

ALUBAF International Bank - Tunis

ANNUAL REPORT

31 DECEMBER 2016

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TELEPHONES

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Documentary Credit Department	+216 71 198 127
Customer Service	+216 71 198 089
Credit Administration Department	+216 71 198 093
Tele Fax General	+216 71 198 000
Reuters Monitor and Dealing Code	UBAT
SWIFT Code	ALUB TN TT
Commercial Registration	B1997 7 1998

BOARD OF DIRECTORS-----
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SELECTED FINANCIAL INDICATORS-----

Chairman	Dr. Jomma Khalifa El Hassi	
Deputy Chairman	Mr.Mohamed Ali tarhouni	
Members	Mrs.Karima Al Hedi Al Kech Mrs.Mongia Taher Nashnoush Mr Najmeddine Moussa Chaabane Mr IssamEddine Allegue Mr Meftah Salem El Ganas Mr Ali Al Makhzoum Ben Hamza Dr Ben Issa Ahmed Houdhana	

MANAGEMENT

General Manager	Mr AL Taher Mohamed Al SHAMES
Assistant General Manager	Mr Redaedin Mohamed Banuga
Management	
Senior Manager Of Banking Operations Department	Mr Ezzedine Chlibek
Senior Manager Financial and Accounting	Mrs. Eya Abdeslem Fourati
Manager Of Treasury Department	Mrs Hella Malki Korte
Manager Of Legal Department	Mr Sofiane Nouisri
Manager Information Technology Department	Mr Faycel Khemiri
Manager Internal Control	Mr Ramzi Mhiri
Manager Administration department	Mrs Hella Bouzidi
Managers In Banking Operations Department	Mr Mustafa Salem Abu Shahma, Mrs Sonia Ben Touhami Abdennebi, Mrs Zouhour Ayadi Mahfoudh , Mrs Donia Dhouib Chahdoura
Manager In Treasury Deptment	Mrs Moufida Torkhni Jbali
Assistant Manager Of Compliance Unit	Mr Fethi Soussia
Assistant Manager Of Risk Management Unit	Mr Mohamed Jihed Chamseddine Noubigh
Assistant Manager Credit Administration	Mr.Ashref B.M Yousha

AUDITORS'REPORT



Consulting
Management
& Governance

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Translation of an extract from the legal auditors' general report on the financial statements for the financial year ended December 31st, 2016

**To the attention of the Shareholders of
ALUBAF International Bank Tunisia**

In compliance with the assignment entrusted to us by your General Meeting, we present below our report on the F/S of *ALUBAF International Bank Tunisia* for the year ended December 31, 2016 and the specific procedures as prescribed by law and professional standards.

We have audited the accompanying F/S of *ALUBAF International Bank* at December 31, 2016, including the balance sheet, the income statement, the cash flow statement, the off balance sheet statement, and a summary of significant accounting policies and other explanatory information.

These F/S show positive equity of KUSD 103 654, including profit for the year amounting KUSD 3 096.

Management is responsible for the preparation and fair presentation of these F/S in accordance with the Tunisian Accounting System of Companies, this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of F/S that are free from material misstatement, whether they arise from fraud or error, and that the accounting estimates are reasonable in the circumstances.

Our responsibility as auditors is to express an opinion on these F/S, based on our audit examination carried out and conducted in accordance with the professional standards of auditing applied in Tunisia and the Central Bank of Tunisia prudential standards.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the F/S are free from material misstatement.

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

In our opinion, the above-mentioned F/S, present fairly, in all material respects, the financial position of the ALUBAF International Bank Tunisia as at December 31, 2016 and the results of its operations and its cash flows, for the year ended at that date. These F/S have been established in accordance with the accounting principles prevailing in Tunisia and consistently applied.

Tunis, April 18th, 2017

Haythem AMOR

Consulting Management & Governance

Tarek ZAHAF

ProAudit

ALUBAF International Bank - Tunis

BALANCE SHEET

Year ended 31 December 2016

		2016	2015
	Notes	US\$ 000	US\$ 000
ASSETS			
Cash and balances with Central Bank	3	39,379	17,669
Balances with banks and other financial institutions		60,215	61,754
Deposits with banks and other financial institutions	4	180,955	174,961
Loans and advances to banks and other financial institutions	5	1,938	5,951
Loans, advances and overdrafts to customers	6	42,739	51,166
Facilities & Advances under Letters of Credit		1	35,725
Fixed Assets & Premises	8	6,407	6,849
Other assets	9	1,771	1,465
		<u>333,405</u>	<u>355,540</u>
TOTAL ASSETS			
LIABILITIES AND EQUITY			
LIABILITIES			
Due to Central Banks	10	7,636	11,852
Due to banks and other financial institutions	11	85,064	82,819
Customers' deposits	12	131,721	145,708
Provisions	13	920	814
Other liabilities	14	4,410	5,789
		<u>229,751</u>	<u>246,982</u>
TOTAL LIABILITIES			
EQUITY			
Share capital	15	25,000	25,000
Statutory reserve	16	2,500	2,500
General reserve	16	2,000	2,000
Retained earnings	17	71,058	70,449
Profit for the year		3,096	8,609
		<u>103,654</u>	<u>108,558</u>
TOTAL EQUITY			
TOTAL LIABILITIES AND EQUITY		<u>333,405</u>	<u>355,540</u>

BALANCE SHEET

Year ended 31 December 2016

	Notes	2016 US\$ 000	2015 US\$ 000
OFF BALANCE SHEET COMMITMENTS			
Letters of Credit	26	78,536	279,407
Guarantees	26	8,169	14,703
		<hr/>	<hr/>
Total Off Balance Sheet Commitments		86,705	294,110
		<hr/>	<hr/>
OFF BALANCE SHEET COMMITMENTS RECEIVED			
Banks Counter Guaranties received	27	3,955	5,155

Mr Taher Al SHAMES

General Manager

INCOME STATEMENT

Year ended 31 December 2016

	Notes	2016 US\$ 000	2015 US\$ 000
Interest income	18	4,478	6,905
Interest expense	19	(620)	(567)
Net interest income		3,858	6,338
Fees and commissions net income	20	5,178	10,264
Exchange and Revaluation Profit	21	1,098	509
Operating Income		18	3
Net Profit From Commissions and Other Income		6,294	10,776
OPERATING INCOME		10,152	17,114
Staff expenses		(3,923)	(4,368)
Depreciations	8	(665)	(638)
Net Provisions, write off and recoveries	22	(258)	(734)
Other operating expenses		(1,656)	(1,572)
OPERATING EXPENSES		(6,502)	(7,312)
NET PROFIT FOR THE YEAR BEFORE TAX		3,650	9,802
Corporate Tax		(347)	(1,193)
NET PROFIT FOR THE YEAR AFTER TAX		3,303	8,609
EXCEPTIONNAL TAX CONTRIBUTION	23	(207)	0
NET PROFIT FOR THE YEAR		3,096	8,609
Basic earnings per share (expressed in US dollars per share)	24	1.24	3,44
Return on capital		12 %	34%
Return on equity		3.08%	8.61%

CASH FLOW STATEMENT

Year ended 31 December 2016

	2016 US\$ 000	2015 US\$ 000
OPERATING ACTIVITIES		
Net profit for the year	3,096	8,609
Adjustments:		
Depreciation	665	638
Net from provisions	179	734
Profit sale fixed assets	(12)	0
	<hr/>	<hr/>
Operating profit before changes in operating assets and liabilities	<u>3,928</u>	<u>9,981</u>
Deposits with banks and other financial institutions	1,483	(1,483)
Loans and advances to banks	4,013	16,184
Loans and advances to customers	8,398	(417)
Facilities & Advances under Letters of Credit	35,724	42,581
Other assets	(306)	(749)
Due to banks and other financial institutions	0	0
Customers' deposits	(13,987)	(76,162)
Other liabilities	(1,422)	(899)
	<hr/>	<hr/>
Net cash (used in) from operating activities	<u>37,831</u>	<u>(10,964)</u>
INVESTING ACTIVITIES		
Purchase of equipment	(224)	(269)
Proceeds from sale of equipment	12	0
	<hr/>	<hr/>
Net cash (used in) from investing activities	<u>(212)</u>	<u>(269)</u>
FINANCING ACTIVITIES		
Dividends paid	(8,000)	0
	0	0
Dividends added to retained earnings		
	<hr/>	<hr/>
Net cash (used in) from financing activities	<u>(8,000)</u>	<u>0</u>
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,619	(11,233)
Cash and cash equivalents at 1 st of January	158,230	169,463
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	187,849	158,230
(Note 25)		
(Including Accrued Interests As at 31/12/16)	<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

	No te	Share Capital US\$ 000	Statutory Reserve US\$ 000	General Reserve US\$ 000	Retained Earnings before year 2013 profit 's appropriat ion US\$ 000	Retained Earnings After Year 2013 profit's appropria tion US\$ 000	Result of the year US\$ 000	Dividends US\$ 000	Total US\$ 000
Balance at 31 December 2014		25,000	2,500	2,000	62,353		8,096	0	99,949
Dividends Paid		-	-	-	-		-	-	0
Net profit for the year - 2014						8,096	(8,096)		0
Transfer to Legal Reserve									
Transfer to General Reserve									
Net profit for the year -2015		-	-	-	-		8,609	-	8,609
Proposed Dividends		-	-	-	-		-	-	0
Balance at 31 December 2015		<u>25,000</u>	<u>2,500</u>	<u>2,000</u>	<u>62,353</u>	<u>8,096</u>	<u>8,609</u>	<u>0</u>	<u>108,558</u>
Net profit for the year - 2015		-	-	-		8,609	(8,609)	-	0
Transfer to statutory reserve		-	-	-	-			-	0
Transfer to general reserve		-	-	-	-			-	0
Dividends Paid					(8,000)				(8,000)
Net profit for the year -2016		-	-	-			3,096	-	3,096
Balance at 31 December 2016		<u>25,000</u>	<u>2,500</u>	<u>2,000</u>	<u>54,353</u>	<u>16,705</u>	<u>3,096</u>	<u>0</u>	<u>103,654</u>

1. ACTIVITIES

ALUBAF International Bank - Tunis was incorporated as a Tunisian joint stock company in the Republic of Tunisia, and operates as an Offshore Banking Unit under Tunisian particularly law No 85 -108, dated 06 December 1985 as amended by law No 64-2009 dated 12 August 2009, relating to foreign offshore units, and the laws of foreign exchange and trade finance business, also the commercial law and other complementary regulations. The bank has become wholly owned subsidiary of the Libyan Foreign Bank, Libya since the year 2001.

2-1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are as follows:

Basis of preparation

These financial statements have been prepared in accordance with Tunisian Accounting Standards pursuant to the law number 112-96 dated December 30,1996, taking into consideration the standards issued or adopted by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Interpretations Committee.

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in the base currency of the Bank, US dollars , as Alubaf International Bank Tunis is an off-shore company , as such there are restrictions on the operations in local currency.

The financial statements have been prepared based on the concept of matching revenues and expenses

The Financial statements have been prepared in accordance with the principle of prudence

The accounting policies are consistent with those used in the previous years.

Deposits with banks and other financial institutions

Deposits with banks and other financial institutions are stated net of any amounts written off and provision for impairment.

Loans and advances to customers

Loans and advances are stated net of any amounts written off and provision for impairment, in accordance with Central Bank of Tunisia' regulations and the accounting standards related to the banking sector

General Provision on loans and advances

In accordance with the provisions of article 10 bis(New) of the Tunisian Central Bank circular no 1991-24 a provision allowance of a general nature under the designation "Collective provision" has been made to cover the latent risks inherent to current commitments (class 0) and those that require specific follow-up (class 1) in the meaning of article 8 of the same publication.

The amount of the said provision has been determined according to referential methodology as stipulated in the Note No 20-2012 dated 6 December 2012, relating to the financial institutions.

Deposits

All money market and customer deposits are carried at amortized cost less repaid amounts.

Premises and equipments

Premises and equipments are recorded at cost.

Depreciation

Depreciation is provided on all premises and equipments, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life.

Notes to the financial Statements

Year ended 31 December 2016

Revenue recognition

Interest income and related receivables, as well as, processing, commitment, management and financing commissions and fees are recognised on a time proportion basis, within the relevant financial year result .

The fees relating to the off- balance sheet commitments are recognized, within the revenues of the financial year , when collected.

According to the Central Bank of Tunisia circular number 24 for the year 1991 and accounting standards relating to banking sector, the interests and fees related to non performing (classified) debts (class 2,3 and 4), are excluded from income.

Cash and cash equivalents

Cash and cash equivalents comprise balances of the following maturing within 3 months of acquisition: cash and balances with banks, including with the Central Bank, deposits placed with banks and other financial institutions and net of due to banks and other financial institutions.

Derivatives

The Bank enters into derivative instruments, mainly forwards in the foreign exchange markets. Derivatives are stated at fair value. The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative using prevailing market rates or internal pricing models. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet.

Offsetting

Financial assets and 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 realize the asset and settle the liability simultaneously.

Foreign currencies

Monetary assets and liabilities in foreign currencies are retranslated into US dollars at the rates of exchange prevailing at the balance sheet date. Any resultant exchange gains or losses are taken to the statement of income.

Impairment and uncollectability of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired.

If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, based on the net present value of future anticipated cash flows discounted at original effective interest rates, recognised in the statement of income.

Trade and settlement date accounting

All “regular way” purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Bank commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3. CASH AND BALANCES WITH THE CENTRAL BANK

	2016 US\$ 000	2015 US\$ 000
Cash in hand	196	227
Balances with the Central Bank of Tunisia	39,183	17,442
	<u>39,379</u>	<u>17,669</u>

4. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

	2016 US\$ 000	2015 US\$ 000
Time deposits maturing within 3 months	180,955	173,478
Time deposits maturing after 3 and before 6 months	0	1,483
	<u>180,955</u>	<u>174,961</u>

The above mentioned amounts include accrued interests on deposits as of 31/12/2016

5. LOANS AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2016 US\$ 000	2015 US\$ 000
Banks Overdrafts	1,938	2,916
Loans to financial institutions	0	3,035
Other Due from Banks	0	0
	<u>1,938</u>	<u>5,951</u>

6. LOANS AND ADVANCES TO CUSTOMERS

	2016 US\$ 000	2015 US\$ 000
Overdrafts companies and organizations	43,920	51,880
Overdrafts private organizations	0	468
Overdrafts individuals	0	12
Past due obligations	12,726	13,282
	<hr/>	<hr/>
	56,646	65,642
Less: Collective and Specific Provisions and suspended interests	(13,907)	(14,476)
	<hr/>	<hr/>
	42,739	51,166
	<hr/> <hr/>	<hr/> <hr/>

Loans and advances are stated net of provisions for loan losses and collective provisions.
The provisions' movements during the year were as follows:

	Collective Provisions US\$ 000	Provisions for for Doubtful Loans US\$ 000	Suspended Interests US\$ 000	Total US\$ 000
At 1 January	1,194	8,470	4,812	14,476
Provisions Charges and Interests suspended for the year (note 22)		61	524	585
Recoveries/(write backs)		0	(11)	(11)
Provisions/Amounts written off		(476)	(498)	(974)
Revaluation		(139)	(30)	(169)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,194	7,916	4,797	13,907
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The collective provisions covers the latent risks inherent to direct and indirect facilities granted to non- classified customers.

7. RELATED PARTY TRANSACTIONS

The Bank enters into transactions with their shareholders, directors and general management and their related concerns in the ordinary course of business at interest and commission rates approved by the management. All the loans and advances to these parties are performing advances and are free of any provision for possible loan losses.

	2016 US\$ 000	2015 US\$ 000
<u>Balance sheet items</u>		
Deposits with banks and other financial institutions	100,453	64,943
Due to banks and other financial institutions	58,218	61,930
Other due from Banks	0	0
Other Banks deposits	674	466
Loans to financial institutions	3,035	3,035
Customers deposits	1,942	539
<u>Off balance items</u>		
Letters of credit commitments	6,022	20,988
Banks Guarantees received	3,955	3,955

The income and expenses in respect of related parties included in the statement of income are as follows:

	2016 US\$ 000	2015 US\$ 000
Interest income	555	142
Interest expense	423	334
Net income from Fees and commission	6	3

*It is to be noted that no facilities have been granted to Board of directors members, and that all transactions aroused from credit balances

8. FIXED ASSETS

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Freehold land	-	Not depreciated
Building	-	20 years
Furniture and equipment	-	3 to 5 years
Motor vehicles	-	5 years

	Freehold Land	Building	Furniture And Equipment	Untan gible fixed Assets	Motor Vehicles	Fixed Assets in Progress	Total
Cost:							
At 1 January	2,109	4,763	3,110	1,741	212	72	12,007
Additions	0	0	33	159	-	32	224
Fixed Assets in progress	0	0	0	0	72	(72)	0
Disposals	0	0	0	0	(63)	0	(63)
REEVALUATION	-	-	-	-	(1)	-	(1)
At 31 December 2016	2,109	4,763	3,143	1,900	220	32	12,167
Depreciation:							
At 1 January	-	1,535	2,010	1,466	147	0	5,158
Depreciation During the	-	238	261	126	40	-	665
Depreciation of Disposals	-	-	-	-	(63)	-	(63)
At 31 December 2016	0	1,773	2,271	1,592	124	0	5,760
Net book value:							
At 31 December 2015	2,109	2,990	872	308	96	32	6,407

Notes to the financial Statements

Year ended 31 December 2016

9. OTHER ASSETS

	2016 US\$ 000	2015 US\$ 000
Staff loans (Including advances)	652	489
Sundry debtors	21	21
Provision on Sundry Debtors	(10)	(12)
Prepayments	165	192
Corporate tax Instalments	943	771
Commissions & Fees Receivables	0	4
	<hr/>	<hr/>
	1,771	1,465
	<hr/>	<hr/>

10. DUE TO CENTRAL BANKS

	2016 US\$ 000	2015 US\$ 000
Call deposits	7,636	11,852
Time Deposits maturing within 3 months	0	0
Interests accrued on Time Deposits	0	0
	<hr/>	<hr/>
	7,636	11,852
	<hr/>	<hr/>

11. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2016 US\$ 000	2015 US\$ 000
Call deposits	29,155	22,116
Time Deposits	55,000	60,000
Interests accrued on Time Deposits	12	10
Guarantee deposits and other dues	222	467
Other due To Banks	675	226
	<u>85,064</u>	<u>82,819</u>

12. CUSTOMERS DEPOSITS

	2016 US\$ 000	2015 US\$ 000
Call deposits	65,447	76,397
Time Deposits	4,666	3,880
Guarantee deposits	10,489	12,686
Interests accrued on Time Deposits	25	3
Other Deposits	51,094	52,742
	<u>131,721</u>	<u>145,708</u>

13. OTHER PROVISIONS

	US\$ 000			
	Indirect credit facilities	Legal cases	Other Risks	Total
Balance at the beginning of the year	0	19	795	814
Utilised during the year (Note 22)	-	-	(6)	(6)
Addition during the year	-	-	150	150
Recoveries/(write backs)	-	-	-	0
Revaluation	-	(2)	(36)	(38)
Balance at 31 December	0	17	903	920

14. OTHER LIABILITIES

	2016 US\$ 000	2015 US\$ 000
Interest and commissions received in advance	152	86
Provisions for Retirement	754	855
Provisions for staff end of service's compensation	1,417	1,623
Taxes and Social contributions payable	899	1,731
Reserve For Expenses	1,042	1,446
Sundry Creditors	146	48
	4,410	5,789

15. SHARE CAPITAL

The authorised, issued and fully paid share capital as of 31 December 2016 and 2015 comprised 2,500,000 ordinary shares with nominal value of US\$ 10 each.

16. STATUTORY RESERVE AND GENERAL RESERVE

As required by the Tunisian Companies Law, the statutory reserve equals to 10 percent of the issued share capital. The reserve is not distributable but may be utilised in such circumstances as stipulated by Tunisian Law.

Transfers from previous years' profits have created the general reserve amounting 2 (two) million USD dollars. There are no restrictions on the distribution of this reserve.

17. RETAINED EARNINGS

	2016	2015
	US\$ 000	US\$ 000
Balance After Year 2013's profit Appropriation	62,353	62,353
Dividends paid from Retained Earnings of the Year 2013	(8,000)	-
Retained Earnings relating to subsequent years to 2013	16,705	8,096
	<hr/>	<hr/>
	71,058	70,449
	<hr/> <hr/>	<hr/> <hr/>

The shareholders' general assembly has decided during its meeting held on June 29, 2017 :

-To allocate a contribution of USD 50,000 for the benefit of the Bank's Social Fund and to transfer the remaining profit USD 3,046,000 to Retained Earnings,

- The distribution of Dividends for the amount of USD 1,500,000.00 and the transfer of USD 2,300,000.00 to Operational Risk Reserve, from the retained Earnings balance as of 31/12/2013 .

18. INTEREST INCOME

	2016 US\$ 000	2015 US\$ 000
Banks call Accounts	61	807
Balances with banks and other financial institutions	135	585
Time deposits	1,587	638
Loans and advances to customers	2,695	4,875
	=====	=====
	4,478	6,905
	=====	=====

19. INTEREST EXPENSE

	2016 US\$ 000	2015 US\$ 000
Banks call Accounts	169	269
Banks Time deposits	345	187
Customers current accounts	21	90
Customers Time deposits	72	24
Other Interest expenses	13	(3)
	=====	=====
	620	567
	=====	=====

20. NET INCOME FROM FEES AND COMMISSIONS

	2016 US\$ 000	2015 US\$ 000
Letters of Guarantees commissions	444	130
Letters of Credit commissions	4,037	9,246
Documents of collection commissions	307	251
Customers Services commissions	357	479
Other Commissions	122	236
	<u> </u>	<u> </u>
	5,267	10,342
Less: Commissions Paid	(89)	(78)
	<u> </u>	<u> </u>
	5,178	10,264
	<u> </u>	<u> </u>

21. EXCHANGE AND REVALUATION PROFIT

	2016 US\$ 000	2015 US\$ 000
Exchange Profit	1,071	357
Revaluation profit and Loss	27	152
	<u> </u>	<u> </u>
	1,098	509
	<u> </u>	<u> </u>

22. NET PROVISIONS, DEBTS WRITE- OFF AND RECOVERIES

	2016 US\$ 000	2015 US\$ 000
<u>Provisions allowances</u>		
Specific provisions on loans and credit facilities	61	803
Provision for other risks and charges-	150	100
Collective provisions on the current commitments	0	0
<u>Recoveries</u>		
Recovered provisions on loans losses	(32)	(169)
<u>Debts Write-off</u>		
Losses on bad debts	444	0
Losses on pending Items'settlement	79	0
<u>Cover Of Debts Written-off</u>	(444)	
	—	—
	258	734
	==	==

23. EXCEPTIONNAL TAX CONTRIBUTION

In accordance with the provisions of article 48 of the Finance Act No. 78-2016, dated December 17, a special circumstantial contribution, of 7.5% of the profit basis for corporate Tax calculation was deducted, from the year Profit , for the benefit of the State Budget of year 2017.

Profit base of corporate tax in 31/12/2016	2,761
Pourcentage of Exceptionnal tax contribution	7.5 %
Exceptionnal tax contribution	207

24. EARNINGS PER SHARE

	2016 US\$ 000	2015 US\$ 000
Weighted average number of shares outstanding during the year	2,500	2,500
Net profit for the year (US\$ 000) before tax	3,650	9,802
Basic earnings per share (in US dollars per share) before tax	1.46	3.92
	-----	-----
Net profit for the year after tax & special contribution	3,096	8,609
Basic earnings per share (expressed in US dollars per share) After tax	1.24	3.44
	=====	=====

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	2016 US\$ 000	2015 US\$ 000
Cash and balances with the Central Bank	39,379	17,669
Balances with banks and other financial institutions	60,215	61,754
Deposits with banks and other financial institutions	180,955	173,478
Due to banks and other financial institutions	(92,700)	(94,671)
	-----	-----
Cash and cash equivalents at 31 December	187,849	158,230
	=====	=====

26. OFF BALANCE SHEET ITEMS

Commitments include commitments to extend credit, confirmed and standby letters of credit, guarantees and acceptances, which are designed to meet the requirements of the Bank's customers. All these commit the Bank to make payments on behalf of customer's contingent upon the failure of the customer to perform under the terms of the contract.

Commitments generally have fixed expiry dates or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

The Bank has the following credit related off balance sheet items:

	2016 US\$ 000	2015 US\$ 000
Confirmed Export letters of credit	45,094	216,300
Import letters of credit	31,781	63,107
Documents on Collection/ Undertaking	1,661	0
Reimbursements	101	0
Advance payment guarantees	1,946	2,020
Payment Guarantees	3,955	10,435
Performance guarantees	2,165	2,248
Customs guarantees	2	0
Other guarantees	0	
	_____	_____
	86,705	294,110

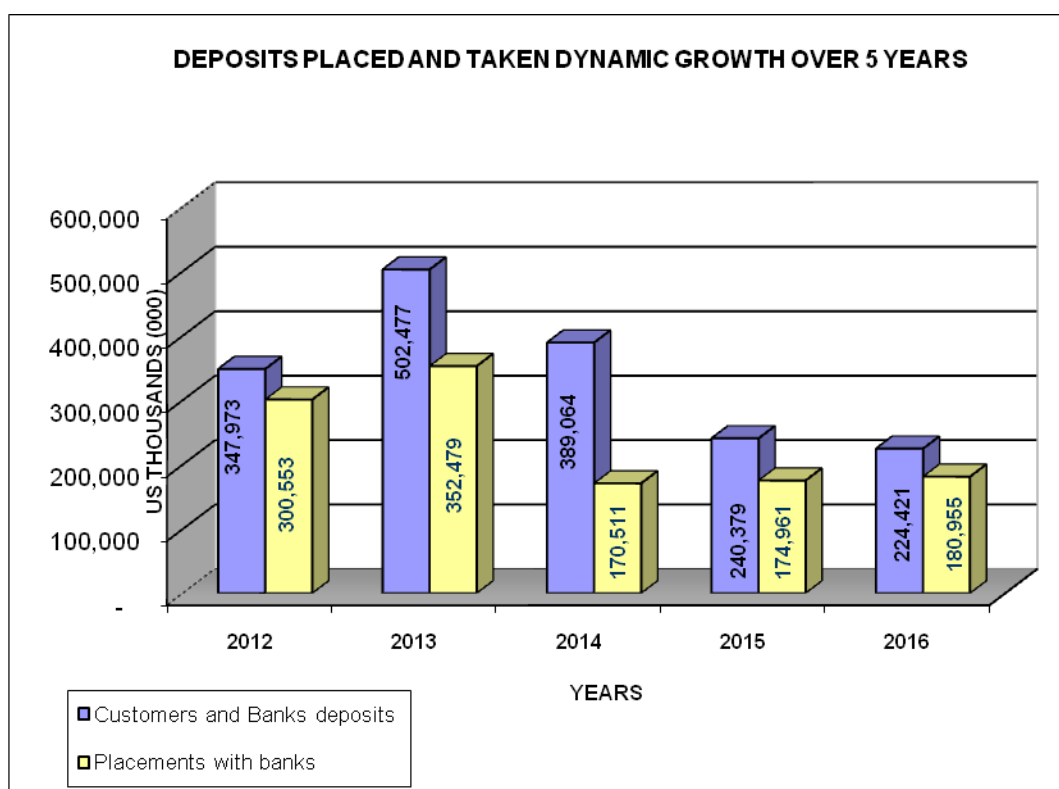
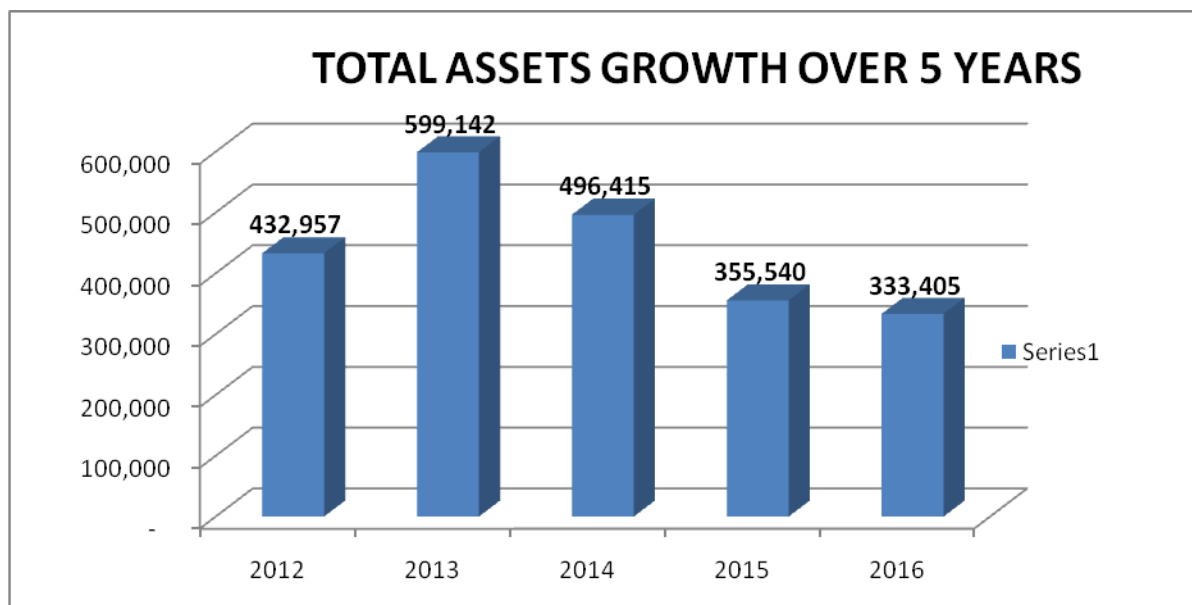
27. OFF BALANCE SHEET ITEMS RECEIVED

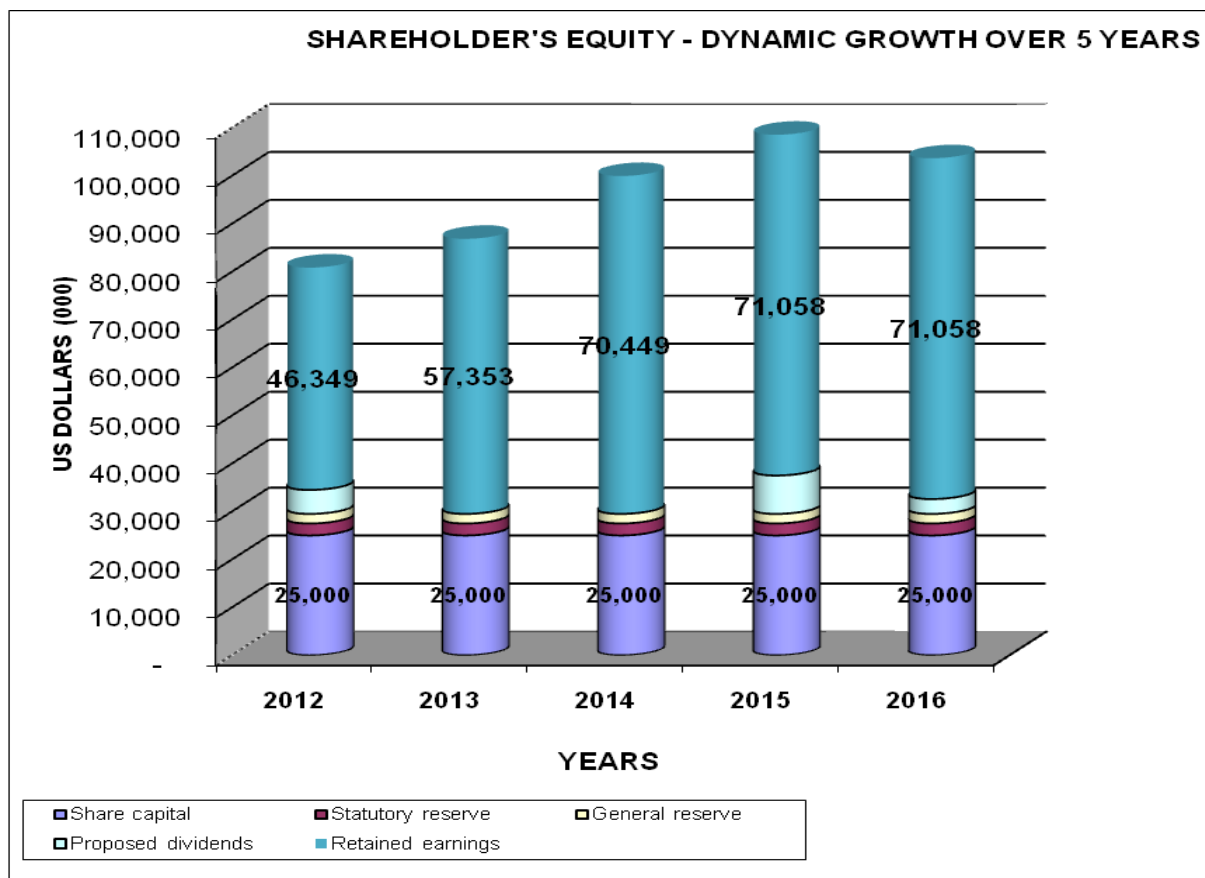
	2016 US\$ 000	2015 US\$ 000
Banks Counter-guaranties received	3,955	5,155

ALUBAF International Bank - Tunis

Financial indicators

	2012	2013	2014	2015	2016
Balance Sheet	USD 000	USD 000	USD 000	USD 000	USD 000
ASSETS					
Cash and balances with banks	1,885	742	15,768	17,669	39,379
NOSTRO	42,547	143,487	150,378	61,754	60,215
Deposits with banks and other financial institutions	300,553	352,479	170,511	174,961	180,955
Loans and advances to banks and other financial institutions	39,839	5,301	22,135	5,951	1,938
Loans and advances to customers	27,129	51,634	51,383	51,166	42,739
Facilities & Advances under Letters of Credit	16,131	37,387	78,306	35,725	1
Fixed assets	4,064	7,327	7,218	6,849	6,407
Debtors and other assets	809	785	716	1,465	1,771
Total assets	432,957	599,142	496,415	355,540	333,405
LIABILITIES					
Due to Central banks	69,004	68,445	60,871	11,852	7,636
Deposits by banks and financial institutions	84,892	205,738	106,323	82,819	85,064
Customers's deposits	194,077	228,294	221,870	145,708	131,721
Provisions	912	896	1,270	814	920
Creditors and other liabilities	3,223	8,916	6,132	5,789	4,410
Total liabilities	352,108	512,289	396,466	246,982	229,751
EQUITY					
Share capital	25,000	25,000	25,000	25,000	25,000
Statutory reserve	2,500	2,500	2,500	2,500	2,500
General reserve	2,000	2,000	2,000	2,000	2,000
Retained earnings	46,349	57,353	70,449	71,058	71,058
Proposed dividends	5,000	-	-	8,000	3,096
Total equity	80,849	86,853	99,949	108,558	103,654
Total liabilities and equity	432,957	599,142	496,415	355,540	333,405

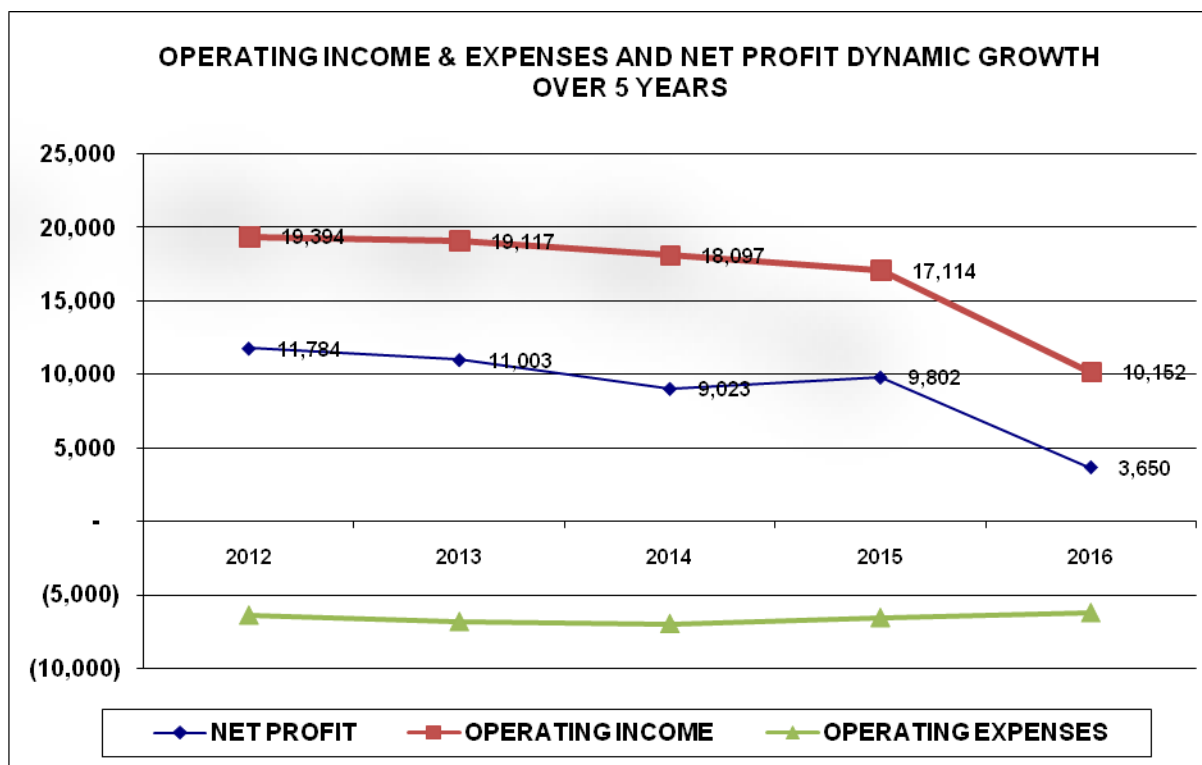




ALUBAF International Bank - Tunis

Financial indicators

	2012	2013	2014	2015	2016
Profit and Loss Account	USD 000	USD 000	USD 000	USD 000	USD 000
Interest income	5,309	4,783	6,407	6,905	4,478
Interest expense	(611)	(716)	(753)	(567)	(620)
Net interest income	4,698	4,067	5,654	6,338	3,858
Fees and commission income	13,521	11,827	11,613	10,264	5,178
Other operating income	1,175	3,223	830	512	1,116
OPERATING INCOME	19,394	19,117	18,097	17,114	10,152
Staff expenses	(4,808)	(4,831)	(4,710)	(4,368)	(3,923)
Depreciation	(361)	(389)	(587)	(638)	(665)
Other operating expenses	(1,247)	(1,634)	(1,697)	(1,572)	(1,656)
loss on ordinary items	-	-	-	-	-
OPERATING EXPENSES	(6,416)	(6,854)	(6,994)	(6,578)	(6,244)
PROFIT BEFORE PROVISIONS	12,978	12,263	11,103	10,536	3,908
Provisions	(1,194)	(1,259)	(2,080)	(734)	(258)
Other Loss					
NET PROFIT	11,784	11,003	9,023	9,802	3,650
CORPORATE TAX			(927)	(1,193)	(347)
SPECIAL CIRCUMSTANTIAL CONTRIBUTION					(207)
NET PROFIT AFTER TAX	11,784	11,003	8,096	8,609	3,096
Contribution to Social Fund					(50)
Profit retained for the financial year	6,784	11,003	8,096	8,609	3,046
Dividends	(5,000)	-	-	(8,000)	(1,500)
Reserve for Operational Risk					(2,300)
EARNING PER SHARE (EPS) USD/share	4.71	4.40	3.24	3.44	1.24



ALUBAF International Bank - Tunis

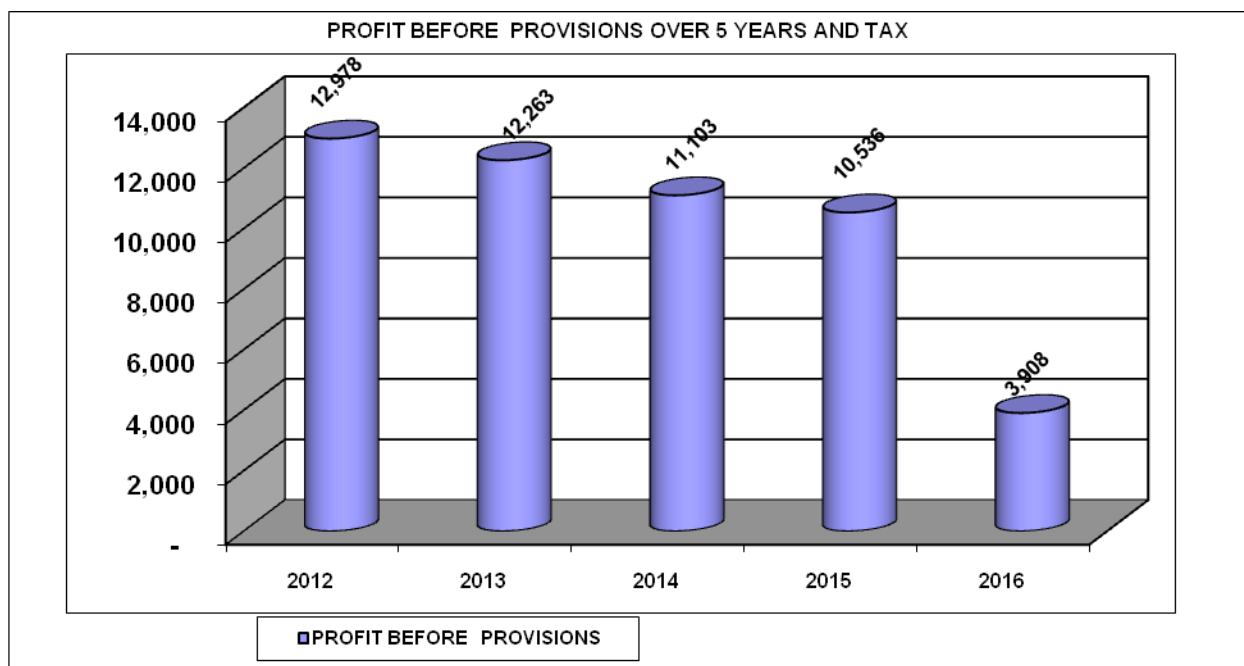
Financial indicators

<u>Financial Highlights</u>	<u>2012</u> <u>USD 000</u>	<u>2013</u> <u>USD 000</u>	<u>2014</u> <u>USD 000</u>	<u>2015</u> <u>USD 000</u>	<u>2016</u> <u>USD 000</u>
Operating Income & Provisions Recoveries	19,396	19,501	18,156	17,283	10,184
Operating Expenses & Provisions Allowances	(7,612)	(8,498)	(9,133)	(7,481)	(6,534)
Net Profit (Before Tax)	11,784	11,003	9,023	9,802	3,650
Corporate Tax & Special Circumstantial Contribution			(927)	(1,193)	(554)
Net Profit After Tax	11,784	11,003	8,096	8,609	3,096
Contribution to Social Fund					(50)
Dividends	5,000	-	-	-	-
Transfer To Retained Earnings	6,784	11,003	8,096	8,609	3,046
Dividends From Retained Earnings				8,000	(1,500)
EARNING PER SHARE (EPS) USD/share	4.71	4.40	3.24	3.44	1.35
Dividends Per share (USD)/Share	2.00	-	-	3.20	0.6
Return on Equity (ROE)	14.6%	12.7%	8.1%	7.9%	3.3%
Return On Assets (ROA)	2.7%	1.8%	1.6%	2.4%	1.0%

Customers And Banks Deposits	347,973	502,477	389,064	240,379	224,421
Placements with banks	300,553	352,479	170,511	174,961	180,955
Total equity	80,849	86,853	99,949	108,558	103,654
Total assets	432,957	599,142	496,415	355,540	333,405

Number of shares (actual)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
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Provisions Recoveries & Cover of debts written -Off	2	385	59	169	476
Provisions Allowances & Write-Off	(1,196)	(1,644)	(2,139)	(903)	(655)
Net Provisions & Write-Off	(1,194)	(1,259)	(2,080)	(734)	(179)



Financial indicators

