بنك تونس العالمي
Tunis International Bank

ANNUAL REPORT 2024

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The beautiful images presented in this report reveal the splendor of doors, an ancestral art form in its own right in Tunisia.

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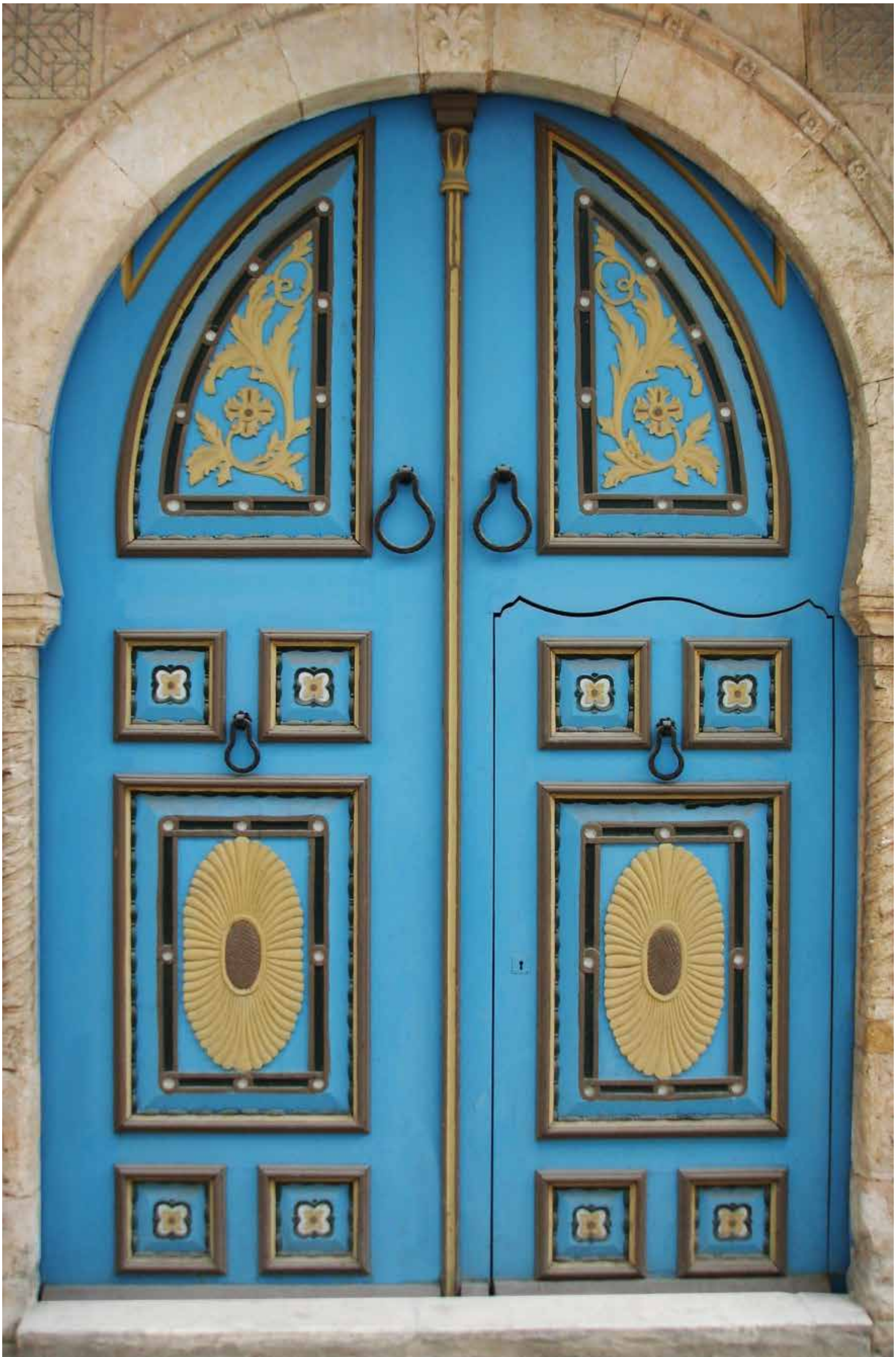
CHAIRMAN'S STATEMENT



Médina - Tunis

Dear Shareholders,

On behalf of the Board of Directors, it is my honour and privilege as the Chairman, to present you the Annual Report of Tunis International Bank (TIB) for the financial year ended December 31st 2024.

In presenting the 2024 report to you, I am delighted to announce the successful achievements of the Bank despite the challenging economic environment across the MENA region. Indeed, the year 2024 has been another year of steady and sustained progress for our Bank confirming our well-established leading role in the Tunisian non-resident banking sector. These results were achieved despite the challenging economic conditions.

The Tunisian economic growth was slow, less than 2%, and expected to remain modest in the medium term. The inflation is still high, at about 7%, but decreased significantly as global inflationary pressures eased. The year 2024, was an excellent year for the tourism with a record of 10 million tourists who visited the country, associated with the increase of the transfers from non-residents, which contributed, to the consolidation of the level of the foreign exchange reserves.

We are determined to prevent any temporary setbacks from slowing down the Bank's progress and growth. Indeed, the major cornerstones of our operating mode are to continuously provide top-notch customer services, improve our ability to deliver superior results in order to exceed our customers' expectations and to optimize shareholders' value.

Our Bank's Board and management constantly endeavour to maintain strong banking fundamentals. With the confidence of the shareholders, the trust of the customers and the devoted staff, the Bank is consolidating its good performance achievements.

Through its parent company Burgan Bank, Kuwait (BBK), TIB is proud to belong to the solid and highly reputable Kuwaiti group Kuwait Investment Projects Company (Holding) (KIPCO). Positive and meaningful synergies with Burgan Bank Group, as well as sister companies, were generated and developed throughout the year. Business wise, this synergy has provided the bank with opportunities to extend its activities internationally to new markets and countries.

TIB is regularly approached by prime international banks for international loan syndications, confirmations of letters of credit and guarantee transactions and other business deals.

BANK'S PERFORMANCE

We are pleased to announce that our bank's strategy is to continue delivering steady value increase to our shareholders, maintaining the trend established over the recent years and underpinning our well-established leading role in the Tunisian non-resident banking sector. By the end of 2024, and despite a highly competitive economic environment and a slow local economic growth, TIB consolidated profit reached US$ 19.4 million. The net income before taxes was stable around

US$29 million. These consolidated figures were achieved despite the narrowing revenue from our associated company in Algeria.

The bank's performance in 2024 has confirmed that our strategy of pursuing business selectively while delivering high value services was appropriate and best suited in minimizing the risks.

The shareholders' equity has grown by US$ 9.7 million, from US$ 221.2 million to US$ 230.9 million- an increase of 4.4%. At 9.1%, Return on equity (ROE) is strong, net earnings per share of 10 $(EPS) stands at 3.89, Return on assets (ROA) is 3.1%. This was achieved despite the slight decrease in net consolidated results whilst maintaining a backdrop of more than adequate equity levels, implementation of rigorous internal control management policies and continuous build-up of a solid customer base.

The policy of the Bank has always been to maintain a good balance sheet structure and a strong capital base. The appropriate level of the bank's equity helped in maintaining the CAR at a high level (49.08%).

The bank has a low concentrated corporate loan portfolio with an adequate quality of assets reflected by a very low level of non-performing loans (NPL) and an excellent NPL ratio.

The Bank continues to attract deposits on a selective basis and to focus on high net worth individuals and corporate clients with stable resources. Customer deposits increased by 12.8% from US$ 211.6 end 2023 million to US$ 238.7 million end 2024.

The Board of Directors and the management of the Bank are committed to governing and maintaining the Bank's operations effectively, efficiently, and within the regulatory environment. Corporate governance policies and framework are regularly reviewed to detect possible areas of improvement and are reinforced to strengthen the ability of the Board to effectively supervise management, enhance long-term shareholder value and protect the interests of depositors.

In addition to operating within international best practices, the Bank's policy is to strictly abide by all laws and regulations of the jurisdictions in which it operates.

TIB corporate Governance is carried out in accordance with the approved corporate governance Code which is based on the following principals: Principal of proportionality, Principal of power-balance, Principal of fairness towards shareholders and the Principal of disclosure and transparency. By promoting sound corporate governance, the Bank objectives are the protection of Depositors, creditorialrs, Shareholders and Employees interests; ensuring sound, prudent and transparent management of the Bank; based on a solid culture of Risk and Compliance; Ensuring conditions of integrity, loyalty and honorability of Directors of the Board, Executive Management, and Employees of the Bank.

TIB remains committed to corporate social responsibility arising from the impact of the bank activity on people lives and society. Being socially responsible is being engaged in activities that uplift society, the environment and the economy. During the financial year 2024, TIB made several contributions supporting health, sports and cultural activities.

INFORMATION TECHNOLOGY

The banking landscape is changing everywhere in the world. The successive waves of technological changes are revolutionizing the way customers manage their finances. To adapt to the evolving banking landscape, we regularly review and assess our hardware, software, and tools to embrace new technologies. In line with our digitalization efforts, regular assessments and enhancements to the bank's hardware software and tools to embrace new technologies and to ensure the efficiency of the Bank's operational resilience and business continuity.

Today we are on the brink of another big shift using advanced analytics for analysing large amounts of data in real time in order to respond faster to emerging risks.

SPECIAL GRATITUDE

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere gratitude to the Tunisian authorities, especially the Central Bank of Tunisia for their continued and valued support.

I also wish to extend my deep appreciation to our shareholders for their unrelenting support and to our customers for their continued trust and confidence. Last, and by no means least, I would like to acknowledge the loyalty, dedication, professionalism, and teamwork of our Senior Management and Staff Members, who have worked above and beyond to ensure the positive results in 2024. I thank you all once again and I am confident that TIB is well positioned for continued future success.

Mohamed Fekih
Chairman of the Board of Directors

ABOUT THE BANK

Médina - Tunis

Tunis International Bank (TIB) was created in June 1982 and was the first bank established in Tunisia as a fully licensed banking corporation under the Tunisian Law of July 12th, 1976 replaced on August 12th, 2009. TIB operates under the supervision of the Central Bank of Tunisia (CBT) and is a member of Tunisia's Clearing House Association. TIB is a private non-resident commercial bank and its main shareholder is Burgan Bank, Kuwait, which is a subsidiary of the Kuwait Projects Company (Holding) K.S.C "KIPCO". The Share holding of Tunis International Bank is as follow: Burgan Bank, Kuwait (86.7%) & Banks & Finance Instituations from M.E (13.3%).

Our Bank's reputation has been fully established as a local provider of the highest quality products and services. TIB provides a comprehensive range of international financial services for corporations, financial institutions, governments and individuals both in Tunisia and abroad including the following: Foreign Exchange and Money Market operations in all convertible currencies including Tunisian Dinar, International Trade Financing, Private Banking Facilities, Loan Syndications and Forfeiting, Commercial Banking, Investments, Visa Card and American Express Card. Our product range will be constantly reviewed to ensure that we are able, within our credit and procedural policies, to meet the range of needs in our local market base. This will include maximising the products and services that we are able to offer as a result of the synergies that we have and are further developing, with co-members of the KIPCO group.

The Bank continues to be an innovative institution both internationally and domestically and is dedicated to providing banking services of the highest standards. As a Tunisian bank based in Tunis, TIB's traditional and natural marketplace has been the Maghreb countries. The Maghreb countries will remain TIB's primary target market by maximising the opportunities available to us by working with our associated company Gulf Bank Algeria in Algiers, Algeria and also with our bank's representative office in Tripoli, Libya.

Looking ahead, TIB aims to play a key role in promoting business and partnerships between Gulf investors and the Maghreb. In addition to this region, business has also been developed involving Western European and other Mediterranean countries. The Bank's traditional and natural customer base in Tunisia has been non-resident companies, which are usually majority owned by foreigners, exporting most, if not all, of their manufactured products and able to deal freely in foreign currencies.

TIB's Website:
www.tib.com.tn

Established in 1977, Burgan Bank is the youngest conventional Bank in Kuwait, with a significant focus in the corporate and financial institutions sectors and have recently significantly diversified its offering to the retail and private banking customer segments.

Burgan Bank, collectively known as the "Burgan Bank Group", is supported by one of the largest branch networks across the MENAT region through its subsidiaries which include Burgan Bank Turkey, Gulf Bank Algeria - AGB (Algeria) and Tunis International Bank - TIB (Tunisia). Burgan Bank has a presence in the UAE through its representative office, Burgan Financial Services Limited.

Burgan Bank's Website:
www.burgan.com

The KIPCO Group is one of the largest holding companies in the Middle East and North Africa, with consolidated assets of US$ 42.1 billion. The Group has significant ownership interests in a portfolio of more than 60 companies operating across 24 countries. The Group's main business sectors are financial services, food, petrochemicals & oil services, media, real estate and education.

KIPCO's financial service interests include commercial banks, asset management and investment banking. The Group's core operations in the financial service interests include holdings in commercial banks, asset management and investment banking.

KIPCO's Website:
www.kipco.com

The Board of Directors was elected on April 29th, 2024 for a mandate of three years.

Masaud M.J. Hayat

Chairman of the Board until April 29th 2024
Chairman of the Board Corporate Governance Committee until April 29th 2024

Advisors, Chairman's Office at Kuwait Projects Company (Holding) – KIPCO
Vice-Chairman and Group Chief Executive Officer, Burgan Bank, Kuwait, from April 2019 untill April 2023
Chairman of United Gulf Holding Co, Bahrain
Chairman of United Gulf Bank, Bahrain
Vice-Chairman of Gulf Bank Algeria, Algeria
Vice-Chairman of FIMBank pl.c., Malta
Board Member of Jordan Kuwait Bank, Jordan
Board Member of KAMCO Invest, Co, Kuwait
Board Member of Bank of Baghdad, Iraq
Board Member of North Africa Holding Company, Kuwait
Board Member Masharea AlKhair Charity Foundation, Kuwait
Board Member United Gulf Financial Services, Tunisia

Mr. Hayat has been appointed as Group Chief Executive Officer of Burgan Bank from April 2019 to April 2023 in addition to his capacity as Vice Chairman of the Board and has been Board Member of Burgan since 2013. Mr. Hayat brings to the board his extensive experience of 44 years in Banking, Commercial, investment and management industries at a local and regional level.

Mr. Hayat started his career in Al- Ahli Bank of Kuwait in 1974 where he worked in various fields such as operations, Local and International Credit until he reached the post of Deputy Chief General Manager and Acting CEO in 1992, and advisor to the Board of Directors until 1996.

Mr. Hayat has held key positions and Board memberships in the Kipco Group since 1997 in banking, telecommunications, investments and services, including his role as Chief Executive Officer – Banking (2010-2019). Mr. Hayat has attended various professional local and international courses, amongst which is in Leadership & Innovation in Public & Private Sectors at Harvard University in 2004 and a 3 months program in Management and Finance at Wharton Business School – University of Pennsylvania – Philadelphia – USA.

Mohamed Fekih

Chairman of the Board since April 29th 2024
Chairman of the Board Corporate Governance Committee since April 29th 2024

Board and Executive Committee Member of Gulf Bank Algeria, Algeria
Chairman of UGFS – North Africa, Tunisia
Chairman of SACEM Industries, Tunisia
Board Member and Chairman of the Board Audit and Risk Committee of Ooredoo, Tunisia

Mr. Fekih's career in banking sector began when he joining Citibank Tunis, followed by Tunis International Bank for years of increasing responsibilities. As the Chief Executive Officer of Tunis International Bank, up to April 2024, Mr. Fekih led steady and sustained growth to shareholders, customers and staff.

Mr. Fekih graduated from the University of Law, Political and Economic Sciences of Tunis and holds a Diploma of Higher Management Studies from the High Institute of Management Tunis (Institut Supérieur de Gestion de Tunis). He has also participated in various courses and seminars with Citibank and other well-known international institutions in the United States and Europe such as the High Performance Board Program 2009 (IMD Lausanne), in addition to various trainings held in Malta, United Kingdom and Kuwait as part of KIPCO Group Banks' training annual programs.

Rabih Soukarieh

Member of the Board
Member of the Board Nomination and Remuneration Committee
Member of the Board Corporate Governance Committee

Board member, and Board Credit Committee Member of FIMBank p.l.c., Malta
Chief Executive Officer of Gulf Bank Algeria (AGB), Algeria, since August 2015. Mr. Soukarieh has over 30 years of experience in investment as well telecommunications industries. Mr. Soukarieh has been an employee of the KIPCO Group of companies in various executive management and leadership roles for 20 years and represented the group on various boards spanning multiple industries.

Prior to joining AGB, he has served as CEO of United Gulf Bank, Bahrain, between 2012 and August 2015, Chairman and CEO of Millenium Private Equity, Dubai. Mr. Soukarieh also served as Group Chief Financial Officer of Wataniya Telecom Group of companies between December 2004 and December 2007.

Mr. Soukarieh holds a Masters in Business Administration from Northeastern University and a Bachelor of Science in Finance from Indiana University, Bloomington, U.S.A.

Mohamed Louhab	Independent Board Member until April 29th 2024 Chairman of the Board Audit Committee until April 29th 2024 Member of the Board Nomination and Remuneration Committee until April 29th 2024 Board Member at GIG (Guf Insurance Company) formerly L'Algérienne des Assurances (2A), Algeria Mr. Louhab is a consultant in the financial sector since 2015. With over 40 years experience in his field, he served as General Manager for several reputable banks in Algeria, notably Gulf Bank Algeria's (AGB), Trust Bank and CNEP Bank. Mr. Louhab holds a Bachelor of Science in Economics and a Master's Degree in Management from l'Institut des Etudes Politiques in Algiers, Algeria. He also received a Banking Management Degree from l'Institut des Etudes Bancaires CNAM in Paris, France as well as a Diploma in Banking and Finance (Cours supérieur d'économie bancaire) from FinAfrica in Milan,Italy.
Bader Al Awadhi	Member of the Board until April 29th 2024 Member of the Board Audit Committee until April 29th 2024 Member of the Board Corporate Governance Committee until April 29th 2024 Banking, Investment, Financial and Project Management Consultant. Independent Board of Directors representative for private Companies. Independent Board Member at United Gulf Holding Company, Bahrain. Founder and ex-Board Member of MADA Real Estate Develop Company, Saudi Arabia Former Board Member of National International Investment Holding Company, Kuwait Mr. Al Awadhi holds a Bachelor of Science in Industrial Engineering from the University of Miami, and has completed the General Manager Program and the Program for Management Development at Harvard Business school,USA. Mr. Al Awadhi has over 30 years of experience in the Banking sector and Investment Sectors.
Mohamed Fethi Houidi	Member of the Board Member of the Board Audit Committee Chairman of the Board Nomination and Remuneration Committee Former Chairman of the Board of Ooredoo, Tunisia Mr. Houidi held high ranking duties in the Tunisian public sector. He was the Ambassador of Tunisia in Beirut from 2000 to 2002. Mr. Houidi holds a Doctorate degree in the Science of Communication from the University of Paris II and a Bachelors degree in French Literature from the University of Paris Sorbonne, France.

Khalid Al Zouman

Member of the Board
Member of the Board Risk Committee

Board Member of Burgan Bank Turkey, Turkey

Mr. Al Zouman is the Chief Financial Officer at Burgan Bank Group, Kuwait. Mr. Al Zouman joined Burgan in 2000. Prior to joining Burgan, Mr. Al Zouman was a Manager at Ernst & Young since 1988. During his experience in E&Y, Mr. Al Zouman was trained for two years in the Pittsburgh office, Pennsylvania, where he also passed his Certified Public Accountant (CPA) examination. Mr. Al Zouman holds a degree in Computer Science from Kuwait University.

Ahmed Benghazi

Member of the Board
Member of the Board Risk Committee until April 29th 2024
Member of the Board Audit Committee since April 29th 2024

Managing partner of ABG, a consulting firm specialized in financial advisory.

Mr. Benghazi was CEO of Axis Capital (now BMCE Capital Securities - Tunisia), a group of companies operating in brokerage, asset management and financial advisory, and managing Director of Fitch North Africa, first local rating company to operate in the region.

Mr. Benghazi held various responsibilities in the ministry of development economy. He, amongst other tasks, contributed to the elaboration of the Tunisian Privatization program in the early nineties.

Mr. Benghazi holds a Masters degree in public administration from Harvard University, J.F. Kennedy School of Government, a Masters degree from l'Ecole Nationale d'Administration, Tunis, and a Bachelors degree in Economics from the University of Economic Sciences of Tunisia.

Samir Chebil

Member of the Board
Member of the Board Risk Committee
Member of the Board Nomination and Remuneration Committee

Mr. Chebil held high-ranking duties at the World Bank Executive Board for 15 years dealing with various strategic and economic development issues in developing countries. He assessed the soundness and effectiveness of the projects submitted to the World Bank's Executive Board.

Mr.Chebil was as Senior Advisor and a board member of various committees, notably the budget, personnel, and remuneration committees.

Previously, Mr. Chebil was an Economist at the IMF, assessing various financial and banking sector soundness indicators and recommending economic and financial reforms in several developing countries.

Mr. Chebil held teaching position as Distinguished Professional Lectures and Assistant Professor in the United States and Tunisia (George Washington University, Georgetown University, John Hopkins University, Dauphine University Tunis, IHEC Tunis).

Mr. Chebil taught both MBA and Executive Programs courses mainly in finance, economics, banking, financial derivatives and international finance. He received several teaching awards.

Mr. Chebil holds a PhD and an MBA in the Finance field from the George Washington University. Mr. Chebil was awarded the prize of best economic dissertation in 1994 for his thesis on lessons of financial liberalization in developing countries.

Samer Abbouchi

Member of the Board since April 29th 2024
Member of the Board Audit Committee since April 29th 2024

Mr Abbouchi joined KIPCO's investment team in 2023 as Senior Vice President in the Investment department and became Deputy Group Chief Investment Officer in 2025. Mr. Abbouchi hold a diversified working experience in the financial services sector, investment and asset management. Prior to joining KIPCO, Mr Abbouchi held several positions in Gulf Bank, including Deputy GM - Investment Banking and Head of Strategic Investments. He started his career with Ernst & Young and worked at Global Investment House and Ryada Capital Investment Company. Mr Abbouchi is a Graduate in Business Administration from the American University of Beirut. Samer is a Certified Internal Auditor, a Chartered Financial Analyst and an MBA graduate from London Business School.

Mr. Abbouchi previous Board memberships include: Societe Generale de Banque de Jordanie , Jordan Islamic Bank, Buraq Investment Company (Kuwait), Al Ekhlas Holding Company (Kuwait), Elite Educational Company (Kuwait), First Jordan Investment Company (Jordan), FinaCorp Investment Company (Tunisia) (Jordan), National International Holding Company (Kuwait), Global Jordan and Reef Real Estate Finance Company.

Amel Ben Rahal

Independent Board Member since April 29th 2024
Chairman of the Board Audit Committee since April 29th 2024

Chairman of the Board Jasmin Clinic, Tunisia
Board Member, Tunisie Leasing & Factoring, Tunisia

Mrs Ben Rahal started her career in Central Bank of Tunisia as a financial Analyst in 1983 followed by years of increasing responsibilities in credit section, financial stability and risk prevention. From 2012 to 2021, Mrs. Ben Rahal was the Chief Executive Officer of the Financial Stability and Risk Prevention Department at the Central Bank of Tunisia.

Mrs. Ben Rahal graduated in Finance from Institute of High Commercial Studies (IHEC- Carthage-Tunisia) and had a post graduate diploma in Advanced Banking Management Studies from the Institute of Financing of Development (IFID) Tunisia.

Mrs. Ben Rahal previous board membership include, College of the Financial Market, National Office of Oil, the Chemical group, Gafsa phosphate company in Tunisia. Mrs. Ben Rahal was also appointed as an external expert in IMF Technical assistance missions: Financial Sector Stability Review in 2019 for Guinea-Bissau and in 2022 for Democratic Republic of Congo-DRC.

Mohamed Salah Souilem

Independent Board Member since April 29th 2024
Chairman of the Board Risk Committee since April 29th 2024
Member of the Board Corporate Governance Committee since April 29th 2024

Mr Souilem graduate from Institute of High Commercial Studies (IHEC- Carthage- Tunisia).

Mr. Souliem joined the Central Bank of Tunisia in 1981 in the accounting department for two years followed by years of increasing responsibilities in international relations department, external reserves, Fx and treasury. Mr. Souilem was appointed from October 2011 to December 2017 as managing director of Monetary Policy. He contributed to the modernization of the operational and strategic monetary policy.

Mr. Souilem previous board membership include Union Internationale des Banques (UIB) for two successive mandated up to April 2024 heading also the Board Risk Committee. Mr. Souilem was board member in several Tunisian Companies Tuninter, Tunisair, Cotunace, ETAP. Mr. Souilem was also executive member in Tunisian Forex Club.

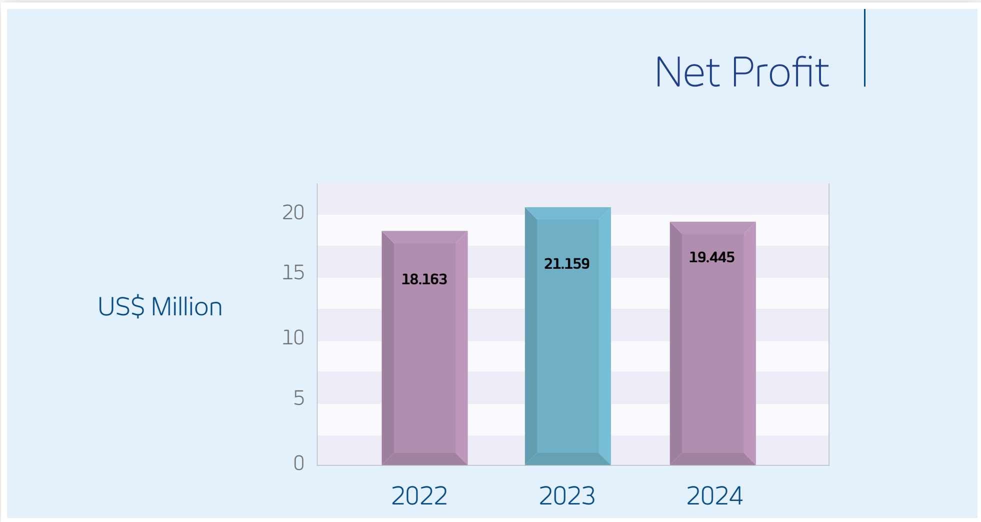
Sami Fezzani	Chief Executive Officer
Fehmi Ben Amar	Deputy Chief Executive Officer
Ali Belarbi	Chief Operating Officer
Anas Labidi	Chief Internal Auditor
Alim Ammar	Chief Financial Officer
Ramzi Boubaker	Chief Risk Officer
Meriem Hassad	Head of Investment Asset and Liability Management & Communication
Wassila Hamdi	Head of Syndications, TFFI & Private Banking
Olfa Ben Aicha	Chief Compliance Officer Money Laundering Reporting Officer
Ibtissem Sahli	Head of Legal
Haifa Gorgob	Head of Internal Control
Riadh Mrayhi	Head of Human Resources
Anouar Aouled Ali	Head of Systems and Communication

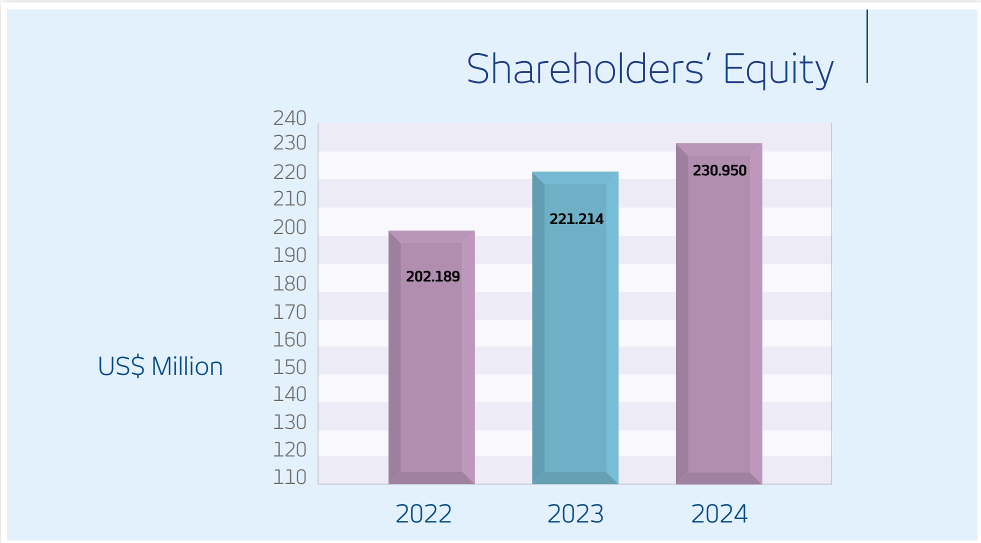
The following is selected consolidated financial information (in US$ 000's) of Tunis International Bank as at December 31st of the years 2020 up to 2024.

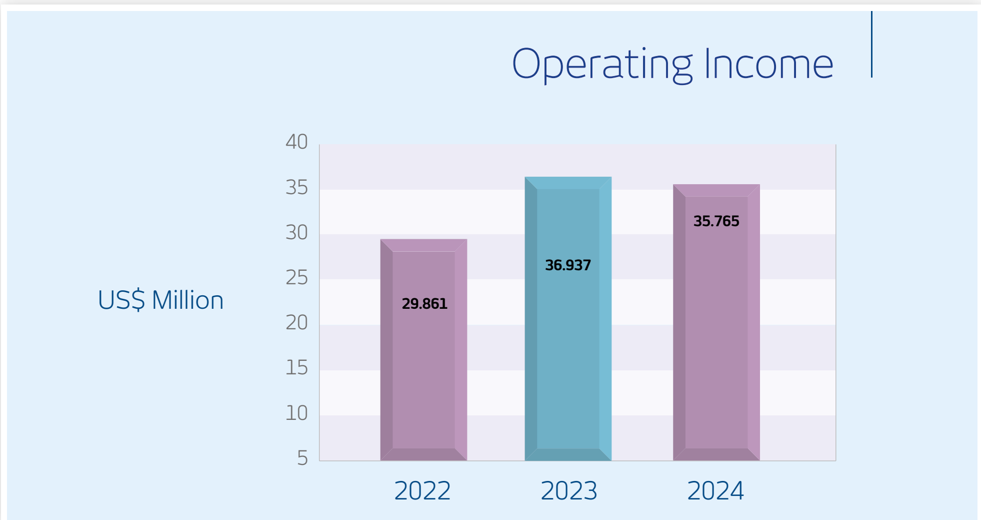
Profit & Loss	2020	2021	2022	2023	2024
Net Interest Income	6,130	6,266	7,040	15,628	16,577
Non Interest Income	19,667	19,459	22,820	21,309	19,188
Operating Costs	7,744	7,134	7,101	7,512	6,948
Operating Profit	18,053	18,591	22,759	29,425	28,817
Provisions	950	160	405	400	363
Net Profit After Provisions	16,592	16,358	18,163	21,159	19,445
Dividend Proposed/Paid	4,000	2,500	4,000	4,000	5,000

Balance Sheet	2020	2021	2022	2023	2024
Cash	58,978	105,178	66,296	52,886	55,152
Time Deposits	215,613	134,234	189,759	185,689	207,560
Investment	157,463	175,170	187,222	199,639	204,970
Loans and Advances	151,883	142,065	156,409	188,626	178,127
Other Assets	6,777	7,825	8,302	11,937	13,798
Total Assets	**590,714**	**564,472**	**607,988**	**638,778**	**659,607**
Deposits from Banks	168,788	167,432	166,586	178,458	170,586
Deposits from Customers	225,431	191,197	217,016	211,654	238,726
Other Liabilities	17,522	19,175	22,198	27,452	19,344
Total Liabilities	**411,576**	**377,804**	**405,800**	**417,564**	**428,657**
Shareholders' Funds	178,973	186,668	202,189	221,214	230,950

Capitalization	2020	2021	2022	2023	2024
Share Capital	50,000	50,000	50,000	50,000	50,000
Reserves	-1,539	-4,684	-3,083	343	903
Retained Earnings	113,920	124,994	137,108	170,871	180,047
Net Profit	16,592	16,358	18,163	21,159	19,445
Shareholders' Equity	178,973	186,668	202,189	221,214	230,950
Total Capitalization	**178,973**	**186,668**	**202,189**	**221,214**	**230,950**


Net Profit
US$ Million
20
15
10
5
0
18.163
21.159
19.445
2022
2023
2024


Shareholders' Equity
US$ Million
240
230
220
210
200
190
180
170
160
150
140
130
120
110
202.189
221.214
230.950
2022
2023
2024


Operating Income
US$ Million
40
35
30
25
20
15
10
5
29.861
36.937
35.765
2022
2023
2024

The Bank's greatest asset is its people. Through their dedication, quality and collaboration, they are the engine that drives the Bank to deliver excellent customer service, generate long-term value for shareholders and contribute to the community. TIB is committed to investing in developing and supporting its staff to develop their careers in a professional, diverse environment in which they can excel.

Tunis International Bank had 104 employees as at December 31st, 2024 in both its Headquarters and all its branches. In 2024, women represent 46.15% of TIB Staff. The average age of the staff was respectively 45.53 in 2023 and 45.51 in 2024

In 2024, 93% of TIB's staff hold executive positions, of which 15% senior executives.

Internships

TIB is committed to a proactive process in terms of professional integration of students by welcoming over 2024, 7 students from different disciplines (IT, Finance, Economy,..) for internships. The trainees represent for TIB a recruitment pool for the best potential.

Internal mobility

In line with its aim of motivating and helping to develop its employees' careers, Tunis International Bank highly encourages its employees to stay and grow. In this regard, before considering external recruitment, Tunis International Bank prioritizes internal mobility. This principal is adopted with a view to arousing motivation, commitment and the enrichment of the professional carrer of TIB staff.

TIB's Staff Incentive Program

Tunis International Bank has an established Nomination and Remuneration Policy, approved by the Board. This policy is in line with local regulation requirements and provides a clear and formal compensation system and components based on objective criteria.

The Bank aims to attract and retain qualified personnel in all functions by offering an overall competitive remuneration package. TIB rewards its employees with a performance bonus based on the individual's performance assessment, the concerned business activity and the overall results of the Bank.

The Bank will pay upon the end of employment, a leaving indemnity for the period of employment calculated on the basis of the Bank's Human Resources Procedures.

Training and Development

Every year, Tunis International Bank establishes a strategic and goal-oriented staff development program, which is in line with its strategy, business plan, initiatives, and general staff needs and requirements. More specifically, TIB's employee training helps staff gain professional knowledge and new skills to both improve performance in their current roles and to progress their careers. Tunis International Bank's Human Resources Department relies on various resources, both internal and external, to provide staff members with the needed trainings and development.

TIB is committed to investing in a learning culture to provide employees with learning opportunities to help them develop skills and capabilities. To accelerate integration, new hires follow a detailed training plan in the various departments of the Bank.

In 2024, 49 training sessions/ program have been attended by TIB Staff. The Human Resources Department's training and development program was designed in line with the Bank's and employees' needs and included the following, among others:

- An online e-learning course and certification on Anti-Money Laundering and Counter Terrorist Financing for all staff members provided by the mother company, Burgan Bank Group.
- An in-house training on Cybersecurity and IT Security for all staff members.
- Training sessions on operational risk management.
- Trainings related to local regulatory requirements such as, "Loi de Finances", and new Central Bank of Tunisia Circulars for concerned staff.
- Training on the role of the financial sector on the fight against slavers and human traffic.
- Several training sessions on financial analysis and risk.

FUTURE PROSPECTS AND DEVELOPMENTS

Despite a challenging economic environment both locally and across the MENA region, Tunis International Bank's achievements reflect exceptional performance and demonstrate the resilience of its business model. The year 2024 was marked by growth across all activity indicators, and we are committed to further consolidating this trend in 2025.

Tunisia's economic growth improved slightly in 2024 but remained moderate. The reduction in energy import costs, combined with a stronger performance in the tourism sector, helped limit the current account deficit. Additionally, the external sector contributed to the reconstitution of foreign exchange reserves. Despite persistent challenges, Tunisia's economy continues to demonstrate resilience.

TIB's core operating principles focus on continuously providing top-tier customer service, enhancing its ability to deliver superior results, exceeding customer expectations, and optimizing shareholder value. The bank remains committed to supporting non-resident companies, particularly subsidiaries of renowned international groups, by offering financing solutions and expertise for their activities in North Africa, as well as in Europe and the Middle East key target markets for Tunisia.

TIB's strategic priorities for the coming years include:

- Strengthening the training and development of its staff;
- Enhancing anti-money laundering measures in accordance with local regulations and international best practices;
- Accelerating digital transformation initiatives;
- Further integrating social and environmental responsibility principles into its operations.

Additionally, the bank aims to maintain a balanced balance sheet structure in terms of capitalization and liquidity while ensuring full compliance with prudential regulations.

In 2025, as in previous years, TIB will continue to support its customers in neighboring markets (Algeria and Libya) by leveraging its expertise and logistical capabilities to meet their evolving needs. TIB is committed to:

- Maintaining high liquidity levels and strong capital ratios;
- Meeting customer expectations by adapting its digital strategy to evolving market conditions;
- Ensuring sustainable growth under optimal conditions, with a focus on profitability and loan portfolio quality;
- Strengthening its anti-money laundering framework by rigorously applying the regulatory requirements of the Central Bank of Tunisia, local laws, and international standards.

As we move forward, Tunis International Bank remains dedicated to strengthening its position as a trusted financial partner, committed to excellence, innovation, and sustainable growth. By continuously adapting to market challenges, embracing digital transformation, and upholding the highest regulatory and ethical standards, TIB aims to reinforce its leadership in the banking sector while delivering long-term value to its customers and stakeholders.

The banking landscape is changing everywhere in the world. The successive waves of technological changes are revolutionizing the way customers manage their finances. The bank's hardware software, and tools are regularly reviewed and assessed to embrace and adapt to new technologies and to ensure the efficiency of the Bank's operational resilience and business continuity.

Banks are leveraging the benefits of Artificial Intelligence (AI) for holistic transformation spanning several layers, including operations, customer support, marketing, risk management, and compliance. AI has the potential to transform traditional processes into scalable and flexible functions. TIB is preparing to offer intelligent, personalized, timely and relevant customer experiences by acquiring a data analytic tool, which will help the bank to identify, assess, and mitigate various risks. By applying statistical analysis and predictive modeling, the bank will anticipate future risks develop appropriate controls while keeping an eye on the Cyber security side.

Several initiatives were also launched in order to enhance the resilience of our IT infrastructure with the aim of:

- Strengthen the performance, reliability and flexibility of the Bank's IT infrastructure.
- Improve of the IT security.
- Protecting the bank from any financial loss and reputational damage associated with prolonged disruption to any of its banking services.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

In Alignment with its vision, Tunis International Bank aspires to be the preferred non-resident bank in Tunisia by earning the trust and satisfaction of our customers, shareholders and employees. We maintain our prominent, innovative, and reliable position in the sector and are engaged in corporate social and environmental activities and endeavors.

To cultivate a culture of responsible finance, the board of directors at TIB has integrated corporate social and environmental responsibilities in our bank's strategy. We have established a formal policy that governs our social and environmental responsibility, and we document our actions in this regard in our annual report, as mandated by Article 15 of the CBT Circular 2021-05. Corporate social and environmental related activities and decisions are made and monitored through a local committee "the "Corporate Social and Environmental Responsibilities Committee (CSERC)".

Being socially responsible means actively engaging in activities that uplift society, preserve the environment, and strengthen the economy. We prioritize stakeholder satisfaction, fulfil our economic obligations, and strive to integrate social and environmental concerns into our business operations. In doing so, we aim to create shared values. Corporate social and environmental responsibility aligns with corporate governance, business ethics and values on many levels.

In 2024, TIB has continued its unwavering progress and success. As part of corporate social and environmental responsibility initiatives, which are aiming at making a positive impact on society, we have undertaken among others the following activities:

- Cultural Enrichment: TIB sponsored cultural and creative activities with the aim of contributing to the democratization and enrichment of cultural and artistic life. TIB sponsored a festival aiming to enliven the cultural ecosystem.

- The sport is a driver of the commitment to a better life: TIB sponsored a marathon in Tunis in September 2024. A group of TIB employees participated in the marathon.

- Healthcare Support: TIB sponsored the acquisition of medical equipment's for the benefit of the resuscitation unit in a public hospital.

Furthermore, in alignment with its engagement to increase “Financing Responsibly”, in 2024 TIB has provided credit facilities to projects focused on reducing carbon footprint.

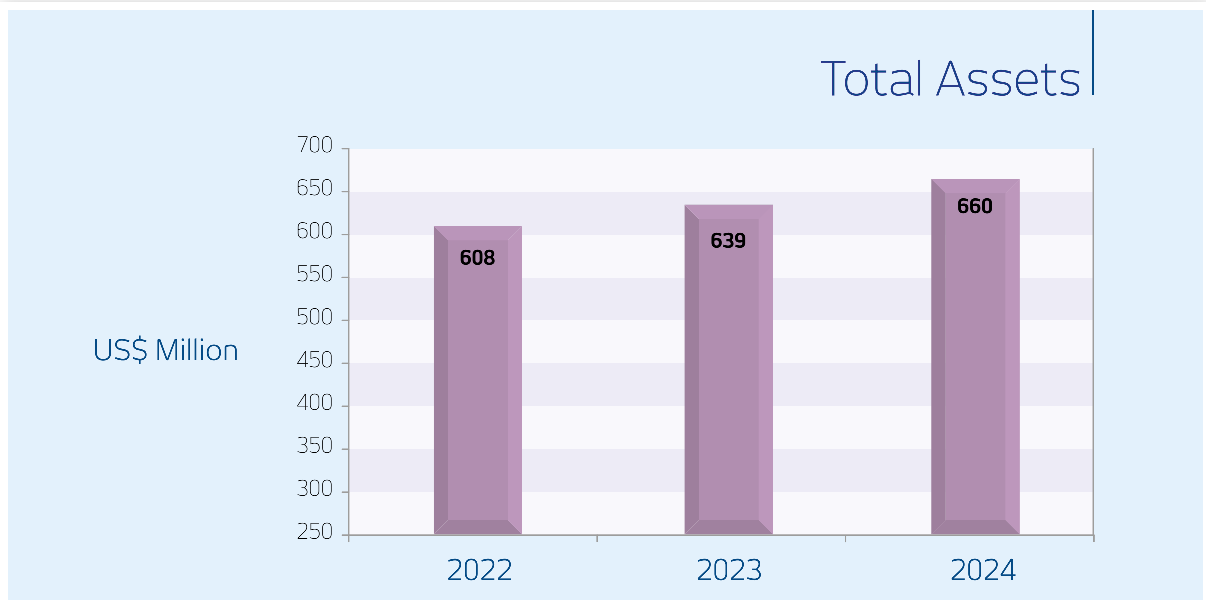
We continuously collaborate with all our stakeholders to improve our community and strive for a more prosperous and progressive society that embraces both its past and future. At Tunis International Bank, we see ourselves as catalysts for positive change within the community. With the steadfast support of our dedicated staff and management, we are determined to continue on this path and drive meaningful change.

PERFORMANCE ANNUAL REVIEW 2024

Médina - Tunis

During 2024, TIB concluded yet another year of steady and sustained progress. The Bank generated an operating income of US$35.765 million against US$ 36.937 million in 2023 and US$ 29.861 million in 2022. Net income stands at US$ 19.445 million. TIB has been generating values to its shareholders since inception. The total comprehensive income for the year reached US$ 20.120 million.

Despite the tight global and regional economic conditions, the Bank accomplished its performance strategy underpinning its well-established leading role in the Tunisian nonresident banking sector, with consolidated year-to-date total assets US$ 659.607 million.



The funding of assets were made up essentially of US$409.312 million in total deposits (62.05% of total assets) of which customers' deposits amounted to US$238.726 million and interbank deposits US$170.586 million. Customers' deposits represent almost 58.32% of total deposits and 36.19.% of total assets. These deposits continue to remain a permanent source of funding.

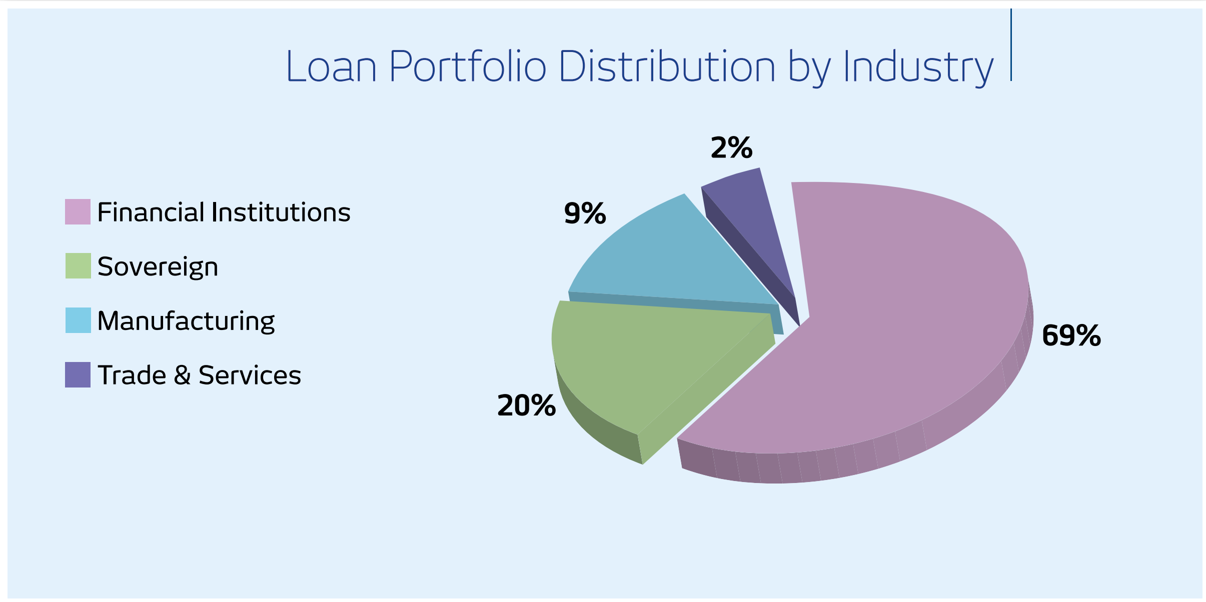
Shareholders' funds totaled US$ 230.950 million registered an increase on a year-on-year basis by US$ 9.7 million. Return on equity (ROE) is 9.1% and return on assets (ROA) stands at 3.1%. With a CAR at 49.08%, the Bank comfortably exceeds the minimum regulatory ratio of 10% as established by the Tunisian banking directives.

TIB's average liquidity ratio of 140.4% is significantly above the Central Bank of Tunisia and the internationally agreed standards minimum requirements of 100%. The Bank continues to maintain a liquid balance sheet by having a high proportion of liquid assets at all times. Cash and cash equivalent assets represent 39.83% of the total assets in 2024.

Liquidity is actively managed through dealings in the major world markets through the Bank's extensive network of international and reputable counterparties.

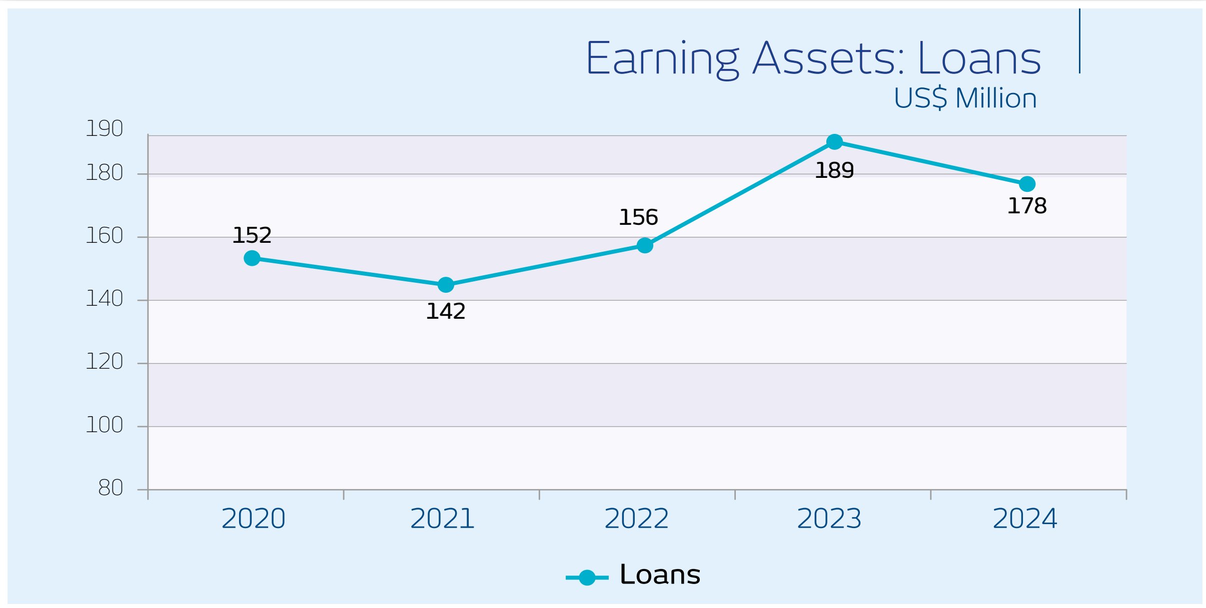
LOANS AND INVESTMENT

Over the years, TIB has developed a broadly diversified loan portfolio in line with sound risk management principles. With the exception of exposures on financial institutions, and sovereign the loan book remains diversified, with the largest sector, manufacturing, accounting for 9% of total loans and advances. .



All exposures pertaining to non-performing loans that are over 90 days past due, or in a nonaccrual status have been provided for in compliance with the local regulatory requirements and IFRS regulations. Consistent with its policy of prudent provisioning, allowances for loan losses of the Bank fully covers all nonperforming loans.

Lending strategy remains unchanged with the core portfolio comprising short-term related discounting and refinancing facilities and participation in international syndication market to well reputable banks. SME's financing are conducted on a very selective and prudent basis in order to maintain a low insolvency risk and to preserve the value of the Bank. The Bank aims to excel in providing a comprehensive service to its corporate, commercial and retail customers.

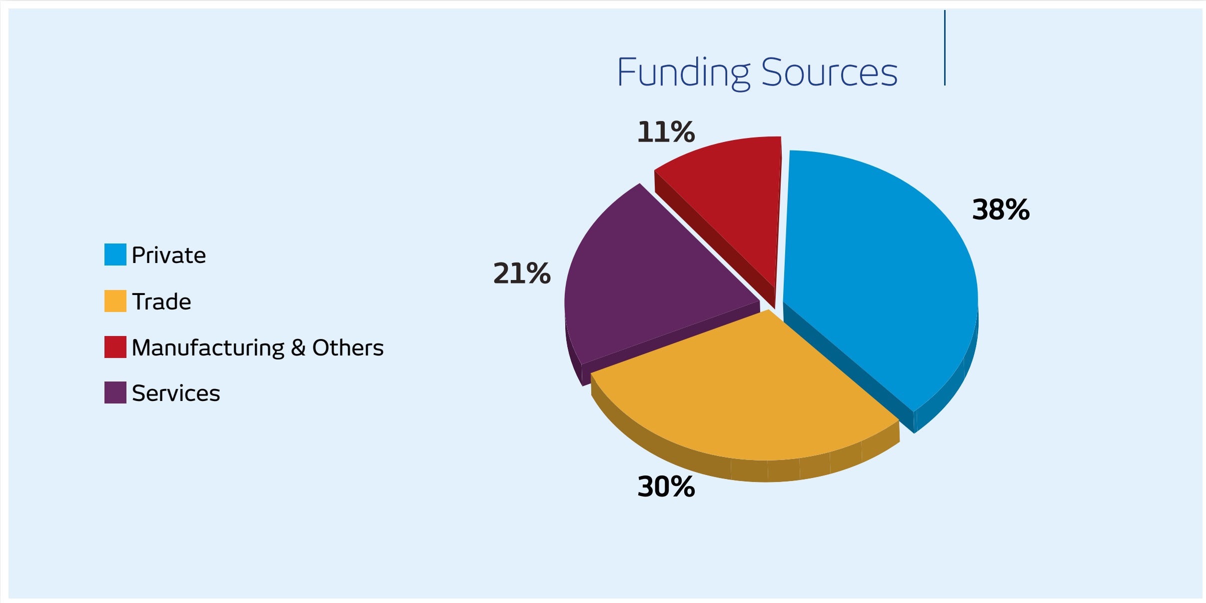


Based on a maturity profile analysis, 70% of TIB's loan portfolio or US$124 million is due to mature within one year. The remaining facilities have a maturity greater than one year but less than 5 years. Some of these loan facilities are syndicated loans for banks established in OECD countries.

The level of provisioning reflects a combination of very low levels of problem loans within TIB thanks to the Bank's prudent lending policy.

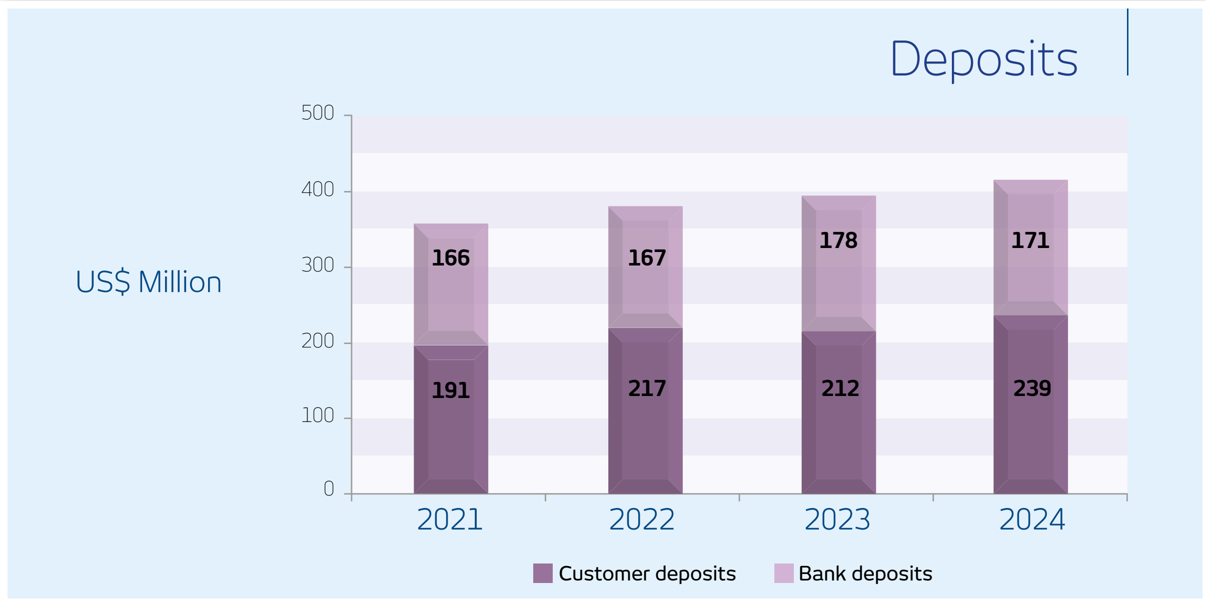
FUNDING

The Bank continues to attract deposits on a selective basis and to focus on high net worth individuals and corporate clients with stable resources. Customer deposits constitute a core and cheaper source of funding for the Bank. Funding sources analysis shows that retail activity ensures about 38% of the Bank's core customer deposits followed by trade and services.



TIB has always had a large customer deposit base. The Bank is however cognizant of the importance of building up customer loyalty and continues to emphasize its exceptional customer service. This focus was maintained throughout the year and is an integral principle in our core banking activities. The Bank is confident that in the long run, the loyalty of its customers will ensure a stable and lower cost funding base.

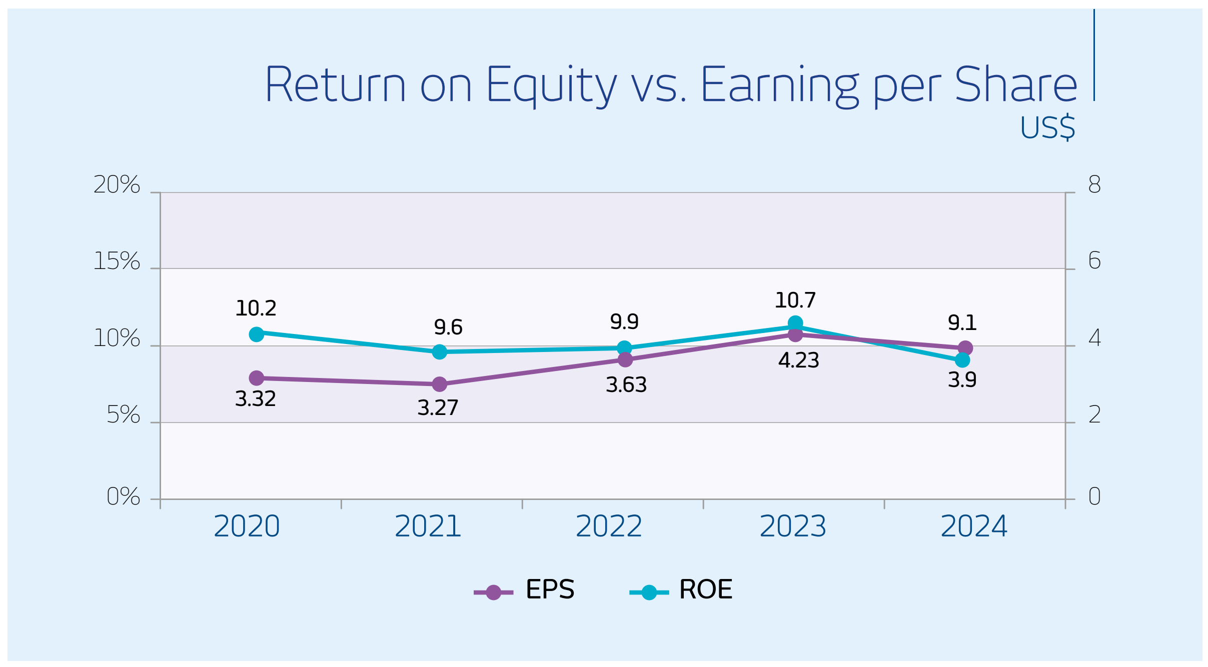
The Bank manages its excess of liquidity by financing on selective basis profitable commercial and business opportunities. Based on a maturity profile analysis, deposits with a tenor of less than a month comprise the majority of TIB's customer deposits. These deposits are rolled over, regularly and make up the main source of funding for the Bank. An analysis of the customer deposits by currency indicates that the composition of Euro-denominated deposits represent roughly 60% of total deposits; the US dollar ranks second to the Euro representing about 35 % of deposits.



NET INCOME

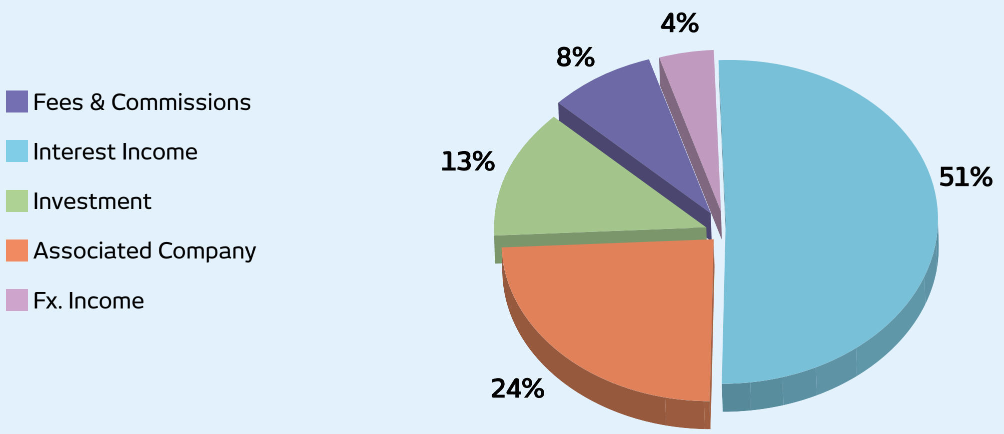
TIB generated interest income increased from US$ 18.480 in 2023 to US$ 20 million in 2024. The non-interest income reached US$ 19.18 million. Income from subsidiaries dropped slightly US$ 9.394 million in 2024 compared to US$ 10.099 million in 2023. Income from subsidiaries contribution to the Bank's revenue is stable around 25% in 2023 and 2024 against 40% in 2020 and 35% in 2022.

The net income before tax reached US$ 28.817 million against US$ 29.425 million in 2023 and US$ 22.759 million in 2022. The total comprehensive income for 2024 reached US$ 20.120 million. Profit after tax for the year 2024 reached US$ 19.445 million in 2024 against US$ 21.159 million in 2023 and US$ 18.163 in 2022 million which rounds up to US$ 3.89 per share of US$10.00. TIB is committed to constantly enhancing value to its shareholders.



Net banking products was stable US$ 35.765 million in 2024 from US$ 36.937 Million in 2023, which increased from US$ 29.861 Million in 2022. The Bank maintained its tight control over non-interest expenses. Indeed, noninterest expenses decreased from US$ 7.512 in 2023 to US$ 6.948 million in 2024.

Sources of Revenue December 31st, 2024



CAPITALISATION

Consolidated shareholders' funds before appropriation totaled US$ 230.950 million. The policy of the Bank has always been to maintain a good balance sheet structure and a strong capital base. It is supervised by the Central Bank of Tunisia (CBT) and is required to maintain a minimum capital ratio of 10% known as the risk asset ratio (RAR). TIB's capital adequacy ratio of about 49.08% is significantly above the CBT's and the internationally agreed threshold. TIB is ranked among the top banks in Tunisia when classified by risk asset ratio.

AUDITORS' REPORT

Sidi Bou Said

AUDIT REVISION CONSEIL

Membre de l'Ordre des Experts
Comptables de Tunisie
Correspondant en Tunisie de RSM
International

CMG
Consulting Members Group
AUDIT & ACCOUNTING

Résidence Diar Ezzahra App E19 2034 Ezzahra
Téléphone :+216 71 45 19 89
Fax :+216 71 45 10 31
ID RNE : 1080894B
E-mail contact@cmg-audit.com

Independent Auditor's Report

To the Shareholders of Tunis International Bank,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tunis International Bank which comprise the consolidated balance sheet as at December 31st, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity for the year then ended, a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tunis International Bank as at December 31st, 2024 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).

Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* sections of our report. We are independent of the Group in accordance with the requirements of the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Bank and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concerns basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Tunis, March 21st, 2025

Foued AMIRI

ARC

AUDIT REVISION CONSEIL
A. R. C.
Société d'Expertise Comptable
Membre de l'OECT

Mohamed Jamil GOUIDER

CMG

E-mail : cabinetcmg@gmail.com

CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH IFRS AS AT DECEMBER 31, 2024

Tozeur

CONSOLIDATED BALANCE SHEET
As at December 31, 2024
(Amounts in US Dollars)

	Notes	2024	2023
ASSETS			
Bank demand and call deposits	3	55 152 105	52 885 649
Time deposits	4	207 559 645	185 689 414
Financial assets designated at fair value through P&L		527 966	1 086 213
Financial assets at fair value through other comprehensive income	5	37 105 187	35 458 772
Financial assets measured at amortized cost	6	59 654 427	59 856 628
Investments in associated companies	7	107 682 864	103 237 778
Loans and advances, net	8	178 126 817	188 626 115
Accrued interest and other assets	9	12 665 326	10 622 073
Property and equipment, net	10	1 132 358	1 315 352
TOTAL ASSETS		**659 606 695**	**638 777 994**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES		**428 656 637**	**417 563 505**
Deposits from banks and financial institutions	11	170 586 000	178 457 668
Deposits from customers	12	238 726 481	211 653 598
Accrued interest and other liabilities	13	19 344 156	27 452 239
SHAREHOLDERS' EQUITY	14	**230 950 058**	**221 214 489**
Share capital		50 000 000	50 000 000
Reserves		36 206 897	34 531 854
Foreign currency translation reserve		-35 304 194	-34 188 379
Retained earnings		180 047 355	170 871 014
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**659 606 695**	**638 777 994**

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2024
(Amounts in US Dollars)

	Notes	2024	2023
TOTAL INCOME		**39 207 420**	**39 788 748**
Interest income	**15**	20 019 457	18 479 745
Other income, net	**16**	9 793 669	11 210 068
Share of results of associated companies		9 394 294	10 098 935
INTEREST EXPENSES		**3 442 442**	**2 851 685**
Interest expenses	**17**	3 442 442	2 851 685
OPERATING INCOME		**35 764 978**	**36 937 063**
Salaries and benefits	**18**	4 304 107	4 072 259
General and administrative expenses	**19**	2 644 050	3 439 598
NET OPERATING INCOME (BEFORE WRITE DOWN AND PROVISIONS)		**28 816 821**	**29 425 206**
Allowance for doubtful loans		363 105	400 000
NET INCOME FOR THE YEAR BEFORE TAX		**28 453 716**	**29 025 206**
Tax expenses		9 008 320	7 866 394
NET INCOME FOR THE YEAR		**19 445 396**	**21 158 812**
Number of shares		5 000 000	5 000 000
Earning per share	20	**3,89**	**4,23**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
For the year ended December 31, 2024
(Amounts in US Dollars)

	2024	2023
PROFIT FOR THE YEAR	**19 445 396**	**21 158 812**
Net fair value (loss) gain from financial assets at fair value through other comprehensive income	675 042	521 079
Other comprehensive (loss) income for the year	**675 042**	**521 079**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**20 120 438**	**21 679 891**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended December 31, 2024
(Amounts in US Dollars)

	2024	2023
OPERATING ACTIVITIES		
Net income of the year	**19 445 396**	**21 158 812**
Adjustments for :		
Depreciation	251 162	285 963
Social fund	-240 000	-240 000
Share of profit from associates companies	-9 394 294	-6 609 381
Operating profit before changes in operating assets and liabilities	**10 062 264**	**14 595 394**
Changes in operating assets and liabilities		
Time deposits	-21 870 231	4 069 133
Loans and advances	10 499 298	-32 217 366
Accrued interest and other assets	-2 043 253	-3 761 686
Deposits from banks and financial institutions	-7 871 668	11 871 646
Deposits from customers	27 072 883	-5 362 412
Accrued interest and other liabilities	-8 842 842	5 254 679
Net cash provided by operating activities	**7 006 451**	**-5 550 612**
INVESTING ACTIVITIES		
Purchase of financial assets designated at fair value through P&L	0	-98 196
Sales of financial assets designated at fair value through P&L	704 340	0
Purchase of financial assets at fair value through other comprehensive income	-739 993	-1 225 351
Sales of financial assets at fair value through other comprehensive income	90 983	113 240
Purchase of financial assets measured at amortized cost	-18 218 343	-2 490 413
Sale of financial assets measured at amortized cost	17 491 186	0
Purchase of fixed assets net	-68 168	-159 219
Net cash used by investing activities	**-739 995**	**-3 859 939**
FINANCING ACTIVITIES		
Dividends paid	-4 000 000	-4 000 000
Net cash used by financing activities	**-4 000 000**	**-4 000 000**
Increase / Decrease in cash and cash equivalents	2 266 456	-13 410 551
Cash and cash equivalents as of 1st January	52 885 649	66 296 200
Cash and cash equivalents as of 31 December	**55 152 105**	**52 885 649**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2024
(Amounts in US Dollars)

	Share Capital	Statutory Reserve	General Reserve
Balance at December 31, 2022	50 000 000	**7 556 427**	**23 658 734**
Net income for the period			
Other comprehensive income			
Total comprehensive income			
Transfer to general reserve			1 000 000
Dividends distributed			
Transfer to social fund			
Share of changes recognised directly in associate's equity			
Balance at December 31, 2023	50 000 000	**7 556 427**	**24 658 734**
Net income for the period			
Other comprehensive income			
Total comprehensive income			
Transfer to general reserve			1 000 000
Dividends distributed			
Transfer to social fund			
Deferred Tax			
Share of changes recognised directly in associate's equity			
Balance at December 31, 2024	50 000 000	**7 556 427**	**25 658 734**

Revaluation Reserve	Investment FV reserve	Foreign Currency reserve	Retained Earnings	Total
1 000 000	**795 614**	**-36 093 587**	**155 271 416**	**202 188 604**
			21 158 812	21 158 812
	521 079			521 079
	521 079		*21 158 812*	*21 679 891*
			-1 000 000	-
			-4 000 000	-4 000 000
			-240 000	-240 000
		1 905 208	-319 214	1 585 994
1 000 000	**1 316 693**	**-34 188 379**	**170 871 014**	**221 214 489**
			19 445 396	19 445 396
	675 042			675 042
	675 042		*19 445 396*	*20 120 438*
			-1 000 000	-
			-4 000 000	-4 000 000
			-240 000	-240 000
			-1 195 661	-1 195 661
		-1 115 815	-3 833 393	-4 949 208
1 000 000	**1 991 735**	**-35 304 194**	**180 047 356**	**230 950 058**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial statements of Tunis International Bank for the year ended December 31, 2024 were authorised for issue in accordance with resolution of the Board of Directors on February 2025.

Tunis International Bank S.A. (TIB) was established in June 1982 in Tunisia as a fully licensed Bank operating mainly with non residents under the current Tunisian law 2009-64 of August 12th, 2009 and under the supervision of the Central Bank of Tunisia. The main activity of the Bank is corporate and private banking and Money Market operations. The Bank is subject to 40% corporate tax for activities with residents and non residents. The Bank's registered address is 18, avenue des Etats Unis d'Amerique P.O. Box 81 – Le Belvedere 1002, Tunis, Tunisia.

TIB is a subsidiary of Burgan Bank (Kuwait), member of KIPCO Group (Kuwait).

2. Accounting policies

2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention, except for financial assets classified at fair value through profit or loss, fair value through other comprehensive income and financial assets measured at amortized cost.

The consolidated financial statements have been presented in US Dollars being the functional currency of the Bank.

2.2. Principles of consolidation

TIB has an associated company located in Algeria. For the preparation of the consolidated financial statement of the Bank, TIB has consolidated its shares in AGB using equity method.

The associated company included in the consolidated financial statements of TIB is the following:

Name of associated company	Country	Year of incorporation
Algeria Gulf Bank	Algeria	2003

An associated company is one in which the Bank exercises significant influence (but not control) over its operations, generally accompanying, directly or indirectly, a shareholding of between 20% and 50% of the equity share capital.

Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Bank's share of net assets of the investee. The Bank recognises in the consolidated statement of income its share of the total recognised profit or loss of the associate from the date that influence or ownership effectively commences until the date that it effectively ceases.

Distributions received from an associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Bank's share in the associate arising from changes in its equity that have not been recognised in the associate's profit or loss. The Bank's share of those changes is recognised directly in equity.

Whenever impairment requirements of IAS 36 indicate that investment in an associate may be impaired, the entire carrying amount of the investment is tested by comparing its recoverable amount with its carrying value. Goodwill is included in the carrying amount of an investment in an associate and, therefore, is not separately tested for impairment.

Unrealised gains on transactions with an associate are eliminated to the extent of the Bank's share in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred. An assessment of an associate is performed when there is an indication that the asset has been impaired, or that impairment losses recognised in prior years no longer exist.

2.3. Significant accounting judgments and estimates

In the process of applying the Bank's accounting policies, management has used its judgment and made estimates in determining the amounts recognised in the consolidated financial statements. The most significant use of judgment and estimates are as follows:

Impairment allowances on loans and advances

The Bank reviews its non performing portfolio at each reporting date to assess whether an allowance for impairment should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances, the Bank also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a collectively risk of default, based on historical experience, from the existing overall credit portfolio over its remaining life. In determining the level of collective allowances, management also refers to the composition of the portfolio, industry, collateral values, significant increase in credit risk, rating model, macro-economic variables and the Tunisian Central Bank requirements.

2.4. Summary of significant accounting policies

(a) Foreign currency translation

Translation of foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in the consolidated income statement. Income and expenses items incurred in foreign currencies are translated, into the functional currency monthly using the functional currency rate of exchange prevailing at that date.

Translation of financial statements of foreign operations

Assets and liabilities of foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at average exchange rates for the relevant period. All resulting exchange differences are taken directly to a ***foreign currency translation reserve*** the consolidated statement of changes in equity table.

(b) Financial Instruments

Recognition

A financial asset or a financial liability is recognised when the Bank becomes a party to the contractual provisions of the instrument. All regular way purchase and sale of financial assets are recognised using settlement date accounting. Changes in fair value between the trade date and settlement date are recognised in the consolidated statement of income or in other comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

Classification and measurement

Initial classification and measurement of financial instruments

The classification of financial instruments at initial recognition depends on the business model for managing the instruments and on their contractual cash flow charateristics. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Contractual cashflow characteristics

The Bank also assesses the characteristics of the contractual cashflow of the financial asset to identify whether the contractual cashflow is Solely for purpose of Payment of Principal and Interest (SPPI test).

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. The Bank also considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set during its assessment of the SPPI test.

The Bank reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Subsequent classification and measurement categories of financial assets

The Bank classifies all of its financial assets as either:

- Financial asset carried at amortised cost;
- Financial asset at fair value through other comprehensive income (FVOCI);
- Financial asset at fair value through profit or loss (FVTPL).

Financial asset carried at amortised cost:

A financial asset is carried at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, impairment and gain or loss on derecognition is recognised in the consolidated statement of income.

Cash and cash equivalents, Treasury bills and bonds with CBT and others, due from banks and other financial institutions, loans and advances to customers, certain investment securities and certain other assets are classified as financial asset carried at amortised cost.

Financial asset at fair value through other comprehensive income:

****)Debt instruments carried at FVOCI***

A debt instrument is carried at FVOCI if it meets both of the following conditions:

- It is held within a business model whose objectives are both to hold asset to collect contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments carried at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and gain or loss on derecognition is recognised in consolidated statement of income in the same manner as financial assets carried at amortised cost.

*****)Equity instruments carried at FVOCI***

Upon initial recognition, the Bank may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under "IAS 32 Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Equity instruments carried at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and is not recycled to consolidated statement of income on derecognition.

Dividend income on equity instruments carried at FVOCI is recognised in consolidated statement of income, when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Financial assets carried at FVTPL:

Financial assets carried at FVTPL is initially recorded in the consolidated statement of financial position at fair value. The financial assets classified under this category are either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Management designates an instrument as financial asset carried at FVTPL where even though it meets the classification criteria of financial asset carried at amortised cost or financial asset carried at FVOCI, this designation eliminates, or significantly reduces, the inconsistent accounting treatment that would otherwise arise. Such designation is determined on an instrument-by instrument basis.

Financial assets carried at FVTPL are subsequently measured at fair value. The changes in fair value are recorded in the consolidated statement of income. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income using the effective interest rate method, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVTPL is recorded in the consolidated statement of income as other operating income when the right to the payment has been established.

Subsequent classification and measurement categories of financial liabilities

Financial liabilities, other than financial guarantees and loan commitments, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

Due to banks, due to other financial institutions, deposits from customers, other borrowed fund and certain other liabilities are classified as financial liabilities carried at amortised cost.

Financial guarantees and loan commitments

In the ordinary course of business, the Bank issues financial guarantees, consisting of letters of credit, guarantees and acceptances.

Financial guarantees are initially recognised as off balance sheet at fair value. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the amount initially recognised less cumulative amortisation recognised in the consolidated statement of income, which is the higher of ECL under IFRS 9 and provision required by the Central Bank of Tunisia instructions.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer.

Similar to financial guarantee contracts, under IAS 39, a provision was made if they were an onerous contract and the higher of ECL under IFRS 9 and provision required by the Central Bank of Tunisia instructions.

De-recognition

****)De-recognition of financial assets and financial liabilities other than substantial modification of terms and conditions***

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired, or
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under

a 'pass-through' arrangement; and either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Bank continues to recognise the transferred asset to the extent of the Bank's continuing involvement. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

*****)De-recognition of financial assets due to substantial modification of terms and conditions***

The Bank de-recognises a financial asset, such as loans and advances to customers, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit-impaired (POCI).

When assessing whether or not to de-recognise a financing receivable, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in de-recognition. Based on the change in cash flows discounted at original effective interest rate, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Fair value measurement

The Bank measures financial instruments, such as, derivatives, investment securities etc., at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Bank.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes.
For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) Impairment of financial assets

The Bank records impairment of financial assets as the higher of expected credit loss “ECL” computed under IFRS 9 or the provisions as required by Central Bank of Tunisia instructions. Financial assets consists of loans and advances to customers, non-cash credit facilities, investment in debt securities measured at amortised cost or FVOCI and on balances and deposits with banks. Equity investments are not subject to ECL.

Expected credit losses under IFRS 9

The Bank performs an assessment at the end of each reporting period of whether there has been a significant increase in credit risk since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- The contractual cash flows that are due to the Bank under the contract; and
- The cash flows that the Bank expects to receive, discounted at the effective profit rate of the financing facility.

The Bank applies a three-stage approach to classify and measure the ECL on the financial assets classified as credit facilities, as described below:

Stage 1: 12-month ECL

For financial assets classified as credit faclities where there has not been any significant increase in credit risk since their initial recognition or those credit faclities which are determined to have a low credit risk at the reporting date, the Bank classifies these facilities under Stage 1 and measures the loss allowance which is a result of defaults that are expected to arise over the next 12 months (12-month ECL) on these financial assets.

Stage 2: Lifetime ECL – not credit impaired

For financial assets classified as credit faclities where there has been a significant increase in credit risk since initial recognition but are not credit impaired, the Bank classifies these facilities under Stage 2 and measures loss allowance which is a result of defaults that are expected to arise over the lifetime (Lifetime ECL) on these financial assets.

Stage 3: Lifetime ECL – credit impaired

For financial assets classified as credit faclities which are in default and credit impaired, the Bank classifies these facilities under Stage 3 and measures loss allowance at an amount equal to 100% of net exposure i.e. exposure after deduction of eligible collaterals.

Staging of credit facilities

The Bank continuously monitors all financial assets classified as credit facilities and applies a series of absolute thresholds and other criteria to determine the staging. All financial assets classified as credit facilities that are more than 30 days past due are deemed to have significant increase in credit risk since initial recognition and are classified under Stage 2. All rescheduled credit facilities are classified under the Stage 2 unless it qualifies for Stage 3. The Bank also applies other criteria to determine a significant increase in credit risk for financial assets, such as:

- Deterioration in the customer rating of the borrower indicating default;
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral;
- A material deterioration in the customer's financial position in the opinion of the Bank causing concerns on the repayment ability;
- A material covenant breach in a committed facility;
- Filing for bankruptcy or liquidation;
- Downgrade in the facility's credit rating by 2 grades.

The transfer of credit facility from Stage 2 to Stage 1 is made after a curing period of 12 months from the satisfaction of all conditions that triggered classification of the credit facility to Stage 2.

Definition of default

The Bank considers a financial asset to be in default and therefore Stage 3 (credit impaired) when:

- The borrower is past due for more than 90 days on its credit obligation to the Bank;
- The borrower is facing significant financial difficulty;
- The borrower is assessed as credit impaired based on internal qualitative and quantitative assessment;
- Other indicators such as breach of covenants, customer being deceased etc;

The Bank assess whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Measurement of ECLs

ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. Cash shortfall represent the difference between cashflows due to the Bank in accordance with the contract and the cashflows that the Bank expects to receive. The key elements in the measurement of ECL includes exposure at default, probability of default and loss given default.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities, repayments of principal and interest, whether scheduled by contract or otherwise.

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. Through-The-Cycle PD (TTC PD) are generated from the rating tool based on internal / external credit ratings. The Bank converts the TTC PD to Point In Time (PIT) PD term structure using appropriate models and techniques.

The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any eligible collateral after hair-cuts.

Incorporation of forward looking information

The Bank incorporates forward-looking economic inputs that are relevant to the region in which the Bank is located, for both its assessment of significant increase in credit risk and its measurement of ECL. Qualitative overlays are made as and when necessary to correctly reflect the impact of the movement in the relevant economy on the Bank. Incorporating forward-looking information based on a three probability-weighted scenarios increases the degree of judgement required. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

(d) End of service benefits

Provision is made under the Tunisian Labour Law, employee contracts and the Bank internal procedure. This liability, which is unfunded, represents the amount payable to each employee and is a reliable approximation of the present value of the obligation as at the reporting date.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and those balances of the demand and call deposits with banks including Central Banks and financial institutions.

(f) Offsetting

Consolidated financial assets and consolidated financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(g) Interest income and expenses

The Bank recognises interest income and expenses on an accrual basis. The Bank does not recognise interest income on loans or other income earning assets which are classified as non-performing.

Loans and other income earning assets are classified as non-performing when these are classified as doubtful or loss, respectively class 2, 3 and 4 following the regulations issued by Central Bank of Tunisia, or when in the opinion of management, collection of interest and/or principal is doubtful.

When a loan is classified as non-performing, any interest income previously recognised but not yet collected is reversed. Interest on non-performing loans and other income earning assets under Central Bank of Tunisia guidelines is recognised in the consolidated statement of income only to the extent of cash received.

(h) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Expenditures which extend the future useful life of assets or provide further economic benefits are capitalised and depreciated. Fixed assets are depreciated using the straight line method over their estimated useful life.

3. Bank demand and call deposits

	2024	2023
Cash	364 111	278 269
Due from Banks	54 788 482	52 609 467
Less: Expected credit losses	(488)	(2 087)
	55 152 105	**52 885 649**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	35 476 348			**35 476 348**
Standard quality	19 312 134			**19 312 134**
Past due but not impaired				-
Impaired Facilties				-
Total	**54 788 482**	**-**	**-**	**54 788 482**

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	37 632 221			**37 632 221**
Standard quality	14 977 246			**14 977 246**
Past due but not impaired				-
Impaired Facilties				-
Total	**52 609 467**	**-**	**-**	**52 609 467**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening ECL allowance	2 087			2 087
Impact due to transfer between stages				-
ECL allowance for the year	(1 599)		-	(1 599)
Amounts written off				-
Foreign exchange adjustments				-
Closing ECL allowance	488	-	-	488

4. Time deposits

	2024	2023
Up to 3 months	207 106 166	185 336 087
From 3 months to 1 year	469 219	488 727
Less: Expected credit losses	(15 740)	(135 400)
	207 559 645	**185 689 414**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	40 000 000			40 000 000
Standard quality	167 575 385			167 575 385
Past due but not impaired				-
Impaired Facilties				-
Total	**207 575 385**	-	-	**207 575 385**

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	30 000 000			30 000 000
Standard quality	155 824 814			155 824 814
Past due but not impaired				-
Impaired Facilties				-
Total	**185 824 814**	-	-	**185 824 814**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening ECL allowance	135 400			135 400
Impact due to transfer between stages				-
ECL allowance for the year	(119 660)			**(119 660)**
Amounts written off				-
Foreign exchange adjustments				-
Closing ECL allowance	**15 740**	**-**	**-**	**15 740**

5. Financial assets at fair value through other comprehensive income

A - By nature	2024	2023
Listed securities	5 165 627	3 768 132
Unlisted securities	31 939 560	31 690 640
	37 105 187	**35 458 772**

B - By currency	2024	2023
US Dollars	16 151 310	14 595 242
Pound Sterling	9 370 300	9 512 341
Euros	3 112 800	3 313 800
Bahrain Dinars	3 131 640	3 133 302
Tunisian Dinars	2 410 609	2 554 848
Kuwaiti Dinars	2 927 890	2 348 605
Jordanian Dinars	638	634
	37 105 187	**35 458 772**

6. Financial assets measured at amortized cost

A - By nature	2024	2023
Government bonds and debt securities	49 979 009	48 218 107
Other bonds and debts securities	10 171 543	12 051 793
Less: Expected credit losses	(496 125)	(413 272)
	59 654 427	**59 856 628**

B - By currency	2024	2023
USD	44 184 093	43 880 019
EUR	15 966 459	16 389 881
Less: Expected credit losses	(496 125)	(413 272)
	59 654 427	**59 856 628**

C - By maturity	2024	2023
Up to 3 months	7 297 798	5 522 612
From 3 months to 1 year	2 073 525	12 007 088
Over 1 year	50 779 229	42 740 200
Less: Expected credit losses	(496 125)	(413 272)
	59 654 427	**59 856 628**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	5 980 268			**5 980 268**
Standard quality	43 254 035	10 916 249		**54 170 284**
Past due but not impaired				-
Impaired Facilties				-
Total	**49 234 303**	**10 916 249**	-	**60 150 552**

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality				-
Standard quality	49 744 262	10 525 638		**60 269 900**
Past due but not impaired				-
Impaired Facilties				-
Total	**49 744 262**	**10 525 638**	-	**60 269 900**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening ECL allowance	**265 172**	148 100		**413 272**
Impact due to transfer between stages				-
ECL allowance for the year	79 531	3 322		**82 853**
Amounts written off				-
Foreign exchange adjustments				-
Closing ECL allowance	**344 703**	**151 422**	-	**496 125**

7. Investments in associated companies

The Bank has a participation in Algeria Gulf Bank (AGB), a Bank incorporated in Algeria. The shares of AGB are not listed in any public exchange.

Summarised financial information of AGB is set out below:

	2024	2023
Total assets	3 034 863 325	2 693 320 840
Total liabilities	(2 703 936 642)	(2 377 211 110)
Net assets	**330 926 683**	**316 109 730**
Revenues	**166 562 722**	**150 250 564**
Profit for the year	**31 314 315**	**33 663 117**

8. Loans and advances, net

	2024	2023
Bank and financial institutions	163 751 152	165 755 033
Corporate businesses, private and others	20 325 251	28 463 801
	184 076 403	**194 218 834**
Allowances for loan losses	(5 949 586)	(5 592 719)
	178 126 817	**188 626 115**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	4 206 184			**4 206 184**
Standard quality	164 632 733	10 031 764		**174 664 497**
Past due but not impaired				**-**
Impaired Facilties			5 205 722	**5 205 722**
Total	**168 838 917**	**10 031 764**	**5 205 722**	**184 076 403**

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
High quality	11 937 834			**11 937 834**
Standard quality	165 865 869	11 166 688		**177 032 557**
Past due but not impaired				**-**
Impaired Facilties			5 248 443	**5 248 443**
Total	**177 803 703**	**11 166 688**	**5 248 443**	**194 218 834**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Opening ECL allowance	**428 360**	**295 581**	**4 868 778**	**5 592 719**
Impact due to transfer between stages				**-**
ECL allowance for the year	166 632	(146 709)	376 495	**396 418**
Amounts written off				**-**
Foreign exchange adjustments			(39 551)	**(39 551)**
Closing ECL allowance	**594 992**	**148 872**	**5 205 722**	**5 949 586**

8.1 Geographical analysis

	2024	2023
Middle East/Africa	178 126 817	188 626 115
	178 126 817	**188 626 115**

8.2 Maturity analysis

	2024	2023
Up to 3 months	24 273 258	11 433 019
From 3 months to 1 year	90 752 541	119 025 081
Over 1 year	63 101 018	58 168 015
	178 126 817	**188 626 115**

8.3 Allowances for loan losses

	2024	2023
Specific provision	5 205 722	4 868 778
General provision	743 864	723 941
	5 949 586	**5 592 719**

The movements of allowance for loan losses are as follows:

	Specific allowance	General allowance	Total
Balance at 31 December 2023	**4 868 778**	**723 941**	**5 592 719**
Allowances of the year	376 495	-	376 495
Write back provision	-	-13 390	-13 390
Reclassification	-	33 313	33 313
Exchange adjustment	-39 551	-	-39 551
Balance at 31 December 2024	**5 205 722**	**743 864**	**5 949 586**

In line with Central Bank instruction addressed to all banks in order to build up collective provision to cover potential risks arising from the ongoing, local as well as international, economic and financial environment. TIB has made a collective provision allocation amounting to 737 KUS$. This amount has been calculated using, the maximum between, the model indicated in the CBT circular N°2012-02 of January 11th, 2012 followed by the circular N°2012-8 of March 2nd, 2012, the circular N°2012-20 of December 6th, 2012 and the circular N°2021-01 of January 11th, 2021, the circular N°2023-02 of February 24th, 2023, the circular N°2024-01 of January 19th, 2024 and the circular N°2025-01 of January 29th, 2025 and ECL as per IFRS9.

8.4 Non-performing loans

	Loans and advances	Interest suspended	Provisions	Collateral held against NPL
Bank and financial institutions	3 951 458	184 430	3 951 458	-
Corporate businesses, private and others	1 254 264	52 646	1 254 264	500 693
	5 205 722	**237 076**	**5 205 722**	**500 693**

9. Accrued interest and other assets

	2024	2023
Accrued interest receivable	3 825 095	4 095 217
Prepayments	7 816 007	4 480 008
Deferred tax assets	1 024 224	2 046 848
	12 665 326	**10 622 073**

10. Property and equipment

	Net value 2024	Net value 2023
Land	700 000	700 000
Building	236 704	280 636
Office furniture and other fixed assets	195 654	334 716
Total net	**1 132 358**	**1 315 352**

11. Deposits from banks and financial institutions

	2024	2023
Repayable on demand	295 753	104 182
Up to 3 months	170 290 247	178 353 486
	170 586 000	**178 457 668**

12. Deposits from customers

	2024	2023
Up to 3 months	234 491 437	205 003 919
From 3 months to 1 year	4 235 044	6 649 679
	238 726 481	**211 653 598**

13. Accrued interest and other liabilities

	2024	2023
Accrued interest payable	324 664	407 816
Provision for non-cash credit facilities	7 903	15 708
Waiting for settlement	3 181 513	4 670 365
Accrued expenses	9 785 141	11 219 838
Retirement benefits provision	2 122 744	4 732 596
Deferred tax liabilities	1 994 347	1 383 607
Other liabilities	1 927 844	5 022 309
	19 344 156	**27 452 239**

14. Shareholders' equity

		2024	2023
Share capital		50 000 000	50 000 000
Reserves	(a)	36 206 897	34 531 854
Foreign currency translation reserve	(b)	(35 304 194)	(34 188 379)
Retained earnings		160 601 959	149 712 202
Part of reserve in associated company		*84 437 613*	*78 172 071*
Net profit of the period		19 445 396	21 158 812
		230 950 058	**221 214 489**

a- Reserves are detailed as follows :

	2024	2023
Statutory Reserves	7 556 427	7 556 427
General reserve	25 658 734	24 658 734
Revaluation reserve	1 000 000	1 000 000
Fair value Reserve	1 991 736	1 316 693
	36 206 897	**34 531 854**

b- The foreign currency translation reserve represents the net foreign exchange gain (loss) arising from translating the financial statements of the associated companies from their functional currencies into United States Dollars.

15. Interest income

	2024	2023
Interest on interbank placements	6 079 159	5 456 785
Interest on loans and advances	13 940 298	13 022 960
	20 019 457	**18 479 745**

16. Other income

	2024	2023
Investment income (16.1)	5 076 731	5 331 445
Foreign exchange	1 563 730	1 924 281
Fees and commissions	3 153 207	3 890 684
Other income	-	63 658
	9 793 669	**11 210 068**

16.1 Investment income

	2024	2023
Interest on financial assets at amortized cost	3 113 354	3 354 918
Dividends from financial assets at fair value through OCI	1 836 689	1 819 052
Dividend from financial assets designated at fair value through P&L	43 397	75 240
Gain on financial assets at fair value through P&L	161 602	94 897
Investment fees	-78 311	-12 662
	5 076 731	**5 331 445**

17. Interest expenses

	2024	2023
Interest expenses on deposits and collaterals	1 341 909	544 327
Interest expenses on interbank deposits	2 100 533	2 307 358
	3 442 442	**2 851 685**

18. Salaries and benefits

	2024	2023
Wages and salaries	3 382 492	3 173 330
Social security costs	657 162	716 204
Pension costs	255 000	175 000
Other	9 453	7 725
	4 304 107	**4 072 259**

19. General and administrative expenses

	2024	2023
Depreciation	251 162	285 963
Premises costs	280 387	251 654
IT costs	344 384	299 568
Communication	253 914	256 407
Marketing & Advertising costs	101 720	84 613
Board fees	250 250	273 000
Tax	35 153	31 227
Administration costs	1 127 080	1 957 166
	2 644 050	**3 439 598**

20. Earnings per share

	2024	2023
Net profit attributable to ordinary equity holders	19 445 396	21 158 812
Weighted average number of ordinary shares	5 000 000	5 000 000
Basic earnings per share	**3,89**	**4,23**

21. Commitments and contingencies

	2024	2023
Forward exchange contracts purchases	10 828 505	6 034 785
Forward exchange contracts sales	10 823 513	6 027 216
Letters of credit, guarantees and acceptances	7 208 588	7 199 537
	28 860 606	**19 261 537**

22. Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

• **Level 1** – Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

• **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

• **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

	Level 1	Level 2	Level 3	TOTAL
Financial assets designated at FV through P&L				
Equity Securities	527 966	-	-	**527 966**
Debt Securities	-	-	-	**-**
Financial assets at fair value through OCI				
Equity Securities	5 165 627	31 939 560	-	**37 105 187**
Debt Securities	-	-	-	**-**
Financial assets measured at amortized cost				
Equity Securities	-	-	-	**-**
Debt Securities	59 654 427	-	-	**59 654 427**
Investments in associated companies				
Equity Securities	-	107 682 864	-	**107 682 864**
Debt Securities	-	-	-	**-**
	65 348 020	**139 622 424**	**-**	**204 970 444**

23. INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments.
The Bank's interest sensitivity position is based on maturity dates and contractual repricing arrangements. As at **31 December 2024** it was as follows:

	Up to 3 months	3 month to 1 year	Over 1 year	Non interest bearing items	TOTAL
Bank demand and call deposits	54 787 994	-	-	364 111	55 152 105
Time deposits	207 090 426	469 219	-	-	207 559 645
Financial assets designated at fair value through P&L	-	-	-	527 966	527 966
Financial assets at fair value through other comprehensive income	-	-	-	37 105 187	37 105 187
Financial assets measured at amortized cost	7 297 798	2 073 525	50 283 104	-	59 654 427
Investments in associated companies	-	-	-	107 682 864	107 682 864
Loans and advances, net	24 273 258	90 752 541	63 101 018	-	178 126 817
Accrued interest and other assets	-	-	-	12 665 326	12 665 326
Property and equipment	-	-	-	1 132 358	1 132 358
Total assets	**293 449 476**	**93 295 285**	**113 384 122**	**159 477 811**	**659 606 695**
Deposits from Banks and financial institutions	170 586 000	-	-	-	170 586 000
Deposits from customers	234 491 437	4 235 044	-	-	238 726 481
Accrued interest and other liabilities	-	-	-	19 344 156	19 344 156
Shareholders' equity	-	-	-	230 950 058	230 950 058
Total liabilities and shareholders' equity	**405 077 437**	**4 235 044**	**-**	**250 294 214**	**659 606 695**

Currency wise interest rates are as follows:

	2024	2023
	%	%
US Dollars		
Assets	4.20 – 11.20	3.90 – 12.20
Liabilities	2.00 – 5.95	2.00 – 5.95
Kuwaiti Dinars		
Assets	–	–
Liabilities	4.75 – 5.00	4.75 – 5.00
Tunisian Dinars		
Assets	7.97 – 10.50	8.01 – 10.50
Liabilities	2.00 – 8.50	2.80 – 10.50
Euros		
Assets	2.89 – 9.73	1.85 – 10.28
Liabilities	0.50 – 4.50	0.50 – 4.50
British Pounds		
Assets	–	5.00 – 5.19
Liabilities	0.15 – 5.90	0.15 – 5.90

24. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank considers the US Dollar as its functional currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

The Bank had the following net exposures denominated in foreign currencies as of 31 December 2024:

	2024 - 000'USD	
	Long position	Short position
Euros	-	-434
Tunisian Dinar	138	-
Saudi Riyals	69	-
Canadian Dollar	22	-
Kuwaiti Dinar	606	-
Bahraini Dinar	55	-
Libyan Dinar	5	-
Algerian Dinar	4	-
Swiss Francs	334	-
Arab Emirate Dirham	18	-
Pound Sterling	284	-
Other	12	-
	1 547	**-434**

25. Liquidity risk

The maturity profile of the assets and liabilities at **31 December 2024** was as follows:

	Up to 3 months	3 month to 1 year	1 year to 5 years	Undated	TOTAL
Bank demand and call deposits	55 152 105	-	-	-	**55 152 105**
Time deposits	207 090 426	469 219	-	-	**207 559 645**
Financial assets designated at fair value through P&L	527 966	-	-	-	**527 966**
Financial assets at fair value through other comprehensive income	-	-	-	37 105 187	**37 105 187**
Financial assets measured at amortized cost	7 297 798	2 073 525	50 283 104	-	**59 654 427**
Investments in associated companies	-	-	-	107 682 864	**107 682 864**
Loans and advances, net	24 273 258	90 752 541	63 101 018	-	**178 126 817**
Accrued interest and other assets	-	-	-	12 665 326	**12 665 326**
Property and equipment	-	-	-	1 132 358	**1 132 358**
Total assets	**294 341 552**	**93 295 285**	**113 384 122**	**158 585 735**	**659 606 695**
Deposits from Banks and financial institutions	170 586 000	-	-	-	**170 586 000**
Deposits from customers	234 491 437	4 235 044	-	-	**238 726 481**
Accrued interest and other liabilities	-	-	-	19 344 156	**19 344 156**
Shareholders' equity	-	-	-	230 950 058	**230 950 058**
Total liabilities and shareholders' equity	**405 077 437**	**4 235 044**	**-**	**250 294 214**	**659 606 695**

26. Related party balances & transactions

	December 2024			
Assets	Major shareholder "BB"	Associated companies "AGB"	Others Related Parties	Total
Bank demand and call deposits	21 174	-	426 325	447 499
Time deposits	-	-	30 000 000	30 000 000
Financial assets at fair value through P&L	-	-	323 388	323 388
Financial assets at fair value through OCI	-	-	1 046 201	1 046 201
Financial assets measured at amortized cost	-	-	3 000 000	3 000 000
Investment managed by a related party	-	-	204 578	204 578
Investments in Associated Companies	-	107 682 864	-	107 682 864
Loans and advances, net	-	-	5 707 034	5 707 034
Accrued Interest receivable	-	-	574 430	574 430
	21 174	**107 682 864**	**41 281 956**	**148 985 994**
Liabilities				
Deposits from Banks and financial institutions	43 099 870	-	18 503 402	61 603 272
Deposits from customers	-	-	7 803	7 803
Accrued Interest payable	17 528	-	5 541	23 069
	43 117 397	**-**	**18 516 747**	**61 634 144**
Off-Balance sheet				
Letters of credit, guarantees and acceptances	-	199 493	-	199 493
	-	**199 493**	**-**	**199 493**

Income Statement	Major share-holder "BB"	Associated companies "AGB"	Others Related Parties	Total
Interest Income	15 553	-	3 176 345	3 191 898
Other Income, net	-	9 394 294	181 536	9 575 830
Interest Income	-469 516	-	-344 603	-814 120
	-453 964	**9 394 294**	**3 013 278**	**11 953 608**

Key management compensation

Remuneration paid or accrued in relation to key management, including Directors and other Senior Officers was as follows:

	2024	2023
Short term employee benefits - including salary & bonus	969 636	967 770
Accrual for end of services indemnity	52 920	53 778
	1 022 556	**1 021 548**

27. Segmental information

	2024	2023
Assets		
North America	28 195 851	33 216 013
Europe	89 207 224	80 308 994
Middle East/ Africa	542 203 620	525 252 987
	659 606 695	**638 777 994**
Liabilities		
Middle East/ Africa	428 656 637	417 563 505
	428 656 637	**417 563 505**
Investment Income		
Middle East/ Africa	3 549 364	3 755 946
North America	703 386	798 377
Europe	823 981	777 122
	5 076 731	**5 331 445**
Interest Income		
Europe	2 854 422	3 129 346
Middle East/ Africa	17 165 035	15 350 399
	20 019 457	**18 479 745**
Other Income		
Middle East/ Africa	4 716 938	5 878 623
	4 716 938	**5 878 623**

28. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank manages credit risk by setting limits for individual counterparties, and groups of counterparties and for geographical and industry segments. The Bank also monitors credit exposures, and continually assesses the creditworthiness of counterparties. In addition, the Bank obtains security where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

For details of the composition of the assets by geographic segment refer to note 27.

Credit risk in respect of derivative financial instruments is limited to those with positive fair values.

29. Concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.

The distribution of assets and liabilities by geographic region is disclosed in note 27.

30. Market risk

Market risk is defined as the risk of loss in the value of on or off-balance sheet financial instruments caused by a change in market.

CORPORATE GOVERNANCE REPORT

Hammamet

Tunis International Bank is subject to Banking regulations and provisions of the Corporate Governance principles which are applicable to Tunisian Banks according to the Central Bank Legislation. Throughout the year, activities, particularly with regard to developing Corporate Governance Principles structure that the Bank is subject to have been performed.

Corporate governance specifies the framework through which the banks' goals and strategies are placed, daily operations processing, how to achieve goals and performance monitoring. It also specifies responsibilities, specialties, and decision-making in a way that achieves the principle of accountability, while noting the protection of shareholders' rights, the rights of related parties, and depositors' rights. In addition, it defines what it requires in terms of the necessity of constant development of strong systems to manage overall risks and the security of the banks' business to enhance general trust in the banking system and maintaining financial stability.

Effective Corporate Governance is an important part of our identity. The essential framework for this is provided first by the Central Bank of Tunisia through circular n°2021-05 issued in august 2021 and the Tunisian banking law N° 2016-48, July 2016.

The adopted corporate governance ensures the responsible, value-driven management and control of the bank. It has the following four key elements: good relations with shareholders, effective cooperation between the Management Board and Supervisory Board, a system of performance related compensation, transparent and timely reporting.

CORPORATE GOVERNANCE FRAMEWORK

Corporate governance determines the method by which the Bank's business and affairs are organized by its Board of Directors and the Executive Management.

Tunis International Bank (TIB or the Bank) is committed to the highest standards of corporate governance and recognizes that good governance is pivotal in helping the business to deliver its strategies whilst meeting its obligations towards shareholders and other stakeholders.

TIB should comply, primly and at the minimum, with:

- Tunisian Banking Law N°2016-48 of July 2016 relating to Banks and Financial Institutions.
- Tunisian Law N° 94-117 related to the Financial Market reorganization.
- Central Bank of Tunisia's (CBT) corporate governance instructions as issued in Circular N° 2021-05 of August 2021; and
- Tunisian Commercial Companies Code as enacted by Law 2000-93 of November 2000.

The bank adhered also in April 3rd, 2017 to the Subsidiaries Governance Manual (SGM), and to the newly updated Subsidiaries Governance Policy (SGP) issued in October 2024 and approved by the Bank's Board of Directors in December, 2024 which provides guidelines for maintaining a strong communication, monitoring, and coordination of activities between Burgan Bank and its Subsidiaries.

TIB's governance is carried out in accordance with the corporate governance Code which is based on the following principles:

- Principle of proportionality;
- Principle of power-balance;
- Principle of fairness towards shareholders and
- Principle of disclosure and transparency.

By promoting sound corporate governance, the Bank objectives are:

✓ The protection of depositors, creditorialrs, shareholders and employees' interests;
✓ Ensuring sound, prudent and transparent management of the Bank, based on a solid culture of Risk and Compliance;
✓ Ensuring conditions of integrity, loyalty and honorability of Directors of the Board, Executive Management, and Employees of the Bank.

The Governance and Management bodies of TIB consist of the following:

- The General Assembly of the Bank;
- The Board of Directors;
- The Committees of the Board of Directors; which assist the Board in the discharge of its duties include :

✓ The Board Audit Committee,
✓ The Board Risk Committee,
✓ The Board Nomination and Remuneration Committee, and
✓ The Board Corporate Governance Committee.

- The Executive Management;
- The Internal Control Functions; and
- The Management Committees include :

➢ The Management Executive Committee,
➢ The Credit Committee,
➢ The Asset and Liability Committee,
➢ The Management Investment Committee,
➢ The Management Cyber Security Risk Committee,
➢ The Management anti-fraud Committee,
➢ The Management Product & Pricing Committee,
➢ The Provision Assessment Committee,
➢ The Management Audit Committee,
➢ The Management Whistleblowing Committee,

- The Management Data Protection Committee,
- The Corporate Social and Environmental Responsibilities Committee and
- The Management Tender and Procurement Committee.

The General Assembly (Shareholders) Meetings

The General Shareholders Meetings of the Bank ("the General Assembly") is composed of the shareholders or their representatives.

The General Assembly will hold one ordinary session per year, usually by April. Extraordinary sessions will be held whenever necessary. The ordinary General Assembly shall be convened by written invitation sent at least 15 (fifteen) calendar days prior to the day of the sitting.

The General Assembly shall hold a meeting at least once a year and within four months following the close of the financial year.

Shareholders

Our shareholders are involved in decisions that are of material importance to the Bank, as legally required, including amendments to the articles of association, the appropriation of profit, authorization to issue new shares and important structural changes.

Voting and Minority Rights

TIB has only one class of share, with each share carrying the same voting right. The voting rights associated with the shares shall be based on the proportion of the capital they represent. In form equal to the face value, each share in the capital gives the right to one vote. In the case of a mortgage of shares, the right to vote return to its owner. Explanations on the Bank's capital structure, qualifications of shares and the rights on shares are outlined in the Articles of Association. Dividend Rights distribution, is a regular item on the agenda of the General Shareholders' Meeting and is presented for shareholders approval and implemented after the approval at the General Shareholders' meeting. The distribution of 2023 net profit was made in line with the decisions taken at Ordinary General Shareholders' Meeting held in 2024.

Board of Directors

The Board of Directors is responsible for managing the bank and exercises control over TIB.

The administrative and organizational structures required by the Banking Law (Law n°48 of July 11, 2016 and CBT Circular n°2021-05 dated August 2021) and related legislation, have been implemented at TIB. In reference to these banking regulations, the Board composition and Board members' qualifications are adapted to the Bank's strategy of development, size, the nature of its activity, complexity of operations and risk profile.

In addition, there are two strong and independent members in the Board to exercise an Independent decision-making in the bank's affairs.

The Ordinary General Assembly from among the shareholders appoints the Board members or from outside, with the exception of the Chairman of the Board of Directors, who must be a shareholder. The Board members are nominated for a term of 3 years. They can be re-elected and removed at any time by the Ordinary General Assembly.

Among the most important roles of the Board ensuring the effective implementation of the governance framework, ensuring the effectiveness of the management of TIB by Executive Management based on the work of control functions and setting the Bank's strategy of development based on a formal Risk Appetite policy.

The Board appoints first responsible persons of control functions (internal audit, risk and compliance), based on proposition from the Executive Management.

The Board of directors holds six regular meetings each year, as well as additional meetings as may be required. Board meetings are usually held at the Bank's premises or at any other place that is deemed appropriate by the Board members. The Board's committees shall meet at the request of their Chairman at least six times a year and not less than one meeting on a quarterly basis, or, when it deems necessary. Exception made for the Board Corporate Governance Committee that should meet bi-annually. Independent Directors head the Board Audit Committee and the Board Risk Committee.

The Board ensures that all provisions of law and company internal policies are abided by. The Board heads lead and control the Bank. The Board is collectively responsible and ultimately accountable for the affairs and performance of the Bank. All Board members must objectively take decisions in the interest of the Bank.

The Board Meeting agendas are prepared in accordance with the proposals of the Chairman of the Board after discussion with Executive management and Governance bodies. The Board has a permanent secretariat acting directly under the Chairman of the Board.

Moreover, various reports requested by the Board of Directors and off the agenda topics put forward by the Board members and discussed during the meetings. The meeting agenda and related documents are delivered to the Board members in advance according to the principles determined by the Board. The Board held six meetings during 2024.

In the event of the non-availability of one or more Board members, a meeting via telephone and/ or video conference may take place.

To ensure that the financial and human resources are in place for the Bank to meet the planned objectives, the Board shall work with the Chief Executive Officer of the Bank who remains accountable to the Board.

The responsibilities of the Board's Chairman include ensuring that the Board functions effectively and independently of management and that it meets its obligations and responsibilities. The Board shall ensure that financial disclosures made by the Bank are fair, transparent and comprehensive.

The Board is ultimately responsible for ensuring that the Bank comply with all the relevant laws and regulations that it is subject to. These laws involve the Tunisian Banking Law, Central bank of Tunisia regulations, the Commercial Company Code, the Labor Law, occupational health and safety etc.

All Board members, as well as senior management, are bound to observe the following best practice:

1. Board members ***should not*** :

   ✓ Enter into competition with the Bank;

   ✓ Use company privileged information or take advantage of business opportunities for himself or any relatives;

   ✓ Misuse the Bank's assets.

2. Board members ***should*** :

   ✓ Assiduously participate in the Board meetings accordingly to the conditions laid-down by the corporate governance code;

   ✓ Actively contribute to the activity of the Board;

   ✓ Ensure that the Board agenda meeting covers all important and crucial items;

   ✓ Devote the time deemed necessary to fulfill their obligations;

   ✓ Report to the Board any conflict of interest arising from their other activities or commitments to other organizations;

   ✓ Declare in writing all of their directorship positions and/or interests above 5% in other enterprises to the Board on an annual basis or immediately after becoming so;

   ✓ Respect the code of conduct as reffered to in Article 13 of CBT Circular N° 2021-05.

As stipulated by CBT circular N°2021-05 and law n°2016-48 there are two Independent Directors on the Board. The rules and regulations of the Board include the definition of Independent Director as established in the Corporate Governance Code, according to which those non-executive directors that have been appointed based on their personal or professional status, and who perform unconditioned relationships with the Bank, its shareholders or its officers, will be considered Independent Directors. Independent Board members' mandate can only be renewed once.

Chairman of the Board

The Chairman of the Board is the highest-ranking officer of the Bank. Accordingly, all powers that may be delegated under the law, the by-laws, and the Board's rules and regulations have been entrusted to him. He exercises these powers in alignment with the decisions and directives of the shareholders, as adopted at the general shareholders' meeting.

The Chairman of the Board should have professional experience in banking and / or finance and should have personal skills such as leadership, communication and conflicts management, which are required for fulfilling his / her duties.

The Chairman of the Board is responsible of:

- Ensuring that the Board is properly, efficiently and independently fulfilling his responsibilities.
- Ensuring that the Board's Committees are properly fulfilling their responsibilities and that they report of their activities to the Board; and
- Overseeing the process of the annual performances' evaluation of the Board, Board Committees and their members.

The Chairman should meet with Board's members, Executive Management and shareholders when deemed necessary.

The Chairman is responsible in particular for:

- Setting the agenda items of Board's meetings after discussion with Executive Management and Governance bodies;
- Ensuring regular meetings of the Board;
- Communicating enquiries, comments and all decisions of the Board to Executive Management;
- Discussing with Executive Management and identifying major issues to be reported to the Board.

The Chairman of the Board is the designated interlocutor with the shareholders and the Central Bank of Tunisia concerning TIB's Governance matters, as well as, during any particular or exceptional circumstance that may impede the proper functioning of the TIB's governance bodies. The Chairman of the Board is also responsible of establishing the bank's Annual Report.

To ensure an appropriate balance of power increased accountability and greater capacity of the Board for independent decision-making, the functions of the Board Chairman and the Chief Executive Officer should be assumed by separate persons.

Chief Executive Officer

The Chief Executive Officer, acting by delegation from and reporting to the Board of Directors and the Chairman, as the highest ranking officer of the Bank, is in charge of the conduct of the business and highest executive duties. There is a clear separation of duties between the Chairman, the Chief Executive Officer, the Board and its committees thereof, as well as various checks and balances that ensure proper equilibrium in the corporate governance structure of the Bank. The powers delegated to the Chief Executive Officer and those delegated to the Chairman do not include, in either case, those reserved by the Board to itself.

The Executive Management is responsible for:

- Effective monitoring of the implementation process of the Bank's development strategy and risk appetite policy as approved by the Board of Directors;
- Ensuring the efficiency and the independency of the control functions;
- Ensuring, at all times, the overall proper functioning of the internal control and risk management systems;
- Implementing and ensuring the respect of the compliance policy as approved by the Board; and
- Ensuring the communication of all the relevant and required information to the Board and Board's Committees for decision-making and provide them with the necessary means to accomplish their missions.

The Executive Management should immediately alert the Board of any event that could:

- Impact the financial situation and the risk profile of the Bank;
- Cause the internal control system to malfunction and increase the risk of non-compliance; and
- Alter the continuity of critical activities.

Number, Structure and Independency of the Committees Established Within the Board

The administrative and organizational structuring required by the Banking Law (Law n°2016-48 of July 11, 2016 & CBT Circular n° 2021-05 dated August, 2021) and related legislations, exists in TIB. In reference to these banking regulations, the Board is composed of 9 members including the Chairman. Also, there are two strong independent and nonexecutive members on the Board to exercise objective judgment on the Bank's affairs independently. The Board appoints Board committees members among its peers as referred to articles: 49,50, 51 of law 2016-48. The Board shall establish three Board's Committees:

- Board Audit Committee (BAC);
- Board Risk Committee (BRC); and
- Board Nomination and Remuneration Committee (BNRC).

Board's Committees shall:

- Analyze all specific and technical aspects related to their respective domain - in order to assist the Board in making decisions;
- Regularly report to the Board on Committees' activities, assessments and opinions on the organization and operations of the Bank in areas they cover;
- Report to the Board on any event that may impede the Bank's strength and reputation;
- Review activities reports of Control functions, External Auditors' reports and notifications sent by Central Bank of Tunisia or any other supervisory authority;
- Recommend the Board to instruct Executive Management to perform investigations, if needed;
- Submit to the board during meeting, in which the annual financial statements are reviewed, a detailed annual report on their activities.

Each committee should elaborate charters, approved by the Board of Directors, defining its attributions, composition, operating rules and its relations with the Board and the operational structures of the bank. Board committees should report to the Board on any event that may impede the Bank's strength and reputation.

Committees should elaborate minutes of each committee meeting signed by all its members and in which are recorded in detail the deliberations, decisions and recommendations as well as the divergent opinions and the follow-up on the implementation of decisions from previous meetings.

Board audit committee members and Board risk committee members cannot be appointed to more than one of the following committees and vice versa:

- Board Risk Committee (BRC),
- Board Audit Committee (BAC).

Board Audit Committee (BAC) and Board Risk Committee (BRC) shall establish a framework for coordination and collaboration to facilitate Board's decisions. BRC and BAC are chaired by independent Board members.

All of the Board of Directors are non-executive members. The election of TIB's Board members is implemented according to the Articles of association and the Banking Law. As per the Banking Law, the Chief Executive Officer of the Bank and the deputy Chief Executive Officer must not be Board members. TIB's Board of Directors backgrounds, terms of office, and the committees in which they take charge are presented in the Annual Report.

The Board reserves for itself, and likewise cannot delegate, the following matters, among others:

* Decisions regarding the acquisition and disposition of substantial assets;
* The strategic plan, annual budget, corporate governance and communication with the shareholders.

Performance-Related Compensation

The compensation of members of the Board is primarily aligned to their contribution to business performance and international industry standards. Part of the Management Board's compensation is equity-based, and this is driven by the performance of the Bank.

The Board Audit Committee

The Board Audit Committee (BAC) consists of three members and is chaired by an independent board member. The BAC shall meet at the request of its Chairman at least six times a year, including once every quarter, and as deemed necessary. The Chief Internal Auditor serves as the secretary of the committee. The Board Audit Committee Charter outlines the duties and responsibilities of the committee.

In 2024, the BAC held six meetings.

The BAC's duties include, but are not limited to:

- Reviewing the interim financial reports and annual financial statements with management and external auditors before their submission to the Board of Directors for approval, ensuring they are complete and consistent with the information known to committee members.
- Reviewing the Bank's strategy, budget, and long-term business plan.
- Serving as a communication channel between the Board and the auditors, ensuring the independent execution of the auditors' responsibilities. Accordingly, the Committee held a meeting with the statutory auditors to review and approve their 2023 annual audit reports, annual and quarterly financial statements, and management letters based on their activities. The Committee also reviewed the audited financial statements for the year ended December 31, 2023, on both a solo and consolidated basis, as well as the draft Auditors' Report on the Consolidated Financial Statements as of the same date. The Committee took note of the statutory auditors' unqualified opinion. Additionally, the Committee reviewed and discussed disclosure controls and procedures with both management and statutory auditors to ensure proper follow-up. The BAC ensured that no restrictions were imposed on the statutory auditors by management. Furthermore, the BAC reviewed and discussed the Bank's revised budget and long-term business plan before their submission to the Board.
- Overseeing the Internal Controls and Risk Management Systems:

The Board Audit Committee monitored the evaluation of the effectiveness of the Bank's internal control system, including information technology security and controls, through a review of all audit reports issued by the Internal Audit and External Auditors. The Committee ensured that all issues and observations raised were addressed and resolved in a timely manner. The Committee maintained continuous communication with management to oversee the implementation of agreed-upon action plans.

The BAC focused on risk mitigation concerning information security and cybersecurity, the effectiveness of the internal control framework, and regulatory compliance, including anti-money laundering programs. The Committee ensured that corporate governance requirements were effectively implemented. Additionally, the BAC met with the Chief Compliance Officer to discuss her department's compliance and anti-money laundering activities, programs, and procedures.

During the financial year 2024, in fulfilling its responsibilities under its charter, the Board Audit Committee assisted the Board of Directors in overseeing the integrity of TIB's financial statements, the implementation of the Bank's internal control system, and the qualifications and independence of the external auditors.

The Board Risk Committee (BRC)

The Board Risk Committee has three members and is chaired by an independent Board member. The Board Risk Committee shall meet at the request of his chairman at least six times a year and not less than one meeting on a quarterly basis and more when it deems necessary.

The Board Risk Committee is responsible for formulating the risk management strategies and policies. The BRC is the common communication platform with the Board in terms of assessing the risk the Bank is exposed to, making suggestions about the measures to be taken and methods to be followed. The Committee's principal duties are published in the Board Committees' Charter. The Chief Risk Officer is appointed as the secretary of the committee.

The Committee's principal duties are:

- Assist the Board in monitoring the risk management system, without prejudice to article 50 of Tunisian Banking Law N° 2016-48;
- Establishing and updating the risk Management Policy and setting the exposure and the operational limits;
- Approving the risk measuring and the risk monitoring systems;
- Overseeing the Executive Management compliance with the Risk Appetite Policy;
- Analyzing and following-up the Bank's exposures to risks, including; credit risk, market risk, liquidity and operational risks;
- Assessing the provisioning policy and the permanent adequacy of bank's net worth against TIB's risk profile;
- Assessing risks arising from the Board's strategic decisions;
- Implementing corrective actions to enhance the effectiveness of the risk management framework;
- Approving business continuity plans.

During 2024, the BRC held six meetings. The Board Risk Committee (BRC) communicated its minutes of meeting to the Board Audit Committee (BAC).

Board Remuneration & Nomination Committee (BNRC)

Board Nomination and Remuneration Committee has been established for the purpose of executing functions and activities related to monitoring and controlling remuneration policies of the Bank on behalf of Board of Directors.

The Committee carries out its activities regarding remuneration policies within the framework of related banking regulations. The Committee has three members. The committee informs the Board of Directors on the results of its own activities and its opinions on any important related issues. The BNRC had six meetings during 2024.

The Head of the Human Resources Department ensures the secretary of the BNRC.
Without prejudice to article 51 of Tunisian Banking Law N° 2016-48, the BNRC should assist the Board of Directors in:

- Establishing the Nomination and Remuneration policy of the Board and Board Committees members, Executive Management and first responsible persons of key functions.

- Establishing succession planning for Board and Board Committees members, Executive Management and first responsible persons of key functions.
- Nomination of Board and Board Committees members, Executive Management and first responsible persons of control functions.
- Establishing the design of the methodology for evaluating the work of the Board members and its committees.

The BNRC developed and maintained a clear, transparent and rigorous identification, selection, and appointment and evaluation process of members of the Board, its committees, the Executive Management and control functions.

The BNRC reviewed the independency criteria for independent Board members and communicated outcomes to the board.

The selection process requires that applicants:

- Have the necessary qualifications, skills and experience;
- Meet the integrity criteria and enjoy a good reputation; and
- Devote sufficient time to, properly exercise their responsibilities.

BNRC identify and raise to the Board any situation of conflict of interest that may arise from the nomination process.

Board Corporate Governance Committee

In its October 2014 meeting, and to comply with the parent company, the Board of Directors has approved the constitution of a new Corporate Governance Committee. The Committee has three members and is headed by the Chairman of the Board. The Committee carries out its activities within the framework of the related banking regulation in Tunisia.

Tunis International Bank should comply with all Tunisian laws and regulation and comply with corporate governance guidance issued by the parent company unless it contravenes local Tunisian laws and regulations. During, 2024, three BCGC meetings were held, one by attendance and two by circulation.

The Bank's Chief Compliance Officer shall act as the secretary of the Committee.

BCGC is essentially responsible for assisting the Board of Directors in setting and overseeing the Bank's corporate governance practices, especially through the following:

- Prepare and obtain Board approval on Bank policies relating to corporate governance framework, in line with the CBT requirements;
- Follow-up on the execution of Corporate Governance Code's standards and regulations and present a report of it to the Board of Directors; and

- Perform a regular review of the Corporate Governance practices, including the review of BCGC charter, to ensure their effectiveness and recommend any necessary improvements to the Board.

The BCGC will refer to the other (i.e. Audit and Risk) Committees any matters that have come to the attention of the Committee that are relevant for the other (i.e. Audit and Risk) Committees for noting or consideration.

Board Activities

Financial Information Periodically Published by the Bank

The Board approved the quarterly financial information, the annual accounts, and the management report. In addition, the Board has approved other documents such as: the annual report; the annual corporate governance report; the audit, risk, and compliance reports; and the Nomination and Remuneration committee's reports.

Financial Reporting According to International Standards

Shareholders and the public are regularly kept up-to-date, mostly, though the Annual Report, which includes the Consolidated Financial Statements. TIB's consolidated reporting is in accordance with International Financial Reporting Standards (IFRS 9). This provides for a high degree of transparency and facilitates comparability with Burgan Bank's financial statements.

Changes in the Composition and Size of the Board

Starting from April 29th 2024, the following changes have taken place:

Mr. Masaud Hayat, Mr. Mohamed Louheb and Mr. Bader Al Awadhi have Left the Board of Directors.

Mr. Mohamed Fekih joined the Board of Directors and has been appointed as the Chairman of the Board and chairman of the Corporate Governance Committee.

Mrs. Amel Ben Rahal joined the Board of Directors as an independent Board member and has been appointed as the chairperson of the Board Audit Committee.

Mr. Mohamed Salah Souilem joined the Board of Directors as an independent Board member and has been appointed as the Chairman of the Board Risk Committee.

Mr. Samer Abbouchi has joined the Board of Directors.

Duties of Directors, Related-Party Transactions and Conflicts of Interest

Duties of Directors

The Board Members shall discharge their entrusted tasks and duties in the best interests of the Bank and endeavor to fulfill the following:

* Act in the interests of the Bank to the best of their ability and judgment;
* Maintain the highest standards of integrity, loyalty, competence, ethics and required diligence in their personal and professional conduct;
* Act with honesty, and in compliance with applicable laws, rules, regulations and the Bank's internal policies;
* Inform the Board of Directors before accepting any invitation to serve in any other Board or to take on any management position in a business company;
* In carrying out their mandate, Independent Board Members shall immediately notify the Board of directors in the event of non-compliance and or impairment to his/her independence conditions or eligibility criteria.

Related-Party Transactions

To the best of the Bank's knowledge, No member of the Board of Directors, no person represented by a director and no company of which such persons, or persons acting in concert with them or through nominees therein, are directors, members of senior management or significant shareholders, has made any unusual transaction with the Bank during the financial year 2024 and through the date of publication of this report. All related party (within the meaning of Article 43 of Law No. 2016-48), exposures are reported on a quarterly basis to the Central Bank of Tunisia and are followed on a permanent basis by the Risk Management Department.

Control Mechanisms

As provided in the rules and regulations of the board, Directors must inform the Board of any direct or indirect conflict of interest with the interests of the Bank in which they may be involved. If the conflict relates to a transaction, the director should not carry it out. The Director involved must refrain from participating in the discussion on the transaction to which the conflict refers.

Specific Situations of Conflict

The Board ensures that all its members, Executive Management and first responsible persons for control functions avoid situations that could create conflicts of interest.

The Board is responsible of establishing a unique and formal Conflict of Interest management policy.

In the financial year 2024 there were no cases in which directors, including those who are members of senior management, abstained from participating and voting in the discussions of the Board of Directors or of the committees thereof.

Lending to Board of Directors Members

Insider lending occurs when the bank makes a loan to one or more of its directors. The provisions of these loans should be granted on arm length basis i.e. match those given to comparable bank customers. This is done to ensure fairness and limit the access to bank funds by insiders. Insiders should not get any special treatment, incentive rates, or other benefits not offered to regular bank customers. In addition, acceptable proposed securities should cover 120% of the loan amount.

Internal Control Functions

The internal audit, compliance and risk management, collectively refer to "internal control" as defined by regulations.

The Board and Executive Management establish also the Internal Control Department to reinforce the second line of defense.

The Board is responsible for ensuring that control functions (as per art 53 of law 2016-48) have formalized policies and procedures, adequate human, technical and financial resources enabling them to, effectively conduct their missions with complete independency and objectivity.

The Board shall, at least once a year, meet control functions heads to assess the efficiency and effectiveness of the internal controls and be informed about major developments that may affect the risk profile of the Bank.

First responsible persons of both Internal Audit and Risk Management functions should not combine their functions with other responsibilities within the Bank.

The Bank communicate to CBT the identities and qualifications of first responsible persons of control functions.

The Bank should immediately inform CBT for any decision of revocation or replacement of first responsible persons of control functions and rationale behind these decisions.

Risk Management

Risk Management is responsible of:

- Identifying the main risks elaborate a risk map of the bank and assess the levels of exposure to these risks;
- Developing the Risk Management policy;
- Recommending the Risk Appetite policy to Executive Management and BRC;
- Continuously monitoring risk exposures and risk-taking activities;
- Developing policies for managing capital adequacy and liquidity adapted to Bank's risk profile on an individual and consolidated basis;
- Implementing a monitoring system for early detecting events where the ceilings risks set by the bank are exceeded;
- Providing opinion on decisions that lead to significant risks; and
- Proposing adequate measures to mitigate risks and any event that may prejudice the solvency and liquidity of the Bank as well as the interests of stakeholders.

Internal Audit

The internal audit function provides the Board and Executive Management with independent quality assurance regarding the effectiveness of internal control systems and processes, risk management and governance.

Internal Audit is responsible of:

- Regularly review the risk governance proceeds by:
  - Assessing the effectiveness of both compliance and risk management functions;
  - Assessing the quality, effectiveness and frequency of risk management related reports submitted to the Board and Executive Management; and
  - The effectiveness of the Bank's internal control systems.
- Raise to the board and Executive Management on issues and shortcomings noted during audit reviews in order to take adequate corrective actions.

Internal Audit have access to all information, archives and Bank's premises.

The Internal Audit Function communicated to the heads of the Compliance and Risk Functions on non-compliance issues raised during the performed audit reviews.

Compliance

The compliance function exercises an advisory role to the Board and the Executive Management on issues related to compliance with legal and regulatory provisions in force and keep them informed of changes in this area.

The Compliance Function is independent of the Executive Management.

The responsibilities of the compliance include:

- Ensuring regulatory watch;
- Establishing non-compliance risk map;
- Ensuring the existence of formalized policies and procedures and internal controls in areas related to the Compliance Function;
- Regularly reviewing and ensuring the implementation of the compliance related policy and procedures and recommend corrective actions;
- Providing written opinion and advices on new products and services and related internal control procedures;
- Providing the Bank's staff with compliance training sessions related to their field of work and ensuring the dissemination of Compliance culture;
- Reporting to the Board on problems observed regarding procedural issues as well as mitigation actions; and
- Communicating to the Board Audit Committee Compliance activity report on semi-annual basis.

Internal Control Department

The Internal Control Department performs on a day-to-day basis controls over the activity of the bank.

The adequacy of the Bank's internal controls is reviewed at least annually. Effective internal controls aim to safeguard the shareholders' investments, bank's assets and depositors.

General Information

External Audit

TIB is regularly audited by two independent external auditors within the framework of the Banking Law in Tunisia and the international related standards.

Strategic Goals of the Bank

The vision and objectives of TIB were approved by the Board of Directors. In this context, TIB's vision is to be the preferred non-resident Bank in Tunisia by customers, shareholders and employees by maintaining its leading, pioneering and reliable position. TIB's mission, in general, is meeting the needs of its customers with fast, efficient and high standard solutions, increasing the value it created for its shareholders constantly and encouraging employees to reach their best performance. The Board of Directors regularly monitors and supervises the performance of the Bank in terms of achieving the strategic goals. The Business Program which includes the yearly objectives formed according to the general strategic goals comes into effect after approval by the Board of Directors. The quarterly performance of the Bank in comparison with the objectives is reported comprehensively to the Board of Directors.

Disclosure and Transparency

Public disclosures are under the authority and responsibility of the Board of Directors. The Head of Investment Asset and liability Management & Communication is responsible of external communication actions and public relation activities. TIB has designated the Chief Financial Officer to submit the required information and disclosures, to CBT, to CMF and other stakeholders within the framework of related regulations. The Compliance Function is the designated control supervisor for ensuring all disclosures and communication with the regulatory authorities are performed in due time.

Annual Report

TIB publishes each year an Annual Report that includes the necessary information and data required by the regulator and is prepared in the English language.

TIB Website (www.tib.com.tn)

TIB's website is actively and intensely used for public disclosures and informing activities. The website includes information and data required by the Corporate Governance Principles and regulatory authorities. Utmost care is given to keep the website updated.

Ethical Principles and Social Responsibility

TIB has adopted its proper Code of conduct in conformity with the Tunisian Banking Law and best practices. The Code of conduct is disclosed to both board members, and all of Bank's employees.

In addition, Board members as well as employees are required to sign a statement that he or she has read this Code of Conduct, understand its provisions, and agree to abide by them. As required by law, all Board members have stated on one's honor that they have no legal restrictions to perform their duties.

The Board believes that the Board, executive officers and the entire Bank's staff must endorse a culture of strong corporate governance and ethical business conduct. The Code of Conduct addresses many areas of business such as good faith, integrity, compliance, quality and respect. These principles apply equally in dealing with clients, counterparties, regulatory authorities, and business colleagues and towards the Bank itself. The Board took the lead by endorsing these values for itself, senior management and all employees.

Any activities and relationships that diminish a proper conduct of corporate governance should be prohibited. Examples of such activities are:

- Conflict of interest;
- Lending to officers (except on an arm's length basis) and other forms of self-dealing;
- Providing preferential treatment to related parties and other favored entities (lending on highly favorable terms, covering trading losses, waiving commission, etc.); and
- Insider trading.

The Board of Directors ensures that senior management implements policies that prohibit such conduct, ensures that deviations are reported, and establishes processes that allow monitoring compliance with these policies.

Insider Trading

By his/her position in the Bank, an employee may have access to "material non-public information". This non-public information includes information that is not available to the public at large, which would be important to an investor in making a decision to buy, sell or retain a security. This non-public information includes but is not limited to:

- Projections of future earnings or losses or dividend payment;
- Tender offer or exchange offer;
- News of a significant sale of assets or the disposition of a subsidiary; significant changes in management or shareholdings;
- Significant new products or discoveries; or impending financial liquidity problems.

It should be noted that both positive and negative information might be considered material.

Insiders in a position of trust must not pass that information on to others, and shall not purchase or sell a security or recommend a security transaction of the employee's own account, the account of a family member, the account of any customer of the Bank, or any other person. In addition to disciplinary procedures which may lead to dismissal, the use or disclosure of such information can result in civil or criminal penalties under Tunisian law.

Management of Fraud, Bribery and Corruption

The Bank attaches great importance to combating Fraud, bribery and corruption exposure. It therefore expects every employee to be vigilant in ensuring that the Bank is not unwittingly used by any criminal entity or individual or his representatives. If fraud or corruption is proven, appropriate disciplinary measures and legal actions will be taken.

The Bank has documented policy and procedures consistent with applicable Anti-Fraud, Bribery and Corruption regulations and requirements to reasonably prevent, detect and report bribery and corruption. This policy complements the Bank's Code of Conduct and applies to all employees, officers and Directors.

The bank have controls in place to monitor the effectiveness of its Anti-Fraud, Anti-Bribery and Corruption program.

The management appoints the Head of Internal Control department as the Anti-Fraud Officer of the Bank, who shall have overall responsibility for reporting internal controls, policies, procedures with respect to matters involving fraud or possible fraud. The Anti-Fraud Officer shall report to the BAC on the activity of the fraud risk management, including matters relating to the exposure and/or financial impact of fraud or possible fraud.

Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF)

The Bank has implemented strict Anti-Money Laundering (AML) policies and procedures that meet local regulatory requirements as well as international best practices. These AML policies include Know Your Customer (KYC) procedures to control and identify both new and existing clients, and comprehensive measures for detecting and reporting of suspicious activities and unusual transactions. Additionally, the Bank follows Ultimate Beneficial Owner (UBO) identification procedures. The education and training, both internally and externally, of all of the Bank's staff forms an integral part of our AML/CFT policies. Several AML related policies and procedures were developed and approved by the Board: AML/CFT and Sanctions policy, AML/ CFT Strategy Framework and Ultimate Beneficial owner procedures. In addition to the before mentioned “AML/CFT and Sanctions procedures Manuals”.

The bank also developed the “Customer Risk Assessment Methodology” In order to comply with CBT requirements bounding financial institutions to adopt a Risk Based Approach (RBA) to manage Money Laundering (ML) and Terrorism Financing (FT) risk exposure. This enables the Bank to focus its controls and resources on customers, products and services, and jurisdictions that are assessed to carry higher risks

Furthermore, the mother Bank (Burgan Bank) conducts a group wide Risk Assessment every two years in compliance with Central Bank of Kuwait’s regulations, which includes both Burgan Bank head office and its subsidiaries including TIB.

TIB should undertake the Group-wide risk assessment as instructed by Group AFC (Anti Financial Crimes). Outcomes of the assessment should be consigned into a report titled “Money Laundering and the Financing of Terrorism Risk Assessment Report” that will be reviewed and approved by the Board of Directors and communicated to Group AFC.

Internal Audit conducts periodic reviews of the AML unit as part of the Internal Audit 2024 Annual plan . The main objective of this assignment was to examine and assess the adequacy and effectiveness of the system of internal controls, responsibilities of key personnel to minimize areas of potential conflict of interest and ensure that independent checks are in place.

The Bank’s AML Unit is using a system that allows:

- Customers and accounts profiling;
- Real time filtering customers and transactions;
- Monitoring all accounts’ movements and generating alerts;
- Detailing of all one customers’ related accounts;
- Politically Exposed Persons screening.

The Board delegates to the Chief Compliance Officer the overall responsibility for the establishment and maintenance of an effective AML/CFT including Sanctions compliance systems and controls across the Bank.

The Bank’s Chief Compliance officer is acting as the MLRO (Money laundering Reporting Officer) and will be responsible for:

- Oversight of compliance with the regulatory AML/CFT requirements.
- Examining suspicious operations or transactions (STR: Suspicious Transaction Report / SAR: Suspicious Activity Report) and, where applicable,
- Reporting them to the Tunisian Financial Analysis Commission (CTAF).

The Bank's Chief Compliance Officer is also appointed as the "Sanctions Reporting Officer" (SRO) and will be responsible of the following:

- Ensuring correspondence with the CNLCT (National Commission for Terrorism Combatting);
- Ensuring the implementation of the CNLCT instructions;
- Implementing the Bank Sanctions policy;

The bank is compliant with the organic law N°2015-26 issued on August, 7^{th}, 2015, regarding Prevention of Money Laundering and Combating Terrorism Financing, CTAF guidelines, CBT circulars and 2017-08 of September 19th 2017 (as amended by CBT circular 2018-09 of October 2018); the governmental decree N°2018-01 published in January 2018 regarding the implementation of the United Nations Resolutions in their fight against Terrorism Financing and international standards.

Attendance at Meetings of the Board of Directors and its Committees in 2024.

Attendance rate of 98% was recorded for Board of Directors' meetings in the financial year 2024.

Committees				
	Board	BRC	BAC	BNRC
Average Attendance	98%	100%	100%	100%
Individual Attendance				
MASAUD M.J. HAYAT (until April 29th 2024)	2/2			
MOHAMED FEKIH (since April 29th 2024)	4/4			
RABIH SOUKARIEH	6/6			6/6
MOHAMED FETHI HOUIDI	6/6		6/6	6/6
SAMER ABBOUCHI (since April 29th 2024)	4/4		4/4	
MOHAMED LOUHAB (until April 29th 2024)	2/2		2/2	2/2
BADER Al AWADHI (until April 29th 2024)	1/2		2/2	
AHMED BENGHAZI	6/6	2/2	4/4	
SAMIR CHEBIL	6/6	6/6		4/4
KHALID AL ZOUMAN	6/6	6/6		
MOHAMED SALAH SOUILEM (since April 29th 2024)	4/4	4/4		
AMEL BEN RAHAL (since April 29th 2024)	4/4		4/4	

BOARD OF DIRECTORS		
Directors' Name	Title	Representing
MASAUD M.J. HAYAT (until April 29th 2024)	CHAIRMAN	KIPCO, ADVISOR CHAIRMAN'S OFFICE
MOHAMED FEKIH (since April 29th 2024)	CHAIRMAN	BURGAN BANK
RABIH SOUKARIEH	DIRECTOR	CEO, AGB
MOHAMED FETHI HOUIDI	DIRECTOR	-
SAMER ABBOUCHI (since April 29th 2024)	DIRECTOR	-
MOHAMED LOUHAB (until April 29th 2024)	DIRECTOR	INDEPENDENT
BADER AL AWADHI (until April 29th 2024)	DIRECTOR	-
AHMED BENGHAZI	DIRECTOR	-
SAMIR CHEBIL	DIRECTOR	-
KHALID AL ZOUMAN	DIRECTOR	BURGAN BANK GROUP CFO
MOHAMED SALAH SOUILEM (since April 29th 2024)	DIRECTOR	INDEPENDENT
AMEL BEN RAHAL (since April 29th 2024)	DIRECTOR	INDEPENDENT
BOARD SECRETARY	Head of Legal Department	

COMMITTEES OF THE BOARD			
Audit	Nomination & Remuneration	Risk	Corporate Governance
			BCGC CHAIRMAN (until April 29th 2024)
			BCGC CHAIRMAN (since April 29th 2024)
	BNRC		BCGC
BAC	BNRC CHAIRMAN		
BAC			
BAC - CHAIRMAN (until April 29th 2024)	BNRC (until April 29th 2024)		
BAC (until April 29th 2024			BCGC (until April 29th 2024
BAC (since April 29th 2024)		BRC (until April 29th 2024)	
	BNRC	BRC	
		BRC - CHAIRMAN (until April 29th 2024)	
		BRC	
		BRC - CHAIRMAN (since April 29th 2024)	BCGC
BAC - CHAIRMAN (since April 29th 2024)			
Chief Internal Auditor	Head of Human Resources	Chief Risk Officer	Chief Compliance Officer

RISK MANAGEMENT REPORT

Djerba

1 - INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

1.1. INTERNAL CONTROL SYSTEM

The internal audit, operational controls, compliance & Anti-money Laundering and Combating the Financing of Terrorism (AML/CFT) and risk management controls, and systems collectively refer to "internal control system".

The Board shall ensure an independent and adequate internal control system in the Bank and review its effectiveness.

The internal control system at Tunis International Bank (TIB) is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

The Bank recognizes that a sound internal control process is critical to its ability to meet its established goals and maintain its financial viability. In order to achieve the Bank's objectives, which are adequate liquidity position, profitability and increase of shareholder' value, the internal control system lies on the following five elements:

- Management oversight and control;
- Risk recognition and assessment;
- Control activities and segregation of duties & responsibilities;
- Information and communication; and
- Monitoring activities and correcting deficiencies.

Any breaches to these elements must be reported promptly to senior management and the Board of Directors (BoD) for them to take immediate corrective actions. To ensure coverage of all deficiency areas of the internal controls system, the management has established a basis for tracking possible breakdown in internal controls system and actions taken to rectify them.

The Internal control System is all of the control activities which are performed under the governance and organizational structure established by the bank's Board of Directors and senior management.

Each individual within the organization participates in order to ensure proper, efficient and effective performing of the bank's activities in accordance with the Bank's management strategy and policies, and applicable laws and regulations and to ensure the integrity and reliability of accounting system and timeliness and accessibility of information in the data system. All elements of the internal control system of the bank reports on a regular basis to the Board of Directors and its relevant committees.

These control activities are ensured by:

- Internal control;
- Risk management;
- Compliance & AML/CFT; and
- Internal audit.

Internal control: All of the financial, operational and other control systems are carried out by internal controllers and which involve monitoring, independent evaluation and timely reporting to management levels systematically in order to ensure that all the bank activities are performed in accordance with current policies, procedures; methods, instructions and limits.

Risk management: Risk management (RM) involves the identification, analysis, evaluation, acceptance and management of all financial and non-financial risks that could have a negative impact on the Bank's performance and reputation. The Risk management function provides oversight and advice on the Board approved risk appetite and strategy, development and maintenance of a support system for management of risks through procedures and training.

The risk management function relies on the competence, experience and dedication of its professional staff, sound risk management policies and procedures, and ongoing investment in technology and training.

The head of Risk Management (Chief Risk Officer- CRO) reports to the Board Risk Committee (BRC).

Compliance & AML/ CFT: The process of ensuring compliance with the regulators' rules and regulations. This includes the preparation of various financial reports, verification for accuracy and timely submission. The compliance function identifies, assesses, advises on, monitors and reports on the Bank's compliance risk. The head of compliance & AML/CFT reports to the Board Corporate Governance Committee.

Internal audit: A systematic audit process which is carried out independently as a part of internal control system considering the management needs' and the bank's structure. Internal audit covers all the activities and units of the bank, including the internal control and the risk management system, and which enables the assessment of these activities and units. Evidences and findings obtained as a result of reporting, monitoring and examination are reported to the Board Audit Committee (BAC) and ultimately to the Board. The head of internal audit reports to the (BAC).

Close coordination exists between the different control functions within the Bank.

Responsibility of the Board of Directors in Performing the Internal Control Function

The Board has ultimate responsibility for supervising the execution of the Bank's business strategy and the related risk strategy and risk appetite.

As provided and reinforced by the circular of the Central Bank of Tunisia (CBT) N° 2021-05 and reflected in the Corporate Governance of the Bank, the Board of Directors develops and approves significant strategies and policies concerning the control activities of the Bank, and periodically review their implementation, and take measures to establish and maintain an efficient internal supervision(audit/control) system and risk management system in accordance with the institutional structure within the Bank.

In compliance with provisions set out by the Central Bank of Tunisia (CBT), the board of directors (BoD) ensures that the Bank's organizational structure explicitly embodies the internal supervision (audit/control) system and risk management system and defines principles and procedures concerning the administrative structure, personnel and quality of these systems.

The board of directors is responsible for ensuring that these units carry out their tasks impartially and independent of the Bank's primary activities.

The Board Risk Committee (BRC) is responsible for monitoring the execution of the Bank's risk strategy, advising the BoD on the Bank's overall current and future risks, overseeing Senior Management's implementation of the Risk Appetite Statements, interacting with and overseeing the Chief Risk Officer, and reporting on the state of embedding the risk culture in the Bank.

1.2 RISK MANAGEMENT SYSTEM

The Risk Management System at Tunis International Bank seeks to have in place management policies and procedures that are designed to help ensure an awareness of, and accountability for, risks taken throughout the Bank, and also to develop the tools needed to address those risks. The Bank has an independent Risk Management Structure (RMS) which is headed by the Chief Risk Officer (CRO) who reports directly to the Board Risk Committee (BRC). The RMS does not have any business targets in terms of either levels of business or income/profits to be achieved, with a view to ensuring its objectivity in analyzing the various risks.

The mission of the RMS is to identify, assess and mitigate various risks that bank face in its day to day operations and report to the Senior Management of the Bank on the effects and, where possible, mitigations It is a comprehensive approach involving various risk management tools, techniques, and methodologies to manage risks effectively. The RMS main objective is to minimize the impact of risks on the bank's operations, financial performance, and reputation.

The Bank has a well-documented Risk Management Policy that classifies the risks faced by it in its day-to-day activities into certain families of risks and accordingly specific responsibilities have been given to various officers for the identification, assessment, mitigation and reporting of these identified families of risks. Among the families of risks are:

- Credit Risks: This includes default risk of clients and counterparties;
- Market Risks: This includes interest rate, foreign exchange, equity and liquidity risks;
- Non- Financial Risks: This covers all other risks that the Bank is facing such as operational

Risk, fraud risk, Environmental, Social and Governance (ESG), third-party risks, Disaster Recovery & Business Recovery and resilience;

- Information and Cyber Security Risks: This includes risks of misappropriation of information and data; and
- Monitoring which includes Stress Testing (credit, market & liquidity), Risk Appetite Framework.

The RMS is responsible for ensuring that the relevant details for measurement of the risk and allocation of the appropriate risk weights to the exposures, so that the computation of the Risk Weighted Assets can be made appropriately.

2 - CREDIT RISK

2.1 CREDITS RISK MANAGEMENT

TIB always ensures to meet the prudential rules and limits set by the Central Bank of Tunisia (CBT) to restrict loan exposures to single borrowers or groups of connected borrowers. It is the Banks policy to have minimum stipulated coverage and top up clause for each of the secured loans. In addition, the collateral should also be adequately liquid and diversified. These policies coupled with the credit selective basis reduce considerably the amount of provision required when there is a payment default.

Credit risk includes besides loans, acceptances, interbank transactions, trade financing, foreign exchange transactions, bonds, equities, etc...

2.1.1 CREDIT PROCESS

Strategies and Processes

A thorough credit risk assessment is done before granting a loan. The credit risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, projected financial performance, the conduct of the account, and security of proposed loan. The assessment originates from relationship manager/account officer and approved by the Management Credit Committee (MCC).

The MCC under elevated authority approves the credit proposals. The Management of the Bank may notify the Board of Directors of special and/or exceptional transactions.

Structure and Organization

The Credit Analysis function is responsible for making independent financial analysis and appraisal of credit proposals that are marketed by the business groups. There are detailed guidelines for financial analysis that are followed which gives its independent views/recommendations on credit proposals brought to it by the Relationship Managers of the various business groups. These proposals are then further processed in accordance with the delegation of powers approved by the Board.

Scope and Nature of Reporting Systems

After the approval of the credit proposal, the Credit Control Unit (Credit Administration) entrusted with the responsibility of checking that the conditions precedent for the drawdown of the credit facilities as approved are fulfilled before the facilities are made available to the client/counterparty.

Credit Administration under the supervision of Head of RMS, checks the accuracy and completeness of requested documentation.

The Credit Control Unit is independent of the Credit Analysis unit of the Department. It also follows up on the conduct of the accounts by the client/counterparty in accordance with the terms of approval and reports any irregularities for necessary corrective action.

Hedges and Mitigants

The Credit Policy of the Bank outlines guidelines for mitigating risks in terms of availability of credit enhancements and/or collaterals to support the exposure, the coverage ratio of collateral value to the loan to be granted, the threshold levels for top-up of security and liquidation. The policy and procedures of the Bank also lay down the required methods and intervals for valuation of the different collaterals so as to determine the necessity for top-up by the client and/or procedure for liquidation.

The collaterals accepted by the Bank mainly consist of cash in the form of deposits with the Bank, shares, bonds, insurance and bank guarantees. Other various forms of real estate and equipment are also considered. For the purposes of credit risk mitigation, only collaterals permitted by the CBT are considered.

As regards shares, bonds etc., the Bank fulfills the stipulated regulatory requirements for their periodic valuation, etc. In regard to real estate assets, the Bank accepts only valuation from, professional and government recognized valuers, who are required to assess the value of the collateral before they are accepted as security. The periodicity of the valuation is again in line with the regulatory requirements.

2.1.2 LENDING AUTHORITIES

The various authorities involved in the credit approval process are as follows:

- ❒ The Board of Directors (BOD);
- ❒ The Management Credit Committee (MCC).

It is understood, that no delegated authority can approve a credit that has been declined in the past by a higher authority, even if the credit lies within his delegated authority levels.

2.1.3 ANALYSIS OF FINANCIAL STATEMENTS

Credit Analysis follows a uniform standard structure, which answers the key relevant issues focusing on the relevant risk elements of the facility, including financial analysis, management and assessment market conditions. The financial statement of the customer for the previous three years should be analyzed.

2.1.4 RISK RATING MODEL

Comprehensive risk rating model covers both obligor rating and facility rating. The obligor risk rating scoring system on ten-point scale was implemented and functional. Periodic review of the rating model was implemented.

The facility grades were assigned according to the severity of the expected losses in case of default, keeping in view relevant factors such as the type of the facility and the nature of the collaterals.

All facility grades have a score varying between 1 and 9 depending on facility type and the quality of the collaterals. Scores were assigned to each factor, with each factor weighted on relative importance.

The risk rating method is an internally constructed model based on expert ratings. The applicability of the model to our customers has been validated through a set of statistical methods. The data used in validating these primary indicators are the entire loan portfolio of the bank's actual obligors and exposures and its long-term experience.

2.1.5 LOAN REVIEW MECHANISM (LRM)

All credits receive a formal review at least annually to ensure that risk ratings are accurate and up-to-date. Large credits, new credits, higher risk rating and problem credits, concentration (by group of counterparties or by sector) and complex credits are being reviewed twice a year. This is done to bring about qualitative improvement in credit management.

Identify loans with credit weakness. Determine adequacy of loan loss provisions. Ensure adherence to lending policies and procedures. Regular, proper and prompt reporting to top management ensured.

2.1.6 CREDIT STRESS TESTING

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables.

The stress test is undertaken on a quarterly basis, according to different scenarios. The objectives and desired outcomes of the credit stress-testing program, is to consider in the context of TIB how the equity capital and Capital Adequacy Ratio (CAR) of the Bank are affected by the stress scenarios.

2.1.7 CREDIT AUDIT

This is done independent of credit operations. Credit audit is conducted on site by the Internal Audit Department.

2.1.8 PROVISION POLICY AND NPL PREVENTION AND RESOLUTION PROCESS

The Provision Assessment Committee (PAC) monitor the credit provisioning process of the Bank to ensure that the Bank has in place a satisfactory provisioning system. The responsibilities of the (PAC) include among others:

- Ensuring appropriate monitoring of the provisioning requirements for the credit lending portfolio in-line with related regulations issued by the Central Bank of Tunisia and other applicable regulatory bodies.
- Discussing updates on related clients under restructuring, credit collection, legal action and note next action plan.
- Reviewing respective business areas forecast of potential provisions for the quarter and identify clients that may become tagged as clean, watch list, rescheduled and / or shift to legal.
- Reviewing of write-off / partial write-off of non-performing loans with justifications prior to presentation to the Board for final approval or Board authorized sub-committee.
- Discussing updates with all business units regarding the concerns of clients pertaining to credit standing, identification of potential clients' watch-list and / or default which might trigger pro-visioning need.

The assessment of viability includes an economic and financial analysis of the situation of companies and professionals based on their business plan, cash flow projections, the level of current overall indebtedness and the assessment of solvency.

The credit policy includes a list of early warning indicators that provide the bank with an opportunity to act before the borrower's financial condition deteriorates to the point of default.

The Bank aims to keep, at any time, its NPL ratio below 7%. In case of a breach (i.e. limit not observed), a resolution process is initiated.

2.2 COUNTRY RISK MANAGEMENT

2.2.1 Country Limits:

Country limits are established based on bank transactions in countries where customers are active and for which Tunis International Bank expects to have a certain business volume. These countries are studied internally and approved on the credit committee's level then submitted to the Board to be approved on a yearly basis.

The Country exposure should not exceed at any time the country limit ceiling without special approval. Country risk limits are established only when business opportunities either exist or will exist.

2.2.2 Bank Limits:

These limits are extended to banks on an undisclosed basis in order to enable our Bank to realize transactions with banks with which Tunis International Bank maintains or has a potential business.

3- MARKET RISK

Market Risk Management provides a comprehensive and dynamic framework for measuring, monitoring and managing liquidity, interest rate and foreign exchange as well as equity risk of a bank that needs to be closely integrated with the bank's business strategy.

3.1 INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments or the future profitability of the Bank.

The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Bank measures and manages interest rate risk by establishing levels of interest rate risk by monitoring interest rate gaps for stipulated periods. Interest rate gaps on assets and liabilities are reviewed periodically.

3.2 CONCENTRATION RISK

In order to dilute the risk and to avoid dealing with a single security firm, the portfolio of TIB is managed through four well reputed Brokers and Asset Management Companies. At the end of the year 2024, TIB's investment portfolio complies with the Bank's internal policy.

As it the case with the bank's loan portfolio, no concentration was recorded neither by geographic distribution nor by industry sector nor by single counterparty.

3.3 FOREIGN EXCHANGE RISK

In addition to the Foreign Exchange prudential limit, by setting appropriate internal limits-open position and gaps, stop-loss limits, day light as well as overnight limits for each currency, Individual Gap Limits and Aggregate Gap Limits, clear-cut and well-defined division of responsibilities between front and back office, the risk element in foreign exchange risk is being managed and monitored adequately. The VAR is used to measure the bank's EUR/USD FX risk. Foreign Exchange prudential limits are always observed.

3.4 MARKET STRESS TESTING

Price risk arises from the fluctuation in equity prices that may negatively affect the value of the financial instruments. Values of individual security fluctuate in response to variety of factors, other than movements in the interest or exchange rates.

The Value at Risk (VaR) is used to measure and quantifies the level of financial risk within a firm, portfolio or position over a specific time frame.

3.5 MARKET STRESS TESTING

Market risk arises out of changes in financial market prices and their impact on the value of an asset. For Tunis International Bank, it typically consists of two main market risk factors namely: interest rate and stock prices.

4- LIQUIDITY RISK

Bank deposits generally have a much shorter contractual maturity than loans and liquidity management need to provide a cushion to cover anticipated deposit withdrawals. Liquidity is the ability to efficiently accommodate deposit as also reduction in liabilities and to fund the loan growth and possible funding of the off-balance sheet claims. The cash flows are placed in different time buckets based on future likely behavior of assets, liabilities and off-balance sheet items. Tolerance levels on mismatches for various maturities are being applied.

Liquidity indicates the margin of protection available to both depositors and creditorialrs against unanticipated financial difficulties that may be experienced by a bank. The Bank maintains a satisfactory liquidity position with a comfortable level of high liquid assets.

4.1 LIQUIDITY STRESS TESTING

The Liquidity Stress Test applies various scenarios (three main scenarios with different level of severity) on the liquidity cash flows in order to test the sensitivity of the bank's net liquidity position.

The stress testing aims to test the sensitivity of the bank's net liquidity position under the following scenarios:

- A scenario reflecting adverse market conditions;
- A scenario reflecting an idiosyncratic stress event; and
- A scenario reflecting combined market and idiosyncratic stresses.

The bank remains resilient to all shocks and scenarios tested, as the regulatory liquidity ratio is significantly above the minimum required level.

4.2 CONTINGENCY FUNDING PLAN

This plan allows the bank to manage its liquidity during a disaster. A disaster is defined as any adverse event that could result in significant damage to the brand value, image and the revenue generating capability of the organization and could result in inability to service its customers for a long period of time. These events are generally of such intensity that it casts doubts over the ability of the organization to continue operating if the event is not well managed.

The scope of the plan does not cover liquidity management during normal operations. This plan is only expected to be used to manage immediate liquidity requirements in the event of a disaster. The contingency funding plan is periodically revised and approved by the Board of Directors.

5 - NON-FINANCIAL RISKS

Non-Financial Risks include all others risks that the Bank is facing such as: Operational Risk, Business Continuity, Fraud risk, Environmental, Social and Governance (ESG), Third-Party risks and resilience.

5.1 OPERATIONAL RISK

Banks' activities are becoming more diverse and complex. Thus, banking practices require that risks other than credit, interest rate and market risk can be substantial and should be carefully and properly managed. These risks are headed under the operational risk and include the risk of loss resulting from inadequate or failed internal process, people and system or from external events as well as legal risk, reputation and systemic risk.

5.1.1 INCIDENT REPORTING SYSTEM:

In order to effectively follow up and close control operational risks in the bank, TIB has been equipped with an Incident Management System that will keep track of all incidents that lead to an actual or potential loss to the bank, where, all employees take adequate steps to identify and report such incidents with sufficient details.

Whether the incident generates a loss or even a profit or have no material incidence on the banks' net income should be reported "Near Miss". This will enable the Bank not only to take corrective action as and when necessary to prevent recurrence of such incidents but also institute adequate systems and procedures to quantify the operational loss that the bank may be exposed to, in its various departments, functions and the provision of its services.

Incidents were conforming to a banking activity with wider categories of incidents concerning all banking areas. Efforts should be made to remedy to these near miss events and apply corrective action in order to avoid any potential loss to the bank, prevent recurrence of such incidents or to vehicle a bad image or service by the client. Proper follow-up and control should be envisaged with periodic reporting to the management. As per BIS (Bank of International Settlements) classification, most of these incidents were attributed to lack of execution, delivery and process management.

5.1.2 KEY RISK INDICATORS (KRI'S)

Key Risk Indicators are the measures summarizing the frequency, severity and impact of Operational risk events or corporate actions occurred in the bank during a reporting period. Key Risk Indicators (KRIs) are critical predictors of unfavorable events that can adversely impact organizations. They monitor changes in the levels of risk exposure and contribute to the early warning signs that enable organizations to report risks, prevent crises and mitigate them in time.

KRIs - independently or in conjunction with other risk environment related data, such as, loss events, assessment outcomes, and issues offer considerable insights into the weaknesses within the risk and control environments. They act as metrics of changes in an organization's risk profile, given the changing risk landscape.

KRIs are not analyzed alone but with other pillars of Operational risk: loss events in addition to Risk Control Self-Assessment workshops data information performed within the concerned business unit. All data are aggregated to formulate an objective point of view on the event that can impact organization.

5.1.3 RISK CONTROL SELF-ASSESSMENT

The objective of the Risk Control Self-Assessment (RCSA) is to establish a consistent framework for assessing the effectiveness of the internal control environment across the bank.

Risk assessment allows the business to consider how potential events might affect the achievement of objectives. Management assesses events from two perspectives: likelihood and impact. RCSA is used for tracking important or materialistic risks only. If there are risks which are identified by a unit as "not important or not materialistic", they must be documented and reviewed periodically. Managers of units reporting the RCSA are fully responsible for identifying risks, tracking incidents, associating loss value, linking them to risks, implementing controls to mitigate risks and report data in specified formats.

5.2 BUSINESS CONTINUITY

The Bank ensures that all identified critical operations, services and systems are recovered in time in the event of a disruption.

During the Year 2024, The bank has reviewed and updated its Disaster recovery & Business Continuity Plan (DR& BCP) which stands on to have the following four steps:

- Business Impact Analysis (BIA);
- Risk assessment;
- Risk management; and
- Risk monitoring and testing.

In 2024, the bank continued to strengthen its Disaster Recovery (DR) and Business Continuity (BC) activities as part of its comprehensive risk management efforts. A key initiative was the implementation of Business Impact Analysis (BIA) workshops, conducted across various departments, including Investment, Legal, Operations, and Compliance. These workshops were instrumental in identifying critical business functions and establishing priorities for recovery. Through this process, the bank classified business functions based on their tolerance to interruption, enabling a focused approach to mitigate potential disruptions. Additionally, we assessed the risks associated with each function, implementing appropriate measures to minimize risks and ensure swift recovery in the event of an incident.

To further enhance its preparedness, the bank took steps to fortify its risk management framework. This included updating vendor agreements to ensure that our suppliers also maintain robust business continuity plans. DR tests were successfully conducted at our recovery site in Bizerte, where we simulated various recovery scenarios to validate our processes. Any issues identified during these tests were addressed through detailed action plans, ensuring continuous improvement. Furthermore, we prioritized training and awareness initiatives, offering first aid, evacuation, and disaster recovery training sessions, coupled with an awareness campaign emphasizing the critical importance of testing and preparedness.

5.3 FRAUD RISK

Fraud Risk is the risk of unexpected financial, material or reputational loss as the result of fraudulent action of persons internal or external to the Bank.

Fraud risk management is the process of identifying, understanding and responding to fraud risks in an organization. to ensure effective management of the risk of fraud, the Bank has created a program for the detection, monitoring and prevention of internal and external fraud. By setting up an anti-fraud policy and appointing an Anti-Fraud Management Committee with ultimate responsibility is to ensure the implementation of the Anti-Fraud policy, and to support the Bank's commitment to protecting its revenue, property, reputation and other assets.

5.4 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ESG stands for Environmental, social and Governance, the three most important non-financial factors for the company.

The Bank has an approved Corporate Social Responsibility policy and designed a Corporate Social and Environmental Responsibility Committee.

TIB comply with local regulation (Tunisian Law N°2018-35 on corporate responsibility aiming to reconcile the companies with their social environment through the participation in the process of sustainable development and good governance & Central Bank of Tunisia (CBT) circular N°2021-05 setting requirements pertaining to ensuring the respect of the principals of societal and environmental responsibilities).

The Board of Directors made a commitment to promoting the development of corporate social and environmental responsibility activities.

During the year 2024, the Bank made a meaningful contribution to society and the well-being of the community by supporting various noble causes.

TIB is also dedicated to reducing its carbon footprint, including providing credit for the installation of photovoltaic projects, among other initiatives.

5.5 THIRD-PARTY RISKS

Third-party risk management (TPRM) is a form of risk management that focuses on identifying and reducing risks relating to the use of third parties.

In order to secure its assets, data and reputation, the Bank's must identify, evaluate and mitigate risks associated with its third parties' connections.

To cover this risk component, the Risk Management Structure (RMS) has implemented a plan of IT Third-Party Risk Management and reviewed the bank's IT outsourcing management policy to comply with international standards and best practices of the banking and financial industry.

5.6 RESILIENCE

Resilience is a concept concerned fundamentally with how a system, community or individual can deal with disturbance, surprise and change, is framing current thinking about sustainable futures in an environment of growing risk and uncertainty.

This appropriation has been driven by the need to identify a broad-based discourse and set of guiding principles to protect development advances from multiple shocks and stresses.

On the IT security side, Cyber resilience is the ability of an organization to protect itself from, detect, respond to and recover from cyber-attacks. By being resilient, organizations can reduce the impact of an attack and ensure that they can continue to operate effectively.

The rising threat of malware, ransomware attacks, and other cyber threats is having a greater impact on operations, resulting in costly disruptions to business.

In light of these insights, the Bank assessed its operational resilience with a focus on the Bank's cyber resilience in order to assess its ability to adapt rapidly to changing environment.

6 - COMPLIANCE REPORT

Compliance risk management is the process of identifying, assessing and mitigating potential losses that may arise from the Bank's non-compliance with laws, regulations, standards, and both internal and external policies and procedures. It allows the Bank to focus essential resources on the most significant risks and areas lacking adequate controls.

The Corporate Governance system adopted ensures the responsible, value-driven management and control of the bank. It has the following four key elements: good relations with shareholders, effective cooperation between the Management Board and Supervisory Board, a system of performance related compensation, and transparent and timely reporting.

7 - RISK APPETITE

Risk appetite defines the level and types of risk that the Bank is willing to accept in order to achieve its business objectives. It includes qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate.

Besides being used in running the bank business, the adopted metrics address the concerns of all the relevant stakeholders, i.e. stockholders, depositors, customers and supervisors. The proposed categories of metrics provide a clear target setting to support business activities and meet the stakeholders' expectations. These metrics are:

- Capital adequacy;
- Earning variability;
- Liquidity metrics;
- Business & Credit risk;
- Market risk;
- Operational risk;
- Reputation & Strategic risk;
- Digital risk;

- Societal & Environmental responsibility metrics; and
- Non-compliance Risk

8 - PAYMENT SYSTEMS CONTROL

Payment Systems Control in a context of rapid development of means of payment and continuous renewal of threats, TIB remains mobilized to ensure the security of all means of payment, whether in decline, such as checks, or whether they are developed in the years to come, such as instant transfers or mobile payments. The security of all means of payment is the condition for offering all users, from individuals to companies, real freedom of choice in their daily use.

In the same way, aware of the rise in cybernetic risks and the acceleration of the pace of attacks on computer networks and in a proactive approach to managing this type of risk that could have harmful consequences both on its information systems and on its exchange of data with customers (via its cash management platform).

The bank adopted the One-time password (OTP) systems that provide a mechanism for logging on to a network or service using a unique password that can only be used once, as the name suggests. One-time passwords are a form of strong authentication, providing much better protection to e-Banking, corporate networks, and other systems containing sensitive data.

9 - DATA PROTECTION

TIB Data Protection Committee (DPC) is led by a dedicated Data Protection Officer (DPO). The DPO's role is pivotal in advising the organization on compliance with data protection regulations and engaging with the supervisory authority. The DPO serves as the primary point of contact, collaborating with the relevant Data Protection Authorities and assisting data subjects in exercising their individual data rights. Additionally, the DPO supervises and provides guidance on the organization's responses to such requests.

In 2024, a comprehensive review of the Data Protection Committee charter, along with the associated policies and procedures, was conducted to ensure they align with industry best practices and comply with regulatory requirements.

Throughout the year 2024, there were no recorded breaches or incidents related to data protection, demonstrating the Bank's commitment to safeguarding sensitive information and maintaining robust security protocols to ensure compliance with data protection standards.

KIPCO GROUP BANKS

Médina - Tunis

Burgan Bank
Burgan Tower, Al Sharq
Abdullah Al Ahmed Street
P.O. Box 5389, Safat
12170, Kuwait
Tel: +(965) 2298 8000
Fax: +(965) 2298 8419
Email: info@burgan.com
Website: www.burgan.com

Gulf Bank Algeria
190 avenue Ali Khoudja,
El Biar- Alger,
Algeria
Tel: +(213) 21 984 904
Fax: +(213) 21 91 02 64
Email: CRC@agb.dz
Website: www.agb.dz

United Gulf Bank B.S.C.
P.O. Box 5964
Diplomatic Area UGB Tower,
Manama, Bahrain
Tel: +(973) 17 533 233
Fax: +(973) 17 533 137
Email: info@ugbbh.com
Website: www.ugbbh.com

Syria Gulf Bank
P.O. Box 373 29
Ayyar Street
Damascus, Syria
Tel: +(963) 11 232 6111
Fax: +(963) 11 232 6112
Email: info@sgbsy.com
Website: www.sgbsy.com

Jordan Kuwait Bank
62 Ummaya Bin Abed Shams
Street Abdali, Amman
P.O. Box 9776, Amman
11191, Jordan
Tel: +(962) 6 562 9400
Fax: +(962) 6 569 5604
Email: info@jkbank.com.jo
Website: www.jkb.com

Bank of Baghdad
Al- Nidhal Street
Alwya
P.O. Box 3192
Baghdad, Iraq
Tel: +(964) 782 8893173
Fax: +(964) 171 750 06
Email: info@bankofbaghdad.com.iq
Website: www.bankofbaghdad.com.iq

FIMBank p.I.c
Mercury Tower, The Exchange
Financial & Business Centre
Elia Zammit Street
St. Julian's STJ 3155, Malta
Tel: +(356) 21 322 100
Fax: +(356) 21 322 122
Email: info@fimbank.com
Website: www.fimbank.com

Burgan Bank Turkey
Maslak Mah
Eski Buyukdere cad
N°13 PK 34485 Sariyer
Istanbul, Turkey
Tel: +(90) 212 371 3737
Fax: +(90) 212 371 4242
Email: bizeulasin@burgan.com.tr
Website: www.burgan.com.tr

Conception et réalisation
NIRVANA

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Tunis International Bank

www.tib.com.tn