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**ALUBAF International Bank - Tunis**

**ANNUAL REPORT**

**31 DECEMBER 2017**

**ADRESS** Avenue de la Bourse, les berges du Lac II  
1053 Tunis - Tunisia  
Postal address :P. O. Box 51-1002 Tunis Belvedere

**TELEPHONES**

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<b>Tele Fax General</b>	<b>+216 71 198 000</b>
<b>Reuters Monitor and Dealing Code</b>	<b>UBAT</b>
<b>SWIFT Code</b>	<b>ALUB TN TT</b>
<b>Commercial Registration</b>	<b>B1997 7 1998</b>

<b>BOARD OF DIRECTORS-----</b>
<b>GENERAL MANAGEMENT-----</b>
<b>MANAGEMENT-----</b>
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<b>CASH FLOW STATEMENT -----</b>
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<b>SELECTED FINANCIAL INDICATORS-----</b>

<b>Chairman</b>	Dr. Khalifa Jumaa El Hassy	
<b>Vice chairman</b>	Mr.Mohamed Ali Tarhuni	
<b>Members</b>		
	Mrs.Karema H M Al Kech	
	Mrs.Mongia Taher Nashnouch	
	Mr Najmi Musa Ben Shaban	
	Mr Ali Ben Hamza Al Makhzum	
	Mr Moftah Salem Ramadan Al Gannas	
	Mr IssamEddine Allegue	Up to 13/02/2017
	Mr Ben Issa Hudanah	
	Mr Safouane Ben Issa	Starting 17/04/2017

## MANAGEMENT

<b>General Manager</b>	Mr AL Taher Al SHAMES
<b>Assistant General Manager</b>	Mr Redaeddine Banuga
<b>Management</b>	
<b>Senior Manager of Banking Operations department</b>	Mr Ezzedine Chlibek
<b>Senior Manager Financial and Accounting</b>	Mrs. Eya Abdeslem Fourati
<b>Managers of Banking Operations department</b>	Mr Mustafa Salem Abu Shahma, Mrs Sonia Ben Touhami Abdennebi, Mrs Zouhour Ayadi Mahfoudh, Mrs Donia Dhouib Chadoura
<b>Manager Treasury (Back office)</b>	Mrs Hella Malki Korte up to 31/10/17
<b>Manager Treasury Department</b>	Mrs Moufida Torkhani Jbali
<b>Assistant Manager Credit Department</b>	Mr Ashraf Youshah
<b>Manager Information Technology Department</b>	Mr Faycel Khemiri
<b>Assistant Manager Information Technology Department</b>	Mrs Marwa Enajar
<b>Manager legal Department</b>	Mr Sofiane Nouisri
<b>Manager Permanent Control &amp; Internal control</b>	Mr Ramzi Mhiri up to 30/09/17
<b>Manager Administration department &amp; Human Ressources</b>	Mrs Hella Bouzidi Ben Saleh
<b>Assistant Manager Of Risk Management Unit</b>	Mr Mohamed Jihed Chamseddine Noubigh
<b>Assistant Manager Of Compliance Unit</b>	Mr Fethi Soussia

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 31<sup>st</sup>, 2017**

**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, 2017 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, 2017, including the balance sheet, the income statement, the cash flow statement, the balance sheet statement, and a summary of significant accounting policies and other explanatory information.

These F/S show positive equity of KUSD **105 135**, including profit for the year amounting KUSD **3 004**.

In our opinion, the financial statements present fairly, in all material aspects, the financial position of *ALUBAF International Bank* as at December 31<sup>st</sup>, 2017 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 Bank 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 stand-alone financial statements of the Bank and our auditor's report thereon.

AUDITORS REPORT

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.

**Responsibilities of the Management and The persons in Charge of the 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 26<sup>th</sup>, 2018

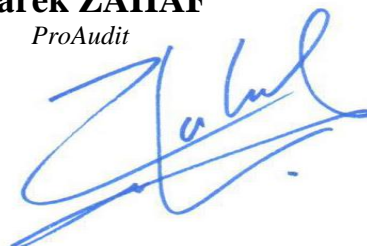
**Haythem AMOR**

*Consulting Management & Governance*



**Tarek ZAHAF**

*ProAudit*



# ALUBAF International Bank - Tunis

## BALANCE SHEET

Year ended 31 December 2017

		2017	2016
	Notes	US\$ 000	US\$ 000
<b>ASSETS</b>			
Cash and balances with Central Bank	3	17,290	39,379
Deposits with the Central Bank	4	21,004	0
Balances with banks and other financial institutions		57,215	60,215
Deposits with banks and other financial institutions	5	156,272	180,955
Loans and advances to banks and other financial institutions	6	45,218	1,938
Loans, advances and overdrafts to customers	7	32,133	42,739
Facilities & Advances under Letters of Credit		510	1
Fixed Assets & Premises	9	5,843	6,407
Other assets	10	1,648	1,771
<b>TOTAL ASSETS</b>		<b>337,133</b>	<b>333,405</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to Central Banks	11	11,113	7,636
Due to banks and other financial institutions	12	82,347	85,064
Customers' deposits	13	132,951	131,721
Provisions	14	1,187	920
Other liabilities	15	4,400	4,410
<b>TOTAL LIABILITIES</b>		<b>231,998</b>	<b>229,751</b>
<b>EQUITY</b>			
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	0
Social Fund	19	27	0
Retained earnings	20	70,304	71,058
Profit for the year		3,004	3,096
<b>TOTAL EQUITY</b>		<b>105,135</b>	<b>103,654</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>337,133</b>	<b>333,405</b>



**BALANCE SHEET**

Year ended 31 December 2017

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
<b>OFF BALANCE SHEET COMMITMENTS</b>			
<b>Letters of Credit</b>	29	<b>58,818</b>	78,536
<b>Guarantees</b>	29	<b>10,107</b>	8,169
<b>Total Off Balance Sheet Commitments</b>		<b>68,925</b>	86,705

<b>OFF BALANCE SHEET COMMITMENTS RECEIVED</b>			
<b>Banks Counter Guaranties received</b>	<b>30</b>	<b>0</b>	<b>3,955</b>

**Mr Taher Al SHAMES**

**General Manager**

**Dr. Khalifa Jomaa El Hassi**

**Chairman of The Board of Directors**

## INCOME STATEMENT

Year ended 31 December 2017

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
<b>Interest income</b>	21	<b>6,228</b>	4,478
<b>Interest expense</b>	22	<b>(1,422)</b>	(620)
<b>Net interest income</b>		<b>4,806</b>	3,858
<b>Fees and commissions net income</b>	23	<b>2,643</b>	5,178
<b>Exchange and Revaluation Profit</b>	24	<b>1,471</b>	1,098
<b>Operating Income</b>		<b>0</b>	18
<b>Net Profit From Commissions and Other Income</b>		<b>4,114</b>	6,294
<b>OPERATING INCOME</b>		<b>8,920</b>	10,152
<b>Staff expenses</b>		<b>(3,963)</b>	(3,923)
<b>Depreciations</b>	9	<b>(605)</b>	(665)
<b>Net Provisions, write off and recoveries</b>	25	<b>557</b>	(258)
<b>Other operating expenses</b>		<b>(1,819)</b>	(1,656)
<b>OPERATING EXPENSES</b>		<b>(5,830)</b>	(6,502)
<b>NET PROFIT FOR THE YEAR BEFORE TAX</b>		<b>3,090</b>	3,650
<b>Corporate Tax</b>		<b>(63)</b>	(347)
<b>NET PROFIT FOR THE YEAR AFTER TAX</b>		<b>3,027</b>	3,303
<b>Exceptional Contribution</b>	26	<b>(23)</b>	(207)
<b>NET PROFIT FOR THE YEAR</b>		<b>3,004</b>	3,096
<b>Basic earnings per share (expressed in US dollars per share)</b>	27	<b>1.20</b>	1.24
<b>Return on capital</b>		<b>12 %</b>	12%
<b>Return on equity</b>		<b>3.01%</b>	3.08%

## CASH FLOW STATEMENT

Year ended 31 December 2017

		2017	2016
		US\$ 000	US\$ 000
<b><u>OPERATING ACTIVITIES</u></b>			
Operating revenues received		9,780	10,869
Operating charges paid out		(1,543)	(687)
Deposit / Drawing from Banks and Other Financial Institutions		(74,758)	4,482
Loan / Redemption of loans to customers		10,921	44,087
Deposit / Drawing from customers		1,228	(14,008)
Placement securities		-	-
Amount paid to employees and other creditors		(3,776)	(4,571)
Other cash flows from operating activities (*)		(1,722)	(1,981)
Income tax paid		(187)	(1,366)
<b>Net cash flows from operating activities</b>		<b>(60,057)</b>	<b>36,825</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase / sale of intangible fixed assets (*)		(40)	(212)
<b>Net cash-flows from (Used in) investing activities</b>		<b>(40)</b>	<b>(212)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Dividends paid		(1,523)	(8,000)
<b>Net cash (used in) from financing activities</b>		<b>(1,523)</b>	<b>(8,000)</b>
Impact of Revaluation on cash and Cash Equivalents		25	27
Net increase in cash and cash equivalents during the year		(61,595)	28,640
<b>Cash and cash equivalents at 1<sup>st</sup> of January</b>		<b>189,786</b>	<b>161,146</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER (Note 23)</b>		<b>128,191</b>	<b>189,786</b>

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

		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
	No te	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Balance at 31 December 2015</b>		25,000	2,500	2,000	-	-	62,353	8,096	8,609	108,558
<b>Year 2015 profit appropriation</b>								8,609	(8,609)	0
<b>Dividends Paid</b>		-	-	-	-	-	(8,000)	-	-	(8,000)
<b>Net profit for the year -2016</b>		-	-	-	-	-	-	-	3,096	3,096
<b>Proposed Dividends</b>		-	-	-	-	-	-	-	-	0
<b>Balance at 31 December 2016</b>		<b>25,000</b>	<b>2,500</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>54,353</b>	<b>16,705</b>	<b>3,096</b>	<b>103,654</b>
<b>Year 2016 profit appropriation</b>		-	-	-	-	50	-	3,046	(3,096)	0
<b>Dividends Paid</b>		-	-	-	-	-	(1,500)	-	-	(1,500)
<b>General reserve to risk operational</b>		-	-	-	2,300	-		(2,300)	-	-
<b>Net profit for the year -2017</b>		-	-	-	-	-	-	-	3,004	3,004
<b>Social Fund</b>		-	-	-	-	(23)		-	-	(23)
<b>Balance at 31 December 2017</b>		<b>25,000</b>	<b>2,500</b>	<b>2,000</b>	<b>2,300</b>	<b>27</b>	<b>52,853</b>	<b>17,451</b>	<b>3,004</b>	<b>105,135</b>

### **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**

Notes to the financial Statements

Year ended 31 December 2017

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.

**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.

## Notes to the financial Statements

Year ended 31 December 2017

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.

**2.1 Changes in cash Flow Statements Presentation**

At the end of 2017, the Bank has changed the method of cash flows ‘statement presentation, by adopting the the referencial model. For comparison purposes, the 2016 figures were adjusted accordingly



### **3. CASH AND BALANCES WITH THE CENTRAL BANK**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Cash in hand	348	196
Balances with the Central Bank of Tunisia	16,942	39,183
	<b>17,290</b>	<b>39,379</b>

### **4. DEPOSITS WITH THE CENTRAL BANK**

	<b>2017 USD\$000</b>	<b>2016 USD\$000</b>
Time deposits maturing within 3 months	21,004	0
	<b>21,004</b>	<b>0</b>

The above mentioned amounts include accrued interests on deposits as of 31/12/2017

### **5. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Time deposits maturing within 3 months	<b>124,126</b>	180,955
Time deposits maturing after 3 and before 6 months	<b>11,977</b>	0
Time deposits maturing after 6 months and before year	<b>20,169</b>	0
	<b>156,272</b>	<b>180,955</b>

The above mentioned amounts include accrued interests on deposits as of 31/12/2017

**6. LOANS AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Banks Overdrafts	<b>2,017</b>	1,938
Loans to financial institutions	<b>43,201</b>	0
	<b>45,218</b>	<b>1,938</b>

**7. LOANS AND ADVANCES TO CUSTOMERS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Overdrafts companies and organizations	<b>33,313</b>	43,920
Overdrafts individuals	<b>14</b>	0
Past due obligations	<b>12,537</b>	12,726
	<b>45,864</b>	56,646
Less: Collective and Specific Provisions and suspended interests	<b>(13,731)</b>	(13,907)
	<b>32,133</b>	<b>42,739</b>

Loans and advances are stated net of provisions for loan losses and collective provisions.

The provisions' movements during the year were as follows:

	<b>Collective Provisions</b>	<b>Provisions /Doubtful debts</b>	<b>Interest suspended</b>	<b>Total</b>
<b>At 1 January</b>	1,194	7,916	4,797	<b>13,907</b>
<b>Provisions Charge for the year (note 22)</b>			597	<b>597</b>
<b>Recoveries/(write backs)</b>		(909)	(39)	<b>(948)</b>
<b>Amounts written off</b>		(153)	(176)	<b>(329)</b>
<b>Revaluation</b>		411	93	<b>504</b>
<b>At 31 December 2017</b>	<b>1,194</b>	<b>7,265</b>	<b>5,272</b>	<b>13,731</b>

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.

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b><u>Balance sheet items</u></b>		
Deposits with banks and other financial institutions	<b>50,595</b>	100,453
Due to banks and other financial institutions	<b>50,010</b>	58,218
Other due from Banks	<b>0</b>	0
Other Banks deposits	<b>72</b>	674
Loans to financial institutions	<b>43,201</b>	3,035
Customers deposits	<b>2,003</b>	1,942
<b><u>Off balance items</u></b>		
Letters of credit commitments	<b>30</b>	6,022
Banks Guarantees received	<b>0</b>	3,955

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

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Interest income	<b>1,197</b>	555
Interest expense	<b>714</b>	423
Net income from Fees and commission	<b>4</b>	6

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

## Notes to the financial Statements

Year ended 31 December 2017

**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	Untan- gible fixed Assets	Motor Vehicles	Fixed Assets in Progress	Total
<b><u>Cost:</u></b>							
At 1 January	<b>2,109</b>	<b>4,763</b>	<b>3,143</b>	<b>1,900</b>	<b>220</b>	<b>32</b>	<b>12,167</b>
Additions	0	0	37	4	0	0	41
Fixed Assets in progress	0	0	11	10	0	(21)	0
Disposals	0	0	0	0	0	0	0
<b>At 31 December 2017</b>	<b>2,109</b>	<b>4,763</b>	<b>3,191</b>	<b>1,914</b>	<b>220</b>	<b>11</b>	<b>12,208</b>
<b><u>Depreciation:</u></b>							
At 1 January	-	1,773	2,271	1,592	124	0	5,760
Depreciations	-	238	227	112	28	0	605
Depreciation of Disposals	-	0	0	0	0	0	0
<b>At 31 December 2017</b>	<b>0</b>	<b>2,011</b>	<b>2,498</b>	<b>1,704</b>	<b>152</b>	<b>0</b>	<b>6,365</b>
<b><u>Net book value:</u></b>							
<b>At 31 December 2017</b>	<b>2,109</b>	<b>2,752</b>	<b>693</b>	<b>210</b>	<b>68</b>	<b>11</b>	<b>5,843</b>

Notes to the financial Statements

Year ended 31 December 2017

**10. OTHER ASSETS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Staff loans (Including advances)	881	652
Sundry debtors	42	21
Provision on Sundry Debtors	(9)	(10)
Prepayments	157	165
Instalment payments/ Corporate Tax	577	943
	<b>1,648</b>	<b>1,771</b>

**11. DUE TO CENTRAL BANKS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Call deposits	11,113	7,636
	<b>11,113</b>	<b>7,636</b>

**12. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Call deposits	26,027	29,155
Time Deposits maturing within 3 Months	56,000	55,000
Interests accrued on Time Deposits	11	12
Guarantee deposits	237	675
Other due to Banks	72	222
	<b>82,347</b>	<b>85,064</b>

**13. CUSTOMERS DEPOSITS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Call deposits	59,609	65,447
Time Deposits	3,938	4,666
Guarantee deposits	12,994	10,489
Interests accrued on Time Deposits	26	25
Other Deposits	56,384	51,094
	<b>132,951</b>	<b>131,721</b>

**14. OTHER PROVISIONS***US\$ 000*

	<b>Indirect credit facilities</b>	<b>Legal cases</b>	<b>Others</b>	<b>Total</b>
Balance at the beginning of the year	0	17	903	<b>920</b>
Utilised during the year (Note 22)	-	-	(65)	<b>(65)</b>
Addition during the year	-	-	351	<b>351</b>
Recoveries/(write backs)	-	-	-	<b>0</b>
Revaluation	-	(1)	(18)	<b>(19)</b>
<b>Balance at 31 December</b>	<b>0</b>	<b>16</b>	<b>1,171</b>	<b>1,187</b>

**15. OTHER LIABILITIES**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Interest and commissions received in advance	83	152
Provisions for Retirement	972	754
Provisions for staff end of service's compensation	1,590	1,417
Taxes and Social contributions payable	505	899
Reserve For Expenses	1,226	1,042
<b>Sundry Creditors</b>	<b>24</b>	<b>146</b>
	<b>4,400</b>	<b>4,410</b>

## **16. 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.

## **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 OPERATIONNAL 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 allocate the amount of 50,000 US Dollars, from the year 2016 profit, to the Social Fund of the Bank's Staff

## **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 :

	<b>Retained Earnings for profits realized up to 31/12/13</b>	<b>Retained Earnings for profits realized after 31/12/13</b>	<b>TOTAL</b>
<b>Balance at the beginning of the year</b>	54,353	16,705	71,058
Transfer from the profit of the year 2016	-	3,046	3,046
Dividends paid	(1,500)		(1,500)
General reserve for operational risk		(2,300)	(2,300)
	<b>52,853</b>	<b>17,451</b>	<b>70,304</b>

## **21. INTEREST INCOME**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Banks call Accounts-Overdrafts	70	61
Balances with banks and other financial institutions	551	135
Time deposits placed	2,836	1,587
Loans and advances to Banks and financial institutions	544	71
Facilities and advances on Letters of credit and collections	36	554
Overdrafts and advances to customers	2,171	2,052
Loans and advances to staff	20	18
	<b>6,228</b>	<b>4,478</b>

## **20. INTEREST EXPENSE**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
Banks call Accounts	<b>439</b>	169
Banks Time deposits	<b>905</b>	345
Customers current accounts	<b>21</b>	21
Customers Time deposits	<b>43</b>	72
Other Interest expenses	<b>14</b>	13
	<b>1,422</b>	<b>620</b>



**21. NET INCOME FROM FEES AND COMMISSIONS**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b>Letters of Guarantees commissions</b>	97	444
<b>Letters of Credit commissions</b>	2,162	4,037
<b>Documents for collection commissions</b>	26	307
<b>Customers Services commissions</b>	370	357
<b>Other Commissions</b>	110	122
	<b>2,765</b>	<b>5,267</b>
<b>Less: Commissions Paid</b>	(122)	(89)
	<b>2,643</b>	<b>5,178</b>

**22. EXCHANGE AND REVALUATION PROFIT**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b>Exchange Profit</b>	1,445	1,071
<b>Revaluation profit and Loss</b>	26	27
	<b>1,471</b>	<b>1,098</b>

**23. NET PROVISIONS, DEBTS WRITE- OFF AND RECOVERIES**

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b><u>Provisions allowances</u></b>		
<b>Specific provisions on loans and credit facilities</b>	0	61
<b>Provision for other risks and charges-</b>	351	150
<b>Collective provisions on the current commitments</b>	0	0
<b><u>Recoveries</u></b>		
<b>Recovered provisions on loans losses</b>	(909)	(32)
<b>Provisions write-off</b>	(153)	(444)
<b><u>Debts Write-off</u></b>		
<b>Losses on bad debts</b>	153	444
<b>Losses on suspense Items settlements</b>	1	79
	<b>(557)</b>	<b>258</b>

**24. EXCEPTIONNAL TAX CONTRIBUTION****As For the Year 2016**

In accordance with the provisions of the article 48 of the Law N 2016-78 dated December 17th, 2016, relating to the finance law for the year 2017, 7.5 % of profits serving as base for the corporate tax calculation, was deducted as an exceptional contribution for the benefit of the state budget of the year 2017.

**As For the Year 2017**

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, 5 % of profits serving as base for the corporate tax calculation, was deducted as an exceptional contribution for the benefit of the state budget of the year 2018.

## Notes to the financial Statements

Year ended 31 December 2017

	2017	2016
Profit -base of corporate tax calculation (US\$ 000)	467	2,761
Rate of Exceptionnal tax contribution %	5.0 %	7.5%
Exceptionnal tax contribution Amount (US\$ 000)	23	207

**25. EARNINGS PER SHARE**

	2017 US\$ 000	2016 US\$ 000
Weighted average number of shares outstanding during the year	2,500	2,500
Net profit for the year (US\$ 000) before tax	3,090	3,650
Basic earnings per share ( in US dollars per share) before tax	1.24	1.46
Net profit for the year (US\$ 000)	3,004	3,096
Basic earnings per share ( in US dollars per share)	1.20	1.24

**26. CASH AND CASH EQUIVALENTS**

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

	2017 US\$ 000	2016 US\$ 000
Cash and balances with the Central Bank	17,290	39,379
Deposits with the Central Bank	21,004	0
Balances with banks and other financial institutions	57,215	60,215
Deposits with banks and other financial institutions	124,126	180,955
Banks Overdrafts	2,017	1,938
Due to banks and other financial institutions	(93,460)	(92,700)
<b>Cash and cash equivalents at 31 December</b>	<b>128,192</b>	<b>189,787</b>

**27. 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:

	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b>Confirmed Export letters of credit</b>	44,001	45,094
<b>Import letters of credit</b>	14,817	31,781
<b>Documents on Collection/ Undertaking</b>	0	1,661
<b>Reimbursements</b>	0	101
<b>Advance payment guarantees</b>	2,010	1,946
<b>Payment Guarantees</b>	5,295	3,955
<b>Performance guarantees</b>	1,614	2,165
<b>Customs guarantees</b>	1,188	2
	<b>68,925</b>	<b>86,705</b>

**28. OFF BALANCE SHEET ITEMS RECEIVED**

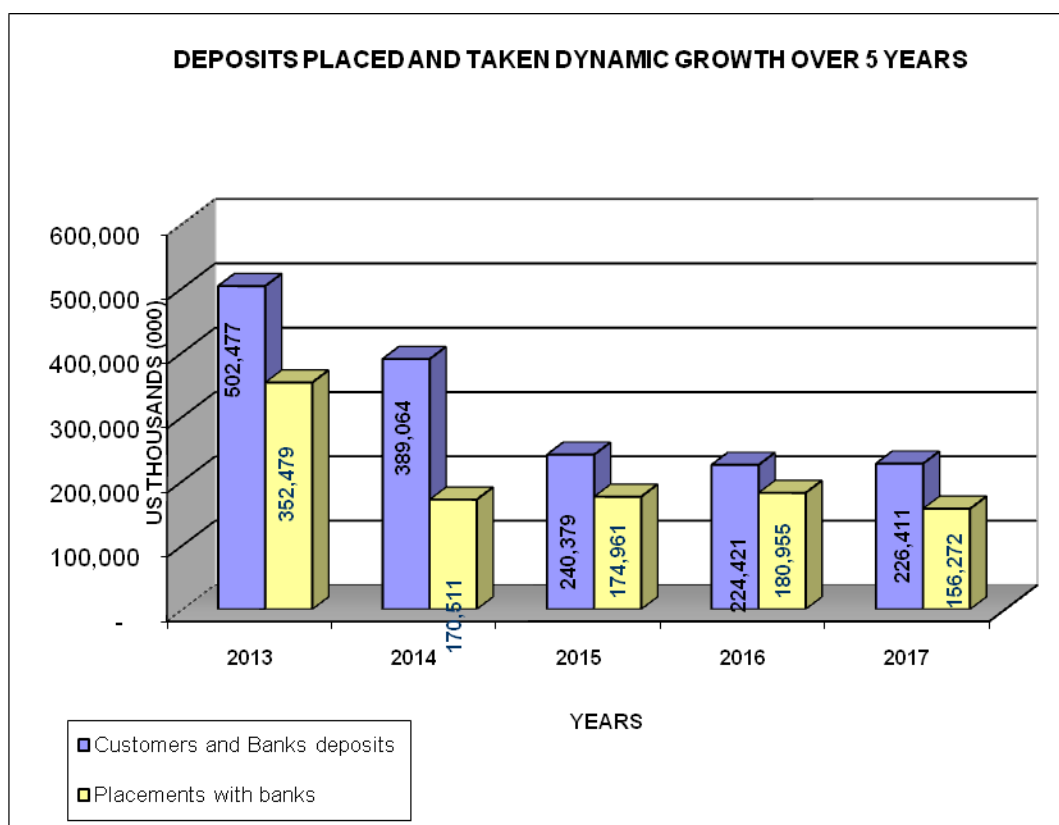
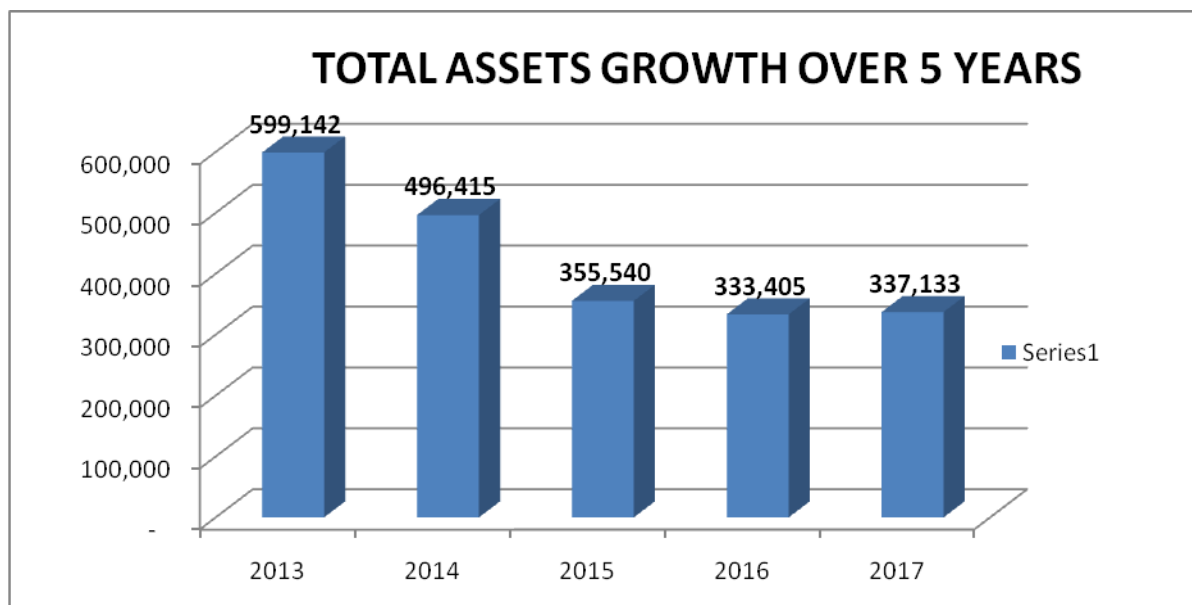
	<b>2017 US\$ 000</b>	<b>2016 US\$ 000</b>
<b>Banks Counter-guaranties received</b>	<b>0</b>	<b>3,955</b>

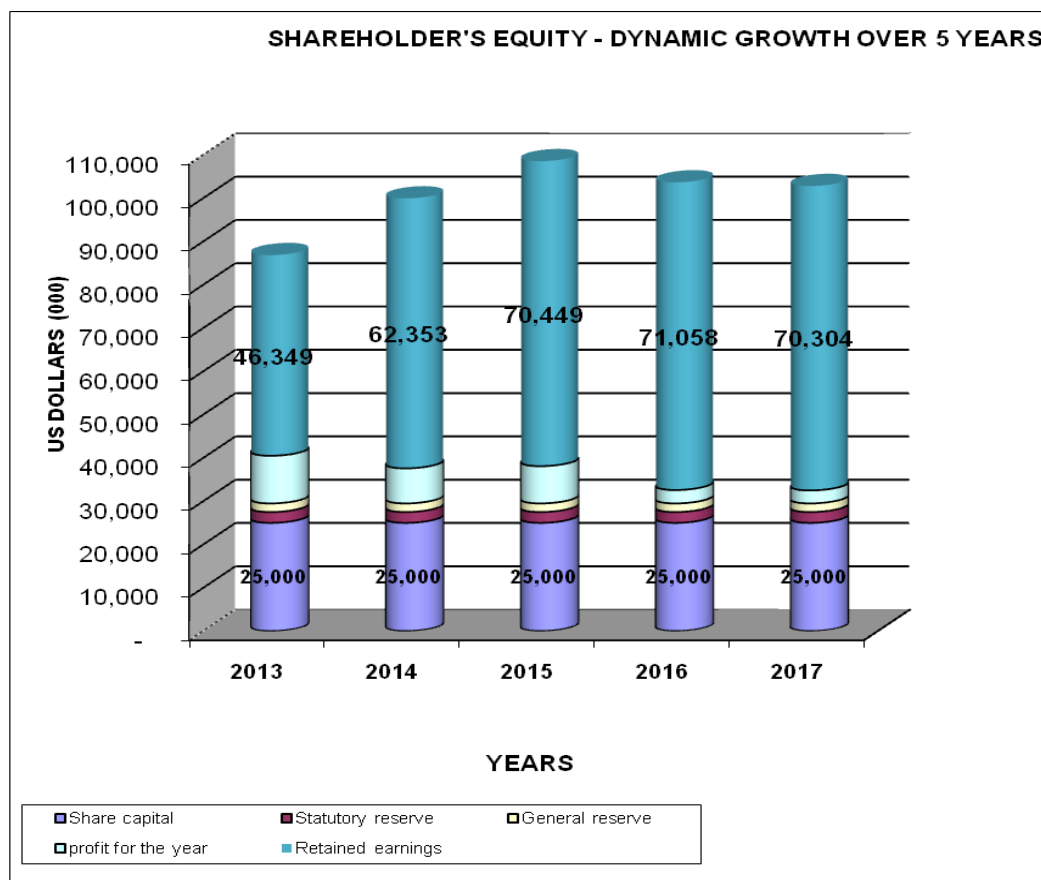
# ALUBAF International Bank - Tunis

## Notes to the financial Statements

Year ended 31 December 2017

	2013	2014	2015	2016	2017
Balance Sheet	USD 000	USD 000	USD 000	USD 000	USD 000
<b>ASSETS</b>					
Cash and balances with banks	742	15,768	17,669	39,379	17,290
Deposits with the central bank					21,004
NOSTRO	143,487	150,378	61,754	60,215	57,215
Deposits with banks and other financial institutions	352,479	170,511	174,961	180,955	156,272
Loans and advances to banks and other financial institutions	5,301	22,135	5,951	1,938	45,218
Loans and advances to customers	51,634	51,383	51,166	42,739	32,133
Facilities & Advances under Letters of Credit	37,387	78,306	35,725	1	510
Fixed assets	7,327	7,218	6,849	6,407	5,843
Debtors and other assets	785	716	1,465	1,771	1,648
<b>Total assets</b>	<b>599,142</b>	<b>496,415</b>	<b>355,540</b>	<b>333,405</b>	<b>337,133</b>
<b>LIABILITIES</b>					
Due to Central banks	68,445	60,871	11,852	7,636	11,113
Deposits by banks and financial institutions	205,738	106,323	82,819	85,064	82,347
Customers's deposits	228,294	221,870	145,708	131,721	132,951
Provisions	896	1,270	814	920	1,187
Creditors and other liabilities	8,916	6,132	5,789	4,410	4,400
<b>Total liabilities</b>	<b>512,289</b>	<b>396,466</b>	<b>246,982</b>	<b>229,751</b>	<b>231,998</b>
<b>EQUITY</b>					
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
General reserve to cover operational risk	-	-	-	-	2,300
Contribution to the social fund	-	-	-	-	27
Retained earnings	57,353	70,449	71,058	71,058	70,304
Proposed dividends	-	-	8,000	3,096	3,004
<b>Total equity</b>	<b>86,853</b>	<b>99,949</b>	<b>108,558</b>	<b>103,654</b>	<b>105,135</b>
<b>Total liabilities and equity</b>	<b>599,142</b>	<b>496,415</b>	<b>355,540</b>	<b>333,405</b>	<b>337,133</b>



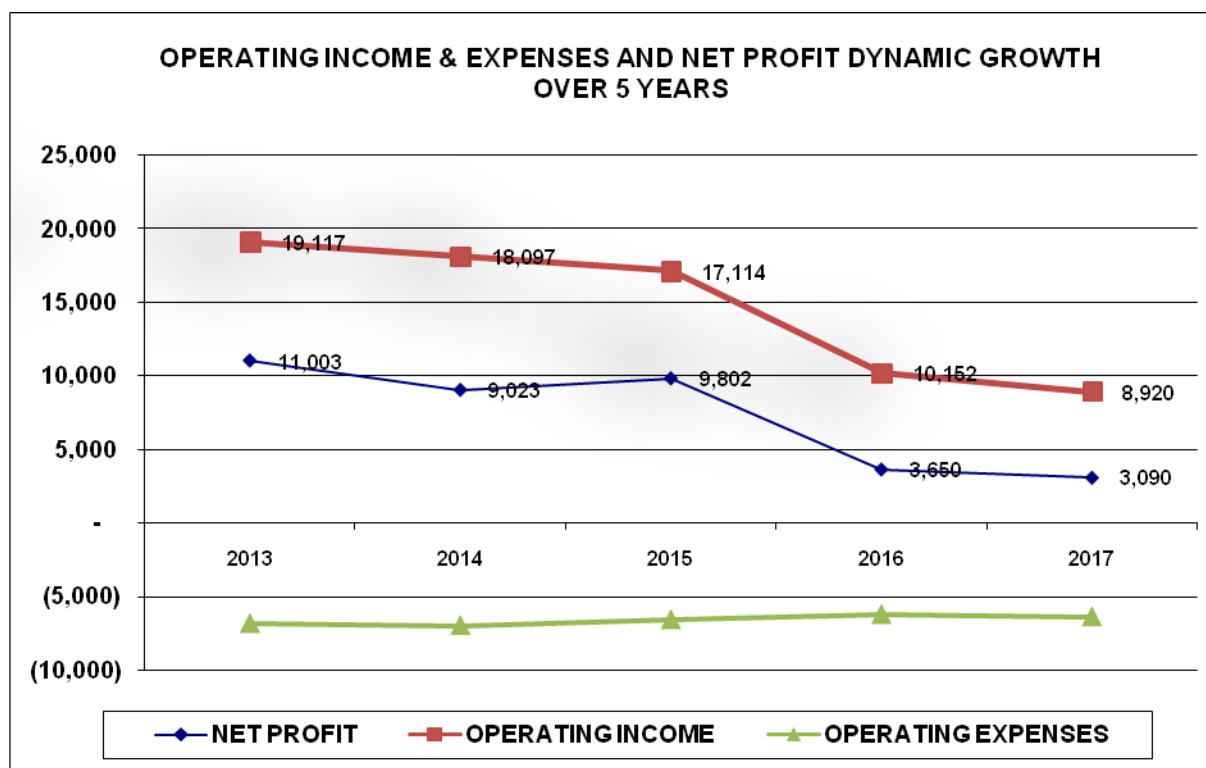


## Notes to the financial Statements

Year ended 31 December 2017

	2013	2014	2015	2016	2017
Profit and Loss Account	USD 000	USD 000	USD 000	USD 000	USD 000
Interest income	4,783	6,407	6,905	4,478	6,228
Interest expense	(716)	(753)	(567)	(620)	(1,422)
Net interest income	<b>4,067</b>	<b>5,654</b>	<b>6,338</b>	<b>3,858</b>	<b>4,806</b>
Fees and commission income	11,827	11,613	10,264	5,178	2,643
Other operating income	3,223	830	512	1,116	1,471
<b>OPERATING INCOME</b>	<b>19,117</b>	<b>18,097</b>	<b>17,114</b>	<b>10,152</b>	<b>8,920</b>
Staff expenses	(4,831)	(4,710)	(4,368)	(3,923)	(3,963)
Depreciation	(389)	(587)	(638)	(665)	(605)
Other operating expenses	(1,634)	(1,697)	(1,572)	(1,656)	(1,819)
loss on ordinary items	-	-	-	-	-
<b>OPERATING EXPENSES</b>	<b>(6,854)</b>	<b>(6,994)</b>	<b>(6,578)</b>	<b>(6,244)</b>	<b>(6,387)</b>
Profit before Provisions	12,263	11,103	10,536	3,908	2,533
Provisions	(1,259)	(2,080)	(734)	(258)	557
Other losses					
<b>NET PROFIT BEFORE TAX</b>	<b>11,003</b>	<b>9,023</b>	<b>9,802</b>	<b>3,650</b>	<b>3,090</b>
Corporate Tax		(927)	(1,193)	(347)	(63)
<b>NET PROFIT AFTER TAX</b>	<b>11,003</b>	<b>8,096</b>	<b>8,609</b>	<b>3,303</b>	<b>3,027</b>
Exceptionnall Contribution				(207)	(23)
<b>Profit retained for the financial year</b>	<b>11,003</b>	<b>8,096</b>	<b>8,609</b>	<b>3,096</b>	<b>3,004</b>





# ALUBAF International Bank - Tunis

## Notes to the financial Statements

Year ended 31 December 2017

<b>Financial Highlights</b>	<b>2013 USD 000</b>	<b>2014 USD 000</b>	<b>2015 USD 000</b>	<b>2016 USD 000</b>	<b>2017 USD 000</b>
OPERATING INCOME & PROV RECOVERIES	19,501	18,156	17,283	10,184	9,828
OPERATING EXPENSES & PROVISIONS ALLOWANCES	(8,498)	(9,133)	(7,481)	(6,455)	(6,738)
NET PROFIT (BEFORE TAX)	11,003	9,023	9,802	3,650	3,090
Corporate TAX		(927)	(1,193)	(347)	(63)
Exceptional contribution				(207)	(23)
NET PROFIT AFTER TAX	<b>11,003</b>	<b>8,096</b>	<b>8,609</b>	<b>3,096</b>	<b>3,004</b>
EARNING PER SHARE (EPS) USD/share	4.40	3.24	3.44	1.24	1.20
Returned on equity (ROE)	12.7%	8.1%	7.9%	3.0%	2.9%
Returned on assets (ROA)	1.8%	1.6%	2.4%	0.9%	0.9%

Customers and Banks deposits	502,477	389,064	240,379	224,421	226,411
Placements with banks	352,479	170,511	174,961	180,955	156,272
Total equity	86,853	99,949	108,558	103,654	105,135
<b>Total assets</b>	<b>599,142</b>	<b>496,415</b>	<b>355,540</b>	<b>333,405</b>	<b>337,133</b>

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	385	59	169	32	909
PROVISIONS ALLOWANCES	(1,644)	(2,139)	(903)	(290)	(351)
<b>PROVISIONS</b>	<b>(1,259)</b>	<b>(2,080)</b>	<b>(734)</b>	<b>(258)</b>	<b>558</b>

