

Annual **05** Report

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A YEAR MARKED BY GROWTH

An expanded network and increased market leadership.

STRATEGIC PROJECTS: THE RESULT

of remarkable expertise and skills.

BURGEONING TALENT

Attijariwafa bank is accompanying tomorrow's entrepreneurs.



Attijariwafa bank



Leading financial group in North Africa, Attijariwafa bank places the satisfaction and trust of its partners, customers and suppliers at the heart of its business priorities. In Morocco, the Bank is committed to a programme of regional expansion as well as a constant search for excellence in its retail network. More than 500 branches across the whole country are today open to the public, providing banking and banking-related services to as many as possible.

Having a genuine desire to be close to its customers coupled with a concern for

quality across a diversified and innovative product range, Attijariwafa bank conducts its business efficiently and transparently. Such close relations are also the direct result of the professionalism of its employees who are constantly in touch with the needs of each customer.

We aspired to bring this closeness to light through the work of five gifted Moroccan photographers who took photo shots of the retail network, which will be used as an introduction to each part of our annual report.

5 MOROCCAN TALENTS

Annual
05 Report
2 0 0 5

2005 Annual Report Attijariwafa bank

Public Limited Company with a capital of
Registered office

Phone
Fax
Web site

1,929,959,600 dirhams.
2, boulevard Moulay Youssef - B.P. 11141
Casablanca, 20 000 - Morocco.
+212 (0)22 29 88 88
+212 (0)22 29 41 25
www.attijariwafabank.com

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CHAIRMAN'S STATEMENT



A year of accomplishment, 2005 was marked by the successful completion of our strategic plan, launched in 2003, with the aim of building a leading banking and financial group, capable of boosting the domestic economy and of extending its activities beyond our national borders.

Thanks to the tremendous mobilisation and collective spirit of our staff, the merger process has been completed respecting both the timetable and budget.

The successful merger between Banque Commerciale du Maroc and Wafabank has of course led to a significant change in Attijariwafa bank's size with net

income growing by 26.8 times to MAD 1.64 billion. The sheer size of Attijariwafa bank can be seen from its business activity with deposits and loans amounting to MAD 110 billion and MAD 70 billion respectively. Total assets have reached MAD 139 billion with the Group's shareholders' equity approaching MAD 11 billion. At the same time, our subsidiaries have become market leaders in their respective sectors.

« The successful merger between Banque Commerciale du Maroc and Wafabank has of course led to a significant change in Attijariwafa bank's size »

In qualitative terms, the character of Attijariwafa bank has profoundly changed as it has restructured to become a modern group, operating according to international standards.

Thus, by adopting a new organisational structure based on business units, steadily developing its branch network, creating regional back-offices and offering innovative products, the Group has rethought its customer approach which is now focused on building close relations and offering a personalised service.

At the same time, Attijariwafa bank has reinforced the basics of all its business lines by adopting new risk management rules, creating a new and more demanding risk control culture and a policy of quality improvement.

Another determining factor has been the enhancement of our human capital which today possesses a level of expertise unique in the market, acquired at the time of the merger. In addition, staff turnover within the Group has been a very positive factor, resulting in a higher level of skills, thanks to the realistic and pragmatic handling of human resources; a strict code of conduct has been established as well as a collective corporate project.

Finally, in 2005, the Group's international development became a reality with the building of a strategic presence in North Africa by acquiring a 53.54% holding in Banque du Sud in Tunisia in partnership with Grupo Santander, with the opening of Attijariwafa bank Senegal in sub-Saharan Africa in July 2006 and in Europe by establishing Attijariwafa bank Europe, French banking subsidiary.

« The group's international development became a reality with the building of a strategic presence in North Africa, in sub-Saharan Africa, and in Europe ».

Given its size, its various businesses, its market shares and the beginning of a process to expand beyond national borders, Attijariwafa bank can today claim to be the partner of choice to accompany Morocco's global development.

To fulfil this role, the Group has set itself three priorities to be achieved by 2010: to provide access to banking and financial services for as many as possible, to actively support large firms whilst encouraging the creation of competitive small- and mid-sized companies and to develop economic cooperation within North Africa and Western Africa.

In 2006, guided by our new strategic plan, we are committed to carrying out large-scale projects with the aim of strengthening our position domestically and developing our business activity across the region. We will once again be able to meet these challenges thanks to the mobilisation of the Bank's entire staff, to the ability and willingness of each to innovate and to excel in order to participate in a sustainable and shared vision with the objective of creating value for our partners and shareholders.

Khalid OUDGHIRI

BOARD OF DIRECTORS

M. Abdelaziz ALAMI Honorary Chairman

MEMBERS^(*) OFFICE

M. Khalid OUDGHIRI	Chairman and Chief Executive Officer
M. Saâd BENDIDI	Vice-Chairman
M. Antonio ESCAMEZ TORRES	Vice-Chairman
M. Mounir EL MAJIDI	Representative SIGER
M. Hassan BOUHEMOU	Representative SNI
M. Abed YACOUBI SOUSSANE	Director
M. José REIG	Director
M. Javier HIDALGO BLAZQUEZ	Director
M. Manuel VARELA	Representative Grupo Santander
M. Matias AMAT ROCA	Representative Corporacion Financiera Caja de Madrid
M. Daniel ANTUNES	Representative Axa Assurance Maroc
M. Hassan OURIAGLI	Representative F3I
M. Henri MOULARD	Director
M ^{me} Wafaâ GUESSOUS	Secretary

SENIOR MANAGEMENT COMMITTEE

MEMBERS OFFICE

M. Khalid OUDGHIRI	Chairman and Chief Executive Officer
M. Omar BOUNJOU	Managing Director
M. Mohamed EL KETTANI	Managing Director
M. Boubker JAÏ	Managing Director
M. Ismaïl DOUIRI	Strategy & Development
M ^{me} Wafaâ GUESSOUS	General Secretary
M. Youssef ROUISSI	Personal & Professional Banking
M. Mouâwia ESSEKELLI	Banking for Moroccans Living Abroad
M. Amin BENDJELLOUN TOUIMI	Specialised Financial Services
M. Hassan BERTAL	Corporate Banking
M. El Houssine SAHIB	Investment Banking
M. Jamal AMRANI	Group Human Resources
M. Karim CHIOUAR	Global Risk Management
M. Abdeljaouad DOSS BENNANI	Group Finances
M. Mounir OUDGHIRI	IT Systems Development Plan
M. Moncef ALAOUI	Group Compliance

(*) As of may 31st, 2006

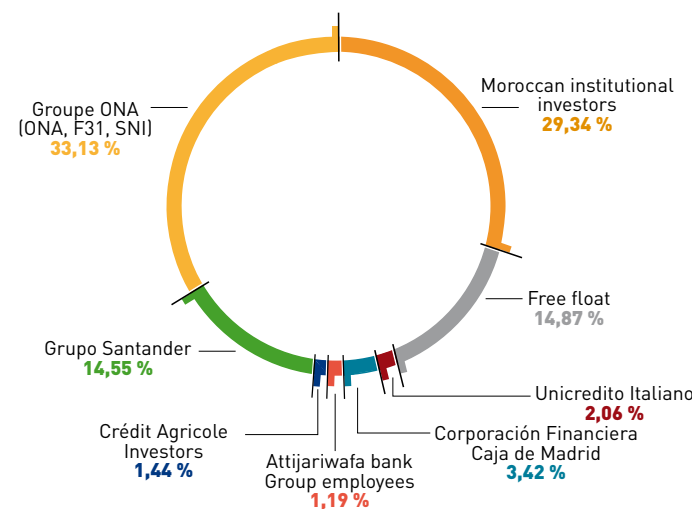
ATTIJARIWAFABANK

IN FIGURES

Key figures consolidés

Indicators in MAD billions	2005	2004
Activities		
Customer deposits	110,82	85,16
Customer loans	70,03	50,18
Financial structure		
Total assets	138,68	108,26
Share capital	1,93	1,93
Shareholders' equity before income allocation	10,9	9,46
Results		
Net banking income	5,64	5,11
Operating costs	2,9	2,86
Gross operating income	3,05	2,5
Net income	1,64	0,2
Ratios		
Return on equity (ROE)	16,7 %	2,23 %
Return on assets (ROA)	1,24 %	0,2 %
Cost-to-income ratio	51,6 %	56 %
Deposits/Staff (in millions of dirhams)	24,01	20,04
Customer loans/Staff (in millions of dirhams)	15,17	11,81
Stock market indicators		
Share price on 31 December (in dirhams)	1239	950
Earnings per share (in dirhams)	88,77	10,40
Dividend per share (in dirhams)	36	30
Dividend yield	2,91 %	3,1 %
Resources (bank)		
Staff	4 615	4 249
Domestic network	522	474
Overseas network	33	33

Breakdown of share-capital as of December 31st, 2005



PRESTIGIOUS PARTNERS

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

- ONA Group is the Bank's largest shareholder and the leading privately-owned group in Morocco. Its activities include mining, construction materials, food processing, retailing and financial services and it benefits from alliances with multinationals such as Danone, Auchan and Lafarge;
- Attijariwafa bank's second largest shareholder is Grupo Santander which has the largest capitalisation amongst banks in the Euro-zone. The Spanish bank has established a strong presence in Latin America and has holdings in several international industrial groups;
- Crédit Agricole, a global banking group, is also one of Attijariwafa bank's shareholders with which it is developing strategic partnerships across various business lines, notably in consumer credit through Sofinco and in asset management through Crédit Agricole Asset Management. This partnership has also generated several synergies for Crédit du Maroc, Crédit Agricole's Moroccan subsidiary in which Attijariwafa bank has a 35 % interest.

KEY DATES

JANUARY 2005

- Wafa Gestion's acquisition of Crédit du Maroc Gestion as part of the partnership agreement between Attijariwafa bank and Crédit Agricole SA.

APRIL 2005

- Implementation of Regional Processing Centres completed.
- First simulation of migration to new IT systems for the Branch, Human Resources, Accounting, Payment Systems and Data-management projects.

JULY - DECEMBER 2005

- Implementation of new IT systems across the whole branch network.
- Signing of framework partnership agreement between Barid Al Maghrib and Attijariwafa bank Group and partnership agreement between Barid Al Maghrib and Wafa Assurance.

19 JULY 2005

- Signing of framework partnership agreement between Barid Al Maghrib and Attijariwafa bank Group and partnership agreement between Barid Al Maghrib and Wafa Assurance.

SEPTEMBER 2005

- Banking licence obtained to establish a subsidiary in Senegal.
- Merger between Attijari Management, Wafa Gestion and Crédit du Maroc Gestion. From now on, the three companies are combined and trade under the name of Wafa Gestion.
- Opening of share-capital: Attijariwafa bank's staff own 0.89% of the share-capital.

NOVEMBER 2005

- Acquisition of a 53.54% holding in Tunisia's Banque du Sud by a consortium consisting of Attijariwafa bank and Grupo Santander.

DECEMBER 2005

- Launch of the certification of the business centre network for corporate customers by a Service Level Agreement.

JANUARY 2006

- Final IT systems migration: completion of the integration programme respecting deadlines and budgets.

A LEADER IN THE BANKING SECTOR

Mohamed JANNAT

Photographer since 1994, Mohamed JANNAT discovered photography at the age of five, an age at which his artistic sensitivity was nurtured, leading him naturally in later years to a profound and detailed approach. Graduate of the American College of Applied Arts in the United States, Mohamed JANNAT chose the camera as his medium of artistic expression. It was thus in 1996 that he exhibited his photos in an original manner on silk paper, wood and plaster: in two exhibitions in which he was able to share his passion for portraits and facial expressions.



A SUCCESSFUL MERGER, CHARACTERISED BY APPROPRIATE STRUCTURAL CHANGES

Preparing for the future by strategic organisational choices

With more than a million customers today and as leading banking network in Morocco with the position of market leader in each of its businesses in banking and finance, the merger to create Attijariwafa bank has clearly been a success. In only two years, the Group, thanks to the tremendous mobilisation and collective spirit of its staff, has successfully completed each stage of the merger process in accordance with the terms and deadlines anticipated. By implementing a new organisational structure in six business units, including most recently "Banking for Moroccans Living Abroad", by providing specialist services across its network to be closer to its customers, by strengthening its international partnerships, by adopting new management techniques and by developing an international presence, Attijariwafa bank is well on the way to meeting the major challenges of tomorrow and fully playing its role as engine of economic and social progress in Morocco.

A customer-centred structure in 6 « business units »

Attijariwafa bank's organisational structure has been totally rethought so as to place the customer at the heart of the Group's concerns with a view to enhancing cross-selling and to ensuring the best possible service thanks to state-of-the-art technology.

Operational performance revolves around six independent business units, each having its own resources, corresponding to the Group's principal business activities and adhering to three principles: to strengthen management and develop a performance-driven culture, to encourage employees to take more responsibility and increase powers of delegation and lastly, to make the execution process more professional by constantly improving management procedures and internal control systems. During 2005, a new business unit was created for Moroccans Living Abroad underlining the Bank's aspirations in this market segment.

Attijariwafa bank's organisation has been rethought and restructured with a view to developing specialist expertise within each business line whilst at the same time encouraging potential synergies between these businesses.



A large-scale project: the merger in facts and figures ...

- Migration of **600,000** accounts in Personal & Professional Banking;
- Migration of **3,000** small-, mid-, and large-sized firms;
- More than **6 millions** mailings sent;
- 12,000** days of staff training;
- 700** new procedures adopted;
- 1,500** employees have changed office;
- MAD **400 million** invested.



Close relations and efficiency, the cornerstone of the new sales strategy

Attijariwafa bank has adopted a new commercial strategy based on the principle of specialised points-of-sale which are areas dedicated to sales and advisory services. Two networks have been created, one dedicated to retail and professional customers, the other to corporate customers. The new approach has been defined and applied based on knowledge of the customer and the expertise of specialist sales teams. Thirteen regional back-offices have been established to lighten the branches' administrative burden providing more time for sales through a more efficient separation of functions.

An ambitious branch-opening programme has also been initiated to enhance Attijariwafa bank's geographical coverage in agglomerations with high growth potential and to be nearer to customers. The objective is for a total of 600 branches by 2007 and to gradually equip each of them with automated teller machines (ATM).



Developing an operational and flexible information systems platform



The programme of systems integration began on 8 April 2005 with the simulation phase for the migration of computer systems and reached its successful conclusion on 16 December. The rollout of new information systems began on 8 July with the launch of the test site in Meknes. In total, 188 of Attijariwafa bank's branches and 418 so-called "non-commercial" branches (units reporting directly to Head Office) have migrated to new information systems.

This programme, which is essential for Attijariwafa bank's development, is intended to provide a technical platform which can support the Group's growth over the medium term. In this regard, it must enable the Group to:

- Meet the priority needs of the Bank and its subsidiaries in terms of its business-line operations, marketing matters, budgetary control, risk management and regulatory constraints;
- Maintain strong growth;
- Develop formative structures to bring about improvements to existing procedures.

IT Systems Division reorganised as a service centre

At the beginning of 2006, Attijariwafa bank's IT Systems Division was restructured to bring its operational procedures into line with best market practice and to create a service centre providing IT solutions adapted to the needs of business units and the Group's support and administrative functions. It is organised around four departments: « Research and development », « Engineering and specialist infrastructure management », « Services and distributed infrastructure management » and « IT support ».

Reinforcing the basics of the bank's business lines

Attijariwafa bank's risk management approach is today supported by an entirely restructured unit, independent of commercial issues, with decision-making processes complying with generally-accepted principles in the field and incorporating future regulatory developments.

The risk control culture has also been reinforced by adopting a risk policy on four levels, each with a specific function as follows: "Operational risk monitoring", "Anti-Money laundering", "Compliance" and "General Audit" whose operational tasks have been redefined.

E-btikar, corporate strategy served by information technology

Because the smooth running of a bank depends on the quality of its IT systems and the objectives of the "Izdihar 2010" strategic plan cannot be achieved without updating the Bank's systems, Attijariwafa bank has launched a new IT systems development plan "E-btikar".

This plan incorporates a number of IT projects, each having its own objective, but together working to fulfil Attijariwafa bank's corporate vision.

These projects are in fact established on an ad-hoc basis from information supplied by the different business lines and are a useful resource for the latter in performing their operational duties.

Three types of project exist as follows:

- Business-enhancement projects in which IT solutions are implemented in response to the specific objectives of each business unit;
- Projects to improve the Group's management with the aim of raising the standard of current practices (risk management, performance management etc.);
- Projects to modernise the Group's technological infrastructure and permanently update it so as to guarantee operational efficiency whilst generating growth opportunities for the benefit of business lines.

These different types of project make "E-btikar" the technological cornerstone for the Group, providing it with the appropriate IT resources which it needs to reach its growth objectives as defined by each business line within the context of the "Izdihar 2010" strategic plan.



A dynamic brand architecture gives a new dimension

Consistent with the Bank's growth strategy both domestically and overseas, Attijariwafa bank has built a brand architecture based on an "umbrella" brand concept which will accompany the Group's future development.

A dynamic brand architecture has been adopted reflecting a new dimension whose general principles are as follows:

Banking activities in Morocco and overseas

The following entities have adopted the Bank's visual identity with certain features tailored to either the target customer type (corporate or retail) or to the local market:

- Personal & Professional Banking
- Corporate Banking
- Investment Banking
- International Banking.



Subsidiaries using the brand logo

These are « business line » subsidiaries which have kept their own name and specific brand image but have adopted the parent company's logo. The principle underlying this choice is that although these are separate activities with their own legal status, their services are intended for customers of the Bank and are therefore considered as specialist business lines.

Independent brands

These are subsidiaries with a strong notoriety, whose business activity goes beyond that of pure banking, with different target customers and with their own distribution network. They have kept their own identity and logo which is derived from the « Atlas Mountains » motif adopted by the Bank. Their institutional communication will be accompanied with the mention « Subsidiary of Attijariwafa bank ».



EXPANSION WHILST REMAINING SOCIALLY-RESPONSIBLE

The commitment of a leading Group actively involved in development

Growth within an ambitious social development programme

Endowed with a solid financial base, extensive know-how and modern operational practices, Attijariwafa bank has been able to meet the challenge of becoming Morocco's reference banking group and developing a full range of efficient and profitable banking and financial business lines.

Ranked N°1 banking group in North Africa and N°8 on the African continent, the Group is today one of the key players in the development of Morocco's economy. Since the outset, it has embarked on its mission in an independent fashion and with conviction by framing its corporate action within an ambitious social development programme with four strategic objectives: to stimulate investment, to promote sustainable development, to encourage the emergence of major national corporate groups, to accompany the development of a number of small- and mid-sized companies capable of competing in a liberalised market environment and lastly, to provide banking services to as large a part of the population as possible.

A « national champion » in banking and financial services

By developing real expertise in all areas of banking and financial services, Attijariwafa bank has successfully worked its way to becoming the undisputed domestic leader in bank lending and consumer credit, corporate and investment banking activities, asset management and brokerage services, leasing and bank-insurance. As for financing-related transactions, the Group is also the benchmark player, advisor and partner of choice for both Moroccan and international groups.

An international operation becomes a reality

Attijariwafa bank sees itself as a regional player and intends to establish a strong presence in North Africa and Western Africa.

This determination reflects a market vision that is not merely domestic in scope and requires the development of a model that can be duplicated beyond the country's borders in both banking and banking-related activities.



A strategic presence in North Africa, underlying its regional aspirations

As member of a consortium with Grupo Santander, Attijariwafa bank acquired a 53.54% holding in Tunisia's Banque du Sud in 2005. This acquisition is intended to promote commercial flows and investments between Tunisia and Morocco and also with Spain, whilst seeking to position Banque du Sud as a benchmark player in its market. In addition, a request for a banking licence in Algeria clearly demonstrates the Group's intentions to take advantage of its regional roots and influence.

Senegal, a bridgehead for developing business in sub-Saharan Africa

By establishing a subsidiary in Senegal, Attijariwafa bank has prepared the ground for developing a presence in Western Africa, a region with strong growth potential. Having gained authorisation from the local banking authorities, it will open its doors in July 2006. The Bank aims to improve the product offering currently available to local corporate and retail customers in conventional banking and financial products as well as banking-related services (consumer credit, mortgages, bank-insurance etc.).

It will also oversee locally-based Moroccan firms and aim to maximise and strengthen economic cooperation between the two countries.

Business activity of Banque du Sud

2005 was marked by the completion of the privatisation of Banque du Sud and with the acquisition of a 53.54% holding by the Andalumaghreb consortium composed of Attijariwafa bank and Grupo Santander.

In terms of business activity, the bank made satisfactory progress in 2005 with an increase in deposits and loans of 12% to 2.24 billion dinars and 20% to 2.26 billion dinars respectively.

Furthermore, total assets rose by 18.9% to 2.33 billion dinars.

Net banking income declined by 3.3% to 76.9 billion dinars and net income for the period amounted to -5.31 million dinars due to the impact of significant write-offs over the period.

2006 is likely to be a turning point for Banque du Sud with the implementation of priority projects providing the bank with new impetus.

Against this background, large-scale projects are already underway with the aim of making Banque du Sud a reference financial institution and raising its performance in line with international standards.

IZDIHAR 2010: A SIGNIFICANT CONTRIBUTION TO THE ECONOMIC AND SOCIAL PROGRESS OF THE COUNTRY

In addition to meeting its forecasts which should enable Attijariwafa bank to make another leap forward in terms of size, in particular by doubling net income, three priority goals have been set, which are to be attained by 2010.

- First, Attijariwafa bank has a strong desire to play its part in of one of the most important aspects of social development by providing banking and financial services to a wide section of the population (domicile 1 personal bank account in 3 and finance 1 home in 3).
- Second, to continue to back large companies which are leaders in their respective sectors of the economy but also to support the creation of small- and mid-sized firms.



- Finally, to enhance cooperation and international exchange, particularly within North Africa and in Western Africa.

These three strategic initiatives, together with the size and capabilities which the Group today now possesses will most certainly make a significant contribution to Morocco's economic and social development.

2005 BUSINESS REVIEW, MARKED BY PERFORMANCE AND PROFITABILITY



Hassan NADIM

Photographer since 1991 and currently Vice-Chairman of the Moroccan Association of Photographic Art, Hassan NADIM has participated in the publication of several books on Moroccan art and civilisation. His works are today published in numerous reviews in Morocco and in Europe. His detailed study of the Jamaâ Elfna square in Marrakech illustrates his very particular way of treating colour, with the contrast between black and white intensified. Hassan NADIM is able to capture the abstraction and nomadic light inherent in well-observed places.

PERSONAL AND PROFESSIONAL BANKING

« Our ambition is to build « The bank for all » with the dual requirement of being accessible to as many as possible by being closer to our customers and guaranteeing high-quality, innovative and competitive services and products ».

Youssef ROUISSI, Director, Personal and Professional Banking

Completion of major organisational projects

In 2005, Personal and Professional Banking successfully completed its migration process to new information systems, creating value for both the Bank and its customers. A policy of inter-mingling human resources at branch-level, with the aim of improving service quality, was implemented as well as a training policy as part of the "Indimaj" integration project.

Furthermore, the intended branch organisational structure, which places the customer at the heart of the Group's commercial activity, is today operational as is the new offering of services and products.

A commercial dynamism boosted by specific measures

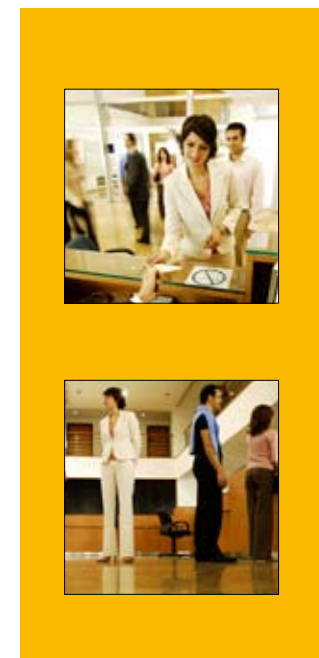
In addition to the task of business integration, Personal and Professional Banking in 2005 underwent further development in its business activity with a new-look offering of services and products, which, today, is organised in four adapted and attractive ranges: « Savings », « Loans », « Bank-Insurance », « Payment systems and services ».

Several well-targeted efforts at communication have been undertaken, in particular two direct marketing campaigns, one for « Crédit Express » and the other for « Pack Domino » as well as a large-scale campaign for « Crédit Logement Miftah » using a variety of media channels.

The « Financing agreements » business has been developed through a global offering (consumer credit, mortgages, investments and life insurance etc.) with advantageous terms and conditions being offered to employees of large firms and public sector workers.



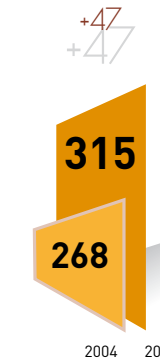
Mr. ROUISSI and the Distribution, Products and Markets team of the (Personal and Professional Banking).



Number of Personal and Professional Banking agencies



Number of automated teller machines (ATMS)



Regarding sales and marketing measures, Personal and Professional Banking employees have received a high level of supervision in 2005, in terms of coaching and support, in order to improve their efficiency and mobilisation. The CRM application has been implemented throughout the whole branch network to get to know the customers better, for accuracy on a permanent basis and for a more proactive sales effort. The network has expanded with the opening of 53 branches this year. Finally, a strategy has been established to develop new distribution channels and to manage ambitious projects.

A strong increase in performance indicators, results driven by appropriate strategic policy-making

Thanks to this new strategic and organisational vision, 2005 was a year in which Personal and Professional Banking saw a significant increase in customer deposits amounting to MAD 77.3 billion, an increase of 11.8%. Loans to personal and professional banking customers also registered a satisfactory performance with loans outstanding rising by 11.7% to more than MAD 13 billion.

Attijariwafa bank is the confirmed leader in the taking of bank-insurance products, which exceeded the MAD 400 million mark to reach a total amount outstanding of MAD



BANKING FOR MOROCCANS LIVING ABROAD

« *The creation of an entity exclusively dedicated to Moroccans Living Abroad demonstrates our willingness to offer a specialised and effective service to respond to the specific needs of this type of customer, by providing a service not only in Morocco but also through overseas network* ».

Mouâouia ESSEKELLI,
Director, Banking for Moroccans Living Abroad

A desire to establish itself as partner of choice for moroccans living abroad

Placing the market segment of Moroccans Living Abroad at the heart of its development strategy, Attijariwafa bank established a new business unit exclusively dedicated to the specific needs of this category of customer in 2005.

Proposing high-quality and innovative products and services both domestically as well as in the country of residence, « Banking for Moroccans Living Abroad » illustrates Attijariwafa bank's ambition of becoming the partner of choice for these customers.

In this regard, the organisational structure has been rethought with specialist entities established as follows:

- In Europe, by the creation of a banking subsidiary in France which will enable Attijariwafa bank to extend its business activities throughout the whole European Union using its existing presence in different countries (France, Spain, Italy, Belgium, Holland, Germany and Great-Britain) as its starting-point;
- And in Morocco, with a strong presence in those regions of which Moroccans Living Abroad are natives, thereby enabling an improvement in the quality of service.

A broader range of specialist products and services

Business activity in 2005 was characterised by the continuation and completion of the merger process affecting all parts of the Bank in Europe. A commercial impetus was sustained thanks to the mobilisation of staff and a broader offering of products and services.



Mr. ESSEKELLI and his teams, gathered together for Moroccans Living Abroad.



Effective solutions for managing cash transfers have been found, enabling new services to be launched for transferring funds between Europe and Morocco. The roll-out of revenue-generating activities, in partnership with specialists in their respective fields, also resulted in a broader range of retail services in the country of residence, resulting in growth in market share.

Throughout the year, an intensive relations-building communications campaign was carried out to increase brand awareness and inform Attijariwafa bank's customers of its new range of products and services.



Additional qualities to satisfy the needs of the market

The expansion of the sales network and its overhaul, currently in progress, resulted in the opening of new points-of-sale in Malaga, Cologne and Brussels. Other openings are anticipated in 2006, particularly in Nice, Lyons, Toulouse, Marseilles and Almeria. A project to implement new information systems was also launched. The aim is to provide staff with an application for identifying customers' needs and to better monitor their transactions. Finally, the Group's marketing strategy adopted for Moroccans Living Abroad was revised with the aim of:

- improving the basic offering,
- developing new, appropriate products,
- restarting a dedicated communications policy for this market segment which had ceased in the past,
- establishing more efficient distribution by means of a mix between the Group's own network and the networks of business partners.

Strengthening international partnerships

A series of meetings in April 2005 in Madrid and in June 2005 in Casablanca between Khalid Oudghiri, Chairman and CEO of Attijariwafa bank and Emilio Botin, Chairman and CEO of Grupo Santander, has given new impetus to the strategic partnership between the two institutions. Thus, with the support of Grupo Santander, Attijariwafa bank is today developing a diversified offering targeting Moroccans living in Spain and is setting up desks dedicated to these customers within Santander branches.

CORPORATE BANKING

« Partner of choice for corporate institutions, we offer each of our customers efficient and tailor-made solutions thanks to the specialisation of our sales approach whilst guaranteeing a high-quality service by means of our clear and formal undertakings ».

Hassan BERTAL, Director, Corporate Banking

A business unit with specialisation by customer type

Anxious to respond to the needs of corporate institutions, the Corporate Banking division opted, during 2005, to segment its business into two large portfolios: « Large Firms » and « Small- and Mid-Sized Firms ». Such a choice takes into consideration the differing needs of the two segments concerning borrowing requirements and handling of transactions.

The Group also took the opportunity in 2005 of establishing specialist units whose objective is to develop international commercial transactions, investment financing, cash flow management solutions and cross-selling opportunities for the benefit of the whole of the Group's business lines. Furthermore, there is a specialist unit dedicated to providing engineered solutions for managing customers' cash flows.

In order to offer a personalised service to these customers, the Corporate Banking division has reorganised its sales approach around 7 networks. Consisting of 25 business centres, customers are serviced by a highly-skilled business manager who is capable of introducing the customer to any of Attijariwafa bank's group units.

A consistent service for the "Large Firms" clientele for improved commercial efficiency

The "Large Firms" business unit is responsible for coordinating and steering the Group's overall relationship with large firms, a customer segment prey to increasingly stiff competition, thereby requiring ever closer monitoring.



Mr. BERTAL surrounded by his collaborators at Moualy Youssef business centre.

In 2005, the finishing touches were applied to the process of account transfer and, as part of the rationalisation process, the portfolio was resized. Such a large-scale task was accompanied by a redistribution of customers under monitor, resulting in a more consistent approach to customer portfolio management and increased availability of sales staff.

Commitments in the "Large Firms" unit reached MAD 47 billion at 31 December 2005, an increase of 46.8% compared to the previous financial year.

This performance is largely due to major strategic transactions managed by Attijariwafa bank throughout the year (Akwa, Samir, FEC, Saham, Maghrebail etc.).

An approach based on close relations to boost and promote small- and mid-sized firms segment

In 2005, the business unit entitled « Backing Small- and Mid-Sized Firms » participated in the task of completing the process of transferring corporate customer accounts to the business centres and monitoring the migration of those accounts from the former information system to the new one.

Nearly 2000 companies were visited this year as part of the recently-launched "Close relations with our corporate customers" campaign involving all salespersons. In addition, a new guide was published in order to illustrate the principal methods of financing available, appropriate to the different stage of a firm's operating cycle as well as the character of its industrial or commercial activity.

To boost the Small- and Mid-Sized Firms business segment, Attijariwafa bank, having customarily organised conferences in collaboration with professional associations, organised another two in 2005. The first conference in June was attended by about 100 companies on the theme of « Support measures for improving standards at Small- and Mid-Sized Firms ». The second, organised in December in partnership with AMITH targeted the textile and apparel sector with 260 specialist firms in attendance.

Agreements were also signed during 2005 with several Regional Investment Centres. Finally, staff working in the « Backing Small- and Mid-Sized Firms » business unit represented the Bank at various professional events (conferences, Morocco-Spain exhibition at the Malaga Fair etc.).

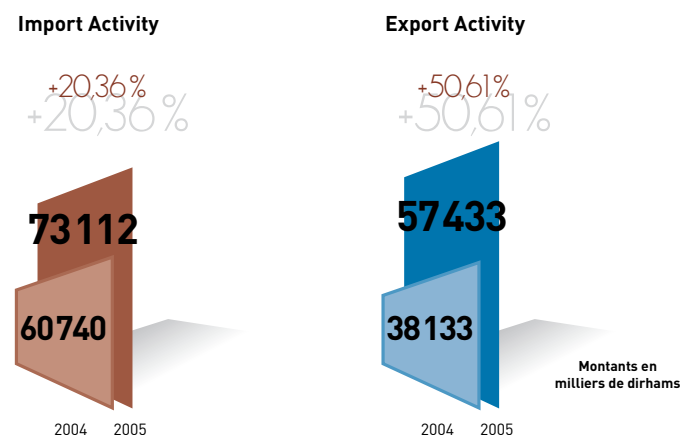


International activities strengthened, a country-based approach employed

In 2005, the Bank's international activities experienced steady growth. Total flows, all categories included, reached nearly MAD 125 billion, an increase of 25.5% compared to 2004. The Bank thus handled more than 260,000 import and export transactions.

Moreover, the rejuvenated Corporate Desk network (Paris, Brussels, Madrid, Barcelona and Milan) recorded a 16% increase in average forfaiting loans and 31% growth in average confirmed documentary credits. Similarly, the Group's offshore subsidiary, Attijari International Bank, re-established healthy business flows with major players (Yazaki, Automotive Wiring Systems, Antolin Maghreb etc.) to post profit growth (net banking income and operating income improved by +15.1% and +23% respectively).

Finally, a new Desk for handling transactions was established in Shanghai as part of the overall reorganisation of the international business as a country-based or regional approach is now employed.



Representative offices in China and in Europe

Attijariwafa bank established a Trade Finance desk in Shanghai in partnership with Calyon, the French bank. This new entity is responsible for handling documentary credits and letters of credit issued locally and for accompanying the Bank's customers in their transactions in the Chinese market.

Attijariwafa bank also reorganised its European corporate banking business on the occasion of the establishment of its Paris-based banking subsidiary. The Parisian entity oversees an activity dedicated to supporting both Moroccan and European firms generating business flows between Morocco and Europe. The Madrid desk provides additional back-up for this business activity in Spain.

« Investment Financing », the realisation of large-scale projects

A new business unit created at the end of 2004 at the time of the reorganisation of the Bank's business lines into « business units », « Investment Financing » is an unit entirely dedicated to the corporate customer's medium- and long-term financing needs. It is organised around three business lines: « Investment Promotion », « Project Finance » and « Tourism and Real Estate Finance ».

In 2005, Attijariwafa bank's strategic position in the domestic market for investment financing was underlined as it arranged finance for a total exceeding MAD 12 billion.

Project Finance accounted for the large part in volume terms with the arrangement and structuring of major transactions such as:

- Acting as lead arranger for the construction of Holcim's new cement works in Settat, the financing of the concession to operate the first container terminal at the Tangiers-Mediterranean port for Maersk and the financing of ONEP's infrastructure programme.
- Participating as co-lead manager for the partial financing of the project to modernise Samir's facilities and for the financing of the acquisition of a Boeing aircraft on behalf of RAM.

« Tourism and Real Estate Finance » played a strategic role in all the large-scale tourist and real estate development projects including:

- The partial financing of the Saâdia seaside resort on behalf of the Fadesa Group;
- The partial financing of the project to restructure Club Méditerranée's business portfolio in Morocco;
- The financing of several real estate projects in Casablanca for Tsyrom.

The « Investment Financing » business unit, ever stronger for having realised such large-scale projects, has gained a reputation as being a real centre of expertise in the matter of arranging and structuring complex financing transactions which respond to customer needs for financing of infrastructure projects, off-shoring for multi-national companies and development programmes in strategic sectors.

CERTIFICATION BY MEANS OF A SERVICE « CHARTER »: AN INNOVATIVE POLICY GUARANTEEING QUALITY

In order to play its full role as banking partner in the business development of its corporate customers, Attijariwafa bank is committed to providing a clear and transparent high-quality service - an innovative and pioneering approach which includes several tangible and measurable commitments:

- A highly-skilled business manager is appointed who is capable of introducing the customer to any of the Group's business lines;
- A direct telephone line is made available making it easier for the customer to contact his business manager, with an automatic call-back facility in the event that he is unavailable;
- All credit applications are processed and a written reply is issued within 15 days;
- The customer is supported in his international transactions by means of high-quality advice and rapid execution.

Adopted in October 2005, this policy has involved the certification of all its business centres by France's AFAQ/AFNOR as well as the overhaul of operational procedures, staff training and investment in a systems-based application for monitoring whether such undertakings are being met.

INVESTMENT BANKING

« *The expertise, dynamism and analytical capabilities of our staff today confer on us the status of recognised market-maker as well as the undisputed reference model in all capital markets activities* ».

El Houssine SAHIB, Director, Investment Banking.

Expertise reinforced across all business lines

2005 was a year in which the Investment Banking division strengthened its organisational structure, adopted at the end of 2004, and confirmed its position as leader in all the business lines in which it competes.

Expertise, dynamism and close relations with customers are the principal qualities guiding the strategy implemented by Investment Banking in order to ensure its long-term growth.

Undisputed leadership in capital markets activities

Capital Markets activities include foreign exchange business (classical foreign exchange products, foreign exchange derivatives and commodities) and fixed income business (classical interest rate products, brokerage, interest rate derivatives, origination, syndication and securities placing).

In 2005, Attijariwafa bank proposed market-making services in all the principal currencies quoted by Bank Al Maghrib as well as foreign exchange and commodity derivatives.

The Group is leader in the Moroccan foreign exchange market with a market share of nearly 35% and the largest market volume which registered a significant increase compared to 2004.

It is also the key player in the "commodities" business with a 100% market share in commodity price hedging.

Treasury securities broker, Attijariwafa bank's Capital



The trading room teams surrounding Mr. SAHIB.

Markets division is also ranked N°1 in the primary and secondary government bond markets. As concerns the corporate debt market, in 2005, it was lead manager of 9 corporate debt issues totalling MAD 3.7 billion.

Such a performance demonstrates the ability of the Capital Markets team to conceive and structure innovative and tailor-made solutions to satisfy the requirements of customers.

Confirmed and recognised expertise in « advisory » services

Attijari Finances Corp's business portfolio includes M&A advisory services, corporate debt origination, initial public offerings and equity issuance.

In 2005, the division strengthened its leadership in M&A advisory services in the Moroccan market and in particular focused its efforts on:

- Its marketing policy and realising market deals;
- Strengthening its position overseas with clearly-stated regional aspirations, confirmed in 2005 by two successful privatisations: as advisor to the Attijariwafa bank - Grupo Santander consortium in the acquisition of a 33.6% holding in Tunisia's Banque du Sud and advisor to Unihuil in the privatisation of Algeria's ENCG.

In 2005, the Corporate Finance division played an integral role in the emergence of leading domestic corporate institutions through its participation in strategic market deals as well as realising large-scale projects having a structural impact on the domestic economy. The Corporate Finance division in particular participated in the following M&A deals:

- Advisor to Akwa Group in its merger with Oismine Group;
- Advisor to Saham Group in its acquisition of a 67% holding in CNIA;
- Advisor to Maroc Connect in its acquisition of Morocco's 3rd fixed-line telephone licence.

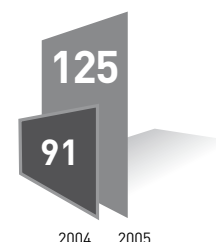
With the benefit of such expertise, the Corporate Finance teams recorded various successes in terms of privatisations and infrastructure projects, in particular as:

- Advisor to Cosumar in the privatisation of four sugar refineries: Suta, Surac, Sunabel and Sucafor;
- Advisor to the consortium comprising CMA CGM, Eurogate, MSC and Comanav in the public tender offer launched by TMSA for the allocation of the 2nd container quay at the Tangiers-Mediterranean port.

In 2005, Attijari Finances Corp's sales amounted to MAD 60.3 million, registering a strong increase compared to the previous financial year (MAD 20.6 million in 2004). This performance was due in particular to two strategic transactions: the Akwa - Oismine merger and Maroc Telecom's initial public offering.

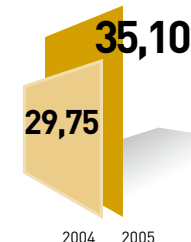
Foreign exchange volume

+37,36%
+37,36%



Market share

+17,98%
+17,98%



Leading player in securities brokerage



In 2005, Attijari Intermédiation generated trading volumes of MAD 91.1 billion, an increase of 147.3% compared to 2004. Such a result can be attributed to the performance of the sales team in terms of its placing capabilities, investment advice and speed of execution. The research and analysis team also contributed to this process by a constructive approach in terms of publications, becoming the “centre of gravity” for investment advice. The back-office was responsible for settling 75,858 stock-market trades over the year.

These results confirm the brokerage firm as the genuine leader in the investment advisory and equity placing business.

By compartment, Attijari Intermédiation generated trading volumes of MAD 52 billion on the central and block-trade markets with a market share of 52% and volumes of MAD 38 billion in public offers and other corporate actions. In total, its overall market share amounted to 60.53% in 2005.

The development of new services in « private equity »

In 2005, Wafa Trust pursued its role as advisor specialising in corporate restructuring with sales of MAD 1.5 million and a provisional net loss of MAD 1.042 million.

There was no significant change to Wafa Investissement’s portfolio in 2005. The company’s management was strengthened at the end of the year with the intention of assuming new corporate restructuring assignments for customers of the Bank.

2006 is likely to see new investment and the divestment of various non-strategic Group companies.

Established in 2005, Attijari Invest is a subsidiary of Attijariwafa bank offering investors financial instruments with high returns whilst controlling the risks associated with such investments.

During 2005, the entity launched two investment funds:

- Agram Invest, MAD 200 million in size, specialising in the food-processing industry, which was closed to new investors in September 2005;
- Fonds Igrane, MAD 126 million in size, specialising in investments in companies based in the Souss Massa Drâa region.

In addition, Attijari Invest has expanded its range of specialist investment funds by:

- Launching a real estate fund specialising in the tourist industry (Hospitality Fund) which is being



finalised but is likely to be MAD 500 million in size;

- a fund specialising in infrastructure projects (Moroccan Infrastructure Fund), launched in partnership with EMP (Emerging Markets Partnership), the largest Private Equity investor in infrastructure projects in emerging markets. The Moroccan Infrastructure Fund will be up to MAD 1 billion in size.

SPECIALISED FINANCIAL SERVICES

« *Through our specialised subsidiaries, we are able to develop and propose innovative and competitive financial solutions in consumer credit, mortgage finance and long-term car-rental* ».

Amin BENDJELLOUN TOUIMI,
Director, Specialised Financial Services.

Wafasalaf: n°1 in consumer credit

A successful merger which has created value

In 2005, Wafasalaf established itself as the leader in consumer credit with a 32% market share. This position is the successful culmination of its merger with Crédor, begun in 2004. The merger was completed in an excellent manner thanks to synergies generated by employees and to the commercial results achieved. Today, Wafasalaf has a staff of 358 persons, its own network of 19 sales branches, an external distribution network of 616 points-of-sale (brokers) which includes 330 post offices, 138 car dealers and 256 generalist outlets in the household goods sector.

Agreements with prestigious partners

Wafasalaf is the sector's most comprehensive operator, offering the most complete and appropriate range of products and services to all types of customer. For this reason, Wafasalaf has developed a hub of expertise and know-how enabling it to build close relations with a number of prestigious partners.

2005 was marked by the signing of several partnership agreements, notably in retailing with the Marjane chain of hypermarkets, to introduce the Alfai'z card.

In the household equipment sector, Wafasalaf's sales activity was sustained by its ever-increasing presence in generalist stores. In the automobile sector, a partnership agreement was signed with Renault Maroc and with the Moroccan subsidiary of RCI Banque (Renault Crédit



International) for financing the purchase of Renault brand vehicles.

Wafasalaf also bolstered its presence in this sector through a partnership with Sopriam, for financing the purchase of Citroën brand vehicles.

Strong growth in profits

In terms of results, loan production reached MAD 3.8 billion, an increase of 15% compared to 2004 with market share stable at 32%. This growth was fuelled in particular by an improvement in car loans (+40%) and loans for the purchase of consumer durables (+36%).

Wafasalaf has shown itself to be a pioneer in credit management (management for third parties) with a network of more than 650 branches in 2005 (Attijariwafa bank and Crédit du Maroc). Wafasalaf's loans outstanding recorded growth of 12% compared to 2004, reaching MAD 7.12 billion.

2006-2010 strategic plan initiated

In order to strengthen its position as leader in consumer credit, in 2005, Wafasalaf established its strategic growth plan for the 2006-2010 period. The result of a shared decision-making process, having consulted all employees, it envisages the adoption of a new logo and a new design for Wafasalaf as a subsidiary of the Attijariwafa bank Group.

Wafa Immobilier: an expert in mortgage finance

In 2005, Wafa Immobilier conducted risk analysis and evaluation of all mortgage applications across Attijariwafa bank's branch network.

In addition, Wafa Immobilier signed several agreements, most notably with Ministries (Tourism, Capital Goods, Fisheries, Youth and Sport, Health), with associations such as Al Omrane, ANAPEC and ERAC Nord-Ouest and with the Directorate-General for Social Services of His Majesty's Armed Forces.

Moreover, the Ministry of Finance renewed its authorisation for Wafa Immobilier to offer housing loans at a discount to official Treasury rates of interest. The company broadened its product range with the launch of two new products in 2005: the "HBM" loan and the « FOGARIM » loan (loans to finance the purchase of low-cost housing and/or for persons with modest income).

Thus, Wafa Immobilier's loan production amounted to MAD 2.37 billion, an increase of 25.8% compared to 2004. In terms of profits, Wafa Immobilier recorded net banking income of MAD 66.34 million and net income of MAD 15.13 million.

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 Alfai'z card and provide cardholders with new functions



Wafacash: pioneer in money transfers

Wafacash completed 2005 with net banking income of MAD 98 million and net income of MAD 38.1 million. Cash volumes amounted to MAD 5,269 million, registering an increase of 25%. The number of transactions reached 1,742,000, an increase of 29% compared to the previous financial year.

In terms of its product offering, a new version of « Cash Express », named « Cash Express Entreprises » was launched for the benefit of companies dealing with customers who do not have a bank account.

In order to ensure the professionalism of its staff, a « Mystery Customer » survey was carried out in collaboration with Attijariwafa bank's quality control department across the whole of the Wafacash network as well as amongst those of competitors. The results were excellent, confirming Wafacash's strong reputation for service quality.

Moreover, to maintain and enhance the motivation of staff, an original initiative called "Saison des Champions" was adopted for the period from 1 August to 31 December 2005, enabling the firm to reward those branches having obtained the best score for reaching objectives over the period, weighted by a coefficient devised by the quality control department.

Finally, 2005 marked the 10th anniversary of Wafacash's partnership with Western Union, an event which resulted in a vast nationwide marketing campaign.

Wafa LLD: long-term rental in action

This year, the market in long-term car-rental experienced considerable growth and represented 10,500 vehicles at 31 December 2005, all categories included. The general terms and conditions currently practised by rental companies were harmonised and the decision of the Prime Minister to allow long-term car-rental to be included in the civil service budget boosted the sector.

Against this backdrop, Wafa LLD increased its market share in 2005, thanks particularly to a first contact with the civil service. As part of the overhaul of its organisational structure, Wafa LLD increased staff numbers and developed its information systems network with the adoption of an intranet and "Web reporting" for the benefit of customers. On the communications front, Wafa LLD set about changing its brand image by adopting a new logo.



Wafabail: confirmed as "champion" in the leasing business

In a market which is growing rapidly (+30%), in 2005 Wafabail established itself as leader in the leasing sector. Loan production amounted to MAD 1.98 billion, an increase of 64%. Loans outstanding at 31 December 2005 amounted to MAD 3.26 billion, a rise of 30.8%.

Such an excellent performance is the result of strong synergies within the Attijariwafa bank Group both at the network level as well as with Head Office departments and of reorganisation efforts made since the merger of the two leasing subsidiaries.

Attijari Factoring: a leading operator

In 2005, Attijari Factoring Maroc's production increased strongly (+44%) and in line with objectives. This growth, largely superior to that of the sector (+11%), was driven by the strong performance of domestic factoring (+66%) due to more efficient management of the existing portfolio, to sector diversification and to a new range of services. Today, domestic factoring accounts for the major part (70%) of total production.

Outstanding financing and invoices experienced a sharp rebound of 235% and 58% respectively thanks to the sound performance of domestic factoring activities.



PRIVATE BANKING, ASSET MANAGEMENT AND INSURANCE

By establishing relations with our customers based on mutual trust and by proposing solutions adapted to their needs, we hope, alongside the growth of our business, to contribute to building a society which is safer and better prepared for the future.

Wafa Assurance, an ambitious growth plan

During 2005, Wafa Assurance embarked on a vast reflective process which resulted in the adoption of a new growth plan for the 2006 to 2008 period. This plan aims to turn Wafa Assurance into a major player in its sector and fixes ambitious objectives for growth and profitability in line with the general strategy of the Attijariwafa bank Group.

A new organisational approach also emerged with this plan based on the following underlying principles:

- Collective decision-making process.
- Clarification of responsibilities to reach objectives.
- Constant development of human resources.
- Continuous improvement in the quality of service to our networks and customers.

Moreover, in order to endow Wafa Assurance with an efficient tool essential for improving internal control procedures and providing Management with a clearer understanding of underlying business risks, the firm undertook a risk-analysis project which resulted in the publication of a handbook of procedures and internal control.

On another level, Wafa Assurance enhanced its product range by launching Al Istishfaa Eddahabi for Moroccans Living Abroad, « Confort Santé » and



Attijariwafa bank - Wafa Assurance - Barid Al Maghrib: an active contribution to economic and social development

On 19 July 2005, Attijariwafa bank and Barid Al Maghrib signed a partnership agreement aimed at developing synergies for the benefit of customers of both groups, particularly regarding hybrid mail, messaging, insurance, consumer credit and stock-market brokerage. In addition, a further agreement was signed between Barid Al Maghrib and Wafa Assurance to market a whole range of life, savings and pensions products under the "Barid" brand. This policy is designed to provide as large a segment of the population as possible with life- and savings-related financial products.

« Global Securfamille ». On the other hand, the bank-insurance product offering was standardised with the Attijariwafa bank network.

As part of its sales policy favouring close relations with customers, Wafa Assurance extended its network with the addition of 22 new brokers, taking the total number to 113.

Asset management, the emergence of a leading operator

In 2005, Wafa Gestion saw assets under management grow by 4.24% to MAD 36.1 billion which was slightly weaker than market trends. This figure includes assets managed by the former Attijari Management and Crédit du Maroc Gestion following the merger of the three entities Wafa Gestion, Attijari Management and Crédit du Maroc Gestion.

Wafa Gestion maintained its market share of 42% for specialist institutional funds as well as retail, which barely recorded any growth by comparison with 2004.

In 2005, new fund business was driven by specialist funds (+20%) with funds under discretionary management increasing by MAD 2.5 billion (MAD 15 billion in 2005 compared to MAD 12.5 billion in 2004). Medium- and long-dated fixed income products led the increase, progressing from MAD 18.8 billion to MAD 22.6 billion.

It should be noted, however, that there was a funds outflow of more than MAD 2 billion from money market products and retail investors showed only a modest interest in equity-based and diversified savings products.

In addition, 2005 was a year in which Wafa Gestion implemented several major projects:

- The establishment of a new organisational structure;
- The adoption of a more consistent and stringent approach to the investment management process;
- The merger of existing information systems;
- The rationalisation of the product range;
- The acquisition and implementation of a fully-integrated software package (Front- to Back-office).

2005 was also a year in which the firm signed distribution agreements with the Attijariwafa bank and Crédit du Maroc



networks. The partnership with Cédit Agricole Asset Management was further enhanced with the French investment manager playing a supervisory role in Wafa Gestion's management and transferring know-how necessary for meeting the demands of today's investment management industry.

Real estate: a business dedicated to the development and management of real estate assets

The real estate business encompasses development and management of real estate assets by means of an investment holding fund likely to attract institutional and retail savings.

This unit also manages Attijariwafa bank's rental properties not used in operations (day-to-day management of properties, collection of rents). Delegated project management services include the supervision and completion of real estate developments (construction and refurbishment of buildings for multi-purpose use).

Custody: reference player in the market

Concerning the Custody (securities services) business unit, 2005 was characterised by:

- Steady but significant growth in stock-market volumes with a peak reached in December 2005;
- A major increase in assets held due to renewed interest by both domestic and foreign investors in capital markets and to the performance of the stock-market which rose by nearly 22.5% in 2005.

Thus, Attijariwafa bank's custody of securities, including all categories of transferable security, reached MAD 192 billion at 31 December 2005.

During 2005, 107,162 trades were handled against 74,178 in 2004. Cumulative sales in 2005 reached about MAD 80 million, an increase of 17% compared to 2004, excluding exceptional items.

With 58% of market capitalisation (custody of listed shares), 41% of the mutual fund market (custody of mutual funds) and 54% of market capitalisation (centralised dividend payments for issuers), Attijariwafa bank is the unquestionable leader in custodian services for investors.

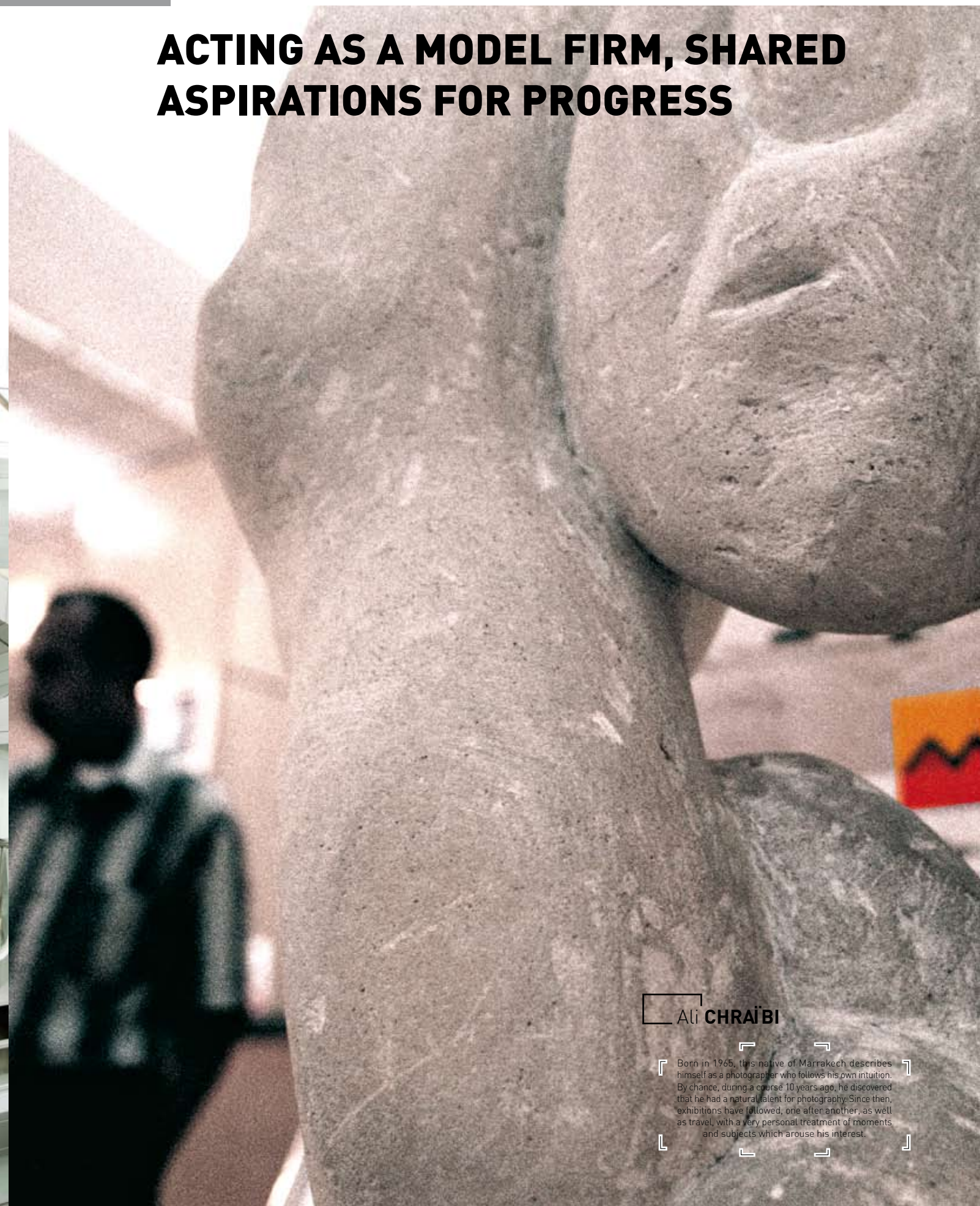
Private banking: high value-added personalised solutions

Private Banking offers an active wealth management service for sophisticated clients. Its multi-disciplinary team proposes a high value-added, "made-to-measure" service, responding to the specific needs of each client and combining a discreet and personalised approach with the highest level of professionalism.

During 2005, Private Bankers initiated a series of meetings with clients. Having proposed solutions to meet their specific requirements, the process of analysis and strategic planning is underway so as to provide personalised investment strategies for the medium- and long-term.



ACTING AS A MODEL FIRM, SHARED ASPIRATIONS FOR PROGRESS



Ali CHRAÏBI

Born in 1968, this native of Marrakech describes himself as a photographer who follows his own intuition. By chance, during a course 10 years ago, he discovered that he had a natural talent for photography. Since then, exhibitions have followed, one after another, as well as travel, with a very personal treatment of moments and subjects which arouse his interest.

INVOLVING EMPLOYEES IN THE GROUP'S DEVELOPMENT

A human capital with ever increasing expertise

By being directly involved in the merger process, Attijariwafa bank's managers have acquired a certain level of expertise and today possess a degree of flexibility which is unique in the market.

This enhancement of the Group's human capital has been accompanied by a real renewal of the workforce thanks to a policy combining voluntary redundancies and recruitment. 767 new employees thus joined the Group in 2005 including numerous graduates of prestigious higher educational establishments benefiting from a high level of professional competence.

Management of human resources this year focused on disseminating a strong ethical culture, based on a code of compliance and mobilising the entire personnel around a collective corporate project where each has a role to play in the Group's development.

Employee-shareholders: a new means of social progress

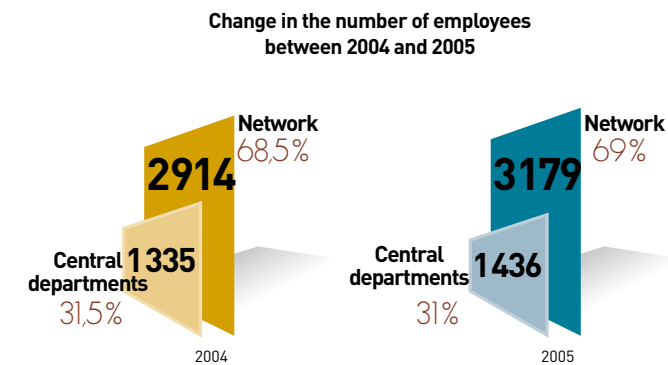
From 12 to 26 September 2005, Attijariwafa bank opened its share-capital to its entire staff by offering employees advantageous terms to become shareholders. The operation was an absolute success since employees subscribed for 172,131 shares from a total 192,994 shares; the total sum invested amounted to MAD 153 million with employees becoming shareholders of 0.89% of the Group's share-capital.

For the Group, this approach had a dual objective: to express gratitude to employees for their tremendous mobilisation during the entire merger process and to involve them in a dynamic of social progress.

In fact, this first employee share offer is part of a long-term programme which should enable staff to own up to 3% of the Bank's share-capital, the longer-term aim being to develop an employee savings scheme and to build up a surplus of social benefits.



Mr. AMRANI surrounded by the major Human Ressources Group's managers.



A training policy looking to the future

Attijariwafa bank's staff training policy takes into consideration the needs arising from the Group's expansion project and is based on the principle that, as established by the new code of labour practices, every member of staff has the right to vocational training.

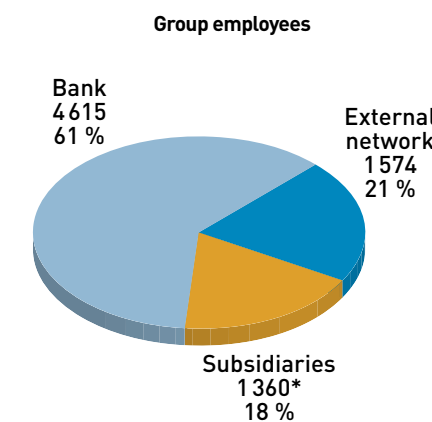
The approach adopted enables tasks and objectives to be set, long-term priorities to be determined and addresses the following needs:

- Integrating new members of staff;
- Building on existing skills through short-term plans of action aimed at individual or collective improvement;
- Preparing for the medium- or long-term by promoting staff mobility and anticipating the market's requirements, whilst also preparing for the next generation;
- Establishing partnerships with both the public- and private-sector education systems.

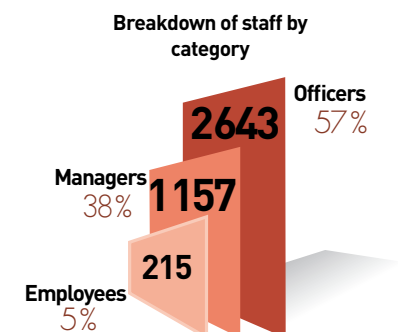
Regular and constructive staff dialogue

2005 was marked by closer dialogue with staff by means of entities established as a consequence of new measures in the code of labour practices:

- Works Council comprising the General Management, elected members and trade union representatives. This council held its first meeting to sign the agreement for the employee share offer enabling Attijariwafa bank to open up to MAD 180 million of its share-capital to its employees.



* includes employees of Banque du Sud



- Safety and Hygiene Council comprising the General Management, managers from « Group Human Resources », the « Buying and Logistics » and « Safety » departments as well as company doctors. At a meeting held on 9 December, it was decided to split this council into four sub-committees: Head Office, Branch Network, Staff Catering and Risk Identification. These committees are in the process of drawing up the Bank's corporate policy on safety and hygiene which will be approved in 2006.

In addition, meetings are held regularly between Human Resources management and staff representatives with the aim of gradually adopting measures to harmonise staff benefits granted to Attijariwafa bank's employees.

By pursuing a policy of constant and constructive dialogue with its staff, it is evident that Attijariwafa bank is today the leader in the banking and financial sector in terms of social benefits for employees (insurance, pensions, benefits in kind etc.).

This is indeed underlined by the important role that the Bank plays within the select committee of « GPMB » staff which constitutes a platform for inter-bank social dialogue with our trade union-partner.



« Assil »: commitment, ethics and values

Attijariwafa bank is committed, in whatever it does, to reconciling profitability with social progress by means of a corporate culture founded on six collective values which inspire its strategic approach, pervade its ethical principles, govern its daily operations and contribute to defining its identity.

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

INTERNAL COMMUNICATION MARKED BY AN EXCHANGE OF IDEAS AND INTERACTION

In 2005, the range of internal communication tools was enhanced and diversified with the aim of communicating more widely across the whole of Attijariwafa bank's businesses.

Two new state-of-the-art communication tools were launched: « Le MaG », the Group's audio-visual magazine and « Ribatkoum », an internal information site, operational since June.

« Le MaG » is largely intended to promote internal communication based on an oral culture. « Ribatkoum » has enabled the Group's internal communication to rise to the challenges of the new information age and benefit from the potential inherent in new technologies.

In addition, « Passerelles », the Group's quarterly magazine and « Passerelles Flash », an on-line newsletter have undergone a face-lift, with an impact on both content and look. A new, more spaced-out lay-out, full of pictures and a change in editorial tone and style have resulted in more user-friendly publications which are better adapted to the expectations of employees.

A « Guide to Group Businesses » was also published in April 2005 in order to increase synergies and interaction between Attijariwafa bank's various business units.



Concerning event-based communication, an information forum enabled 400 of the Group's employees to meet and engage in debate about the Bank, its current situation and the future challenges facing it. Meetings, taking the form of breakfasts or of similar style, were organised on a regular basis throughout the year.

With so many initiatives, a genuine culture of internal communication exists today within the Group, an information tool encouraging close relations amongst employees, which managers have adapted to their own departmental communication needs for their respective teams (Investment Banking Society, Corporate Banking Convention, Wafasalaf Convention, adoption of a specific communications tool for Corporate Banking etc.).



PLACING CUSTOMER SATISFACTION AT THE HEART OF PRIORITIES

In 2005, Attijariwafa bank totally rethought its customer strategy, in particular by organising its business activity around 6 business units dedicated to specific categories of customer and encouraging synergies within the Group. An ambitious branch network expansion plan is underway in order to offer a service of greater proximity to customers and additional sales platforms have been created for the Large Firms, Small- and Mid-Sized Firms and Private Banking units. The sales approach has also been enhanced by network specialisation, use of the CRM application and the transfer of administrative tasks to back-offices. Lastly, a major effort has been made in terms of innovation in order to renew subsidiaries' product offerings and to respond to, rather, anticipate customers' expectations.

Quality-Based approach

Attijariwafa bank intends to play its full role as banking partner for its customers' business development and for this reason has decided to adopt a management system certified by France's AFAQ/AFNOR, an international certification body enabling it make clear, direct and transparent commitments to its corporate customers regarding the quality of service offered.

Attijariwafa bank has thus adopted « best practice » in terms of service quality and now genuinely differentiates itself by having adopted a certification-based service « charter » with the triple-goal of improving customer satisfaction, making business processing more efficient and improving business centre operations.

From the results of customer satisfaction surveys and expectations expressed in focus groups, three areas were identified which needed improvement:

- The role played by the customer's commercial business manager in the business centre;
- Approval and setting up of loans;
- Delays in executing international transactions.

The implementation of this policy necessitates:

- A refocusing on the needs of corporate customers;
- The clarification of internal organisational procedures;
- The empowerment of directors responsible for business centres, both internally as well in relation to Head Office, based on the principle that it is they who represent the customers;
- Establishing organisational procedures for recording and monitoring operations as part of a process of traceability and permanent improvement.



Attijariwafa bank has opted for official recognition of the quality of its services by developing an internal service charter certified by France's AFAQ.

In fact, such an approach seems more appropriate in order to imbue employees with a culture of customer proximity. A precise measurement of the level of service and the quality of relations with the customer is the only proof that this approach is successful.

Moreover, the service charter is collectively used as a motivational tool for existing staff in order to meet goals.

This approach has the following objectives:

- To develop privileged relations with customers;
- To ensure consistency in the level of service;
- To demonstrate Attijariwafa bank's know-how and convey this expertise to our customers.

A reference system has been drawn up internally based on expectations expressed by customers and involving various contributions from Head Office as well as the pilot branch.

THE NETWORK OF CERTIFIED BUSINESS CENTRES

Attijariwafa bank is committed to providing a high-quality service for its corporate customers by the following means:

- The appointment of a highly-skilled business manager who is capable of introducing the customer to any of the group's business lines;
- A direct telephone line is made available, with an automatic call-back facility in the event that he is unavailable;
- All credit applications are processed and a written reply is issued within 15 days;
- The customer is supported in his international transactions by means of high-quality advice and rapid execution.

This policy has been adopted by all business centres since October 2005.



ESTABLISHING RELATIONS WITH SUPPLIERS BASED ON MUTUAL RESPECT AND LOYALTY

Increasingly efficient buying and logistics function

Attijariwafa bank's "Buying and Logistics" function was given an added strategic dimension in 2005. Supported by an efficient and structured organisation, it adopted new procedures intended to guarantee openness and discipline in the decision-making process and greater project coordination between business units, subsidiaries and the Group.

An Internal Audit function was also established to ensure that these rules are respected.

Establishing a professional code of ethics in buying

In November 2005, Attijariwafa bank launched a professional code of ethics relating to the purchase and sale of non-banking goods and services for the purpose of providing employees who have a professional relationship with suppliers and external service with a supervisory framework.

Comprising 14 articles, this code focuses on four fundamental points:

- General rules concerning buying or selling;
- Personal relations with suppliers and buyers;
- Principles of audit;
- The Group's commitments to development and social responsibility and their impact on the buying function.

As ambassadors for the Bank in its relationship with outside parties, staff involved in the activity of buying or selling goods or services must behave in an irreproachable manner. For this purpose, the code sets out several rules of behaviour to be followed such as being honest and acting in the Group's interests with loyalty and openness; respecting the law, fair competition and the lawful use of productive resources; maintaining confidentiality; respecting contractual obligations, avoiding all personal benefits as well as remaining objective.



REGISTER SHAREHOLDERS IN A PROGRAMME OF LONG-TERM VALUE CREATION

Attijariwafa bank is eager to provide shareholders with rigorous and regular information in respect of the CDVM's recommendations and best international practice.

In fact, besides annual reports and other financial documentation which may be consulted either at the Bank's Head Office or on its website, a half-yearly letter is sent to all registered shareholders to inform them of the Bank's current business situation and results, as well as trends in its share price.

Moreover, a Shareholder's Guide, published this year for the first time, is sent to all shareholders with an invitation to attend the Annual General Meeting and presents them with the agenda for the meeting, the proposed resolutions on which they will have to vote and the Group's achievements during the past financial year. This guide is intended to inform Attijariwafa bank's shareholders of their rights and the conditions for participating at such meetings.



SHAREHOLDERS' GUIDE... FOR EVER CLOSER RELATIONS WITH OUR SHAREHOLDERS

In 2005, Attijariwafa bank published a shareholders' guide for the first time as a reference guide for our shareholders, updating them on the Bank's latest developments both in terms of results as well as key events and performance. Published in French and Arabic, it is intended to provide shareholders with all the information needed to participate in the Annual General Meeting, in particular:

- The agenda and resolutions for the Annual General Meeting;
- Terms and conditions for participating and information concerning voting by proxy ;
- Practical recommendations.

This guide is sent to all shareholders by name no later than one month before the Annual General Meeting.



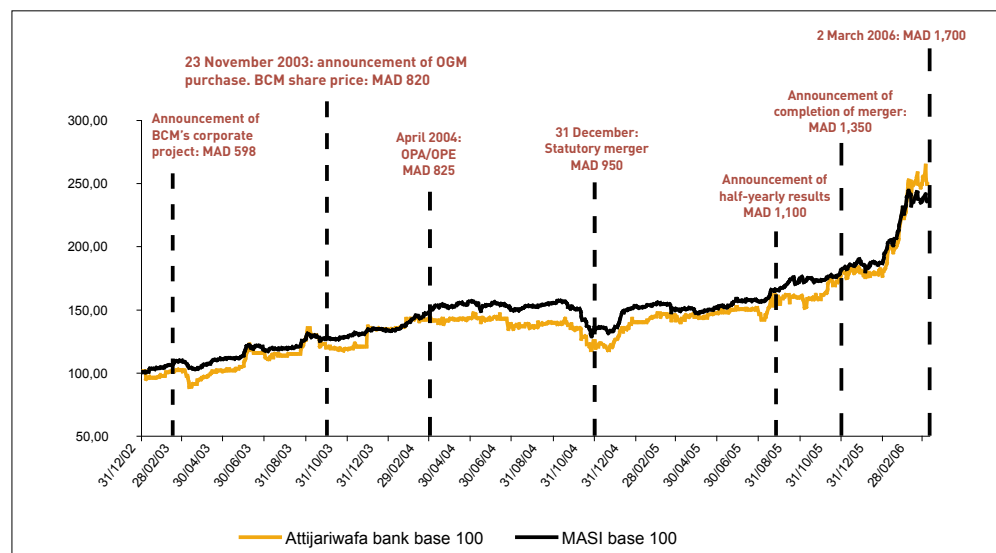
Shareholders meetings

Annual general meeting	May 31 st , 2006
First quarter 2006 results announcement	May 15 th , 2006
First half 2006 results announcement	September 20 th , 2006
Third quarter 2006 results announcement	November 23 rd , 2006

Attijariwafa bank's share price

During 2005, Attijariwafa bank's shares significantly outperformed both the banking sector and the market. Share price performance during the year amounted to 30.4% compared to 22.5% for the market and 16.6% for the banking sector index.

Such a rise in the share price occurred on high volume with average daily volume of MAD 30 million against MAD 15 million the previous year. The surge in the share price from MAD 950 at the end of 2004 to MAD 1239 at the end of 2005 can be explained by the new perception and confidence which shareholders have for Attijariwafa bank's growth prospects.



Source : Attijari Intermédiation

2005 Financial communication award : an allegiance to the transparency of Attijariwafa bank

Attijariwafa bank received the 2005 Financial Communication Award in the "large-cap" category. This prize, awarded by the Moroccan Society of Financial Analysts (SMAF) is a recognition of the quality and the exhaustive nature of Attijariwafa bank's financial communication.

In fact, during 2005, the Group adopted a more informative communications policy towards the financial community with the publication of a «Key Figures» pack and a "Shareholders' Letter" and by organising meetings with financial analysts to present results on a half-yearly basis and offer guidance on the Bank's future prospects. Attijariwafa bank has also begun to communicate to the public all information of a strategic nature that may have an impact on the share price.

For 2006, Attijariwafa bank has decided to take up the challenge as required by international standards in financial communication by, amongst others, publishing quarterly accounts as well as the Bank's balance sheet.



ACTING AS A SOCIALLY-RESPONSIBLE FIRM

Attijariwafa bank's socially-responsible approach places prime importance on initiatives which contribute to developing the potential of the younger generation because we are convinced that the talent of this next generation will prove to be the most efficient engine for our country's economic and social development.

Attijariwafa bank intends to lend its support in terms of training, expertise, material resources and financing, which should provide our young people with the best possible conditions for success.

This programme is structured around three objectives:

- The first is intended to make artistic creation accessible to young people by capitalising on the Bank's experience as patron of the arts;
- The second concerns Attijariwafa bank's efforts in accompanying young people in business start-up projects;
- The third concerns the promotion and recognition of the value of learning by becoming involved in the field of education, principally by means of three initiatives:
 - Equipping multi-media rooms in educational establishments as part of its sponsorship of the Al Jisr Association;
 - Partnership with universities to develop new technologies;
 - Support a programme for pupils studying in preparatory classes in scientific disciplines.

Encouraging artistic creation

Patron of the arts for several decades, Attijariwafa bank has assembled a considerable cultural heritage, is developing know-how and expertise, over and above its purely financial vocation, which is recognised in terms of its cultural action.

As the leading banking and financial group in North Africa, Attijariwafa bank has increased the number of socially-responsible activities. The Group has decided to enhance its policy of civil action in the field of artistic activities by pursuing the following:

- Provide continuity and greater visibility for the Bank's cultural heritage by organising itinerant exhibitions intended to highlight the role played by the Bank in encouraging Moroccan creativity and offering a panorama of Moroccan painting from its beginnings to the present day.

The first milestone was reached in 2005 with the programming of the touring exhibition "Imaginaires croisés" regrouping 90 paintings and the exhibition "Andalousie, fragments d'architecture arabo-musulmane", ancient lithographs from a collection presenting Spain's Muslim monuments.

- Promote Moroccan artists and encourage inter-cultural forums by staging exhibitions in which the works of one or several artists or of one or several artistic disciplines are grouped together by theme.

The criteria used for selecting on events are defined so as to alternate between classical or modern pictorial art, contemporary visual art forms, cross-disciplinary forms of expression and heritage artefacts and to dedicate a part of these exhibitions to renowned artists as well as young talent. In 2005, such exhibitions included the drawings and water-colours of the French artist Ginette Cals during the time she spent in Morocco in the 1940s as well as an exhibition highlighting the floral representations of Najja Mehadji and Miguel Chevalier, mixing painting, digitalised art forms and ancient embroidery.



Promoting the value of learning

Preparatory classes

Accompanying and supporting pupils who are seeking admission to prestigious higher educational engineering establishments, such is Attijariwafa bank's new project in the field of education, in partnership with the Ministry of National Education, Higher Education, Scientific Research and Vocational Training.

In order to provide a better accompaniment for pupils in scientific disciplines, Attijariwafa bank has decided to support them in their preparation for entrance exams by helping to modernise the libraries of the 11 high schools concerned. These libraries have thus been endowed with specialist scientific works and reviews and the IT software necessary for conventional documentary management. Furthermore, those pupils sitting for oral exams for entry to France's prestigious engineering schools are to benefit from a seminar preparing them for the exams through individual coaching by a group of specialist teachers.



Attijariwafa Universities

The « Attijariwafa Universités » programme is one of the measures implemented by the Attijariwafa bank Foundation for promoting and enhancing the value of learning.

Modelled on the experience of Grupo Santander and with its backing, Attijariwafa bank, in collaboration with 14 national universities, is committed to financing and promoting new information technologies in Moroccan universities. At two pilot sites (Tetouan's Abdelmalek Essadi University and Casablanca's Hassan II University), several collaborative projects are going to be tested before being implemented:

- The creation of an on-line university portal containing numerous items of information such as teaching programme content, scholarships offered and available work-placements. From this portal, students will be able to access national and international library collections as well as the Universia programme (portal supported by Grupo Santander, Attijariwafa bank's partner, establishing contact between 300 universities worldwide). This portal will also give access to E-learning programmes.
- The creation of a smart-card. This electronic card will give each registered student access to the university's services and facilities and will enable automated borrowing from libraries as well as consultation of academic information. With this card, a genuine « electronic purse », users will be able to pay for items within the confines of the university and benefit from banking services.

PC plus

Finally, the Attijariwafa bank Foundation, in partnership with Microsoft and Munisys, arranged for the servicing and distribution of 500 personal computers to three teacher-training centres, 8 cyber-spaces at university faculties and 36 schools in urban and rural districts. This was accompanied by two IT training seminars given to the schools' teachers and head-teachers, which were organised in collaboration with Microsoft and the "Al Jisr School-Business Partnership".

Encouraging economic initiatives

As a supporter of entrepreneurship, Attijariwafa bank was the partner of "Challengers", a programme organised in May 2005 by the television channel 2M revealing talent. By its structure and content, this programme aims to encourage a spirit of innovation and a taste for challenge amongst young business creators in Morocco.

Convinced by the values portrayed by this competition and by its social dimension, the Group is committed to funding the projects of the 10 winners.

A system of "sponsoring" has also been adopted with participation by bank employees, in order to encourage a successful development of these projects from their infancy, by providing technical support and financial expertise.

Furthermore, Attijariwafa bank has been actively involved in the association "Réseau Maroc Entreprendre" since its creation. This aim of this association of business leaders is to grant interest-free loans for pre-selected business start-ups and to accompany them during the first three years.

In addition to our involvement in "Maroc Entreprendre" and "Challengers", from 1 June 2006, the Bank will allocate MAD 1 billion to financing young persons' business start-ups.



Challengers - Attijariwafa bank: encouraging business start-ups

Attijariwafa bank's participation in the television series "Challengers 2005" went beyond the simple role of sponsor. The Bank in fact accompanied the project of each of the ten finalists materially, by providing 100% financing at zero-interest for each project, and technically, by putting each finalist in contact with an expert so as to provide assistance in launching the project. Involvement in an advisory capacity was wholly in keeping with Attijariwafa bank's broader corporate strategy, which sees small- and mid-sized firms as one of the engines of the domestic economy.

Today, all the projects of the finalists in the first series are up and running, the loans have been released and most of the companies are operational. The approved financing budget reached MAD 19 million.

AN ORGANISATION AND RESOURCES SCALED TO THE TASK

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 operations of the Board of Directors, several entities have been established to improve internal control and management.

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 procedures for ad-hoc committees. Finally, a Director's Charter defines all the duties and obligations attached to the office of director, particularly with regard 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 proposals to the Board of Directors 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 mainly responsible for analysing the Group's accounts, considering all matters relating to these accounts, reviewing the statutory auditors' works 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 or business-line specialists take decisions at various levels. At a higher level, the Senior Management Committee is responsible for steering the Group strategically. The Executive Committee, which meets each week, brings together senior managers and is responsible for managing the bank at the operational, 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 Group level are also implemented at subsidiary level, with each subsidiary possessing its own corporate governance structure.



Professional code of ethics: a requirement made formal by a code of proper conduct

Conscious of the considerable importance of ethics in professional and personal behaviour, Attijariwafa bank has chosen to be exemplary in terms of its professional code of ethics and has placed it at the heart of its corporate governance strategy.

The Group is thus committed to a strongly ethical approach with respect for a "values system", by means of Code of Proper Conduct which formalises the attitudes and professional behaviour which the Bank maintains both within and outside the organisation. The Code of Proper Conduct was supplemented in 2005 by a Professional Code of Ethics for those employees whose professional duties are of a so-called "sensitive" nature and a Buyers' Code.

Over the past twelve months, the three codes were disseminated by means of training sessions for all 5,700 Group employees across the whole country as well as the overseas network.

A commitment to ethics hailed by the nation's business leaders

As part of the « Intégrales de l'Investissement » event on 1 December 2005 in Rabat, Attijariwafa bank won the Award for Corporate Social Responsibility. This distinction is just recognition for the efforts made by the Group to combat corruption as well as the set of measures adopted since 2003 ensuring that principles of ethics and compliance are strongly and universally respected and adhered to on a daily basis.

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 from business units and business lines ensures it is totally objective when submitting recommendations concerning risk-taking to the Credit Committee and its controlling body.

Functions and organisation

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, emanating from the Bank's various sales teams. Its prerogatives extend to determining the adequacy and validity of any guarantees, assessing the business volume with the customer concerned and examining the financial justification for financing. Each business unit has two entirely independent structures responsible respectively for commitments and recoveries and which report 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 repayment-related issues and coordinating with the networks for the recovery of loans outstanding;
- 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 authorisation, 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 different business sectors, to contribute to the commercial effort on a sector basis and assist in the decision-making process by responding to recurrent identified needs or specific one-off needs by means of its research publications;
- Standards and Procedures: it is responsible for developing and implementing quantitative risk measurement techniques, appropriate procedures and techniques for establishing limits and standards for the operational activities of business units;
- Basle II Monitoring: this department is responsible for the cross-company coordination of the Basle II project, whilst credit, market and operational risk specialists are responsible for project development at the level of each business entity.



Finally, a Risk Management Committee was established to:

- Determine the Group's risk policies in agreement with the Senior Management Committee;
- Define risk acceptance rules;
- Establish risk limits and levels of delegation;
- Delegate matters for the attention of lower-tier committees;
- Review exposure to the largest customers on a systemic basis;
- 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-related risks.

GENERAL POLICY

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 its internal code, drawn up in accordance with current legislation and third party rights;
- Independence of risks: risks are structured in such a way as to preserve total independence from other Group entities from an operational standpoint, 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-making: all credit-related decisions require a double signature and review by both the sales and risk-management functions respectively;
- Monitoring: each risk is monitored on a constant and permanent basis;
- Adequate remuneration: each risk assumed by the bank must be fairly remunerated, the profitability of transactions being of critical importance.

Credit activity

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. Since 2004, the effective adoption of "black lists" has contributed to an even more stringent selection of customers.

Diversification

Risk diversification plays an essential role in reducing the cost of risk. This implies diversification in the choice of economic sectors being financed, on a geographical basis and in the type of counterparty.

Credit rating system

The Group is developing a credit rating system to assess all counterparties. This rating system meets the requirements of Basle II. As regards corporate risk, the rating scale runs from «A» to «F», in addition to which there is a separate «X» category for customers awaiting a credit rating. This credit rating system has been used in the credit risk management process since the second half of 2004 through the risk delegation and assessment systems. In a few years time, Attijariwafa bank will adopt a single internal rating approach as recommended by Basle II.

For financial institutions, the Standards and Procedures department has developed an operational rating system, based on the methodology used by Moody's, to determine counterparty limits in relation to financial institutions. A specific application is under development for real estate transactions.

Contribution made by specialist business units

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



Application of credit policy

In compliance with the principles set out above, credit policy is adapted and applied as a function of the Group's different business lines and incorporates several components.

Global vision of risks

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

Global Risk Management is present within each of these subsidiaries by the appointment of a Risk Officer who is functionally independent of the subsidiary's management hierarchy. This officer's task is to participate in the risk-taking process and to check at all times that decisions comply with the credit policy determined by the Risk Management Committee. A monthly coordination meeting is held by the Global Risk Management team to ensure unity and consistency in the risk management approach in relation to counterparties as well as strategic choices made.

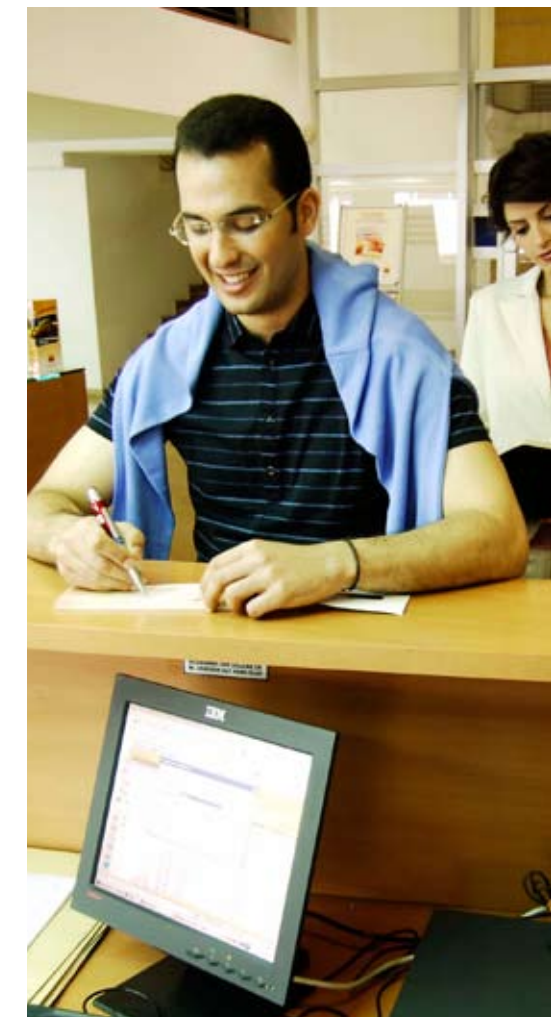
A reporting system formalises this approach.

Sector policy

In addition to individual assessment of counterparties, risk policy incorporates 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.

It must be added, however, that these recommendations are of a macroeconomic nature and that there are high-quality companies even in sectors experiencing difficulties. In this respect, a highly pragmatic approach is taken which takes into consideration the specific character of each business entity.



Decision-making procedures

Decision-making procedures are governed by principles of collective decision-making (two signatures are always required, by both the sales and risk management functions) and independence of risks. A system of delegation has been established which distinguishes between different business units.

Control of large risks

Multi-risk exposure to a given customer is subject to particular monitoring. Regulation requires that exposure to any one customer or group of customers considered as a single entity should not exceed 20% of the bank's shareholders' equity. Furthermore, commitments exceeding 5% of shareholders' equity must be disclosed.

A permanent, proactive monitoring system

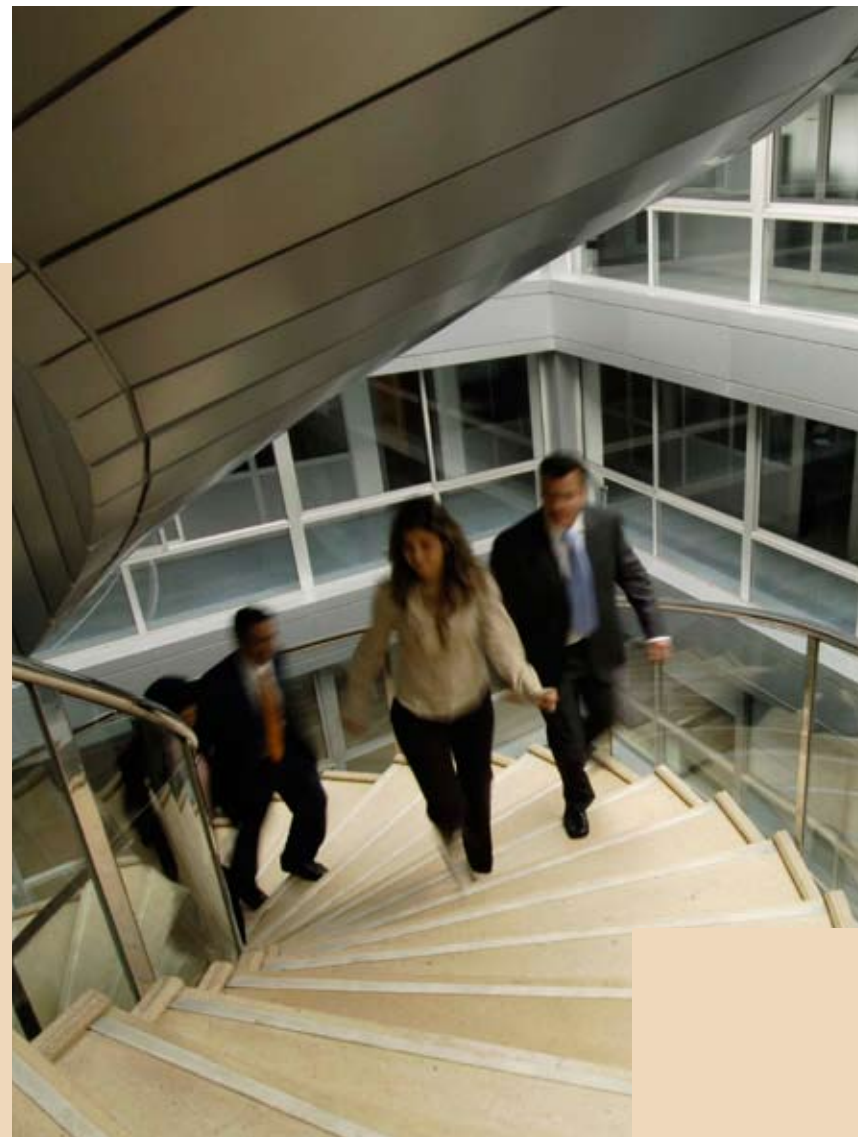
At least once a year, and more frequently if necessary, the Risk Monitoring department checks that all ratings have been effectively reviewed.

Based on the identification work performed by the monitoring body, 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. In anticipation of any possible changes to regulations, however, a prototype has already been developed, making it possible to determine capital requirements according to the standard method (1996 amendment).

In the same way, an internal model, based on the calculation of Value at Risk has been developed, making it possible to determine possible savings in capital requirements.



As regards currency risk, 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 risk has been devised as part of a general policy on internal risk control pursuant to the provisions of Circular N°6/G/2001 issued by Bank Al-Maghrib. This occurs on three levels:

- Front Office operators check their own work and are required to comply with regulatory requirements and with the bank's risk monitoring and management policy;
- Risk monitoring is undertaken by the Middle Office which checks compliance with limits set for currency, interest rate and counterparty risks on a daily basis. The Middle Office periodically informs Senior Management and other risk control bodies through a reporting system.
- The role of the Market Risk Supervision and Monitoring unit is to identify, analyse and monitor the Bank's currency and interest rate positions, then to rationalise these positions by formal authorisation and remain vigilant as to any deviation from these positions.

INTERNAL RISK CONTROL REINFORCED AT ALL LEVELS OF THE BANK

Four levels have been defined to ensure the reliability of risk control within the Group:

- All transactions are thoroughly checked on a daily basis by their initiators;
- Systemic and programmed checks are undertaken to assess the validity and quality of transactions within the Group's operational entities (business units, central units, networks and subsidiaries);
- Group Compliance which is responsible for defining, organising and coordinating ongoing risk control procedures within the Group and for reporting and proposing amendments to operational procedures;
- General Audit which periodically checks the sound functioning of all of the Group's business units and the quality of its operational procedures including those relating to risk control. It proposes necessary changes and ensures that internal and external rules are respected and reports on any anomalies which may appear in the Group's operations.

The first and second levels of control, established during 2005, cover almost all the Bank's business units and will be extended to new units created during 2006.

Group compliance

The third level of control, exercised by the Internal Risk Control unit within Group Compliance, is responsible for defining, planning and implementing, directly or indirectly, all daily or programmed checks of Group operations.

Group Compliance also comprises three units:

- The Management of Operational Risk unit, whose role is to build a comprehensive and real-time database of operational risks, offer analysis and determine changes to procedures and/or systems for maximum protection;
- The Ethics unit checks that all employees of the Group respect the Group's internal rules and current legislation applicable to the Group's business activities in the matter of financial ethics and conduct. The Ethics unit also ensures that the procedures currently in use incorporate



the aforesaid obligations, which implies constantly monitoring the regulatory framework in collaboration with the Legal Advisory department.

- The Anti-Money Laundering unit is responsible for analysing the customer's profile and operational flows so as to categorise the level of risk assumed in relation to the unit's own specific rules. The Anti-Money Laundering unit also determines which additional checks are needed for the riskiest categories and, as the case may be, informs the authorities of the most suspect transactions. This unit checks that all new products (or new business activities) respect the obligations of the Anti-Money Laundering unit and ensures that offices outside of Morocco also adhere to these rules as well as any additional local standards.

General audit

Due to the creation of the Group Compliance unit at the end of 2005, the fourth level of control, General Audit, underwent a reorganisation of its activities as follows:

- The audit body was restructured to enable it to fulfil a broader and more important role;
- An inspectorate was established responsible for investigating and monitoring special affairs, important complaints and the prevention of fraud.
- A systems application for audit was established;
- Effective supervision of subsidiaries' audit units.

A complete set of standards and procedures covering General Audit's activities, operational procedures, reporting and rules relating to auditors' duties will be determined and implemented during 2006.



Audit and risk control committee

In order to ensure the smooth running of the control function, an Audit and Control Committee, which will meet on a monthly basis, was created. It will be responsible for:

- examining the results of Internal Risk Control and General Audit;
- validating the principal recommendations and monitoring their implementation;
- authorising new products,
- preparing works for the Risk and Accounting Committee.

Such additional measures will thus enable the Compliance and Control procedures to be industrialised and systematised whilst favouring a preventive approach to risk-monitoring prior to controls.



FINANCIAL REPORT



Khalil NEMMAOUI

A lover of photography, Khalil NEMMAOUI is even more passionate about his country and its inhabitants. Aged 38 years, this accomplished artist captures the « soul » of Moroccans in his portraits and is able to unveil the richness and sensitivity of his subjects. A very approachable person renowned for open dialogue, Khalil has exhibited his work as part of the « Porte Bab Mansour » exhibition in Paris and the « Fragments d'imaginaire » at Casablanca's Institut Français. His talent is also revealed in several publications including « Le Maroc andalou ».

Financial report

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ECONOMIC ENVIRONMENT IN 2005

In 2005, the domestic economy recorded growth of 1.8% despite the effects of a poor agricultural harvest as well as an unfavourable international environment, characterised by a rising oil price, a slowdown in economic activity in the euro-zone and increased competition from China in international markets.

However, the domestic economy appears to be increasingly independent from the vagaries of the weather thanks to a renewed dynamism in traditional sectors and the emergence of promising new sectors.

In fact, the contraction of the primary sector (-12.5%) was mitigated by the strong performance of non-agricultural sectors. Growth drivers were principally the mining (+7%), energy (+6.5%) and construction and civil engineering (+6%) sectors, as well as tourism, telecommunications and the rebound in manufacturing activity (+3%).

Construction & civil engineering

Boosted by the launch of large-scale public-works projects in the fight against housing unfit for habitation as well as the acceleration of infrastructure projects and development of tourist zones, the construction and civil engineering industry continued to trend upwards as evidenced by the increase in cement sales (+5%) and bank loans to the real estate sector (+23.8 % against +15.5% at 31 December 2004).

Energy

With stronger domestic demand, the energy sector was boosted by an increase in electricity production and a rise in petroleum refining. The energy production index advanced by 12.7% compared to 22.5% growth in 2004. Electricity production posted an increase of 16.9% with ONE's sales rising by +8.2%. The energy sector's value-added increased by 14.4% against 11.2% in 2004.

Mining

Benefiting from robust external demand, the mining production index increased by 8.9% compared to 4.3% the previous year. Phosphate and phosphoric acid production recorded growth of 7.5% and 4.3% respectively.

Tourism

Supported by promotional measures undertaken by the public authorities and industry professionals as part of the strategy to attract 10 million tourists in 2010, the tourist sector continues to record strong performance as the number of foreign tourists grew by 12.9% and overnight stays at classified hotels increased by 18.9%.

As for demand, the domestic economy continues to be largely sustained by internal demand. Thus, in spite of the fall in revenues of rural households following a poor agricultural harvest, household consumer spending, the principal engine of economic growth, benefited from purchasing power gains with inflation under control (1% at 31 December 2005) and with the State budget subsidising a large part of the rise in the cost of oil.

(Sources : BAM / DPEG)
Figures at 31 December 2005

Foreign trade

At 31 December 2005, the trade balance showed a deficit of MAD 85.6 billion, up by 22.3% compared to 2004. This deterioration is attributable to a 13% increase in imports against a 5.5% rise in exports. As a result, the coverage ratio declined by 3.7 points from 55.7% at the end of December 2004 to 52% at the end of 2005.

In fact, imports increased by MAD 20.5 billion to reach MAD 178.4 billion due principally to imports of energy, lubricants and oil.

By contrast, exports grew by only MAD 4.9 billion for a total volume of MAD 92.8 billion. This increase was principally due to exports of phosphates and derivatives (+16.1%), foodstuffs (+16.3%), seafood products (+22.3%) and unfinished products (+20%). Finished capital goods and consumer goods, however, experienced a decline of 12% and 4.7% respectively.

Income from tourism and moroccans living abroad

Transfers from Moroccans Living Abroad reached MAD 40.5 billion at 31 December 2005, an 8.2% increase compared to 2004.

Income from tourism amounted to MAD 41 billion, an increase of 18% compared to 31 December 2004.

Private foreign investment and loans

Private foreign investment and loans totalled MAD 26.8 billion at 31 December 2004 compared to MAD 15.7 billion at 31 December 2004.

Public finances

2005 was characterised by a downward revision to economic growth, the further dismantling of import tariffs, an increase in government costs to offset rising oil prices and expenses relating to the early retirement of civil service workers (Operation Intilaka). Given these factors, the budget showed a deficit of MAD 4.4 billion at 31 December 2005.

• Receipts

Ordinary receipts rose by 12 % (MAD 121.6 billion against MAD 108.6 billion at 31 December 2004). Tax receipts (82% of ordinary receipts) increased by 13.2% to MAD 100 billion at 31 December 2005. This performance was largely due to an increase in Corporate Income Tax (+22.1%), Personal Income Tax (+15.6%) and VAT (+10.9%).

Other receipts (non-tax) increased by 5.1% from MAD 16.4 billion at 31 December 2004 to MAD 17.3 billion at 31 December 2005. Excluding privatisations, other receipts (non-tax) declined by 7.5%, largely due to a 23% decline in the proceeds of State monopolies.

Privatisation receipts reached MAD 6.9 billion including MAD 6.2 billion allocated to the general budget following the sale of 16% of the share-capital of Ittissalat Al Maghrib and MAD 684 million from the sale of equity in State-owned sugar refineries.

• Expenditure

Ordinary expenditure increased by 19.9% to amount to MAD 126.1 billion.

Price-subsidising expenditure rose from MAD 7.9 billion to MAD 10.6 billion at 31 December 2005 in relation to the offsetting of higher oil prices.

Investment expenditure declined by 7.8% to MAD 19.7 billion at 31 December 2005.

Monetary aggregates and liquid investments

The M3 monetary aggregate amounted to MAD 473.8 billion at 31 December 2005, registering an increase of 13.8% compared to 31 December 2004.

The increase in the money supply was the result of a 14.4% increase in net foreign assets which amounted to MAD 165.3 billion as well as an 11.2% increase in loans to the economy, compared to 6.8% growth in 2004, rising from MAD 262.7 billion at 31 December 2004 to MAD 292.1 billion at 31 December 2005. Net claims on the State amounted to MAD 77.8 billion at 31 December 2005, an increase of 7.1%.

This change was the result of a 1% increase in notes and coins in circulation, a 15.5% increase in bank money, 11.6% in sight deposits and 12.9% in time deposits. In addition, Liquid Investments rose by 4.6% which can be explained on the one hand by a rise of 3.6% in the portfolio of negotiable debt securities and on the other by a 23% increase in equity and diversified mutual funds due to higher returns from stock-market investment.

Fixed-income mutual funds posted a 4.3% increase compared to 27.6% growth in 2004, largely due to the decline in interest rates on Treasury bills.

AGGREGATES	Amounts in MAD millions			Change
	December '03	December '04	December '05	
M1	251.1	275.8	316.5	14.8%
Site deposits	47.8	53	59.2	11.8%
M2	299	328.7	375.7	14.3%
Time deposits	89.4	87.7	99.1	12.9%
M3	386.3	416.4	474.8	14%
Liquid investments	36.3	41	41.04	0.1%

Inflation

In spite of the strong rise in the oil price, the rate of inflation stood at 1% at 31 December 2005 against 1.5% in 2004. This change includes a rise of 0.3% in the foodstuffs price index and an increase of 0.3% in the non-foodstuffs price index.

BANKING AND FINANCIAL ENVIRONMENT

Banking environment

By comparison to international standards, Morocco's banking system is reasonably well-developed and regulated. Recent consolidation has resulted in a more concentrated sector with six large banks (Attijariwafa bank, CPM, BMCE bank, BMCI, SGMB and CDM) controlling 80% of total loans and 88.3% of total deposits.

Morocco's banking sector has four categories of institution:

- Classic deposit-taking banks: the five large privately-owned banks (Attijariwafa bank, BMCE bank, BMCI, SGMB, and CDM),
- Crédit Populaire du Maroc: a mutual company, in which the State is majority shareholder, is the leader in deposit-taking from Moroccans Living Abroad,
- Specialised financial institutions: CIH and Crédit Agricole du Maroc (CAM),
- Other banks with niche activities: Bank Al Amal, Média Finance, Casablanca Finance Markets and the Fonds d'Equipement Communal.

Foreign banks are strongly present in the share-capital of the private-sector banks with BNP Paribas controlling 65.1% of BMCI, Société Générale France owning 51.6% of SGMB, Crédit Agricole SA controlling 52.6 % of CDM, Groupe CIC holding 10 % of BMCE Bank and Grupo Santander holding 14,6% of Attijariwafa bank's share-capital.

Banking sector changes

During the last two years, State-owned banks underwent a process of restructuring and balance-sheet rebuilding whilst the larger privately-owned banks pursued internal or external growth resulting in an increasingly concentrated sector, alliances and opening of banks' share-capital to outside investors. All Moroccan banks have grown almost exclusively by organic means, by significantly expanding their domestic and international branch networks and, in some cases, by external growth, by adding business lines or acquiring a foreign presence. In this regard, the key events of 2005 were as follows:

- Attijariwafa bank's purchase of a 53.54% holding in Banque du Sud en Tunisie, as a member of the consortium with Grupo Santander;
- BCP's sale of its 20% holding in CIH to CDG (Caisse de Dépôts et de Gestion);
- Attijariwafa bank's entry into the Senegalese market with the expected opening of three branches of Attijariwafa bank Senegal in 2006.

Sector regulation

The Moroccan banking sector has undergone a set of reforms resulting in an overhaul of banking legislation aimed at liberalising and modernising the sector (rate liberalisation, deregulation of banking activity etc.).

In fact, a new legal framework governing all credit institutions as well as Bank Al Maghrib's change of status are likely to occur in 2006. The 1967 banking legislation, revised in 1993, is likely to be replaced by a new legislation which will extend the powers of the BAM, giving it more independence, reinforcing its regulatory powers and reinforcing its role as supervisor and controller.

This new legislation will for the first time incorporate certain institutions which are controlled directly by the State such as the Caisse des Dépôts et Consignations, the Caisse Centrale de Garanties and the Caisse d'Epargne Nationale.

With a view to complying with international standards and requirements, this legislation is also intended to reinforce prudential rules (minimum capital requirements, Cooke ratio, liquidity ratio, loans classification and provisioning).

Furthermore, Moroccan banks are likely to comply with the accords of Basle II by the end of 2007.

Financial markets

• Money Markets

In 2005, trends in money markets were characterised by high volatility in the weighted average overnight rate which more than tripled to 0.7% in 2005 compared to 0.2% the previous year. In fact, the weighted average overnight rate, the benchmark inter-bank rate, moved in a sideways corridor averaging 2.8% in 2005 against 2.4% in 2004.

Consequently, the issuing entity made its presence felt in the money market by injecting liquidity during periods of credit increase (injecting MAD 439 billion at 24-hour and MAD 443 billion at weekly), followed by liquidity withdrawals (more than MAD 1.7 billion at 24-hour and MAD 241 billion at weekly).

• Fixed Income Markets

Following periods of tightness and volatility in the weighted average rate, 2005 ended with negative carry having an influence on short-term yields. The 3-month, 6-month and 12-month notes experienced a positive correction of 26.4 and 22.3 basis points respectively, investors having demanded a risk premium commensurate with the high volatility of money market rates. In addition, the 2-year maturity experienced much the same trend and continued to be shunned by investors before finally being marked higher by nearly 28 basis points to 3.3%.

In the primary market for Treasury Bonds, the Treasury focused the large part of its issuance in long-dated maturities given the considerable investor preference for this end of the curve. In fact, nearly 63% of total issuance (MAD 212 billion) was in long-dated instruments. Investors, who have been calling for higher yields with greater upside potential, made do with the 15-year and 20-year issues. Furthermore, there has been considerable demand this year for this latter issue with MAD 9.5 billion invested in this maturity against only MAD 2.4 billion the previous year.



Despite periods of tightness in money markets, bond yields with maturities of more than 5 years, as a whole, have experienced a strong downward trend. In fact, yields on 5-, 10-, 15- and 20-year maturities declined by 9 basis points to 3.9%, 22 basis points to 4.7%, 24 basis points to 5.3% and 20 basis points to 5.9% respectively. Such a decline was possible thanks to a generally comfortable structural level of liquidity in money markets in spite of some tightening in bank liquidity, judged by investors to be temporary.

• **Equity Market**

Continuing the upward trend established in 2003 and 2004, the equity market closed 2005 on a positive note with the MASI and MADEX indices registering gains for the year of +22.5% (index level 5539.1) and +23.7% (index level 4358.9) respectively.

At 31 December 2005, the stock-market's capitalisation amounted to MAD 252.3 billion against MAD 206.2 billion in 2004, an increase of 22.4%.

Total trading volumes (central market and block-trade market) increased by 178% in 2005 to MAD 99.2 billion against MAD 35.7 billion at the end of 2004. Such a large increase was due to hefty volumes from bed-and-breakfast operations registered at the year-end for the purpose of revaluing portfolios following amendment to the tax rules concerning the treatment of capital gains.

Volumes from initial public offerings and other public offers represented MAD 5.5 billion at 31 December 2005 against MAD 36 billion in 2004, a decline of 85% on account of fewer strategic corporate deals compared to the previous year. In 2005, three new shares were listed: Sothema, Lydec and Dari Couspate.

Against such a macroeconomic backdrop, Attijariwafa bank's growth in business activity and profits was remarkable considering it was in the midst of a merger process which was completed in December 2005.

ANALYSIS OF ATTIJARIWAFABANK'S BUSINESS ACTIVITY AND RESULTS

Business activity (Morocco)

• **Customer deposits**

At 31 December 2005, Attijariwafa bank's customer deposits totalled MAD 97.7 billion, registering an increase of 15.8% (MAD +13.3 billion) compared to the previous year, versus a decline of 15% for the banking sector.

This increase affected both non-interest-bearing as well as interest-bearing deposits with gains of +13.3% (MAD +6.9 billion) and +19.8 % (MAD +6.4 billion) respectively.

The strongest contribution to non-interest-bearing deposits came from cheque accounts which rose from MAD 36.3 billion in December 2004 to MAD 41.7 billion in December 2005, an increase of 14.7% (MAD +5.34 billion) including MAD 811 million (+6.6%) in cheque accounts for Moroccans Living Abroad and MAD 4.5 billion (+18.8%) in cheque accounts for residents. Current accounts totalled MAD 12.6 billion, an increase of 9.4% (MAD +1.08 billion).

The proportion of interest-bearing accounts of total deposits increased by 1.3 percentage points from 38% to 39.3 % of deposits at the end of 2005, thanks largely to term deposits which rose from MAD 20.7 billion in 2004 to MAD 26.2 billion in 2005, an increase of 26.4%. This growth was largely driven by term deposits of resident persons which rose by 45% (MAD +5.5 billions).

Savings accounts grew by 7.8% to MAD 12.2 billion.

The Bank is ranked second in deposit-taking with a 26.6% market share (+28 basis points), only 41 basis points fewer than the market leader and 12.8 percentage points more than the bank in 3rd position. The bank is leader in local deposits with a volume of MAD 74 billion and a market share of 26.7% at 31 December 2005, with more than MAD 25.8 billion and 9.3% percentage points ahead of the 2nd-ranking bank.

• **Customer loans and advances**

Customer loans increased sharply to MAD 64.6 billion at 31 December 2005 against MAD 55.4 billion in 2004, an increase of 16.6% (MAD +9.2 billion) against 15.6% for the banking sector. This increase was due mainly to:

- Cash advances : +22.7% (MAD +4.8 billion)
- Real-estate loans : +20.8% (MAD +1.8 billion)
- Loans for capital goods : +16.7 % (MAD +1.8 billion)
- Loans and advances to financing companies : +16.3% (MAD +1.1 billion)



Doubtful loans net of provisions recorded an 8.9% decline compared to 2004 taking the non-performing loan rate to 8.2% at 31 December 2005 against 11.6% at the end of 2004.

The Bank's market share of performing loans improved by 97 basis points (25.6%) year-on-year, confirming its position as leader.

• Contingent liabilities

Contingent liabilities increased by 20.7% compared to 2004 from MAD 17.6 billion to MAD 21.2 billion. This increase was largely due to a 58% gain in documentary import credits to customers (MAD 1.883 billion) as well as guarantees to credit institutions (MAD +2.492 billions).

With a share of 29.7%, the Bank remains the leader in this market segment.

Results (Morocco)*

• Net banking income

Attijariwafa bank's net banking income amounted to MAD 4.553 billion at 31 December 2005 against MAD 4.272 billion at 31 December 2004, registering an increase of 6.6% (MAD +281.3 million). This increase reflects an increase in net interest income and fee-based income. The table below provides a breakdown of net banking income:

	December 2005	December 2004	Change %	
			MAD thousand	%
Net interest income	3 673.9	3 364.8	309.1	9.2%
% of net banking income	80.7%	78.8%	1.9 points	
Commission income	617.3	555.4	61.9	11.2%
% of net banking income	13.6%	13%	0.6 points	
Income from market transactions	359.3	378.4	-19	-5%
% of net banking income	7.9%	8.9%	-0.9 points	
Other banking income	140.6	176.4	-35.7	-20.3%
Other banking expenses	-237.9	-202.9	-35	17.3%
Net banking income	4 553.4	4 272	281.3	6.6%

(*) NB: Attijariwafa bank's results for the 2005 financial year comprise 12 months of business activity of ex-Wafa Bank and 12 months of business activity of ex-BCM. Attijariwafa bank's financial statements for the 2004 financial year have been stated on the same basis to enable comparison between the two financial years.

NB: Figures used by the GPBM to calculate market shares exclude repo agreements.

• Net interest income

Net interest income amounted to MAD 3.674 billion at the end of 2005 against MAD 3.365 billion at the end of 2004, a rise of 9.2% largely due to the 23% increase in average loans outstanding and advances.

- Interest and similar income increased by 8.4% (MAD +378.9 million) from 2004 to 2005, despite a 10.94% decline in income from securities transactions (MAD -99 million).
- Interest and similar expenses registered growth of 6.2% (MAD +69.7 million), which had only a modest impact on overall net interest income which increased by MAD 309.1 million year-on-year.

• Commission income

Commission income posted growth of 11.2% (MAD +62 million) to reach MAD 617.3 million at the end of 2005.

• Other banking income

Other banking income declined by MAD 35.7 million largely as a result of a fall of MAD -13 million in dividends.

• Other banking expenses

Other banking expenses increased by MAD 35.0 million largely due to an increase of MAD 11 million in the contribution to the common guarantee fund, corresponding to the increase in deposits.

• Income from market transactions

Income from market transactions recorded a 5% fall from MAD 378.4 million at the end of 2004 to MAD 359.3 million in 2005 (MAD -19.1 million) due to a 9.2% decline in income from foreign exchange operations (MAD -19 million), offset however by an increase of MAD 4.6 million (+5.4 %) in income from brokerage.

• Net operating expenses

Operating expenses registered a modest decline of 0.7% (MAD -14.7 million) to MAD 2.2 billion in 2005 due to the combined effect of lower staff costs (MAD -41.3 million), higher operating expenses (MAD +42.1 million) and a decline in rent, hire purchase and leasing charges (MAD -11.1 million).

As a result, the cost-to-income ratio improved by 3.5 percentage points, a decline from 50.8% at 31 December 2004 to 47.3% in 2005.

	December 2005	December 2004	Change %	
			MAD thousand	%
General expenses	-1 839.6	-1 838.8	-798	0.1%
Staff costs	-979.2	-1 020.5	41.3	-4.1%
Operating expenses	-860.5	-818.4	-42.1	5.1%
Rent, hire purchase and leasing charges	-25.3	-36.4	11.1	-30.4%
Depreciation and amortisation charges	-288.2	-290	1.8	-0.6%
Net operating expenses	-2 153.2	-2 167.9	14.7	-0.7%

• Gross operating income

Attijariwafa bank's gross operating income improved by 17.1% year-on-year, an increase of MAD +370.4 million from MAD 2.167 billion in 2004 to MAD 2.537 billion. This can be explained by:

- An increase of MAD +281.3 million in net banking income,
- An increase of MAD +55.3 million in non-banking income arising from capital gains from the sale of real estate assets and income from previous financial years,
- A decline of MAD -16.7 million in non-banking operating expenses,
- A decline of MAD -14.7 million in net operating expenses.

• Income from ordinary activities

Income from ordinary activities increased from MAD 1.073 billion in 2004 to MAD 2.038 billion in 2005, an increase of MAD 965.3 million (90%).

Following the completion of Attijariwafa bank's restructuring programme between 2002 and 2004, the Bank embarked on an upgrade of short-term liabilities cover. Depreciation and amortisation charges amounted to MAD 499.5 million at the end of 2005, down by MAD 594.9 million (-54.4%). This decline mainly includes:

- A major effort to recover outstanding amounts: MAD 620 million of write-backs in 2005;
- A decline in provisions on doubtful customer loans of MAD 383.8 million to a total of MAD 910.3 million, including an additional provision for the upgrade of short-term liabilities cover,
- A MAD 1.313 billion write-off of irrecoverable customer loans against MAD 575 million in 2004.

The provisioning rate for doubtful loans improved by 2.1% to 77.3% at 31 December 2005 with the sector average being 65.3%.

Other net charges for provisions include an additional provision for general risk of MAD 85 million and a provision for investment of MAD 175 million.

• Net income

Net income totalled MAD 1,217 million against MAD 669.9 million in 2004, an increase of 81.6%.

• Shareholders' equity

At the end of the 2005 financial year, the Bank's shareholders equity, before allocation of net income totalled MAD 11.046 billion. After allocation of net income, which will be put to the Annual General Meeting of Shareholders, the Bank's shareholders' equity will amount to MAD 11.568 billion, an increase of 4% compared to the level at 31 December 2004.

• Total assets

Total assets, excluding overseas branches, amounted to MAD 116.231 billion at 31 December 2005, against MAD 100.971 billion at 31 December 2004.

• Appropriation of net income

In MAD	Appropriation of 2005 income	Appropriation of 2004 income
Pre-tax income	1 916 134 449.00	1 012 186 800
Corporate income tax	699 394 196.00	326 680 627
Net income	1 216 740 253.00	685 506 173
Transfer to legal reserve	21 869 281.31	34 275 308
Transfer to investment reserve	110 000 000.00	
Retained earnings brought forward	279 065.32	125 196
Deduction from extraordinary reserves		
Total income for appropriation	1 085 150 037.01	651 356 061
Appropriation		
Statutory dividend 6%	115 797 576.00	115 797 576
Amounted required to increase the dividend to MAD 30 per share	578 987 880.00	463 190 304
Total distribution	694 785 456.00	578 987 880
Transfer to extraordinary reserves	388 830 718.69	72 089 115
Transfer to investment reserve		
Retained earnings carried forward	1533 862.32	279 065
	1 085 150 037.01	651 356 061
CHANGE IN RESERVES	521 675 731.68	106 364 424
Shareholders' equity after appropriation		
Share-capital	1 929 959 600	1 929 959 600
Reserves	9 393 016 131.68	8 981 340 400
Investment reserve	245 000 000	135 000 000
Retained earnings carried forward	1 533 862.32	279 065
	11 567 975 731.68	11 046 579.065

2006 OUTLOOK

After a two-year period which has seen the rapid and comprehensive integration of the business activities of the former BCM and Wafabank entities and the strengthening of various established partnerships, Attijariwafa bank begins 2006 in a favourable position to benefit from internal synergies and implement its expansion strategy by the year 2010.

For this purpose, Attijariwafa bank will pursue an independent strategy in Morocco enabling it to:

- Differentiate itself as the undisputed leader in all business lines across the whole range of financial services by tailoring its product range to the specific needs of each category of customer;
- Actively pursue its policy of proposing banking services to as many persons as possible thanks to the continuous expansion of its branch network;
- Support and finance job-creation projects necessary for the development of the Moroccan economy;
- Be particularly attentive to service quality by re-engineering and making maximum use of critical processes;
- Increase the market shares and profitability of its subsidiaries thanks to cross-selling and sharing of platforms;
- Gradually adapt information systems to the Group's strategic ambitions and long-term needs.

Furthermore, in 2006, Attijariwafa bank will continue to pursue its international growth strategy focused on the following three objectives:

- Accelerating deposit-taking and credit distribution activities and capturing flows relating to transfers from Moroccans Living Abroad by means of the creation of a dedicated organisation (Banking for Moroccans Living Abroad) and the obtaining of a banking licence in France;
- Strengthen its presence across North Africa, in particular by pursuing growth and by restructuring Tunisia's Banque du Sud;
- Begin to develop a well-targeted presence in Central and Western Africa with the intended start of operations by Attijariwafa bank Sénégal amongst others.

The co-ordinated implementation of these various initiatives is likely to enable Attijariwafa bank to continue to post sustainable growth in consolidated profits in 2006.

BUSINESS ACTIVITY AND RESULTS OF BANKING-RELATED SUBSIDIARIES AND INVESTMENT BANKING SUBSIDIARIES

Banking-related subsidiaries

• Wafasalaf

The merger between Wafasalaf and Crédor in 2004 gave birth to a new leader in consumer credit. In fact, with a market share of 31.2% at the end of 2005, Wafasalaf is leader in its sector. The merger of the two structures has enabled synergies to be realised in both human resources as well as sales. At the end of 2005, Wafasalaf had a staff of 358 persons.

Wafasalaf has the most comprehensive distribution network in the sector with its own network of 19 sales branches and an external distribution network of 150 correspondents and 330 post offices. Furthermore, Wafasalaf arranges financing for customers through 130 car dealers and 360 distributors in the household goods sector.

As part of its business development, Wafasalaf signed several partnership agreements with firms in a variety of business sectors such as MARJANE in retailing (to introduce the Alfaiz card). In the household goods sector, Wafasalaf's sales activity was sustained by its ever-increasing presence in generalist stores. In the automobile sector, a partnership agreement was signed with RENAULT MAROC and with the Moroccan subsidiary of RCI Banque (RENAULT CREDIT INTERNATIONAL) for financing the purchase of RENAULT brand vehicles. Wafasalaf also bolstered its presence in this sector through a partnership with SOPRIAM, for financing the purchase of CITROËN brand vehicles.

Wafasalaf has also given itself every opportunity of reinforcing its position as leader by adopting a five-year strategic growth plan (2006-2010). The result of a shared decision-making process, having consulted all employees, it envisages the adoption of a new logo and a new design for Wafasalaf as a subsidiary of the Attijariwafa bank Group.

In terms of business performance, loan production reached MAD 3.8 billion, an increase of 15% compared to 2004. This growth was fuelled in particular by an improvement in car loans (+40%) and loans for the purchase of consumer durables (+36%). Wafasalaf has shown itself to be a pioneer in credit management (management for third parties) with a network of more than 650 branches in 2005 (Attijariwafa bank and Crédit du Maroc). Wafasalaf's performing loans recorded growth of 12% compared to 2004 reaching MAD 7.12 billion. There was a marked improvement in profitability as a result of efforts to improve operational efficiency during the financial year:

- A decline in the average cost of deposits from 5.4% in 2004 to 4.9% in 2005 (*)
- A decline in operating expenses from 3.3% to 2.9% (*)
- An improvement in cost of risk from 3.2% to 1.3% (*)

In terms of results, Wafasalaf's net banking income increased by 18.2% to MAD 543 million at 31 December 2005. Net income amounted to MAD 138.6 million in 2005 against MAD 49 million in 2004.

(*) ratios calculated on the basis of average annual loans outstanding



• Wafa Immobilier

During 2005, Attijariwafa bank's entire real estate loans business has been re-centred on Wafa Immobilier which has conducted risk analysis and evaluation of all mortgage applications made across the Group's branch network.

During 2005, Wafa Immobilier signed several agreements with:

- The Directorate-General for Social Service of His Majesty's Armed Forces (enabling all soldiers as well as civil servants and employees of the National Defence Force, whatever their office, including retired persons, to take out a mortgage).
- The Ministry of Tourism
- The Ministry of Capital Goods
- The Ministry of Fisheries
- The Ministry for Youth and Sport
- The Ministry of Health
- Al Omrane
- ANAPEC
- ERAC North-West

Moreover, the Ministry of Finance renewed its authorisation for Wafa Immobilier to offer housing loans at a discount to official Treasury rates of interest.

Wafa Immobilier broadened its product range with the launch of two new products during 2005, the «HBM» loans and the "FOGARIM" loan (loans to finance the purchase of low-cost housing and/or for persons with modest income).

In 2005, Wafa Immobilier's loan production increased by 7.1% to MAD 2.37 billion. In terms of profits, Wafa Immobilier recorded net banking income of MAD 65.6 million at 31 December 2005 and net income of MAD 15.1 million.

In 2006, loan production is forecast to grow by 49% compared to 2005 to a total of MAD 3.5 billion.

• Wafabail

In a market which is expanding rapidly (+30%), Wafabail has established itself as leader. The leasing subsidiary's loan production in 2005 totalled MAD 2 billion, an increase of 64%. Loans outstanding at the end of the financial year amounted to MAD 3.3 billion, a rise of 27%.

Such an exceptional performance is due to:

- Strong synergies within the Bank both at the network level as well as with Head Office;
- The result of reorganisation efforts made since the merger of the two leasing subsidiaries.

In terms of profitability, Wafabail returned to profit and posted historically-strong results due to strong business generation with costs and risk under control. Wafabail's net banking income totalled MAD 161 million at 31 December 2005 with net income of MAD 54.4 million.

Wafabail remains very ambitious regarding its prospects in 2006, forecasting an improvement in its market share to 30%, thus confirming its position as leader.

• Attijari Factoring Maroc

The factoring sector is likely to have experienced steady growth of 11% in 2005 compared to 24% in 2004. This performance is likely to have been driven by domestic factoring marking double-digit growth. As is the case in most countries, domestic factoring accounts for the major part of total production with factoring in Morocco representing more than 75% of the total market.

Domestic factoring experienced strong gains due to the arrival of new users looking for new services, in particular the outsourcing of the global management of customers' portfolios and the refinancing of receivables without recourse to the exporter/seller, in addition to small- and mid-sized firms which are looking for flexible means of financing.

The stagnation in export factoring can be explained by the significant decline in the textiles business (principal user of export factoring) following the lifting of quotas in Morocco's traditional markets. The sector's escalating risk profile has led factoring companies to be more cautious in dealing with new customers.

In 2005, Attijari Factoring Maroc's loan production experienced strong growth (+ 44 %). This growth, largely superior to that of the sector, was driven by the strong performance of domestic factoring (+66%) due to more efficient management of the existing portfolio, to sector diversification and to a new range of services which created opportunities in new business sectors.

Outstanding financing and invoices experienced a sharp rebound of 235% and 58% respectively thanks to the sound performance of domestic factoring activities.

Regarding profits, there was a considerable improvement in net banking income (+51%) thanks to a strong increase in income received and net fee income. With strong net banking income and general expenses under control, net income advanced by 64.2% to MAD 4.1 million.

The provisioning rate for doubtful loans rose from 95% to 99%.

In 2006, loan production is estimated to total MAD 1.04 billion, an increase of 40%, which will largely be generated by domestic factoring activities, implying a market share of 21% for Attijari Factoring Maroc.

Business indicators are expected to improve strongly with outstanding invoices and especially financing generating a significant improvement in fee income.

• Wafa LLD

The long-term rental market performed strongly to reach 10,500 vehicles at 31 December 2005, all categories included.

The general terms and conditions currently practised by rental companies were harmonised during 2005. The decision of the Prime Minister to allow long-term car-rental to be included in the civil service budget boosted the sector.

In 2005, Wafa LLD increased its market share thanks to initial contact with the civil service. As part of the overhaul of its organisational structure, Wafa LLD increased staff numbers and developed its information systems network with the adoption of an intranet and "Web reporting" for the benefit of its customers. On the communications front, Wafa LLD set about changing its brand image by adopting a new logo.

Wafa LLD closed 2005 with net income strongly higher. Having incurred a loss of MAD -462 thousand in 2004, net income in 2005 amounted to MAD 1.9 million, due largely to a 58% increase in sales (MAD 64.5 million in 2005 against MAD 40.7 million in 2004).

In 2006, Wafa LLD's growth strategy will aim to capitalise on synergies within Attijariwafa bank Group, in order to stimulate the long-term rental market and meet its objectives of 2,200 vehicles, sales of MAD 77.7 million and operating costs under control.

• Wafacash

The cash transfer business is undergoing a major transformation in regulatory terms.

Bank Al Maghrib is preparing draft regulations concerning fund transfers which will define specific terms applicable to companies acting as agents in this market.

The Foreign Exchange Office is also preparing new regulations concerning foreign exchange operations with the purpose of defining terms by which Approved Agents and Bureaux de Change may carry out buy or sell transactions in foreign currency as well as a framework to which representatives will be subject when purchasing foreign currency bank notes for the account of Approved Agents.

As regards Wafacash, 2005 marked the 10th anniversary of its partnership with Western Union, an event which resulted in a vast nationwide marketing campaign.

In terms of its market position, a "Mystery Customer" survey carried out in collaboration with the quality control department, across the whole of the Wafacash network as well as amongst those of competitors, confirmed Wafacash's strong reputation for service quality.

An original initiative called "Saison des Champions" was adopted for the period from 1 August to 31 December 2005, enabling the firm to reward those branches having obtained the best score for reaching objectives over the period, weighted by a coefficient devised by the quality control department.

In terms of its product offering, a new version of "Cash Express", named "Cash Express Entreprises" was launched for the benefit of companies dealing with customers who do not have a bank account.

Wafacash completed 2005 with net banking income of MAD 98 million and net income of MAD 38.1 million. Cash volumes amounted to MAD 5.269 million, registering an increase of 21%. The number of transactions reached 1,732,000, an increase of 29% compared to the previous financial year.

For 2006, Wafacash has laid down ambitious and engaging objectives including:

- Reinforcing the leadership of its premium brand by adopting a proactive marketing strategy in order to develop brand loyalty amongst its existing customers and attract new consumers,
- Broadening its range of new services (Cash to Card, SMS messaging, surrender of foreign currency by account credit etc.),

- Diversifying its sources of revenues by commercialising new products which respond to the needs of a particular category of target customer,
- Continuing to develop its network by bolstering its presence in regions with strong growth potential to meet the challenges of ever-increasing competition,
- Developing Wafa Cash's brand image thanks to a distinctive commercial approach and its strong visual identity.

Investment banking subsidiaries

• Corporate Finance: Attijari Finances Corp

Attijari Finances Corp's business portfolio includes M&A advisory services, corporate debt origination, initial public offerings and equity issuance.

In 2005, the division confirmed its leadership in M&A advisory services in the Moroccan market, and in particular focused its efforts on:

- Strengthening its position as leader in the market for M&A advisory services, privatisation and infrastructure projects which constitute the bedrock of Attijari Finances Corp's business;
- Pursuing efforts in terms of its marketing policy and realising market deals;
- Strengthening its position overseas with a clearly-stated regional vision, underlined in 2005 by two successful privatisations: as advisor to the Attijariwafa bank - Grupo Santander consortium in the acquisition of a 33.6% holding in Tunisia's Banque du Sud and advisor Unihuil in the privatisation of Algeria's ENCG.

In 2005, the Corporate Finance division played an integral role in the emergence of leading domestic corporate institutions by means of its participation in strategic market transactions as well as realising large-scale projects which will have a structural impact on the domestic economy. The Corporate Finance division notably participated in the following M&A deals:

- Advisor to Akwa in its merger with Oismine Group;
- Advisor to Saham Group in its acquisition of a 67% holding of CNIA;
- Advisor to Maroc Connect in its acquisition of Morocco's 3rd fixed-line telephone licence.

With the benefit of such expertise, the Corporate Finance teams recorded various successes in terms of privatisations and infrastructure projects, in particular as:

- Advisor to Cosumar in the privatisation of four sugar refineries: Suta, Surac, Sunabel and Sucafor;
- Advisor to the consortium comprising CMA CGM, Eurogate, MSC and Comanav in the tender offer launched by TMSA for the allocation of the 2nd container quay at the Tangiers-Mediterranean port.

In 2005, Attijari Finances Corp's sales amounted to MAD 60.3 million, registering a strong increase compared to the previous financial year (MAD 20.6 million in 2004). This performance was in particular due to two strategic deals: the AKWA-Oismine merger and Maroc Télécom's initial public offering.

At 31 December 2005, operating expenses amounted to MAD 41.5 million against MAD 20 million in the previous year. This rise can be explained largely by an increase in external costs, in particular fees paid to Attijariwafa bank totalling MAD 16.7 million.

There was a marked improvement in operating income in 2005 compared to 2004, amounting to MAD 20 million against MAD 2.5 million in 2004. Non-operating income declined by 70% by comparison with 2004 on account of MAD 13.6 dividends collected in 2005 compared to MAD 45 million in 2004.

Non-operating income amounted to MAD 132.8 million at 31 December 2005, largely representing the sale of Attijari Finances Corp's investments in Attijari Management and Attijari Gestion.

Pre-tax income improved strongly from MAD 48.7 million in 2004 to MAD 166.9 million in 2005. Net income amounted to MAD 136.5 million compared to MAD 47.5 million in 2004.

Results

	2005	2004	Change %
Sales (in MAD millions)	60.3	20.6	Ns
Total operating income	61,501	22,546	Ns
Total operating expenses	41,534	20,074	+107%
Operating income	19,967	2,472	Ns
Non-operating income	14,157	47,110	-70%
Income from ordinary activities	34,124	49,582	-31%
Non-recurring income	132,794	-837	
NET INCOME	136,552	47,539	Ns

Looking ahead to 2006, development will focus on:

- The adoption of a more proactive approach generating more deal-activity by identifying opportunities for corporate restructuring and regrouping across all sectors of the economy;
- A desire to become a major regional player in markets with strong growth potential and to generate more than 30% of its sales from regional business ;
- Moving towards a multi-disciplinary investment bank with an organisation built around highly-specialised units;
- Developing synergies with the Attijariwafa bank Group and the ONA Group.

• Securities brokerage: Attijari Intermédiation and Wafa Bourse

Trading on the stock-market increased sharply with volumes climbing to more than MAD 151 billion in 2005, an increase of 110% compared to 2004.

By compartment, ordinary transactions on the central and block-trade markets increased strongly and represented 66% of total stock exchange volumes. Volumes from other transactions (contribution of securities, public offers for sale and others) totalled MAD 51 billion in 2005.

During the year, three companies were listed on the Casablanca Stock Exchange: SOTHEMA, DARI COUSPATE and LYDEC representing a total volume of MAD 400.3 million. There were also three public offers: BMCE BANK, PAPELERA DE TETUAN and ATTIJARIWAFABANK.

Against this background, Attijari Intermédiation generated trading volumes of MAD 91.1 billion, an increase of 147.3% compared to 2004. Such a result can be attributed to the firm's placing capabilities, investment advice and speed of execution as well as a constructive approach in terms of the number of different research reports published.

These results confirm the brokerage firm as genuine leader in the investment advisory and equity placing business.

By compartment, Attijari Intermédiation generated trading volumes of MAD 52 billion on the central and block-trade markets with a market share of 52% and volumes of MAD 38 billion from public offers and other corporate actions. Its overall market share amounted to 60.5% in 2005.

In the year to 31 December 2005, sales amounted to MAD 31 million, down 53% compared to the previous year. The highlights of 2005 were Vivendi's intra-group share placing and Afriquia Gaz's capital increase.

Operating expenses amounted to MAD 16.6 million in 2005 against MAD 37.5 million in 2004 including the payment of fees totalling MAD 5.1 million to Attijariwafa bank. Operating income in 2005 amounted to MAD 15.6 million, down on the 2004 figure, due to a contraction in sales.

Non-operating income increased to MAD 2.8 million against MAD 1 million in 2004, due largely to bed-and-breakfast operations for portfolios.

The 2005 financial year ended with net income of MAD 11.9 million against MAD 18.8 million in 2004.

Results (in MAD thousands)

	2005	2004	Change %
Volume traded (in MAD billions)	91.1	36.8	ns
Overall market share	60.5%	51.3%	+920 pb
Sales (in MAD millions)	30.9	65.6	-53%
Total operating income	32,221	66,372	-51%
Total operating expenses	16,633	37,523	-55.7%
Operating income	15,588	28,850	-46%
Non-operating income	2,793	1,018	ns
Income from ordinary activities	18,381	29,868	-38.5%
NET INCOME	11,867	18,833	-37%

Looking ahead to 2006, the development of the brokerage activities will focus on:

- A sales strategy focusing more on foreign institutional investors and by a more proactive approach from the research department to accompany the return of foreign investors to the stock-market, given the relatively favourable macro context,
- Developing research capabilities to enhance the sales strategy vis-à-vis foreign and local institutional investors,
- Establishing an on-line brokerage service with "Bourse en Ligne" which will enable the firm to provide a brokerage service in all its forms.

• Restructuring and Private Equity: Wafa Trust - Wafa Investissement- Attijari Invest

In 2005, Wafa Trust pursued its role as corporate restructuring advisor, resulting in overall sales of MAD 1.5 million and a net loss of MAD 0.1 million.

There was no significant change to Wafa Investissement's portfolio in 2005. The company's management was strengthened at the end of the year with the intention of assuming new corporate restructuring assignments for customers of the Bank.

2006 is likely to see new investments and the divestment of various non-strategic companies of the Group.

Established in 2005, Attijari Invest is a subsidiary of Attijariwafa bank offering investors financial instruments with high returns whilst controlling the risks associated with such investments.

During 2005, the entity launched two investment funds:

- **Agram Invest**, MAD 200 million in size, specialising in the food-processing industry, which was closed to new investors in September 2005;
- **Fonds Igrane**, MAD 126 million in size, specialising in the Souss Massa Drâa region.

In addition, Attijari Invest has expanded its range of specialist investment funds by:

- Launching a real estate fund specialising in the tourist industry (Hospitality Fund) which is in the process of finalisation but is likely to be MAD 500 million in size;
- A fund specialising in infrastructure projects (Moroccan infrastructure Fund), launched in partnership with EMP (Emerging Markets Partnership), the largest Private Equity investor in infrastructure projects in emerging markets. The Moroccan Infrastructure Fund will be up to MAD 1 billion in size.

Insurance subsidiaries and asset management

• Asset management: Wafa Gestion

In 2005, Morocco's fund management industry grew by 6.4% with assets under management totalling MAD 86 billion. Growth was largely driven by institutional investors, with specialist mutual fund assets rising by MAD 5.4 billion (+18%), in particular, medium- and long-dated fixed income products (+18.4%). Mutual funds for retail investors, on the other hand, retreated modestly compared to 2004, registering a decline of -0.5%.

In general terms, the net inflow of funds in 2005 was deemed to be satisfactory with the appearance of two major trends: the return of institutional investors who confirmed their preference for specialist management and a retail savings market characterised by a need for safety.

In 2005, Wafa Gestion saw assets under management grow by 4.24% to MAD 36.1 billion which was slightly weaker than market trends. This figure includes assets managed by the former Attijari Management and Crédit du Maroc Gestion following the merger of the three entities Wafa Gestion, Attijari management and Crédit du Maroc Gestion.

Wafa Gestion maintained its market share at 42% for specialist institutional funds as well as retail, which barely recorded any growth by comparison with 2004.

In 2005, new fund business was driven by specialist funds (+20%) with funds under discretionary management increasing by MAD 2.5 billion (MAD 15 billion in 2005 compared to MAD 12.5 billion in 2004). Medium- and long-dated fixed income products led the increase, progressing from MAD 18.8 billion to MAD 22.6 billion.

It should be noted, however, that there was a funds outflow of more than MAD 2 billion from money market products and retail investors showed only a modest interest in equity-based and diversified savings products.

In addition, 2005 a year in which Wafa Gestion implemented several major projects:

- The establishment of a new organisational structure;
- The adoption of a more consistent and stringent approach to the investment management process;
- The merger of existing information systems;
- The rationalisation of the product range;
- The acquisition and implementation of a fully-integrated software package (Front- to Back-office).

2005 was also a year in which the firm signed distribution agreements with the Attijariwafa bank and Crédit du Maroc networks. The partnership with Cédit Agricole Asset Management was further enhanced with the French investment manager playing a supervisory role in Wafa Gestion's management and transferring the know-how needed to meet the demands of today's investment management industry.

In financial terms, there was a significant increase in profits as global synergies immediately kicked-in in this first post-merger year, both in terms of top-line growth as well in a reduction of costs.

Sales amounted to MAD 198.5 million in 2005 against MAD 188.73 million in 2004, up by +5%. Net income (on a comparable structure and taking into consideration the network payment and custodian fees) increased from MAD 36.6 million to MAD 45.3 million this year, a rise of +24%.

There was a considerable improvement in the operating ratio (general expenses/management fees) which was 14% in 2005 compared to 19% in 2004 for the combined three asset management companies.

In financial markets, 2006 is likely to be another strong year. New fund inflows are likely to continue given attractive valuation levels for the markets and high yields.

Investors are likely to take on more risk if market trends remain positive with a preference for bonds with long-term maturities rather than low-yielding short-term maturities, as well as equities which should continue to pursue their upward trend.

• Wafa Assurance

In 2005, sector developments included the introduction of an Order relating to Book III of the Insurance Code concerning insurance and reinsurance firms, publication of new Accounting Standards for the Insurance Sector applicable to the 2006 statements of accounts and the introduction of the requirement for insurance companies to adopt independent internal audit units and a formal internal control procedure.

2005 also saw the implementation of the new provisions of the Finance Act relating to the elimination of tax on insurance contracts, the introduction of a Compulsory Health Insurance scheme and the signing of Free Trade Agreements with the United States, enabling American insurance companies to directly underwrite maritime and aviation risk.

Furthermore, sector restructuring continued in 2005 with SAHAM Group's purchase of CNIA, the acquisition of a 40% holding by CDG in Atlanta and Sanad and the expansion in the distribution network by the granting of a licence to 110 agents and 81 brokers, including several "captive" for the banks.

During the last financial year, the company launched a wide-ranging development project which led to the adoption of a 3-year strategic plan for the period 2006-2008 named ELAN and confirmed Wafa Assurances's position as a multi-product general insurance company. The organisation was restructured around 5 business units (Technical, Traditional Network, Bank-Insurance, Support & Resources and Finance). In addition, a Strategy and Development Division was created reporting directly to General Management in the same way as the Internal Audit Department.

Furthermore, the company expanded its network of general agents and signed partnership agreements with the Moroccan Post Office.

Additionally, Wafa Assurance enhanced its product range by launching Al Istishfaa Eddahabi for Moroccans Living Abroad as well as Confort Santé and Global Securfamille. The bank-insurance offering, on the other hand, was standardised across the Attijariwafa bank network.

At 31 December 2005, **premiums written** by the company amounted to MAD 1.6 billion against MAD 1.5 billion in 2004, with the Life business posting 10.1% growth and Non-life 5.7%. Bank-insurance (+21.9%), Transportation (+28.3%), Group (+12.7%) and Car Insurance (+7.2%) posted the strongest gains. The structure of the insurance portfolio remains biased to the Non-life business with a 69.4% share against 30.6% for the Life business (71.2% and 29.8% respectively in 2004).

RESOLUTIONS TO BE VOTED ON AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Claims expenses enjoyed a positive trend with a claims ratio of 71% in Non-life in 2005 against 101.9% in 2004 thanks to a favourable claims experience across the principal product lines and to liquidation bonuses in Car Insurance, Workers' Compensation and Fire.

Claims handling costs amounted to MAD 183.5 million, down by 18.3% on 2004, due largely to fewer provisions against doubtful receivables (MAD 30 million in 2005 against 82 million in 2004). As a proportion of premiums, claims handling costs represented 12.8% in 2005 against 15.1% at 31 December 2004.

Furthermore, the reserve ratio against doubtful receivables rose from 84.2% in 2004 to 92.7% in 2005.

The company's technical result declined by 25% year-on-year to MAD 215 million, due to the exceptional capital gain recorded in 2004 from the BCM / Wafabank public exchange offer.

By insurance type, Life realised a technical result of MAD 75 million, up by 17.4%; Non-life posted a result of MAD 140 million against MAD 224 million, down by 37.5%.

Net income amounted to MAD 183 million against MAD 282 million or MAD 76 million, excluding exceptional items, in 2004, implying an ROE of 18.1% and an EVA of MAD 62 million.

Technical provisions increased by 4% to MAD 8.4 billion and investments relating to insurance operations rose by 9.5% to MAD 8.5 billion, in particular with the purchase of 861,991 shares of Crédit du Maroc.

The company's shareholders' equity totalled MAD 855 million, with unrealised capital gains amounting to MAD 961 million at the end of 2005 and MAD 2.7 billion at 10 February 2006.

In application of the new regulatory norms, the solvency ratio amounted to 252% at 31 December 2005 and to 382% at 1 February 2006.

2006 will be a transitional year for the Company which, in the context of the ELAN strategic plan, has established the following strategic objectives:

- Growth superior to that of the sector with an increase in market share from an estimated 13.4% in 2005 to 15.8%, thanks to the development of the bank-insurance business, its independent network, synergies with the Attijariwafa bank Group as well as stronger links with brokerage companies on a selective basis,
- Making risk control a top priority by means of refocusing its underwriting policy on risk awareness and prevention,
- Achieving economies of scale within the Group to keep costs in check.

The Company is forecasting a 34% increase in premiums compared to 2005 which are likely to reach MAD 2.2 billion. This growth will largely come from Bank-Insurance, thanks to an increasing number of Life and Savings products being sold via the Attijariwafa bank network, the transfer of pools of savings from ex-BCM/AXA contracts and to the contribution from the partnership with the Moroccan Post Office. Concerning the traditional network, Car insurance is expected to record the largest gains given the contribution from new general agents, the underwriting of new fleet contracts and an enhanced product offering through the year.

In terms of claims, the various insurance categories are likely to follow trends established 2005, with the exception of Workers' Compensation whose claims ratio is estimated to rise to 105% (against 80.2% in 2005), following the application of new mortality tables in the rules.

• First resolution

The Annual General Meeting, having heard the reports of the Board of Directors and statutory auditors for the financial year ended 31 December 2005, approves expressly the financial statements for the year ended as presented as well as the transactions referred to in these reports or reflected in these statements showing net income of MAD 1,216,740,253.00.

• Second Resolution

The Annual General Meeting, having heard the statutory auditors' special report on agreements governed by Articles 56 and pursuant to Law 17-95 relating to public limited companies, approves the conclusions reached in the said report as well as the agreements referred to therein.

• Third Resolution

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

Income earned in Morocco

• Net income for the financial year	MAD 1,216,740,253.00
• Transfer to legal reserve	MAD 21,869,281.31
• Transfer to investment reserves	MAD 110,000,000.00
• Retained earnings brought forward	MAD 279,065.32
• Distributable income	MAD 1,085,150,037.01

To be appropriated as follows :

• Statutory dividend	115,797,576.00 DH
• Amount required to increase the dividend to MAD 36 per share	578,987,880.00 DH
• Total dividend payment	694,785,456.00 DH
• Transfer to extraordinary reserves	388,830,718.69 DH
• Retained earnings carried forward	1,533,862.32 DH

Accordingly, the Annual General Meeting decides to distribute a dividend of MAD 36 per share carrying rights for one year, which will be made available for payment as from Monday 3 July 2006 at the Bank's registered office in accordance with applicable regulations.

Income from the Paris branch :

The Annual General Meeting decides that the net income for the financial year ended 31 December 2005, amounting to 42,129 euros (MAD 459,564) shall be carried forward.

Income from the Brussels branch :

– Former Wafabank branch

The Annual General Meeting decides the net income for the financial year ended 31 December 2005, amounting to 22,715 euros (MAD 247,787) shall be carried forward.

– Former BCM branch

The Annual General Meeting decides that the net loss for the financial year ended 31 December 2005, amounting to 6,188 euros (MAD 67,502) shall be carried forward.

• Fourth resolution

Further to the above resolutions, the Annual General Meeting gives full and final discharge to the members of the Board of Directors for their management during the year ended 31 December 2005 and to the statutory auditors for the exercise of their duties during the said financial year.

• Fifth resolution

The Annual General Meeting decides to set at MAD 4,000,000 the fees that shall be paid to the members of the Board of Directors in respect of the financial year ended 31 December 2006.

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

• Sixth resolution

The Annual General Meeting notes that Mr Enrique Perez Hernandez has resigned from the Board of Directors and gives the said director full and final discharge of his management responsibilities.

The Annual General Meeting pays tribute to Mr Enrique Perez Hernandez for his contribution to the Bank's development and thanks him for his contribution to the work of the Board of Directors.

• Seventh resolution

The Annual General Meeting ratifies the appointment to the Board of Directors of Mr Javier Hidalgo Blazquez, co-opted by the Board of Directors on 21 June 2005 to replace Mr Enrique Perez Hernandez for the remainder of his term of office, that is to say the date of the Annual General Meeting.

• Eighth resolution

The Annual General Meeting, having noted that the terms of office of Mr José Reig, of Mr Antonio Escamez Torres and of Mr Javier Hidalgo Blazquez, come to an end at the close of this meeting, decides to renew the said appointments for the statutory period of six years, a term which will expire on the date of the Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2011.

• Ninth resolution

The Annual General Meeting, having heard the explanations presented to it by the Board of Directors, authorises the issue of bonds for an amount totalling MAD 2 billion (MAD 2,000,000,000) and gives all powers to the Board of Directors to conduct one or several bond issues, within a period of five years, and to decide upon the terms and characteristics of the said issues.

In the event of several issues, each issue is considered as loan stock as defined by Article 298 of Law 17-95 relating to Public Limited Companies and must be fully paid-up.

• Tenth resolution

The Annual General Meeting gives full powers to the bearer of an original or copy of the present resolutions to conduct the formalities relating to their publication and any other formalities prescribed by the law.

GENERAL REPORT OF THE STATUTORY AUDITORS

Social accounts statements

 **ERNST & YOUNG**

ERNST & YOUNG
37 Bd. Abdellatif Ben Kaddour
20 050 Casablanca. MAROC

Deloitte.

Deloitte et Touche Auditors
288, Bd Zerktouni
20000 Casablanca

In accordance with the assignment entrusted to us by your General Meeting, we present to you our report relating to the financial year ended 31 December 2005.

We have audited the attached financial statements of Attijariwafa bank for the financial year ended 31 December 2005, comprising the balance sheet, income statement, management accounting statement, cash flow statement and additional information statement.

We conducted our audit in accordance with professional standards in Morocco and in consideration of current legal and regulatory requirements.

We certify that the financial statements referred to above in the second paragraph are consistent and genuine and give a true and fair view of the financial position of Attijariwafa bank at 31 December 2005 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.

17 March 2006

The Statutory Auditors

ERNST&YOUNG
Ali BENNANI
Partner

DELOITTE ET TOUCHE AUDITORS
Fawzi BRITEL
Partner

SOCIAL ACCOUNTS STATEMENTS

AS OF DECEMBER 31ST, 2005

Balance sheet for the financial year ended 31 December 2005

(in thousands of dirhams)

ASSETS	12/31/2005	12/31/2004
Cash at bank, central banks, the treasury and post office cheques	12 681 402	13 777 710
Amounts due from credit institutions and similar establishments	19 345 594	14 326 708
I Sight	9 719 917	5 935 043
I Term	9 625 677	8 391 665
Customer receivables	52 444 141	45 048 971
I Cash advances and consumer credit	27 549 850	23 110 126
I Equipment loans	12 698 330	10 949 242
I Real-estate loans	10 325 788	8 563 431
I Other loans	1 870 173	2 426 172
Receivables acquired through factoring	1 248 732	
Trading securities	17 089 819	14 640 603
I Treasury bills and similar securities	12 757 734	10 954 133
I Other debt securities	2 667 385	3 058 711
I Title instruments	1 664 700	627 760
Other assets	1 442 071	1 591 467
Investment securities	3 959 896	4 316 225
I Treasury bills and similar securities	1 704 067	2 579 961
I Other debt securities	2 255 829	1 736 264
Participating interests and similar assets	5 709 436	5 554 723
Subordinated receivables		
Fixed assets given in leasing finance	82 957	166 836
Intangible fixed assets	1 436 556	1 417 211
Tangible fixed assets	2 517 950	2 494 215
Total assets	117 958 554	103 334 669

LIABILITIES	12/31/2005	12/31/2004
Central banks, the treasury and post office cheques		
Amounts due to credit institutions and similar establishments	4 506 911	3 805 495
I Sight	3 115 805	1 548 387
I Term	1 391 106	2 257 108
Customer deposits	98 475 272	85 135 761
I Sight accounts – credit balances	55 012 271	48 592 882
I Savings accounts	12 583 585	11 657 631
I Term deposits	27 926 634	20 989 975
I Other accounts – credit balances	2 952 782	3 895 272
Debt securities issued		
I Negotiable debt securities		
I Bonds		
I Other debt securities issued		
Other liabilities	1 679 043	1 885 623
Provisions for liabilities and charges	788 119	690 540
Regulated provisions	175 000	110 000
Grants, allocated public funds and special guarantee funds		
Subordinated debt		
Revaluation reserve	420	420
Reserves and premiums related to share capital	9 115 920	9 019 087
Share capital	1 929 960	1 929 960
Shareholders, unpaid share capital (-)		
Retained earnings (+/-)	70 529	70 733
Net income pending appropriation (+/-)		
Net income for the financial year (+/-)	1 217 380	687 050
Total liabilities	117 958 554	103 334 669

OFF BALANCE SHEET ITEMS	12/31/2005	12/31/2004
Commitments given	21 897 693	18 259 434
Financing commitments given on behalf of credit institutions and similar establishments		32 532
Financing commitments given on behalf of customers	6 291 714	4 546 950
Guarantee commitments on behalf of credit institutions and similar establishments	4 340 452	1 722 734
Guarantee commitments on behalf of customers	11 265 527	11 957 217
Securities purchased with repurchase option		
Other securities to be delivered		
Commitments received	10 536 898	9 222 193
Financing commitments received from credit institutions and similar establishments		
Guarantee commitments received from credit institutions and similar establishments	10 511 330	9 196 626
Guarantee commitments received from the State and other guarantee bodies	25 568	25 568
Securities sold with repurchase option		
Other securities to be received		

Income statement for the year to 31 December 2005

(en milliers de dirhams)

	12/31/2005	12/31/2004
I. BANKING OPERATING INCOME	6 323 914	4 298 120
Interest and similar income from transactions with credit institutions	691 304	455 306
Interest and similar income from transactions with customers	3 475 852	2 224 966
Interest and similar income from debt securities	812 766	675 451
Income from title instruments	128 011	103 367
Income from fixed assets subject to finance leases	93 757	33 072
Commission from services provided	630 619	468 199
Other banking income	491 605	337 759
II. BANKING OPERATING CHARGES	1 689 517	1 063 306
Interest and similar charges on transactions with credit institutions	197 443	112 993
Interest and similar charges on transactions with customers	1 106 197	744 636
Interest and similar charges on debt securities issued		
Charges on fixed assets subject to finance leases	83 879	25 296
Other banking charges	301 998	180 381
III. NET BANKING INCOME	4 634 397	3 234 814
Non-banking operating income	133 712	78 733
Non-banking operating charges	120	21 410
IV. OPERATING COSTS	2 240 606	1 565 980
Staff costs	1 028 103	695 814
Taxes and duties other than corporation tax	57 233	32 653
External charges	861 749	609 583
Other operating costs	1 682	4 275
Depreciation and amortisation on intangible and tangible fixed assets	291 839	223 654
V. WRITE-DOWNS AND LOSSES ON IRRECOVERABLE RECEIVABLES	2 644 747	2 106 074
Charges to write-downs on doubtful loans and contingent liabilities	911 109	1 065 989
Losses on irrecoverable receivables	1 384 345	813 134
Other write-downs	349 293	226 951
VI. WRITE-BACKS OF PROVISIONS AND RECOVERIES ON RECEIVABLES WRITTEN DOWN	2 158 055	1 415 187
Write-backs of provisions for doubtful loans and contingent liabilities	1 915 978	915 304
Recoveries on receivables written down	23 655	27 735
Other write-backs	218 422	472 149
VII. INCOME FROM ORDINARY ACTIVITIES	2 040 691	1 035 271
Exceptional income	19 975	44 349
Exceptional charges	141 602	61 319
VIII. PRE-TAX INCOME	1 919 064	1 018 301
Corporation tax	701 684	331 251
IX. NET INCOME FOR THE YEAR	1 217 380	687 050

Management accounting statement for the financial year ended 31 December 2005

(in thousands of dirhams)

	12/31/2005	12/31/2004
I- RESULTS ANALYSIS		
(+) Interest and similar income	4 979 922	3 355 723
(-) Interest and similar charges	1 303 640	857 629
NET INTEREST INCOME	3 676 282	2 498 094
(+) Income from fixed assets subject to finance leases	93 757	33 072
(-) Charges on fixed assets subject to finance leases	83 879	25 296
NET INCOME FROM FINANCE LEASES	9 878	7 776
(+) Commission received	632 442	469 303
(-) Commission given	2 930	4 083
NET COMMISSION INCOME	629 512	465 220
(+) Net income from trading securities		
(+) Net income from securities available for resale	89 764	38 093
(+) Net income from foreign exchange transactions	284 254	238 303
(+) Net income from derivative transactions	-7 692	-4 179
NET INCOME ON MARKET TRANSACTIONS	366 326	272 217
(+) Other banking income	143 554	121 434
(-) Other banking charges	191 155	129 927
NET BANKING INCOME	4 634 397	3 234 814
(+) Income from financial fixed assets	18 455	19 552
(+) Other non-banking operating income	131 553	56 393
(-) Other non-banking operating charges	120	21 410
(-) Operating costs	2 240 607	1 565 980
GROSS OPERATING INCOME	2 543 678	1 723 370
(+) Net charges for provisions on doubtful loans and contingent liabilities	-355 820	-936 085
(+) Other net charges for provisions	-147 168	247 985
INCOME FROM ORDINARY ACTIVITIES	2 040 691	1 035 271
NET EXCEPTIONAL INCOME	-121 627	-16 970
(-) Corporation tax	701 684	331 251
NET INCOME FOR THE YEAR	1 217 380	687 050
II - CASH FLOW		
(+) NET INCOME FOR THE YEAR	1 217 380	687 050
(+) Depreciation and amortisation on intangible and tangible fixed assets	291 839	223 654
(+) Write-downs of financial fixed assets		6 339
(+) General provisions	94 786	104 834
(+) (+) Regulated provisions	175 000	110 000
(+) Extraordinary provisions		11 766
(-) Write-backs of provisions	220 508	453 916
(-) Capital gains on disposals of intangible and tangible fixed assets	35 221	15 273
(+) Capital losses on disposals of intangible and tangible fixed assets	120	8 230
(-) Capital gains on disposals of financial fixed assets	2 158	22 340
(+) Capital losses on disposals of financial fixed assets		
(-) Write-backs of investment grants received		
(±) TOTAL CASH FLOW	1 521 238	660 345
(-) Profits distributed	578 988	363 624
(±) CASH FLOW AFTER DISTRIBUTIONS	942 249	296 720

Amounts due from credit institutions and similar establishments

(in thousands of dirhams)

	BAM, the Treasury and post office cheques	Banks in Morocco	Other credit institutions in Morocco	Credit institutions outside Morocco	12/31/05	12/31/04
Ordinary accounts – debit balances	12 636 265	177	306 325	1 435 980	14 378 747	14 330 870
Securities received under reverse repos	0	0	0	0	0	686 360
overnight					0	686 360
term					0	
Cash loans	0	0	4 180 068	8 137 804	12 317 872	8 046 509
overnight					0	1 807 530
term			4 180 068	8 137 804	12 317 872	6 238 979
Financial loans		1 300 000	3 612 366		4 912 366	3 973 692
Other receivables		279 416	8 181	1 966	289 563	1 016 891
Accrued interest receivable			66 892	61 556	128 448	50 096
Doubtful loans						
TOTAL	12 636 265	1 579 593	8 173 832	9 637 306	32 026 996	28 104 418

Analysis of trading and investment securities by category of issuer

(in thousands of dirhams)

Securities	Credit institutions and similar establishments	Public issuers	Private issuers		12/31/05	12/31/04
			Financial	Non financial		
LISTED SECURITIES	454 567	0	1 628 934	113 219	2 196 720	1 138 007
Treasury bills and similar securities					0	194 912
Bonds	443 828				532 020	315 335
Other debt securities					0	-
Title instruments	10 739		1 628 934	25 027	1 664 700	627 760
UNLISTED SECURITIES	3 712 814	14 818 780	0	321 401	18 852 995	17 818 822
Treasury bills and similar securities		14 461 801			14 461 801	13 339 182
Bonds	101 425	356 979			779 805	610 081
Other debt securities	3 611 389				3 611 389	3 869 559
Title instruments						
TOTAL	4 167 381	14 818 780	1 628 934	434 620	21 049 715	18 956 829

Analysis of trading and investment securities

(in thousands of dirhams)

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	17 117 098	17 089 819	0	0	27 279	27 279
Treasury bills and similar securities	12 760 094	12 757 734		0	2 360	2 360
Bonds	1 312 293	1 311 825		0	468	468
Other debt securities	1 355 560	1 355 560		0	0	0
Title instruments	1 689 151	1 664 700		0	24 451	24 451
INVESTMENT SECURITIES	3 959 896	3 959 896	0	0	0	0
Treasury bills and similar securities	1 704 067	1 704 067		0	0	0
Bonds				0	0	0
Other debt securities	2 255 829	2 255 829		0	0	0

Customer receivables

(in thousands of dirhams)

	Public sector	Private sector			12/31/05	12/31/04
		Financial companies	Non-financial companies	Other customers		
CASH ADVANCES	304 417	1 353 545	22 935 162	1 078 925	25 672 049	21 475 001
Sight accounts – debit balances	304 417	1 353 545	6 794 385	1 078 925	9 531 272	8 387 819
Commercial loans within Morocco			3 003 676		3 003 676	2 777 451
Export loans			1 300 990		1 300 990	1 746 774
Other cash advances			11 836 111		11 836 111	8 562 957
CONSUMER CREDIT				1 524 838	1 524 838	1 434 431
EQUIPMENT LOANS			12 551 789		12 551 789	10 794 521
REAL-ESTATE LOANS			20 371	10 285 982	10 306 353	8 532 115
OTHER LOANS		204 031	456 439	6 433	666 902	1 002 112
RECEIVABLES ACQUIRED THROUGH FACTORING			1 248 732		1 248 732	0
ACCRUED INTEREST RECEIVABLE			500 835	18 870	519 705	386 730
DOUBTFUL LOANS	3 888	15 454	764 295	418 868	1 202 505	1 424 060
substandard loans			39 789		39 789	26 042
doubtful loans			14 690	134	14 824	147 108
loss loans	3 888	15 454	709 816	418 734	1 147 892	1 250 910
TOTAL	308 305	1 573 030	38 477 622	13 333 916	53 692 873	45 048 970

Analysis of other assets

(in thousands of dirhams)

ASSETS	12/31/05	12/31/04
Options purchased		
Sundry transactions on securities		6 833
SUNDRY DEBTORS	210 185	393 136
Amounts due from the State	153 304	281 396
Amounts due from provident bodies		
Sundry amounts due from staff	792	
Amounts due from customers for non banking services		
Other sundry debtors	56 089	111 740
SECURITIES AND SIMILAR ASSETS	106 191	55 246
PREPAYMENTS AND ACCRUED INCOME	1 107 738	1 136 252
Adjustment accounts – off-balance sheet transactions	118 268	283 501
Differences on foreign currencies and securities	42 042	114 007
Income from hedging derivatives		
Deferred charges	86 658	52 383
Intercompany accounts – head office/Morocco branches	80 560	4 534
Accrued income and prepaid expenses	350 391	287 199
Other prepayments and accrued income	429 819	394 628
DOUBTFUL RECEIVABLES ON SUNDRY TRANSATIONS	17 957	
TOTAL	1 442 071	1 591 467

Provisions

(en milliers de dirhams)

	Opening balance at 1 January 2004	New provisions	Write-backs	Other movements (*)	Closing balance at 12/31/2005
PROVISIONS, DEDUCTED FROM ASSETS, ON:	5 303 721	857 220	1 912 999	25 274	4 273 216
Amounts due from credit institutions and similar establishments					
Customer receivables	5 183 591	837 655	1 904 866	25 555	4 141 935
Trading securities	30 635	1 592	4 600	-348	27 279
Participating interests and similar assets	78 161		1 949	67	76 279
Fixed assets					
Other assets	11 334	17 973	1 584		27 723
PROVISIONS RECORDED IN LIABILITIES	800 540	422 747	233 142	-27 026	963 119
Provisions for execution risks on contingent liabilities	133 401	73 454	11 112	-25 283	170 460
Provisions for foreign currency risks	2 616		-		2 616
General provisions	384 352	94 905	57 193		422 064
Provisions for pension commitments and similar obligations	15 881	27 853	20 765	16 845	39 814
Provisions for other liabilities and charges	154 290	51 535	34 072	-18 588	153 165
Regulated provisions	110 000	175 000	110 000		175 000
TOTAL	6 104 261	1 279 967	2 146 141	-1 752	5 236 335

Intangible and tangible fixed assets

(in thousands of dirhams)

Immobilisations	Gross value at 1 January	Acquisitions during the year	Disposals/withdrawals during the year	Gross value at 31 December	Amortissements et provisions				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	1 497 427	54 336	3 385	1 548 378	71 943	39 908	29	111 822	1 436 556
Lease rights	146 485	11 961	-	158 446	-	-	-	0	158 446
Research and development fixed assets	-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	1 350 942	42 375	3 385	1 389 932	71 943	39 908	29	111 822	1 278 110
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	4 089 072	350 988	81 856	4 358 204	1 611 852	232 161	3 759	1 840 254	2 517 950
OPERATING PREMISES	1 508 773	118 553	5 447	1 621 879	268 265	49 533	1 888	315 910	1 305 969
. Operating land	201 767	24 172	400	225 539	-	-	-	0	225 539
. Operating premises – offices	1 207 584	94 381	1 447	1 300 518	225 288	46 540	16	271 812	1 028 706
. Operating premises – staff housing	99 422	-	3 600	95 822	42 977	2 993	1 872	44 098	51 724
OPERATING FURNITURE AND EQUIPMENT	1 281 164	78 499	4 387	1 355 276	854 155	124 927	1 461	977 621	377 655
. Operating office furniture	259 550	16 593	622	275 521	190 494	17 173	-	207 667	67 854
. Operating office equipment	624 021	26 766	-	650 787	433 556	59 171	244	492 483	158 304
. IT hardware	384 027	33 302	3 181	414 148	218 930	46 287	1 050	264 167	149 981
. Operating vehicles	13 566	1 838	584	14 820	11 175	2 296	167	13 304	1 516
. Other operating equipment	-	-	-	0	-	-	-	0	0
OTHER OPERATING TANGIBLE FIXED ASSETS	593 121	50 117	1 442	641 796	395 787	23 862	-	419 649	222 147
NON-OPERATING TANGIBLE FIXED ASSETS	706 014	103 819	70 580	739 253	93 645	33 839	410	127 074	612 179
. Non-operating land	200 393	76 879	53 950	223 322	-	-	-	0	223 322
. Non-operating premises	328 292	24 277	15 805	336 764	31 944	12 687	410	44 221	292 543
. Non-operating furniture and equipment	31 346	343	-	31 689	26 992	2 677	-	29 669	2 020
. Other non-operating tangible fixed assets	145 983	2 320	825	147 478	34 709	18 475	-	53 184	94 294
Total	5 586 499	405 324	85 241	5 906 582	1 683 795	272 069	3 788	1 952 076	3 954 506

Amounts due to credit institutions and similar establishments

(in thousands of dirhams)

LIABILITIES	BAM, the Treasury and post office cheques	Banks in Morocco	Other credit institutions in Morocco	Credit institutions outside Morocco	12/31/05	12/31/04
Ordinary accounts – credit balances		11 255	131 135	1 140 624	1 283 014	915 987
Securities given under repos	53 529	0	0	0	53 529	0
Overnight					0	
Term	53 529				53 529	
Cash borrowings	0	1 000 000	0	1 750 913	2 750 913	2 469 610
Overnight					0	542 260
Term		1 000 000		1 750 913	2 750 913	1 927 350
Financial borrowings	9 763			200 067	209 830	239 238
Other liabilities	14 874	167 570			182 444	162 580
Accrued interest payable		18 371		8 810	27 181	18 081
TOTAL	78 166	1 197 196	131 135	3 100 414	4 506 911	3 805 496

Shareholders' equity

(in thousands of dirhams)

	Opening balance at 1 January 2004	Allocation of profits	Other movements	Closing balance at 31 December 2005
REVALUATION RESERVES	420			420
RESERVES AND PREMIUMS RELATED TO SHARE CAPITAL	9 019 088	96 832	0	9 115 920
Legal reserve	136 851	34 276		171 127
Other reserves	3 445 673	62 556		3 508 229
Issue, merger and transfer premiums	5 436 564		0	5 436 564
SHARE CAPITAL	1 929 960	0	0	1 929 960
Called-up share capital	1 929 960		0	1 929 960
Uncalled share capital				
Non-voting preference shares				
Fonds de dotation				
SHAREHOLDERS, UNPAID SHARE CAPITAL				
RETAINED EARNINGS (+/-)	70 733	0	-204	70 529
NET PROFITS (LOSSES) PENDING ALLOCATION (+/-)				
NET INCOME (+/-)	687 050			1 217 380
TOTAL	11 707 251	96 832	-204	12 334 209

Participating interests and similar assets

(en milliers de 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			Income booked in the current year's income statement
						Year-end date	Net position	Net income	
Participating interests in related undertakings				4 308 149	4 294 944				
OGM	Holding	885 000	100,00%	2 047 900	2 047 900	31/12/05			
ATTIJARI FINANCES	Banque d'affaires	10 000	100,00%	9 999	9 999	31/12/05			
SOMACOVAM	Gestion d'actif	5 000	100,00%	30 000	24 000	31/12/05			
WAFI GESTION	Gestion d'actif	4 000	66,00%	236 369	236 369	31/12/05			
BCM CORPORATION	Holding	200 000	100,00%	199 995	199 995	31/12/05			
ATTIJARI CAPITAL RISQUE	Capital risque	10 000	99,99%	9 999	3 999	31/12/05			
CASABLANCA MADRID DÉVELOPPEMENT	Capital développement	10 000	49,98%	4 998	4 210	31/12/05			
ATTIJARI PROTECTION	Sécurité	4 000	80,75%	3 230	2 813	31/12/05			
SOMGETI	Informatique	300	99,40%	99	99	31/12/05			
AGENA MAGHREB	Vente de matériel informatique	11 000	74,96%	33	33	31/12/05			
D'NERS CLUB DU MAROC	Gestion cartes de paiement	1 500	100,00%	1 675	1 675	31/12/05			
MÉDI TRADE	Trading	1 200	20,00%	240	240	31/12/05			
S C I AL MIFTAH	Immobilier	100	100,00%	244	244	31/12/05			
SMAO		1 000	100,00%	2 397	2 397	31/12/05			
WAFABAIL	Crédit-bail	150 000	57,83%	86 983	86 983	31/12/05			
WAFI BOURSE	Intermédiation en bourse	20 000	99,67%	40 223	40 223	31/12/05			
WAFI COMMUNICATION	Communication	3 000	91,28%	2 550	2 550	31/12/05			
WAFI FONCIÈRE	Gestion Immobilière	17 000	56,67%	700 3	700 3	31/12/05			
WAFI INVESTISSEMENT	Holding de promotion des investissements	39 999	100,00%	40 456	40 456	31/12/05			
WAFI PATRIMOINE	Gestion du patrimoine	10 000	66,00%	1 700	1 700	31/12/05			
WAFI SYSTÈMES CONSULTING	Conseil informatique	5 000	99,88%	4 994	4 994	31/12/05			
WAFI SYSTÈMES DATA	Informatique	1 496	100,00%	1 500	1 500	31/12/05			
WAFI SYSTÈMES FINANCE	Ingénierie informatique	1 997	100,00%	2 066	2 066	31/12/05			
WAFI TRUST	Conseiller ingénierie financière	5 000	66,00%	3 980	3 980	31/12/05			
WAFI LLD	Leasing	15 500	100,00%	20 000	20 000	31/12/05			
ATTIJARI INVEST		5 000	100,00%	1 250	1 250	31/12/05			
ATTIJARI INTERNATIONAL BANK	Banque off shore	3 000 \$	50,00%	13 181	13 181	31/12/05			
ATTIJARI IMMOBILIER	Immobilier	125 000	100,00%	179 224	179 224	31/12/05			
WAFI IMMOBILIER	Immobilier	40 000	100,00%	164 364	164 364	31/12/05			
WAFI SALAF	Crédit à la consommation	113 081	65,94%	824 788	824 788	31/12/05			
WAFI CASH	Monétique	35 050	98,46%	318 744	318 744	31/12/05			
ATTIJARI BANK BANQUE SÉNÉGAL	Banque	2 100 000 FCFA	100,00%	40 362	40 362	31/12/05			
ANDALU MAGHREB	Holding	1 000 Euro	68,68%	10 906	10 906	31/12/05			
Other participating interests and similar assets				1 466 321	1 414 492				
ONA	Holding	1 739 195	2,41%	151 411	151 411	31/12/05			
SONASID	Métallurgie	390 000	4,25%	94 148	94 148	31/12/05			
SNI	Holding	1 090 000		554	554	31/12/05			
SALIMA HOLDING	Holding	200 000	10,00%	20 000	19 641	31/12/05			
STE HOSPITALY HOLDING	Tourisme	101 000	14,99%	39 140	39 140	31/12/05			
MOUSSAFIR HÔTEL	Hôtellerie	104 000	33,34%	34 670	34 670	31/12/05			
TANGER FREE ZONE	Promotion immobilière	105 000	25,72%	28 309	28 309	31/12/05			
SOCIÉTÉ INTERBANK	Gestion de cartes bancaires	11 500	16,00%	1 840	1 840	31/12/05			
IMPRESSION PRESSE EDITION (IPE)	Edition	3 000	8,68%	400	400	31/12/05			
STE D'AMÉNAGEMENT DU PARC NOUACER	Promotion immobilière	60 429	22,69%	13 714	13 714	31/12/05			
CAPRI	Immobilier	124 000	100,00%	172 400	122 000	31/12/05			
CENTRE MONÉTIQUE INTERBANCAIRE	Monétique	98 200	11,20%	10 999	10 838	31/12/05			
BOUZNIKA MARINA	Promotion immobilière	1 000	50,00%	500	500	31/12/05			
MOROCCAN INFORMATION TECHNOLOGICAL PARK	Prestation de service	46 000	12,28%	5 650	5 284	31/12/05			
DAR ADDAMANE (CAPITAL)	Institution de garantie	1 915		1 915	1 915	31/12/05			
CENTRE MONÉTIQUE INTRBANCAIRE	Monétique	11 000		11 000	11 000	31/12/05			
GPBM	Groupement professionnel des banques	2 267		2 267	2 267	31/12/05			
SOUK AL MOUHAJIR	Distribution	6 500	15,25%	991	991	31/12/05			
AM INVESTISSEMENT MOROCCO	Prestation de service	215 000		2 500	2 500	31/12/05			
BANQUE D'AFFAIRES TUNISIENNE	Banque	3 000 TND	10,00%	2 584	2 584	31/12/05			
Autres titres de participations				36 221	36 221	31/12/05			
C/C associés				809 110	809 110				
Similar assets				25 998	25 455				
TOTAL				5 774 470	5 709 436				

Customer deposits

(in thousands of dirhams)

DEPOSITS	Public sector	Private sector			Total 12/31/2005	Total 12/31/2004
		Financial companies	Non-financial companies	Other customers		
Sight accounts – credit balances	565 179	930 742	11 636 860	41 860 765	54 993 546	48 591 781
Savings accounts				12 515 067	12 515 067	11 614 996
Term deposits		766 400	10 103 303	15 368 185	26 237 888	20 760 566
Other accounts – credit balances	9 370	1 554 052	2 679 586	146 005	4 389 013	3 895 272
Accrued interest payable				339 758	339 758	273 146
TOTAL	574 549	3 251 194	24 419 749	70 229 780	98 475 272	85 135 761

Analysis of other liabilities

(in thousands of dirhams)

	12/31/05	12/31/04
SUNDRY TRANSACTIONS ON SECURITIES		3 706
OTHER CREDITORS	949 827	901 327
Amounts due to the State	664 926	575 360
Amounts due to provident bodies	47 852	48 221
Sundry amounts due to staff	93 849	89 587
Sundry amounts due to shareholders and partners	2 004	1 705
Suppliers of goods and services	109 507	94 762
Other creditors	31 689	91 692
ACCRUALS AND DEFERRED INCOME	729 216	980 589
Adjustment accounts-off-balance sheet transactions		
Differences on foreign currencies and securities		
Income from hedging derivatives		
Intercompany accounts-head office-Morocco branches		
Accrued expenses and deferred income	258 935	313 290
Other accruals and deferred income	470 281	667 299
TOTAL	1 679 043	1 885 622

Financing and guarantee commitments

(in thousands of dirhams)

	12/31/05	12/31/04
FINANCING AND GUARANTEE COMMITMENTS GIVEN	22 333 354	18 571 828
FINANCING COMMITMENTS GIVEN ON BEHALF OF CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	0	32 532
Import documentary credits		32 532
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	6 291 714	4 546 950
Import documentary credits	5 112 483	3 361 178
Acceptances and other commitments to pay	1 179 231	1 185 772
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	4 340 453	1 722 734
Confirmed export documentary credits	450 481	150 627
Acceptances and other commitments to pay		56
Credit guarantees given		3 777
Other security, pledges and guarantees given	3 889 972	1 568 274
Problem commitments		
GUARANTEE COMMITMENTS ON BEHALF OF CUSTOMERS	11 701 187	12 269 612
Credit guarantees given		465 195
Security and guarantees on behalf of government bodies	7 140 153	5 748 356
Other security and guarantees given	4 125 373	5 743 666
Problem commitments	435 661	312 395
FINANCING AND GUARANTEE COMMITMENTS RECEIVED	10 536 898	9 222 193
FINANCING COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	0	0
Confirmed credits opened		
Back-up commitments on security issues		
Other financing commitments received		
GUARANTEE COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS AND SIMILAR ESTABLISHMENTS	10 511 330	9 196 625
Credit guarantees		
Other guarantees received	10 511 330	9 196 625
GUARANTEE COMMITMENTS RECEIVED FROM THE STATE AND OTHER GUARANTEE BODIES	25 568	25 568
Credit guarantees	25 568	25 568
Other guarantees received		

Forward exchange transactions and commitments on derivatives (in thousands of dirhams)

	Hedging transactions		Other transactions	
	12/31/05	12/31/04	12/31/05	12/31/04
FORWARD EXCHANGE TRANSACTIONS	17 618 542	13 434 860		
Foreign currencies to be received	693 857	620 598		
Dirhams to be delivered	688 893	604 685		
Foreign currencies to be delivered	8 062 110	5 978 060		
Dirhams to be received	8 173 682	6 231 517		
o/w foreign currency financial swaps				
COMMITMENTS ON DERIVATIVES	2 351 896	1 321 741		
Commitments on regulated fixed-income markets				
Commitments on OTC fixed-income markets				
Commitments on regulated foreign exchange markets	2 351 896	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)

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 commitments 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)

ASSETS	M<= 1 month	1 month<M<=3months	3 months<M<=1year	1 year<M<=5 years	M>= 5 years	TOTAL
Amounts due from credit institutions and similar establishments	13 610 177	2 019 760	3 303 329			18 933 266
Customer receivables	30 962 428	937 880	2 226 567	9 401 762	7 777 588	51 306 225
Debt securities	3 161 278	156 616	1 856 359	6 750 738	6 990 666	18 915 657
Subordinated receivables						0
Finance leases and similar instruments						0
TOTAL	47 733 883	3 114 256	7 386 255	16 152 500	14 768 254	89 155 148
LIABILITIES						
Amounts due to credit institutions and similar establishments	3 232 112	1 183 725	63 891			4 479 728
Amounts due to customers	72 456 963	8 208 139	13 745 608	37 311		94 448 021
Debt securities issued						0
Subordinated borrowings						0
TOTAL	75 689 075	9 391 864	13 809 499	37 311	0	98 927 749

Risk concentration with the same beneficiary (in thousands of dirhams)

Number of beneficiaries	Total commitment
8	14 339 124

Analysis of total assets, liabilities and off-balance sheet items in foreign currency (in thousands of dirhams)

Bilan	12/31/05	12/31/04
ASSETS		
Cash at bank, central banks, the Treasury and post office cheques	67 430	84 042
Amounts due from credit institutions and similar establishments	9 851 661	4 761 871
Customer receivables	3 444 078	3 976 111
Trading securities and investment securities	1 184 520	1 194 494
Other assets	64 888	56 979
Participating interests and similar assets	494 307	42 915
Subordinated receivables		
Fixed assets subject to finance leases		
Tangible and intangible fixed assets	59 878	59 072
LIABILITIES		
Central banks, the Treasury and post office cheques		
Amounts due to credit institutions and similar establishments	2 750 159	2 975 575
Customer deposits	1 286 123	1 447 767
Debt securities issued		
Other liabilities	416 660	80 342
Grants, allocated public funds and special guarantee funds		
Subordinated debt		
Share capital and reserves	0	9 531
Provisions	15 702	18 187
Retained earnings	70 250	70 608
Net income	640	1 544

OFF-BALANCE SHEET ITEMS:	12/31/05	12/31/04
Commitments given	9 426 714	7 350 704
Commitments received	7 185 104	7 014 436

Net interest income (in thousands of dirhams)

	12/31/05	12/31/04
Interest and similar income from transactions with customers	3 475 852	2 224 966
o/w: Interest	3 346 685	2 127 292
Commitment fees	129 167	97 674
Interest and similar income from transactions with credit institutions	691 304	455 306
o/w: Interest	672 515	450 830
Commitment fees	18 789	4 476
Interest and similar income from debt securities	812 766	675 451
INTEREST AND SIMILAR INCOME	4 979 922	3 355 723
Interest and similar charges on transactions with customers	1 106 197	744 636
Interest and similar charges on transactions with credit institutions	197 443	112 993
INTEREST AND SIMILAR CHARGES	1 303 640	857 629
NET INTEREST INCOME	3 676 282	2 498 094

Commission from services provided

(in thousands of dirhams)

	12/31/05	12/31/04
Account operating fees	109 483	74 728
Payment method commissions	203 054	137 315
Security transaction fees	22 342	36 579
Commissions on securities under management or on deposit	48 136	37 828
Commissions from credit services provided	66 740	84 806
Advisory services and assistance fees	-	12 034
Commissions on sales of insurance products	33 601	17 388
Other commission from services provided	147 263	67 520
TOTAL	630 619	468 198

Income from market transactions

(in thousands of dirhams)

	12/31/05	12/31/04
+ Gains on trading securities		
- Losses on trading securities		
INCOME FROM TRANSACTIONS ON TRADING SECURITIES	-	-
+ Gains on disposals of trading securities	88 844	36 401
+ Write-backs of provisions for impairment in value of trading securities	4 600	10 250
- Losses on disposal of trading securities	2 089	1 927
- Charges to provisions for diminution in value of trading securities	1 591	6 631
INCOME FROM TRANSACTIONS ON TRADING SECURITIES	89 764	38 093
+ Gains on foreign exchange transactions - transfers	193 543	196 216
+ Gains on foreign exchange transactions - notes	114 423	65 557
- Losses on foreign exchange transactions - transfers	5 434	19 008
- Losses on foreign exchange transactions - notes	18 278	4 462
INCOME FROM FOREIGN EXCHANGE TRANSACTIONS	284 254	238 303
+ Gains on fixed-income derivatives		
+ Gains on exchange-rate derivatives	72 829	10 164
+ Gains on other derivatives		
- Losses on fixed-income derivatives		
- Losses on exchange-rate derivatives	80 521	14 344
- Losses on other derivatives		
INCOME FROM TRANSACTIONS ON DERIVATIVES	-7 692	-4 180

Operating costs

(en milliers de dirhams)

CHARGES	12/31/05	12/31/04
Staff costs	1 028 103	695 814
Taxes and duties other than corporation tax	57 233	32 653
External charges	861 749	609 583
Other operating costs	1 682	4 275
Depreciation and amortisation on intangible and tangible fixed assets	291 839	223 654
TOTAL	2 240 606	1 565 979

Income from title instruments

(en milliers de dirhams)

Type of instruments	12/31/05	12/31/04
Trading securities	203	1 075
Participating interests	127 807	102 292
TOTAL	128 010	103 367

Other income and charges

(in thousands of dirhams)

OTHER BANKING INCOME AND CHARGES	12/31/05	12/31/04
Other banking income	491 605	337 759
Other banking charges	301 998	180 381
TOTAL	189 607	157 378
NON-BANKING OPERATING INCOME AND CHARGES		
Non-banking operating income	133 712	78 733
Non-banking operating charges	120	21 410
TOTAL	133 592	57 323
WRITE-DOWNS AND LOSSES ON IRRECOVERABLE RECEIVABLES	2 644 747	2 106 074
WRITE-BACKS OF PROVISIONS AND RECOVERIES ON RECEIVABLES WRITTEN DOWN	2 158 055	1 415 187
EXCEPTIONAL INCOME AND CHARGES		
Exceptional income	19 975	44 349
Exceptional charges	141 602	61 319

Shareholder structure

(in thousands of dirhams)

Share capital : 1 929 959 600,00

Number of shares : 19 299 596

Nominal value per share : 100 Dirhams

Name of main shareholders and partners	Address	Number of shares held		% of shares held
		Previous financial year	Current financial year	
A- MOROCCAN SHAREHOLDERS				
FINANCIÈRE D'INVESTISSEMENTS INDUSTRIELS & IMMOBILIERS	C/° ONA 61, rue d'Alger CASABLANCA	2 831 833	2 831 833	14,67%
ONA	C/° ONA 61, rue d'Alger CASABLANCA	2 865 033	2 865 033	14,85%
AL WATANIYA	83, avenue des FAR CASABLANCA	1 005 894	955 894	4,95%
WAFACORP	42, boulevard Abdelkrim AL Khattabi CASABLANCA	904 953	711 953	3,69%
Wafa ASSURANCE	1, boulevard Abdelmoumen CASABLANCA	854 172	844 505	4,38%
GROUPE MAMDA & MCMA	16, rue Abou Inane RABAT	1 499 404	1 499 404	7,77%
AXA ASSURANCES Maroc	120, avenue Hassan II CASABLANCA	726 018	726 018	3,76%
SNI	Angle rues d'Alger et Duhaume CASABLANCA	673 203	673 203	3,49%
CDG	140, Place My EL Hassan RABAT	466 781	462 259	2,40%
CIMR	Boulevard Abdelmoumen CASABLANCA	462 070	462 070	2,39%
OPCVM		608 543	618 175	3,20%
DIVERS ACTIONNAIRES MAROCAINS		2 168 514	2 254 097	11,68%
TOTAL		15 066 418	14 904 444	
B- FOREIGN SHAREHOLDERS				
SANTUSA HOLDING	Paseo de La Castellana N° 24 Madrid (Espagne)	2 794 599	2 808 581	14,55%
CREDITO ITALIANO	1Piazza Corduzio 2010 Milan (Italie)	397 500	397 500	2,06%
CORPR. FINAC. CAJA DE MADRID	Eloy Gonzalo N° 10 - 28010 Madrid (Espagne)	660 465	660 465	3,42%
FININVEST	91/93 BD PASTEUR 6 ^{EME} ETAGE BUREAU 30615 Paris (France)	277 200	277 200	1,44%
DIVERS ACTIONNAIRES ÉTRANGERS		103 414	251 406	1,30%
		4 233 178	4 395 152	
TOTAL		19 299 596	19 299 596	100%

GENERAL REPORT OF THE STATUTORY AUDITORS

Consolidated financial statements



ERNST & YOUNG
37 Bd. Abdellatif Ben Kaddour
20 050 Casablanca. MAROC



Deloitte et Touche Auditors
288, Bd Zerktouni
20000 Casablanca

We have audited the attached consolidated balance sheet of Attijariwafa bank and its subsidiary companies (Attijariwafa bank Group) for the financial year ended 31 December 2005, the consolidated income statement, the consolidated management accounting statement, the consolidated cash flow statement and the consolidated additional information statement relating to the financial year then ended.

These financial statements are the responsibility of Attijariwafa bank's management bodies. We are responsible for expressing an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards in Morocco. These standards require that we plan and perform our audit so as to obtain reasonable assurance that the financial statements are free of material misstatement. An audit consists of an examination, on a sample basis, of documents supporting the amounts and information in the consolidated 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 that our audit provides a reasonable basis for our opinion. In our opinion, the financial statements of Attijariwafa bank Group referred to above in the first paragraph give, in all material aspects, a true and fair view of the consolidated financial position at 31 December 2005 of the whole entity as constituted by all companies included within the scope of consolidation, and of the consolidated results of its operations and of changes in its cash flows for the year then ended, in accordance with the accounting principles described in the consolidated additional information statement.

26 April 2006

The Statutory Auditors

ERNST&YOUNG
Ali BENNANI
Partner

DELOITTE ET TOUCHE AUDITORS
Fawzi BRITEL
Partner

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2005

Balance sheet
for the financial year ended 31 December 2005

(in thousands of dirhams)

ASSETS	12/31/2005	12/31/2004
Cash and amounts due from Central banks, the Treasury, post office cheques	465 480 12	13 898 396
Amounts due from Central banks, the Treasury and post office cheques	270 458 11	13 059 112
Cash	195 022 1	839 284
Amounts due from credit institutions and similar establishments	949 478 16	12 263 487
Sight	020 666 10	6 425 224
Term	930 812 5	5 838 264
Customer receivables	526 025 70	50 176 798
Cash advances and consumer credit	128 525 38	27 634 525
Equipment loans	453 458 15	10 949 242
Real-estate loans	701 980 10	8 741 779
Other loans	245 061 5	2 851 253
Leasing receivables	075 518 4	3 304 925
Receivables acquired through factoring	425 523 1	164 609
Trading account securities and securities available for sale	903 288 18	14 734 245
Treasury bills and similar securities	734 757 12	10 954 133
Other debt securities	978 537 3	2 906 033
Equity securities	191 993 1	874 079
Other assets	008 006 3	1 888 743
Investment securities	445 987 3	4 457 582
Treasury bills and similar securities	259 725 1	2 579 961
Other debt securities	186 262 2	1 877 621
Investments and similar assets	180 834 1	1 009 556
Investments in companies accounted for under the equity method		
Financial companies		
Non-financial companies		
Subordinated receivables		
Intangible fixed assets	536 699 1	1 742 081
Tangible fixed assets	578 886 2	2 749 671
Goodwill	741 946 1	1 865 078
Total assets	832 675 138	108 255 171

LIABILITIES	12/31/2005	12/31/2004
Amounts due to Central banks, the Treasury and post office cheques		24 980
Amounts due to credit institutions and similar establishments	026 6088	7 595 978
Sight	603 1703	2 640 096
Term	423 4375	4 955 882
Customer deposits	501 816 110	85 158 870
Sight accounts – credit balances	775 71058	48 513 635
Savings accounts	579 231 16	11 657 631
Term deposits	545 00731	21 002 401
Other accounts – credit balances	602 8664	3 985 203
Debt securities issued	955 614 1	1 586 288
Negotiable debt securities	822 949	1 572 502
Bonds	134 665	
Other debt securities issued		13 786
Other liabilities	708 1154	2 828 892
Negative goodwill		
Provisions for liabilities and charges	192 049 1	1 009 970
Regulated provisions		
Grants, allocated public funds and special guarantee funds	365 312	
Subordinated debt	764 200	200 061
Share-premium account	564 4365	5 436 564
Share-capital	960 929 1	1 929 960
Shareholders, unpaid share capital (-)		
Consolidated retained earnings, revaluation reserve, translation adjustments, and differences under the equity method	497 878 2	2 269 213
Group	269 898 1	1 892 901
Minority interests	228 980	312 376
Net income for the financial year (+/-)	301 713 1	396 214
Group	975 635 1	734 200
Minority interests	326 77	662 13
Total liabilities	832 675 138	171 255 108

SHAREHOLDERS' EQUITY	31/12/2005	31/12/2004
Group	10 900 768	9 460 159
Minority interests	1 057 554	389 974
Total	11 958 322	9 850 132

OFF-BALANCE SHEET ITEMS	12/31/2005	12/31/2004
Commitments given	25 904 210	18 523 775
Financing commitments on behalf of credit institutions and similar establishments	217 761	94 015
Financing commitments on behalf of customers	7 442 237	4 653 063
Guarantees on behalf of credit institutions and similar establishments	3 735 206	1 739 819
Guarantee commitments on behalf of customers	14 509 005	12 036 878
Securities purchased with repurchase option		
Other securities to be delivered		
Commitments received	13 230 211	9 284 980
Financing commitments received from credit institutions and similar establishments	250 000	120 000
Guarantees received from credit institutions and similar establishments	12 912 737	9 106 216
Guarantees received from the State and other guarantee loans	67 474	58 764
Securities sold with repurchase option		
Other securities to be received		

Consolidated statement of income and expenditure for the financial year ended 31 December 2005

[in MAD thousands]

	12/31/2005	12/31/2004
OPERATING INCOME FROM BANKING ACTIVITIES	9 053 288	8 103 793
Interest and similar income from transactions with credit institutions	446 285	379 883
Interest and similar income from transactions with customers	4 288 172	3 847 989
Interest and similar income from debt securities	806 156	918 780
Income from instruments with title	59 018	23 238
Income from fixed assets subject to finance leases	1 939 251	1 474 324
Commissions from services provided	985 539	1 070 181
Other banking income	528 868	389 399
BANK OPERATING EXPENSES	3 416 360	2 989 637
Interest and similar expenses on transactions with credit institutions	276 771	284 388
Interest and similar expenses on transactions with customers	1 144 486	1 105 590
Interest and similar expenses on debt securities issued	88 787	122 771
Charges on fixed assets subject to finance leases	1 565 323	1 155 856
Other banking expenses	340 993	321 033
NET BANKING INCOME	5 636 928	5 114 156
Non-banking operating income	331 400	288 918
Non-banking operating expenses	1 108	46 166
OPERATING EXPENSES	2 906 542	2 862 826
Staff costs	1 196 641	1 174 291
Taxes and duties other than corporation tax	71 479	63 176
External costs	1 076 759	1 097 600
Other operating costs	91 227	44 294
Depreciation and amortisation on intangible and tangible fixed assets	470 435	483 465
Amortisation of goodwill	130 076	80 144
Goodwill write-backs		
WRITE-DOWNS AND LOSSES ON IRRECOVERABLE LOANS	2 948 272	2 886 874
Charges to write-downs on doubtful loans and contingent liabilities	1 196 521	1 700 900
Losses on irrecoverable receivables	1 549 544	769 189
Other provisions	202 206	416 785
WRITE-BACKS OF PROVISIONS AND RECOVERIES ON RECEIVABLES WRITTEN DOWN	2 350 598	1 755 450
Write-backs of provisions for doubtful loans and contingent liabilities	2 115 039	1 224 101
Recoveries on receivables written down	111 283	28 086
Other write-backs	124 276	503 263
INCOME FROM ORDINARY ACTIVITIES	2 332 929	1 282 514
Non-recurring income	30 175	152 691
Non-recurring expenses	185 514	456 230
PRE-TAX INCOME	2 177 590	978 975
Corporate income tax	716 732	685 963
NET INCOME OF CONSOLIDATED COMPANIES	1 460 858	293 012
SHARE OF EARNINGS OF COMPANIES CARRIED UNDER THE EQUITY METHOD	252 442	-78 616
Financial companies	201 500	
Other companies	50 943	-78 616
NET INCOME	1 713 301	214 396
Group share	1 635 975	200 734
Minority interests	77 326	13 662

Management accounting statement for the financial year ended 31 December 2005

(in MAD thousands)

I- INCOME GENERATION TABLE	12/31/2005	12/31/2004
(+) Interest and similar income	5540612	5146652
(-) Interest and similar expenses	1510044	1512749
NET INTEREST INCOME	4030568	3633903
(+) Income from fixed assets subject to finance leases	1939251	1474324
(-) Charges on fixed assets subject to finance leases	1565323	1155856
NET INCOME FROM FINANCE LEASES	373928	318468
(+) Fees received	987366	1071284
(-) Fees paid	70226	61574
NET FEE INCOME	917140	1009710
(±) Net income from trading securities		
(±) Net income from securities available for resale	94381	24391
(±) Net income from foreign exchange transactions	308777	218290
(±) Net income from derivatives transactions	-7711	-4179
NET INCOME FROM MARKET TRANSACTIONS	395446	238502
(+) Other banking charges	78358	48739
(-) Other banking expenses	158513	135166
NET BANKING INCOME	5636928	5114156
(±) Income from financial fixed assets	125770	11560
(+) Other non-banking operating income	198844	274569
(-) Other non-banking operating expenses	1104	46166
(-) Operating expenses	2906542	2862826
GROSS OPERATING INCOME	3053896	2491293
(±) Net charges for provisions on doubtful loans and contingent liabilities	-519744	-1217901
(±) Other net charges for provisions	-71147	89266
(±) Net charges for goodwill provisions	-130076	-80144
INCOME FROM ORDINARY ACTIVITIES	2332929	1282514
NON-RECURRING INCOME	-155339	-303539
(-) Corporation tax	919258	568292
(-) Deferred taxes	-202526	117671
Net income from consolidated companies	1460858	293012
Share of income from companies accounted for under the equity method	252442	-78616
NET INCOME	1713301	214396
II - CASH-FLOW	12/31/2005	12/31/2004
(±) Group net income	1713301	214396
(-) Share of income from companies accounted for under the equity method	252442	-78616
(±) NET INCOME FOR THE YEAR FROM CONSOLIDATED COMPANIES	1460858	293012
(+) Depreciation and amortisation on intangible and tangible fixed assets	470435	483465
(+) Write-downs of financial fixed assets	9155	6340
(+) Provisions for general risks	94790	70834
(+) Regulated provisions		
(+) Extraordinary provisions	2515	374264
(-) Write-backs of provisions	102998	559542
(-) Capital gains on disposals of fixed assets	45937	61434
(+) Capital losses on disposals of fixed assets	168	9846
(-) Capital gains on disposals of financial fixed assets	132557	14349
(+) Capital losses on disposals of financial fixed assets	4	
(-) Write-backs of investment grants received		
(+) Goodwill provisions	130076	80144
(-) Write-backs of goodwill provisions		
(-) Net deferred taxes for the period		
(±) TOTAL CASH-FLOW	1886509	682581
(-) Profits distributed	529218	376191
(±) CASH-FLOW AFTER DISTRIBUTIONS	1357291	306390

Consolidated statement of cash flows for the financial year ended 31 December 2005

(in MAD thousands)

	31/12/05
1. (+) Operating income from banking activities	8 994 270
2. (+) Recoveries on receivables written down	111 283
3. (+) Non-banking operating income	183 082
4. (-) Bank operating expenses	-4 307 370
5. (-) Non-banking operating expenses	-940
6. (-) Operating expenses	-2 438 543
7. (-) Corporate income tax	-716 732
I. Net cash flow from statement of income and expenditure	1 825 051
Increase/Decrease in:	
8. (±) Receivables from credit institutions and similar	-4 215 462
9. (±) Customer receivables	-21 207 544
10. (±) Short-term and investment securities	-3 554 659
11. (±) Other assets	-1 117 265
12. (±) Fixed assets given in leasing and rental operations	-1 213 150
13. (±) Loans to credit institutions and similar	1 012 048
14. (±) Customer deposits	25 657 630
15. (±) Debt securities issued	28 668
16. (±) Other liabilities	1 286 816
II. Increase/Decrease in cash related to assets and liabilities generated by operating activities	-3 322 918
III. NET CASH FLOW FROM OPERATING ACTIVITIES (I + II)	-1 497 867
17. (+) Income from the sale of financial assets	316 592
18. (+) Income from the sale of intangible assets and property, plant and equipment	372 812
19. (-) Acquisition of financial assets	
20. (-) Acquisition of intangible and fixed assets and plant, property and equipment	-451 633
21. (+) Interest received	
22. (+) Dividends received	59 018
IV. NET CASH FLOW FROM INVESTMENT ACTIVITIES	296 789
23. (+) Subsidies received, public funds, public guarantee funds	312 365
24. (+) Subordinated debt issuance	
25. (+) Equity issuance	
26. (-) Repayment of shareholders' equity and similar	
27. (-) Interest paid	
28. (-) Dividends paid	-529 218
29. (+/-) Effect of exchange rates	
V. NET CASH FLOW FROM FINANCING ACTIVITIES	-216 853
VI. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (III+IV+V)	-1 417 930
VII. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13 898 396
VIII. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12 480 465

CONTACTS

Lamia NAJI

A self-taught enthusiast, Lamia NAJI began her career in 1992. For her first project, carried out as she "back-packed" across Morocco, she was awarded a Unesco scholarship and another by the Casa de Velazquez, enabling her to develop her artistic talent in Italy. Since then, she has received one distinction after another as well as support from Holland's Institute of Photography and recognition from the Cité des Arts in Paris. Despite her success, she is not diverted from her ambition, which is to bring people and places closer together, erase differences and rediscover a sense of unity.

Contacts

Corporate and financial communication

Zakia HAJJAJI
Telephone +212 22 46 98 13
Fax +212 22 29 41 25
E-mail z.hajjaji@attijariwafa.com

Batoul MOUMILE
Telephone 022 46 98 67
Fax 022 29 41 25
E-mail b.moumile@attijariwafa.com

Head Office

2, boulevard Moulay Youssef,
20000 Casablanca, Maroc
Telephone +212 (0) 22 22 41 69 or
+212 (0) 22 29 88 88
Fax +212 (0) 22 29 41 25
www.attijariwafabank.com

International Network Attijariwafa bank Europe

Paris Branch

170, boulevard Haussman
74008 Paris, France
Telephone 00 331 53 75 75 00
Fax 00 331 53 75 75 26 ou 25

Brussels Branch

126-130, boulevard Maurice Lemonnier
1000 Brussels, Belgium
Telephone 00 322 218 14 45
Fax 00 322 504 00 34

Madrid Sales Desk

C/Bravo Murillo 210, 28020 - Madrid, Spain
Telephone +34 (0) 915 795 434
Fax +34 (0) 915 795 799

Barcelona Sales Desk

Calle Tusset, n° 8, 2° 3A, Escalera, Derecha
08006 Barcelone
Telephone +34 (0) 934 155 899
Fax +34 (0) 934 160 952

Milan Sales Desk

Unicredito Miliano, Espera Commercial/International,
Viale Bodio 29 - B3, 3^{ème} Piano - 20158 Milan, Italy
Telephone +39 (0) 237 724 675
Fax +39 (0) 237 724 662

Shanghai Sales Desk

Calyon Shanghai
36Th Floor China, Merchants Tower - 161 Lujiazui East Road
Shanghai 200120 - Republic of China
Telephone + 8621 588 70 770 ext 3064
Fax +8621 588 77 036/7037

Banque du Sud-Tunisie

95, avenue de la Liberté - Tunis, Tunisia
Telephone + 216 71 849 400
Fax + 216 71 782 663

Attijariwafa bank Senegal

29 - 33, Avenue Président Leopold Sédar Senghor
Dakar - Sénégal
Telephone +221 889 98 98
Fax +221 823 48 57

Subsidiaries

Attijari Finances Corp.

15 bis, boulevard Moulay Youssef, Casablanca,
Telephone 022 47 64 35
Fax 022 47 64 32

Attijari Intermédiation

15 bis, boulevard Moulay Youssef, Casablanca
Téléphone 022 49 14 82
Fax 022 20 25 15

Wafa Gestion

416, rue Mustapha El Mâani, Casablanca
Telephone 022 54 50 54
Fax 022 22 99 81

Wafasalaf

5, boulevard Abdelmoumen, Casablanca
Telephone 022 20 34 46
Fax 022 29 49 63

Attijari Factoring Maroc

19, boulevard Abdelmoumen, Casablanca
Telephone 022 22 93 01
Fax 022 22 92 95

Wafa Immobilier

5, boulevard Abdelmoumen, Casablanca
Telephone 022 22 92 92
Fax 022 20 19 35

Wafacash

5, rue Driss Lahrizi, Casablanca
Telephone 022 20 80 80
Fax 022 27 23 83

Wafabail

5, boulevard Abdelmoumen, Casablanca
Telephone 022 26 55 19
Fax 022 27 74 11

Wafa LLD

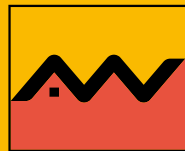
5, boulevard Abdelmoumen, Casablanca
Téléphone 022 43 17 70
Fax 022 20 53 03

Wafa Assurance

1, boulevard Abdelmoumen, Casablanca
Telephone 022 54 55 55
Fax 022 20 91 03

Attijari International bank

Lot. n° 41, Zone Franche d'exportation,
route de Rabat - Tangiers, Morocco
Telephone 039 39 41 75/77
Fax 039 39 41 78



Attijariwafa bank

www.attijariwafabank.com