

# 2011

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Annual report



التجاري بنك  
Attijari bank

# 2011

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## Annual Report

**Attijari bank**, a joint stock company whose capital is TND 198 741 450. Head Office: 95, Avenue de la Liberté - 1002 Tunis - Trade Register B 140811997 Tunis - Tax Identification Number 000121JPM000. Telephone : 71141400 - Fax : 71782663/71790945 - SWIFT BSTUTNTT - [www.attijaribank.com.tn](http://www.attijaribank.com.tn).



التجاري بنك  
**Attijari bank**



Ethics

Commitment Leadership

Solidarity

Citizenship

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**ANNUAL REPORT**

# MESSAGE OF THE CHAIRMAN AND THE GENERAL MANAGER



**M. Hicham SEFFA,**  
General Manager



**M. Moncef CHAFFAR,**  
Chairman of the Board of Directors

Ladies and Gentlemen,

In 2011, the international economic environment was marked by the slowdown of the world growth because of the crisis in the Euro Zone and the political, social tensions in the Middle East and Africa. The national economic environment was also affected by the events of January 14th and the impacts of the revolution in Libya. In this context, globally uncertain, Attijari bank of Tunisia has mobilized all its material and human means in order to overcome the obstacles and to meet the challenges raised by this climate.

For this purpose, it has undertaken a set of actions in order to control the effects of the crisis, face the consequences of January 14th events, support the customers and reassure them. Among these actions, it is worthwhile to quote the initiative "Pacte Moussanada Entreprise – Corporate Support Pact", hinging around listening and offering assistance to the corporations. This initiative aims at helping them to overcome the short term difficulties, to keep their position in the market and to resume progressively their activities.

At another level, and despite a difficult environment, the bank has continued its network expansion programme which has become richer with ten (10) new branch offices, making the total number of the sales points 179, then becoming the first banking network in Tunisia. The bank has proceeded, furthermore, with the rehabilitation of all its branch offices which were damaged during the revolution.

Besides the support extended to its customers, its implication in the solidarity national efforts and in the actions engaged in order to secure the continuity of its activities, the bank has succeeded to reach a respectable development level which was embodied by a significant improvement of its main risk and profitability indicators, including in particular :

- **GNP** which recorded a growth rate of 8.4% to reach **MTND 181.4**.
- The cash deposits of the customers have increased by 2.5% to reach MTND3,319. This progress results from a decrease by 34.3% of the outstanding amounts of the deposit certificates (excessively expensive resources) against an increase of the **deposit** volume by **9.3%** thanks, in particular, to the increase by **15.2%** of the **saving deposits**.
- The credits granted to the customers recorded an increase by 17% to reach MTND3,077.
- The **Net Result** reached **MTND 31.5**, thus allowing a distribution of a TND0.150 dividend.

**Hicham SEFFA**  
General Manager



The return to the dividends distribution confirms, despite the symbolic amount of the remuneration, the success of the restructuring and development programme implemented since 2006 and the achievement, within the set periods, of the main objectives fixed in the relating Business Plan, namely :

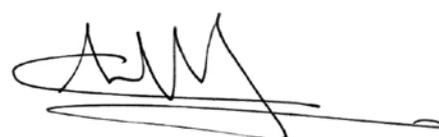
- a total absorption of the cumulated old debts,
- a net improvement of the operating, profitability and care indicators,
- an extension of the branch offices network,
- a generalized upgrading of the information system.

At the level of compliance, the bank has adopted the rules set forth by the BCT (Tunisia's Central Bank) in terms of collective provisions and got ready to apply the new measures, ruled out in terms of reinforcing the good governance rules, provided for in the BCT's Circular Letter dated May 20th, 2011.

2011 was also marked by the renewal of our partnership with the humanitarian associations and those which are interested in the development of the entrepreneurial spirit among the youngsters.

It is to be noted, finally, that, despite a very difficult climate, the bank could meet the challenges of excellence and reassert its commitment as a citizen and responsible bank towards its employees, its customers, its shareholders and its environment.

**Moncef CHAFFAR**  
Chairman of the Board of Directors





# 1.

## ECONOMIC & FINANCIAL CLIMATE

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# INTERNATIONAL ECONOMIC ENVIRONMENT

The recovery of the economic activities, triggered in 2010, after one year of recession, could not be consolidated in 2011, because of the conjunction of several factors. Indeed, the aggravation of the sovereign debt crisis, the impact of the budget rebalancing in the Euro Zone, as well as the political and social tensions in the MENA area (Middle East and North Africa) and the inflation due to the sky rocketing of the basic products prices, represented a major obstacle for the world growth. The average inflation rate for the developed countries went from 1.5% up to 2.7% in 2011. In the emerging and developing countries, this rate went from 6.1% up to 7.1%.

The world economic growth experienced a slow down with a rate of 3.9% against 5.3% in 2010, which has amplified the world unemployment rate which has reached 6% and resulted in a deceleration of the world exchanges tempo for the goods and services, i.e.

5.8%, volume wise in 2011, against 12.9% in 2010. In addition to the foregoing, there was an upraise in the volatility of the monetary relations and an aggravation of the tensions in the international financial markets which were marked by a decrease in the main stock indexes as well as a depreciation of the Euro against the American dollar and the Japanese Yen.

For the **Euro Zone**, the growth tempo has continued to be moderate in 2011, namely 1.4%, against 1.9% in the previous year. This weak growth is due to the slow down of the domestic demand, except for France whose economy was supported by the good behaviour of the households' consumption and the continuation of the corporations' investment progress. Besides, the decline of the external demand has affected the economic expansion of several countries, particularly Germany and Italy.



The economic growth in the **United States** slowed down to a large extent, in 2011, to reach in real terms, 1.7% against 3% in 2010. This slow down is mainly due to the weakening of the domestic demand, provoked by inflation, which eroded the available income. At another level, the United States encountered a high unemployment rate of 19%, a low trust level of the households and the corporations, as well as fragility in the banking sector.

Besides, the economic activities in the **MENA Region**, was largely affected by social unrests, which started as early as the beginning of 2011, with the advent of revolutions in certain Arab countries, such as Tunisia, Egypt and Libya, which affected the business climate, the investments, the trade exchanges with the outside world, the touristic revenues and the foreign capital inflows. The growth rate in this region was 3.5% as an average rate, against 4.9% in 2010.

### World Trade

The world exchanges of goods suffered a slow down and the world trade volume of goods reached 6.3% against 14.3% in 2010. Value wise, the growth of the world exports of goods, expressed in dollars, slowed down slightly, namely 19.1% against 21.8%, one year before.

Concerning the exchange terms, they have continued to deteriorate, as far as the developed countries are concerned (- 1.5%) and to improve for the emerging and developing countries (4.3%), due to the increase of the basic products prices, especially during the first semester of 2011.

The world exports for services have recorded a slight consolidation of their progress, namely 9.5%, value wise, against 9% in 2010.

### International Investments

The international investment flows increased in 2011 by 17% against 9% in the previous year. This progress was favoured by the implementation in several countries of new measures to facilitate and liberalize further the inflows of the Foreign Direct Investments (FDI).

### Monetary Policies

The main central banks have kept their leading key interest rates at a very low level and have extended or increased their purchasing programmes of public and private securities.

### Public Finances

In order to pull out the economy from recession, as a result of the international financial crisis of the years 2008/2009, the states implemented remedial and austerity plans. These plans included miscellaneous measures to increase the tax returns and reduce the public expenses. Thus, the budget deficit, in the developed countries in 2011, was brought down to 6.5% of the GDP, as an average, against 7.6% in 2010. This improvement related to most of the countries, especially the United States and the Euro Zone. Contrary to this trend, Japan's budget deficit got larger in 2011, due to the new reconstruction expenses, engaged by the government, after the earthquake which struck the country in March 2011.

# NATIONAL ECONOMIC ENVIRONMENT

Despite a downturn in the growth rate and the economic activities indicators, the revolution which the country experienced in the beginning of 2011, raised the hope of a radical change at the level of governance and management of the public assets. The expected change foresees a positive evolution of the situation at the political, economical and social levels.

But, at another level, the events lived in the course of 2011 had a negative impact as we were expecting, on the economic activities, particularly in the mines, phosphates and derivatives, energy, tourism and transportation sectors. However, the agriculture and fishing sectors showed a special recovery, as a result, in particular, of a good cereals harvest.

In addition to the above, there was a decrease in the private investments, both national and foreign, an aggravation of the unemployment rate, as well as a slow down of the exports and a drop of the touristic revenues, entailing a larger current deficit and a compression of the foreign currency assets.

Hence, and despite a good farming season, the economic growth for the whole year of 2011 stood at - 1.8% in real terms, against a rising trend and positive rate of about 5% per year, as an average, during the last years. This reduction occurred along with an aggravation of the external payment deficits and the State's budget and the reappearing of the inflationary pressures, especially for the fresh food products. These pressures got worse by the amplification of the informal trade with Libya. At the end of 2011, the inflation rate reached 3.5%.

The negative growth of 7.2% recorded in 2011 at the level of the industrial sector is due, mainly to the regression of the non manufacturing industries ( -15% ), especially the mine and hydrocarbon sectors where the regression was - 70.9% and - 21%, respectively. This deceleration is the result of the disruptions which affected the phosphate and the crude oil productions. They have decreased by about 69% and 11% respectively, compared to 2010. Hence, these industries have negatively contributed to the economic growth by - 2 percentage points against 0.6% point in 2010.

From their side, the manufacturing industries have recorded a decrease at the level of the added value, in real terms ( - 0.9%) which would have been larger, were it not for the recovery of the oil refinery activities and the continuation of the miscellaneous industries progress.

The progress was particularly negative in the chemical industries (- 38%), due mainly to production interruptions in the phosphate processing industries, as well as in the construction materials, ceramics and glass sectors (-3%). Consequently, the contribution of all these industries in the economic growth stood at - 0.1% percentage point against 0.2 point in the previous year.

Concerning the market related services, they underwent also a regression by - 1.9%, due mainly to the decrease of the activities in the tourism and transportation sectors. Their contribution in the economic growth was - 0.8% percentage point against 2.1 points in 2010.

The touristic activities were affected by the unstable climate which had marked the post revolution period. The growth rate recorded by the sector is - 23%.

The strong regression of the tourism activities and the slowdown of the external exchanges tempo had an impact on the transportation sector which experienced in 2011 a negative growth of - 7%.

The drop in the global demand in 2011 is accounted for by the decrease of the domestic demand which affected the private, national and foreign investments, the deceleration of the households' consumption and the postponement in the execution of certain public projects. The Foreign Direct Investments (FDI) dropped by 25.7% and the investment rate has decreased to reach 21.8% of the GDP against an average of about 24%, during the previous three years.

For the export of goods and services, the activities showed a progress by 0.5% only in 2011, only in terms of current prices, against an average growth close to 20% during the previous years, except for 2009 ( - 13.9%). This deceleration is mainly due to the disruptions which affected the industrial activities and the exports, especially in the mine, phosphate and phosphate derivative sectors, in addition to the large regression of the touristic revenues in foreign currency. Volume wise, the total exports have decreased by 4.3% against an increase by 12.6% in 2010. It is to be pointed out that Tunisia could not profit from the world price increase in the phosphate products and the sustained outside demand for these products.

Nonetheless, the exports of the main manufacturing sectors, in agriculture, fishing, agribusiness industries, as well as energy, have recorded over 2011 a somewhat important progress.

## The Banking Sector

From their side, the imports of goods and services have recorded a moderate increase by 4.5%, in current prices, and a shrinking by 2.3%, volume wise, mainly due to the contraction of the procurement of equipment and to the slow down of the raw materials and semi finished products buying. On the contrary, energy and food products procurements have increased substantially, under the effect of the international prices rise. This predicament has resulted in pressures on the subsidy charges and on the balance between the public finances and the external sector.

The unemployment rate has increased, going from 13% up to 18.9% in 2011. This aggravation results from the events which occurred after the revolution: the regression of the economic activities and investments, the massive return of the Tunisians working in Libya and the arrival on the employment market of new university graduates. Unemployment affected especially the youngsters aged 15 to 29 who represented 72% of the total number of jobless people and the unemployed university graduates whose number reached about 224 thousand at the end of 2011, namely an unemployment rate of about 33%.

In order to mitigate the impact of the events which occurred after the revolution, the government has implemented a short term economic and social programme hinging, in particular, on supporting the economy and its financing and on the promotion of employment and regional development.

The execution of this programme had repercussions on the State's budget balance, as well as on the level of expenses and tax revenues. A negative primary balance of MTND 647 was consequently recorded against a surplus of about MTD 531, one year ago. Accordingly the budget deficit, excluding privatizations and donations, got worse to reach MTND 2,427, namely 3.7% of the GDP. The public debt rate passed then from 40.5% to 44.5% of the GDP.

The total indebtedness witnessed in 2011 a progression almost similar to the one recorded one year ago, which hides however diverging evolutions at the level of its components.

Indeed, the State's total debt has progressed at an exceptional rhythm (12.4% against 1.9% in 2010), as a reply to the accrued social demands, at the expense of the indebtedness of the other economic non financial agents, which has increased, over the same period, by 13.6%, against 19.7%, one year ago. Besides, the total indebtedness was more than 70%, which was cleared by domestic financing resources; the balance was secured by external resources.

During 2011, the banking activity was marked by a progress of the outstanding amounts of the credits at a rhythm lower than that of the previous years. The volume of the outstanding amounts, which increased by 13.8%, exceeds the deposits volume whose evolution has not exceeded 5.1%, resulting thus in a decrease of the cover ratio by 16.3 percentage points, compared to 2009, to reach 92.2%.

This disproportionate evolution which has continued, for the second consecutive year, resulted in 2011, in tighter bank cash flows, recorded starting from the second semester of 2010.

For this purpose, the measures made by the Central Bank aimed, at a first stage, to mitigate the cash flow tightening, by reducing the mandatory reserve rate and the satisfaction of almost all the bank's needs, in terms of liquidity, which has naturally set off the negative effect of the strong rise of the notes and currencies in circulation on the banking liquidity, bringing down likewise the monetary base multiplier to its standard level.

At a second stage, actions were made to reduce the financial charges borne by the Tunisian corporations through the decrease, on two occasions, of the leading interest rate, bringing it down from 4% to 3.5% and especially to secure the most favourable conditions for the recovery of the private investment. In parallel to this decrease, the saving remuneration rate (SRR) has decreased; but in order to protect the interests of the small saving customers, it has been fixed at 2% starting from September.

In addition to the reduction of the financial charges, the Central Bank of Tunisia, announced a series of circumstantial measures targeting, in particular, the corporations which suffered damages or losses (fire, destruction, looting) and those which experienced an important slow down, not to say a partial or total interruption of their activities. Indeed, pursuant to the Central Bank's circular letter n° 2011-04, the debts were rescheduled, taking into account the concerned corporations' repayment capacity, without affecting their ranking. These reschedules were allowed, against a refinancing by the Central Bank of Tunisia.

At another level and in order to face the crisis and the circumstantial difficulties, the regulator has ruled out measures within the framework of improving governance in the credit institutions. These measures announced pursuant to the Central Bank's circular letter n° 2011-06 of May 20th, 2011, concern the members and the mission of the board of directors, the role of the committees attached thereto, the remuneration policy as well as the financial communication.

PERFORMANCE

ETHICS

GROWTH

DEVELOPEMENT

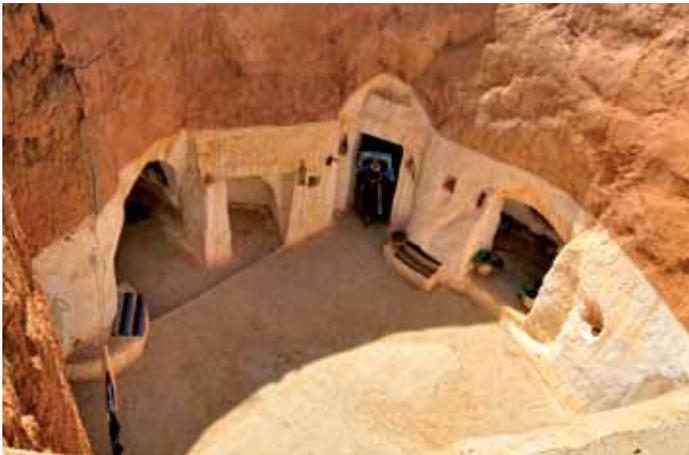
INNOVATION

LEADERSHIP

CITIZENSHIP

SOLIDARITY

COMMITMENT



# 2.

## OUTSTANDING EVENTS & MAIN ACHIEVEMENTS

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## OUTSTANDING EVENTS



2011 was marked by circumstantial difficulties characterized by a slow down in the economic activities, a lower profitability at the level of the corporations and an investment shrinking, all categories included.

Despite these difficulties and the special circumstances witnessed by the country during the previous fiscal year, the bank could develop its working capitals, while maintaining a good level of the risk quality.

This result could be achieved thanks to the considerable efforts extended by all the units of the bank, the sales teams, the risk management teams, as well as the control, processing and support units.

Thanks to this efficient management, the bank could obtain an upgrading of its rating going from “B” to “B+”, according to the Capital Intelligence Rating Agency.

At another level and due to the events of January 14th, the Bank took part in the national solidarity efforts through :

- The launching of the “Corporate Support Pact”,
- The organisation of a solidarity and support caravan to the attention of Ras Jedir refugees,
- The call for solidarity for a participation in the citizen’s funds.

In addition to the foregoing, the highlights and the main achievements for the past period are as follows :

### Development of the working capital

For this purpose, two actions were undertaken:

- **Extension of the sales network** : In 2011, 10 new branch offices were opened, bringing the total number of branch offices to 179 sales points.
- **Extension of the scope of the offer and its optimization**

We are talking here particularly about :

- Relooking the products to the individual customers: TAHSSIN, TAHSSIN+, TAHSSIN PRO, CREDEX, CREDIT MENAGE (Household’s credit) and CREDITAU (Car credit) ;
- The launching of packages in favour of young employees : “BIDEYA Package” and “AMBITION Package”;
- The launching of the “Jamiati” card with the cooperation of a private university in Tunis, the capital, as a partner.

### Sales Boosting

It has been illustrated by the launching of several campaigns, the sales of new products and the recourse to promotional actions.

- Concerning the launching of the campaigns :
  - A campaign for the recruitment of new customers both at the corporate level and at the individual customer level ;
  - A campaign for the sales development of certain products and services ;
  - Promotion of the international activities ;
  - Elaboration of a new development strategy in favour of the Tunisians living abroad jointly with Attijariwafa bank Europe.

- Concerning the participation in exhibitions and fairs :
  - The Bank consistently took part in many exhibitions and fairs, including especially TEXMED, Medindustrie, etc...

### Development of the Subsidiary Companies’ Activities

At the level of the subsidiary companies, the activities were distinguished by :

- The closing of the bond loan of Attijari leasing ;
- The development of leasing transactions through the deployment of the bank network ;
- The sales of the three common investment funds “FCP” run by Attijari Gestion (Attijari Management).

### Actions conducted within the framework of the organization and the information system

Several actions were undertaken within this framework. These actions covered various activities :

- Optimization of the resources, both at the level of the sales forces and at the level of the processing units. These actions allowed the redeployment of the teams from the head office towards the network.
- Improvement of the remote electronic payment and banking activities with the implementation of new services, within the framework of an optimum operation of the centralization capabilities and the new real time information system.
- Providing products and services through the new information system.

### Actions within the framework of the human resources management and training

In 2011 and despite a difficult year, the number of the new recruits reached 211. Besides, the Bank integrated interim employees who operate in the banking activities field as well as the teams of the subsidiary company “GTI”, in charge of the production and the maintenance of the information system.

Concerning the training activities, new training courses meant for all the staff of the Bank were introduced.

# SALES ACTIVITIES

## Retail Bank

The activities conducted at the level of the retail bank revolved around the following axes :

### Development of the working capital and follow up of the network expansion programme :

Despite the instability of the macro-economic data and the social unrests which the country experienced in 2011, the Bank continued its expansion programme of the network but at a slower pace than the previous fiscal years. In 2011, the branch offices openings reached ten, namely :

- HAMMAMET NORD BRANCH OFFICE
- NABEUL LES JARDINS BRANCH OFFICE
- SAKIET EZZIT BRANCH OFFICE
- CYRUS LE GRAND BRANCH OFFICE
- EL MOUROUJ 3 BRANCH OFFICE
- MENZEL BOUZELFA BRANCH OFFICE
- BEN AROUS VILLE BRANCH OFFICE
- CARTHAGE BYRSA BRANCH OFFICE
- EL MENZAH 6 BRANCH OFFICE
- KSOUR ESSEF BRANCH OFFICE

These new business locations, wisely positioned, generated an important share of the turn over.

Although the number of the openings was below the forecasts, the Bank could keep its position as the first private bank at the level of network density.

### New products and services sold in 2011 :

The customers of the special, professional and corporate markets, whether they belong to large public entities, offering a strong potential, or being part of a heritage, were given innovating, technically advanced offers and a quality service:



- The offer for the young wage earners with two packages: "Bideya" and "Ambition". This offer accompanies the young workers in their first days in the professional life and proposes to them solutions to meet their needs.
- The "Mandat SMS" (SMS Order) allows the holder of a bank card (Attijari bank or other) to transfer money to the prepaid sim card holders by a simple SMS.



- The "Pacte Moussanada Entreprises" (Corporate Support Pact) in order to support the corporations which met difficulties after the events of January 14th, 2011.

- Other products underwent some relooking and substantial improvements during 2011. they related to :
- Lodging saving plan “Menzili” in order to endow it with some advantage compared to “Meftah” lodging credit facility.
- The new functionalities for a remote access to the banking accounts through “AttijariNet” channel, allowing from now on a remote consultation of securities accounts.

Generally speaking, the Bank provided for a relooking device to the available products in order to adapt them to the customers’ demands and to improve their marketing conditions.

### Sales Dynamic and Structuring Projects :

2011 was marked by a special sales dynamic. The facilitation device was strengthened by the allocation of “facilitators” at the level of the regional directorates in order to assist the branch offices and the sales teams in monitoring their activities and to comply with the working methods standardization.

The Bank continued its multi-occupations strategy relying on the expertise of its subsidiary companies and professions which are in the best position to provide advice and to take care of the customers’ needs.

In order to do so, expert and advisor teams take care, permanently of the design and evaluation works, in keeping with the strategic guidelines into force.

The retail bank has started a deep transformation phase of its operation mode by consolidating the industrialization of certain processes, affecting the quality of the provided services.

Thus, many projects were implemented within the framework of the optimization of the distribution channels, in order to succeed in the migration towards a multi channel bank type, in keeping with the international standards and the best practices prevailing in the banking and professional circles.

In an economic context which is still globally unfavourable and which authorizes only a slow decrease of the risk costs, the network could create a rebound dynamic which has allowed the achievement of a good year, both at the level of the deposit collection, the distribution of credits and the sales of products.

The retail bank reconfirms likewise its capacity to achieve performances in keeping with the set forecasts, not to say to exceed them, in certain activity segments such as the award of credits.

The success of this sales policy is due to a strong mobilization of the multi-task teams whose mission is to develop the business activities of the retail bank, to reach a sustainable growth promising model.

The implementation of synergies between the markets and the professions, has, besides, created the business opportunities and assisted in the consolidation of the Bank’s global image.

The dynamization actions of the sales force and the engaged campaigns have allowed the improvement of the special, professional and PME’s activities profitability.

In this perspective, the teams had recourse to actions pertaining to different aspects of the activities, including in particular :

- The organization of open house days to enhance the attractiveness of Attijari bank’s offer ;
- The signing of new frame conventions and purchaser’s conventions, in order to consolidate partnerships with the corporate customers ;
- Taking advantage of a customer’s loyalty system through the optimization of the equipment and the prevention, in due course, of the eventual troubles ;
- The development by the head office, of multi theme, on site training actions in order to develop the sales and managerial skills and integrate pro-activity in the management ;
- The reinforcement of the collection and the prevention of incidents, as top important activities for the control of the risks inherent to credits ;

- Launching of the campaign “Real Estate Spring” in order to promote the real estate credit offer and to support the customers in their future prospects. This action is supported by an active participation in 2011 Real Estate Exhibition, which enabled the Bank to establish contacts with an important number of visitors and to finance a substantial number of real estate projects,



- Launching of the campaign dedicated to the (Tunisiens Sans Frontières) (TSF),
- Improving the network specialization through a reorganization which has led to dividing the PP market into Individual Customer Market (MP) on one hand and the Professionals and Micro corporates, on the other. The objective is to support the Bank’s specialization policy with the different professions and to secure a better back up to the customers in every market segment.

Besides, the stress was put on the **development** of the customers’ portfolio, thanks, in particular, to the competitive offers and to a quality service, on the adequate **equipment** and on the promotion of “Pack Pro” which includes a set of products and services, complying with the specific needs of the professional customers.

The satisfaction of the customers being at the very core of the concerns, numerous partnership conventions were implemented with various professional associations in order to support them in the financing of their projects and those of their customers.

In 2011, as a citizen Bank, Attijari bank got involved in the country’s economic activity recovery by supporting the small and medium size companies, affected by the events of January 14th, 2011.

The initiative “**Corporate Support Pact**” is consistent with the commitment spirit, the spirit of listening and support extended to the corporations which met difficulties in

this turbulent background. It aims at helping them to face the obstacles they come across and to allow them to achieve a breakeven point, securing their sustainability.

Within the framework of this initiative, the Bank has mobilized a team of experts, deployed at the level of the head office and the branch offices, in order to identify and measure up the extent of the difficulties, and to comply with the urgent needs, especially through the rescheduling of the credits.

### The Financing Bank

Notwithstanding a difficult economic background, characterized by a regression of the investment at the national level and by a strong competition between banks, the financing bank’s activities under 2011, showed a globally positive balance. This result is outstanding especially at the level of the credit evolution which has recorded a growth rate excluding EPS of about 21%. The drop recorded at the level of the Commitments By Signature (EPS) which was roughly of 20%, is due to the decrease of the imports, aggravated by the shrinking of the resources, resulting from a contraction of the cash flow on the market, specially for the public big companies.

The processing of the applications for financing, coming from the big companies and groups of companies, took into account the risk quality with reference to the customers’ category.

The evolution of the commitments has positively affected the global level of the Bank’s commitments, as well as its GDP. This performance urges us to continue with the policy into force which consists in giving personalised answers and in bringing along a specific support out of the wide range of products proposed by the Bank’s different product line up (Leasing, Consulting, SICAR,...).

### External trade market :

During 2011, Attijari bank consolidated further its position on the external trade market, as a result of the enrichment of its customers’ portfolio, through the recourse to important operators, at the international level.

Thanks to its policy of support to the exporters in the new markets and especially in sub-saharian Africa, the Bank made new outlets available to its exporting customers, together with the African subsidiary companies, belonging to Attijariwafa bank group.

In keeping with the same approach, the Bank actively took part in several events, including in particular a Tunisian businessmen mission to Bamako and the "Tunisia Economic Forum" in Berlin.

For the second consecutive year, the specialized Magazine "Global Trade Review" awarded to Attijaribank the prize of the "**Best Trade Finance Bank in Tunisia**".



This prize award confirms the quality of the services extended by the Bank at the international level and the adequacy of the service offers with the needs of the target customers.

Despite this different economic environment and the down grading of Tunisia's credit rating, Attijaribank's rating by "**Capital Intelligence**" International Rating Company has gone from B to B+, which shows the importance of the efforts exerted by the Bank for several years in the foreign banking sector.

#### **Offshore Activities :**

An offshore structure was created in September 2011 to better respond to the needs of the off shore corporations and to develop the Bank's portfolio, as far as this category of customers is concerned.

In this respect, a sales strategy was established in order to bring along a dynamic to the offshore corporate market.

## **The Investment Bank**

### **Capital Market**

The results recorded in 2011 show an increase by 13%, despite an unfavourable climate. This performance proves once again :

- The franchise quality of Attijari bank in this field,
- The strength of its diversified model, turned towards innovation,
- The strategy which is centred on the advice and the management of the customers' risks,
- The efficiency of the Bank's strategy and its capacity to resist to a crash which was as violent as the one experienced after 2011' events.

### **Attijari Gestion**

Because 2011 was a somewhat difficult fiscal year, Attijari Gestion has implemented a strategy which is adapted both to the national micro-economic climate and to the specific features of each of its products.

Three new common mixed investment funds, marketed in November 2011, were introduced to make the product range richer. They are : "ATTIJARI FCP DYNAMIQUE", "ATTIJARI FCP HARMONIE" and "ATTIJARI FCP SERNITE". The creation of these funds aims at making an adequate offer available to every investor's profile.

Under the effect of the massive buy back transactions, which occurred during 2011 and particularly during the first quarter of this fiscal year, which was marked by the investors' reluctance on the stock exchange market, the total assets of "Attijari Obligataire SICAV" deteriorated by 19.69% to reach MTND 152.978. The sector share was 3.30% against 4.27% in 2010. Concerning the annual performance, Attijari Obligataire SICAV outperformed the market with an annual return of 3.68% against an average sector return of 3.48%.

Affected by the negative trend of the stock market, the returns of the two mixed SICAV, namely Attijari Placement SICAV and Attijari Valeurs SICAV, fell by 3.76% and 3.15% respectively.

Nevertheless their annual return exceeded that of TUNINDEX index which closed down in 2011 with a negative note of - 7.63%. The net assets of these two "SICAV" witnessed a downfall tendency and fell by 26.7%, to reach MTND 12,163 with respect to "Attijari Placement SICAV" and 19.6% to reach about MTND 8,542 as far as Attijari Valeurs SICAV was concerned.

The annual performance of "Attijari FCP CEA" simply dropped by 1.84%. Its net assets improved by 12.63% by the end of 2011 financial year, reaching TND 1.989 million.

### **Attijari Finances**

On December 31st, 2011, Attijari Finances Tunisie achieved a turn over of TND163,000. This result comes exclusively from withholding commissions. It is down by 81% compared to the fiscal year of 2010. This decrease is the consequence of the events experienced by Tunisia during the fiscal year 2011 and which had a negative impact on the country's economic activities.

Attijari Finances Tunisie works presently on four consulting and investment contracts, with customers who are among the most prestigious in the economic arena.

Attijari Finances Tunisie has actively participated in several meetings with the eminent actors of the business market in Tunisia and abroad, especially with the intention of establishing partnerships and to attract strategic foreign investors in Tunisia.

The improvement of the economic and social environment in Tunisia in 2012 should lead to the signing of a certain number of consulting and investment mandates, especially in fund raising.

### **Attijari Sicar**

Despite a difficult investment context, Attijari Sicar continued, during 2011, its supporting and assistance mission to the young promoters and the partner PME, by bringing in all the necessary back up for the execution and the success of their projects. A lot of efforts were made in order to secure

continuity to the investments under execution and the implementation of new equities with a high profitability.

The number of approvals, during 2011, related to nine new equities for a global amount of kTND 5,690 oriented mainly to highly added value sectors, especially in the agri-food industry, the construction materials and packing, as well as services (private universities and marine services). As for the disbursements, they reached kTND 3,460 and related to three projects, under implementation, and two projects under development stage, promoted in the priority sectors.

At the level of the outflows, 2011 recorded a total retrocession of kTND 1,319 showing net added values of about kTND 445. It is to be pointed out that certain outflow programmes, during this year, were postponed taking into account the business shrinking climate which the company experienced during 2011. As a matter of fact, it is in this context that Attijari Bank has continued its prudent policy by following closely its equities and the provisions of all the risks relating thereto.

This being said, at the level of revenues, the total amount of the operation products reached kTND 2,040 and generated a profit net result of kTND 835.

### **Attijari Leasing**

Attijari leasing achieved a progress at the level of its activities indicators.

The leasing finance approvals went up to MTND 238 by the end of 2011, against MTND 224 in 2010, namely a progress by 6%, knowing that the sector has on the whole faced a drop by about 22%.

At the level of the enforcements, the achievements were MTND 175 by the end of 2011, namely an increase by 3% compared to the end of 2010 (MTND 170). The progress made at this level is the most important in the sector which encountered an average fall of 18.8%. Pursuant to these achievements, Attijari Leasing is ranked second at the level of the sector with a share of 15% against 11.8% by the end of 2010.

The financial outstanding amounts of the company went up to reach MTND 273 by the end of 2011 against MTND 212 by the end of 2010, namely a 28.6% increase.

At the level of results, the leasing net proceeds recorded an increase by 20.7%. The operating ratio underwent a slight progress by two points, going from 28 to 30% by the end of 2011, as a result of the increase of the charges linked to the necessary staff recruitment for the development of the company. However, this level which is 36% by the end of June 2011, is lower than the average rate among the main competing companies

With respect to classified assets, 2011 was also marked by a better control of the risks and a decrease of the classified assets which was brought down from 15.8% in 2010 to 12.6% in 2011, i.e. an improvement by about 3%.

### **Attijari Intermediation**

The activities of Tunis Stock Exchange were affected all through 2011 because of the advance market conditions prevailing during this fiscal year. Despite this mishap, Attijari Intermediation could keep its balance and achieve a profitable fiscal year, showing a net result of MTND 353 for a total proceed of MTND 2,056.

Concerning the main interventions on the primary market, Attijari Intermediation achieved with Attijari bank the conversion of the "OCA Attijari Bank 2006" allowing the increase of its capital. It is to be noted that this operation initiated in 2006 remains the unique and sole transaction of this type executed on Tunis Stock Exchange Market (BVMT).

During 2011 fiscal year, Attijari Intermediation focused on the consolidation of some structure related projects, which will have a positive impact on its development, especially the implementation of a secured transactional web site which meets the expectations of the customers, as well as the upgrade of its Back Office software.

Attijari Intermediation took part, actively, in several meetings and discussions between the financial market actors and the new political leaders, in place, aiming particularly at developing Tunis Stock Exchange Market and the rehabilitation of the stock intermediation profession, within the country's economic programme for the forthcoming years.

### **Générale Immobilière du Sud (GIS)**

The main activity of this company, during 2011, was the execution of the real estate project located in "Les Jardins d'El Menzah".

This project will be built on a plot of land located in "Les Jardins d'El Menzah 1" belonging to GIS. The provisional execution period of the project is 24 months. Its completion is scheduled for the end of 2013.

### **Générale Tunisienne de l'Informatique (GTI)**

The GTI continued its support to the Bank's development by integrating at the level of the information system both the take over of new products and services and the automation of the processes which consume huge resources.

GTI's support to the subsidiary companies projects in Tunisia, through developing specific solutions for certain subsidiary companies or through securing the technological upgrade of the subsidiary companies' infrastructures, was efficient

Considering the skills acquired by GTI's teams, collaborators from this subsidiary company were solicited by Attijariwafa Group for some consulting missions at the level of other subsidiary companies, members of the Group in Europe and Africa.

GTI continued to secure its commitment towards customers outside the Group, through the delivery of a quality service.

# PERFORMANCE AND EFFICIENCY

## Customers' Handling Department

During 2011, and in addition to its support, optimization of the processes and service quality improvement activities, the Customers' Handling Department (STC) made more efforts at the level of all the bank offices in order to strengthen the control of the transactions at the national and international levels and to meet all the demands and requests for information coming from the Central Bank of Tunisia or the authorities.

At another level, STC implemented a certain number of projects through the back offices, aiming at the promotion of new products and the compliance with the legislation into force such as the cheque tele-offsetting in 24 hours, the automation of the special resources management, the change of CIBT card

operation towards real time debiting and the launching of new monetary products such as the Corp card, the International card and Jamiati card.

In another context, STC contributed to the upgrading and the optimization of several processes, including, in particular :

- The pledged market follow up procedure ;
- The accounting on "D" day of the flows transmitted and received from abroad, on the customers' accounts ;
- The centralized management of AVA files ;
- The "customized" accounting of the treasury products in dinars and in foreign currencies on Delta information system.



Confirming its strategic orientations to improve the quality of the services extended to the customers, STC exerted considerable efforts at this level, through the implementation of several projects, such as :

- The execution in real time of the stock transaction orders ;
- The improvement of the management of the securities accounts, facilitating thus to the customer the follow up of his/her/its portfolio. The consultation of the balance, via Attijari Bank ATMs, of the cards issued abroad and of the ATMs, thus reducing the charge back period, coming from the customers.

In keeping with the above, STC centred its efforts on the reduction of the processing periods of the files mainly as far as the International transactions, the constitution of the guarantees and credit disbursements are concerned.

In parallel, STC made efforts to rationalize the Bank's resources, through implementing an optimized management system of the cash holdings, which is called to extend further to cover all the network during 2012, in order to avoid an idle treasury at the level of the branch offices.

### Organisation and operation efficiency

In 2011, several projects aiming at optimizing the Bank's activities and improving the quality of the extended services to the customers were implemented, through the review and the modernization of the processes and the upgrading and/or the development of the information technology tools.

The organisation teams took part actively in the different stages of the projects, through :

- The re-engineering of the processes ;
- Supporting the end users, in all the stages, ranging from the design, the deployment of the revenues and the scales ;
- The change management, through providing to the final end users, trainings and informing all the collaborators about the progress of the projects, jointly with the communication team.

Along with these projects, the organisation teams participated to a very large extent, in the acceptance of DELTA software. Besides, they have supported the different structures of the Bank in the elaboration of the statutory procedures and texts.

### Quality

The Bank readjusted its policy in the quality field, through reorganizing the concerned department and decentralizing its services at the level of the back offices and the Retail Bank, so that quality will be rooted in the procedures and the management rules.

The main actions conducted in this respect relate to the "collaborator". For this purpose, an opinion poll with all the staff members was done in order to evaluate their perception in relation to different aspects of the professional daily activities: social, organizational or operational. The ultimate purpose is to identify the levers needed for improvement and good performance.

Within the framework of this new policy, workshops are organized at the level of every operation committee in order to make these meetings between the "core structures" and "the network" more interactive, to reduce the discords, resulting from remoteness, to overcome differences and share experiences. The objective is of course, to guarantee coherence between the expectations of the staff and the Bank's projects and to define a new road map for a quality process which fits into reality on the ground.

### External Communication

In a revolution context, and despite the difficult environment, the bank has launched a set of actions to support its customers and to be more involved in the national solidarity effort, while securing continuity to its current activities.

In addition to "Pacte Moussanada Entreprises" (Corporate Support Pack), introduced in favour of the corporations whose activities were affected, the bank started an exceptional communication

campaign in order to reassure its customers, as far as the continuity of its activities under these difficult circumstances is concerned. This campaign centred on the efforts deployed by the Bank to honour its commitments towards them and to help them face the situation constraints.



With respect to the communication campaigns about the Bank's tools, they related to different categories of customers. They focused on (the Real Estate Spring) «Printemps de l'Immobilier», (SMS Order) «Mandat SMS» (Start Up Pack) «Bideya Pack», the challenging (Win-win Saving) «Epargne Gagnante» and the services meant for the «Tunisiens Sans Frontières» (Frontier Free Tunisians).

As part of this campaign, the Bank used the sophisticated media and outside media supports in order to hit the targets.

Along with the product and service campaign, the Bank sponsored and participated in important national and international events.

In keeping with its mission of an actor in the global and sustainable development field, the Bank renewed its patronage of Kairouan incubator, whose objective is to promote the creation of projects at the regional level, as well as SIFE-Tunisia Program which aims at teaching to the young university graduates the entrepreneurship spirit.

### Internal or In house communication

The actions conducted in the in house communication field were guided towards extending supports, the

exchange and share of information. Through the use, throughout the whole year, of several supports, the in house communication provides continuous information to all the collaborators in order to keep them posted about the Bank's activities. Besides, several awareness raising campaigns have started in order to consolidate the institution assets and to reinforce its image.

In order to allow the staff to have access to complete remote information, on line spaces were inserted in the Intranet HR gateway, to offer an exhaustive service.

2011 also witnessed the organization of several regional operation committees and breakfast get together meetings with the General Manager in order to favour contacts with the staff members and improve the exchange of ideas and opinions.

### Compliance

The control and compliance activity during the past fiscal year was largely affected by the radical change in the political, economic and social landscape in Tunisia.

In addition to its recurrent activities, in the control and continuity fields, in the fight against money laundry and terrorism financing, the management conducted specific activities in relation to the events of January 14th, 2011. The main interventions recorded in this respect are as follows :

- Communicating with the national authorities and committees in charge of the follow up of the legal actions filed against old political officials in the country and their relatives, who are involved in the laundering and corruption affairs ;
- Managing the accounts opened in the name of political parties and independent election lists, within the framework of financing the election campaign of the Constituant National Assembly.

At another level, the management took the initiative to introduce and to disseminate the new statutory provisions, in terms of consolidating the good governance rules in the banking institutions, provided for in the Circular Letter of the Central Bank n° 06-2011,

dated May 20th, 2011 whose effective date is fixed for July 1st, 2012. In this respect the management contributed to the drafting and the updating of the main codes and charters relating to the board of directors and the committees related thereto. A road map tracing the implementation terms of the new governance mechanism was relayed to the Central Bank of Tunisia (BCT).

The reinforcement of the fight against money laundry was the object of a profiling application implemented on DELTA which has become operational since November 2011. Besides, an international enquiry was initiated in order to acquire a filtering solution with the contribution of the compliance officials pertaining to AWB Group.

### Deontology

The adoption by the Bank for four years of a deontology code was carried out through a deliberate and proactive approach, the crystallization of a sense of ethics in the conducting of the business activities, the commitment to set a managerial example and the pride to belong to the group and share its values.

In the national context which prevailed in 2011, the deployment of a top standard professional deontology has constituted a mark of distinction in Attijari Bank Group, by generating the trust of its customers, shareholders, suppliers and guiding the collaborators in the implementation of integrity and quality principles inherent to their professional duties.

This corporate outline which is daily translated in the professional and personal behaviours of the collaborators weaves social bonds that are more and more outstanding and gives a meaning to the commitment and the involvement of the Bank and its collaborators in the protection of the interests of its customers and the integrity of the market.

Making the staff more aware of the principles ruled out in the code touched the new recruits through specific training courses.

In 2011, the code was completed by an addendum relating to the "sensitive duties" whose dissemination is scheduled for the current fiscal year.



## 3.

ACTIVITIES  
& RESULTS

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## Attijari bank IN FIGURES

Indicators (millions of dinars)	2011	2010	2009
<b>ACTIVITY</b>			
Customers' deposit	3 315.9	3 235.0	2 799.0
Customers' loan	3 077.0	2 629.4	2 248.0
<b>CAPITAL BASE</b>			
Total balance	4 165.6	3 877.2	3 493.1
Capital stock	168.8	168.8	168.8
Shareholders' equity	348.0	316.3	256.8
<b>RESULTS</b>			
GNP	181.4	167.4	147.9
Overheads	104.1	91.7	78.5
RBE	77.3	75.7	69.5
RN	31.5	56.6	61.8
<b>RATIOS</b>			
Return on shareholder's equity (ROE) (%)	10.0	21.79	31.71
Return on assets (ROA)	0.76	1.46	1.77
Operating ratio (%)	57.4%	54.8%	53.0%
Deposits/Staff	2.1	2.2	1.9
Customer Loan/Staff	1.9	1.8	1.5
<b>STOCK MARKET INDICATORS</b>			
Share's value as of December 31st (in TND)	18.690	21.780	21.500
BPA (in TND)	0.934	1.677	1.832
DPA (in TND)	0.150	-	-
PER	20.012	12.991	11.734
<b>MEANS</b>			
Bank's Staff	1 600	1 489	1 475
Network	179	169	149

## CUSTOMERS' RESOURCES

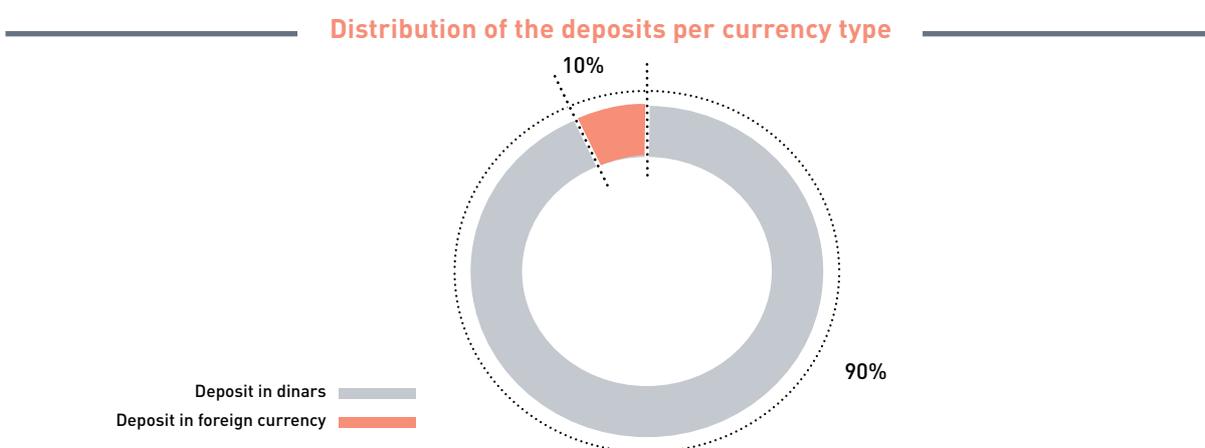
At the end of 2011, the deposits and assets of the customers totalled 3,316 million dinars, showing a progress of 2.5 %, thus securing a market share of 9.2 % to the bank.

	Dec-11	Dec-10	Variation		Dec-09	Variation	
			In MTND	in %		In MTND	in %
	3 315.9	3 235.0	81.0	2.5	2 799.0	436.0	15.6
Classical deposits	2 896.5	2 650.1	246.3	9.3	2 402.9	247.2	10.3
At sight deposit	1 093.9	1 042.0	51.9	5.0	873.4	168.6	19.3
Saving	1 200.3	1 042.0	158.4	15.2	911.4	130.6	14.3
Forward deposit	602.3	566.2	36.1	6.4	618.1	-51.9	-8.4
Other amounts due to the customers	86.0	77.1	8.9	11.5	67.1	10.0	14.9
Deposit certificates	333.5	507.7	-174.2	-34.3	329.0	178.8	54.3

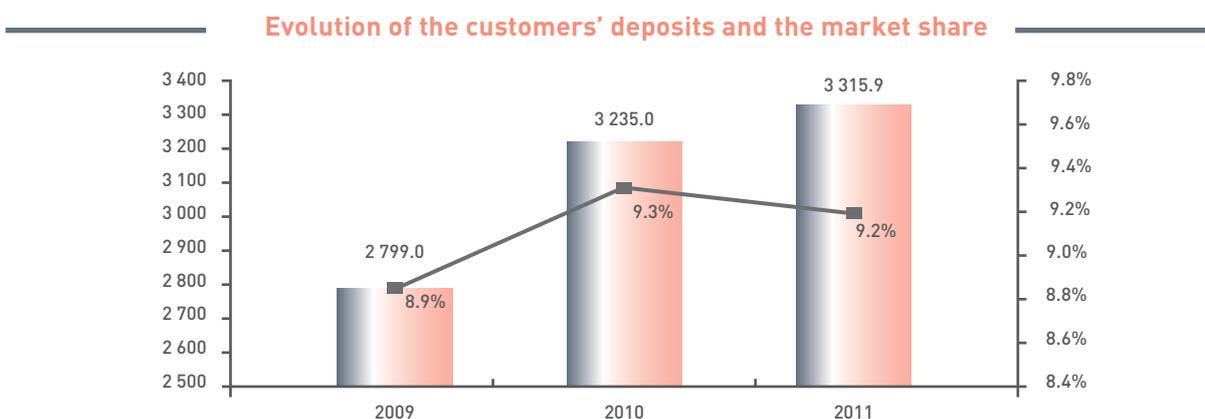
This slowdown in the growth of the customers' deposits is explained by the decrease of the deposit certificates outstanding amount by 34.3%, totalling TND 333.5 Million as of December 31st 2011. Conversely, the classical

deposits witnessed a progress by 9.3%, reaching TND 2,897 Million, coming mainly from the evolution of the saving accounts by 15.2%.

Analysed by currency type, the structure of the deposits as of December 31st, 2011 is as follows :



The bank's market share<sup>1</sup> as of December 31st, 2011, was of 9.2% against 9.3%, in the previous year.



<sup>1</sup> The market share is calculated based on the exposure of the following banks (BIAT, AB, BT, UIB, UBCI, ATB, STB, BNA and BH).

## MID AND LONG TERM RESOURCES

At the end of 2011, the mid and long term resources amount showed an increase by TND50 Million, compared to its level in 2010, as a result of the issue of a TND 50 Million bond.

## SHAREHOLDERS' EQUITIES

The shareholders' equities of the bank reached TND 348 Million, showing an improvement by 10% compared to the previous year.

## CONTRIBUTION TO THE ECONOMY

### Disbursement credits

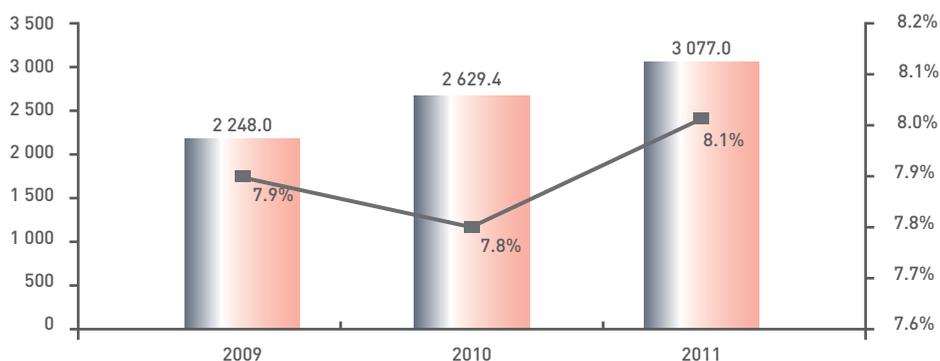
As of December 31st, 2011, the disbursement credits reached TND 3,077 Million, recording likewise an increase by 17%, compared to 2010, namely a market share of 8.1%.

	Dec-11	Dec-10	Variation		Dec-09	Variation	
			In MTND	in %		In MTND	in %
	3 077	2 629.4	447.6	17.0	2 248.0	381.4	17.0
Credits from ordinary resources	3 065.5	2 617.3	448.2	17.1	2 232.1	385.2	17.3
Debt accounts	126.2	162.1	-35.9	-22.1	147.1	15.1	10.2
Portfolio credit	2 819.3	2 321.0	498.2	21.5	1 922.7	398.3	20.7
CT Portfolio	892.6	774.2	118.3	15.3	710.1	64.1	9.0
MLT Portfolio	1 926.7	1 546.8	379.9	24.6	1 212.6	334.2	27.6
Other credits *	120.0	134.2	-14.1	-10.5	162.3	-28.1	-17.3
Credit from special resources	11.4	12.1	-0.6	-5.2	15.9	-3.8	-24.2

This increase is essentially due to :

- The increase of the mid and long term credit facilities by 24.6%, totalling TND1,926.7 ,
- However, the debt current accounts showed a decrease by 22.1%, reaching TND 126.2 Million.
- The evolution of the short term credit facilities by 15.3%, reaching TND892.6 Million,

### Evolution of the customers' credits and of the market share



\* The market share is calculated based on the exposure of the following banks (BIAT, AB, BT, UIB, UBCI, ATB, STB, BNA and BH).

## Commitments by signature

At the end of 2011, the commitments by signature, in favour of the customers decreased, by 13%, compared to their level one year ago, to reach TND544.9 Million,

as a result of the downturn of the commitments under the form of documentary credits by 22%, to reach TND 250.4 Million.

## Security portfolio

The bank's security portfolio recorded a slight decrease by 2%, to reach TND 361.6 Million, due to the decrease of the commercial security portfolio by 4%, and which

totalled TND 299.2 Million. As for the investment security portfolio, it recorded a progress by 8%, totalling TND 62.4 Million.

## ASSETS

The assets amount continued its progress in parallel to the investment programme initiated by the bank, notably under the expansion plan of the branch offices network and the construction works of the new head

office. As of December 31st, 2011, the bank's assets amount reached TND 160.8 Million, namely an increase by 10.6%, compared to the previous year.

# POSITIONING OF Attijari bank AGAINST ITS COMPETITORS

	Exposure dec.11	2011/2010	Sector Evolution	Market share <sup>1</sup>	
	in MTND	Evolution		2010	2011
Deposits and assets of customers	3 316	2.5%	4%	9.3%	9.2%
Savings <sup>2</sup>	1 195	15%	10%	10.8%	11.4%
At sight deposit <sup>2</sup>	1 093	5%	10%	9.0%	8.6%
Disbursement Credits	3 077	17%	13%	7.8%	8.1%
Interest margin	94.3	14.1%	3%	7.5%	8.4%
Margin on commissions	50.1	9.1%	6%	11.5%	11.9%
Banking net income	181.4	8.4%	4%	9.0%	9.4%

<sup>1</sup> The market share is calculated based on the exposure of the following banks (BIAT, AB, BT, UIB, UBCI, ATB, STB, BNA and BH).

<sup>2</sup> to the exclusion of the accrued interests not yet due.

# ACTIVITIES RESULTS AND THEIR EVOLUTION

## Net Banking Income

By the end of 2011, the Net Banking Income (NBI) showed an increase by 8.4%, to reach TND 181.4 Million, coming from the progress of the global interest margin and the

commissions. The result of the market transactions recorded a slight decrease by - 4.8%.

	Dec-11	Dec-10	Variation		Structure	
			In MTND	in %	2011	2010
Global Interest margin	94.3	82.6	11.7	14.1%	52.0%	49.4%
Margin on commissions	50.1	45.9	4.2	9.1%	27.6%	27.4%
Results on the market transactions	37.0	38.9	-1.9	-4.8%	20.4%	23.2%
<b>Net Banking Income</b>	<b>181.4</b>	<b>167.4</b>	<b>14.0</b>	<b>8.4%</b>	<b>100%</b>	<b>100%</b>

## The global interest margin

The interest margin showed a progress by 14.1% to amount to TND 94.3 Million, contributing likewise in the structure of the Net Banking Income by 52%.

The interests and other assimilated incomes increased by 12.8% to reach TND199.3 Million, thanks mainly to the

evolution of the interests and other assimilated income received on the transactions with the customers, by 12.4%, totalling TND 196.3 Million. As for the interests and similar charges, they recorded a progress by 11.7%, reaching TND 105 Million.

## The Margin on Commissions

Corresponding to 27.6% of the Net Banking Income (NBI), the margin on commissions increased by 9.1% to reach TND 50.1 Million. This increase is due mainly to

the extension and the marketing of an offer of innovating products and services.

## The market transactions results

In 2011, the market transactions results recorded a slight decrease by 4.8%, to reach TND 37 Million against TND 38.9 Million one year before. This variation can be explained by the decline of the income of the commercial securities portfolio and of the financial

transactions by 12%, to reach TND 31.3 Million. On the contrary, the income of the investment securities portfolio recorded a progress by 65%, to reach TND 5.7 Million, notably under the form of dividends from the bank's branch offices.

### **The overhead expenses**

In 2011, the overhead expenses posted an increase by 13.6%, to reach TND104.1 Million. This variation is due mainly to the increase in salaries by 20.4%, reaching TND 65.8 Million, under the combined effect of the social demands of the employees and the strengthening of the staff number.

Concerning the general operating expenses, their progress was limited to 3.1%, reaching TND 26.4 Million,

against TND 25.6 Million in the previous year, despite an important development plan.

Taking into account the development of the NBI at a slower pace than the operating expenses, there results therefrom a deterioration of the operating ratio by 260 base points, reaching 57.4%.

### **The Gross Operating Income**

Taking into account the foregoing, the Gross Operation Income (G.O.I.) went up slightly by 2.1%, going from TND 75.7 Million in 2010 up to TND 77.3 Million in 2011.

### **The Current Income before Taxation**

Compared to its level one year before, the current income before taxation recorded a decrease by 20%, to reach TND 48.9 Million. This variation is explained by the provisioning efforts made by the bank, in conformity with the statutory requirements.

As a matter of fact, the endowments to the net provisions

for the take overs amounted to TND 30.4 Million in 2011 against TND 14.4 Million in 2010, corresponding to a significant progress by 111%. At this level, the enforcement of the guideline of the Central Bank of Tunisia in terms of collective provision creation resulted in an endowment to the collective provisions by TND 11.2 Million.

### **The Net Income**

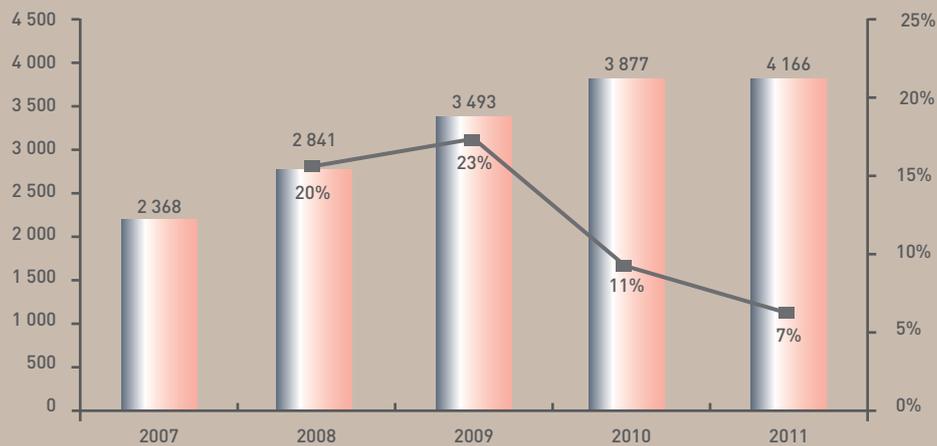
In 2011, the income tax reached TND 17.5 Million against TND 4.4 Million the previous year. It results therefrom a net income of TND 31.5 Million, recording a decrease by 44.3% compared to its level one year before.

# EVOLUTION AND ACHIEVEMENTS DURING THE LAST FIVE YEARS

## Total Balance Sheet

At the end of 2011, the total balance sheet reached TND 4,166 Million against 2,368 at the end of 2007, posting an average annual growth rate (TCAM) of 15.2%.

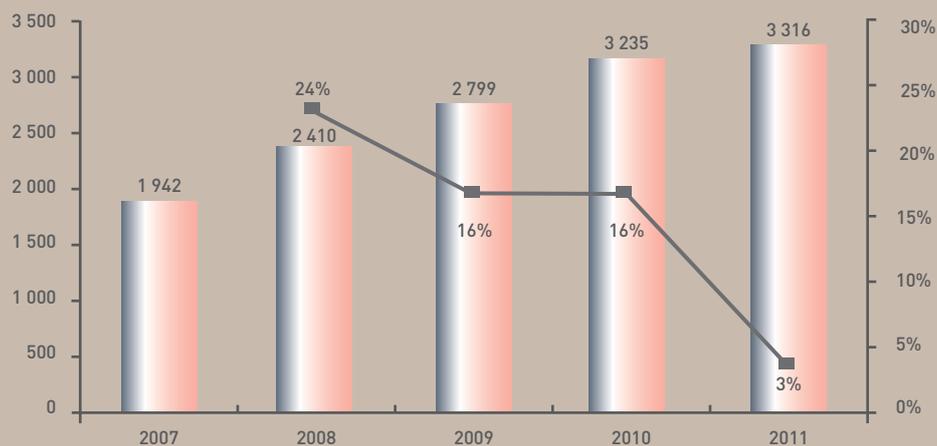
Evolution of the total balance sheet during the last five years



## The customers' deposits and assets

The average annual growth rate of the customers' deposits and assets amounted to 14.3% over the period under review, to reach TND 3,316 Million in 2011.

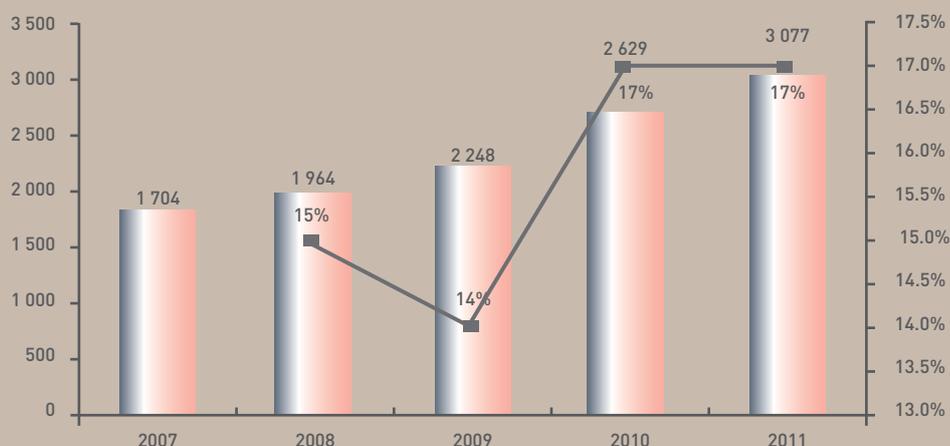
Evolution of the deposits during the last five years



## Disbursement Credits

During the same period, the credits from disbursements recorded an average annual growth rate of 15.9%, reaching TND 3,077 Million at the end of 2011.

### Evolution of the credits over the last five years



### Shareholders' equities

During the last five years, the shareholders' equities of the bank showed a substantial progress with an average annual growth rate of 38.1%, reaching TND 348 Million in 2011, against TND 95.7 Million in 2007.

### Evolution of the shareholders' equities over the last five years

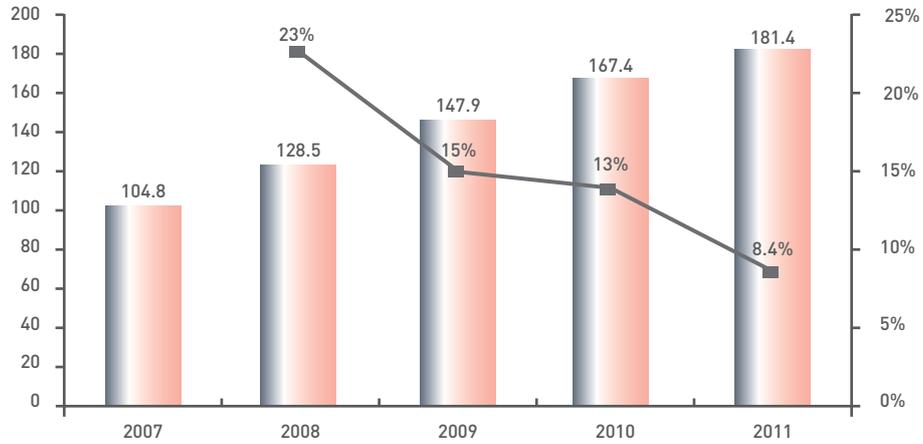


2011 witnessed the initiation of the operation of the conversion of convertible bonds into shares and the increase of the additional equities, reserved for the OCA holders who chose the conversion. The completion of this operation is scheduled during January 2012.

### Banking Net Income

Except for 2011 during which the BNI recorded a progress of nearly 8.4%, the BNI showed a two figure progress over the balance of the period. The average annual growth rate, all over the period between 2007 and 2011, amounts to 14.7%.

### Evolution of the BNI over the last five years

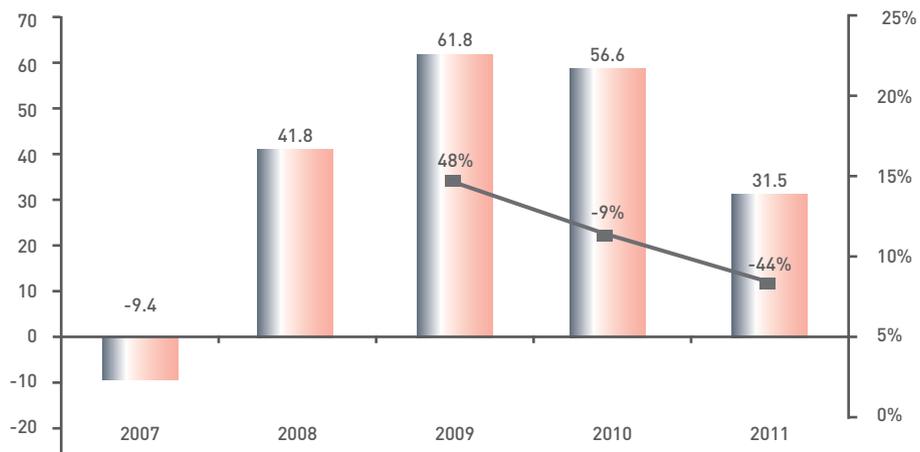


### Net Income

In conformity with its Business Plan disclosed to the public, the bank honoured its commitments towards its shareholders. 2011 marks the total clearance of the loss carry forwards recorded during the financial years 2006 and 2007.

In 2011, the net income reached TND 31.5 Million. Out of the remaining funds, the bank contemplates to pay a dividend of TND 0.150/share.

### Evolution of the net income over the last five years



## MAIN RATIOS

	In kTND	2007	2008	2009	2010	2011
<b>Productivity</b>	Deposits/Personnel	1 403	1 618	1 898	2 173	2 072
	Credits/Personnel	1 231	1 318	1 524	1 766	1 923
	BNI/Personnel	76	86	100	112	113
	Operating ratio	60.4%	53.3%	53.0%	54.8%	57.4%
	<b>[In %]</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Profitability</b>	NI/BNI	-	32.5%	41.8%	33.8%	17.4%
	ROE	-	42.7%	31.7%	21.8%	10.0%
	ROA	-	1.45%	1.77%	1.46%	0.76%
	<b>[In %]</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Risks</b>	Liquidity ratio	112.0%	127.8%	116.0%	102.0%	91.0%
	Solvability ratio	0.26%	4.61%	8.69%	11.48%	12.22%
	Classified assets rate	17.8%	13.0%	9.6%	8.5%	8.9%
	Classified assets coverage rate	46%	51%	64.2%	64.4%	66.2%

NI: Net Income

BNI: Banking Net Income

## FUTURE PROSPECTS

	Figures in millions of dinars	2011	2012P	2013P	2014P	2015P
<b>Activities</b>	Total balance sheet	4 166	4 673	5 291	5 857	6 501
	Deposits and customers' assets	3 316	3 822	4 273	4 788	5 375
	Credits to customers	3 077	3 411	3 856	4 365	4 948
	Shareholders' equities	348	397	407	422	441
<b>Results</b>	Banking Net Income	181.4	213	239	264	294
	Operating Gross Income	77.3	100	114	129	149
	Net Income	31.5	48	56	67	81

## 4.

## EQUITIES &amp; Attijari bank GROUP

## Attijari bank GROUP

Company's name	Activity field	Capital in DT	Control in % in 2011
Attijari Intermédiation	Stock market intermediary	5 000 000	99.99%
Attijari Recouvrement	Legal debt recovery company	1 000 000	99.91%
Attijari SICAR	A risk capital investment company	26 455 500	69.90%
GTI	Information Engineering	400 000	66.25%
GIS	Real estate development	3 000 000	29.90%
Attijari Leasing	Leasing financing activities	21 250 000	65.17%
Attijari Gestion	OPCVM management	500 000	99.92%
Attijari Immobilière	Real estate development	150 000	99.99%
Attijari Finances Tunisie	Financial consulting	1 000 000	24.94%

EQUITY PARTICIPATIONS AND TRANSFERS  
ACHIEVED IN 2011

Company's name	Activity field	Capital stock reduction in TND
S P P I	Financial institution	50 000

# 5.

## SHAREHOLDING

# CAPITAL BREAKDOWN

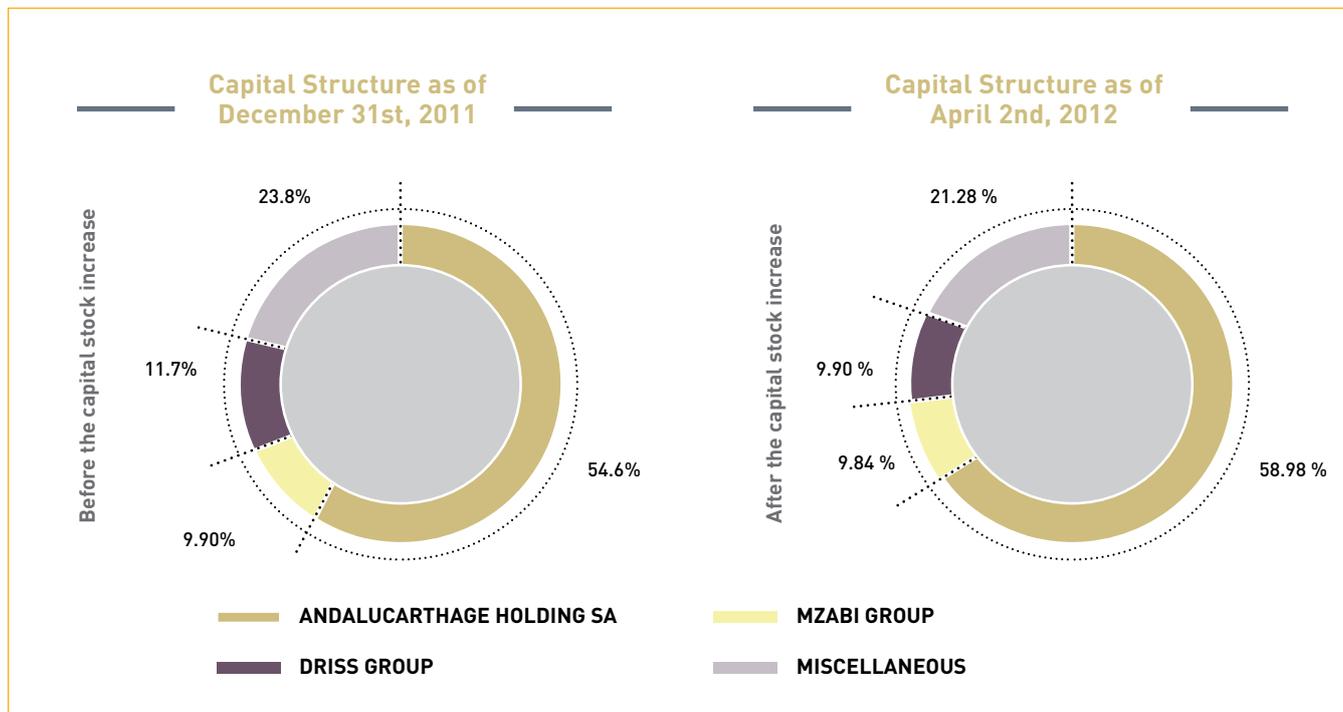


The share capital amounts to TND 198,741,450, divided into 39,748,290 fully paid up registered shares with a nominal value of five dinars (TND 5) each. The subscription preferential right to the new shares is reserved to the shareholders, in case of a capital increase, unless otherwise decided by the Special General Meeting (SGM).

The shares are ordinary and registered. Their payments are made against the delivery of certificates, in accordance with the legislation into force. Likewise, the shares are freely negotiable, under the conditions and according to the legal procedures into force.

Each share confers a right, proportionally to the capital it represents.

<b>A – Tunisian Shareholders</b>	<b>16,304.680</b>	<b>41.01 %</b>
<b>Resident</b>	<b>16,304.680</b>	
Para statal companies	0	
Corporate bodies and privates	16,304.680	
<b>Non resident</b>	<b>0</b>	
<b>B- Foreign Shareholders</b>	<b>23,443.610</b>	<b>58.98 %</b>
<b>Resident</b>	<b>0</b>	
<b>Non resident</b>	<b>23,443.610</b>	
<b>Total</b>	<b>39,748.290</b>	<b>100 %</b>



### REFERENCE HIGH RANKING SHAREHOLDERS

Attijari bank has, among its shareholders, international scope companies, with which it has developed multiple synergies, mainly in terms of expertise and value creation.

#### Attijariwafa bank

The Attijariwafa bank, a shareholder through the participation of Andalucarthage holding, is the first banking and financial group of the Maghreb, the UEMOA (West African Monetary and Economic Union) and the CEMAC (Central Africa Monetary and Economic Community). In addition to the banking activities, the

Group operates through its specialized affiliates, in all the financial insurance, property lending, consumer credits, leasing, asset management, stock market trading, consulting, long term leasing, factoring fields.

Attijariwafa bank is based in Morocco and operates in 22 countries: in Africa (Tunisia, Senegal, Burkina Faso, Guinée Bissau, Mali, Ivory Coast, Congo, Gabon and Cameroon) and in Europe (Belgium, France, Germany, the Netherlands, Italy and Spain) through bank affiliates controlled, in majority, by the bank, as well as in Dubai, Riyadh, London, Shanghai and Tripoli, through representation offices.

## Network and Staff Members

As of December 31st 2011

**2352**  
BRANCH  
OFFICES

- 1791 agencies in Morocco
- 181 agencies in the Arab Maghreb countries
- 58 sales points in Europe and the Middle East
- 279 agencies in West Africa
- 43 agencies in Central Africa

**14686**  
EMPLOYEES

# 6.

## BOARD & MANAGEMENT BODIES

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# NOMINATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The bank is run by a board of directors composed of 3 to 12 members nominated among the shareholders and the non shareholders, chaired by a chairman of the board who must be, by all means, a Tunisian national shareholder.

Any physical person or corporate body selected because of his/its equity participation in the capital stock, his/its technical background or his/its representativity of small shareholders, is eligible to be a director.

The directors are nominated by the Ordinary General Assembly for a term of three renewable years.

The nominated director, as a replacement of another one, shall hold office only during the remaining period of the term of his/her predecessor.

Any corporate body, elected to be a director, can nominate a permanent representative who is subject to the same conditions and obligations and who assumes the same civil and criminal liabilities, as if he/she were a director acting in his/her own name. If the representative of a corporate body or a company loses its capacity for any reason whatsoever, the said corporate body or company must replace him/her concurrently.

The board of directors may decide the nomination by co-option, on temporary basis, of a director in case a director resigns, in case of vacancy or of physical or

legal incapacity, in case of death and of the regulatory bans provided for by the regulations into force in the banking profession. This nomination shall be ratified by the Ordinary General Meeting.

The recommendations of the Central Bank of Tunisia, as per its circular letter n°2011-06 dated May 20th, 2011 relating to the rules of good governance in the credit institutions, have developed a new vision for the composition of the board of directors and ad-hoc committees relating thereto, including, in particular :

- The nomination of two (2) independent members inside the board,
- The nomination of one (1) member representing the minority shareholders,
- The nomination of one (1) single executive director,
- The nomination of a chairman of the board who must be a shareholder,
- The nomination of four (4) directors representing the reference shareholders,
- The director cannot be at the same time a director in the bank and in other credit institutions, even belonging to Attijari Group,
- The board of directors nominates, among its members, the members of the ad-hoc committees,
- Each committee must be composed of at least three (3) directors,
- Each director cannot sit in more than one committee.

## MAIN DELEGATED AUTHORITIES

They include :

- The authorization to the board of directors to issue new bond loans worth TND200.000 Million, maximum, over a three (3) year period, in one or several issues under the financial years of 2011, 2012 and 2013 and delegation of authority to the board, with the possibility of sub-delegating, in favour of the general manager, the authority to draw out and fix the terms and conditions of these issues, to select the nature, to ratify the amount and to fix the conditions of the issue contract draft.
- The delegation of the necessary powers to the Board of Directors and to the General Manager, in order to receive the applications for the conversion of Attijari bank 2006 OCA and to record the execution of the conversion, to convert the convertible bonds into new shares of Attijari Bank and to record the bank's capital stock relating increase.

# BOARD AND MANAGEMENT BODIES

## The Board of Directors

- Is vested with the most extensive powers to act in the name of the company and to obtain the authorization for all the acts and operations relating to its purpose of incorporation ;
- Drafts the internal regulations of the company,
- Fixes the composition and nominates the members of all the committees ;
- Grants all the mortgages, pledges, delegations of authorities, guarantees and other liens on the company's properties ;
- Authorizes any convention, entered directly or indirectly, or through a third party, between the credit institution and the persons entertaining relations therewith ;
- Calls for the general meetings ;
- Issues the individual and consolidated financial statements and the general and special management reports ;
- Authorizes the acquisitions, the property exchanges and the sales of all properties ;
- Incorporates any company ;
- Fixes the remuneration of the general manager and of the deputy general manager(s).

The board of directors is assisted by committees.

## The General Manager

He/she is nominated by the board of directors for a fixed period :

- He/she assumes, under his/her own responsibility, the duties of managing the company ;
- He/she is invested with the most extensive powers which are originally delegated by the board of directors ;
- He/she can be assisted by one or several deputy general manager(s) ;
- He/she can delegate part or all of his/her powers ;
- He/she takes care of the enforcement of the bank's general policy.

## The Bodies attached to the Board

- **The Audit Permanent Committee** : It analyses the problems raised by the audit reports and makes the adequate recommendations thereto. It also examines the bank's financial statements.
- **The Credit Executive Committee** : It defines the general policy in terms of financing and makes decisions with respect to the short and long term applications for finance, involving credit amounts exceeding TND 7.5 Million.
- **The Remuneration Committee** : It proposes the remuneration and reward amounts of the bank's executives.

## The Internal Committees

- **The top management committee** : it defines the strategic guidelines of the bank and the activity objectives to be achieved.
- **The credit committee** : it studies the applications for finance and makes decisions regarding the risk quality assessment.
- **The debt collection committee**: it defines the bank's policy in terms of debt collection and makes decisions in order to improve the collection, by coordinating with all the network units.
- **The ALM committee** : it assesses and manages the balance sheet global risks in terms of rate, liquidity and exchange. It defines the guidelines allowing a good profitability of the shareholders' equities.
- **The human resources committee** : it works out the general policy of the human resources and validates the relating strategies. It secures the follow up of the performance indicators of the human resources and sees to the maintaining of a good social climate.
- **The executive committee** : it sees to the implementation of the annual action plans and the budgets resulting therefrom, it monitors the evolution of the bank's activities. It follows the achievement of the objectives and takes care of the coherent management of the communication policy, both external and internal.

## The Assistance Committees

- The general audit committee ;
- The synergy and development committee.

# THE AUDITORS

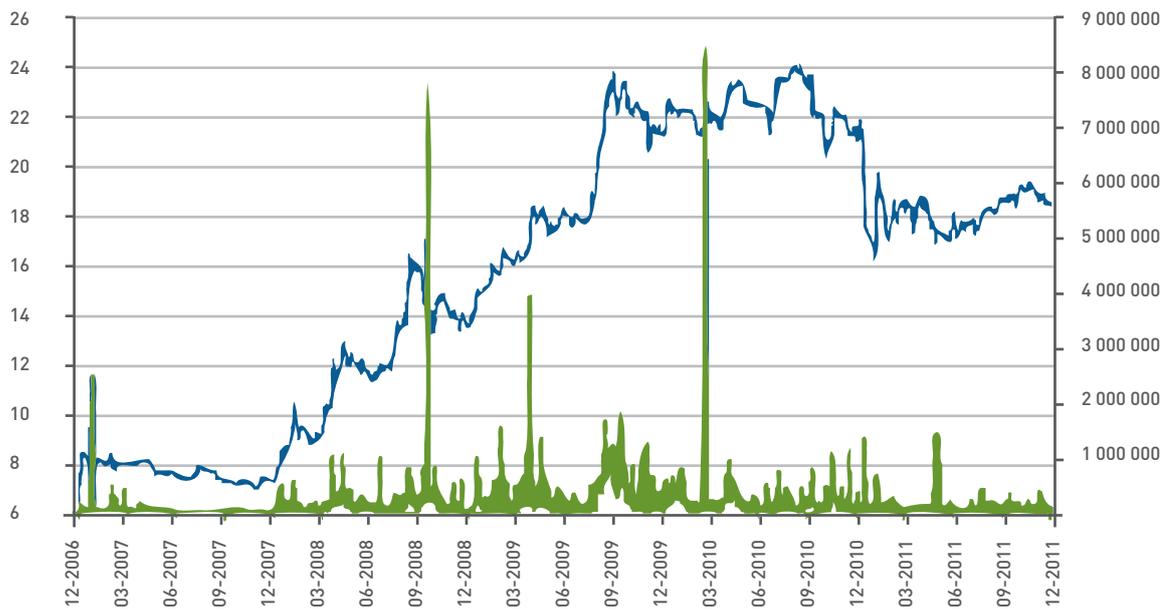
The financial statements of Attijari bank as of December 31st, 2011 made the subject matter of a legal audit conducted by the AMC Ernst & Young audit group [whose mission ended on December 31st, 2011 and after the

approval of the financial statements by the Ordinary General Meeting] and by the Fethi NEJI audit group [whose mission continues during the 2012 financial year].

## 7.

EVOLUTION OF  
Attijari bank SHARE IN 2011

■ Share price  
■ Capital flows



# 8.

## ALLOCATION OF THE RESULTS

A REMINDER OF THE STATUTORY PROVISIONS  
CONCERNING THE ALLOCATION OF THE RESULTS 46

SHAREHOLDER'S CAPITAL EQUITY MOVEMENT  
CHART 47

# A REMINDER OF THE STATUTORY PROVISIONS CONCERNING THE ALLOCATION OF THE RESULTS

The net accounting result is worked out according to the accounting legislation into force.

The distributable profit is made by the net accounting result increased or decreased by the results forwarded from previous financial years, after deducting therefrom :

- 1- 5% of the profit, fixed by the law as legal statutory reserves. This levy ceases to be compulsory when the reserve fund reaches an amount equal to one tenth (1/10) of the share capital. It takes up again its normal course when, for any reason, the reserves go down below the one tenth at stake.
- 2- Reserves prescribed by the special laws and regulation texts or by the by-laws, within the limits fixed in this respect therein.

From this distributable profit, the following amounts can be deducted:

- 1- The necessary amount to give to the shares a first dividend of six percent (6%) on the fully paid and not redeemed capital, which cannot be claimed in any case by the shareholders with respect to the subsequent years profits; in case the profits of one year do not allow their settlement.
- 2- From the available surplus, the Ordinary General Meeting shall be entitled, following a proposal made by the Board of Directors, to deduct any amount it deems adequate, either to be allocated to one or several general or special reserve fund(s) of which it takes care concerning its/their allocation or its/their use, or to be forwarded once again to the next financial year.

- 3- The surplus can be distributed to the shareholders as super-dividends.

The dividends are paid on the dates and in the places fixed by the Board of Directors, in the hands of the holders, owning a certificate proving the number of shares they hold, delivered by the company or by an approved intermediary.

The dividends, not claimed within five years as of their maturity dates, are time barred.

# SHAREHOLDER'S CAPITAL EQUITY MOVEMENT CHART

Unit : k TND

	Subscribed Capital	Premiums linked to the Capital	Legal Reserves	Other Reserves	Reserve for a special tax regime	Social Fund	Re-valuation differential	Securities assimilated to capital equities	Forwarded Result	Period Result	Total
<b>Situation of Capital equities as of 31.12.10</b>	<b>168 750</b>	<b>59 700</b>	<b>7 503</b>	<b>1 793</b>	<b>399</b>	<b>15 313</b>	<b>3 646</b>	<b>83 669</b>	<b>(97 898)</b>	<b>60 572</b>	<b>303 447</b>
Accounting changes									16 833	(3 989)	12 844
<b>Situation of Capital equities as of 31.12.10</b>	<b>168 750</b>	<b>59 700</b>	<b>7 503</b>	<b>1 793</b>	<b>399</b>	<b>15 313</b>	<b>3 646</b>	<b>83 669</b>	<b>(81 065)</b>	<b>56 583</b>	<b>316 291</b>
Allocation of profitable result 2010									56 583	(56 583)	0
Social fund variation						223					223
Period Result										31 521	31 521
<b>Situation of Capital equities as of 31.12.11</b>	<b>168 750</b>	<b>59 700</b>	<b>7 503</b>	<b>1 793</b>	<b>399</b>	<b>15 536</b>	<b>3 646</b>	<b>83 669</b>	<b>-24 482</b>	<b>31 521</b>	<b>348 035</b>

# 9.

## HUMAN RESOURCES MANAGEMENT

# RECRUITMENT & INTEGRATION

Supporting the new recruits is essential. Hence the follow up process of the new recruits participates in the evolution of the technical and behavioural skills.

This permanent follow up of the new recruits has several targets, i.e. :

- Maintaining a proximity with the new recruit,
- Providing him/her with the necessary training actions,
- Seeing to the development of his/her skills
- Supporting the proximity management in his/her coaching
- Securing the follow up of the targets, assigned to him/her.

## Training as a vector for the development of the performances

The main training actions provided during 2011 were centred on meeting the needs, expressed by all the staff members within the framework of the annual action plan. The main achievements concerned approximately 3,138 "beneficiaries". At the volumetric level, 6487 training days/man were recorded.

It is to be pointed out that within the framework of the partnership with IFID, two classes have already followed training cycles provided by IFID. The success rate was of 100%.

## Attijari Academy

Taking into account the importance given to the certification courses inside the academy, the latter's activities were reinforced for the fourth consecutive year, to reach a volume of 3,136 training days/man, corresponding to 48.34% of the global training programme.

## New Projects – Remote Training

In order to be in keeping with the bank's strategic guidelines in terms of training and pedagogical policies, 2011 offered the opportunity of launching several large scale projects, including in particular the implementation of a large programme for training relocation via the installation of a remote training platform.

The main tool consists in a technologically advanced interactive management platform "V-Learning" destined to cover and broadcast, at a large scale, the trainings requiring on stage professional and role playing situations.

## Evaluation of the performances

Within the framework of the improvement of its system for the evaluation of the performances, the bank took several steps aiming, in particular at :

- Making this system available to all the professional categories,
- Levelling up the performance review cycles for the different kinds of occupations.

## An enriched HR self service Gateway

In order to improve productivity, as well as the quality of the services provided to its internal customers, the HR gateway has been enriched by new modules, such as :

- The implementation of on line leave applications,
- The follow up of claims relating to social benefits and alert management.



# 10.

## INTERNAL CONTROL AND RISK GLOBAL MANAGEMENT

INTERNAL CONTROL

51

RISK MANAGEMENT

54

# INTERNAL CONTROL

The internal control device of Attijari bank is based on a vision which complies with the best practices at the international level. This vision conciliates the statutory demands governing this device, particularly the Central Bank's circular letter BCT n° 2006-19 and the objectives set by the governance bodies.

This device is supported by :

- The operation of a global banking which takes care of all the bank transactions,
- The implementation of an accounting system, in conformity with the accounting standard n° 21,
- Separating the permanent control from the periodical control,
- Formulating management procedures with a strict segregation of the duties of the different intervening parties then the training of the concerned collaborators,
- Inculcating the control culture to all the collaborators through awareness raising and guidance actions.

## I/ Organization

### 1/ Control levels

The permanent control device includes three control levels

#### a/ 1<sup>st</sup> Level Control

This control is, in principle, operated by the operating staff and the direct superior seniors in the branch offices, the head office departments and the business centres.

The identified anomalies shall be conveyed through a specific computer application to the second level controllers and to the Permanent Watch entity.



## **b/ 2<sup>nd</sup> Level Control**

It is made retroactively, based on statements that define the different controls to be executed in the branch offices and the central departments, on a steady basis, allowing to cover, in a very quickly manner, the transaction related risks.

Each controller, from duties point of view, is under the permanent and hierarchical inspection of the Permanent Watch entity. He/she executes the controls on the spot or remotely, then fixes with the concerned official the dead lines for the settlement of the recorded anomalies.

## **c/ 3<sup>rd</sup> Level Control**

The reports destined to the 3<sup>rd</sup> level control are collected by the Permanent Watch unit which is in charge of the following operations :

- To coordinate and follow up the functioning of the permanent control device,
- To elaborate and update the control plans and the reporting systems about the permanent control activities,
- To take part in the elaboration and the updating of the control points mapping,
- To execute the synthesis works of the anomalies, used as inputs for the audit mission.

It is to be pointed out in this respect that the failure to settle the anomalies within the set periods is pinpointed by this unit to the Internal Control Coordination Committee and to the General Audit.

## **d/ Periodic Control**

2011 was a pivotal year at the level of General Auditing which earned its spurs as a key player in the structure of Attijari Bank's control.

Indeed, and despite the morosity of the social climate at the level of the country and the unstable security conditions, the "Network Audit" kept a cover ratio of the sales points in Attijari Bank's network that is somewhat praiseworthy, through remote controls of all the main activities, at the beginning of the year and then through conventional controls on the spot for the balance of the year.

At the same time as these works proceed along, the "Network Audit" has developed a structured and dynamic system of grading the sales points, integrating a mixture of a price undercutting for the chapter of the sales achievements and a price undercutting for the management of the risks pertaining to the banking activities.

This system underwent real scale tests at the level of certain business centres and branch offices and it is presently under a mechanization stage for a generalised use.

In 2011, "General Audit" backed up the operational and effective start up of the remote control discipline, after defining and determining, in 2010 :

- its objectives,
- its natures
- its periodicities,
- its cover domains,
- its target programmes.

The "Head Office Audit" adopted an investigation approach, all the year through, on the legal, procedural and IS weak points, in a great deal of processes and occupation lines inside the Bank, in keeping with the guidelines of the Central Management of the "General Audit" listed in its three year intervention plan.

With reference to Article 11 of the Central Bank's Circular Letter BCT 2006-19 and within the framework of the examination of the pre-existing internal control systems, at the level of Attijari bank's subsidiary companies, "the Head Office Audit" finalized the risk mapping project for the subsidiary companies and is getting ready in 2012, to move to the definition phase in the KRI and the instauration of risk reporting mechanisms at the level of the subsidiary companies. It is to be recalled that the risk mappings of the subsidiary companies will merge, at an advanced stage of the project, with the Bank's risk mapping and will allow, likewise, the grasping and the control of the risks, on a consolidated basis, at the level of Attijari bank's group.

With the view of modernizing the “General Audit” and fitting it with tools that are up to its ambitions and which, indeed, match up the profession international standards, several projects are scheduled for 2012 and particularly :

- A grading system for the group leaders, similar to the one allocated to the sales points,
- A grading system for the central departments in the head office,
- An information request tool on Delta information system, in order to lay down the Computer Assisted Audit (C.A.A.).

## 2/ The Committees

Three committees take care of the good functioning of the control system. Their periodical meetings allow the evaluation of this system and the eventual trouble shooting relating to the procedures and to the transaction processing.

### a/ The internal control coordination committee

It holds bi-monthly meetings, attended by the officials of the Permanent Control of the second and third levels.

Its role is to secure the follow up of the control points mapping. It can also check the application of the recommendations listed in the audit reports by the different authorities, the auditors, on one hand and the internal control and audit committees, on the other.

### b/ The internal control committee

It is chaired by the General Manager and includes the officials in charge of the General Control and those concerned by the agenda of the day. It meets every month in order to study the recommendations listed in the audit reports and the possibility to apply them. It also secures the follow up of the application of the provisions of the Circular Letter of the Central Bank BCT n° 2006/19 of November 28th, 2006, relating to the internal control system.

### c/ The internal audit permanent committee

It is chaired by the President of the Board of Directors and is called every quarter to meet in order to evaluate the general audit, the internal control and compliance activities and reports thereon to the board of directors, in accordance with the articles 56 to 61 of the Circular Letter of the Central Bank BCT n° 2006/19 on the internal control.

## II/ Procedure and Tools

The procedure adopted during the implementation of the control, on the spot, at the level of the Bank’s different entities, was laid down based on the following stages:

- Inventory of the different processes linked to the activities, subject of the control,
- Listing of the automatic controls, programmed at the level of the information system (IS),
- Identification of the 1st level control points,
- Definition of the 2nd level control points with a precise periodicity, as well as the practical terms and conditions for the execution of these controls,
- Design of the trouble report sheet,
- Optimization of the coordination between the different control levels,
- Periodical updating of the control points in the light of the trouble shooting report.

These controls in situ are completed by remote controls through the design of several requests associated with the majority of the macro processes, including pertinent information, and presented in a simple and uniform way in order to facilitate their use by the permanent controllers.

At this level, it is to be noted that the approach with reference to the risks, has been adopted and which is based on the definition of the thresholds per type of to be controlled transaction.

This approach is summed up as follows :

- Identification of significantly important information through the processing of requests coming from the computer (IT) production,
- Guiding the control towards the targeted operations, taking into account the risk indicators per operation domain,
- Securing a traceability of the controlled files,
- Quantifying the coverage level of the control activity per sector of activity.

For a better coverage of the risks to which the bank is likely to be exposed, in conformity with the procedure detailed hereabove, the following tools have been developed and put at the disposal of the 2nd level controllers:

# RISK MANAGEMENT

- The design of control guide booklets for the attention of the permanent controllers, defining the practical procedures and terms of control for each activity sector,
- The development of an interactive application on the web allowing the registration and the follow up of the settlements of the troubles, detected by the different structures of the Bank,
- The follow up of the settlement is carried by the CI-GRO application which allows, on one hand, the automatic management of the life cycle of the troubles and the issue of alarms through mails to the first level controllers, on the occasion of every registration or modification of the trouble at stake, on the other.

This application secures a traceability of these troubles on one hand and a quantification of the suffered losses, on the other.

The different users of this application are precisely identified and their authority levels are defined according to the control level.

## III/ Reporting

The periodical reportings are elaborated starting from the trouble base. They include a listing of the recorded troubles per structure, per process and control points.

These reportings give also information on the settlement rates of the recorded troubles, as well as on the detailed description of the main trouble shootings of the period.

These reportings are addressed to the profession officials for information and risk acculturation, then they will be forwarded to the General Management and submitted to the different committees for analysis and preventive decision making.

Despite a difficult economic and financial environment, both at the world level and the Tunisian level, after revolution, Attijari bank has, as early as the first quarter of 2011, implemented an assistance and back up programme called "Pacte Moussanada Entreprises – Corporate Support Pact". It consists in backing up the promoters and the national corporations, so that they may overcome the difficulties of the moment, with the intention of securing sustainability and back up to the industrial and commercial activities and to safeguard employment. Attijari bank was, in this respect, a pioneer. The positive outfalls of this action came soon into the open, allowing, among others, a better control of the evolution of the quality of the assets and more globally, the control of the "counterparty risk".

Concerning the compliance with the regulations of the Central Bank of Tunisia, the works which started in 2010, about the implementation of an internal rating system, matching up the international standards and in keeping with the practices of Attijariwafa bank Group, allowed making an important breakthrough, through finalizing the technical and functional specifications of the methodology to be implemented. Under these specifications, the definition of the wordings "Defect/Failure" in the basal meaning of the word, with an available deep history recording of the occurred incidents, over two years, was enhanced. This approach will allow the start up of the operation of the risk management with the back up of Attijari bank's teams and on the basis of an operation system, under acquisition, and extensively deployed in the first ranking international banks.

Talking about the operational risk, the deployment already operated in 2010 and its approval by all the collaborators allows, from now onwards, within the framework of the RO Profession Committees, chaired by the General Manager, the management of this category of risk on the basis of reliable data and the operation of the necessary adjustments in order to minimize the incurred costs. The risk mapping was already updated to take into account the data and the context prevailing in Tunisia during 2011.

Regarding the "Markets Risks", finally, and within the framework of the regulations set forth by the Central Bank of Tunisia, in this respect, vigilance remains required, considering the worldwide disturbances in the financial sector. The management of this risk is operated within the close collaboration of the teams of Attijariwafa bank Group.

# 11. FINANCIAL STATEMENTS

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# INDIVIDUAL FINANCIAL STATEMENTS

## BALANCE SHEET

As of December 31<sup>st</sup>, 2011

(unit : in thousands of dinars)

	Notes	31/12/2011	31/12/2010
<b>ASSETS</b>			
AS 1 -	Cash in hand and balance at Central Bank, Post Office Accounts and Tunisian Treasury	184 909	235 034
AS 2 -	Due from banks and financial institutions	226 250	336 696
AS 3 -	Customers' loans	3 076 965	2 629 386 (*)
AS 4 -	Commercial securities portfolio	299 244	310 358
AS 5 -	Investment portfolio	62 412	57 663
AS 6 -	Fixed assets	160 838	145 392 (*)
AS 7 -	Other assets	154 958	162 644
	<b>TOTAL ASSETS</b>	<b>4 165 576</b>	<b>3 877 173</b>
<b>LIABILITIES</b>			
LI 1 -	Central Bank and Post Office Accounts	290 815	100 000
LI 2 -	Due to banks and financial institutions	30 024	58 639
LI 3 -	Customers' deposits	3 315 950	3 234 984
LI 4 -	Borrowings and special resources	86 794	36 711
LI 5 -	Other liabilities	93 958	130 548 (*)
	<b>TOTAL LIABILITIES</b>	<b>3 817 541</b>	<b>3 560 882</b>
<b>SHAREHOLDERS' EQUITY</b>			
SE 1 -	Share capital	168 750	168 750
SE 2 -	Reserves	84 931	84 708
SE 4 -	Other shareholders' equity	87 315	87 315
SE 5 -	Income carried forward	(24 482)	(81 065) (*)
SE 6 -	Income for the period	31 521	56 583 (*)
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>348 035</b>	<b>316 291</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4 165 576</b>	<b>3 877 173</b>

(\*) Reprocessed figures for comparison purpose (cf. notes to the financial statements – calculation basis and main applied accounting principles – note 17).

**OFF BALANCE SHEET ITEMS**As of December 31<sup>st</sup>, 2011

(Unit: in thousands of dinars)

	Notes	31/12/2011	31/12/2010
<b>CONTINGENT LIABILITIES</b>			
<b>OBS 1 -</b> Guarantees and other endorsements given		294 600	305 991
<b>OBS 2 -</b> Letters of credit		250 361	319 535
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>14</b>	<b>544 961</b>	<b>625 526</b>
<b>COMMITMENTS GIVEN</b>			
<b>OBS 4 -</b> Financing commitments given		140 340	150 890
<b>OBS 5 -</b> Commitments on securities		38	38
<b>TOTAL COMMITMENTS GIVEN</b>	<b>15</b>	<b>140 378</b>	<b>150 928</b>
<b>COMMITMENTS RECEIVED</b>			
<b>OBS 7 -</b> Guarantees received		904 512	586 294
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>16</b>	<b>904 512</b>	<b>586 294</b>

# INCOME STATEMENT

Period from January 1<sup>st</sup>, 2011 up to December 31<sup>st</sup>, 2011

(Unit: in thousands of dinars)

	Notes	2011 financial year	2010 financial year	
<b>BANKING OPERATING INCOME</b>				
RE1 -	Interest and other similar revenues	17	199 348	176 685
RE2 -	Commissions (proceeds)	18	52 973	48 987
RE3 -	Gains on commercial securities portfolio and financial transactions	19	31 292	35 412
RE4 -	Investment portfolio revenues	20	5 732	3 468
	<b>TOTAL BANKING OPERATING INCOME</b>		<b>289 345</b>	<b>264 552</b>
<b>BANKING OPERATING EXPENSES</b>				
EX1 -	Incurred interests and other similar expenses	21	(105 044)	(94 064)
EX2 -	Commissions paid		(2 883)	(3 087)
	<b>TOTAL BANKING OPERATING EXPENSES</b>		<b>(107 927)</b>	<b>(97 151)</b>
	<b>NET BANKING INCOME</b>		<b>181 418</b>	<b>167 401</b>
RE5 \ EX4	Net provision charge and value adjustments for loan losses, off balance sheet items and liabilities	22	(31 739)	(14 932) (*)
RE6 \ EX5	Net provision charge and value adjustments on investment portfolio		1 333	534
RE7 -	Other operating income		2 430	2 038
EX6 -	Staff expenses	23	(65 805)	(54 649)
EX7 -	General operating expenses	24	(26 438)	(25 648)
EX8 -	Depreciation and provision allowance on fixed assets	6	(11 902)	(11 412) (*)
	<b>OPERATING INCOME</b>		<b>49 297</b>	<b>63 332</b>
RE8 \ EX9	Net gain/loss on other ordinary items		(307)	(2 294) (*)
EX11 -	Corporate profit tax		(17 469)	(4 455) (*)
	<b>INCOME FROM ORDINARY ACTIVITIES</b>		<b>31 521</b>	<b>56 583</b>
	<b>INCOME FOR THE PERIOD</b>		<b>31 521</b>	<b>56 583</b>
	Effect of accounting changes		12 100	16 089
	Result after accounting changes		43 621	72 672
	Base share income (in TND)	25	0,934	1,677
	Diluted income per share (in TND)	26	0,870	1,509

(\*) Reprocessed data for comparison purpose (cf. notes to the financial statements – calculation basis and main applied accounting principles – note 17).

**CASH FLOW STATEMENT**

Period starting on January 1<sup>st</sup>, 2011 and ending on December 31<sup>st</sup>, 2011  
(Unit: in thousands of dinars)

	Notes	2011 financial year	2010 financial year
<b>OPERATING ACTIVITIES</b>			
Banking operating revenues received (excluding investment portfolio revenues)		255 330	230 755
Banking operations charges paid out		(108 385)	(102 751)
Deposits/Deposit withdrawal with other banks and financial institutions		(20 849)	(25 349)
Loans and advances/Repayment of loans and advances extended to customers		(462 509)	(390 164)
Deposits/Customer deposits withdrawal		83 849	437 784
Investment securities		27 750	46 640
Payments to personnel and other creditors		(78 250)	(68 163)
Other cash flows from operating activities		(52 932)	(28 294)
Tax on paid profits		(4 247)	(2 143)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(360 243)</b>	<b>98 315</b>
<b>INVESTING ACTIVITIES</b>			
Interest and dividends on investment portfolio		6 036	3 074
Purchase/Disposal on investment portfolio		(3 666)	1 747
Purchase/assignment of fixed assets		(29 797)	(28 470)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(27 427)</b>	<b>(23 649)</b>
<b>FINANCING ACTIVITIES</b>			
Issue/Repayment of borrowings		50 000	(70 000)
Increase/Decrease of special resources		(2120)	(2 270)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>47 880</b>	<b>(72 270)</b>
<b>Net change of cash and cash equivalents during the period</b>		<b>(339 790)</b>	<b>2 396</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>330 771</b>	<b>328 375</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>27</b>	<b>(9 019)</b>	<b>330 771</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31<sup>st</sup>, 2011

(Unit: in thousands of dinars)

	Notes	31/12/2011	31/12/2010
<b>ASSETS</b>			
Cash in hand and balance at Central Bank, Post Office	1	184 910	235 046
Accounts and Tunisian Treasury			
Due from banks and financial institutions	2	226 347	338 397
Customers' loans	3	3 167 712	2 746 395 (*)
Commercial securities portfolio	4	336 946	349 807
Investment portfolio	5	13 463	11 381
Investments in equity	6	22 002	14 002
Fixed assets	7	183 529	168 839 (*)
Other assets	8	170 780	179 424
Differed tax	9	2 263	2 581
<b>TOTAL ASSETS</b>		<b>4 307 952</b>	<b>4 045 872</b>
<b>LIABILITIES</b>			
Central Bank and Post Office Accounts ( CCP accounts)	10	290 815	100 000
Due to banks and financial institutions	11	33 078	135 323
Customers' deposits	12	3 314 642	3 230 371
Borrowings and special resources	13	173 664	89 038
Other liabilities	14	112 521	139 013 (*)
<b>TOTAL LIABILITIES</b>		<b>3 924 720</b>	<b>3 693 745</b>
<b>MINORITY INTERESTS(*)</b>		<b>20 295</b>	<b>19 221</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		168 750	168 750
Reserves		103 451	108 370
Own shares		(865)	(280)
Other shareholders' equity		85 527	89 010
Carried forward income		(25 066)	(77 413) (*)
Consolidated income		31 140	44 469 (*)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15</b>	<b>362 937</b>	<b>332 906</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>		<b>4 307 952</b>	<b>4 045 872</b>

(\*) Reprocessed data in pro-forma (cf. notes to the Financial Statements – calculation basis and applied accounting principles – note 2.17).

**CONSOLIDATED OFF BALANCE SHEET ITEMS**As of December 31<sup>st</sup>, 2011  
(Unit: in thousands of dinars)

	Notes	31/12/2011	31/12/2010
<b>CONTINGENT LIABILITIES</b>			
Guarantees and other endorsements given		294 600	305 991
Letters of credit		250 361	319 535
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>16</b>	<b>544 961</b>	<b>625 526</b>
<b>COMMITMENTS GIVEN</b>			
Financing commitments given		141 676	151 287
Commitments on securities		2 987	38
<b>TOTAL COMMITMENTS GIVEN</b>	<b>17</b>	<b>144 663</b>	<b>151 325</b>
<b>COMMITMENTS RECEIVED</b>			
Guarantees received		925 211	587 475
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>18</b>	<b>925 211</b>	<b>587 475</b>

# CONSOLIDATED INCOME STATEMENT

Period from January 1st, 2011 up to December 31<sup>st</sup>, 2011

(Unit: in thousands of dinars)

	Notes	2011 financial year	2010 financial year
<b>BANKING OPERATING INCOME</b>			
Interest and other similar revenues	19	217 121	191 690
Commissions (proceeds)	20	54 412	50 422
Gains on commercial securities portfolio and financial transactions	21	32 046	36 329
Investment portfolio revenues		2 906	5 728
<b>TOTAL BANKING OPERATING INCOME</b>		<b>306 485</b>	<b>284 169</b>
<b>BANKING OPERATING EXPENSES</b>			
Incurred interests and other similar expenses	22	(111 423)	(99 603)
Commissions paid		(2 883)	(3 087)
<b>TOTAL BANKING OPERATING EXPENSES</b>		<b>(114 306)</b>	<b>(102 690)</b>
<b>NET BANKING INCOME</b>		<b>192 179</b>	<b>181 479</b>
DNet provision charge and value adjustments for loan losses, off balance sheet items and liabilities	23	(34 289)	(13 445) (*)
Net provision charge and value adjustments on investment portfolio		(158)	4 380
Other operating income		5 194	7 627
Staff expenses	24	(71 890)	(60 387)
General operating expenses	25	(26 690)	(27 642)
Depreciation and provision allowance on fixed assets		(13 607)	(12 243) (*)
<b>OPERATING INCOME</b>		<b>47 727</b>	<b>79 769</b>
Share in equity affiliates		768	567
Net gain/loss on other ordinary items		4 420	(4 421) (*)
Profit tax		(23 531)	(26 974) (*)
<b>INCOME FROM ORDINARY ACTIVITIES</b>		<b>32 397</b>	<b>48 941</b>
NET INCOME FOR THE PERIOD		32 397	48 941
Share of minority interests in the consolidated income		(1 257)	(4 472)
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>		<b>31 140</b>	<b>44 469</b>
Effect of the accounting changes		12 100	16 089
Result after accounting changes		<b>43 240</b>	<b>60 558</b>
Base share income (in TND)	26	<b>0,923</b>	<b>1,318</b>
<b>Résultat par action dilué (en DT)</b>	27	<b>0,797</b>	<b>1,138</b>

(\*) Reprocessed data in proforma (cf. notes to the financial statements – calculation basis and pertinent accounting principles applied – note 2.17).

**CONSOLIDATED CASH FLOW STATEMENT**

Period starting on January 1st, 2011 and ending on December 31<sup>st</sup>, 2011  
(Unit: in thousands of dinars)

	Notes	2011 financial year	2010 financial year
<b>OPERATING ACTIVITIES</b>			
Banking operating revenues received (excluding investment portfolio revenues)		251 390	235 916
Banking operations paid out		(88 702)	(30 602)
Deposits/Deposit withdrawal with other banks and financial institutions		(8 447)	(21 069)
Loans and advances/Repayment of loans and advances extended to customers		(435 690)	(497 349)
Deposits/Customers' deposits withdrawal		87 133	416 440
Investment Securities held for sale		29 636	45 602
Payments to personnel and miscellaneous creditors		(97 688)	(72 317)
Other cash flows from operating activities		(18 993)	(48 208)
Profit tax		(22 597)	(2 368)
<b>Flux de trésorerie net affectés aux activités d'exploitation</b>		<b>(303 958)</b>	<b>26 045</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Interest and dividends on investment portfolio		26 454	25 763
Purchase/Disposal on investment portfolio		2 909	4 769
Purchase/Disposal of fixed assets		(30 679)	(16 077)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(1 317)</b>	<b>14 455</b>
<b>FINANCING ACTIVITIES</b>			
Issue of shares		-	(6 216)
Issue/Repayment of borrowings		(22 419)	(29 800)
Increase/Decrease of special resources		(2 176)	(2 309)
Dividends and other distributions		(5 817)	(1 839)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(30 412)</b>	<b>(40 164)</b>
Net change of cash and cash equivalents during the period		(335 687)	336
Cash and cash equivalents at the beginning of the period		330 781	330 445
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>28</b>	<b>(4 906)</b>	<b>330 781</b>

# 12.

## REPORT OF THE STATUTORY AUDITORS

GENERAL REPORT OF THE STATUTORY  
AUDITORS

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SPECIAL REPORT OF THE STATUTORY  
AUDITORS

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## Attijari bank

# GENERAL REPORT OF THE STATUTORY AUDITORS

Financial Statements – Financial Year ended December 31<sup>st</sup>, 2011

To the Shareholders of Attijari bank,

As an enforcement of the mission we were entrusted with, by your Annual General Meeting, we are pleased to produce our report about the control of the financial statements of Attijari bank, under the financial year ended December 31<sup>st</sup>, 2011, as amended, as well as the specific examinations and disclosures set forth by the law and by the profession standards.

### I - Report about the Financial Statements

We have audited the financial statements of Attijari bank, including the balance sheet and the off balance commitment statement, as of December 31<sup>st</sup>, 2011, the income statement, the cash flow statement for the financial year ended on that date, as well as a summary of the main accounting methods and other explanatory notes. These statements show positive shareholders' equities amounting to KTND 348,036. including the net profit of the financial year, amounting to KTND 31,521.

#### 1/ Responsibilities of the Management in the preparation and presentation of the financial statements

The Bank's management is responsible for the drawing up, preparation and fair presentation of the financial statements in accordance with the provisions of the companies' accounting systems. This responsibility includes the design, the implementation and the follow up of an internal control which it deems necessary for the preparation of financial statements that are free from material misstatements, whether due to frauds or errors, as well as making accounting estimates that are reasonable, under the prevailing circumstances.

#### 2/ Responsibilities of the Auditors

Our responsibility is to express an opinion on those financial statements based on our audit which we have conducted according to the applicable professional standards in Tunisia. These standards require, from our side, that we comply with the ethical rules and plan, perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence elements about the amounts and the disclosures in the financial statements. The selected procedures depend on the auditors' judgement, including the assessment of the risk of material misstatements in the financial statements, whether due to frauds or to errors. When assessing the risk, the auditor takes into account the internal control into force in the entity, relating to the drawing up and the fair presentation of the financial statements in order to define adequate auditing procedures, under the circumstances, and not to express an opinion about the efficiency of the said control. An audit also includes the evaluation of the appropriateness of the used accounting procedures and the reasonableness of the accounting estimates made by the management, as well as the evaluation of the overall presentation of the financial statements.

We estimate that the evidence elements that we have collected are enough and appropriate to issue our opinion.

3/ Opinion on the Financial Statements

In our opinion, the financial statements are regular and present fairly, in all material respects, the financial position of Attijari bank, as well as the result of its transactions, and the cash flow under the financial year, ended December 31st, 2011, in accordance with the generally accepted auditing standards in Tunisia.

4/ Remarks and Observations

We draw your attention to the following points :

- As an enforcement of the recent provisions included in the Central Bank's Circular Letters n° 2011-04 dated April 12th, 2011 and n° 2012-02 dated January 11th, 2012, and as described in the note n° 3 about the financial statements, the classification rules, the customers' credit provisioning rules and the interest protection rules, underwent some derogations compared to those applied under the previous financial years. As such :

- certain relations were kept among the sound debts although, with reference to the customary rules, they would have been classified as nonperforming commitments. In parallel, the interest maturities of 2011 which were rescheduled for an amount of MTND 1.9 made the object of reservations, and
- a collective provision on the commitments classified as "0" and "1", was recorded on the books for an amount of MTND 11.2.

- As described in the note to the financial statements n° 17, the bank operated a change in the discount system of the mortgage backed securities of the customers classified in category 4 and under litigation. As a result of this change, the equity capital at the beginning of the financial year has been adjusted upwards to reach KTND 12,712. The booked allocation amount, as a result of the 2011 financial year, as an enforcement of the new system, amounts to KTND 7,753.

Our opinion does not include any reservation regarding these points.

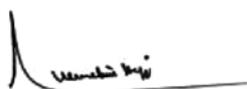
**II- Report on the Specific Examinations :**

We have also made the specific examinations provided for by the law and the professional standards.

Based on these examinations, we have no observation to make with respect to the fairness and the concordance between the financial statements and the accounting disclosures listed in the report of the Board of Directors, about the financial year management.

We have also, within the framework of our audit, examined the internal control procedures relating to the processing of the accounting disclosures and the preparation of the financial statements. We would like to point out, in accordance with the requirements of Article 3 of the Law 94-117, dated November 14th, 1994, as amended by the Law 2005-96, dated October 18th, 2005, that our examination brought into the open certain deficiencies involving the reliability of certain assets and liability accounts, particularly the intra headquarters account, the stand by accounts and some accounts in foreign currency, but their effect was not so big to justify their listing up inside our opinion about the accounts, as expressed hereabove, considering that the final risk on these accounts is covered by provisions.

Besides, and as an enforcement of the provisions of Article 19 of the Decree n° 2001-2728, dated November 20th, 2001, relating to the keeping of the securities accounts, the Bank does not, for the moment, execute a periodic follow up of the list of its shareholders and it has not, as yet, signed and filed with the financial market board, the memorandum of obligations set forth by the decision of the Finance Minister, dated August 28th, 2006.



Tunis, June 12th, 2012



AMC Ernst & Young  
Nouredine HAJJI

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## Attijari bank

# SPECIAL REPORT OF THE STATUTORY AUDITORS

### Financial Statements – Financial Year ended December 31<sup>st</sup>, 2011

To the Shareholders of Attijari bank,

As an enforcement of the provisions of Article 29 of the Law n° 2001-65, relating to the banking institutions, and Article 200 and the articles thereafter and Article 475 of the Commercial Companies Code, we are pleased to report to you, hereafter, on the signed conventions and the transactions, executed during the financial year ended December 31<sup>st</sup>, 2011.

Our responsibility is to secure the compliance of the authorization and approval legal procedures and their correct translation in the financial statements. It is not up to us to specifically search for and in an extensive manner, the eventual existence of such conventions or transactions but to relay to you, on the basis of the disclosures that were made available to us or those obtained through our auditing procedures, their main characteristics and modalities, without having to make an opinion on their usefulness or their validity. It is up to you to appreciate the interest related to the signing of these conventions and the execution of these transactions, in order to approve them.

#### I. Conventions recently signed, during the financial year ended December 31<sup>st</sup>, 2011

##### Attijari Finances

Within the framework of the agreement protocol entered into between Attijari bank and Attijari Finances (a company in which Attijari bank holds a 24.93% equity) dated October 10<sup>th</sup>, 2011, Attijari Finances received commissions relating to its intervention within the framework of the issue of the bond loan, amounting to KDT 59.

#### II. Executed transactions in relation to previous conventions

The execution of the following conventions, signed during the previous financial years, continued during the financial year ended December 31<sup>st</sup>, 2011.

##### Attijari Leasing

Within the framework of the convention signed with Attijari Leasing (in which Attijari bank holds 62.02%), approved by the Ordinary General Meeting of May 22<sup>nd</sup>, 2009, the Bank provided, during the 2011 financial year, assistance services for the sales of products of Attijari Leasing through the Bank's sales network and received, in return, proceeds amounting to KTND 69.

##### Attijariwafa bank

Within the framework of the convention signed between Attijari bank and Attijariwafa bank, as authorized by the board of directors on March 5<sup>th</sup>, 2007 and modified by the board's decision of June 6<sup>th</sup>, 2008, the charges recorded by Attijari bank for the technical assistance and consulting services provided by Attijari bank, under the financial year of 2011, amounted to KTND 1,385. The amount included in the liabilities as of December 31<sup>st</sup>, 2011, amounted to KTND 3,633.

#### Attijari Intermédiation

Within the framework of the convention dated December 29th, 2006, between Attijari bank and Attijari Intermédiation, approved by the Ordinary General Meeting of June 25th, 2007, providing for the conversion into equity securities of one part of the associated current account, opened with Attijari Intermédiation, up to KTND 3 500, the Bank collected interests amounting to KTND 217, under the financial year 2011.

#### Attijari Sicar

Within the framework of the risk capital funds management convention dated March 24th, 1998, entered with the Attijari Sicar Company (held up to 67.23% by Attijari bank), the latter collects, every year, a 1% remuneration paid on the whole of the managed funds. This commission amounted to KTND 53, under the 2011 financial year.

#### The SICAV Companies

Within the framework of the convention entered between Attijari Bank and Attijari Valeurs Sicav, Attijari Placement Sicav and Attijari Obligataire Sicav, the Bank fulfils the duties of a depositary for their accounts and collected for these services commissions amounting to KTND 368, under the financial year 2011.

#### Générale Tunisienne Informatique (GTI)

1. Within the framework of the frame convention entered between the bank and GTI (held up to 30% by Attijari bank), dated July 1st, 2005, approved by the Ordinary General Meeting of May 29th, 2006, GTI invoiced to the Bank KTND1 562, for information assistance services rendered in 2011.
2. Within the framework of the lease contract of a flat dated June 2nd, 2008, approved by the Ordinary General Meeting of May 22nd, 2009, the amount of the rental fees paid by the bank, under the financial year 2011, amounted to KTND 22.

#### Attijari Recouvrement

Pursuant to a deed signed on January 1st, 2009, the Company "Attijari Recouvrement" conducted a retrocession of the debts financed by the FONAPRAM, FOPRODI funds and the IBRD Bank to Attijari bank. The same deed provides for remuneration in favour of Attijari Recouvrement of 5% of the collected amounts. The amount invoiced in this respect by Attijari Recouvrement under 2011, amounted to KTND 16.

#### Other Conventions

Attijari bank assigned, in favour of Attijari Recouvrement, Attijari Sicar, Attijari Gestion, Générale Immobilière du Sud, Attijari Leasing, Attijari Immobilière and Attijari Intermédiation, its paid staff. The secondment decisions provide that the amounts invoiced by the Bank shall correspond to the paid salaries. The amounts invoiced under the 2011 financial year are detailed as follows :

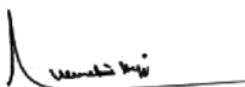
- Attijari Recouvrement : 389 KDT ;
- Attijari Sicar : 200 KDT ;
- Attijari Gestion : 130 KDT ;
- Générale Immobilière Du Sud : 42 KDT ;
- Attijari Leasing : 426 KDT ;
- Attijari Immobilière : 129 KDT ;
- Attijari Intermédiations : 55 KDT.

## III. Liabilities and Commitments of the Bank towards the executives

1. The liabilities and commitments towards the executives, as indicated in Article 200 (new) II § 5 of the Commercial Companies Code, are as follows:
  - The remuneration and benefits granted to the President of the Board are fixed pursuant to a decision from the remuneration committee, which reports to the Board of Directors, dated April 2nd, 2010. The remuneration includes a fixed indemnity and an annual bonus. Besides, the Chairman of the Board enjoys the use of an official company car and the payment by the bank of his/her telephone bills.
  - The remuneration and benefits granted to the General Manager – whose term of office ended on May 8th, 2011 – are fixed pursuant to a decision from the remuneration committee, which reports to the Board of Directors, dated April 2nd, 2010. The remuneration of the General Manager includes a fixed indemnity and an annual bonus. Besides, the General Manager enjoys the use of an official company car and the payment by the bank of his/her telephone bills, the school attendance fees and air tickets.
  - The remuneration and benefits granted to the General Manager – whose term in office started on May 9th, 2011 – are fixed pursuant to a decision from the remuneration committee reporting to the Board of Directors, dated January 30th, 2012. The remuneration of the General Manager includes a fixed indemnity and an annual bonus. Besides, the General Manager enjoys the use of an official company car and the payment by the bank of his/her telephone bills, the school attendance fees and air tickets.
  - The remuneration and benefits granted to the members of the Board of Directors and to the members of the Auditing Committee include attendance fees and were fixed by the Board of Directors on May 9th, 2011 and are subject to the approval of the Ordinary General Meeting called to examine and approve the accounts, under the 2010 financial year.
2. The liabilities and commitments of Attijari bank towards its executives, as shown in the financial statements under the financial year ended December 31st, 2011 (including social security charges) are detailed as follows (in dinars) :

	Chairman of the Board		General Manager up to May 8th, 2011		General Manager as of May 9th, 2011		Directors	
	Charges under fiscal year	Liabilities as of Dec. 31st, 2011	Charges under fiscal year	Liabilities as of Dec. 31st, 2011	Charges under fiscal year	Liabilities as of Dec. 31st, 2011	Charges under fiscal year	Liabilities as of Dec. 2011
Short term benefits	260 544	-	249 758	-	247 546	19 397	24 450	24 450
Benefits after employment	-	-	-	-	-	-	-	-
Long term other benefits	-	-	-	-	-	-	-	-
End of contract severance indemnity	-	-	-	-	-	-	-	-
Payment in shares	-	-	-	-	-	-	-	-
<b>Total</b>	<b>260 544</b>	<b>-</b>	<b>249 758</b>	<b>-</b>	<b>247 546</b>	<b>19 397</b>	<b>24 450</b>	<b>24 450</b>

Outside the above mentioned conventions and transactions, our works have not revealed the existence of other conventions or transactions falling within the framework of the provisions of Article 29 of the Law n° 2001-65, relating to the banking institutions, and Article 200 and the articles thereafter and Article 475 of the Commercial Companies Code.



Tunis, June 12th, 2012


AMC Ernst & Young  
Noureddine HAJJICNF – Cabinet Neji Fethi  
Fethi NEJI

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## **Attijari bank**

# **GENERAL REPORT OF THE STATUTORY AUDITORS**

Consolidated Financial Statements – Financial Year ended December 31<sup>st</sup>, 2011

To the Shareholders of Attijari bank,

As an enforcement of the mission we were entrusted with, by your Annual General Meeting, we are pleased to produce our report about the control of the consolidated financial statements of Attijari bank Group under the financial year ended December 31<sup>st</sup>, 2011, as amended, as well as the specific examinations and disclosures, set forth by the law and by the profession standards.

### **I. Report about the Consolidated Financial Statements**

We have audited the consolidated financial statements of Attijari bank Group, including the balance sheet and the off balance commitment statement, as of December 31<sup>st</sup>, 2011, the income statement, the cash flow statement for the financial year ended on that date, as well as a summary of the main accounting methods and other explanatory notes. These consolidated financial statements show positive shareholders' equities amounting to KTND 362,937, including the net profit of the financial year, amounting to KTND 31,140.

1/ Responsibilities of the Management in the preparation and presentation of the consolidated financial statements :

The Bank's management is responsible for the drawing up, preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the companies' accounting systems. This responsibility includes the design, the implementation and the follow up of an internal control which it deems necessary for the preparation of consolidated financial statements that are free from material misstatements, whether due to frauds or errors, as well as making accounting estimates that are reasonable, under the prevailing circumstances.

2/ Responsibilities of the Auditors

Our responsibility is to express an opinion on those consolidated financial statements based on our audit with the applicable professional standards in Tunisia. These standards require that we comply with the ethical rules and plan, perform the audit to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence elements about the amounts and the disclosures in the consolidated financial statements. The selected procedures depend on the auditors' judgement, including the assessment of the risk of material misstatements in the consolidated financial statements, whether due to frauds or to errors. When assessing the risk, the auditor takes into account the internal control into force in the entity, relating to the drawing up and the fair presentation of the consolidated financial statements in order to define an adequate auditing procedure, under the circumstances and not to express an opinion about the efficiency of the said control. An audit also includes the evaluation of the appropriateness of the used accounting procedures and the reasonableness of the accounting estimates made by the management, as well as the evaluation of the overall presentation of the consolidated financial statements.

We estimate that the evidence elements that we have collected are enough and appropriate to issue our opinion.

3/ Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements are regular and fair and give, from all points of view, a faithful image of the financial situation of the transaction results and the cash flow of all the companies involved in the consolidation, under the financial year, ended December 31st, 2011, in accordance with the accounting standards, generally accepted in Tunisia.

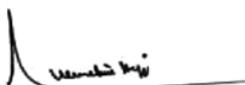
**II. Report on the Specific Examinations**

We have also made the specific examinations provided for by the law and the professional standards.

Based on these examinations, we have no observation to make with respect to the fairness and the concordance between the consolidated financial statements and the accounting disclosures listed in the report of the Group's report about the financial year management.

However, we have to make the following observation about the holding of cross interests between Attijari bank, as a mother company and Attijari Placements SICAV and Attijari Valeurs SICAV, as subsidiary companies.

Attijari bank holds 99.71% in the capital stock of Attijari Placements SICAV and 82.88 % in the capital stock of Attijari Valeurs SICAV, which, in their turn, hold 0.09% and 0.07% in the Bank's capital, respectively. This situation makes up a departure from the provisions of Article 466 of the Commercial Companies Code which stipulate that a joint stock company cannot own shares in another joint stock company if the latter holds a portion in its capital higher than ten percent.



AMC Ernst & Young  
Nouredine HAJJI

Tunis, June 22<sup>nd</sup>, 2012



CNF – Cabinet Neji Fethi  
Fethi NEJI

# 13.

## RESOLUTIONS PASSED BY THE ORDINARY & SPECIAL GENERAL MEETINGS

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## RESOLUTIONS PASSED BY THE ORDINARY GENERAL MEETING OF JUNE 29TH, 2012

### FIRST RESOLUTION

The Ordinary General Meeting, having heard the report about the management and the report of the consolidated management, relating to the financial year ended December 31st, 2011, approves the said reports, as they have been presented.

This resolution was put to the vote and adopted unanimously.

### SECOND RESOLUTION

The Ordinary General Meeting, having heard the special report of the co-auditors, about the valid conventions, entered into during the financial year 2011, has approved the said Conventions.

This resolution was put to the vote and adopted unanimously.

### THIRD RESOLUTION

The Ordinary General Meeting, after examining the individual and consolidated financial statements, relating to the financial year ended December 31st, 2011, and after hearing the reports of the co-auditors, has approved the said individual as well as consolidated financial statements.

This resolution was put to the vote and adopted unanimously.

### FOURTH RESOLUTION

The Ordinary General Meeting decides to give full final discharge and without any reservation to the Directors for their management under the 2011 financial year.

This resolution was put to the vote and adopted unanimously.

### FIFTH RESOLUTION

The Ordinary General Meeting noted the profit made under the financial year of 2011, amounting to thirty one million, five hundred and twenty one thousand dinars (TND31,521,000) and resolves to appropriate it as follows :

(Amount in thousand dinars)

FINANCIAL YEAR PROFIT	31 521
FORWARDED AGAIN	-24 482
INCOME TO BE DISTRIBUTED	7 039
LEGAL RESERVES	352
DIVIDENDS	5 962
FORWARDED AGAIN	725

The Ordinary General Meeting delegates to the Board of Directors to fix the terms and the exact payment date of dividends.

This resolution was put to the vote and adopted unanimously.

## SIXTH RESOLUTION

The Ordinary General Meeting, following a proposal made by the Board of Directors, fixes the amount of three thousand dinars (TD 3,000), as an annual global gross amount for the attendance fees in the meetings of the Board of Directors, to be allocated to every member of the Board, under the financial year 2011.

The members of the audit permanent committee will receive in addition an annual gross amount of three thousand dinars (TD 3000) as a remuneration for their works inside the said committee under the financial year 2011.

This resolution was put to the vote and adopted unanimously.

## SEVENTH RESOLUTION

The Chairman of the Meeting informs the shareholders of the end of the mandate of all the members of the present Board of Directors and, as an enforcement of the Circular Letter of the Central Bank BCT n° 2011-06, dated May 20th, 2011, relating to the reinforcement of the good governance rules in the credit institutions, the Ordinary General Meeting, after due deliberation and exchange of the points of view, decides to nominate :

1. Mr. Moncef CHAFFAR ;
2. Mr. Mohamed EL KETTANI ;
3. Mr. Boubker JAI ;
4. Mr. Mounir OUDGHIRI ;
5. Mr. Hicham SEFFA ;
6. Mr. M'zoughi M'ZABI ;
7. Mr. José REIG ECHEVESTE ;
8. Mrs. Zohra DRISS BOUSLEMA ;
9. Mr. Hassan OURIAGLI (independent director) ;
10. Mr. Edouard ESPARDES (independent director) ;
11. Mr. Mohamed Ali BAKIR (representing the small equity holders).

as directors of the Bank for a three (3) year term, ending after the Ordinary General Meeting which will be called to make a ruling about the financial statements of 2014 financial year.

This resolution was put to the vote and adopted unanimously.

## EIGHTH RESOLUTION

The General Meeting, after being informed of the end of the second term of the second auditor, AMC Ernst & Young Company, and considering the proposal made by the Board of Directors, decides to nominate MAZARS Company as a second auditor for a period of three (3) years, under the financial years 2012, 2013 and 2014.

This resolution was put to the vote and adopted unanimously.

## NINTH RESOLUTION

The Ordinary General Meeting confers all the powers to the holders of an original, a copy or an extract of these minutes, in order to complete all the formalities for the filing, advertising and other purposes set forth by the Law.

This resolution was put to the vote and adopted unanimously.

# RESOLUTIONS PASSED BY THE SPECIAL GENERAL MEETING OF JUNE 29TH, 2012

## FIRST RESOLUTION

The Special General Meeting, after being informed about the report of the Board of Directors relating to the increase of the Bank's capital stock, through the conversion of the convertible bonds into "OCA Attijari bank 2006" shares, for an amount of TND 26,663,695, divided into 5,332,739 new shares subscribed by 128 bond holders and through the additional increase of the capital stock which was reserved to the bond holders who opted for the conversion of the amount of TND 3,327,755 divided into 665,551 new shares, issued from the conversion subscribed by 118 holders.

Considering that the capital stock increases are totally subscribed and fully paid, (the Special General Meeting) has approved that the capital stock, fixed at TND 168,750,000 divided into 33,750,000 shares, be increased by an amount of TND 29,991,450, in order to reach TND 198,741,450, divided into 39,748,290 shares of five dinars (TND 5) each.

The Special General Meeting, based on the report of the Board of Directors, records the listing of the new shares on Tunis Stock Exchange Market (B.V.M. Tunis).

In consideration of the foregoing, the Special General Meeting records the execution of the set forth increases and Article 6 of the Bank's By-Laws shall be modified as follows :

**« The capital stock is fixed at the amount of TND 198,741,450, divided into 39,748,290 nominal shares of five dinars (TND 5) each. These shares are subscribed in cash and fully paid on their subscription ».**

This resolution was put to the vote and unanimously adopted.

## SECOND RESOLUTION

The Special General Meeting, after being informed of the completion of the Bank's Head Office construction works, delegates to the Board of Directors the necessary powers to fix the effective date of the decision to change the Head Office of the Bank and its moving to the new address located in "Rue Hédi Karray – Lot n° 12 – Zone Urbaine Nord – 1080 Tunis."

For this purpose, the Special General Meeting modifies Article 4 – first paragraph of the By-Laws relating to the Head Office, as follows :

**« The Bank's Head Office is located in Rue Hédi Karray – Lot n° 12 – Zone Urbaine Nord – 1080 Tunis ».**

It delegates also to the Board of Directors with the option of sub-delegation to any person, the powers necessary to proceed with the registration, filing, declaration, advertising and notification procedures and formalities, with the competent authorities and the public at large, for the change of the Head Office address.

This resolution was put to the vote and unanimously adopted.

## THIRD RESOLUTION

Considering the new issues listed on the agenda of this meeting, the Special General Meeting approves the project of matching the by-laws with the Central Bank's recommendations, as set forth in the circular letter n° 2011-06 dated May 20th, 2011, presented by the Board of Directors.

Likewise, the Special General Meeting delegates the necessary powers to the Board of Directors with the option of sub-delegation in favour of any person, in order to proceed with the registration of the new By-Laws and to start the notification to the concerned authorities, of the compliance of the Bank with the new statutory requirements.

This resolution was put to the vote and unanimously adopted.

## FOURTH RESOLUTION

The Special General Meeting confers the powers to the holder of one original, one copy or an extract of these minutes in order to execute whenever it is required, all the filings, advertising and other formalities set forth by the Law.

This resolution was put to the vote and unanimously adopted.

# ANNUAL REPORT

ANNUAL REPORT  
**2011**



التجاري بنك  
Attljari bank