

ANNUAL REPORT 2018



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التجاري بنك
Attijari bank

CHAIRMAN'S & CEO'S MESSAGE



Mr. Hicham SEFFA

The Chief Executive Officer



Mr. Moncef CHAFFAR

The Chairman

LADIES AND GENTLEMEN,

In 2018 and despite a fragile economic situation, Attijari bank's business indicators continued to grow. Thus, the GNP, Total Credit and Total Deposits increased, respectively by 20.6% and 4.5% and 12.6%. As for Net Result, it grew from 129.8 MTND to 144.9 MTND, i.e. an 11.7% increase.

The Bank continues to innovate by offering new products and services, it has set up a digital transformation strategy to gradually prepare the bank of the future. A roadmap was drawn, and several initiatives were launched such as the digital bank "Webank", launched in October 2018.

As such the bank has continued to multiply opportunities to connect the creative energies of its staff with those of its external partners: start-ups and customers. The best example is the launch of the "Quick Start by Attijari bank" initiative, which has had two successful editions.

The Bank works daily to offer its clients a banking experience combining the best of human and digital. In fact, in addition to its large network of branches (the first banking network with 207 branches and business centres), the Bank continues to expand its remote banking services to allow its customers more convenience and proximity. E-banking services for businesses have also been strengthened by real cash flow management and international trade solutions such as "Cash Management" and "Trade".

Attijari bank confirms its growing support to small and medium-sized enterprises "SMEs", on one hand through the mobilization of specialized professionals for adequate support of different categories of companies in various fields of activity and on the other hand, by increasing the envelope for 2018 from 100 MDT to 150 MDT.

In addition, the Bank signed a partnership with the International Finance Corporation (IFC), a member of the World Bank Group, to increase its capacity to finance businesses and support them in

their projects to safeguard the planet and thus participate in promoting renewable energy use, reduce energy costs and ultimately contribute to the economic growth of Tunisia and job creation.

Through the development of the Attijariwafa bank Group abroad and its strong presence in Africa, Attijari bank offers its clients comprehensive support in their development projects overseas, while providing precise answers adapted to the local socio-economic context. The Group's subsidiaries, who are leading banks in their home countries and the Africa Development Club, with the business opportunities it generates, are key factors in the success of this support.

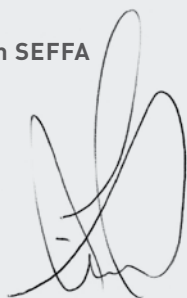
The Bank aims to develop its business ethically with a positive impact which creates value for all stakeholders. To do so, it continues to strengthen its dynamic social responsibility approach, established for several years and covering several areas, including knowledge promotion, improving teaching conditions and youth development.

In addition to the programs and initiatives launched by the bank for the promotion of entrepreneurship among young people. Attijari bank also supports the promotion of art and culture through sponsoring several festivals and events. In addition, there are other actions for environment protection and sustainable development.

In 2018, Attijari bank won the "Bank of The Year, Tunisia 2018" award, awarded by the Financial Times Group's prestigious "The Banker Magazine" and the "Straight Through Processing Awards" award, awarded by Commerzbank.

All these achievements were made possible thanks to the commendable commitment and strong mobilization of the teams around the common strategic goals of the Bank.

Hicham SEFFA
CEO



Moncef CHAFFAR
Chairman of the Board



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**ECONOMIC & FINANCIAL
SITUATION**



ECONOMIC & FINANCIAL SITUATION

INTERNATIONAL ECONOMY 2018

The global economy started 2018 on a positive note following the acceleration in global production and trade throughout 2017. However, the second half of 2018 was marked by a nearly generalized slowdown which has its origins in a less favorable environment characterized by increased uncertainty related to fears of a trade war, a no-deal Brexit, a federal shutdown in the United States, the next European elections and structural problems for some economies.

Global growth, which peaked at close to 4% in 2017, declined to 3.6% in 2018, and is expected to slow in 2019 to 3.3% according to the latest IMF report on global economic prospects. The IMF has explained this slowdown by persisting risks and the amplification of some others, including the deterioration of the business climate and the tightening of financing conditions in several advanced economies on the one hand, and the macroeconomic fragility in several emerging countries, especially Turkey and Argentina, on the other hand.

GDP growth	2017	2018	2019 ^P
Global	3.8%	3.6%	3.3%
Advanced countries	2.4%	2.2%	1.8%
Eurozone	2.4%	1.8%	1.3%
United States	2.2%	2.9%	2.3%
United Kingdom	1.8%	1.4%	1.2%
Emerging and developing countries	4.8%	4.5%	4.4%

Source: BCT (Central Bank of Tunisia 2018)

Regarding employment, it has improved in recent months in the main industrialized countries. In fact, in the United States, the unemployment rate reached 3.9% at the end of 2018, registering a drop of about 0.2 percentage points compared to its level at the end of the year. In the Euro Zone, this rate continued its downward trend to reach 7.9%, a rate close to those recorded before the financial crisis, compared to 8.7% a year earlier.

Regarding the evolution of consumer prices, inflation rates continued to decline in the main advanced economies, in line with the decline in world commodity prices, especially energy prices. Thus, in the United States, the inflation rate returned in December 2018 to

1.9% year on year, against 2.2% the previous month. In the Eurozone, this rate continued its downward trend to 1.6% in December, against 1.9% a month earlier, in relation with the sharp deceleration in energy prices (5.4% vs. 9%, 1%). Thus, this rate remains well below the level targeted by the European Central Bank (2%), which could prevent it from starting to raise interest rates in 2019.

As for the international currency markets, they were marked by a slight appreciation of the euro versus the dollar, reaching about 1.147 dollars, at the end of December 2018, versus 1.132 at the end of November 2018 reflecting above all, the failure of budget negotiations in the United States.

NATIONAL ECONOMY 2018

The Tunisian economy closed 2018, with an economic growth of 2.5% confirming its small recovery (+ 1.9%) observed the previous year.

Growth rose to 2.5% from agriculture (a good agricultural season), services (including tourism services which recorded a significant rebound) and electrical and mechanical industries.

However, despite this modest improvement, growth remains too low to absorb an unemployment rate of 15.5%, it is particularly high for women (22.8%) and graduates (29.4%).

Inflation began to decline in the second semester of 2018 but remains above 7%.

The budget deficit dropped to 4.8% of GDP in 2018, versus 6.1 % in 2017.

Tunisia's trade deficit is worsening month to month. As of December 2018, it reached 19.05 billion dinars versus 15.6 billion dinars in 2017 and 12.6 billion in 2016. This is the result of maintaining the growth of imports despite the negative progression of exports.

The value of exports increased by 19.1% versus 18.1% in 2017 to reach 40.98 billion dinars, versus 34.42 billion dinars in 2017. Similarly, imports continued to show significant growth, recording an increase of 20%, versus 19.8% in 2017, for a value of 60 billion dinars, versus 50 billion in 2017.

The current account deficit widened from 11.2% of GDP in 2018 (versus 10.3 % in 2017) .

Foreign exchange reserves continued their decline to 13,972 billion dinars, the equivalent of 84 days of imports, versus 93 days at the end of 2017.

Regarding exchange rate, the price of the dinar continued a downward trend versus major currencies in 2018. Indeed, in terms of annual averages, the dinar experienced a sharp depreciation of 14.3 % against the Euro and 18.2% to the US Dollar.

	2016	2017	2018
GDP growth at previous year's prices	1.0	1.9	2.5
GDP (at current prices)	89,804.0	96,660.0	105,597.0
Unemployment rate in%	15.5	15.5	15.5
Trade balance Deficit	12,601.0	15,592.0	19,049.0
Tourism revenue	2,373.0	2,831.0	4,093.0
Current deficit	7,935.0	9,870.0	11,843.0
In % of GDP	8.8	10.2	-11.2
Budget deficit as a % of GDP	6.1	6.1	-4.8
Net assets in foreign currency	12,935.0	12,885.0	13,972.0
In days of import	112	93	84

Source: BCT (Central Bank of Tunisia 2018)

A close-up photograph of several dark-colored chess pieces on a checkered board. The pieces are slightly out of focus, with a shallow depth of field. A diagonal line, split into a dark grey upper half and a light grey lower half, runs from the top left to the bottom right, passing over the chess pieces. The background is a soft, warm-toned bokeh.

02

STRATEGY



STRATEGY & DEVELOPMENT

Well committed to rigorously comply with its strategic roadmap's planning, Attijari bank labelled 2018 as the growth year of all structuring projects. These initiatives covered the «Client Centric» business strategy, the operational model, the human capital and the digitalization of the offer, the processes and the distribution channels.

Thanks to the mobilization of its teams around the common strategic ambitions, Attijari bank achieved a quite remarkable performance for the 2018 financial year and improved its positioning within the market.

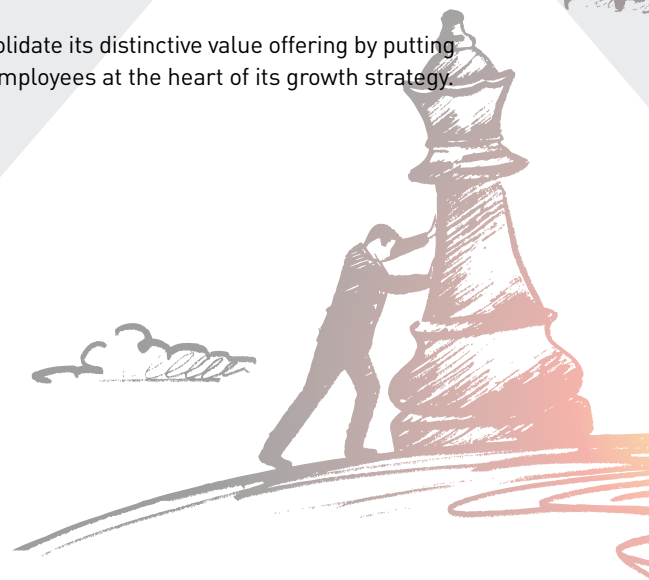
Attijari bank confirmed its support for TPME as the main player in the Tunisian economic fabric, by allocating a financing envelope of 150 million dinars. The Bank also continued to gain market shares among Tunisians residing abroad and consolidate its share in the retail customer market.

In 2018, Attijari bank launched its digital bank called «Webank» allowing remote access and offering online payment and transfer services.

It has also expanded its «Cash Management» and «Trade Finance» product range enabling remote processing of flows, locally and internationally, for its corporate clients. To this end, the Digital Bank team will continue their value delivery focusing on innovative and high value-added service fields.

Consistently in line with its commitment to the African continent, the Bank continued to support its corporate clients during 2018, as part of their development in Africa through financial and administrative support.

As part of its vision, the Bank strives to continually consolidate its distinctive value offering by putting the customer at the center of its focus and placing its employees at the heart of its growth strategy.



TRANSFORMATION & STRATEGIC PROJECTS

As part of the progress of the «Excellence 2020» program, the year 2018 was mainly marked by coordination and support work focused on project promoters and key stakeholders.

The program involves 8 business areas, which have progressed throughout the year with a close governance model and strong involvement of sponsors and promoters.

This year has been marked by flagship deliveries on the entire roadmap of the strategic program including (1) digitalization with the launch of Webank, (2) «Human Capital» with the deployment of a business behaviour chart and support to commercial managers, (3) «Retail banking» with the implemented reorganization of branch roles for increased commercial efficiency and better support to customers. Finally, a flagship area is currently being rolled out, embodying a strong ambition to optimize the Bank's processes in a perspective of operational efficiency and, more particularly, the retail credit with the implementation of a decision-support tool (scoring).

To back up this strategy, a work of coordination and support targeting the actors of the strategic program within the framework of a roadmap dedicated to «Change management» is currently in progress. The mobilization around the challenges in 2018 was made namely through major mobilization events, such as the G100 meeting in January 2018 and the Webank Kick-off.



A red dart is shown hitting the bullseye of a target. The target is partially visible at the bottom of the frame, with concentric circles in shades of blue and white. The background is a warm, golden-brown color with a bokeh effect of out-of-focus lights. A large, semi-transparent orange triangle is overlaid on the left side of the image, pointing towards the center.

03

**KEY EVENTS &
MAJOR ACHIEVEMENTS**



KEY EVENTS

AWARDS

- « **Bank of the year Tunisia 2018** », a prize awarded by « **The Banker** ».
- « **Straight through Processing Award** », awarded for the second time by Commerzbank for the bank's efforts in facilitating interaction with foreign banks in terms of payment.



CAMPAIGNS

- «PRO MSO» campaign.
- Campaign and various outreach actions dedicated to Tunisians residing abroad such as the organization of «Open Days» and the Synergy event between the network of agencies in Tunisia and those in France and abroad.
- «Western Union» campaign for the start of the school year.



DEVELOPMENT OF BUSINESS ASSETS

The effort to harmonize the image of the Bank through its branches was intensified in 2018. This resulted in the implementation of a network redevelopment plan. Indeed, the customer reception space is of major importance.

To this end, 12 branches agencies were redeveloped or transferred:

- 6 branches were transferred (developments in progress - provisional transfers in 2018): «Djerissa», «Tajerouine», «Gabès», «Bouargoub», «Zarzis» and «Sfax Hached».
- 5 branches underwent major development.
- The permanent transfer of the «Bardo» branch following its renovation.

EVENTS

Development of the African Dimension

- Partner of the «Africa Blockchain Summit», the Forum of Central Bank Governors organized by the BCT.
- Partner of the Financing Investment Forum and Trade in Africa (FITA) 2018.
- Organization of a workshop under the theme: «Attijari bank partner of exporting companies to support their business in Africa», in collaboration with the Chamber of Commerce and Industry for the Center (CCIC).
- Partnership in the African Economic Forum.



FINANCING INVESTMENT AND TRADE IN AFRICA



Attijari bank : FITA Partner

[On 6th and 7th February 2018]

The Bank participated in the Financing Investment and Trade in Africa «FITA 2018», a forum organized by the Tunisia Africa Business Council «TABC» in partnership with the Ministry of Investment and International Cooperation, the Ministry of Commerce and the Ministry of Foreign Affairs.

This event was an opportunity to present the economic development plans of sub-Saharan countries, structuring investment projects, particularly in PPP, as well as the financing arrangements.

Country workshops were organized to develop synergies, in the presence of Pan-African financial institutions and economic operators.

This conference brought together more than 1,200 economic operators: African executives and decision-makers, several African ministers of investment, international cooperation and trade as well as the heads of Pan-African and international financial institutions, CEOs and experts...

Thanks to its positioning as a Pan-African bank, Attijari bank was able to stand out and present companies with a development project in Africa, support services, financing products, ...

Development of SMEs and Franchising

- Participation in the «**Tunis Med Franchise 2018**» show.
- Sponsoring and participation in the 20th edition of the «**Forum International de l'Economiste Maghrébin**».
- Sponsoring of the 3rd edition of the «**E-Export Forum**» organized by CCIC in Sousse.



Youth, Innovation and Entrepreneurship

- Launch of the first and second editions of «Quick Start by Attijari bank» in Tunis and Sfax.
- Sponsoring of the «Code4change» hackathon, organized by Talan and the BCT.
- Sponsoring of the ENACTUS National Competition Final.
- Participation in the event «Smart Center Challenge S2G».
- Sponsoring of «Innov Challenge» organized by INSAT.
- Sponsoring for «Hult Prize Sousse».
- Sponsoring of «Ryujin'Con».
- Sponsoring of «Tunisian EC Days» (Electronic Commerce Days).
- Partner of the 1st edition of the competition named «Falling Walls Lab Tunis».

Focus

Organization of two editions of Quick Start by Attijari bank

Recognizing the importance of startups in boosting the economy and their role in stimulating innovation and wealth creation, Attijari bank launched the «Quick Start by Attijari bank» event.

Attijari bank launched the «Quick Start by Attijari bank», a meeting between the Bank's client companies and Tunisian startups.

The first edition took place in Tunis on March 23 and the second in Sfax on December 11, 2018.

The purpose of this event is twofold: first, to enable startups to develop business opportunities with well-structured companies and second, to provide businesses with value-added services that will enable them to optimize their activities.

«Quick Start by Attijari bank», an initiative among others launched by the Bank, which is part of its strategy of openness to innovation and which aims to adapt services on a permanent basis to the evolving needs of customers.



Focus : Digital Transformation

Attijari bank positions itself as a leading player in digital banking

As part of its strategic vision, Attijari bank is making digitalization a key pillar for its entire prospective approach in the short and medium terms.

A deep digital transformation strategy, built on a global and structured approach, has just begun to gradually prepare the bank of tomorrow.

This strategic shift is motivated by the following major orientations:

- Positioning itself as a key player in digital banking on the national banking landscape.
- Offering customers a distinguished experience, combining user-friendliness, closeness and connectivity according to the highest standards of service quality and transactional security.
- Optimizing the use of data to find and take advantage of huge deposits of productivity by deep process reengineering (fluidity, speed, simplicity), while being guided by the customer experience.
- Being a real driving force at the national level to anchor digital culture and transform consumer habits in terms of self-service banking and electronic payments, in perfect harmony with national efforts to limit the use of cash.

To concretize this strategic vision through tangible initiatives, Attijari bank started by launching its digital bank, **Webank**, mainly targeting a young and connected public.

However, it should be noted that Webank is only one project among others that fits into the framework of an in-depth digital transformation roadmap.

This roadmap represents the operational implementation of Attijari bank's global strategic vision to offer its customers their bank of the future at their fingertips.

Expectations are considerable; however, Attijari bank is expert in driving deep changes and large-scale projects. The teams are also motivated to take up this highly mobilizing challenge.

Focus : Webank

Attijari bank launches online banking

Webank is a new generation of 100% digital banking products and services. Thanks to this new offer, customers can open their account whenever they wish, wherever they wish, with a few clicks on the internet. This is a new experience that starts with the opening of a remote account and continues with monitoring operations, managing one's card, applying for a loan ... This new offer gives access to 2 pack formulas that are simple, clear and at flat rates: «We Start», 100% free and «We Trust», a richer and cheaply priced premium offer. With Webank, the customer benefits from an advisory and support service 6 days a week from 8:00 am to 8:00 pm and can interact with Webank by email, Facebook and LiveChat over an extended time window. Webank continues to evolve to further develop its digital offering.

Webank... A new relationship between the customer and his/her bank.



COMMERCIAL ACTIVITY

RETAIL BANKING

ENHANCED PRODUCT OFFERING

Attijari bank goes digital

Attijari bank is entering the digital era and is adapting to the new way of life of connected Tunisians, seeking to install a custom relationship with their bank. It launches its digital bank, called «Webank». With this new brand, the bank is targeting a new customer segment made up of young people, students, start-ups, etc. Two offers are made available to this category of customers, a basic and free one, called «We Start» and a premium offer providing more services, called «We Trust».

Webank is a platform available in Web and Mobile versions. It allows the opening of a remote bank account. This gives the Webank customer the opportunity to live a different online banking experience.

Webank offers a unique experience for opening an account in 8 minutes, launching a consumer credit application and checking account and card informations in real-time.

Webank also offers simple interaction with the Bank by performing daily banking on mobile or Web with a high level of security, in addition to a dedicated Webank advisor available through LiveChat, email or phone.

Attijari bank launches the school registration card: «Light Card»

As part of a government project to introduce distance school enrollment, Attijari bank was among the three banks that joined this initiative. It has partnered with the Ministry of Education to launch a new prepaid card called «Light Card» without chip or track.

It is intended only for online payment transactions and mobile payments in USSD: enrollment of students and high school students, bill payment for STEG, SONEDE...



The launch of this new card also fits into the Bank's policy of promoting online payment transactions and boosting, therefore, the use of all its cards.

Value-Added Services

In order to allow customers to better manage their expenses and to be able to follow the use of their credit cards abroad, Attijari bank has optimized its authorization system for the «Carte Corp International» cards and the «Carte voyage».

Moreover, and especially for professionals, an adaptation of the authorizations on account was put in place to provide increased comfort for this category of customers.



Attijari Real Time - Expanded Online Banking Service

In order to ensure greater proximity and comfort to its customers, Attijari bank equipped its Attijari Real Time application with two services:

- E-claims, to enter a request for information or an online claim. Customers can follow their request and have an answer as soon as it is processed. It will be notified by email and SMS. With E-claims, they also have the possibility to check the details communicated to the Bank and modify them online.
- The ability to consult the daily net asset values of Attijari bank SICAVs and Mutual Funds. Through this

new process, the Bank provides its clients with the information they need to seize opportunities to grow their investments.



FULL-SCALE COMMERCIAL MOMENTUM

Retail Market

2018 was a year of global dynamics in the retail market. In a difficult economic context, Attijari bank was able to position itself on real estate loans, representing a share of 85% of achievements.

Resources increased by 8% thanks to a dynamic collection and recruitment process. The synergy with subsidiaries further enhanced the prospecting spirit, by offering a wide range of products and services that meet the needs

of customers, all of which is made possible thanks to the customer advisor.

Customer loyalty has also been at the heart of the activity through adequate equipment and quality support. In this context, the new ABT commercial charter (Attijari bank Tunisia) has brought together all sales agents around the Bank's flagship values that put the customer at the heart of its concerns.

Market of Professionals and Micro-Enterprises (MSO)

In an uncertain economic environment, the Bank confirmed the strategic interest of the market for Professionals and Micro-companies.

In fact, fiscal year 2018 recorded the implementation of a preliminary financing budget of 150 MD that was subject to a large-scale external communication campaign.

Outreach work with professionals and small businesses was conducted to recruit new customers and concretize the service offering, in synergy with the Group's subsidiaries.

The end of the year was marked by the signing of a strategic partnership with the Young Leaders Club «CJD - Tunisia». Through this cooperation, Attijari bank aims to support young Tunisian leaders to turn challenges into opportunities with the ultimate goal of a strong and sustainable economic recovery.

Attijari bank and CJD Forge a Strategic Partnership for Young Leaders and their Companies

[November 16, 2018]

Faithful to its mission of active and holy support to Tunisian economy, Attijari bank has clearly shown its willingness to support Tunisian companies both through financing and high value-added consulting.

After a wave of funding granted to public companies operating in the strategic sectors (SNCFT, STEG, Tunisair) and an agreement signed with IFC for financing sustainable environmental development, Attijari bank is now targeting the VSBs, SMEs and Startups while targeting active and ambitious young Tunisians.

In line with this vision, Attijari bank signed a strategic partnership with the Young Leaders Center, one of the symbols of active and ambitious young Tunisians and a gathering of VSB/SMEs in search of development.

Through this engagement, Attijari bank seeks to help young Tunisian leaders and their companies to turn challenges into opportunities with the ultimate goal of a strong and sustainable economic recovery.



About CJD

The Young Leaders Center (Centre des Jeunes Dirigeants d'entreprise-CJD), is present in 17 countries in the world and was created in Tunisia in January 1998, under the aegis of UTICA and in collaboration with CJD France, in order to prepare young Tunisian companies to take up the challenge of globalization.

The CJD is a non-partisan movement and a real force for bringing forward concrete proposals to revive employment and sustain businesses. It supports in a global and non-sectoral framework, the specific interests of young leaders.

SME Market

The market for small and medium-sized enterprises has evolved considerably compared to the previous year. The activity recorded a 25% growth in commitment while controlling risk, thanks to the following assets:

- An ambitious SME market development strategy that continues to be conquered along with supporting and assisting older customers.
- Improved use of management tools and customer relationship management to assess market achievements, follow SME activity and define a targeted action plan.
- Closeness to the client for a better management quality with dedicated advice and the implementation of appropriate support.

Throughout the year and throughout the country, the Bank actively participated in economic events, to get closer to

businesses and to follow more closely the evolution of the different sectors of activity.

- Workshop in Sousse: Partner of Businesses to Support their development in Africa.
- Participation in the «Financing Investment & Trade in Africa» forum: FITA 2018.
- African Economic Forum co-organized by the Ministry of Commerce, GIZ, BADEA and ITFC.
- International Forum in Tozeur Co-organized by CONECT and GIZ.
- Participation in the 2nd edition of «Quick Start», organized by Attijari bank and the SfaxTechnopole.
- Medical symposium organized by the magazine «Réalités» under the theme «The Tunisian Pharmaceutical Industry Facing its Challenges».
- Participation in the «Tunis Med Franchise» show organized by MEII.

Market of Tunisians without Borders (TSF: Tunisiens sans frontières)

Attijari bank has the privilege of benefiting from the Group system that accelerated the growth of this market and gave it access to a frontier-free dimension. Moreover, the priority of the commercial approach in 2018 was to anchor the synergy between the network of Attijari bank Tunisia and that of the Attijariwafa bank Group, in Europe and internationally.

The main key for success laid in the reinforcement of the synergy between the respective networks at Attijari bank Tunisia and Attijariwafa Europe. It made it possible to consolidate the bond of trust in the long term and to improve the level of commitment, by creating events focused on meetings and exchanges.

The approach was supported by the deployment of Tunisian resources to ensure greater closeness and to combine «flexibility and responsibility». All the network employees (Attijari bank and Attijariwafa Europe) share this challenge and take it on a day-to-day basis, encouraged by a General Management that strongly asserts its determination and ambition in a strategic market.

These various provisions had a multiplier effect on the development of the market, which is experiencing a 60% development in terms of resource collection.

A better management of the interfaces, the search for commercial solutions, the optimization of costs and schedules, the simplified relationship and an improved responsiveness; all these assets put at the service of the operational activities have generated efficiency and satisfaction of customers from their country of origin.



CORPORATE BANKING

Attijari bank has always considered itself a strategic partner of large companies and institutions and has made this segment a major focus of its development while placing customer satisfaction at the center of its concerns.

In addition, the Bank has consolidated its value creation process by offering its corporate clients innovative solutions, particularly in terms of support through advisers

specialized by sector of activity, optimization of short-term deposits and international support, while highlighting its specialized subsidiaries and the synergy developed with Attijariwafa bank Group entities.

TRANSACTION BANK

The Transaction Bank recorded an excellent performance by channeling over 85% of flows to the Bank's electronic platforms. The main objective is to offer business customers the best products for managing their flows and a high quality service.

The year 2018 also recorded a substantial improvement in the functionality of electronic platforms, thus offering a customer experience to international norms and standards.

Through the Trade entity, the Transaction Bank intensified its actions in the regions to support companies in the development of their export activities and more particularly in Africa.

To this end, the Bank was a partner of the Ministry of Commerce for the African Economic Forum which took place on April 16, 2018. A communication campaign was conducted through the Group's subsidiaries to promote this event to sub-Saharan clients.

Attijari bank, partner of the African Economic Forum

(24th and 25th of April 2018)

The African Economic Forum was organized by the Ministry of Commerce under the patronage of the President of the Government and in partnership with the Arab Bank for Economic Development in Africa «BADEA», the German Development Cooperation through GIZ and the International Islamic Trade Finance Corporation «ITFC».

Objectives of the Forum:

- Promoting South-South partnership and boosting economic exchanges between African countries.
- Enhancing the dialogue between the different representatives of the public and private sectors of African countries.
- Mobilizing all actors towards a better African integration.

A strong international presence in diversified sectors of activity:

- Sectors: Construction, ICT, Higher Education, Agribusiness and Health.
- More than 800 participants and 200 high-level African guests.
- 38 countries: 19 COMESA member countries and 19 other countries, from the AMU, ECOWAS.
- Extensive media coverage in Africa and internationally.

During this event, Attijari bank presented its support system for businessmen in Africa.



FORUM
ÉCONOMIQUE
AFRICAIN

INVESTMENT BANK

CAPITAL MARKET

The year 2018 was marked by a fragile economic environment in both the foreign exchange market and the money market. Indeed the lack of liquidity boosted the volatility of the dinar price closing the year with -14.2% and -18.5% respectively against the euro and the US dollar.

In the same context, the scarcity of resources and soaring inflation ranging between 7.4% and 7.8% were very difficult factors to manage.

Faced with these challenges, the capital markets teams have stepped up efforts and confirmed their role as a partner with the Bank's clients by offering adequate solutions to their needs. Thanks to good management and perfect risk control policy, capital markets activities have contributed significantly to the Bank's results.

CUSTODY

Seeking to be reactive to changing markets, securities custody continues to improve its service offering to sophisticated customers. Custody has developed the custodian service for managed securities accounts, and implemented reporting tools adapted to customer requirements.

Equally, within the framework of the «Excellence 2020» program, the Bank is moving forward in the implementation of a system in line with the strategic orientations to develop the securities business. Thus, the conservation asset reached 2820 MTND at the end of 2018.

Focus

Attijari bank partner of the IFC for financing SMEs and the Green Economy

[October 9, 2018]



Attijari bank signed a € 40 million subordinated loan agreement with the International Finance Corporation (IFC), a member of the World Bank Group, to strengthen its equity and increase its lending capacity.

This loan will enable the Bank to further increase the volume of its long-term financing to support projects for the preservation of the environment and for small and medium-sized enterprises. Indeed, Attijari bank has pioneered the development of green financial products

to support investments such as photovoltaic units, waste treatment plants ...

It thus contributes to the government's efforts to encourage the use of renewable energies and reduce the energy bill.

In the current economic context, the increase in the lending capacity of private financial institutions allows local businesses to develop and thus contribute to the growth of the Tunisian economy and to job creation.



About IFC

IFC (International Finance Corporation), a member of the World Bank Group, is the largest international development aid institution serving the private sector in emerging markets. It works with more than 2,000 companies around the world and dedicates its capital, skills and influence to creating markets and opportunities in the most sensitive areas of the planet. In FY 2018, IFC's long-term financing in developing countries reached more than \$ 23 billion and leveraged private sector capacity to help end extreme poverty and promote shared prosperity. To find out more : www.ifc.org

PERFORMANCE & EFFICIENCY

SERVICES & CUSTOMER RELATION (STC)

In search of balance between the commercial need of the network and that of compliance with safety and conformity rules, the back offices have put in place a number of actions with a view to satisfy the various parties while preserving the Bank from the risks related to vigilance and security standards.

FX Back Office

In support of the IS actions undertaken under the Excellence 2020 program, the reorganization of the FX back office and the strengthening of its structures have had a very positive impact on the quality of transaction processing requiring specialized qualification and expertise in terms of compliance and fight against money laundering.

All the teams, at the level of the processing units as well as at the level of the sales representatives, were sensitized to the issues of processing speed, safety and reliability based on the following levers:

- A deeper knowledge of the client and of the economic purpose of transactions;
- A rise in expertise on the theme «exchange regulations», through a structuring training addressed to all managers and operational agents;
- Reinforcement of assistance to the network, in order to provide answers to customers on technical and / or regulatory issues.

In terms of operational efficiency, the finalization of the projects undertaken yielded the following results:

- Optimization of the transfers and received funds module;
- Electronic assignment of received swifts;
- Upgrade of the Swift system at both operational and safety levels (Release and CSP Swift 2018).

Electronic Payment Back Office

The following actions were undertaken in 2018:

- Signature of the partnership agreement with Mastercard and the preparation of support projects (Mission Advisors & management of issuer fraud).
- Issuance of the first contactless card in Tunisia: «carte resto». The migration of «International Corp Cards» and «Travel Cards» to an optimized authorization system that will further control operational risk.
- Upgrade of the exchange module at ATM level.
- Installation of 5 new ATMs.
- Replacement of 10 obsolete ATMs.
- Replacement of 100 obsolete PSOs (electronic payment terminals) and installation of 253 new ones.
- Configuration and set up of the new school enrollment card.
- Active participation with the banking community in the choice of the national mobile payment solution. This is to diversify the means of electronic payment within the framework of the decashing project initiated by the regulator and the supervisory authorities.

Dinar Back Office

- Optimization and reduction of processing times for mass transfers of civil servants' salaries.
- Active participation in the national project to overhaul the tele-clearance system to achieve instant payments (transfers and checks).

OPERATIONAL ORGANIZATION & EFFICIENCY

Highlights for 2018:

01	<p>Launch of the «Webank» offer, redesign of new client relationships processes, product sales and reengineering of contact center processes.</p>
02	<p>Capacity building in terms of a business intelligence information system.</p> <p>In order to harmonize its management tools and capitalize on its database, the Bank put in place a technical architecture supporting the centralization of data relating to commercial activity affecting all customer segments. The various users receive feedback on the monitoring indicators on a daily basis.</p> <p>In addition, the scope of the business intelligence information system also incorporated indicators for monitoring the behavior of central processes having an impact on the customer experience.</p>
03	<p>Improved international transaction processing tools for better tracking and optimized response time.</p> <p>The major mechanisms for processing international transactions were optimized with a view to simplification, by eliminating tasks with low added value for customers and by automating those that generated additional time.</p>
04	<p>Improvement of the study process for consumer credit eligibility to strengthen the quality of agency advice and customer support.</p> <p>The major objective of the project was to reduce the time taken to process consumer credit. The Bank adopted an improvement approach aiming at implementing a streamlined operation and at strengthening operational steering capabilities, which is now run in real time. These new provisions are likely to adapt to the expectations of customers in terms of service quality.</p>
05	<p>Expansion of the functional coverage of the information system to support processes.</p>

IT & INFORMATION SYSTEM

- Reinforcement of the security system on the Web sites (Webbank, Real Time, Cash Management...), with the assistance of a certified external firm.
- Version upgrade of the antiviral solution.
- Secured remote access.
- Redesign of the entire SWIFT platform (secure solution compliant with international standards).

QUALITY

In line with the Quality Leader program, the Bank has been involved in improving customer services, optimizing deadlines and monitoring the various KPIs, particularly by favoring proximity to the various stakeholders.

The objective is to best ensure customer satisfaction by implementing the following:

A Customer focus system

This system aims to improve perceived quality, better retain customers by increasing their loyalty and reducing their attrition.

This system tracks customer experience as well as the level of satisfaction, in order to identify areas for improvement and actions to be undertaken:

- Annual barometer of customer and employee satisfaction.
- Mystery visit.
- Series of surveys on the spot covering the key elements of the customer experience.

Periodic analysis of indicators and support

A Quality dashboard makes it possible to group the main indicators related to the most important processes (credits, claims, international transfers, Cards...).

The quality indicators are shared with the various stakeholders and are closely monitored.

The Quality Module was integrated into the training curriculum of the various business lines of the Bank.

It should be noted that the majority of Quality KPIs have been improved compared to the previous year, namely the credit release rate, the account / record discrepancies, the allocation rate, the card acceptance rate and the credit notification period.

Follow-up of «Privilege» commitments

The privilege reporting focuses on meeting the commitments related to the «Privilege» offer, namely:

- The notification of consumption credits in 24h.
- The notification of real estate loans in 24h and the release of funds in 24h.
- The receipt of electronic payment cards in 6 working days.
- The execution of international transfers in 24h.
- Processing calls through a dedicated number in less than one minute.

Reporting of the new digital bank: « Webank »

- Definition of the main monitoring indicators of online banking.
- Implementation of the main indicators for monitoring the processing quality in the digital back office.
- Daily follow-up of the evolution of new client contacts (in its launch phase).

EXTERNAL COMMUNICATION

To adapt to the new lifestyles and uses of its customers, the Bank caught on to the trend of the digital revolution to develop its communication and strengthen proximity with its customers.

The Communication Strategy was redesigned to combine events, traditional media and digitalization.

The Bank's social media was strengthened by the launch of the LinkedIn network to further promote exchanges with customers, including professionals and improve the visibility of its offers.

Innovative and increasingly digital campaigns

- Campaign for Tunisians living abroad.
- Campaign for the promotion of transfers in partnership with Western Union.
- Launch campaign for the «Light Card» school enrollment card.
- PRO VSB campaign on the occasion of the allocation of an envelope of 150 Million Dinars for the financing of professionals and Micro-companies.

The hallmark campaign of the year is that of «Webank», launched to announce the new digital bank «Webank by Attijari bank». It is an integrated communication campaign (urban billboards, radio, web, social networks ...). It was awarded twice during the contest of the best campaigns of the year «Les Pros d'or 2019», for the relevance and effectiveness of its media strategy and for the originality and creativity of its brand.

Active participations in several economic events

The Bank has been a partner in several major events in various areas, including digitalization and development in Africa, such as «**the Africa Blockchain Summit**» organized by the Central Bank, combining the technological dimension with the African dimension. An event that was largely attended by governors of African central banks.

In addition to this summit, and to promote its business support services internationally and especially in Africa, the Bank was the partner of the «**African Economic Forum**» organized by the Ministry of Commerce under the patronage of the President of the Government.

The objective of this forum was to promote South-South partnership and boost economic exchanges between African countries, consolidate economic relations through networking, strengthen the dialogue between the various representatives of the public and private sectors in African countries and mobilize all the actors towards a better African integration.

Initiatives launched for Startups

The Bank supported several start-up initiatives and launched the «QuickStart by Attijari bank». Two editions of this event have already been organized in 2018 in Tunis and Sfax. The objective is to promote Startups and their relationship with companies that are capable of developing business partnerships.

This initiative confirms the Bank's willingness to open up to innovation, build momentum in the startup ecosystem and participate, to some extent, in regional development.

COMPLIANCE

2018 was marked mainly by continued exceptional efforts of the Bank and its subsidiaries to comply with regulatory requirements in particular; BCT circular 2017-08 of 19 September 2017 on strengthening the internal control rules for the management of LAB-FT risk (Anti-money laundering and Counter the Financing of Terrorism) and the CTAF directive N ° 2018-10 on the identification of the beneficial owner.

The compliance system was indeed strengthened in several areas:

The fight against money laundering and financing of terrorism

The anti-money laundering system was supplemented by the following actions:

- The introduction of self-assessment for the measures taken to identify and understand the money laundering and terrorist financing risks to which the Bank is exposed, taking into account risk factors such as the profile of clients, countries or geographical areas, products, services, transactions or distribution channels.
- The development of the LAB-FT risk mapping with an appropriate action plan.
- Improvement of the daily operational efficiency of the system by means of periodic evaluation via reporting and indicators.

Regulatory Compliance

New due diligence measures were taken to comply with regulatory requirements:

- The introduction of a range of internal procedures reinforcing due diligence measures for customers and transactions including the measures governing the freezing of terrorist assets.
- Update of the LAB-FT Procedures Manual and new customer management policy.
- The compliance of the marketing process of the Bank's products for the benefit of Tunisians living abroad.
- Assistance and advice to the various structures of the Bank to comply with regulations and good practices.

Personnel Training

The Bank considers that training is the essential pillar and guarantor of the effectiveness of its LAB system. In this context, the choice was to provide continuous support to the personnel concerning the need to observe vigilance with regard to the current management of transactions and relations.

Training and awareness actions were consolidated at the academy level and remotely via our e-learning platform. At the regional level, targeted missions by population and by group were conducted to comply with the regulatory requirements for LAB-FT.

Support and process validation of the bank's new products and services

As part of the reinforcement of its multi-channel system, particularly the Web and mobile banking, compliance has ensured the adaptation of the offers presented through the related interfaces to regulatory requirements, particularly with regard to Webank.

Good Governance

Continuous support of the Bank's subsidiaries and pooling of tools and practices aimed at applying the same AML / CFT program through the training and implementation of due diligence measures for clients and transactions.

ETHICS

In line with the strategic program called «Excellence 2020», which aims to build the Bank of the Future, a field support system for headquarters units and branches was implemented to promote and anchor the Group's values. It was enhanced by a specific training course in ethics provided to the different professionals of the Bank.

In fact, the observance of the Group's values leads us to be exemplary in terms of the commitments we make, especially in the interest of our customers, and contributes to creating an essential bond of trust with them. First and foremost, our key principles are professional secrecy and the vigilance attached to everything entrusted to us.

Besides, the Bank's ambition for 2020 lies at the crossroads of two requirements: on the one hand, realizing the new commercial impulse, to improve the operational model and to carry out the digital transformation and on the other hand to appear as a reference, a good example to follow, for the quality of adopted practices and the ethical behavior of its staff.

In addition, the year 2018 was marked by:

- The promulgation of sector codes of ethics via the APTBEF website.
- The launch of the insider code project in conjunction with the Group's Code of Conduct.
- The development of a Disclosure Policy Project

LOGISTICS & BANKING SECURITY

1/ Development of branches/headquarters

2018 was marked, on the one hand, by the major overhaul of 8 former branches and on the other hand, by the completion of the reconstruction of the «Barcelona» building and the start of the construction of the «La Goulette» building.

Significant attention was paid to the signage, hence the installation of 4 signs on carpentry at the headquarters and the renovation of the signs of 12 branches.

In addition, as part of the energy saving project and of improving the quality of life at the branch level, relamping in LED lighting was carried out in several branches.

2/ Generalization of the biometric punch clocks in the whole network.

3) Simulation of an evacuation drill at the headquarters.

4) Development of relations between Logistics and Retail Banking through a service agreement to optimize the processing system «Help Desk Logistics».

SUBSIDIARIES

ATTIJARI LEASING



2018 was the second year of the implementation of the strategic plan, mainly characterized by the following actions:

- Reinforcement of the Group's synergy strategy, now exceeding 30% of the inflow from the Bank's network, as well as the consolidation of the company's market share, reaching around 14%.
- Implementation of KPI monitoring, analysis and continuous improvement of response time to improve the quality of provided service.
- Launch of the company's digitalization program with a first phase consisting in redesigning and boosting the website.

Other highlights of 2018 equally include:

- The renewal of the ISO 9001 V2015 certification for the period 2018-2020, with an extension of this certification to two new Attijari leasing agencies: «Rades» and «Tamayouz».
- The launch in October 2018 of a customer satisfaction survey through a recognized statistical studies firm. The overall satisfaction level of the different services provided by Attijari Leasing was 93%.
- The renewal of the MSI 20000 (Market Standard Indicator) certification by Maghreb Corporate. This certification is related to the financial management of the company and its main financial aggregates.
- The organization of the ALM committees in collaboration with the Finance & Control Department of Attijari bank.
- An improvement of the company's internal control system covering the following two aspects:

Establishment of the regulatory system provided for by the circular 2018-09 for strengthening the internal control system in the fight against money laundering and the financing of terrorism.

Reinforcement and harmonization of the 1st and 2nd levels control system with AWB Group Internal Control standards.

- The signature by all the staff of a computer security charter.

With regard to social and societal initiatives, the following actions were undertaken:

- Participation in a solidarity action aimed at the poor and victims of bad weather (floods) that affected the region of Cap Bon.
- The organization of a two-day special action for the women staff of the company on the occasion of the World Women's Day.

ATTIJARI GESTION



Despite a difficult context of UCITS outstandings (-9.3%) to 3,956MTND* in December 2018, Attijari Gestion recorded a net improvement of 7.6% of its assets under management at 169.1MTND, thanks to a stronger synergy with Attijari bank, representing a market share of 4.2%.

Attijari Gestion was able to maintain its third place out of the eight management companies in the field and its eleventh place out of twenty-eight managers.

• ATTIJARI OBLIGATAIRE SICAV

Created in May 2000, ATTIJARI OBLIGATAIRE SICAV, is an investment managed by Attijari Gestion which favors safety offering its client a stable yield against a low risk. Attijari Obligataire SICAV closed 2018 with a net asset of 122.6MTND (+4.9%)*.

• ATTIJARI PLACEMENTS SICAV et ATTIJARI VALEURS SICAV

Both mixed SICAVs managed by Attijari Gestion are undergoing early dissolution.

• ATTIJARI FCP CEA

The mutual investment fund closed the year 2018 in the first place on the Tunis Stock Exchange with a yield of (+ 17.8%)* outperforming the Tunindex yield (+ 15.8%). Its net assets increased by 133.5% to 25.5MTND.

• ATTIJARI FCP DYNAMIQUE

The mutual fund achieves a yield of (+15.2%)* in 2018 and is the largest institutional investor in the market. Attijari FCP Dynamique closes 2018 with an outstanding amount of 19.7MTND, representing an increase of 13.7%

ATTIJARI FINANCES TUNISIE



During FY 2018, Attijari Finances achieved a turnover of 1 110 950 TND.

Attijari Finances managed to finalize and close three strategic operations carried out on behalf of Al Karama Holding within the framework of a consultancy and assistance mandate relating to the sale of holdings owned by the Tunisian State in a confiscated company and on behalf of two large Tunisian private groups for two mandates of consultancy and assistance in mergers and acquisitions.

As for the bond market, Attijari Finances supported Attijari bank and Attijari leasing in two bond issues for a global amount of 140 MTND.

At the national level, Attijari Finances is conducting seven large-scale operations, including four privatization mandates with the Tunisian State and three mandates to open up the capital of three Tunisian economic operators working in various sectors of activity. The closing of these seven transactions is expected in fiscal year 2019.

At the international level, Attijari Finances is supporting a leading Egyptian operator in renewable energy as part of a fundraising operation, as well as a French operator in information and communication technologies in the framework of its capital opening. The closing of these two operations is expected to be completed during the first half of 2019.

* «UCITS' structure as of 31.12.2018». Source: The Financial Market Council.

ATTIJARI SICAR



2018 was characterized by a significant growth of all performance indicators, in terms of fundraising and investments, as well as the profitability of the activity.

In this context, Attijari Sicar continued its mission of financing and supporting SMEs, making 9 new investments directed mainly to industry and services. As a result, outstanding investment rose by 51% in 2018.

At the level of venture capital fundraising, outstanding funds under management rose by 63% compared to 2017, which confirms the improvement of Attijari Sicar's positioning in the private equity landscape in Tunisia.

Thanks to income diversification and improved return on investments, fiscal year 2018 was closed with a net profit of 1,008,974 dinars reflecting an increase of 56% compared to 2017.

In addition, and as part of its efforts to popularize private equity and contribute to its development in Tunisia, Attijari Sicar actively participated in the committee work of the Tunisian Association of Capital Investors and sponsored the annual conference on capital investment. Besides, and in order to ensure proximity with the project leaders, a website www.attijarisicar.com.tn was put online in 2018.

ATTIJARI INTERMÉDIATION



The Tunis Stock Exchange, TUNINDEX, ended the year 2018 on a positive note with a rise of 15.76%. The stock market also contributed to financing the economy by raising an amount of 603 MTDN divided between 129.6 MTND in capital transactions, 451 MTND in bond issues and 22.4 MTND in equity securities.

In the secondary market, Attijari Intermédiation ranked second in terms of volumes traded on the stock exchange. The volumes processed by Attijari Intermédiation in 2018 evolved to 963 MTD vs. 102 MTD in 2017, bringing Attijari Intermédiation's market share to 19% compared to 2.1% in 2017. In terms of listings, the volume achieved by Attijari Intermédiation increased by 96% up from 70 MTD in 2017 to 133 MTD in 2018.

2018 was marked by Attijariwafa bank's launch of Attijari Global Research (AGR), subsidiary dedicated to research with the mission of providing Multi-Assets and Multi-Zone coverage. In this context, the Analysis and Research Department of Attijari Intermédiation took part in this project, through its contribution to the coverage of the Tunisian market. In addition to daily publications, AGR Tunisia published two main innovative works, namely «The risk premium AGR», as well as an inventory and analysis of the main contributions of the Finance Act 2019, entitled "Trust, a Central Issue in the 2019 Finance Law".

GÉNÉRALE IMMOBILIÈRE DU SUD « GIS »



Real estate development during 2018 was marked by the effects of the economic and financial difficulties of the country which hit the sector hard.

In this context, GIS was able to achieve a decent turnover and the following relative performances:

- Significant level of activity;
- Significant reimbursement of the real estate pre-financing loan;
- Significant progress in closing the markets and various lots;
- Serious start of the studies on the Ettahrir land;
- Continued sale of premises (nearly 90% as of 31/12/2018 compared to 83% the previous year).

GÉNÉRALE TUNISIENNE DE L'INFORMATIQUE « GTI »



Following the packaging of its solutions, GTI continued in 2018 delivering on both the technological aspect and the process and functional aspect. The main strategic package solutions are:

- Digital Banking (E-Banking, E-Crédit, E-Bourse, E-Trade);
- Portail Arena;
- Agora Bourse.

Attijari bank Tunisie

2018 recorded the completion of various works to upgrade the information system of the parent company. It basically concerned:

- The work on the evolution of custodian and multi-currency accounting systems;
- The participation in the framing work of the Delta Upgrade.

Groupe Attijariwafa bank (AWB)


Implementation of defect records database and integration work of ANADEFI internal rating solution at the following subsidiaries:

- Senegal (Compagnie Bancaire de l'Afrique Occidentale (CBAO) / Crédit du Sénégal (CDS)) ;
- Cameroon (Société Camerounaise de Banque (SCB)) ;
- GABON (Union Gabonaise de Banque (UGB)) ;
- Congo (Crédit du Congo (CdCo)).

Implementation at Attijariwafa bank Egypt of the IDC system, the defect records database and ANADEFI integration.

Implemented Work and Actions for «Other Customers»

- E-Banking ;
- Ulysse Trade ;
- Serge ;
- Bancassurance ;
- Arena Contentieux ;
- SWIFT (Migration to SWIFT 2018 new standards).

A background image showing a business meeting. A person in a dark suit is seated at a light-colored wooden table. Their hands are visible; one is gesturing while the other rests on a tablet. The tablet screen displays a dark interface with various charts, including a bar chart and a pie chart. A laptop is also open on the table. A semi-transparent dark diagonal band runs across the image, serving as a backdrop for the text.

04

ACTIVITY & RESULTS



ATTIJARI BANK KEY FIGURES

KEY FIGURES

INDICATORS (in millions of dinars)	2018	2017	2016
ACTIVITY			
Client deposits	6 760.8	6 001.6	5 460.3
Client loans	5 440.2	5 206.7	4 477.4
Capital base			
Total balance sheet	8 568.6	7 818.2	6 868.8
Share capital	203.7	198.7	198.7
Equity	635.5	538.1	487.7
RESULTS			
Net banking income	436.4	361.9	317.0
General expenses	204.9	171.8	158.5
Gross Operating Revenue	231.5	190.1	158.4
Net profit	144.9	129.8	107.1
RATIOS			
Return on Equity (ROE) (%)	29.54	31.77	28.13
Return On Assets (ROA)	1.69	1.66	1.56
Operational coefficient (%)	46.9%	47.5%	50.0%
Deposits / staff (in million Dinars)	3.91	3.44	3.11
Client loans / staff (in million Dinars)	3.14	2.98	2.55
STOCK MARKET INDICATORS			
Share price as of December 31 st (in TND)	41.000	36.400	27.390
Profit per share (in TND)	3.557	3.264	2.694
Price Earnings Ratio (PER)	11.526	11.151	10.168
MEANS			
Bank Staff	1 730	1 745	1 757
Network	207	207	203

BANK ACTIVITIES

CUSTOMER DEPOSITS

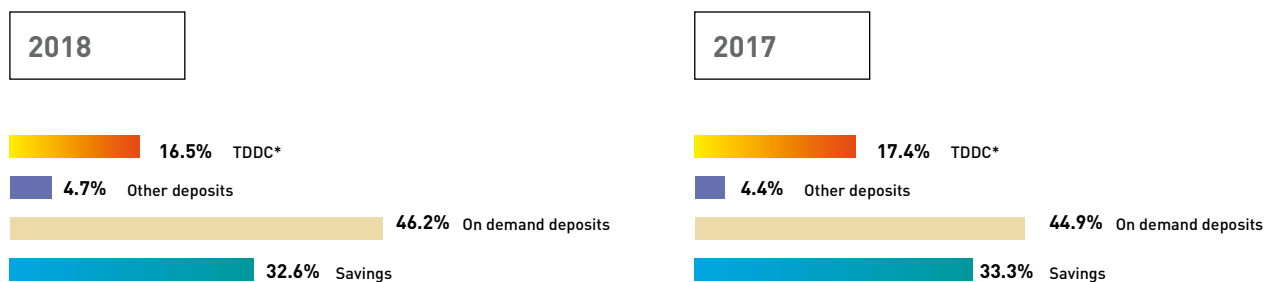
At the end of 2018, customer deposits grew by **12.6%** i.e. an increase of **759.1MTND**, rising hence from **6 001.6MTND** to **6 760.8MTND** as of 31.12.2018.

(in MTND)	Dec-18	Dec-17	Variation in MTND	Variation in %	Dec-16	Variation in MTND	Variation in %
Customer deposits and assets	6 760.8	6 001.6	759.1	12.6	5 460.3	541.3	9.9
On demand deposits	3 123.1	2 692.5	430.5	16.0	2 345.2	347.4	14.8
Savings	2 201.1	1 997.7	203.4	10.2	1 823.2	174.5	9.6
Term deposits	982.5	988.4	-5.9	-0.6	998.2	-9.8	-1.0
Deposit certificates	134.5	56.5	78.0	138.1	86.5	-30.0	-34.7
Other deposits	319.7	266.5	53.1	19.9	207.3	59.3	28.6

The evolution of deposits in 2018 can be explained mainly by:

- A **16.0%** increase of on demand deposits to reach **3 123.1MTND** at end 2018 as opposed to **2 692.5MTND** a year earlier, i.e. an increase in volume of **430.5MTND** ;
- An increase of **10.2% (+203.4MTND)** of savings deposits growing from **1 997.7MTND** as of 31.12.2017 to **2 201.1MTND** as of 31.12.2018 ;
- A decline in term deposits of **-0.6%** to stand at **982.5MTND** at end 2018 ;
- An increase of 138.1% of deposit certificates, growing from **56.5MTND** at end 2017 to **134.5MTND** as of 31.12.2018 i.e. an increase in volume of 78MTND.

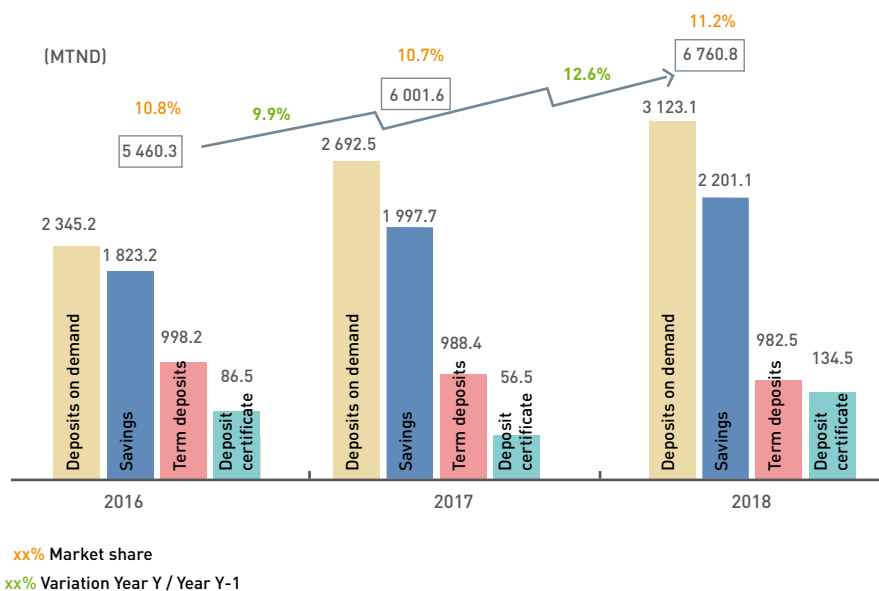
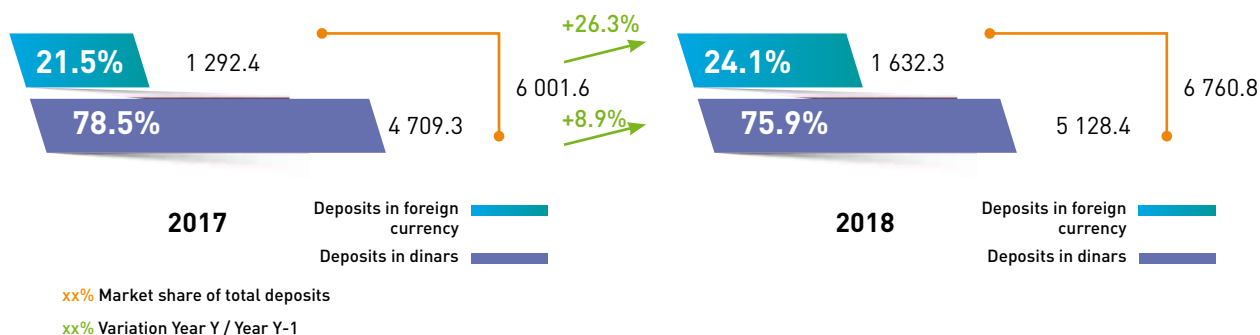
STRUCTURE OF CUSTOMER DEPOSITS



* TDDC: Term Deposits and Deposit Certificates

The volume of currency deposits grew by 26.3% in 2018 compared with the previous year.

Deposit distribution by type of currency is broken down as follows:



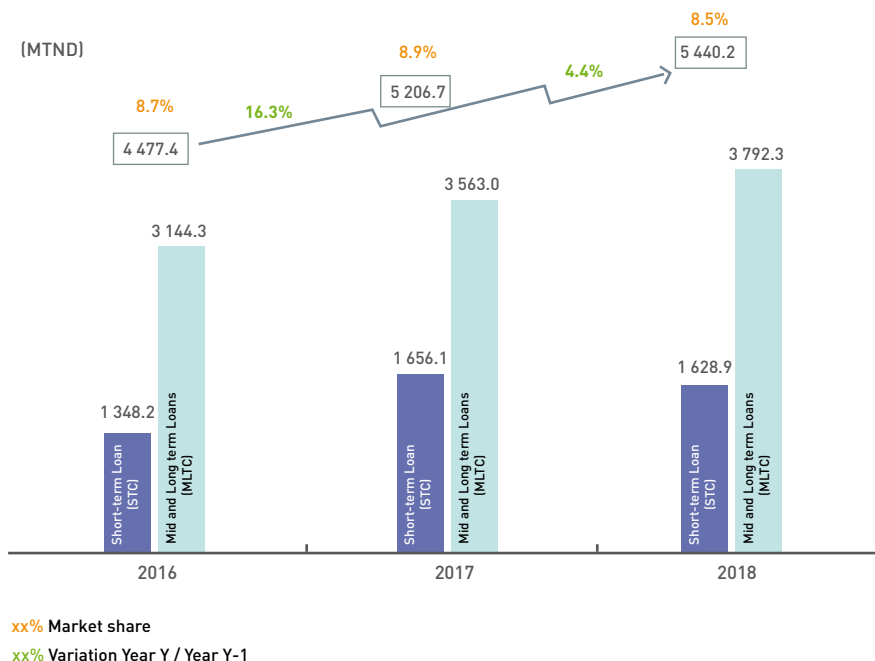
Market share calculated based on the indicators of the following banks (BIAT, Amen Bank, BT, UIB, UBCI, ATB, STB, BNA and BH).

GROSS CUSTOMER CREDITS

As of 31.12.2018, the bank reached a total outstanding of **5 440.2 MTND** against **5 206.7MTND** representing an increase of **4.4%** in comparison with FY 2017.

[in MTND]	Dec-18	Dec-17	Variation		Dec-16	Variation	
			in MTND	in %		in MTND	in %
Gross customer credits	5 440.2	5 206.7	227.1	4.4	4 477.4	729.4	16.3
<u>Including</u>							
Short term credits	1 628.9	1 656.1	-27.2	-1.6	1 348.2	307.9	22.8
Mid and long term credits	3 792.3	3 563.0	229.3	6.4	3 144.3	418.8	13.3

This growth is mainly attributable to the increase in medium and long-term credits **by 229.3MTND (+6.4%)**. As for short-term credits, they decreased by **27.2MTND (-1.6%)**.



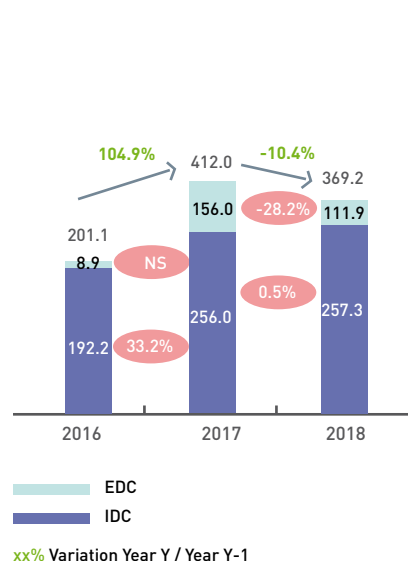
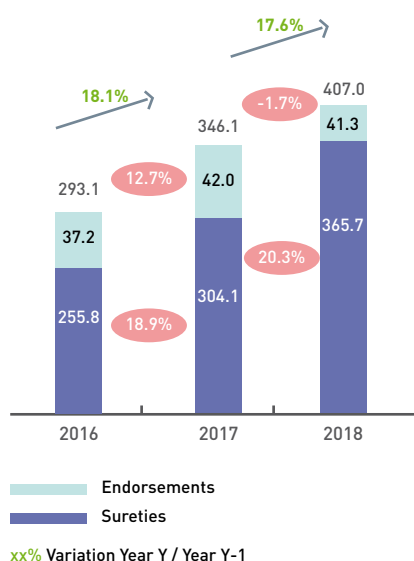
SIGNATURE COMMITMENTS

The volume of signature commitments increased by **2.4%** to reach **776.2MTND** at the end of 2018.

Documentary credits decreased by **42.8MTND** i.e. **-10.4%** growing from **412.0MTND** in 2017 to **369.2MTND** in 2018. This drop is explained by the drop in export documentary credits of **44MTND** and a slight increase of import documentary credits (+0.5%).

Endorsements went down by **1.7%**, while sureties increased by **20.3%**.

Signature commitments are represented in the graph below :



SURETIES AND ENDORSEMENTS

DOCUMENTARY CREDITS

LOANS AND SPECIAL RESOURCES

Outstanding loans and special resources increased by **18.3%** to reach **215.3MTND** at the end of 2018 compared to **182.1MTND** the previous year.

EQUITY

Equity in FY 2018 reached **635.5MTND** compared to **538.1MTND** in 2017, representing an increase by **18.1%**.

SECURITIES PORTFOLIO

The outstanding commercial portfolio at end 2018 stood at **150.3MTND** compared to **417.5MTND** the year before. The investment securities portfolio reached a total of **803.6MTND** compared to **587.4MTND** at the end of 2017.

FIXED ASSETS

Fixed assets net of depreciation recorded a decrease of **-3.2%** amounting to **129.7MTND** at the end of 2018 compared to **133.9MTND** at the end of 2017.

ATTIJARI BANK MARKET SHARE

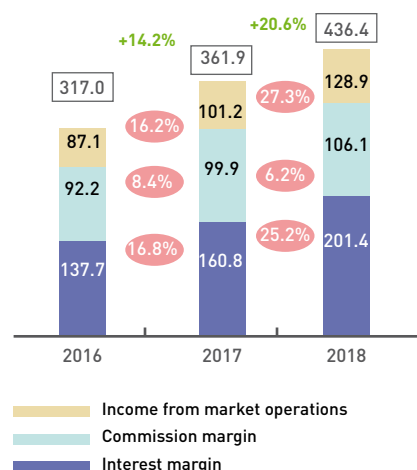
	Liabilities Dec. 18 InMDT	2018 / 2017 Evolution	Sector Evolution	Market share ¹	
				2018	2017
Customer Deposits and assets	6 760.8	12.6%	7.5%	11.2%	10.7%
Savings	2 201.1	10.2%	9.0%	12.0%	11.9%
Deposits on demand	3 123.1	16.0%	6.3%	13.5%	12.4%
Credits by draw-downs	5 440.2	4.4%	8.6%	8.5%	8.9%
Interest margin	201.4	25.2%	22.4%	9.3%	9.1%
Commissions margin	106.1	6.2%	11.2%	11.5%	12.1%
Net Banking Income	436.4	20.8%	17.0%	10.3%	10.0%

¹ The market share is calculated based on the indicators of the following banks (BIAT, Amen Bank, BT, UIB, UBCI, ATB, STB, BNA and BH).

RESULTS AND EVOLUTION OF THE ACTIVITY

NET BANKING INCOME (NBI)

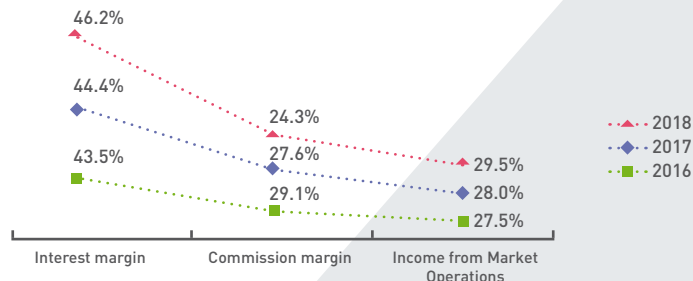
At the end of 2018, the net banking income reached **436.4 MTND** compared to **361.9MTND** in 2017 recording hence an increase by **20.6%**.



This evolution was mainly led by :

- The growth in interest and similar income by **34.8%**.
- Increase of interest rates incurred and similar expenses by **42.6%**.
- The rise of received commissions by **9.2MTND** reaching a volume of **114.1MTND** compared to **104.9MTND** in 2017.
- An increase of **27.7MTND** in market operations earnings mainly resulting from foreign currency improvement amounting to **26MTND**.

Developments in NBI structure:



GENERAL OPERATING EXPENSES

At the end of 2018, general operating expenses increased by **19.3%** to reach **204.9MTND** compared to **171.8MTND** in 2017.

A rise in staff costs (**64%** of costs) and of operating costs (**31%** of costs) respectively by **8.6%** and **56.4%**.

The cost to income ratio including depreciation improved, going from **47.5%** as of 31/12/2017 to **46.9%** at end December 2018.

NET INCOME

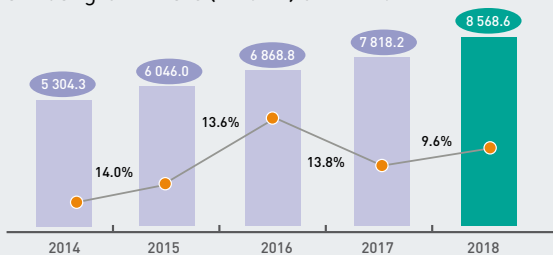
Gross operating income (GOI) increased by **21.8%** rising up from **190.1MTND** in 2017 to **231.5MTND** in 2018.

The 2018 financial year closed out with a net income of **144.9MTND** compared to **129.8MTND** in 2017 i.e. an increase of **15.1MTND (+11.6%)**.

PERFORMANCE EVOLUTION OVER THE PAST FIVE YEARS

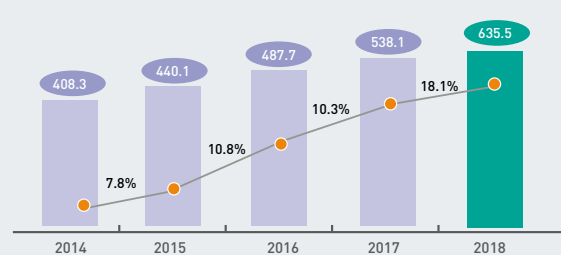
TOTAL BALANCE SHEET

At the end of 2018, the balance sheet totaled **8 568.6MTND** compared to **5 304.3MTND** at the end of 2014, i.e. an average annual growth rate (AAGR¹) of **12.7%**.



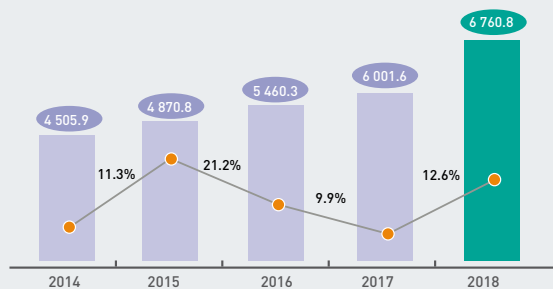
EQUITY

The Bank's equity recorded an AAGR of **11.7%** to reach **635.5MTND** in 2018.



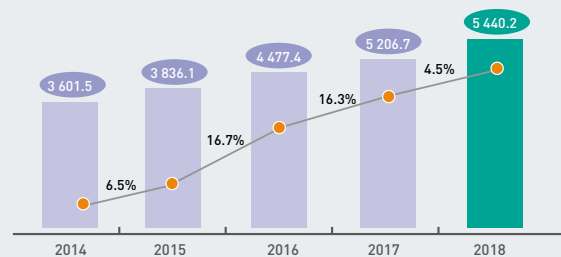
CUSTOMER DEPOSITS AND ASSETS

At 31st December 2018, customer deposits and assets amounted to **6 760.8 MTND** i.e. an AAGR of **10.7%**.



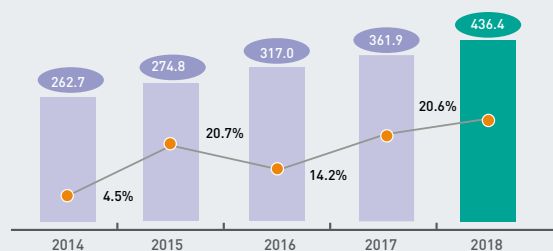
CREDIT LINES

Over the last five years, credit lines amounted to **5,440.2MTND** as of 2018 reaching an AAGR of **10.9%**.



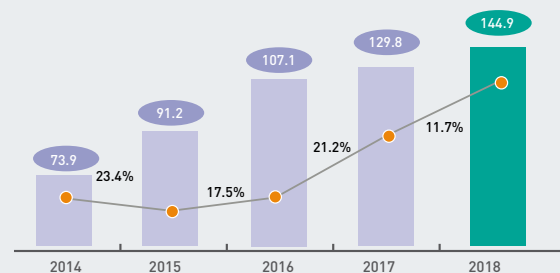
NET BANKING INCOME

Over the past five years, the Net Banking Income recorded a rise in annual average growth of **13.5%** going up from **361.9MTND** in 2014 to **436.4MTND** at the end of 2018.



NET INCOME

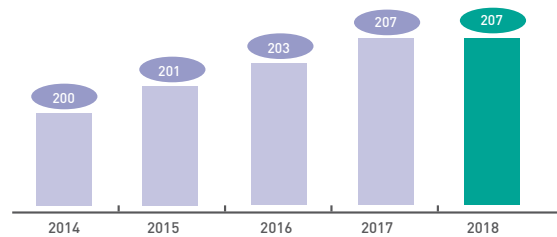
The net income showed an AAGR of **18.3%** to reach **144.9MTND** as of 31st December 2018.



¹Annual average growth rate from 2014 to 2018.

BRANCH NETWORK

Attijari bank maintained its network of 207 branches at the end of 2018.



MAIN RATIOS

in kTND		2014	2015	2016	2017	2018
Productivity	Deposits/staff	2 588	2 763	3 108	3 439	3 908
	Loans/staff	2 069	2 176	2 548	2 996	3 145
	NBI/staff	151	156	180	207	252
	Operations coefficient	51.5%	54.0%	50.0%	47.5%	46.9%
(in %)		2014	2015	2016	2017	2018
Profitability	Net income/NBI	28.1%	33.2%	33.8%	35.9%	33.2%
	Return on Equity	22.1%	26.1%	28.1%	31.8%	29.5%
	Return on Assets	1.39%	1.51%	1.56%	1.66%	1.69%
(in %)		2014	2015	2016	2017	2018
Risk	Liquidity ratio	111.5%	313.7%	323.9%	118.7%	199.8%
	Solvency ratio	10.93%	10.82%	10.66%	11.68%	12.15%
	Rate of classified assets	8.7%	7.8%	6.9%	5.9%	6.6%
	Coverage rate for classified Assets*	84.9%	89.7%	91.0%	94.4%	89.0%

* Reserved Provisions and Bank commissions / Classified assets.

A man in a dark suit stands on a concrete ledge, looking out over a city at sunset. The sun is low on the horizon, creating a warm, golden glow. The city below is filled with lights, and the sky is a mix of orange and yellow. The man is seen from behind, with his hand raised to his forehead, shielding his eyes from the bright light. The overall mood is contemplative and aspirational.

05

**EQUITIES &
ATTIJARI BANK GROUP**



List of significant subsidiaries and associates as at 31 December 2018, is as follows :

Company's name	Activity field	Control in %	Capital in TND
Attijari Leasing	Finance lease	62.29%	27 500 000
Attijari Assurance	Insurance	55.00%	10 000 000
Attijari Intermédiation	Stock broker	99.99%	5 000 000
Attijari Recouvrement	Debt recovery	99.92%	1 000 000
Attijari Sicar	Risk capital investment	71.73%	26 455 500
Attijari Gestion	UCITS Management	99.88%	500 000
Attijari Immobilière	Real estate development within the framework of the purchase of mortgaged assets	99.98%	150 000
Générale Tunisienne d'Informatique	Information Engineering	66.25%	400 000
Attijari Obligataire SICAV	SICAV	0.03%	116 904 947
Attijari Finances Tunisie	Financial consulting	24.94%	1 000 000
Générale Immobilière du Sud	Real estate development	29.90%	3 000 000



06

SHAREHOLDERS

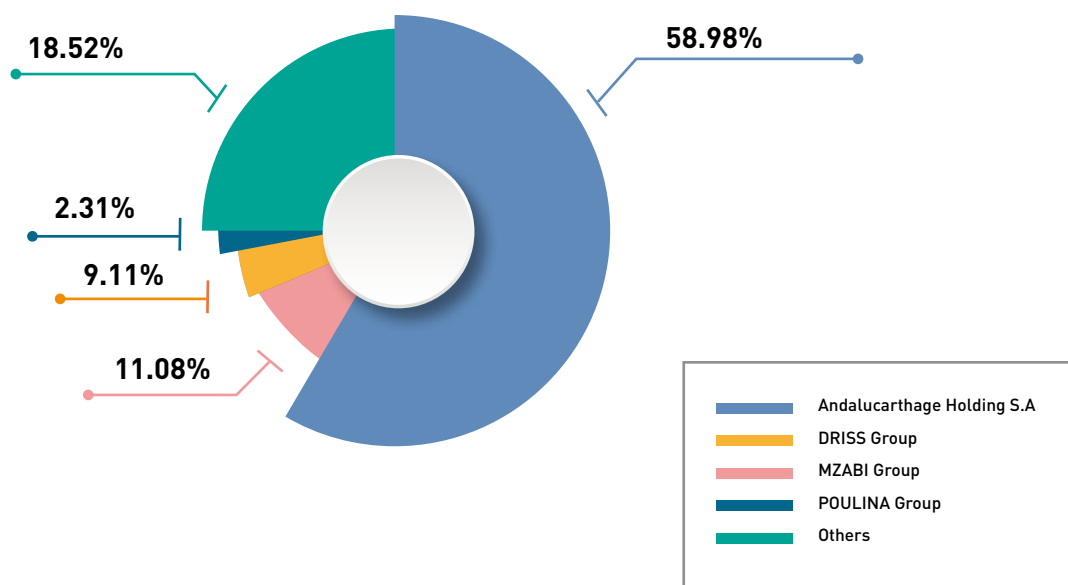


CAPITAL DIVISION

As at December 31, 2018 the Bank's capital was divided as follows :

Shareholders	Number of shares	Percentage
Andalucarthage Holding S.A	24 029 700	58.98%
MZABI Group	4 512 712	11.08%
DRISS Group	3 713 629	9.11%
POULINA Group	940 253	2.31%
Others	7 545 703	18.52%
Total	40 741 997	100 %

SHARE CAPITAL STRUCTURE AS AT 31.12.2018



THE SHAREHOLDING REFERENCE

Through the participation of the Andalucarthage holding, the Attijariwafa bank Group is the main shareholder that holds most of the voting rights and assures the control of the institution. Attijariwafa bank is the first financial and banking group in the Maghreb including the WAEMU (West African Economic and Monetary Union) and the CAEMC (Central African Economic and Monetary Community). In addition to the banking activity the Group operates in every financial profession through its specialized branches including: insurance, real estate credit, consumer credit, leasing, asset management, stock market brokerage, advisory services and factoring....

The Attijariwafa bank Group is based in Morocco and operates in 25 countries: in Africa (Tunisia, Senegal, Burkina Faso, Mali, Mauritania, Republic of Côte d'Ivoire, Congo Brazaville, Gabon, Cameroun, Togo, Niger, Benin and Egypt) and in Europe (Belgium, France, Germany, The Netherlands, Italy, Spain and the United Kingdom) through bank branches that are majorly controlled by the Bank as well as in Dubai, Riyadh, Geneva and Montreal through representative offices.

COUNTRIES OF PRESENCE



1. Germany
2. Belgium
3. Benin
4. Burkina Faso
5. Cameroun
6. Congo-Brazaville
7. Côte d'Ivoire
8. Egypt

9. Spain
10. France
11. Gabon
12. Italy
13. Mali
14. Morocco
15. Mauritania
16. Niger

17. Netherlands
18. United Kingdom
19. Senegal
20. Togo
21. Tunisia

Representative offices :

22. Saudi Arabia
23. Canada
24. EAU
25. Switzerland

20 125
collaborators

4 930
branches



07

ADMINISTRATION & MANAGEMENT BODIES



ADMINISTRATION AND MANAGEMENT BOARDS

THE BOARD OF DIRECTORS

- has the most extensive powers to act on behalf of the company and authorize all operations and acts related to its scope;
- ensures the effective supervision of the management of the Bank by the management body;
- ensures the proper functioning of the internal control system and the compliance control system;
- develops internal regulations for the company;
- sets the composition of all committees and appoints their members ;
- approves all mortgages, collaterals, delegations, guarantees etc, on the property of the company;
- authorizes any agreement entered into directly or indirectly or by an intermediary between the credit institution and persons related to it;



- convenes general meetings;
- adopts the individual and consolidated financial statements and the general and special management reports;
- authorizes acquisitions, exchange of goods and sale of goods;
- creates companies;
- sets the remuneration of the General Manager and Deputy General Manager(s).

The Board of Directors may delegate certain powers to the Chief Executive Officer of the Bank with the right to sub-delegation.



THE COMMITTEES ATTACHED TO THE BOARD OF DIRECTORS

- a. **Audit Committee** assists the Board of Directors in the exercise of its oversight responsibilities, ensures the proper functioning of the internal control system and supervises the activities undertaken in this area. It verifies the authenticity of the provided information and assesses the consistency of the measurement, monitoring and risk management systems. It is also responsible for proposing the appointment of the statutory auditor(s) and for giving its opinion on the audit programs and their conclusions.

- **Chair:** Mr. Ali KADIRI
Members: Ms. Zohra DRISS BOUSLAMA
Mr. José REIG ECHEVESTE
Mr. Jamal AHIZOUNE
Mr. Boubaker MEHRI
Mr. Ahmed Ismaïl DOUIRI

This Committee's Secretariat is provided by the General Audit.

- b. **Risk Committee** assists the Board of Directors in setting up a risk management strategy and is mainly responsible for giving its opinion on risk identification, measurement and control and for periodically evaluating the risk management policy and its implementation.

- **Chair:** Mr. Mohamed EL HAJJOUJI
Members: Mr. Mzoughi MZABI
Mr. Moncef CHAFFAR
Mr. Boubker JAI
Mr. Talel EL BELLAJ

This Committee's Secretariat is provided by the Global Risk Management.

- c. **The Nomination and Remuneration Committee** assists the Board of Directors in the design and follow-up of the policies in the nomination, the remuneration and replacement of the executives, senior managers, in recruitment and in managing situations of conflict of interest.

- **Chair:** Mr. Mohamed EL KETTANI
Members: Mr. Boubker JAI
Mr. Jamal AHIZOUNE

This Committee's Secretariat is provided by the Human Capital.

GENERAL MANAGEMENT



Hicham SEFFA
The Chief Executive Officer

The general management is entrusted to a General Manager appointed by the Board of Directors for a fixed term. The General Manager's mission consists in:

- Ensuring the day-to-day management of the company ;
- Exercising the powers delegated to him by the Board of Directors;
- Implementing the general policies of the Bank.

The General Manager can be assisted by one or several deputy general managers. They are appointed by the Board of Directors upon proposal by the General Manager and the Nomination and Remuneration Committee. The General Manager can delegate all or some of his powers to his deputies and colleagues among the officers and managers of the Bank.

THE BODIES ATTACHED TO THE GENERAL MANAGEMENT



1 - Fayçal LAZRAK
Deputy General Director in charge of support services

2 - Kamel HABBACHI
Deputy General Director in charge of retail banking

3 - Salah JBARA
Head of Human Resources

4 - Mohsen BOUZID
Head of Collection, Litigation & Law

5 - Slim KHANFIR
Head of Corporate Banking

Management Committee

The Management Committee, a body of exchange and consultation, assists the General Manager in steering the overall performance of the Bank and implementing the strategy decided by the Board of Directors.

This Committee meets weekly with the heads of the bank's divisions. Called to have an overview of the operational activities in the various sectors, it is involved in the management of major strategic projects and proposes the questions to be submitted to the Board of Directors through a collegial approach.

Executive Committee

The Executive Committee oversees the implementation of the annual action plans and their attached budgets and monitors the development of the Bank's activity and the achievement of its objectives. It also ensures the consistency of the internal and external communication policies.

Central Credit Committee

This Committee reviews all loan applications and issues decisions to grant loans of which the amount exceeds 1 Million TND. The applications are presented by the Directorate of Global Risk Management in the presence of the sales teams. It is chaired by the General Manager and meets once a week.

Market Risks Committee

The Market Risks Committee (CRM) is the internal decision-making body and monitors market risks in all their forms.

It issues opinions on the types of operations to be handled as well as on their ceilings. These opinions are submitted to the different committees under the Board of Directors.

Committee of Classified Assets

The Classified Asset Monitoring Committee is an internal decision-making body with the following missions:

- Review and discussion of annual recovery forecasts;
- Review of the distribution of the portfolio of classified receivables between recovery units;
- Monitoring of achievements and recovery forecasts (standardization, declassification, etc.);
- The validation of the class adjustment proposed by the recovery units;
- The development of a monthly update on classified assets and recovery.

It meets every month and brings together the main heads of commercial functions, the head of Judicial Collections, the head of Amicable Recovery, the head of Finance and Control and the head of GRM.

Recovery Committee

The purpose of the Recovery Committee is to decide on proposals concerning the following:

- consolidation or rescheduling;
- transfer of original accounts to litigation;
- account final settlement.

It meets every two weeks and brings together the main heads of commercial functions, the head of the GRM, the head of Finance and Control and the heads of Recovery.

Operational risk Central Committee

The Operational Risk Central Committee sets the Operational Risks policy and is responsible for its follow up. It sees to the implementation of the tools for the detection and evaluation of exposure risks and ensures their effective deployment.

The Committee meets every quarter with the heads of the Business Units' and of the audit and control structures.

Internal Control Coordinating Committee

The Internal Control Coordinating Committee is a body that monitors the implementation of the recommendations. This Committee allows the various control functions to take stock of their activities with a view to ensuring an optimal level of consistency and efficiency of their action.

Every quarter and whenever the need arises, the Committee brings together all the heads of the sales and support entities and the heads of the control structures: Permanent Control, Compliance Control, Internal Audit and Special Affairs.

New Products Committee

The New Products Committee is an internal decision-making entity with the mission of approving or not the implementation or the sale of a new product or service.

It brings together the heads of business lines and support functions.

The Committee's Secretariat is provided by the Department of Organization and Operational Efficiency.

ALM Committee

The ALM Committee measures and manages the global, balance sheet risks related to interest rates, liquidity and foreign exchange. It sets guidelines aiming at optimizing equity.

It is chaired by the General Manager and brings together each quarter the main heads of commercial functions, the Head of the Investment Bank, the Head of the Capital Markets, the Head of GRM and the Head of Finance and Control.

EXTERNAL AUDITORS

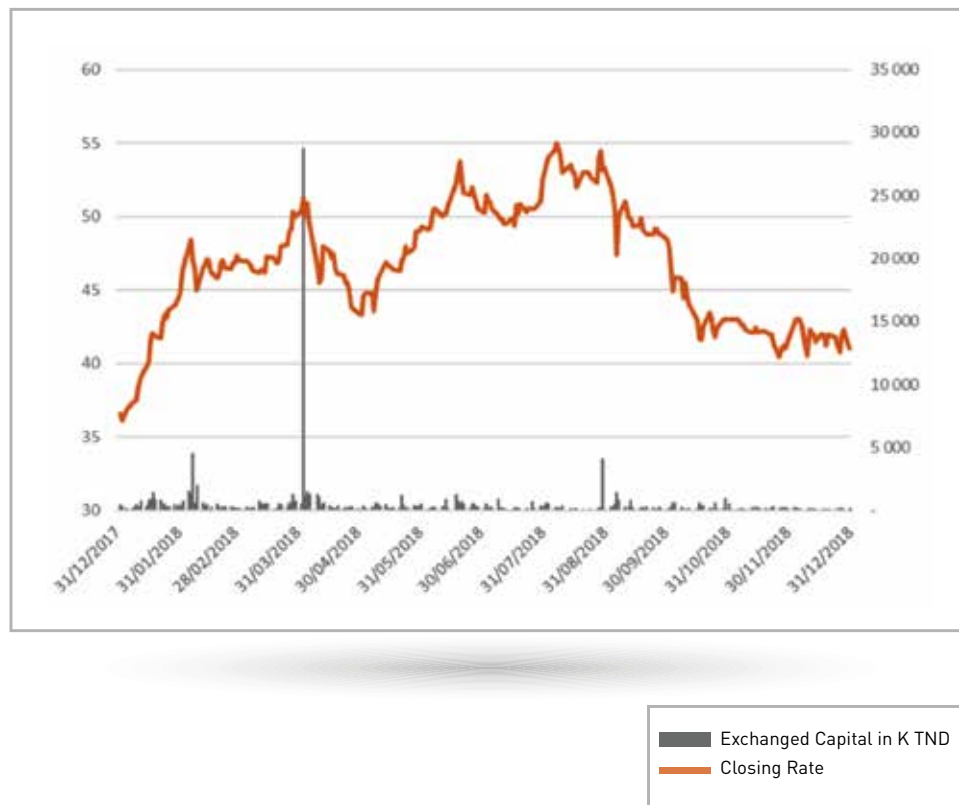
The external auditors appointed by the Ordinary General Meeting of April 26, 2019 are:

- Ernst & Young firm for 2018, 2019 and 2020.
- The firm «MS Louzir Member of the Deloitte Touche Tohmatsu network», represented by Mr. Mohamed Louzir as co-auditor for a period of three (03) years for the FY 2019, 2020 and 2021.



08

ATTIJARI BANK'S SHARE PERFORMANCE



ATTIJARI BANK'S SHARE PERFORMANCE IN FY 2018

Attijari bank's share increased by 19.18% (against + 40.20% in 2017) closing the year 2018 at the rate of 41.000 TND. The share rate thus outperformed, with Tunindex closing at + 15.76% and the «Banks» index at + 10.59%. Its highest point of the year was 55.200 TND and its lowest 35.800 TND.

On May 8, 2018, Attijari bank distributed a unit dividend of 1.200TND (down 40.0% compared to the previous year). In addition, Attijari bank carried out a capital increase on May 25, 2018 by capitalizing reserves amounting to 4.96 MTD and granted free shares on the basis of one (1) new share for 40 former shares, carrying dividend rights from FY 2018.

Attijari bank was among the most traded stocks on the stock exchange with 2,400,468 shares traded, for a total volume of 114.5 MTD.

A background image showing a business meeting. In the foreground, a hand in a light blue shirt sleeve points at a document on a desk. In the background, another person is visible, also in a light blue shirt, holding a red pen. The document has a world map and some text. Overlaid on the image is a network diagram with white circles and lines. A large, semi-transparent grey triangle is on the right side of the image.

09

ALLOCATION OF RESULTS



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 under legal 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 of the required level.
2. Reserves prescribed by the special legislation texts or by the by-laws, within the limits of the rates fixed therein.

From this distributable profit, 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 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 (5) years as of their maturity dates are time barred.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at 31 december 2018, the share capital amounted to 203 709 985 TND, represented by 40 741 997 shares with a par value of 5 dinars each, fully paid up.

Unit: k TND

	Capital	Reserves	Special reinvestment reserve	Other equities	Retained earnings	Income for the financial year	Total
Balance as of December 31st, 2018	203 710	140 025	80 000	3 646	63 232	144 931	635 544
Allocation approved by the Ordinary General Meeting of April 26 th , 2019		498	50 000		4 801	(55 299)	0
Dividends						(89 632)	(89 632)
Balance after the allocation of the 2018 result	203 710	140 523	130 000	3 646	68 033	0	545 912

A woman with long brown hair, wearing a dark blue business suit with a white collar, is shown in profile, looking down at a tablet device she is holding. The background is a textured, light grey wall. Overlaid on the image is a semi-transparent blue geometric shape (a large triangle) and a network diagram consisting of black lines connecting various nodes, some of which are represented by stylized human figures. The overall theme is professional and technological.

10

HUMAN RESOURCE MANAGEMENT



HUMAN CAPITAL DEVELOPMENT

Human Capital continues to enhance its resources with new well-targeted skills, notably through the recruitment of 51 new employees.

In 2018, two partnership agreements were signed with ESPRIT (Higher School of Engineering and Technology) and Paris Dauphine Tunis. This reinforces Attijari bank's position as an operational partner of private universities in general. It tries, indeed, to contribute to the academic, social and environmental fulfillment of the students from said universities. With this in mind, the Bank participated in the company forums launched by the two universities. These open days were an opportunity for students to apply for internships or possibly submit a CV.

Striving to strengthen its presence and brand image in the academic world, Attijari bank took part in the event "Falling Walls Lab Tunis", organized by ESPRIT. This is the first edition in Tunisia of a scientific event initiated in

Germany since 2009. The participation of Attijari bank was an opportunity to confirm its support to the development of innovation through an initiative called "Lab Innovation".

The year 2018 was also marked by the celebration of the academy day which coincided with the 10th anniversary of the establishment of Académie Attijari. On this occasion, 149 employees took part in the event and trophies were awarded to learners who have successfully completed their career courses.

In order to support employees in their career paths, 1,067 employees received at least one training during the year 2018. Various topics have been covered (compliance, new tax laws, digital transformation, etc.). As regards the network, sales managers received managerial training with personalized coaching to take greater ownership of the commercial charter and its deployment to all agents.

SOCIAL ACTIONS

As part of the Bank's policy aiming to consolidate its position as a citizen bank, Attijari bank has once again demonstrated its commitment to community and social actions aimed mainly at rural areas and targeting poor families. Social actions took several forms, namely:

- Monthly donations are granted to help the Tunisian association for support to deaf people "ATAS";
- A solidarity caravan for the benefit of the region of Kef (donations of mattresses + blankets + clothing ...) in collaboration with the Red Crescent;
- The rehabilitation of 6 houses in the delegation of THALA in the governorate of Kasserine;
- The acquisition of equipment and school supplies for two (02) primary schools in Nefza delegation attached to the governorate of Beja;
- A donation of 19 photocopy machines to the Ministry of Education;
- A financial contribution from the staff to the victims affected by the floods in the Cap Bon region.



INTERNAL COMMUNICATION

Internal communication has continued its mission of information and support with the main objective of bringing together all employees around the values and ambitions of the Group by developing communication between employees and the synergy between the business lines. The year 2018 was marked by the coverage of the actions that fall within the framework of the strategic program «Excellence 2020». This was carried out through the organization of events and the dissemination of written and

audiovisual information material on the intranet portal. Alongside these communication actions, other events were covered in an approach combining innovation and efficiency such as: the annual operating committee, the Day of the Academy, the International Women's Day Most implemented actions were followed for the most part by polls and opinion surveys aiming at involving employees, in order to improve their level of satisfaction.



11

INTERNAL CONTROL & GLOBAL RISK MANAGEMENT



INTERNAL CONTROL

PERMANENT CONTROL

In 2018, the Bank continued its plan to reinforce its control mechanism. First, it improved business lines by deploying a system of permanent monitoring of the two Central Entities namely Finance and Global Risk Management and at the level of the two subsidiaries of the Investment Bank: Attijari Intermediation and Attijari Gestion. New second-level controllers were appointed to better control the risks to which these business lines are exposed.

This was completed by a training program, within Attijari Academy, led by the Internal Control department to teach the

culture of permanent control to sales teams. This program focuses on the various operational and regulatory risks to which sales agents are exposed.

In addition, the management participated in meetings of the committees examining the implementation modalities of the strategic plan Excellence 2020. For an enhanced support of this transformation, remote control and IT controls started to be reinforced, to bring the control system in line with the Bank's digital transformation.

REGULAR CONTROL

The General Audit responsible for the Regular Control is the third line of defense, and ensures through its regular interventions the operation of other lines of defense, and makes recommendations for their improvement in the framework of its work. The General Audit mainly plays the following roles:

- Ensure the proper functioning of governance, permanent control and global risk management mechanisms, and provide its assessment of the adequacy and effectiveness of the processes put in place to control its activities and manage its risks by making proposals to improve their efficiency.
- Conduct periodic checks on the compliance of transactions and ensure that the risks incurred by each audited entity are identified and managed in an appropriate manner, and report significant issues related to the control and organization of the activities of the Bank and its subsidiaries.

The General Audit is responsible for Periodic Control for all entities of the Attijari bank Group. Its responsibilities, powers and position are defined in the Audit Charter, which gives it the necessary independence to carry out its responsibilities.

The General Audit results are communicated to the General Management and the Internal Audit Committee.

In addition, 2018 began with the implementation of a new internal organization that resulted in the attachment of the Special Affairs Instruction Unit to the Auditor General.

The 2018 audit plan was conducted in parallel with the launch of structuring projects for the General Audit:

- Update of the audit methodology and full documentation of the internal audit normative corpus;
- Enhanced Data Analytics capacity and improved fraud detection capabilities;
- Improvement of the monitoring mechanism dedicated to the implementation of audit recommendations with the implementation of dedicated dashboards - which also include anticipation indicators - through a reciprocal commitment between Audit and Audited units;
- Implementation of KPIs for better management of the General Audit program and of subsidiaries with a structure in charge of periodic control.

GLOBAL RISK MANAGEMENT

The key achievements of Global Risk Management in FY 2018 are the following:

1/ Improvement of the technical means allowing an improvement in terms of risk management, namely including:

- Operational implementation of Credit Scoring at the Credit Platform level as well as the optimization of the credit process through the «Operational Efficiency» project allowing better management and risk control.
- Implementation of a risk management procedure inherent to the trading room's activities, leading to the formalization of a general policy on market risk management, validated by the Bank's Risk Committee.
- Implementation of the notion of Business Group at the level of our information system.
- Upgrading of the Internal Rating System of companies and realization of the first Back-testing for the confirmation of the model's predictive capacity.

2/ Throughout 2018 the GRM focused on the following actions:

- Monitoring of the implementation of the prerequisites enacted by the Central Bank of Tunisia allowing the migration, by 2020 to a prudential framework in accordance with the established roadmap as well as with the Basel system.
- Monitoring and control of the Bank's risk indicators, which are among the best in the Tunisian banking system.
- Monitoring and control of the Bank's prudential ratios, all of which are respected and in compliance with the regulations in force.

3/ A sustained effort was made to improve the service quality internally, in particular with regard to processing times for credit files which helped to support the commercial effort for the sound development of the Bank's business.



12

**CORPORATE SOCIAL
RESPONSIBILITY**



ATTIJARI BANK PARTICIPATES IN THE PROMOTION OF EDUCATION

True to its tradition, the Bank continues to equip schools belonging to disadvantaged regions.

After its intervention in schools in many interior regions (Jendouba, Siliana, Kairouan, Gafsa, Kasserine, Takelsa, Zaghuan, Menzel Bouzalfa ...), Attijari bank brightened the 2018-2019 school year beginning in the primary schools of «Awled Gacem» and «Jbel Eddis» in Nefza, governorate of Beja.

All classrooms were equipped with two-seater tables, closets, desks, paintings and arrangement furniture. A

canteen was set up to create a suitable dining area with the necessary amenities. Schoolbags and school supplies were distributed to students of all levels in a friendly atmosphere.

In addition to the actions taken at the beginning of the year, the Bank intervenes at the end of the school year to reward top students and encourage them to persevere and go forward. To this end, Attijari bank awarded the most deserving students from the school «Saouaf» (Zaghuan) and «Jabouza» (Takelsa), offering them gifts.



AN ACTOR OPEN TO ITS ENVIRONMENT

Several actions have been carried out to provide help to the needy, like the actions launched with: the Tunisian association to support the deaf «ATAS», «SOS Village», «Houmet al Joumhouriya»...

For the third consecutive year, Attijari bank launched the usual solidarity caravan to help the poor and victims of the bad weather and the cold snap that hit the border area of Tunisia.

The caravan recorded a massive participation of staff through donations in kind and in cash. As for the Bank, it contributed with the purchase of mattresses and blankets.



The distribution of these donations to the affected persons was carried out and supervised by the Red Crescent.

Furthermore, in collaboration with local authorities and civil society, Attijari bank took the initiative in the Thala region to renovate six houses which were exposing the occupants to real danger, namely the risk of collapse of roofs. The Bank repaired these homes and provided equipment to all families: utensils, stoves, desks for schoolchildren, mattresses, blankets...



ATTIJARI BANK PROMOTES RESPECT FOR THE ENVIRONMENT

Attijari bank, Partner of «La Saison Bleue» (the Blue Season)

The Bank supported the Blue Season (La Saison bleue), a large-scale event promoted by the «Alliance Française de Tunisie», in partnership with the «Tunisian Institute of Strategic Studies» (ITES), the association «Notre Grand Bleu» (Monastir), «Business & Decision» and «Image & Action».

This event promoted the cultural, scientific, economic, tourist, environmental and, sports heritage of the Tunisian coast in all its forms, and was able to gather under one label, many initiatives or events highlighting the exceptional maritime potential of Tunisia.



Attijari bank Promotes the Use of Renewable Energy

As part of the national policy related to the development of renewable energy, Attijari bank signed a financing agreement for the national Prosol program (Prosol Thermique and Prosol Electrique) for an amount of 361 million dinars. This project, financed since 2007 by the Bank, is supervised by STEG and ANME.

This national program aims to equip households with solar water heaters and photovoltaic panels at preferential conditions. It will enable the participation of households to produce their own electricity from renewable energies and thus, to better control energy consumption and reduce greenhouse gas emissions.



ATTIJARI BANK ENCOURAGES ART AND CULTURE

Recognizing the importance of art and culture in the lives of citizens, the Bank sponsored for the third year in a row, the International Gafsa Festival.

It has also supported a number of cultural and artistic actions that contribute to the strengthening of social cohesion, such as the Sufi and Mystical Music Festival «Rouhaniyet», a play staged and performed by the Theater Club of Preparatory Institute for Literary Studies and Human Sciences of Tunis «IPELSHT», a Ramadan evening in the framework of the Festival of the Medina characterized by its African dimension...

ATTIJARI BANK PROMOTES CREATION AND TALENT

True to its tradition, the Bank devoted a large budget to buy a number of handicrafts, which it offered to its customers at the end of the year. It also made available to a dozen women artisans, for a week, a space in its headquarters, to display and promote their articles to the staff of the Bank.

This is a way for Attijari bank to bring its contribution, though small it may be, to the preservation and promotion of Tunisian heritage.

ATTIJARI BANK PROMOTES ENTREPRENEURSHIP

Attijari bank is a founding member of the «Injaz Tunisia» program, which aims to develop young people's skills, using cutting-edge techniques, enabling them to improve their employability and to be more efficient.

The Bank also supported the winning team that raised the Tunisian flag to the final of the «Injaz» international competition held in Kuwait. This team won the Best Business of the Year award.



For the 10th consecutive year, and as a founding member, Attijari bank continues to endorse the «Enactus Tunisia» program.



The Bank's contribution to these associations was not limited to a mere financial support. The Bank also adhered to a new concept: «Skills-based sponsorship» by encouraging its employees to give their time, on a voluntary basis, to supervise and train young people who participate in the various programs offered.

In addition to these actions, the Bank encouraged and supported several initiatives and actions in the field of entrepreneurship such as: «TEDx University of Tunis», «Africa Blockchain Summit», «IHEC Challenge»...





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FINANCIAL STATEMENTS



SECURITY



ONLINE SHOPPING



SOCIAL



GLOBAL



LOCATION

SEARCH



SMART PHONE

SOCIAL

INDIVIDUAL FINANCIAL STATEMENT

BALANCE SHEET

AS AT DECEMBER 31ST, 2018

(Unit : Thousands of Dinars)

		31/12/2018	31/12/2017
ASSETS			
AS 1 -	Cash and assets with the Central Bank, Post Office Accounts and Tunisian Treasury	1 311 535	577 960
AS 2 -	Credits to banking and financial institutions*	433 328	581 835
AS 3 -	Credits to clients*	5 440 168	5 206 731
AS 4 -	Commercial securities portfolio	150 329	417 461
AS 5 -	Investment portfolio	803 559	587 433
AS 6 -	Fixed assets	129 710	133 947
AS 7 -	Other assets*	299 939	312 850
	TOTAL ASSETS	8 568 568	7 818 217
LIABILITIES			
LI 1 -	Central Bank and Post Office Accounts	741 773	882 596
LI 2 -	Deposits and assets from banking and financial institutions*	26 512	15 453
LI 3 -	Deposits and assets from clients*	6 760 762	6 001 626
LI 4 -	Loans and special resources	215 345	182 103
LI 5 -	Other liabilities	188 632	198 304
	TOTAL LIABILITIES	7 933 024	7 280 082
EQUITY			
SE 1 -	Capital	203 710	198 741
SE 2 -	Reserves	220 025	169 849
SE 4 -	Other equity	3 646	3 646
SE 5 -	Profits carried forward	63 232	36 147
SE 6 -	Net profit	144 931	129 752
	TOTAL EQUITY	635 544	538 135
	TOTAL LIABILITIES AND EQUITY	8 568 568	7 818 217

(*) The data has been reprocessed for comparison purposes.

OFF BALANCE COMMITMENT STATEMENT

AS OF DECEMBER 31ST 2018

(Unit : thousands of Dinars)

		31/12/2018	31/12/2017
CONTINGENT LIABILITIES			
OBS 1 -	Securities, endorsements and other given guarantees	406 950	346 064
OBS 2 -	Documentary credits	369 236	412 022
OBS 3-	Pledged assets (*)	212 000	570 740
TOTAL CONTINGENT LIABILITIES		988 186	1 328 826
COMMITMENTS MADE			
OBS 4 -	Financial commitments made	218 799	194 739
OBS 5 -	Commitments on securities	38	38
TOTAL COMMITMENTS MADE		218 837	194 777
COMMITMENTS RECEIVED			
OBS 6 -	Financial commitments received	68 579	0
OBS 7 -	Guarantees received	2 227 309	2 346 211
TOTAL COMMITMENTS RECEIVED		2 295 888	2 346 211

INCOME STATEMENT

PERIOD FROM JANUARY 1ST, 2018 UP TO DECEMBER 31ST, 2018

(UNIT: Thousands of Dinars)

		2018 Financial Year	2017 Financial Year
INCOME FROM BANKING OPERATIONS			
INC 1 -	Interest and similar income	483 435	358 647
INC 2 -	Products commissions	114 085	104 852
INC 3 -	Trade securities portfolio and financial operating income	88 751	65 699
INC 4 -	Investment portfolio income	40 114	35 497
	TOTAL BANKING OPERATIONS INCOME	726 385	564 695
BANKING OPERATIONS EXPENSES			
EX 1 -	Interest paid and similar expenses	(281 990)	(197 801)
EX 2 -	Commissions paid	(7 982)	(4 977)
	TOTAL BANKING OPERATIONS EXPENSES	(289 972)	(202 778)
	NET BANKING INCOME	436 413	361 917
INC 5 \ EX 4	Allocations to provisions and income from corrections on credit values off balance sheet liabilities	(34 852)	(12 809)
INC 6 \ EX 5	Allocations to provisions and income from corrections to investment portfolio values	(503)	(689)
INC 7 -	Other operating income	8 453	7 249
EX 6 -	Staff expenses	(130 511)	(120 122)
EX 7 -	General operating expenses	(62 523)	(39 983)
EX 8 -	Allocations to depreciation and fixed asset provisions	(11 861)	(11 684)
	OPERATING INCOME	204 616	183 879
INC 8 \ EX 9	Earning/Loss balance from other ordinary items	530	394
EX 11 -	Tax on profits	(54 039)	(47 706)
	INCOME FROM ORDINARY ACTIVITIES	151 107	136 567
INC 9 \ EX10	Earning/Loss from other extraordinary items	(6 176)	(6 815)
	NET INCOME FOR THE PERIOD	144 931	129 752
	NET INCOME AFTER ACCOUNTING MODIFICATIONS	144 931	129 752
	BASIC EARNINGS PER SHARE (IN TND)	3.56	3.26

CASH FLOW STATEMENT

PERIOD FROM JANUARY 1ST, 2018 UP TO DECEMBER 31ST, 2018

(UNIT : Thousands of Dinars)

	2018 Financial Year	2017 Financial Year
OPERATING ACTIVITIES		
Banking operating income received (without investment portfolio income)	692 202	509 034
Bank operating expenses paid	(281 535)	(201 629)
Deposits/Withdrawals from deposits with other banks and financial institutions	(22 638)	(4 741)
Loans and advances / Client loan and advances reimbursements	(280 805)	(766 538)
Deposits / Withdrawals from client deposits	750 452	540 093
Investment securities	274 394	(19 815)
Funds paid to staff and other creditors	(150 138)	(162 418)
Other cash flows coming from other operating activities	(36 539)	(49 698)
Tax on profits	(54 039)	(47 706)
Net cash flows from operating activities	891 354	(203 418)
INVESTMENT ACTIVITIES		
Interest and dividends received on the investment portfolio	32 279	33 831
Acquisitions / sales on investment portfolio	(208 795)	(33 325)
Acquisitions / sales on Real estate	(7 618)	(6 198)
Net cash flows from investment activities	(184 134)	(5 692)
FINANCING ACTIVITIES		
Loans issuance	0	60 000
Reimbursement of bonds	(40 828)	(25 753)
Increase / decrease of special resources	75 454	(2 680)
Dividends and other distributions	(47 698)	(79 497)
Net cash flows from financing activities	(13 072)	(47 930)
Net variation in cash and cash equivalents during the financial year (*)	694 148	(257 040)
Cash and equivalents at the start of the financial year	118 966	376 006
CASH AND EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	813 114	118 966

(*) The data has been reprocessed for comparison purpose.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31ST, 2018

(UNIT : Thousands of Dinars)

	31/12/2018	31/12/2017
ASSETS		
Cash and assets at the Central Bank, Post Office Accounts and Tunisian Treasury	1 311 540	577 965
Credits to banking and other financial institutions*	329 247	493 485
Clients credits*	6 008 008	5 739 800
Trade securities portfolio	413 798	624 968
Investment portfolio	694 454	547 381
Investments in equity affiliates	1 817	2 089
Fixed assets	141 665	159 195
Goodwill	966	1 062
Other assets*	370 935	350 453
TOTAL ASSETS	9 272 430	8 496 398
LIABILITIES		
Central Bank and Post Office Accounts	741 773	882 596
Deposits and assets from other financial institutions *	25 436	14 493
Clients deposits and assets *	6 684 344	6 014 550
Loans and special resources	565 017	525 521
Other liabilities	558 207	469 924
Deferred tax liabilities	711	711
TOTAL LIABILITIES	8 575 488	7 907 795
TOTAL MINORITY INTERESTS	37 047	33 665
EQUITY		
Capital	203 710	198 741
Reserves	237 367	183 339
Other equity	3 646	3 646
Profits carried forward	63 232	36 147
Net income	151 940	133 065
TOTAL EQUITY	659 895	554 938
TOTAL LIABILITIES, MINORITY INTERESTS AND EQUITY	9 272 430	8 496 398

(*) The data has been reprocessed for comparison purpose.

OFF-BALANCE COMMITMENT STATEMENT

AS OF DECEMBER 31ST 2018

(UNIT : Thousands of Dinars)

	31/12/2018	31/12/2017
CONTINGENT LIABILITIES		
Securities, endorsements and other given guarantees	406 918	346 038
Documentary credits	367 206	411 567
Pledged assets	212 000	570 740
TOTAL CONTINGENT LIABILITIES	986 124	1 328 345
COMMITMENTS MADE		
Financial commitments made	291 062	265 883
Commitments on securities	38	38
TOTAL COMMITMENTS MADE	291 100	265 921
COMMITMENTS RECEIVED		
Financial commitments received	758 726	680 815
Guarantees received	2 246 494	2 358 211
TOTAL COMMITMENTS RECEIVED	3 005 220	3 039 026

CONSOLIDATED INCOME STATEMENT

PERIOD FROM JANUARY 1ST, 2017 UP TO DECEMBER 31ST, 2018
(UNIT: Thousands of Dinars)

	2018 Financial Year	2017 Financial Year
INCOME FROM BANKING OPERATIONS		
Interests and similar income	530 110	401 814
Products commissions	114 353	104 547
Trade securities portfolio and financial operations income	102 602	73 936
Investment portfolio income	37 381	33 017
TOTAL BANKING OPERATIONS INCOME	784 446	613 314
BANKING OPERATIONS EXPENSES		
Interests paid and affiliate expenses	(308 609)	(220 685)
Commissions paid	(6 834)	(4 678)
TOTAL BANKING OPERATIONS EXPENSES	(315 443)	(225 363)
Income from other activities	86 264	67 097
Expenses from other activities	(69 962)	(54 467)
NET BANKING INCOME	485 305	400 581
Allocations to provisions and the income from value corrections on off balance sheet and liabilities credits	(33 387)	(13 861)
Allocations to provisions and income from corrections to investment portfolio values	(402)	(935)
Other operating income	12 127	10 477
Staff expenses	(145 055)	(133 051)
General operating expenses	(67 109)	(43 550)
Allocations to depreciation and fixed asset	(13 110)	(13 202)
OPERATING INCOME	238 369	206 459
Share of the income from equity affiliates	(101)	131
Balance of the income/loss coming from other ordinary elements	(17 407)	(8 892)
Tax on profits	(57 379)	(52 763)
INCOME FROM ORDINARY ACTIVITIES	163 482	144 935
Share of income from minorities	(4 891)	(4 451)
CONSOLIDATED NET INCOME OF THE GROUP	158 591	140 484
Balance in profit / loss from other extraordinary items	(6 651)	(7 419)
NET INCOME AFTER GROUP'S ACCOUNTING MODIFICATIONS	151 940	133 065

CONSOLIDATED TREASURY FLOW STATEMENT

PERIOD FROM JANUARY 1ST, 2018 UP TO DECEMBER 31ST, 2018

(UNIT: Thousands of Dinars)

	2018 Financial Year	2017 Financial Year
OPERATING ACTIVITIES		
Banking operating income received (excluding investment portfolio income)	745 794	548 943
Bank operating expenses paid	(274 603)	(223 169)
Deposits/Withdrawals from deposits with other banks and financial institutions	(27 245)	(5 553)
Loans and advances / Client loan and advances reimbursements	(301 022)	(820 142)
Deposits / Withdrawals from client deposits	661 062	544 046
Investment securities	231 603	(78 455)
Funds paid to staff and other creditors	(169 966)	(170 369)
Other cash flows coming from other operating activities	36 393	9 877
Tax on profits	(64 013)	(61 150)
Net cash flows from operating activities	838 003	(255 972)
INVESTMENT ACTIVITIES		
Interest and dividends received from investment portfolio	29 633	30 634
Acquisitions/Sales on investment portfolio	(139 066)	(14 779)
Acquisitions/Sales on fixed assets	4 544	(8 587)
Net cash flows from investment activities	(104 889)	7 268
FINANCING ACTIVITIES		
Loans issuance	0	80 094
Reimbursement of bonds	(66 117)	(41 139)
Increase/decrease of special resources	75 345	31 147
Dividends and other distributions	(46 981)	(80 558)
Net cash flows from financing activities	(37 753)	(10 456)
Net variation in cash and cash equivalents during the financial year	695 361	(259 160)
Cash and equivalents at the start of the financial year	121 512	380 672
LIQUIDITES ET EQUIVALENTS DE LIQUIDITES EN FIN D'EXERCICE	816 873	121 512



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AUDITORS' REPORT



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Attijari bank,
GENERAL REPORT ON THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDING DECEMBER 31ST, 2018

General Report

To the shareholders of Attijari bank,

Audit Report on the Financial Statements

Opinion

In execution of the auditing mandate granted to us by your general meeting, we have audited the financial statements of Attijari bank de Tunisie including the balance sheet as well as the off balance commitment statement as of December 31st, 2018, the income statement, the cash flow statement and the notes containing a summary of the main accounting methods and other explanatory notes.

The said financial statements, attached hereto, show a total balance sheet of 8 568 568 KTD and a net profit of 144 931 KTD.

In our opinion, the financial statements of Attijari bank are regular and sincere and present, in all material respects, a fair representation of the financial position of the Bank as of December 31st, 2018, as well as the result of its transactions, and the cash flow for the financial year as of that date, in accordance with the corporate accounting system into force in Tunisia.

Basis of Audit Opinion

We have executed our audit in accordance with International Standards of Auditing (ISA) applicable in Tunisia. Our responsibilities under these standards are further detailed under section «Duties of the auditor for the audit of financial statements» of this report. We are independent from the Bank in compliance with ethical rules applying to audits of financial statements in Tunisia, and we have executed our other ethical responsibilities under these rules. We consider that the evidence we have obtained are sufficient and appropriate for us to form an audit opinion.

Key Audit Questions

Key audit questions are the questions that, based on our professional judgment, were the most important ones in the audit of financial statements for the reporting period. These questions were processed within the framework of our auditing of the financial statements as a whole and in order to form our opinion, and we do not express a distinct opinion on these questions.

We have determined that the questions described hereafter are the key questions of the audit to be communicated in our report.

Assessment of provisions for depreciation on customer commitments

Considering the nature of its activity, the Bank is exposed to counterparty risk on its portfolio of direct commitments as well as on commitments by signature given to customers.

This risk, which is inherent to the banking business, constitutes a major focus area given the size of the amounts, the complex classification processes, which follow quantitative and qualitative criteria requiring a high level of judgment as well as a necessary insight to evaluate the guarantees to be retained.

As of December 31, 2018, the net value of receivables from customers amounted to 5 440 168 KDT and provisions made to cover the counterparty risk amounted to 308 905 KDT (on balance sheet and off balance sheet commitments).

The accounting rules and methods relating to the assessment and accounting of due receivables and their depreciation, as well as additional information on these items in the financial statements, are presented in the note to the financial statements N° II- 2, as well as in Explanatory Notes N° 3 and 22.

To cover this key question, we obtained an understanding of the procedures implemented by your Bank, and assessed the correct implementation of key controls, as well as their ability to prevent and / or detect material misstatements by focusing on:

- The mechanism for supervision put in place with respect to the depreciation process on customer commitments,
- The reliability of the information provided by the Bank regarding customers whose outstanding amounts show indicators of impairment,
- The procedures and controls defined by the Bank to ensure the counterparty risk management, to identify customers to be downgraded and to be provisioned and to determine the minimum level of provision required by banking regulations,
- The mechanisms to control and calculate collective and additional provisions put in place by the Bank.

In addition, through an extensive sampling, we conducted the following actions:

- We verified that the commitments with indicators of depreciation have been identified and classified in accordance with the provisions of the Central Bank of Tunisia Circular No 91-24 concerning the division, risk coverage and monitoring of commitments, and;
- We examined the collateral values used in calculating the provisions and assessed the assumptions and judgments retained by the bank.

Finally, we have verified the appropriateness and sufficiency of the information provided in the notes to the financial statements.

Taking into account interest, commissions and premiums in products

Interest and similar income and commissions recognized as revenue by the bank amounted to 597,520 KTND as of 31 December 2018, representing 82% of total bank operating income.

The notes to the financial statements II.8 «Accounting for customer loan income» and II.11 «Product recognition rules» in the «Basis of measurement and relevant applied accounting principles» section describe the rules for taking into account these revenues.

Although the majority of these revenues are generated and automatically recorded by the bank's information system, we have nevertheless considered, given the large volume of transactions, that the inclusion of interest and commissions is a key audit point.

As part of our audit of the accounts, our work included:

- A critical review of the bank's internal control system for revenue recognition, including the assessment of IT controls by our IT experts;
- The performance of tests to verify the effective implementation of key controls, including automated controls;
- Analytical review of revenues to corroborate accounting data namely with management information, historical data, pricing trends, industry trends and related regulations;
- Verification of compliance with accounting standard NCT 24 and in particular that the interest and premiums on classified relations are recognized in products only when they are cashed;
- The verification of the appropriateness of the information provided on these products presented in the notes to the financial statements.

Executive Board Report

The responsibility for the Board Report rests with the Board of directors. Our opinion regarding the financial statements does not extend to the Board Report and we express no form of assurance about this report.

Our responsibility consists in verifying the accuracy of information provided regarding the accounts of the Bank in the Board Report, with reference to date provided in the financial statements. Our work consists in reading the Board Report and, in doing so, assess if there is a significant incoherence between such report and financial statements or the knowledge we have acquired during the audit, or whether the Board Report seems to include a significant anomaly. If, in light of our work, we note a significant anomaly in the Board Report, we are under the obligation to report this.

We have nothing to report in this regard.

Responsibilities of Management and Supervisors for the Governance of Financial Statements

The management is in charge of preparing and accurately presenting financial statements, in accordance with the accounting system for enterprises, as well as internal control they consider as necessary to allow the preparation of financial statements exempt from significant anomalies, whether they result from frauds or errors.

During the preparation of financial statements, the management is liable for assessing the capacity of the Bank to continue its operations, to communicate, if need be, the questions relative to operational continuity and implement the accounting principle of operational continuity, except if the management intends to liquidate the Bank or end its activity and if no other realistic solution is available.

Governance supervisors are liable for monitoring the financial information process of the Bank.

Duties of the Auditor for the Audit of Financial Statements

Financial statements have been established by your Board of directors. Our targets are to obtain the reasonable assurance that financial statements as a whole are exempt from significant anomalies, whether they result from frauds or errors, and deliver an auditing report including our opinion. The reasonable assurance corresponds to a high level of assurance, which does not, however, guarantee that an audit completed in compliance with ISA standards shall always allow the detection of any significant anomaly which might exist. Anomalies may result from frauds or errors and they are considered as significant where it is reasonable to expect, individually or collectively, that they could influence economic decisions to be made by the users of financial statements based on the latter.

Within the framework of an audit completed in accordance with ISA standards, we apply our professional judgment and show critical thinking during this audit. In addition:

- We identify and assess risks for financial statements to include significant anomalies, whether they result from frauds or errors, design and implement audit procedures in response to these risks, and collect sufficient and appropriate evidence to base our opinion. The risk for non-detection of a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from an error, as fraud could imply collusion, falsification, voluntary omissions, misrepresentation or bypassing internal controls.
- We acquire an understanding of internal control elements relevant to the audit in order to design audit procedures appropriate to the circumstances.
- We assess the appropriateness of selected accounting methods and the reasonability of accounting assessments completed by the management, as well as relevant information provided by the latter.
- We reach a conclusion regarding the appropriateness of the use by the management of the bank of the accounting principle of operational continuity and, based on evidence, regarding the existence or not of a significant uncertainty related to events or situations susceptible to create an important doubt about the capacity of the bank to continue operations. If we verify the existence of a significant uncertainty, we have the obligation to draw the attention of readers of our report to the information provided in financial statements regarding this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. Future events or situations could, in addition, lead the bank to stop its operations.
- We assess the overall presentation, the form and the content of financial statements, including information provided in the notes, and appraise whether financial statements represent operations and underlying events in a way to present a truthful image.
- We communicate to governance supervisors mainly the extent and projected schedule of the audit and our important observations, including any potential significant deficiencies of internal control we could encounter.

We also provide to governance supervisors a statement specifying that we complied with relevant ethical rules regarding the independence and indicate any relations and other factors which could be considered as having a potential influence on our independence as well as related safeguards, if applicable.

Among the questions presented to governance supervisors, we define the most important ones in the audit of financial statements for the reporting period: these are the key questions of the audit. We describe these questions in our report, unless legal or regulatory texts prohibit their publication of if, in extremely rare circumstances, we establish that we should not communicate a question in our report because communicating this question could have negative consequences that would exceed the advantages for public interest.

Report Related to Legal and Regulatory Obligations

Within the framework of our statutory audit mission, we also conducted the specific verifications required by the standards published by the Association for Chartered Accountants of Tunisia and the regulations in force in this area.

Efficiency of the Internal Control System

Pursuant to the provisions of Article 3 of Law 94-117 dated 14 November 1994 on the reorganization of the financial market, we conducted a general evaluation on the efficiency of the Bank's internal control system. In this regard, we would like to reiterate that the responsibility for the design and implementation of an internal control system as well as the periodic monitoring of its effectiveness and efficiency lies with management and the Board of Directors.

Based on our review, we did not identify significant gaps in internal control that could impact our opinion on the financial statements as expressed above.

Compliance of Securities Accounts' Management with the Regulations in Force

Pursuant to the provisions of Article 19 of decree N° 2001-2728 dated 20 November 2001, we have verified the compliance of bookkeeping of securities accounts published by the Bank with the regulations in force.

The responsibility to ensure compliance with the requirements of the regulations in force lies with the management.

Based on the diligences we considered necessary to implement, we have not detected irregularities linked to the compliance of the Bank's accounts with regulations in force.

Based on the verification procedures we considered necessary to implement, we have not detected irregularities linked to the compliance of the Bank's accounts with regulations in force.

Other Legal and Regulatory Obligations

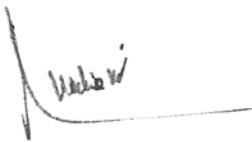
Pursuant to the provisions of Article 270 of the Commercial Companies Code, on April 1st, 2019, we proceeded to the disclosure to the public prosecutor of a case, under investigation, initiated by the customs services against employees of the bank.

It should be noted that the bank has not lodged a complaint, pending the closing of the investigation.

Tunis, 02nd April 2019

The Auditors

AMC Ernst & Young
Noureddine HAJJI



Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA



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Attijari bank,
SPECIAL REPORT OF THE STATUTORY AUDITORS
REGARDING THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2018

Special Report

To the shareholders of Attijari bank,

In our capacity as your bank's auditors, and pursuant to the provisions of Article 62 of law N° 2016-48, dated 11 July 2016, relating to banks and the financial institutions, and Article 200 and following and Article 475 of the Commercial Companies Code, we hereby present our report on regulated agreements.

Our responsibility is to ensure compliance with legal procedures for authorization and approval of these agreements or transactions and their eventual accurate translation in the financial statements. It is not our responsibility to specifically and extensively investigate the existence of such agreements or transactions, but we will inform you, based on the information provided to us and obtained through our auditing procedures, about their main characteristics and modalities, without having to judge their usefulness or validity. It is your responsibility to assess the interest involved in concluding these agreements and the execution of these transactions, with a view to their approval.

A. Newly Concluded Agreements (Other than remunerations of managers)

Your Board of Directors informed us of the following agreements and transactions:

Attijariwafa bank

A new agreement was signed on 26 November 2018 between Attijari bank Tunisia, Attijariwafa Morocco and International Finance Corporation (IFC). Pursuant to this agreement, Attijariwafa bank Morocco undertakes to maintain its stake in the capital of Attijari bank Tunisia to at least 55% until the end of the term of the 40 million euro subordinated loan granted by IFC to Attijari bank Tunisia and released by 50% as of 31st December 2018.

This agreement was authorized by the Board of Directors on 11 February 2019.

Attijari Sicar

Three venture capital funds management agreements have been signed respectively on 21 February, 22 February and 25 February 2019 between Attijari Sicar and Attijari bank, whereby the latter provides to Attijari Sicar with venture capital funds for a total amount of 50 000 KTD.

The two companies undertake to use at least 65% of the amount of the said venture capital funds in the acquisition of or subscription to shares or share capital or bonds convertible into newly issued shares by the companies that are entitled to tax benefits granted by the Personal Income Tax Code and the Corporate Tax Code for reinvestment.

In compensation for the management of these venture capital funds on behalf of Attijari bank, Attijari Sicar receives:

- A yearly fixed remuneration of 1% excluding VAT, calculated on the initial amount of the managed funds;
- A 10% levy on income, dividends, capital gains and any other products generated by the Fund.

These agreements were previously authorized by the Board of Directors on 11 February 2019.

In addition, a service agreement was concluded between Attijari bank and Attijari Sicar on 1st November 2018, under which Attijari bank provides its Attijari Sicar subsidiary with expertise in the field of information technology for the realization of their development projects and IT infrastructures.

This agreement was previously authorized by the Board of Directors on 09 February 2018.

An amount of 2 KTD was charged under this agreement.

Attijari Recouvrement

A new agreement was signed on 31 December 2018 between Attijari bank and Attijari Recouvrement providing for the transfer of a set of receivables consisting of 10,450 files with a nominal value of 1,372 KTD for a transfer price of 10 KTD.

This agreement was authorized by the Board of Directors on 11 February 2019.

A service delivery agreement was concluded between Attijari bank and Attijari Recouvrement on 1st August 2018, pursuant to which Attijari bank provides its subsidiary Attijari Recouvrement with its IT expertise, for the realization of their development projects and IT infrastructure.

This agreement was authorized by the Board of Directors on 9 February 2018.

An amount of 3 KTD was charged under this agreement.

Attijari Immobilière

An agreement was signed on 31 December 2018 between Attijari bank and Attijari Immobilière which provides that on the basis of the various judgments and legal elements, the bank terminates the credit agreement granted to Attijari Immobilière since 30 December 2009 and which was subject to renewal until 07 July 2018, and cancels all its consequences in principal and in interest, following the cancellation of its object in a firm and final judicial manner.

Attijari Immobilière undertakes to return the principal amount of the credit of 13.2 MTND and Attijari bank undertakes to return to Attijari Immobilière the amount of 10.6 MTND subject to a mortgage debt on a real estate development company. Thus, following all these transactions, the parties return to the starting situation before the adjudication order of 26 November 2009.

Attijari Finances Tunisie

An agreement was signed on 27 November 2017 between Attijari bank and Attijari Finances Tunisie under which Attijari Finances Tunisie manages the relationship with the market authorities for the 2018 bond issues.

In remuneration for provided services, the consulting bank receives the following flat fees:

- 50 KTD net of taxes upon signing the contract;
- 20 KTD net of taxes upon obtaining the visa of the reference document.

Attijari Finances also receives a success fee of 0.65% net of taxes applicable on the amounts raised in connection with each of the 2018 bond issues.

Under this agreement, no bond issues were made in 2018.

As part of the mandate to support the Bank in projects carried out in 2018, Attijari Finances received fixed flat fees of 115 KTD net of taxes.

The said projects are the following:

- Increase of the capital of Attijari bank;
- Accreditation with the BCT for crossing the threshold of participation in the capital of Attijari Leasing;
- Sigma project;
- Beta project.

Générale Tunisienne de l'Informatique (GTI)

On May 24, 2018, a contract for the acquisition of a securities and UCITS depository management solution was concluded between Attijari bank and its subsidiary «Générale Tunisienne de l'Informatique» for a total amount of 150 KTD including tax.

This agreement was authorized by the Board of Directors on 9 February 2018.

Attijari Gestion

A service delivery agreement was concluded between Attijari bank and Attijari Gestion on 1st November 2018, whereby Attijari bank provides its Attijari Gestion subsidiary with its IT expertise for the realization of their development projects and IT infrastructure.

This agreement was authorized by the Board of Directors on 9 February 2018.

An amount of 4 KTD was charged under this agreement.

Attijari Intermédiation

A service delivery agreement was concluded between Attijari bank and Attijari Intermédiation on 01 August 2018, whereby Attijari bank provides its Attijari Intermédiation subsidiary with its IT expertise for the realization of their development projects and IT infrastructure.

This agreement was authorized by the Board of Directors on 09 February 2018.

An amount of 2 KTD was charged under this agreement.

Attijari Assurance

A collective life insurance agreement was concluded between Attijari bank and Attijari Assurance on 25 June 2018, whereby Attijari Assurance guarantees to bank's affiliate personnel:

- If the ensured party is alive when policy matures, the constitution and service of a constituted capital that can be converted into an annuity through payment of periodic and additional premiums;
- In the event of death before the term: prior to the term, immediate settlement to the legal claimants or the named beneficiary(ies) of the constituted capital;
- In case of absolute and definitive invalidity, the provision to the member of the constituted capital on the date of consolidation of the absolute and definitive invalidity.

The operating costs of Attijari Assurance were set as follows:

- Acquisition costs for a maximum of 3.5% on regular premiums and a maximum of 1.5% on the additional premiums;
- A management fee of up to 0.6% per year and
- Annuity management fees for up to 5% of each annuity payment.

The total premium is composed of the employer's share up to 90% calculated on the basis of a rate of 2.5% of the total payroll of all members for the previous year and taking into account the individual gross annual income of each member and his / her seniority in the bank and the employee share of 10%.

This agreement was authorized by the Board of Directors on 9 February 2018.

As of 31 December 2018, the fees recognized by Attijari bank amounted to 883 KTD.

B. Amendments to Previous Agreements

Générale Tunisienne de l'Informatique (GTI)

On 26 March 2018, an amendment was concluded between Attijari bank of Tunisia and the company «Générale Tunisienne de l'Informatique» modifying the daily rate of the services provided by GTI consultants established for by the initial agreement between the bank and its subsidiary.

This amendment comes into effect starting from January 2018 and provides for the following:

- An annual lump sum of 1,200 M/D for services other than those relating to maintenance. The tariff applied for this envelope is 385 TND HT man/day.
- Beyond the fixed rate of 1200 M/D, billing is reduced to 310 TND net of tax man/day.

The fees for technical assistance and software development received by Attijari bank from Générale Tunisienne de l'Informatique for the 2018 financial year totaled 1,283 KTD including VAT.

This amendment was previously authorized by the Board of Directors on 9 February 2018.

Attijari Leasing

Within the framework of the agreement signed in 2008 between Attijari bank and Attijari Leasing, the bank provided during FY 2018 assistance services related to the distribution of Attijari leasing products through the retail network of the Bank.

An amendment to this agreement was authorized by the Board of Directors on 11 February 2019, introducing revisions to the methods for determining the bank's profit-sharing, in order to take into account changes in resource costs and exit rates in force.

The commission was calculated on the basis of the amount of financing effectively enforced by applying a profit-sharing rate based on the investment rate (0.25% for an investment rate of $R < 10\%$, 0.50% for $10\% \leq R < 11\%$ and 0.75% for $R \geq 11\%$).

According to this amendment, the commission will be determined on the basis of the nominal rate of the contract put into force (CR) by comparison with the average exit rate (AER) determined on a quarterly basis.

Nominal rate of the contract put into force (CR) compared to the average exit rate of the quarter (AER)	Commission Rate
CR \leq AER	0.25%
AER $<$ CR \leq AER plus 125 basis points	0.50%
CR $>$ AER plus 125 basis points	0.75%

During FY 2018, the bank received proceeds amounting to 327 KTD excluding taxes.

Attijari Gestion

On 12 February 2018, an agreement was signed between Attijari bank and Attijari Gestion acting as manager of Attijari FCP CEA. This agreement amends the custodian agreement signed on 1st March 2009. Attijari bank undertakes to ensure on behalf of the FCP:

- Custody of assets;
- Liability management;
- Control of the regularity of management decisions.

The total amount invoiced in 2018 by Attijari bank for its depositary functions amounts to 27 KTD excluding taxes.

C. Transactions carried out relating to previous agreements (other than remuneration of managers):

We inform you that the execution of the following agreements, approved in previous years, continued during the last financial year:

Wafasalaf

An agreement was signed on 27 March 2017 between Attijari bank, and Attijariwafa salaf, for the purpose of providing on behalf of the bank know-how, technical assistance, advice and any other service related to the internal functioning in particular in the field of industrialization of consumer credit. In return for the provided services, Attijari bank undertakes to pay a remuneration which covers the development of two score grids, calculated according to the time spent, the level of responsibility and professional qualification of the proposed staff and the supply of the associated deliverables.

Wafasalaf receives a remuneration of:

- 40,000 euros per score grid;
- 800 euros / per man-day in the case of a request not included in the initial scope and the annual maintenance of the score grids.

The aforementioned fees are designated excluding travel and living expenses which are the responsibility of Attijari bank.

As such, the amount due to Wafasalaf in the liabilities of the bank as of 31 December 2018 amounts to 260 KTD.

This agreement was authorized by the Board of Directors on 10 May 2017.

On 9 May 2012, Attijari bank Tunisia concluded an agreement with Wafasalaf (with which your bank has directors in common) for the purpose of providing on behalf of the bank know-how, technical assistance, advice and any other service relating to internal operations, particularly in terms of optimizing the credit granting process, setting up a collection platform, steering, monitoring and controlling risks.

In return for the provided services Attijari bank undertakes to pay a remuneration calculated according to the time spent and the level of responsibility and professional qualification of the proposed personnel. Re-billing will be made for costs incurred by Wafasalaf for transport fees and «per diems». Billing will be done monthly in arrears. The reference price of the fees is fixed at 400 Euro per day.

No operation was performed in FY 2018.

Attijariwafa bank Maroc

In the context of the agreement concluded between Attijari bank and Attijariwafa bank Maroc as authorized by the Board of Directors on 5 March 2007 and modified by the decision of the Board of Directors of 6 June 2008, the amount that appears in the liabilities of the bank as of 31 December 2018 amounts to 4,795 KTD for technical assistance and advisory services.

This agreement has been replaced since 13 February 2015 by the technical assistance agreement concluded with Attijari Africa.

Attijariwafa bank Europe

Under the agreement entered into on 1st March 2010 and amended on 19 March 2012 between Attijari bank Tunisie and Attijariwafa bank Europe (with which the bank has common directors), as authorized by the Board of Directors of 5 June 2012, the latter ensures through its network of branches the role of focal point between Attijari bank Tunisie and Tunisian customers resident in Europe in terms of information, presentation of the banking offer and intermediation in the distribution of products and services. These services are remunerated by a commission called «TRE activity commission» based on a unit pricing of the provided services. This commission will be negotiated annually between the two parties.

A new agreement between Attijari bank Tunisie and Attijariwafa bank Europe was signed on 15 December 2017 and authorized by the Board of Directors on 9 February 2018 whereby Attijariwafa bank Europe is responsible for offering and distributing in France, its banking services performed in Tunisia for Tunisian clients residing abroad through its network in Europe.

In return for these services, Attijariwafa bank Europe receives 3 types of remuneration:

- A remuneration indexed on the client portfolio with a unit price € 5 per customer.
- A remuneration indexed on order transmissions:

- * 10 € per transfer plus 0.5% of the amount of transfers in dinars.
- * 25 € per transfer plus 0.5% of the amount of transfers in euros.

- Remuneration for concluded banking services:

- * 60 € by opening an account.
- * 25 € per subscription of the pack Bledi+.
- * 5 € per order of transfer means.
- * 5 € per act of management.
- * 10 € by provision and transfer order.
- * 5 € for any other request.

In addition to these three types of remuneration, Attijariwafa bank Europe continues to receive 2/3 of the payroll for the TRE activities and a share of the marketing expenses related to the activity.

The cost recorded by the bank for FY 2018 amounts to à 868 M€ that is 3 540 KTD and the amount recorded as a liability for the bank as of 31/12/2018 amounts to 9 139 KTD.

Attijari Sicar

A venture capital fund management agreement was signed on 28 February 2017 between Attijari Sicar and Attijari bank, pursuant the latter provides Attijari SICAR with a venture capital fund totaling 30,000 KTD. The two companies undertake to use at least 65% of the amount of the said Venture Capital Fund in the acquisition or subscription of shares, share capital, or bonds convertible into newly issued shares by companies included in the catalog provided for in paragraph III of Article 39(F) of the Personal Income Tax Code and the Corporate Tax Code.

In compensation for its management of the venture capital funds on behalf of Attijari bank, Attijari Sicar receives:

- A yearly fixed remuneration for 1% excluding VAT, calculated on the initial amount of the managed funds;
- A charge of 10% on income, dividends, capital gains and any other products generated by the Funds.

Outstanding amounts as of 31 December 2018 amounted to 30,000 KTD.

The management fees of the fund recognized by the bank for FY 2018 amounted to 343 KTD including tax.

The levies on income, dividends, capital gains and other income generated by the fund amount to 28 KTD.

This agreement was authorized by the Board of Directors on 14 February 2017.

Three venture capital fund management agreements have been signed respectively on 13 February, 19 February and 23 February 2018 between Attijari Sicar and Attijari bank, under which the latter provides venture capital funds totaling 50,000 KTD to Attijari Sicar. The two companies undertake to use at least 65% of the amount of the said venture capital funds in the acquisition or subscription of shares, share capital, or bonds convertible into newly issued shares by companies which are entitled to tax benefits provided for in the Personal Income Tax Code and the Corporate Tax Code for reinvestment.

In compensation for its management of the venture capital funds on behalf of Attijari bank, Attijari Sicar receives:

- A yearly fixed remuneration for 1% excluding VAT, calculated on the initial amount of the managed funds;
- A charge of 10% on income, dividends, capital gains and any other products generated by the Funds.

The management fees of the 3 funds recorded by Attijari bank for FY 2018 amounted to 572 KTD including tax.

This agreement was authorized by the Board of Directors on 9 February 2018.

Under the framework of the venture capital funds management agreement signed on 24 March 1998 with Attijari Sicar, the latter receives an annual 1% remuneration paid on the all managed funds. Outstanding amounts as of 31 December 2018 of the funds managed under this agreement amount to 5,254 KTD.

The management fees of the fund for FY 2018 amounted to 61 KTD.

An agreement between Attijari bank and Attijari Sicar was signed on 07 September 2015 whereby Attijari bank ensures the management and execution of recovery operations for litigation claims under the following conditions:

- Receivables for which a legal action is pending;
- Receivables that are subject of negotiation, a transaction that has not yet been settled, an enforcement action or the judgment of which is in progress;
- Receivables the recovery of which requires foreclosure;
- Receivables from companies that are the subject to insolvency proceedings or reorganization measures.
- And any other claim for which a special mandate will be established.

In compensation for provided services, Attijari bank shall receive a fee on any recovered amount in principle and interest.

The tariff conditions of this agreement are as follows:

Recovery Type /Fees	Rate
Commission on the nominal amount : Totally or partially recovered debts	Commission on the nominal amount : Totally or partially recovered debts
Commissions on added values: Totally or partially recovered debt	Commissions on added values: Totally or partially recovered debt
Fixed fees per file opening	Fixed fees per file opening

This agreement was authorized by the Board of Directors on 06 May 2018.

No operation was performed in FY 2018.

Attijari Assurance

Attijari bank receives acquisition and management fees for the distribution of the life insurance products through Attijari Assurance. The amount of products to be collected reached 3 085 KTD on 31 December 2018. The amount of the fees recorded for products is of 3 085 KTD.

Attijari bank recorded an accrued liability of 1,074 KTD under the «Temporaire décès» insurance included in all individual current accounts.

Attijari Assurance subscribed to the subordinated bond issued by Attijari bank in 2017 for an amount of 6 069 KTD. Interest charges paid in 2018 amounted to 455 KTD.

Attijari Intermédiation

Attijari bank signed on 27 December 2012 a bookkeeping securities agreement with its subsidiary Attijari Intermédiation owned for 99.99%, to keep the register of Attijari bank's shareholders and associated rights, in accordance with the regulations of the Financial Market Board. In compensation for these services, the fees of Attijari Intermédiation are fixed at a lump sum of 7 KTD excluding tax to be paid at the end of each year.

The charges recorded during FY 2018 amount to 7 KDT.

Attijari Africa

An agreement was signed on 1st January 2015 between Attijari bank and Attijari Africa and authorized by the Board of Directors on 13 February 2015 to make available on behalf of the bank technical assistance, advice and any other service related to the definition of the global strategy of the bank.

The fee for the services provided in technical assistance is defined and invoiced bi-annually by Attijari Africa based on expenses incurred during the semester. The service provided is expressed in man-days based on the fee grid.

In compensation for the provided services, Attijari bank recorded a cost during the FY 2018 of 448 M€ that is 1 827 KTD. The amount recorded as a liability for the bank is of 4 625 KTD.

Attijari Immobilière

The bank signed on 10 January 2012 with Attijari Immobilière (where Attijari bank owns 99.98%) an asset management agreement for the sale of buildings belonging to the bank against a fee of 2.5% of the sale price excluding tax.

No transaction was performed during FY 2018.

SICAV

Under the agreements concluded between Attijari bank and Attijari Valeurs SICAV, Attijari Placement SICAV and Attijari Obligataire SICAV, the bank acts as depositary for their accounts and received in compensation for its services commissions amounting to 171 KTD.

Attijari Gestion

On 28 September 2015 an agreement was signed between Attijari bank and Attijari Gestion to act as manager of the Dynamique mutual fund. This agreement amends the depositary agreement signed on 01/03/2009. Attijari bank undertakes to insure on behalf of the Mutual fund:

- Custody of assets;
- Management of liability;
- Control of the regularity of management decisions.

The fees invoiced in 2018 by Attijari bank for its services amounts to 21 KTD excluding taxes.

Attijari Finances Tunisie

An agreement was signed on the 23 March 2014 between Attijari bank and Attijari Finances Tunisie providing for the subscription by Attijari bank to equity securities issued by Attijari Finances Tunisie to comply with the requirements of equity funds established by article 388 of the Commercial Companies Code. The issue is for an amount of 750 KTD as of 1st April 2014.

Equity securities bear interest at the following rates:

- A fixed interest rate on MMR from the date of coming into effect. This rate shall be equal to the MMR+1 starting from the date of recovery of the capital of the issuer in compliance with article 388 of the Commercial Companies Code. Interest is calculated on the nominal value of each equity security and paid yearly in arrears.
- A variable remuneration equal to 10% on the share of profits exceeding 50 KTD. This remuneration shall be calculated on net profit after tax and provisions within one month starting from the date of the ordinary general meeting voting the accounts of the issuer.

Interest accounted during FY 2018 amount to 50 KTD.

Other Agreements

Attijari bank assigns to Générale Tunisienne de l'Informatique (GTI), Attijari Immobilière, Attijari Gestion, Générale Immobilière du Sud (GIS), Attijari Intermédiation, Attijari leasing, Attijari Recouvrement, Attijari Assurance and Attijari Sicar some executive staff. Secondment decisions provide that the amounts invoiced by the bank correspond to incurred salaries and social security contributions. The amounts invoiced for the FY 2018 are as follows :

(Amount in KDT)	
Related parties	Invoiced amount
Attijari Leasing	730
GIS	134
Attijari Immobilière	106
GTI	93
Attijari Intérmediation	31
Attijari Recouvrement	23
Attijari Sicar	13
Attijari Gestion	12
Attijari Finances Tunisie	11
Attijari Assurance	4
TOTAL	1 157

D. Obligations and commitments of the company towards managers:

The obligations and commitments towards managers as indicated in article 200 (new) II § 5 of the Commercial Companies Code, are as follows:

- The remuneration and benefits granted to the Chairman of the Board of directors are set by decision from the committee of remuneration of the Board of directors dated 08/03/2007. This remuneration is detailed in the below table. Moreover, the Chairman of the Board of directors enjoys a company car and coverage of telephone costs.
- The remuneration and benefits granted to the Chief Executive Officer (CEO) are established by decision from the committee of remuneration of the Board of directors dated 15/12/2012. The remuneration comprises a fixed allowance and a yearly variable bonus based on completion of objectives. Moreover, the CEO benefits from a company car with coverage of utilities costs, telephone costs, school costs, accommodation costs and airfare.

- The remuneration of the Deputy General Director in charge of support activities, comprises a fixed allowance and a yearly bonus based on completion of objectives. Moreover, the Deputy General Director benefits from a company car with coverage of utilities costs and accommodation and airfare costs.
- The remuneration of the Deputy General Director in charge of the retail bank, comprises a fixed allowance and a yearly bonus based on completion of objectives. Moreover, the Deputy General Director benefits from a company car with coverage of utilities costs and telephone costs.
- The members of the Board of directors, the members of the Permanent Audit Committee, the members of the executive credit committee and the members of the risk committee receive attendance fees recommended yearly by the Board of directors and submitted to the approval of the Ordinary General Meeting.

The obligations and commitments of Attijari bank towards its managers as they appear on financial statements for the financial year ended on 31 December 2018 (social security contributions including paid leave), are as follows (in Dinars).


	Chairman of the Board of Directors		CEO		Deputy General Directors		Board Members	
	Expenses for Financial Year	Liabilities as of 31/12/18	Expenses for Financial Year	Liabilities as of 31/12/18	Expenses for Financial Year	Liabilities as of 31/12/18	Expenses for Financial Year	Liabilities as of 31/12/18
Benefits	361 917	449	1 554 884	12 048	1 231 198	12 973	250 000	250 000
Total	361 917	449	1 554 884	12 048	1 231 198	12 973	250 000	250 000

Moreover, and outside these operations, we inform you that we have not been given notice of any other agreement concluded during the financial year, and our work has not revealed the existence of other transactions falling within the framework of the provisions of article 62 of the law N° 2016-48 of July 11, 2016, article 200 and following and article 475 of the Commercial Companies Code.

Tunis, 2 April 2019

The Auditors

AMC Ernst & Young
Nouredine HAJJI



Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA



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**Attijari bank,
STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

Dear Attijari bank shareholders,

Audit report on the consolidated financial statements

Opinion

In execution of the statutory audit mandate entrusted to us at your general meeting, we audited the Tunisian Attijari bank Group's consolidated financial statements which include the consolidated balance sheet and the statement of consolidated off-balance sheet commitments as on 31 December 2018; in addition we audited the consolidated statement of income, the consolidated statement of cash flows for the year then ended and we included a summary of the main accounting policies as well as additional notes.

The consolidated financial statements, annexed to this report, show a consolidated balance sheet total of 9 272 430 KTD and a net profit of 151 940 KTD.

In our view, the consolidated financial statements of Attijari bank Group are regular and fair and give, in a significant way, a fair presentation of the Group's financial position as on 31 December 2018, as well as the results of its operations and cash flows for the financial year ended on that date, in accordance with the companies accounting system in force in Tunisia.

Opinion basis

We conducted our audit in accordance with the International Standards on Auditing (ISAs) applicable in Tunisia. Our responsibilities under these standards are more fully described in the «Auditor's Responsibilities for the Audit of Consolidated Financial Statements» section of this report. We are independent from the group in accordance with the rules of ethics applicable to the audit of financial statements in Tunisia, and we fulfilled the other ethical responsibilities that fall under these rules. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit questions

The key audit questions are those issues that, in our professional judgement, are the most significant in the audit of the consolidated financial statements for the period. These issues were addressed in the context of our audit of the financial statements as a whole and in order to base our opinion on them; we, therefore, do not express a different opinion on these issues.

We concluded that there were no key audit issues to raise in our report.

Board of Directors' report

The Board of Directors' report is the responsibility of the Board. Our opinion on the consolidated financial statements does not extend to the board of directors' report and we do not express any form of assurance whatsoever on this report.

Our responsibility is to check the accuracy of the information about the group's financial statements in the Board of Directors' report with reference to the data shown in the financial statements. Our task consists in reading the board of directors' report and, thus, assessing whether there is a significant inconsistency between it and the consolidated financial statements or the information we gathered during the audit process, or again if the board of directors' report seems otherwise to contain a significant anomaly. If, based on our work, we conclude that there is a significant anomaly in the Board Report, it's our duty to report it.

We have nothing to declare in this regard.

Responsibilities of the management and governance officers for the consolidated financial statements

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the companies accounting system, for the internal monitoring which is necessary for the preparation of the financial statements that do not contain any anomaly, other than that due to fraud or error.

In preparing the consolidated financial statements, it is the management's responsibility to evaluate the group's ability to continue its operations, to disclose, as appropriate, all issues relating to the continuity of its exploitation by applying the accounting principle, unless the management intends to liquidate the group or cease its operations or if no other realistic alternative is possible.

It is the governance officers' responsibility to monitor the group's financial reporting process.

Auditor's Responsibilities for Consolidated Financial Statements Audit

The consolidated financial statements were approved by your board of directors. Our aim is to obtain reasonable assurance that the consolidated financial statements do not contain, as a whole, any significant anomaly, whether due to fraud or error, and to submit the auditor's report with our opinion. Reasonable assurance is a high-level assurance, which does not guarantee that an audit conducted in accordance with ISA will always detect any potential significant anomaly. Anomalies may be the result of fraud or error and are considered as important when they could eventually, individually or collectively, affect the economic decisions on the consolidated financial statements which are taken based on these anomalies.

As part of an ISA audit, we use our professional judgement and critical thinking throughout the audit process. In addition:

- We identify and assess the risks of significant anomalies in the consolidated financial statements, whether due to fraud or error, design and implement audit procedures to deal with those risks, and collect sufficient and appropriate evidence to base our opinion. The risk of not detecting a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from error, since fraud may lead to collusion, forgery, intentional omissions, wrong declarations or circumventing internal control.
- We comprehend the internal control elements relevant to the audit in order to design appropriate audit procedures according to the circumstances.
- We assess that the accounting policies used are appropriate and that the management accounting estimates are reasonable, we also check the related information provided by the management.
- We come up with a conclusion as to the management's appropriate use of the accounting principle regarding the continuity of the Group's exploitation, then based on the evidence obtained, we assert whether or not there is significant uncertainty related to events or situations likely to cast significant doubt on the group's ability to continue its operations. If we conclude that there is major uncertainty, we must draw the attention of our report readers about this uncertainty relating to the information provided in the consolidated financial statements; or, if this information is not accurate we should express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. Future events or situations may lead the Group to cease its operations.
- We evaluate the overall presentation, the form and content of the consolidated financial statements, including the information provided in the notes, and assess whether the consolidated financial statements represent the underlying transactions and events in a consistent way so as to give a fair representation.
- We inform the governance officers, in particular, about the expected scope and timing of the audit work and about our important findings, including any significant internal control deficiencies that may have been identified during our audit.

We also provide governance officers with a statement that we have complied with the relevant ethical rules regarding independence, and disclose all relationships and other factors that may reasonably be considered as likely to affect our independence and related guarantees where applicable.

Among the issues submitted to the governance officers, we determine which were the most important in the audit of the consolidated financial statements of the period concerned: these are the audit key questions. We describe these issues in our report, unless legal or regulatory provisions prevent their publication, or if, in extremely rare circumstances, we decide that we should not disclose an issue in our report because its disclosure may probably have harmful consequences that outweigh the public interest benefits.

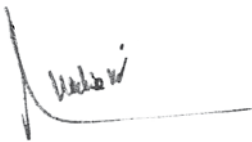
Report on legal and regulatory obligations

As part of our statutory audit mission, we also carried out the specific verifications required by the standards published by the Order of Chartered Accountants of Tunisia and by the regulatory texts in force.

Tunis, 2 April 2019

The Statutory Auditors

AMC Ernst & Young
Noureddine HAJJI



Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA





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ADOPTED RESOLUTIONS



RESOLUTIONS ADOPTED BY THE ORDINARY GENERAL MEETING HELD ON 26 APRIL 2019 ACTING ON FINANCIAL YEAR 2018

FIRST RESOLUTION

The Ordinary General Meeting, having heard the management report and the consolidated management report of the Board of Directors for the financial year ending on 31 December 2018, approves the said reports as presented.

This resolution, put to the vote, is adopted unanimously.

SECOND RESOLUTION

The Ordinary General Meeting, having heard the general report of Co-auditors regarding individual financial statements and consolidated financial statements as of 31/12/2018 and the special report of Co-auditors on regulated agreements concluded during the year 2018, approves the said agreements.

This resolution, put to the vote, is adopted unanimously.

THIRD RESOLUTION

The Ordinary General Meeting, after review of individual and consolidated financial statements for the financial year ended on 31/12/2018, and having heard the reports of Co-auditors, approves the said individual financial statements as well as the consolidated financial statements.

This resolution, put to the vote, is adopted unanimously.

FOURTH RESOLUTION

The Ordinary General Meeting, decided to grant complete, final discharge and without reservation to the administrators as for the management of the financial year 2018.

This resolution, put to the vote, is adopted unanimously.

FIFTH RESOLUTION

The Ordinary General Meeting, takes note of the profit result, earned for the year 2018 for an amount of 144 930 891 Dinars, and resolves to appropriate it as follows:

(Amount in Dinars)	
PROFIT OF THE YEAR	144 930 891
RETAINED EARNINGS	63 231 713
APPROPRIATION OF PROFITS	208 162 604
LEGAL RESERVES	496 854
REINVESTMENT RESERVES	50 000 000
DIVIDENDS	89 632 393
RETAINED EARNINGS	68 033 357

The Ordinary General Meeting thus sets dividends at 2,200 dinars (Two Dinars and 200 millimes) per share, and delegates to the Board of Directors the authority to establish payment modalities for dividends.

This resolution, put to the vote, is adopted unanimously.

SIXTH RESOLUTION

The Ordinary General Meeting, upon proposal by the Board of Directors, sets the gross and global yearly amount of 150,000.000 Dinars (one hundred and fifty thousand Dinars) by way of attendance fees for the year 2018.

The members of the regulatory committees shall also receive a yearly gross and global amount of 1,000.000 Dinars (one thousand Dinars) as compensation for their work in the meetings of the said committees during 2018.

This resolution, put to the vote, is adopted unanimously.

SEVENTH RESOLUTION

The Ordinary General Meeting, having been informed of the end of the term of the co-auditor, the firm MTBF Price Waterhouse Coopers, and taking into account the proposal of the Board of Directors, decides to appoint the firm **«MS Louzir Member of Deloitte Touche Tohmatsu network»**, represented by Mr. Mohamed Louzir as co-auditor for a period of three (03) years for the years 2019, 2020 and 2021.

This resolution, put to the vote, is adopted unanimously.

EIGHTH RESOLUTION

The Ordinary General Meeting empowers the holder of the original, a photocopy or extract from these minutes to perform, wherever necessary, all deposits, publications or other formalities provided for by law.

This resolution, put to the vote, is adopted unanimously.

