



ALUBAF BANK
بنك اليوباف الدولي - تونس
ALUBAF INTERNATIONAL BANK - TUNIS

ALUBAF International Bank - Tunis

ANNUAL REPORT

31 DECEMBER 2018

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Reuters Monitor and Dealing Code	UBAT
SWIFT Code	ALUB TN TT
Commercial Registration	B1997 7 1998

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Chairman	Dr. KhalifaJumaa El Hassy	Up to 07/10/2018
Vice chairman	Mr.Mohamed Ali Tarhuni	
Members		
	Mrs.Karema H M Al Kech	
	Mrs.MongiaTaherNashnoush	
	MrNajmi Musa BenShaban	
	MrMoftah Salem RamadanAl Gannas	
	Mr Ali Ben Hamza Al Makhzum	
	Mr Ben IssaHudanah	Up to 07/10/2018
	MrSafouane Ben Issa	

MANAGEMENT

General Manager	Mr AL Taher Al SHAMES
Assistant General Manager	Mr Redaeddine Banuga
Management	
Senior Manager Financial and Accounting	Mrs. Eya Abdeslem Fourati
Senior Manager of Banking Operations department	Mr EzzedineChlibek
Managers of Banking Operations department	Mrs Sonia Ben Touhami Abdennebi, Mrs ZouhourAyadiMahfoudh, Mrs DoniaDhouibChadoura Mr Mustafa Salem Abu Shamma (up to 30/11/2018)
Manager Treasury Department	Mrs Moufida Torkhani Jbali
Manager legal Department	Mr SofianeNouisri
Manager Information Technology Department	Mr FaycelKhemiri
Manager Administration department & Human Ressources	Mrs Hella Bouzidi Ben Saleh
Assistant Manager Credit Department	Mr Ashraf Youshah
Assistant Manager Information Technology Department	Mrs Marwa Enajar
Assistant Manager Permanent Control & Internal control	Mr Mohamed JihedChamseddineNoubigh
Assistant Manager Of Compliance Unit	Mr Fethi Soussia
Supervisor Risk Unit	Mrs Ines Sahli Didouni

Translation of an extract from the legal auditors' general report on the financial statements for the financial year ended December 31st, 2018

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

**Report on the Audit of the Financial Statements
Opinion**

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, 2018 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, 2018, 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 **106 707**, including profit for the year amounting KUSD **3 609**.

In our opinion, the financial statements present fairly, in all material respects, the financial position of *ALUBAF International Bank* as at December 31st, 2018 and of the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Tunisia.

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 Banking 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 stand-alone financial statements of the Bank and our auditor's report thereon.

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

In application of the provisions of Article 266 of the Commercial Companies Code, 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 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.

AUDITORS REPORT

Responsibilities of the Management and Those Charged With Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Tunisia, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Tunis, March 22nd, 2019

Haythem AMOR
Consulting Management & Governance



Tarek ZAHAF
ProAudit



ALUBAF International Bank - Tunis

BALANCE SHEET

Year ended 31 December 2018

		2018	2017
	Notes	US\$ 000	US\$ 000
ASSETS			
Cash and balances with Central Bank	3	34,833	17,290
Deposits with the Central Bank	4	20,001	21,004
Balances with banks and other financial institutions		52,521	57,215
Deposits with banks and other financial institutions	5	155,038	156,272
Loans and advances to banks and other financial institutions	6	8,957	45,218
Loans, advances and overdrafts to customers	7	29,312	32,133
Facilities & Advances under Letters of Credit		1,247	510
Fixed Assets & Premises	9	5,858	5,843
Other assets	10	1,425	1,648
TOTAL ASSETS		309,192	337,133
LIABILITIES AND EQUITY			
LIABILITIES			
Due to Central Banks	11	5,931	11,113
Due to banks and other financial institutions	12	76,575	82,347
Customers' deposits	13	114,500	132,951
Provisions	14	1,656	1,187
Other liabilities	15	3,823	4,400
TOTAL LIABILITIES		202,485	231,998
EQUITY			
Share capital	16	25,000	25,000
Statutory reserve	17	2,500	2,500
General reserve	17	2,000	2,000
General Reserve for operational risk	18	2,300	2,300
Social Fund	19	40	27
Retained earnings	20	71,258	70,304
Profit for the year		3,609	3,004
TOTAL EQUITY		106,707	105,135
TOTAL LIABILITIES AND EQUITY		309,192	337,133

ALUBAF International Bank - Tunis

BALANCE SHEET

Year ended 31 December 2018

		2018	2017
	Notes	US\$ 000	US\$ 000
OFF BALANCE SHEET COMMITMENTS			
Letters of Credit	29	90,786	58,818
Guarantees	29	11,795	10,107
Total Off Balance Sheet Commitments		102,581	68,925

OFF BALANCE SHEET COMMITMENTS RECEIVED			
Banks Counter Guaranties received	30	488	0

Mr Taher Al SHAMES

General Manager

Dr. KhalifaJomaa El Hassi

Chairman of The Board of Directors

INCOME STATEMENT

Year ended 31 December 2018

		2018	2017
	Notes	US\$ 000	US\$ 000
Interest income	21	7,374	6,228
Interest expense	22	(1,453)	(1,422)
Net interest income		5,921	4,806
Fees and commissions net income	23	3,248	2,643
Exchange and Revaluation Profit	24	1,622	1,471
Operating Income		0	0
Net Profit From Commissions and Other Income		4,870	4,114
OPERATING INCOME		10,791	8,920
Staff expenses		(3,981)	(3,963)
Depreciations	9	(578)	(605)
Net Provisions, write off and recoveries	25	(613)	557
Other operating expenses		(1,993)	(1,819)
OPERATING EXPENSES		(7,165)	(5,830)
NET PROFIT FOR THE YEAR BEFORE TAX		3,626	3,090
Corporate Tax		(15)	(63)
NET PROFIT FOR THE YEAR AFTER TAX		3,611	3,027
Exceptional Contribution	26	(2)	(23)
NET PROFIT FOR THE YEAR		3,609	3,004
Basic earnings per share (expressed in US dollars per share)	27	1.44	1.20
Return on capital		14%	12 %
Return on equity		3.50%	2.94%

CASH FLOW STATEMENT

Year ended 31 December 2018

		2018	2017
		US\$ 000	US\$ 000
<u>OPERATING ACTIVITIES</u>			
Operating revenues received		11,867	9,780
Operating charges paid out		(1,539)	(1,543)
Deposit / Drawing from Banks and Other Financial Institutions		45,063	(74,758)
Loan / Redemption of loans to customers		1,740	1,229
Deposit / Drawing from customers		(18,430)	10,921
Placement securities		-	-
Amount paid to employees and other creditors		(4,329)	(3,776)
Other cash flows from operating activities (*)		(1,802)	(1,722)
Income tax paid		(73)	(187)
Net cash flows from operating activities		32,497	(60,056)
<u>INVESTING ACTIVITIES</u>			
Purchase / sale of fixed assets (*)		(592)	(40)
Net cash-flows from (Used in) investing activities		(592)	(40)
<u>FINANCING ACTIVITIES</u>			
Dividends paid		(2,037)	(1,523)
Net cash (used in) from financing activities		(2,037)	(1,523)
Impact of Revaluation on cash and Cash Equivalents		36	25
Net increase in cash and cash equivalents during the year		29,904	(61,594)
Cash and cash equivalents at 1st of January		128,192	189,786
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (Note 23)		158,096	128,192

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	Share Capital	Statutory Reserve	General Reserve	General Reserve Operational Risk	Social Fund	Retained Earnings up to 31/12/2013	Retained Earnings after to 31/12/2013	Result of the year	Total
		US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 31 December 2017		25,000	2,500	2,000			54,353	16,705	3,096	103,654
Year 2016 profit appropriation		-	-	-	-	50	-	3,046	(3,096)	0
Dividends Paid		-	-	-	-	-	(1,500)	-	-	(1,500)
General reserve to risk operational		-	-	-	2,300	-	-	(2,300)	-	-
Net profit for the year -2017		-	-	-	-	-	-	-	3,004	3,004
Social Fund		-	-	-	-	(23)	-	-	-	(23)
Balance at 31 December 2017		25,000	2,500	2,000	2,300	27	52,853	17,451	3,004	105,135
Year 2017 profit appropriation		-	-	-	-	50	-	2,954	(3,004)	0
Dividends Paid		-	-	-	-	-	(2,000)	-	-	(2,000)
General reserve to risk operational		-	-	-	0	-	-	0	-	-
Net profit for the year -2018		-	-	-	-	-	-	-	3,609	3,609
Social Fund		-	-	-	-	(37)	-	-	-	(37)
Balance at 31 December 2018		25,000	2,500	2,000	2,300	40	50,853	20,405	3,609	106,707

The attached notes 1 to 31 form part of these financial statements

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 6December 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.

Revenue recognition

Interest income and relatedreceivables,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.

Notes to the financial Statements

Year ended 31 December 2018

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

	2018 US\$ 000	2017 US\$ 000
Cash in hand	566	348
Balances with the Central Bank of Tunisia	34,267	16,942
	34,833	17,290

4. DEPOSITS WITH THE CENTRAL BANK

	2018 USD\$000	2017 USD\$000
Time deposits maturing within 3 months	20,000	21,000
Accrued Interests	1	4
	20,001	21,004

5. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

	2018 US\$ 000	2017 US\$ 000
Time deposits maturing within 3 months	128,877	124,126
Time deposits maturing after 3 and before 6 months	26,161	11,977
Time deposits maturing after 6 months and before year	0	20,169
	155,038	156,272

The above mentioned amounts include accrued interests on deposits as of 31/12/2018

6. LOANS AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2018 US\$ 000	2017 US\$ 000
Banks Overdrafts	4,370	2,017
Loans to financial institutions	4,587	43,201
	8,957	45,218

7. LOANS AND ADVANCES TO CUSTOMERS

	2018 US\$ 000	2017 US\$ 000
Overdrafts companies and organizations	30,095	33,313
Overdrafts individuals	0	14
Past due obligations	13,593	12,537
	43,688	45,864
Less: Collective and Specific Provisions and suspended interests	(14,376)	(13,731)
	29,312	32,133

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	Provisions /Doubtful debts	Interest suspended	Total
At 1 January	1,194	7,265	5,272	13,731
Provisions Charge for the year (note 22)		103	718	821
Recoveries/(write backs)		0	0	0
Amounts written off		0	0	0
Revaluation		(136)	(40)	(176)
At 31 December 2018	1,194	7,232	5,950	14,376

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

8. 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.

	2018 US\$ 000	2017 US\$ 000
<u>Balance sheet items</u>		
Deposits with banks and other financial institutions	52,084	50,595
Due to banks and other financial institutions	61,842	50,010
Other due from Banks	0	0
Other Banks deposits	72	72
Loans to financial institutions	4,587	43,201
Customers deposits	2,032	2,003
<u>Off balance items</u>		
Letters of credit commitments	8,521	30
Banks Guarantees received	0	0

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

	2018 US\$ 000	2017 US\$ 000
Interest income	1,762	1,197
Interest expense	(1,260)	714
Net income from Fees and commission	(10)	4

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

9. 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	Intangible fixed Assets	Motor Vehicles	Fixed Assets in Progress	Total
Cost:							
At 1 January	2,109	4,763	3,191	1,914	220	11	12,208
Additions	0	0	21	63	0	508	592
Disposals	0	0	0	0	0	0	0
At 31 December 2018	2,109	4,763	3,212	1,977	220	519	12,800
Depreciation:							
At 1 January	-	2,011	2,498	1,704	152	0	6,365
Depreciations	-	238	218	98	23	0	578
Depreciation of Disposals	-	0	0	0	0	0	0
At 31 December 2018	0	2,249	2,716	1,802	175	0	6,942
Net book value:							
At 31 December 2018	2,109	2,514	496	175	45	519	5,858

10. OTHER ASSETS

	2018 US\$ 000	2017 US\$ 000
Staff loans (Including advances)	700	881
Sundry debtors	32	42
Provision on Sundry Debtors	(7)	(9)
Prepayments	229	157
Instalment payments/ Corporate Tax	471	577
	1,425	1,648

11. DUE TO CENTRAL BANKS

	2018 US\$ 000	2017 US\$ 000
Call deposits	5,931	11,113
	5,931	11,113

12. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2018 US\$ 000	2017 US\$ 000
Call deposits	24,515	26,027
Time Deposits maturing within 3 Months	51,509	56,000
Interests accrued on Time Deposits	248	11
Guarantee deposits	231	237
Other due to Banks	72	72
	76,575	82,347

13. CUSTOMERS DEPOSITS

	2018 US\$ 000	2017 US\$ 000
Call deposits	49,833	59,609
Time Deposits	2,409	3,938
Guarantee deposits	6,095	12,994
Interests accrued on Time Deposits	5	26
Other Deposits	56,158	56,384
	114,500	132,951

14. OTHER PROVISIONS*US\$ 000*

	Indirect credit facilities	Legal cases	Others	Total
Balance at the beginning of the year	0	16	1,171	1,187
Utilised during the year (Note 22)	-	-	0	0
Addition during the year	196	0	314	510
Recoveries/(write backs)	-	-	-	0
Revaluation	-	(2)	(39)	(41)
Balance at 31 December 2018	196	14	1,446	1,656

15. OTHER LIABILITIES

	2018 US\$ 000	2017 US\$ 000
Interest and commissions received in advance	139	83
Provisions for Retirement	823	972
Provisions for staff end of service's compensation	1,304	1,590
Taxes and Social contributions payable	427	505
Reserve For Expenses	1,103	1,226
Sundry Creditors	27	24
	3,823	4,400

16. SHARE CAPITAL

The authorised, issued and fully paid share capital as of 31 December 2018 and 2017 comprised 2,500,000 ordinary shares with nominal value of US\$ 10 each.

17. 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.

18. GENERAL RESERVE FOR OPERATIONAL RISK

In accordance with the provisions of the Central Bank circular of the year 2016, number 03- 2016, the Ordinary General Assembly has decided in its meeting held on 29/06/2017, to create a general reserve for the amount of 2.300 million US dollars, to cover operational risks, by deduction from the balance of retained earnings as of 31/12/16.

19. SOCIAL FUND

The General Assembly for the year 2016, has decided to annually allocate the amount of 50,000 US Dollars, from the year profit, to the Social Fund of the Bank's Staff

	2018 <i>US\$ 000</i>	2017 <i>US\$ 000</i>
Balance at the beginning of the year	27	0
Transfer from previous year profit	50	50
Utilization during the year	(37)	(23)
Balance at 31 December	40	27

20-.RETAINED EARNINGS

In view of the above mentioned in notes 17 and 18, the Retained earnings as presented in the statement of changes in equity ,are detailed as follows :

	Retained Earnings for profits realized up to 31/12/13	Retained Earnings for profits realized after 31/12/13	TOTAL
Balance at the beginning of the year	52,853	17,451	70,304
Transfer from the profit of the year 2017	-	2,954	2,954
Dividends paid	(2,000)		(2,000)
General reserve for operational risk			
Balance at 31 December 2018	50,853	20,405	71,258

21. INTEREST INCOME

	2018 US\$ 000	2017 US\$ 000
Banks call Accounts-Overdrafts	(81)	70
Balances with banks and other financial institutions	398	551
Time deposits placed	4,658	2,836
Loans and advances to Banks and financial institutions	568	544
Facilities and advances on Letters of credit and collections	123	36
Overdrafts and advances to customers	1,687	2,171
Loans and advances to staff	21	20
	7,374	6,228

22.INTEREST EXPENSE

	2018 US\$ 000	2017 US\$ 000
Banks call Accounts	155	439
Banks Time deposits	1,214	905
Customers current accounts	24	21
Customers Time deposits	42	43
Other Interest expenses	18	14
	1,453	1,422

23 .NET INCOME FROM FEES AND COMMISSIONS

	2018 US\$ 000	2017 US\$ 000
Letters of Guarantees commissions	310	97
Letters of Credit commissions	2,485	2,162
Documents for collection commissions	60	26
Customers Services commissions	361	370
Other Commissions	96	110
	3,312	2,765
Less: Commissions Paid	(64)	(122)
	3,248	2,643

24.EXCHANGE AND REVALUATION PROFIT

	2018 US\$ 000	2017 US\$ 000
Exchange Profit	1,587	1,445
Revaluation profit and Loss	35	26
	1,622	1,471

25. NET PROVISIONS, DEBTS WRITE- OFF AND RECOVERIES

	2018 US\$ 000	2017 US\$ 000
<u>Provisions allowances</u>		
Specific provisions on loans and credit facilities	103	0
Specific provisions for risks of indirect credit facilities	196	0
Provision for other risks and charges-	314	351
Collective provisions on the current commitments	0	0
<u>Recoveries</u>		
Recovered provisions on loans losses	0	(909)
Provisions write-off	0	(153)
<u>Debts Write-off</u>		
Losses on bad debts	0	153
Losses on suspense Items settlements	0	1
	613	(557)

26. EXCEPTIONAL CONJONCTURAL TAX CONTRIBUTION

In accordance with the provisions of the article 52 of the Law N 2017-66 dated December 18th, 2017, relating to the finance law for the year 2018, exceptional conjonctural contributions, for the

ALUBAF International Bank - Tunis

Notes to the financial Statements

Year ended 31 December 2018

benefit of the state budgets of the years 2018 and 2019 were deducted from the Year profits serving as base for the corporate tax calculation as follows :

-As for the Year 2017 : 5% of the Year profit serving as base for the corporate tax calculation ,

-As for the year 2018 : An amount of 1,676 US Dollar as a minimum of that contribution for the year 2019

	2018	2017
Profit -base of corporate tax calculation (US\$ 000)	(748)	467
Rate of Exceptionnal tax contribution %	4.0%	5.0 %
Exceptionnal tax contribution Amount (US\$ 000)	2	23

27. EARNINGS PER SHARE

	2018 US\$ 000	2017 US\$ 000
Weighted average number of shares outstanding during the year	2,500	2,500
Net profit for the year (US\$ 000) before tax	3,626	3,090
Basic earnings per share (in US dollars per share) before tax	1.45	1.24
Net profit for the year (US\$ 000)	3,609	3,004
Basic earnings per share (in US dollars per share)	1.44	1.20

28.CASH AND CASH EQUIVALENTS

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

	2018 US\$ 000	2017 US\$ 000
Cash and balances with the Central Bank	34,833	17,290
Deposits with the Central Bank	20,001	21,004
Balances with banks and other financial institutions	52,521	57,215
Deposits with banks and other financial institutions	128,877	124,126
Banks Overdrafts	4,370	2,017
Due to banks and other financial institutions	(82,506)	(93,460)
Cash and cash equivalents at 31 December	158,096	128,192

29.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:

Notes to the financial Statements

Year ended 31 December 2018

	2018 US\$ 000	2017 US\$ 000
Confirmed Export letters of credit	83,414	44,001
Import letters of credit	7,043	14,817
Documents on Collection/ Undertaking	329	0
Reimbursements	251	0
Advance payment guarantees	2,410	2,010
Payment Guarantees	6,586	5,295
Performance guarantees	1,543	1,614
Customs guarantees	1,001	1,188
Other guarantees	4	0
	102,581	68,925

30. OFF BALANCE SHEET ITEMS RECEIVED

	2018 US\$ 000	2017 US\$ 000
Banks Counter-guaranties received	488	0

31. EVENTS POST CLOSING

The Board of Directors has approved these financial statements on 26 February 2019 and therefore the events subsequent to that date are not taken into account .

In this context, the Bank was informed on January 16, 2019, that it will be subject to detailed Tax control, covering the years 2015, 2016 and 2017 for all Taxes and duties however to date of these financial statements' approval by the Board of Directors, the fiscal services have not completed their work in this regard yet.

ALUBAF International Bank - Tunis

Notes to the financial Statements

Year ended 31 December 2018

	2014	2015	2016	2017	2018
Balance Sheet	USD 000	USD 000	USD 000	USD 000	USD 000

ASSETS

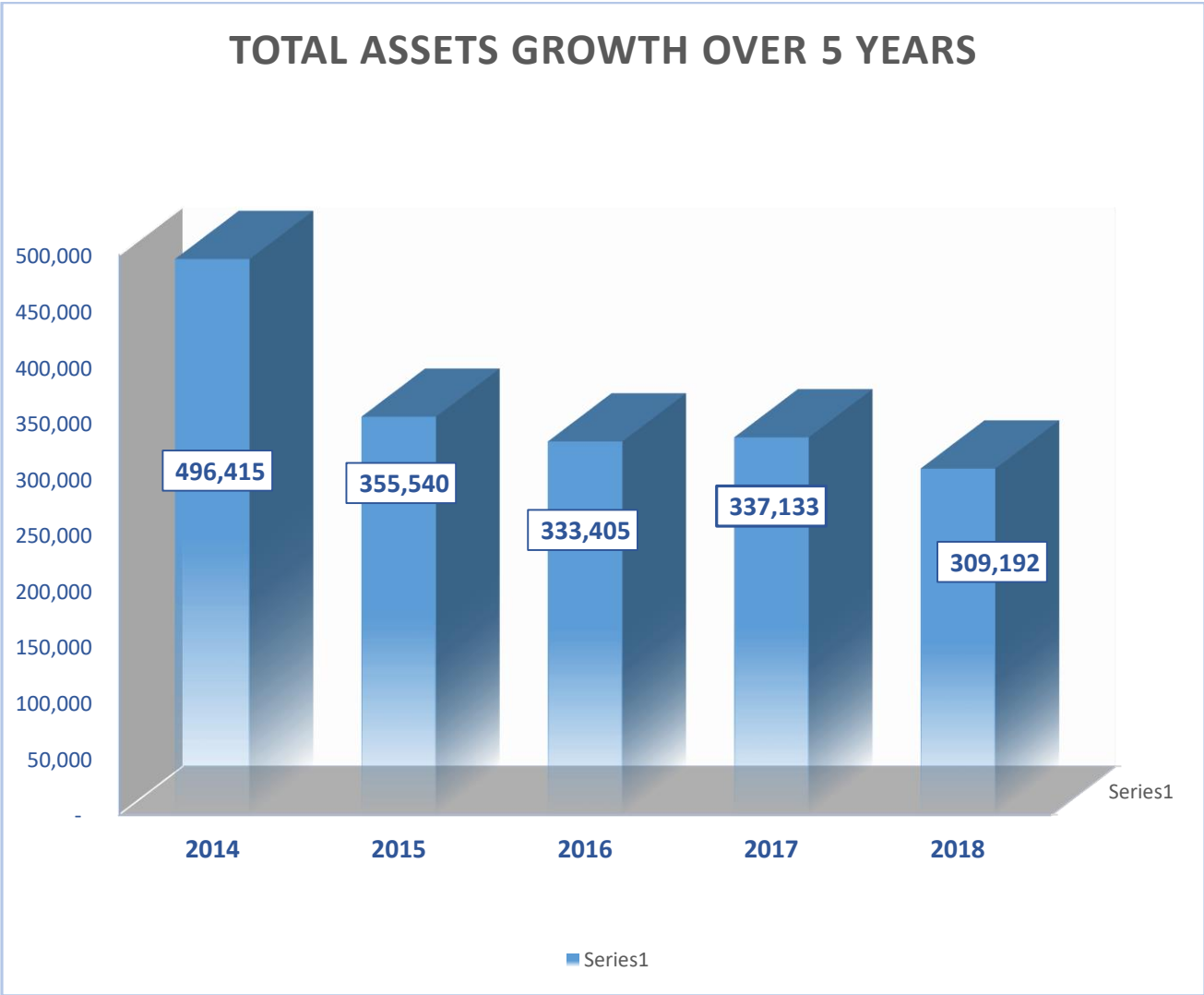
Cash and balances with Central bank	15,768	17,669	39,379	17,290	34,833
Placements with Central Bank				21,004	20,001
Balances with banks and other financial institutions	150,378	61,754	60,215	57,215	52,521
Deposits with banks and other financial institutions	170,511	174,961	180,955	156,272	155,038
Loans and advances to banks and other financial institutions	22,135	5,951	1,938	45,218	8,957
Loans and advances to customers	51,383	51,166	42,739	32,133	29,312
Facilities & Advances under Letters of Credit	78,306	35,725	1	510	1,247
Fixed assets	7,218	6,849	6,407	5,843	5,858
Debtors and other assets	716	1,465	1,771	1,648	1,425
Total assets	496,415	355,540	333,405	337,133	309,192

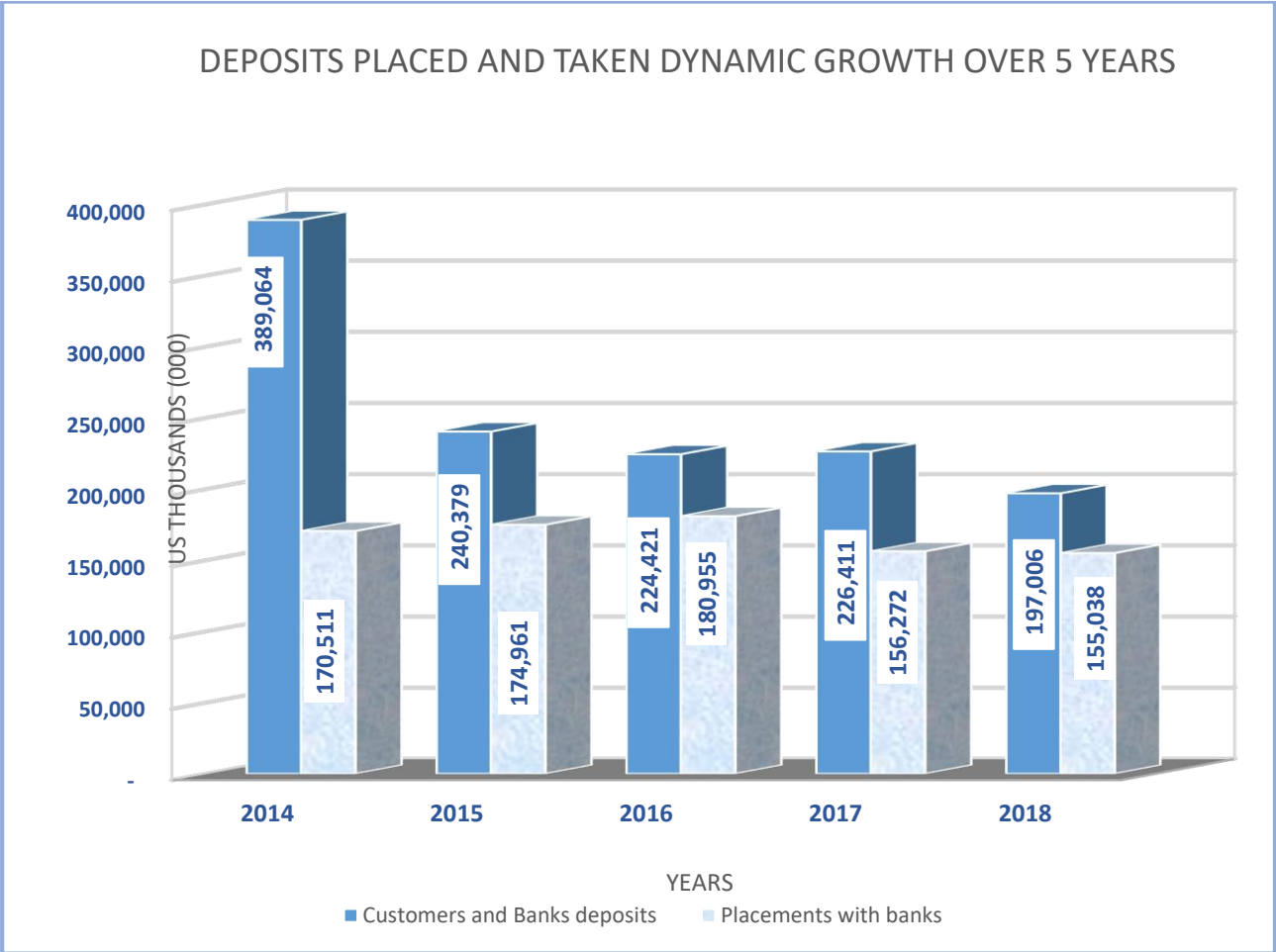
LIABILITIES

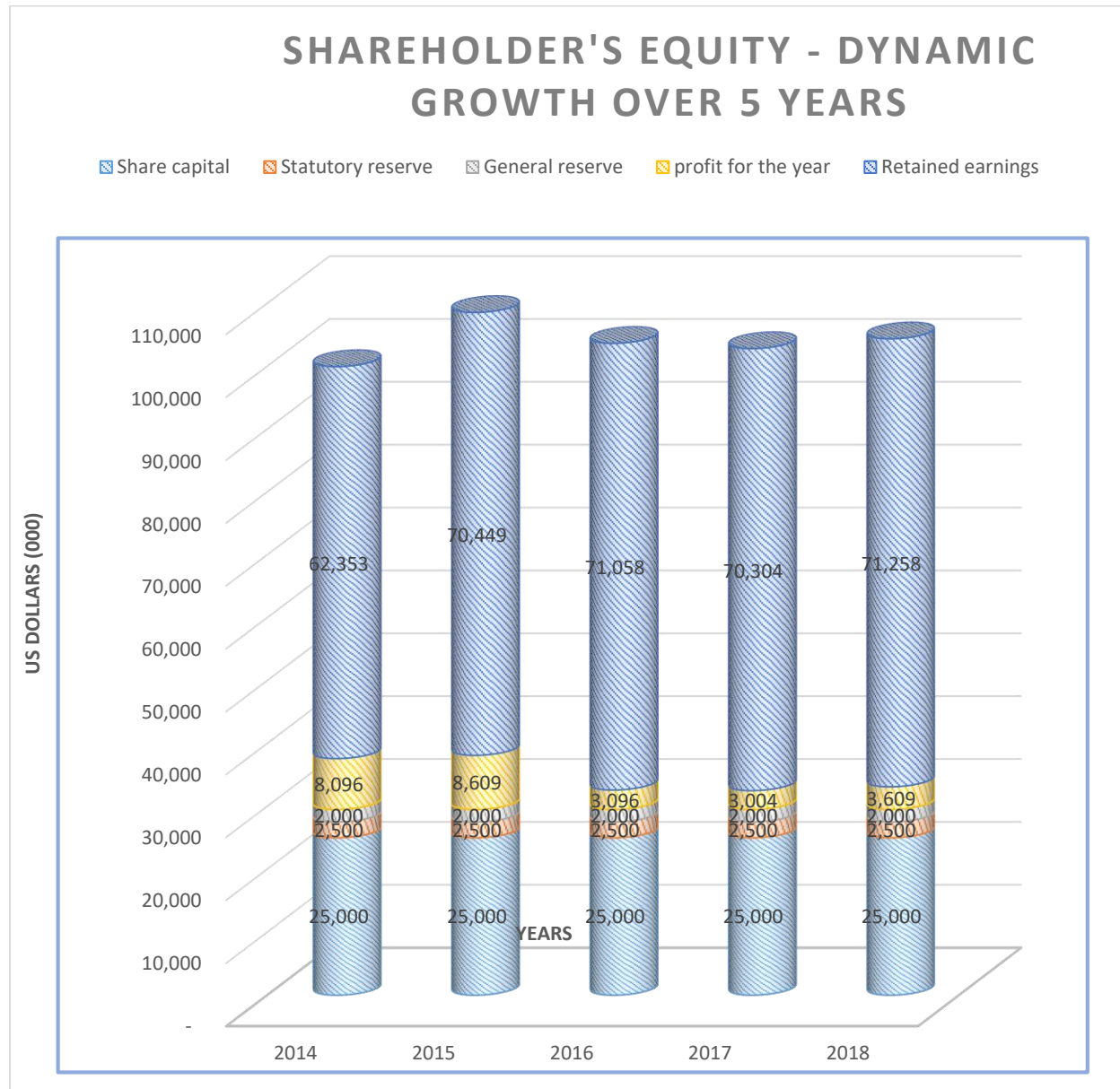
Due to Central banks	60,871	11,852	7,636	11,113	5,931
Deposits by banks and financial institutions	106,323	82,819	85,064	82,347	76,575
Customers's deposits	221,870	145,708	131,721	132,951	114,500
Provisions	1,270	814	920	1,187	1,656
Creditors and other liabilities	6,132	5,789	4,410	4,400	3,823
Total liabilities	396,466	246,982	229,751	231,998	202,485

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	62,353	70,449	71,058	70,304	71,258
Reserve opertionnal risk				2,300	2,300
Social Funds				27	40
Profit for the year	8,096	8,609	3,096	3,004	3,609
Total equity	99,949	108,558	103,654	105,135	106,707
Total liabilities and equity	496,415	355,540	333,405	337,133	309,192





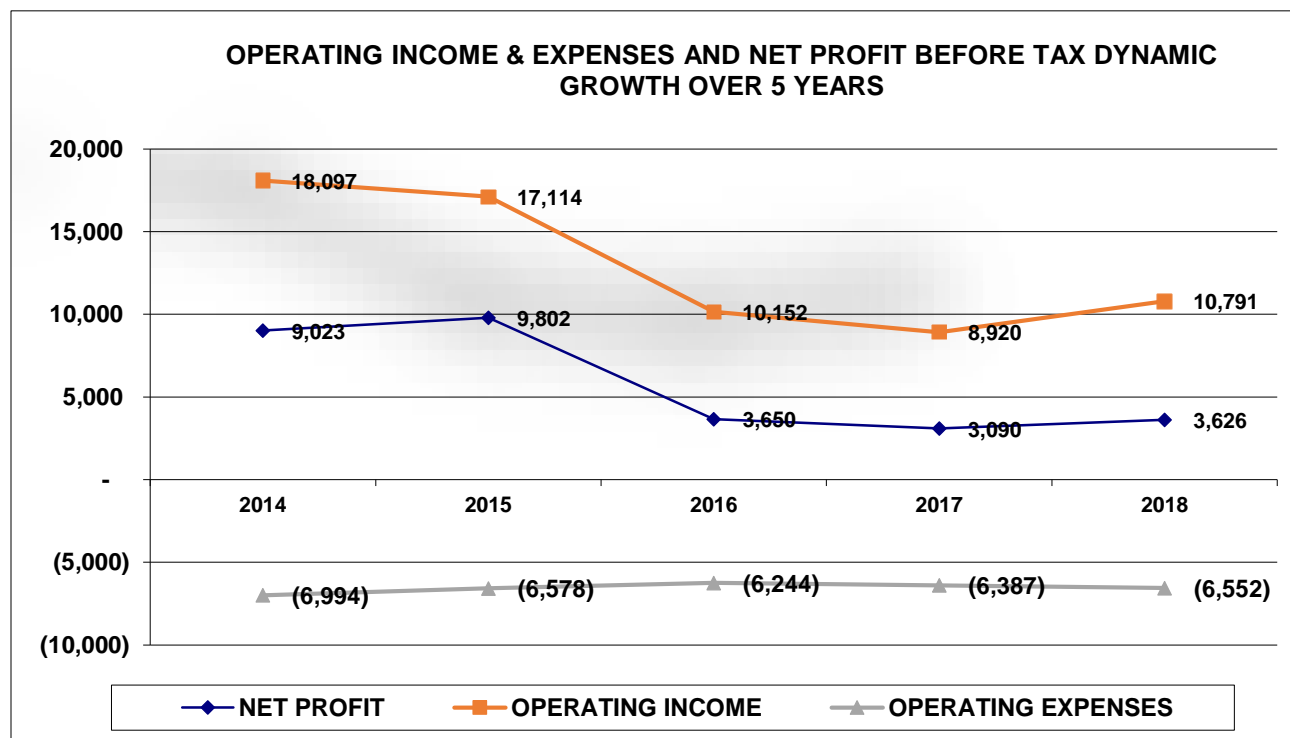
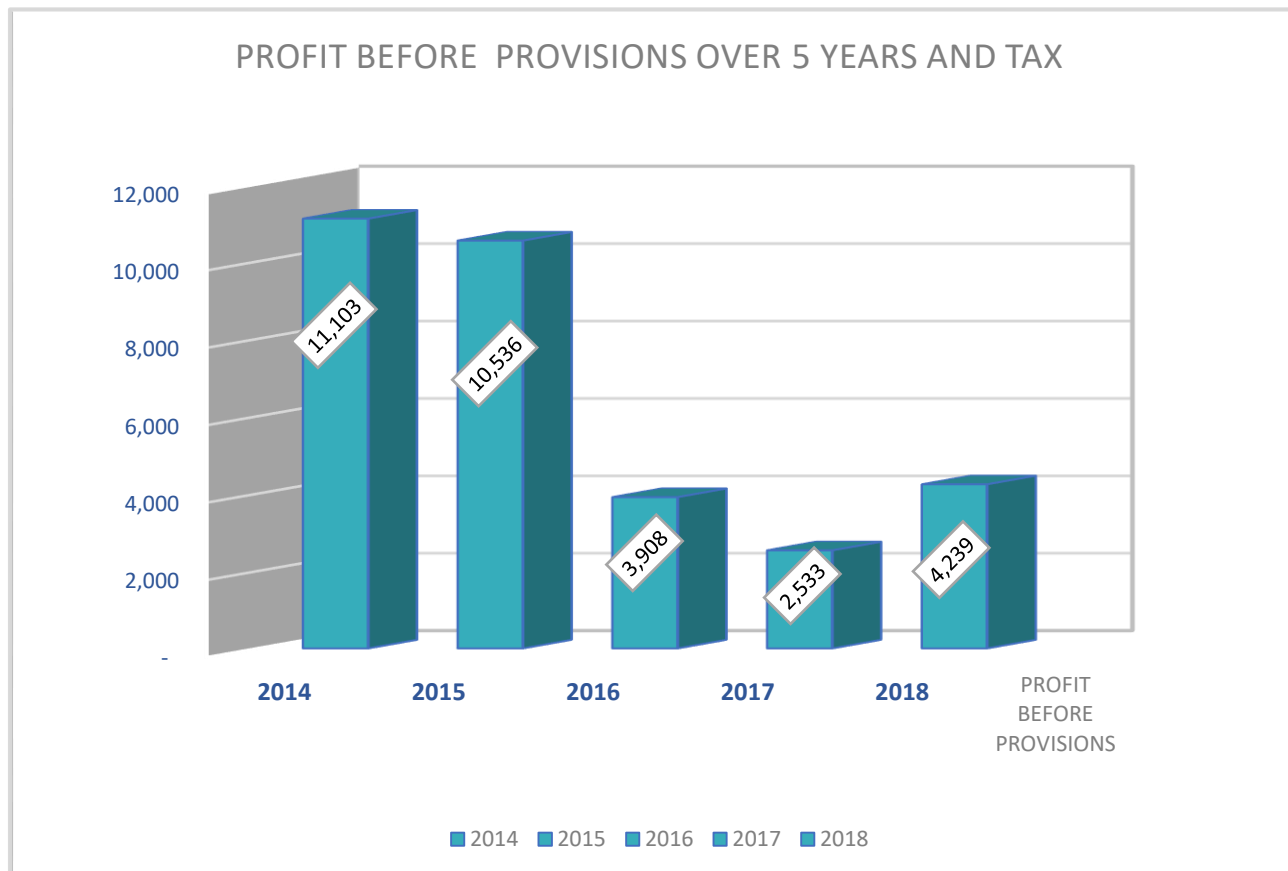


ALUBAF International Bank - Tunis

Notes to the financial Statements

Year ended 31 December 2018

	2014	2015	2016	2017	2018
Profit and Loss Account	USD 000	USD 000	USD 000	USD 000	USD 000
Interest income	6,407	6,905	4,478	6,228	7,374
Interest expense	(753)	(567)	(620)	(1,422)	(1,453)
Net interest income	5,654	6,338	3,858	4,806	5,921
Fees and commission income	11,613	10,264	5,178	2,643	3,248
Other operating income	830	512	1,116	1,471	1,622
OPERATING INCOME	18,097	17,114	10,152	8,920	10,791
Staff expenses	(4,710)	(4,368)	(3,923)	(3,963)	(3,981)
Depreciation	(587)	(638)	(665)	(605)	(578)
Other operating expenses	(1,697)	(1,572)	(1,656)	(1,819)	(1,993)
loss on ordinary items	-	-	-	-	-
OPERATING EXPENSES	(6,994)	(6,578)	(6,244)	(6,387)	(6,552)
PROFIT BEFORE PROVISIONS	11,103	10,536	3,908	2,533	4,239
PROVISIONS	(2,080)	(734)	(258)	557	(613)
NET PROFIT	9,023	9,802	3,650	3,090	3,626
CORPORATE TAX	(927)	(1,193)	(347)	(63)	(15)
NET PROFIT AFTER TAX	8,096	8,609	3,303	3,027	3,611
EXCEPTIONNAL CONJONCTURAL TAX			(207)	(23)	(2)
Profit retained for the financial year	8,096	8,609	3,096	3,004	3,609



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Notes to the financial Statements

Year ended 31 December 2018

	2014	2015	2016	2017	2018
<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>

OPERATING INCOME & PROV RECOVERIES	18,156	17,283	10,184	9,828	10,791
OPERATING EXPENSES & PROVISIONS ALLOWANCES	(9,133)	(7,481)	(6,534)	(6,738)	(7,165)
NET PROFIT (BEFORE TAX)	9,023	9,802	3,650	3,090	3,626
CORPORATE TAX	(927)	(1,193)	(347)	(63)	(15)
OTHER TAXES			(207)	(23)	(2)
NET PROFIT AFTER TAX	8,096	8,609	3,096	3,004	3,609
TRANSFER TO RETAINED EARNINGS	8,096	8,609	3,096	3,004	3,609
DIVIDENDS FROM RETAINED EARNINGS		8,000	1,500	2,000	-
EARNING PER SHARE (EPS) USD/SHARE	3.24	3.44	1.24	1.20	1.44
DIVIDENDS PER SHARE (USD)/SHARE	-	3.20	0.60	0.80	-
RETURNED ON EQUITY (ROE)	8.1%	7.9%	3.0%	2.9%	3.4%
RETURNED ON ASSETS (ROA)	1.6%	2.4%	0.9%	0.9%	1.2%

CUSTOMERS AND BANKS DEPOSITS	389,064	240,379	224,421	226,411	197,006
PLACEMENTS WITH BANKS	170,511	174,961	180,955	156,272	155,038
TOTAL EQUITY	99,949	108,558	103,654	105,135	106,707
TOTAL ASSETS	496,415	355,540	333,405	337,133	309,192

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	59	169	32	909	-
PROVISIONS ALLOWANCES & DEBTS LOSS	(2,139)	(903)	(290)	(351)	(613)
PROVISIONS	(2,080)	(734)	(258)	558	(613)

