Annual Report 2004

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التجاري وفا بنك
Attijariwafa bank

Annual

Report 2004

Contents

2004 Annual Report of Attijariwafa bank

Public Limited Company with a capital of	1,929,959,600 dirhams.
Registered office	2, boulevard Moulay Youssef - B.P. 11141 Casablanca, 20 000 - Morocco.
Phone	+212 (0)22 29 88 88
Fax	+212 (0)22 29 41 25
Web site	www.attijariwafabank.com

Board of Directors

Members	Function
Mr Abdelaziz ALAMI	Honorary Chairman
Mr Khalid OUDGHIRI	Chairman and Chief Executive Officer
Mr Saâd BENDIDI	Vice-Chairman
Mr Antonio ESCAMEZ TORRES	Vice-Chairman
Mr Mounir EL MAJIDI	Siger, representative
Mr Hassan BOUHEMOU	SNI, representative
Mr José REIG	Board member
Mr Abed YACOUBI SOUSSANE	Board member
Mr Javier Hidalgo BLAZQUEZ	Board member
Mr Manuel VARELA	Grupo Santander, representative
Mr Daniel ANTUNES	Axa Assurance Maroc, representative
Mr Hassan OURIAGLI	F3I Representative
Mr Matias AMAT ROCA	Corporacion Financiera Caja de Madrid, representative
Mr Bassim JAÏ HOKIMI	Board member
Mr Henri MOULARD	Board member
Mrs Wafaâ GUESSOUS	Secretary

Senior Management Committee

Membres	Function
Mr Khalid OUDGHIRI	Chairman and Chief Executive Officer
Mr Omar BOUNJOU	General Manager
Mr Mohamed EL KETTANI	General Manager
Mr Boubker JAÏ	General Manager
Mr Amin BENDJELLOUN TOUIMI	Group Human Resources
Mr Hassan BERTAL	Corporate Banking
Mr Karim CHIOUAR	Global Risk Management
Mr Ismaïl DOUIRI	Strategy and Development
Mr El Houssine SAHIB	Investment Banking
Mr Abdeljaouad DOSS BENNANI	Group Finance
Mrs Wafaâ GUESSOUS	General Secretary

Chairman's **Statement**

A landmark year in the construction of Attijariwafa bank, 2004 was marked by a number of strategic choices, laying the foundations for an ambitious development project.

Having got under way in November 2003, Attijariwafa bank project took shape in May 2004 when Banque Commerciale du Maroc acquired the entire capital of Wafabank through public purchase and exchange offers. The success of these offers, to which a majority of Wafabank's shareholders subscribed, bears testimony to the shareholders trust in the new bank's prospects.

At operating level, the merger programme has injected real momentum, giving birth to a new bank possessing solid fundamentals, structuring its activities around a pro-active organisation, and with a clearly-defined strategic vision. The new organisation places the customer at the centre of bank's focus and defines management principles giving primacy to the contribution made by human resources, collective decision-making, an internal control culture, and a framework defined by rules of professional conduct and ethical values. At strategic level, the approach has been fine-tuned, with a refocusing at the level of the bank's activities and the definition of business models promoting exchanges between business lines and the development of partnerships.

In this year of transition, and thanks to the formidable motivation of the entire staff, Attijariwafa bank affirmed its leadership, particularly in major transactions on the capital markets, where it outperformed its peers, as a result of which all key business indicators showed an improvement over the previous year. As regards financial performances, in 2004 the bank posted net income of 685.5 million dirhams after merger-related costs.

2004 was also an opportunity to complete the work of restoring the balance sheets of the bank and its subsidiaries, which resulted in a major provisioning effort. Over 2 billion dirhams of provisions were set aside at the year-end, creating the conditions for a solid and sound development.

The year demonstrated Attijariwafa bank's capacity to move forward and harness resources around its project. In 2005, the bank will take further steps forward with a twofold objective to consolidate its position as a national champion and to lay the foundations to become an influential pan-regional player. We will meet these challenges by capitalising on all opportunities and adopting new approaches to our markets but also, more importantly, thanks to the responsiveness, creativity and commitment of the bank's staff.

Khalid Oudghiri
Chairman and Chief Executive Officer

Attijariwafa bank in figures

Key figures (Morocco only)

Indicators (in millions of dirhams)	2004	2003*	2003**
Activities			
Customer deposits	83 845	79 873	47 420
Loans	55 097	50 613	29 007
Contingent liabilities	16 994	17 516	11 210
Financial structure			
Total assets	100 971	-	55 339
Capital	1 929,96	1 368,51	1 368,51
Shareholders' equity before income allocation	11 625	-	5 541
Results			
Net banking income	3 142	2 980	2 470
Operating costs	1 478	1 380	1 048
Gross operating income	1 719	1 594	1 440
Net income	686	248	429
Ratios			
Return on equity (RoE)	8,32 %	-	7,75 %
Return on assets (RoA)	0,88 %	-	0,78 %
Cost-to-income ratio	47,03 %	46,33 %	42,45 %
Deposits per employee (in millions of dirhams)	19,73	17,58	19,13
Loans per employee (in millions of dirhams)	12,97	11,14	11,70
Stock market indicators			
Share price on 31 December (in dirhams)	950	-	915
Earnings per share (in dirhams)	35,52	-	22,24
Dividend per share (in dirhams)	30	-	27
Dividend yield	3,1 %	-	2,8 %
Resources			
Staff	4 249	-	2 479
Domestic network	474	-	268
Overseas network	33	-	21

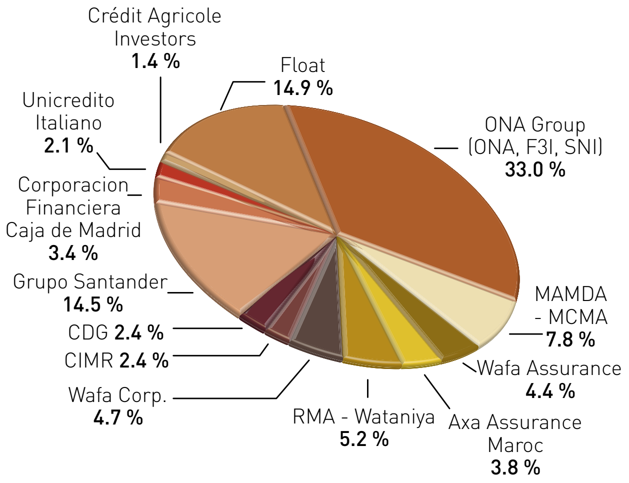
(*) : Banque Commerciale du Maroc for 12 months and Wafabank for 4 months
(**) : Banque Commerciale du Maroc for 12 months

2004 ratings

Fitch Ratings: Support 4
Moody's: Ba 2/NP

The merger having taken effect on September 1, 2004, the 2004 financial statements of Attijariwafa bank include Banque Commerciale du Maroc for 12 months and Wafabank for 4 months from September 1, to December 31, 2004. The 2003 financial statements include Banque Commerciale du Maroc for 12 months.

Shareholder structure at 31 December 2004



Key dates

January 2004
Application of first organisation structure in preparation for the integration process.

February 15 - June 30, 2004
Definition and planning phase of the integration plan: more than 350 executives from all areas of activity are involved in working groups.

April 4 - July 30, 2004
Gradual definition of the organisation structure of the various entities and appointment of managers.

May 5, 2004
The new group's positioning in consumer credit is strengthened with the acquisition by Wafasalaf of Crédor.

May 15, 2004
The new group holds its first convention, attended by 1,800 executives of the two banks.

May 2004
Partnership agreement concluded with Crédit Agricole in consumer credit, bankinsurance and asset management.

June 15, 2004
Launch of the new visual identity and adoption of new name: «Attijariwafa bank».

June 28 - July 12, 2004
Public purchase offer for the remaining Wafabank shares with a view to the delisting of Wafabank from the Casablanca Stock Exchange.

July 15, 2004
Start of integration phase.

August 31, 2004
The accounts of Wafabank are closed at 31 August 2004 with a view to the impending legal merger.

October 2004
- The new visual identity adopted by the branch network.
- Rollout of Regional Processing Centres begins.
- Wafabank shares are removed from the Official List.

November 2004
- Implementation by the bank of a new, resolutely customer-oriented organisation around five «business units».
- Start-up of branch opening programme with the objective of having 600 branches in Morocco by 2007.

December 2004
- Extraordinary General Meetings approve legal merger of the two banks.
- Legal mergers of Wafasalaf-Crédor and Wafabail-Attijari Leasing.

January 2005
Acquisition of Crédit du Maroc Gestion, the asset management subsidiary of Crédit du Maroc, by Wafa Gestion in connection with partnership between Attijariwafa bank and Crédit Agricole SA.

April 2005
- Rollout of Regional Processing Centres completed.
- First simulation of migration for the Branch, Human Resources, Accounting, Payment Instruments and Database projects.

July - December 2005
Migration to new information system staged for the entire network.


A new
bank

A new bank

01

A new bank

An ambitious development project

Creation of the first banking and financial services group

The Attijariwafa bank project was launched in November 2003 when Banque Commerciale du

Maroc took control of Wafabank. In May 2004, Banque Commerciale du Maroc acquired 100% of the capital of Wafabank through a public purchase and exchange offer. Legally, the two banks merged on December 31, 2004.

Attijariwafa bank has become the leading banking and financial services group in the Maghreb region and the eighth-largest bank in Africa. Underscoring its position as a «national champion» in all areas of banking and financial activities, Attijariwafa bank aims to become a key contributor to Morocco's economic development, to which end it has set itself two objectives: to perform to the very highest international standards, and to build on its firm foothold in the region while competing at international level.

Solid foundations reinforced by broad-ranging expertise

The foundations of the Attijariwafa bank project lie in the recognised expertise of Wafabank and Banque Commerciale du Maroc, whose professionalism and rigour have, for over a century, made a considerable contribution to the development of the Moroccan banking sector.

The merger of these two companies and the resultant synergies give Attijariwafa bank strong growth potential thanks to its leading positions across the entire range of banking and financial services, its significant shareholders' equity, the size and quality of its network, its extensive know-how and its systems harnessed to serve the needs of its partners, customers, shareholders and staff. Finally, the creation of this new bank proceeds from a strong industrial logic, deriving from the significant synergies expected at both cost and revenue levels and the capacity to capitalise on the new technologies.

A bank committed to social development

The creation of Attijariwafa bank bears witness to the determination to create a strong dynamic force capable of providing fresh impetus to Morocco's economic development.

The new bank is committed to an ambitious social development policy requiring it to address a major challenge:

becoming a reference and attaining the critical mass required to enable it to develop a full range of banking and finance business lines in a manner that combines optimal efficiency and profitability.

Stimulating investment to promote sustainable development

Attijariwafa bank is initiating innovative approaches and offering new services for the benefit of a broader customer base. In this way, Attijariwafa bank intends to assist the development of major national groups, enhance the competitiveness of small and medium-sized enterprises, play a role in financing ambitious infrastructure programmes, and make the bank accessible to as large as possible a customer base.

Turning ethics into a pillar of strength. An ethical approach based on the development of a code of conduct

For Attijariwafa bank, the ethical dimension is a necessary condition guiding the professional development of its staff. This involves sharing core values, and more specifically:

- Maintaining the very highest standards of personal integrity and ethics
- Conducting oneself in a respectful and polite manner with both customers and other members of staff
- Engaging in totally transparent transactions
- Complying with all laws and regulations applicable in Morocco and other countries in which the Group transacts business

This approach is now embodied in a code of conduct formalising the ethical behaviour required of the men and women working at Attijariwafa bank.

Reconciling financial performances with civil responsibilities

The bank's strategic vision is based on the strict definition of the ethical framework governing its relations with its social, economic and financial environment, requiring first and foremost exemplary behaviour from employees.

The bank is committed to reconciling profitability with social development through a corporate culture based on the core values underpinning its business plan: mobilisation on behalf of customers, participation in the country's development, promotion of a team spirit and a code of conduct, openness to innovation, and the determination to win. It is in the name of these values that Attijariwafa bank is pursuing a policy of sustainable development, where the creation of shareholder value must necessarily result in real benefits for the community.

Benefiting from its regional roots

Attijariwafa bank sees itself as a regional player, and intends to establish a solid presence in the European Mediterranean area and even in Africa. This determination reflects a market vision that is not merely national in scope, and requires the development of a model that can be duplicated outside of the country in both banking and other financial services activities.

Developing a regional presence
Attijariwafa bank lays the first stone in its international development

The project for the creation of a subsidiary in Senegal, initiated in the fourth quarter of 2004, marks the first phase in the Group's development in the Maghreb and West Africa.
This new bank aims to improve the offer currently available in the Senegalese market as regards conventional banking and financial products, as well as bank-related services for corporate and retail customers, through the phased opening of some ten branches over the next three years.
In addition, by starting up operations in the country, Attijariwafa bank is seeking to favour and improve relations between Morocco and Senegal, notably through trade flows and investments.

Prestigious partners

Attijariwafa bank's reference shareholders include several international groups, which is a source of synergies in many different areas, notably in terms of developing expertise and enhancing shareholder value.

- ONA is the bank's largest shareholder and the leading privately-owned group in Morocco. Its activities encompass notably mining and construction materials, food processing, retailing and financial services, with the group having formed alliances with multinationals such as Danone, Auchan and Lafarge.

- The second largest shareholder is Grupo Santander, which has the biggest market capitalisation in Europe. The Spanish bank has established a strong presence in Latin America and owns participating interests in several international industrial groups.

- Finally, Crédit Agricole SA, a global banking group, is also a shareholder of Attijariwafa bank, with which it is developing strategic multi-business partnerships, notably in consumer credits through Sofinco and in asset management through Crédit Agricole Asset Management. This partnership has been at the origin of many synergies developed with Crédit du Maroc, the Moroccan subsidiary of Crédit Agricole SA, in which Attijariwafa bank has a 35% interest.

Crédit Agricole - Banque Commerciale du Maroc: Strengthening a longstanding alliance

Crédit Agricole SA, a longstanding partner of Wafabank, and Banque Commerciale du Maroc, the main shareholder of Wafabank, have announced the signing of an agreement to strengthen their strategic alliance, notably in the areas of consumer credits and asset management. As regards their respective banking networks in Morocco, BCM-Wafabank and Crédit Agricole SA-Crédit du Maroc will continue to develop these autonomously.

Partnership agreement signed by Marjane and Wafasalaf

The Marjane chain of hypermarkets, a subsidiary of ONA and Auchan, signed a partnership agreement with Wafasalaf on Tuesday, 19 April 2005.

This agreement concerns chiefly the introduction of a wide and innovative range of financing, notably including conventional credits, interest-free credits, and fixed-charge credits. In parallel, Wafasalaf will accompany the development of the Alfaïz card and provide cardholders with new functions by the end of 2005. This alliance will generate significant value added, marking the union between two major forces in the Moroccan consumer sector.

Building a platform for the Group's development

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The integration of the two banks party to the merger and their respective subsidiaries constituted a major priority, the goal being to move as quickly as possible to develop synergies that would fuel the Group's growth.
This integration, which got under way in July 2004, is proceeding according to plan and budget thanks to the staff's exemplary motivation. It should be completed during the second half of 2005, with in particular the rollout at the branches of the new software application, which incorporates best practices from the two banks.

A dynamic business combination

The merger process drew upon a rigorous organisation and methodology, with the implementation of structures to steer and oversee the merger programme and the constitution of multidisciplinary working groups involving some four hundred members of staff.

A specific change-management structure was responsible for providing the training required to integrate best practices at the two banks. This same unit was also responsible for overseeing the geographical and functional mobility required of the staff as a result of the reorganisation of the different entities.

Well aware that the success of a merger depends foremost on the active involvement of staff, management focused from the very start on involving all employees and harnessing internal communication as a source of staff cohesion by providing reactive information at regular intervals to each and everyone.

For the customers, a specific communication campaign structured around the new bank's development project and the actions inherent to the merger was staged. At the same time, a Quality Assurance procedure was performed through a customer monitoring unit to assess at regular intervals the effects of the merger on the quality of service.

This dynamic was extended to the two banks' subsidiaries, leading to the combination of the activities involving leasing (Wafabail-Attijari Leasing), asset management (Wafa Gestion-Attijari Management) and intermediation (Wafabourse-Attijari Intermédiation), while the consumer credit activity was marked by an acquisition (Wafasalaf-Crédor).

Planning of key phases

15 branches to be opened every four months

Reshuffling of teams

Training

Branch migration

Customer transfer pre-migration

January-April 05	May 05	June-July 05	October 05	November 05	December 05
‣ Acceptance completed ‣ Beginning of IT migration simulations ‣ IT migrations by Wafabail-Attijari Leasing and Wafasalaf Crédor	‣ Transfer of individual customers to begin (network specialisation) ‣ Rollout of Regional Processing Centres to be completed ‣ Unification of ATM network	‣ Branch migrations to begin	‣ Rollout of call-centre to be completed	‣ Streamlining of networks	‣ Last branch migration to be completed

Structuring projects for the future

Work undertaken in connection with the merger permitted an exhaustive review of processes and systems for controlling, overseeing and steering of operations, resulting in the launch of a number of major projects, notably concerning the commercial organisation and risk management. A series of measures - streamlining, transfer of expertise, development of synergies between business lines, and the definition of a new strategic framework for certain activities - prepared the way for an in-depth restructuring of the Group.

Migration to target information system

The migration from the existing information system used by Wafabank to the target information system will be carried out gradually from July 15 to December 31, 2005, taking a batch of branches at a time.
Trial migrations, which consist in simulating the work to transfer a batch of branches from the existing information system to the target information system, are planned between April and July.
The objective is to ensure that all IT resources and all procedures for this migration function properly before the actual migration is carried out.
Other types of simulations are planned in order to define the time frame for this migration as well as the associated costs. At branch level, and concurrently with the training given to the staff, teams were reshuffled upstream from the migrations to provide an in-situ learning process.

A pro-active, transparent organisation

The new organisation put into place in October 2004 results from the process initiated in January 2004 to position Attijariwafa bank even closer to its

Three principles govern this new organisation: to strengthen management and a result-oriented culture, empower staff and delegate authority, and make execution more professional by improving management procedures and internal control systems.

customers and enable it to spear head the Group's development project.

Five autonomous business units - each with its own resources and with access to central support functions - form the backbone of this new organisation, their profile and mission having been redefined to take into account the requirements stemming from the Group's expansion.

Retail Banking for Private Individuals and Professionals is structured around a commercial network comprising 480 branches providing services to retail and professional customers. It also supervises 33 branches and representative offices dedicated to serving Moroccans living abroad.

Corporate Banking works with large corporations as well as small and medium-sized enterprises, providing services adapted to their specific needs. Operations are structured around a network of 30 business centres set up specifically for corporate customers and two dedicated units, one for large corporations, the other for small and medium-sized enterprises.

In order to provide the full range of expertise required by its customers, the Corporate Banking business unit has developed skill centres covering international, investment financing, product marketing, flow management and e-banking activities.

Investment Banking encompasses capital markets, financing, advisory services and brokerage activities.

Private Banking, Asset Management and Insurance groups together the off-balance sheet savings management activities of Attijariwafa bank. It distributes insurance products through Wafa Assurance, while the private banking arm is developing wealth-management activities, in addition to which it has activities in asset management, custody and property, in the latter case spanning both property development and the management of rental property not used in the operations.

Specialised Financial Services is responsible for all the financial services provided by Attijariwafa bank's subsidiaries involving consumer credits, mortgages, factoring, leasing and long-term rentals, and money transfers.

Management of the new group is provided by a collegial senior management team. An Executive Committee manages the bank at operating level, while a Group Committee comprising senior managers meets quarterly to consider topical issues with a bearing on the life of the institution. Finally, specialised committees, chaired by the Chairman and Chief Executive Officer or a member of the senior management team, round off the mechanism in terms of collective decision making.

Network: a customer-oriented commercial structure

In the work undertaken to integrate the two banks' networks, priority was given to customer relations and led to a vast reorganisation of the commercial structure based on the principle of specialised points-of-sale, which are areas dedicated to sales and providing advice, applying a targeted approach to customer relationship management.

Two specialised networks were created, one dedicated to retail and professional customers, the other to corporate customers. This was accompanied by the definition and application of a new commercial approach based on the «Know Your Customer» (KYC) principle and the expertise of specialist sales teams.

At the same time, regional back offices were set up to lighten the branches' administrative burden and provide more time for sales, which was accomplished through a more efficient segregation of functions relating to sales on the one hand and to the processing of transactions on the other hand.

To the same end, the installation of automated teller machines (ATM) continued at a brisk pace, the objective remaining to achieve a 100% branch equipment rate in time. In addition, a programme for installing automated teller machines off site was launched in the fourth quarter of 2004.

An ambitious branch-opening programme was also initiated to enhance the branch network's geographical coverage in agglomerations with high potential. The objective is to open a further 150 branches so as to have a total of 600 branches by 2007.

Information system: a platform to serve the bank's development

At the heart of the integration process, the information system was the object of particular attention and great vigilance. In this respect, 2004 was devoted to defining action plans to bring up to standard the new target information system throughout the new Group, integrating best practices from both banks, and to prepare the migration of the computer systems leading to the unification of the information systems.

Consideration was given to the launch of a new long-term IT plan, the objectives being to develop an information system catering best to the strategic challenges facing the Group and to begin rollout at the start of 2006. In particular, the new system must:

- Be capable of meeting the priority needs of the bank and its subsidiaries related to the business-line functions, marketing approach, budget control, risk management, regulatory constraints, etc.
- Permit further robust growth
- Be structured to enable the implementation of new procedures, improvements to existing procedures, and compliance therewith.

This approach, which is essential for the development of Attijariwafa bank, is intended to provide a technical platform that can support the Group's business plan over the medium term.

A meaningful name and a powerful symbol

Used since June 2004 as the Group's new umbrella brand, the name «Attijariwafa bank» was permanently adopted at the time of the legal merger between the two banks at the end of the year.

Attijariwafa bank's logo is derived from the Atlas Mountains, a symbol of strength and durability. The graphic representation includes an authentic motif of the traditional craft industry, worked in a style that is reminiscent of Arabic calligraphy.

Dynamic, user-friendly and totally innovative, Attijariwafa bank's visual identity very quickly took root in the urban landscape to positive effect.

Attijariwafa bank :
Winner of the Top Com Grand Prize in the design section
Paris, January 2005

«... We were seduced by the project, the creation of the identity, its application and presentation being tailored best to the different criteria defining the effectiveness of a visual identity. We were impressed by the quality of the logo, which encapsulates very well the problematic, both the concept of integration and of proximity, both geographical and social...» **(Expression d'Entreprise Magazine - no. 208 / February-March 2005).**

2004 business review:

Under the sign of the merger

2004 business review: Under the sign of the merger

02

2004 business review: Under the sign of the merger

Retail Banking for Private Individuals and Professionals

1

Now with a new commercial organisation placing customer satisfaction at the centre of its objectives, this business unit went on the offensive in 2004, drawing strength from its enlarged product offer and the development of its branch network, with 50 openings planned each year.

The foundations adopted at strategic and organisational levels by the business unit are designed to constantly simplify access to banking services and products for the bank's retail and professional customers.
To this end, 2004 was devoted to developing and applying a business model coherent in all its aspects, designed to be customer-centric, through the use of effective levers:

- Knowledge management applications to gain a thorough understanding of the market
- A commercial organisation at the points-of-sale tailored to the needs of customers
- A branch network steering system and extensive geographical coverage to achieve even closer proximity
- Cross-company coordination units organised by market
- A specific product offer for each customer segment
- An appropriate marketing communication policy to promote constant contacts and leverage sales

A tailor-made branch network steering system

The branch network constitutes a real platform for the business unit's commercial development. Trading under the Attijariwafa bank name, the 475 branches cover all of Morocco and are the country's leading banking network. These branches are organised in 34 groups, which themselves belong to eight sub-networks:

- **Casa-North (6 groups); Casa–South (6 groups); Rabat-Salé–Gharb (4 groups); North (2 groups); Fez–Meknès (4 groups); Rif-East (4 groups); Centre–South (5 groups); Souss–Sahara (3 groups).**

Reactive units providing sales coordination, marketing and support to the network

Support units set up centrally play an essential role in coordinating the network and helping it achieve its commercial objectives.
These units are responsible mainly for:

- Cross-market coordination: Retail, Private, Professionals, Youth;
- Cross-selling;

- Supervision of plans to develop customer loyalty and expand the customer base;
- Organisation, marketing and integration of the product offers as well as supporting marketing campaigns;
- Market studies, competition watch, and the implementation of reporting systems for the commercial activities;
- Qualification and improvements to the customer database;
- Human resources management, notably aspects relating to training, recruitment, career planning and internal transfers;
- Providing the network with the resources needed for its functioning;
- Auditing the commercial activity.

A commercial organisation adapted to customers' needs

Based on the principle of customer portfolio segmentation, whereby each customer segment is grouped in a homogenous portfolio managed by a dedicated sales person, the new organisation serves one purpose ultimately, which is to satisfy the needs of retail and professional customers to whom it provides a complete range of products, access to a branch, and differentiated commercial communications and marketing.

To provide customised services to its customers, the business unit has switched from mass marketing to targeted and differentiated relational marketing.

To this end, it has invested in customer relationship management, studying the possibilities for rolling out a CRM application throughout its operations for all parties involved in managing relations. This study led to the integration of this application throughout the networks.

An adapted product and service offer

A total of 55 products and services are offered and have been organised into four ranges: credits, bankinsurance, payment instruments and packages, services and savings products.
This offer was first unified before being partly integrated into the information system and broadened to all networks.
At the end of the year, the business unit broke new ground by launching an upscale insurance product by the name of «Confort Santé». Without an equivalent in the market, this new health insurance cover enables the bank to propose a totally innovative product to its high net worth customers.

An ambitious branch-opening programme

A branch-opening programme commensurate with the ambitions of Attijariwafa bank was launched in September 2004. This programme is aimed at strengthening the bank's market positioning in relation to the targets given priority by this business unit.

The objective is to open 50 branches each year, providing a further 158 branches between 2004 and 2007. By the end of 2004, 13 new branches had already been opened.

At the same time, measures were taken to increase the number of automated teller machines at the branches. In time, all branches will be equipped with ATMs.

Moroccans living abroad: development strategy adapted to the market's new expectations

As regards Moroccans living abroad (MLA), 2004 was devoted to the reorganisation of the external network of Attijariwafa bank, with as objective that this network should help the bank to win new customers, and to the operational implementation of the merger.

Concurrently with the merger project, which concerned all aspects of the bank's operations, an overhaul of the information systems was completed to adapt these to technological and regulatory developments in the host countries, strengthen internal control, and roll out efficient sales applications.

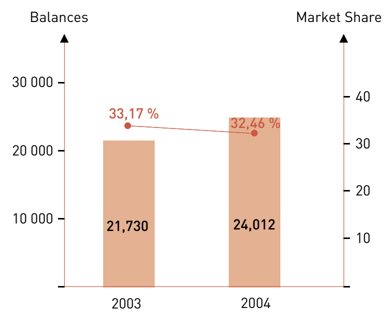
To consolidate the Group's positioning as a reference in the MLA market and ensure monitoring of the highest quality, the decision was taken to reorganise European operations into a branch network. A development model specifically for Europe was defined, structured around longstanding activities in international flow management and import-export financing.

Finally, a new market strategy was devised, aimed at broadening the product and service offer and raising commercial efficiency by multiplying actions to achieve even closer customer relations and develop synergies with the Moroccan network. Two new products addressing new needs expressed by the market were launched in 2004, one - Miftah Al Mouhajir - involving property financing, the other providing more comprehensive life insurance cover.

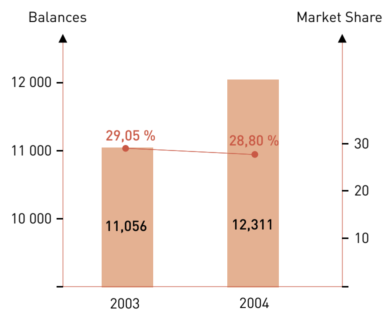
This approach was accompanied by a major communication campaign staged in the different host countries (bill boarding, sponsoring of associations, noted participation at SMAP Immo, etc.).

Finally, an ambitious development plan was defined to enable Attijariwafa bank to grow its market share in its conventional activities and to start up new revenue-generating activities through partnerships with local specialists in areas such as credit, self-service banking, credit cards, savings products, etc.

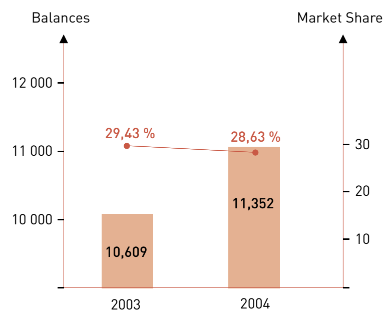
Local cheque accounts



MLA cheque accounts



Saving accounts

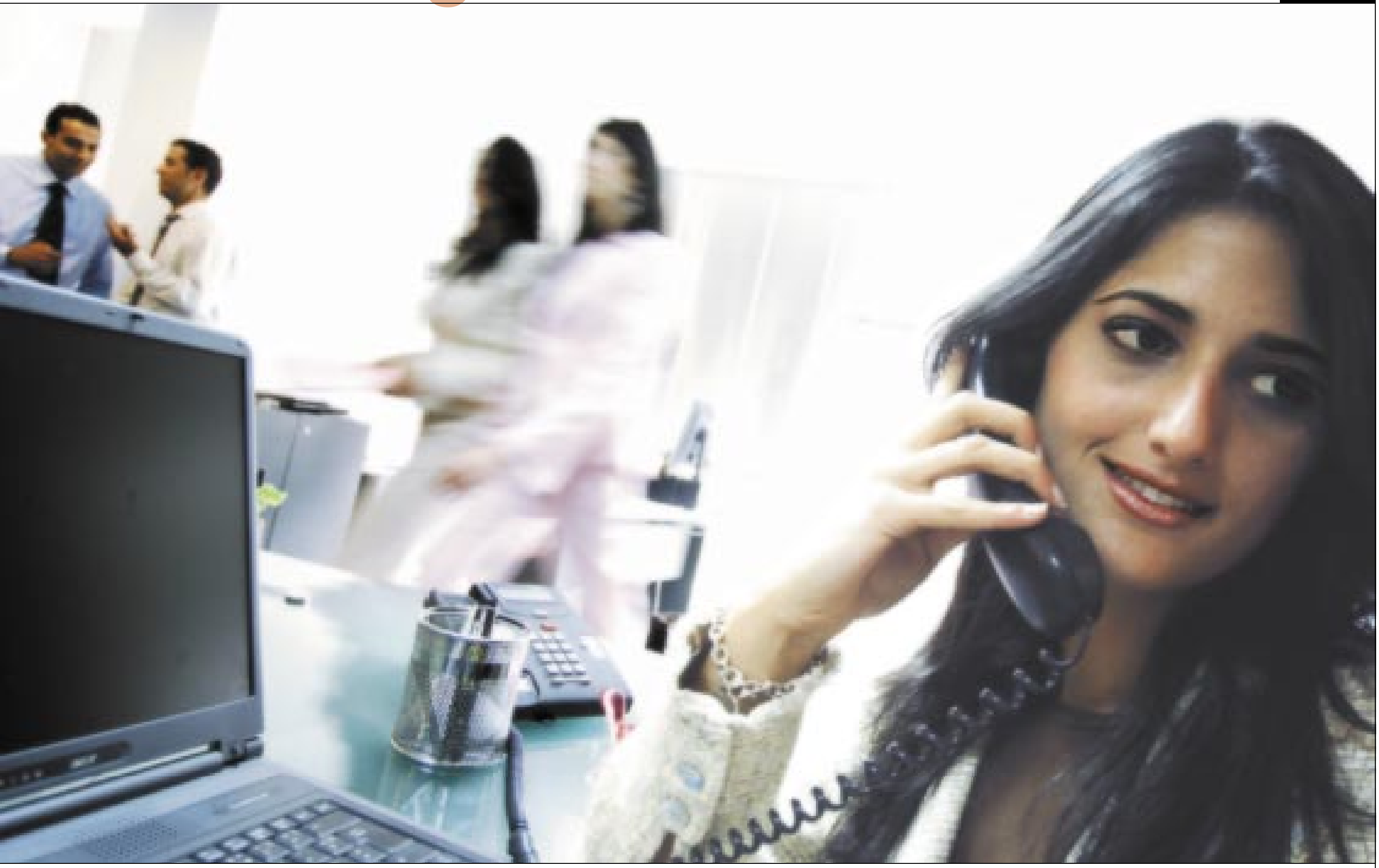


Balances (millions of dirhams)

Market share (%)

Corporate Banking

2



Implementation in 2004 of the merger, and more particularly the combination of portfolios, did not affect the performance of the business unit, which in fact increased its leadership as a provider of banking products and services to large corporations. At the same time, Investment Financing, a new structure set up by the bank, has become a reference in the engineering of large-scale operations. The emphasis was also placed on providing support to small and medium-sized enterprises through an offer specifically designed to bring them up to level.

Corporate Banking serves larges corporations as well as small and medium-sized enterprises by offering services adapted to their specific needs.
At the same time, it contributes to the development of cross-selling to the benefit of all the Group's business lines and is responsible for the management of monetary flows.

Corporate Banking is organised around:

- Six networks of business centres that manage their own portfolios of corporate customers;
- A dedicated Large Corporates unit, organised into nine sectors of activity (food processing, tourism, agriculture, textiles, etc.);
- A dedicated SME unit, reflecting Attijariwafa bank's commitment to promoting the activities of small and medium-sized enterprises. Particular emphasis is placed on helping these enterprises to restructure, through a unit specialised in upgrading their operations.

In order to provide the full range of expertise required by its customers, Corporate Banking offers innovative tailor-made solutions through its international, investment financing, product marketing, flow management and e-banking skill centres.

Finally, and like Retail Banking for Private Individuals and Professionals, Corporate Banking has a structure attached to Global Risk Management that is responsible for managing and monitoring risks as well as recovering loans and advances.

For Corporate Banking, 2004 was marked by the implementation of the merger in all its aspects: organisation of the business centre network, finalisation of customer transfers, standardisation of procedures, and the conduct and management of change. At the same time, the dynamism that continued to be displayed at commercial level ensured the bank maintained a favourable trend, helped in this by the staff's motivation and the synergies developed with other business lines.

Encouraging the development of SMEs through a close presence in the field

Throughout the second half of 2004, the entity responsible for coordinating the bank's SME activity oversaw client transfers from the branches serving retail and professional customers to the new business centres, ensuring at all times that close commercial relations were maintained with the customers concerned. This transfer, which concerns some 2,500 customers, mainly small and medium-sized enterprises, should be completed before the end of June 2005.

A series of meetings were held in the regions between the bank and corporate customers to bring them up to date on the merger's progress and assure them that close relations in the field would be maintained.

On this occasion, partnership agreements were signed with several Regional Investment Centres, strengthening Attijariwafa bank's position as the leader in project financing.

Finally, specialised teams contributed actively to promoting financing offers intended to help small and medium-sized enterprises to restructure, attending the various professional events staged on this theme and designing a guide presenting the wide range of products made available by the Group and specialised organisations to enterprises seeking to restructure and invest.

Remaining the privileged interlocutor of large corporations

The dedicated Large Corporates unit is responsible for coordinating and steering the Group's global relationship with major corporations, a customer segment prey to increasingly stiff competition, which requires a specific approach and follow up.

In 2004, particular attention was given to this customer segment and the emphasis placed on commercial proximity to ensure the combination of the two banks' portfolios was conducted in the very best conditions.

At commercial level, activity remained extremely brisk, putting forward an approach to generalise global offers and be proactive in the identification of investment needs.

The bank played a prominent role in the initial public offering involving 14.9% of the capital of Maroc Telecom, which was an opportunity to exploit to the full synergies within the Group at the service of a landmark operation for the Casablanca Stock Exchange. Teams from all of the banks' activities contributed their specific expertise - advice for the initial public offering, financial engineering for the acquisition of 16% of the capital of Maroc Telecom by Vivendi Universal, placing of shares with retail investors and local and foreign institutional investors, offer of financing solutions for retail investors and the employees of Maroc Telecom, etc.

This approach has enabled the bank to provide services for large-scale transactions and to consolidate its position as the reference in this market.

Investment Financing: a booming activity

Investment Financing, a new unit created in connection with the reorganisation of the bank's activities, is organised around three business lines: investment promotion, project financing, and property development.

This entity already has a remarkable track record, having arranged a number of major transactions for large corporations and making available financing totalling over 10 billion dirhams. In particular, it:

- Acted as lead arranger for:
  - The financing of Lydec's infrastructure programme;
  - The partial financing of the rail link between the city of Tangiers and its port - Port Tanger Méditerranée - on behalf of ONCF;
  - The partial financing in dirhams of the acquisition of 16% of the capital of Maroc Télécom by Vivendi Universal.
- Participated in the financing consortium for Rédal;
- Participated as co-lead manager for the partial financing of the project for modernising and restructuring Samir.

In addition, Investment Financing made a name for itself by devising innovative financing packages in the tourist sector, these products being launched by the bank in January 2005 on the occasion of the Second National Convention staged by the Moroccan tourist industry.

International activities were strengthened and had a busy year

The bank's international activities were marked by the strong commercial presence of the Trade Finance teams. In 2004, production reached nearly 97.4 billion dirhams for both import and export financing, representing a total of 268,000 transactions.

The bank confirmed its leadership position in this sector of activity, even though the teams were required to make a significant contribution during the second half of the year in connection with the implementation of the merger, in particular to standardise conditions applicable to customers, to redefine the portfolio, restructure accounts opened with international banks, and optimise relations with banking correspondents.

In addition, measures were taken in December 2004 to reactivate the Corporate Desks of the banks' European network (Paris, Brussels, Madrid, Barcelona and Milan).

Hoteliers

Investotel is Attijariwafa bank's exclusive solution to your construction, renovation or extension requirements. INVESTOTEL is the first **hotel-sector credit to offer unique conditions**, comprising a new form of commitment backed up by a PROMOTIONAL OFFER for **projects financed** in 2005 up to an overall limit of 1 billion dirhams.

INVESTOTEL
CREDIT

- Unparalleled fixed rate guaranteed for **15 years** (promotional offer)
- Repayments deferred for **two years**
- Possibility to extend maturities by **one year**(*)
- Early repayment **without penalty**

(*) If the Minister of Tourism decrees that economic conditions are unfavourable.

The rate is indexed on Treasury bills and will be negotiated as a function of the type of project.
Whatever your hotel project, Attijariwafa bank will help lay the foundations.

For further information

Please contact **Mrs Yasmine Benchekroun** or **Mr Othman Mekkouar**
of the Investment Financing unit on **+212 (0)22 29 88 88**
or hyperlink **www.attijariwafabank.com**

التجاري وفا بنك
Attijariwafa bank

Investment Banking

Noted for its solidity and innovative approach, Investment Banking recorded a significant increase in the volume of business transacted in 2004, benefiting notably from the synergies induced by the merger, the major source of growth provided by new activities, and the significant leverage procured by the organisation put in place by Attijariwafa bank.

Dynamism and performance of the Market Activities

The Dealing Room covers foreign exchange and fixed income activities. A large range of financing and investment products – spot credits, foreign-currency financing, repurchase agreements, primary and secondary market transactions, and the marketing of Treasury Bills and debt securities - is offered to customers, in addition to which it is responsible for management of the bank's own bond portfolio. The Capital Markets unit also offers currency products and foreign-exchange risk hedging products (spot and forward contracts and options), as well as commodity price hedges.

2004 was marked by the combination of the teams, the unification of information systems and a restructuring of operations around a customer-centric strategy.

Three activities were started up and even at this early stage each recorded a good performance:

- Derivatives: accompanying the new foreign exchange regulations introduced in Morocco, Attijariwafa bank developed a complete and innovative offer of hedging instruments. The derivatives teams were fleshed out and engineered a number of tailor-made hedging strategies;
- Commodities: Attijariwafa bank was quick to respond to the liberalisation of regulations governing instruments offering a hedge against fluctuations in commodity prices. Thanks to this proactive approach, the bank imposed itself as a key player in this area and now offers a range of products and services in partnership

In 2004, the Dealing Room responded successfully to the challenge posed by the merger and imposed itself as a leader in its new activities. 2005 will be devoted to forging even closer relations with customers through the implementation of a single interface to distribute all products, the development of innovative services, and a series of commercial actions.

with operators of international repute. Its offers cover the markets for cereal and oleaginous crops as well as the markets for metals, energy and so-called soft commodity underlyings;

- Interest rates: a fully-fledged interest rate activity was started in 2004, with as goal to optimise the management of the bank's currency holdings. This activity completed its first acquisition of foreign currency securities in Morocco, investing in Credit Linked Notes. It also did much to improve the competitiveness of Attijariwafa bank in currency hedging.

Also, the Dealing Room played a preponderant role in the Moroccan fixed income securities market, as it was the second largest dealer in government bonds and the largest bank for corporate issues and trading in government bonds in the secondary market.

Advisory services: a voluntarist commercial strategy

M&A advisory services and corporate debt origination, initial public offering and primary equity market services are provided by Attijari Finances Corp. An aggressive and sustained commercial drive is under way to provide strong encouragement to customers to complete strategic and market transactions. This approach resulted in several large-scale operations, amongst which the mergers between Banque Commerciale du Maroc and Wafabank, and Wafasalaf and Crédor, and the privatisation of Maroc Telecom.

2004 was characterised by a predominance of strategic transactions, resulting in transaction volumes of over 2.8 billion dirhams and generating 65% of revenues. These revenues amounted to 21.8 million dirhams, not taking the Maroc Telecom transaction into account.

Brokerage: sharp increase in results

2004 was marked by a sharp increase in trading volumes in the stock market - up from 53.7 billion dirhams in 2003 to 71.6 billion dirhams in 2004 - and two major events, the first being the initial public offering of Itissalat Al Maghrib when the State sold 14.9% of the capital for 17.792 billion dirhams, the second being the public purchase and share exchange offers launched by Banque Commerciale du Maroc for Wafabank in a 10.646 billion dirhams deal.

Because of the favourable conditions enjoyed by the stock market, the two brokerage firms of Attijariwafa bank - Attijari Intermédiation and Wafa Bourse - recorded a very strong increase in their activities, with total transaction volumes rising by 15% to 41 billion dirhams from 36 billion dirhams in 2003, as a result of which their overall market share increased to 56% from 42% in 2003.

Revenues contributed by the brokerage activities reached 77 million dirhams, a considerable increase compared with the 9 million dirhams generated in 2003. These results were achieved at a time when the two firms were engaged in merging their teams and pooling their resources.

Private equity: activities undergoing refocusing

Through dedicated subsidiaries, the private equity unit manages venture-capital investments, creates and manages investment funds, and provides advice on restructuring and upgrading operations.

2004 was a year of transition for this activity, with as objective to refocus on two new areas: risk capital and consulting in restructuring. To this end, work was completed on ongoing assignments (financial consulting for the Morocco 2010 Organisation Committee, strategic and financial consulting for institutional investors regarding M&A opportunities, and creation of an investment fund in the tourist and property sectors), in order to concentrate from the start of the second quarter on the creation of funds and consulting in restructuring. In risk capital, a new fund named AGRAM Invest was set up to invest in the food processing sector. Set up in partnership with Unigrains, a leading investor and partner of the French food processing sector for over forty years, this fund aims to raise and invest 200 million dirhams. Another fund dedicated to infrastructures (energy, telecommunications, ports, water) was also launched, with as initial goal to raise and invest 1 billion dirhams.

As regards consulting in restructuring, three major assignments were undertaken to assist groups in need of reorganisation, and another to assist an investor make an offer to take over a large corporation placed in receivership.

Specialised Financial Services

4

Grouping all the financial services provided by Attijariwafa bank's subsidiaries, Specialised Financial Services focused in 2004 on merging its operations and to developing synergies. In consumer credits, Wafasalaf acquired Crédor to become the market leader, while Wafabail, a leasing specialist, merged with Attijari Leasing. At the same time, Wafa LLD and Wafa Cash capitalised on their membership of the Group.

Wafasalaf: Morocco's leading consumer-credit company

As Morocco's leading consumer-credit company, Wafasalaf has an extremely diversified range of products: personal loans, revolving credits, credit cards, car loans, hire-purchase, consumer durable loans and holiday loans.

2004 brought confirmation of the consolidation taking place in the consumer-credit market, with Wafasalaf absorbing Crédor, which was ranked fourth in 2003, to give birth to the new market leader with a market share of 32% and staff of 402. The new entity has the largest distribution network in Morocco, with 24 branches in its colours, as well as an external network of 330 post offices and 138 dealers distributing its products.

Regarding the implementation of the merger, the planning phase stretched from September to November 2004, resulting in the definition of a target organisation and action plans to achieve this goal. Legally, the merger was approved by the Extraordinary General Meetings held on December 31, 2004, but with retroactive effect to January 1, 2004. Migration to the new information system was carried out at the end of the first quarter of 2005.

In 2004, Wafasalaf generalised third-party management over the Intranet, so that this is now available throughout the Attijariwafa bank network. On the same lines, Wafasalaf finalised an agreement for third-party management with Crédit du Maroc that will take effect in January 2005. Finally, in 2004, Wafasalaf entered into a number of major partnerships in the financing of motor vehicles and consumer durables that will come into force in 2005.

As regards performances, credit production reached 3.3 billion dirhams, up 8.1% over 2003, while the new entity's market share was stable at 32%. Growth was fuelled chiefly by the distribution of revolving credits (42% increase), car loans (up 24%) and, more particularly, leases with purchase options.

Finally, as regards the product mix, non-allocated credits remained preponderant, accounting for 71% of financing.

Wafa Immobilier: a more stringent loan distribution policy

Wafa Immobilier is specialised in loans for buying, building and upgrading homes, as well as in property-development finance. To optimise its market presence, Wafa Immobilier has representative offices in high-potential regions, and notably in Casablanca, Rabat, Fez, Marrakech, Agadir and Tangiers.

In 2004, Wafa Immobilier recorded a moderate increase in its activities, with outstandings up 12% despite several factors that disrupted the distribution of property loans, notably repeated strikes affecting land registries and the implementation of the new law on co-ownership.

At the level of the company itself, 2004 was devoted to introducing new standards to improve the loan assessment procedure and the implementation of a new system for processing loan applications, leading to the partial automation of procedures. In time, this should result in even greater reliability, security and expeditiousness in processing operations. Launched in 2004 at the level of Wafa Immobilier, this new application should be rolled out throughout the Attijariwafa bank network during 2005.

Wafa Cash: the leader in international transfers

Wafa Cash provides three services to customers without bank accounts to facilitate their money-related transactions: international wire transfers via Western Union; local transfers via Cash Express; and manual exchange.

Wafa Cash has a network of 150 branches, some which it manages itself, others which are managed by partners. Wafa Cash products are also available in certain Attijariwafa bank branches.

In 2004, the credit card activity of Wafa Cash was marked by the sale of the Acquisition activity to Centre Monétique Interbancaire, the development of a common credit card server for the new bank, the start up of the project for merging credit card activities, and the bringing up to standard of the automated teller machines.

At the same time, Wafa Cash was not sparing in its efforts, which enabled it to preserve its leadership position in rapid international transfers and to strengthen its commercial presence in several areas: expansion of the network (140 branches compared with 69 in 2002) and launch of a new Cash Express offer featuring lower tariffs, the reactivation of additional services, and the adoption of a new visual identity.

Wafa LLD: gearing up its activities

Wafa LLD is specialised in long-term car rentals. This involves providing companies with one or more new vehicles for an agreed mileage and duration of 12 to 60 months, in exchange for a fixed monthly fee that may include services such as repairs and maintenance, insurance, assistance, claims management and fuel management. This activity is carried on mainly through the intermediary of Attijariwafa bank.

Wafabail: refocusing of development strategy

Wafabail is specialised in leasing and long-term rentals. Its offer, which is aimed at professionals and companies, encompasses amongst others the financing of professional premises, commercial vehicles, passenger cars, plant and machinery, and computer equipment. Wafabail's product range complements that of Attijariwafa bank, through which it transacts most of its business.

In 2004, Wafabail merged with Attijari Leasing, which led to the combination of the two companies' teams and the integration of their activities. On this occasion, the development strategy for the leasing activity was refocused through the definition of a new business model.

Production reached 1.2 billion dirhams in 2004, a decrease of 7.7% compared with the 1.3 billion dirhams achieved in 2003. This was due to a 30% slump in production the first half of the year, whereas thanks to the initial synergies made possible by the merger, production picked up in the second half to show increases of 40% compared with the first half of 2004 and 19% compared with the second half of 2003.

In 2004, Wafabail was the second largest leasing company in Morocco with a 19% market share.

Attijari Factoring: contrasted results

Attijari Factoring provides its customers with a management and financing technique in which it contracts to:

- Cover the risks of non-payment by their Moroccan and foreign customers;
- Manage trade receivables and debt recovery;
- Finance invoices.

Its products are sold mostly to Attijariwafa bank's corporate customers. In 2004, production increased by 4.9% compared with the previous year, but this growth in facts masks contrasted performances, as there was a sharp 37% drop in export production that was more than offset by a 45% increase in domestic production.

As a result, domestic activities accounted for 65% of total production, for the first time overtaking export activities. Regarding the lower level of export activities, this was due to an upturn in risks in the textile sector. Attijari Factoring's market share inched lower, down from 14.9% to 14.5%.

However, outstanding invoices and financing picked up sharply at the year-end, up respectively 17.5% and 50.2%, thanks to the domestic factoring activities.

Millions of dirhams	Outstandings	Production	Ranking
Wafasalaf	6 633	3 570	1
Wafabail	2 556	1 211	2
Wafa Immobilier	3 981	1 190	2

Millions of dirhams	Outstanding receivables	Outstanding financing	Ranking
Attijari factoring	176	49,8	1

Millions of dirhams	Number of transactions	Cash volume	Ranking
Wafa cash	1 356 950	4 348	1

Millions of dirhams	Number of vehicles	Revenues	Ranking
Wafa LLD	1 182	41	ND

Private Banking, Asset Management and Insurance

5

Bringing together the off-balance sheet savings activities of Attijariwafa bank, Private Banking, Asset Management and Insurance laid the foundations in 2004 for an ambitious development programme. In addition to measures to bring its operations up to standard, Wafa Assurance undertook several actions to raise customer loyalty and broaden its product offer. In asset management, the merger of Wafa Gestion and Attijari Management got underway and will result in the creation of an even more competitive and efficient structure. Finally, the Group confirmed its leadership in custody, set up a new business line devoted to property investments, and started up the private banking activity.

Wafa Assurance: an ambitious development strategy

Wafa Assurance has been developing strongly in the insurance sector, in particular to provide bankinsurance products to Attijariwafa bank's customers.

In 2004, Wafa Assurance brought to fruition a whole series of projects. In personal insurance, a vast campaign was launched to raise loyalty amongst policyholders having taken out motor insurance cover, which focused on the improved guarantees offered by the "WafaOto" package. At the same time, and while developing closing coordination in the field, Wafa Assurance continued to pay particular attention to collection, the aim being to introduce gradually new conditions regulating premium payments. The same policy of high technical standards was applied in the corporate market by broadening preventive actions to encompass the Group's partners.

As part of the partnership between Attijariwafa bank and Crédit Agricole SA, Crédit du Maroc's asset management subsidiary was sold to Attijariwafa bank for 55 million dirhams. Through this transaction, Crédit Agricole reaffirmed its determination to be a leading partner of Attijariwafa bank and to develop all possible synergies between the two Moroccan banks. To this end, Crédit du Maroc's network will be able to distribute the products of Wafa Gestion, in return for which it will benefit from the expertise and brand recognition of the new asset management structure comprising Wafa Gestion, Attijari Management and CDMG.

As regards the banking network, with 2004 being devoted to the merger, Wafa Assurance was able to lay the foundations for an ambitious development policy. Working groups defined the target offer. The process to migrate the entire bankinsurance product portfolio was defined and planned. A new upscale hospital benefit insurance named «Confort Santé» was launched successfully. At the same time, partnership agreements were entered into for the distribution of insurance products with Barid El Maghrib and Crédit du Maroc.

Asset management: a new leader in the making

Conducted through Wafa Gestion and Attijari Management, the objectives of asset management are to manage and optimise savings through a comprehensive range of financial products and services – including mutual funds – designed to offer customers added value.

As at the level of the Group, 2004 was marked by the merger of the two asset management companies, a process that led to the creation of a new asset management entity at the service of the Attijariwafa bank Group.

In connection with this merger, several projects were brought to fruition: combination of the teams, definition of target organisation, pooling of support functions (human resources, finance and information systems), and creation of a common back office.

The two asset management companies Wafa Gestion and Attijari Management pressed ahead with their development in 2004, with assets under management reaching 28.32 billion dirhams at December 31, 2004, up 22% from 23.24 billion dirhams one year earlier. This performance allowed the Group's two subsidiaries to strengthen their leadership in this sector of activity. With a combined market share of 35% for these two companies, the Group is the leading asset manager in Morocco.

Property: focus on property development and management

Property encompasses property development and asset management through investment funds for institutional and retail investors.

This unit also manages the rental properties of Attijariwafa bank not used in its operations, which involves the day-to-management of these properties and the collection of the rents. Delegated project-ownership services cover the supervision and completion of property developments (construction and refurbishment of various types of building).

All in all, more than 1.5 billion dirhams of properties not used in the bank's operations are currently under management.

Custody: a reference in the activity of depository

Custody provides Moroccan and foreign institutional customers (notably insurance companies, asset managers, brokers and depositaries) with centralised, customised services for holding securities (for the main part now held in registered form) and the processing of corporate actions (dividend payments, capital increases, etc.). Administration services are also provided to issuers of marketable securities covering all their needs in this area.

2004 was marked by a complete overhaul of the organisation to make it more customer-oriented. The new customer approach involves a finer segmentation of the portfolio, with the application of differentiated tariffs to each segment (insurance companies, asset managers, foreign financial intermediaries, network, issuers, etc.) and a broader product range to develop high value-added products and packaged offers.

In this activity, the 2004 highlights were the initial public offering of Maroc Telecom and the renewed interest shown by foreign investors in the Moroccan financial markets. Trading volumes increased significantly, up nearly fourfold compared with 2003, while securities held in custody increased by 20.3% overall.

Against this backdrop, revenues generated by the custody activity increased to 78 million dirhams in 2004, up nearly 47% from 54 million dirhams in 2003. A significant proportion of these revenues were generated from the custody of securities (shares and mutual funds units) and by strategic operations.

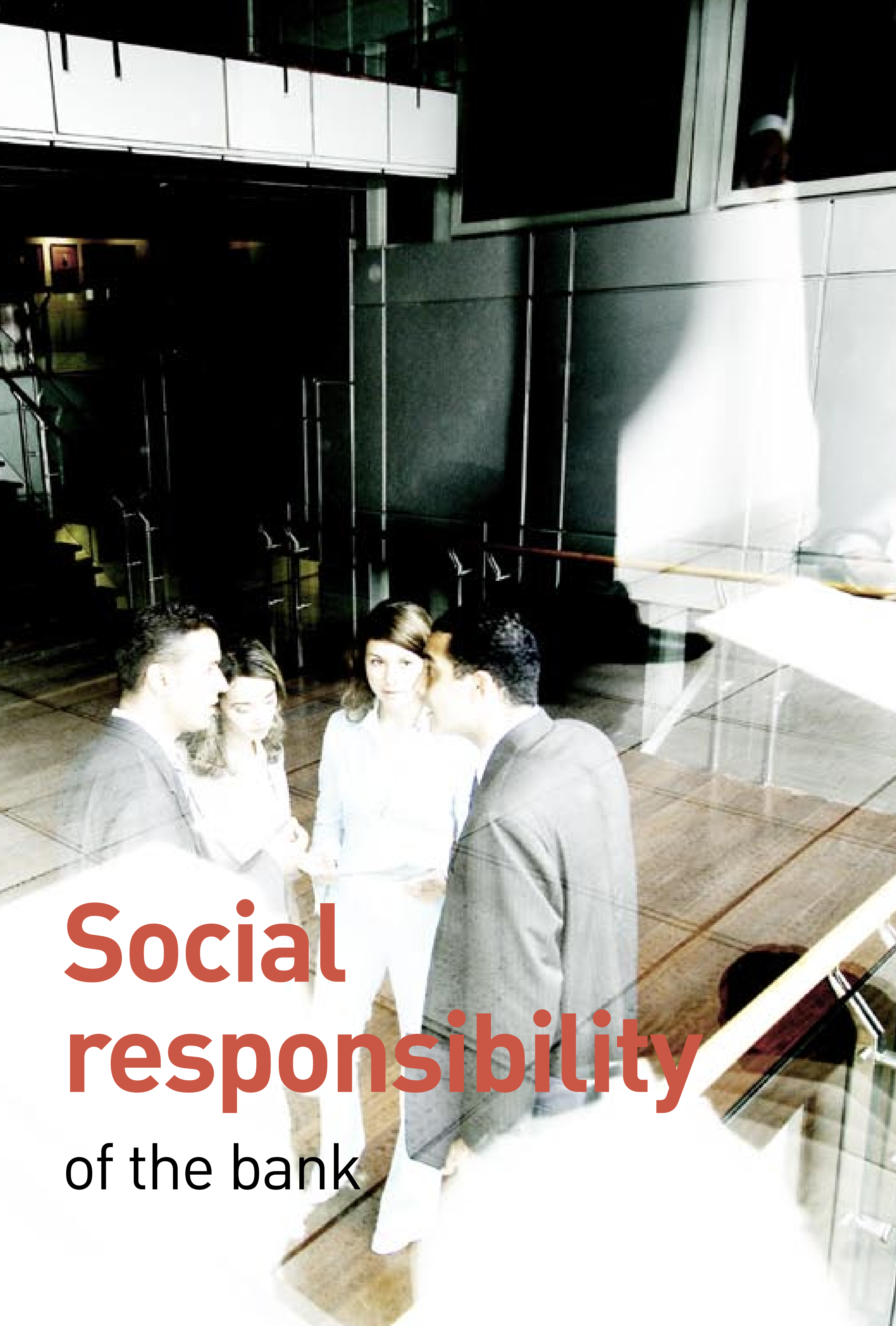
Services provided to issuers held steady in 2004, but still make a marginal contribution to net banking income.

The foregoing enabled Attijariwafa bank to position itself as a real leader in securities custody with an average market share of nearly 50% for all related services.

Private banking: customised offer of wealth management services

Private banking is developing a wealth-management activity. This is accomplished through the management of a portfolio of very high net worth customers through two dedicated branches, the Pléiades branch in Casablanca and another to be opened in Rabat.

2004 was devoted to the definition of a strategic approach adapted to the customer base being targeted and to making available resources for an effective launch of this activity in 2005.



Social responsibility

of the bank

03

Social responsibility of the bank

A determination to satisfy the aspirations of all parties

1

Awareness of the bank's social responsibility had led it to give full consideration to the aspirations of all parties: employees, partners, customers, suppliers and society at large. It is by being attentive to the expectations expressed by all these parties and working in a spirit of collaboration with them that Attijariwafa bank gauges and nurtures the trust shown in it. These exchanges constitute one of the keys for shared progress and mutual enrichment.

Involving employees in the Group's development project

The two projects undertaken by the Group, to merge and develop its operations, set a number of challenges to prepare for the future:

- The integration process induces a need for staff mobility and changes in practices that must be managed in the very best conditions and respect the bank's commitment to maintaining employment given when the merger was launched;
- Measures are required to accompany the implementation of the bank's new organisation and the evolution of its businesses;
- The human resources policy needs to reconcile the needs for professional and personal advancement;
- Equitable practices must guide each and every action (non-discrimination, equality in recruitment and promotion, etc.).

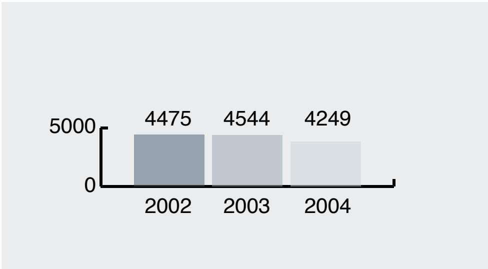
Successful management of staff mobility

At December 31, 2004, Attijariwafa bank had total staff of 4,249 compared with 4,544 at December 31, 2003.

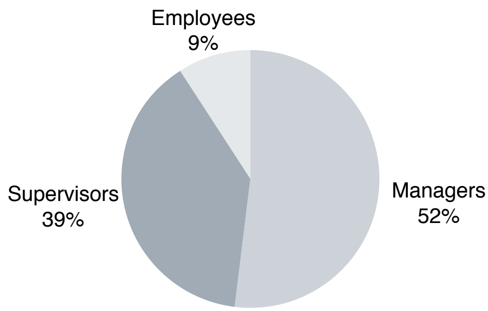
In 2004, 122 new staff were hired, of which 54% were under Anapec (the national agency for employment and skills promotion) contracts. Most joined the staff of the branch network, or helped strengthen business expertise in central departments. During the same period, 351 staff left the bank, of which nearly 50% on retirement. Not taking into account early retirements, staff turnover was 4.66% in 2004.

Developing staff mobility was an essential condition for the merger and the restructuring of the Group's organisation to be a success. To this end, special measures were taken to monitor synergies and the staff redeployment necessary for putting into place the new organisation.

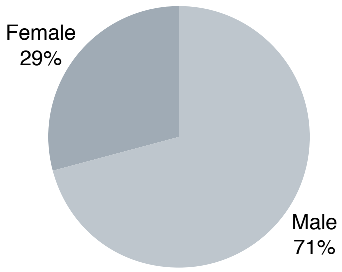
Change in staff from 2002 to 2004



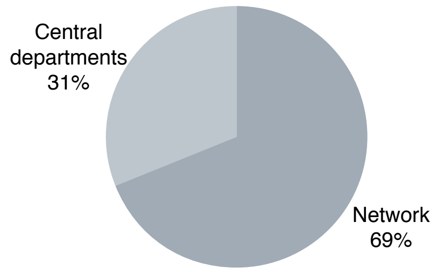
Breakdown by position



Breakdown by gender



Breakdown by location



Training policy adapted to change and looking to the future

Attijariwafa bank's training policy takes into account the needs induced by the Group's expansion project and is founded on the principle that, as laid down in the new code of labour practices, every member of staff has the right of access to vocational training. The purpose is to ensure complete customer satisfaction and to increase staff motivation.

The approach adopted is such that it enables missions and objectives to be set, long-term priorities to be determined, and addresses the following needs:

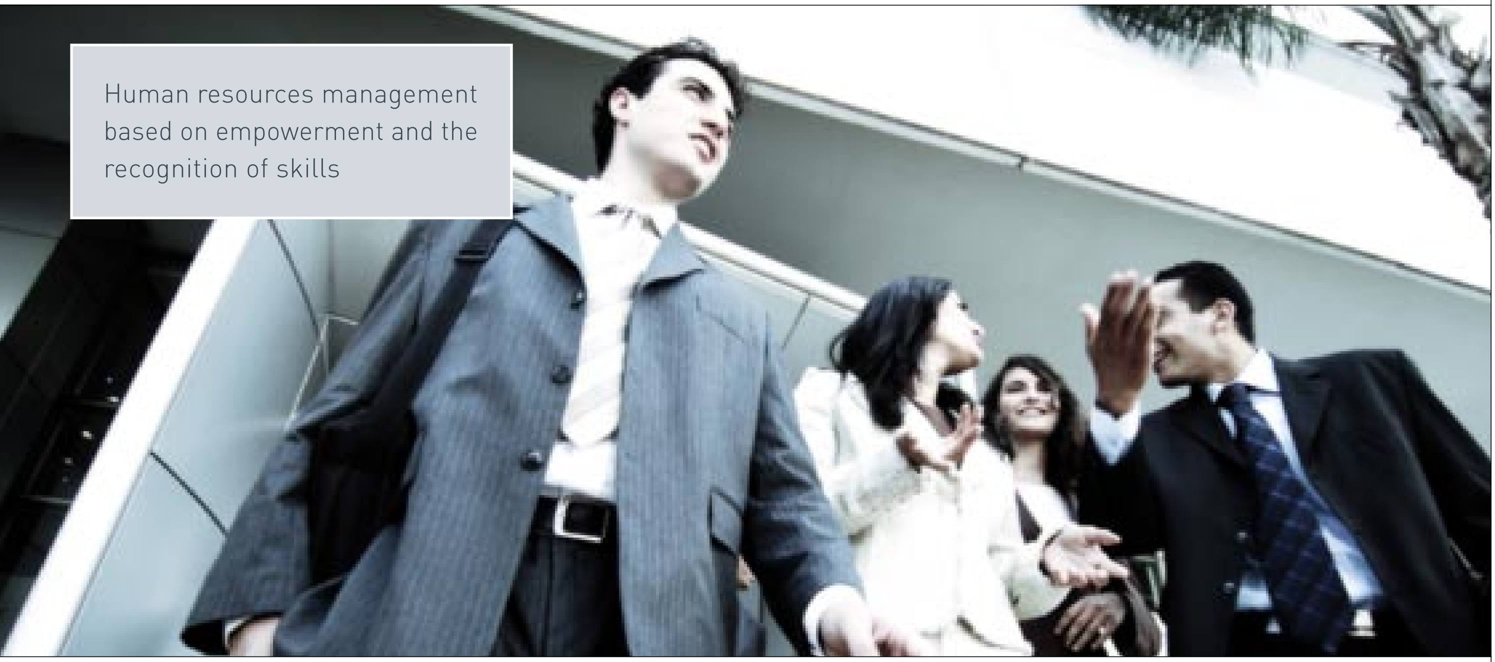
- Integrating new members of staff;
- Consolidating the skills of existing staff through short-term actions aimed at individual or collective improvement;
- Preparing for the medium or long term by promoting staff mobility and anticipating the market's requirements, while also preparing to hand over to the next generation;
- Establishing partnerships with both the public and private education system.

In 2004, and in addition to accompanying the first measures inherent to the merger process, the training provided was business-oriented, with a focus on skill development. More than 12,000 man-days of training were organised during the year at a cost of 11.8 million dirhams, equivalent to 3.5% of payroll.

Regular and constructive staff dialogue

As regards social policy, 2004 featured a great many actions aimed at maintaining a permanent and constructive dialogue between management and unions. Regular meetings were arranged with staff representatives to exchange views about the merger and accompany successfully this process.

Notable advances were made in perfecting the system of personal protection and health cover, resulting in a consolidation of vested rights. Measures to harmonise social policies - notably to enable the largest possible number of staff to become homeowners and enjoy regular stays at holiday homes - were effected rapidly, ensuring at the same time that there was an improvement in conditions and benefits. At December 31, 2004, staff loans amounted to 940 million dirhams.



Human resources management based on empowerment and the recognition of skills

Harmonised pay policy that is equitable and motivating

In 2004, Attijariwafa bank initiated procedures to harmonise its pay system and define the principles of a pay policy fitting into a global vision, comprising:

- A fixed salary component rewarding the level of responsibility and position held;
- A variable salary component in the case of the managers, taking into account both the individual performance of the manager as well as the results of the unit to which he or she is attached and the overall achievements of the bank;
- An incentive scheme, in the form of medium- to long-term savings, to ensure staff is associated to the Group's development.

The harmonisation of the pay system will be accomplished gradually by encouraging the recognition of merit. A first step was taken in January 2005 with the introduction of a standardised pay slip for all members of staff.

Approach to human resources overhauled in favour of more dynamic management based on:

- Enhancing skills through the implementation of a training and careers management policy adapted to the bank's new vision;
- Rewarding merit through the introduction of a performance-related assessment and remuneration system;
- Sharing and exchanging information at all levels of the bank;
- Implementing a social framework based on solidarity and proximity.

Measures to favour transparent, interactive internal communication

Internal communication focused mainly on accompanying the merger process. In addition to measures to inform and raise awareness and motivation, several actions were also taken to lay the foundations for a common culture.

Back in January 2004, and at the same time that dedicated information media were introduced (bi-monthly «Passerelles» newsletter and «Passerelles Flash» e-newsletter), an approach was initiated to define a corporate plan that associated working groups drawn from all professional horizons within the Group.

The «Assil» corporate plan drafted as a result of this approach brings together the six values that underpin Attijariwafa bank's corporate culture. It is intended as an encouragement to go forth and seize new opportunities as part of a project that is resolutely forward looking.

Assil

Key values and principles governing the bank's action:

- Working to achieve customer satisfaction
- Participating in the country's economic development
- Building team spirit
- Complying with ethical rules
- Being open to innovation
- Expressing the desire to win

Dialogue and exchange are also at the centre of the bank's preoccupations, to which end a series of events were planned: conventions, seminars, information meetings, and gatherings. Being convivial and designed to encourage interactivity, these events are remarkably powerful forms of internal communication.

Customer satisfaction is a priority, strengthening the bond of mutual trust

Being committed to achieving the very highest standards of quality, Attijariwafa bank has put into place a customer monitoring system to measure customer expectations and satisfaction and, thereby, provide appropriate solutions.

Mystery visits

The purpose of these mystery visits is to assess the quality of the welcome given to customers in all its aspects: external appearance of the branch, ease of access, behaviour of counter staff, conduct of commercial interview, general working atmosphere, etc.

Now carried out at regular intervals throughout the network, mystery visits have already resulted in a number of corrective measures that have improved significantly behaviour at commercial level.

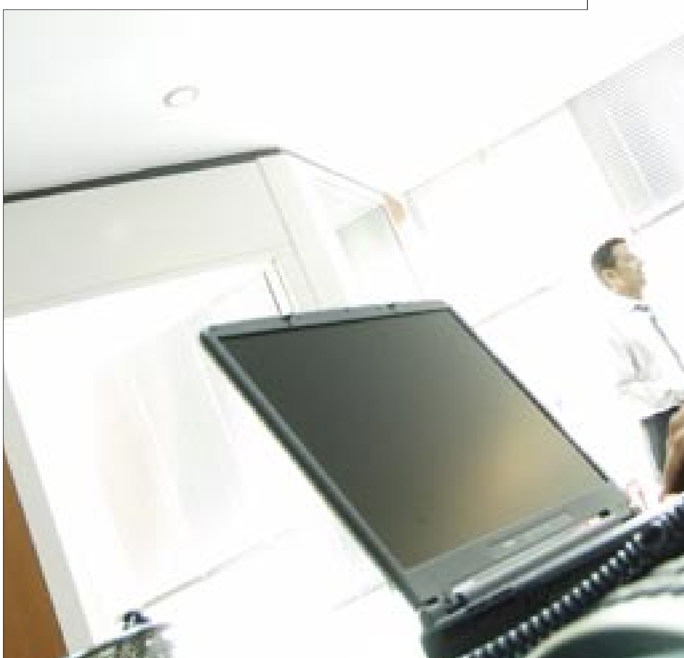
Customer satisfaction surveys

Customer satisfaction surveys are conducted on a quarterly basis at the level of the branches. In 2004, 4,000 customers were interviewed on site, with 1,000 questionnaires completed each quarter. These surveys indicated that 93% of customers were generally satisfied or extremely satisfied with Attijariwafa bank, that 75% had recommended the bank to their acquaintances, and finally that 80% considered the bank to be the market leader.

«Focus groups»

The results of the customer satisfaction surveys showed a need to listen more closely to professional customers so as to identify their expectations better and devise an appropriate sales strategy.

To this end, focus groups were organised in the form of breakfast discussion forums on the theme of «Attijariwafa bank... the listening bank» to which customers from the different segments of the professional customer base were invited.



One-off surveys

One-off surveys are conducted to accompany the bank's action plans and have a direct impact at customer level.

When the first Regional Processing Centres were started up to transfer the processing of customer transactions to centralised Back Offices, surveys were conducted in the form of direct interviews with customers to gather their views as well as any complaints.

In parallel, Attijariwafa bank embarked on a programme to specialise its banking network, creating points-of-sale specifically for private individuals and professionals, and business centres dedicated to small, medium-sized and large corporate customers.

«Attijariwafa bank... the listening bank»

Specific action was undertaken by the Quality Assurance teams throughout implementation of the integration programme. Through very close monitoring of customers, several areas for improvement were promptly identified and corrective actions taken.

The aim of specialising the network is to improve customer reception and handling by catering to the specific needs of each segment. As a result, a number of corporate customers were transferred from branches to business centres, which are better able to deal with their specific needs and constraints. This process was accompanied by a specific action plan targeted at the customers concerned so as to identify all problems stemming from these portfolio transfers.

Customer Relation Centre: a cornerstone of the customer loyalty policy

Staffed by experienced employees, the Customer Relation Centre is a remote contact platform made available by Attijariwafa bank to customers in order to:

- Centralise claims (interest and bank charges, bank and credit cards, international transactions, etc.) and document requests (copies of cheques, account statements, etc.);
- Process speedily all claims it is equipped to handle;
- Forward and monitor claims handled by other units (head office entities and subsidiaries);
- Take preventive measures to improve service quality;
- Produce reports containing statistics of customer demands.

The tasks of the Customer Relation Centre are soon to be broadened to encompass phone banking, whereby customers will be able to give instructions for transactions (fund transfers, stop payments, etc.) over the phone.

Supplier relations founded on reciprocity and loyalty

An entity dedicated exclusively to purchasing was set up by Attijariwafa bank to ensure that each initiative in this area complies with the principles of transparency, collective decision taking, and cost control governing the bank's actions.

The Purchasing entity, which functions in accordance with international practices and standards, wields considerable negotiating power and permits more stringent control to be exercised over product and service specifications while encouraging the development of a performance-based culture.

For it to achieve optimal efficiency, the entity has been instructed to:

- Compile a supplier database by reference to the offers available in the market;
- Compile a product and service database by reference to the bank's needs;
- Benchmark suppliers by product and service based on performance indicators (quality of service, cost, level of risk, etc.);
- Offer assistance to users to help define detailed product and service specifications;
- Select suppliers to be consulted or arrange tender invitations;
- Organise meetings to attribute contracts or select suppliers;
- Draft supplier contracts, and supervise their application and renewal.

Setting the stage for an increase in shareholder value over the long term

2004 was marked by the birth of Attijariwafa bank, a new bank aiming to be a key contributor to Morocco's economic and social development and to creating incremental value for its partners and shareholders.

The Attijariwafa bank project was launched in November 2003 when Banque Commerciale du Maroc took control of Wafabank.

In May 2004, Banque Commerciale du Maroc acquired 100% of the capital of Wafabank through public purchase and exchange offers. In their vast majority, Wafabank's shareholders contributed their shares to these offers, underlining their confidence in the new bank's development project. As a result, 98.78% of the capital of Wafabank changed hands. On completion of these transactions, the capital of Banque Commerciale du Maroc was increased to 1,926,555,800 dirhams.

This process continued in July with a squeeze out procedure by Banque Commerciale du Maroc for the remaining Wafabank shares it did not already own.

It was completed on December 31, 2004 when the shareholders approved the merger between the two banks with effect from September 1, 2004, Wafabank having prepared accounts to August 31, 2004.

On completion of the legal merger, the bank's capital was increased to 1,929,959,600 dirhams and its name was changed to "Attijariwafa bank".

April 14, 2004

› Ordinary and Extraordinary General Meeting
- Banque Commerciale du Maroc's 2003 financial statements approved by the Board.
- Launch of public purchase and exchange offers

April 26, 2004

› Public purchase and exchange offers by Banque Commerciale du Maroc for the Wafabank shares, on the basis of:
- 825 dirhams per share (public purchase offer)
- 8 Wafabank shares for 7 Banque Commerciale du Maroc shares (public exchange offer)

May 28, 2004

› Extraordinary General Meeting.
- Capital increased to 1,926,555,800 dirhams to remunerate shares contributed to offer.

August 31, 2004

› Wafabank's financial statements approved by the Board of Directors.

October 10, 2004

› Wafabank shares taken off the Official List.

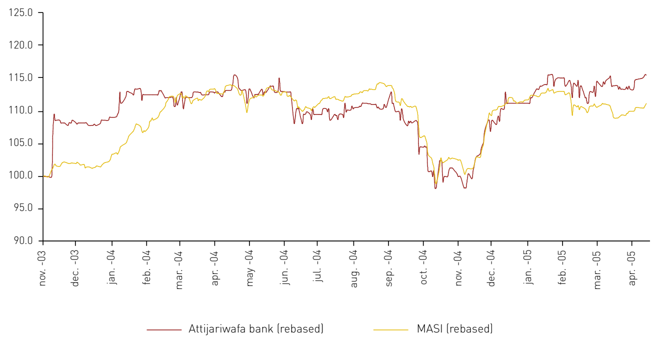
December 31, 2004

› Extraordinary General Meeting
- Legal merger of Banque Commerciale du Maroc and Wafabank
- Capital increased to 1,929,959,600 dirhams
- Name change to «Attijariwafa bank».

The performance of the Attijariwafa bank share has kept pace with key events in the Group's history, offering shareholders an attractive return on investment. Since November 23, 2003, the date on which Banque Commerciale du Maroc took control of Wafabank, the share price has risen by 19.1% compared with an increase of 15.3% for the Moroccan All Shares Index (MASI), reflecting investor confidence in the bank's project. With earnings per share amounting to 35.52 dirhams, this gives a price/earnings multiple of 26.74.

Pursuing the same forceful dividend policy as before, and to mark its confidence in the bank's prospects, the Board of Directors will propose to the Shareholders' General Meeting that a dividend of 30 dirhams per share be distributed, equivalent to 84.5% of the net profit.

Share price performance



An attractive investment

Banque Commerciale du Maroc shareholders	
Share price on November 23, 2003	820 dirhams
Share price on March 31, 2005	981 dirhams
Performance	+20 %
2002 dividend	27 dirhams
2003 dividend	27 dirhams
2004 dividend	30 dirhams
Yield	+ 11 %

Wafabank shareholders	
Share price on November 23, 2003	615 x (8/7) = 702 dirhams
Share price on March 31, 2005	981 dirhams
Performance	+ 40 %
2002 dividend	20 dirhams
2003 dividend	0
2004 dividend	30 x (8/7) = 26 dirhams
Yield	+ 30 %

Share data as at 31 March 2005

Number of shares	19,299,596
Share price	981 dirhams
Performance	+ 3.3%
Average daily trading volume	2.46 million dirhams
Market capitalisation	18.9 billion dirhams
Per share data	
Net assets per share	593.3 dirhams
Earnings per share	35.52 dirhams
Dividend per share	30.00 dirhams

Finally, the presence of the shareholders and the diligence shown on the occasions of the general meetings held in 2004 demonstrate their trust in this ambitious development project, as well as Attijariwafa bank's determination to involve shareholders in its project and to keep them informed. To this end, the bank has initiated measures to provide regular information to its shareholders in order to keep them informed of developments.

Commitment to act in a socially responsible manner alongside civil society

The actions undertaken in 2004 by the two foundations, Actua and Attijariwafa bank, mark the first steps towards a structured policy asserting the bank's social responsibility and recognising its essential role in civil society. This policy has a cultural facet and another aimed at bringing forth potentialities.

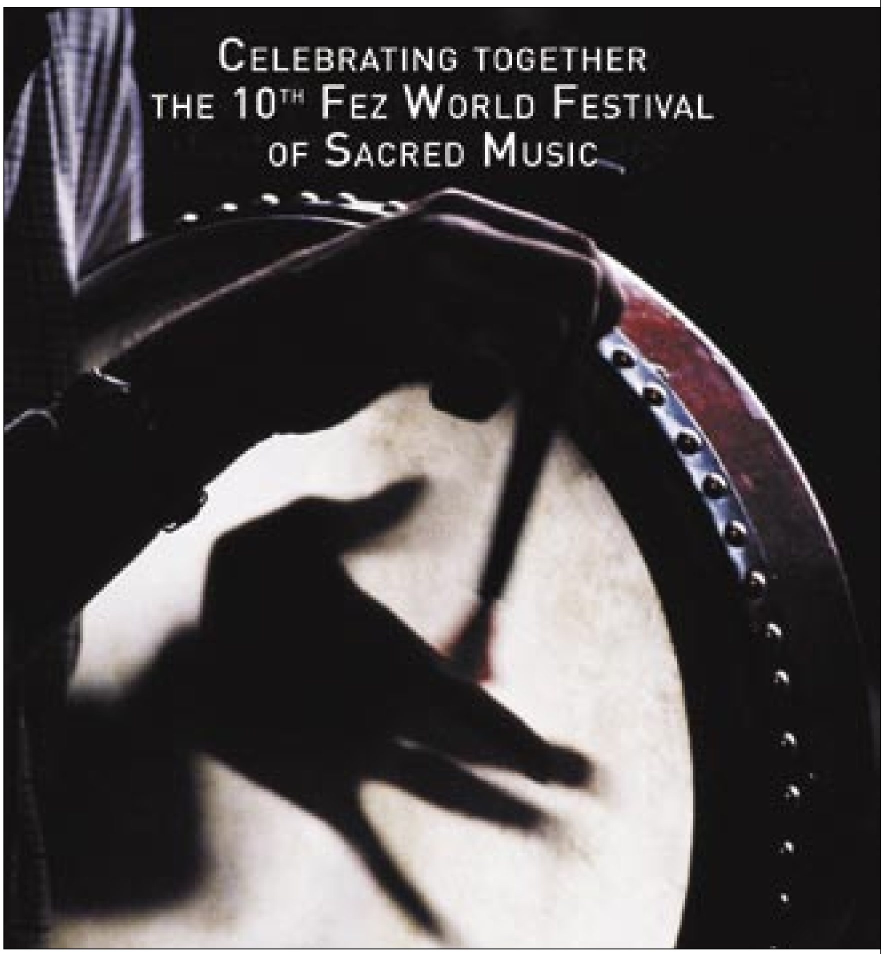
Promotion and sponsoring of artistic and cultural events

The action of the Actua Foundation is aimed at providing the largest number of people with access to the works of art owned by the bank, developing exchanges with national and international cultural institutions, and favouring creative initiatives by acting as a patron for national artists.

Several events were organised in 2004:

- «Abderrahim Yamou, Mahi Binebine : Terres de silence», an exhibition retracing the artistic itinerary of these two artists;
- «Maroc, Al Andalus, itinéraires culturels», a photographic exhibition depicting the routes taken by the Omeyyads and Almohads in Andalusia;
- «Velando la verdad», an exhibition of paintings by two Moroccan artists, Abdellah Hariri and Houssein Miloudi, and two Spanish artists, Carlos Schwartz and Jose Freixanes. Both events were organised in collaboration with Instituto Cervantès;
- «Le voyage de l'écriture», regrouping some one hundred works by the Moroccan artist Mehdi Qotbi;
- «Imaginaires croisés, collection de peintures d'Attijariwafa bank», presenting an overview of Moroccan art from works owned by Attijariwafa bank, organised in partnership with Institut Français de Tanger.

These exhibitions were the focus for other cultural events, with the programming of conferences, guided tours and painting workshops to which were invited associations for disadvantaged children.



Supporting and encouraging economic forums and initiatives

In collaboration with the Cercle d'Amitié Franco-Marocain, a series of conferences were organised particularly for the banks' customers, with prestigious guest speakers presenting their views on current issues:

- «Morocco-US Free Trade Agreement: What Future for Relations between Morocco and the European Union», presented by Christian de Boissieu, Professor at the Paris I Panthéon Sorbonne University;
- «They are Going to Kill Capitalism», presented by Claude Bébéar, Chairman of the Supervisory Board of AXA Group;
- «Basle II: Constraint or Opportunity», presented by Pierre Henri Cassou, Partner Deloitte France;
- «Morocco-Europe: How to Go Forward Together», presented by Renaud Donnedieu de Vabres, Vice-Chairman of the Foreign Affairs Commission at the French National Assembly.

The Attijariwafa bank Foundation refocused its actions in two main directions: initiatives to encourage the creation of small and medium-sized enterprises and collaboration with universities.

To this end, the Foundation created «Réseau Maroc Entreprendre» and is actively involved in the development of this association, which brings together entrepreneurs in order to identify and select projects, provide them with financing at preferential conditions and, more importantly, nurture their development during the first three years.

At the same time, the Foundation has been collaborating with a number of universities, notably the Al Akhawayn University. Consideration is also being given to seeing how the «Universidades Santander» - an initiative by Grupo Santander involving 370 universities - might serve as inspiration for a similar programme in Morocco.

Finally, in partnership with Microsoft and Munisys, the Foundation arranged for the full servicing and distribution of 500 personal computers to three teacher training centres, eight cyber spaces at university faculties, and thirty-six schools in urban and rural districts. This was accompanied by two IT training seminars given to the school's teachers and headmasters, which were organised in collaboration with Microsoft and Association Partenariat-École-Entreprise «Al Jisr». Also, and at the Foundation's initiative, a further 300 personal computers were provided to other institutions, underlining the very strong commitment to making the new information technologies accessible as widely as possible.

The Foundation also participated in the «Entreprises Associations» Forum and worked on two projects to equip school libraries.
In addition, the two foundations supported numerous cultural and sporting events as well as social causes by providing funding and other resources.

A strong commitment

founded upon an organisation and resources scaled to the task

To nurture the utmost trust on the part of all the parties involved in our enterprise requires that the bank's behaviour and organisation provide tangible evidence that our code of business conduct is irreproachable. To this end, Attijariwafa bank has strengthened its oversight, which is founded on four key pillars: corporate governance, ethics and sustainable development, risk management, and internal control.

Corporate governance: a guarantee of openness and proper balance in the distribution of powers

The system of governance implemented by Attijariwafa bank complies with the general principles of corporate governance. In addition to the internal regulations governing the functioning of the Board of Directors, several control and management bodies have been established.

The composition of the Board of Directors provides for the presence of independent directors. Furthermore, internal regulations set out the Board's responsibilities, organisational procedures and the conditions for holding meetings. They also specify the roles and working methods for the ad-hoc committees. Finally, a Director's Charter defines all the duties and obligations attached to the function of director, particularly with regards to the obligation of confidentiality, the management of conflicts of interest, and transactions involving the bank's shares.

Three ad-hoc committees have been established:

- The Strategy Committee, which meets every two months, is responsible for steering and supervising the Group;
- The Remuneration Committee submits to the Board of Directors proposals relating to the remuneration of the Chairman and Chief Executive Officer and members of the bank's senior management;
- The Risks and Accounts Committee is responsible mainly for analysing the Group's accounts, considering all matters relating to these accounts, reviewing the statutory auditors' work programme, ensuring that risks are controlled effectively, and that the internal and external audits function efficiently.

In compliance with the collective decision-making process adopted by the Group, several committees composed of the bank's managers and/or business-line specialists take decisions at various levels. Upstream from these committees, the Senior Management Committee is responsible for steering the Group at strategic level. The Executive Committee, which meets each week, brings together senior managers and is responsible for managing the bank at operating, organisational and administrative levels. In discharging its obligations, the committee ensures implementation of the strategy approved by the Board of Directors.

The principles instituted at the level of the Group are also applied at the subsidiaries, which each possess their own corporate governance structure.

Key role of compliance and the challenge of sustainable development

Ethical approach formalised by the development of a code of good conduct

Ethics are part of the essential principles governing the Group's approach. In this respect, 2004 was marked by the launch of several large-scale projects aimed at ensuring ethical considerations and sustainable development became an integral part of management practices at all levels of the Group.

This process entered its operational phase during the course of 2004, the foundations having been laid the previous year with the definition of a code of good conduct.

Intended for all of the Group's staff, this code of good conduct is a compendium of the professional attitudes and behaviours expected by the Group in all internal and external dealings.

This process was based on a coherent and appropriate approach, governed by a framework that:

- Is adapted to the socio-cultural environment in Morocco;
- Is based on a body of shared values;
- Expresses the Group's strong commitment in all matters related to ethics;
- Is based on the need to preserve customer confidence, this being essential when carrying out any banking or financial activity;
- Is dynamic in its outlook, the lessons drawn from its application being used subsequently to fine-tune the approach.

This code of good conduct covers all the bank's activities and applies to all members of staff. It sets out general principles - such as loyalty and equality - as well as specific obligations such as transparency, confidentiality, and cooperation.

The code is founded upon reciprocal commitments:

- Staff undertake to comply with certain rules of behaviour, such as cordiality, professional secrecy, and integrity, in their dealings with customers, the company, their colleagues and their environment;
- In return, the company undertakes to be ethical in its dealings with members of staff, treating them with proper respect and in an equitable manner, respecting the confidential nature of personnel records, and ensuring appropriate security and safety standards are applied at the place of work.

This code of good conduct, which is completed by particular measures dealing with specific situations (staff purchases, employees performing so-called «sensitive duties»), addresses a number of common principles

CODE of Good Conduct

Turning ethics into a pillar of strength

that are the very foundation of any rules governing professional conduct:

- Compliance with all applicable obligations;
- Loyalty towards the customer (professional secrecy, discretion, obligation to provide sound advice, provision of information on tariffs, conditions, etc.);
- Primacy given to the customer's interests (prevention of conflicts of interest);
- Equality of treatment applied to both customers and staff;
- Integrity of the staff, companies, markets and banking systems;
- Independence of the functions (Chinese-wall principle and the segregation of management and control responsibilities);
- Obligation, when in doubt, to refer to a superior and/or to specifically designated persons.

To accompany the implementation of this code of good conduct, a vast programme to train the staff and raise awareness was launched in November 2004. This concerned around 6,000 people in total, organised into 400 groups covering Casablanca, the various regions of Morocco and the foreign countries in which the Group is present, who received training during the first half of 2005.

Through this programme, the Group is seeking to be an exemplar in its approach to all matters related to ethics.

Principles of sustainable development already being applied within the Group

In the matter of sustainable development, Attijariwafa bank initiated in May 2004 a review on the theme of the company's social responsibility, to which end it commissioned Vigéo, the social and environmental rating agency, to carry out a managerial diagnostic.

The corporate-solicited rating issued by the agency is based on an in-depth analysis, in the form of an assessment-rating mission, covering the areas of vulnerability, risk and excellence of the management systems of Attijariwafa bank applied to a number of domains: human rights, human resources, corporate governance, relations with customers and suppliers, the environment, and social responsibility. The scope of this analysis is representative of the company's activities. It encompasses policies, processes, resources and results, and is also diachronic in that it considers the dynamics for progress and the development trends for each criterion.

This analysis, intended to serve as a basis for the definition of the orientations needed for the development of strategic axes for pursuing a policy of sustainable development at the level of each entity, is a first step taken by Attijariwafa bank that will lead to the assignment of a full-fledged rating.

Broader approach to risk management to achieve and promote responsible economic development

Within Attijariwafa bank, risk management has been centralised and entrusted to a dedicated unit - Global Risk Management - responsible for supervising, controlling and measuring all risks to which the Group is exposed other than operational risks.

Its independence in relation to business units and business lines ensures it is totally objective when submitting recommendations on risk-taking to the Credit Committee and its controlling body.

Functions and organisation: segregation of duties and tasks to achieve even tighter control

Global Risk Management is structured around the following departments:

- **Credit Risk**: its main task is to analyse and process requests involving the taking of risk and emanating from the bank's various sales teams. Its prerogatives extend to determining the adequacy and validity of any guarantees, assessing the volume of transactions with the customer concerned, and examining the economic justification for the financing being sought. Each business unit has two entirely independent structures responsible respectively for commitments and recoveries, which are attached hierarchically to Global Risk Management;
- **Credit Risk Supervision and Control**: its function is to perform regular reviews of all commitments, to examine weekly reports of authorisations and utilisations, identify any breach of limits, and take appropriate corrective measures. The entity is also responsible for assessing account overhangs, identifying payment incidents, and coordinating with the networks the recovery of outstandings;
- **Market Risk Supervision and Monitoring**: its function is to identify, analyse and monitor the bank's interest rate and currency positions, rationalise these positions through formal authorisations, and maintain a watch for any deviations from these positions;
- **Economic and Sector Research**: its task is to maintain a watch on the news and trends in the different sectors of activity, to contribute to sector-specific commercial dynamism, and assist in the decision-making process by answering recurrent identified needs or specific one-off needs for information through the production of research;

- **Standards and Methods**: it is responsible for developing and implementing quantitative techniques for risk measurement, appropriate procedures and techniques for establishing limits, and standards for the functioning of operational entities;
- **Basle II Monitoring**: this department is responsible for the cross-company coordination of the Basle II project, while credit, market and operational risk specialists are responsible for project development at the level of each business line.

Finally, a Risk Management Committee was established, to:

- Determine risk policies applicable in the Group, working in collaboration with the Executive Committee;
- Define risk acceptance rules;
- Fix risk limits and levels of delegation;
- Delegate matters for the attention of lower tier committees;
- Revise systematically exposure to the largest customers;
- Check the achievement of objectives relating to risks;
- Verify that authorised operations comply with pre-defined risk tolerance limits;
- Define and implement rules for loan reclassification and provisioning in accordance with the regulatory framework;
- Approve objectives relating to risks.

The Risk Management Committee reports directly to the Board of Directors on all matters pertaining to credit, market, counterparty, liquidity, operational and IT risks.

General credit policy that is both realistic and stringent

The credit policy pursued by Attijariwafa bank is based on the following general principles:

- Ethical considerations: the Group requires absolute compliance with the principles contained in the internal code of good conduct drawn up in accordance with applicable laws and regulations and the rights of third parties;
- Independence of risks: risks are structured to preserve a total functional independence in relation to other Group entities, the objective being to ensure the risk-taking process is carried out in optimal conditions;
- Responsibility for risks: business units remain fully responsible for any risks taken or commitments given. The same responsibility is borne by the various bodies constituting Global Risk Management;
- Collective decision-taking: all credit-related decisions require a double signature and review by two bodies attached respectively to the sales and risk management functions;
- Monitoring: each risk is monitored on a constant and permanent basis;
- Adequate remuneration: each risk taken by the bank must be fairly remunerated, the profitability of transactions being of critical importance.

Credit activity:

Taking into account the Group's subsidiaries, Global Risk Management is responsible for credit risks totalling around 88 billion dirhams.
The credit policy pursued is governed by the general risk policy as approved by the Group's Executive Committee, which is based on:

- A stringent customer selection process;
- Extensive diversification at counterparty level;
- A precise and consistent rating system;
- Reliance on entities specialised by business line (property, leasing, factoring).

Customer selection:

The Group transacts business only with counterparties of good repute and ensures that the funds entrusted to its keeping by its customers originate from legitimate sources. The effective application of «black lists» since 2004 has contributed to an even more stringent selection of customers.

Diversification:

Risk diversification plays an essential role in reducing cost of risk. This requires achieving satisfactory diversification in the economic sectors being financed, in the regions benefiting from the credits, and in the type of counterparties.

Rating system:

The Group is developing a rating system to assess all counterparties. This rating system meets the requirements of the Basle II Capital Accord. As regards risks for corporate customers, the rating scale runs from «A» to «F», in addition to which there is a separate «X» category for customers awaiting a rating. This rating system has been used in the credit risk management processes since the second half of 2004 through the risk delegation and assessment systems. In a few years time, Attijariwafa bank will adopt the single internal rating approach as recommended by the Basle II Capital Accord.
For financial companies, the Standards and Methods department has developed an operational rating system to determine counterparty limits in relation to financial institutions. This system is based on the methodology used by Moody's. A specific application is under development for property-related transactions.

Contribution made by specialised entities:

To benefit from economies of scale and from the particular expertise of subsidiaries, the management of certain types of credits has been delegated to these entities: consumer credits to Wafasalaf, mortgages and property development loans to Wafa Immobilier, lease financing to Wafabail, and factoring to Attijari Factoring.

Application of credit policy

In compliance with the principles set out above, the credit policy is adapted and applied in accordance with the specific nature of the Group's activities, and integrates several components.

Global vision of risks:

The policy such as it has been defined is a global and centralised credit risk policy integrating the Wafasalaf, Wafabail, Wafa Immobilier and Attijari Factoring subsidiaries.

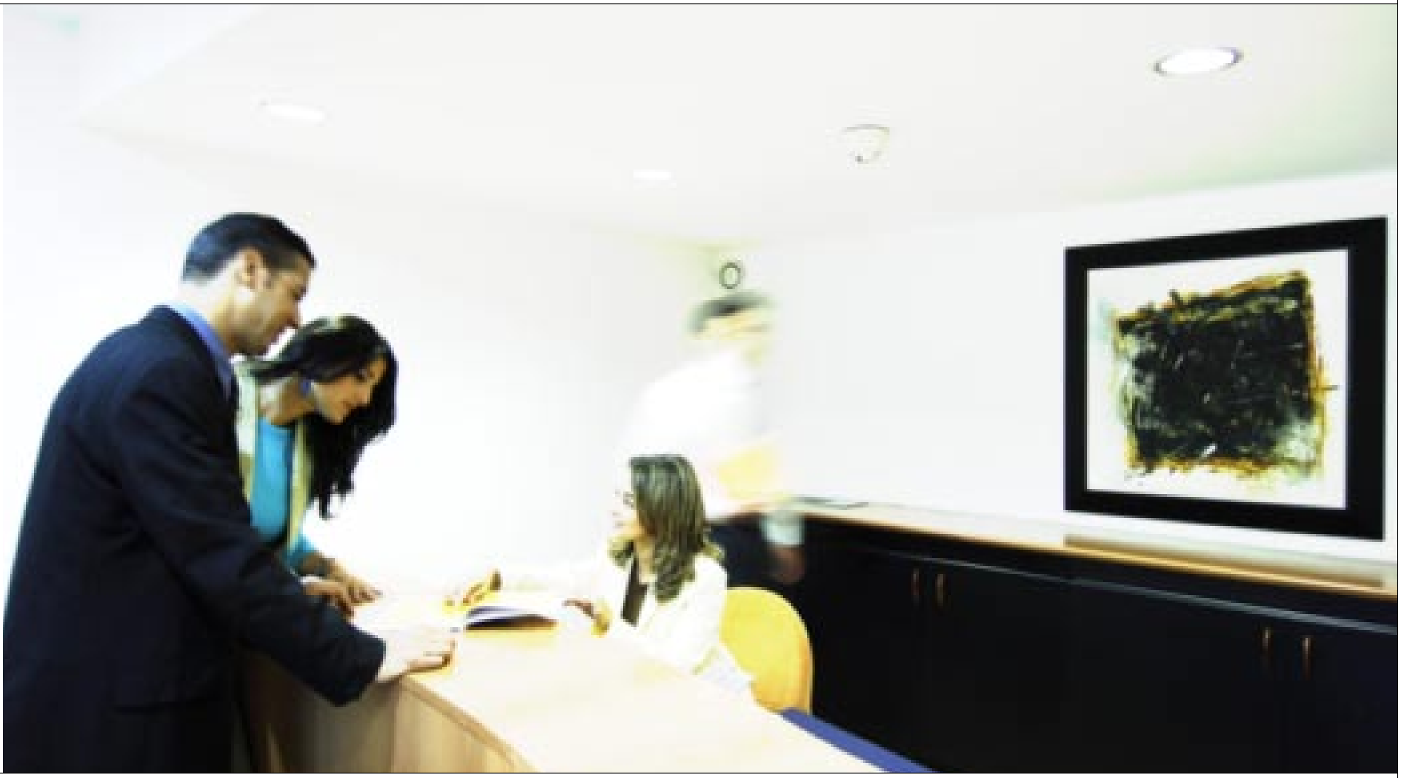
Global Risk Management is present at each of these subsidiaries through a Risk Officer, who is functionally independent of the subsidiary's management hierarchy. The task of this representative is to participate in the risk-taking process and to check at all times that decisions comply with the credit policy defined by the Risk Management Committee. A monthly coordination meeting is held at the level of Global Risk Management to ensure unity and consistency in the risk management approach applied to counterparties as well as when making strategic choices.
This is completed by a reporting system, which has already been implemented but is being perfected.

Sector policy:

In addition to the individual assessment of counterparties, the risk policy considers counterparty risks at sector level. Risk diversification by sector is a major element in risk policy.

Detailed sector reviews are prepared and presented in committee, and it is on this basis that the Group defines its position in relation to each sector of activity.

However, it must be added that these recommendations are of a macroeconomic nature, and there are high-performing companies even in sectors experiencing difficulties. In this respect, it remains a highly pragmatic approach that takes into account the specificities of each entity.



Decision-taking procedures:

Decision-taking procedures are governed by two principles, the first being that decisions are taken on a collective basis (two signatures are always required, one by a representative of the sales function, the other by a representative of the risk management function), the second being the independence of risks.

Control of large risks:

Risk exposures to a given customer are the subject of particular procedures. Regulations require that exposure to any one customer or group of customers considered as being a single entity should not exceed 20% of the bank's equity. Furthermore, commitments exceeding 5% of equity must be disclosed.

Permanent, proactive monitoring system:

At least once a year, and more frequently if necessary, the Risk Monitoring department checks that all ratings have effectively been reviewed.
Based on the identification work performed by the monitoring entity, the entity in charge of recovery classifies loans and advances requiring special monitoring according to different levels of seriousness and implements measures to reduce exposure to the borrower.

Permanent monitoring of market risks

The goal is to implement the most sophisticated methods for managing markets risks. However, and to be ready for any possible changes in the regulatory framework, a first model has already been developed, making it possible to determine capital requirements in accordance with the standard method (1996 amendment).
In the same way, an internal model, based on the calculation of Value at Risk (VaR), has been developed, making it possible to determine possible savings in capital requirements.
As regards currency risks, limits are set and tracked by reference to both regulatory requirements and the bank's own requirements. Any breaches of limits are highlighted in a monthly report.

Furthermore, a specific system for controlling market risks has been devised as part of the general internal control system pursuant to the provisions of Circular 6/G/2001 issued by Bank Al-Maghrib. This consists in a three-tier structure:

- First tier: checks on their own work are performed by the Front Office operators, who are required to comply with regulatory requirements and with the bank's risk monitoring and management policy;

- Second tier: risk monitoring by the Middle Office that, each day, checks compliance with limits fixed for currency, interest rate, and counterparty risks. The Middle Office informs senior management and entities of the control function periodically through a reporting system.
- Third tier: all the bank's currency and interest rate positions are identified, analysed and monitored by the Market Risk Supervision and Monitoring department, then rationalised through formal authorisations, after which a watch is maintained to detect any deviations from these positions.

Internal control strengthened at all levels of the enterprise

The internal control system is a fundamental element in Attijariwafa bank's corporate principles. Much consideration was given specifically to this system during the course of 2003 in order to establish a mechanism that complies with:

- Regulatory provisions;
- Recommendations of the Basle Committee;
- International and professional standards.

The internal control mechanism constitutes a global framework that all Group entities are required to follow and to participate in so as to establish a "control culture". Four levels of control have thus been defined to ensure the reliability and effectiveness of this system.

- The first level of control is performed when each transaction is checked by its initiator or validated by the initiator's supervisor;
- The second level of control is performed by the individuals or structures designated to exercise control functions;
- The third level of control is the responsibility of the managers in charge of business units, business lines or support functions, and concerns the monitoring of changes in risk exposure through specific reporting requirements;
- The fourth level of control is performed by General Audit through the conduct of audit assignments.

Business units and support functions are thus given primary responsibility for organising and performing the first, second and third level controls, while General Audit guarantees the overall consistency of the internal control system.

In this respect, 2004 was marked by an acceleration in the priming process to implement the internal control system throughout all of the Group's activities. In particular, this effort resulted in the following concrete actions:

- The problematic posed by internal control was addressed by the working groups set up to define the master plan for the operational integration project;
- Actions identified as a result of this work gave rise to:
  - The creation of entities dedicated to internal control at the level of the Group's different business units and support units;
  - The drafting of a procedures manual covering the various activities carried on by Attijariwafa bank;
  - And the designation of teams given responsibility for all four levels of controls.

As for the organisation of General Audit, it underwent some changes at the end of 2004 in order to adapt to the control mechanism in place in the Group. General Audit is now structured around three functions:

- **Internal audit**: ensures cross-company coverage of risks inherent to the Group's activities applying a process-based logic, performs audits and diagnostics of the bank's processes, commitments and information systems, verifies the proper implementation of the internal control system, and validates procedures.
- **Operational audit**: ensures vertical coverage of risks inherent to the Group's activities applying an entity-based logic, performs audit assignments to check compliance with accounting and procedural requirements, and conducts special assignments when suspect or fraudulent practices are identified.;
- **Permanent oversight**: performs remote controls of the bank's transactions, coordinates with internal control entities the reports issued in connection with their work, and follows up the application of the recommendations made by General Audit.

This organisation is completed by two audit officers responsible respectively for standards/methods and human resources administration (training and rotation of the staff employed by General Audit).

Financial

report

Financial report

04

Foreword: this document sets out the main matters contained in the Management Report submitted to the Shareholders' General Meeting.

Financial Report

Management Report

To the Shareholders,

Pursuant to Article 19 of the by-laws and to legal requirements, we have convened this Ordinary General Meeting to give account of the company's activities during the year ended December 31, 2004 and present for your approval the financial statements for the year then ended as well as the proposed allocation of the profit.

You are reminded that a number of General Meetings were held in 2004 to keep you informed about the project undertaken by Attijariwafa bank, as it is now known:

- **April 14, 2004:** Ordinary and Extraordinary General Meetings
  - Ordinary Meeting convened to approve the 2003 financial statements
  - Extraordinary Meeting convened to approve the capital increase to remunerate contributions in kind
- **May 28, 2004:** Extraordinary General Meeting convened to:
  - Approve the capital increase to remunerate contributions in kind made in connection with the public purchase and exchange offers by Banque Commerciale du Maroc for Wafabank
- **December 31, 2004:** Extraordinary General Meeting convened to:
  - Approve the legal merger between Banque Commerciale du Maroc and Wafabank;
  - Change the name to «Attijariwafa bank»

Before presenting the bank's accomplishments in 2004, there follows a presentation detailing the changes in economic conditions in Morocco and the conditions that prevailed in the banking and financial sector during the period.

Economic environment

1

The changes in the main economic and financial indicators show that most sectors of activity (tourism, construction and civil engineering, mining, etc.) enjoyed a favourable year in 2004.

GDP growth is expected to reach 5.5% in 2004. This favourable trend is due mainly to the good performance of the agricultural sector in 2003 and again in 2004, and the turnaround staged by several other sectors, notably tourism, construction and civil engineering, energy, and mining.

At the same time, however, Morocco's trade deficit widened and the coverage ratio deteriorated. This situation was due to a significant increase in imports in relation to exports.

1- Construction and civil engineering

The construction and civil engineering sector continued to benefit from the programmes initiated in recent years and for which work will extend past 2004. Improved financing conditions available for housing and regulations governing property were generally supportive of the construction and civil engineering sector.

In 2004, a total of 9.8 million tons of cement were sold, 5.6% more than in 2003, as a result of continued work on road infrastructures and social housing programmes.

2- Energy and mining sector

In the first eleven months of 2004, consumption of petroleum products increased to 5.8 million tons, up 2.6% year-on-year.

This was due to an increase in demand for most products except petrol and fuel, sales of which were broadly unchanged from the previous year.

Total available electricity increased by 7% to 17.9 billion kilowatt-hours in 2004. During this same period, electricity sales increased by 7.1% to 16.3 billion kilowatt-hours, driven up by demand from both industrial and residential customers.

In the mining sector, production of phosphate raw material reached 23.2 million tons in the first eleven months of 2004, up 9.7% year-on-year. Production and exports of phosphoric acid increased by respectively 12.9% and 23.0% year-on-year, whereas fertilisers recorded decreases of respectively 3.5% and 8.7%, affected by a decline in world demand.

3- Tourism

In 2004, 5.5 million tourists visited Morocco, an increase of nearly 16% compared with the previous year. Arrivals from Europe and North America, which is where most tourists come from, increased by 25.8% and 17.6%, respectively.

At the same time, overnight stays at classified hotels increased sharply, up 18% overall, reflecting increases of 21% in the case of French tourists and 8% in the case of local holiday-makers. At regional level, Marrakech and Agadir remain the principal destinations.

4- Foreign trade

At December 31, 2004, the trade balance showed a deficit of 69.6 billion dirhams, equivalent to an increase of 33.5% compared with the previous year.

The widening was due to a 14.1% increase in imports, which was much stronger than the 2.1% increase in exports. As a result, there was a sharp deterioration in the coverage ratio from 61.6% to 55.2%.

At 155.3 billion dirhams, imports increased by 19.2 billion dirhams, corresponding to a 14.1% rise. This was due in particular to oil imports, which rose by 57.7%, but there were increases for nearly all the other categories of good and services, which increased by 11.0% on average.

By contrast, at 85.7 billion dirhams, exports increased by 1.8 billion dirhams, up 2.1% from the previous year. This increase was due chiefly to exports of phosphates and derivatives, which rose by 22.0%. Much was due to the performance of OCP, which saw its export sales increase by 26.1% to 13.4 billion dirhams.

Other exports declined by 1.2%, reflecting mainly a 24.7% drop in the export of foodstuffs, notably crustaceans, molluscs, shellfish, fresh fish, citrus fruits, and tomatoes.

5- Income from tourism and Moroccans resident abroad

Income from tourism increased by 12.0% to 34.6 billion dirhams in 2004. This was due mainly to a 23.3% rise in bank transfers to local tourist operators and to a 6.6% increase in foreign bank notes and coins brought into the country.

At December 31, 2004, with an 8.6% increase in the allocation of foreign currency bank notes, spending on tourism increased by 2.9% to 5.396 billion dirhams. Therefore, tourism generated a net surplus of 29.183 billion dirhams, up 13.8% over the previous year.

Income from Moroccans resident abroad (MRA) increased by 7.4% to 34.582 billion dirhams between 2003 and 2004. This was due mainly to inward bank transfers, up 6.1%, giro transfers, up 17.5%, and foreign currency notes and coins, up 6.6%.

6- Private foreign investments and loans

Private foreign investment and loans amounted to 13.9 billion dirhams in 2004, equivalent to a decrease of 44.4% compared with 2003, which was marked by the privatisation of 80% of Régie des Tabacs.

2004 was marked by the sale of 16% of the capital of Maroc Telecom for 12.4 billion dirhams, of which 6.4 billion dirhams settled in foreign currencies, while the other 6 billion dirhams was financed through bank loans contracted locally.

7- Public finances

Given Treasury revenues and expenditure in 2004, budgetary savings reached 12.6 billion dirhams in 2004, an increase of 6.1% compared with the previous year.

Treasury current account revenues amounted to 116.6 billion dirhams in 2004, up 6.6% from the previous year. This increase was due to a 6.7% improvement in fiscal revenues as a result of an increase in revenues from value added tax, up 11.8%, corporation tax, up 9%, and general income tax, up 10%.

Non-fiscal revenues increased by 5.5% to 15.8 billion dirhams, chiefly because of a 41.6% rise in the proceeds of the State monopolies.

By contrast, privatisation receipts declined from 6.3 billion dirhams in 2003 to 5.2 billion dirhams in 2004, of which 760 million dirhams was raised by the privatisation of 20% of the capital of Banque Centrale Populaire and 4.4 billion dirhams was the Treasury's share of the proceeds from the sale of the capital of Maroc Telecom.

Treasury current account expenditure reached 104 billion dirhams in 2004, up 6.7% over the previous year. This increase was due mainly to operating expenses, which rose by 6.0% to 79.8 billion dirhams.

Expenditure on price support for basic products increased from 4.9 billion dirhams to 6.8 billion dirhams, while interest on the public debt was virtually unchanged at 17.4 billion dirhams. As for equipment expenditure, it increased by 11.3% to 22.1 billion dirhams.

After taking into account the negative balance on the Treasury's special accounts, which amounted to 4.8 billion dirhams, the general budget showed a deficit of 14.3 billion dirhams for 2004 compared with 13.8 billion dirhams for the previous year.

8- Money supply and liquid investment aggregates

At the end of 2004, the M3 monetary aggregate amounted to 415.8 billion dirhams, having increased by 49.3 billion dirhams or 7.6% compared with the previous year.

Behind this growth in money supply there were increases in notes and coins in circulation of 19.7 billion dirhams, corresponding to a rise of 11.2%, and in sight investments of 4.9 billion dirhams, a rise of 10.4%.

Liquid investment aggregates amounted to 45.5 billion dirhams at December 31, 2004, up 25.4% from the previous year.

This increase resulted from a strong increase in UCITS (LI2 and LI3 aggregates), which was offset partly by the decrease recorded by negotiable debt instruments (LI1 aggregate).

	Amounts in million dirhams		Change	
AGGREGATES	**2003**	**2004**	**DH/million**	**%**
M1	251,137	275,361	+24,261	+9.6
Sight investments	47,843	52,780	+4,980	+10.4
M2	**298,980**	**328,141**	**+29,161**	**+9.7**
Time investments	87,360	87,741	+381	+0.4
M3	**386,340**	**415,882**	**+29,542**	**+7.6**
Liquid investments	**36,323**	**45,466**	**+9,143**	**+25.4**

The increase in money supply in its broad sense resulted from a 12.9% rise in net foreign assets, and growth in domestic lending of a monetary nature, up 4.7% on account of a 6.8% increase in lending to the private sector that more than offset a 7.4% decline in net claims on the State.

9- Inflation

Inflation reached 1.5% in 2004 compared with 1.2% in 2003. All product groups in the cost of living index contributed to the rise in consumer prices. This was particularly the case for leisure and culture, medical care, and housing, with increases of respectively 2.6%, 1.8% and 1.7%. Globally, the index for foodstuffs showed an increase of 1.6%, while for non-foodstuffs the increase was 1.5%.

Banking and financial environment

Highlights

Merger of Banque Commerciale du Maroc and Wafabank gives birth to Attijariwafa bank

2004 was marked by the birth of Attijariwafa bank, which came into being through the merger of Banque Commerciale du Maroc and Wafabank. The new bank has been trading as Attijariwafa bank since June 2004, the new name being adopted definitively on the two banks' legal merger on December 31, 2004.

Initial public offering of Banque Centrale Populaire

As a result of the initial public offering involving 20% of the capital of Banque Centrale Populaire (BCP), the State's interest in this bank was reduced from 65% to 45%. The offer was 9 times oversubscribed, so that applications were served at 11.5%.

BNP Paribas strengthened its participating interest in BMCI

BNP Paribas strengthened its participating interest in its Moroccan subsidiary BMCI by acquiring a further 10% of the capital. As a result, it now owns 63.13% of the capital. These shares were acquired from AXA, which left the insurance company with a 9.73% interest.

New foreign partners for BMCE bank

In June 2004, BMCE opened its capital to CIC, a subsidiary of the French banking group Crédit Mutuel, which acquired a 10% interest.

In September 2004, it was the turn of Morgan Stanley Investment Management (MSIM), the asset management subsidiary of the American bank Morgan Stanley, to acquire a 3% interest in the capital of BMCE.

Merger of Crédor and Wafasalaf

2004 was marked by a further consolidation in the consumer credit sector with the merger of Crédor and Wafasalaf, the newly merged entity taking over leadership of this sector of activity with a 32% market share.

The new entity has the densest distribution network, with 24 branches of its own as well as an external network comprising 330 post offices and 138 dealers.

Development of the sector

With the banking system being in a quasi-permanent situation of excess liquidity in 2004, there was a steady decline in interest rates. Moreover, measures taken by Bank Al Maghrib at the start of 2004 to regulate the monetary market contributed to an easing of interest rates to around 2.25%, causing bond yields to fall.

On average, excess liquidity increased from 4.1 billion dirhams in December 2003 to 5.8 billion dirhams in December 2004.

Reflecting this situation, the interbank interest rate eased from 3.15% in 2003 to 2.38% in 2004, staying just above the rate for the 24-hour deposit facility that reached 2.25%.

The bond market experienced much the same trend, although short-dated issues did firm slightly in August and again at the year-end.

Rates for 52-week, 2-, 5- and 10-year Treasury Bills declined by respectively 104, 95, 98 and 39 basis points over the year.

Interest rates for time deposits and for 6- and 12-month interest-bearing notes also declined, easing by respectively 10 basis points to 3.29% and 31 basis points to 3.48% in December 2004.

Interest rates for bank savings accounts declined to 2.35% in the second half of 2004, down from 2.49% in the first half of the year and 2.95% in the second half of 2003.

As regards the stock market, the trends experienced in 2003 carried over into 2004. The market extended its rally, with gains of 14.7% for the Moroccan All Share Index (MASI) and 10.9% for the Most Active Shares Index (MADEX), which ended the year at 4,521.98 and 3,483.61, respectively.

Total trading volumes increased by 34.8% to 71.7 billion dirhams in 2004, up from 53.2 billion the previous year. However, excluding public sale and repurchase offers, which totalized 37.2 billion dirhams, trading volumes (central market and block market) amounted to 34.5 billion dirhams in 2004, which was 22.7% less than in 2003. This decrease was due chiefly to a drop in the number of public offers on the block market, with volumes down 49.4%, which more than offset the higher level of activity recorded by the central market, up 132.5%.

As for market capitalisation, it reached 206.5 billion dirhams at December 31, 2004, having increased by 78.8% compared with the previous year.

Against this macroeconomic backdrop, Attijariwafa bank saw its key business indicators and results record satisfactory progress, at the same time as the bank pressed ahead with its merger project.

Analysis of the bank's activity and results

Activity

Customer deposits

Customer deposits reached 83,845 million dirhams at December 31, 2004, up 3,972 million dirhams from the previous year, equivalent to an increase of 5% compared with 7.5% for the banking sector as a whole, which means therefore that Attijariwafa bank's market share declined by 0.5 percentage points.

This increase was due mainly to cheque accounts, which reached 35,086 million dirhams at the year-end, up 3,261 million dirhams from the previous year, equivalent to a 10.2% increase. MRA cheque accounts posted relatively stronger growth, up 11.2%, than local cheque accounts, up 9.7%.

Current accounts reached 11,660 million dirhams, up 9.1% over the previous year.

The proportion of interest-bearing accounts declined by 2.45 percentage points from 43.59% in 2003 to 41.14% in 2004. Savings accounts amounted to 11,352 million dirhams at December 31, 2004, up 7% from the previous year. Term deposits declined by 1,871 million dirhams to 20,738 million dirhams, down 8.3% from the previous year. One reason for this decrease was that a special campaign was staged at the end of 2003. This means therefore that the structure of the bank's deposits improved from the previous year.

Attijariwafa bank is ranked second in deposit-taking with a 29% share, 0.52 percentage points less than in 2003. It trails the market leader by 1.31 percentage points, but has a 13.67-percentage point lead over the number three. The bank is the leader in local cheque accounts and saving accounts, with market shares of respectively 32.45% and 28.63%.

Customer loans and advances

Customer loans increased sharply to 55,097 million dirhams at December 31, 2004, up 4,485 million dirhams from the previous year, equivalent to an increase of 8.9% compared with 9.14% for commercial banks.

At December 31, 2004, Attijariwafa bank had a market share of 28.86% in lending, having consolidated its leadership and ahead of its nearest challenger by around 6 percentage points.

This increase was due mainly to:

- An increase of 31.6% (1.7 billion dirhams) in loans and advances to financing companies;
- An increase of 11.4% (2.1 billion dirhams) in cash advances;
- An increase of 22.5% (1.6 billion dirhams) in real-estate loans.

By contrast, equipment loans decreased by 10.5% (1.2 billion dirhams).

Efforts made to recover doubtful loans resulted in a 3.38% decrease compared with 2003. As a result, and based on performing loans, the bank's market share increased by 0.16 percentage points to 29.2%.

Contingent liabilities

Contingent liabilities declined by 2.98% compared with 2003, mainly because of a 1.8 billion dirham reduction in foreign currency refinancing guarantees

With a share of 30.35%, Attijariwafa bank is the leader in this market segment.

Results

The 2004 results of Attijariwafa bank reported below include Banque Commerciale du Maroc over 12 months and Wafabank over 4 months. The 2003 financial statements were restated on the same basis to permit meaningful comparisons.

Net banking income

Net banking income increased to 3,142 million dirhams in the year ended December 31, 2004, up 162.18 million dirhams (5.44%) from 2,979 million dirhams in 2003. This reflects increases in both net interest income and net commission income. The table below provides a breakdown of net banking income:

	December 2004	December 2003	Change %	
			Thousand dirhams	%
Net interest income	**2,456.6**	**2,417.5**	**39.1**	**1.6**
% of net banking income	78.19%	81.13%	-2.94 points	
Net commission income	429.9	355.0	74.9	21.1
% of net banking income	13.68%	11.91%	1.77 point	
Income from market transactions	**265.3%**	**245.7**	**19.5**	**7.9**
% of net banking income	8.44%	8.25%	0.20 point	
Other banking income	120.1	70.1	50.0	71.4
Other banking charges	129.9	108.5	21.4	19.7
Net banking income	**3,141.9**	**2,979.7**	**162.2**	**5.4**

COMMENTS:

- *Activity and results of the bank correspond to activities carried on in Morocco.*
- *2004 outstandings of Attijariwafa bank are compared to the sum of the two banks' outstandings in 2003.*

Net interest income

Net interest income increased by 1.62% to 2,456 million dirhams in 2004. This increase was due mainly to 13.15% growth in average outstanding loans and advances.

- Interest and similar income increased by only 0.75% because of the decrease in income from securities, down 15.9% (126 million dirhams).
- At the same time, however, interest and similar charges declined by 1.75%.

Net commission income

Net commission income increased sharply to 429.88 million dirhams, up 21.1% (74.9 million dirhams) compared with 2003. This was due mainly to an increase in fees retroceded by subsidiaries.

Income from market transactions

Income from market transactions increased by 7.9% to 265.25 million dirhams. This was due to an increase in income from foreign exchange transactions, of 41.2% (67.5 million dirhams).

By contrast, income from transactions involving trading securities fell by 53.5% (43.8 million dirhams) due to decreases in both interest rates and portfolio holdings.

Operating costs

Operating costs increased by 7% (97 million dirhams) to 1,477.5 million dirhams because of the charges incurred in connection with the two banks' merger (119.9 million dirhams). But for these charges, there would have been a 1.6% decrease in operating costs.

As a result, the cost-to-income ratio increased to 47.03% in 2004, up 0.7 percentage points from 46.33% in 2003. But for charges relating to the merger, this ratio would have declined by 3.1 percentage points to 43.23%.

	December 2004	December 2003	Change %	
			Thousand dirhams	%
Overheads	**1,222.1**	**1,120.2**	**101.9**	**9.1%**
Staff costs (1)	702.1	696.4	5.7	0.8%
Operating charges (2)	520.1	423.8	96.2	22.7%
Other operating costs	2.6	6.6	-4.0	-60.3%
Property finance leasing payments	36.4	46.1	-9.7	-21.1%
Depreciation and amortisation charges	**216.3**	**207.5**	**8.8**	**4.3%**
Operating costs	**1,477.5**	**1,380.4**	**97.1**	**7.0%**

(1) *Of which 49 million dirhams incurred in connection with the merger*
(2) *Of which 62 million dirhams incurred in connection with the merger.*

Gross operating income

Gross operating income increased to 1,719.2 million dirhams in 2004, up 7.9% from 1,593.6 million dirhams the previous year.

This was due to the 5.4% increase in net banking income, and the continuing tight control of costs, with a 7% increase in operating costs, reflecting optimum management of general resources.

Income from ordinary activities

Income from ordinary activities increased to 1,029.97 million dirhams in 2004, up 587 million dirhams from 453.65 million dirhams in 2005.

The net charge for provisions reached 674.7 million dirhams, once again impacted by measures initiated by Group companies two years ago to restructure their balance sheets. Provisions on doubtful customer loans amounted to 913 million dirhams, while write-backs amounted to 427.8 million dirhams, reflecting efforts to recover outstanding amounts.

As a result, the provisioning rate for doubtful loans increased to 77.64% at December 31, 2004 from 70.52% one year previously.

Other net charges for provisions include an additional provision for general risk of 100 million dirhams and a provision for investment of 110 million dirhams.

Net income

Net income increased to 685.51 million dirhams in 2004, up 176% (437.02 million dirhams) from 248.49 million dirhams the previous year.

Shareholders' equity

At December 31, 2004, and before allocation of net income, the bank had shareholders' equity of 11,625 million dirhams.

Total assets

Total assets, excluding overseas branches, amounted to 100,971 million dirhams at December 31, 2004.

Allocation of net income

Per the operating statement presented in the Statutory Auditors' Report, net income for the year ended December 31, 2004 amounted to 685,506,174 dirhams. It is proposed to allocate this income as follows:

Income of Moroccan businesses:

. Net income for the year	685,506,174 dirhams
. Less transfer to the legal reserve	34,275,309 dirhams
. Retained earnings brought forward	125,196 dirhams
. Income available for allocation	651,356,061 dirhams

To be allocated as follows:

. Statutory dividend	115,797,576 dirhams
. Amount required to increase the dividend to 30 dirhams per share	463,190,304 dirhams
. For a total dividend	578,987,880 dirhams
. Transfer to extraordinary reserves	72,089,116 dirhams
. Retained earnings carried forward	279,065 dirhams

Income of foreign businesses:

. Paris branch (formerly BCM): net income of 149,326 euros (1,646,649 dirhams) for the year ended December 31, 2004 to be carried forward.

. Brussels branch (formerly BCM): net loss of 345,723 euros (3,812,359 dirhams) for the year ended December 31, 2004 to be carried forward.

. Brussels branch (formerly Wafabank): net income of 336,400 euros (3,709,553 dirhams) to be carried forward.

Outlook for 2005

In 2005, Attijariwafa bank will pursue its growth strategy with a twofold objective: to complete the merger in optimal conditions in terms of efficiency and to lay the foundations for its development project.

The operational phase of the merger, which began in July 2004, should be finalised by December 2005 on completion of the gradual migration of the entire branch network to the target information system. At the end of April 2005, the programme was proceeding to plan in relation to both the timetable and the budgets.

At the same time, the bank will pursue a policy in line with its strategic approach, structured around the following objectives:

- Consolidate its market shares and develop high potential niches by drawing upon its powerful distribution capacity in retail banking and optimising synergies within the Group;
- Develop partnerships in order to grow more rapidly;
- Plan and roll out the new information systems needed to accompany the Group's development over the next decade;
- Begin its regional expansion.

2005 should be marked by strong growth in the level of activity and in the bank's results, as a result notably of realising the first synergies from the merger at the level of both the bank and its subsidiaries.

Activity and results of the subsidiaries

Para-banking subsidiaries

Wafasalaf

In 2004, production of consumer credits increased by 8% for the sector as a whole, with a total of 10 billion dirhams having been extended. Growth therefore remained strong since it reached 6.5% in 2003.

The breakdown between products shows that unallocated credits remained preponderant, accounting for 73.8% of total credits in 2004. There was also an increase in the relative weight of auto loans and, more particularly, in lease financing made available to individual customers in the form of rentals with a purchase option.

The consolidation of the consumer credit sector continued in 2004 with the absorption of Crédor by Wafasalaf, which enabled the latter to position itself as the leader in the Moroccan consumer credit market.

The merger between Crédor and Wafasalaf, which were ranked respectively fourth and second in 2003, gave birth to a new leader with a 32% market share. The new entity employs a staff of 402 and has the densest network, its products being distributed through 24 of its own branches as well as an external network of 330 post offices and 138 dealers.

In 2004, Wafasalaf become a service provider for the entire Attijariwafa bank network following the generalisation of third-party account management. An agreement to the same end was also signed with Crédit du Maroc. In addition, Wafasalaf initiated several major partnerships in the financing of automobiles and consumer durables that will become operational in 2005.

At the end of 2004, financing extended by the new entity amounted to 3.3 billion dirhams, up 8.1% from the previous year. Reasoning at constant consolidation scope, market share held steady at 32%, which compares with a 24% share for Wafasalaf's closest challenger.

Unallocated credits are preponderant at Wafasalaf, accounting for 71% of total outstanding credits at the end of 2004.

The 8.1% growth recorded by Wafasalaf was driven notably by revolving credits, up 42%, and auto loans, up 24% thanks notably to rentals with a purchase option. As for staff loans, they increased by 2.7%.

In its company accounts, Wafasalaf recorded net income of 49 million dirhams. The bottom line was affected by provisioning of 96 million dirhams to bring the loan book inherited from Crédor into compliance with the standards set by Bank Al Maghrib.

Looking ahead to 2005, Wafasalaf will finalise the integration process and bring into operation the partnerships signed in 2004. The company will be in a position to consolidate its leadership position and to accelerate the development of its activities.

Wafa Immobilier

Wafa Immobilier recorded a moderate increase in activity in 2004, with around a 12% increase in its loan book despite several factors that disrupted the property financing sector, in particular repeated strikes affecting land registries and the implementation of the new law on co-ownership.

In its company accounts, Wafa Immobilier recorded net income of 10 million dirhams for the year ended December 31, 2004, compared with 19 million dirhams in 2003, a 47% decrease that was due to a significant provisioning effort.

Wafabail

In 2004, the finance-leasing sector enjoyed exceptionally strong growth of 18% that lifted production to 6.4 billion dirhams from 5.43 billion dirhams in 2003.

Production at Wafabail reached 1.2 billion dirhams, down 7.7% from 1.3 billion dirhams in 2003. This was due to the strong 30% decrease recorded in the first half. Production picked up in the second half, with increases of 40% compared with the first half of 2004 and 19% compared with the second half of 2003. Based on 2004 production, Wafabail was the country's second-largest lease financing company with a 19% market share.

The strong second-half performance had a positive impact on the loan book, which increased by 8% to 2.56 billion dirhams at December 31, 2004, up from 2.37 billion dirhams one year previously.

Pursuant to the Group's new strategic orientations, the Attijariwafa bank networks contributed 80% of total production, i.e. 966 million dirhams.

Net banking income increased to 117 million dirhams in 2004, up 19.6% from 98 million dirhams in 2003. A net financial charge of 5.1 million dirhams was incurred, the consequence of a significant provisioning effort that resulted in a net charge of 91 million dirhams in 2004, lifting the provisioning rate to 85% from 66% in 2003.

The end of the year was marked by the merger of Wafabail and Attijari Leasing in connection with the global integration programme being carried out as part of the Attijariwafa bank project.

Looking ahead to 2005, production is expected to increase to 1.7 billion dirhams, boosted by the strong synergies being developed with the networks. This should enable Wafabail to match the Group's positioning and take over leadership of its sector with market shares of 25% in 2005 and 30% by 2006-07.

Attijari Factoring

Factoring recorded growth of 8% in 2004 at sector level. The engine of growth was domestic factoring, which enjoyed double-digit growth to account for 70% of the market in Morocco.

The lower volume of export factoring resulted from the problems experienced by the textile industry. With risks rising in this sector, factoring companies became reluctant to enter into new business relations.

By contrast, domestic factoring recorded strong growth because new customers entered this market, in particular large multinationals, small and medium-sized enterprises in the services sector, and companies supplying large retailers. All these customers want to outsource recovery of trade receivables to a factor in order to benefit from financial leverage.

Attijari Factoring recorded a 4.9% rise in production compared with 2003. However, performances were highly contrasted, as export production fell by 37%, whereas domestic production climbed by 45%. Domestic factoring accounted for 65% of total production, overtaking export factoring for the first time. The lower contribution made by export factoring was due to the problems being experienced by the textile industry. Attijari Factoring's market share inched lower, to 14.5% from 14.9%. However, factoring of trade receivables and distribution of financing picked up strongly towards the end of the year, up respectively 17.46% and 50.17%, thanks to domestic activities.

As regards financial performances, net banking income declined slightly to 7.26 million dirhams, down 2.37% from 2003, because of the downturn in export factoring, which generates higher commissions (1.48% against 1.0% for domestic factoring).

Gross operating income decreased by 9.50% to 4.38 million dirhams, amplified by a negative scissors effect, the decline in net banking income having been accompanied by an increase in charges.

In its company accounts, Attijari Factoring recorded net income of 2.49 million dirhams, down 14.69% from the previous year, reflecting the 9.50% decrease in gross operating profit and a net provision of 250,000 dirhams set aside, which lifted the provisioning rate from 92.5% to 95%.

Looking ahead to 2005, production is expected to increase strongly, thanks mainly to domestic factoring, as a result of which Attijari Factoring's market share could reach 22%.

Business indicators are expected to improve strongly in 2005, with an increase in trade receivables factoring and, especially, in financing. Commissions earned stand to benefit from this favourable volume effect, paving the way for a marked increase in net income and an improvement in return on equity.

Wafa LLD

The long-term rental market developed strongly with a total of 8,500 motor vehicles at December 31, 2004. A new player entered the market, Chaabi LLD, which is a subsidiary of Banque Centrale Populaire.

As regards the company, 2004 was marked by the transfer of all the Wafa LLD shares held by Wafabail to Wafabank, as well as the relocation of the company's registered office. Wafa LLD also increased its capital from 5 million dirhams to 20 million dirhams.

At business level, 2004 was marked by the signing of an important contract with Maroc Telecom. This five-year contract concerns a fleet of 447 vehicles for the cities of Casablanca and Rabat.

Wafa LLD's revenues increased strongly to 40.6 million dirhams in 2004, up from 14.6 million dirhams the previous year. Although operating costs rose more than twofold to 38.2 million dirhams, up from 16.3 million dirhams in 2003, the net loss narrowed by 81% to 0.5 million dirhams.

Looking ahead to 2005, Wafa LLD's development strategy is aimed at capitalising on the synergies with the Attijariwafa bank networks, with as objectives to have 1,800 motor vehicles, an 18% market share and revenues of 67 million dirhams.

Wafa Cash

Wafa Cash pressed ahead with its growth policy, consolidating its performances. Transaction volumes increased by 10% to 5.8 billion dirhams in 2004.

Net banking income reached 150.4 million dirhams, up 6% from 2003. After depreciation charges and provisions, income before tax reached 94.2 million dirhams.

As regards 2004, the credit card business was marked by the transfer of the merchant activity and the sale of the Acquisition activity to Centre Monétique Interbancaire, the development of the new Magix credit card server, the merger project between BCM and Wafabank, and the migration of the credit card activity to the bank.

At the end of 2004, Wafa Cash was still the leader in rapid international transfers, having strengthened its commercial presence by developing its network (140 branches compared with 80 in 2003) and launched a new Cash Express offer.

Looking ahead to 2005, Wafa Cash's objective is to increase performances for existing products and diversify its sources of revenues by broadening its offer.

Subsidiaries of the investment bank

Attijari Finances Corp

In 2004, Attijari Finances Corp embarked on an aggressive and sustained commercial drive, which enabled it to participate in a number of large-scale strategic and market operations, amongst which the mergers between BCM and Wafabank, and Wafasalaf and Crédor, and the privatisation of Maroc Telecom.

Strategic operations predominated in 2004, generating a volume of transactions of around 2.8 billion, i.e. 65% of revenues.

Revenues generated by advisory services reached 21.8 million not taking into account the privatisation of Maroc Telecom.

In its company accounts, Attijari Finances Corp recorded a 72% increase in net income to 49 million dirhams in 2004, up from 29 million dirhams the previous year.

Looking ahead to 2005, Attijari Finances Corp's development will focus on:

- Strengthening its current position as the leader in its market, through a consolidation of its M&A activity as its core business, which entails encouraging the creation of national champions, focusing on large-scale transactions, increasing revenues contributed by the share issuance activity, and developing all potential synergies with the M&A activity (partial disposals, etc.);
- Developing synergies with the Group, and more specifically with Attijariwafa bank and ONA Group;
- Strengthening its international positioning and identifying upstream development opportunities.

Brokerage: Attijari Intermédiation and Wafa Bourse

Trading on the stock exchange increased sharply, with volumes climbing to 71.76 billion dirhams in 2004, up from 53.7 billion dirhams the previous year.

2004 was marked by two major events:

- The initial public offering of Itissalat Al Maghrib, through the sale of the State's 14.9% shareholding, in a 17,792 million dirham deal;
- The public purchase and exchange offers by Banque Commerciale du Maroc for Wafabank in a 10,646 million dirhams deal.

Because of the favourable conditions enjoyed by the stock market, the Group's two brokerage firms - Attijari Intermédiation and Wafa Bourse - recorded a very strong increase in their activities, with total transaction volumes rising by 15% to 41 billion dirhams from 36 billion dirhams in 2003.

Their overall market share increased to 56% from 42% in 2003.

Revenues contributed by the brokerage activities reached 77 million dirhams, a considerable increase compared with the 9 million dirhams generated in 2003.

Although operating costs increased sharply, from 5 million dirhams to 36 million dirhams including a 30 million dirhams commission in respect of the Ittissalat Al Maghreb and Wafabank deals retroceded to Attijariwafa bank, Attijari Intermédiation and Wafa Bourse recorded net income of 28 million dirhams in 2004 compared with 4 million dirhams the previous year.

Looking ahead to 2005, the development of the brokerage activities will focus on:

- Local institutional investors, by establishing even closer relations through the strong presence of analysts and salesmen, with an offer to restructure portfolios based on a fundamental analysis;
- Foreign institutional investors, by instituting a proactive approach with the Stock Market Research and Analysis department in readiness for the return of foreign investors now that conditions in the stock market have improved.
- The network, by raising the banking network's awareness of the brokerage activities and thereby encouraging the bank's customers to use the services of Attijari Intermédiation and Wafa Bourse if they do not already do so.

Wafa Trust

2004 was a year of transition for Wafa Trust, devoted to refocusing on two new areas: risk capital and consulting in restructuring.

To this end, work was completed on ongoing assignments, enabling Wafa Trust to concentrate from the start of the second quarter on the creation of funds and consulting in restructuring.

In risk capital, Wafa Trust set up a new investment fund, AGRAM Invest, specialised in the food processing sector. This fund, which was set up in partnership with Unigrains, aims to raise and invest 200 million dirhams. Another fund dedicated to infrastructures (energy, telecommunications, ports, water) was also launched, with as initial goal to raise and invest 1 billion dirhams.

As regards consulting in restructuring, three major assignments were undertaken to assist groups in need of reorganisation, and another to assist an investor make an offer to take over a large corporation placed in receivership.

Looking ahead to 2005, Wafa Trust will press on with the integration process by creating a new entity dedicated to risk capital, named Attijari Invest.

Wafa Investissement

Wafa Investissement is a wholly-owned subsidiary of Attijariwafa bank that owns a portfolio of participating interests in unlisted companies valued at 30 million dirhams at December 31, 2004. These investments are mainly in companies in the textile, telecommunications and paper manufacturing sectors.

In 2004, the company recorded a net loss of 48.6 million dirhams as a result of setting aside a 47.7 million dirhams provision for impairment against its investment portfolio.

Looking ahead to 2005, Wafa Investissement plans to increase its interests in a number of companies while at the same time pulling out of the capital of several others.

Asset management and insurance subsidiaries

Asset management: Wafa Gestion and Attijari Management

The financial markets enjoyed favourable conditions in 2004, with all business indicators and indices recording satisfactory performances. As a result, asset management continued to develop with managed assets rising strongly by 19% to 81 billion dirhams from 68 billion dirhams the previous year.

Total assets managed by the Group's two specialised companies - Wafa Gestion and Attijari Management - increased by 22% to 28.32 billion dirhams from 23.24 billion dirhams in 2003.

The consolidated net income of these two companies amounted to 35 million dirhams in the year ended December 31, 2004. These performances enabled the Group's subsidiaries to consolidate their leadership position in asset management, with a 35% share of the Moroccan market.

Looking ahead to 2005, the focus will be placed on consolidating existing positions, prospects being in keeping with the Group's development objectives.

Wafa Assurance

In keeping with its business plan, Wafa Assurance brought to fruition a number of projects in 2004.

In personal insurance, 2004 was marked by a vast campaign to raise loyalty amongst policyholders having taken out motor insurance cover.

New provisions of the Insurance Code came into force, requiring amendments to the treaty governing the appointment of general agents to introduce greater impetus, notably in terms of supporting and sharing in the business's development. The rights and duties of the agent, who is now truly an exclusive representative, are highlighted in the new treaty.

As regards the company's activities, the same underwriting rigour was shown as before, in particular by broadening preventive actions to our partners.

As regards the banking network, with 2004 being devoted to the merger, Wafa Assurance was able to lay the foundations for an ambitious development policy. Working groups defined the target offer. The process to migrate the entire bankinsurance product portfolio was defined and planned. A new upscale hospital benefit insurance named «Confort Santé» was launched successfully.

At the same time, partnership agreements were entered into for the distribution of insurance products with Barid El Maghrib and Crédit du Maroc.

As regards the organisation and information systems, the migration of the Front Office got under way. At the same time, modules for connecting agents and partners to the system continued to be rolled out gradually.

In the matter of corporate governance, the control and regulatory oversight of the company was strengthened by the creation of three ad-hoc committees of the Board of Directors. They are the Strategy, Audit and Remuneration Committees.

As regards the activity, premiums issued amounted to 1,516 million dirhams in the year ended December 31, 2004, down 11.9% from the previous year, as a result of which the company's market share declined to 12.8% in 2004 from 14.3% in 2003.

Claims and benefits reached 1,049 million dirhams in 2004 compared with 1,216 million dirhams in 2003, while gross technical reserves totalized 8.1 billion dirhams at December 31, 2004 compared with 7.6 billion dirhams the previous year, equivalent to a variance of 656 million dirhams, i.e. 44% of premiums compared with 36.7% in 2003.

Technical operating costs increased to 376 million dirhams, up 21.4% from the previous year.

Net investment income amounted to 750 million dirhams compared with 285 million dirhams in 2003, an increase of 162.6% that was due in particular to the 467 million dirhams profit generated by the Banque Commerciale du Maroc-Wafabank public share exchange offer.

In the year ended December 31, 2004, Wafa Assurance recorded a technical income of 288 million dirhams before tax compared with a loss of 66 million dirhams in 2003. After taking into account non-technical income of 0.9 million dirhams and corporation tax of 7 million dirhams, the company recorded net income of 282 million dirhams compared with a loss of 89 million dirhams in 2003.

Resolutions put to the Ordinary General Meeting

First resolution

Having heard the reports of the Board of Directors and Statutory Auditors for the year ended December 31, 2004, the General Meeting approves expressly the financial statements for the year then ended as presented as well as the transactions referred to in these reports or reflected in these statements showing net income of 685,506,174 dirhams.

Second resolution

Having heard the Statutory Auditors' Special Report on agreements governed by Articles 56 et seq. of Law 17-95 relating to joint stock corporations, the General Meeting approves the conclusions reached in this report as well as the agreements referred to therein.

Third resolution

The General Meeting approves the allocation of net income as proposed by the Board of Directors, namely:

Income of the Moroccan businesses

. Net income for the year	685,506,174 dirhams
. Less transfer to the legal reserve	34,275,309 dirhams
. Retained earnings brought forward	125,196 dirhams
. Income available for allocation	651,356,061 dirhams

To be allocated as follows:

. Statutory dividend	115,797,576 dirhams
. Amount required to increase the dividend to 30 dirhams per share	463,190,304 dirhams
For a total dividend	578,987 880 dirhams
. Transfer to extraordinary reserves	72,089,116 dirhams
. Retained earnings carried forward	279,065 dirhams

Accordingly, the General Meeting decides to distribute a dividend of 30 dirhams per share for 2004, which will be made available for payment as from Monday July 4, 2005 at the bank's registered office in accordance with applicable regulations.

Income of the Paris branch

The General Meeting decides that the net income for the year ended December 31, 2004, which amounted to 149,326 euros (1,646,649 dirhams) shall be carried forward.

The General Meeting also recalls and confirms that the Paris branch recorded net income of 80,200 euros (868,950 dirhams) in the year ended December 31, 2003 and that this amount was carried forward.

Income of the Brussels branch

Former BCM branch:

The General Meeting decides that the net loss for the year ended December 31, 2004, which amounted to 345,723 euros (3,812,359 dirhams) shall be carried forward.

Former Wafabank branch:

The General Meeting decides that the net income for the year ended December 31, 2004, which amounted to 336,400 euros (3,709,553 dirhams) shall be carried forward

↘ Fourth resolution

Further to the above resolutions, the General Meeting gives full and final discharge to the members of the Board of Directors for their management during the year ended December 31, 2004 and to the Statutory Auditors for the exercise of their function during the year then ended.

↘ Fifth resolution

The General Meeting decides to set at 4,000,000 dirhams the attendance fees that shall be paid to the members of the Board of Directors in respect of the year ended December 31, 2005.

The Board of Directors shall allocate these fees between its members as it sees fit.

↘ Sixth resolution

The General Meeting notes that Mr Ali Iben Mansour El Houti El Hassani has resigned from the Board of Directors and gives said director full and final discharge for his management. The General Meeting thanks Mr Ali Iben Mansour El Houti El Hassani for his contribution to the bank's development and to the work of the Board of Directors over a period of many years.

↘ Seventh resolution

The General Meeting notes that Mr Hassan Ouriagli has resigned from the Board of Directors and gives said director full and final discharge for his management.

↘ Eighth resolution

The General Meeting ratifies the appointment to the Board of Directors of Mr Saad Bendidi, co-opted by the Board of Directors on March 9, 2005 to replace Mr Hassan Ouriagli for the remainder of his term of office, therefore until the close of the General Meeting convened to approve the financial statements for the year ending December 31, 2006.

↘ Ninth resolution

Noting that the terms of office of two board members - SNI, represented by Mr Hassan Bouhemou, and Mr Abed Yacoubi Soussane - end at the close of this meeting, the General Meeting decides to renew both directors' appointments for a further six years as permitted by regulations, therefore until the close of the General Meeting convened to approve the financial statements for the year ending December 31, 2010.

↘ Tenth resolution

The General Meeting appoints Ernst & Young, represented by Mr Ali Bennani, and re-appoints Deloitte & Touche, represented by M. Faouzi Britel, as Statutory Auditors to report on the financial statements for the years ending December 31, 2005, 2006 and 2007.

↘ Eleventh resolution

Having been informed of the proposal to sells shares to the Group's employees, the General Meeting approves this proposal and grants full powers to the Board of Directors and any other person designated by the Board for the purpose of arranging such sales, fixing the terms and conditions thereof, and carrying out this proposal.

↘ Twelfth resolution

The General Meeting gives full powers to the bearer of an original or copy of the minutes

PRICEWATERHOUSECOOPERS
Price Water house
101, Bd Massira Al Khadra
20100 Casablanca

Deloitte.
Deloitte et Touche Auditors
288, Bd Zerktouni
20000 Casablanca

GENERAL REPORT OF THE STATUTORY AUDITORS
ENDED DECEMBER 31, 2004

To the Shareholders
of Attijariwafa bank
Casablanca

In accordance with the assignment entrusted to us by your General Meeting, we have audited the attached financial statements of Attijariwafa bank for the year to December 31, 2004. These statements comprise the balance sheet, income statement, management accounting statement, cash flow statement and additional information statement for the period then ended. These financial statements, which show total shareholders' equity of 11,707,249,970 dirhams including net income of 687,050,051 dirhams, are the responsibility of Attijariwafa bank's management bodies. We are responsible for issuing 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 our audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit consists of an examination, on a sample basis, of documents supporting the amounts and information contained in the financial statements. It also involves an assessment of the accounting principles used, of significant estimates made by senior management and of the overall presentation of the financial statements. We believe our audit provides a reasonable basis for our opinion.

Opinion on the financial statements

In our opinion, the financial statements referred to above give, in all their material aspects, a true and fair view of Attijariwafa bank's financial position at December 31, 2004 and of the results of its operations and of changes in its cash flows for the year then ended, in accordance with generally accepted accounting principles in Morocco.

Without bringing into question the opinion expressed above, and as described in form B.35 of the additional information statement, we draw your attention to the fact that, in their General Report for the year ended December 31, 2003, the Statutory Auditors of Wafabank indicated that the company had received a reassessment notice in 2002 following a tax audit. In 2004, an agreement was signed by the tax authorities and Wafabank, which resulted in the company making a payment of 160 million dirhams.

Specific verifications and information

We also performed the specific verifications as required by law and we satisfied ourselves notably as to the consistency of the information provided in the Management Report of the Board of Directors to shareholders with Attijariwafa bank's financial statements.

As required by Article 172 of Law 17-95, you are informed that, during the year ended December 31, 2004, Attijariwafa bank acquired:

- 65.44% of the capital of Wafasalaf for 819.4 million dirhams;
- 96.99% of the capital of Wafa Cash for 318.7 million dirhams;
- 65% of the capital of Wafa Gestion for 192 million dirhams;
- 99.99% of the capital of Wafa Immobilier for 164.4 million dirhams;
- 100% of the capital of Attijari Immobilier for 179.2 millions.

Attijariwafa bank also formed a subsidiary in Senegal, Attijariwafa bank Sénégal, which has a capital of 35.9 million dirhams.

As disclosed in form B.6 of the additional information statement, following the absorption of Wafabank by Banque Commerciale du Maroc, now Attijariwafa bank, decided by the Extraordinary General Meetings held on December 31, 2004, and which took effect retroactively from September 1, 2004, Attijariwafa bank holds participating interests or controls companies that were owned by Wafabank on the date when absorbed with a total net book value of 619 million dirhams.

April 12, 2005

The statutory auditors

Price Waterhouse

A. Bidah
Associé

Deloitte et Touche Auditors

F. Brikel
Associé

Comptes Sociaux
at December 31, 2004

Assets

Balance sheet at December 31, 2003

(in thousands of dirhams)

ASSETS	31/12/2004	31/12/2003
Cash at bank, central banks, the treasury and post office cheques	**13 777 710**	**5 548 678**
Amounts due from credit institutions and similar establishments	**14 326 708**	**9 023 037**
Sight	5 935 043	5 288 654
Term	8 391 665	3 734 382
Customer receivables	**45 048 970**	**24 549 745**
Cash advances and consumer credit	23 110 126	13 030 367
Equipment loans	10 949 242	7 310 596
Real-estate loans	8 563 431	2 799 545
Other loans	2 426 172	1 409 237
Receivables acquired through factoring		
Trading securities	**14 640 603**	**10 384 211**
Treasury bills and similar securities	10 954 133	9 716 778
Other debt securities	3 058 711	649 964
Title instruments	627 760	17 468
Other assets	**1 591 467**	**548 234**
Investment securities	**4 316 225**	**2 693 933**
Treasury bills and similar securities	2 579 961	1 819 528
Other debt securities	1 736 264	874 405
Participating interests and similar assets	**5 554 723**	**2 990 813**
Subordinated receivables		
Fixed assets subject to finance leases	**166 836**	
Intangible fixed assets	**1 417 211**	**90 288**
Tangible fixed assets	**2 494 215**	**1 654 996**
TOTAL ASSETS	**103 334 669**	**57 483 935**

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2004	31/12/2003
Central banks, the treasury and post office cheques		
Amounts due to credit institutions and similar establishments	**3 805 495**	**2 346 517**
Sight	1 548 387	780 896
Term	2 257 108	1 565 621
Customer deposits	**85 135 761**	**48 014 115**
Sight accounts – credit balances	48 592 882	24 984 216
Savings accounts	11 657 631	6 728 712
Term deposits	20 989 975	15 050 162
Other accounts – credit balances	3 895 272	1 251 025
Debt securities issued		
Negotiable debt securities		
Bonds		
Other debt securities issued		
Other liabilities	**1 885 623**	**661 199**
Provisions for liabilities and charges	**690 540**	**379 285**
Regulated provisions	**110 000**	
Grants, allocated public funds and special guarantee funds		
Subordinated debt		
Revaluation reserve	**420**	**420**
Reserves and premiums related to share capital	**9 019 087**	**4 180 192**
Share capital	**1 929 960**	**1 368 514**
Shareholders, unpaid share capital (-)		
Net profits (losses) pending allocation (+/-)	**70 733**	**101 185**
Net profit (loss) for the year (+/-)		
Total liabilities and shareholders' equity (+/-)	**687 050**	**432 509**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**103 334 669**	**57 483 935**

OFF BALANCE SHEET ITEMS	31/12/2004	31/12/2003
Commitments given	**18 259 434**	**10 855 544**
Financing commitments given on behalf of credit institutions and similar establishments	32 532	3 969
Financing commitments given on behalf of customers	4 546 950	2 635 306
Guarantee commitments on behalf of credit institutions and similar establishments	1 722 734	1 426 287
Guarantee commitments on behalf of customers	11 957 217	6 789 983
Securities purchased with repurchase option		
Other securities to be delivered		
Commitments received	**9 222 193**	**3 774 721**
Financing commitments received from credit institutions and similar establishments		
Guarantee commitments received from credit institutions and similar establishments	9 196 626	3 774 721
Guarantee commitments received from the State and other guarantee bodies	25 568	
Securities sold with repurchase option		
Other securities to be received		

Income statement

(in thousands of dirhams)

for the year to December 31, 2004

	31/12/2004	31/12/2003
I. BANKING OPERATING INCOME	**4 298 120**	**3 319 386**
Interest and similar income from transactions with credit institutions	455 306	348 757
Interest and similar income from transactions with customers	2 224 966	1 764 452
Interest and similar income from debt securities	675 451	649 502
Income from title instruments	103 367	63 280
Income from fixed assets subject to finance leases	33 072	
Commission from services provided	468 199	307 289
Other banking income	337 759	186 106
II. BANKING OPERATING CHARGES	**1 063 306**	**783 441**
Interest and similar charges on transactions with credit institutions	112 993	70 713
Interest and similar charges on transactions with customers	744 636	604 067
Interest and similar charges on debt securities issued		
Charges on fixed assets subject to finance leases	25 296	
Other banking charges	180 381	108 660
III. NET BANKING INCOME	**3 234 814**	**2 535 946**
Non-banking operating income	78 733	35 507
Non-banking operating charges	21 410	1 078
IV. OPERATING COSTS	**1 565 980**	**1 109 202**
Staff costs	695 814	493 454
Taxes and duties other than corporation tax	32 653	28 507
External charges	609 583	401 246
Other operating costs	4 275	8 217
Depreciation and amortisation on intangible and tangible fixed assets	223 654	177 777
V. WRITE-DOWNS AND LOSSES ON IRRECOVERABLE RECEIVABLES	**2 106 074**	**1 904 608**
Charges to write-downs on doubtful loans and contingent liabilities	1 065 989	1 083 823
Losses on irrecoverable receivables	813 134	623 393
Other write-downs	226 951	197 392
VI. WRITE-BACKS OF PROVISIONS AND RECOVERIES ON RECEIVABLES WRITTEN DOWN	**1 415 187**	**1 076 746**
Write-backs of provisions for doubtful loans and contingent liabilities	915 304	909 728
Recoveries on receivables written down	27 735	8 970
Other write-backs	472 149	158 048
VII. INCOME FROM ORDINARY ACTIVITIES	**1 035 271**	**633 310**
Exceptional income	44 349	11 276
Exceptional charges	61 319	62 577
VIII. PRE-TAX INCOME	**1 018 301**	**582 009**
Corporation tax	331 251	149 500
IX. NET INCOME FOR THE YEAR	**687 050**	**432 509**

Management accounting statement

for the year to December 31, 2004

(in thousands of dirhams)

	31/12/2004	31/12/2003
I- RESULTS ANALYSIS		
(+) Interest and similar income	3 355 723	2 762 711
(-) Interest and similar charges	857 629	674 780
NET INTEREST INCOME	**2 498 094**	**2 087 930**
(+) Income from fixed assets subject to finance leases	33 072	
(-) Charges on fixed assets subject to finance leases	25 296	
NET INCOME FROM FINANCE LEASES	**7 776**	
(+) Commission received	469 303	307 294
(-) Commission given	4 083	468
NET COMMISSION INCOME	**465 220**	**306 826**
(+) Net income from trading securities		
(+) Net income from trading securities	38 093	35 747
(+) Net income from foreign exchange transactions	238 303	126 524
(+) Net income from derivative transactions	-4 179	
NET INCOME ON MARKET TRANSACTIONS	**272 217**	**162 271**
(+) Other banking income	121 434	68 549
(-) Other banking charges	129 927	89 630
NET BANKING INCOME	**3 234 814**	**2 535 946**
(+) Income from financial fixed assets	19 552	-11 969
(+) Other non-banking operating income	56 393	35 507
(-) Other non-banking operating charges	21 410	1 078
(-) Operating costs	1 565 980	1 109 202
GROSS OPERATING INCOME	**1 723 370**	**1 449 203**
(+) Net charges for provisions on doubtful loans and contingent liabilities	-936 085	-788 519
(+) Other net charges for provisions	247 985	-27 375
INCOME FROM ORDINARY ACTIVITIES	**1 035 271**	**633 310**
NET EXCEPTIONAL INCOME	**-16 970**	**-51 301**
(-) Corporation tax	331 251	149 500
NET INCOME FOR THE YEAR	**687 050**	**432 509**
II - CASH FLOW		
(+) NET INCOME FOR THE YEAR	**687 050**	**432 509**
(+) Depreciation and amortisation on intangible and tangible fixed assets	223 654	177 777
(+) Write-downs of financial fixed assets	6 339	18 843
(+) General provisions	104 834	143 650
(+) Regulated provisions	110 000	
(+) Extraordinary provisions	11 766	21 311
(-) Write-backs of provisions	453 916	163 596
(-) Capital gains on disposals of intangible and tangible fixed assets	15 273	1 221
(+) Capital losses on disposals of intangible and tangible fixed assets	8 230	1 078
(-) Capital gains on disposals of financial fixed assets	22 340	
(+) Capital losses on disposals of financial fixed assets		
(-) Write-backs of investment grants received		
(+) TOTAL CASH FLOW	**660 345**	**630 353**
(-) Profits distributed	363 624	357 750
(+) CASH FLOW AFTER DISTRIBUTIONS	**296 720**	**272 603**

Main valuation methods used for the year to December 31, 2004

1. Presentation

Attijariwafa bank is a company incorporated under Moroccan ordinary law. The summary financial statements include the head office accounts as well as those of the branches located in Morocco and abroad (Paris and Brussels). Material internal transactions and balances between the Moroccan entities and the overseas branches have been eliminated.

2. General principles

The summary financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of d'Attijariwafa bank summary financial statements complies with the provisions of the Moroccan chart of accounts for credit institutions.

3. Receivables and contingent liabilities

The following general principles are applied to the presentation of receivables:

- Amounts due from credit institutions and customers are analysed according to their initial maturity or the purpose for which the funding was provided:
  - sight and term receivables, for credit institutions,
  - cash advances, equipment loans, consumer credit, real-estate loans and other loans for amounts due from customers.
- Contingent liabilities accounted for in off-balance sheet items correspond to irrevocable commitments for financial assistance and guarantee commitments that have not given rise to cash movements.
- Repo transactions involving shares or other securities are recorded under the various receivables headings concerned (credit institutions or customers).
- Accrued interest on receivables is recognised in the accrued income account as a contra to the income statement entry. Doubtful customer receivables:
- Doubtful customer receivables are recognisedand valued in accordance with prevailing banking regulations. The main features applied are as follows:
  - doubtful receivables are classified as substandard, doubtful or loss receivables according to the degree of risk;
  - after deducting the share of any guarantees provided by the prevailing regulations, provisions are raised in respect of doubtful receivables as follows:
  - 20% for substandard loans,
  - 50% for doubtful loans,
  - 100% for loss loans.

  The provisions raised in respect of credit risks are deducted from the asset categories concerned.
- Once receivables have been classified as doubtful, interest is no longer accrued, but is recognised as income when received.
- Losses on irrecoverable receivables are recognised when there is deemed to be no possibility of recovering the doubtful receivables.
- Provisions for doubtful receivables are written back following positive developments in respect of the doubtful receivables concerned: actual repayment (total or partial) of the receivable or restructuring of the receivable with partial repayment of the amount due.

4. Sight and term liabilities

Amounts due to credit institutions and customers are presented in the summary financial statements according to their initial maturity or the nature of these liabilities:
. sight and term liabilities for credit institutions;
. sight accounts.
– credit balances, savings accounts, deposit accounts and other accounts.
– credit balances for customers.

Depending on the type of counterparty, these various headings include repo transactions involving shares or other securities. Accrued interest on these liabilities is recorded in the accrued expense account as a contra to the income statement entry.

5. Securities portfolio

5.1. General presentation

Securities transactions are accounted for and valued in accordance with the provisions of the Moroccan chart of accounts for credit institutions. Securities are classified according to their legal characteristics or the type of security (debt securities or title instruments) and also according to the purpose for which they are held (trading securities, investment securities and participating interests).

5.2. Trading securities

Trading securities comprise securities for which a liquid market exists and which are acquired with the intention of resale in the near future. These securities are recorded at cost (including any coupon). On each balance sheet date, the difference between this value and market value is recognised directly in the income statement. At December 31, 2003, the bank did not hold any trading securities.

5.3. Trading securities

Trading securities comprise securities acquired with the intention of holding them for more than six months, with the exception of fixedincome securities that are intended to be held until maturity. This category of securities includes notably securities that do not meet the necessary criteria for classification in any other category of securities. Debt securities are recorded excluding any coupon.

The difference between cost and redemption price is amortised over the security's residual maturity.

Title instruments are recorded at cost excluding acquisition expenses. On each balance sheet date, a provision for impairment in value is booked for any negative differences between the market value and book value of the securities. Unrealised gains are not recorded.

5.4. Investment securities

Investment securities are debt securities that are acquired, or which come from another category of securities, with the intention of holding them until maturity for the purpose of generating regular income over the long term.

The coupon is excluded when recording these securities on their acquisition date.

The difference between cost and redemption price is amortised over the residual maturity of the securities. On each balance sheet date, the securities are maintained at cost regardless of their market value i.e. unrealised profits and losses are not recognised.

5.5. Participating interests

This category comprises securities whose long-term ownership is deemed to be useful to the bank. On each balance sheet date, their value is estimated based on generally accepted criteria: utility value, share of the net situation, future earnings prospects and share price.

Unrealised losses give rise to the raising of provisions for impairment in value on a case-by-case basis.

5.6. Repos with physical delivery

Securities delivered under repos are maintained in the balance sheet and the amount received, which represents the liability to the transferee, is recorded in the balance sheet under liabilities.

Securities received under reverse repos are not recorded in the balance sheet, but the amount received, which represents the receivable due from the transferor, is recorded in the balance sheet under assets.

Securities delivered under repos are subject to the accounting treatment corresponding to the portfolio category from which they originate.

6. Foreign currency-denominated transactions

Receivables, liabilities and contingent liabilities denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing on the balance sheet date.

Any foreign currency gains and losses on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded in the balance sheet under other assets or other liabilities as appropriate.

Any translation gains and losses arising from the translation of fixed asset securities acquired in a foreign currency are recorded as translation differences in the securities items concerned.

Foreign currency gains and losses on other accounts held in foreign currencies are recorded in the income statement. Income and charges in foreign currencies are translated at the exchange rate prevailing on the day they are booked.

7. Translation of financial statements prepared in foreign currencies

The "closing rate" method is used to translate financial statements prepared in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of foreign entities (Paris and Brussels branches) are translated based on the exchange rates prevailing on the closing date.

Shareholders' equity (excluding the net income or loss for the year) is valued at various historical rates. The difference arising from the correction (closing rate – historical rate) is recorded under "translation differences" within shareholders' equity.

Translation of income statement items

Except for charges to depreciation and amortisation, which are translated at the closing rate, all income statement items are translated at the average exchange rate for the year.

8. General provisions

These provisions are raised, at the discretion of the managers, to address future risks relating to the banking activity that cannot currently be identified or accurately measured.

The provisions raised are added back for taxation purposes.

9. Intangible and tangible fixed assets

Intangible and tangible fixed assets are recorded in the balance sheet at cost less accumulated amortisation and depreciation, which are calculated based on the straight-line method over the estimated life of the assets concerned.

Intangible fixed assets are broken down into operating and non-operating fixed assets and are amortised over the following periods:

TYPE OF ASSET	Amortisation period
- Lease rights	Not amortised
- Patents and brands	Not amortised
- Research and development fixed assets	Not amortised
- IT software	6.67 years
- Other business goodwill components	5 years

Tangible fixed assets are broken down into operating and non-operating fixed assets and are depreciated over the following periods:

TYPE OF ASSET	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 charges

Deferred charges comprise expenses that, given their size and nature, are likely to relate to more than one financial year.

They are amortised over the following periods:

TYPE OF CHARGE	Amortisation period
- Start-up costs	3 years
- Fixed asset acquisition costs	5 years
- Loan issuance costs	Not amortised
- Issue or redemption premiums on debt securities	Not amortised
- Other deferred charges	Between 3 and 5 years depending on the case

11. Regulated provisions

Regulated provisions are raised pursuant to legislative or regulatory requirements, notably relating to taxation. The decision as to whether or not to raise such provisions is effectively a management decision, motivated in particular by the desire to reduce the tax charge.

When the conditions for the raising and utilisation of such provisions have been met, and assuming they have been raised for the purpose of benefiting from a definite tax break, the regulated provisions, with the exception of excess tax depreciation, are treated as tax-free reserves.

12. Recognition of interest and commissions in the income statement

Interest

Income and charges calculated on principal amounts effectively lent or borrowed are considered as interest. Income and charges calculated on an accruals basis and which remunerate a risk are considered as similar income or charges. In particular, this category includes fees on guarantee and financing commitments (security, documentary credits, etc.).

Accrued interest on principal amounts effectively lent or borrowed is recorded in the accrued income and accrued expense accounts as appropriate as a contra to the income statement entry.

Similar income or charges are recorded in income or expenses as soon as they are billed.

Commissions

Income and expenses that are calculated on a flat-rate basis and which remunerate a service provided are recorded as commissions as soon as they are billed.

13. Exceptional income and charges

Exceptional income and charges consist exclusively of income and charges arising on an exceptional basis. In principle, such items are rare as they are unusual in nature and occur infrequently.

The merger having taken effect on September 1, 2004, the 2004 financial statements of Attijariwafa bank include Banque Commerciale du Maroc for 12 months and Wafabank for 4 months from September 1, to December 31, 2004. The 2003 financial statements include Banque Commerciale du Maroc for 12 months.

Amounts due from credit institutions and similar establishments

(in thousands of dirhams)

for the year to December 31, 2004

	BCM, the Treasury and post office cheques	Banks in Morocco	Other credit institutions in Morocco	Credit institutions outside Morocco	31/12/04	31/12/03
Ordinary accounts – debit balances	**12 940 216**	**9 496**	**455 725**	**925 433**	**14 330 870**	**5 931 744**
Securities received under reverse repos		**251 337**	**435 023**		**686 360**	**-**
overnight		251 337	435 023		686 360	-
term					-	-
Cash loans	**-**	**1 590 964**	**2 982 894**	**3 472 651**	**8 046 509**	**5 715 571**
overnight		956 038		851 492	1 807 530	2 102 074
term		634 926	2 982 894	2 621 159	6 238 979	3 613 497
Financial loans			**3 973 692**		**3 973 692**	**2 205 759**
Other receivables	**837 128**	**106 846**	**47 250**	**25 667**	**1 016 891**	**669 887**
Doubtful loans						
SUB-TOTAL	**13 777 344**	**1 958 643**	**7 894 584**	**4 423 751**	**28 054 322**	**14 522 961**
Accrued interest receivable					50 097	48 754
TOTAL	**13 777 344**	**1 958 643**	**7 894 584**	**4 423 751**	**28 104 418**	**14 571 715**

Analysis of trading and investment securities by category of issuer

(in thousands of dirhams)

at December 31, 2004

SECURITIES	Credit institutions and similar establishments	Public issuers	Private issuers		31/12/04	31/12/03
			Financial	Non financial		
LISTED SECURITIES	**51 542**	**252 327**	**590 131**	**244 006**	**1 138 007**	**129 772**
Treasury bills and similar securities		194 912			194 912	
Bonds	40 444	57 415		217 475	315 335	129 772
Other debt securities						
Title instruments	11 098		590 131	26 531	627 760	
UNLISTED SECURITIES	**3 857 568**	**13 795 688**	**-**	**165 566**	**17 818 822**	**12 948 372**
Treasury bills and similar securities		13 339 182			13 339 182	11 536 307
Bonds	61 143	383 372		165 566	610 081	
Other debt securities	3 796 425	73 134			3 869 559	1 394 597
Title instruments					-	17 468
TOTAL	**3 909 110**	**14 048 015**	**590 131**	**409 572**	**18 956 829**	**13 078 144**

Customer receivables

(in thousands of dirhams)

at December 31, 2004

RECEIVABLES	Public sector	Private sector			31/12/04	31/12/03
		Financial companies	Non-financial companies	Other customers		
CASH ADVANCES	**1 146 661**	**480 075**	**18 967 644**	**880 621**	**21 475 001**	**12 397 249**
Sight accounts – debit balances	1 095 858	480 075	6 166 969	644 917	8 387 819	5 550 321
Commercial loans within Morocco	3 534		2 773 501	416	2 777 451	1 721 445
Export loans	1 114		1 742 160	3 500	1 746 774	945 663
Other cash advances	46 155	-	8 285 014	231 788	8 562 957	4 179 821
CONSUMER CREDIT			**70 353**	**1 364 078**	**1 434 431**	**435 844**
EQUIPMENT LOANS	**168 640**		**10 570 710**	**55 171**	**10 794 521**	**7 241 626**
REAL-ESTATE LOANS			**499 172**	**8 032 942**	**8 532 115**	**2 790 124**
OTHER LOANS		**982 980**	**15 195**	**3 937**	**1 002 112**	**279 191**
RECEIVABLES ACQUIRED THROUGH FACTORING					**-**	**-**
DOUBTFUL LOANS	**-**	**17 793**	**1 130 557**	**275 710**	**1 424 060**	**1 127 989**
Substandard loans			21 298	4 744	26 042	-
Doubtful loans			143 638	3 470	147 108	18 683
Loss loans		17 793	965 621	267 496	1 250 910	1 109 306
SUB-TOTAL	**1 315 301**	**1 480 848**	**31 253 631**	**10 612 460**	**44 662 239**	**24 272 023**
ACCRUED INTEREST RECEIVABLE					**386 730**	**277 723**
TOTAL	**1 315 301**	**1 480 848**	**31 253 631**	**10 612 460**	**45 048 970**	**24 549 745**

Analysis of trading and investment securities

(in thousands of dirhams)

at December 31, 2004

SECURITIES	Gross book value	Current value	Redemption value	Unrealised gains	Unrealised losses	Provisions
TRADING SECURITIES						
Treasury bills and similar securities						
Bonds						
Other debt securities						
Title instruments						
TRADING SECURITIES – SECURITIES AVAILABLE FOR SALE	**14 671 238**	**14 640 603**	**12 581 532**	**-**	**30 635**	**30 635**
Treasury bills and similar securities	10 957 082	10 954 133	10 149 634		2 949	2 949
Bonds	869 022	868 001	816 074		1 021	1 021
Other debt securities	2 190 781	2 190 710	1 615 825		71	71
Title instruments	654 353	627 760			26 593	26 593
INVESTMENT SECURITIES	**4 316 225**	**4 316 225**	**4 199 901**	**-**	**-**	
Treasury bills and similar securities	2 579 961	2 579 961	2 465 014			
Bonds	57 415	57 415	56 038			
Other debt securities	1 678 849	1 678 849	1 678 849			

Analysis of other assets

(in thousands of dirhams)

at December 31, 2004

	31/12/04	31/12/03
OTHER OPERATIONS ON SECURITIES	**6 833**	
SUNDRY DEBTORS	**393 136**	**144 951**
Amounts due from the State	281 396	108 545
Other sundry debtors	111 740	36 407
SECURITIES AND SIMILAR ASSETS	**55 246**	**8 261**
PREPAYMENTS AND ACCRUED INCOME	**1 136 252**	**395 022**
Adjustment accounts – off-balance sheet transactions	283 501	210 058
Differences on foreign currencies and securities	114 007	75
Deferred charges	52 383	21 497
Intercompany accounts – head office/Morocco branches	4 534	9
ACCRUED INCOME AND PREPAID EXPENSES	**287 199**	**77 840**
Other prepayments and accrued income	394 628	85 543
TOTAL	**1 591 467**	**548 234**

Participating interests and similar assets

at December 31, 2004

(in thousands of dirhams)

NAME OF THE ISSUING COMPANY	Sector of activity	Share capital	% of shares held	Gross book value	Net book value	Data from the issuing company's latest summary financial statements: Year-end date	Net position	Net income	Income booked in the current year's income statement
Participating interests in Related undertakings				**4 441 084**	**4 424 483**		**1 828 201**	**239 192**	**72 085**
OGM	Holding	885 000	100,00%	2 047 900	2 047 900	31/12/04	918 372	13 478	
BCM CORPORATION	Holding	200 000	100,00%	199 995	199 995	31/12/04	205 858	30 083	
ATT. INTERNATIONAL BANK	Offshore banking	10 000	99,99%	9 999	3 550	31/12/04	3 198	831	
CASA MADRID DEVLOPPEMENT	Development capital	10 000	49,98%	4 998	4 210	31/12/04	8 437	25	
ATTIJARI PROTECTION	Security	4 000	80,75%	3 230	1 313	31/12/04	1 666	741	
SOMGETI	IT	300	99,40%	99	99	31/12/04	855	680	
ATTIJARI INTERNATIONAL BANK	Offshore banking	3 000 $	50,00%	13 181	13 181	31/12/04	40 221	364	1 086
ATTIJARI FINANCES	Investment banking	10 000	99,99%	9 999	9 999	31/12/04	14 736	49 656	26 000
ATT. CAPITAL RISQUE	Venture capital	125 000	100,00%	179 224	179 224	31/12/04	132 874	7 530	44 999
SOMACOVAM	Gestion d'actif	5 000	100,00%	30 000	24 000				
BANQUE DU SÉNÉGAL	Banque	2 000 000 CFA	100,00%	35 979	35 979				
WAFA GESTION	Gestion d'actif	4 000	65,00%	191 989	191 989	31/12/04	42 604	20 185	
WAFA IMMOBILIER	Immobilier	40 000	99,99%	164 364	164 364	31/12/04	40 417	9 765	
WAFA SALAF	Crédit à la consommation	113 081	65,44%	819 414	819 414	31/12/04	351 711	49 019	
WAFA CASH	Monétique	35 050	96,99%	318 744	318 744	31/12/04	67 254	56 836	
CRÉDIT DU MAROC*	Établissement de crédit	833 818	10,00%	371 604	371 604				
SOUK AL MOUHAJIR*	Distribution	6 500	15,25%	991	991				
PARIS CASA FINANCES	Portfolio company	2 555	99,96%	2 555	1 109				
AUTRES TITRES DE PARTICIPATION DANS LES ENTREPRISES LIÉES*				36 818	36 818				
OTHER PARTICIPATING INTERESTS				**786 446**	**735 024**		**124 389**	**3 883**	**21 858**
SNI*	Holding	1 090 000		554	554				17
SALIMA HOLDING	Holding company	200 000	10,00%	20 000	19 641				
STE HOSPITALY HOLDING	Tourism	101 000	14,99%	39 140	39 140				
MOUSSAFIR HOTEL	Hotel business	104 000	33,34%	34 670	34 670				
TANGER FREE ZONE	Real-estate development	105 000	17,15%	28 309	28 309				
SOCIETE INTERBANK	Bank card management	11 500	16,00%	1 840	1 840				
STE D'AMÉNAGEMENT DU PARC NOUACEUR	Promotion Immobilière	60 429	22,69%	13 714	13 714				
CAPRI	Real estate	124 000	100,00%	172 400	122 000	31/12/04	124 389	3 883	
CENTRE MONETIQUE INTERBANCAIRE	Cards	98 200	11,20%	10 999	10 838				
BOUZNIKA MARINA	Real-estate development	1 000	50,00%	500	500				
MOROCCAN INFORMATION TECHNOPARK	Service provider	46 000	12,28%	5 650	5 284				
BANQUE D'AFFAIRES TUNISIENNE	Banking	3 000 TND	10,00%	2 583	2 583				
DÎNERS CLUB DU MAROC*	gestion cartes de paiement	1 500	100,00%	1 675	1 675				
MÉDI TRADE*	Trading	1 200	20,00%	240	240				
SCIAL MIFTAH*	Immobilier	100	100,00%	244	244				
WAFABAIL*	Crédit - bail	90 000	97,83%	86 983	86 983				
WAFA BOURSE*	Intermédiation en bourse	20 000	100,00%	37 957	37 957				
WAFA COMMUNICATION*	Communication	3 000	98,00%	2 550	2 550				
WAFA FONCIÈRE*	Promotion Immobilière	17 000	100,00%	3 700	3 700				
WAFA INVESTISSEMENT*	Holding	80 000	100,00%	40 456	40 456				
WAFA PATRIMOINE*	Gestion du patrimoine	10 000	100,00%	1 700	1 700				
WAFA SYSTÈMES CONSULTING*	Conseil informatique	5 000	99,88%	4 994	4 994				
WAFA SYSTÈMES DATA*	Informatique	1 500	100,00%	1 500	1 500				598
WAFA SYSTÈMES FINANCE*	Ingénierie Informatique	10 000	100,00%	2 066	2 066				
WAFA TRUST*	Ingénierie Financière	5 000	66,00%	3 980	3 980				
WAFA LLD*	Location Longue Durée	20 000	100,00%	20 000	20 000				
OTHER PARTICIPATING INTERESTS				248 044	247 908				21 243
Similar assets		**-**		**405 353**	**395 217**				**5 105**
Related current accounts				392 059	382 465				5 105
Other fixed asset securities				13 295	12 752				
TOTAL				**5 632 883**	**5 554 723**		**1 952 589**	**243 075**	**99 048**

* Participation or subsidiary resulting from the merger of Wafabank and BCM for a global net value of 619 million dirhams.

Provisions

at December 31, 2004

(in thousands of dirhams)

	Opening balance at 31/12/2003	New provisions	Write-backs	Other movements (*)	Closing balance at 31/12/2004
PROVISIONS, DEDUCTED FROM ASSETS, ON:	**2 706 908**	**989 444**	**926 563**	**2 533 932**	**5 303 721**
Amounts due from credit institutions and similar establishments					
Customer receivables	2 597 573	966 092	912 761	2 532 687	5 183 591
Trading securities	34 271	6 614	10 250		30 635
Participating interests and similar assets	74 129	6 339	3 552	1 245	78 161
Fixed assets	934	10 400			11 334
Other assets					0,00
PROVISIONS RECORDED IN LIABILITIES	**379 284**	**332 275**	**482 068**	**571 050**	**800 540**
Provisions for execution risks on contingent liabilities	28 302	99 897	2 542	7 744	133 401
Provisions for foreign currency risks	3 573		957		2 616
General provisions	259 215	104 834	122 804	143 107	384 353
Provisions for pension commitments and similar obligations	34 193	3 306	21 618		15 881
Provisions for other liabilities and charges	54 001	14 238	334 147	420 199	154 291
Regulated provisions		110 000			110 000
TOTAL	**3 086 192**	**1 321 719**	**1 408 631**	**3 104 982**	**6 104 261**

(*) : include ex-Wafabank's provisions at 31/08/2004

Intangible and tangible fixed assets

(in thousands of dirhams)

TYPE	Gross value at 1 January	Movements in fixed assets	Acquisitions duringen the year	Disposals/ withdrawals during the year	Gross value at 31 December	Depreciation/amortisation				Other movements	Net value at 31 December
						Depreciation/ amortisation at 1 January	Charges during the year	Depreciation/ amortisation on fixed asset disposals/ withdrawals	Sub-total		
INTANGIBLE FIXED ASSETS	**148 204**	**-1 650**	**1 356 739**	**5 867**	**1 497 427**	**53 678**	**27 276**	**4 875**	**76 079**	**-4 136**	**1 417 211**
-Lease rights	57 343	-1 650	91 120	328	146 485						146 485
-Research and development fixed assets											
-Other operating intangible fixed assets	90 861		1 265 619	5 538	1 350 942	53 678	27 276	4 875	76 079		1 274 863
-Non-operating intangible fixed assets											
TANGIBLE FIXED ASSETS	**3 082 365**	**1 650**	**1 530 463**	**525 405**	**4 089 072**	**1 435 755**	**189 872**	**22 272**	**1 603 355**	**8 498**	**2 494 215**
- Operating premises	855 047	-4 111	672 362	14 525	1 508 773	237 660	34 550	3 945	268 265		1 240 508
- Operating land	94 101		113 472	5 805	201 767						201 767
- Operating premises – offices	661 690	-4 111	558 725	8 719	1 207 584	197 675	31 558	3 945	225 288		982 296
- Operating premises - staff housing	99 256		166		99 422	39 985	2 992		42 977		56 444
OPERATING FURNITURE AND EQUIPMENT	**1 080 520**	**-53**	**219 193**	**18 495**	**1 281 165**	**763 947**	**105 065**	**14 857**	**854 156**		**427 009**
- Operating office furniture	220 645	-10	41 201	2 286	259 551	175 018	17 740	2 264	190 494		69 056
- Operating office equipment	574 969	-105	49 600	443	624 021	375 572	58 164	179	433 556		190 465
- IT hardware	269 515	62	124 526	10 076	384 027	200 799	27 779	9 647	218 930		165 097
- Operating vehicles	15 391		3 865	5 690	13 566	12 559	1 383	2 767	11 175		2 391
- Other operating equipment											
OTHER OPERATING TANGIBLE FIXED ASSETS	**578 304**		**285 159**	**270 342**	**593 121**	**361 979**	**27 911**	**2 600**	**387 289**		**205 832**
NON-OPERATING TANGIBLE FIXED ASSETS	**568 494**	**5 814**	**353 749**	**222 043**	**706 014**	**72 169**	**22 345**	**869**	**93 645**		**612 369**
- Non-operating land	84 071	1 650	116 179	1 506	200 393						200 393
- Non-operating premises	318 125	4 111	226 403	220 347	328 292	25 598	7 025	679	31 944		296 348
- Non-operating furniture and equipment	33 056	53	-1 762		31 346	24 335	2 657		26 992		4 354
- Other non-operating tangible fixed assets	133 243		12 930	190	145 983	22 236	12 663	190	34 709		111 274
TOTAL	**3 230 569**	**-**	**2 887 202**	**531 272**	**5 586 499**	**1 489 433**	**217 148**	**27 147**	**1 679 435**	**4 362**	**3 911 426**

Amounts due to credit institutions and similar establishments

(in thousands of dirhams)

at December 31, 2004

LIABILITIES	BAM,the Treasury and post office cheques	Banks in Morocco	Other credit institutions in Morocco	Credit institutions outside Morocco	31/12/04	31/12/03
Ordinary accounts – credit balances		805	310 947	604 235	915 987	483 051
Securities given under repos	-				-	
Overnight					-	
Term					-	
Cash borrowings		90 893	378 954	1 999 762	2 469 609	1 551 549
Overnight		90 893	378 954	72 413	542 260	
Term				1 927 350	1 927 350	1 551 549
Financial borrowings	-		10 747	228 491	239 238	185 813
Other liabilities	-	126 147	7 881	28 552	162 580	116 599
SUB-TOTAL	**-**	**217 845**	**708 529**	**2 861 040**	**3 787 414**	**2 337 012**
Accrued interest payable					18 081	9 505
TOTAL	**-**	**217 845**	**708 529**	**2 861 040**	**3 805 495**	**2 346 517**

Customer deposits

(in thousands of dirhams)

at December 31, 2004

DEPOSITS		Private sector				
	Public sector	Financial companies	Non-financial companies	Other customers	31/12/04	31/12/03
Sight accounts – credit balances	1 509 035	947 838	14 634 067	31 500 840	48 591 781	24 980 612
Savings accounts			1 315 713	10 299 283	11 614 996	6 680 311
Term deposits	84 478	114 500	6 236 549	14 325 039	20 760 566	14 916 509
Other accounts – credit balances	5 316	356 990	3 355 312	177 654	3 895 272	1 251 018
SUB-TOTAL	**1 598 829**	**1 419 328**	**25 541 641**	**56 302 816**	**84 862 615**	**47 828 450**
Accrued interest payable					273 146	185 664
TOTAL	**1 598 829**	**1 419 328**	**25 541 641**	**56 302 816**	**85 135 761**	**48 014 115**

Shareholders' equity

(in thousands of dirhams)

at December 31, 2004

SHAREHOLDERS' EQUITY	Opening balance at 31/12/2003	Allocation of profits	Other movements	Closing balance at 31/12/2004
REVALUATION RESERVES	**420**			**420**
RESERVES AND PREMIUMS RELATED TO SHARE CAPITAL	**4 180 192**	**65 565**	**4 773 331**	**9 019 087**
Legal reserve	132 500	4 351		136 851
Other reserves	3 383 418	61 214	1 041	3 445 673
Issue, merger and transfer premiums	664 274		4 772 290	5 436 564
SHARE CAPITAL	**1 368 514**	**-**	**561 446**	**1 929 960**
Called-up share capital	1 368 514		561 446	1 929 960
Uncalled share capital				
Non-voting preference shares				
Fonds de dotation				
SHAREHOLDERS, UNPAID SHARE CAPITAL				
RETAINED EARNINGS (+/-)	**101 185**	**3 320**	**-33 772**	**70 733**
NET PROFITS (LOSSES) PENDING ALLOCATION (+/-)				
NET INCOME FOR 2003	**432 509**	**-432 509**		**-**
NET INCOME FOR 2004			**687 050**	**687 050**
TOTAL	**6 082 819**	**-363 624**	**5 988 055**	**11 707 250**

Analysis of other liabilities

(in thousands of dirhams)

at December 31, 2004

	31/12/04	31/12/03
SUNDRY TRANSACTIONS ON SECURITIES	**3 706**	**242 870**
OTHER CREDITORS	**901 327**	**240 293**
Amounts due to the State	575 360	100 136
Amounts due to provident bodies	48 221	21 767
Sundry amounts due to staff	89 587	29 880
Sundry amounts due to shareholders and partners	1 705	2 282
Suppliers of goods and services	94 762	72 992
Other creditors	91 692	13 236
ACCRUALS AND DEFERRED INCOME	**980 589**	**178 036**
Accrued expenses and deferred income	313 290	106 409
Other accruals and deferred income	667 299	71 628
TOTAL	**1 885 623**	**661 199**

Financing and guarantee commitments

(in thousands of dirhams)

at December 31, 2004

	31/12/04	31/12/03
FINANCING AND GUARANTEE COMMITMENTS GIVEN	**18 570 025**	**11 051 63**
FINANCING COMMITMENTS GIVEN ON BEHALF OF CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	**32 532**	**3 969**
Import documentary credits	32 532	3 969
Acceptances and other commitments to pay		
Confirmed credits opened		
Back-up commitments on security issues	-	-
Irrevocable commitments on finance leases	-	-
Other financing commitments given	-	-
FINANCING COMMITMENTS GIVEN ON BEHALF OF CUSTOMERS	**4 546 950**	**2 635 306**
Import documentary credits	3 361 178	2 059 422
Acceptances and other commitments to pay	1 185 772	575 883
Confirmed credits opened	-	-
Back-up commitments on security issues	-	-
Irrevocable commitments on finance leases	-	-
Other financing commitments given	-	-
GUARANTEE COMMITMENTS ON BEHALF OF CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	**1 722 734**	**1 426 287**
Confirmed export documentary credits	150 627	468 296
Acceptances and other commitments to pay	56	
Credit guarantees given	3 777	53 330
Other security, pledges and guarantees given	1 568 274	904 661
Problem commitments	-	-
GUARANTEE COMMITMENTS ON BEHALF OF CUSTOMERS	**12 267 808**	**6 986 102**
Credit guarantees given	465 195	434 684
Security and guarantees on behalf of government bodies	5 748 356	3 785 044
Other security and guarantees given	5 743 666	2 570 255
Problem commitments	312 395	196 120
FINANCING AND GUARANTEE COMMITMENTS RECEIVED	**9 222 193**	**3 774 721**
FINANCING COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	**-**	**-**
Confirmed credits opened	-	-
Back-up commitments on security issues	-	-
Other financing commitments received		
GUARANTEE COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	**9 196 625**	**3 774 721**
Credit guarantees		3 412
Other guarantees received	9 196 625	3 771 309
GUARANTEE COMMITMENTS RECEIVED FROM THE STATE AND OTHER GUARANTEE BODIES	**25 568**	**-**
Credit guarantees	25 568	-
Other guarantees received		

Forward exchange transactions and commitments on derivatives

(in thousands of dirhams)

at December 31, 2004

	Hedging transactions		Other transactions	
	31/12/04	31/12/03	31/12/04	31/12/03
FORWARD EXCHANGE TRANSACTIONS	**13 434 860**	**7 425 516**		
Foreign currencies to be received	620 598	111 033		
Dirhams to be delivered	604 685	111 420		
Foreign currencies to be delivered	5 978 060	3 523 417		
Dirhams to be received	6 231 517	3 679 646		
o/w foreign currency financial swaps				
COMMITMENTS ON DERIVATIVES	**1 321 741**			
Commitments on regulated fixed-income markets	-			
Commitments on OTC fixed-income markets	-			
Commitments on regulated foreign exchange markets	1 321 741			
Commitments on OTC foreign exchange markets	-			
Commitments on regulated markets in other instruments	-			
Commitments on OTC markets in other instruments	-			

Securities and collateral received and given as guarantees

(in thousands of dirhams)

at December 31, 2004

SECURITIES AND COLLATERAL RECEIVED AS GUARANTEES	Net book value	Asset/off-balance sheet headings in which the receivables/guarantees and other commitments given are recorded	Amount of receivables/ guarantees and other commitments given that are covered
Treasury bills and similar securities			
Other securities		N/D	
Mortgages			
Other physical securities and collateral			
TOTAL	**-**		

SECURITIES AND COLLATERAL GIVEN AS GUARANTEES	Net book value	Liability/off-balance sheet headings in which the liabilities/guarantees and other commitlents received are recorded	Amount of liabilities/guarantees and other commitments received that are covered
Treasury bills and similar securities			
Other securities			
Mortgages			
Other physical securities and collateral	168 780	OTHER VALUES AND SECURITIES	
TOTAL	**168 780**		**-**

Analysis of assets and liabilities by residual maturity

(in thousands of dirhams)

at December 31, 2004

ASSETS	D<= 1 month	1 month <D<= 3 months	3 months <D<= 1 year	1 year <D<= 5 years	D<5 years	TOTAL
Amounts due from credit institutions and similar establishments	10 265 019	885 428	1 157 050	735 904		13 043 401
Customer receivables	20 844 468	2 405 372	3 245 973	7 761 489	8 532 010	42 789 313
Debt securities	1 561 292	876 750	3 984 549	8 446 020	3 007 382	17 875 993
Debt securities						
Finance leases and similar instruments						
TOTAL	**32 670 780**	**4 167 550**	**8 387 572**	**16 943 413**	**11 539 392**	**73 708 707**

LIABILITIES						
Amounts due to credit institutions and similar establishments	1 195 781	1 590 221	698 690	3 029	65 363	3 553 084
Amounts due to customers	64 387 612	5 818 313	11 709 649	58 018		81 973 592
Debt securities issued						
Subordinated borrowings						
TOTAL	**65 583 392**	**7 408 534**	**12 408 339**	**61 047**	**65 363**	**86 526 675**

Risk concentration with the same beneficiary

(in thousands of dirhams)

at December 31, 2004

NUMBER OF BENEFICIARIES	TOTAL COMMITMENT
7	11 104 367

Analysis of total assets, liabilities and off-balance sheet items in foreign currency

(in thousands of dirhams)

at December 31, 2004

BALANCE SHEET	31/12/04	31/12/03
ASSETS		
Cash at bank, central banks, the Treasury and post office cheques	84 042	57 960
Amounts due from credit institutions and similar establishments	4 761 871	4 249 675
Customer receivables	3 976 111	1 642 490
Trading securities and investment securities	1 194 494	129 772
Other assets	56 979	16 381
Participating interests and similar assets	42 915	
Subordinated receivables		
Fixed assets subject to finance leases		
Tangible and intangible fixed assets	59 072	72 597
LIABILITIES		
Central banks, the Treasury and post office cheques		
Amounts due to credit institutions and similar establishments	2 975 575	2 005 546
Customer deposits	1 447 767	852 755
Debt securities issued		
Other liabilities	80 342	55 690
Share capital and reserves	9 531	8 492
Provisions	18 187	8 899
Retained earnings	70 608	101 185
Net income	1 544	3 194
OFF-BALANCE SHEET ITEMS		
Commitments given	7 350 704	3 299 636
Commitments received	7 014 436	2 820 616

Net interest income

(in thousands of dirhams)

for the year to December 31, 2004

	31/12/04	31/12/05
-interest and similar income from transactions with customers	**2 224 966**	**1 764 452**
o/w: Interest	2 127 292	1 679 643
Commitment fees	97 674	84 809
-interest and similar income from transactions with credit institutions	**455 306**	**348 757**
o/w: Interest	450 830	335 018
Commitment fees	4 476	13 739
-Interest and similar income from debt securities	**675 451**	**649 502**
INTEREST AND SIMILAR INCOME	**3 355 723**	**2 762 710**
-interest and similar charges on transactions with customers	**744 636**	**604 067**
-interest and similar charges on transactions with credit institutions	**112 993**	**70 713**
INTEREST AND SIMILAR CHARGES	**857 629**	**674 780**
NET INTEREST INCOME	**2 498 094**	**2 087 930**

Commission from services provided

(in thousands of dirhams)

for the year to December 31, 2004

	31/12/04	31/12/03
Account operating fees	74 728	66 128
Payment method commissions	137 315	123 165
Security transaction fees	36 579	13 995
Commissions on securities under management or on deposit	37 828	28 032
Commissions from credit services provided	84 806	36 554
Advisory services and assistance fees	12 034	105
Commissions on sales of insurance products	17 388	14 190
Other commission from services provided	67 520	25 121
TOTAL	**468 199**	**307 289**

Income from market transactions

(in thousands of dirhams)

for the year to December 31, 2004

	31/12/04	31/12/03
+ Gains on trading securities		
- Losses on trading securities		
INCOME FROM TRANSACTIONS ON TRADING SECURITIES	**-**	**-**
+ Gains on disposals of trading securities	36 401	44 572
+ Write-backs of provisions for impairment in value of trading securities	10 250	1 985
- Losses on disposal of trading securities	1 927	560
- Charges to provisions for diminution in value of trading securities	6 631	10 250
INCOME FROM TRANSACTIONS ON TRADING SECURITIES	**38 093**	**35 747**
+ Gains on foreign exchange transactions - transfers	196 216	85 506
+ Gains on foreign exchange transactions - notes	65 557	48 771
- Losses on foreign exchange transactions - transfers	19 008	7 607
- Losses on foreign exchange transactions - notes	4 462	146
INCOME FROM FOREIGN EXCHANGE TRANSACTIONS	**238 303**	**126 524**
+ Gains on fixed-income derivatives		
+ Gains on exchange-rate derivatives	10 164	
+ Gains on other derivatives		
- Losses on fixed-income derivatives		
- Losses on exchange-rate derivatives	14 344	
- Losses on other derivatives		
INCOME FROM TRANSACTIONS ON DERIVATIVES	**-4 179**	**-**

Operating costs

(in thousands of dirhams)

for the year to December 31, 2004

CHARGES	31/12/04	31/12/03
Staff costs	695 814	493 454
Taxes and duties other than corporation tax	32 653	28 507
External charges	609 583	401 246
Other operating costs	4 275	8 217
Depreciation and amortisation on intangible and tangible fixed assets	223 654	177 777
TOTAL	**1 565 980**	**1 109 202**

Income from title instruments

(in thousands of dirhams)

for the year to December 31, 2004

TYPE OF INSTRUMENTS	31/12/04	31/12/03
Trading securities	1 075	
Participating interests	102 292	63 280
TOTAL	**103 367**	**63 280**

Other income and charges

(in thousands of dirhams)

for the year to December 31, 2004

OTHER BANKING INCOME AND CHARGES	31/12/04	31/12/03
Other banking income	337 759	186 106
Other banking charges	180 381	108 660
TOTAL	**157 378**	**77 446**
NON-BANKING OPERATING INCOME AND CHARGES		
Non-banking operating income	78 733	35 507
Non-banking operating charges	21 410	1 078
TOTAL	**57 323**	**34 429**
WRITE-DOWNS AND LOSSES ON IRRECOVERABLE RECEIVABLES	**2 106 074**	**1 904 608**
WRITE-BACKS OF PROVISIONS AND RECOVERIES ON RECEIVABLES WRITTEN DOWN	**1 415 187**	**1 076 746**
EXCEPTIONAL INCOME AND CHARGES		
Exceptional income	44 349	11 276
Exceptional charges	61 319	62 577

Shareholder structure

(in thousands of dirhams)

at December 31, 2004

Total share capital: 1.929.959.600,00	Share capital subscribed but not called up: : 19.299.596		Nominal value per share: 100 DHS		
Name of main shareholders And partners	Address	Activity	Number of shares held		% of shares held
			Previous financial year	Current financial year	
A- MOROCCAN SHAREHOLDERS					
FINANCIERE D'INVESTISSEMENTS INDUSTRIELS & IMMOBILIERS	C/° ONA 61 rue d'Alger Casablanca	Holding	2 831 833	2 831 833	14,67
ONA	C/° ONA 61 rue d'Alger Casablanca	Holding		2 865 033	14,85
AL WATANIYA	83 avenue des FAR Casablanca	Insurance	996 773	1 005 894	5,21
WAFACORP	42 Bd Abdelkrim Al Khattabi Casablanca	Holding		904 953	4,69
WAFA ASSURANCE	1 Rue Abdelmoumen Casablanca	Insurance		854 172	4,43
GROUPE MAMDA & MCMA	16 Rue Abou Inane Rabat	Insurance	1 383 659	1 499 404	7,77
AXA ASSURANCES Maroc	120 Avenue Hassan II Casablanca	Insurance	1 399 641	726 018	3,76
S.N.I	Angle rues d'Alger et Duhaume Casablanca	Holding		673 203	3,49
CDG	140 Place My El Hassan Rabat	Financial instit.	281 677	466 781	2,42
CIMR	Bd Abdelmoumen Casablanca	Pension fund	462 070	462 070	2,39
MUTUAL FUNDS		Financial instit.		608 543	3,15
OTHER SHAREHOLDERS			1 920 245	2 168 514	11,24
ZELLIDJA	Avenue des FAR Casablanca	Holding	478 459		
TOTAL			**9 754 357**	**15 066 418**	
B- FOREIGN SHAREHOLDERS					
SANTUSA HOLDING	Paseo de La Castellana N° 24	Holding	2 790 338	2 794 599	14,48
CREDITO ITALIANO	1Piazza Corduzio 2010	Financial instit.	397 500	397 500	2,06
CORPR. FINAC. CAJA DE MADRID	Eloy Gonzalo N° 10 - 28010	Financial instit.	660 465	660 465	3,42
FININVEST	91/93 Bd pasteur 6éme étage bureau 30615	Financial instit.		277 200	1,44
Other shareholders			82 477	103 414	0,54
TOTAL			**13 685 137**	**19 299 596**	**100**

Fiscal aspects

at december 31, 2004

Following a fiscal control, Wafabank was notified for a tax settlement covering the ATV, the due over intrest on terms-accounts of MLA for 1997-1999 period, and the income and revenue taxes for 1998-1999 period. An agreement between the Fiscal Administration and Wafabank was made through the payment of 160 million dirhams to the Fiscal Administration.

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Fax +32 (0)2 504 00 34

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