

National Agricultural Bank

ANNUAL REPORT
2007

General Presentation Of The National Agricultural Bank

Denomination:	National Agricultural Bank
Juridical shape:	A Public Limited Company With Governing And General Directorate
Nationality:	Tunisian
Registered Office:	Rue Hédi Nouria 1001 Tunis
Telephone:	(00 216) 71 831 000 / (00 216) 71 831 000
Telex:	NABATTU 14 130 / BANATU 15 436 / DIRBNA 13 220
Swift number :	BNTETNTT
Website address:	www.bna.com.tn
Constituting date:	June 1, 1959
Duration:	99 years
Trade register:	B142431996 TUNIS
Fiscal number:	000 123 LAM 000
Registered capital:	100,000,000 Tunisian Dinars
Period:	From The 1th Of January To December the 31th Of each year
Purpose:	Banking Activity
Fiscal system:	Commun Law.

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Board Of Directors

Chairman : **Mr. Moncef Dakhli.**

Members :

- **The Ministry Of Finance,**
represented By Mr. Maher Zouari
And Mr. Ismail Hamadi.
- **The Ministry Of Development And International Cooperation,**
represented By Mr. Lotfi Frady.
- **The Ministry Of The Agriculture And Of The Hydraulic Resources,**
represented By Mr. Ali Aydi.
- **The « Office des Céréales »,**
represented By Mr. Fadhel Zrelly,
- **The « Caisse Nationale de Sécurité Sociale »,**
represented By Mr. Khalil Belhaouen.
- **The « Office du Commerce de la Tunisie »,**
represented By Mr. Slaheddine Makhoulouf.
- **The « Caisse Tunisienne des Assurances Mutuelles Agricoles »,**
represented By Mr. Mansour Nasri.
- **Mr. Sahbi Mahjoub.**
- **Mr. Ali El Hlioui.**
- **Mr. Mustapha Lahmar.**

Government Controller :

Mr. Mahmoud Montassar Mansour.

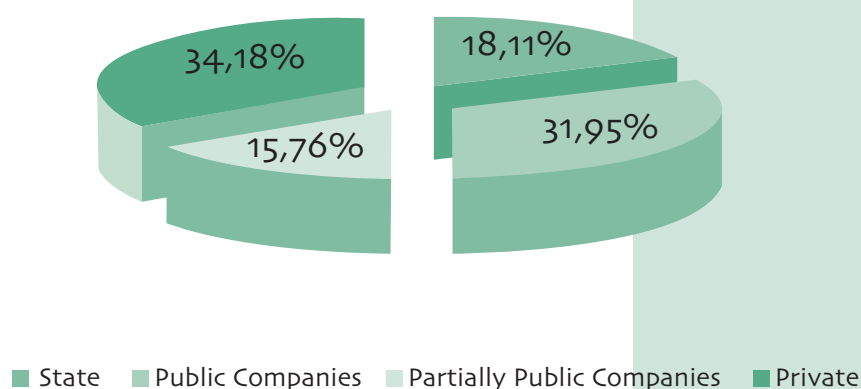
Independant Auditor :

- **« La Générale d'Audit et Conseil »,**
represented By Mr. Chiheb Ghanmi.
- **« Commissariat, Management, Conseil »,**
represented By Mr. Cherif Ben Zina.

Structure Of Capital And Vote Entitlement

At the end of 2007 the allocation of registered capital and vote entitlement were as follows :

	Number of shares	Amount inTND	%
State	3,622,724	18,113,620	18.11
Public Companies	6,390,824	31,954,120	31.95
Partially Public Companies	3,151,518	15,757,590	15.76
Private	6,834,934	34,174,670	34.18
Total at Dec 31,2007	20,000,000	100,000,000	100.00



Access conditions to meeting

In accordance with article 40 of the status, only the shareholders whose have at least ten paid-up shares are entitled to take part in meeting after simple presentation of identity proof.

The shareholders whose have at least ten shares have the power to join together and choose one of the group to represent them. This operation require a signed mandate wich can be gave to the mandatory or deposited at the head office of the Bank five days at least before the meeting.

ECONOMIC SITUATION

I. The international economic situation

Conditions on the international scene were marked by several factors that together caused a slowdown in economic growth starting the last quarter of 2007 in the main industrialised countries, especially the United States. Slower growth was due to:

- ongoing increases in prices for commodities, especially crude oil for which prices skyrocketed to a record level of \$100 per barrel in November 2007;
- sharp depreciation of the dollar, especially against the euro;
- higher inflation over the closing months of 2007;
- persistent geopolitical tension.

But the world economy stood up well to this unfavourable context, posting a growth rate of 4.9% vs. 5% in 2006, based on economic expansion in emerging and developing countries as opposed to industrialised countries.

Activity in the United States was affected mainly by the subprime mortgage crisis and the sharp increase in commodity prices, notably oil. GDP rose by just 2.2% in real terms, compared to 2.9% in 2006.

In the euro zone, economic growth came to 2.7% vs. 2.8% the year before. There was slower growth in most euro zone countries, especially Germany (2.6% in real terms vs. 2.9% a year earlier), based in particular on slowing household

consumption, following an increase in the value added tax in January 2007.

Weak domestic demand in Japan, notably private consumption along with appreciation of the yen against the US dollar slowed the pace of economic growth, which came to 2.1% in 2007 vs. 2.4% a year earlier.

There was slightly higher growth in developing and emerging countries in 2007, coming to 7.8% vs. 7.7% in 2006. Africa and the Middle East posted 6% growth, up from 5.8% for each region the previous year, thanks to the positive impact of higher prices for commodities. Growth remained high for the developing countries of Asia and it remained stable at 5.4% for Latin America.

In the area of employment, conditions in 2007 improved on the job markets in most industrialised countries. The unemployment rate in the United States stabilised at about 4.6% and it fell from 7.7% to 7.4% in the euro zone and from 4.1% to 3.9% in Japan. Inflation was lower in 2007 than in 2006, despite higher commodity prices (especially for oil) and this caused inflationary pressure throughout the world. The inflation rate in the US fell from 3.2% in 2006 to 2.8% and from 3.2% to 2.1% in the euro zone. International foreign exchange markets in 2007 were marked by a sharp increase in the value of the euro against the dollar, reaching record levels. And the main stock market indexes closed for the year at higher levels than at the end of 2006, thanks in particular to

major corporate mergers / acquisition and lower interest rates in the United States.

II. The national economic situation

In general, economic activity in Tunisia evolved in a positive and satisfactory manner in 2007 despite slowing economic growth worldwide.

In addition to a promising agricultural season, activity was particularly marked by major recovery in industrial production, faster growth in export of services (mainly tourism and air transport), and an inflation rate that stayed down despite higher world commodity prices, which caused pressure over the closing months of the year.

Thus GDP growth in constant prices came to 6.3% in 2007, up from 5.5% in 2006. Per capita income came to 4377 dinars in 2007, up from 4120 dinars in 2006, an increase of 6.2%.

In agriculture/fishing, the cereal harvest for the 2006-2007 season came to 20 million quintals, up from 16.1 million quintals the year before, an increase of 24.2%.

Imports came to 3.2 million tonnes worth 1194 MD, respective increases of 19% in terms of quantity and 99.3% in terms of value, mainly because of higher prices on the international scene, up from 2.7 million tonnes worth 599 MD in 2006. Higher prices for cereals had a negative impact of 468 MD, representing 9.3% of the deficit in the commercial balance.

In the area of tree crops, olive oil production for the 2006-2007 season came to 180,000 tonnes, down from 210,000 tonnes for the 2005-2006 season, representing a drop of 14.3%. Export of olive oil for this last season fell by 7.2% to 155,000 tonnes, vs. 167,000 tonnes the year before.

Date production for the season came to a record level of 131,000 tonnes, up from 113,000 tonnes the year before. Exports followed this same trend, reaching 59,000 tonnes vs. 42,800 tonnes for the 2005-2006 season, an increase of 37.9%.

Production of citrus fruit dropped by 5.7% for the 2006 -2007 season to 247,000 tonnes vs. 262,000 tonnes for the 2005-2006 season. Exports came to 16,300 tonnes, down from 19,300 tonnes for the 2005-2006 season.

In the livestock sector, production of fresh milk was up by 3.6% to 1006 million liters, compared to 971 million liters a year earlier. In line with this increase, quantity increased by 3.6% to 580 million liters, up from 560 million liters a year earlier.

Production was down by 5.2% in fishing and aquaculture (after rising by 2% in 2006) to 105,100 tonnes (down from 110,900 in 2006). There were drops in all the main methods of fishing, notably trawling (-9.8%).

The deficit in the balance of food amounted to 427 MD in 2007 (vs. a surplus of 277 MD in 2006), following a net increase in the pace of imports (54.5%) and virtual stagnation in exports (1%), notably doubling of the cost of

cereal purchases and a drop in sale of oil (-16.6%), which yielded deterioration in the rate of coverage of imported foodstuffs by exports, down from 121% in 2006 to 79.1%.

In industry, the general production index went up by 9.4% vs. 2.8% for the same period the year before. This trend was due to higher production in manufacturing industries (8.2% vs. 4.3% in 2006) and renewed growth in production for the energy sector (16.1% vs. -1.2% in 2006), with production slowing in agrofood industries (1.2% vs. 4.9% in 2006).

This trend was also borne out by higher imports for the industrial sector. Purchase of raw materials and semi-finished products was up by 27.3% in 2007, compared to 15.7% the year before.

Tourism activity moved ahead in a positive manner in 2007, despite slower growth in its main indicators. Foreign tourist entries were up by 3.2% (vs. 2.7% a year earlier) to 6.8 Million and overall tourist bednights went up at virtually the same rate as in 2006 (1.4% vs. 1.5%) to 37 million. Income in foreign currency from tourism was up by 8.9% in 2007 (vs. 8.2% in 2006) to 3077 MD (vs. 2825 MD a year earlier).

Growth in foreign trade involved both imports (22.2%) and exports (24.8%), which helped improve the rate of coverage, up by 1.6 percentage point to 79.4%.

Exports were up, especially in the energy sector (55.5% vs. 14.8% in 2006), mechanical/electrical industries (30.9% vs. 23.9%) and

textile/clothing industries (16.4% vs. -0.8%), while higher imports involved not only raw materials and semi-finished products but also foodstuffs and capital goods. Savings on wages sent back home by Tunisians resident abroad went up by 9.4% in 2007 (vs. 11.2% in 2006) to 2199MD (vs. 2010MD in 2006). The inflation rate stayed at 3.1% in 2007, down from 4.5% in 2006. This was made possible by slower growth in prices for most categories of household expenditure. But if this trend is to continue it will be necessary to introduce appropriate measures to stand up to ongoing skyrocketing of world commodity prices in 2008.

On the foreign exchange market, the dinar depreciated by 4.6% against the euro and by 2.9% against the Moroccan dirham in 2007. On the other hand, it appreciated against the Japanese yen (5.3%) and the US dollar (3.9%).

Trends in the financial system were marked by higher financing of the economy and renewed growth in net claims abroad, along with slower growth in net claims on the State.

This situation was reflected in trends in monetary aggregates, most of which were on the rise. Thus the M3 aggregate went up by 12.5% vs. 11.4% in 2006. M2 money mass went up by 13.5% vs. 12.2% in 2006, due in particular to faster growth in quasi-money.

Compared to last year's level, net claims abroad rose by 931 MD to 7807 MD in 2007, up from 6876 MD at the end of 2006.

Reserves in foreign currency came to 9582 MD at the end of 2007, the equivalent of 141 days of imports, compared to 8705 MD and 157 days of imports at the end of 2006.

Financing of the economy, under the impetus of higher economic

growth, rose in 2007 by 9.7% or 2537 MD to 28,693 MD in 2007 vs. 26,156 MD in 2006. This increase was due to loans granted from ordinary resources (10.8% vs. 6.7%), while the outstanding balance of loans from external funds posted a drop.

Activity at the B.N.A For the Financial year 2007

In 2007 the National Agricultural Bank (BNA) continued efforts to reconcile commercial growth objectives and the constraints of financial profitability, in line with national orientations to modernise the banking system and to further economic and social development. To this end, the Bank has adopted loan policy based on securing new market shares for both private individual and corporate clients and accompanying client companies in their development so as to ensure greater division of risk, while giving due attention to better collection and clearing up of doubtful claims. And major commercial efforts were made to canvas clients and adapt supply of investment products, leading to net progression of mobilised resources with clients.

In the area of operations, trends in proceeds and fees for banking operations were marked by higher net banking margins. Thus, given the moderate increase in operating fees, the National Agricultural Bank posted an operating coefficient that has steadily improved and gross operating profitability that will help it improve its financial profitability ratios while meeting national objectives to strengthen coverage of risk by provisions.

It should be noted that profits from sale of BNA holdings in the capital of the Magasin Général company contributed to constitution of provisions without altering projected advances in net results. On the organisational side, BNA focused its efforts in 2007 on strengthening of its structures and control/steering

procedures while also continuing to modernise its information system, opting for internal development of solutions and specialisation applications as a matter of priority.

In the area of human resource management, Bank policy involved higher staff productivity by encouraging internal rotation, targeting of recruitment and fine tuning of training activities to meet the needs of central and regional structures.

Thus trends in activity at the National Agricultural Bank were mainly characterised in 2007 by:

- a 12.0% increase in overall turnover;
- a 16.2% increase in the volume of net commitments;
- an 8.6% increase in resources mobilised from clients;
- 34 MD in net indebtedness on the money market;

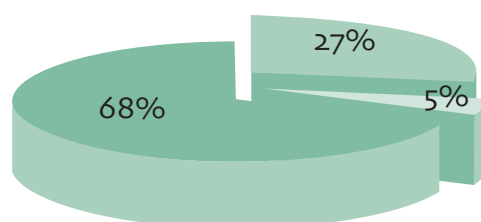
- a 10.9 % increase in turnover;
- and net results of 28,106 MD.

I – RESOURCES

1 - Client resources

In 2007 the Bank focused efforts on expanding its client base (particularly private and professional clients) and offering a more extensive and better-adapted product line, while keeping down the cost of resources. Such efforts led to a significant increase in the volume of mobilised resources and a higher share of non remunerated deposits in overall resources, from 25% in 2006 to 27% on 31.12.2007. It should be noted that a major portion of institutional monetary assets remains drawn to forward deposits, notably due to competition on this segment from clients.

Composition of the resources



■ SD & Other Sum ■ MFI ■ Remunerated Deposits

Thus the outstanding balance of resources taken in from clients came to 3822 MD on 31.12.2007 vs. 3520 MD at the end of the previous year, an increase of 8.6% (+302 MD) vs. 7.4% (+244 MD) the year before. This yielded an

increase of 332 MD in deposits and a drop of 30 MD in the level of investment in monetary and financial instruments. In terms of average capital, the increase in resources mobilised from clients amounted to 231 MD at the end of 2007.

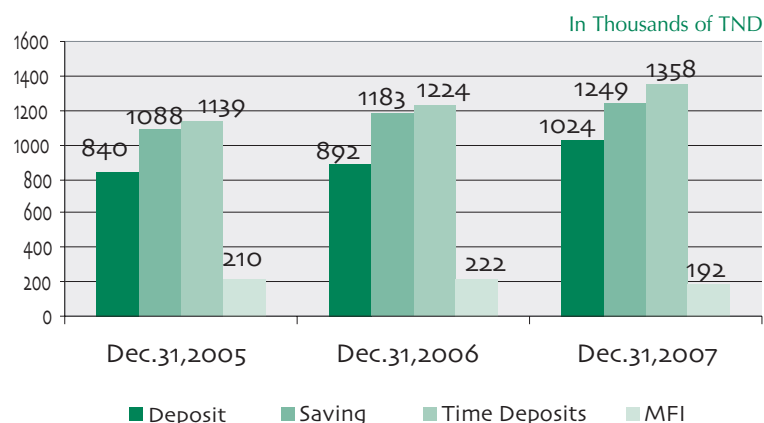
a 5 MD drop in investment in Treasury notes.

2 – Loans and special resources

The net outstanding balance of loans and special resources came to 610 MTD on 31.12.2007 (down from 627 MD on 31.12.2006), a drop of 2.7% or 17 MD in terms of volume.

The overall outstanding balance of loans and external resources fell from 446 MD on 31.12.2006 to 434 MD on 31.12.2007, a drop of 2.7% after a 3% increase a year earlier. Calls for funds in 2007 involved in particular the fourth ADB credit line in the amount of 36 MD and the second KfW 'upgrading' credit line in the amount of 6.2 MD. Reimbursement of principal due on external loans involved volume of 60.9 MD, 21.6 MD of which was a syndicated loan, 18.9 MD from the ADB's fourth line of credit, and 11.2 MD the ADB's third line of credit. The overall outstanding balance of budgetary resources came to 168 MD on 31.12.2007 vs. 172 MD on 31.12.2006, a drop of 2.3 %.

Evolution of the resources



1.1 – Deposits

Client deposits and assets came to a total of 3630 MD as of 31.12.2007 vs. 3298 MD at the end of 2006, an increase of 10.1% (+332 MD) as a result of:

- a 5.6% (+66 MD) increase, compared to 8.7% (+95 MD) in 2006, for savings deposits that came to 1248 MD on 31.12.2007, up from 1183 MD on 31.12.2006,
- a 10.9% (+ 133 MD) increase, compared to 7.4% (+85 MD) in 2006, with forward deposits and other financial products up from 1224 MD on 31.12.2006 to 1357 MD at the end of 2007, and

- a 15.9% increase, compared to 6.5% in 2006, in the volume of non remunerated deposits amounting to 995 MD on 31.12.2007 vs. 859 MD at the end of 2006.

1.2 – Investment in monetary and financial investments

The outstanding balance of client investment in monetary and financial instruments went down by 13.3% for a total of 192 MD on 31.12.2007 vs. 222 MD on 31.12.2006, a 30 MD drop in volume. This development was due to a 25 MD drop in investment in Treasury bonds and

3 – Core capital and provisions

Given the assignment of reserves retained from 2006 profits and the trend in results for 2007, BNA's core capital (prior to assignment thereof) came to 387 MD on 31.12.2007 vs. 366 MD at the end of 2006, an increase of 5.7% vs. 3.9% the year before. In effect, amounts of 5.7 MD went to tax-free reserves for reinvestment, 0.8 MD to extraordinary reserves, and

1.7 MD to special regime reserves, in line with resolutions taken by the Ordinary General Assembly on 23 May 2007.

The overall net outstanding balance of provisions came to 284 MD on 31.12.2007 vs. 216 MD on 31.12.2006, an increase in volume of 68 MD as a result in particular of:

- assignment of a gross allocation to provisions for 2007 in the amount of 114.9 MD (vs. 84.5 MD in 2006)
- recovery of provisions in the amount of 46.8 MD, notably after sale of a lot of disputed claims at SOFINREC, the Bank's claim collection affiliate.

II – JOBS

1 – Commitments

The overall outstanding balance of net commitments at the Bank went up by 16.2% to 5250 MD at the end of 2007, up from 4518 MD on 31.12.2006, an increase of 732 MD in volume.

This development was the result of an increase to 16.4% for commitments by disbursement, up from 3335 MD on 31.12.2006 to 3881 MD at the end of 2007 and to 15.7% for surety bonds amounting to 1369 MD on 31.12.2007 (vs. 1183 MD at the previous year's closing). Throughout 2007, BNA sold a new lot of disputed claims with a nominal value of 30.4 MD at the Financial Collection Company, an affiliate of the Bank. Thus, given the efforts made to collect and monitor risks, indicators of the quality of commitments performed well in 2007, with a 13.6% rate of unpaid claims, down from 15.8% in 2006 and 17.5% in 2005.

1.1 – Agricultural commitments

The outstanding balance of agricultural commitments came to 1494 MD on 31.12.2007 (up from 1179 MD at the end of 2006), an increase of 26.8% (+ 315 MD) thanks to a 54.8%

increase (+303 MD) for marketing loans and 2.0% (+12 MD) for production loans. The trend in the outstanding balance for marketing loans was due mainly to the higher level of financing to the Cereals Board in the framework of the national priority to strengthen food security, especially in light of higher prices for raw materials on world markets. The increase in production loans and in their outstanding balance in 2007 was due mainly to the volume of new loans released net of 8.8 MD in outstanding debt and 2.0 MD in sale of disputed agricultural claims to SOFINREC. Despite drop off in the volume of agricultural claim collection (the amount of principal amounting to 75 MD for 2007 vs. 78 MD in 2006), the Bank increased its funding to the agricultural sector, with disbursements up from 77 MD in 2006 to 85 MD in 2007, with more than half of these going to finance investments.

	Dec.31,2006	Dec.31,2007	(in thousands of TND)	
			Change in	
			Volume	%
Agricultural Liabilities	1 178 667	1 494 280	315 613	26.8
Direct	950 515	1 135 447	184 932	19.5
* Loans for production	616 159	626 981	10 822	1.8
* Loans for marketing	334 356	508 466	174 110	52.1
Contingent	228 152	358 833	130 681	57.3
* Loans for production	8 524	9 977	1 453	17.0
* Loans for marketing	219 628	348 856	129 228	58.8
Commercial & Industrial Liabilities	3 339 353	3 755 486	416 133	12.5
Direct	2 384 682	2 745 626	360 944	15.1
Contingent	954 672	1 009 860	55 189	5.8
Total Net Liabilities	4 518 020	5 249 766	731 746	16.2

1.2 – Commercial and industrial commitments

The net outstanding balance of commercial and industrial commitments came to 3755 MD on 31.12.2007 (up from 3339 MD at the end of the previous year), an increase of 12.5% (+ 416 MD) vs. 16.3% (+ 469 MD) in 2006. This was the result of a 15.1% (+361 MD) increase in commercial commitments by disbursement, to 2746 MD on 31.12.2007 vs. 2385 MD at the end of 2006 and 5.8% (+55 MD) for surety bonds, up from 955 MD on 31.12.2006 to 1.010 MD at the end of 2007. This major effort to help finance the industrial and services sectors took place in conjunction with particular focus on better quality risk taken on through ongoing supervision and making regional and central structures more responsible about the solvency of clients in the red. Thus the rate of non payment came to 7.4% at the end of 2007, down from 9.0% on 31.12.2006 and 10.1% in 2005.

And performance in collecting commercial and industrial claims (exclusive of disputed claims) further improved with a 2.8 percentage point increase in the rate of recovery in 2007, up from 2.6 percent in 2006.

2 – The securities portfolio

Overall volume for the net commercial securities portfolio, made up almost entirely of Treasury bonds, went up to 384.4 MD on 31.12.2007 vs. 341.7 MD on 31.12.2006, an increase of 12.5%. The net outstanding balance of the

investment portfolio fell from 316.4 MD on 31.12.2006 to 306.3 MD at the end of 2007, a drop of 3.2% (-10.1 MD). This resulted mainly from:

- an 11.2 MD drop in public enterprise debt assumed by the State following reimbursement by the State of payments due in 2007,
- a 4.2 MD increase in the outstanding balance of managed funds, and
- a 5.2 MD increase in the stock portfolio; following new holdings under the plan to clear up finances at the Tunisian Automobile Industries Company (STIA) for a total of 7.0 MD, 5 MD of which involved claim conversion. It should also be noted that in the framework of the programme for the State and public enterprises to disengage from competitive activities, BNA has sold its holdings in the capital of the Magasin Général Company, generating profits of 26.6 MD.

With a share of 30.4% of the portfolio's accounting value, shares in agriculture and agrofood account for 65.2% of portfolio income, exclusive of profits from the sale of securities. And the financial sector accounted for 18.3% of income for a 36.7% share in the securities portfolio. In terms of profitability, the securities portfolio posted a gross profitability rate of 32.6% on 31.12.2007. If profits on the sale of securities are excluded, the profitability rate would be 6.7%.

3 – Fixed assets

Net fixed assets fell by 10.1% to 48.5 MD on 31.12.2007 (vs. 54.0 MD on 31.12.2006), a 5.5 MD drop in volume mainly because of sale of the building to the Tunisian Solidarity Bank. It should be noted that transactions tied to investment involved some 4.8 MD, 2.4 MD of which went for computer expenditure. Allocations for amortisation involved some 4.9 MD.

III – Position on the Monetary Market and Liquidity

Given trends in resources and uses as indicated above, the Bank's position on the money market posted net indebtedness of 34 MD on 31.12.2007, compared to a net surplus of 153 MD on 31.12.2006 and 324 MD in 2005. The liquidity ratio came in at 114.64 % on 31.12.2007, compared to 142.92% at the end of 2006 and 131.04% in 2005.

IV – Banking Transactions Abroad

1 – Domiciliated Securities

The volume of domiciliation of foreign trade securities came to 6321 MD at the end of 2007, up from 5331 MD on 31.12.2006, an 18.6% increase despite a drop in the number of domiciliated securities for exports. Following a 5.2% increase in the number of import securities, the global value of these securities went up by 22.2% to 5151 MD in 2007 vs. 4216 MD the previous year.

Domiciliation of export securities went up both in terms of domiciliated securities (+2.1%) and in terms of value, up from 1115 MD in 2006 to 1170 MD in 2007, equivalent to + 4.9%.

2 – Settlements abroad

Settlements abroad through BNA came to 17,578 MD on 31.12.2007 vs. 15,106 MD the previous year, recording growth of 16.4% (vs. 44.9% in 2006). This development was the result of a 13.4% increase in settlements from abroad and a 23.6% increase in settlements going abroad, down from 56.7% and 22.4% respectively in 2006. In effect, the volume of settlements coming in from abroad amounted to 12,146 MD as of 31.12.2007 vs. 10,711 MD in 2006, corresponding to a 1435 MD increase in volume, thanks in particular to a sharp increase in the value of transfers received (+13.9%). Settlements going abroad went up by 23.6% to a total of 5432 MD on 31.12.2007 (vs. 4395 MD at the end of 2006), due mainly to good performance for import documentary remittals and credits.

3 – Banknote exchange transactions

The volume of banknote exchange transactions at BNA went up by 10.4% to 353 MD on 31.12.2007 (vs. 320 MD at the end of 2006), an increase in volume of 33 MD, due to a 14.1% increase in activity for buying foreign currency and a 2.4% drop in the volume of transactions to sell foreign currency.

V – MAKE-UP OF RESULTS

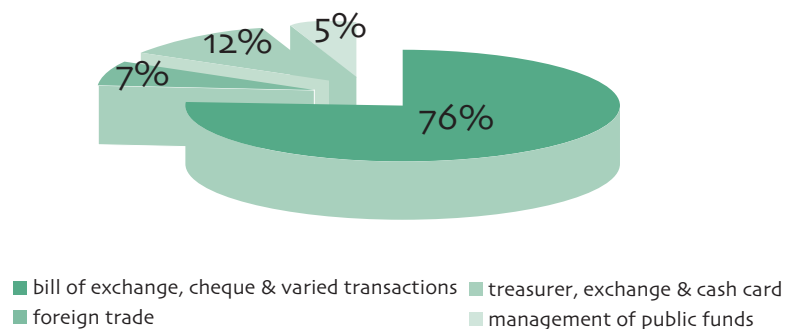
1 – Proceeds from banking activities

Proceeds from banking activity came to 340.5 MD as of 31.12.2007 (up from 307.2 MD on 31.12.2006), an increase of 10.9% (+33.3 MD) vs. 13.8% (+37.4 MD) in 2006. This trend was the result mainly of a 26.0 MD (+12.3%) increase in interest on transactions with clients after

2 – Banking service fees

Banking service fees amounted to 149.3 MD on 31.12.2007 vs. 130.4 MD at the end of the previous year, an increase of 18.9 MD (+14.5%) vs. 9.2 MD (+7.6%) in 2006. This increase resulted mainly from a 17.7 MD increase (+16.7%) in interest on client deposits, 2.8 MD in interest on cash transactions, and a drop of 1.6 MD in interest and fees on external loans.

Structure of commission



net recovery (+14.6%) in interest on commercial and industrial loans. This increase led to higher overall return of 0.2 of a percentage point in 2007 on loans from core and assimilated loans.

- a 5.7 MD increase in earnings from the commercial security portfolio and financial transactions;
- a 1.8 MD increase (+4.4%) in the volume of commissions.

3 – Net banking proceeds

Following the above-mentioned trends in banking products and fees for banking operations, net banking proceeds rose to 191.2 MD on 31.12.2007 vs. 176.8 MD the year before, an increase of 8.2% vs. 18.9% in 2006. This improvement involved in particular net income from the securities portfolio and net

	Dec.31,2005	Dec.31,2006	in thousands of tnd Dec.31,2007
*net margin of interest (contribution to NBI)	92 940 (62%)	106 904 (60%)	113 198 (59%)
*net margin of commissions (contribution to NBI)	35 152 (24%)	40 125 (23%)	42 109 (22%)
*income of commercial portfolio (contribution to NBI)	12 849 (9%)	21 417 (12%)	27 148 (14%)
*income of investment portfolio (contribution to NBI)	7 678 (5%)	8 329 (5%)	8 776 (5%)
Net Banking Income	148 619	176 775	191 231

interest margins. The share of net income for the commercial portfolio in net banking proceeds went up from 12.1% in 2006 to 14.2% at the end of 2007, thanks to good performance for income on portfolio Treasury bonds. And the net interest margin went up by 6.3 MD in 2007 vs. 14.0 MD

previous year, an increase of 4.2% (+4.0 MD), based on a 3.6% (+2.7 MD) increase in staff costs and a 6.3% (+1.2 MD) increase in general operating costs. Thus the operating coefficient fell from 54.1% in 2006 to 52.1% in 2007 and productivity per staff member (measured by net banking

assigned a gross allocation of 114.9 MD to provisions for 2007. So given gains or losses and correction of values on claims and securities, the volume of net allocations to provisions came to 59.5 MD as of 31.12.2007, an increase of 3% compared to the previous year.

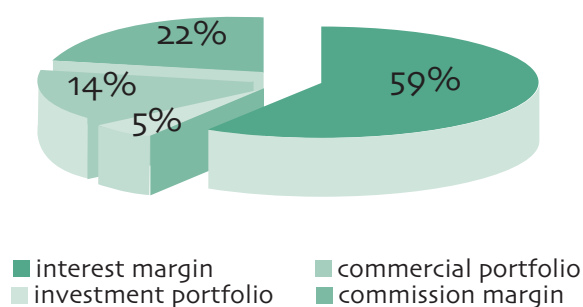
6 – Results

Given the favourable trends in proceeds from banking services, operating results amounted to 27.9 MD on 31.12.2007, up from 19.2 MD at the end of the previous year. Net results came to 28.106 MD Tunisian dinars on 31.12.2007, up from 16.323 MD in 2006 and 8.065 MD in 2005. Thus the profitability rate on average core funds rose from 3.8% in 2005 and 7.6% in 2006 to 12.7% on 31.12.2007.

VI – Commercial and Communication Policy

BNA in 2007 focused commercial policy efforts on providing services in line with clients' needs, strengthening of the supervisory framework, and assistance to the operational network so as to improve the Bank's standing on most client segments in an effort to develop its reputation and image. Thus the Bank's range of services was expanded in 2007 by launching

Structure of net Banking income



in 2006, up from 106.9 MD on 31.12.2006 to 113.2 MD at the end of 2007, a contribution of 59.2% to formation of net banking proceeds.

4 – Operating costs

Operating costs came to 99.6 MD on 31.12.2007, up from 95.6 MD at the end of the

proceeds in relation to the number of staff) went up from 65,800 dinars in 2006 to 71,800 dinars in 2007.

5 – Allocations for provisions

In pursuit of its objective to improve the rate of coverage of its filed assets by provisions, the Bank

new financial products, including two mutual investment funds: BNA CONFiance and BNA PROGRES, and a new banking insurance service in cooperation with a Tunisian insurance company.

Pursuing its efforts to diversify distribution channels and means of access, BNA in 2007 launched a vocal server and converted its website to a transactional site. In the area of promotion of monetary activity, 2007 was marked in particular by a sizeable increase in the number of cash machines, up from 50 in 2006 to 115 at the end of 2007. This investment brought about a net increase in banking cards issued (+9.7% in 2007 vs. 0.8% in 2006) as well as in the number and volume of withdrawals at the Bank's cash machines. In the area of external communications, aside from active participation in various national and international fairs and events dealing with the banking profession, BNA in June 2007 organized a day open to the public.

VII – Organisation and Computerization

BNA's policy in organizational and computer matters in 2007 focused on pursuing modernisation of its information system, strengthening its steering system and adapting procedures to changes in the regulatory and financial framework and to future deadlines to bring banking services in line with international norms. An executive committee for credit and the function of banking mediator and another for computer security were set up

along with reorganisation of attributions and of control in order to ensure better steering of Bank business.

In the area of procedures, the main improvements involved management of commitments, legal aspects and handling of guarantees, dysfunctional management mechanisms linked to marketing of products and services, along with monetics and processing/archiving of electronic data. In the framework of modernisation of the information system, special attention has been given to internal development of computer solutions in order to ensure better integration of applications and better adaptation to the Bank's needs in computer security and the quality of data produced. Thus initiatives to reorganise the new branch network (SMILE), the single commitments system (SAEB), and to introduce the CLIENT REFERENTIAL are at very advanced stages of finalisation. Start up of these solutions in the near future would be a major advantage, especially for customer relations and handling of banking risks. It should be noted that BNA has also moved to acquire software applications for certain projects, notably management of foreign exchange and foreign currency cash flow (MEGARA FOREX), management on behalf of the depositing service, electronic management of accounting archives (STAR FIND), and management of the central registry.

In the framework of national and inter bank cooperative initiatives - aside from the active role played

in drawing up specifications and review of tenders to acquire a joint technical base with other Tunisian banks in the framework of a banking interest group, BNA has succeeded in implementing the greater portion of information systems relating to the data. (SED) exchange system, an initiative led by the Central Bank of Tunisia.

VIII – Human Resources

BNA in 2007 pursued its policy of human resource development that seeks to improve HR productivity indicators, ensure the availability of skills needed to reach the Bank's future growth and profitability objectives and promote a corporate environment favourable to the emergence of an innovative and sound corporate culture. Human capital productivity, measured as a ratio of GNP per agent, continued on an upward trend with a growth rate of 9%. Net banking proceeds by agent came to 71,800 dinars at the end of 2007 compared to 65,800 in 2006 and 53,700 the year before. Such performance was made possible by optimising vocational training activities, and recruitment/allocation of available resources throughout the Bank's departments.

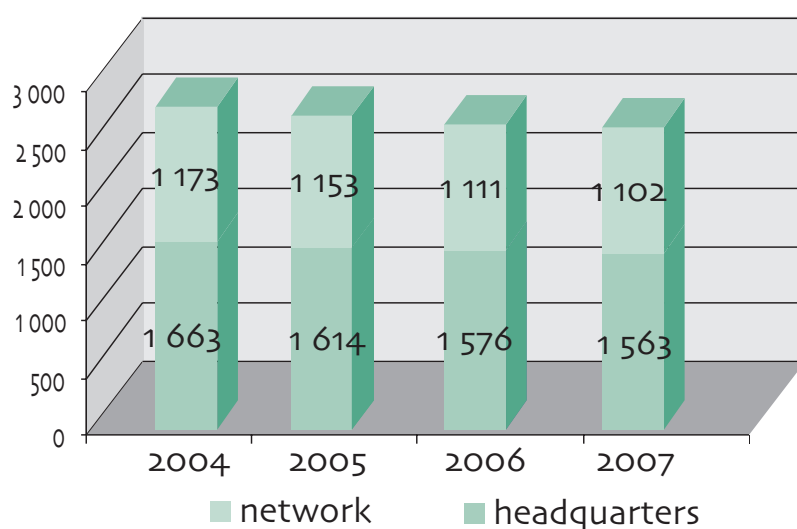
The ratio of training benefits came to 30% of actual staff in 2007, vs. 20% in 2006. The HR capitalisation index, measured by the ratio of training expenditure to turnover came to 0.3% as of 31.12.2007. Greater resources for commercial departments, 52 transfers and 14 new recruits out of a total of 19 newly recruited employees

benefited the network of bank branches in 2007. There were 45 definitive departures in 2007, 25 on normal retirement and 12 voluntary departures on early retirement. Consequently, taking into account recruitment and other staff movement, there were 2665 staff members at the Bank in 2007, down from 2687 at the end of 2006.

ongoing efforts to pursue cooperation with and further open the Bank to university and professional circles. This is illustrated by the taking on of more than 1300 interns throughout the Bank's network of branches and central services in 2007, 500 of which were paid internships.

The price of BNA stock in 2007 varied between a minimum of 7.950 dinars and a maximum of 10.750 dinars. Global trade of BNA stock involved 1,533,507 shares for overall volume of 21,656,084 dinars. Thus stock capitalisation rose from 172.0 million dinars on 31.12.2006 to 179.0 million on 31.12.2007.

Evolution of manpower



It should be noted in this regard that the Bank might be called on to enhance its human resources by recruiting new skills, especially in certain fields such as new communication technologies, sales techniques and management, to enable it to reach internal and national objectives to bring banking services in line with international norms. And 2007 was marked by

IX – TRENDS IN BNA STOCK ON THE STOCK MARKET

To promote BNA's stock liquidity in line with Extraordinary General Assembly resolutions dated 23 May 2007, it was decided to split up the nominal of BNA stock to bring it down from 10 to 5 dinars per share starting 22 June 2007.

	2004	2005	2006	2007*
* registered capital in thousands of tnd	100 000	100 000	100 000	100 000
* face value (tnd)	10	10	10	5
* number of shares in thousands	10 000	10 000	10 000	20 000
* admitted shares number (in thousands)	10 000	10 000	10 000	20 000
* transacted capital (tnd)	3 334 059	2 231 525	20 764 702	21 656 084
* transacted shares	348 920	250 528	1 443 159	1 533 507
* maximum quotation price (tnd)	10.20	9.80	18.20	10.75
* minimum quotation price (tnd)	9.00	8.90	8.55	7.95
* dividends per action (tnd)		0.6	0.8	0.400
* date of allotment	21/06/05	6/06/06	11/06/07	16/06/08
* price earning ratio (PER)	31.35	11.04	10.60	6.33
* stock exchange capitalization in thousands of tnd	98 000	89 000	172 000	179 000
* global return of share (%)	5.21	-9.18	(+)100	(+)8.72

* figures calculated by taking into account the split operation starting 22 June 2007

X – PROJECTED ACTIVITY

BNA's action plan for 2008 is based on the following main objectives:

- Provide a higher level of financing to all economic sectors, while improving the rate of filed claims and their coverage ratio, mainly by stepping up collection efforts
- Strengthen commercial canvassing activities, particularly with private and professional clients, by upping the range of products and services and raising the Bank's implantation rate
- Reduce the operating coefficient and increase the ratio of coverage of wages by commissions, by optimising HR productivity and rationalising general operating costs
- Improve the Bank's return on earnings (ROE) and return on assets (ROA), while also pursuing efforts to build up provisions

- Put into place the organisational and logistic pre-conditions to help the Bank be in line with the prudential rules introduced by Basel II

Implementation of these planned activities will mean an increase in the gross outstanding balance of commitments at a rate of 7.1% and that of client resources at a rate of 7.5%. In the area of operations, proceeds from banking operations should be up by 9.3% vs. 6.0% for banking operating costs, with an 11.8% increase in net banking proceeds. Thus, taking into account expected trends in operating costs, the operating coefficient would go down by 2.6 percentage points and the rate of return on core funds would gain 4.9 percentage points.

R a p p o r t
A n n u e l

2007

Individual Financial Statements **As of December 31, 2007**

BALANCE SHEET BEFORE DISTRIBUTION OF PROFITS AS AT DECEMBER 31,2007

	Notes	Dec.31,2007	Dec.31,2006	in thousands of tnd Change in Volume (%)	
ASSETS					
1. Cash & credit notes with the central bank, the post office & the treasury	4.1.1	70 004	133 768	-63 764	-47.7
2. Receivables from banking and financial institutions	4.1.2	198 391	180 306	18 085	10.0
3. Receivables from customers	4.1.3	3 881 073	3 335 197	545 876	16.4
a- debit accounts		566 346	404 752	161 594	39.9
b- other assistance to customers		2 740 844	2 399 241	341 603	14.2
c- loans out of special resources		544 449	501 516	42 933	8.6
d- farming receivables from the state		29 434	29 688	-254	-0.9
4. Commercial securities portfolio	4.1.4	384 390	341 748	42 642	12.5
5- Investment portfolio	4.1.5	306 309	316 433	-10 124	-3.2
6- Frozen assets	4.1.6	48 547	54 030	-5 483	-10.1
7- Other assets	4.1.7	162 946	148 040	14 906	10.1
a- suspense and adjustment accounts		126 762	116 595	10 167	8.7
b- Other		36 184	31 445	4 739	15.1
TOTAL ASSETS		5 051 660	4 509 522	542 138	12.0
LIABILITIES					
1. The central bank and the post office		5 293	3	5 290	
2. Deposit & credit notes of banking & financial institutions	4.1.8	234 775	34 680	200 095	577.0
3. Customers' deposits and credit notes	4.1.9	3 630 123	3 298 386	331 737	10.1
a- sight deposits		872 315	746 645	125 670	16.8
b- other deposits and credit notes		2 757 808	2 551 741	206 067	8.1
4- Borrowings and special resources	4.1.10	609 723	626 707	-16 984	-2.7
a- realised borrowings		43 742	65 320	-21 578	-33.0
b- special resources		565 981	561 387	4 594	0.8
5. Other liabilities	4.1.11	184 890	183 895	995	0.5
a- reserves for liabilities & expenses		4 439	2 230	2 209	99.1
b- suspense and adjustment accounts		151 665	151 902	-237	-0.2
c- other		28 786	29 763	-977	-3.3
TOTAL LIABILITIES		4 664 804	4 143 671	521 133	12.6
STOCKHOLDERS' EQUITY					
1- Capital	4.1.12	100 000	100 000	0	0
2- Reserves	4.1.12	129 077	119 939	9 138	7.6
3- Treasury stock	4.1.13	-3 446	-3 596	150	-4.2
4. Other stockholders' equity	4.1.12	133 000	133 000	0	0
5- Income brought forward	4.1.12	119	185	-66	-35.7
6- Income for the year	4.1.12	28 106	16 323	11 783	72.2
TOTAL STOCKHOLDERS' EQUITY		386 856	365 851	21 005	5.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		5 051 660	4 509 522	542 138	12.0

STATEMENT OF OFF-BALANCE SHEET LIABILITIES AS AT DECEMBER 31, 2007

	Notes	Dec.31,2007	Dec.31,2006	in thousands of tnd Change in Volume (%)	
CONTINGENT LIABILITIES					
OBS1- Bonds, backings & other guaranties given	4.2.1	660 603	752 784	-92 181	-12.2
a - in favour of banking institutions		67 972	147 339	-79 367	-53.9
b - in favour of customers		432 631	445 445	-12 814	-2.9
c - in favour of the state		160 000	160 000	0	
OBS2- Documentary credits		772 806	518 776	254 030	49.0
a - debtor by export documentary credits		282 437	105 281	177 156	168.3
b - debtor by import documentary credits		490 369	413 495	76 874	18.6
OBS3- Assets given as security		-	-	-	-
TOTAL CONTINGENT LIABILITIES		1 433 409	1 271 560	161 849	12.7
COMMITMENTS GIVEN					
OBS4- Financing commitments given		163 256	218 602	-55 346	-25.3
a - notified credits wich are not utilized		163 256	218 602	-55 346	-25.3
OBS5- Commitments on securities		2 537	4 071	-1 534	-37.7
a - equity investments still to be paid in		388	531	-143	-26.9
b - other		2 149	3 540	-1 391	-39.3
TOTAL COMMITMENTS GIVEN		165 793	222 673	-56 880	-25.5
COMMITMENTS RECEIVED					
OBS6- Financing commitments received		27 514	69 114	-41 600	-60.2
OBS7- Guarantees received	4.2.2	479 008	427 520	51 488	12.0

STATEMENT OF OPERATIONS AS AT DECEMBER 31, 2007

	Notes	Dec.31,2007	Dec.31,2006	in thousands of tnd Change in Volume (%)	
REV1- Interest and similar income	4.3.1	261 264	235 948	25 316	10.7
a- transactions with banking & financial institutions		11 241	12 792	-1 551	-12.1
b- transactions with customers		237 901	211 865	26 036	12.3
c- other interest and similar income		12 122	11 291	831	7.4
REV2- Fees & commissions (as income)	4.3.2	43 335	41 494	1 841	4.4
REV3- Gains on commercial portfolio & financial transactions	4.3.3	27 148	21 417	5 731	26.8
REV4- Revenue from investment portfolio	4.3.4	8 776	8 329	447	5.4
TOTAL INCOME FROM BANKING OPERATIONS		340 523	307 188	33 335	10.9
EXPI- Accured interest & similar expense	4.3.5	148 066	129 044	19 022	14.7
a- transactions with banking & financial institutions		3 385	633	2 752	434.8
b- transactions with customers		123 770	106 054	17 716	16.7
c- borrowings and special resources		16 272	17 293	-1 021	-5.9
d- other interest and expense		4 639	5 064	-425	-8.4
EXP2- Fees and commissions accrued		1 226	1 369	-143	-10.4
TOTAL EXPENSE ON BANKING OPERATIONS		149 292	130 413	18 879	14.5
NET BANKING INCOME		191 231	176 775	14 456	8.2
REV5/EXP4- Provisions made & result of valuation adjustments on off-balance sheet receivables & liabilities	4.3.6	-80 371	-60 500	-19 871	32.8
REV6/EXP5- Provisions made & result of valuation adjustments on investment portfolio	4.3.7	20 890	2 775	18 115	652.8
REV7- Other operating revenue (+)		502	538	-36	-6.7
EXP6- Staff expense (-)	4.3.8	78 605	75 865	2 740	3.6
EXP7- General operating expenses (-)		20 946	19 702	1 244	6.3
EXP8- Provisions & fixed assets depreciation allowances (-)		4 851	4 782	69	1.4
RESULTS FROM OPERATIONS		27 850	19 239	8 611	44.8
REV8/EXP9- Income/loss balance from other regular items		1 701	-240	1 941	-808.8
EXPII- Income taxes (-)		1 445	2 676	-1 231	-46.0
RESULTS FROM REGULAR ACTIVITIES		28 106	16 323	11 783	72.2
REV9/EXPI0- Income/loss balance from extraordinary items					
NET INCOME FOR THE PERIOD		28 106	16 323	11 783	72.2

STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007

in thousands of tnd
Notes Dec.31,2007 Dec.31,2006

ACTIVITES D'EXPLOITATION		
1-Product of operating	313 750	268 446
2-Charge of operating	-154 859	-130 108
3-Deposit / withdrawal of money from banking & financial institutions	-22 037	-20 587
4-Loan / repayment given to customers	-616 466	-281 922
5-Deposit / withdrawal of the customers	335 353	232 257
6-Securities	-72	-243
7-Paid-up amount for the employees & creditors	-83 549	-75 980
8-Others cash flows from operating activities	-24 225	25 959
9-Income taxes	-3 309	-1 050
CASH FLOWS FROM OPERATING ACTIVITIES	-255 414	16 772
INVESTING ACTIVITIES		
1-Interest & similar from investment portfolio	8 426	7 932
2-Acquisition / assignment on investment portfolio	9 436	13 157
3-Acquisition / assignment on immobilization	1 156	-5 662
4-Income of participation securities	26 589	1 714
CASH FLOWS FROM INVESTING ACTIVITIES	45 607	17 141
FINANCIAL ACTIVITIES		
1-Shares of BNA	24	2 352
2-Borrowings issue		
3-Repayment of loans	-21 578	-21 578
4-Increase / diminution of special resources	5 519	62 223
5-Paid-up dividend	-7 902	-6 006
CASH FLOWS FROM FINANCING ACTIVITIES	-23 937	36 991
*Net change in cash & cash equivalents during the period	-233 744	70 904
*Cash & cash equivalents at start of the period	567 601	496 697
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	4.4.1 333 857	567 601

Notes Relating to the Individual Financial Statements

NOTES RELATING TO THE FINANCIAL STATEMENTS

1. Profile of the bank

The National Agricultural Bank is an anonymous company with a capital of 100 millions of dinars. Following the decision of the extraordinary general assembly of the 23 May 2007, the shareholders of the bank decided to reduce the nominal value of the share from 10 to 5 dinars. The capital is now composed of 20,000,000 shares each one of 5 dinars. The shares of the BNA are admitted in the permanent quotation of Tunis stock market.

The head office is situated at Hédi Noura avenue, 1001 Tunis. The bank is managed by a board of directors.

The BNA has the country's largest branch network which is composed of 15 regional directions, 3 agency offices and 143 branches. The bank furnish money to the various economic sector and subsidizes the quasi-totality agricultural capital's need.

The bank is subjected to the fiscal system and the ordinary law.

2. Processing referential of the financial statements

The financial statements of the National Agricultural Bank are constituted in accordance with the terms of the law n°96-112 of 30 December 1996 which concern

the accounting system of the enterprises, the decree n°96-2459 of 30 December 1996 which support the conceptual confines of the accounting and accounting principles foreseen in accounting norms for the banking sector those are published by decree of the Chancellor of the exchequer in implementation of the law n°96-112 of 30 December 1996 and notably the norms from number 21 to n°25 published in the decree of the Chancellor of exchequer of 25 March 1999.

3. Basis for measurement and accounting principles used

Financial statements are drawn up by applying the accounting principles and conventions mentioned in decree n°96-2459 of 30 December 1996 governing approval of the conceptual framework for accounting and accounting principles foreseen in accounting norms for the banking sector. The most significant bookkeeping are summarised below:

3.1. Accounting for commitments and related income

3.1.1. Commitments on the off balance sheet

Financing commitments are entered on the off balance sheet as they are contracted and transferred to the balance sheet as they are disbursed, at nominal value.

3.1.2. Claims on clients

Loans and advances are entered as assets for the amount of funds made available to clients. Loans granted as net discount are entered at nominal value (funds made available to clients above and beyond interest entered in advance). Claims on clients (disbursed loans and debit current accounts) are shown under assets less relevant provisions, interest and reserved fees and interest entered in advance but not yet accrued. Claims are evaluated and classification made periodically in line with the terms of BCT circular n°91-24 of 17 December 1991 and modified by subsequent texts. Commitments that exceed 50,000 TD are subject to assessment on a case by case basis. Provisions constituted on these commitments are determined by taking into account accepted guarantees and reserved fees and interest. Constituting these provisions on filed claims is done in line with the following rates:

Category of risk	Rate of provision
0 & 1	0%
2	20%
3	50%
4 & 5	100%

Required provisions on commitments that are below 50,000 TD are assessed using a method of extrapolation in light of the rate for provisioning commitments exceeding 50,000 TD.

3.1.3. Accounting for income relating to client claims

Interest, similar proceeds and encashed commissions as well as accrued products that have not yet fallen due that are reasonably sure of being encashed are taken into account in results. When their encashment is not sure, interest and fees are entered as reserved interest and fees, presented as a minus on the «claims on clients» line. They are posted as proceeds only when they are actually encashed, to be part of results for the year of encashment.

3.2. Accounting for the securities portfolio and related income

The Bank's securities portfolio falls into two categories: the commercial securities portfolio and the investment securities portfolio

3.2.1. Commercial securities portfolio and related income

This portfolio includes securities acquired with the intention of selling them off short term. It is made up of transactional securities and investment securities. Investment securities are assessed at the end of the year at their stock market value, with latent losses entered as provisions. Treasury bonds are assessed at their depreciated cost. Income related to fixed income securities are taken into account in results as they accrue.

3.2.2. Investment securities portfolio and related income

The investment securities portfolio includes securities acquired with the intention of keeping them until they fall due, as well as those whose durable possession is considered useful for banking activity.

To be found under this category are:

- Certificates of participation, shares in associated companies and shares in related companies
- Fixed income securities acquired by the Bank with the intention of holding them until they fall due
- Debt at public enterprises assumed by the Tunisian state
- Amounts invested in funds managed by the SICAR INVEST Company

Non freed subscriptions are recorded as off balance sheet commitments at the price of issue. Securities are accounted for at the price of acquisition exclusive of fees and costs except for costs for studies and consulting committed by the Bank at the time of acquisition. Acquisition and sale of securities are entered for the date of transfer of ownership of the securities, i.e. the date on which the transaction is registered at the Tunis Stock Market. Encashed dividends, actual gains on sales, income on managed funds and income from bond loans are posted under the category «income from the investment portfolio» on the results statement. Dividends not yet encashed but that have been

the object of a decision to distribute as well as proceeds from managed funds and accrued bond loans are also entered as «income from the investment portfolio». The investment securities portfolio is subject to assessment on the date of closing by comparing it with the usual of securities at accounting value. Corresponding provisions are readjusted accordingly.

The normal value of securities is determined by referring to:

- the stock market value for listed securities and
- the mathematical value calculated starting with the last available balance sheet for non listed securities

Funds managed by capital risk mutual investment companies are made up of holdings secured in the framework of onlending agreements. These securities are assessed at the closing date by referring to the mathematical value of participation in the core funds of the company issuing securities, taking into account prospects for collection. Provisions are determined by applying a weighted coefficient applied depending on how long the outstanding commitment has lasted, a weighted coefficient for residual risk calculated on the basis of the mathematical accounting value and guarantees received. Coefficients for provisions are as follows.

- 20% when the payment is more than three months late but no more than six months

- 50% when the payment is more than six months late but no more than 12 months;
- 100% when the payment is more than 12 months late

3.3. Accounting for client deposits and related costs

Client deposits and assets are made up of

- sight deposits and savings accounts for which interest fees are calculated and entered on a quarterly basis and
- forward investment by clients, either post or pre counted, for which interest is entered as it accrues

3.4. Accounting for external loans and related costs

External credit lines are entered on off balance sheets at the time an agreement is signed, and then entered under liabilities, converted at the rate of exchange

on the date it is released, during discharge of calls for funds. Interest on loans is entered under costs for the year as it accrues. Losses on exchange on these loans are covered by an insurance policy contracted with the TUNIS RÉ COMPANY.

3.5. Accounting for transactions in foreign currency

Accounts labelled in foreign currency are reassessed at the end of the period and presented in the financial statements at the rate of exchange in effect on 31 December.

3.6. Buying back of core shares

In line with accounting standard NC 02 relating to core capital:

- Buy backs of core shares are presented as a deduction from core capital [Such shares are those purchased directly by the bank or through deposited funds

managed directly by SICARINVEST.]

- Gains or losses on bought back core shares are charged directly to core capital
- Dividends on core shares are charged to «Results carried forward».

3.7. Commitments on securities

Treasury bonds sold to clients were presented on line HB5-b «Other commitments on securities». In the absence of a firm commitment to buy back, the bank will no longer post this amount as an off balance sheet commitment.

3.8. Reclassification of certain lines in the financial statements

Certain lines in the financial statements as of 31.12.2006 have been modified to take into account the following reclassifications:

Specifications	former accounting heading	new accounting heading	Dec. 31,2006
* account of BTS	LIABILITIES 3A	LIABILITIES 2	3 431
* participation with commitment of neat retrocession	ASSETS 3	ASSETS 5	3 185
* SWAP operation	ASSETS 2	ASSETS 7A	5 445
* SWAP operation	LIABILITIES 2	ASSETS 7A	-5 438
* interest for payment on term hard currency deposit	LIABILITIES 2	LIABILITIES 3B	380
* commission on foreign fund	EXPENSE 2	EXPENSE 1D	5 063
* management charges of foreign correspondent account	EXPENSE 1A	EXPENSE 2	191
* commission on hard currency, administered fund, stock market operation, SWIFT and other	EXPENSE 1D	EXPENSE 2	529
* charges of registering and entrance for quotation	EXPENSE 1D	EXPENSE 7	52
* commission of liability	INCOME 2	INCOME 1C	6 688
* commission on bank card	INCOME 7	INCOME 2	951
* attendance received	INCOME 4	INCOME 7	199
* deficit of cash account	EXPENSE 1D	INCOME 8 / EXPENSE 9	-22
* hard currency pending to be allocated	ASSETS 7A	ASSETS 1	5 295
* traveller's check ongoing of assignment	ASSETS 7A	ASSETS 1	32
* account inter litigation	ASSETS 7A	ASSETS 3B	53
* commission to be received from FOPRODI & FONAPRA loans	ASSETS 3B	ASSETS 7A	117
* interest to be received from the state on the loans of public enterprise	ASSETS 3C	ASSETS 5	36
* advance in favour of the operating staff	ASSETS 7A	ASSETS 7B	4
* income of marketable securities	INCOME 4	INCOME 3	9
* interest for payment on BNA loans	LIABILITIES 5B	LIABILITIES 4A	193
* received transfer in clearing	ASSETS 7A	LIABILITIES 5B	2 108
* banker's order in clearing	ASSETS 7A	LIABILITIES 5B	21 087
* bill of transaction in clearing with telly compensation for regularization	ASSETS 3B	ASSETS 7A	4 162
* bill of transaction in clearing with telly compensation BNA/BNA for regularization	ASSETS 3B	ASSETS 7A	3 689

4. Notes on lines in the financial statements

4.1- Notes on lines in the balance sheet:

4.1.1- Cash and assets at the BCT, the CCP and the TGT

Cash assets and those on deposit at the BCT, the CCP and the TGT came to a total of 70,004,000 TD on 31.12.2007, down from 133,768,000 TD on 31.12.2006, a drop of 63,764,000 TD mainly because of the lower level of assets on deposit at the BCT. The different heading of this section are:

	Dec.31,2007	Dec.31,2006
		in thousands of tnd
* credits notes and cash in Dinars	38 053	30 569
* credits notes and cash in currency	13 122	10 113
* credits notes and cash with Central Bank in Dinars	13 433	87 832
* credits notes and cashwith Central Bank in currency	3 550	4 562
* credits notes and cash with the post office	1 846	692
TOTAL	70 004	133 768

4.1.2- Claims on banking and financial institution

Claims on banking and financial institutions went up from 180,306,000 TD on 31.12.2006 to 198,391,000 on 31.12.2007, an increase of 18,085,000 TD. The different heading of this section are:

	Dec.31,2007	Dec.31,2006
a-Receivables from banking institutions	198 391	174 662
* sight accounts	27 053	13 577
* loan on the monetary market (in dinars)	49 084	18 200
* loan on the currency market	120 886	140 981
* organized loan		1 031
* interest receivable	1 368	873
b-Receivables from financial institutions	0	5 644
* sight accounts	0	5 644
TOTAL	198 391	180 306

4.1.3- Claims on clients

Net claims on clients as of 31.12.2007 amounted to 3,881,073,000 TD, up from 3,335,197,000 TD on 31.12.2006, an increase of 545,876,000 TD or 16.4%. The structure of these claims by category is as follows:

	Gross outstandings	Subordinated debt	Prepaid income	Provisions	Reserved interest	Net outstandings
in thousands of tnd						
a-Agricultural liabilities	592 786	273 960	-1 314		-269 592	595 840
* debit accounts	15 210					15 210
* other customer credit	276 979	42 933	-1 314		-40 536	278 062
* loans out of special resources	300 597	231 027			-229 056	302 568
b-Commercial & industrial liabilities	3 535 518	62 233	-18 619		-78 683	3 500 449
* debit accounts	560 347	17 376			-26 587	551 136
* other customer credit	2 735 716	33 548	-18 619		-43 213	2 707 432
* loans out of special resources	239 455	11 309			-8 883	241 881
c- associated current account	426					426
d- Receivables / stockholder's funds taken over by the state	29 434					29 434
e- Provisions				-245 076		-245 076
Total at Dec. 31,2007	4 158 164	336 193	-19 933	-245 076	-348 275	3 881 073
Total at Dec. 31,2006	3 563 676	311 356	-28 822	-191 549	-319 464	3 335 197

Allocations to provisions on constituted claims for 2007 came to 99,343,000 TD vs. 81,640,000 TD in 2006.

4.1.4- Commercial securities portfolio

The overall outstanding balance of the Bank's commercial securities portfolio came to 384,390,000 TD on 31.12.2007, up from 341,748,000 TD on 31.12.2006, an increase of 42,642,000 TD. This trend was due mainly to growth in Treasury bonds held by the Bank, which rose from 344,078,000 TD on 31.12.2006 to 393,198,000 TD on 31.12.2007. The commercial securities portfolio of the bank has the following attribute:

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	Total at Dec. 31, 2007	Total at Dec. 31, 2006
in thousands of tnd		
a-Floating rate securities	440	358
* listed	497	426
* provisions on securities	-57	-68
b-Flat return securities	383 950	341 390
* state bond	393 198	344 078
* reattached loan	-9 248	-2 688
Net Total	384 390	341 748

4.1.5- Investment portfolio

The bank held 306,309,000 TD in investment securities as of 31.12.2007, down from 316,433,000 TD on 31.12.2006. Movement by category of filed securities and corresponding provisions are presented below:

	Equity security	Other investment securities	Administered funds	Loans of public companies	Participation with commitment of retrocession	Total at Dec. 31, 2007
a-Book value at Dec. 31, 2007	97 525	2 200	37 057	186 436	3 761	326 979
* value at January 1st	91 569	5 050	32 857	197 664	4 900	332 040
* purchases	3 546		5 000			8 546
* handover	-2 590					-2 590
* conversion of debt	5 000					5 000
* payback		-2 850	-1 097	-11 228	-800	-15 975
* handover of own stock			446			446
* less value on handover of own stock			-149			-149
* reserved interest					-339	-339
b- Subordinated debt	2	105	1 776			1 883
c- Provisions at Dec. 31, 2007	-14 512		-6 725		-1 316	-22 553
* provisions at January 1st	-10 178		-5 241		-1 715	-17 134
* allowance for the period	-4 627		-1 611			-6 238
* recapture of provisions	293		127		399	819
Net value at Dec. 31, 2007	83 015	2 305	32 108	186 436	2 445	306 309
Net value at Dec. 31, 2006	81 405	5 249	28 930	197 664	3 185	316 433

Other investment securities held by the Bank involve subscription to bond loans. And with regard to notes presented on 31.12.2006, an amount of 1,100,000 DT represented certificates of investment were transferred from «other investments securities» to «certificates of participation». Breakdown of the Bank's certificates of participation into listed titles, non listed titles and shares in stock mutual funds is as follows:

Equity security	Total at Dec. 31,2007	Total at Dec.31,2006
* listed securities	35 932	37 642
* unquoted securities	60 994	53 328
* securities of OPCVM	599	599
TOTAL	97 525	91 569

Provisions for certificates of participation went up from 10,178,000 TD on 31.12.2006 to 14,512,000 TD on 31.12.2007 following assignment of an additional allocation to provisions of 4,627,000 TD in 2007 and entry of recovered amounts at 293,000 TD.

Funds managed by the Bank entrusted to SICAR INVEST as of 31.12.2007 were as follows:

Managed funds	Year of allocation	Initial amount	Payback	Less value on hand over of own stock	Own stock	Total at Dec.31,2007
* managed fund 1	1997	4 500	-1 833	-187		2 480
* managed fund 2	1997	2 057	-480	-239		1 338
* managed fund 3	1998	5 550	-2 110	-1 170		2 270
* managed fund 4	1999	7 350	-1 321			6 029
* managed fund 5	2000	7 000	-1 008	-4	-375	5 613
* managed fund 6	2001	7 000			-1 121	5 879
* managed fund 7	2002	5 000			-409	4 591
* managed fund 8	2003	3 500			-743	2 757
* managed fund 9	2005	1 500			-400	1 100
* managed fund 10	2006	5 000				5 000
TOTAL		48 457	-6 752	-1 600	-3 048	37 057

The outstanding balance of provisions on managed funds as of 31.12.2007 came to 6,725,000 TD, a net additional amount of 1,484,000 TD compared to 31.12.2006.

4.1.6- Fixed assets

Fixed assets are assessed at the historic cost of acquisition, including any costs and taxes that the Bank cannot recover. The value is decreased according to the following modalities and rates:

Capital assets	Kind of depreciation	Ratio of depreciation
* software	linear	33%
* hardware	linear	15%
* building	linear	2%
* spendings of organization	linear	10%
* office furniture	linear	10%
* material	linear	20%
* strong-box	linear	3%

Net value of tangible and intangible fixed assets as of 31.12.2007 is as follows:

	Dec.31,2006	Purchases / Allowances	Sales / Recoveries	Internal allocation	Dec.31,2007
in thousands of tnd					
a-Intangible fixed assets	3 781	449			4 230
* software	3 781	449			4 230
Depreciation	-2 417	-736			-3 153
* software	-2 417	-736			-3 153
Net Total (1)	1 364	-287			1 077
b-Tangible fixed assets	109 454	4 193	-7 434	155	106 368
* land	5 078				5 078
* building	50 811	180	-6 518	419	44 892
* land settlement & lay-on	20 253	349	-345	558	20 815
* haulage materials	1 430	179	-146		1 463
* office furniture	29 396	472	-425	2 296	31 739
* fixed assets in process	1 008	1 669		-715	1 962
* office furniture in store	164	923		-914	173
* advance for office furniture in store	1 314	421		-1 489	246
Depreciation	-56 788	-4 032	1 922		-58 898
* building	-16 979	-1 189	1 303		-16 865
* land settlement & lay-on	-15 607	-1 044	53		-16 598
* haulage materials	-1 333	-50	146		-1 237
* office furniture	-22 869	-1 749	420		-24 198
Net Total (2)	52 666	161	-5 512	155	47 470
Overall Total (1) + (2)	54 030	-126	-5 512	155	48 547

4.1.7- Other assets

The Bank's other assets categories came to 162,946,000 on 31.12.2007 vs. 148,040,000 TD on 31.12.2006:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
a-Asset adjustment accounts	126 762	116 595
* diverse debtors	5 825	26 192
* the government tax expenses	2 452	1 496
* management fees receivable	4 310	6 228
* foreign exchange adjustments	5 481	775
* other account	108 694	81 898
* SWAPS currency		6
b-Other	36 184	31 445
* staff loans	31 688	28 837
* expenses carried over	132	153
* cash card stocks	99	77
* allowance for postage stamps	24	24
* allowance for fiscal stamps	5	5
* allowance for special travel stamps	71	52
* bank deposit & guaranty	151	151
* other account	3 489	2 146
* BTA (bonus of amortization)	525	
Total	162 946	148 040

4.1.8- Banking and financial institutions' deposits and assets

This line amounted to 234,775,000 TD on 31.12.2007 vs. 34,680,000 TD on 31.12.2006, an increase of 200,095,000 TD as a result of the higher level of loans on the money market. Breakdown is as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
a-Deposits & credit notes of banking & financial institutions		
* deposits & credit notes of banking institutions	234 515	27 997
* deposits & credit notes of financial institutions	260	6 683
Total	234 775	34 680
b-Breakdown by type receivable		
* sight accounts	30 318	28 677
* borrowings on the monetary market (in dinars)	203 200	6000
* borrowings on the currency market	1 071	
* interest for payment	186	3
Total	234 775	34 680

4.1.9- Client deposits and assets

Client deposits and assets came to 3,630,123,000 TD on 31.12.2007 vs. 3,298,386,000 TD on 31.12.2006, an increase of 331,737,000 TD or 10.1 %. These deposits break down as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
a-Deposits in dinars	3 298 265	2 990 212
* sight deposits	717 002	613 961
* saving deposits	1 248 505	1 182 683
* cash notes	135 416	131 940
* term accounts	208 713	198 114
* special investment accounts	870 471	751 168
* other amounts due to customers	118 158	112 346
b-Deposits in currency	302 082	274 782
* sight deposits	154 392	131 882
* cash notes	8 022	7 135
* term accounts	34 673	36 019
* investment accounts	99 467	99 238
* other amounts due to customers	5 528	508
c-Reattached debt	29 776	33 392
* interest to be payed for sight deposits	922	802
* interest to be payed for term accounts in currency	597	380
* interest to be payed for saving deposits, cash notes, term accounts & other financial product	34 841	39 504
* interest given in advance for cash notes and special investment accounts	-6 584	-7 294
Total	3 630 123	3 298 386

4.1.10- Loans and special resources

The Bank's loans and special resources came to 609,723,000 TD on 31.12.2007 vs. 626,707,000 TD on 31.12.2006, broken down as follows:

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	Dec.31,2007	Dec.31,2006
in thousands of tnd		
* bond debt	586	585
* ABC Bahrain borrowings	43 156	64 735
* special resources	558 995	553 475
* interest for payment	6 986	7 912
Total	609 723	626 707

4.1.11- Other liabilities

The other liabilities line came to 184,890,000 TD on 31.12.2007, up slightly from 183,895,000 TD on 31.12.2006. Breakdown is as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
* State's duty	7 869	2 230
* corporation tax	1 445	2 676
* social organism	16 647	15 954
* sundry creditors	28 786	29 763
* other liabilities' adjustment accounts	125 537	128 884
* foreign exchange adjustment accounts	127	2 158
* SWAPS currency	40	
* reserve for liabilities & expenses	4 439	2 230
Total	184 890	183 895

4.1.12- Core capital

Gross core capital (prior to deduction of buy back by the Bank of its own stock) came to 390,302,000 TD on 31.12.2007 vs. 369,447,000 TD on 31.12.2006. Movement of core capital in 2007 is given below:

	Balance at Dec.31,2006	Allocation of 2006 income	Other movements	Balance at Dec.31,2007
in thousands of tnd				
* social capital	100 000			100 000
* endowment from the state	133 000			133 000
* legal reserve	10 000			10 000
* extraordinary reserve	17 377	800	-126	18 051
* special regime reserve	11 990	1 713		13 703
* reserve for tax-exempt reinvestments	16 853	5 734		22 587
* premiums for stock issues & mergers	35 077			35 077
* reserve for staff provident fund	28 642	250	767	29 659
* income brought forward before distribution	185	-185		0
* income brought forward after distribution		11	108	119
* income for the periode	16 323	-16 323	28 106	28 106
Total	369 447	-8 000	28 855	390 302

In line with the terms of law n°94-30 of 21 February 1994, the State allocation of 133,000,000 TD need not be paid back until financial balance is re-established at the Bank. Among other movements are net losses entered after sale of a portion of core stock (-126,000 TD) and interest paid on loans made to social funds (767,000 TD).

4.1.13- Core stock

Core stock held by the Bank was worth 3,446,000 TD as of 31.12.2007, down slightly from 3,596,000 TD on 31.12.2006. Sales in 2007 yielded net losses of 126,000 TD.

	Balance at Dec.31,2006	Purchase	Handover	in thousands of tnd Balance at Dec.31,2007
* treasury stock buy back directly	-102	-463	167	-398
* treasury stock buy back through managed funds	-3 494		446	-3 048
Total	-3 596	-463	613	-3 446

4.2- Notes on off balance sheet commitments

4.2.1- Sureties, endorsements and other guarantees given

This line came to 660,603,000 TD on 31.12.2007 vs. 752,784,000 TD on 31.12.2006. It breaks down as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
a-In favour of banking institutions	67 972	147 339
* endorsed securities	-	77 000
* debtor by letter of indemnity of our foreign corresponding	67 972	70 339
b-In favour of customers	432 631	445 445
* debtor by endorsement and acceptance	39 050	40 969
* debtor by letter of indemnity	48 924	74 167
* debtor by surety bond	8 179	8 947
* debtor fiscal security	39 651	31 992
* debtor by public bargain security	142 785	129 003
* endorsement on debenture loan	17 104	19 242
* endorsement on treasurer's bill	136 800	141 050
* debtor by banking security on taxation	138	75
c-In favour of the state	160 000	160 000
* budgetary debts transferred by the state	160 000	160 000
Total	660 603	752 784

4.2.2- Guarantees received (OBS7)

As of 31.12.2007 the line «guarantees received» was made up of the following components:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* guarantees received from the state	167 472	114 304
* guarantees received from customers	311 536	313 216
Total	479 008	427 520

4.3- Notes on the results statement

4.3.1- Interest and related income

Interest and related income came to 261,264,000 TD on 31.12.2007 vs. 235,948,000 TD on 31.12.2006, posting a growth rate of 10.7%. Breakdown is as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
a-Business transaction with banking-houses & financial establishment	11 241	12 792
* interest from loans on dinars monetary market	3 835	6 273
* interest from loans on currency monetary market	6 735	6 126
* interest from organized loans	36	91
* interest from other financial & bank depository	468	302
* benefit from SWAPS operations	167	
b-Operations with the customers	237 901	211 865
* interest from customer's debtor account	45 415	38 804
* interest from customer's loan	192 486	173 061
c-Other interest & assimilated income	12 122	11 291
Total	261 264	235 948

4.3.2- Commissions collected

Commissions collected by the Bank amounted to 43,335,000 TD as of 31.12.2007 vs. 41,494,000 TD as of 31.12.2006. They are broken down as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* commissions from transactions on cheques, drafts, transfers and keeping of accounts	20 966	19 296
* commissions on electronic banking	2 342	1 665
* commissions on foreign exchange transactions	4 027	4 276
* commissions on foreign trade transactions	1 497	1 243
* commissions on rental of safe deposit boxes	19	19
* commissions from review, advisory and arrangement fees	7 503	7 342
* commissions for the management of government and external funds	2 116	3 356
* commissions for guarantees on commercial paper	399	516
* sundry fees	4 466	3 781
Total	43 335	41 494

4.3.3- Gains on the commercial portfolio and financial transactions

This line came to 27,148,000 TD on 31.12.2007, up from 21,417,000 TD on 31.12.2006, an increase of 5,731,000 TD due mainly to the increase in net interest on investment in Treasury bonds, up from 17,715,000 TD on 31.12.2006 to 23,452,000 TD on 31.12.2007. These gains broke down as of 31.12.2007 as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
a-Net gains on placement securities	23 480	17 739
* net interest from treasury bonds (+)	23 452	17 715
* dividends and similar revenue (+)	17	9
* retaking in provisions for depreciation in investment securities (+)	21	34
* endowment for depreciation of securities placement (-)		-19
* loss on placement securities (-)	-10	
b-Net gains on foreign exchange transactions	3 668	3 678
* positive balance of revaluation of exchange positions	-181	155
* positive result from exchange transactions	3 849	3 814
* cancellation of distributed interest for forward transaction		70
* cancellation of collected interest for forward transaction		-361
Total	27 148	21 417

4.3.4- Income from the investment portfolio

Income from the investment portfolio came to 8,776,000 TD on 31.12.2007 vs. 8,329,000 TD on 31.12.2006, an increase of 5.4%. Break down is as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* income of participation equity	6 641	6 604
* income of bonds	256	365
* income of managed funds	1 879	1 360
Total	8 776	8 329

4.3.5- Accrued interest and related charges

Accrued interest and related charges came to 148,066,000 TD on 31.12.2007 vs. 129,044,000 TD on 31.12.2006, an increase of 14.7 %. They are broken down as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
a-Business transaction with banking-houses & financial establishment	3 385	633
* interest cost for loans on dinars monetary market	2 823	175
* interest cost for loans on currency monetary market	74	85
* interest cost for other financial & bank depository	488	373
b-Operations with the customers	123 770	106 054
* interest cost for sight account	6 843	5 304
* interest cost for savings account	44 870	40 245
* interest cost for bonds, term account & financial product	72 057	60 505
c-Debt	16 272	17 293
d-Other interest & cost	4 639	5 064
Total	148 066	129 044

4.3.6- Allocations for provisions and result of correction of securities on claims, off balance sheet and liabilities

This category came to 80,371,000 TD on 31.12.2007, up from 60,500,000 TD on 31.12.2006, an increase of 19,871,000 TD. The situation on 31.12.2007 was as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* provisions for doubtful receivables	-99 343	-81 640
* forgotten debt	-17 680	-35 600
* resumption of provisions for doubtful receivables, off-balance sheet commitments & liabilities	45 966	54 159
* provisions for various risk	-9 341	-1 035
* retaking of various provisions		2 500
* amounts recovered under written-off receivables	27	29
* retaking of charges in reserve		1 087
Total	-80 371	-60 500

4.3.7- Allocations to provisions and result of correction on investment portfolio securities (REV6/EXP5)

This line came to 20,890,000 TD on 31.12.2007 vs. 2,775,000 TD on 31.12.2006, as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* accounting to provisions for investment portfolio depreciation	-4 627	-1 836
* accounting to managed funds provisions	-1 611	-
* capital gains from investment portfolio sales	26 589	1 714
* exceptional losses on investment portfolio	-280	-9 752
* retaking in provisions made for investment portfolio depreciation	692	12 649
* retaking in managed funds provisions	127	-
Total	20 890	2 775

The 26,589,000 TD included on this line came from gains made by the Bank following sale of its holdings in the capital of the MAGASIN GENERAL Company.

4.3.8- Staff costs

Staff costs came to 78,605,000 TD as of 31.12.2007, up from 75,865,000 TD on 31.12.2006, with breakdown as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* wages	59 079	58 352
* social & fiscal expenditure	15 346	14 556
* other expenditure of employees	4 180	2 957
Total	78 605	75 865

In implementation of policy regarding voluntary departure on retirement, the Bank paid 739,000 TD in departure indemnities in 2007 vs. 2,411,000 TD the year before.

4.4- Note on the cash flow statement

4.4.1- Liquidity and equivalent of liquidity

Liquidity and equivalent of liquidity amounted to 333,857,000 TD on 31.12.2007 vs. 567,601,000 TD on 31.12.2006. Investment in bonds equivalent to Treasury bonds (BTA) and zero coupon Treasury bonds (BTZC), presented in the commercial securities portfolio, is considered to be the equivalent of liquidity. Breakdown is as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* cash & credit notes with the central bank, the post office & the treasury	64 712	133 765
* banks and specialized organizations	-3 264	-9 455
* investments at money market	-97 234	113 315
* treasury bonds	369 643	329 976
Total	333 857	567 601

Following reclassification of certain lines on the balance sheet and the results statement, the cash flow statement was reorganised accordingly.

Auditors Report on the Individual Financial Statements of the BNA

GENERAL REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS OF THE NATIONAL AGRICULTURAL BANK AS AT 31 DECEMBER 2007

Having carried out the mandate entrusted to us by the General Assembly, we hereby present to you our audit report on the National Agricultural Bank's financial statements as of 31 December 2007, annexed to this report along with the specific verifications outlined in legislation and professional norms.

I - Opinion on the financial statements

We have audited the BNA's (National Agricultural Bank) financial statements as of 31 December 2007, which were drawn up under the responsibility of the Bank's executive management and administration. Such responsibility is for design, establishment and monitoring of internal control for drawing up and sincerely presenting financial statements that present no significant anomalies, whether as a result of fraud or error, the choice and application of appropriate accounting methods and determination that accounting information has been presented in a reasonable manner in view of circumstances.

Our responsibility is to give an opinion on these financial statements on the basis of our audit exercise.

This exercise has been carried out in line with audit norms applicable in Tunisia and the terms of reference for audit of the financial statements of loan institutions as per the Central Bank of Tunisia's note n° 93-23 of 30 July 1993. These norms require conformity to rules of ethics and to plan and conduct an audit exercise that provides reasonable assurance that the financial statements contain no significant anomalies.

An audit implies the use of procedures that will provide convincing proof about the amounts and information found in the financial statements. The choice of procedures is left to our judgement, as is assessment of the risk that the financial statements could contain significant anomalies, due to either fraud or error. In proceeding with this risk assessment, we have taken into account the internal controls used at the bank for establishing and faithfully presenting financial statements, so as to define audit procedures that are appropriate to the circumstances, rather than to give an opinion on the effectiveness of its procedures. An audit also calls for giving an opinion about the appropriateness of the accounting methods used and the reasonable nature of accounting estimates made by the management, as well as assessment of the overall manner in which financial statements are presented.

We believe that the work we have accomplished constitutes a reasonable basis to support our conclusions.

The attached financial statements covering the period 1 January to 31 December 2007 show a total net balance of 5,051,700,000 dinars and net profits of 28.1 million dinars. This result has been reached by taking into account:

- Profits of 26.6 million dinars on sale of securities;
- An 80.4 million dinar net allocation to provisions and result of corrections on securities;
- 1.4 million dinars in corporate tax.

On the basis of a diligent review, we find that the financial statements of the National Agricultural Bank are correct and faithfully represent in all significant ways the financial situation at the National Agricultural Bank along with the results of its operations and cash flows for the year ending 31 December 2007, in line with the accounting principles generally used in Tunisia.

II – Specific verifications

We have proceeded with the review and specific verifications outlined in legislation, in line with audit norms applicable in Tunisia. On the Basis of Our review, we have neither discovered nor heard of any significant inconsistencies in the accounty data provided in the boards annual management report that are in contradiction with bank's financial statement's at 31 December 2007.

In the framework of our audit and in application of (new) article 3 of law n° 94-117 governing reorganisation of the financial market as modified in subsequent texts, we have reviewed internal audit procedures relating to how accounting data is handled and how financial statements are prepared. This review has enabled us to identify a number of inadequacies in the Bank's information and internal audit system. And in application of the terms of article 19 of decree n° 2001-2728 of 20 November 2001, we have carried out the required verifications and have found nothing to report regarding conformity of stock accounts issued by the National Agricultural Bank in the context of prevailing regulations.

The National Agricultural Bank in past years bought back a portion of its stock using management funds for a net amount on 31 December 2007 of 3 048,000 TD. This situation is being regularised, in line with article 19 of law n°99-92 of 17 August 1999 regarding financial market recovery.

Tunis, 15 May 2008

CO-AUDITORS

P/ CMC – DFK International

Chérif BEN ZINA

P/ GAC – CPA Associates International

Chiheb GHANMI

Special Auditors Report on Regulatory Conventions

SPECIAL AUDITORS REPORT FOR THE YEAR ENDING 31 DÉCEMBER 2007

In application of the terms of article 29 of law n°2001-65 of 10 July 2001 concerning loan institutions and articles 200 and 475 of the commercial company code, we would like to inform you of the conventions outlined in these articles to be used or which remain in force for 2007.

1. Transfer of claims to SOFINREC

The National Agricultural Bank in 2007 sold claims to SOFINREC, an affiliate of the bank. Sale transactions involved claims for a gross total of 30,440,293 dinars, 14,405,210 of which were covered by provisions and 4,112,801 dinars by fees and reserved interest. The sale price was set at 12,600,000 dinars.

2. Funds managed by SICAR INVEST

The National Agricultural Bank signed agreements with its affiliate SICAR INVEST to manage capital risk funds. These managed funds are broken down as follows:

Specifications	amount of fund	in thousands of tnd amount of fund outstanding of fund in the end of 2007
BNA fund 1 (1997)	4 500	2 480
BNA fund 2 (1998)	2 057	1 338
BNA fund 3 (1999)	5 550	2 270
BNA fund 4 (2000)	7 350	6 029
BNA fund 5 (2000/2001)	7 000	5 988
BNA fund 6 (2002)	7 000	7 000
BNA fund 7 (2003)	5 000	5 000
BNA fund 8 (2004)	3 500	3 500
BNA fund 9 (2005/2006)	1 500	1 500
BNA fund 10 (2007)	5 000	5 000
Total	48 457	40 105

Conditions for remunerating these funds are summarised as follows:

- A 0.5% management commission on the outstanding balance of funds entrusted to them, up to 150,000 dinars a year
- Collection fees of:
 - 0.75% if the claim dates back less than three months
 - 1.50% if the claim dates back between three months and one year
 - 2.50% if the claim dates back more than one year
- A 3% commission on proceeds taken in

3. Conventions regarding trustees of securities and funds

In light of trusteeship agreements with « SICAV PLACEMENT OBLIGATAIRE », « SICAV BNA » and « BNA-CAPITAUX », the National Agricultural Bank plays the role of trustee for securities and funds. To remunerate these services, the bank receives the following commissions:

- « SICAV PLACEMENT OBLIGATAIRE »: 0.25% exclusive of tax on the amount of net assets;
- « SICAV BNA »: 1000 dinars exclusive of tax per annum
- « BNAC CONFIANCE FCP »: 0.1% including tax on the amount of net assets, paid quarterly

4. Convention regarding the keeping of a register on stockholders and related services

The agreement between the National Agricultural Bank and BNA-CAPITAUX was updated in 2007 to include the following:

- Keeping up the register of stockholders and related services, for which BNA-CAPITAUX received a lump sum payment of 50,000 dinars for 2007, down to 40,000 dinars in 2008 and 30,000 dinars in 2009
- Portfolio management on behalf of the National Agricultural Bank for which BNA-CAPITAUX received:

- A commission amounting to 0.4% of the amount of the transaction

- A commission amounting to 0.2% of the amount of the coupon on encashment of coupons

- Fees of 0.075% for keeping accounts, calculated as a percentage of the stock portfolio, up to a maximum of 2500 dinars per stock

Portfolio management on behalf of BNA clients, for which BNA-CAPITAUX received payment in line with the latter's prices to the public

[For stock market transactions via the BNA network, it was agreed that relevant transaction fees would be split evenly between the National Agricultural Bank and BNA-CAPITAUX .]

5. Transactions carried out with the « TUNISIE INFORMATIQUE SERVICES » Company

The amount for purchases of equipment, computer supplies

and services provided by the « TUNISIE INFORMATIQUE SERVICES » Company came to 1,375,742 dinars vs. 1,688,331 dinars in 2006.

6. Rental contract with BNA-CAPITAUX

In 2007 the National Agricultural Bank rented business premises to BNA-CAPITAUX for a period of one year, renewable, starting 1 July 2007. Annual rent came to 4200 dinars exclusive of tax and an annual increase of 5% will kick in on 1 July 2008.

Tunis, 15 May 2008

CO-AUDITORS

P/ CMC – DFK International

Chérif BEN ZINA

P/ GAC – CPA Associates International

Chiheb GHANMI

Resolutions Adopted by the Ordinary General Assembly

RESOLUTIONS ADOPTED BY THE ORDINARY GENERAL ASSEMBLY ON 06 June 2008

FIRST RESOLUTION:

The Ordinary General Assembly, after having listened to reading of:

- the Board's report on BNA activity and individual financial statements, on BNA group activity, and on consolidated financial statements relating to 2007

- reports of the audit commission on BNA's financial statements and consolidated financial statements as of 31.12.2007

takes note of the conclusions given in audit reports and approves the Board's reports as well as the individual and consolidated financial statements as of 31.12.2007 as presented to it.

Consequently, it entirely and unreservedly absolves the Board of their management responsibilities regarding 2007 accounts.

This resolution is adopted unanimously.

SECOND RESOLUTION:

The Ordinary General Assembly, after hearing reading of the auditor's special report on operations that are the object of articles 200 and following as well

as 475 of the commercial companies code and article 29 of law n° 2001-65 as modified by law n° 2006-19, takes note of the conclusions of this report.

This resolution is adopted unanimously.

THIRD RESOLUTION:

As proposed by the Board, the Ordinary General Assembly decided to allot 2007 profits to be distributed as follows:

Results	28,105,703.620 TD
Carried forward from 2006	119,200.540 TD
Profits to be distributed	28,224,904.160 TD
Reserves for tax-exempt reinvestment	2,643,000.000 TD
Extraordinary reserves	17,000,000.000 TD
Social funds	500,000.000 TD
Results to be carried forward	81,904.160 TD
Total assigned	20,224,904.160 TD
Remainder to be distributed	8,000,000.000 TD
Dividends (8%)	8,000,000.000 TD

Dividends for 2007 were thus set at 0.400 TD net per share. These dividends will be released for payment starting 16 June 2008

This resolution is adopted with the majority.

FOURTH RESOLUTION:

The Ordinary General Assembly decided, on the basis of a proposal by the Board, to deposit in « Carry forward » account dividends from BNA shares acquired in line with the terms of article 19 of law n° 94-117 of 14 November 1994, i.e. 108,502.400 dinars.

This resolution is adopted unanimously.

FIFTH RESOLUTION:

The Ordinary General Assembly takes note of the designation of Messrs:

- Ali AYDI, as administrator representing the Ministry of Agriculture and Water Resources, replacing Mr. Abdallah MALLEK

- Lotfi FRADI, as administrator representing the Ministry of Development and International Cooperation, replacing Mr. Mouldi MAAROUFI

- Mohamed Fadhel ZRELLY, as administrator representing the Cereals Board, replacing Mr. Mohamed Chokri AYACHI

- Maher ZOUARI, as administrator representing the Ministry of Finance, replacing Mr. Mohamed Ridha CHALGHOU

- Slaheddine MAKHLOUF, as administrator representing the Office of Commerce of Tunisia, replacing Mr. Belgacem NAFTI

Their mandate will come to an end at the Ordinary General Assembly that will review the 2009 accounts.

This resolution is adopted unanimously.

SIXTH RESOLUTION:

The Ordinary General Assembly authorises buy back by the Bank of its core stock, as allowed for in the terms outlined in law n° 94-117 of 14 November 1994, law n° 99-92 of 17 August 1999 and Minister of Finance decree of 17 November 2000, with a view to regulating the market. It delegates to the Board the power to set maximum buying prices and minimum resale prices, the maximum number of shares to be acquired and the timeframe for acquisitions to be made, authorising it to use extraordinary reserves for coverage of losses that can be entered.

This resolution is adopted unanimously.

SEVENTH RESOLUTION:

The Ordinary General Assembly takes note of the coverage of losses entered at the time of sale by the Bank in 2007, its core stock bought back previously as

per the terms of law n° 94-117 of 14 November 1994, law n° 99-92 of 17 August 1999, and the Minister of Finance's decree of 17 November 2000 by tapping extraordinary reserves.

This resolution is adopted unanimously.

EIGHTH RESOLUTION:

The Ordinary General Assembly authorises issue by the National Agricultural Bank of one or more bond loans, up to 100 million dinars, for the period between the present Assembly's meeting and the one that will approve the following year's accounts. The Board is authorised to set the amounts, conditions and modalities for each issue.

This resolution is adopted unanimously.

NINTH RESOLUTION:

The Ordinary General Assembly sets the net amount for directors' tokens in 2007 at five thousand (5000 dinars) per administrator.

This resolution is adopted unanimously.

TENTH RESOLUTION:

The bearer of a copy or extract of these minutes is free to dispose of them or publish them as required.

This resolution is adopted unanimously.

Activity At The BNA Group

CONSOLIDATED FINANCIAL SITUATION

The consolidated financial statements of the National Agricultural Bank and the companies in its perimeter of consolidation showed the following main developments in 2007:

- A 12.4% increase in the overall consolidated balance sheet to 5,324 MD on 31.12.2007, up from 4,735 MD on 31.12.2006.

- An increase amounting to 5.0% of the outstanding balance of core capital, for a total of 389 MD in 2007 vs. 371 MD in 2006.

- A 10.8% drop in the outstanding balance of shares in companies accounted for under the equity method, from 19.0 MD on 31.12.2006 to 16.9 MD on 31.12.2007.

- Overall consolidated proceeds from operations came to 345.5 MD at the end of 2007 vs. 311.1 MD in 2006, an increase of 11.1%.

- Consolidated operating costs amounted to 145.8 MD on 31.12.2007 vs. 127.9 MD at the end of the previous year, an increase of 14.0%.

- Consolidated net banking proceeds posted an increase of 9.0% to 199.6 MD in 2007 vs. 183.2 MD in 2006.

- Operating costs dropped by 0.9%, from 138.4 MD in 2006 to 137.2 MD in 2007.

- The share of the group in the result of companies accounted for under the equity method rose from -2,604,000 dinars on 31.12.2006 to -2,068,000 at the end of 2007.

- The consolidated net result for 2007 came to 25,704,000 dinars, of which 21,114,000 were generated by BNA as the consolidating company, 1,993,000 dinars by SO.FIN.REC and 1,030,000 dinars by BNA-CAPITAUX.

Consolidated net results went up by 14.7 MD over the 31.12.2006 figure, due mainly to the increase in volume of 14.0 MD due mainly to BNA's positive contribution as the consolidating company and 0.5 MD from SO.FIN.REC, a 0.5% drop in BNA-CAPITAUX' contribution, and a positive contribution of 0.3 MD from the real estate company S.I.V.I.A compared to a 0.3 MD drop in 2006.

Perimeter of Consolidation

PERIMETER OF CONSOLIDATION as at december 31, 2007

Denomination and address	Activity	Percentage of control	Percentage of interest
B.N.A <i>Rue Hédi Nouira - Tunis</i>	financial services	100.00%	97.97%
Globally integrated subsidiary companies			
SOIVM-SICAF Stock Investment Company <i>Rue Hédi Nouira – Tunis</i>	financial services	87.50%	64.69%
SICAV–BNA BNA's Variable Capital Mutual Investment Fund <i>Immeuble Ennouzha – Cité Ennasim – Montplaisir – Tunis</i>	financial services	22.87%	20.19%
BNA–CAPITAUX <i>Rue 8301 Immeuble Ennouzha - Montplaisir – Tunis</i>	financial services	100.00%	97.41%
Placement Obligataire-SICAV Bond Investment Company <i>Rue Hédi Nouira – Tunis</i>	financial services	0.10%	0.07%
SICAR INVEST Capital Risk Investment Company <i>67, Avenue Jughurta - Mutuelleville – Tunis</i>	financial services	49.13%	41.30%
SIP SICAR Capital Risk Investment Company Société Financière de Recouvrement des Créances « SOFINREC » <i>10, Rue Pierre de Coubertin Immeuble de la CIL – 1001 – Tunis.</i>	Services financiers	100.00%	35.54%
	Services financiers	100.00%	95.84%
SICAF PARTICIPATIONS BNA	financial services	100.00%	97.97%
ZIED company SARL <i>46, Rue Tarek Ibn Zied - Mutuelleville – Tunis</i>	financial services	100.00%	32.10%
SIMPAR Real Estate and Shareholdings Group <i>14, Rue Masmouda - Mutuelleville – Tunis</i>	estate promotion	42.08%	33.47%
ESSOUKNA company <i>46, Rue Tarek Ibn Zied - Mutuelleville – Tunis</i>	estate promotion	70.56%	23.72%
SIVIA Real Estate and Development Company <i>8, Rue Saint Fulgence, Notre Dame – Mutuelleville – Tunis</i>	estate promotion	99.99%	42.01%
EL MEDINA <i>11, Rue Masmouda - Mutuelleville – Tunis</i>	estate promotion	99.99%	40.86%
Les Œillets Real Estate Company <i>11, Rue El Arbi Zarrouk - Mutuelleville – Tunis</i>	estate promotion	100.00%	52.36%
IFRIKIA	agriculture	100.00%	38.09%
T.I.S Tunisia Computer Services Company <i>6, Place Mohamed Kurd Ali 1005 El Omrane - Tunis</i>	computer company	68.00%	43.60%
SOGEST General Company for Studies, Supervision & Public Works <i>17, Avenue d'Afrique – El Menzah V – Tunis</i>	services	97.74%	44.61%
AGRO-SERVICES <i>4, Rue Hassen Ibn Noôman 1002 Tunis - Belvédère</i>	Services	29.90%	29.29%
Equivalence putting subsidiary companies			
SAHARA PALACE company <i>25, Rue Bellahsen Ben Chaabane - 1005 - El Omrane – Tunis</i>	tourism	27.08%	26.53%
TUNISIE-RE Reinsurance Company <i>Rue 8006 n° 7 Montplaisir – Tunis</i>	financial services	26.22%	22.18%
" Générale des ventes" company	trade	50.00%	48.98%
STIA Car Industry <i>19, Rue de Turquie – Tunis BP : 1169</i>	industry	49.99%	48.98%

CONTRIBUTION TO THE CONSOLIDATED RESULT

Denomination	in thousands of TND	
	Contribution to the consolidated result of 2006	Contribution to the consolidated result of 2007
NATIONAL AGRICULTURAL BANK (consolidating company)	7 146	21 114
SOFINREC	1 488	1 993
BNA-CAPITAUX	1 491	1 030
SOIVM-SICAF	408	589
SIVIA	-282	319
ESSOUKNA	197	302
Les ŒILLETs	-140	137
SIMPAR	704	99
SICAR INVEST	-42	82
EL MEDINA	-10	70
T.I.S	34	39
SOGEST	23	13
SICAF PARTICIPATIONS BNA	9	11
SICAV-BNA	11	10
PLACEMENT OBLIGATAIRE - SICAV	9	8
AGRO - SERVICES	-9	3
ZIED	-1	-2
SIP SICAR	8	-4
IFRIKIA	-6	-107
CONSOLIDATED RESULT OF THE GROUP	11 039	25 704

FINANCIAL AFFILIATES

BNA CAPITAUX

BNA Capitaux is a stockbrokerage firm. Initial capital was 2.5 million dinars, now standing at 5 million dinars, made up of 50,000 shares worth 100 dinars each, 99% of which is held by the National Agricultural Bank. The company works mainly in stockbrokerage and management of stock portfolios and holdings of any kind as well as management of stock mutual investment funds in any form.

In 2007 the volume of transactions carried out by BNA-Capitaux amounted to 253,386,000 dinars, with overall transactions on the Tunis stock market worth 3,471,369,000 dinars, with market share thus increasing from 6.6% in 2006 in 7.3%.

The company's income went up by 6% over the 2006 figure, to 1,790,000 dinars in 2007. Net results came to 1,205,000 on 31/12/2007, a drop of 13% compared to the level of stock market prices that generated higher allocations to provisions and less recovery on provisions compared to the previous year.

THE STOCK INVESTMENT COMPANY « SOIVM SICAF »

SOIVM SICAF was founded in July 1993 with initial capital of two million dinars, now standing at 4 million dinars, made up of 400,000 shares with a nominal value of 10 dinars each. This is a company that uses its core funds

to manage a stock portfolio. BNA holds 55% of capital in the company, worth 2,200,000 dinars. Income derives from dividends and proceeds from investment, closely linked to economic and stock market conditions.

SOIVM SICAF posted a 2.4% increase in income, up from 180,000 dinars in 2006 to 185,000 at the end of 2007. Results for the year, although down by 6%, remained fairly high (+956,000 TD), corresponding to financial profitability of 22.7% and a net situation amounting to 5,168,000 dinars for corporate capital of 4,000,000 dinars.

THE BOND INVESTMENT CAPITAL RISK MUTUAL INVESTMENT COMPANY

«La Société Placement Obligataire Sicav» was founded in September 1996 with initial capital of 300,000 dinars held exclusively by the BNA Group. Capital stood at 245 million dinars as of 31/12/2007. Maintaining and managing a stock portfolio using nothing but its own funds

On 31/12/2007, net assets at the «Placement Obligataire Sicav» Company came to 256,246,000 dinars vs. 207,836,000 dinars, an increase of 23%, posting net profits of 11,150,000 dinars in 2007, an increase of 20% over the previous year's figure. This made it possible to distribute dividends 4.729 dinars per share. Posted yield is 4.42%.

BNA's capital risk investment fund

SICAV BNA is an open-ended investment company founded in 1993 to set up and manage a stock portfolio using its own funds. Initial capital was 300,000 dinars, standing at 3,575,000 TD as of 31.12.2007.

Net assets fell by 13.33% in 2007 to 2,660,000 (vs. 3,000,000 dinars in 2006). Similarly, net results fell by 66.73%, up from 496,000 dinars in 2006 to 165,000 dinars at the end of 2007. Thus profits to be distributed fell by 47%, yielding a drop in distribution of dividends amounting to 0.752 dinars per share for 2007.

THE CAPITAL RISK INVESTMENT COMPANY «SICAR INVEST»

SICAR INVEST is a capital risk investment company, founded in March 1997 with initial capital of 2 million dinars, currently standing at 8 million dinars, all of which is paid up. The company works mainly in holdings, for itself or on behalf of a third party, to strengthen the capital stock equity of client companies.

Income at SICAR INVEST is made up of fees for managing funds, fees for studies, proceeds from investment and gains on onlending. Such income fell in 2007 by 10%, down from 934,000 dinars in 2006 to 842,000 in 2007. Operating costs also went down by 13%, from 689,000 dinars to 598,000 dinars. Thus net results were up by 90%, from 131,000 dinars in 2006 to

249,000 dinars for 2007. The overall balance sheet came to 63,644,000 dinars as of 31.12.2007, a drop of 6.6%, and the financial fixed assets portfolio rose from 38,707,000 dinars in 2006 to 39,373,000 TD in 2007.

THE CAPITAL RISK INVESTMENT COMPANY « SIP-SICAR »

SIP SICAR is a capital risk investment company founded in 1997 with initial capital of 2 million dinars, now standing at 3 million dinars entirely paid in. SIP SICAR's income is made up of proceeds from investment and piggybacking on the securities it manages.

Proceeds from operations in 2007 came to 274,000 dinars vs. 299,000 in 2006 and operating results remained negative at -77,000 dinars. Net results came in at the same level as the year before: 22,000 dinars. The line for financial fixed assets that corresponds to the stock portfolio rose from 2,262,000 dinars in 2006 to 2,760,000 dinars in 2007.

THE FINANCIAL CLAIM COLLECTION COMPANY « SO.FIN.RE.C »

SO.FIN.REC is a claim collection company affiliated to the National Agricultural Bank. Founded in 2001, its current capital is 3 million dinars, entirely paid up, divided into 600,000 shares with a nominal value of 5 dinars each, 90% of which is held by the National Agricultural Bank. This capital is being increased to 8 million dinars to help handle

new acquisition of claims and to remain in conformity with prudential ratios for claim collection companies. SOFINREC's work involves the acquisition of claims and collection for itself and on behalf of others.

2007 was marked by 93% better collection, amounting to 12,002,000 dinars vs. 6,210,000 dinars in 2006, helping to generate turnover of 7,361,000 dinars. Operating results improved, going up by 40% to 3.5 MD in 2007 from 2.5 MD the year before. This was slower than growth in preceding intermediary balances, due mainly to the increase in provisions for acquired claims, up from 240,000 dinars on 31.12.2006 to 2,742,000 in 2007. The net result went up from 363,000 dinars in 2006 to 549,000 TD in 2007, after payment of 650,000 dinars in taxes on profits. Furthermore, this exercise acquired an eighth lot of banking claims from BNA with nominal value of 30,440,000 dinars, averaging a price of 12,600,000 dinars.

THE «SICAF PARTICIPATIONS BNA» COMPANY

SICAF PARTICIPATIONS BNA is a close-end investment company, founded in December 2003 with capital of 500,000 dinars held exclusively by the National Agricultural Bank. It is governed by law n° 88-92, as modified by law 92-113 and further elaborated by law 2003-32 concerning tax measures in support of operations to clear up finances at development banks. This

company is in charge of managing BNA's «unprofitable» holdings.

Two companies liquidated their portfolios in 2007. Thus the SPB held stock in 58 companies as of 31/12/2007. the exercise 2007 is posted with net profits of 11,000 dinars against 9,000 TD in 2006.

REAL ESTATE GROUP

THE REAL ESTATE AND STOCK COMPANY «SIMPAR»

SIMPAR was founded in April 1973 with initial capital of 300,000 dinars. There have been several increases since then and capital now stands at 3,000,000 dinars for 600,000 shares.

SIMPAR posted turnover of 11,375,000 dinars in 2007, down by 12.8% from 2006's figure of 13,040,000 dinars. The year ended with a surplus result of 1,573,000 dinars in 2007 vs. 3,242,000 TD in 2006, a drop of 51.5%.

THE ESSOUKNA COMPANY

ESSOUKNA is a real estate promotion company, founded in November 1983 with initial capital of 800,000 dinars, now standing at 3,006,000 TD with 3,006,250 shares worth 1 D nominal each.

Turnover came to 14,468,000 dinars in 2007, 37.5% more than 2006's figure of 10,524,000 dinars. Similarly, net results rose by 63.5%, up from 1,119,000 dinars in 2006 to 1,830,000 in 2007, allowing for distribution of dividends at 0.240 dinar per share.

THE CÉILLETS REAL ESTATE COMPANY

The CÉillets Real Estate Company is a limited liability company, founded in December 1997 with initial capital of 150,000 dinars, currently standing at 900,000 dinars. Its initial purpose was to build housing for BNA staff but in 2003 this expanded to include housing initiatives of all kinds.

2007 turnover was down by 50%, from 3,599,000 dinars to 1,795,000. Similarly, net results moved from profits of 44,000 dinars to a deficit of 143,000 dinars.

THE «EL MEDINA » REAL ESTATE PROMOTION COMPANY

«EL MEDINA» is a limited liability company founded in 1988, with capital currently posted at 900,000 dinars.

2007 turnover came to 5,183,000 dinars vs. 5,149,000 in 2006. The 8.5% drop in operating costs helped the company post profits of 312,000 dinars, up from 231,000 in 2006, and distribution of dividends at a rate of 10 %.

THE «SIVIA» REAL ESTATE AND DEVELOPMENT COMPANY

«SIVIA» is a limited liability company, founded in April 1980 with initial capital of 900,000

dinars, currently standing at 1,400,000 dinars. «SIVIA» handles all kinds of real estate operations

SIVIA generated turnover of 10,647,000 in 2007, up from 8,478,000 dinars in 2006, an increase of 25.6%. Thus there was an increase in net results, up from 585,000 dinars in 2006 to 713,000 dinars in 2007. This result allowed for distribution of dividends in 2007 at a rate of 10 %.

SERVICE COMPANIES

THE GENERAL COMPANY FOR STUDIES, SUPERVISION AND WORKS « SOGEST »

SOGEST is a limited liability company, founded in December 1978. It handles engineering advice, including technical studies, oversees worksites, supervises, coordinates and verifies work in civil engineering and construction.

2007 turnover came to 806,000 dinars and net results to 126,000 dinars, compared to 712,000 dinars and 75,000 dinars respectively in 2006. SOGEST continued to post fairly good performance, allowing for distribution of dividends at 5.500 dinars per share.

THE « AGRO-SERVICES » COMPANY FOR STUDIES AND SERVICES

«Agro-Services» is a limited liability company, founded in June 1991 with capital of 200,000 dinars. It participates in development of agriculture and fishing, carrying out feasibility studies and providing technical assistance relating to the production and management of agricultural operations.

2007 turnover went up by 47% to a total of 2,063,000 dinars (vs. 1,399,000 dinars in 2006) and the year ended with a surplus balance of 9,000 dinars vs. profits of 30,000 dinars in 2006.

THE TUNISIA COMPUTER SERVICES COMPANY «TIS»

TIS, founded in June 1991 with capital of 250,000 dinars, works in developing computer solutions, telematics and electronic banking.

Income from provision of services and sale of material dropped by 5%, from 2,665,000 dinars in 2006 to 2,232,000 dinars in 2007. On the other hand, results for the year grew at a rate of 333%, up from 27,000 dinars in 2006 to 117,000 Dinars in 2007. The rate of distribution of dividends for 2007 was set at 12 %.

R a p p o r t
A n n u e l

2007

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET BEFORE DISTRIBUTION OF PROFITS AS AT DECEMBER 31, 2007

IN THOUSANDS OF TND

Notes Dec.31,2007 Dec.31,2006^(*)

ASSETS

1- Cash and credit notes with the central bank, the post office and the treasury		70 010	133 770
2- Receivables from banking and financial institutions	3	198 921	180 640
3- Receivables from customers	4	3 815 340	3 274 345
4- Commercial securities portfolio	5	617 285	538 960
5.1- Investment portfolio	6	278 208	292 926
5.2- Financial contribution in firms of equivalence putting	7	16 943	18 997
6- Frozen assets		50 994	57 344
7- Acquisition gap		68	81
8- Other assets	8	275 792	237 725
TOTAL ASSETS		5 323 561	4 734 788

LIABILITIES

1- The central bank and the post office		5 293	3
2- Deposits and credit notes of banking institutions		234 775	34 679
3- Customers' deposits		3 569 281	3 256 026
4- Borrowings and special resources		613 889	632 138
5- Other liabilities	9	220 436	200 910
TOTAL LIABILITIES		4 643 674	4 123 756
Minority interest		290 604	240 237

STOCKHOLDERS' EQUITY

1- Capital (nominal value of 5 Dinars of the 20 million shares)		100 000	100 000
2- Treasury stock of self control	10	-5 935	-7 582
3- Consolidated reserves	11	139 168	136 820
4- Other consolidated stockholders' equity	12	130 346	130 518
5- Consolidated income for the year	13	25 704	11 039
TOTAL STOCKHOLDERS' EQUITY		389 283	370 795
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		5 323 561	4 734 788

(*) The figures of the year 2006 have been reprocessed for the end of comparability.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET LIABILITIES AS AT DECEMBER 31, 2007

IN THOUSANDS OF TND
Dec.31,2007 Dec.31,2006^(*)

CONTINGENT LIABILITIES		
OBS1- Bonds, backings and other guarantees given	660 603	752 784
a - in favour of bankings institutions	67 972	147 339
b - in favour of customers	432 631	445 445
c - in favour of the state	160 000	160 000
OBS2- Documentary credits	772 806	518 776
a - debtor by export documentary credits	282 437	105 281
b - debtor by import documentary credits	490 369	413 495
OBS3-Assets given as security		
Total contingent liabilities	1 433 409	1 271 560
COMMITMENTS GIVEN		
OBS4- Financing commitments given	163 256	218 602
a - Notified credits not used	163 256	218 602
OBS5- Commitments on securities	2 537	4 071
a - Equity investments still to be paid in	388	531
b - Other	2 149	3 540
Total commitments given	165 793	222 673
COMMITMENTS RECEIVED		
OBS6- Financing commitments received	27 514	69 114
OBS7- Guarantees received	484 134	427 520

(*) The figures of the year 2006 have been reprocessed for the end of comparability.

CONSOLIDATED STATEMENT OF OPERATIONS AS AT DECEMBER 31,2007

	IN THOUSANDS OF TND	
	Notes	Dec.31,2007 Dec.31,2006 ^(*)
REV1- Interest and similar revenue		254 026 228 938
REV2- Commissions (as revenue)		43 937 42 216
REV3- Gains on commercial portfolio and financial transactions		41 331 33 795
REV4- Revenue from investment portfolio		6 195 6 145
Total income from banking operations		345 489 311 094
EXP1- Accrued interest and similar expense		-144 743 -126 687
EXP2- Commissions accrued		-880 -1 083
EXP3- Losses on commercial portfolio and financial transactions		-224 -166
Total expense on banking operations		-145 847 -127 936
NET BANKING INCOME		199 642 183 158
REV5/EXP4- Provisions made & result of valuation adjustments on off-balance sheet receivables and liabilities		-75 387 -59 625
REV6/EXP5- Provisions made & result of valuation adjustments on investment portfolio		20 997 1 242
REV7- Other operating revenue		44 183 48 155
EXP6- Staff expense		-84 824 -81 787
EXP7-General operating expenses		-52 367 -56 597
EXP8- Provisions & fixed assets depreciation allowances		-5 102 -5 045
RESULTS FROM OPERATIONS		47 142 29 501
Quota of the equivalence putting companies	7	-2 068 -2 604
REV8/EXP9- Income/loss balance from other regular items		1 666 325
RESULT BEFORE TAX		46 740 27 222
Income Taxes	14	-6 837 -4 637
Minority interest		-14 199 -11 546
NET RESULT - QUOTA OF THE GROUP		25 704 11 039

(*) The figures of the year 2006 have been reprocessed for the end of comparability.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007

IN THOUSANDS OF TND

Notes Dec.31,2007 Dec.31,2006^(*)

OPERATING ACTIVITIES		
1- Product of operating	312 239	277 749
2- Charge of operating	-151 406	-127 433
3- Deposit / withdrawal of money from banking and financial institutions	-21 978	-20 587
4- Loan / repayment given to customers	-598 726	-275 862
5- Deposit / withdrawal of the customers	315 669	217 368
6- Securities	-36 014	-4 272
7- Paid-up amount for the employees and creditors	-141 366	-116 063
8- Others cash flows from operating activities	24 465	62 358
9 - Firms taxes	-4 624	-2 108
CASH FLOWS FROM OPERATING ACTIVITIES	-301 741	11 151
INVESTING ACTIVITIES		
1- Interest and similar from investment portfolio	5 330	6 135
2- Acquisition / assignment on investment portfolio	2 205	18 120
3- Acquisition / assignment on immobilization	1 424	-6 414
4- Income of participation securities	28 221	5 675
CASH FLOWS FROM INVESTING ACTIVITIES	37 179	23 515
FINANCING ACTIVITIES		
1- Shares of BNA	-510	2 131
2- Shares emission	45 627	37 046
3- Borrowing emission		
4- Repayment of loans	-21 578	-21 578
5- Increase / diminution of special resources	5 520	62 223
6- paid-up dividend	-15 611	-14 553
CASH FLOWS FROM FINANCING ACTIVITIES	13 447	65 268
* Impact of the perimeter of consolidation's variation		-1 761
* Net increase in cash & cash equivalents	-251 114	98 173
* Cash and cash equivalents at start of period	16 609 431	511 258
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16 358 316	609 431

(*) The figures of the year 2006 have been reprocessed for the end of comparability.

Notes on Consolidated Financial Statements

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Accounting Principles for the Evaluation and Presentation of Consolidated Financial Statements

The BNA Group's consolidated accounts, presented in thousands of dinars, are established in line with the accounting principles generally used at loan institutions in Tunisia.

ASSESSMENT FACTORS THAT ALLOW FOR COMPARABILITY

1- Because of the considerable influence exercised by BNA on the MAGASIN GENERAL (MG) Company, Bank holdings in MG capital was processed as consolidation using the equity method. Overall sale of the 512,826 shares held by BNA in the capital of this associated company on 18 October 2007 justified counting the share of the Bank in MG's accumulated results from 1 January until the date of sale (130,380 TD), as well as adjustment (as consolidation) of gains on sale made by BNA in individual accounts for 26,588,700 TD, to bring it down to 22,227,525 TD.

2- Certain lines on the consolidated financial statements as of 31/12/2006 were processed anew to take into account the following reclassifications:

Specifications	former accounting heading	new accounting heading	Dec.31, 2006
* account of BTS	LIABILITIES 3A	LIABILITIES 2	3 431
* participation with commitment of neat retrocession	ASSETS 3	ASSETS 5	3 185
* SWAP operation	ASSETS 2	ASSETS 7A	5 445
* SWAP operation	LIABILITIES 2	ASSETS 7A	-5 438
* interest for payment on term hard currency deposit	LIABILITIES 2	LIABILITIES 3B	380
* commission on foreign fund	EXPENSE 2	EXPENSE 1D	5 063
* management charges of foreign correspondent account	EXPENSE 1A	EXPENSE 2	191
* commission on hard currency, administered fund, stock market operation, SWIFT and other	EXPENSE 1D	EXPENSE 2	529
* charges of registering and entrance for quotation	EXPENSE 1D	EXPENSE 7	52
* commission of liability	INCOME 2	INCOME 1C	6 688
* commission on bank card	INCOME 7	INCOME 2	951
* attendance received	INCOME 4	INCOME 7	199
* deficit of cash account	EXPENSE 1D	INCOME 8 / EXPENSE 9	-22
* hard currency pending to be allocated	ASSETS 7A	ASSETS 1	5 295
* traveller's check ongoing of assignment	ASSETS 7A	ASSETS 1	32
* account inter litigation	ASSETS 7A	ASSETS 3B	53
* commission to be received from FOPRODI & FONAPRA loans	ASSETS 3B	ASSETS 7A	117
* interest to be received from the state on the loans of public enterprise	ASSETS 3C	ASSETS 5	36
* advance in favour of the operating staff	ASSETS 7A	ASSETS 7B	4
* income of marketable securities	INCOME 4	INCOME 3	9
* interest for payment on BNA loans	LIABILITIES 5B	LIABILITIES 4A	193
* received transfer in clearing	ASSETS 7A	LIABILITIES 5B	2 108
* banker's order in clearing	ASSETS 7A	LIABILITIES 5B	21 087
* bill of transaction in clearing with telly compensation for regularization	ASSETS 3B	ASSETS 7A	4 162
* bill of transaction in clearing with telly compensation BNABNA for regularization	ASSETS 3B	ASSETS 7A	3 689

GENERAL ACCOUNTING RULES AND PRINCIPLES

RULES OF ESTABLISHMENT FOR CONSOLIDATED ACCOUNTS

- Referential for drawing up consolidated financial statements

Consolidated financial statements for the period 1 January to 31 December 2006 have been established in line with accounting principles generally accepted in Tunisia, notably accounting norms NCT 21 to 25 relating to banking establishments and norms NCT 35 to 39 relating to consolidation. To explain the importance of the various activities in the group, sectoral information prepared in line with the international norm on financial information IAS 14 has been provided in note 15. Differed taxation is also handled in line with the international norm on financial information IAS 12.

- First application for global integration for affiliates working in an area that is not the same as the entities working in the financial sector

All affiliates controlled exclusively by the National Agricultural Bank will henceforth be consolidated by global integration, whatever their field of activity. The financial statements of consolidated companies are reprocessed in order to put them in conformity with the rules of accounting, evaluation and

presentation of the BNA group. The accounting principles and rules of evaluation for non banking activities have been maintained in the consolidated accounts of the BNA Group.

PRESENTATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Presentation of the BNA Group's consolidated financial statements is in conformity with the terms of norm NC 21 concerning presentation of financial statements for banking establishments. Income generated by affiliates that do not work in financial services is recorded under the category «other operational proceeds». Assets other than tangible and intangible fixed assets and liabilities at affiliates that work in the non financial sector are no longer entered under current and non current components and are now respectively presented under «other assets» and «other liabilities».

PERIMETER, METHODS AND RULES OF CONSOLIDATION

PERIMETER

Consolidated accounts are established on the basis of the National Agricultural Bank's individual accounts and those of all the affiliates it controls. Unless it turns out to be unfeasible (for example when affiliates close their accounts during the year with a difference of more than three months) they will establish

an intermediate situation as of 31 December, with results determined on the basis of 12 months. Excluded from the perimeter of consolidation are companies for which equity securities have been acquired solely for sale in the near future. When severe ongoing restrictions put into question the ability of the group to control operational policy and the assets of an affiliate or holdings, it is also excluded from the perimeter of consolidation. Such is the case for affiliates being liquidated or that are placed under the control of an administrator appointed by the courts. The value of holdings in these companies is entered under the category "Holdings and shares in non consolidated related companies".

METHODS OF CONSOLIDATION

- Companies consolidated by global integration

Companies over which the Group exercises exclusive control are consolidated by global integration, including companies with a different account structure. The Group has exclusive control over an affiliate when it has the ability to dictate financial and operational policy at that affiliate in order to benefit from its activities. This control is the result of:

- either direct or indirect holding of the majority of voting rights in the consolidated company

- or designation of the majority of members on administrative, directive or oversight structures
 - or the right to exert dominant influence on an affiliate as per a contract or statutory clauses.

Control is also presumed to exist when a company directly or indirectly holds at least 40% of voting rights in another company, with no other associate holding a higher percentage.

The global integration method has been applied in line with the following approach:

- Individual financial statements of the parent company and its affiliates are combined line by line by adding like components for assets, liabilities, core capital, proceeds and costs.
- Reciprocal operations between companies in the group are eliminated in a symmetrical manner.
- Minority interests in the net result of consolidated affiliates for the year are identified and subtracted from the Group's results in order to obtain the net result due to the owners of the parent company.
- The accounting value for the group's holdings in each affiliate and the share of the group in capital stock equity are eliminated to determine consolidated reserves and the share of minority holdings in reserves.

Losses falling to minority interests in a consolidated affiliate can be higher than minority interests in

the affiliate's capital stock equity. This surplus and all future losses relating to minority holders are charged to majority interests unless the minority holders have an irrevocable obligation to compensate for these losses and are able to do so. If the affiliate later turns a profit, majority interests will have to allot all of these profits until the share of losses relative to minority holders previously charged to majority interests is recovered.

- Companies accounted for under the equity method

Companies under notable influence are accounted for under the equity method. Notable influence is the result of the power to participate in financial and operational policies by a company without holding control. Notable influence can be the result of representation on boards of directors or oversight committees, of participation in strategic decisions, of the existence of major inter-company operations, of exchange of management staff, and/or of ties of technical dependency. Notable influence on the financial and operational policies of a company is assumed to exist when the group has direct or indirect control of a portion of at least 20% of voting rights in that company. The equity method consists of the following steps:

- Reprocess the capital stock equity of the company accounted for using the equity method by eliminating reciprocal operations that have an impact on its results or reserves.

- Enter the share of the group in the capital stock equity of the company accounted for under the equity method under an assets account entitled "Securities accounted for under the equity method".

- Eliminate the group's holdings in the company accounted for under the equity method from the share of the group in capital stock equity and note the difference in the consolidated result under the account entitled "Share in the results of companies accounted for under the equity method", taking into account the impact on consolidated reserves.

The group's share in an associated company is the sum total of holdings in this associated company held by BNA and its affiliates. To this end, the shares held by other associated companies in the group are ignored.

If, according to accounting for a consolidated company using the equity method, the consolidating bank's share in the deficit results of an associated company is equal to or more than the accounting value of the holding, the bank generally ceases to take into account its share in future losses. Holdings are then presented as a nil value. Additional losses are the object of provisions, insofar as the bank has assumed responsibility or effected payments for the company accounted for using the equity method to fulfil its obligations to the latter, guaranteed by the bank or for which it has some other commitment. If the company

accounted for under the equity method later turns a profit, the consolidating bank again takes into account its share of these profits only after it exceeds its share of net losses not yet taken into account.

RULES OF CONSOLIDATION

- Acquisition cost for securities, acquisition difference and evaluation difference

Cost for acquiring securities

The cost for acquiring securities is equal to the amount of remuneration paid to the seller by the acquirer, increased by the costs considered significant directly imputable to net acquisition of the corresponding tax savings.

Difference on acquisition

Differences on acquisition (corresponding to the difference between the acquisition cost of securities and evaluation of assets and liabilities of the acquired company) are amortized on a linear basis over a period not to exceed 20 years, defined on the basis of conditions specific to each acquisition.

Every time that information has been available, the differences on acquisition have been identified and entered as assets as appropriate, as intangible fixed assets for globally integrated affiliates, or as securities accounted for under the equity method for other companies.

Difference on evaluation

The differences on evaluation corresponding to differences

between the re-estimated entry value in the consolidated balance statement of assets/liabilities of the acquired company and the accounting value of these components are accounted for according to the common rules applicable to corresponding components.

Variation of the interest percentage in a consolidated company

An increase in the interest percentage held in a company included in the perimeter of consolidation calls for entry in accounting of an additional difference on acquisition depreciated according to the rules specified above. The drop in the percentage of interest in a company remaining consolidated (notably after an operation on depreciated dilutive capital for the company in the group holding shares in that company) gives rise to additional amortization of the acquisition difference.

Reciprocal transactions

Reciprocal accounts as well as proceeds and costs resulting from transactions internal to the group and that have a significant influence on the consolidated financial statements are eliminated when they concern entities that are the object of global or proportional integration.

Shares issued by BNA held by the group

Shares issued by BNA and acquired that are meant to regularise prices or those held by the group are entered in reduction of consolidated capital stock

equity for their acquisition value. If these securities are later sold, the result of the sale and corresponding tax are recorded in consolidated core capital.

Global integration of stock mutual investment funds

Except for re-processing of the effect of withholding on accounting for income in the form of interest, accounting principles and rules of evaluation specific to stock mutual investment funds have been maintained in the BNA group's consolidated accounts. The posts that make up globally integrated stock mutual investment funds are presented under headings of the same nature in the balance sheet, income statement and consolidated off balance sheet, aside from the following components:

Negotiation fees

The costs occasioned by purchase and sale transactions for securities held by stock mutual investment funds are charged directly to core funds. The group's share is presented under the heading «Other consolidated capital stock equity».

Variation of potential gains or losses on securities

Gains or losses on securities held by stock mutual investment funds that correspond to the balance of the variation during the period of potential gains or losses are charged directly as capital stock equity. The group's share is presented under the heading

«Other consolidated capital stock equity».

Variation of gains or losses on securities

Gains (or losses) on securities held by stock mutual investment funds that correspond to the balance of variation during the exercise of potential gains or losses are entered directly in capital stock equity. The share due to the group is presented under the heading «Other consolidated capital stock equity».

OTHER ACCOUNTING PRINCIPLES RELATING TO EVALUATION AND PRESENTATION

ACCOUNTING FOR LOANS AND RELATED INCOME

• Accounting for loans to clients

Financing and guarantee commitments are entered off balance sheet as they are contracted and entered on the balance sheet as funds are released for nominal value. Net discount loans are presented on the balance sheet at their nominal value minus interest calculated in advance and not yet accrued. Disbursed loans and debit current accounts are presented minus interest and reserved fees, proceeds paid or accounted for in advance, and related provisions.

• Accounting for income on loans to clients

Interest on short term loans is collected and accounted for in proceeds accounts when these

loans are released. They then, as appropriate, are the object of regularisation at the end of the month, for the portion that is not accrued. Interest due on long and medium term loans relative to the current year are taken into account as a result at the time of their encashment. Interest due and not yet encashed are entered as reserved proceeds and deducted from the category «Claims on clients». This interest is taken into account as a result when it is actually encashed. Fees on debit current accounts relating to filed commitments in classes B2, B3, B4 and B5 are reserved and presented at the time of closing, deducted from debit current accounts. Fees on disputed claims in closed debit current accounts are not entered in accounting.

ACCOUNTING FOR THE SECURITIES PORTFOLIO AND RELATED INCOME

The consolidated securities portfolio is found in two categories: the investment portfolio and the commercial securities portfolio.

• Investment portfolio and related income

In the investment portfolio are found:

Securities representing shares in capital in companies, the ongoing ownership of which is considered useful for the group's activity but not held with the intention to control (non consolidated equity securities)

Fixed income securities acquired by the group with the intention of

holding them until they fall due (investment securities, notably debenture loans)

Securities representing financing shares that have been the object of an agreement to onlend but which are not yet definitively sold.

Rules for accounting for transactions on these various categories of securities are summarized as follows:

Equity securities of a durable nature (non consolidated):

Shares that have been subscribed to but not yet paid in are recorded as off balance sheet commitments at their issue value. These securities are accounted for in the balance sheet at the price of acquisition, exclusive of expenses and costs. Transactions to acquire and sell equity securities are recorded on the date of transfer of securities, i.e. the date when the transaction is recorded at the Tunis Stock Market. The added value that results from sale of these securities is presented under the heading «Allotment for provisions and result of corrections on values in the investment portfolio». Dividends on securities held by the group are taken into account as a result as soon as they are encashed.

Investment securities:

Income from fixed income securities are taken into account in proceeds, spread out over the period concerned by their being held.

Securities representing financing shares:

Subscribed to but not yet paid in shares are recorded as off balance sheet commitments at their issue value. These securities are accounted for in the balance sheet at the price of acquisition, exclusive of expenses and costs.

Transactions involving acquisition and sale of equity securities are recorded on the date of transfer of ownership of the securities, i.e. the date when the transaction is recorded at the Tunis Stock Market. Financing shares are considered to be an extension of the main financing activity and gains resulting from their sale are treated as interest, being a part of banking operations. These gains are recorded as proceeds as they accrue, once their effective encashment is considered reasonably sure. Alternately, they are recorded as a lump sum at the time of sale. They are presented as results under the heading «Income from the investment securities portfolio».

• Commercial securities portfolio:

The commercial securities portfolio is made up of fixed income and/or variable income securities held for future transaction or investment. Securities issued by the State (Treasury bonds) acquired in the framework of brokerage of the consolidated party (securities acquired for investment with clients) are accounted for in transaction securities. The portion of securities onlended to clients (other than globally integrated affiliates) is presented in a compensated manner as a deduction under the heading

«Transaction securities». Consequently, income from these securities and fees for their onlending to clients are entered as a result, spread out over the relevant period and presented in a compensated manner. Securities issued by globally integrated stock mutual investment funds held by the companies in the group for investment purposes are among the components of the consolidated commercial portfolio.

The securities portfolio held by globally integrated stock mutual investment funds are also among the components of the consolidated commercial portfolio. The costs for acquisition of these securities are recorded, for the share belonging to the group, as capital stock equity under the heading «Other consolidated capital stock equity». Listed securities held by globally integrated stock mutual investment funds are assessed at the end of period date by referring to the average stock market prices for the month of December. Positive or negative differences in estimating compared to the entry value of the same securities are charged directly as capital stock equity, for the share belonging to the group, under the heading «Other consolidated capital stock equity». Gains or losses on sale of securities held by globally integrated stock mutual investment funds are placed, for the share belonging to the group, under the heading «Other consolidated capital stock equity». As for the share belonging to interests outside the group in acquisition costs, the differences in estimation and the

results of sale of securities held by the globally integrated stock mutual investment fund is presented apart from liabilities and capital stock equity under the heading «Interests of minority holders».

PROVISIONS FOR RISKS ON NON CONSOLIDATED LOANS AND SHARES

• Provisions for risks on loans

Provisions for risks on loans is determined in line with prudential norms of division, risk coverage, and monitoring of commitments as given in Central Bank of Tunisia (BCT) circular n° 91-24 of 17 December 1991, as modified by subsequent circulars that define the classes of risk in the following manner:

A-current assets

B1-assets which require a specific follow-up

B2-uncertain assets

B3-worrisome assets

B4-compromised assets

B5-litigation assets

The rate of provisioning retained by the consolidating bank corresponds to the minimal rate by class of risk as specified in BCT circular n° 91-24, applied to net exposure to risk of the counterpart, i.e. the amount of the commitment less reserved fees and the value of guarantees obtained. The applicable rates of provision by class of risk are as follows:

B2-uncertain assets	20%
B3-worrisome assets	50%
B4-compromised assets	100%
B5-litigation assets	100%

• Provisions on non consolidated holdings:

At the date of closing, non consolidated equity securities are assessed at their usual value, giving rise to the constitution of provisions to cover any losses that might occur that are of a durable nature. This value takes into account:

The stock market value of the stock for listed securities

the mathematical value calculated on the basis of the last available balance sheet for other securities.

CLAIMS SOLD TO SUBSIDIARY RECEPTION STRUCTURES

Cancellation of claims following their sale to subsidiary reception structures authorised to work in collection (as provided for in the individual accounts of the consolidating bank) has been maintained in the consolidated accounts, considering the hazards involved in recovering them. Gains on sale made in the bank's individual accounts have been eliminated in the consolidated accounts. Sums recovered by the collection company during the period are entered in the income statement among the components of the category «Allotments to provisions and results from correcting values on claims, off balance sheet and liabilities» under the heading «Recovery of claims entered as losses».

ACCOUNTING FOR CLIENT DEPOSITS AND RELATED COSTS

Interest costs on client deposits and assets are recorded by the nature of deposits in the following manner:

- Interest on current accounts is positioned on client accounts and accounted for on a quarterly basis. The value dates used to calculate interest on clients' current accounts vary according to the nature of withdrawals and deposits made by clients, in line with BCT circular n° 91-22.
- Interest on forward accounts is positioned on forward client accounts that have fallen due, being the object of subscription at each closing date.

FIXED ASSET VALUES:

Fixed assets are accounted for on the date of entry at the cost of historic acquisition, including the purchase price exclusive of taxes, duties and supported non recoverable taxes, and direct costs exclusive of deductible taxes. Fixed assets are depreciated starting on the date they are first used, on the basis of their estimated lifespan. Rates of amortisation applied by the group are to be detailed as follows:

Real estate	2-5%
Transport equipment	20%
Desk equipment	10-15%
Communication & conditioning equipments and material of security	10%
Computer	15%
Software	33%
Arrangement & installation	10%

Specific circumstances in which computer equipment held by certain globally integrated affiliates is used require recourse to the digressive mode by applying the linear rate at a digressive coefficient of 2.5.

TAXES ON INCOME

Current taxes:

BNA Group companies are subject to corporate taxes as per rules and rates prevailing in each sector of activity.

Differed taxes:

Differed taxes are accounted for when a time difference is identified between accounting values for assets and liabilities that figure in the balance sheet and respective tax bases when these differences have an incidence on future payment of taxes. Differed taxes are calculated on the basis of the voted or virtually voted tax rate that should apply when the time difference is inversed. When there is a change in the tax rate, the corresponding effect is recorded in the income account under the heading «differed tax charge». Net differed tax assets are taken into account only if it is probable that the consolidated company has prospects for recovery at a given time. Differed taxes are determined at the level of each tax entity; they are not updated. For 2006 and beyond, effective tax rates used to calculate stocks of differed taxes at consolidated companies are presented by entity as follows:

	nominal ratio	real ratio
establishment of credit		
BNA	35%	20%
other		
BNA capitaux	30%	30%
SOFINREC	35%	35%
SICAR INVEST	35%	0%
SIP SICAR	35%	0%
SOIVM SICAF	35%	35%
SICAF participation	35%	35%
SICAV BNA	0%	0%
SICAV bondholder placement	0%	0%
real estate promotion		
SIMPAR	30%	20%
ESSOUKNA	30%	20%
SIVIA	30%	30%
SPI MADINA	30%	30%
LES CÉILLETS	30%	30%
agriculture		
IFRIKIA	10%	10%
informatics services		
TIS	30%	30%
other activity		
SOGEST	30%	30%
AGRO SERVICES	30%	30%
ZIED SARL	30%	30%

groups entities specialised in the maintenance and marketing of computer equipment and software.

Sectoral data is provided only by sector of activity, in the absence of identification of geographical sectors involved in supplying goods or services in a given economic environment and exposed to risks and profitability different from risks and profitability in other sectors of activity operating in other economic environments.

Sectoral results are presented by taking into account the effect of transactions internal to the group, while sectoral assets and liabilities are presented after eliminating the effect of transactions internal to the group.

SECTORAL DATA

The group is managed mainly on the basis of four groups of activities:

- Financial services: This pole groups the entities that have the status of loan institutions or companies whose activity is a direct extension of activities at loan institutions or that are involved in activities relating thereto : stock brokerage, claim collection, capital risk, portfolio management ...
- Real estate promotion: This pole groups entities authorised in the framework of law n° 90-17 of 26 February 1990 to handle in a professional capacity housing tract operations and land development mainly for housing, as well as construction or renovation of collective or semi-collective buildings for housing, commercial, professional or administrative use.
- Agriculture: This pole groups entities involved in the use of available natural resources to increase agricultural production.
- Computer services: This pole

NOTE 2 – PERIMETER OF CONSOLIDATION

The perimeter de consolidation included 23 companies as of 31 December 2006:

- 19 globally integrated companies
- 4 companies accounted for under the equity method

The main modifications in the perimeter of consolidation as of 31 December 2006 compared to that in effect as of 31 December 2006 are as follows: (see Note 1)

Companies	Entry	Exit	Nature	Reason of exit
GENERALE DES VENTES	x		associated company	framework destined to receive some assets conceded by the STIA as part of the privatization of this company.
MAGASIN GENERAL		x	associated company	complete cession of the participation.

The BNA Group's consolidated financial statements as of 31 December 2007 were prepared using the IFRIKIA agricultural company's unaudited individual financial statements. This company submitted an auditor's report for financial statements as at 31 August 2007. Companies included in the perimeter of consolidation, the percentage of control, and the percentage of interest for the group are as follows:

	method of consolidation	% of control	% of interest
a-Banking institutions			
BNA	GI	100.00%	97.97%
b-Financial services			
BNA CAPITAUX	GI	100.00%	97.41%
SOFINREC	GI	100.00%	95.84%
SICAR INVEST	GI	49.13%	41.30%
SIP SICAR	GI	100.00%	35.54%
SOIVM SICAF	GI	87.50%	64.69%
SICAF PARTICIPATIONS	GI	100.00%	97.97%
SICAV BNA	GI	22.87%	20.19%
SICAV PLACEMENT OBLIGATAIRE	GI	0.10%	0.07%
TUNIS-RE	EP	26.22%	22.18%
c-Estate promotion			
SIMPAR	GI	42.08%	33.47%
ESSOUKNA	GI	70.56%	23.72%
SIVIA	GI	99.99%	42.01%
SPI MADINA	GI	99.99%	40.86%
LES CÉILLETS	GI	100.00%	52.36%
d-Agriculture			
IFRIKIA	GI	100.00%	38.09%
e-Computer company			
TIS	GI	68.00%	43.60%
f-Others activities			
SOGEST	GI	94.74%	44.61%
AGRO SERVICES	GI	29.90%	29.29%
ZIED SARL	GI	100.00%	32.10%
GENERALE DES VENTES	EP	50.00%	48.98%
STIA	EP	49.99%	48.98%
SAHRA PALACE	EP	27.08%	26.53%

* GI : global integration

* EP : equivalence placed.

NOTE 3 – CLAIMS ON BANKING INSTITUTIONS

Content of this rubric can be clarified as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
a-Receivables from banking institutions	198 921	174 996
* sight accounts	27 583	13 911
* overnight placements	169 970	159 181
* time placements	-	1 031
* interest receivable	1 368	873
b-Receivables from financial institutions	-	5 644
* time placements	-	5 644
Total	198 921	180 640

NOTE 4 – CLAIMS ON CLIENTS

The composition and evolution of the net outstanding balance of claims on clients as of 31 December 2007 can be given in a comparative manner as follows:

	Gross outstandings	Subordinated debt	Prepaid income	Provisions	in thousands of tnd Reserved interest Net outstandings at Dec.31,2006
a-Agricultural liabilities	592 786	273 960	-1 314	-269 592	595 840
* debit accounts	15 210				15 210
* others advances to the customers	276 979	42 933	-1 314	-40 536	278 062
* loans out of special resources	300 597	231 027		-229 056	302 568
b-Commercial & industrial liabilities	3 415 281	61 730	-18 619	-78 683	3 379 709
* debit accounts	550 689	17 376	0	-26 587	541 478
* others advances to the customers	2 625 137	33 045	-18 619	-43 213	2 596 350
* loans out of special resources	239 455	11 309	0	-8 883	241 881
c- Ordinary associated account	426				426
d- Receivables / stockholder's funds taken over by the state	29 434				29 434
e-Cost of loans amortization held by SRC					55 007
f-Provisions				-245 076	-245 076
Total at Dec.31,2007	4 037 927	335 690	-19 933	-245 076	-348 275 3 815 340
Total at Dec.31,2006					3 274 345

NOTE 5 – COMMERCIAL SECURITIES PORTFOLIO

The breakdown of this post is presented in a comparative manner as follows:

	2007			in thousands of tnd 2006	
	Total Brut	Subordinated Debt	Provisions	Accounting net value	Accounting net value
a-Floating rate securities	41 360	0	-263	41 097	32 805
* listed	6 033	0	-263	5 771	4 349
* not listed	5	0	0	5	0
* part of OPCVM	35 321	0	0	35 321	28 456
b-Fixed rate securities	578 146	-1 958	0	576 188	506 156
* government securities & similar bills	481 663	-4 702	0	476 961	412 968
* bonds	62 657	1 872	0	64 529	58 599
* treasury bill	33 825	872	0	34 698	34 588
Total	619 505	-1 958	-263	617 285	538 960

NOTE 6 – INVESTMENT SECURITIES PORTFOLIO

The value of the investment securities portfolio went from 292,926,000 TD on 31/12/2006 to 278,208,000 TD on 31/12/2007. This trend can be broken down as follows:

	2007			in thousands of tnd 2006		
	Total Brut	Subordinated Debt	Provisions	Reserved interest	Accounting net value	Accounting net value
* investment securities	2 200	106			2 306	6 349
* financing or retrocession	45 224	541	-10 418	-517	34 830	35 810
* participation in tied companies (not consolidated)	10 807		-8 114		2 693	5 342
* equity security	56 066		-4 123		51 943	47 760
* receivables taken over by the state	186 406	31			186 437	197 664
Total	300 703	678	-22 655	-517	278 208	292 926

NOTE 7 – SHARES IN EQUIVALENCE PUTTING COMPANIES

The equivalency value for securities issued by associated companies came to 16,943,000 TD as of 31/12/2007, compared to 18,997,000 TD as of 31/12/2006. The breakdown of this post is presented in a comparative manner as follows:

	2007						in thousands of tnd 2006	
	Quota In Purchased Capital (1)	Net Goodwill (2)	Negative net Goodwill (3)	Quota In Reserves (4)	Quota In Results (5)	Consolidated value of sold equity (6)	Comparability Value (1)+(2)+(3)+(4)+(5)+(6)	Comparability Value
TUNIS-RE	10 302		-75	1 070	1 652		12 948	11 916
SOCIETE MAGASIN GENERAL	1 710			4 727	-366	-6 071		6 731
GENERALE DES VENTES	2 000			0	0		2 000	
STIA	5 004	1		344	-3 354		1 994	350
SAHARA PALACE								
Total	19 015	1	-75	6 141	-2 068	-6 071	16 943	18 997

NOTE 8 – OTHER ASSETS

Content of this heading can be illustrated as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* suspense & adjustment accounts	126 635	116 467
* assets payable tax	2 579	2 282
* assets put off tax	15 950	8 817
* stock of transformation activities	86 468	75 175
* others	44 160	34 984
Total	275 792	237 725

NOTE 9 – OTHER LIABILITIES

The breakdown of this post is presented in a comparative manner as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* provisions for liabilities & expense	5 486	3 141
* suspense & adjustment accounts	153 632	153 130
* assets payable tax	1 711	1 066
* assets put off tax	9 838	1 812
* others	49 769	41 761
Total	220 436	200 910

NOTE 10 – TREASURY STOCK

Under this heading are found the counterpart paid by the parent bank and its affiliates for acquisition and holding of shares issued by BNA. No profit or loss will be accounted for in the result at the time of purchase or sale of these shares. The counterpart received on sale of these shares and dividends received are recorded directly as capital stock equity under the heading «Core shares and auto control». This category, which on 31/12/2007 amounted to 5,935,000 TD vs. 7,582,000 DT on 31/12/2006, can be broken down as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* own stock finance held by the BNA	3 446	3 596
* treasury stock for regularization held by subsidiary companies	6 444	6 532
* additional (or drop in) value realised on own stock finance	114	1 471
* dividend on own stock finance	-357	-363
* quota of minority	-3 712	-3 654
Total	5 935	7 582

NOTE 11 – CONSOLIDATED RESERVE

Consolidated reserves correspond to results accumulated by the consolidating Bank in companies included in the perimeter from the taking of control or notable influence until the closing date for the period preceding that of the object of publications.

Consolidated reserves as of 31/12/2007 came to 139,168,000 TD vs. 136,820,000 TD as of 31/12/2006. Breakdown can be presented as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
a-Contribution of the BNA (consolidating company)	120 334	121 080
b-Contribution of the subsidiary companies	18 835	15 740
* positive contribution	20 402	17 212
* negative contribution	-1 567	-1 472
Total	139 168	136 820

NOTE 12 – OTHER CONSOLIDATED CAPITAL STOCK EQUITY

This category, which on 31/12/2007 came to 130,346,000 TD vs. 130,518,000 on 31/12/2006, can be broken down as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
* endowment from the state (133 thTD)	133 000	133 000
* subsidy of investment		38
* additional value (or drop in value) potentiel in stock exchange transactions of securities held by the OPCVM	-285	231
* additional value (or drop in value) achieved in stock exchange transactions of securities held by the OPCVM	289	200
* negotiation expenses of the OPCVM	-4	-4
* minority portion	-2 654	-2 946
Total	130 346	130 518

NOTE 13 – CONSOLIDATED EARNING

The period ending 31/12/2007 posted a positive consolidated result of 25,704,000 TD compared to 11,039,000 TD on 31/12/2006. The contribution to consolidated results of companies in the perimeter can be broken down in a comparative manner as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
a-Contribution of the BNA (consolidating company)	21 114	7 146
b-Contribution of the subsidiary companies	4 591	3 893
* positive contribution	4 704	4 382
* negative contribution	-113	-489
Total	25 704	11 039

NOTE 14 – INCOME TAXES

The breakdown of this post is presented in a comparative manner as follows:

	Dec.31,2007	Dec.31,2006
in thousands of tnd		
* payable fiscal expense	6 193	6 394
* put off fiscal expense	4 174	1 418
* put off fiscal product	-3 529	-3 176
Total fiscal expense	6 837	4 637

NOTE 15 – SECTOR-RELATED INFORMATION

Sectoral data on the poles of activities retained can be presented as follows for the periods ending 31/12/2007 and 31/12/2006:

in thousands of tnd											
		Financial Services		Estate Promotion		Agriculture		Informatics Services		Other Activity	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Consolidated									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Between sector									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Suppression									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
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		Total									
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		Total									
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		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
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		Total									
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		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
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		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		Total									
		2007	2006	2007	2006	2007	2006	2007	2006	2007	

NOTE 16 – LIQUIDITY AND EQUIVALENT LIQUIDITY

Liquidity and consolidated equivalent of liquidity as of 31/12/2007 came to 358,316,000 TD, down from 609,431,000 TD on 31/12/2006, negative net variation of 251,115,000 TD because of the state of consolidated cash flow.

The breakdown of liquidity and liquidity equivalent components can be presented in a comparative manner as follows:

	Dec.31,2007	in thousands of tnd Dec.31,2006
* cash & credit notes with the central bank, the post office & the treasury	64 718	133 767
* banks and specialized organizations	-2 734	-9 120
* marketable securities / loans on money market	-97 234	113 315
* treasury bonds	372 616	331 262
* treasury bill	20 950	40 207
Total	358 316	609 431

Auditors Report on the Consolidated Financial Statements of the BNA Group

AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL AGRICULTURAL BANK AS OF 31 DECEMBER 2007

As part of the mandate to audit the consolidated financial statements of the National Agricultural Group, we hereby present to you our audit on verification of the BNA's consolidated financial statements as of 31 December 2007, annexed to the present report, along with the specific verifications outlined in legislation and professional norms.

I - Opinion of the auditors concerning the consolidated financial statements

These statements were finalised under the responsibility of the Bank's executive and administrative authorities. This responsibility covers design, establishment and monitoring of internal audit of how financial statements are drawn up and faithfully presented with no significant anomalies due to either fraud or error, the choice and application of appropriate accounting methods and determination that accounting estimates being reasonable in light of circumstances.

Our responsibility is to give an opinion on the basis of our audit. We have carried out this audit in line with professional norms applicable in Tunisia, which require that we respect rules of ethics, planning and that

the audit is carried out to obtain reasonable assurance that the financial statements do not include any significant anomalies. An audit implies that procedures are used to gather reliable information on the amounts and data given in the financial statements. The choice of procedures is left to the judgement of the auditor, as is assessment of risk that the financial statements might contain significant anomalies as a result of either fraud or error. In carrying out an assessment of risk, the auditor takes into account internal audit procedures in effect in the establishment relating to the drawing up and faithful presentation of financial statements so that they can define audit procedures appropriate to the circumstances rather than express an opinion about the effectiveness thereof. An audit also includes assessment of the appropriate character of accounting methods used and the reasonable nature of accounting estimates made by management, as well as assessment of the overall presentation of consolidated financial statements.

On the basis of our diligent work, it is our opinion that the consolidated financial statements of the National Agricultural Bank Group are correct, faithfully presenting all aspects of significance as well as the results of operations and cash flows for the whole made up of companies included in consolidation for the exercise ending le 31 December 2007, in line with the accounting principles generally recognised in Tunisia.

II – Specific verifications

In the framework of our audit and in application of (new) article 3 of law n° 94-117 governing reorganisation of the financial markets as modified by subsequent texts, we have reviewed the internal audit procedures governing how accounting data is processed and financial statements prepared at the parent company. This review has enabled us to identify certain inadequacies in the Bank's information and internal audit system.

Furthermore, the Bank has bought back over the past few years a portion of core stock using managed funds for a net amount of 3,048,000 TD as of 31 December 2007. This situation is being regularised in line with article 19 of law n°99-92 of 17 August 1999 concerning recovery on the financial market.

Tunis, 15 May 2008

CO AUDITORS

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