell 3.5% to MAD 56.6 billion.

In such a context, Wafacash's performance was satisfactory and better than that of the market.

Cash Express volumes leapt 52.8% year-on-year to MAD 3.91 billion in 2008. The number of transactions rose by 48.8% to 1.19 million.

Wafacash remained market leader in the Western Union money transfer business in 2008. Volumes registered a modest 0.2% rise to MAD 5.05 billion. The number of transactions rose by 3.2% to 1.64 million.

OTC foreign exchange volumes increased 19.6% from MAD 862 million in 2007 to MAD 1,031 million in 2008. The number of transactions rose by 25% to about 0,45 million transactions.

In terms of product innovation in 2008, Wafacash introduced its Floussy card for customers without a bank account. 7,100 cards were sold in 2008.

Wafacash pursued its branch opening and modernisation programme. 53 new branches were opened, including 25 Wafacash branches and 28 partner branches, taking the total Wafacash network to 310 branches including 76 Wafacash branches.

Net banking income increased 25.2% to MAD 154 million in 2008. General operating expenses were contained at MAD 96 million versus MAD 86 million the previous year, despite its ambitious branch opening programme. Gross operating income rose by 48.8% to MAD 61 million. Net income increased 58.3% to MAD 38 million.

2- Investment banking subsidiaries

• Corporate Finance – Attijari Finances Corp.

In 2008, Attijariwafa bank's investment banking subsidiary strengthened its position as market leader in M&A advisory services with the following deals:

- Advisor to SNI concerning the acquisition of a 32.9% stake in SOMED for MAD 1.2 billion;

- Advisor to investment fund, H.Partners, concerning the acquisition of a 33% stake in Holding Essaouira Mogador (HEM), wholly-owned by the Belgian firm, Thomas & Piron;
- Advisor to Alliances Dévéloppement Immobilier (ADI) concerning its private placing;
- Advisor to Attijariwafa bank concerning the acquisition of a 79.15% stake in CBAO;
- Advisor to Attijariwafa bank concerning the acquisition of a 51% stake in Banque Internationale pour le Mali (BIM).

In 2008, Attijari Finances Corp also participated in a number of major market transactions:

- Advisor to Taslif concerning its MAD 200 million rights issue;
- Advisor to Delta Holding concerning its initial public offering raising MAD 938 million;
- Advisor to Compagnie Minière de Touissit (CMT) concerning its initial public offering raising MAD 300 million;
- Advisor to Alliances Développement Immobilier (ADI) concerning its initial public offering raising almost MAD 2 billion;
- Advisor to Attijariwafa bank concerning the MAD 1 billion issue of an unlisted subordinated bond;
- Advisor to ONA concerning a MAD 1 billion bond issue;
- Advisor to Attijariwafa bank concerning a MAD 2 billion subordinated bond issue;
- Advisor to SAMIR concerning and MAD 800 million bond issue;
- Advisor to SNI concerning a MAD 1.2 billion bond issue.

In terms of 2008 results, Attijari Finances Corp's sales rose by 64.4% year-on-year to MAD 72.2 million compared to MAD 43.9 million in 2007.

General operating expenses totalled MAD 56.4 million in 2008.

Operating income, however, declined 34.3% year-on-year to MAD 18.3 million, mainly due to fee claw-backs.

As a result, net income totalled MAD 14.1 million in 2008 versus MAD 29.0 million in 2007.

Attijari Finances Corp's results (in MAD thousands)

	2008	2007	Change
Sales	72 159.6	43 893.9	+64%
Operating revenues	74 685.8	46 918.9	+59%
Operating expenses	56 370.8	19 039.7	+100%
Operating income	**18 315.0**	**27 879.2**	**-34%**
Financial income	1 733.6	27 291.3	-94%
Income from ordinary activities	20 049.0	55 170.5	-64%
Net income	**14 121.0**	**28 966.4**	**-51%**

• Securities brokerage – Attijari Intermédiation and Wafa Bourse

The Casablanca Stock Exchange's MASI index declined 13.4% in 2008, having registered a gain of 33.9% in 2007. This decline was also accompanied by a 32.1% year-on-year fall in volumes to MAD 244.1 billion.

With volumes of MAD 52.7 million, Attijari Intermédiation maintained its position as market leader with a market share of 23.4%. The brokerage firm acquired more than 220 new customers in 2008, benefiting from synergies with other entities within the Attijariwafa bank Group.

Attijari Intermédiation revised its organisational structure to improve its after-sales customer service. In addition, its information systems were entirely overhauled and replaced by a comprehensive front-to-back-office solution, introduced in November 2008. The aim is to offer customers a more efficient and quality service using the very latest global technology meeting the highest international standards.

Volumes and market share by market

(In MAD millions)	Market volume	ATI volume	Market share
Central Market	150 950	32 950	21.8%
Block-trade Market	48 295	6 186	12.8%
IPOs	7 701	4 826	62.6%
Total Equities	206 947	43 962	21.2%
Others	18 727	8 767	46.8%
TOTAL	**225 674**	**52 729**	**23.4%**

Attijari Intermédiation generated 60% of its sales on the Central Market. In terms of new equity issuance, the brokerage firm participated in 62.6% of all initial public offerings during the year.

Attijari Intermédiation was lead manager for three major IPOs – Delta Holding, which raised MAD 938.4 million, Compagnie Minière de Touissit (CMT) MAD 300.4 million and Alliances Développment Immobiler MAD 2 billion.

In terms of results, 2008 sales totalled MAD 111.9 million compared to MAD 117.7 million in 2007. This 4.9% decline was primarily attributable to the high level of bed-and-breakfast trades executed in December 2007 generating MAD 30 billion in volumes. Stripping-out these trades, sales would have grown by 27%. As a result, operating income declined 16.1% year-on-year to MAD 84.6 million.

2008 net income totalled MAD 62.1 million versus MAD 70.5 million in 2007.

Attijari Intermédiation's results (in MAD thousands)

	2008	2007	Change
Sales	111 943	117 655	-4.9%
Operating expenses	28 407	18 890	50.4%
Operating income	84 639	100 842	-16.1%
Net income	**62 132**	**70 495**	**-11.9%**

3- Insurance and asset management subsidiaries

• Asset management – Wafa Gestion

In 2008, Wafa Gestion registered growth of 9.3% year-on-year in assets under management to MAD 46.6 billion. The asset management company maintained its position as market leader with a market share of 30.02%.

In terms of product development, Wafa Gestion launched two new products during the year for private clients:

- Oblitop, a fixed income OPCVM, with returns guaranteed by Attijariwafa bank for one year;
- Capital Garanti 2011, Morocco's first contract-based fund, investing in a basket of four international indices – DJ Eurostoxx 50, Standard & Poors 500, Nikkei 225 and Hang Seng Index – and guaranteeing repayment of capital in full on maturity.

In July 2008, Wafa Gestion launched a new dedicated OPCVM for a major insurance company, investing in structured products.

Wafa Gestion hosted the 9th edition of an annual international seminar in Agadir for finance directors and managing directors of large corporate customers. It also participated in the Savings and Investment trade fair as well as sponsoring the 9th edition of tennis' Cup of African Nations.

In terms of its financial performance, Wafa Gestion's net investment management income declined 20% year-on-year to MAD 107.0 million in 2008. General operating expenses fell 5% to MAD 29.4 million. As a result, gross operating income declined 25% to MAD 77.5 million. Net income in 2008 totalled MAD 58.9 million versus MAD 71.5 million in 2007.

In January 2009, Fitch Ratings reconfirmed Wafa Gestion's "M2 (Mor) Asset Manager" rating attributed the previous year. This rating reflects Wafa Gestion's high scores in areas of assessment including the firm's organisation, quality of human resources, risk management and risk control policies, portfolio management, administrative management of investments and technology.

• Wafa Assurance

In order to consolidate its dominant position in the personal/professional segment, Wafa Assurance pursued its product innovation strategy in 2008 with the launch of o To Bonus, a new contract in the auto segment for drivers with a clean claims history.

The company is eager to develop close customer relations and offer a high quality environment in which to receive them. It has therefore continued to develop and modernise its network of exclusive agents by opening 23 new points of sale in the high-street with an entirely new design and concept. These are similar in style to bank branches.

Several marketing campaigns targeting specific market segments were launched including four relating to auto insurance products and another highly innovative campaign about accident prevention. Wafa Assurance's policy is to increasingly emphasise security and prevention.

Thanks to the highly dynamic bank branch distribution channel, the company's sales performance was excellent, particularly in savings products. Customers were attracted by the high 6.20% yield offered by these products. Wafa Assurance continued to work improve its service quality by setting up a call centre to deal with requests for information and claims.

Wafa Assurance has demonstrated its ambitions in the corporate insurance market by launching « Wafa Prévention », a highly innovative package comprising a range of services intended to assist company directors in insuring their business and staff. It also launched « Wafa Assiha », a health insurance product combining services and urgency medical advice.

Wafa Assurance wants its customers to benefit from its wealth of expertise. This is why it advocates a preventive approach, particularly concerning workers' compensation and property insurance. Such an approach of course benefits the customer but also the company, by improving its risk profile.

Wafa Assurance worked tirelessly throughout the year to strengthen its relations with brokers and successfully negotiated a number of major contracts at the end of the year.

The company managed its investment portfolio in line with its predefined asset allocation strategy. At the end of the year, Wafa Assurance sold its 24% stake in Crédit du Maroc to Crédit Agricole France which in turn sold its five African subsidiaries to Attijariwafa bank. The deal is expected to be completed in 2009 when approval has been given by the relevant regulatory authorities.

Wafa Assurance also accelerated the process of modernising its information systems. Initial efforts have focused on the auto insurance segment.

The company also strengthened its managerial structure by appointing Mr. Jean-Charles Freimuller, an experienced insurance industry practitioner with considerable international experience. The company revised its organisational structure to better deal with the new challenges facing the industry by refocusing on strategic activities:

- Become market leader in the corporate insurance segment;
- Consolidate is position as market leader in bancassurance;
- Confirm its reputation as a specialist in personal insurance.

In 2008, Wafa Insurance created the Wafa Institute, in conjunction with the Institut de Formation pour les Professsions d'Assurance (IFPASS Paris), providing specialist training to the company's 400 employees.

Results

• Premiums

In 2008, premiums written rose by 17.7% year-on-year to MAD 4,153.9 million in 2008.

Non-life sales increased 7.4% to MAD 1,487.7 million due to a strong performance by the personal accident, property, workers' compensation and automobile insurance segments.

The Life business saw premiums rise 24.4% to MAD 2,666.1 million thanks to a strong performance by the bank branch networks, particularly Attijariwafa bank's.

The table below shows a breakdown of insurance premiums written by category for the last three period:

Sales breakdown	2007	2008
Automobile	21.9%	19.8%
Workers' compensation - Liability	5.5%	4.8%
Fire, Transportation and Miscellaneous risks	6.8%	6.6%
Personal accident	5.1%	4.7%
Non-life	**39.3%**	**35.8%**
On-death	12.2%	10.0%
Savings	48.5%	54.2%
Life	**60.7%**	**64.2%**
Total	**100%**	**100%**

The Life business' share of total sales rose from 60.7% in 2007 to 64.2% in 2008.

Administrative expenditures

Administrative expenditures rose by 11.8% in 2008, at a much slower pace than growth in premiums written.

In the Non-life business, administrative expenditures rose by 4% in 2008 versus a 7.4% rise in premiums whilst in the Life business, the increase was 18.7% compared to 24.4% growth in premiums.

• Technical provisions

Gross technical provisions rose by 19.6% year-on-year to MAD 14.1 billion. Life insurance mathematical reserves accounted for 59% of total provisions in 2008 compared to 54.4% in 2008.

• Technical operating expenses

Acquisition costs increased 17.8% to MAD 254.2 million.

In the Non-life business, the ratio of acquisition costs to premiums written was 12.5% in 2008 versus 12% the previous year, whilst in the Life business, the ratio rose from 2.5% in 2007 to 2.8% in 2008.

Management fees rose by 8.3% to MD307.2 million.

Management fees in the Non-life business were broadly unchanged in 2008, rising from 16.7% to 16.8%. In the Life business, the ratio of management fees to outstandings declined from 0.86% in 2007 to 0.72% in 2008.

• Investment income

Investment income was MAD 1,078.6 million in 2008 versus MAD 1,116 million in 2007 although the latter sum included MAD 330 million in exceptional capital gains on the disposal of assets.

• Results

The company's technical result stood at MAD 762.9 million in 2008, an increase of 8.1% compared to 2007. This result comprised:

- MAD 593.4 million from the Non-life business against MAD 635.4 million in 2007, which included non-recurring income of MAD 330 million;
- MAD 169.5 million from the Life business versus MAD 70.4 million in 2007, due to a level of claims in the on-death segment.

With a non-technical result of negative MAD 110 million and a corporation tax charge of MAD 185.4 million, net income totalled MAD 467.5 million in 2008 against MAD 603.8 million in 2007. Restated net income in 2007 after stripping-out non-recurring items was MAD 347 million.

In 2008, shareholders' equity increased 21.7% to MAD 1,739 million against MAD 1,429 million in 2007.

Unrealised capital gains totalled MAD 2,557 million in 2008 against MAD 4,430 million the previous year following the decline in financial markets.

In application of regulatory requirements, the company's solvency ratio stood at 421.5% in 2008 against 566.6% the previous year.

The company pursued its rigorous policy of reclassifying and provisioning against non-performing loans. The coverage ratio stood at 89.4% in 2008 versus 85.9% the previous year.

Consolidated results

Attijariwafa bank has published its consolidated financial statements under IFRS since June 30, 2007.

In 2008, the Group's scope of consolidation included Compagnie Bancaire de l'Afrique Occidentale (CBAO) following the acquisition of a 39.6% stake and Banque Internationale pour le Mali (BIM) following the acquisition of a 51% stake. Attijariwafa bank Sénégal merged with CBAO, resulting in a new entity, CBAO – Groupe Attijariwafa bank with Attijariwafa bank owning a 49.0% stake.

• Group results

Total net assets

Attijariwafa bank's total net assets increased 22.2% year-on-year to MAD 258.94 billion at 31 December 2008. The main assets of the Group include loans and advances to customers, available-for-sale securities, loans and advances to credit institutions and financial assets at fair value through income, which accounted for 87.3% of total assets at 31 December 2008 (84.5% at 31 December 2007). The 22.2% increase in assets was primarily due to:

- A 28.9% increase to MAD 153.47 billion in loans and advances to customers;
- A 24.1% increase to MAD 25.84 billion in available-for-sale securities;
- A 18.4% increase to MAD 25.70 billion in loans and advances to credit institutions;
- A 20.2% increase to MAD 21.0 billion in financial assets at fair value through income.

The increase in liabilities was primarily due to:

- A 16.4% increase to MAD 176.52 billion in customer deposits, which alone accounted for 68.2% of total liabilities;
- A 102.0% increase to MAD 25.24 billion in amounts owing to credit institutions, which accounted for almost 10% of total liabilities.

• Consolidated shareholders' equity

Consolidated shareholders' equity increased 16.2% year-on-year to MAD 21.09 billion in 2008.

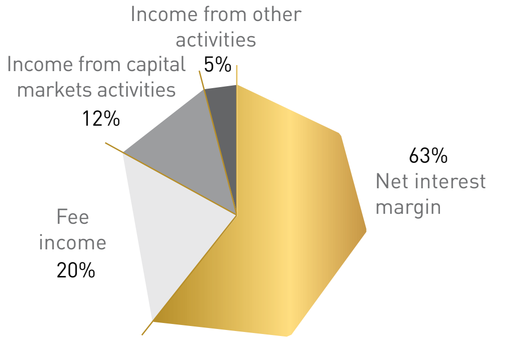
• Consolidated net banking income

Attijariwafa bank's consolidated net banking income rose by 24.7% to MAD 10.97 billion in 2008. This increase was mainly due to:

- A 24.9% increase to MAD 6.96 billion in the net interest margin;
- A 26.1% increase to MAD 2.15 billion in fee income;
- A 15.2% improvement to MAD 1.32 billion in capital markets activities.

For the year ended 31 December 2008, the breakdown of consolidated net banking income was as follows:

Breakdown of net banking income at 31 December 2008



The significant rise in the different components of net banking income was due to the strong performance of the bank and its various subsidiaries in 2008.

- **Gross operating income**

Gross operating income rose by 34.0% to MAD 6.12 billion in 2008. This was largely due to strict control of general operating expenses which rose by only 12.1%. There was an improvement in the cost-income ratio to 44.2% in 2008 versus 48.1% the previous year.

- **Cost of risk**

The cost of risk declined a modest 4.0% to MAD 632.3 million in 2008. As a percentage of total outstandings, the cost of risk improved 13 basis points to 0.39%. Non-performing loans stood at MAD 8.85 billion against total outstandings of MAD 160.36 billion, implying a non-performing loan ratio of 5.52%.

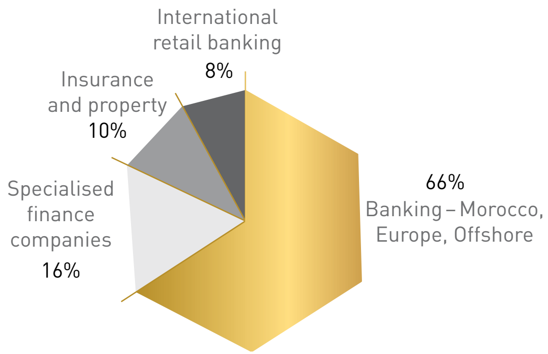
- **Consolidated net income**

Consolidated net income, which breached the MAD 3 billion level for the first time in 2008, rose by 32.3% year-on-year to MAD 3.64 billion.

- **Consolidated net income Group share**

Consolidated net income Group share increased 27.0% to MAD 3.12 billion in 2008. This performance was the result of the efforts made by the bank and its subsidiaries, particularly Specialised Financial Services (SFS) and International Retail Banking (BDDI). SFS' and BDDI's contributions rose from 14% and 2% respectively in 2007 to 16% and 8% in 2008. This was largely due to Attijari bank Tunisie which, for the first time since it was acquired, generated strong profit growth and made a significant contribution to the improvement in the Group's results.

Contribution to Net income Group share by business activity at 31 December 2008



Return on shareholders' equity (ROE) stood at 20.8% in 2008 versus 17.8% in 2007. The return on total assets ratio stood at 1.4% in 2008 versus 1.3% the previous year.

Resolutions for the Annual General Meeting of Shareholders

• First resolution

The Annual General Meeting, having listened to the reading of the reports of the Board of Directors and the Statutory Auditors for the period ended 31 December 2008, expressly approves the financial statements for the said period as presented, as well as the transactions reflected in these statements or summarised in these reports, showing net income of 2,357,626,942.13 dirhams.

• Second resolution

The Annual General Meeting, having listened to the reading of the Statutory Auditors' special report concerning agreements referred to in Article 56 of Act 17/95 relating to sociétés anonymes, as amended and updated by Act 20/05, approves the conclusions of the said report and the agreements referred to therein.

• Third resolution

The Annual General Meeting approves the appropriation of income as proposed by the Board of Directors, namely:

– Net income for the period	2 357 626 942.13 MAD
– To legal reserve	-
– To investment reserve	166 666 666.67 MAD
– Net earnings brought forward	644 932.39 MAD
• DISTRIBUTABLE INCOME	**2 191 605 207.85 MAD**
• APPROPRIATION:	
– Statutory dividend	115 797 576.00 MAD
– Amount required for paying a dividend of 5 dirham per share	849 182 224.00 MAD
• i.e A DISTRIBUTION TOTALLNG	**964 979 800.00 MAD**
– To extraordinary reserves	1 226 000 000.00 MAD
– Retained earnings carried forward	625 407.85 MAD

Accordingly, the Annual General Meeting has decided to pay a dividend, giving entitlement to rights for a period of one year, of 5 dirham per share. Payment will be made on or after Tuesday 1 July 2007 at the Bank's head office in accordance with the current regulations.

• Fourth resolution

As a result of the above resolutions, the Annual General Meeting gives full and final discharge to the members of the Board of Directors of their management responsibilities for the period ended and to the Statutory Auditors for the exercise of their duties for the said period.

• Fifth resolution

The Annual General Meeting sets the amount of fees paid to members of the Board of Directors in respect of the period ending 31 December 2009 at MAD4,000,000.

The Board of Directors shall distribute this sum between its members as it deems appropriate.

• Sixth resolution

The Annual General Meeting, having noted that the term of office of the director of SIGER, represented by Mr. Mohamed Mounir El Majidi, is to expire at the end of the present meeting, decides to renew the said term of office for the statutory six-year period, which will expire at the time of the Annual General Meeting convened to approve the financial statements for the period ending 31 December 2014.

• Seventh resolution

The Annual General Meeting grants full powers to the bearer of the original or a copy of these resolutions to carry out the legal formalities relating to their publication and any other formalities stipulated by law..

Statutory auditors' general report

Parent company financial statements

ERNST & YOUNG

37 Bd. Abdellatif Ben Kaddour
20 050 Casablanca - MOROCCO

Deloitte.

288, Bd Zerktouni
20000 Casablanca - MOROCCO

STATUTORY AUDITORS' GENERAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

To the shareholders of Attijariwafa bank,

In accordance with the terms of our appointment by your Annual General Meeting, we have audited the attached financial statements of Attijariwafa bank for the period ended 31 December 2008, comprising the balance sheet, income statement, management accounting statement, cash flow statement and additional information statement relating to the said period. These financial statements show shareholders' equity of MAD22,330,604K, including net income of MAD2,357,627K.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for drawing up and presenting these financial statements to give a true and fair view of the company's financial position in accordance with generally-accepted accounting principles and procedures in Morocco. It is also responsible for designing, implementing and monitoring internal control procedures relating to the drawing up and presentation of the financial statements to ensure that they are free from material misstatement and determining accounting estimates that are reasonable under the circumstances.

AUDITOR'S RESPONSIBILITY

Our duty is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with professional standards in Morocco. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit consists of examining, on a sample basis, evidence supporting the amounts and information contained in the financial statements. The auditor is responsible for judging whether the accounting procedures adopted are appropriate and for assessing the risk of any material misstatement in the financial statements. When assessing this risk, the auditor takes into consideration the internal control procedures adopted relating to the drawing up and presentation of the financial statements. The aim is not to express an opinion on the effectiveness of the internal control procedures, rather, to decide on the most appropriate audit procedures to be adopted under the circumstances. An audit also involves assessing the accounting principles used, any significant estimates made by the Management and the general presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements referred to in the first paragraph of this report give, in all material aspects, a true and fair view of the financial position of Attijariwafa bank at 31 December 2008 as well as the results of its operations and its cash flows for the same period, in accordance with generally accepted accounting principles in Morocco.

SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed specific verifications as required by law and we are satisfied that the information provided in the Board of Directors' management report to shareholders is consistent with the bank's financial statements.

In accordance with the provisions of Article 172 of Act 17-95, as amended and updated, we inform you that the bank acquired:

- A 51% stake in Banque Internationale pour le Mali (BIM SA) for MAD687.57 million;
- A 50% stake in KASOVI for MAD726.4 million; it is through this company that Attijariwafa bank owns a stake in Compagnie Bancaire de l'Afrique Occidentale (CBAO). Following this acquisition, Compagnie Bancaire de l'Afrique Occidentale merged with Attijari bank Sénégal with retrospective effect from 1 January 2008.

15 April 2009

The Statutory Auditors

ERNST & YOUNG
Bachir TAZI
Partner

DELOITTE AUDIT
Ahmed BENADELKHALEK
Partner

Publication of the financial statements

Parent company financial statements for the period ended 31 December 2008

1. Presentation

Attijariwafa bank is a Moroccan company governed by common law. The financial statements comprise the accounts of head office as well as branches in Morocco and overseas, including the branch offices in Brussels. Material intra-group transactions and balances between Moroccan entities and overseas branches have been eliminated.

2. General principles

The financial statements are prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of Attijariwafa bank's financial statements complies with the Plan Comptable des Etablissements de Crédit.

3. Loans and signature loans

General presentation of loans

- Loans and advances to credit institutions and customers are classified according to their initial maturity and type:
  - Sight and term loans in the case of credit institutions;
  - Short-term loans, equipment loans, consumer loans, mortgage loans and other loans for customers.
- Signature loans accounted for off-balance sheet relate to transactions which have not yet given rise to cash movements such as irrevocable commitments for the undrawn portion of facilities made available to credit institutions and customers or guarantees given;
- Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers);
- Interest accrued on these loans is recorded under related loans and booked to the income statement.

Non-performing loans on customers

- Non-performing loans on customers are recorded and valued in accordance with prevailing banking regulations.

The main measures applied are summarised as follows:

- Non-performing loans are classified as sub-standard, doubtful or impaired depending on the level of risk;
- After deducting the guarantee portion as required by prevailing regulations, provisions for non-performing loans are made as follows:
  - 20% for sub-standard loans;
  - 50% for doubtful loans;
  - 100% for impaired loans.

Provisions made relating to credit risks are deducted from the asset classes in question.

- As soon as loans are classified as non-performing, interest is no longer accrued but is recognised as income when received;
- Losses on irrecoverable loans are booked when the possibility of recovering the non-performing loans is deemed to be zero;
- Provisions for non-performing loans are written-back on any positive development in respect of the non-performing loans in question, such as partial or full repayment or a restructuring of the debt with partial repayment.
- The Bank wrote-off some non-performing loans through use of related provisions which had already been booked. The size of the operation was MAD439 million and there was no impact on income for the period.

4. Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are presented in the financial statements according to their initial maturity and type:

- Sight and term borrowings in the case of credit institutions;
- Current accounts in credit, savings accounts, terms deposits and other customer accounts in credit in the case of customers.

Repo transactions, involving shares or other securities, are recorded under the different loan categories (credit institutions or customers), depending on the counterparty;

Interest accrued on these loans is recorded under related borrowings and booked to the income statement.

5. Securities portfolio

5.1. General presentation

Securities transactions are booked and valued in accordance with the Plan Comptable des Etablissements de Crédit.

Securities are classified as a function of their legal characteristics (debt security or equity security) and the purpose for which they are acquired (trading securities, available-for-sale securities, investment securities and investments in affiliates).

5.2. Trading securities

Trading securities are securities which are highly liquid and are acquired with the intention of being resold in the very near future. These securities are recorded at cost (including coupon). At the end of each period, the difference between this value and their market value is recognised directly in the income statement.

5.3. Available-for-sale securities

Available-for-sale securities are securities acquired with the intention of being held for at least 6 months, except for fixed income securities intended to be held until maturity. AFS securities comprise all securities that do not satisfy the criteria required to be classified in another category.

Debt securities are booked excluding accrued interest. The difference between their purchase price and redemption price is amortised over the security's remaining life.

Equities are recorded at cost less acquisition expenses.

At the end of each period, a provision for impairment is made for any negative difference between a security's market value and carrying amount. Unrealised gains are not booked.

5.4. Investment securities

Investment securities are debt securities which are acquired, or which come from another category of securities, with the intention of being held until maturity for the purpose of generating regular income over a long period.

These securities are recorded at cost less acquisition expenses. The difference between their purchase price and redemption price is amortised over the security's remaining life.

At the end of each period, these securities are recorded at cost, regardless of their market value. Unrealised profit or loss is therefore not recognised.

5.5. Investments in affiliates

This category comprises securities whose long-term ownership is deemed useful to the Bank.

At the end of each period, their value is estimated on the basis of generally accepted criteria such as useful value, share of net assets, future outlook for earnings and share price. Only unrealised losses give rise to provisions for impairment on a case-by-case basis.

5.6. Repos with physical delivery

This category comprises securities which are expected to be useful to the bank if held over the long term.

At the end of each period, their value is estimated on the basis of generally accepted criteria such as useful value, share of net assets, future outlook for earnings and share price. Only unrealised losses give rise to provisions for impairment on a case-by-case basis.

6. Foreign currency-denominated transactions

Foreign currency-denominated loans, amounts owing and signature loans are translated into dirhams at the average exchange rate prevailing on the balance sheet date.

Any foreign exchange difference on contributions from overseas branches and on foreign currency-denominated borrowings for hedging exchange rate risk is recorded in the balance sheet under "Other assets" or "Other liabilities" as appropriate. Any translation difference arising on translation of long-term investment securities acquired in a foreign currency is recorded as a translation difference for each category of security in question.

Any foreign exchange difference on any other foreign currency account is posted to the income statement. Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are booked.

7. Translation of financial statements drawn up in foreign currencies

The "closing rate" method is used to translate foreign currency-denominated financial statements.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of foreign entities (Brussels branch offices) are translated at the exchange rate prevailing on the balance sheet date.

Shareholders' equity (excluding net income for the current period) is valued at different historical rates. Any difference arising on restatement (closing rate less historical rate) is recorded in shareholders' equity under "Translation differences".

Translation of income statement items

All income statement items are translated at the average exchange rate over the year except for depreciation and amortisation expenses, which are translated at the closing rate.

8. General provisions

These provisions are made, at the discretion of the management, to address future risks which cannot be currently identified or accurately measured relating to the banking activity.

Provisions made qualify for a tax write-back.

9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recorded in the balance sheet at cost less accumulated depreciation and amortisation, calculated using the straight line method over the estimated use life of the assets in question.

Intangible assets are categorised as operating or non-operating assets and are amortised over the following periods:

Type	Amortisation period
- Lease rights	not amortised
- Patents and brands	N/A
- Research and development	N/A
- IT software	6.67 years
- Other items of goodwill	5 years

Property, plant and equipment are categorised as operating or non-operating assets and are depreciated over the following periods:

Type	Depreciation period
- Land	not depreciated
- Operating premises	25 years
- Office furniture	6.67 years
- IT hardware	6.67 years
- Vehicles	5 years
- Fixtures, fittings and equipment	6.67 years

10. Deferred expenses

Deferred expenses are expenses which, given their size and nature, are likely to relate to more than one period.

Deferred expenses are amortised over the following periods:

Type	Amortisation period
- Start-up costs	3 years
- Expenses incurred in acquiring fixed assets	5 years
- Bond issuance expenses	N/A
- Premiums paid on issuing or redeeming debt securities	N/A
- Other deferred expenses	3-5 years on a case by case basis

11. Regulated provisions

Regulated provisions are made pursuant to legal or regulatory requirements, including tax-related requirements. An optional decision to provision or not is a management-related consideration, often motivated by the desire to reduce tax.

As soon as the criteria for making and using such provisions have been met and assuming the provisions have clearly been made for tax reasons, regulated provisions, except accelerated depreciation, are treated as tax-free reserves.

12. Recognition of interest and fees in the income statement

Interest

Income and expenses calculated on principal amounts actually lent or borrowed are considered as interest.

Income and expenses calculated on a prorata temporis basis which remunerate a risk are considered as similar income or expenses. This category includes fees on guarantee and financing commitments (guarantees, documentary credits etc.).

Interest accrued on principal amounts actually lent or borrowed is booked under related loans or debt with an offsetting entry in the income statement entry.

Similar income or expenses are recorded under income or expenses when invoiced.

Fees

Income and expenses, calculated on a flat-rate basis for a service provided, are recorded under fees when invoiced.

Non-recurring items of income and expenditure

They consist exclusively of income and expenses arising on an exceptional basis and are, in principle, rare in that they are unusual in nature or occur infrequently.

Parent company financial statements at 31 December 2008

Balance sheet at 31 December 2008

(in MAD thousands)

ASSETS	12/31/2008	12/31/2007
Cash and balances with central banks, the Treasury and post office accounts	**13 526 335**	**16 092 583**
Loans and advances to credit institutions and similar establishments	**36 298 288**	**31 499 302**
Sight	6 260 158	15 170 213
Term	30 038 130	16 329 089
Loans and advances to customers	**108 423 229**	**87 332 225**
Short-term loans and consumer loans	47 817 661	43 973 644
Equipment loans	21 694 743	18 811 370
Mortgage loans	35 992 619	22 888 189
Other loans	2 918 206	1 659 022
Receivables acquired through factoring	**790 798**	**427 569**
Trading securities and available-for-sale securities	**27 330 344**	**16 268 573**
Treasury bills and similar securities	17 084 825	8 398 615
Other debt securities	2 494 691	1 744 341
Equities	7 750 828	6 125 617
Other assets	**3 051 123**	**2 743 480**
Investment securities	**2 764 282**	**2 919 732**
Treasury bills and similar securities	1 326 682	1 175 359
Other debt securities	1 437 600	1 744 373
Investments in affiliates and other long-term investments	**8 080 899**	**6 618 167**
Subordinated loans		
Leased and rented assets	**333 702**	**245 008**
Intangible assets	**1 654 129**	**1 537 448**
Property, plant and equipment	**2 571 696**	**2 556 241**
TOTAL ASSETS	**204 824 824**	**168 240 328**

LIABILITIES	12/31/2008	12/31/2007
Amounts owing to central banks, the Treasury and post office accounts		
Amounts owing to credit institutions and similar establishments	**19 167 406**	**8 055 373**
Sight	2 573 927	4 777 106
Term	16 593 479	3 278 267
Customer deposits	**151 664 393**	**136 419 786**
Current accounts in credit	82 959 987	81 841 643
Savings accounts	16 324 378	14 716 434
Term deposits	46 197 069	34 256 684
Other accounts in credit	6 182 959	5 605 025
Debt securities issued	**3 333 868**	**1 713 230**
Tradable debt securities	3 333 868	1 713 230
Bonds		
Other debt securities issued		
Other liabilities	**7 862 449**	**3 377 094**
General provisions	**466 105**	**593 720**
Regulated provisions	**83 333**	**250 000**
Subsidies, public funds and special guarantee funds		
Subordinated debt	**6 094 079**	**3 070 622**
Revaluation reserve	**420**	**420**
Reserves and premiums related to share capital	**11 870 000**	**10 695 000**
Share capital	**1 929 960**	**1 929 960**
Shareholders, unpaid share capital (-)		
Retained earnings (+/-)	**-4 816**	**-4 643**
Net income pending appropriation (+/-)		
Net income for the financial year (+/-)	**2 357 627**	**2 139 766**
TOTAL LIABILITIES	**204 824 824**	**168 240 328**

Off-balance sheet items at 31 December 2008

(in MAD thousands)

OFF-BALANCE	12/31/2008	12/31/2007
Commitments given	**46 542 437**	**33 726 680**
Financing commitments given to credit institutions and similar establishments	43 789	30 886
Financing commitments given to customers	17 518 057	9 473 933
Guarantees given to credit institutions and similar establishments	6 017 737	6 321 445
Guarantees given to customers	22 962 854	17 900 416
Securities purchased with repurchase agreement		
Other securities to be delivered		
Commitments received	**20 551 268**	**19 627 181**
Financing commitments received from credit institutions and similar establishments		
Guarantees received from credit institutions and similar establishments	20 490 227	19 588 837
Guarantees received from the State and other organisations providing guarantees	61 040	38 344
Securities sold with repurchase agreement		
Other securities to be received		

Income statement at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
OPERATING INCOME FROM BANKING ACTIVITIES	**10 703 738**	**8 881 214**
Interest and similar income from transactions with credit institutions	1 276 745	1 171 525
Interest and similar income from transactions with customers	5 825 639	4 495 571
Interest and similar income from debt securities	502 553	664 152
Income from equity securities	409 626	529 202
Income from lease-financed fixed assets	97 729	28 842
Fee income	973 608	871 985
Other banking income	1 617 838	1 119 937
OPERATING EXPENSES ON BANKING ACTIVITIES	**4 136 014**	**2 965 208**
Interest and similar expenses on transactions with credit institutions	390 823	286 151
Interest and similar expenses on transactions with customers	2 174 578	1 803 254
Interest and similar expenses on debt securities issued	110 899	36 229
Expenses on lease-financed fixed assets	78 901	13 987
Other banking expenses	1 380 813	825 587
NET BANKING INCOME	**6 567 724**	**5 916 006**
Non-banking operating income	63 879	344 562
Non-banking operating expenses	8	20
OPERATING EXPENSES	**2 726 819**	**2 724 346**
Staff costs	1 206 955	1 354 531
Taxes other than on income	78 334	69 167
External expenses	1 059 879	972 830
Other general operating expenses	37 819	29 182
Depreciation, amortisation and provisions	343 832	298 636
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	**1 748 893**	**1 885 571**
Provisions for non-performing loans and signature loans	950 985	783 915
Losses on irrecoverable loans	656 803	603 391
Other provisions	141 106	498 265
PROVISION WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	**1 333 007**	**1 575 119**
Provision write-backs for non-performing loans and signature loans	803 949	993 868
Amounts recovered on impaired loans	176 997	116 867
Other provision write-backs	352 062	464 384
INCOME FROM ORDINARY ACTIVITIES	**3 488 889**	**3 225 750**
Non-recurring income	8 664	9 042
Non-recurring expenses	92 990	276 681
PRE-TAX INCOME	**3 404 563**	**2 958 111**
Income tax	1 046 936	818 345
NET INCOME FOR THE FINANCIAL YEAR	**2 357 627**	**2 139 766**

Management accounting statement at 31 December 2008

(in MAD thousands)

I - RESULTS ANALYSIS	12/31/2008	12/31/2007
+ Interest and similar income	7 604 937	6 331 249
- Interest and similar expenses	2 676 300	2 125 635
NET INTEREST MARGIN	**4 928 637**	**4 205 614**
+ Income from lease-financed fixed assets	97 729	28 842
- Expenses on lease-financed fixed assets	78 901	13 987
NET INCOME FROM LEASING ACTIVITIES	**18 828**	**14 855**
+ Fees received	975 305	874 905
- Fees paid	751	711
NET FEE INCOME	**974 554**	**874 194**
+ Income from trading securities	348 515	-
+ Income from available-for-sale securities	27 653	337 973
+ Income from foreign exchange activities	360 851	356 800
+ Income from derivatives activities	81 260	12 133
INCOME FROM MARKET ACTIVITIES	**818 277**	**706 906**
+ Other banking income	409 899	544 840
- Other banking expenses	582 471	430 403
NET BANKING INCOME	**6 567 724**	**5 916 006**
+ Income from long-term investments	-56 551	271 222
+ Other non-banking operating income	51 742	62 458
- Other non-banking operating expenses	-	20
- General operating expenses	2 726 819	2 724 346
GROSS OPERATING INCOME	**3 836 097**	**3 525 320**
+ Net provisions for non-performing loans and signature loans	-626 842	-276 570
+ Other net provisions	279 635	-23 000
INCOME FROM ORDINARY ACTIVITIES	**3 488 889**	**3 225 750**
NON-RECURRING INCOME	**-84 326**	**-267 639**
- Income tax	1 046 936	818 345
NET INCOME FOR THE FINANCIAL YEAR	**2 357 627**	**2 139 766**

II - TOTAL CASH EARNINGS	12/31/2008	12/31/2007
+ NET INCOME FOR THE FINANCIAL YEAR	**2 357 627**	**2 139 766**
+ Depreciation, amortisation and provisions for fixed asset impairment	343 832	298 636
+ Provisions for impairment of long-term investments	69 874	13 171
+ General provisions	-	51 636
+ Regulated provisions	-	250 000
+ Extraordinary provisions	-	-
- Provision write-backs	244 570	451 136
- Capital gains on disposal of fixed assets	-	-
- Intangibles and tangibles	2 950	12 180
+ Losses on disposal of fixed assets	-	-
- Intangibles and tangibles	-	20
- Capital gains on disposal of long-term investments	12 137	282 104
+ Losses on disposal of long-term investments	8	-
- Write-backs of investment subsidies received	-	-
+ TOTAL CASH EARNINGS	**2 511 685**	**2 007 809**
- Profits distributed	964 980	868 482
+ NET CASH EARNINGS	**1 546 705**	**1 139 327**

Non-performing customer loans at 31 December 2008

(in MAD thousands)

	Disbursed loans 1	Signature loans 2	Amount 3 = 1 + 2	Provisions for disbursed loans 4	Provisions for signature loans 5	Provisions 6 = 4 + 5
Total	**3 990 121**	**452 641**	**4 442 762**	**3 861 057**	**113 203**	**3 974 265**

Sales at 31 December 2008

(in MAD thousands)

2006	2007	2008
7,726,884	**8,881,214**	**10,702,324**

Cash flow statement at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
1. (+) Operating income from banking activities	10 149 556	8 186 511
2. (+) Amounts recovered on impaired loans	176 997	116 867
3. (+) Non-banking operating income	57 456	59 320
4. (-) Operating expenses on banking activities (*)	-4 665 908	-3 524 942
5. (-) Non-banking operating expenses	-8	
6. (-) General operating expenses	-2 382 987	-2 425 710
7. (-) Income tax	-1 046 936	-818 345
I. NET CASH FLOW FROM INCOME STATEMENT	**2 288 170**	**1 593 701**
Change in: 8. (±) Loans and advances to credit institutions and similar establishments	-4 798 986	-7 344 246
9. (±) Loans and advances to customers	-21 454 233	-18 825 468
10. (±) Trading securities and available-for-sale securities	-11 061 771	3 373 281
11. (±) Other assets	-307 643	-944 108
12. (±) Lease-financed fixed assets	-88 694	-209 441
13. (±) Amounts owing to credit institutions and similar establishments	11 112 033	2 825 456
14. (±) Customer deposits	15 244 607	15 514 967
15. (±) Debt securities issued	1 620 638	1 713 230
16. (±) Other liabilities	4 485 355	1 068 719
II. NET CHANGE IN OPERATING ASSETS AND LIABILITIES	**-5 248 694**	**-2 827 610**
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)	**-2 960 524**	**-1 233 909**
17. (+) Income from the disposal of long-term investments	415 163	1 899 101
18. (+) Income from the disposal of fixed assets	81 290	41 198
19. (-) Acquisition of long-term investments	-1 959 030	-1 434 688
20. (-) Acquisition of fixed assets	-554 504	-554 151
21. (+) Interest received	118 168	165 501
22. (+) Dividends received	409 626	529 202
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-1 489 287**	**646 163**
23. (+) Subsidies, public funds and special guarantee funds		
24. (+) Subordinated loan issuance	3 000 000	3 000 000
25. (+) Equity issuance		
26. (-) Repayment of shareholders' equity and equivalent		
27. (-) Interest paid	-151 457	-70 622
28. (-) Dividends paid	-964 980	-868 481
V- NET CASH FLOW FROM FINANCING ACTIVITIES	**1 883 563**	**2 060 897**
VI- NET CHANGE IN CASH AND CASH EQUIVALENTS	**-2 566 248**	**1 473 151**
VII- CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**16 092 583**	**14 619 432**
VIII- CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13 526 335**	**16 092 583**

(*) including net provisions

Statement of departures from standard accounting treatment at 31 December 2008

Type of departure	Reasons for departures	Impact of departures on the company's financial position or results
I. Departures from fundamental accounting principles	not applicable	not applicable
II. Departures from valuation methods	not applicable	not applicable
III. Departures from rules for drawing up and presenting the financial statements	not applicable	not applicable

Statement of changes in accounting methods at 31 December 2008

Nature of changes	Reasons for changes	Impact of changes on the company's financial position or results
I. Changes in valuation methods	not applicable	not applicable
II. Changes in rules of presentation	not applicable	not applicable

Loans and advances to credit institutions and similar establishments at 31 December 2008

(in MAD thousands)

LOANS AND ADVANCES	Bank Al Maghrib, the Treasury and post office accounts	Banks	Other credit institutions and similar establishments	Credit institutions overseas	Total 12/31/2008	Total 12/31/2007
CURRENT ACCOUNTS IN DEBIT	**11 790 348**		**1 044 914**	**4 712 293**	**17 547 555**	**16 742 859**
NOTES RECEIVED AS SECURITY			**366 987**		**366 987**	
- overnight			366 987			
- term						
CASH LOANS		**1 730 506**	**14 353 087**	**1 536 395**	**17 619 988**	**19 108 366**
- overnight		539 678			539 678	2 295 503
- term		1 190 828	14 353 087	1 536 395	17 080 310	16 812 863
FINANCIAL LOANS		**2 246 182**	**10 142 370**		**12 388 552**	**9 482 569**
OTHER LOANS		**137 863**	**26 060**	**1 631**	**165 554**	**264 012**
INTEREST ACCRUED AWAITING RECEIPT			**197 185**	**114 337**	**311 522**	**206 760**
NON-PERFORMING LOANS						
TOTAL	**11 790 348**	**4 114 551**	**26 130 603**	**6 364 656**	**48 400 158**	**45 804 566**

Loans and advances to customers at 31 December 2008

(in MAD thousands)

LOANS AND ADVANCES	Public sector	Secteur privé			Total 12/31/2008	Total 12/31/2007
		Financial companies	Non-financial companies	Other customers		
SHORT-TERM LOANS	**2 189 950**	**404 869**	**38 245 087**	**1 739 478**	**42 579 384**	**39 579 364**
- Current accounts in debit	2 133 035	404 869	16 139 457	1 448 334	20 125 695	16 821 685
- Commercial loans within Morocco	39		4 461 679		4 461 718	3 676 352
- Export loans	3 736		545 297	31	549 064	487 328
- Other cash loans	53 140		17 098 654	291 113	17 442 907	18 593 999
CONSUMER LOANS	**5 333**		**362 340**	**4 243 826**	**4 611 499**	**3 909 196**
EQUIPMENT LOANS	**1 897 500**		**16 831 239**	**2 739 740**	**21 468 479**	**18 663 915**
MORTGAGE LOANS	**3 611**		**15 798 877**	**20 185 086**	**35 987 574**	**22 857 302**
OTHER LOANS	**1 500 046**	**1 911**	**1 232 110**	**29 816**	**2 763 883**	**1 417 125**
RECEIVABLES ACQUIRED THROUGH FACTORING			**790 798**		**790 798**	**427 569**
INTEREST ACCRUED AWAITING RECEIPT			**844 932**	**38 413**	**883 345**	**677 175**
NON-PERFORMING LOANS	**1 585**	**7 355**	**41 208**	**78 916**	**129 064**	**228 148**
- Sub-standard loans						
- Doubtful loans						
- Impaired loans	1 585	7 355	41 208	78 916	129 064	228 148
TOTAL	**5 598 025**	**414 135**	**74 146 591**	**29 055 275**	**109 214 026**	**87 759 794**

Breakdown of trading securities, available-for-sale securities and investment securities by category of issuer at 31 December 2008

(in MAD thousands)

SECURITIES	Other credit institutions and similar establishments	Public issuers	Private issuers		Total 12/31/2008	Total 12/31/2007
			Financial companies	Non-financial companies		
LISTED SECURITIES	**409 150**	**-**	**7 597 123**	**93 860**	**8 100 133**	**6 053 760**
- Treasury bills and similar instruments					-	-
- Bonds	-			-	-	-
- Other debt securities	394 998				394 998	-
- Equities	14 152		7 597 123	93 860	7 705 135	6 053 760
UNLISTED SECURITIES	**1 568 720**	**19 207 245**	**6 032**	**1 212 496**	**21 994 493**	**13 134 545**
- Treasury bills and similar instruments		18 411 507			18 411 507	9 573 973
- Bonds	10 288	795 738		447 878	1 253 904	1 353 957
- Other debt securities	1 557 569			725 820	2 283 389	2 134 757
- Equities	863		6 032	38 798	45 693	71 857
TOTAL	**1 977 870**	**19 207 245**	**7 603 155**	**1 306 356**	**30 094 626**	**19 188 305**

Value of trading securities, available-for-sale securities and investment securities at 31 December 2008

(in MAD thousands)

SECURITIES	Gross book value	Current value	Redemption value	Unrealised capital gains	Unrealised losses	Provisions
TRADING SECURITIES	**16 266 708**	**16 266 708**	**-**	**-**	**-**	**-**
- Treasury bills and similar instruments	8 235 538	8 235 538		-	-	-
- Bonds	1 595	1 595		-	-	-
- Other debt securities	394 998	394 998		-	-	-
- Equities	7 634 577	7 634 577		-	-	-
AVAILABLE-FOR-SALE SECURITIES	**11 097 231**	**11 063 636**	**-**	**-**	**33 595**	**33 595**
- Treasury bills and similar instruments	8 858 157	8 849 286		-	8 871	8 871
- Bonds	1 263 518	1 252 309		-	11 209	11 209
- Other debt securities	845 789	845 789		-	-	-
- Equities	129 767	116 252		-	13 515	13 515
INVESTMENT SECURITIES	**2 764 282**	**2 764 282**	**-**	**-**	**-**	**-**
- Treasury bills and similar instruments	1 326 682	1 326 682		-	-	-
- Bonds				-	-	-
- Other debt securities	1 437 600	1 437 600		-	-	-

Details of other assets at 31 December 2008

(in MAD thousands)

ASSETS	TOTAL 12/31/2008	TOTAL 12/31/2007
OPTIONS PURCHASED	**192 839**	
SUNDRY SECURITIES TRANSACTIONS (1)		
SUNDRY DEBTORS	**964 728**	**297 010**
Amounts due from the State	103 562	146 271
Amounts due from mutual societies		
Sundry amounts due from staff		362
Amounts due from customers for non-banking services		
Other sundry debtors	861 166	150 377
OTHER SUNDRY ASSETS	**51 152**	**45 458**
ACCRUALS AND SIMILAR	**1 732 507**	**2 308 691**
Adjustment accounts for off-balance sheet transactions	163 707	404 895
Translation differences for foreign currencies and securities	76	22 680
Income from derivative products and hedging		37 394
Deferred expenses	34 938	51 031
Inter-company accounts between head office, branch offices and branches in Morocco	1 312	10 935
Accounts receivable and prepaid expenses	743 494	460 411
Other accruals and similar	788 978	1 321 345
NON-PERFORMING LOANS ON SUNDRY TRANSACTIONS	**109 897**	**92 321**
TOTAL	**3 051 123**	**2 743 480**

(1) PCEC 341.3463 and 3469 if in debit

Subordinated loans at 31 December 2008

(in MAD thousands)

LOANS	AMOUNT				including affiliates and related companies	
	12/31/08			12/31/07	12/31/08	12/31/07
	Gross 1	Provisions 2	Net 3	Net 4	Net 5	Net 6
Subordinated loans to credit institutions and similar establishments Subordinated loans to customers	not applicable					
TOTAL						

Leased and rented assets at 31 December 2008

(in MAD thousands)

CATEGORY	Gross value at 31 December 2007	Acquisitions	Disposals	Gross value at 31 December 2008	Amortisation		Provisions			Net value at 31 December 2008
					Additional amortisation in 2008	Accumulated amortisation	Additional provisions in 2008	Amortisation on disposed assets	Accumulated provisions	
LEASED AND RENTED ASSETS	**245 008**	**485 755**		**730 763**	**78 557**	**397 061**				**333 702**
LEASED INTANGIBLE ASSETS										
LEASED MOVABLE ASSETS	**240 786**	**462 040**		**702 825**	**78 557**	**375 136**				**327 689**
- Movable assets under lease	240 786	462 040		702 825	78 521	375 136				327 689
- Leased movable assets										
- Movable assets unleased after cancellation										
LEASED IMMOVABLE ASSETS	**3 758**	**21 889**		**25 647**	**36**	**21 925**				**3 722**
- Immovable assets under lease										
- Immovable leased assets	3 758	21 889		25 647	36	21 925				3 722
- Immovable assets unleased after cancellation										
RENTS AWAITING RECEIPT										
RESTRUCTURED RENTS										
RENTS IN ARREARS	464	1 827		2 291						2 291
NON-PERFORMING LOANS										
RENTED ASSETS										
RENTED MOVABLE PROPERTY										
RENTED PROPERTY										
RENTS AWAITING RECEIPT										
RESTRUCTURED RENTS										
RENTS IN ARREARS										
NON-PERFORMING LOANS										
TOTAL	**245 008**	**485 755**		**730 763**	**78 557**	**397 061**				**333 702**

Capital gains or losses on the disposal of fixed assets at 31 December 2008

(in MAD thousands)

Disposal date	Asset	Gross value	Accumulated depreciation	Net book value	Income on disposal	Capital gains on disposal	Losses on disposal
April 2008	**PROP. LES HAMEAUX BOUZNIKA**	**2 604**	**430**	**2 174**	**2 600**	**426**	
	Land	798	-	798			
	Villa	1 746	370	1 376			
	Registration fees	60	60				
December 2008	**PROP. DAR BOUAZZA**	**579**	**39**	**540**	**600**	**60**	
	TF141903/12						
	Property	547	37	510			
	Registration fees	32	3	29			
July 2008	**Villa Pimporelle**	**10 651**	**1 525**	**9 125**	**10 000**	**875**	
	TF11055/C						
	Land	1 940	-	1 940			
	Villa	7 760	807	6 953			
	Registration fees	951	718	233			
April 2008	**PROP. ATLANTIC**	**3 107**	**223**	**2 884**	**4 074**	**1 190**	
	10 apartments Sabah	3 107	223	2 884	4 074		
April 2008	**PROP. AL WOUROUD**	**615**	**-**	**615**	**761**	**146**	
	31 apartments TF6790/46	615	-	615	761		
April 2008	**PROP. AFAK**	**576**	**8**	**568**	**660**	**92**	
	21 apartments TF12884/03	576	8	568	660		
	Vehicles	**439**	**439**	**-**	**162**	**162**	
	Mercedes IM 75669.A.6	439	439	-			
TOTAL		**18 571**	**2 664**	**15 907**	**18 857**	**2 950**	

Intangible assets and property, plant and equipment at 31 December 2008

(in MAD thousands)

TYPE	Gross value at 31 December 2007	Acquisitions	Disposals	Gross value at 31 December 2008	Amortisation and/or provisions: Amortisation and provisions at 31 December 2007	Additional amortisation in 2008	Amortisation on disposed assets	Accumulated amortisation and depreciation	Net value at 31 December 2008
INTANGIBLE ASSETS	**1 753 341**	**217 470**	**8 258**	**1 962 553**	**215 893**	**95 284**	**2 753**	**308 424**	**1 654 129**
- Lease rights	213 665	38 445		252 110	-			-	252 110
- Research and development		-	-						
- Intangible assets used in operations	1 539 676	179 025	8 258	1 710 443	215 893	95 284	2 753	308 424	1 402 019
- Non-operating intangible assets		-	-						
PROPERTY, PLANT AND EQUIPMENT	**4 747 188**	**337 034**	**74 710**	**5 009 513**	**2 190 948**	**248 548**	**1 679**	**2 437 817**	**2 571 696**
Immovable property used in operations	**1 668 487**	**29 311**	**9 218**	**1 688 580**	**400 282**	**53 252**	**591**	**452 943**	**1 235 638**
- Land	272 509	4 414	3 312	273 612	-		-	-	273 612
- Office buildings	1 320 167	24 897	5 906	1 339 158	353 335	50 624	591	403 368	935 790
- Staff accommodation	75 811	-	-	75 811	46 947	2 627	-	49 575	26 236
Movable property and equipment used in operations	**1 618 206**	**142 522**	**678**	**1 760 049**	**1 191 454**	**117 836**	**450**	**1 308 840**	**451 210**
- Office property	341 354	31 900		373 254	237 772	23 173		260 945	112 310
- Office equipment	757 067	60 187	239	817 014	595 458	50 305	11	645 752	171 262
- IT equipment	510 047	50 435	-	560 482	348 803	44 091	-	392 894	167 588
- Vehicles	9 738		439	9 299	9 421	267	439	9 249	50
- Other equipment	-	-	-	-	-	-	-	-	-
Other property, plant and equipment used in operations	**754 805**	**113 637**	**462**	**867 980**	**470 953**	**61 409**		**532 362**	**335 618**
Property, plant and equipment not used in operations	**705 690**	**51 564**	**64 351**	**692 903**	**128 258**	**16 052**	**637**	**143 672**	**549 231**
Land	264 227	15 330	59 610	219 947	-	-		-	219 947
Buildings	327 540	2 970	4 741	325 769	66 915	12 274	637	78 552	247 217
Movable property and equipment	32 356	2 288		34 644	32 356	1 655		34 012	632
Other property, plant and equipment not used in operations	81 567	30 976		112 543	28 986	2 123		31 109	81 434
TOTAL	**6 500 530**	**554 504**	**82 967**	**6 972 066**	**2 406 840**	**343 832**	**4 432**	**2 746 241**	**4 225 825**

Investments in affiliates and other long-term investments at 31 December 2008

(in MAD thousands)

Name of the issuing company	Sector of activity	Share capital	Share of equity held	Gross book value	Net book value	Data from the issuing company's most recent financial statements			Contri-bution to current year's income
						Year-end	Net assets	Net income	
A. Investments in affiliate companies				**6 597 643**	**6 418 482**				**346 928**
ATTIJARI FINANCES CORPORATE	INVESTMENT BANKING	10 000	100,00%	10 000	10 000		77 677	28 966	40 000
OMNIUM DE GESTION MAROCAIN S.A."OGM"	HOLDING COMPANY	885 000	100,00%	2 047 900	2 047 900		-	-	170 000
SOMACOVAM	ASSET MANAGEMENT	5 000	100,00%	30 000	6 108		-	-	-
WAFA GESTION	ASSET MANAGEMENT	4 900	66,00%	236 369	236 369		191 518	65 591	43 290
ATTIJARI INVEST.	PRIVATE EQUITY	5 000	100,00%	5 000	5 000		16 014	10 861	-
WAFA BOURSE	SECURITIES BROKERAGE	20 000	100,00%	40 223	40 223		45 193	559	-
WAFA PATRIMOINE	PRIVATE PORTFOLIO MANAGEMENT	10 000	66,00%	1 700	1 700		3 387	720	-
AGENA MAGHREB	SALE OF IT EQUIPMENT	11 000	74,96%	33	-		-6 614	-17	-
ATTIJARI CAPITAL DEVELOPEMENT	RISK CAPITAL	10 000	100,00%	10 000	10 000		14 644	637	
ATTIJARI PROTECTION	SECURITY	4 000	83,75%	3 350	3 350		4 775	160	-
BCM CORPORATION	HOLDING COMPANY	200 000	100,00%	200 000	200 000		204 667	1 217	-
CASA MADRID DEVELOPPEMENT	DEVELOPMENT CAPITAL	10 000	50,00%	5 000	4 765		9 530	1 162	-
DINERS CLUB DU MAROC	MANAGEMENT OF PAYMENT CARDS			1 675	-		-	-	-
MEDI TRADE	TRADING	1 200	20,00%	240	137		685	-2	-
AL MIFTAH	PROPERTY	100	100,00%	244	73		73	-2	-
WAFA COURTAGE	BROKER	1 000	100,00%	2 397	1 176		1 176	260	-
STE MAROCAINE DE GESTION ET TRAITEMENT INFORMATIQUE "SOMGETI"	IT	300	100,00%	100	100		673	-19	
WAFA COMMUNICATION		3 000	86,67%	2 600	765		882	-278	-
WAFA FONCIERE	PROPERTY MANAGEMENT	17 000	100,00%	3 700	2 182		2 182	-193	-
WAFA INVESTISSEMENT	INVESTMENT HOLDING COMPANY	55 000	100,00%	55 046	55 046		57 173	1 357	-
WAFA SYSTEMES CONSULTING	IT CONSULTING	5 000	99,88%	4 994	4 994		7 077	1 513	1 500
WAFA SYSTEMES DATA	IT	1 500	100,00%	1 500	1 500		2 477	441	500
WAFA SYSTEMES FINANCES	IT SOLUTIONS	2 000	99,85%	2 066	2 066		2 679	387	400
WAFA TRUST	FINANCIAL SERVICES	5 000	100,00%	5 000	1 261		1 261	-431	-
WAFATRADE		1 000	100,00%	-	-		-2 694	419	
ATTIJARIA AL AAKARIA AL MAGHRIBIA	PROPERTY	10 000	100,00%	9 999	6 517		6 517	354	-
SOCIETE IMMOBILIERE ATTIJARIA AL YOUSSOUFIA	PROPERTY	50 000	100,00%	51 449	51 449		68 291	-17	-
STE IMMOB.BOULEVARD PASTEUR " SIBP"	PROPERTY	300	50,00%	25	25		942	14	-
SOCIETE IMMOBILIERE RANOUIL	PROPERTY	3 350	100,00%	11 863	3 901		13 901	109	10 000
SOCIETE IMMOBILIERE TAN	PROPERTY	300	100,00%	2 841	-		-	-	-
SOCIETE IMMOBILIERE DE L'HIVERNAGE SA	PROPERTY	15 000	100,00%	15 531	1 679		1 679	-1 250	-
SOCIETE IMMOBILIERE BELAIR I	PROPERTY	480	100,00%	3 844	-		-	-	-
SOCIETE IMMOBILIERE BELAIR II	PROPERTY	624	100,00%	4 176	-		-	-	-
SOCIETE IMMOBILIERE BELAIR III	PROPERTY	1 824	100,00%	7 111	-		-	-	-
SOCIETE IMMOBILIERE MAIMOUNA	PROPERTY	300	100,00%	5 266	4 542		4 542	-223	-
STE IMMOBILIERE MARRAKECH EXPANSION	PROPERTY	300	100,00%	299	299		2 947	28	2 300
SOCIETE IMMOBILIERE ZAKAT	PROPERTY	300	100,00%	2 685	255		255	-2	-
AYK		100	100,00%	100	-		-1 092	-2	-
CAPRI	PROPERTY	124 000	99,76%	187 400	137 000		67 347	-2 705	-
ATTIJARI IMMOBILIER	PROPERTY	125 000	100,00%	179 224	131 407		131 411	-1 374	33 000
ATTIJARI INTERNATIONAL BANK	OFFSHORE BANKING	3 000	50,00%	13 183	13 183		75 775	24 325	-
WAFACASH	MONEY TRANSFERS	35 050	98,47%	319 406	319 406		211 991	24 172	-
WAFA IMMOBILIER	PROPERTY	40 000	100,00%	164 364	164 364		78 501	33 659	
WAFASALAF	CONSUMER FINANCE	113 180	65,94%	822 217	822 217		858 441	242 883	44 778
WAFA LLD	LEASING	20 000	100,00%	20 000	20 000		23 954	3 300	-
WAFABAIL	LEASE-FINANCING	150 000	57,83%	86 983	86 983		338 026	113 318	-
ANDALU MAGHREB	HOLDING COMPANY	1 000	100,00%	10 950	10 950		-	-	-
ATTIJARIWAFA FINANZARIA SPA		600 EUR	100,00%	6 590	6 590		4 875	1 464	-
ATTIJARIWAFA EURO FINANCES		33 906 EUR	77,00%	288 711	288 711		381 486	-138	-
KASOVI	HOLDING COMPANY	50 USD	50,00%	726 422	726 422		-	-	1 161
COMPAGNIE BANCAIRE DE L'AFRIQUE OCCIDENTALE"CBAO"	BANKING	11 450 000 FCFA	17,87%	293 487	293 487		-	-	
BIM SA	BANKING	4 254 560 FCFA	51,00%	687 577	687 577		-	-	
WAFACAMBIO				963	963				
WAFABANK OFFSHORE DE TANGER				5 842	5 842				
B- Other investments				**766 182**	**709 897**	**-**			**28 941**

NOUVELLES SIDÉRURGIES INDUSTRIELLES	METALS AND MINING	3 415 000	2,7%	92 809	92 809		-	-	8 353
ONA	HOLDING COMPANY	-		388 475	342 054		-	-	8 551
SNI	HOLDING COMPANY	-		554	554		-	-	23
SONASID	METALS AND MINING	-		28 391	24 676		-	-	4 301
ATTIJARIWAFA BANK	BANKING	-		623	489		-	-	12
SINCOMAR		300	47,5%	-	-		-	-	-
AGRAM INVEST		10 000	14,9%	1 492	831		5 572	-2 719	-
AM INVESTISSEMENT MAROC	INVESTMENT HOLDING COMPANY	300 000	3,3%	10 000	10 000		-	-	-
BOUZNIKA MARINA	PROPERTY DEVELOPMENT	-		500	500		-	-	-
CMKD		829 483	1,4%	11 280	11 280		1 199 332	95 460	-
EUROCHEQUES MAROC		-		118	118		-	-	-
FONDS D'INVESTISSEMENT IGRANE		70 000	18,3%	12 782	11 521		63 095	-4 122	-
GPBM	PROFESSIONAL BANKERS' ASSOCIATION	19 005	11,9%	2 267	2 267		-	-	-
IMPRESSION PRESSE	PUBLISHING	-		400	400		-	-	-
MOUSSAFIR HOTELS	HOTEL MANAGEMENT	193 000	33,3%	64 343	64 343		258 988	12 300	5 001
SALIMA HOLDING	HOLDING COMPANY	150 000	13,3%	16 600	16 241		152 695	1 877	-
SED FEZ		10 000	10,0%	-	-		-	-	-
SOUK AL MOUHAJIR		6 500	15,2%	991	991		14 534	2 949	-
SOCIÉTÉ D'AMÉNAGEMENT DU PARC	PROPERTY DEVELOPMENT	60 429	22,7%	13 714	13 714		156 453	41 217	-
TANGER FREE ZONE	PROPERTY DEVELOPMENT	105 000	25,7%	28 306	28 306		168 425	28 706	2 700
TECHNOLOPARK COMPANY	SERVICES PROVIDER	-		8 150	7 784		-	-	-
MAROCLEAR	SECURITIES CUSTODIAN	20 000	6,8%	1 342	1 342				
HAWAZIN	PROPERTY	960	12,5%	704	-		104 150	22 986	-
INTAJ	PROPERTY	576	12,5%	1 041	554		-3 541	-332	-
EXP SERVICES MAROC	RISK CENTRALISATION SERVICES	20 000	3,0%	600	600		4 435	-236	-
H PARTNERS		700 005	7,1%	50 000	47 823		-	-	-
BANQUE D'AFFAIRE TUNISIENNE	BANKING	-		2 583	2 583		669 531	-30 474	-
CENTRE MONÉTIQUE INTERBANCAIRE	ELECTRONIC BANKING	98 200	22,4%	22 000	22 000		-	-	-
SOCIÉTÉ INTERBANK	MANAGEMENT OF BANK CARDS	11 500	16,0%	1 840	1 840		-	-	-
SMAEX		37 500	11,4%	4 278	4 278		-	-	-
SIMILAR INVESTMENTS				**962 901**	**952 520**				**-**
C/C ASSOCIÉS				944 422	934 040				
OTHER SIMILAR INVESTMENTS				18 480	18 480				
TOTAL				**8 326 726**	**8 080 899**	**-**	**-**	**-**	**375 869**

Amounts owing to credit institutions and similar establishments at 31 December 2008

(in MAD thousands)

AMOUNTS OWING	Credit institutions and similar establishments in Morocco			Credit institutions overseas	Total 12/31/2008	Total 12/31/2007
	Bank Al Maghrib, the Treasury and post office accounts	Banks	Other credit institutions and similar establishments			
CURRENT ACCOUNTS IN CREDIT		**693**	**815 348**	**812 533**	**1 628 574**	**890 719**
NOTES GIVEN AS SECURITY	**8 134 438**		**677 572**		**8 812 010**	**3 185 916**
- overnight			677 572		677 572	130 088
- term	8 134 438				8 134 438	3 055 828
CASH BORROWINGS		**278 810**	**6 553 180**	**1 658 454**	**8 490 444**	**3 721 952**
- overnight		200 000			200 000	1 376 795
- term		78 810	6 553 180	1 658 454	8 290 444	2 345 157
FINANCIAL BORROWINGS	**25 834**			**70 539**	**96 373**	**141 293**
OTHER BORROWINGS	**34 266**	**13 342**			**47 608**	**52 481**
INTEREST ACCRUED AWAITING PAYMENT		**33 161**		**59 237**	**92 398**	**63 012**
TOTAL	**8 194 538**	**326 006**	**8 046 100**	**2 600 763**	**19 167 407**	**8 055 373**

Customer deposits at 31 December 2008

(in MAD thousands)

DEPOSITS	Public sector	Private sector			Total 12/31/2008	Total 12/31/2007
		Financial companies	Non-financial companies	Other customers		
CURRENT ACCOUNTS IN CREDIT	1 320 962	2 372 684	16 714 505	61 865 572	**82 273 723**	**80 644 634**
SAVINGS ACCOUNTS			1 501	16 200 640	**16 202 141**	**14 631 712**
TERM DEPOSITS	4 127 000	2 785 826	15 902 908	15 406 468	**38 222 202**	**35 106 497**
OTHER ACCOUNTS IN CREDIT	17 447	6 468 315	7 248 946	605 169	**14 339 877**	**5 605 026**
INTEREST ACCRUED AWAITING PAYMENT				626 450	**626 450**	**431 917**
TOTAL	**5 465 409**	**11 626 825**	**39 867 860**	**94 704 299**	**151 664 393**	**136 419 786**

Debt securities issued at 31 December 2008

(in MAD thousands)

SECURITIES	Characteristics					Value	of which		Unamortised value of issue or redemption premiums
	Entitlement date	Maturity	Nominal value	Redemption terms	Interest		Affiliates	Related companies	
CERTIFICATES OF DEPOSIT	10/21/2008	01/26/2009	300 000 000	4.25%	IN FINE	300 000 000			
CERTIFICATES OF DEPOSIT	10/29/2008	02/02/2009	377 000 000	4.10%	IN FINE	377 000 000	160 000 000		
CERTIFICATES OF DEPOSIT	10/21/2008	04/27/2009	400 000 000	4.35%	IN FINE	400 000 000			
CERTIFICATES OF DEPOSIT	10/29/2008	05/04/2009	555 000 000	4.20%	IN FINE	555 000 000	290 000 000		
CERTIFICATES OF DEPOSIT	10/21/2008	10/26/2009	300 000 000	4.50%	IN FINE	300 000 000			
CERTIFICATES OF DEPOSIT	10/27/2008	10/26/2009	300 000 000	4.35%	IN FINE	300 000 000	50 000 000		
CERTIFICATES OF DEPOSIT	05/14/2008	05/14/2010	605 000 000	4.20%	IN FINE	605 000 000	70 000 000		
CERTIFICATES OF DEPOSIT	11/11/2008	02/10/2009	460 000 000	4.10%	IN FINE	460 000 000	210 000 000		
TOTAL						**3 297 000 000**	**780 000 000**		

Details of other liabilities at 31 December 2008

(in MAD thousands)

LIABILITIES	Total 12/31/2008	Total 12/31/2007
OPTIONS SOLD		
SUNDRY SECURITIES TRANSACTIONS (1)	**5 912 100**	**10 622**
SUNDRY CREDITORS	**1 203 608**	**1 427 972**
Amounts due to the State	562 096	791 191
Amounts due to mutual societies	52 510	48 667
Sundry amounts due to staff	179 852	148 642
Sundry amounts due to shareholders and associates	1 689	2 148
Amounts due to suppliers of goods and services	309 499	376 859
Other sundry creditors	97 963	60 465
DEFERRED INCOME AND ACCRUED EXPENSES	**746 741**	**1 938 500**
Adjustment accounts for off-balance sheet transactions	206 928	
Translation differences for foreign currencies and securities		
Income from derivative products and hedging		15 389
Inter-company accounts between head office, branch offices and branches in Morocco		
Accrued expenses and deferred income	479 246	419 017
Other deferred income	60 567	1 504 094
TOTAL	**7 862 449**	**3 377 094**

(1) PCEC 341, 343, 344, 3462 and 3464 if in credit

Provisions at 31 December 2008

(in MAD thousands)

PROVISIONS	Outstandings 12/31/2007	Additional provisions	Write-backs	Other changes	Outstandings 12/31/2008
PROVISIONS, DEDUCTED FROM ASSETS, FOR	**3 928 871**	**1 001 190**	**769 429**	-3 770	**4 156 861**
Loans and advances to credit institutions and other similar establishments					
Loans and advances to customers	3 694 938	923 563	757 803	364	3 861 062
Available-for-sale securities	36 274	7 752	10 431		33 595
Investments in affiliates and other long-term investments	177 148	69 874	1 195		245 827
Leased and rented assets					
Other assets	20 511			-4 134	16 377
PROVISIONS RECORDED UNDER LIABILITIES	**843 720**	**98 653**	**397 012**	**4 076**	**549 437**
Provisions for risks in executing signature loans	131 927	27 421	46 145		113 203
Provisions for foreign exchange risks	6 858		6 858		-
General provisions	88 788		88 788		-
Provisions for pension fund and similar obligations	80 921	16 760	13 779		83 902
Other provisions	285 226	54 471	74 774	4 076	268 999
Regulated provisions	250 000		166 667		83 333
TOTAL	**4 772 591**	**1 099 842**	**1 166 441**	**306**	**4 706 298**

Subsidies, public funds and special guarantee funds at 31 December 2008

(in MAD thousands)

	Economic purpose	Total value	Value 12/31/2007	Utilisation	Value 12/31/2008
SUBSIDIES	**not applicable**				
PUBLIC FUNDS					
SPECIAL GUARANTEE FUNDS					
TOTAL					

Subordinated debt at 31 December 2008

(in MAD thousands)

Currency of issue	Value of loan in currency of issue	Price (1)	Interest	Maturity (2)	Terms for early redemption, subordination and convertibility (3)	Value of loan in MADK	of which affiliates		of which related companies	
							Value in MADK 12/31/2007	Value in MADK 12/31/2008	Value in MADK 12/31/2007	Value in MADK 12/31/2008
MAD	2 000 000		3.85%	7 years		2 000 000				
MAD	1 000 000		5.10%	10 years		1 000 000				
MAD	1 000 000		4.60%	5 years		1 000 000				
MAD	2 000 000		5.60%	10 years		2 000 000				
TOTAL	**6 000 000**					**6 000 000**				

(1). BAM price at 12/31/2008 - (2). Possibly for an unspecified period - (3). Refer to the subordinated debt contract note

Shareholders' equity at 31 December 2008

(in MAD thousands)

SHAREHOLDERS' EQUITY	Outstandings 12/31/2007	Appropriation of income	Other changes	Outstandings 12/31/2008
Revaluation reserve	**420**			**420**
Reserves and premiums related to share capital	**10 695 000**			**11 870 000**
Legal reserve	192 996			192 996
Other reserves	5 065 440	1 175 000		6 240 440
Issue, merger and transfer premiums	5 436 564			5 436 564
Share capital	**1 929 960**			**1 929 960**
Called-up share capital	1 929 960			1 929 960
Uncalled share capital				
Non-voting preference shares				
Fund for general banking risks				
Shareholders' unpaid share capital				
Retained earnings (+/-)	**-4 643**	**-214**		**-4 816**
Net income (loss) awaiting appropriation (+/-)				
Net income (+/-)	**2 139 766**	**-2 139 766**		**2 357 627**
TOTAL	**14 760 503**	**-964 980**		**16 153 191**

Financing commitments and guarantees at 31 December 2008

(in MAD thousands)

COMMITMENTS	12/31/08	12/31/07
FINANCING COMMITMENTS AND GUARANTEES GIVEN	**46 995 078**	**34 174 355**
Financing commitments given to credit institutions and similar establishments	**43 789**	**30 886**
Import documentary credits		
Acceptances or commitments to be paid	43 789	30 886
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		
Other financing commitments given		
Financing commitments given to customers	**17 518 058**	**9 473 933**
Import documentary credits	14 920 755	6 323 544
Acceptances or commitments to be paid	2 597 303	3 080 481
Confirmed credit lines		
Back-up commitments on securities issuance		
Irrevocable leasing commitments		69 908
Other financing commitments given		
Guarantees given to credit institutions and similar establishments	**6 017 737**	**6 321 445**
Confirmed export documentary credits		705 498
Acceptances or commitments to be paid		
Credit guarantees given		
Other guarantees and pledges given	6 017 737	5 615 947
Non-performing commitments		
Guarantees given to customers	**23 415 495**	**18 348 090**
Credit guarantees given	2 555 390	752 853
Guarantees given to government bodies	12 659 915	10 913 935
Other guarantees and pledges given	7 747 550	6 233 627
Non-performing commitments	452 641	447 675
FINANCING COMMITMENTS AND GUARANTEES RECEIVED	**20 551 268**	**19 627 182**
Financing commitments received from credit institutions and similar establishments		
Confirmed credit lines		
Back-up commitments on securities issuance		
Other financing commitments received		
Guarantees received from credit institutions and similar establishments	**20 490 227**	**19 588 837**
Credit guarantees received		
Other guarantees received	20 490 227	19 588 837
Guarantees received from the State and other organisations providing guarantees	**61 040**	**38 344**
Credit guarantees received	61 040	38 344
Other guarantees received		

Commitments on securities at 31 December 2008

(in MAD thousands)

	VALUE
Commitments given	
Securities purchased with repurchase agreement Other securities to be delivered	**NOT APPLICABLE**
Commitments received	
Securities sold with repurchase agreement Other securities to be received	**NOT APPLICABLE**

Forward foreign exchange transactions and commitments on derivative products at 31 December 2008

(in MAD thousands)

	Hedging activities		Other activities	
	12/31/08	12/31/07	12/31/08	12/31/07
Forward foreign exchange transactions	**42 929 936**	**42 459 028**		
Foreign currencies to be received	6 337 056	5 609 292		
Dirhams to be delivered	2 051 454	1 330 415		
Foreign currencies to be delivered	19 387 731	19 724 176		
Dirhams to be received	15 153 695	15 795 145		
Commitments on derivative products	**2 090 087**	**854 977**		
Commitments on regulated fixed income markets	694 725			
Commitments on OTC fixed income markets				
Commitments on regulated foreign exchange markets	235 126	854 977		
Commitments on OTC foreign exchange markets				
Commitments on regulated markets in other instruments	1 160 236			
Commitments on OTC markets in other instruments				

Assets received and pledged as security at 31 December 2008

(in MAD thousands)

Assets received as security	Net book value	Asset/Off-balance sheet entries in which loans and signature loans pledged are recorded	Value of loans and signature loans pledged that are hedged
Treasury bills and similar assets Other securities Mortgages Other physical assets		N/D	
TOTAL			

Assets pledged as security	Net book value	Liability/Off-balance sheet entries in which borrowings and signature loans received are recorded	Value of borrowings and signature loans received that are hedged
Treasury bills and similar assets	1 473 677		
Other securities			
Mortgages			
Other physical assets	918 773	Other assets received and pledged	
TOTAL	**2 392 450**		

Breakdown of assets and liabilities by residual life at 31 December 2008

(in MAD thousands)

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	TOTAL
ASSETS						
Loans and advances to credit institutions and similar establishments	29 784 831	5 150 368	1 218 594	1 486 230	-	37 640 022
Loans and advances to customers	39 434 312	3 217 957	6 865 007	22 686 055	36 127 351	108 330 681
Debt securities	8 691 031	1 614 365	4 382 986	5 241 830	7 080 605	27 010 818
Subordinated loans						-
Leased and rented assets						-
TOTAL	**77 910 174**	**9 982 690**	**12 466 586**	**29 414 115**	**43 207 956**	**172 981 521**
LIABILITIES						
Amounts owing to credit institutions and similar establishments	15 620 160	384 048	540 471	2 530 330	-	19 075 009
Amounts owing to customers	104 413 143	15 562 538	24 909 081	6 153 182	-	151 037 944
Debt securities issued	300 000	837 000	1 555 000	605 000		3 297 000
Subordinated debt				1 000 000	5 000 000	6 000 000
TOTAL LIABILITIES	**120 333 302**	**16 783 587**	**27 004 552**	**10 288 512**	**5 000 000**	**179 409 953**

Remarks:
- Loans and advances of less than 1 month comprise current accounts for credit institutions and other customers
- Amounts owing of less than 1 month comprise amounts owing to credit institutions and other customers

Risk concentration with the same counterparty at 31 December 2008

(in MAD thousands)

NUMBER OF COUNTERPARTIES	TOTAL COMMITMENT
12	30 421 691

Breakdown of foreign currency-denominated assets, liabilities and off-balance sheet items
at 31 December 2008

(in MAD thousands)

BILAN	12/31/2008	12/31/2007
ASSETS	**23 269 381**	**20 716 663**
Cash and balances with central banks, the Treasury and post office accounts	98 282	132 958
Loans and advances to credit institutions and similar establishments	13 726 627	13 894 413
Loans and advances to customers	4 836 138	4 342 860
Trading securities and available-for-sale securities	394 998	996 562
Other assets	245 052	106 219
Investments in affiliates and other long-term investments	3 944 477	1 219 668
Subordinated loans		
Leased and rented assets		
Intangible assets and property, plant and equipment	23 807	23 983
LIABILITIES	**5 648 233**	**5 036 646**
Amounts owing to central banks, the Treasury and post office accounts		
Amounts owing to credit institutions and similar establishments	3 308 490	2 779 585
Customer deposits	1 196 497	812 782
Debt securities issued		
Other liabilities	1 140 954	1 441 969
Subsidies, public funds and special guarantee funds		
Subordinated debt		
Share capital and reserves		
Provisions	7 753	7 811
Retained earnings	-5 461	-5 501
Net income	-	-
OFF-BALANCE SHEET ITEMS	**27 685 287**	**28 062 615**
Commitments given	12 951 372	15 091 173
Commitments received	14 733 915	12 971 442

Net interest margin at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Interest and similar income from activities with customers	5 825 639	4 495 571
of which interest and similar income	5 634 553	4 317 146
of which fee income on commitments	191 086	178 425
Interest and similar income from activities with credit institutions	1 276 745	1 171 525
of which interest and similar income	1 265 913	1 161 383
of which fee income on commitments	10 832	10 142
Interest and similar income from debt securities	502 553	664 152
TOTAL INTEREST AND SIMILAR INCOME	**7 604 937**	**6 331 248**
Interest and similar expenses on activities with customers	2 174 578	1 803 254
Interest and similar expenses on activities with credit institutions	390 823	286 151
Interest and similar expenses on debt securities issued	110 899	36 230
TOTAL INTEREST AND SIMILAR EXPENSES	**2 676 300**	**2 125 635**
NET INTEREST MARGIN	**4 928 637**	**4 205 613**

Fee income from services provided at 31 December 2008

(in MAD thousands)

FEES	12/31/2008	12/31/2007
Account management	176 213	134 989
Payment services	335 867	257 886
Securities transactions	84 202	102 345
Asset management and custody	74 313	74 428
Credit services	55 913	74 339
Corporate finance	50 740	0
Sale of insurance products	193 706	45 328
Other services provided	2 652	182 671
TOTAL	**973 608**	**871 986**

Income from market activities at 31 December 2008

(in MAD thousands)

INCOME AND EXPENDITURES	12/31/2007	12/31/2007
+ Gains on trading securities	410 003	
- Losses on trading securities	61 489	
Income from activities in trading securities	**348 515**	
+ Capital gains on disposal of available-for-sale securities	24 974	360 313
+ Write-back of provisions for impairment of available-for-sale securities	10 431	25 893
- Losses on disposal of available-for-sale securities		12 030
- Provisions for impairment of available-for-sale securities	7 752	36 203
Income from activities in available-for-sale securities	**27 653**	**337 973**
+ Gains on foreign exchange transactions - transfers	684 839	522 400
+ Gains on foreign exchange transactions - notes	98 970	113 812
- Losses on foreign exchange transactions - transfers	422 807	279 346
- Losses on foreign exchange transactions - notes	151	66
Income from foreign exchange activities	**360 851**	**356 800**
+ Gains on fixed income derivative products		
+ Gains on foreign exchange derivative products	386 650	78 961
+ Gains on other derivative products		
- Losses on fixed income derivative products		
- Losses on foreign exchange derivative products	305 391	66 828
- Losses on other derivative products		
Income from activities in derivatives products	**81 260**	**12 133**

Income from equity securities at 31 December 2008

(in MAD thousands)

CATEGORY	12/31/2008	12/31/2007
Available-for-sale securities	1 455	1 344
Investments in affiliates and other long-term investments	408 171	527 858
TOTAL	**409 626**	**529 202**

General operating expenses at 31 December 2008

(in MAD thousands)

EXPENSES	12/31/2008	12/31/2007
Staff costs	1 206 955	1 354 531
Taxes other than on income	78 334	69 167
External expenses	1 059 879	972 830
Other general operating expenses	37 819	29 182
Depreciation, amortisation and provisions on intangible assets and property, plant and equipment	343 832	298 636
TOTAL	**2 726 819**	**2 724 346**

Other income and expenses at 31 December 2008

(in MAD thousands)

OTHER BANKING INCOME AND EXPENSES	12/31/2008	12/31/2007
Other banking income	1 617 838	1 119 937
Other banking expenses	1 380 813	825 586
TOTAL	**237 025**	**294 351**
OTHER NON-BANKING INCOME AND EXPENSES	**12/31/2008**	**12/31/2007**
Non-banking operating income	63 879	344 562
Non-banking operating expenses	8	20
TOTAL	**63 871**	**344 542**
Provisions and losses on irrecoverable loans	**1 748 893**	**1 885 570**
Provision write-backs and amounts recovered on impaired loans	**1 333 007**	**1 575 118**
NON-RECURRING INCOME AND EXPENSES	**12/31/2008**	**12/31/2007**
Non-recurring income	8 664	9 042
Non-recurring expenses	92 990	276 681

Breakdown of income by business activity and by geographical area at 31 December 2008

(in MAD thousands)

	Morocco
Net banking income	6 567 724
Gross operating income	3 836 097
Pre-tax income	3 404 563

Reconciliation of net income for accounting and tax purposes at 31 December 2008

(in MAD thousands)

RECONCILIATION STATEMENT	VALUE	VALUE
I- NET INCOME FOR ACCOUNTING PURPOSES	**2 357 627**	
Net profit	2 357 627	
Net loss		
II- TAX WRITE-BACKS	**1 127 503**	
1- Recurring	1 127 503	
Income tax	1 046 936	
Losses on irrecoverable loans not provisioned	31 239	
Staff-related expenses	16 760	
Other write-backs	31 267	
Personal gifts	1 300	
2- Non-recurring		
III- TAX DEDUCTIONS		**655 574**
1- Recurring		655 574
100% allowance on income from investments in affiliates		384 337
Allowance on disposal of securities		2 002
Write-back of investment provisions		166 667
Write-back of general provisions		76 708
Write-back of provisions used		12 080
Write-back of provisions for retirees		13 780
Personal income tax / RME		
2- Non-recurring		
TOTAL	**3 485 130**	**655 574**
IV - GROSS INCOME FOR TAX PURPOSES		**2 829 556**
Gross profit for tax purposes if T1 > T2 (A)		2 829 556
Gross loss for tax purposes if T2 > T1 (B)		
V - TAX LOSS CARRY FORWARDS (C) [1]		
Financial year Y-4		
Financial year Y-3		
Financial year Y-2		
Financial year Y-1		
VI - NET INCOME FOR TAX PURPOSES		**2 829 556**
Net profit for tax purposes (A-C)		2 829 556
Net loss for tax purposes (B)		
VII - ACCUMULATED DEFERRED DEPRECIATION ALLOWANCES		
VIII - ACCUMULATED TAX LOSSES TO BE CARRIED FORWARD		
Financial year Y-4		
Financial year Y-3		
Financial year Y-2		
Financial year Y-1		

(1) up to the value of gross profit for tax purposes (A)

Determining income after tax from ordinary activities at 31 December 2008

(in MAD thousands)

I - DETERMINING INCOME	VALUE
Income from ordinary activities after items of income and expenditure	3 488 889
Tax write-backs on ordinary activities (+)	80 567
Tax deductions on ordinary activities (-)	655 573
Theoretical taxable income from ordinary activities (=)	2 913 883
Theoretical tax on income from ordinary activities (-)	1 078 137
Income after tax from ordinary activities (=)	2 410 753
II- SPECIFIC TAX TREATMENT INCLUDING BENEFITS GRANTED BY INVESTMENT CODES UNDER SPECIFIC LEGAL PROVISIONS	

Details of value added tax at 31 December 2008

(in MAD thousands)

TYPE	Balance at 12/31/07 1	Transactions liable to VAT during the period 2	VAT declarations during the period 3	Balance at 12/31/08 (1+2-3=4)
A. VAT collected	65 172	832 685	789 599	108 258
B. Recoverable VAT	62 955	310 027	300 951	72 031
On expenses	61 522	226 246	239 851	47 917
On fixed assets	1 433	83 781	61 100	24 114
C. VAT payable or VAT credit = (A-B)	**2 217**	**522 658**	**488 648**	**36 227**

Shareholder structure at 31 December 2008

Name of main shareholders or associates	Address	Number of shares held		% of share capital
		Previous period	Current period	
A- DOMESTIC SHAREHOLDERS				
Financière d'Investissements Industriels & Immobiliers	C/° ONA 61 RUE D'ALGER CASA	2 848 809	28 488 090	14.76%
ONA	C/° ONA 61 RUE D'ALGER CASA	2 880 033	29 410 700	15.24%
Al Wataniya	83 AVENUE DES FAR CASA	746 809	6 327 120	3.28%
Wafacorp	42 BD ABDELKRIM AL KHATTABI CASA	449 409	4 481 090	2.32%
Wafa Assurance	1 RUE ABDELMOUMEN CASA	1 006 505	10 113 640	5.24%
Groupe MAMDA & MCMA	16 RUE ABOU INANE RABAT	1 499 404	15 047 303	7.80%
AXA Assurances Maroc	120 AVENUE HASSAN II CASA	601 018	4 033 040	2.09%
SNI	ANGLE RUES D'ALGER ET DUHAUME CASA	499 093	7 172 100	3.72%
Régime Collectif d'Allocation et de Retraite	ANGLE RUES D'ALGER ET DUHAUME CASA		6 085 618	3.15%
CDG	140 PLACE MY EL HASSAN RABAT	469 481	4 639 560	2.40%
CIMR	BD ABDELMOUMEN CASA	462 070	4 697 256	2.43%
Mutual funds (OPCVM)		727 619	6 639 982	3.44%
Sundry Moroccan shareholders		2 693 526	21 322 340	11.05%
TOTAL - I		**14 883 776**	**148 457 839**	
B- FOREIGN SHAREHOLDERS				
Santusa Holding	Paseo de La Castellana N° 24 Madrid (Espagne)	2 808 581	28 085 810	14.55%
HSBC Private Bank Suisse	1PIAZZA CORDUZIO 2010 MILAN (ITALIE)	397 500	3 670 000	1.90%
Corporacion Financiera Caja de Madrid	ELOY GONZALO N° 10 - 28010 MADRID (ESPAGNE)	660 465	6 604 650	3.42%
Fininvest	91/93 BD PASTEUR 6EME ETAGE BUREAU 30615 PARIS (FRANCE)	277 200	2 772 000	1.44%
Sundry foreign shareholders		272 074	3 405 661	1.76%
TOTAL - II		**4 415 820**	**44 538 121**	
	TOTAL	**19 299 596**	**192 995 960**	**100.00%**

Appropriation of income at 31 December 2008

(in MAD thousands)

	VALUE		VALUE
A- Origin of appropriated income		**B- Appropriation of income**	
Earnings brought forward	-4 643	To legal reserve	
Net income awaiting appropriation		Dividends	964 980
Net income for the financial year	2 139 766	Other items for appropriation	1 174 959
Deduction from income		Earnings carried forward	-4 816
Other deductions			
TOTAL A	**2 135 123**	**TOTAL B**	**2 135 123**

Branch network au 31 décembre 2008

BRANCH NETWORK	12/31/08	12/31/07
Permanent counters	703	624
Occasional counters	1	1
Cash dispensers and ATMs	668	550
Overseas branches	38	9
Overseas representative offices	15	34

Summary of key items over the last three periods at 31 December 2008

(in MAD thousands)

ITEM	2008 period	2007 period	2006 period
SHAREHOLDERS' EQUITY AND EQUIVALENT	**16 236 524**	**15 010 503**	**13 739 292**
INCOME FOR THE FINANCIAL YEAR			
Net banking income	6 567 724	5 916 006	5 041 366
Pre-tax income	3 404 563	2 958 111	2 750 558
Income tax	1 046 936	818 345	820 677
Dividend distribution	964 980	868 482	694 785
Undistributed income (to reserves or awaiting appropriation)			
PER SHARE INFORMATION (in dirhams)			
Earnings per share	122.16	110.87	99.99
Dividend per share	50	45	36
STAFF			
Total staff costs	1 206 955	1 354 531	1 015 905
Average number of employees during the period			

Key dates and post-balance sheet events at 31 December 2008

I- KEY DATES

. Balance sheet date (1)	**31 DECEMBER 2008**
. Date for drawing up the financial statements (2)	**March 2009**

(1) Justification in the event of any change to the balance sheet date
(2) Justification in the event that the statutory 3-month period for drawing up the financial statements is exceeded

II. POST-BALANCE SHEET ITEMS NOT RELATED TO THIS FINANCIAL YEAR KNOWN BEFORE PUBLICATION OF THE FINANCIAL STATEMENTS

DATES	EVENT
. Favourable	NOT APPLICABLE
. Unfavourable	NOT APPLICABLE

Staff at 31 December 2008

STAFF	12/31/08	12/31/07
Salaried staff	5 064	4 723
Staff in employment	5 064	4 723
Full-time staff	5 064	4 723
Administrative and technical staff (full-time)		
Banking staff (full-time)		
Managerial staff (full-time)	2 567	2 249
Other staff (full-time)	2 497	2 474
of which Overseas staff	13	10

Customer accounts at 31 December 2008

	12/31/08	12/31/07
Current accounts	108 235	96 332
Current accounts of Moroccans living abroad	536 501	473 570
Other current accounts	931 367	777 055
Factoring liabilities	4	2
Savings accounts	485 152	433 692
Term accounts	21 420	21 462
Other deposit accounts	67 276	92 622
	2 149 955	**1 894 735**

Statutory auditors' general report

Consolidated financial statements

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AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

We have audited the attached financial statements of Attijariwafa bank and its subsidiaries (Attijariwafa bank Group) for the period ended 31 December 2008, comprising the balance sheet, income statement, statement of changes in share capital and cash flow statement for the said period and notes to the financial statements containing a summary of the main accounting standards and principles adopted by the Group.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for drawing up and presenting these financial statements to give a true and fair view of the company's financial position in accordance with International Financial Reporting Standards (IFRS). It is also responsible for designing, implementing and monitoring internal control procedures relating to the drawing up and presentation of the financial statements to ensure that they are free from material misstatement and determining accounting estimates that are reasonable under the circumstances.

AUDITOR'S RESPONSIBILITY

Our duty is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with professional standards in Morocco. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit consists of examining, on a sample basis, evidence supporting the amounts and information contained in the financial statements. The auditor is responsible for judging whether the accounting procedures adopted are appropriate and for assessing the risk of any material misstatement in the financial statements. When assessing this risk, the auditor takes into consideration the internal control procedures adopted relating to the drawing up and presentation of the financial statements. The aim is not to express an opinion on the effectiveness of the internal control procedures, rather, to decide on the most appropriate audit procedures to be adopted under the circumstances. An audit also involves assessing the accounting principles used, any significant estimates made by the Management and the general presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements referred to in the first paragraph of this report give, in all material aspects, a true and fair view of the financial position of the consolidated entity at 31 December 2008 as well as the results of its operations and its cash flows for the same period, in accordance with International Financial Reporting Standards (IFRS).

Casablanca, 24 April 2009

The Statutory Auditors

ERNST & YOUNG
Bachir TAZI
Partner

DELOITTE AUDIT
Ahmed BENADELKHALEK
Partner

Publication of the financial statements

Consolidated financial statements for the period ended 31 December 2008

Accounting standards and principles adopted by the Group

Attijariwafa bank's consolidated financial statements have been prepared under International Financial Reporting Standards (IFRS) since first-half 2007 with the opening balance at 1 January 2006.

Attijariwafa bank Group has applied the new standards, amendments and interpretations approved by the International Accounting Standards Board (IASB) in presenting its financial statements for the period ended 31 December 2008 such as IFRS 7 "Financial instruments: Disclosures".

Consolidation principles:

Standard:

The scope of consolidation is determined on the basis of what type of control (exclusive control, joint control or material influence) is exercised over the various overseas and domestic entities in which the Group has a direct or indirect interest.

The Group likewise consolidates legally independent entities specifically established for a restricted and well-defined purpose known as "special purpose entities", which are controlled by the credit institution, without there being any shareholder relationship between the entities.

The consolidation method – full consolidation, proportional and equity methods – is determined by what type of control exists.

Policies adopted by Attijariwafa bank:

Attijariwafa bank includes entities in its scope of consolidation in which:

- It holds, directly or indirectly, at least 20% of the voting rights;
- The subsidiary's consolidated figures satisfy one of the following criteria:
  - The subsidiary's total assets exceed 0.5% of consolidated total assets;
  - The subsidiary's net assets exceed 0.5% of consolidated net assets;
  - The subsidiary's sales or banking income exceed 0.5% of consolidated banking income.

Specialist mutual funds (OPCVM) are consolidated according to SIC 12 which addresses the issue of consolidation of special purpose entities and in particular funds under exclusive control.

Those entities controlled or under exclusive control whose securities are held for a short period of time are excluded from the scope of consolidation.

Fixed assets:

Property, plant and equipment:

Standard:

Items of property plant and equipment are valued by entities using either the cost model or the revaluation model.

Cost model

Under the cost model, assets are valued at cost less accumulated depreciation.

Revaluation model

On being recognised as an asset, an item of property, plant and equipment, whose fair value may be accurately assessed, must be marked to market. Fair value is the value determined at the time the asset is marked to market less accumulated depreciation.

Fair value is defined as the amount for which an asset may be exchanged between well-informed and consenting parties acting in normal, competitive market conditions.

The **sum-of-parts approach** breaks down the items of property, plant and equipment into their most significant individual parts (constituents). They must be accounted for separately and systematically depreciated as a function of their estimated useful lives in such a way as to reflect the rate at which the related economic benefits are consumed.

Estimated useful life under IFRS is the length of time that a depreciable asset is expected to be usable.

Residual value is the value of the asset at the end of its estimated useful life, which takes into account the asset's age and foreseeable condition.

Policies adopted by Attijariwafa bank:

The Group has opted to use the cost model. The fair value method may be used, however, without having to justify this choice, with an account under shareholders' equity.

The Group has also opted not to incorporate borrowing costs directly attributable to the acquisition within the cost of related assets.

Attijariwafa bank has decided against using several depreciation schedules but a single depreciation schedule in the consolidated financial statements under IFRS/IAS.

Under the sum-of-parts approach, the Group has decided to include those components whose gross value is less than MAD1000k.

The method of allocating actual costs, using original invoices, to each separate part of the asset has been not been adopted. It has been deemed more realistic to break down the original historical cost on a cost replacement basis using technical data.

Residual value:

The residual value of each part is considered to be zero except in the case of land. Residual value is applied only to land (non-amortisable by nature), which is the only component to have an unlimited life.

Investment property:

Standard:

An investment property is a property which is held either to earn rental income or for capital appreciation or for both.

An investment property generates cash flows in a very different way to the company's other assets unlike the use of a building by its owner whose main purpose is to produce or provide goods and services.

An entity has the choice between:

The fair value method – if an entity opts for this treatment, then it must be applied to all buildings.

The cost model – an estimate of the fair value of investment properties must be recorded either in the balance sheet or in the notes to the financial statements.

It is only possible to move from the cost method to the fair value method.

Policies adopted by Attijariwafa bank:

All buildings not used in ordinary activities are classified as investment property except for staff accommodation and buildings expected to be sold within a year.

The Group's policy is to retain all buildings used in ordinary activities and those leased to companies outside the Group.

The historical cost method, modified by the sum-of-parts approach, is used to value investment properties. Information about fair value must be presented in the notes to the financial statements.

Intangible assets:

Standard:

An intangible asset is a non-monetary asset which is identifiable (distinct from goodwill) and not physical in nature.

Two valuation methods are possible:

- **The cost method**;
- **The revaluation model**. This treatment is possible if an active market exists.

Amortisation of an intangible asset depends on its estimated useful life. An intangible asset with an unlimited useful life is not amortised but subject to impairment testing at least once a year at the end of the period. An intangible asset with a limited useful life is amortised over the life of the asset. An intangible asset produced by the company for internal use is recognised if it is classified, from the R&D phase, as a fixed asset.

Policies adopted by Attijariwafa bank:

Attijariwafa bank has decided against using several amortisation schedules but a single amortisation schedule in the consolidated financial statements under IFRS/IAS.

Acquisition costs not yet amortised as expenses at 1 January 2006 have been restated under shareholders' equity.

Lease rights:

Lease rights must be valued accurately by an external expert. If it is difficult to carry out a valuation, the leases must be removed from consolidated reserves.

Business goodwill:

Business goodwill recorded in the parent company financial statements of the different consolidated entities has been reviewed to ensure that the way in which it is calculated is in accordance with IAS/IFRS.

Software:

The estimated useful life of software differs depending on the type of software (operating software or administrative software).

Amortisation schedules applied by each Group entity may vary from one entity to another by up to two years.

Valuation of software developed in-house:

Group Information Systems' Management provides the necessary information to value software developed in-house. In the event that the valuation is not accurate, then the software cannot be recognised as an asset.

Transfer fees, commission and legal fees: These are recognised as expenses or at purchase cost depending on their value.

Separate amortisation schedules are used if there is a difference of more than MAD1000K between treatment under PCEC and under IAS/IFRS.

Goodwill:

Standard:

Cost of a business combination:

The acquirer must account for the cost of a business combination as the sum of the fair values of assets pledged and liabilities incurred or assumed and items of shareholders' equity issued by the Group in exchange for control of the entity plus all direct costs attributable to business combinations less general administrative costs.

Cost of a business combination reflected in the assets acquired and the liabilities and contingent liabilities assumed:

Accounting treatment for business combinations requires that the acquirer accounts for all identifiable assets, liabilities and contingent liabilities of the acquired entity at fair value on acquisition.

Any difference between the cost of the business combination and the acquirer's share in the net fair value of the assets, liabilities and contingent liabilities is recognised under Goodwill.

Accounting for Goodwill:

On acquisition, the acquirer must account for the Goodwill acquired in a business combination as an asset.

The Goodwill acquired in a business combination is initially recorded at its historical cost but must then be adjusted for accumulated impairment.

Policies adopted by Attijariwafa bank:

In accordance with the provisions of IFRS 1 (First-time Adoption) and IFRS 3, the Group has decided not to amortise goodwill and to only treat Goodwill relating to those acquisitions made no earlier than 3 months before the date for adopting IFRS (1 January 2006).

Goodwill relating to the Group's different acquisitions has been allocated to Cash Generating Units (CGU) for impairment testing purposes.

Impairment tests are conducted at least once a year to ensure that the accounting value of Goodwill is higher than its recoverable value. If this is not the case, irreversible impairment is recognised.

Inventories:

Standard:

Inventories are assets:

- Held for sale during the normal business cycle;
- In the process of being produced for future sale;
- In the form of raw materials or supplies consumed during the production process or to provide services.

Stocks must be valued at the lower of cost or net realisable value.

Net realisable value is the estimated sales price in the normal course of business activity less

- Estimated costs of completion;
- Costs required for making the sale.

Policies adopted by Attijariwafa bank:

Inventories are valued according to the weighted average unit cost method.

Leases:

Standard:

A lease is an agreement by which the Lessor transfers to the Lessee for a specific period of time the right to use an asset in exchange for payment or a series of payments.

Distinction must be made between:

- A finance lease, which is a contract by which almost all the risks and benefits inherent in ownership of the asset are transferred to the lessee;
- An operating lease, which is any contract other than a finance lease.

Finance leases are financial instruments whose nominal value relates to the value of the property acquired/leased minus/plus fees paid/received and any other fees. The rate used in this case is the effective interest rate.

The effective interest rate is the discount rate which is used to equate:

- The net present value of minimum payments to be received by the Lessor plus the non-guaranteed residual value; and
- The property's entry value (equal to initial fair value plus initial direct costs).

Policies adopted by Attijariwafa bank:

No restatement is needed for operating leases for a specific period and which are automatically renewable.

Long-term rental contracts are considered as operating leases.

Leasing contracts are finance leases in which Attijariwafa bank is the Lessor. The Bank only accounts for its share of the contract in its financial statements.

At the beginning of the contract, rents relating to lease contracts for an indefinite period and leasing contracts are discounted using the effective interest rate. Their value relates to the initial financing amount.

Financial assets and liabilities:

Standard:

Loans and receivables

The amortised cost of a financial asset or liability relates to the value at which the instrument has been initially valued:

- Less any repayment of principal;
- Plus or minus accumulated amortisation calculated using the effective interest rate on any difference between the initial amount and the amount to be repaid at maturity;
- Less any reductions for impairment or non-recoverability.

This calculation must include all fees and amounts paid or received directly attributable to the loans, transaction costs and any discount or premium.

Provisions for loan impairment

A provision is booked when there is any indication of impairment to loans and receivables.

Provisions are determined on the basis of the difference between the loan's net carrying amount and its estimated recoverable amount.

Impairment is applied on an individual or collective basis.

Provision for impairment on an individual basis:

In the case of a loan in arrears, losses are determined on the basis of the net present value of future estimated flows, discounted using the loan's initial effective interest rate. Future flows include the value of guarantees received and recovery costs.

In the case of a loan which is not in arrears but for which indications of impairment are indicating forthcoming difficulties, the Group may use empirical tables of comparable losses to estimate and adjust future flows.

Provision for impairment on a collective basis:

If an individual loan impairment test does not produce any indications of impairment, then the loans are classified in groups with similar credit risk profiles before undergoing a collective impairment test.

Bonds and deposits:

A deposit or bond classified under "Other financial liabilities" under IAS must be recorded in the balance sheet at its fair value plus or minus transaction costs and fees received.

Deposits and bonds classified under "Other financial liabilities" under IAS must be recorded at subsequent year-ends at amortised cost by using the effective interest rate method (actuarial method).

Deposits classified under "Liabilities held for trading" under IAS must be recorded at subsequent year-ends at fair value. The deposit's fair value is calculated excluding accrued interest.

Policies adopted by Attijariwafa bank:

Loans and receivables

The Group's policy is to apply the cost model to all loans maturing in more than one year as a function of their size. Loans maturing in less than one year are recorded at historical cost.

Provisions for loan impairment:

The criteria proposed by Bank Al Maghrib in Circular N°19/G/2002 form the basis of the Group's provisioning policy regarding impairment on an individual basis.

The basis for provisioning for impairment on a collective basis has been adapted as a function of each Group entity's activity and also relates to healthy loans.

Specific provisions:

Attijariwafa bank has developed statistical models, specific to each of the relevant entities, to calculate specific provisions based on:

- Historical data relating to recovery of non-performing loans;
- Information about non-recurring loans available to loan recovery units for relatively significant amounts;
- Guarantees and pledges held.

Collective provisions:

Attijariwafa bank has developed statistical models, specific to each relevant entity, to calculate collective provisions based on historical data relating to loan deterioration – healthy loans becoming non-performing loans.

Bonds:

Bonds and deposits are classified under different categories including "Financial liabilities", "Trading liabilities" and "Liabilities accounted for under the fair value option".

Deposits:

Sight deposits:

Attijariwafa bank applies IAS39 standard to sight deposits. The fair value of a sight deposit cannot be lower than the amount due on demand. It is discounted from the first date on which the repayment may be demanded.

Interest-bearing deposits:

• Deposits bearing interest at market rates – the fair value is the nominal value unless transaction costs are significant.

A historical record of 10-year bond yields needs to be kept to be able to justify that the rates correspond to the original market rates.

• Deposits bearing interest at non-market rates – the fair value is the nominal value plus a discount.

Savings book deposits:

The rate applied is regulated for the vast majority of credit institutions.

Accordingly, no specific accounting treatment is required for savings book deposits.

Deposits must be classified under the "Other liabilities" category.

Securities:

Standard:

The IAS 39 standard defines four asset categories applicable to securities:

- Trading securities (financial assets held at fair value through income);
- Available-for-sale financial assets;
- Held-to-maturity investments;
- Loans and receivables, (includes financial assets not quoted on an active market which are purchased directly from the issuer).

The securities are classified depending on the purpose for which they are held.

Trading securities – Financial assets held at fair value through income

According to IAS 39.9, financial assets or liabilities held at fair value through income are assets or liabilities acquired or generated by the company for the primary purpose of making a profit from short-term price fluctuations or from arbitrage activities.

Securities classified as financial assets held at fair value through income are recognised in the income statement.

This category of security is not subject to impairment.

Available-for-sale financial assets

This category includes available-for-sale securities, investment securities and investments in non-consolidated affiliates and other long-term investments.

The standard stipulates that those assets and liabilities which do not satisfy the criteria for the three other asset categories are included in this category.

Changes in the fair value of available-for-sale securities (positive or negative) are recognised directly in equity (transferable equity).

The amortisation of any possible premium/discount of fixed income securities is recognised in the income statement using to effective interest rate method (actuarial method).

On any indication of significant and lasting impairment in the case of equity securities and the occurrence of credit risk for debt securities, the unrealised loss that was recognised in equity must be removed and recognised in the income statement.

On subsequent improvement, a write-back may be booked against the provision for impairment in the case of debt securities but not so for equity securities. In the latter case, a positive change in fair value is recognised in transferable equity and a negative change in equity.

Held-to-maturity investments

This category includes securities with fixed or determinable payments that the Group intends to keep until maturity.

Classifying securities in this category entails an obligation not to dispose of the securities before maturity. If an entity sells a held-to-maturity security before maturity, all of its other held-to-maturity investments must be reclassified as available-for-sale investments for the current and next two reporting years.

Held-to-maturity investments are measured at amortised cost with the premium/discount being amortised using the effective interest rate method (actuarial method).

On any indication of impairment, a provision must be booked for the difference between the carrying amount and the estimated recoverable value. The estimated recoverable value is the net present value of future estimated flows, discounted using the loan's initial effective interest rate.

On subsequent improvement, a write-back may be booked against the provision for impairment.

Loans and receivables

The "Loans and receivables category" includes unquoted financial assets which are not intended to be sold and which the institution intends to keep for the long term.

Loans and receivables are recognised at amortised cost, using the effective interest rate method and restated for any possible impairment provisions.

On any indication of impairment, a provision must be booked for the difference between the carrying amount and the estimated recoverable value.

On subsequent improvement, a write-back may be booked against the provision for impairment.

Policies adopted by Attijariwafa bank:

Portfolio classification

Attijariwafa bank and other entities excluding insurance companies

The instruments held in portfolios are currently classified in the following categories:

Trading securities	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables
• Trading and dealing room portfolios, currently recognised as Trading securities.	• Tradable Treasury bills classified under Available-for-sale securities; • Bonds and other debt securities; • Equity securities.	• Not applicable.	• CAM bonds; • CIH bonds; • Socio-economic bills; • Non-tradable Treasury bills recorded in the ledgers of Bank Al Maghrib.

Insurance:

Standard:

Insurance contracts:

The main provisions for insurance contracts are summarised below:

- May continue to recognise these contracts in accordance with current accounting policies by making a distinction between three types of contract under IFRS 4:
- Pure insurance contracts;
- Financial contracts comprising a discretionary participation feature;
- And liabilities relating to other financial contracts, in accordance with IAS 39, which are recorded under "Amounts owing to customers".
- Requires that embedded derivatives, which do not benefit from exempt status under IFRS 4, are accounted for separately and recognised at fair value through income;
- Requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets;
- A reinsurance cession asset is amortised, by recognising this impairment through income, when and only when:
- Tangible evidence exists, following the occurrence of an event after initial recognition of the asset in respect of reinsurance cessions, resulting in the cedant not receiving all its contractual cash flows;
- This event has an impact, which may be accurately assessed, on the amount which the reinsurer is expected to receive from the primary insurer;
- Requires an insurer to keep insurance liabilities on its balance sheet until they are discharged, cancelled, or expire and prohibits offsetting insurance liabilities against related reinsurance assets;
- Requires that a new insurance liability is recorded in accordance with IFRS 4 "Shadow accounting" in respect of policyholders' deferred participation in profits which represents the portion of unrealised capital gains on financial assets to which policyholders are entitled, in accordance with IAS 39.

Investment-linked insurance:

The IAS 39 standard defines four categories of financial assets as a function of the purpose for which the asset is held:

- Loans and receivables, which are measured at amortised cost using the effective rate method;
- Financial assets at fair value through income;
- Held-to-maturity investments, which are measured at amortised cost;
- Available-for-sale financial assets, measured at fair value.

Policies adopted by Attijariwafa bank:

Insurance contracts:

A liability adequacy test has already been carried out by Wafa Assurance, which appointed an external firm of actuaries to assess its technical reserves.

The provision for fluctuations in claims relating to non-life insurance contracts is to be cancelled.

Due to its excessively conservative stance, Wafa Assurance is under no obligation to change its accounting policies in respect of insurance contracts. Accordingly, it is not obliged to cancel the provisioning surplus for both technical reserves and provisions for loan impairment.

Investment-linked insurance:

Wafa Assurance

The instruments held in portfolios are currently classified in the following categories:

Trading securities	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables
• Non-consolidated mutual funds (OPCVM).	• Shares and other equity securities (CDM, Attijariwafa bank, Maroc Télécom etc.); • Investments in SCIs (Panorama);	• Not applicable.	• Commercial paper issued by financing companies and long-term investments; • Treasury bills and unquoted debt instruments.

Derivatives:

Standard:

A derivative is a financial instrument or another contract included in IAS 39's scope of application which meets the following three criteria:

- Its value changes in response to a change in a variable such as specified interest rate, the price of a financial instrument, a price, index or yield benchmark, a credit rating, a credit index or any other variable, provided that in the case of a non-financial variable, the variable must not be specific to any one party to the contract (sometimes known as "the underlying");
- Requires no initial investment or one that is smaller than would be required for a contract having a similar reaction to changes in market conditions; and
- Is settled at a future data.

A hedging instrument is a designated derivative or, in the case of a hedge for foreign exchange risk only, a non-derivative designated financial asset or liability. The latter's fair value or cash flows are intended to offset variations in the fair value or cash flows of the designated hedged item.

Policies adopted by Attijariwafa bank:

Attijariwafa bank does not currently use derivatives for hedging purposes and is not therefore subject to provisions applicable to hedge accounting.

All other transactions involving the use of derivatives are recognised as assets/liabilities at fair value through income.

Embedded derivatives:

Standard:

An embedded derivative is a feature within a financial contract whose purpose its to vary a part of the transaction's cash flows in a similar way to that of a stand-alone derivative.

The IAS 39 standard defines a hybrid contract as a contract comprising a host contract and an embedded derivative.

IAS 39 requires that an embedded derivative is separated from its host contract and accounted for as a derivative when the following three conditions are met:

- The hybrid contract is not recognised at fair value;
- Separated from the host contract, the embedded derivative possesses the same characteristics as a derivative;
- The characteristics of the embedded derivative are not closely related to those of the host contract.

IAS 39 recommends that the host contract is valued at inception by taking the difference between the fair value of the hybrid contract (i.e. at cost) and the fair value of the embedded derivative.

Policies adopted by Attijariwafa bank:

If there is a material impact from measuring embedded derivatives at fair value, then they are recognised under "Trading". This was indeed the case for the conversion option embedded in the convertible bonds issued by Attijari bank Tunisie.

Fair value:

Market value is determined:

- Either from quoted market prices in an active market;
- Or by using a valuation technique based on mathematical models derived from recognised financial theories, which makes maximum use of market inputs.

➥ Case 1: Instruments traded on active markets

Quoted market prices on active markets are the best evidence of fair value and should be used, where they exist, to measure the financial instrument. Listed securities and derivatives such as futures and options, which are traded on organised markets, are valued in this way. The majority of over-the-counter derivatives, such as plain vanilla swaps and options, are traded on active markets. They are valued using widely-accepted models (discounted cash flow model, Black and Scholes model and interpolation techniques) and based on quoted market prices of similar or underlying instruments.

➥ Case 2: Instruments traded on inactive markets

Instruments traded on an inactive market are valued using an internal model based on directly observable or deduced market data.

Certain financial instruments, although not traded on active markets, are valued using methods based on directly observable market data.

Observable market data may include yield curves, implied volatility ranges for options, default rates and loss assumptions obtained by market consensus or from active over-the-counter markets.

Unlisted shares

The value of unlisted shares is determined on the basis of the Group's share in the net assets of the company calculated using the latest available information.

Provisions:

Standard:

A provision must be booked when the company has a present obligation (legal or implicit) resulting from a past event.

Under IFRS, if the impact is material, it is compulsory to discount future estimated cash flows when the outflow of expected future economic benefits exceeds one year.

Except in the case of combinations, contingent liabilities are not provisioned. When the contingent liability or asset is material, it is compulsory to mention it in the notes to the financial statements.

Policies adopted by Attijariwafa bank:

The Group has analysed all its general provisions and:

- How they are matched to inherent risks;
- Has reviewed how they are measured and booked under IAS/IFRS.

Employee benefits

Standard:

General principle

The entity must recognise not only the legal obligation resulting from the formal terms of its defined contribution plan but also any implicit obligation arising from its usage.

Types of employee benefit

Employee benefits are classified under five categories, depending on the nature and terms for paying contributions. Distinction is made between:

- Short-term benefits;
- Post-employment benefits:
  - Defined contribution plans;
  - Defined benefit plans;
- Long-term benefits;
  - Termination benefits;
  - Equity-based compensation benefits.

Post-employment benefits – defined contribution plans

- Actuarial differences – actuarial differences may result in an increase or reduction in the present value of an obligation in respect of defined benefits or the fair value of assets in a defined contribution plan;
- Corridor method – the entity must recognise a portion of its actuarial differences in income or expenses if accumulated actuarial differences at the end of the previous period exceed the higher of the following two values:

- 10% of the present value of the obligation in respect of defined benefits at the year-end;
- 10% of the fair value of plan assets at the year-end.

- Past service cost - the past service cost is generated when an entity adopts a defined benefit plan or changes the benefits provided under the existing plan;
- Curtailments and settlements – a curtailment occurs when an entity:

- Can demonstrate a material commitment to reducing the number of beneficiaries in the plan;
- Changes the terms of a defined contribution plan resulting in the cancellation or material reduction in future benefits for existing employees.

Settlement occurs when an entity enters into agreement which cancels all subsequent legal or implicit obligations for some or all benefits provided under a defined benefit plan.

Long-term benefits

Termination benefits

An entity may make an undertaking to make cash payments to its employees at the end of their respective contracts.

An entity will be demonstrably committed to termination, when and only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

Liability cover

The Group has two options for matching its liabilities;

- By booking an internal provision;
- By outsourcing its obligation to provide benefits by subscribing to an insurance contract.

Valuing defined benefit plans involves the use of actuarial techniques to accurately measure the value of accumulated employee benefits in return for services rendered during the current and previous periods.

Actuarial assumptions are the best estimates made by the company to determine the final cost of post-employment benefits. These assumptions comprise:

- Demographic assumptions;
- Expected rate of return on plan assets;
- Discount rate/inflation rate;
- Salaries, employee benefits and medical expenses.

Policies adopted by Attijariwafa bank:

Attijariwafa bank has opted for a defined contribution retirement benefits plan. Accordingly, no specific accounting treatment is required under IFRS.

In the case of post-employment medical cover, Attijariwafa bank does not have sufficient information to be able to account for its medical cover as a defined benefit plan.

The Group, on the other hand, has booked specific provisions for liabilities to employees including end-of-career bonuses and service awards (Ouissam Achoughl).

Share-based payments

Share-based payments are payments based on shares issued by the Group. The payments are made either in the form of shares or in cash for amounts based on the value of the Group's shares.

Examples of share-based payments include stock options or employee share plans.

Attijariwafa bank's employees have been able to subscribe for shares in the Group through an employee share offering which will enable employees to purchase up to 3% of the company over the long-term. The aim is to develop an employee savings scheme and to build a benefits surplus.

Under the subscription terms, employees may subscribe for shares at a discount to the current market price over a specified period. The inaccessibility period is taken into consideration when expensing this benefit.

Deferred taxation:

Standard:

A deferred tax asset or liability is recognised each time that the recovery or payment of an asset or liability's carrying amount will result in an increase or reduction in future tax payments compared to what they would have been previously.

A company will most likely be able to offset a deductible temporary difference against taxable income:

- If it has sufficient taxable temporary differences within the remit of the same tax authority and in relation to the same entity;
- If the company is likely to generate sufficient profit within the remit of the same tax authority and in relation to the same entity;
- Tax management allows it the opportunity to generate taxable income in the related periods.

Deferred taxes may not be amortised under IFRS.

Policies adopted by Attijariwafa bank:

Assessing the probability of generating future taxable income:

Deferred tax assets are not recognised unless it is probable that future taxable income will be generated. This probability can be ascertained by the business projections of the companies in question.

Accounting for deferred tax liabilities in respect of temporary differences relating to intangible assets resulting from business combinations:

A deferred tax liability is recognised for goodwill relating to intangible assets resulting from business combinations even if these intangible assets have an indefinite life.

Accounting for deferred tax assets in respect of deductible temporary differences relating to consolidated investments in affiliates:

A deferred tax asset must be recognised in respect of deductible temporary differences relating to consolidated investments in affiliates when these temporary differences are likely to be resolved in the foreseeable future and when it is probable that taxable profit will be generated.

Possibility of revising Goodwill if a deferred tax asset is identified after the regularisation period allowed under IFRS:

A deferred tax asset, which is not identifiable at the time of acquisition but recognised subsequently, is recognised through consolidated income and Goodwill is restated retrospectively even after the regularisation period expires. The impact of this revision is also recognised through consolidated income.

Deferred taxes recognised initially in equity:

The impact of changes to tax rates and/or tax rules is recognised in equity.

Consolidated financial statements at 31 December 2008

Consolidated balance sheet under IFRS at 31 December 2008

(in MAD thousands)

ASSETS (under IFRS)	NOTES	12/31/08	12/31/07
Cash and balances with central banks, the Treasury and post office accounts		15 729 694	16 792 773
Financial assets at fair value through income	2.1	20 996 239	17 464 753
Derivative hedging instruments		-	-
Available-for-sale financial assets	2.2	25 843 851	20 827 045
Loans and advances to credit institutions and similar establishments	2.3	25 703 520	21 716 978
Loans and advances to customers	2.4	153 472 051	119 047 103
Interest rate hedging reserve		-	-
Held-to-maturity investments		-	-
Current tax assets		37 766	240 450
Deferred tax assets		781 239	684 047
Other assets		5 204 763	6 156 876
Non-current assets held for sale		-	-
Investments in companies accounted for under the equity method		93 571	87 971
Investment property		791 331	755 572
Property, plant and equipment	2.5	4 330 027	3 283 108
Intangible assets	2.5	902 636	763 429
Goodwill	2.6	5 055 213	4 090 987
TOTAL ASSETS		**258 941 902**	**211 911 091**

LIABILITIES (under IFRS)	NOTES	12/31/2008	12/31/2007
Amounts owing to central banks, the Treasury and post office accounts		116 881	18 138
Financial liabilities at fair value through income	2.7	2 801 068	2 471 285
Derivative hedging instruments		-	-
Amounts owing to credit institutions and similar establishments	2.8	25 240 708	12 496 059
Customer deposits	2.9	176 592 755	151 662 070
Debt securities issued		4 453 141	2 527 344
Interest rate hedging reserve		-	-
Current tax liabilities		476 826	645 772
Deferred tax liabilities		1 461 961	1 232 276
Other liabilities		5 067 048	6 317 045
Liabilities related to non-current assets held for sale		-	-
Insurance companies' technical reserves		13 805 743	11 788 733
General provisions	2.10	1 182 392	997 238
Subsidies, public funds and special guarantee funds		219 660	262 050
Subordinated debt		6 432 961	3 337 234
Share capital and related reserves		7 366 523	7 366 523
Consolidated reserves		9 129 970	6 769 032
- *Group share*		7 292 229	5 856 005
- *Minority interests*		1 837 741	913 028
Unrealised deferred capital gains or losses		956 901	1 270 573
Net income for the financial year		3 637 363	2 749 718
- *Group share*		3 117 998	2 454 409
- *Minority interests*		519 365	295 308
TOTAL LIABILITIES		**258 941 902**	**211 911 091**

SHAREHOLDERS' EQUITY			
Group share		18 733 652	16 947 510
Minority interests		2 357 106	1 208 336
TOTAL		**21 090 758**	**18 155 847**

Consolidated income statement under IFRS at 31 December 2008

(in MAD thousands)

	NOTES	12/31/2008	12/31/2007
Interest and similar income	3.1	11 177 309	8 694 705
Interest and similar expenses	3.1	4 214 716	3 120 856
NET INTEREST MARGIN		**6 962 594**	**5 573 850**
Fees received	3.2	2 318 490	1 882 616
Fees paid	3.2	166 682	175 562
NET FEE INCOME		**2 151 808**	**1 707 054**
Net gains or losses on financial instruments at fair value through income		944 361	820 684
Net gains or losses on available-for-sale financial assets		379 054	328 315
INCOME FROM MARKET ACTIVITIES		**1 323 415**	**1 148 999**
Income from other activities		4 157 547	3 556 577
Expenses on other activities		3 628 396	3 193 415
NET BANKING INCOME		**10 966 967**	**8 793 065**
General operating expenses		4 357 164	3 885 326
Depreciation, amortisation and provisions		489 443	340 095
GROSS OPERATING INCOME		**6 120 360**	**4 567 643**
Cost of risk	3.3	-632 288	-658 591
OPERATING INCOME		**5 488 072**	**3 909 052**
Net income from companies accounted for under the equity method		9 093	-1 565
Net gains or losses on other assets		2 382	7 216
Changes in value of goodwill		-	-
PRE-TAX INCOME		**5 499 546**	**3 914 704**
Income tax		1 862 183	1 164 986
NET INCOME		**3 637 363**	**2 749 718**
Minority interests		519 365	295 308
NET INCOME GROUP SHARE		**3 117 998**	**2 454 409**
Earnings per share (in dirhams)		16.16	12.72
Dividend per share (in dirhams)		16.16	12.72

Statement of changes in shareholders' equity at 31 December 2008

(in MAD thousands)

		Share capital (1)	Reserves (related to share capital) (2)	Treasury stock (3)	Reserves and consolidated income (4)	Unrealised or deferred capital gains or losses (5)	Share-holders' equity Group share (6)	Minority interests (7)	Total (8)
Shareholders' equity at 31 December 2006		**1 929 960**	**5 436 564**	**-1 497 235**	**8 177 875**	**1 045 393**	**15 092 557**	**840 597**	**15 933 154**
Effect of changes to accounting policies							-		-
Shareholders' equity restated at 31 December 2006		**1 929 960**	**5 436 564**	**-1 497 235**	**8 177 875**	**1 045 393**	**15 092 557**	**840 597**	**15 933 154**
Transactions related to share capital					118 343		118 343	31 030	149 372
Share-based payments					-106 029		-106 029		-106 029
Transactions related to Treasury stock				-230 121	393 661		163 540		163 540
Dividends					-814 130		-814 130	-66 389	-880 519
Net income for the period					**2 454 409**		**2 454 409**	**295 308**	**2 749 718**
Plant, property and equipment and intangible assets - revaluations and disposals	(A)						-		-
Financial instruments - changes in fair value and transfers through income	(B)				-211 520	225 180	13 660	66 329	79 989
Translation differences - changes in fair value and transfer through income	(C)				27 382		27 382	-2 108	25 274
Unrealised or deferred capital gains or losses	(A)+(B)+(C)	**-**	**-**	**-**	**-184 138**	**225 180**	**41 042**	**64 221**	**105 263**
Changes in scope of consolidation					**-2 221**		**-2 221**	**43 568**	**41 347**
Shareholders' equity at 31 December 2007		**1 929 960**	**5 436 564**	**-1 727 356**	**10 037 770**	**1 270 573**	**16 947 510**	**1 208 336**	**18 155 846**
Effect of changes to accounting policies							-		-
Shareholders' equity restated at 31 December 2007		**1 929 960**	**5 436 564**	**-1 727 356**	**10 037 770**	**1 270 573**	**16 947 510**	**1 208 336**	**18 155 846**
Transactions related to share capital					-228 145		-228 145	-59 820	-287 965
Share-based payments							-		-
Transactions related to Treasury stock				-129 332			-129 332		-129 332
Dividends					-927 851		-927 851	-90 319	-1 018 170
Net income for the period					**3 117 998**		**3 117 998**	**519 365**	**3 637 363**
Plant, property and equipment and intangible assets - revaluations and disposals	(D)						-		-
Financial instruments - changes in fair value and transfers through income	(E)				110 414	-325 360	-214 945	-185 555	-400 500
Translation differences - changes in fair value and transfer through income	(F)				-10 176		-10 176	-5 190	-15 366
Unrealised or deferred capital gains or losses	(D)+(E)+(F)	**-**	**-**	**-**	**100 239**	**-325 360**	**-225 121**	**-190 745**	**-415 866**
Changes in scope of consolidation					166 905	11 688	178 593	970 289	1 148 881
Shareholders' equity at 31 December 2008		**1 929 960**	**5 436 564**	**-1 856 688**	**12 266 916**	**956 901**	**18 733 652**	**2 357 106**	**21 090 758**

Consolidated cash flow statement at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Pre-tax income	**5 499 546**	**3 914 704**
+/- Net depreciation and amortisation of property, plant and equipment and intangible assets	489 443	340 095
+/- Net impairment of goodwill and other fixed assets	0	0
+/- Net amortisation of financial assets	-10 021	8 951
+/- Net provisions	710 128	754 352
+/- Net income from companies accounted for under the equity method	-9 093	1 565
+/- Net gain/loss from investment activities	-410 261	-746 972
+/- Net gain/loss from financing activities	0	0
+/- Other movements	152 265	41 564
Total non-cash items included in pre-tax income and other adjustments	**922 461**	**399 554**
+/- Flows relating to transactions with credit institutions and similar establishments	2 537 308	959 833
+/- Flows relating to transactions with customers	-9 142 506	-9 710 709
+/- Flows relating to other transactions affecting financial assets or liabilities	-5 610 497	4 066 800
+/- Flows relating to other transactions affecting non-financial assets or liabilities	0	0
- Taxes paid	-1 516 280	69 223
Net increase/decrease in operating assets and liabilities	**-13 731 975**	**-4 614 852**
Net cash flow from operating activities	**-7 309 968**	**-300 595**
+/- Flows relating to financial assets and investments	-2 255 732	-38 285
+/- Flows relating to investment property	26 776	-35 334
+/- Flows relating to plant, property and equipment and intangible assets	-690 670	-754 807
Net cash flow from investment activities	**-2 919 626**	**-828 427**
+/- Cash flows from or to shareholders	-1 018 170	-880 519
+/- Other net cash flows from financing activities	4 984 637	4 404 896
Net cash flow from financing activities	**3 966 467**	**3 524 377**
Effect of changes in foreign exchange rates on cash and cash equivalents	**37 683**	**-12 298**
Net increase (decrease) in casha and cash equivalents	**-6 225 443**	**2 383 058**
Cash and cash equivalents at the beginning of the period	**21 922 053**	**19 538 995**
Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts	16 774 635	15 349 588
Inter-bank balances with credit institutions and similar establishments	5 147 418	4 189 407
Cash and cash equivalents at the end of the period	**15 696 610**	**21 922 053**
Net cash balance (assets and liabilities) with central banks, the Treasury and post office accounts	15 612 813	16 774 635
Inter-bank balances with credit institutions and similar establishments	83 797	5 147 418
Net change in cash and cash equivalents	**-6 225 443**	**2 383 058**

2.1 Financial assets at fair value through income at 31 December 2008

(in MAD thousands)

	Financial assets held for trading	Financial assets at fair value through income
Loans and advances to credit institutions and similar establishments		
Loans and advances to customers		
Financial assets held as guarantee for unit-linked policies		
Securities received under repo agreements	785 856	376
Treasury notes and similar securities	2 332 388	
Bonds and other fixed income securities	**6 612 221**	**-**
• Listed securities	1 689 608	
• Unlisted securities	4 922 612	
Shares and other equity securities	**9 178 206**	**99 480**
• Listed securities	9 178 206	99 480
• Unlisted securities		
Derivative instruments	**1 878 228**	
Related loans	**109 484**	
Fair value on the balance sheet	**20 896 383**	**99 856**

2.2 Available-for-sale financial assets at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Securities valued at fair value		
Treasury notes and similar securities	12 118 104	11 505 051
Bonds and other fixed income securities	**6 773 608**	**2 891 981**
• Listed securities	2 059 109	173 805
• Unlisted securities	4 714 500	2 718 175
Shares and other equity securities	**3 087 219**	**2 291 011**
• Listed securities	2 790 764	2 162 470
• Unlisted securities	296 455	128 540
Securities in non-consolidated affiliates	3 864 920	4 139 003
Total available-for-sale securities	**25 843 851**	**20 827 045**

Available-for-sale financial assets held by Wafa Assurance totalled MAD8,003 million at 31 December 2008 against MAD6,411 million at 31 December 2007.

2.3 Loans and advances to credit institutions and similar establishments

2.3.1 Loans and advances to credit institutions at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Credit institutions		
Accounts and loans	23 082 944	19 474 770
Securities received under repo agreements	366 987	34 612
Subordinated loans	19 663	
Other loans and advances	2 060 806	1 959 879
Total principal	**25 530 400**	**21 469 261**
Related loans	250 012	247 717
Provisions	76 891	
Net value	**25 703 520**	**21 716 978**
Internal operations		
Current accounts	1 274 286	1 868 189
Accounts and long-term advances	18 851 595	15 036 741
Subordinated loans	411 877	447 128
Related loans	158 731	21 443

2.3.2 Breakdown of loans and advances to credit institutions by geographical area at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Morocco	15 208 829	16 148 543
Tunisia	957 031	220 927
Sub-Saharan Africa	1 159 238	197 770
Europe	6 939 127	980 067
Others	1 266 173	3 921 953
Total principal	**25 530 400**	**21 469 261**
Related loans	250 012	247 717
Provisions	76 891	
Net loans on the balance sheet	**25 703 520**	**21 716 978**

2.4 Loans and advances to customers

2.4.1 Loans and advances to customers at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Transactions with customers		
Commercial loans	29 593 559	27 030 144
Other loans and advances to customers	93 418 964	70 097 354
Securities received under repo agreements	48 610	1 204 703
Current accounts in debit	26 129 334	18 175 260
Total principal	**149 190 468**	**116 507 462**
Related loans	1 464 192	880 043
Provisions	6 528 980	6 211 278
Net value	**144 125 679**	**111 176 227**
Leasing activities		
Property leasing	1 587 676	954 294
Leasing of movable property, long-term rental and similar activities	8 108 265	7 281 496
Total principal	**9 695 940**	**8 235 790**
Related loans	11 126	10 454
Provisions	360 694	375 367
Net value	**9 346 372**	**7 870 876**
Total	**153 472 051**	**119 047 103**

2.4.2 Loans and advances to customers by geographical area at 31 December 2008

(in MAD thousands)

	12/31/2008				12/31/2007			
	Healthy outstandings	Impaired outstandings	Individual provisions	Collective provisions	Healthy outstandings	Impaired outstandings	Individual provisions	Collective provisions
Morocco	126 889 730	5 868 816	4 277 203	490 539	99 901 056	5 786 620	4 808 525	253 148
Tunisia	11 720 600	1 545 200	787 135	218 382	10 219 046	2 091 499	1 322 069	60 903
Sub-Saharan Africa	7 115 765	1 435 220	1 101 742	10 773	1 318 075	240 899	133 991	-
Europe	910 670	4 586	3 901	-	1 240 038	8 747	8 009	-
Others	3 395 433	388			3 906 370	30 900	-	-
Total principal	**150 032 198**	**8 854 210**	**6 169 981**	**719 693**	**116 584 586**	**8 158 665**	**6 272 594**	**314 052**
Related loans	1 475 317				890 497			
Provisions								
Net loans on the balance sheet	**151 507 515**	**8 854 210**	**6 169 981**	**719 693**	**117 475 083**	**8 158 665**	**6 272 594**	**314 052**

2.5 Plant, property and equipment and intangible assets at 31 December 2008

(in MAD thousands)

	12/31/2008			12/31/2007		
	Gross value	Accumulated amortisation and impairment	Net value	Gross value	Accumulated amortisation and impairment	Net value
Land and buildings	2 794 525	608 830	2 185 695	2 180 170	548 025	1 632 146
Movable property and equipment	2 279 306	1 692 397	586 909	2 112 929	1 429 814	683 115
Leased movable property	551 291	163 476	387 815	389 571	57 754	331 817
Other property, plant and equipment	2 009 857	840 249	1 169 608	1 136 904	500 873	636 030
Total property, plant and equipment	**7 634 979**	**3 304 952**	**4 330 027**	**5 819 573**	**2 536 466**	**3 283 108**
IT software acquired	703 535	385 047	318 488	462 451	133 787	328 664
Other intangible assets	900 876	316 728	584 148	731 304	296 540	434 764
Total intangible assets	**1 604 411**	**701 775**	**902 636**	**1 193 755**	**430 327**	**763 429**

2.6 Goodwill at 31 December 2008

(in MAD thousands)

	12/31/07	Change in scope	Goodwill	Other movements	12/31/08
Gross Value	4 090 987	972 506	-8 280		5 055 213
Accumulated amortisation and impairment					
Net value on the balance sheet	**4 090 987**	**972 506**	**-8 280**	**-**	**5 055 213**

Attijariwafa bank performs regular impairment tests to ensure that the accounting value of goodwill is higher than its recoverable value. If this is not the case, irreversible impairment is recognised.

For 2008 period, these impairment tests did not result in impairment given that the discount rate of future cash flows (WACC) over a 5-year period by the Cash Generating Units (CGU) established for impairment testing purposes was set at 11%.

The perpetuity growth rate (g) of free cash flows was reduced to 0%.

2.7 Financial liabilities at fair value through income at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Securities pledged under repo agreements	285 992	7 728
Derivative instruments	2 515 076	2 463 557
Fair value on the balance sheet	**2 801 068**	**2 471 285**

2.8 Amounts owing to credit institutions at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Credit institutions		
Accounts and borrowings	15 349 752	9 023 375
Securities pledged under repo agreements	9 638 810	3 185 916
Total principal	**24 988 561**	**12 209 291**
Related debt	252 146	286 768
Value on the balance sheet	**25 240 708**	**12 496 059**
Internal Group operations		
Current accounts in credit	1 014 416	985 145
Accounts and long-term advances	19 106 037	16 319 184
Related debt	118 906	

2.9 Amounts owing to customers

2.9.1 Amounts owing to customers at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Current accounts in credit	111 478 902	100 523 137
Savings accounts	49 997 288	39 127 913
Other amounts owing to customers	7 152 832	6 161 054
Securities pledged under repo agreements	7 247 237	5 366 534
Total principal	**175 876 259**	**151 178 637**
Related debt	716 496	483 433
Value on the balance sheet	**176 592 755**	**151 662 070**

2.9.2 Breakdown of amounts owing to customers by geographical area

(in MAD thousands)

	12/31/2008	12/31/2007
Morocco	118 079 943	106 015 142
Tunisia	14 929 273	11 886 659
Sub-Saharan Africa	10 170 769	1 735 805
Europe (*)	31 528 351	29 980 167
Others	1 167 923	1 560 863
Total principal	**175 876 259**	**151 178 637**
Related debt	716 496	483 433
Value on the balance sheet	**176 592 755**	**151 662 070**

(*) Deposits of Moroccans living abroad (MRE) totalled MAD30,516,215K at 31 December 2008 against MAD28,769,202K at 31 December 2007.

2.10 General provisions at 31 December 2008

(in MAD thousands)

	Stock at 12/31/2007	Change in scope	Additional provisions	Write-backs used	Write-backs not used	Other changes	Stock at 12/31/2007
Provisions for risks in executing signature loans	230 944	22 140	89 224		31 535	-701	310 072
Provisions for social benefit liabilities	204 096	23 234	13 999		8 775	-1 323	231 231
Provisions for litigation and liability guarantees	213 421	0	58 982	13 303	12 930	-2 498	243 671
Other general provisions	348 777	43 163	99 928	133 858	648	40 056	397 418
General provisions	**997 238**	**88 537**	**262 132**	**147 161**	**53 888**	**35 533**	**1 182 392**

3.1 Net interest margin at 31 December 2008

(in MAD thousands)

	12/31/2008			12/31/2007		
	Income	Expenses	Net	Income	Expenses	Net
Transactions with customers	**9 113 670**	**2 605 853**	**6 507 817**	**6 822 577**	**2 112 788**	**4 709 789**
Accounts and loans/borrowings	8 329 059	2 427 069	5 901 990	6 165 598	1 984 192	4 181 406
Repurchase agreements	39 774	178 785	-139 011	20 274	105 723	-85 449
Leasing activities	744 837		744 837	636 705	22 873	613 832
Inter-bank transactions	**1 215 610**	**1 114 426**	**101 184**	**1 016 389**	**691 834**	**324 555**
Accounts and loans/borrowings	1 198 671	1 106 584	92 087	1 009 974	685 223	324 751
Repurchase agreements	16 939	7 842	9 096	6 415	6 610	-196
Debt issued by the Group		**494 436**	**-494 436**		**316 234**	**-316 234**
Available-for-sale assets	**848 030**		**848 030**	**855 740**		**855 740**
Total net interest income	**11 177 309**	**4 214 716**	**6 962 594**	**8 694 705**	**3 120 856**	**5 573 850**

3.2 Net fee income at 31 December 2008

(in MAD thousands)

	Income	Expenses	Net
Net fees on transactions	**1 263 471**	**72 205**	**1 191 266**
with credit institutions	10 443	24 816	-14 372
with customers	646 699		646 699
on securities	216 925	5 029	211 896
on foreign exchange	102 834	-	102 834
on forward financial instruments and other off-balance sheet transactions	286 569	42 360	244 209
Banking and financial services	**1 055 019**	**94 477**	**960 541**
Net income from mutual fund management (OPCVM)	248 441	16 677	231 764
Net income from payment services	623 893	75 783	548 109
Insurance products	58 344		58 344
Other services	124 340	2 017	122 324
Net fee income	**2 318 490**	**166 682**	**2 151 808**

3.3 Cost of risk at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Additional provisions	**-886 525**	**-856 955**
Provisions for loan impairment	-638 392	-506 137
Provisions for signature loans	-89 224	-44 352
Other general provisions	-158 909	-306 467
Provision write-backs	**1 370 715**	**1 590 364**
Provision write-backs for loan impairment	1 178 441	1 253 413
Provisions write-backs for signature loans	31 535	63 417
Provision write-backs for other general provisions	160 739	273 534
Change in provisions	**-1 116 479**	**-1 392 000**
Losses on non-provisioned irrecoverable loans and advances	-31 386	-118 147
Losses on provisioned irrecoverable loans and advances	-1 138 684	-1 202 752
Amounts recovered on impaired loans and advances	187 449	143 548
Other losses	-133 858	-214 650
Cost of risk	**-632 288**	**-658 591**

4. Information by business activity

Attijariwafa bank's information by business activity is presented as follows:

- **Domestic banking, Europe and Offshore** comprising Attijariwafa bank SA, Attijariwafa bank Europe, Attijari International bank and holding companies incorporating the Group's investments in the Group's consolidated subsidiaries;
- **Specialised finance companies** comprising Moroccan subsidiaries undertaking consumer finance, mortgage loan, leasing, factoring and money transfer activities;
- **International retail banking** activities comprising Attijari bank Tunisie and CBAO – Groupe Attijariwafa bank;
- **Insurance and property** comprising Wafa Assurance.

BALANCE SHEET 31 DECEMBER 2008	Domestic banking, Europe and Offshore	Specialised finance companies	Insurance and property	International retail banking	TOTAL
Total net assets	**185 599 311**	**21 138 743**	**17 979 154**	**34 224 694**	**258 941 902**
of which					
Assets					
Financial assets at fair value through income	14 555 204	-	6 295 266	145 768	**20 996 239**
Available-for-sale financial assets	12 984 826	2 025	7 961 226	4 895 774	**25 843 851**
Loans and advances to credit institutions and similar establishments	22 782 522	396 180	73 840	2 450 978	**25 703 520**
Loans and advances to customers	114 224 924	17 992 012	1 059 404	20 195 711	**153 472 051**
Property, plant and equipment	2 325 705	562 835	188 851	1 252 635	**4 330 027**
Liabilities					
Amounts owing to credit institutions and similar establishments	19 010 067	4 394 140	34 773	1 801 726	**25 240 708**
Customer deposits	151 001 956	400 744	2 526	25 187 528	**176 592 755**
Technical reserves for insurance contracts	-	-	13 805 743	-	**13 805 743**
Subordinated debt	6 094 079	304 221	-	34 660	**6 432 961**
Shareholders' equity	15 431 486	1 530 517	2 702 501	1 426 253	**21 090 758**

INCOME STATEMENT 2008	Domestic banking, Europe and Offshore	Specialised finance companies	Insurance and property	International retail banking	Eliminations	TOTAL
Net interest margin	4 814 845	1 059 826	147 919	940 004		**6 962 594**
Net fee income	1 509 758	464 174	-19 811	572 856	-375 169	**2 151 808**
Net banking income	6 590 824	1 766 590	1 034 407	1 635 868	-60 722	**10 966 967**
Operating expenses	2 832 469	535 932	267 195	782 290	-60 722	**4 357 164**
Operating income	3 296 217	972 205	619 371	600 279		**5 488 072**
Net income	2 106 918	612 501	379 860	538 084		**3 637 363**
Net income Group share	2 080 934	484 031	300 951	252 083		**3 117 998**

5. Financing commitments and guarantees

5.1 Financing commitments at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Financing commitments given	**19 637 333**	**11 032 798**
To credit institutions and similar establishments	47 797	28 222
To customers	19 589 536	11 004 576
Financing commitments received	**1 484 945**	**2 529 272**
From credit institutions and similar establishments	1 484 945	2 529 272
From the State and other organisations providing guarantees		

5.2 Financing commitments at 31 December 2008

(in MAD thousands)

	12/31/2008	12/31/2007
Guarantees given	**30 176 001**	**24 992 151**
To credit institutions and similar establishments	6 631 191	4 579 936
To customers	23 544 810	20 412 215
Guarantees received	**22 539 862**	**21 467 597**
From credit institutions and similar establishments	20 344 940	21 334 869
From the State and other organisations providing guarantees	2 194 923	132 728

6. Additional information:

6.1 Business combinations:

- Acquisition of Compagnie Bancaire de L'Afrique de l'Ouest (CBAO)

1- In the first half of 2008, Attijariwafa bank acquired a 39.6% stake in CBAO, which, on consolidation, resulted in goodwill of MAD353 million on the balance sheet.

2- In the second half of 2008, Attijariwafa bank Sénégal merged with CBAO, both companies being controlled by Attijariwafa bank. The purpose was to bring together the banking activities of both banks with the aim of offering customers a larger branch network under a single brand and adopting identical processes.

Attijariwafa bank owns a 49% stake in the new consolidated entity named CBAO – Groupe Attijariwafa bank, which has been fully consolidated. Its contribution to consolidated net income Group share was MAD97 million for the period ended 31 December 2008.

- Acquisition of Banque Internationale pour le Mali (BIM)

In the first half of 2008, Attijariwafa bank acquired a 51% stake in BIM, which, on consolidation resulted in goodwill of MAD620 million on the balance sheet.

- Holding company Andalucarthage established

Andalucarthage was established in 2008 to act as a holding company for Attijariwafa bank's investment in Attijari bank Tunisie. The company, in which Attijariwafa bank owns an 83.7% stake, has a total share capital of €126 million. Its head office is in Tangier, Morocco.

6.2 Subordinated debt and certificates of deposit issued in 2008:

In 2008, Attijariwafa bank received the authorisation of the CDVM to issue two subordinated bonds to institutional investors on June 18, 2008 and December 22, 2008.

The first bond issue was for a principal amount of MAD1 billion, consisting of 10,000 bonds, each with a nominal value of MAD100,000 and a 5-year maturity. The nominal interest rate was set at 4.60% including a risk premium of 65 basis points.

The second bond issue was for a principal amount of MAD2 billion, consisting of 20,000 bonds, each with a nominal value of MAD100,000 and a 10-year maturity. The nominal interest rate was set at 5.60% including a risk premium of 100 basis points.

Attijariwafa bank also launched a MAD7 billion CD issuance programme.

In December 2008, CDs totalling MAD3.3 billion were issued offering yields ranging from 4.10% to 4.50% and with a maturity of between 3 and 24 months.

6.3 Share capital and earnings per share

6.3.1 Number of shares and nominal value:

In September 2008, Attijariwafa bank announced a 10-for-1 stock split, resulting in a tenfold increase in the number of shares outstanding and a tenfold reduction in the nominal value of each share.

At 31 December 2008, Attijariwafa bank's share capital was composed of 192,995,960 shares, each with a nominal value of MAD10.

6.3.2 Attijariwafa bank shares held by the Group:

At 31 December 2008, Attijariwafa bank Group held 14,667,892 Attijariwafa bank shares totalling MAD1,856,688K, deducted from shareholders' equity.

6.3.3 Earnings per share:

The Bank does not have any instruments which have a dilutive impact on earnings. Accordingly, diluted EPS (earnings per share) was the same as basic EPS (earnings per share).

	31 december 2008	31 december 2007
Basic EPS	16.16	12.72
Diluted EPS	16.16	12.72

6.3.4 Regulatory capital requirements:

Attijariwafa bank is subject to prudential regulations stipulated by Bank Al Maghrib, Morocco's central bank, such as the solvency ratio and the separation of risks.

The Group's solvency ratio, in accordance with Circular N°25/G/2006, is expressed as the ratio of total prudential equity to risk-weighted risk liabilities (credit, market and operational risks).

Prudential equity is determined in accordance with Circular N°24/G/2006 of Bank Al Maghrib. It is divided into three categories – Tier 1, Tier 2 and Tier 3 capital, from which a certain number of deductions are made.

6.4 Acquisition of African holdings:

Attijariwafa bank entered into an agreement with Crédit Agricole France S.A. (CASA) relating to an exchange of some of their investments in Africa and in Morocco. This agreement involves:

- The acquisition by Attijariwafa bank of the French bank's majority holdings in the latter's retail banking network in Africa for €250 million (MAD2.8 billion) which includes:
  - Crédit du Congo: 81% of the share capital;
  - Société Ivoirienne de Banque: 51% of the share capital;
  - Société Camerounaise de Banque: 65% of the share capital;
  - Union Gabonaise de Banque: 59% of the share capital;
  - Crédit du Sénégal: 95% of the share capital.
- The acquisition by CASA of Wafa Assurance's 24% stake in Crédit du Maroc for €144 million (MAD1.6 billion);
- The acquisition by Sofinco, wholly-owned subsidiary of CASA of a 15% stake in Wafasalaf for €71 million (MAD0.8 billion).

The successful completion of this deal is dependent on approval by the relevant regulatory authorities and should operate in 2009.

6.5 Risk Management:

A highly modern and high-quality approach to risk management

Mission and Organisation of Risk Management

Attijariwafa bank's risk management policy is based on professional and regulatory standards, international rules and recommendations made by the supervisory authorities. Risks are managed centrally by Global Risk Management (GGR), which is independent from the Bank's divisions and business lines and reports directly to the Chairman.

Global Risk Management's primary mission is to cover and monitor all risks inherent in the Group's activities, control and measure them. It is organised around the following entities – the Counterparty Risk entity, the Market Risk entity and the Operational Risk entity.

Credit risk

Credit and counterparty risk – this relates to the risk of total or partial default by any counterparty with which the Bank has entered into a contract, including off-balance sheet obligations.

The Counterparty Risk entity's main mission consists of, upstream, analysing and investigating applications for risk-taking from the Bank's various sales-forces; downstream, it reviews all loan commitments on a regular basis, studies statements of authorisations and utilisations on a weekly basis, identifies breaches of limits and loans in arrears and works closely with the branch network to ensure the recovery of these loans.

Credit policy:

Attijariwafa bank's credit policy is governed by a certain number of general principles including professional conduct and ethics, separation of risks, responsibility for risks, collective decision-making, monitoring and ensuring appropriate returns.

The Group examines its risk exposure on a regular basis by conducting forward-looking analysis to ensure that the bank's exposure remains sufficiently diversified with regard to counterparty, industrial sector and geographical area. Corrective action is taken where appropriate.

Procedures:

The Group's decision-making credit policy is based on a set of delegations which involves obtaining the assent of an appointed representative from the risk function.

The delegation of powers may vary depending on the level of risk, in accordance with internal ratings and the specific characteristics of each business lines.

Credit proposals must adhere to the principles governing general credit policy. Any exception must be referred to a higher level of authority.

The credit approval process consists of a certain number of procedures. After initial assessment by the sales team at branch level, a credit proposal is then submitted to the Global Risk Management division. A second diagnosis is then conducted which completes the credit analysis process.

The credit approval process for related legal entities follows the same rules and procedures as for normal customers.

Guarantees, requested as cover against credit risk, are assessed at the same time as the credit proposal itself. This assessment is made on the basis of a number of items of information and documents submitted in conjunction with the credit proposal.

The Monitoring and Credit Risk Control entity employs a preventive approach to monitoring, on a permanent basis, the health and quality of the Bank's loan commitments.

As a key part of the risk control process, this preventive management approach involves anticipating situations of possible deterioration in credit quality and making the appropriate adjustments.

Internal credit rating system:

Attijariwafa bank's internal credit rating system, which was established in 2003, is now an integral part of the credit assessment and decision-making process. When processing a credit proposal, a ratings confirmation is made in agreement with the decision-making body.

The risk rating will determine which level of authority is required to take the decision.

In the context of maintaining Attijariwafa bank's ratings system, a prototype back-testing model for the internal ratings system was completed at the end of 2007 for the "Corporate – Large Enterprises and larger SMEs" segment. The objective of back-testing is to test the predictive powers of the ratings model and to ensure that the probabilities of default are correctly rated.

A new internal ratings model has recently been designed to improve the system's predictive abilities.

The new model has been enhanced by other qualitative and behavioural factors. The financial factors have been re-specified and a distinction has been made between Large Enterprises and SMEs.

This new model comprises eight risk categories including one default category (A, B, C, D, E, F, G and H). The model's risk categories have been standardised by adopting the risk categories of international ratings agencies such as S&P and Moody's.

The Large Enterprise and SME ratings models have three types of factor – financial, qualitative and behavioural factors.

Market risk

Market risk relates to the risk of loss from adverse fluctuations in interest rates, foreign exchange rates, liquidity etc;

The Market Risks entity, whose function is to detect, analyse and monitor the Bank's interest rate and foreign currency positions, rationalises these positions by formal authorisations and is alert to any deviation from these positions;

The risk management process comprises four main stages involving several entities: risk identification, risk measurement, risk monitoring and risk control.

The main types of market risk are:

Liquidity risk: this is the risk of not being able to meet one's obligations or not being able to liquidate or offset a position due to market conditions.

Interest rate risk: this relates to the risk of variation in the value of positions or the risk of variation in a financial instrument's future cash flows due to changes in spot interest rates.

Foreign exchange risk: this relates to the risk of variation in a position or in a financial instrument due to changes in foreign exchange rates.

Equity risk : this relates to changes in the value of a portfolio of shares following changes in share prices.

Commodity risk: this relates to changes in the value of commodities following unfavourable fluctuations in their price.

Settlement risk-Delivery: this is the risk incurred in the simultaneous and non-secure exchange of two assets such as foreign currencies or securities. It is related to the concomitant exchange of securities and cash between the Bank and its counterparty.

Risk management

Limits are set by the Market Risks Committee for each type of exposure for a one-year period but may be revised as a function of the needs of individual products lines or to take into consideration changes in market conditions.

The Market Risks Committee has initiated a stop-loss system for each product line (foreign exchange, fixed income, equities etc.). This system will result in a position being immediately closed if a trader reaches the maximum loss set by the Committee.

To satisfy regulatory reporting requirements, Attijariwafa bank has introduced an IT solution known as Fermat which meets internal and regulatory requirements for calculating capital adequacy in respect of market risks; the software calculates solvency ratios and measures market risks.

In 2007, the Bank adopted the standard method (Basel II) due to the Fermat system. In addition to the Fermat system, the Bank has developed in-house applications for measuring and quantifying market risks for different dealing room products.

The bank has developed the following methods for measuring market risks:

Value at Risk measurement

The Value at Risk model covers dirham-denominated interest rate risk, foreign exchange risk in the spot and forward markets as well as equity risk. The model is an in-house application which is based on the RiskMetrics method developed by JP Morgan.

Global Risk Management produces a daily detailed report which calculates the VaR and any changes and controls regulatory and internal limits.

Back-testing

This is a technique used to test the model's validity for calculating VaR. It uses historical data to calculate VaR and then to ascertain whether this VaR actually represents the potential loss realised by comparing it to the theoretical P&L.

Operational risk

Operational risk is defined by Bank Al Maghrib as the "risk of direct or indirect loss resulting from a deficiency or failing in internal procedures, persons or systems or resulting from external events". This definition includes legal risks but excludes strategic risk and the risk of damage to the Group's reputation.

Risk can be represented as the link between a causal event (the cause) and a failing (the outcome), which may or not be adverse.

The Operational, Legal, Information Systems and Human Risks (ROJIH) entity, reporting to Global Risk Management, has implemented an operational risk management policy across 23 business lines and 4 subsidiaries within the Group. All risks relating to each business line have been identified and consolidated in a formal operational risk map.

Methodology

The operational risk management process is implemented as follows:

- Process validation by business line
- Risk identification and evaluation
- Identifying indicators and action plans
- Posting incidents and risk monitoring
- Back-testing and risk re-evaluation

The same methodology will be applied to the other remaining subsidiaries in Morocco and overseas.

Organisational process:

Operational risk management policy is the responsibility of a centralised unit known as ROJIH and is enforced at two levels:

- **Level 1 / ROJIH** : is responsible for measuring and controlling operational risks. It is also responsible for informing each business line of its current level of operational risk and helping to implement an appropriate action plan.
- **Level 2 / Business lines** : are responsible for identifying and posting incidents and implementing initiatives to hedge risk.

The main officers responsible for implementation of operational risk management are:

Risk managers:

- Operational risk coordinators (business line)
- CRO : Operational risk correspondents (business line)
- MRO: Operational risk managers (ROJIH)
- RM : Head of business line

Operational risk road maps:

23 operational risk road maps covering the bank's business lines have been established with:

- The number of operational risks identified: **581**
- The number of risks requiring specific attention: **148**

Road maps covering the 4 subsidiaries have been established with:

- The number of operational risks identified: **405**
- The number of risks requiring specific attention: **93**

Main committees:

Operational risk management policy comprises a number of committees including:

The operational risk management committee of each business line, which meets on a monthly basis and has the following objectives:

- Review operational incidents and losses over the period under review;
- Monitor the risks needing specific attention using indicators and appropriate action plans;
- Assess the impact of changes on operational risks and initiate appropriate action plans;
- Validate the update of reference documents relating to processes.

The ROJIH committee, which meets on a monthly basis, has the following objectives:

- Ensure implementation of operational risk management policy within each of the Group's entities;
- Identify changes to the risk-map (validated by the business unit's operational risk committee);
- Examine major risks arising at Group level and propose appropriate action plans;
- Draw up procedures for reporting to General Management and to the bank's various administrative bodies.

Attijariwafa bank's Operational Risks Committee, which is chaired by the Chairman and Chief Executive Officer, meets on a half-yearly basis.

An Operational Risk Management Charter has been formalised to ensure that the operational risk management policy is applied consistently within the Group.

Asset-Liability Management

Governance of the bank's structural interest rate, liquidity and foreign exchange risks comes under the remit of an ad hoc ALM committee which is responsible for setting the bank's ALM policy.

This committee has responsibility for determining the bank's strategy in terms of financial risk management, its hedging strategy and overall balance sheet management.

The ALM committee meets on a quarterly basis to discuss financial risk management options and to decide on appropriate action.

The ALM function, at bank level, has the following objectives:

- Static and dynamic analysis of the balance sheet;
- Review and control liquidity, interest rate and foreign exchange risks;
- Pro-active simulation and management by anticipation of regulatory ratios;
- Prepare, validate and manage action plans for the forthcoming period, particularly in terms of:
  - Medium- and long-term financing or investment;
  - Commercial strategy in terms of maturity (short-, medium- and long-term) and interest rates (pricing, characteristics of rates, options pricing etc.);
  - Hedging strategies to reduce liquidity, interest rate or foreign exchange risk and compliance with BAM's requirements (regulatory ratios).

Updates and back-testing (a posteriori controls) of the solidity of ALM models and conventions;

- Support and monitoring of the bank's and its subsidiaries' ALM indicators.

6.6 Scope of consolidation

Company name	Sector of activity	(A)	(B)	(C)	(D)	Country	Method	Control (%)	Equity (%)
ATTIJARIWAFA BANK	Banking					Morocco	FC		
ATTIJARIWAFA EUROPE	Banking					France	FC	100,00%	100,00%
ATTIJARI INTERNATIONAL BANK	Banking					Morocco	FC	50,00%	50,00%
COMPAGNIE BANCAIRE DE L'AFRIQUE DE L'OUEST	Banking			(1)	(6)	Senegal	FC	80,16%	49,00%
ATTIJARIBANK TUNISIE	Banking					Tunisia	FC	54,56%	45,66%
LA BANQUE INTERNATIONALE POUR LE MALI	Banking				(1)	Mali	FC	51,00%	51,00%
WAFA SALAF	Consumer finance					Morocco	FC	65,94%	65,94%
WAFA BAIL	Leasing					Morocco	FC	97,83%	97,83%
WAFA IMMOBILIER	Property					Morocco	FC	100,00%	100,00%
ATTIJARI IMMOBILIER	Property					Morocco	FC	100,00%	100,00%
ATTIJARI FACTORING MAROC	Factoring					Morocco	FC	75,00%	75,00%
WAFA CASH	Cash activities					Morocco	FC	98,46%	98,46%
WAFA LLD	Long-term rental					Morocco	FC	100,00%	100,00%
ATTIJARI FINANCES CORP.	Investment banking					Morocco	FC	100,00%	100,00%
WAFA GESTION	Asset management					Morocco	FC	66,00%	66,00%
ATTIJARI INTERMEDIATION	Financial company					Morocco	FC	100,00%	100,00%
FINANZIARIA SPA	Insurance					Italy	FC	100,00%	100,00%
FCP SECURITE	Specialist mutual fund (OPCVM)					Morocco	FC	79,23%	79,23%
FCP OPTIMISATION	Specialist mutual fund (OPCVM)					Morocco	FC	79,23%	79,23%
FCP STRATEGIE	Specialist mutual fund (OPCVM)					Morocco	FC	79,23%	79,23%
FCP EXPANSION	Specialist mutual fund (OPCVM)					Morocco	FC	79,23%	79,23%
FCP FRUCTI VALEURS	Specialist mutual fund (OPCVM)					Morocco	FC	79,23%	79,23%
WAFA ASSURANCE	Holding company					Morocco	FC	79,23%	79,23%
BCM CORPORATION	Holding company					Morocco	FC	100,00%	100,00%
WAFA CORP	Holding company					Morocco	FC	100,00%	100,00%
OGM	Holding company					Morocco	FC	100,00%	100,00%
ANDALUCARTHAGE	Holding company				(2)	Morocco	FC	83,70%	83,70%
KASOVI	Holding company			(1)		British Virgin Islands	FC	50,00%	50,00%
SAF	Holding company			(1)		France	FC	99,82%	49,98%
FILAF	Hotel management			(1)		Senegal	EM	100,00%	50,00%
MOUSSAFIR HOTELS	Risk Capital					Morocco	FC	33,34%	33,34%
SUD SICAR	Property					Tunisia	FC	67,23%	30,70%
PANORAMA	Real estate company					Morocco	IG	79,23%	79,23%

A) Movements occurring during the first half 2007)
B) Movements occurring during the second half 2007)
C) Movements occurring during the first half 2008)
D) Movements occurring during the second half 2008)

1. Acquisition	7. Change of method - proportional consolidation to full consolidation (FC)
2. Creation, breach of threshold	8. Change of method - proportional consolidation to equity method (EM)
3. Entry into scope of consolidation under IFRS	9. Change of method - equity method (EM) to full consolidation (FC)
4. Disposal	10. Change of method - full consolidation (FC) to equity method (EM)
5. Deconsolidation	11. Change of method - equity method (EM) to proportional consolidation
6. Merger between consolidated entities	12. Reconsolidation

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