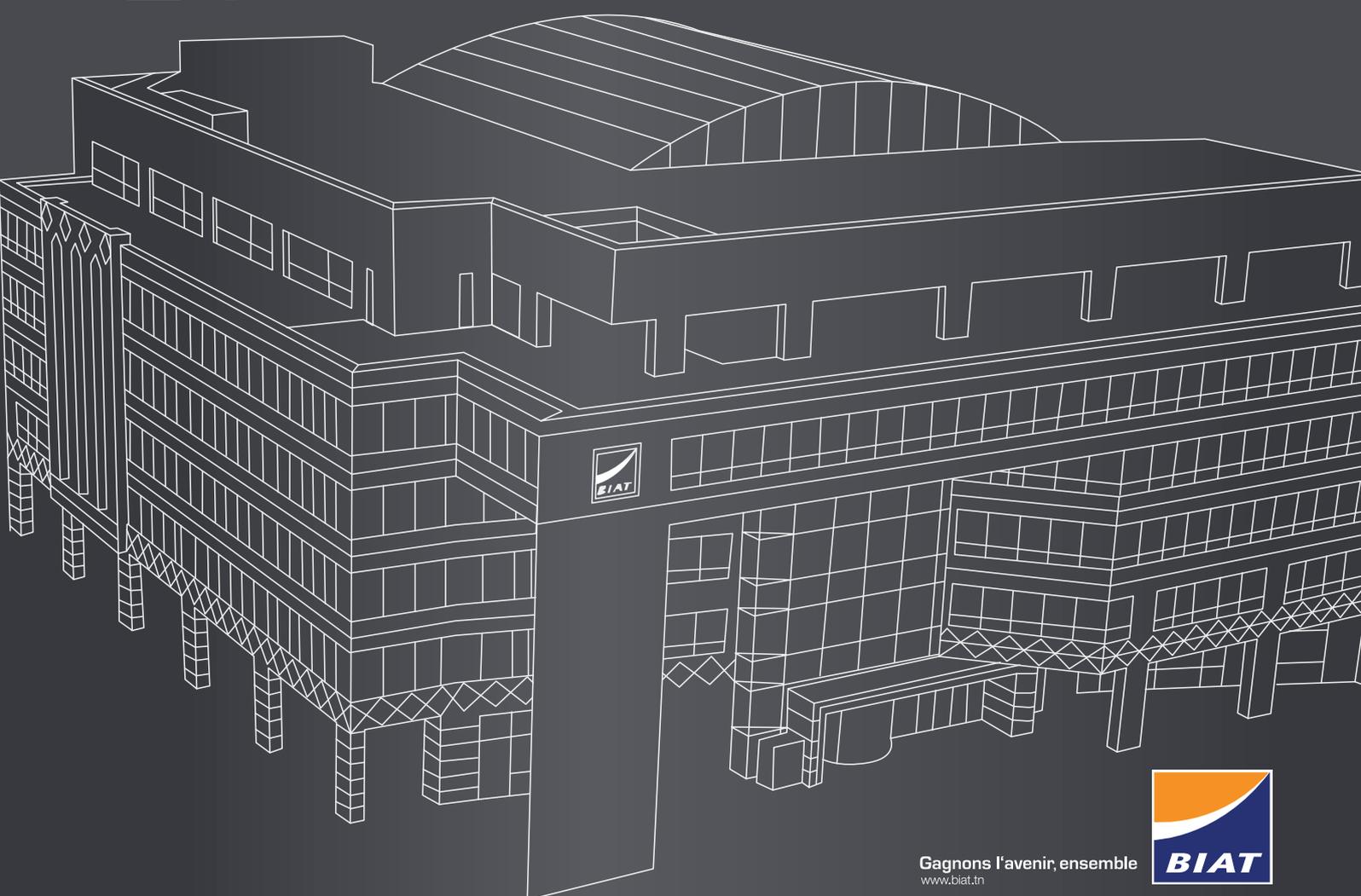


ANNUAL REPORT

2014



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ANNUAL

REPORT

2014

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BIAT's General Management
from left to right :
Hechmi LAKRICHE, Vice General Manager
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ADDRESS BY THE CHAIRMAN OF THE BOARD



Ismail MABROUK
CHAIRMAN OF THE BOARD

The evolution recorded during 2014 in the main components of the bank's activities brings to light a reinforcement of the leading position BIAT occupies in the market for years, mainly in terms of deposits collection and Gross National Income generation along with an enhancement of operating results and the maintaining of management and profitability ratios at suitable levels.

These performances have won BIAT to be elected « Best Bank in Tunisia » by international specialist journals like "African Business" magazine, that ranked our Bank first on the scale of Tunisian banking systems and 36th on the African level, which corresponds to 22 positions won compared with the ranking of 2013.

The evolution in the bank's activity was equally accompanied, during 2014, by the pursuit of the realization of large projects engaged for some years now, of which are particularly :

- The reinforcement of the production system, following the opening of 16 new branches in different regions of the country, which took the number of branches by December 31st, 2014, to 185 branches ;
- The pursuit of technological migration of core services in the framework of reshaping the information system, a pursuit decided for some years now ;
- The implementation of new levels of the project «operational efficiency», which allowed to record already tangible improvements at the level of organization of both the network as well as the core services, to realize productivity gains and to move ahead with pooling back office tasks.

BIAT continues as well the deployment of its strategy and its different projects of transformation in good conditions allowing it to always be a development and improvement dynamic. Still, our constant focus on improving the bank profitability and safeguarding its fundamentals is accompanied for some years now with a particular interest in the reinforcement of good governance and the citizenship commitment of the bank.

In fact, in what concerns governance, BIAT worked on developing the composition of the Board of Directors and further enhanced its functioning mechanism: Regulatory Committees became actual players fully involved in the management of the Bank. Equally, and on the level of internal organization, decision-making processes were further reinforced based on the best governance practices known at the level of the banking sector.

On the level of citizenship involvement, BIAT continued its recurring activities of patronage and sponsoring especially in the fields of sport, Art and of associative activity in general. Building on our persistency to reinforce this citizenship of the bank, through even more structuring actions, and on a much larger scale, the Bank created in 2014, the "BIAT Foundation", whose main purpose is to operate in the field of culture and education for the benefit of Tunisian youth. Being proud of the first pilot projects undertaken by the Foundation, we intend to continue our support of these actions in the future.

Similarly, in its concern to give a societal dimension to its activities, BIAT considers getting involved in the support of entrepreneurship, not only through classic financing steps but also through the contribution in promoting an ecosystem facilitating the emergence of new businesses.

Account taken of the aforementioned, and, on the eve of celebrating its 40th anniversary, BIAT has every right to express its great pride of the successes and achievements that it was able to realize since its very first beginnings. It sees the future with optimism as it is confident of relying on the usual support of its shareholders, the renewed confidence of its customers and the loyalty of its employees to overcome the foreseeable challenges of the environment and playing its role as should be in serving the economic development of the country.

Ismail MABROUK
CHAIRMAN OF THE BOARD

ADDRESS BY THE GENERAL MANAGER *

*Extract from the speech delivered at the Ordinary General Meeting of June 1st, 2015



Mohamed AGREBI
GENERAL MANAGER

The economic environment, both national and international, remains uncertain despite signs of recovery becoming apparent and strengthening by the day in many parts of the world.

In 2014, the international economic growth remained steady at 3.3%, though, with substantial disparities between the different regions, 4.4% in emerging countries, 2.4% in the United States, 0.8% in the Euro zone and hardly 0.1% in Japan.

An improvement is nonetheless expected in 2015, especially in the United States and the euro zone, whose economies will benefit from the fall in the international prices of basic commodities, especially those of oil, and from the maintaining of compliant monetary policies by their central banks. Both regions are expected to respectively record growth rates of 3.6% and 1.5%.

The Euro Zone and Japan will equally profit from the depreciation of their respective currencies against the dollar, which will undoubtedly boost their exports and further fuel the growth of their economies.

For its part, the Tunisian Economy has been affected by :

- The Recession undergone, in 2013, by its primary partner "Europe" (-0.4%) followed by its low growth in 2014 (+0.8%).
- Four long years of political transition, a regional security instability and an exasperation of social demands that weighed heavily on investment, tourism revenues, phosphate production, the national budget, indebtedness and ultimately on growth, starting with a decline in 2011 (-1.9%) and a sluggish growth for the following years (3.9% in 2012, 2.4% in 2013 and 2.3% in 2014) which are rates substantially lower than the 5% rate sustained all along a quarter of a century.

Investment (15.8 Million TND), is remains less than 20% of the gross domestic product in 2014 (19.2%), compared with a rate close to 25% in 2010 (24.3%), clearly marking the wait-and-see attitude of operators, both national and foreign, as the volume of non-portfolio foreign direct investments fell to 1718 Million TND in 2014, a large portion of which are in the energy sector (930 Million TND).

During these four last years, growth thus was mainly driven by consumption which strongly aggravated the trade balance deficit. With the decrease in foreign direct investments, in tourism revenues as well as the constant decrease of transfers made by Tunisians living abroad to the national currency « dinar », the current account deficit was taken from 4.7% in 2010 to 8.9% in 2014.

In this extremely difficult context, BIAT managed to achieve respectable results during the financial year 2014, which primes a profitable development cycle, with strongly progressing results and with indicators in the course of significant improvement. I will only quote few figures to illustrate my point :

- Total deposits of 7.514 Million TND, increased by 5.8%, allowing us to maintain our position as the leading bank in terms of deposits on the local market with a market share of 15% ;
- Gross credits of 6.345 Million TND, increased by 5.4% ;

- Nonperforming, decreased by 15%, around 389 Million TND ;
- A net conquest of 61,000 clients taking our client portfolio close to 600,000 (586,000 clients) ;
- An Interest margin, increased by 24 Million TND or 9.9% reaching 267 Million TND ;
- Commissions, increased by 14 Million TND or 15.9% to near 105 Million TND ;
- Gross National Income increased by 7.9% to reach 116 Million TND ;
- A Gross national Product of 487.4 Million TND, which is the most important result recorded locally, evolving by 47 Million TND or 10.7% ;
- Operating expenses weakly increased by 5.9 % to reach 246 Million TND ;
- An operating ratio enhancing by 2.2 points to reach 50.6% compared to 52.8 % a year before ;
- A rate of bad and doubtful loans increased by 1.1 point to reach 7.4% ;
- A hedging rate of bad and doubtful loans by provisions, set beyond the regulatory threshold of 70%, at 70.8% ;
- A net income of 102 Million TND, increased by 30 Million TND or 42.1% compared to the elapsing year (72 million TND), after accounting changes ;
- A return on average equity taken from 12.48% in 2013 to 15.99% in 2014 ;
- A Return on average assets taking from 0.87% in 2013 to 1.17% in 2014.

These results, being at the highest of international standards, are the fruit of a long-term investment supported

by the conducted strategic studies, an investment in the Bank's network which today includes 185 branches, an investment in the headquarter whose second section have just been completed and an investment in the information system in which migration continues at the level of core services.

The year 2015 is proven to be difficult, as they were the preceding years. Growth will remain low and the figures of the first quarter are down to 1.7%. But BIAT managed to learn, during all these years, how to survive. It will successfully overcome, yet this year, the challenging environment. An environment which is expected to enhance starting 2016 until Tunisia could finally find its usual growth rates, of around 5%, by 2018. With the progressive enhancement of the situation in Europe and Tunisia, BIAT will also recover its usual two digit growth rates which will produce, alongside the control of operating expenses and risks, substantial results which will allow our bank to increase its equity capital and achieve its program of future development, in Tunisia as well as abroad. An ambitious program with the realization of multiple project in various domains: commercial and operational efficiency, Information system, risks and recovery, network, products and services offering, Tunisians Living Abroad, insurance, communication and Corporate Social Responsibility, a sponsorship destined to make BIAT a key, responsible and citizen-oriented operator.

Mohamed AGREBI
General manager



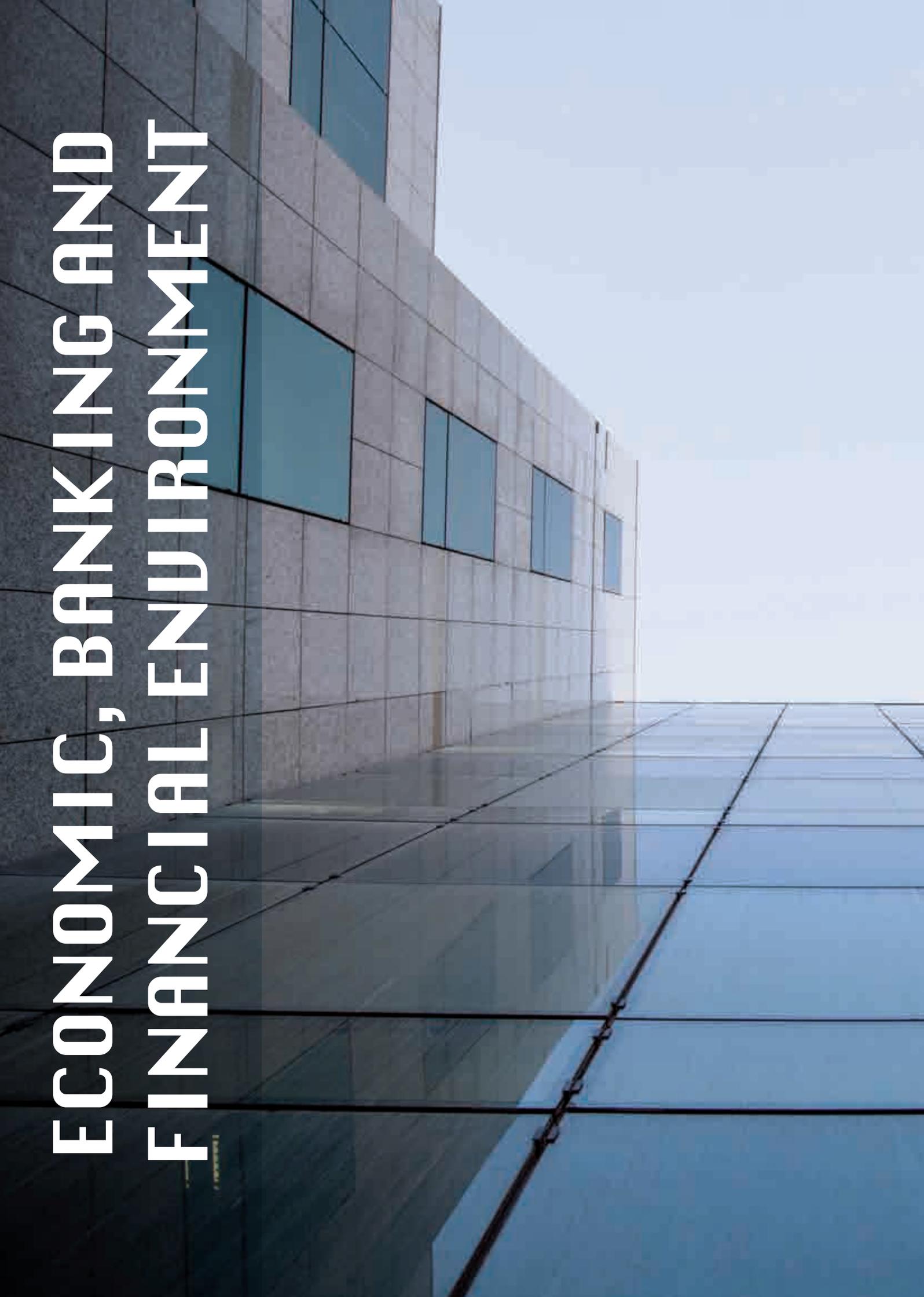
PROFILE

BIAT [Banque Internationale Arabe de Tunisie] is one of the most important financial institutions in North Africa, and is, in term of collecting deposits and generating net banking income, a Benchmark leading operator in Tunisia.

With 2545 employees in 2014, BIAT has around 600 thousand customers and a network of international correspondents of nearly 1500 banks. It has one of the most extensive networks in Tunisia with 185 branches spread across the country as well as a representation in Tripoli-Libya. In pursuit of its international growth dynamism, BIAT completed the necessary procedures to settle in France.

As a local and socially responsible bank, BIAT aims, within the framework of its strategic plan, to become a diversified and a solid international financial group

ECONOMIC, BANKING AND FINANCIAL ENVIRONMENT



Chapter 1

1. ECONOMIC, BANKING AND FINANCIAL ENVIRONMENT

1.1 ECONOMIC ENVIRONMENT

• INTERNATIONAL ECONOMIC ENVIRONMENT

Throughout 2014, the global economy was characterized by a slowdown in the pace of economic recovery taking place in a context marked by the disparities between the different economic regions in the world, the continuing decline of basic world prices, especially those of energy, added to the appreciation of the dollar against other major currencies.

However, the International Monetary Fund (IMF), in its report about the international economic prospects which was published during the month of January 2015, mentions an expected improvement of international economic growth in 2015 with a growth rate at around 3.5% compared to the 3.3% rate which was recorded in 2014 and in 2013.

As for the developed countries the IMF foresees a growth rate of 2.4% for 2015 compared to 1.8% in 2014 and 1.4% in 2013, such is in connection with the gradual recovery in employment and the easing of pressures arising from budgetary policies, in addition to decline in the prices of oil and other basic commodities.

In this context, a growth rate at around 3.6% is predicted for the year of 2015 in the United States of America compared to 2.4% in 2014 and 2.2% in 2013, coming as a result of the consolidation of the internal demand which shall benefit from the decline in oil prices and the support of an accommodating monetary

policy, despite the increase of the interest rates and the recent dollar appreciation which may affect the American exports.

As for countries of the Euro area, the Gross Domestic Product (GDP) shall benefit from a recovery of growth estimated at around 1.5% in 2015 compared to 0.8% in 2014 and -0.4% in 2013. Still, the region is feared to enter into a deflationary phase for prices.

As for the emerging and developing countries, the economic activity shall achieve a growth rate comparable to the one recorded in 2014 (+4.4%), mainly due to the drop in oil prices and sustaining interest rates at levels that are generally low.

As for the international prices of basic commodities, they continued, in 2014, their decreasing trend with a fall of 6.3% compared to a slight drop of 1.6% the previous year. This trend mainly concerned the prices of metals (-10.3%) and those of energy (-7.5%).

In relation to this decrease in global prices of basic commodities, the inflation rates continued their retreat in the leading advanced countries.

In the United States, December 2014, the inflation rate moved back, to 0.8% year-on-year compared to 1.3% in the previous month, while in the Euro area this rate turned negative in the same month reaching -0.2 % compared to +3% in November.

On the international exchange markets, the year 2014 was above all marked by the appreciation of the American Dollar in comparison with the other

major currencies especially against the Euro and the Yen. Hence, the Euro exchange rate was at around 1.2 Dollar in December 2014 after having reached nearly 1.4 Dollars during March of the same year. As for the Dollar / Yen parity, the Dollar exchange rates remained inferior to 105 Yens, during the period going from January to August 2014, to exceed, afterwards, the mark of 120 Yens by the end of the year.

• ON THE NATIONAL LEVEL

During the year of 2014, The Tunisian economy recorded a growth rate reaching 2.3% compared to 2.4% recorded in the previous year. This rate should be limited to 3% the following year, a rate considered relatively modest account taken of the significance of challenges with regard to reviving investment and boosting employment.

The slight deceleration in economic growth, during the year 2014, is attributed to the recession in the non-manufactured industries sector and to the deceleration of the value added of other sectors, except that of agriculture and fishing which recorded a recovery due to the favorable climate conditions.

Despite this modest growth pace, the overall unemployment rate knew a 0.5% drop in comparison with rate recorded in 2013, to reach 15.2%. The unemployment rate for higher education graduates remained at high levels reaching 30% compared to 31.9% recorded in the previous year.

The inflation rate stood at 5.5% for the full year of 2014 compared to 6.1% in 2013 due to the impact of price deceleration of free products (6.4% compared to 7.2% in 2013)

Chapter 1

and those of framed products (3.4% compared to 3.6%).

On the level of the exchange market, the Dinar recorded in 2014, a decrease of 11.5% against the Dollar, whereas it recorded a slight increase of 0.2% vis-à-vis the Euro.

MAIN FIGURES	2012	2013	2014
Growth of GDP (at constant prices)	3.9%	2.4%	2.3%
Inflation rate (in %)	5.6%	6.1%	5.5%
National savings (in % of GNP)	16.1%	14.1%	13.5%
Current deficit (in % of GNP)	8.2%	8.3%	8.9%
Budget deficit (in % of GNP)	5.1%	6.8%	5.6%
Goods Exports growth (in %)	5.8%	4.3%	2.5%
Goods Imports growth (in %)	13.3%	3.5%	6.4%
Debt services / Current revenues (in %)	10.5%	8.2%	6.8%
Tourism revenues (in MD)	3 175	3 229	3 576
Growth	30.4%	1.7%	11.0%
Total investments (in MD)	15 273.6	15 450,0	15 810,3
Growth	9.0%	1.2%	2.3%
Investment rate (in % of GDP)	21.9%	20.3%	19.2%
Lending to the Economy (in TND million)	53 211	56 832	62 289
Growth	8.8%	6.8%	9.5%
Money stock M2 (in MD)	48 287	51 640	55 698
Growth	8.1%	6.9%	7.8%

Chapter 1

1.2 BANKING AND FINANCIAL ENVIRONMENT

• Banking system

The evolution of the banking system activity was characterized in 2014, by the slowdown in the growth pace of deposits (+6.8% compared to +9.3% in 2013), due to the deceleration of term deposits which could not be offset by the recovery of demand deposits and savings deposits. Meanwhile, loans to customers grew at a rate that is slightly higher than that of the previous year (+8.5% compared to +8.3%).

As a result of such developments, the liquidity requirements of banks remained high throughout the year of 2014 although at a level lower than that recorded in 2013.

• Customers deposits

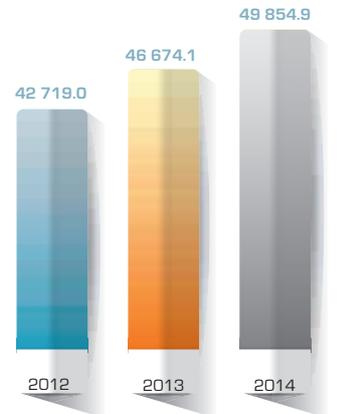
Banking system's customer deposits recorded, by December 31st, 2014, an evolution of 6.8% compared to the one recorded by the same date of 2013, amounting to TND 49,854.9 million.

This progress mainly concerned savings deposits and demand deposits with increases of 7.7% and 6.7% respectively, and to a lesser extent, term deposits with an evolution of 5.9%.

Shares of savings and of low-paying deposits in the total of deposits, have been consolidated of 0.2 point and 0.1 point respectively, compared to 2013, at the expense of term deposits (-0.3 point).

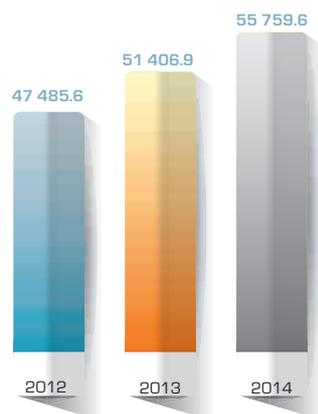
• Loans to Customers

At the end of 2014, loans to customers at the level of banking system totaled



Evolution of customers deposits (in TND million)

TND 55,759.6 million, reflecting an increase of 8.5% compared to last year. This increase mainly concerned the short term discount (+13.8%) and, to a lesser extent, the long-term discount (+6.9%). The increase in loans, granted in 2014, benefited mainly the service sector monitored by individuals.

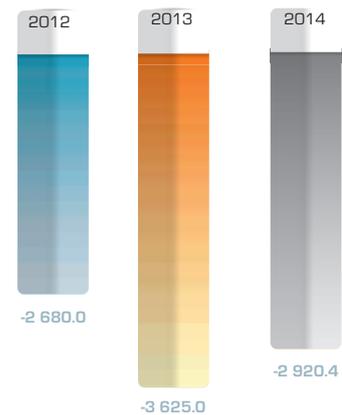


Evolution of loans to customers (in TND million)

• Money market

The deficit of liquidity that has characterized the cash flow position of banks during the years 2012 and 2013, did continue in 2014, and resulted at the end of the same year in a net recourse of TND 2,920.4 million to the money market, which is lower,

nevertheless, than that observed at the end of the preceding financial year (TND 3, 625 million).



Net money market position (in TND million)

• Market rate

The evolution of the money market rate was labeled during the year 2014, on the one hand, by the persistence of pressures on bank liquidity, and on the other by the raise made during the month of July by the BCT (Central Bank of Tunisia) of its lending rate by 25 basis points at 4.75%, which was reflected in the increase of average money market rate (MMR) at 4.82% in 2014, an increase of 23 basis points compared to previous year (4.59%).

For its part, savings remuneration rate (SRR) which was at 3.25% throughout the first half of 2014, has been raised by 25 basis points as of the month of July of the same year, reaching 3.5%, for the purpose of stimulating the small savings.

• Stock exchange

The benchmark index of the Tunis Stock Exchange «Tunindex» ended the year 2014 at 5,089.99 points,

Chapter 1

realizing thus an annual return of 16.2% and achieving a recovery of losses recorded over the past three years [-14.3%].

Equally, most sectoral indexes have been on a rising trend throughout the year of 2014, at rates ranging from 5.01% (Consumer services) to 74.58% (food and drinks). As for the TUNBANK index, it achieved an annual return of 17.31%. The year 2014 witnessed the initial public offering (IPO) of six new companies, bringing thus the number of listed companies to 77 units compared to 71 listed companies by the end of 2013.

As for the volume of transactions on the Stock Exchange in 2014, it amounted to TND 1, 777 million, meaning a daily average of TND 7.2 million compared to TND 6.2 million in 2013.

With regard to the development of market published security prices, the market trend in 2014 have been in the overall upward, with the price increase of 51 listed securities and the decrease of 25 others. Thus, yields ranged from - 54.1 % to + 89.7%.

Furthermore, the upward trend of the market in addition to the new IPOs

(particularly Délice Holding) induced an upward in the market capitalization of 23% from one year to the next. Hence, the market capitalization increased to TND 17, 324 million by the end of December 2014, meaning 21% of GDP, compared to TND 14,093 million or 18.5% of GDP, by the end of 2013.





BANK'S ACTIVITIES AND RESULTS



Chapter 2

2. BANK'S ACTIVITIES AND RESULTS

2.1 BANK'S VISION AND STRATEGY

BIAT defined, within the framework of Plan Horizon, a vision:

- Bank's vision

1	Grow from a bank to a financial group nearer to its customers, capable of keeping up with the developments of their needs, including those who are abroad
2	Being a reference in matter of profitability, productivity and operational efficiency
3	Being a reference employer, a company where work is both motivating and rewarding for employees characterized by their professionalism
4	Being a responsible player, aware of its role in society and one who is involved in the development of the country

To reach such aspirations, BIAT has equally defined, within the framework of the plan Horizon, a strategy that revolves around the three main following themes:

- **The Development** to continue the strengthening of the bank's business assets and the development of its activities.
- **The optimization** to improve the internal processes, productivity and the quality of service providing.
- **The mobilization** of human resources and the strengthening of the brand's image.

2.2 HIGHLIGHTS OF THE FINANCIAL YEAR

During 2014, BIAT continued the realization of its major projects which include:

1. The widening of its network with the opening of 16 new branches (Ksour Essef, Mornag, Kebili, Chebba, Sfax Route Lafrane, Borj Louzir, Denden,

El Jem, Zaghouan, Testour, Borj Cedria, Gammarth, Tébourba, Tajerouine, La Goulette and Medjez el Bab), increasing the number of its branches, by December 31st, 2014, to 185 most of which are completely renovated;

2. The pursuing of technological migration of core services in the framework of reshaping its information system;

3. The implementation of project "Operational Efficiency" allowing the improvement of the organization of the branches network and headquarter, the capturing of productivity gains and the term pooling of the back offices;

4. The completion of the majority of construction works of the second section of its headquarters ;

5. The establishment of an Activity Continuity Plan "ACP" ;

6. The creation and launching of BIAT Consulting, subsidiary of the Bank with respect to consulting and which concluded its first contract in Mauritania in 2014 and a second contract in Chad in 2015;

7. The creation of BIAT Foundation whose goal is enabling the Bank to be more active in the field of philanthropy (culture, environment, education, solidarity, health...), and thus strengthening its citizen and social actor role.

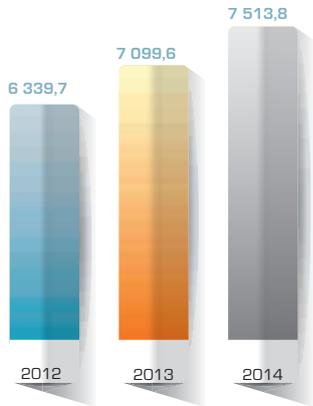
2.3 BANK'S ACTIVITIES IN 2014

2.3.1 CUSTOMER DEPOSITS

By the end of December 2014, customer deposits recorded a growth of 5.8% to reach TND 7,513.8 million.

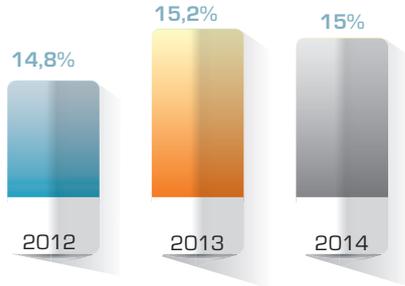
BIAT still, thus, holds the front line in matter of deposits, holding a share of 15% in the market. The structure

Chapter 2



Evolution of customer deposits (in TND million)

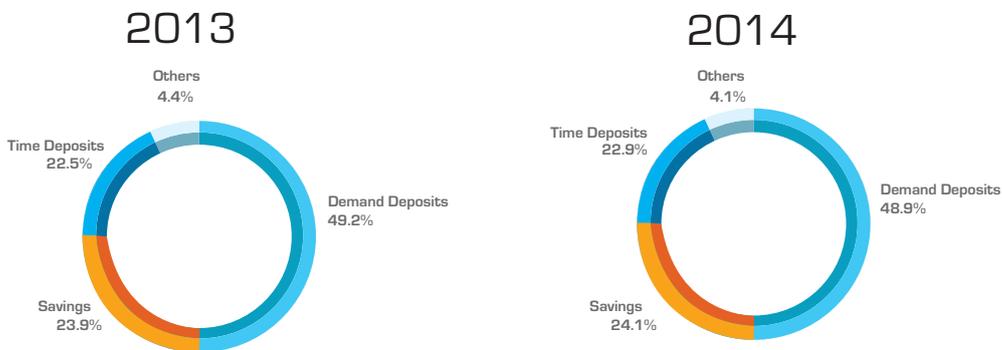
of deposits with the Bank remains among the most favorable in the sector. The share of none, or low, remunerated deposits, represents 53% of total deposits. The Bank



Customer deposits market share's evolution

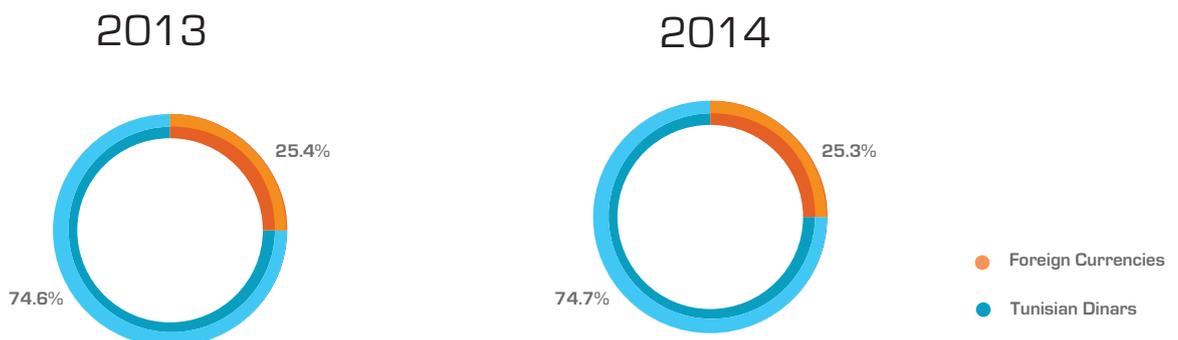
ranks in first position under this category of deposits with a share of 20.7% in the market.

Customer deposits breakdown



Accounting for 25.3% of customers deposits; foreign currencies deposits are fixed at TND 1, 890.9 million for the year of 2014, making BIAT a significant player, with a market share of 23.8%.

Deposits break down in TND and in foreign currencies



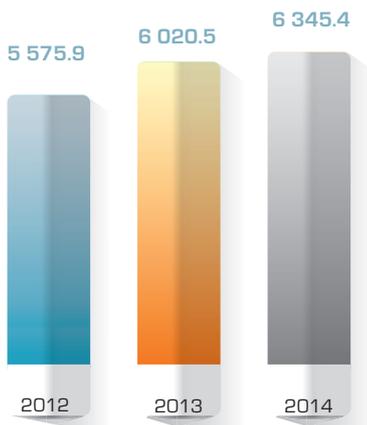
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2.3.2 GROSS CUSTOMER LOANS

Representing 11.2% of the banking system loans, BIAT gross customer loans amount, for the financial year of 2014, to TND 6,345.4 million, marking an increase of 5.4% compared to the rate recorded by the end of December 2013. This increase is essentially attributed to the increase in the portfolio discount of 6.5% at TND 5,156.3 million.

On the other hand, doubtful receivables decreased by 8.3% at TND 534.3 million and provisions on loans to customers declined by 9.7% to TND 424.7 million.

For their part, healthy credits reached TND 5,811.2 million, recording thereby an increase of 6.9% compared to 2013.



Evolution of gross customer loans (in TND million)



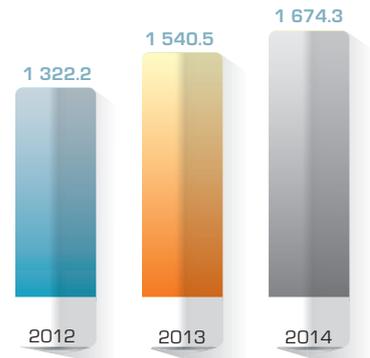
Evolution of the market share of customer loans (in TND million)

The breakdown of customer loans between dinars and foreign currencies shows an increase of loans in currencies (+24.1%), equaling TND 441.2 million. Following this increase, the market share of loans in foreign currencies is consolidated by 3.3 points, at 15.1%.

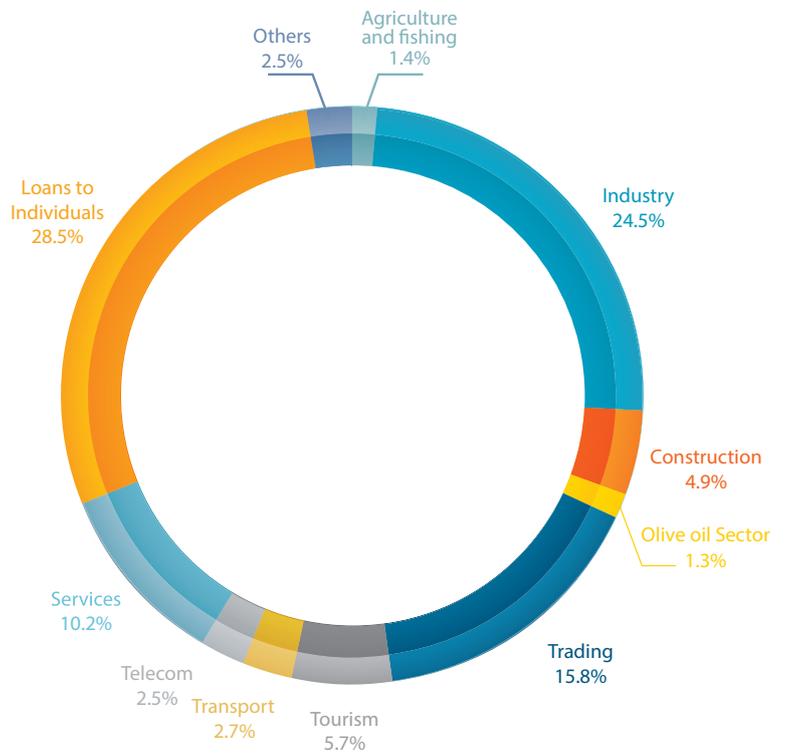
The breakdown of loans by sector is dominated by the industry sector holding 24.5%, loans to individuals holding 28.5%, trade sector holding 15.8% and service sector holding 10.2%.

2.3.3 SIGNATURE COMMITMENTS

The volume of signature commitments increased by 8.9%, equaling TND 1,674.3 million by the end of the year 2014.



Signature commitments evolution (in TND million)



Breakdown of loans by sector in 2014

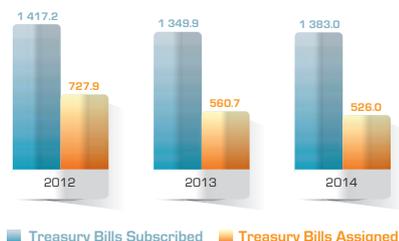
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2.3.4 GOVERNMENT SECURITIES PORTFOLIO

The participation of the bank in the financing of the government budget is set at TND 1383 million for the year of 2014, recording thus an increase of 2.5% compared to end of December 2013.

The share dedicated to customers recorded a decline of 6.2% equaling TND 526 million.

The market share of the bank in the total portfolio of the state is set at 17.5%, an increase of 1.2 points compared with 2013.



Government securities portfolio evolution (in TND million)

2.3.5 FOREIGN TRADE

The overall volume of transactions processed by BIAT abroad amounts to TND 9,249 million at the end of 2014, a slight increase of 0.4% in comparison with the year of 2013.

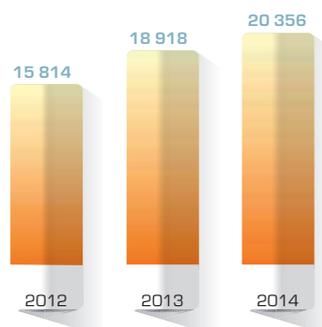
This near stagnation is attributed to the drop in revenues of 3.9% which was nevertheless, compensated for by an increase of 4.7% in spending.



Evolution of foreign trade transactions (in TND million)

2.3.6 TRADING ROOM ACTIVITIES

The volume of transactions in cash and futures of the exchange amounted to TND 20 356 million in 2014, i.e. an increase of 7.6% compared to the year 2013.



Evolution of trading room transactions (in TND million)

2.3.7 CUSTOMERS CONQUEST

The Bank's goodwill develops in 2014 with the conquest of 61 096 new customers including both individuals and professionals, bringing the number of this category of clients to 586 283.

2.3.8 ELECTRONIC BANKING

The number of cards issued reached,

by the end of 2014, 420 031 units, showing an increase of 15.1% compared to the end of the year 2013.



Evolution of the number of cards

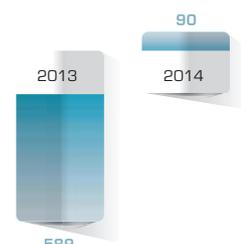
The market share of the BIAT in the banking system stands at 15.4%.



Member's growth

2.3.9 MONETARY MARKET

The Bank ended the year 2014 with a net investment in the money market of TND 90 million, which opposite the net recourse of TND -589 million observed at the end of 2013.



Money market recourse (in TND million)

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2.4 BANK'S OPERATING RESULTS

• Net banking income "NBI"

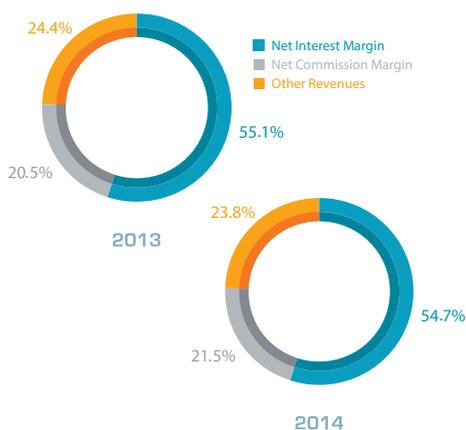
By the end of 2014, the net banking income reached TND 487,4 million, recording an increase of TND 46.9 million meaning +10.7%.

The progressions of the interest margin, of the commission margin and of other revenues were respectively 9.9%, 15.9% and 7.9%.



Net banking income growth (in TND million)

The NBI structure is broken down as follows:



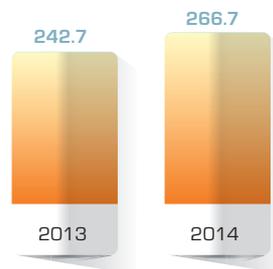
» Interest margin

Representing 54.7% of NBI, the interest margin recorded by the end of 2014, TND 226.7 million, meaning 9.9% increase.

The interest margin can be broken down as follows:

- Interest and similar revenues recording an increase of 16.2% equaling TND 454.2 million. This improvement followed namely the increase of TND 62.3 million (+17.3%) equaling TND 422 million, of interests and similar income on transactions with customers.

- The incurred interests and similar charges increased by 26,5% amounting to TND187,5 million, namely after increase of the incurred interests and similar charges on transactions with customers by TND 34.9 million (+29.4%), to amount to TND 153.4 million.



Net Interest margin evolution (in TND million)

» Commission margin

The commission margin improved by 15.9% over a year (TND +14.4 million) to reach TND 104.9 million. By December 31st, 2014, the share of the commission margin in the NBI range in 21.5%.



Net commission margin evolution (in TND million)

» Other revenues

Other revenues increased by TND 8.5 million, (+7.9%) to reach TND 115.8 million. This increase is namely attributed to the increase by 34.6% equaling TND 53.8 million of net profit on trading securities.

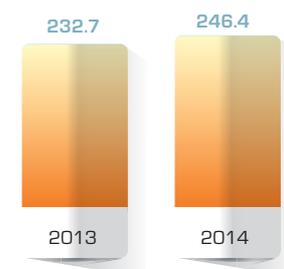
By December 31st, 2014, these revenues represent 23.8% of the NBI.



Others revenues' evolution (in TND million)

• Operating expenses

By the end of 2014, operating expenses recorded an increase of 5.9% reaching thereby TND 246.4 million. This evolution was driven by the increase of depreciation charge of 14% reaching TND 29.9 million. The cost of staff and the general operating expenses recorded respectively a slight increase of 5.6% TND reaching 164.8 million, and 4.1% reaching 52.7 TND million.



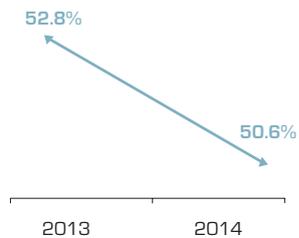
Evolution of the Operating expenses (in TND million)

The operating ratio went from 52.8% by the end of 2013 to 50.6%

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by the end of 2014, achieving an improvement of 2.2 points.

Evolution of the operating ratio



• Profit before tax and provision (PBTP)

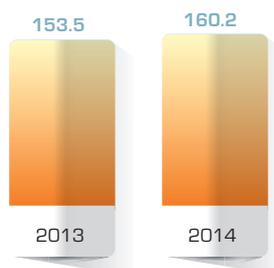
The PBTP registered a growth of 14.8% reaching TND 244.2 million by December 31st, 2014. This increase is higher than that of the NBI (+10.7%) and is generated by the moderate growth of operating expenses (+5.9%).



Evolution of the PBTP (in TND million)

• Operating result

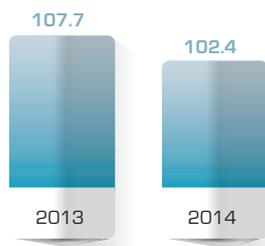
The operating result records an increase of 4.4%, reaching TND 160.2 million.



Operating result evolution (in TND million)

• Net result

In the end the net result stands at TND 102.4 million by the end of 2014, i.e. a decrease of 4.9% in comparison with preceding financial year (TND 107.7 million).

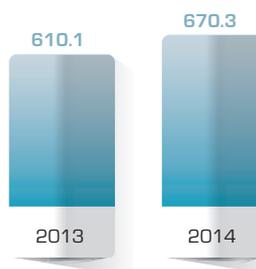


Evolution of the net result before accounting change (in TND million)

However, the net result is established with an increase of TND 30.3 million meaning +42.1% compared to the one of the 2013 financial year, such is, after the accounting change.

• Equity

The equity with respect to the financial year of 2014 is established at TND 670.3 million contrary to TND 610.1 million in 2013, i.e. a growth of 9.9%.



Evolution of Equity (in TND million)

• Total balance sheet

By the end of December 2014, the total balance sheet reached TND 8,753.2 million compared to TND 8,743.4 million in 2013, i.e. a slight growth of 0.1%.



Evolution of total balance sheet (in TND million)



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2.5 BANK'S DEVELOPMENT AND ACHIEVEMENTS OVER THE RECENT YEARS

2.5.1 CUSTOMERS DEPOSITS AND LOANS

- Customer deposits amount to TND 7, 513.8 million by the end of 2014, continuing an average annual growth of 7.6% over the past five years.
- The gross loans to customers totaled TND 6,345.4 million by December 31st, 2014 continuing an average annual growth of 10.3% over the same period.



Deposits and Credits growth
(in TND million)

2.5.2 NET BANKING INCOME

Net banking income recorded an average annual increase of 12.5% over the past five years to settle at TND 487.4 million by the end of 2014.

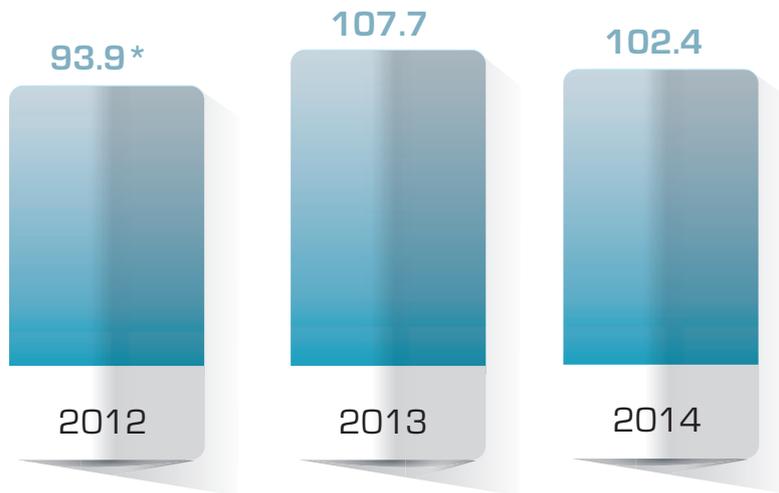


Evolution of net banking income
(in TND million)

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2.5.3 NET RESULT

The net income before accounting change shifted from TND 93.9 million in 2012 to TND 102.4 million in 2014, an average annual growth of 4.4% over the last three years.

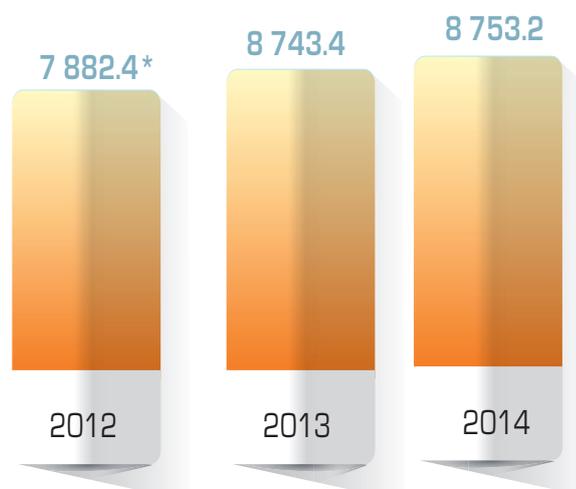


Evolution of net result
(in TND million)

[*]: Figure restated for comparability purposes.

2.5.4 TOTAL BALANCE SHEET

The total balance sheet represents an average annual increase of 5.4% over the past three years to reach TND 8,753.2 million by the end of December 2014.



Evolution of the Total Balance Sheet
(in TND million)

[*]: Figure restated for comparability purposes.

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2.5.5 Ratios

The majority of the bank ratios recorded improvement in 2014.

Structure ratios

	2010	2011	2012	2013	2014
(Deposits/ gross loans)	130.5%	111.1%	113.7%	117.9%	118.4%

Profitability ratios

	2012	2013	2014
Net result / Net banking income NBI	24.6%*	24.4%	21.0%
Net result / Equity Capital (ROE) Return on Equity	17.2%*	17.6%	15.3%
Net result / Asset (ROA) Return on Assets	1.19%*	1.23%	1.17%

(*) Figure restated for comparability purposes

Productivity Ratios

(in TND thousands)

	2010	2011	2012	2013	2014
Deposits/ employee	2 349	2 246	2 444	2 703	2 952
Gross loans/ employee	1 799	2 021	2 150	2 292	2 493
NBI/ employee	127	132	147	168	192

Regulatory ratios

Equity and the ratio of risk coverage

(in TND millions)

	2010	2011	2012	2013	2014
Capital	170.0	170.0	170.0	170.0	170.0
Reserves	263.6	295.7	314.4	367.2	397.3
Profits of the year	47.5	48.2	94.7	107.7	102.4
Other equity and forwarded result	23.6	5.3	1.1	-34.8	0.6
Equity	504.7	519.2	580.2	610.1	670.3⁽¹⁾

(1) Before appropriation of the 2014 income

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	2010	2011	2012	2013	2014
Weighted net assets	4 888.3	5 407.4	5 611.7	6 124.4	6 508.0
Total of net core capital	466.9	480.0	525.3	555.5	609.7⁽²⁾
Risk coverage ratio (Tier 1)	9.55%	8.90%	9.36%	9.07%	9.37%
Additional own funds (Tier 2)	48.8	58.2	39.2	29.9	82.9
Total net equity	515.8	538.1	564.5	585.3	692.6
Global ratio of risk coverage	10.55%	9.95%	10.06%	9.56%	10.64%⁽³⁾

(2) After appropriation of the financial year's income by the general meeting

(3) Regulatory ratio of 10%

Risk control ratios

Standard 1 : a- Individual risks exceeding 5% of Net Equity Capital (NEC) shall not exceed globally 3 times the Bank's NEC.

2010	2011	2012	2013	2014
2.7 NEC	3.0 NEC	2.8 NEC	2.8 NEC	2.4 NEC

Standard 1 : b- Incurred risk on the same beneficiary shall not exceed 25% of the Bank's NEC.

2010	2011	2012	2013	2014
1.5 NEC	1.1 NEC	1.1 NEC	0.9 NEC	0.8 NEC

Standard 2 : Global risk incurred on related parties shall not exceed 1 time the Bank's NEC.

2010	2011	2012	2013	2014
2 customer	2 customer	0 customer	0 customer	0 customer

Standard 3 : Global risk incurred on related parties shall not exceed 1 time the Bank's NEC.

2010	2011	2012	2013	2014
1.3 NEC	1.2 NEC	1.1 NEC	0.9 NEC	0.8 NEC

Liquidity Ratio

2010	2011	2012	2013	2014
106.41%	88.32%	92.11%	94.99%	99.75%

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Gross Risk, Bad and Doubtful Loans "BDL" and quality risks Ratios

	2010	2011	2012	2013	2014
Gross Risk	5 287.3	6 130.9	6 515.8	7 116.8	7 426.8
BDL	435.9	459.6	551.1	602.2	551.7
BDL ratio	8.2%	7.5%	8.5%	8.5%	7.4%
BDL coverage ratio *	75.6%	74.7%	65.0%	74.3%	70.8%

(*) : The coverage ratio was calculated on the basis of the provisions for loans to customers (Risks and charges provisions excluded) .

2.5.6 BIAT'S Rating (Requested rating by the bank)

BIAT' rating was retained in 2014 by Moody's Investors after it was downgraded during the financial year 2013.

This downgrading came after the lowering of Tunisia bonds rating from Ba2 to Ba3 with negative outlook, primarily reflecting the reduced ability of the Tunisian government to support banks, as well as the impact of the fragility of national economic environment on the quality of banks' assets, their profitability as well as their capitalization. It reflects in no way the good performances by BIAT in recent years, particularly in terms of deposits, net banking income and market capitalization.

Consequently, the rating of BIAT is as follows:

Deposits in dinars: Ba3/NP
 Currency deposits: B1/NP
 Financial strength: E + stable
 Outlook: Negative

2.6 FORESEEABLE DEVELOPMENT AND FUTURE PROSPECTS

From the economic standpoint, growth predicted in 2015, moderate (between 2.5% and 3%). The overall environment will be characterized by inflationary pressures. In this respect, BIAT intends to continue its balanced approach aiming to support economic

operators while ensuring the correcting of certain trends (liquidity) as well as keeping a close monitoring of risk factors.

On the other hand, the average money market rate appears to be stabilizing and the year 2015 would not benefit from a positive contribution of the rate's effect.

Efforts will focus, in 2015, on improving deposits collection and on achieving a reasonable growth in the distribution of loans, that is, in the end goal of bringing recourse to money market under control.

The new information system of BIAT, is on the level of branches, functional since 2013, which represents a competitive advantage for the Bank. Moreover, the bank managed to reach an advanced level regarding the second stage of implementation of this new system (Core Services). The year 2015 was marked by the entry into operating of the second section of the headquarters with new amenities.

The bank continues the implementation the "Horizon 2015" plan, which aims to strengthen its leadership on the Tunisian market and identify key success factors for future expansion. Some of the projects have been accomplished, others are under execution.

Other ongoing projects will continue in 2015 and the main steps to be taken will concern mainly :

- The expansion of the banking network of BIAT;
- The pursuit of the realization of the second section of the headquarters. Alongside the piloting of these projects, business activities will continue in 2015:
 - The sustainability of achievements;
 - The efforts to control and monitor the risk;
 - The Cost and pricing optimization;
 - The Improvement of profitability;
 - The consecration of the citizen dimension of the bank namely through the integration of the social and environmental responsibility in the evaluation of the Bank performance.

The development scenario of the bank chosen for 2015 will be referred to a better deposit mobilization (especially deposits denominated in dinars) and an adequate piloting of the growth of loans alongside the consolidation of the choice favoring employment over individuals.

A differential of more than 1 point will be checked between the collect of deposits and the granting of loans, so as to continue the effort to return to balance in what concerns the bank's liquidity.

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In 2015, net banking income will evolve again at a two digit rate, at a much faster rhythm than operating costs so as to improve over time the cost to income ration ratio.

As in 2014, the cost of risk will be controlled so as to further enhance the generation of net income as well as the key ratios for the bank.

2.7 RESEARCH AND DEVELOPMENT ACTIVITIES

Development of Information System

The year 2014 was marked by the pursuit of the overhaul of the bank information system namely through the implementation of the following functionalities :

- International activity: export financing in foreign currency , making and receiving International money transfers as well as the transverse functionalities therein;
- Depreciable real-estate loans and other depreciable loans;
- Deposits certificates.

Other projects were launched in 2014 and are planned to implementation in 2015, namely :

- The rewriting the functionalities of transfers and withdrawals by the BIAT groups, outside the Temenos means of payment platform implemented in the batch one of the reshaping;
- The implementation, on T24 system, of functionalities of the international monetary offsetting;
- The implementation, on T24 system, of the rest of international activity features: Funding in foreign currency, delivery of import credit letters as well as the issued and received international banking guarantees.

The overall cost of projects initiated or implemented in 2014 in the framework of the reform works amounts to 9, 894 man/day.

Development of Organizational Project

- In the aim of guaranteeing for our institution the best conditions for development in line with the objectives

set for the coming years and to promote better synergy between the different structures of the bank, several organizational actions were undertaken. Including :

- The inception of new governance within the Bank and the creation of the office of CEO. BIAT becomes, thus, reorganized in the General Management of retail banking, General Management of resources and a Strategic pole bank of Funding and Investment;
- The inception of an investing pole and the purchase function;
- The inception of decision-making body responsible of governance, operational risks management and business line incidents;
- The launching of the operational efficiency project at the network level and at the level of headquarters;
- The implementation of a Business Continuity Plan and the establishment of a crisis management mechanism.





BIAT-GROUP AND EQUITY PARTICIPATION



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3. BIAT GROUP AND EQUITY PARTICIPATION

3.1 BIAT GROUP

Group BIAT is positioned on several financial business lines that are complementary to the banking line of business of BIAT. Furthermore, and in support of the strategic sectors of the Tunisian economy in terms of funding and consultancy, group BIAT notes its presence in other business lines, particularly in tourism and real estate.

The graph below shows the participations falling within the scope of consolidation of BIAT broken-down by business line.

GROUP BIAT by 31/12/2014						
Sociétés Financières				Sociétés non Financières		
Capital investissement	Assurance	Marchés financiers	Autres	Tourisme	Immobilier	Service/ Industrie
Biat Capital Risque	Assurance Biat	Biat Asset Management*	CIAR	Société Tanit International	MFCP EL FEJJA	Biat Consulting
SICAF Biat	Protectrice Assurance	Biat Capital	Banque d'Affaires de Tunisie	SPT MED V	SOPIAT	OSI
Société Générale de Placement		Tunisie Titrisation		SPT SFAX	SALLOUM	DAUPHINE
				STSP Nafta	TAAMIR	
				GOLF Sousse Monastir	Palm Links Immobilière	
				FAIZA	STPI	
					ASTORIA	

* The BAM manage 4 SICAV and 5 FCP

Direct investments by which BIAT has significant influence
 Direct and indirect investments controlled by BIAT

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3.1.1 EQUITY ACTIVITIES

BIAT CAPITAL RISQUE

Founded in 2000, BIAT Venture Capital is a venture capital company with a share capital amounting, by December 31st, 2014, to TND 12.3 million. The company is owned up to 98.07% directly by BIAT.

It manages, on behalf of Group BIAT, funds of capital investment with a global amount reaching, by December 31st, 2014, approximately TND 75 million.

BIAT Venture Capital participates for its own account or for the account of third parties, in the capital funding and in the strengthening of the equity capital of Tunisian companies operating in all sectors of activity and across the Tunisian territory.

The year 2014 was marked by:

- The realization of a capital reduction by reimbursement to shareholders of TND 1.8 million.
- A volume of investment of around TND 20 million on 8 equity participations.
- A net result of TND 1 million.

SICAF BIAT

The company was created in November 2003. Its main activity consists of managing securities portfolio as well as related operations thereof. It manages an equity portfolio of more than TND 11 million TND of which are mainly, the SGP, the Protectrice Assurances, the Société TAAMIR and the SOPIAT as well as an equity envelope of about TND 10 million. Its capital amounts, by December 31st, 2014, to TND 19 million held entirely by BIAT. The year 2014 was characterized by a net result amounting to TND 0.88 million.

The Société Générale de Placement (SGP)

The company began operations in September 1992. Its main corporate purpose is the management of financial holdings. It manages an equity portfolio of more than TND 2.5 million and an equity envelope of approximately TND 0.8 million. Its share capital amounts, by December 31st, 2014, to TND 2.5 million held up to 99.9% directly by SICAF BIAT.

The year 2014 was characterized by a net result amounting to TND 0.4 million.

3.1.2 INSURANCE ACTIVITIES

Assurances BIAT

Founded in 1997, the company was the Tunisian subsidiary of a Bahraini insurance company. During 2002, BIAT participated to the capital of the company and marked the beginning of the business line of activity under new directions, thanks, mainly to the revitalization of activities and to business development. Its capital currently stands at TND 10 million.

Assurances BIAT is active in all insurance activities, among which are particularly automobile, health, transportation, fire, and third-party liability insurances.

During the year 2014, Assurances BIAT pursued the implementation of its information system along with achieving its project of risk cartography.

The company knew a growth in its turnover by 6% in 2014 equaling TND 69.4 million.

Protectrice Assurances

As the first independent insurance broker in the Tunisian market, Protectrice Assurances began operating in 1986.

The company has managed to distinguish itself from other brokers due to the quality of its services and the quality of its advices provided for businesses as well as for individuals. The company operates on different lines of insurance (Life and Non-Life).

During the year 2014 Protectrice Assurances carried out the reorganization of its information system and the expansion of its network by launching 4 new branches.

The performance of the financial year 2014 shows a turnover of about TND 7 million and a net result of TND 0.8 million.

3.1.3 ACTIVITIES RELATED TO FINANCIAL MARKETS

BIAT Assets Management

BIAT Assets Management manages a range of UCITS (SICAV and FCP) invested in the main markets of shares and bonds for the benefit of private and professional investors.

Like BIAT, BIAT ASSET MANAGEMENT engaged in guaranteeing to its investors a high quality assets management in order to ensure better profits for its customers.

BIAT Asset Management is one of the most important assets management companies in terms of managed capitals with TND 625.7 million of managed assets and a market share by December 31st, 2014, equaling 14%. This position is the result of a commercial dynamic support thanks

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to the BIAT network, first private bank on the local market, rich of its 185 branches, and a continuous approach of innovation devoted to the service of its clients.

Within the framework of the strategic orientation of BIAT group aiming at the separation of the activity of brokerage in stock market and that of the asset management, the BIAT Asset Management resumed beginning August 12th, 2014 the management, which was insured until then by BIAT Capital (Stock market broker), of the following FCPs: FCP BIAT-PRUDENCE, FCP BIAT-EQUILIBRE and FCP BIAT-CROISSANCE.

BIAT Asset Management manages a varied range of UCITS permitting its clients to choose the investment that suits them better. The offer includes two bond-market UCITS, five mixed UCITS and a UCITS dedicated to holders of savings account in shares (SAS).

Debenture UCITS

- **SICAV TRESOR** : created in 1997, SICAV TRESOR is a debenture UCITS of distribution. with a market share equaling 15%, it is considered a local market leader with managed asset amounting to TND 602 million by the end of 2014.

- **SICAV PATRIMOINE OBLIGATAIRE** : created in 2007, SICAV PATRIMOINE OBLIGATAIRE is a debenture UCITS of capitalization. Its managed assets amount to TND 15 million by the end 2014.

Mixed UCITS of distribution

- **SICAV PROSPERITY**: created in 1994, SICAV PROSPERITY is a mixed UCITS in which the managed assets are invested from 5% to

30% in shares of companies admitted to the listing of the stock market, and presenting a perpetual growth of their activity and of the achieved development objectives. Its managed assets amount, by the end of 2014, to TND 1.3 million.

- **SICAV OPPORTUNITY**: created in 2001, SICAV OPPORTUNITY, a mixed UCITS in which the portion invested in shares, ranges between 30% and 60%. The shares investments relate to companies admitted to the listing of the stock market with a vision of long term investment and on the basis of the fundamentals of these companies, show a potential of a visible growth. The managed portfolio totals TND 1.1 million by the end of 2014.

Mixed UCITS of capitalization

- **FCP BIAT - PRUDENCE** : This mutual investment fund is mainly intended for investors accepting a slight to moderate risk and aims at outperforming at a medium term a theoretical portfolio invested up to 70% at the money market rates and up to 30% in the capitalization index of Tunis stock market (TUNINDEX). Its managed asset reached, by the end of 2014, TND 3.8 million.

- **FCP BIAT - EQUILIBRE** : This mutual investment fund is mainly intended for investors accepting a moderate to high risk and aims at outperforming at a medium term a theoretical portfolio invested up to 50% at the money market rates and up to 50% in the capitalization index of Tunis stock market (TUNINDEX). Its managed asset reached, by the end of 2014, TND 0.1 million.

- **FCP BIAT - CROISSANCE** : This mutual investment fund is mainly intended for investors accepting high risk. It aims at outperforming at a medium term

a theoretical portfolio invested up to 20% at the money market rates and up to 80% in the capitalization index of Tunis stock market (TUNINDEX). The managed portfolio is valued, by the end of 2014, at TND 3.8 million.

UCITS devoted to holders of savings account in shares

- **FCP BIAT - EPARGNE ACTIONS**: Established in 2007, this mutual investment fund has as purpose to manage the amounts invested by holders of savings account in shares (SAS). It is thus invested by 80% at the minimum, of its assets in shares listed in the stock market of Tunis and at 20% at maximum in fungible treasury bonds. The non-used amount shall not exceed 2% of assets.

In the framework of developing the Group's financial activities, BIAT Asset Management has the ambition to become the first management company in terms of managed assets while ensuring an asset management of the best quality which comply with national or even international standards.

BIAT Capital

Founded in 1995, under Law 94-117 pertaining to financial market reform, BIAT Capital is the stock market broker of BIAT group. BIAT CAPITAL has as objective to trade and manage securities and to engage any other trade, financial, real estate and other transactions relating directly or indirectly to the company's purpose. By December 31st, 2014, the share capital of BIAT CAPITAL is set at TND 3 million held up to 100% by BIAT.

In 2014, BIAT Capital was able to boost its volume of transactions by 50% (compared to an increase of 16.2% for the entire market), thus

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consolidating its rank among the top 5 brokers in the local market.

Thanks to the synergies implemented with commercial poles of BIAT, BIAT Capital will seek to develop new growth drivers and to increase its market share.

Tunisie Titrisation

Specialized in the management of mutual claims funds, the company began operating in 2005. By December 31st, 2014, its capital amounts to TND 0.5 million. It manages the following two mutual claims funds:

- MDF "BIAT CREDIMMO 1"
- MDF "BIAT CREDIMMO 2"

By the end of 2014, the company recorded a deficit result of TND 0.2 million.

3.1.4 OTHER ACTIVITIES OF FINANCIAL COMPANIES

Compagnie Internationale Arabe de Recouvrement "CIAR"

Created in December 2000, CIAR currently disposes of a share capital of TND 1 million, held both directly and indirectly by BIAT up to 100%. Its corporate purpose consists of the purchase and the recovery of debts on behalf of third parties.

The year 2014 was chiefly marked by the doubling of CIAR's activity flow thanks to the resumption of the activity of recovery on behalf of BIAT (around 11,000 files). This new activity represents a driver of growth for CIAR, offering it new development perspectives. By December 31st, 2014, CIAR recorded a turnover of TND 2.2 million and a net result of

TND 0.3 million.

Banque d'Affaires de Tunisie (BAT)

Founded in 1997, BAT is a merchant Bank, whose main activities are centered on corporate finance. By December 31st, 2014, its share capital reached TND 3.71 million.

BAT continues to think of development lines allowing it to limit its dependence on the fluctuations of the consulting market, namely through the creation of the management company CAPSA Capital (that raised in 2013 the first investment fund of the company, namely the FCPR "Swing" of TND 10 million).

In addition to that, it intends to expand its intervention zone to cover, in time, the Maghreb, Sub-Saharan Africa and the entire Euro-Mediterranean area.

3.1.5 TOURISM RELATED ACTIVITIES

Société Tanit International "STI"

Founded in 1989, STI has as main purpose the development of the hotel and hospitality industry, of tourism and health resorts in Tunisia as well as the direct or indirect participation in any company sharing the same purpose. Starting 2008, STI initiated a process of restructuring and of consolidation after signing a Memorandum of Understanding far sighting BIAT's redeeming of ACCOR's share and the negotiation of new partnership with ACCOR for its subsidiary, "SPT Mohamed V", owner of hotels run under the trade names IBIS and NOVOTEL. Further to that, STI has a second subsidiary named Société Touristique Sahara Palace.

Société de Promotion Touristique Mohamed V « SPT Mohamed V »

Founded in 2006, the company is purpose is to develop the hotel industry, catering, tourism and spas. By the end of 2014, its share capital amounted to TND 18.2 million.

The company owns the Ibis 3* and Novotel 4* on Mohammed V Avenue in Tunis capital, which are managed since their opening in February 2012, by ACCOR Group.

Since it came into operation, and despite the economic difficulties experienced by Tunisia, particularly the Tunisian tourism, both these hotels recorded well performances with respective occupancy rates of 79% and 68% and gross operating income of about TND 2.8 million and TND 3.7 million.

Société de Promotion Touristique Sfax « SPT Sfax »

The creation of the SPT Sfax in 2014 with a capital of TND 17.4 million came in the framework of partnership with the ACCOR Group. In the light of the achievements of the Ibis hotel at Mohamed V, and account taken of the potential of the business tourism market in the Sfax region, BIAT participated in the funding of a 3* hotel with a 185 beds capacity in Sfax to be build on a lot of more than 2,600 m² benefiting from a strategic location situated on the road Menzel Chaker km 0.5.

Société Touristique Sahara Palace Nafta « STSP Nafta »

Subsidiary of the STI, the company was created in 2006 with a share capital of TND 8 million. The STSP Nafta

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aims at developing the hotel industry, catering, tourism and thermal spas. It owns the SAHARA PALACE hotel in Nafta, repurchased in 2006 within the framework of the national program of privatization and has not been operated since then. After various prospecting efforts, and in the absence of strategic partners for the development of the hotel unit, in 2014, the parent company, initiated a sale offering of the site or its shares in the company.

Société Golf Sousse Monastir

The company GSM was created in 1990. It operates a golf course "Palm Links", situated in the tourist zone of Skanes in Monastir, owned by the BIAT.

The golf course has got 18 holes over an area of 74 hectares, and has got a house club, a golf school, a practice court, a golf items shop, etc.

The Golf course, mainly visited by foreign tourist customers, was affected by the adverse environment of the Tunisian tourism sector.

The current capital of the company is TND 6.5 million. Its turnover in 2014 is estimated at TND 0.5 million.

Société FAIZA

Created in 1993, with a capital of TND 1.28 million, the company's purpose is the construction, the planning, the purchase, the sale and the operating of any establishment of a touristic nature. The company is currently awaiting the regularization of an ongoing land case.

3.1.6 REAL ESTATE RELATED ACTIVITIES

Monastir El-Fejja competitiveness Pole « MFCPOLE »

The establishment of the company in October 2006 falls within the public-private partnership. Its development program focuses on 326.5 ha divided into 4 areas:

- The El-Fejja park (116 ha): fully developed and is currently being marketed,
- The competitiveness pole of Monastir (110.5 ha) half of the area is developed, the rest is being developed given the attractiveness and the growing demand related to this area,
- The technopole of Monastir (50 ha) comprising to date a polyfunctional hall of 3,000 m², and industrial and service buildings in the process of construction.
- The finishing zone in Monastir (50 ha) whose development is scheduled starting 2015.

As well, MFCPOLE offers to investors mentoring services through actions of animation, promotion and development of technological monitoring and innovation. By December 31st, 2014, MFCPOLE shows a share capital of TND 20 million, a turnover of TND 6.6 million and a net profit of TND 4.6 million.

Société de promotion immobilière arabe de Tunisie « SOPIAT »

Operating in the sector of the real estate development, the SOPIAT represents a real estate vehicle as well as a centre of real estate expertise for the BIAT.

The company started its activity in December 2000. Its latest projects, came in the framework of the development of the branches network

of BIAT, namely the Kram médical, Bizerte Médical and the real estate project in Sakiet Ezzit-Sfax. Its share capital recorded by the end of 2014 TND 5 million.

Société de promotion touristique Salloum

Created in 1990, with a share capital of TND 4 million, the company's purpose is the creation, the development and the operating of an integrated touristic resort of a top range, in the area of Salloum – delegation of Bouficha. The planning studies and techniques were suspended awaiting the approval of the plan of development of the area and the lifting of the land intervention scope for the benefit of the AFH . During 2014, the management of the company decided to resume contact with the competent authorities, as soon as the cyclical conditions allow it, in order to discuss the main orientations for the development of the region.

Société TAAMIR

Started operating in 1988 for the purposes of recovery of certain contentious loans, the company's purpose is the acquisition, disposal, development, administration, the rental of constructed, or non-constructed buildings, or parts of buildings and the management of buildings. By the end of 2014, its capital amounts to TND 5.09 million. It has a land lot in Sfax put for sale and a cash treasury of TND 2.7 million.

Palm Links Immobilière

Palm Links Immobilière is a public limited company of real estate development created on March 3rd, 1999 with a share capital of TND 2 million. It was created under the initiative of GSM and its Shareholders in the aim of enhancing the value of a

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section of the land lot through the real estate development. In April 2003, the share capital was reduced by TND 1.8 million through restitution of shareholders contributions to be taken down to TND 200 thousand. Today and after accomplishing commercialization, the company Palm Links Immobilière is finalizing the transfers of land lot titles to the names of purchasers.

Société tunisienne de promotion des pôles immobiliers et industriels «STPI»

Created in 2006, the company's purpose is real estate development, in particular, the development of industrial zones. In this respect, it has developed the industrial zone of El Agba in the Grand Tunis region. By December 31st, 2014, its share capital was set at TND 4 million held up to 25% by BIAT.

Société ASTORIA Immobilière

The real estate development company ASTORIA Immobilière, was created in 2013, with a share capital of TND 13 million held up to 99.99% by group BOUCHAMAOU (HBG Holding). The increase of the company capital which was achieved in March 2014 and to which BIAT subscribed, aims at contributing in the funding of the first real estate project of the company in 1 out of its 5 land lots showing on its assets, located in the area of les Berges du Lac 2. The land lot is located along the express road linking Tunis to La Goulette and La Marsa. It benefits from a good location with double exposure, on the East overlooking Hannibal clinic and on the West overlooking an open sky parking lot and a green space.

3.1.7 SERVICE RELATED ACTIVITIES

Biat Consulting

BIAT Consulting was created in the first half of 2014 with a share capital of TND 0.5 million held up to 100% by BIAT group. Its main mission is to establish partnerships with the banks and financial institutions abroad through the conduct: (i) of strategic missions, organization and transformation, (ii) of projects of setting up an information system and (iii) of training programs. Since its first year of operation, it recorded a turnover TND 0.3 million thanks mainly to the accomplishment of a strategic mission with the National Bank of Mauritania. With the creation of BIAT Consulting, the BIAT financial group provided itself with a medium allowing the diversification and internalization of its services.

Organization et Services Informatique « OSI »

Started operating in 1987, the company is specialized in the commercialization of goods and services concerning the organization, the management, and the processing of information. Its current share capital amounts to TND 0.02 million. The company is currently on hold awaiting the regularization of certain matters.

Institut Tunis Dauphine « ITD »

Created in 2009, with a capital of TND 2.5 million, the company's purpose is the study, the implementation and the operating of a private teaching and training institute. It is the private university institute of higher education and research which is supported by a

partnership with the Université Paris-Dauphine. The company succeeded in delivering the first Bachelor diplomas in June 2012 ensuring the quality of the teaching courses and of the exams, provided by Paris Dauphine.

The Dauphine Tunis training offer falls within the frame of the BMD national education regime. It essentially focuses on the preparation of a Master's degree and concurrently covers many training courses currently offered by the Université Paris-Dauphine. For the academic year 2014-2015 The number of enrolled students should exceed 310, which is considered an increase by 30% compared to the previous year.

3.2 BIAT Group Results

The main consolidated data of the group indicate that the total balance-sheet, by December 31st, 2014, amounts to TND 9,479.7 million, showing a slight decrease of 0.2% compared with the end of 2013.

The net banking income shows an increase of 10.9%, equaling TND 535.6 million by December 31st, 2014.

As for the net result, it shows an increase of 10.0% reaching the amount of TND 116.6 million by the end of 2014. It, however, shows an increase of 46.1% compared with the result of the financial year 2013 after accounting change.

The group corporate income, for the years 2013 and 2014, is broken down as follows:

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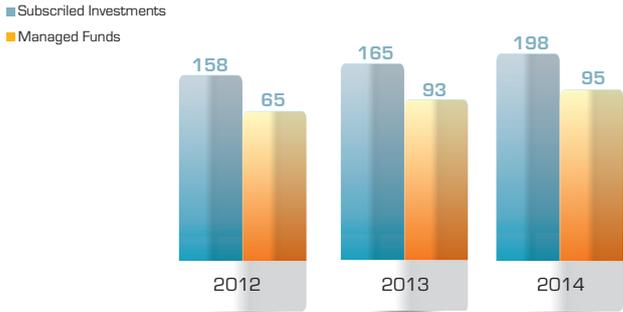
(In thousands of dinars)

Company	Corporate income 2014	Corporate income 2013	Variation
BIAT	102 376	107 658	(5 282)
BIAT CAPITAL	176	285	(109)
BIAT ASSET MANAGEMENT	463	455	8
BIAT CAPITAL RISQUE	1 013	1 185	(172)
CIAR	523	310	213
SICAF	956	1 769	(813)
SOPIAT	(77)	103	(180)
SALLOUM	(24)	(17)	(7)
OSI	(6)	(12)	6
PROTECTRICE	1 377	1 693	(316)
ASSURANCE BIAT	3 947	2 170	1 777
FAIZA	(3)	0	(3)
OPPRUNITY	16	18	(2)
TRESOR	23 373	25 508	(2 135)
PROSPERITY	33	33	0
SGP	410	86	324
TAAMIR	85	(25)	110
GSM	(677)	14 619	(15 296)
PALM LINKS	(42)	(15)	(27)
BAT	(20)	(592)	572
STI	(169)	(2 377)	2 208
TUNISIE TITRISATION	(176)	(98)	(78)
ELFEJJA	4 565	2 712	1 853
PATRIMOINE	550	649	(99)
FCC1	101	102	(1)
STPI	(77)	275	(352)
FCP	61	26	35
FCC2	66	72	(6)
STSP	(536)	(503)	(33)
SPTMV	1 600	(586)	2 186
ITD	20	(216)	236
EQUILIBRE	(4)	(5)	1
PRUDENCE	89	20	69
BIAT CONSULTING	3	-	
SPT SFAX	367	-	
Consolidated Total	140 357	155 302	(14 945)

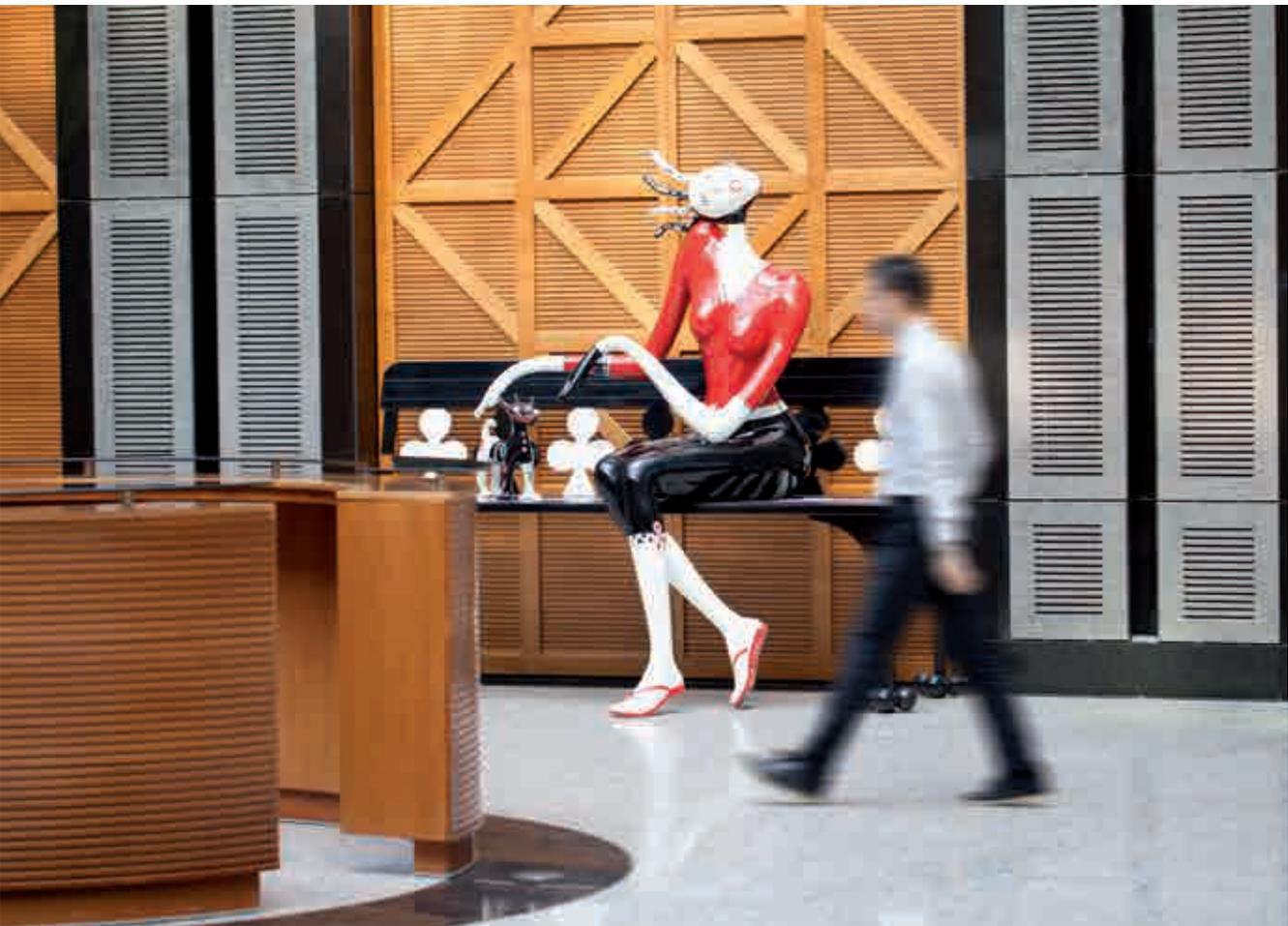
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3.3 EVOLUTION OF THE INVESTMENTS PORTFOLIO

By the end of 2014, the accounting value of subscriptions (Interests and managed funds) recorded an increase of about 13.5% compared with the year 2013 to amount to TND 293 million.



Growth of Equity Participations (in TND million)





SHAREHOLDING



Chapter 4

4. SHAREHOLDING

4.1 OWNERSHIP AND VOTING RIGHTS STRUCTURE

4.1.1 CAPITAL STRUCTURE AS AT DECEMBER 31ST, 2014

Shareholders	Number of shares	Share in %
A/ Foreign shareholders	1 419 529	8.35%
INTESA SANPAOLO S.p.A	1 157 787	6.81%
Others	261 742	1.54%
B/ Tunisian shareholders	15 580 471	91.65%
LEGAL ENTITIES	11 351 268	66.77%
NATURAL PERSONS	4 229 203	24.88%
TOTAL	17 000 000	100%

4.1.2 VOTING RIGHTS STRUCTURE

The 17,000,000 shares representing the bank capital entail 17,000,000 voting rights.

Under Article 39 of the Articles of Incorporation, each member of the ordinary or extraordinary General Meeting has as many votes as the number of shares he possesses and represents with no limitation, except for legal exceptions.

4.1.3 Major changes made at the Level of share capital

The year 2014 was particularly marked by the following transactions :

- **INOPLAST** assigned 510 085 BIAT shares or 3.00% of the capital ;
- **INOPLAST FINANCIERE HOLDING** acquired 510 085 BIAT shares or 3.00% of the capital ;
- **G.A.T** assigned 54 055 BIAT shares or 0,32% of the capital ;
- **G.A.T VIE EX. AMINA** acquired 54 055 BIAT shares or 0.32% of the capital ;
- **G.A.T INVESTISSEMENT** assigned 28 315 BIAT shares or 0.17% of the

capital;

- **G.A.T** acquired 28 315 BIAT shares or 0.17% of the capital;
- **G.A.T VIE EX. AMINA** assigned 15 637 BIAT shares or 0.09% of the capital;
- **G.A.T** acquired 15 637 BIAT shares or 0.09% du capital;
- **Mr MZABI MONCEF** assigned 6 471 BIAT shares or 0.04% of the capital;
- **Mr MZABI SKANDER FADHEL** acquired 6 471 BIAT shares or 0.04% of the capital.
- **Mr MZABI MONCEF** acquired 6 470 BIAT shares or 0.04% of the capital;
- **Mme MZABI NEBILA** acquired 6 470 BIAT shares or 0.04% of the capital.
- **STE TOURGUENESS** assigned 5 000 BIAT shares or 0.03% of the capital;
- **IFICO** acquired 5 000 BIAT shares or 0.03% of the capital.

4.2 REQUIRED CONDITIONS TO ATTEND GENERAL MEETINGS

Under Article 35 of the Articles of Incorporation :

1/ holders of shares released from payments due may attend the General Meeting, by providing proof of their identity, and they can as well be represented.

2/ however, the Tunisian State and public bodies, if they are shareholders are validly represented by their legal representatives; companies are validly represented either by one of their managers or by a delegate of their Board of Directors, or by an proxy, minors or banned persons by their guardian, all without being necessary for the Manager, the delegate of the Board, the proxy or the guardian to be personally a shareholder.

3/ bare owners are validly represented by the usufructuary and the right to vote belong to this latter for all ordinary and extraordinary meetings, except, as stated under Article 17, unless otherwise agreed upon between them.

4/ the form of proxies as well as the location and terms of their generation, subject to the provisions of article 36 hereinafter, are determined by the Board of Directors.

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Under article 36 of the Articles of Association :

1/ in order to have the right to attend or be represented at General Meetings shareowners must be listed on the company's registers, at least eight days prior to the fixed date for the meeting.

2/ any member of the meeting requiring to be represented by a proxy must file his power of attorney with the head office three days prior to the meeting.

3/ nevertheless, the Board of Directors may at any time reduce these periods and accept the filing beyond these limits.





Réunion du Conseil d'Administration
de la BIAT

GOVERNANCE



Chapter 5

5. GOVERNANCE

5.1 THE BOARD OF DIRECTORS REPORT CONCERNING ITS ACTIVITIES OF THE YEAR 2014 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance).

5.1.1 GOVERNANCE CODE

5.1.1.1 THE FUNDAMENTAL PRINCIPLES OF BIAT GOVERNANCE

BIAT governance refers to the principles that determine the proper functioning of its control and risk management system, and guarantee the fundamental balance of the bank, social interest and its sustainable and partnership-based performance.

These principles are:

- Separation of powers of control and executive powers.
- The independence of supervisory bodies.
- The optimum composition of the Board of Directors.
- The skill and diligence of the members of the Board.
- The organization in committees.
- The management of remunerations.
- The management and optimal supervision of risks.
- The reliable and democratic functioning of the General Meeting of Shareholders.
- The Responsibility (reporting on management level).
- The transparency of accounting and financial information.

5.1.1.2 THE BOARD OF DIRECTORS

The Board of Directors is a collegial

body that collectively represents all shareholders and acts at all circumstances in the interest of the bank. The Board monitors the efficiency and safety of assets, dividend policy, societal responsibilities towards employees, customers, suppliers, the communities in which the bank is in contact through its activities.

It determines the orientations and general policies of the bank and oversees their implementation.

5.1.1.3 THE SEPARATION OF THE FUNCTIONS OF THE CHAIRMAN AND THE GENERAL MANAGER

To comply with the best practices in corporate governance and with reference to the fundamental principles, the Extraordinary General Meeting held on May 29th, 2007, decided to opt for the separation of the functions of Chairman of the Board and the General Manager.

The Chairman organizes, directs and coordinates the work of the Board of Directors and reports to the General Meeting. He ensures the implementation of the options adopted by the Council⁽¹⁾.

The General Manager ensures under his responsibility the overall management the bank. He represents the Bank in its dealings with third parties.

⁽¹⁾ To know more about the Chairman's powers, refer to the Internal Regulations of the Board of Directors below.

The General Manager exercises these powers within the limits of the corporate purpose of the bank, subject to those that the law, the Articles and decisions of the Shareholders' Meetings and of the Board of Directors expressly attributed

to Shareholders' Meetings, to the Board of Directors, to the Chairman, as well as to other committees or bodies of the bank.

As such, the Board delegates to him the necessary powers to act in all circumstances on behalf of the bank⁽²⁾.

⁽²⁾ To know more about the General Manager's powers, refer to the Internal Regulations of the Board of Directors below.

5.1.1.4 INDEPENDENCE OF THE BOARD

The Board ensures its functioning and organizes its works in complete independence while avoiding conflicts of interest, the confusion of powers and roles, complacency, passivity and complicity in own interests at the expense of the corporate interest of the bank. No external or internal influence is exercised on the decisions of the Board which are sovereign and collegial. Independence also means competence and diligence that reflect on the quality of work, decisions and resolutions taken by the Council.

5.1.1.5 THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

The current internal regulation is designed to determine, in the framework of the regulatory provisions in force, the mission and operating procedures of the Board of Directors and its committees as well as the rights and duties of each member of the Board. It also specifies the respective role and the powers of the Chairman and the General Manager.

Composition of the Board of Directors

Board members are selected for their skills, their expertise and their mastering of the particularities of

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management and of development of strategic, financial, and operational activities of the bank and for their analytical capacities.

The Board has at least two independent members and at most a leading member.

The Board also has a member representing the interests of natural person shareholders holding a share strictly inferior to five percent of the capital.

The other members are external members representing the shareholders with no managerial or compensating functions in the bank.

The mandate of the independent members and members representing shareholders holding a share strictly inferior to five percent of the capital cannot be renewed more than twice.

The Independent Member

The independent member is a member of the Board of Directors free of any conflict of interest and a one who contributes with his independence of mind and his skills, in improving the quality of control exercised by the Board and to help shape the most performing strategic policy for the bank while ensuring their well implementation. The qualification of the independent member is reviewed annually by the Board of Directors before the publication of the annual report.

Are qualified to be an independent member of the Board of directors all persons that:

- Having no connection with the said institution within the meaning of law 2001-65 pertaining to credit institutions and the code of providing

financial services to non-residents;

- Holding no direct or indirect share in the capital of the bank;
- Not acting on behalf of customer, suppliers or a provider of a significant service to the bank;
- Has not been one of the paid employees of the bank;
- Has not exercised for more than 9 years the office of a member representing the shareholders' interests in the said Board;
- Has not exercised for more than 6 years the office of Auditor for the institution.

Missions of the Board of Directors

In exercising its statutory prerogatives the Board of Directors is mainly required to accomplish a quadruple mission:

- Defines the strategy of the bank;
 - Appoints corporate officers responsible for managing the bank under this strategy and chooses the mode of organization (separating or combining the functions of the Chairman and the General Manager);
 - Controls the management and ensure the financial soundness of the bank;
 - Ensures the quality of information provided to shareholders and the markets in the financial statements or on the occasion of major transactions.
- In this context and without this enumeration being exhaustive the Board enjoys powers as defined in the Articles of Incorporation.

Functioning of the Board of Directors

The Board of Directors is held, at the request of its chairman or half of its members, at least 4 times per year and as often as the interest of the bank requires it, namely,

in the occurrence of exceptional events that can eventually affect the normal conditions of its activity. If any member of the Board is absent at one of the meeting sessions, he/she can be represented by one of his/her colleagues by means of mandate given even by letter, fax or by telegram.

The mandate is only valid for one session. A member of the board of directors can represent only one of his colleagues.

The board of directors can only validly deliberate if at least half of its members are present.

The decisions are taken by the majority of votes of the members present or represented. The member of the Board of Directors who is also a proxy of one of his colleagues has the right to two votes.

In Case a Tied Vote should occur, the Chairman Has the Casting Vote.

The convening letter must indicate the meeting's agenda and should be sent to members of the board at least 10 days prior to the Board's meeting. The documents discussed during the meeting including those containing strategic, financial or accounting information, must be as well communicated to members of the Board at least 10 days before the meeting so that they can be prepared and analyzed in sufficient time.

The draft minutes of each meeting is addressed to Members of the Board within thirty days of the holding of the said meeting. The final minutes is sent together with the convocation to the following meeting and is approved at that meeting.

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The tasks of Secretary of the Meeting are performed either by a Member of the Board, or by anyone even a non-shareholder or someone who is not a member of the Board, subject to the decision of the Board.

Prerogatives and Powers of the Chairman of the Board of Directors

The Board of Directors shall elect a Chairman from among its members. It must be a natural person shareholder in the bank.

The Chairman of the Board is appointed for a term which may not exceed his mandate as a Member of the Board of Directors. He is eligible for one or more terms.

The Board of Directors may at any time revoke the chairman of his functions.

The President is responsible for convening the board, chairing its meetings, proposing the agenda, ensuring the achievement of the options adopted by the Board and chairing the sessions of the General Meetings. The Chairman organizes, directs and coordinates the work of the Board of Directors and on which he reports to the General Meeting.

In case of impediment of the Chairman of Board, this latter may delegate his powers to a member of the Board. This delegation is always given for a limited and renewable period.

If the Chairman is unable to perform this delegation, the Board of Directors may proceed with the office.

The Chairman of the Board may invite members of the Bank's management, the auditors or other persons from outside the Bank with specific competencies with regard to the topics in

the agenda to attend all or part of a meeting of the Board of Directors.

The Chairman ensures that the number, the missions, the composition as well as the functioning of the special committees required by the regulations in force are constantly adjusted to the needs of the Bank and to the best practices of corporate governance.

Roles and Powers of the General Manager

The Board of Directors nominates for a fixed term the General Manager of the Bank. However, if the General Manager is also a member of the Board of Directors, the term of his office cannot exceed that of his mandate as member.

The General Manager ensures under his responsibility the overall management the bank. He represents the Bank in its dealings with third parties.

The General Manager exercises these powers within the limits of the corporate purpose of the bank, except for those that the law, the Articles of Incorporation and decisions of the Shareholders Meetings and of the Board of Directors expressly attributed to Shareholders Sessions, to the Board of Directors, to the Chairman, as well as to other committees or bodies of the bank. As such, the Board delegates to him the necessary powers to act in all circumstances on behalf of the bank.

The General Manager has as main missions :

- 1/ the implementation of strategic policies and orientations of the bank,
- 2/ the implementation of the bank's annual budget as approved ahead by

the Board of Directors.

He also sets up the internal control system and the system of mastery of risks identified by the board.

The Board of Directors also delegates to the General Manager the necessary powers to exercise his office.

The Board of Directors may at the request of the General Manager, provide assistance to this latter by one or more vice general managers.

At the request of the General Manager, the Board of Directors ratifies the extent of powers given to the vice General Managers.

The Board of Directors may, at any moment, revoke or change the vice General Manager(s).

Obligations of the Members of the Board of Directors

The obligations of each member of the board are due to the bank as a whole and not to a particular shareholder.

All members of the Board shall:

- Permanently satisfy the conditions of respectability, integrity, impartiality and honesty required under the legal provisions in force and the rules of ethics, by placing the bank's interest over their personal interests;
- Devote the necessary time and attention to their tasks;
- Be diligent in performing their tasks;
- keep confidential about the information they have access to and keep themselves from using it for non-professional purposes;
- Avoid, to the extent possible all activities that might cause conflict of interests;
- Inform the Board of any information

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which created or might create a situation of conflict of interests;

- Refrain from participating or voting when in matters to which they could have a conflict of interests or when their objectivity or capacity to properly carry out their duties towards the institution may be altered;

- Request, beforehand, the authorization of the Board before indulging in certain activities in order to make sure that such activities will not cause conflict of interests;

- Not use the assets of the bank for personal usage;

All members of the Board should as well:

- Contribute actively in the works of the Board by constructively questioning the General Management;

- Make sure that the general management provides all necessary information for the discussions and deliberations of the Board;

- Make sure that the Bank acts in conformity with all the applicable laws;
- Diligently attend the meetings of the Board;

- Acquire training in the subjects of finance, taxation, law, risk and in general in all subjects relating to the banking profession;

- Make sure that meetings' agenda cover all important questions.

The Board Members' Access to Information

Members of the Board of Directors receive, from the Chairman, the General Manager, or from any other body created by the Board of Directors, all documents, reports and information needed for the fulfillment of their tasks, and may obtain any documents they consider to be useful.

The bank ensures for the members of the Board – so that they able to

fully carry out their duties – specific training programs relating namely to banking and financial operations, to Risk management, and to other related subjects as well.

Specialized Committees of the Board

General Principles

Committees support the board in exercising its tasks, especially in the preparation of its strategic decisions and the fulfillment of its supervisory duty.

In this regard, Committees should:

- Analyze, in depth, the technical questions which rise from their attributions;

- Report their works regularly to the Board which maintains, in a last resort, the general responsibility of the missions assigned to them;

- Inform the Board of any event likely to bring prejudice to the activity of the bank;

- Submit to the Board, at the occasion of holding meetings that concern examination of the annual financial statements of the institution, a detailed annual report concerning their activities. A copy of this report is to be addressed to the Central Bank of Tunisia 15 days before the holding of the Ordinary General Meeting of Shareholders.

Committees may, as they deem necessary, suggest to the Board to undertake by the body of executive management any mission or inquiry.

The Board nominates, among its members, the members of the committee. In case of a vacancy in a position of the committee, the Board should, without delay, fill such vacancy.

The composition of all committees should obey the following rules:

- A member of the Board should not hold a seat in more than one committee;

- The presence of at least three members and the mandates must correspond to their mandates in the Board.

The composition of every committee should consider the qualifications related to the attributions of the aforementioned committee, of the members who hold seats.

The General Management should provide the committees with any documents or information which they deem useful, and should provide them with the necessary means to fulfill their missions. It should provide them, especially of:

- The notifications of the results of control in documents and on site of the Central Bank of Tunisia;

- The reports of control performed by competent public authorities and auditors;

- The reports of rating agencies.

All committee are to convene by virtue of the convocation of the Chairman to meet at least six times a year and any time its chairman deems it useful.

The committee can also call any of the officers of the bank whose presence is deemed useful.

The committee cannot validly deliberate without the presence of at least three of its members. Where the Chairman is unable to attend, the chairmanship is confided to one of the committee members which shall be chosen by his peers.

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Minutes of each meeting should be established.

The decisions are adopted by the majority of the present members. In case of a tied-vote, the question matter is submitted to the Board.

Each committee should draw a chart, approved by the Board, determining its attributions, its composition, its functioning rules and its relations with the Board and the operational structures of the institution

The Executive Committee of Loans (see the chart of the Executive Committee of Loans).

The Committee of Risks (See the chart of the Committee of Risks).

The Permanent Committee of Internal Auditing (See the chart of the Permanent Committee of Internal Auditing).

The Evaluation of the Board of Directors

The Board initiates, every year its own evaluation, reconsidering its composition, its organization, and its functioning order. This evaluation should:

- Review the functioning modalities of the Board;
- Ascertain that vital question matters have been conveniently prepared and discussed beforehand;
- Assess the effective contribution of each member of the Board to the latter's works resulting of his competency and of his implication in the deliberations.

5.1.1.6 NOMINATION AND REMUNERATIONS

The Nomination of the Members of the Board of Directors

The nomination of the Board of Directors members follows a well-structured procedure. The selection of the members of the Board of Directors is done through an ad-hoc committee designated by the Board of directors, made-up of at least three members of the Board among whom one is independent. This committee submits a first list according to the criteria of competence, diligence, representation of the members of the Board who are shareholders and independence of the independent members. This list is submitted to the Board of Directors for initial assessment and validation, and then to the General Meeting for final authorization and validation.

Remuneration of the Members of the Board of Directors

Board members receive as attendance fees, an allowance the amount of which is determined annually by the General Meeting.

The Board of Directors ensures the adequacy of the level of fees and decides the method of distribution of the compensation on the basis of a report prepared by at least two of its members who are appointed for this purpose.

The Board of Directors may grant to its members exceptional compensation for specific assignments or tasks entrusted to them or to encourage their participation in the Board Committees. It sets in this case the remuneration and their modalities on the basis of a report prepared by the members appointed for this purpose.

Article 200 of the Commercial Companies Code requires auditors to include in their special report, on which the General Meeting shall deliberate, the obligations and commitments taken by the bank itself or by a corporation that it controls within the meaning of Article 461 of the said Code, concerning remuneration, allowances or benefits that are awarded to members of the Board or that are due to them or that they may be entitled to under the termination or modification of their duties.

Remuneration of the Members of the General Management

The Board determines the remuneration of the General Manager and the Vice General Managers based on a report provided by at least two of its members nominated for this purpose. One of the members should be independent.

Article 200 of the Commercial Companies Code requires auditors to include in their special report, on which the General Meeting shall deliberate, the obligations and commitments taken by the bank itself or by a corporation that it controls within the meaning of Article 461 of the said Code, concerning remuneration, allowances or benefits that are awarded to General Managers or to Vice General Managers or that are due to them or that they may be entitled to under the termination or modification of their duties.

Remuneration of the Members of Senior Management

The Board determines the remuneration of the Members of Senior Management based on a report provided by at least two of its members nominated for this purpose.

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One of the members should be independent. The report should refer to pertinent comparatives and ratios, in order to well assess the soundness of each evaluation.

5.1.1.7 GENERAL ASSEMBLY OF SHAREHOLDERS

The General Assembly of Shareholders is the supreme and sovereign authority of bank governance. Shareholders participate to the debates of the general Meeting and to its works under conditions favorable to the performance of their roles. Thus, the accounting and financial documents are provided to shareholders at least 15 days prior to the Meeting. The day of the Meeting, shareholders are free to express themselves and ask questions to the Board and to the bank's management. Reports are provided and the reports of the Board and Board Committees are exposed.

The shareholders are represented on the Board of Directors through the election of its members. The Board is collectively responsible for the performance of its duties to the General Meeting to which it legally assumes the essential responsibilities: convenes and sets the agenda of the Meeting, appoints the Chairman, the General Manager, the Vice general Managers and the officers of senior management, monitors their management, approves the annual accounts submitted to approval of the Meeting and presents its activities through its report to the Assembly.

5.1.1.8 COMMUNICATION POLICY

The Board of Directors defines the financial communication policy of the bank.

The Council shall establish a mechanism for the dissemination

of information to shareholders, depositors, market counterparties, regulators and the public in general.

This ensures the timely communication of relevant and reliable information in terms of quantity and quality of the significant aspects of the activity of the establishment.

It includes the following elements:

- A structure with a mission to provide a comprehensive, objective, updated information of the bank;
- An annual report prepared after the end of the financial year;
- Quarterly reports, providing quarterly financial information and a reporting of the Board about all operations made by the institution;
- Regular meetings between senior management of the institution and the investors and shareholders;
- Regular information sessions organized by senior management of the bank, especially the CEO and the head of the financial department, intended for shareholders, market analysts and journalists of the financial press.

5.1.1.9 ATTACHMENTS :

o The Charter of the Member of the Board of Directors

Art.1- Administration and interests
Each Board member shall act in all circumstances given priority to the corporate interest of the bank.

Art.2- Compliance with laws, regulations and statutes

Each member of the Board must take the full measure of their rights and obligations.

Art.3- Exercise of functions:
Guidelines

The member of the Board performs his duties with independence, integrity, diligence, loyalty and professionalism.

Art.4- Independence and duty of expression.

The member of the Board shall preserve in all circumstances independent judgment, decision-making and action. He is not to be influenced by any factor foreign to the corporate interest he seeks to uphold.

He alerts the Board on any item of knowledge it seemed likely to affect the interests of the bank.

He has a duty to articulate their questions and opinions. He assures to the extent possible the convincing of the Board of Directors of the relevance of his positions. In case of disagreement, it ensures that they are explicitly recorded in the minutes of the deliberations.

Art.5- Independence and conflict of interest

In general, the participation in the Board should not be used to acquire, use, or disseminate information in conditions that are not in harmony with the ethics in order to develop its own current or future activity.

The member of the Board shall endeavor to avoid any conflict that may exist between its moral or material interests and those of the bank. He informs the Board of any conflict of interest in which he may be involved. In cases where he cannot avoid being in a conflict of interests, he should not take part in debates as well as in the decisions regarding related matters.

Art.6-Loyalty and good faith

A Member of the Board takes no initiative which could harm the interests of the bank and acts in good faith in all circumstances.

He personally undertakes to respect the full confidentiality of the information he receives, of the debates in which

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he participates and of the taken decisions.

He prohibits himself to use for personal gain or for the benefit of anyone else privileged information to which he has access.

Art.7- Professionalism and Commitment

The Member of the Board of Directors binds himself to devote the necessary time and attention to his duties.

1. He is to acquire knowledge of specificities of the Bank, its challenges and values, including by raising questions to its principal officers.

2. He attends the Board's meetings with assiduity and diligence. He does his utmost to participate in at least one of the specialized committees of the Board.

3. He attends the General Meetings of Shareholders.

4. He does his best to get in the appropriate deadlines elements which he believes indispensable for his information to deliberate with full background knowledge in the Board of Directors.

5. He endeavors to update the knowledge which would be useful to him and has the right to ask the bank for formation that is necessary for the proper performance of his duties.

Art.8- Professionalism and efficiency

Each member of the Board of Directors contributes to the collegiality and to the effectiveness of the works of the board and the specialized committees composed within its existence.

1. He makes any recommendation seeming to him able to improve the modalities of the functioning of the board, notably during its periodic evaluation. He accepts the evaluation

of his own action within the Board of Directors.

2. He endeavors with the other members of the Board of Directors to have the control mission accomplished effectively and without obstacles. In particular, he ensures that in the bank the procedures allowing the control of respect of laws and rules are in letter and spirit.

3. He makes sure that the decisions adopted by the members of the Board of Directors are without exception, formal decisions, correctly motivated and transcribed in the minutes of its meetings.

Art.9 – Application of the Charter

On the issue of essential principles for the good functioning of the Board of Directors, each member strives to ensure the correct application of this Charter in the bodies of governance in which he participates

◦ **The Prevention and Management Policies of Conflicts of Interests**

Pursuant to Article 7 of BCT's circular No. 2011-06, BIAT formalized its policy of prevention and management of conflicts of interest.

This document seeks to define the rules which should enable the members of the Board of Directors of BIAT to avoid, insofar as possible, finding themselves in situations of conflicts of interest.

The prevention and management policy of conflict of interests define the procedures through which BIAT :

- identifies the situations leading or likely to lead to a conflict of interests ;
- Sets up a declaration and approval system to be followed by the members of the Board before they be indulged in activities likely to create conflicts with the interests of BIAT, or those of

customers, suppliers or of any other intervening party.

1- What is a Conflict of Interests?

A conflict of interests is born out of a situation in which a member of the Board of Directors holds or serves to his own interest, interests that could impact his duty of being objective in the exercising of his function.

It is meant by "personal interest" an interest alien to the interest of BIAT, whether direct, that is the personal interest of the member of the Board himself, or indirect and which is that of his parents, friends, business partners or in companies in which the member occupies an office.

The personal interest can, thereby, affect the discernment of the member of the Board of Directors which is, thus, no more exclusively focused on the corporate interest of BIAT.

The personal interest can be material, as for example, gaining profit at the expenses of BIAT, or non-material such as the approval of a transaction which gives privilege to a third party.

The risk of conflict of interests concerns all the members of the Board, including the independent members.

A member of the Board may find himself in a situation of conflict of interests that can be :

- Potential, when a change in situation, whether of the member of the Board or his environment, or that of the bank itself, would in future create a situation of conflict of interests ;
- Apparent, when the situation of conflict appears, before the eyes of well-informed third- parties,

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susceptible of affecting the exercising of the functions of the members of the Board of Directors ;

- Real, when the exercise of the rights and powers of the member of the Board has been or will be, through witness, influenced by the existence of personal interests, opposing the corporate interest of BIAT.

In general, all the situations likely of violating the loyalty, integrity, or the judgment of a member of the Board of Directors, also fall within the range that this definition covers.

Reporting and Approval Scheme

Periodicity of Reporting

Each member of BIAT's Board of Directors should, when taking up his duties, and afterwards annually, communicate in writing to the Board of Directors the list of interests he holds toward legal entities likely to put him in a situation of conflict of interests.

Throughout his mandate, and within the framework of his duty of loyalty, as defined in BIAT's governance code, the member of the Board who finds himself in a situation of conflict of interests that is potential, apparent or real, should inform the Board of Directors.

Management of Conflict of Interests' situation

The Board of Directors examines the situation of the concerned member of the Board, proceeds to necessary verifications, including the resort to an expertise in order to find out the occurrence or non-occurrence of the situation of conflict of interests and takes measures to safeguard the interests of BIAT.

When the Board assesses that the concerned member is in a situation of conflict of interests, the Board shall ask his non participation in the debates, as well as in all other decision makings regarding the concerned matters.

Any decision made by the Board related to the issue of conflict of interests concerning one or several members of BIAT's Board of Directors, shall be reported in the minutes of the Board; these minutes indicate, if need be, the abstention of voting of one or many members of the Board of Directors or mention the fact that the Board has ruled on the absence or approbation of conflict of interests.

Within the framework of its own evaluation in accordance with Article 5 of BCT's circular No. 2011-06, the Board can annually ask two of its members to examine the conditions in which the question of conflict of interests situations was managed within the Board, and to suggest recommendations, including the review or the updating of the this document.

o The Policy of Financial Communication

The obligation of Financial Communication

This obligation concerns the periodic information, the occasional information, as well as the privileged information.

1/ Periodic information relate to the annual report publication, to the annual and biannual results, as well as the quarterly indicators, such is in the conditions set forth by the regulations in force.

2/ Occasional information are those,

in the case where they were made public, could have an influence on BIAT's share price.

3/ Privileged information concern projects or investments, which, if made known to competitors, will have their value affected and will also harm the competitive position of the bank.

BIAT, within this precise framework, communicates general information, while specifying that at the same time that some information has not been published as well as the motive of such decision.

Principles of Financial Communication

The policy of the BIAT's financial communication aims to ensure the simultaneous, effective and integral disclosure of information that are pertinent, exact, precise and sincere, disclosed on time and homogeneous compared with the preceding publications.

Within this framework, BIAT :

1/ Ensures that the information is accessible to all at the same moment and that it has been disclosed simultaneously in Tunisia and abroad and that it respects the deadlines indicated by the regulations in force ;

2/ Publishes exact, accurate and genuine information ;

3/ Controls, beforehand, the coherence of all information published and this whatever be the date, the support, the nature or the recipients of such publications ;

4/ Ensures that the information remains confidential until its disclosure ;

5/ Ensures the effective and integral disclosure of the information of a regulatory nature with respect to the conditions set forth by the regulations in force ;

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6/ Respects the obligation of disclosing of statements of financial nature outside the office hours of the stock markete.

The communication of BIAT's financial information shall be in the Arabic and French languages, account taken of the internationalization of markets; some communications will equally be made in the English language.

Validation Process of the Financial Communication

The General Management is responsible for the information given to shareholders, markets, and to the public in general.

In this context, a process of validation of this information is established, by the creation of a committee headed by the General Manager and composed of the officer in charge of finances, the officer in charge of the bank of financing and investment and the officer in charge of financial communication.

The Board also validates the overall external communication support of BIAT.

Management of the Financial Communication

Only the General Manager or staff members, who are formally empowered, are authorized to give information to shareholders, to the markets and to the public in general; they should refrain from giving figured information that is not yet public.

BIAT can choose to communicate forward-looking information on particular events or on future performances, in this very case, such information should be on a solid basis, account taken of the hypotheses used

to establish them. This communication should include a cautionary statement indicating uncertainties or risk elements which can ensure that real results can substantially be different.

BIAT analyzes the rumors that concern it, and identifies their source; it is up to the committee to assess the advisability to publish a press release confirming or denying such rumors, or the need to release a statement to the market.

The Period of Silence

The period of silence is the period immediately preceding the publication of the provisional or final results and during which BIAT withholds, in general, all contacts with the financial community. It aims at avoiding the accidental disclosure, to shareholders, markets, the media and the public information on the performances, which are sensitive by nature.

5.1.2 CHARTER OF THE PERMANENT COMMITTEE OF INTERNAL AUDITING

In accordance with the provisions of Article 34 of law No. 2001-65, related to credit institutions and to Article 23 of the Central Bank of Tunisia's circular No. 2011-06 dated the 20th of May 2011, reinforcing the rules of good governance in credit institutions, the Board of Directors ("the Board") of the "Banque Internationale Arabe de Tunisie" [BIAT] created a permanent committee of internal auditing ("The Committee")

The composition, the attributions and the rules of functioning of the committee are determined in accordance with the provisions of the current charter.

5.1.2.1 Composition

The committee is composed of at least three members nominated by the Board, particularly for their qualifications in the financial, accounting and control sector; their mandates should be in conformity with their mandates in the Board.

Members of the committee may be re-elected; in case of a vacancy of a position in the committee, the Board should, without delay, fill such vacancy.

The committee is chaired by a member of the Board having the quality of independent board member within the meaning of article 13 of the Central Bank of Tunisia's circular No. 2011-06 dated the 20th of May 2011, and having a qualification and expertise in financial and accounting sector.

In accordance with the decision of the Board of Directors dated the 23rd of May 2014, the committee is composed as follows :

- **Chairman :**
 - o Mr. Tahar SIOUD, Independent Administrator
- **Members :**
 - o Mr. Jean MESSINESI : Administrator,
 - o Mr. Guido OTTOLENGHI : Representative of Intesa Sanpaolo

The members of the Board cannot have seats in any other Board Committee as indicated in Article 19 of the above-mentioned circular.

Members of the General Management cannot be members of the committee.

The committee can call to its meetings or to a part of them, any member of the General Management, the auditors, as well as any one responsible for

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an internal structure of the bank or subsidiary of BIAT group whose presence is deemed useful.

5.1.2.2 Attributions

The committee assists the Board in the making of strategic decisions and in performing its duty of surveillance; in this context it is required to:

- ensure the consistency of the measurement, surveillance and risk management systems, and ensure the clarity of the information provided.
- analyze the insufficiency in the functioning of the internal control system by the different control bodies and ensure the setting up of corrective measures;
- examine intermediary and annual financial statements of the bank and the annual report as well, before submitting them to the Board;
- suggest the nomination of the auditors and provide an opinion about their work programs and the results of their audits;
- Consider any event or any operation that may affect the financial situation of the Bank, its business activity or its reputation and brought to its knowledge by the Auditors;
- Examine any statement of the bank before its submission to the supervising authorities;
- control and coordinate the activities of the General Control structures, as well as the other bodies in charge of control missions;
- ensure that the General Control Structures have the logistics and human sources enabling them to perform their missions effectively;
- notify the Board of the nomination of the officer of General Control and of his collaborators, and give notice of promotions and remuneration.

The committee may, in the case where particular circumstances require it, suggest to the Board that the General Management expedite missions or inquiries.

The Chairman of the committee presents, during the meetings of the Board, the synthesis of works of the committee as well as the recommendations he formulates. The Committee submits annually its activity report to the Board.

5.1.2.3 FUNCTIONING RULES

Frequency

The committee meets at least six times per year on the convocation of its Chairman and each time he deems such to be useful.

Quorum

The committee can only validly deliberate with the presence of at least three of its members. Should the Chairman have an impediment; the chairmanship is confided to one of the committee members chosen by his peers.

Committee Decisions

The decisions are adopted by the majority of the present members. In case of a tied-vote, the question matter is submitted to the Board.

The committee deliberations are recorded in a meeting minutes which is transmitted to all the members of the Board during the following meeting.

Secretariat

The secretariat is ensured by the General Control. In this light, in collaborating with the project management office of the Bank, it is in charge of :

- Preparing the agenda which it submits beforehand to the Committee Chairman;
- Managing the relations with the bodies of the bank which are concerned with the agenda;
- Ensuring the collection and the centralization of any document prepared for the needs of The committee;
- Elaborating the minutes of each meeting of the committee.

5.1.2.4 RELATIONS WITH THE GENERAL MANAGEMENT AND THE OTHER BODIES OF THE BANK

For the purpose of exercising its missions, the General Management provides the committee with all useful documents or information. In this light, the different bodies of the bank hand to the committee's secretariat, particularly the following documents:

- The reports of control missions as well as the recommendations' monitoring;
- The documentation related to the means destined to ensure the good functioning of internal control;
- The notes concerning the development strategy of the bank and the financial projections;
- The intermediary and annual financial statements before their submission to the Board for approval;
- The notifications of the documentary and on the spot control results of Central Bank of Tunisia;
- The audit reports written by the competent public authorities and by the auditors;
- The reports of rating agencies;
- The reports mentioned in Articles 52 and 53 of BCT's circular No. 2006-19 pertaining to internal control.

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5.1.3 CHARTER OF THE EXECUTIVE CREDIT COMMITTEE

In accordance with the provisions of the Articles 23 and 24 of the Central Bank of Tunisia's Circular No. 2011-06 dated the 20th of May 2011, reinforcing the rules of good governance in credit institutions, the Board of Directors ("The Board") of the Banque Internationale Arabe (Arab International Bank) created an executive credit committee ["the Committee"].

The composition, attributions and the rules of the committee functioning are defined according to the provisions of the current charter, and to the principles stated in the governance code of the bank.

5.1.3.1 COMPOSITION

Members

The executive credit committee is an emanation of the Board of Directors and whose members are nominated by this latter. It has at least 3 members who have no seats in any other committee. Their mandates should be in accordance with that in the Board.

The members of the committee, especially the non-administrator ones, should have solid qualification and a good expertise when it comes to loans or are ready and able to acquire the necessary knowledge at a reasonable time.

In the case of a vacancy in the committee, the Board should, without delay, fill such vacancy. Besides, the Board can decide to replace a member of the committee at any time.

Chairman

The chairman of the committee is nominated by the Board.

Quorum

The quorum is set at three members. In case of the absence of the chairman, the chairmanship of the committee is confided to one of the committee members, having the quality of administrator, and who shall be chosen by his peers.

Secretariat

The secretariat is ensured by the Risk Department, a body in charge of the management of credits. In this light, it is in charge of:

- Preparing the agenda projects which it submits beforehand to the Committee's chairman;
- Managing the relations with the bodies of the bank concerned with the agenda;
- Elaborating the minutes of every committee meeting.

Monitoring the implementation of the decisions taken by the committee

Monitoring the decisions taken by the committee is ensured by the PMO of the Bank.

5.1.3.2 Attributions

The Executive Credit Committee has as mission the examining of the financing activity of the bank.

In this light, it gives its opinion to the Board about some categories of loans, among which are the following:

- The restructuring loans whose value and duration exceed the limits fixed by the Board;
- The loans which lead to an exceeding of engagements compared to the limits determined by the committee of

risks and approved by the Board;

- The loans granted, restructured or cancelled for the benefit of persons who have relations with the bank within the meaning of article 23 of law No. 2001-65 dated the 10th of July 2001 related to credit institutions and of article 200 of the code of commercial companies;

- The loans given to the customers classified in the bank or in other loan institutions, within the meaning of BCT's circular No. 91-24;

- Receivables classified at the bank or at other credit institutions within the meaning of BCT's circular No. 91-24;

- The write-offs and the losses exceed the limits determined by the board.

It can suggest recommendations for the review of the financing policy of the bank concerning particularly:

- The appropriation of loans according to nature, region, and economic sector;
- The maximum limits of risk concentration per beneficiary.

Meetings

The committee meets as often as it deems useful, but at least six times per year, by convocation of its Chairman. Except in the case of emergency, the call for a meeting is made at least, one week before the meeting.

The Chairman should call for the committee meeting when one of the members demands it.

Only the members of the Executive credit Committee are authorized to attend the meetings of the executive credit committee. Nevertheless, the committee can invite any internal officers of the bank to take part in all

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or in part of the meeting session when their presence is deemed useful.

Decisions are adopted by the majority of the present members. In case of a tied vote, the question matter is raised to the Board.

It is forbidden for the non-managing members of the Board to take part in the decision making submitted to the executive credit committee, in case where their presence implicates a situation of conflict of interests or the non justified access to privileged information.

Reporting

Minutes, is established after each meeting by the committee's secretary, in which are recorded the opinions about the examined loans. It is transmitted to all the members of the Board during the following meeting of the Board.

The PMO Bank member in charge of monitoring the decisions taken by the committee addresses signed-minutes extracts to the persons nominated to fulfill procedures or to information recipients.

The committee will submit to the Board an annual report concerning the activity of credit of the bank, during the meeting held for the examination of the annual financial statements of the bank. This report will detail particularly the activity of the committee.

The PMO Bank member present, at the beginning of every meeting, a report concerning the advancing of the decisions taken during the preceding meetings.

Evaluation

The Executive Credit Committee reconsiders, every year, the modalities of its functioning, examines its own efficiency and make effective any necessary change after the approval of the Board.

5.1.3.3 RELATIONS WITH THE BOARD AND THE OPERATING BODIES OF THE BANK

The Board authorizes the Committee to:

- Examine any field related to that of attributions;
- Receive from other bodies of the bank and from the General Management, all the information necessary for the fulfillment of its mission and communicate the documents it deems useful, in particular :
 - The reports of control achieved by the competent public authorities, the auditors...;
 - Macro-economic, sectoral, regional, or specific, retrospective or prospective studies;
 - The notes concerning the strategy of development of the bank and the financial projections;
 - The reports of the rating agencies;
 - The notifications of the documentary and on the spot control results of Central Bank of Tunisia.

The committee can suggest to the Board to be commissioned by the General Management to undertake any mission or enquiry when particular circumstances demands it.

5.1.4 CHARTER OF RISK COMMITTEE

In accordance with the provisions of the Articles 23 and 27 of the Central Bank of Tunisia's Circular

No. 2011-06 dated the 20th of May 2011, reinforcing the rules of good governance in credit institutions, the Board of Directors ("The Board") of the Banque Internationale Arabe de Tunisie [Arab International Bank of Tunisia] created a Risk Committee ("the Committee").

The composition, attributions and the rules of the committee functioning are defined according to the provisions of the current charter, and to the principles stated in the governance code of the bank.

5.1.4.1 COMPOSITION Members

The risk committee is an emanation of the Board of Directors and whose members are nominated by this latter. It has at least 3 members who have no seats in any other committee. Their mandates should be in accordance with that in the Board.

The members of the committee, especially the non-administrator ones, should have solid qualification and a good expertise when it comes to loans or are ready and able to acquire the necessary knowledge at a reasonable time.

In the case of a vacancy in the committee, the Board should, without delay, fill such vacancy. Besides, the Board can decide to replace a member of the committee at any time.

Chairman

The chairman of the committee is nominated by the Board and should be obligatorily an independent administrator (within the meaning of article

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13 of BCT's Circular No. 2011-06 dated the 20th of May 2011), having a solid qualification and good expertise in risk management.

Quorum

The quorum is set at three members. In case of the absence of the chairman, the chairmanship of the committee is confided to one of the committee members, having the quality of administrator, and who shall be chosen by his peers.

Secretariat

The secretariat is ensured by the Risk Department, a body in charge of the management of risks. In this light, it is in charge, in collaboration with PMO of the bank of :

- Preparing the agenda projects which it submits beforehand to the Committee's chairman;
- Ensuring the collection and the centralization of the documents prepared for the needs of the committee;
- Elaborating the minutes of every committee meeting.

Monitoring the decisions taken by the committee

Monitoring the decisions taken by the committee is ensured by the PMO of the Bank.

5.1.4.2 ATTRIBUTIONS

The Committee of Risks has as mission to support the board in honoring its responsibilities related to the management and monitoring of risks and in respecting of the regulations and policies decided in the subject.

Within this framework, it is required to:

- Conceive and update the management strategy of all risks incurred by the bank including credit, market,

liquidity and operational risks, taking into consideration the risk-appetite of the Board, the financial situation of the Bank, and its capacity of managing and controlling the risks within the framework of such strategy;

- Determine the limits of exposition to, and the operational ceilings of all risks. As for credit risk, it is about limits by counterparty, group, class of risk, sector of activity, region or nature of the loan;
- Approve the measure and surveillance system of risks, the tools and standards of risk assessment, as well as the delegations of power in the matter of risk taking;
- Monitor the General Management's respect for the management strategy of risks as defined by the Board;
- Analyze the bank exposure to all the risks it incur including credit, markets, liquidity and operational risks and monitor the respect of exposure limits;
- Evaluate the policy of provisioning and ensure the permanent adequacy of equity capital;
- Study the risks resulting of the strategic decisions taken by the Board;
- Examine the scenarios of stress testing and analyze its results;
- Approve the activity continuity plans;
- Give its opinion to the Board concerning the nomination of the risk department manager and his remuneration;
- Ensures that the risk office and the other concerned entities have the human and logistic means necessary to accomplish effectively their mission
- Propose to the board methodologies of integration of the risk component in the performance criteria;
- Ensure the monitoring of loans granted to customers whose commit-

ments exceed the amounts provided for in article 7 of the BCT's circular No. 91-24 dated the 17th of December 1991 pertaining to the division and coverage of risks and to commitments monitoring.

5.1.4.3 RULES OF FUNCTIONING

Meetings

The committee shall meet, on the convocation of its Chairman, as often as it deems useful, and at least six times per year. Except in cases of emergency, the convocation is made at least one week before the meeting. The Chairman should call for a committee meeting whenever one of the committee members demands it. Only the members of the Risk Committee are authorized to attend the meetings of the committee of risks. Nevertheless, the committee can invite any internal officer of the bank to attend all the committee meeting or part of it, whenever his presence is deemed useful. The decisions are adopted by the majority of the present members. In case of a tied vote, the question matter is raised to the Board.

Reporting

Minutes shall be established after each session by the Committee's secretary, in which are recorded among other things, the recommendations of corrective actions to improve the management of the bank risks. It is transmitted to all the Board members during the following meeting. The secretary addresses signed minutes' extracts to the persons nominated to fulfill the decisions taken, or to the information recipients. The committee will submit, to the Board, an annual report concerning the governance of risks within the

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bank, during the meeting held about the examination of the bank annual financial statements. This report details particularly the activity of the committee.

Evaluation

The Committee of Risks reconsiders on yearly basis the modalities of its functioning, examines its own effectiveness and sets up any necessary changes after approval of the Board.

5.1.4.4 RELATIONS WITH THE BOARD AND THE BANK OPERATIONAL STRUCTURES BANK

The Board authorizes the committee to:

- Examine all domains falling within the scope of these attributions;
- Receive from other bank bodies and the General Management any information necessary to the fulfillment of its mission and all documents it considers useful; particularly :
 - The reports of control achieved by the competent public authorities, the auditors...;
 - Macro-economic, sectoral, regional, or specific, retrospective or prospective studies;
 - The notes concerning the strategy of development of the bank and the financial projections;
 - The report of social and environmental performance;
 - the reports of the rating agencies;
 - The notifications of the documentary and on the spot control results of Central Bank of Tunisia;

The committee can suggest to the Board to be commissioned by the General Management to undertake any mission or enquiry when particular circumstances demands it.

5.1.5 COMPOSITION OF THE BOARD OF DIRECTORS AND THE FREQUENCY OF ITS MEETINGS

5.1.5.1 COMPOSITION OF THE CURRENT BOARD OF DIRECTORS

BIAT's Board of Directors is currently composed of ten members.

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Name	Expiry date of mandate	Last Position within BIAT	Main functions occupied
Ismail MABROUK Chairman	OGM that will approve the accounts of the year 2016		Chairman of BIAT's Board of Directors
Tahar SIOUD Independent member	//		Ex-Vice Governor of BCT and Ex-SEAE[*]
Karim MILAD	//		Chief Executive Officer of TTS
Mohsen HACHICHA	//		Head of Group Hachicha
Hichem DRISS	//		Chief Executive officer of Marhaba Chain
Guido OTTOLENGHI Representative of Intesa SANPAOLO SpA	//		CEO of a service Company in Italy
Jean MESSINESI Independent member	//		Ex-Manager of the HSBC France bank
Fathi MESTIRI Representative of small shareholders	OGM that will approve the accounts of the year 2017		Ex-CEO of « BNP- Paribas EL DJAZAIR »
Mohamed Afif CHELBI Independent member	OGM that will approve the accounts of the year 2016		Ex-Minister of Industry and Technology
Mehdi SETHOM Independent member	OGM that will approve the accounts of the year 2016		Financial Analyst at the « Mediterranean Corporate Finance »

[*] : Secretary of State of Foreign Affairs

The secretariat of the board is ensured by Mrs. Lamia ZGHAL, an executive of the bank.

5.1.5.1 FREQUENCY OF MEETINGS OF THE BOARD OF DIRECTORS DURING 2014

In 2014, the Board of Directors held five meetings.

	Meeting of March 12, 2014	Meeting of April 23, 2014	Meeting of May 23, 2014	Meeting of September 17, 2014	Meeting of December 18, 2014
Number of Attendances	7	9	10	10	7

5.1.6 COMPOSITION OF THE PERMANENT COMMITTEE OF INTERNAL AUDITING AND THE FREQUENCY OF ITS MEETINGS

5.1.6.1 COMPOSITION

- **M. Tahar SIOUD** : Chairman
- **M. Jean MESSINESI**
- **M. Guido OTTOLENGHI**

5.1.6.2 FREQUENCY OF MEETINGS

In 2014, the Permanent Committee of Internal Audit met five times :

Chapter 5

	Meeting of February 18, 2014	Meeting of March 10, 2014	Meeting of April 23, 2014	Meeting of August 28, 2014	Meeting of September 17, 2014
Number of Attendances	2	2	2	3	3

5.1.7 COMPOSITION OF THE EXECUTIVE CREDIT COMMITTEE AND THE FREQUENCY OF ITS MEETINGS

5.1.7.1 COMPOSITION

- **M. Mohamed AGREBI** : Chairman
- **M. Mohsen HACHICHA**
- **M. Fathi MESTIRI**
- **M. Mehdi SETHOM**

5.1.7.2 FREQUENCY OF MEETINGS

The Executive Credit Committee held five meetings in 2014 :

	Meeting of March 11, 2014	Meeting of April 22, 2014	Meeting of September 16, 2014	Meeting of November 13, 2014	Meeting of December 12, 2014
Number of Attendances	3	3	4	4	4

5.1.8 THE RISK COMMITTEE COMPOSITION AND FREQUENCY OF ITS MEETINGS

5.1.8.1 COMPOSITION

- **M. Mohamed Afif CHELBI** : Chairman
- **M. Karim MILAD**
- **M. Hichem DRISS**

5.1.8.2 FREQUENCY OF MEETINGS

The risk Committee whose members are nominated by the board of Directors meeting on May 23rd, 2014, held two meetings in 2014 :

	Meeting on September 12, 2014	Meeting on November 25, 2014
Number of Attendances	3	3

5.1.9 ORGANIZATION OF THE INSTITUTION AND ITS LINES OF BUSINESS

The BIAT is organized into :

- General management of retail banking;
- General Management of Resources;
- Strategy Division and Financing and Investment Bank.

The branch network is structured in 14 areas, which are grouped under 4 regional departments.

Chapter 5

5.1.10 DETAILED COMPOSITION OF EQUITY CAPITAL

	2010	2011	2012	2013	2014
Weighted net asset (in TND million)	4,888.3	5,407.4	5,611.7	6,124.4	6,508.0
Total net core equity capitals (in TND million)	466.9	480.0	525.3	555.5	609.7⁽¹⁾
Ratio of risk coverage (tier 1)	9.55%	8.90%	9.36%	9.07%	9.37%
Complementary Equity Capital (in TND million)	48.8	58.2	39.2	29.9	82.9
Total net equity capital	515.8	538.1	564.5	585.3	692.6
Global Ratio of risk coverage	10.55%	9.95%	10.06%	9.56%	10.64%⁽²⁾

(1) After income appropriation by the General Meeting

(2) Regulatory ratio of 10%

5.1.11 STRUCTURE OF THE SHAREHOLDING AND VOTING RIGHTS AS AT DECEMBER 31ST, 2014

SHAREHOLDERS	NUMBER OF SHARES	PORTION IN %
A/ Foreign shareholders	1 419 529	8.35%
INTESA SANPAOLO S.p.A	1 157 787	6.81%
Others	261 742	1.54%
B/ Tunisian shareholders	15 580 471	91.65%
HOLDING MAGHREB FINANCE	3 469 647	20.41%
MAGHREB FINANCIERE HOLDING	2 314 748	13.62%
MENINX HOLDING	1 367 982	8.05%
T.T.S FINANCIERE	661 118	3.89%
HABIB KAMMOUN	586 577	3.45%
INOPLAST FINANCIERE HOLDING	510 085	3.00%
IFICO	509 758	2.84%
KARIM MILAD	420 909	2.48%
T.T.S	390 964	2.30%
G.A.T	289 654	1.70%
HEND FAKHFAKH	263 300	1.55%
KHALED FAKHFAKH	241 840	1.42%
MOHSEN HACHICHA	236 575	1.39%
DORRA MILAD	184 432	1.08%
MERIAM MILAD	183 061	1.08%
Others	3 755 021	22.09%
Total	17 000 000	100.00%

The 17,000,000 shares represent the capital of the bank entail 17,000,000 voting rights.

Chapter 5

5.1.12 OBLIGATIONS AND COMMITMENTS OF THE BANK TOWARD EXECUTIVES

The obligations and commitments toward executives as referred to in article 200 new II-5 of the code of commercial companies are as follows:

- The former Honorary Chairman of the Board of Directors, benefited from in-kind benefits consisting of support for incidental expenses related to the accommodation as well as the employer's charges that comes with them. These benefits that have been set by the Board of Directors' meeting on March 13th, 2007, amount to a gross sum of TND 12 thousand for the financial year 2014.

- The remuneration of the former general manager is set by the remuneration committees emerging from the boards of Directors meeting on May 29th, 2007, and on May 23rd, 2014. This remuneration amounted for the financial year 2014 for the period going from January 1st to May 30th to a gross amount of TND 1,830 thousand including employers' charges of TND 380 thousand; it includes also the salary, allowances, the balance of all accounts and severance pay, support of a pension scheme. The General Manager equally benefits from a company car with a driver and support for utility costs.

In addition, the Board of Directors at its meeting of May 23rd, 2014 decided the transfer by BIAT of a Mercedes passenger car fully amortized for a price of TND 25 thousand for the benefit of its former General Manager.

- The remuneration of the new General Manager is determined by the remuneration committee emerging from the board of directors meeting on May 23rd, 2014. This remunera-

tion amounted for the financial year of 2014 for the period going from June 1st, 2014 to December 31st, 2014 at a gross amount of TND 235 thousand including the employers' charges of TND 49 thousand; it includes equally the salary and indemnities, support of a pension scheme. The General Manager also benefits from a company car with a driver and the support of related costs.

- The remuneration of the Vice General Manager in charge of BIAT resources is determined by the remuneration committee emerging from the Board of Directors meeting on May 23rd, 2014, and amounted during the period going from June 1st, 2014 to December 31st, 2014 to a gross sum of TND 197 thousand including the employer charges of TND 42 thousand, It includes the salary and indemnities, the support of a pension scheme.

- The remuneration of the vice director in charge of retail banking of the BIAT is determined by the remuneration committee emerging from the Board of Directors which met on May 23rd, 2014, and which amounted during the period starting from June 1st, 2014, to December 31st, 2014, to a gross amount of TND 201 thousand, including the employers' expenses of TND 42 thousand, it encapsulates the salary and indemnities, the payment of the anticipated retirement allowance.

- Members of the Board of Directors are remunerated by attendance fees determined by the ordinary General Meeting of May 23rd, 2014. These attendance fees amounted for the financial year 2014, to a gross amount of TND 450 thousand. In addition, The Board's members having a seat in the delegation of the Board of Directors at the level of permanent committee of internal auditing, of executive credit committee, have benefited from gross

remunerations for the financial year of an amount equals to TND 72 million.

5.2 GENERAL MANAGEMENT

5.2.1 GENERAL MANAGER

According the minutes of the Board of Directors meeting on December 18th, 2013, Mr. Mohamed AGREBI was nominated as a the General Manager of the Bank effective as of the date on which the ordinary General Meeting that will approve the accounts of the financial year 2013 is held.

The Board of Directors meeting on May 23rd, 2014, at the end of the said meeting, approved this appointment for a mandate of 3 years ending following the ordinary General Meeting called to approve the accounts of the financial year 2016.

5.2.2 VICE GENERAL MANAGERS

According to the minutes of the Board of Directors meeting on March 12th, 2014, Mr. Hechmi LAKRICHE and Mr. Thameur DERBEL were nominated as vice General Managers respectively in charge of the retail banking and resources.

5.3. Statutory Auditors

The mandate of the two auditors of BIAT was renewed by the ordinary General Meeting of June 21st, 2013, for a period of 3 years expiring after of the ordinary General Meeting called to approve the accounts of 2015.

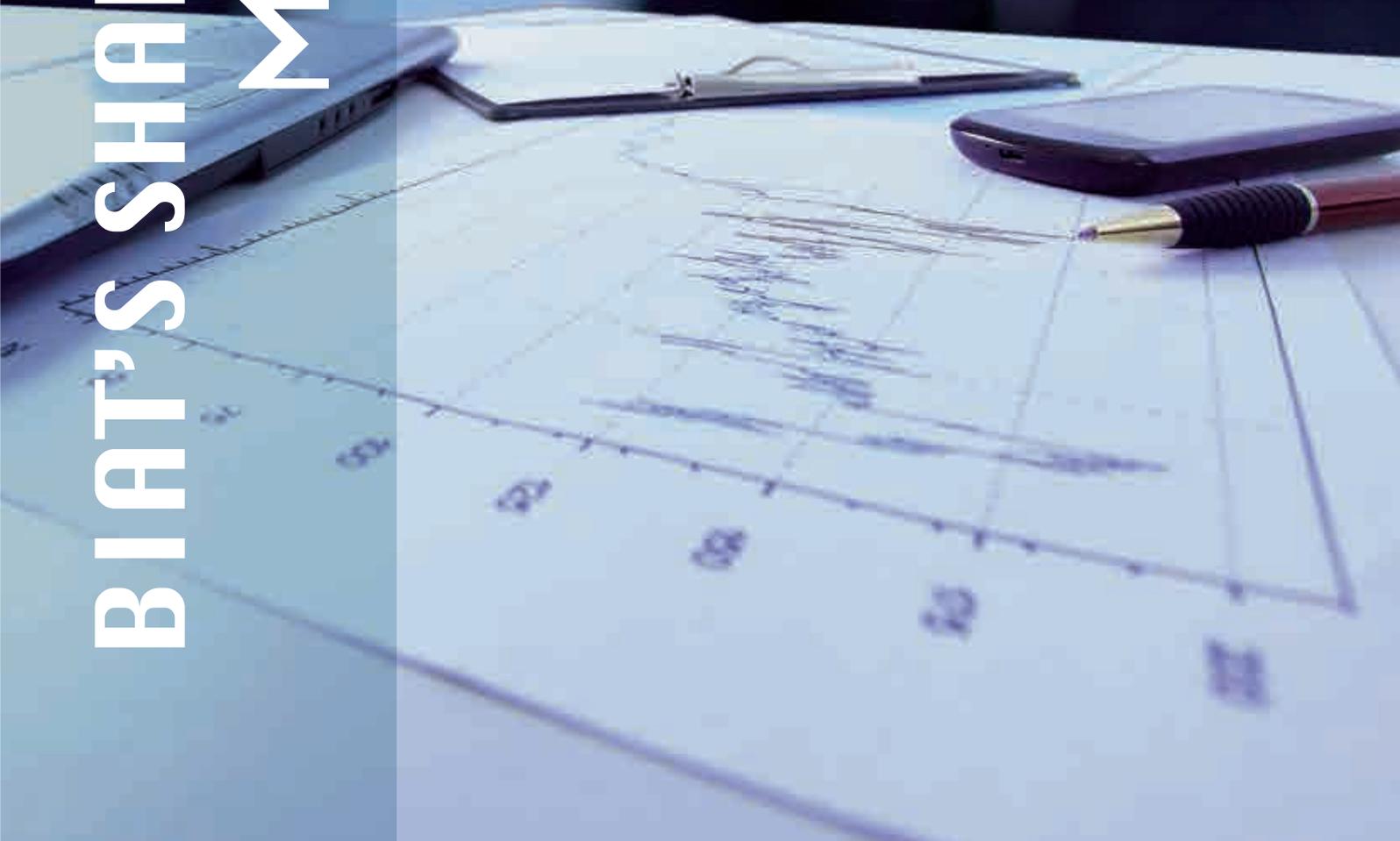
These two auditors are :

ECC-MAZARS

Associate auditors MTBF/ PriceWaterHouseCoopers



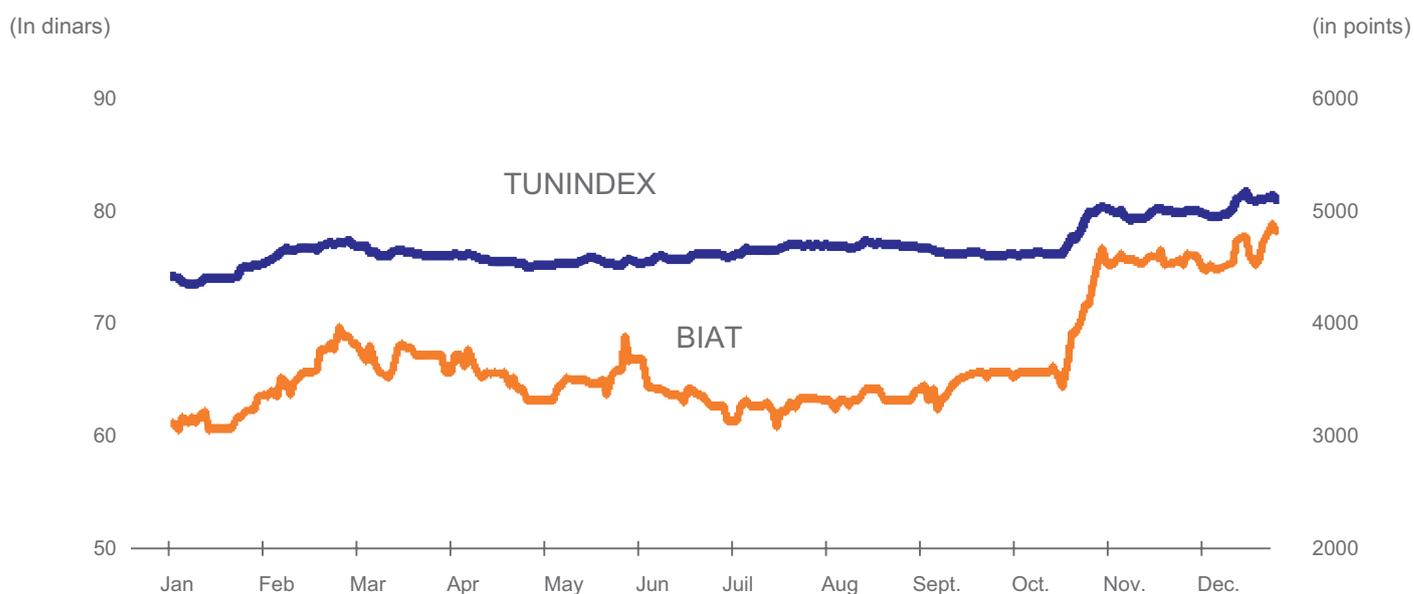
BIAT'S SHARE IN THE STOCK MARKET



Chapter 6

6. BIAT's share in the stock market

6.1 Trend in BIAT Share Price in 2014



BIAT's securities ended the year 2014 at 78 dinars, recording thus a rate of return of 33.6% compared to the year 2013. BIAT represented by late 2014 the third market capitalization of the local market with TND 1,326 million.

The number of the BIAT securities exchanged for the entire year 2014 reached 942, 993.

Shareholders	2013	2014
Share Capital		
* in number of shares	17,000.000	17,000.000
* In millions of dinars	170.0	170.0
Highest price/ lowest price (in dinars)	71.290 / 60.000	79.820 / 60.250
Closing price (in dinars)	60.250	78.000
Profit after accounting change per share (in dinars)	4.238	6.022
P.E.R	14.2	12.9
Dividend per share (in dinars)	2.500	3.000
Market Capitalization (in TND million)	1,024.3	1,326.0

Chapter 6

6.2 UNDERTAKEN FINANCIAL COMMUNICATION ACTIONS

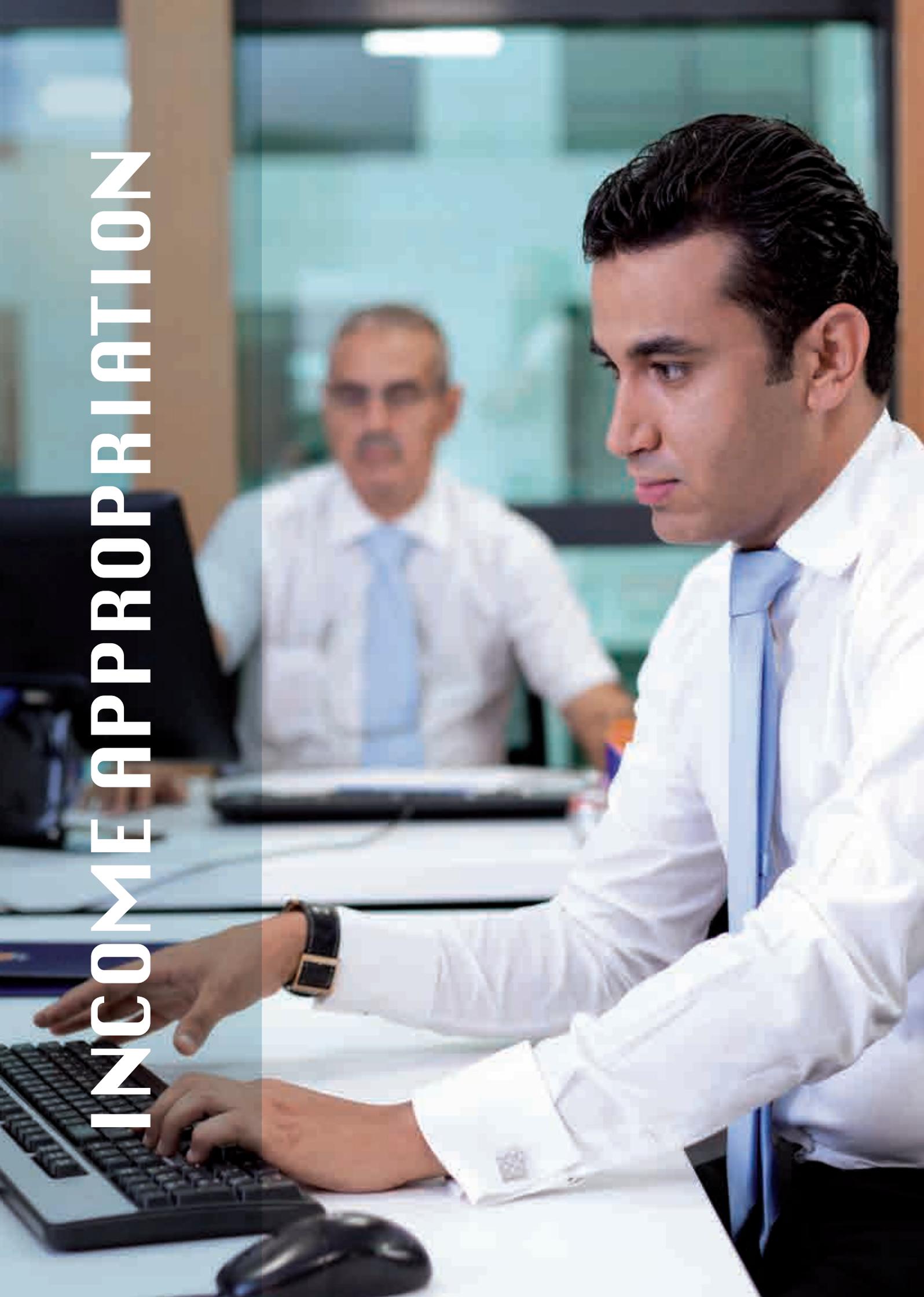
In conformity with its strategy of communication, BIAT continued in 2014 to communicate with its shareholders through the addressing of shareholder's letter.

Besides, several one-to-one meetings were organized in 2014 with analysts, fund managers, rating agencies, etc.





INCOME APPROPRIATION



Chapter 7

7. Income Appropriation

7.1 STATUTORY PROVISIONS IN TERMS OF INCOME APPROPRIATION

The net proceeds, deduction made of all costs, including amortization and provisions constitute earnings.

1/ Out of the net earnings thus established, it is first deducted :

a- all legal reserves that the company is required to form in the conditions

determined by the legislation in force;

b- Any amounts that the General Meeting, under the proposition of the Board of Directors, decides to transfer to general or specific reserve funds, or to carry them forward;

c- An interest of 5 % of the amount paid-up and unamortized of shares without in case of insufficiency of earnings to make this payment, a withholding on the results of the subsequent financial year's result can be made;

d- A sum of 10% of profits attribu-

table to a social fund or to the Association Amicale du personnel de la banque [Friendly Association of the Bank's staff.

2/ the residue plus retained earnings of previous financial years will be allocated as supplementary dividend.



Chapter 7

7.2 Change in Shareholder's equity and dividend paid

	Corporate capital	Share premium	legal reserves	Ordinary reserves	Other reserves			Other capitals	Reported incomes	Accounting modifications	Reported incomes after accounting modification	Income of the period	Total
					Corporate funds	Reserves for gains on disposals of equity securities	Tax-exempt reserves for reinvestment						
Equity capitals on 31/12/2012 before appropriation	170 000	141 760	17 000	48 579	6 148	43 693	15	1 113		1 113	94 696	580 232	
Appropriation AGO of 21/06/2013				13 000	9 470	30 005		-279		-279	-52 196	-	
Dividends											-42 500	-42 500	
Transfer of reserves				1 247		-1 247							
Equity capitals on 31/12/2012 after appropriation of income	170 000	141 760	17 000	62 826	66 698	73 698	15	834		834		537 732	
Equity capitals on 31/12/2013 before appropriation	170 000	141 760	17 000	62 826	67 030	73 698	9	834	-35 613	-34 779	107 658	610 103	
Accounting modification									35 613	35 613	-35 613		
Appropriation AGO of 23/05/2014				7 205		22 565		-225		-225	-29 545	-	
Dividends											-42 500	-42 500	
Transfer of Reserves				3 211		-3 211							
Equity capitals on 31/12/2013 after appropriation of income	170 000	141 760	17 000	66 038	74 235	96 263	9	609		609		567 603	
Equity capitals on 31/12/2014 before appropriation	170 000	141 760	17 000	66 038	74 563	96 263	3	609		609	102 376	670 302	
Appropriation AGO of 01/06/2015					10 238	28 749		42 989		42 989	-81 976	-	
Dividends		-30 000						-600		-600	-20 400	-51 000	
Transfer of Reserves				1 690		-1 690							
Equity capitals on 31/12/2014 after appropriation of income	170 000	111 760	17 000	67 728	84 801	125 012	3	42 998		42 998		619 302	



ACCOUNTS AUDIT



Chapter 8

8. ACTIVITY OF THE PERMANENT INTERNAL AUDITING COMMITTEE OF THE CONTROL OF ACCOUNTS

8.1 ACTIVITY REPORT OF THE PERMANENT INTERNAL AUDITING COMMITTEE OF THE YEAR 2014

In 2008, the Board of Directors of BIAT, in conformity with the regulations in force, established a Permanent Committee of Internal Auditing working under its authority.

This Committee assists the Board in the preparation of strategic decisions and in implementing its monitoring duty; its main missions are as follows:

- to ensure consistency of measurements, surveillance and risk management systems;
- to ensure the effectiveness of the internal control system ;
- to examine the financial statements prior to their submission to the Board;
- to control and coordinate the activities of the structures related to general control.

In conformity of the decision of the Board of Directors of May 23rd, 2014, the Committee consists of Mr. Tahar Sioud, as Chairman and Mr. Jean Messinesi and Mr. Guido Ottolenghi as members administrators. The Committee's meetings were held with the participation of the Auditor General and the head of the Audit Department, a structure that is responsible for ensuring the secretariat.

The Committee met five times during the financial year 2014.

The committee approved the nomination of Mr. Issam Haj Kacem for the position of Head of General Control.

The Chairman of the Committee has emphasized on his experience as well as the skills that he has demonstrated in his previous offices; He took this opportunity to assure him of the support of the Committee and wished him all the success in his new duties.

The Committee has examined the individual and consolidated financial statements of 2013, as well as the financial statements elaborated as at June 30th, 2014 before they are submitted to the Board, such is in the presence of the Auditors; on this occasion, the head of the Finance and Accounting Department presented a report on the results of the Bank; the members of the Committee have recorded with satisfaction that BIAT is ranked top among the banks in the local market regarding BNP and foreign exchange market. The Committee is also interested in the dispute between the Bank and the tax administration, awaiting ruling on appeal.

The Committee also was kept informed of the list of Agreements with persons related to the Bank in accordance with Article 23 of Law 2001-65 and of Article 200 of the code of commercial companies.

The Committee was informed of the activity report of the Bank of the year 2013.

In the framework of its mission risk control, the Committee considered several reports on the measurement and monitoring of credit risk, settlement risk and market, operational risk as well as rate risk

and liquidity risk.

The Committee also validated a study conducted by the department of Audit on the measures taken to ensure control of the outsourced activities and off-shore offices of representation; it was equally informed of a report on the evaluation, the measure, and the monitoring of the security of means of payment issued or managed.

In addition, the Committee examined a report on the actions taken and those planned for the implementation of the recommendations of the Audit of Central IT operating. It, therefore, gave instructions to comply with the determined deadlines for the implementation of the actions plan submitted by the Department of Information Systems.

The members of the Committee were informed about the characteristics of the activity continuity plan, the already completed steps and the actions to be planned.

The Committee evaluated the internal control system; in this context it examined the reports of activity of structures depending on the General Control; by studying the results of their works, and more specifically the identified malfunctions. Within this framework, the Committee examined and approved the program of missions of structures related to the General Control.

The Committee was also interested in the status of the implementation and development of the recommendations made by the auditors in their

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management's letter of the year 2013 and appreciated the efforts made by the services of the Bank for the regularization of the deficiencies.

8.2 EXAMINATION OF FINANCIAL ACCOUNTS IN LATE DECEMBER 2014

The final financial statements of the year 2014 were examined and validated by the Permanent Committee of Internal Auditing meeting on April 21st, 2015.





SOCIAL REPORT



Chapter 9

9. SOCIAL REPORT

9.1 Project RH

The main actions performed within the framework of the HR project during the year 2014 are the following:

- Definition of the policy of human capital and its spreading at all of BIAT employees;
- Elaboration of career paths concerning all business activities of the Bank;
- Elaboration of processes related to recruitment, integration of new comings and to trainings;
- Update of job directory, competencies of the bank with the job description and the required related skills;
- Planning meetings with the managers of the Bank to consolidate their role of managing as leader of change;
- Distribution of a «News Letter» devoted to the HR project to communicate our HR vision of human capital;
- Participation of Human Resources in the accompaniment, within the framework of the Operational Effectiveness Project;
- Framing the project of migration SIRH of the old version V5 toward the new version V9 and the setting up of lot 1 covering the administrative management and the payment through the new HR ACCESS system;
- Identification of high potentials, determination of critical positions per activity and the establishment of a succession plan in collaboration with the concerned managers;
- Elaboration of a new system of evaluation based on the performance and competence objectives (standardization of objectives for some activities of the Bank);
- The application of the setting of objectives for the year 2014 for 80% of the BIAT employees following campaigns of sensitization in all

regions;

- Participation in recruitment Forum to find talented candidates and confirm the position of BIAT as a reference employer.

9.2 HR INDICATORS

9.2.1 EVOLVING OF PERSONNEL

In 2014, BIAT proceeded to the recruitment of 25 salaried employees. This operation of external recruitment falls within the scope of the accompaniment of the strategic needs of the Bank.

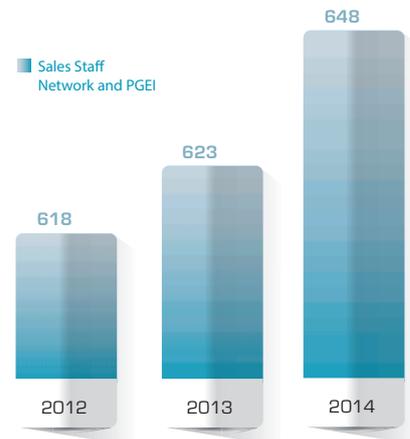
During the period 2012-2014, personnel decreased by 49 persons to reach 2545 persons by 31 Dec. 2014 compared to 2594 in 2012.

We notice that the ratio of productivity (Staff/ Branch) is in constant development by growing from 16.9 in 2012 to 13.7 in 2014. These gains of productivity are essentially due to the new system of information and to the operational effectiveness at the level of the network. However, the ratio of productivity remains above the average for the sector that record 10.4 persons per Branch.

The transition of the main services to the new information system should ensure progressively its contribution in the coming years.

Meanwhile, it should be highlighted that the sales Staff increased by 30 persons (+4.8%) during the same period shifting from 618 persons in 2012 (representing 23.8% of Staff) to 648 persons in 2014 (representing 25.4% of Staff).

Evolution of Sales Staff



The structure of the Staff between the headquarters and the network, which keeps developing in favor of the network which represents 55% of the total Workforce of the Bank.

Besides, In order to find talented candidates eager to bring their experience and knowledge, BIAT participated in forums ATUGE Paris and ATUGE Tunis 2014 organized by the Association des Tunisiens des Grandes Ecoles (Association of Tunisians of the Best Institutes). In fact, 177 candidates of different disciplines (Engineering, Finance, Management, Economy, Statistics, Commerce, etc.) deposited their CVs. 30 CVs were preselected and 3 candidates were recruited.

9.2.2 BREAKDOWN OF STAFF

In 2014, the breakdown between Men-Women is respectively 66% and 34% (identical to the breakdown in 2012).

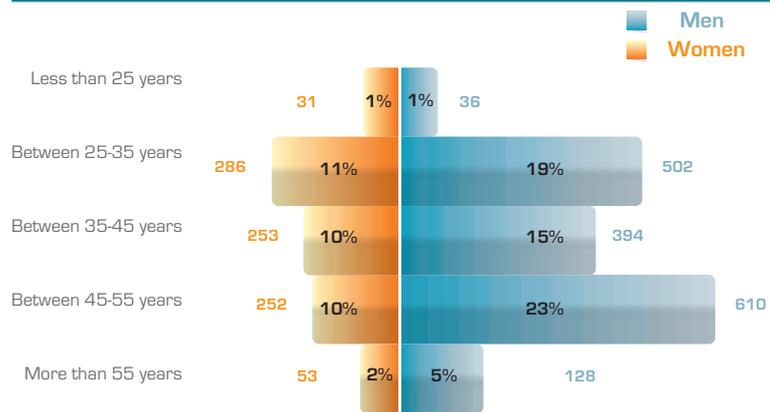
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Men : 1670
Women : 875

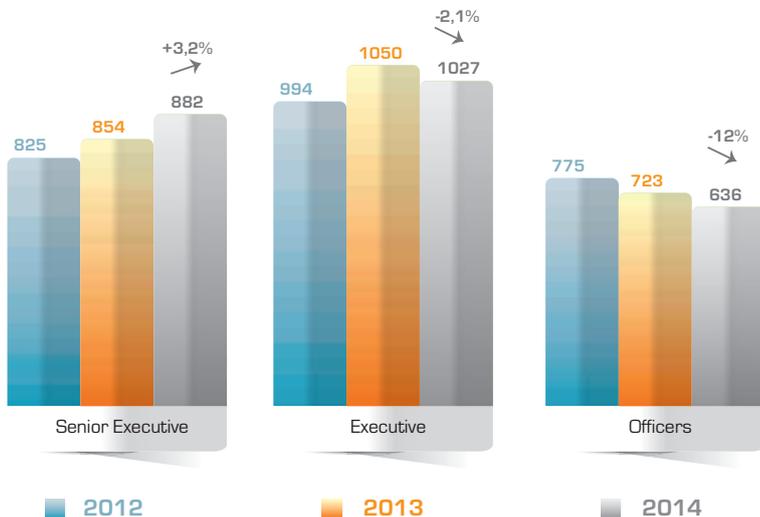
- The average age in 2014 is of 41 years.
- The average seniority in 2014 is of 16 years.

Breakdown of Staff



Ages Pyramid in 2014

Senior executives: 882 / Executives: 1,027 / Officers: 636



The rates of Managerial Supervision increased by +5 points shifting from 1819 to 1909 executives and senior executives during the period 2012-2014, reflecting the qualitative change of staff going in line with a commercial policy of proximity.

Managerial Supervision Rate 2012-2014

Chapter 9

9.2.3 DEPARTURES

The total number of departing employees reached 120 in 2014 (compared to 123 in 2012). The main reasons of departures, in order of importance, are: anticipated retirement (50, around 41%), ordinary retirement (24, around 20%), resignations (15 around 12.5%), and long-leave due to sickness (5 around 4.1%), layoffs (3 around 2.5%), dismissals (8 around 6.6%) and others (15 around 12.5%). The global turn-over amounts to 4.5% in 2014, compared to 4.4%, in 2012. This rate varies according to activities sector and geographic zones.

9.2.4 MANAGEMENT OF TRAINEES ACTIVITY

BIAT is committed to a proactive approach to employability of students, welcoming, during 2014, 1561 students from various disciplines (Engineering, Finance, Management, Economics, Statistics, Commerce, etc.), received for introductory or advanced internships (70%) and for graduation projects (30%).

Further to that, trainees represent, for BIAT, a recruitment pool of the best talents. In this regard, some partnership Agreements were signed between BIAT and some universities (Ecole Polytechnique, Sup'COM and ISCAE) and sectoral centers of professional training (GAMMARTH and HAMMAM LIF) to ensure the training of the best students specialized in the Banking Sector.

	2012			2013			2014		
	Network	Central Services	Total	Network	Central Services	Total	Network	Central Services	Total
Graduation projects	208	236	444	242	225	467	227	251	478
Introductory / Advanced internships	654	427	1081	588	416	1004	706	377	1083
Total	862	663	1525	830	641	1471	933	628	1561

9.2.5 EVALUATION

The annual evaluation is a crucial issue for the management of BIAT Human Resources. It is a device of individual and collective management that, through the result of evaluation of competencies and performances, serves as a criterion for promotion and allows identifying the Staff goals regarding career evolution and the mobility of employees.

In 2014, a new system of evaluation based on the setting of objectives was elaborated within the framework of HR project. To accompany managers in the use of the new system of evaluation, we prepared an annual performance appraisal procedure, an assessment guide and a setting stand of objectives. This action was supported by training sessions for evaluators and campaigns of sensitization for the evaluated in order to prepare the implementation of this new system.

In 2014, the system of setting of objectives was applied on 2102 employee (80%).

9.2.6 PROMOTION

In 2014, the conventional promotion in grade recorded a rate of 87% compared to 89% in 2013. In fact, new criteria of promotion were held in this year in order to rationalize the decisions.

9.2.7 NOMINATION & TURNOVER OF BRANCH MANAGERS

Within the framework of developing the Branches' network, 25 Branch Managers were nominated in 2014.

Besides, within the framework of rotating Branch Managers having seniority of more than 5 years in the same agency beginning 2008, 25 Branch managers were affected by this mobility.

Following these new nominations and Branch managers Turn over, the Turn Over rate reaches 27% (compared to 42% in 2012).

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	2012	2013	2014	Total
Turn over	44	18	25	87
New Branch Managers	21	15	25	61
Total (1)	65	33	50	148
Number of Branches (2)	153	169	185	
Turn Over %	42%	20%	27%	

9.2.8 MOBILITY

For BIAT, The internal mobility is privileged before any external recruitment. This principle is adopted in order to generate the motivation, commitment and the enrichment of career paths of employees. Since 2012, the mobility of BIAT employees is facilitated by an access devoted to internal opportunities via the Internal Job Market and to the operational effectiveness project. In 2014, 279 employees changed their position compared to 501 in 2012.

	2012	2013	2014
Central-Central	243	46	30
Central-Network	29	7	7
Network - Network	217	159	214
Network -Central	12	19	28
Total	501	231	279
Turn Over %	19.3%	8.8%	10.9%

During the last three years, all the bank entities benefited from mobility with an average rate of mobility (medium mobility/ medium workforce) close to 12%. This rate is intended for improvement starting 2015 in the framework of the setting up of career paths by occupations in order to better develop functional mobility and ensure succession.

9.3 COMPETENCIES DEVELOPMENT CENTER

The Competencies Development Center (CDC) aims at developing the competencies and the knowledge of the bank's employees in the aim of contributing in the enhancement of the quality of services, and to enable personnel to evolve within the framework of the individualized professional courses. To achieve this, it is a key factor in the process of reception and integrating the new recruits and the career evolution in respect of the bank policy of Human Capital.

The CDC is composed of a team of 10 persons specialized in pedagogic engineering, the administration of training, the evaluation and the capitalization of knowledge. It has 12 classrooms furnished with modern equipments and a

school agency. The CDC has formed a body of internal trainers with rich and varied competencies and with external organisms.

Aiming to develop competences, the CDC provides training curriculum adapted to the needs of the bank and employees such as:

- **The campus has 11 diploma curriculums and 5 certifying cycles**

1. The diploma trainings: in banking, finance and management sectors in partnership with different organisms and university institutions. 112 employees benefited of these trainings.

2. The certifying trainings: dedicated to Branch managers, the banking analysts, business advisors of the Bank, managers of loan risks...etc. 60 employees benefited from these trainings.

3. he certifying curriculums in projects management, languages and conduct reached 174 enrolled.

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- **The plans of Branch, Headquarter and Managerial Training** dedicated to acting employees to master their jobs, an increase in competency and enhancement of adaptability. These plans concerned 1560 persons.

- **The courses for new recruits and retraining:** alternating from theoretical trainings and on site immersions in order to facilitate the integration and the mobility of the personnel.

- **External Seminars in Tunisia and Abroad**

The CDC accompanies the bank in:

- Its new activities;
- The realization of its orientations;
- The achievement of its strategic projects, especially the Human Resources Project, the New Information System Project Temenos T24 and the Operational Effectiveness Project.

The capitalization of Knowledge constitutes an important part of the CDC activity. The Documentation Center has a library of specialized books and aims at collecting, processing and broadcasting information through newsletters and electronic newsletters. It organizes conferences called "Tuesdays of CDC" and reading days in the headquarters of the bank.

Since 2010, the CDC has adopted an approach of continuing improvement of its organization and its performances by implementing a system of management of the quality which was crowned by the Certification ISO 9001-2008.

Action Plan and prospects for the year 2015:

- The launching of training plans of 2015;
- The development of partnerships with training organisms, schools, Tunisian and foreign universities for the transfer of knowledge and know-how;
- The launching of exchange circles among employees in order to create a dynamic of management of knowledge;
- The development of the communication around the CDC through Intranet;
- The setting up of a Contract Program of CDC In order to formalize its relations with its internal partners in an approach of operational excellence;
- Within the framework of Social and Environmental Responsibility (SER) of the bank, a training concerning both reception and care for disabled customers inside the bank facilities, will be organized.

The Main Indicators for the Training

Budget 2014 (in TND thousand)	2 551
Rate of budgetary realization	102%
Number of trained employees	1,885
Training spending on total payroll	2%
Trained employees on total personnel	73%
Training spending per trained employee (in Dinars)	1,389
Average hours of Training per trained employee	17

Chapter 9





ELEMENTS ON INTERNAL CONTROL



Chapter 10

10. ELEMENTS ON INTERNAL CONTROL

10.1 ENVIRONMENT OF INTERNAL CONTROL

10.1.1 GENERAL ORGANIZATION OF THE INTERNAL CONTROL

The internal control system of BIAT focuses on three levels of control which are independent but complementary at the same time. These levels of control are materialized by a set of processes, methods and security and control measures. All designed to ensure control of all risks and enhance regularity, safety and efficiency of operations.

The first two levels of control are ensured concretely by operational parties, line managers and independent operational units.

The third level is the responsibility of the independent entities emerging from the General control department. Their intervention takes place according to a program of missions validated beforehand by the Control Committee and by the Permanent Committee of Internal Auditing.

This control level is split in two distinct systems:

- o The permanent control: it is ensured by the Management of Permanent Control and the Management of Enquiries and Anti-Money Laundering. It aims at detecting, at early stages, the incurred risks, to continuously ensure distant control and on sites by dedicated teams and to supply a regular reporting of noted incidents

and inadequacies and the steps of ameliorations to be achieved.

- o The periodic control: ensured by the Inspection Department and the Audit Department.

The audit's main purpose is to guarantee the compliance to judicial and legislative texts, to reinforce the existing mechanism of control by assessing the other levels of control and ameliorating the general organization and effectiveness of the procedures and of control, by presenting recommendations enabling the remediation of the detected inadequacies.

Its work includes the Branches and the bank services, as well as the subsidiaries it exclusively controls.

The Audit Management modalities of intervention are managed by an Audit Charter.

10.1.2 UNDERTAKEN ACTIONS REGARDING CONFORMITY AND ANTI-MONEY LAUNDERING

During the financial year 2014, the main interventions recorded with regard to conformity and anti-money laundering are the following:

- The enrollment of the bank as "FATCA COMPLIANT" and the obtainment of GIIN after the adherence of Tunisia to the American law FATCA according to the IGA 1 model on November 30th, 2014. Such enrollment enables the bank to safeguard and develop more the inflow of international trade, and to confirm its presence on the

international level and to prevent any damage to its reputation.

- The accompanying of the "Inquiries and LAB" Management in the project of applying the provisions of the BCT's circular No. 2013-15 related to the rules of internal control for the management of the risk of money laundering and the financing of terrorism.

- The participation in the selection of the acquisition of IT solutions to meet the legislative demands, like the customers and accounts profiling and the "Reporting FATCA" for the American fiscal administration IRS.

- The conducting of a study named HANNIBAL concerning the physical cash cross-border transfer coming from abroad, in collaboration with the Management "Inquiries and LAB" under the aegis of the Central Bank of Tunisia.

10.2 MANAGEMENT OF RISKS

During these two last strategic plans, the bank worked hard on the reinforcement of its practices of risk management to consolidate and sustain its fundamentals, and to support its development and to move close to international standards.

The Bank's management of risks is based on:

- o A risk governance in two levels, with, on the one hand, the committees emerging from the Board of Directors, particularly the committee of risks and the Executive credit Committee, and on the other hand the internal committees presided by the General Management, like the Committee of

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Risk monitoring, the Committee ALM, the Committee of Market Risk and bank counterparties;

- o The independence of the Risk Department in relation to the pole of business activities and its direct attachment to the General Manager.
- o The implication of all personnel of the bank in the process of risks management;
- o The setting up of clearly defined rules and internal procedures ;
- o Processes of risk oversight and monitoring by independent entities.

10.2.1 MANAGEMENT OF CREDIT RISK

The respect with good practices in the field of credit risk management requires a clear separation of responsibilities in the entirety of the process. For the entirety credit activities, BIAT adopts a five-step generic process:

- o the editing and the presentation of a credit proposal
- o a contradictory or critical analysis of the credit proposal
- o decision making
- o the setting up of the credit
- o control and monitoring of the commitment related to the credit

Above all, and aiming to comply to the international standards in these matters, especially with the Basel II regulation and in the outlook of ameliorating the process of decision making, a number of tools were developed and deployed such as the rating system of companies and the application of loan study, and they were continuously developed at the level of their performance and their

use in terms of coverage and quality.

The focus was also on the consolidation of sectoral culture of the intervening parties in the process of loan granting through the elaboration of studies that analyze the risk factors specific to each activity sector and to the commitment portfolio of the bank in that sector.

10.2.2 MARKET RISK MANAGEMENT

The control system for market risks is the subject of continuous planning aiming to clarify the responsibilities in matter of monitoring market activities and to guarantee the independence of control in comparison with the business line divisions.

The first objective of the Market Risk Management is to make a permanent and independent monitoring of market activities, situations and risks it creates, and to control the respect of the defined limits.

The Market Risk Management is also in charge of defining the functionalities of the system used to measure the market risks, of elaborating the daily reporting, of the instruction of the entirety of the requests of limits formulated by the business activities within the framework of global authorizations given by the General Management, as well as the regular control of the market parameters used for the calculation of risks and results.

The procedures of market-risk management are regularly updated in order to consider the statutory

evolutions, of the growth and complexity of the activity and the appearance of new risk factors.

10.2.3 OPERATIONAL RISK MANAGEMENT

The implementation of an Operational Risk Management system (ORM) falls within the scope of the consolidation of the risks management in BIAT. BIAT decided to actively manage its operational risk through the progressive setting up of the ORM mechanism, the rationalization and the amelioration of its management of incidents and of the process of the corresponding reporting.

BIAT also chose to set up all the qualitative aspects of management defined in the BCT's circular No. 2006-19 and to gradually develop an internal model of measuring capital requirement in order to progressively come nearer to the advanced approach of Basel II.

The project aims at identifying the potential sources of risk and to ensure the measurement, the monitoring, the control and the mitigation.

The proposed approach for the implementation of the project has five worksites:

- Diagnosis and methodological approach;
- Mapping of the large exposures and generalization of detailed mapping;
- Operational Risk Policy, organization and governance;
- Basic information of Operational Risk and the collection of incidents;
- Communication and regular sensitization of operational risks.

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10.2.4 ASSET-LIABILITY MANAGEMENT

The mechanism of asset-liability management (ALM) is an integral part of the overall risk management mechanism and interacts with all of its components in the aim of adequate control of exposure to various banking risks.

BIAT scales its liquidity and rates risks. The impact of a rate variation on its interest margin is estimated, and rate shocks of 200 base points or simulations of crisis are equally performed in conformity with the obligations of the Basel Committee for banking control.

BIAT has thus a mechanism of liquidity and rate risk management that favors a global and detailed vision of application and resources and the impact generated by the variation in certain parameters of the market. From this prospective, BIAT complies with the regulations in force, defined by Circular 2006-19 dated the 28th of November 2006.

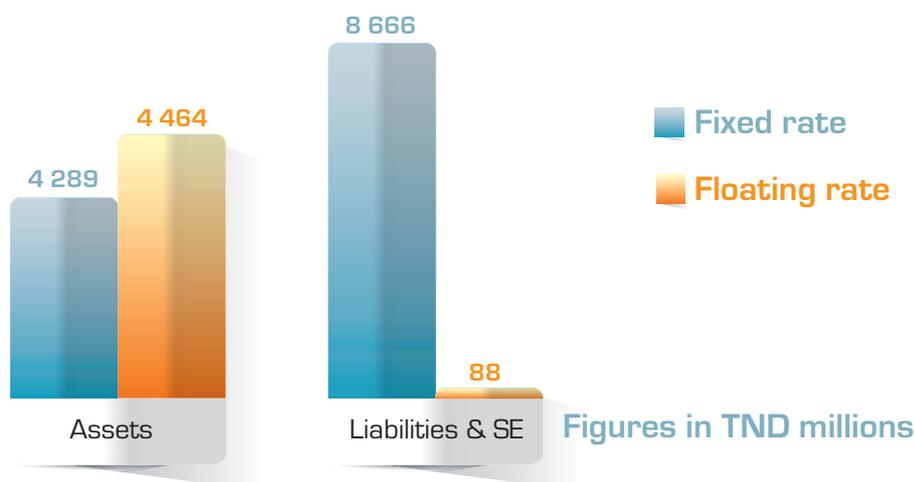
On the other hand, and in the framework of the "Horizon 2015" plan, a project "Piloting of Balance Sheet" was scheduled whose objective will be to formalize the ALM problematic inside the bank, to define the functional perimeter of the function ALM and to start reflecting upon the acquisition of an appropriate management tool.

On December 31st, 2014 the applications and resources of the bank are distributed as follow on the basis of the vision (ALM):

- 99% of the liability is made of the resources with a fixed rate and of 1% of the resources with a variable rate; this structure (already observed in 2013) is linked to the migration of the resources savings with variable rates to the resources with fixed rates after the BCT decision taken in 2011 to make fix the remuneration of savings.
- 49% of the asset is made of the applications with fixed rate and of 51% of the applications with variable rate (almost the same proportions of 2013).

On 31-12-2014, the ratio of regulatory liquidity is 99.75% (94.99% by the end of 2013). Like the other Tunisian banks, BIAT ratio of liquidity reflects the falling of the progression rhythm recorded at the level of deposits and the permanent recourse of the bank to financing from the CBT since 2011. However, BIAT determined, at the beginning of 2013, a road-map, including a range of measures and actions aiming to progressively redress the ratio of liquidity to reach the regulatory minimum of 100%.

The year 2015, witnessed the entry into application of a new ratio of liquidity more compliant to the standards of the Basel Committee whose first achievements at the level of BIAT, present a satisfactory situation for the bank vis-à-vis the standards.



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BIAT's General Management

from left to right :

Hechmi LAKRICHE, Vice General Manager

Mohamed AGREBI, General Manager

Thameur DERBEL, Vice General Manager

BANK'S LINES OF BUSINESS



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11. BANK'S LINES OF BUSINESS

11.1 RETAIL BANKING BUSINESS LINE

The Retail banking business line, which primarily serves customers who are individuals, professionals, TLA(Tunisians Living Abroad) and SME through a network of 185 branches, knew, in the year 2014, in the continuity of recorded performances during the two previous financial years, an important development in its activity.

The objectives related to its principal aggregates were achieved, with notably an evolution by two digits of the customer's capital (+11.43 %), of the number of opened accounts (+18%) of the equipment in products.

These performances continue, despite the difficult economic situation, to take advantage of the deployment in 2012, of the new organization of the Retail Banking business line; an organization which encouraged the commercial proximity, thanks mainly to the creation of 14 zones managed by 4 regional structures covering the Tunisian territory.

Besides, a group of structuring projects and the operational worksites were launched or carried out in 2014, notably, among which was the project of Operational Effectiveness which affected all class 1 and class 2 branches, the project of development of the goodwill on the segments of strategic markets (TLA, Young, SME, Private Bank, etc.), the setting up of a Customer Relation Center in a pilot

phase, the activity of scanning the signatures and identity of customers, the activity of the reliability of customers' information, etc.

At the same time, it is equally worth noticing that the generalization of the new organization and new commercial practices at the level of the branches, are carried out, in 2014 with:

- More than 550 diagnosis actions, on site monitoring and training ensured by the commercial animators;
- The increase of the commercial personnel proportion in the global workforce of branches, from 30 to 33.4%.

Alongside to these actions related to organization, various actions related to marketing and commerce of operational nature were also launched in 2014 in support of the activity of branches, among which we particularly cite:

The enrichment and the layout of the range of products and services with:

- Rearrangement of the mdinar service;
- Rearrangement of the Card CHABEB;
- Rearrangement of the Credit Card TEMPO;
- Rearrangement of the service BIATNET;
- Rearrangement of the service MESSAGIS;
- Launching of the service Cash Pooling;
- Launching of the range savings

WLEDNA;

- Launching of the Pack University;
- Launching of the service BIATNET mobile;
- Launching of the VISA Card Infinite.

The Launching of 4 Promotional Campaigns, namely:

- The campaign BIATNET mobile ;
- The campaign TLA;
- The campaign of lunching the VISA Card Infinite;
- The Savings contest.

The Launching of Around 30 Field commercial Actions and the Signature of Two Agreements of Partnership with Two Institutes of Higher Education

Finally, pointing out within the framework of the development of the customer's portfolio of the bank and its will to accompany the economic actors everywhere throughout the territory via a territorial grid that is more and more complete, the program of development and modernization of the Branches Network showed an important advancement in 2014 with:

- * The opening of 16 new branches
- * The Rearrangement of 3 branches and the transfer with backup site of 4 other branches.

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11.2 Funding and Investment Banking Business (FIB)

Funding and investment banking business activities are dedicated to supporting of customers who are Large Companies, Institutional and Investors and propose a complete offer structured in transverse business lines including: the markets of capitals, the "Corporate Finance", the Capital Investment, development abroad, and the other financial activities of the group BIAT (Insurance, Financial Markets, Management of Assets...)

The logic of development of the business line FIB is articulated around the following main axes:

- A quality sponsorship of customers through, a group of persons,

in charge of business, highly qualified and who constitute the unique contact managing the entire relation with the customer;

- A valuation of customers' portfolio of the bank in a cross-selling logic with the different business lines of the bank;
- Well-organized business lines, competent teams offering services complying with the best standards of the local market;
- Successful subsidiaries and experts in their line of business, developing operational and commercial synergies with the bank.

Among the key actions done in 2014, we report:

- The development of the different activities of the FIB through a reinforcement of the outstanding and revenues generated;

- The active participation of the different entities of the FIB at the breaking of mortgage subordinated by the BIAT;
- Reorganization of certain operational entities to ameliorate the quality of service provided for foreign investors;
- Progressive setting up of an off-shore plan of development;
- Reinforcement of the organization of financial subsidiaries and particularly, in the domain of Insurance in order to consolidate the positioning of the bank in this market;
- Achievement of operations of consulting in restructuring for the account of certain customers combining financial logics and the accompaniment in the conduct of operational transformations.





INDIVIDUAL FINANCIAL STATEMENTS 2014



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12. INDIVIDUAL FINANCIAL STATEMENTS 2014

GENERAL REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS OF THE FINANCIAL YEAR ENDED DECEMBER 31st, 2014

To the shareholders of Banque Internationale Arabe de Tunisie- BIAT

In compliance with the assignment entrusted to us by your General Assembly dated June 21th, 2013, we are pleased to present to you our report on the audit of the financial statements of Banque Internationale Arabe de Tunisie "BIAT" for the financial year ended December 31st, 2014, as attached to the present report, showing a total balance sheet of TND 8 753 227 thousand and a net income of TND 102 376 thousand as well as the examinations and specific information provided for by law, the regulation in force and professional standards.

We have audited the accompanying financial statements of Banque Internationale Arabe de Tunisie "BIAT" including the balance sheet as at December 31st, 2014 as well as off-balance sheet items, the statement of income, the cash flow statement and the notes to the financial statements including a summary of main accounting methods and other explanatory notes.

Management's Responsibility in the preparation and presentation of financial statements

The Bank's management is responsible for the preparation and fair presentation of the financial statements in accordance with Tunisian accounting standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, as making accounting estimates that are reasonable to circumstances.

Auditor's Responsibility

The financial statements were prepared by your board of directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards applicable in Tunisia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effective functioning of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements give a true and fair view and present fairly, in all material respects the financial position of Banque Internationale Arabe de Tunisie "BIAT" as of December 31st, 2014, and of its financial performance and its cash flows for the year then ended in accordance with accounting rules and principles applicable in Tunisia.

Specific verifications

We have also performed, according to the profession's standards, the specific verifications required by law.

In accordance with the provisions of article 266 of the code of commercial companies, we have examined the fair presentation and consistency with the financial statements of the accounting information given in the Management Report of the Board of Directors. We have no particular observations to raise regarding the information provided in this report.

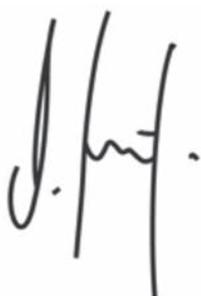
In conducting our audit, we have also examined the internal control procedures relating to the accounting information's process and to the preparation of the financial statements. In accordance with the provisions of article 3 (new) of law 94-117 dated November 14th, 1994 as amended by law 2005-96 dated October 18th, 2005, we did notice, based on our examinations, the existence of material weaknesses that could impact our above-expressed opinion on the financial statements.

In addition and in conformity with the provisions of article 19 of the decree n°2001-2728 of November 20th, 2001, we have proceeded to the necessary examinations and do not have observations to formulate on the conformity with legislation of registration conditions of securities issued by the Bank.

Tunis, April 28th, 2015
The statutory auditors

Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA

ECC MAZARS
Mohamed Ali ELAOUANI CHERIF



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12. INDIVIDUAL FINANCIAL STATEMENTS 2014

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS OF THE FINANCIAL YEAR ENDED DECEMBER 31ST, 2013

To the shareholders of Banque Internationale Arabe de Tunisie- BIAT

As the statutory auditors of your bank, we hereby present to you our report on the regulated agreements according to article 29 of law 2001-65 dated July 10th, 2001 relating to banking institutions as amended and completed by law 2006-19 dated may 2nd, 2006 and article 200 and followings and article 475 of the Tunisian Commercial Companies' Code.

Our responsibility is to ensure the respect of legal procedures of authorization and approval of these agreements or transactions and the adequacy of their disclosures in the financial statements. It is not our responsibility to perform a specific or extended search to determine the possible existence of such transactions. Our responsibility is to provide you, based on the information disclosed to us and those resulting from the performance of our audit procedures, with their main characteristics and terms and conditions, without giving an opinion on their correctness and usefulness. It is your responsibility to assess the value of concluding such agreements and the realization of these transactions before approving them.

A. Realized Operations concerning agreement concluded during the financial year :

Your board of directors kept us informed about the agreements and the following operations recently concluded during the financial year ended December 31st, 2014.

1. On September 25, 2014 BIAT concluded with "Compagnie Internationale Arabe de Recouvrement" "CIAR" a receivables assignment agreement totaling TND 53,964,783 plus fees, not yet due interests and penalty interests fulfilling the conditions of transfer of article 10 Act No. 98-4 of 2 February 1998, amounting TND 200,000.

This agreement was authorized by the Board of Directors on December 18, 2014.

2. An amendment to this agreement was signed in February 2015. According to this amendment, "CIAR" and BIAT decided to change the total amount of receivables to TND 53,434,090 besides fees and conventional penalty interest.

This amendment was approved by the Board of Directors on April 22, 2015.

3. On December 22, 2014 BIAT concluded with "CIAR" a receivables assignment agreement totaling TND 43,866,820 plus fees, not yet due interests and penalty interests fulfilling the conditions of transfer of article 10 Act No. 98-4 of 2 February 1998, amounting TND 1,180,000.

This agreement was authorized by the Board of Directors on April 22, 2015.

4. BIAT concluded in 2014 an agreement with the PROTECTIVE INSURANCE, for a leasehold of part of the premises located on the first floor of the building Sakiet Ezzite Sfax with an approximate area of 80 m² for administrative office use.

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The lease is granted and accepted for a period of two consecutive years, beginning on 1 June 2014 and ending 31 May 2016, renewable year to year by tacit agreement. It was granted and accepted for an annual rent of TND 9,600 excluding VAT.

The rent will increase annually by 5% starting the second year of rent.

The income amount in 2014 totaled TND 5,600.

This agreement was authorized by the Board of Directors on April 22, 2015.

5. BIAT concluded in 2013 an agreement with the PROTECTIVE INSURANCE, for a leasehold of part of the premises at Manouba Avenue Habib Bourguiba with an approximate area of 87.5 m² for administrative office use.

The lease is granted and accepted for a period of two consecutive years, beginning on 1 February 2013 and ending 31 January 2015, renewable year to year by tacit agreement. It was granted and accepted for an annual rent of TND 8,496 excluding VAT.

The rent will increase annually by 5% starting the second year of the rent.

The income amount in 2014 totaled TND 8,886.

This agreement was authorized by the Board of Directors on April 22, 2015.

6. BIAT concluded in 2013 an agreement with the PROTECTIVE INSURANCE, for a leasehold, an apartment on the first floor of the building located at Place Sidi Mtir Mahdia area of 183 m² including common areas for administrative office use.

The lease is granted and accepted for a period of two consecutive years, beginning on 1 December 2011 and ending 30 November 2013, renewable year to year by tacit agreement. It was granted and accepted for an annual rent of TND 6,000 excluding VAT.

The rent will increase annually by 5% starting the second year of the rent.

The income amount in 2014 totaled TND 6,643.

This agreement was authorized by the Board of Directors on April 22, 2015.

7. On November 2014, BIAT concluded a mandate agreement with "CIAR" for a debt collection.

The contract purpose stipulates that BIAT gives the CIAR a mandate to accept to act on behalf of BIAT in order to recover its customer's debts.

According to its services, the CIAR receives a fixed remuneration as follows:

- Amicable and legal coverings : Management Fee (per folder): TND 100 excluding VAT.
- Remuneration on recovered amounts : 15% of all amounts collected including penalty interest.

The corresponding expense in 2014 totaled TND 584,916 excluding VAT.

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This agreement was authorized by the Board of Directors on December 18, 2014.

8. BIAT concluded in 2014 with CONSULTING BIAT Company an accounting and administrative assistance agreement.

In return, BIAT receives an annual remuneration of TND 2,800 all taxes.

This agreement was authorized by the Board of Directors on April 22, 2015.

9. BIAT concluded in 2014 with the CIAR an accounting and administrative assistance agreement.

In return, BIAT receives an annual remuneration of TND 18,000 excluding VAT.

This agreement was authorized by the Board of Directors on April 22, 2015.

10. BIAT concluded in 2014 with CIAR a staff secondment agreement. Besides the salaries, wage supplements and benefits, BIAT bills to the CIAR an additional 5% margin.

The amount charged by BIAT in 2014 to the CIAR totaled TND 350,049.

This agreement was authorized by the Board of Directors on April 22, 2015.

11. BIAT concluded in 2014 with the CONSULTING BIAT Company a staff secondment agreement of two employees. Besides the salaries, wage supplements and benefits, BIAT bills to the CONSULTING BIAT Company an additional 5% margin.

The amount charged by BIAT in 2014 to the CONSULTING BIAT Company totaled TND 93,617.

This agreement was authorized by the Board of Directors on April 22, 2015.

12. BIAT and «BIAT CAPITAL RISK» signed on January 17, 2014 an agreement for a management mandate of an industry fund of TND 11,671,000.

BIAT CAPITAL RISK receives a 0.5% management fee per year on the remuneration of the invested amounts, during the blocking period, payable quarterly.

This agreement was authorized by the Board of Directors on April 23, 2014.

13. BIAT and «BIAT CAPITAL RISK» signed on March 18, 2014 an agreement for a management mandate of an industry fund of TND 2,000,000.

BIAT CAPITAL RISK receives on the remuneration of the fund the following commissions :

- 0.50% per year tax free on invested amounts, during the blocking period.
- 1.75% per year tax free on invested amounts, between the date of release of funds and the end of the 7th year following the year of release. After the blocking period, the commission is received in arrears on the outstanding funds.
- 1% tax free annually on outstanding funds between the end of the 7th year and 10th year.

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Furthermore, the Manager will be entitled to a performance fee [calculated according to a scale] if the performance is above the average of TMM of the period.

This agreement was authorized by the Board of Directors on April 23, 2014.

B. Realized Operations relative to agreements concluded previously incurring changes in 2014 :

We inform you that some agreements concluded in the past years have been changed in 2014.

1. "ASSURANCES BIAT" sublets to the BIAT an office called "Commercial 2". It is located on the ground floor of the building located on a parcel of land called "DIAR EL ONS" on Berges du Lac II with a surface area of 145 m². The subletting agreement was concluded for a period starting January 1st, 2010 until April 30, 2014.

In May 2014, an amendment was signed to extend the period beginning on May 1st, 2014 and ending on April 30th, 2019. The rent will be subject to an annual increase of 5% starting May 1st, 2014.

The expense for the BIAT in 2014 totaled TND 27,857 excluding VAT.

This amendment was authorized by the Board of Directors on April 22, 2015.

C. Operations related to old agreements

The following agreements, concluded and approved during the previous exercises, continued to produce their effects during the current period :

1. Following the conclusion of the act of transfer agreement instead of payment with the GSM company, dated December 27, 2013, under which BIAT became owner of the buildings objects of three land titles located in the tourist area Dkhila Monastir, the company GSM has expressed its willingness to let the golf course with its toilet and dependencies, already assigned to BIAT.

The BIAT accepted this request and set an annual rent composed of :

- A fixed amount of two hundred thousand dinars excluding taxes (TND 200,000) per year payable quarterly in advance. [*]
- A variable portion calculated on the basis of turnover excluding tax.
 - o Between 0 and 500,000 TD => 10%
 - o Between 500,001 and 1 000,000 TD => 15%
 - o Over 1,000,001 TD => 20%

[*] A cumulative increase of 5% per year will be applied to the fixed part of the rent, from the third year of the lease.

This lease is accepted for a period of two consecutive years starting January 1, 2014 and ending December 31, 2015, renewable by tacit agreement.

These conventions were authorized by the Board of Directors on December 18, 2013.

2. The BIAT leased to the CIAR, who agrees, for administrative office usage, the office on the first floor of the building located in Sfax Harzallah.

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This lease is granted and accepted through an annual rent of four thousand nine hundred and fifty dinars excluding taxes (4,950 TND), payable quarterly in advance.

Moreover, this rental is granted and accepted for a period of two consecutive years, beginning September 1, 2013 and ending August 31, 2015, renewable by tacit agreement.

The amounts registered in the income statement for the financial year 2014 amounted 4,650 DT excluding VAT.

3. As part of the exempt investment affecting the result of the financial year 2013, the BIAT has entrusted to the «BIAT CAPITAL RISQUE» in the date of 20 May 2013 the management of a managed Fund with amount of Eight Million eight Hundred Fifty-three thousand dinars (8,853,000 TND) fully paid up and this in order to promote industrial projects and related activities by taking advantage of tax benefits provided by law No. 95-88 of 30 October 1995 as amended and supplemented by the new provisions of Articles 39 and 48 of the Code of l'RPP & l'IS and subsequent texts.

The BIAT CAPITAL RISQUE receives compensation of said fund a management fee of 0.5% per year in HT on the full amount of the fund.

4. La BIAT and CIAR have moved closer to the conclusion of an agreement under which BIAT loads to accomplish missions of assistance and IT consulting.

The assistance and consulting in the study missions, the choice and implementation of IT solutions should be subject to a mission order notified by the CIAR and presenting the number of days of the mission with a daily rate fixed at five hundred dinars (TND 500 ex VAT) per man / day.

The administrative and technical assistance missions are done on the basis of 25 man / days per year for the sum of seven thousand five hundred dinars (7,500 DT HT) at 300 HT DT daily.

The present convention has taken effect from 1 November 2013. This agreement has a term of three years; it will be tacitly renewed for periods of one year.

These agreements were authorized posteriori by the Board of Directors at its meeting March 12, 2014.

5. BIAT ASSET MANAGEMENT, needing temporary assistance for certain employees, got closer to BIAT to acquire three employees and that in the last quarter of 2013.

In consideration of such making available, BIAT ASSET MANAGEMENT agrees to reimburse to the BIAT, upon presentation of an invoice, payroll taxes and employers engaged with an increase of ten percent (10%).

As such, the amount of the making available for the year 2014 amounts to 170,313 DT excluding VAT.

6. As part of the investment affecting the exempt income for the year 2013, BIAT and BIAT CAPITAL RISQUE signed on March 18, 2014 an agreement relating to a mandate for management of an industry fund for an amount of two million dinars (2,000 mD).

BIAT CAPITAL RISQUE receives on the remuneration from the Fund a management commission of :

- 0.5% per year on the amount invested, and that during the holding period;

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- 1.75% per year on amounts invested, between the date of release of funds and the end of the seventh year following the year of release. Increased the blocking period, the commission is perceived in arrears on the outstanding;
- 1% per year on the outstanding funds, between the end of the seventh year and the tenth year.

On the other hand, the Manager will be entitled to performance fee (calculated according to a scale) if the return is greater than the TMM of the period.

7. As part of the investment affecting the exempt income for the year 2013, BIAT and BIAT CAPITAL RISQUE signed on January 17, 2014 an agreement relating to a mandate for management of a free fund for an amount of eleven million six hundred seventy-one thousand dinars (11,671 mD).

The BIAT CAPITAL RISQUE will perceive per quarter in arrears, a management fee of 0.5% excluding tax on the full amount of the fund.

These agreements were authorized by the Board of Directors at its meeting April 23, 2014.

8. BIAT renewed, on the date of November 20, 2013, the deposit agreement initially signed on 24 November 2006 with the «BIAT ASSETS MANAGEMENT.»

This Convention states that BIAT is the exclusive depository of securities and funds belonging to the Joint Investment Fund or Fonds Commun de Placement en Valeurs Mobilières "FCP-EPARGNE ACTIONS".

The annual remuneration was maintained 0.1% - all tax included - of the net assets of the said fund. This remuneration, calculated on a daily basis, shall be paid monthly in arrears.

In addition, an annual fee of 0.2% - all tax included was introduced and levied on the net assets of FCP BIAT – EPARGNE ACTIONS, for the costs of distribution. This remuneration levied daily is paid monthly in arrears for BIAT, BIAT ASSET MANAGEMENT and BIAT CAPITAL in proportion to their distributions.

The proceeds accounted in the 2014 income statement amounted to TND 1,210.

This amendment has been authorized by the board of directors gathered on March 12, 2014.

9. BIAT amended, on December 23rd, 2013, the two conventions of exclusive depository of securities and funds of the «SICAV OPPORTUNITY» and «Fund PROSPERITY» initially signed March 8, 2003.

The amendments to these agreements concerned the remuneration of the BIAT, in fact the deposit paid commissions have been revised down by reducing it from 0.3% to 0.1% - all tax included - of the net assets for «SICAV OPPORTUNITY» and 0.2% to 0.1% - all tax included - of the net assets for «SICAV PROSPERITY».

These payments, taken daily, are paid monthly in arrears.

The proceeds accounted in the 2014 income statement amounted to TND 1,814 all tax excluded.

10. On October 13th, 2009, BIAT reached an agreement of exclusive depository of securities and funds of "SICAV PATRIMOINE OBLIGATAIRE". Under the provisions of these agreements, services delivered by BIAT shall be remunerated at the rate of 0.1% - tax free - of the net assets of the said SICAV, with a minimum of TND 5,000 tax free and a maximum of TND 20,000 tax free per annum. This remuneration shall be calculated on a daily basis and paid monthly in arrears.

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This agreement also provides that the head office of the said SICAV shall be registered at BIAT's premises without that being considered a rental and without being entitled to the development of any commercial property.

This agreement was revised on December 23th, 2013 in order to introduce a distribution fee equal to 0.15% - all tax included - of the net asset, this fee is paid to distributors of securities "SICAV PATRIMOINE OBLIGATAIRE" namely :

- BIAT
- BIAT CAPITAL
- BIAT ASSET MANAGEMENT

Proportionally to their distributions.

This remuneration taken daily is paid monthly in arrears.

This agreement is concluded for a period of one year from the date of Signature and will be renewable by tacit agreement.

Revenues accounted in income in 2014 totaled TND 15.046 without VAT.

11. The SICAV TRESOR approached the BIAT to amend the deposit agreement signed dated as of 08/03/2003 as amended dated as of 01/04/2010 which states that BIAT is the exclusive depository of securities and funds belonging to this Fund.

The amendments to this Convention concern the remuneration of BIAT, in fact, the safekeeping fee paid by the Fund, was revised down by reducing it from 0.35% to 0.15% - all tax included - of the net asset of the fund annually.

This remuneration taken daily is paid monthly in arrears.

In addition, a distribution agreement of SICAV securities was signed between the BIAT, "SICAV TRESOR" and "BIAT ASSET MANAGEMENT", it stipulates the application of a distribution fee equal to 0.2% - all tax included - of the net asset for distributors of SICAV TRESOR securities namely :

- BIAT
- BIAT CAPITAL
- BIAT ASSET MANAGEMENT

Proportionally to their distributions.

This remuneration taken daily is paid monthly in arrears.

This agreement is concluded for a period of one year from the date of Signature and will be renewable by tacit agreement.

Revenues accounted in income in 2014 totaled TND 835,662.

These amendments have been authorized by the board of directors gathered on April 23, 2014.

12. BIAT concluded with the company "CIAR" a rent agreement of an office of a surface of 16,45 m² located on the first floor of the building situated in the Boulevard January 14th, tourist Road Khezama, Sousse.

The rent is granted and accepted for a period of two consecutive years, beginning September 1st, 2012 and falling due August 31st, 2014, renewable year by year by tacit renewal.

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This rent was granted and accepted for an annual two thousand four hundred and sixty seven-dinar five hundred millimes without VAT (TND: 2,467,500 without VAT), payable quarterly and beforehand, (thus, TND: 616,875 HTVA by quarter). The rent above fixed will undergo a cumulative annual increase of 5% which will be applied from the 3rd year of rent.

Expenses registered in the income statement for the financial year 2014 amounted 2,509 TND.

13. The BIAT signed in 2012 with BIAT insurance a collective agreement "life insurance" for the benefit of its staff, called "members". At the end of this contract, BIAT insurance has to guarantee the payment, to the member or to his (her) descendants, a capital or a life annuity if he (she) is alive at the expiration of the duration of the insurance contract. In the event of death before the term of the membership, only the premiums paid are served.

The insurance premium is payable, by the BIAT, annually according to the agreed terms. This premium is calculated according to the age of the member, the duration of membership and the insured amount for every member.

Besides, the contribution of the employee's members is fixed according to their rank. It is determined as follows :

Category or rank of staff	Contribution of the member
From agent of service to head of exceptional section	15 %
From agent in a department to principal service head	20 %
From authorized agent to director	25 %

On the other hand, the employees admitted to the membership for this contract are determined as follows:

- For year 2012, only the employees in service whose age is upper to 50 years on 31/12/2011, with a seniority upper or equal to 10 years.
- For year 2013, only the employees in service whose age is upper to 40 years on 31/12/2012 with a seniority upper or equal to 10 years.
- For year 2014, all the population on 01/01/2014 having a seniority upper or equal to 10 years.

The expense relative to the employer's contribution fir the life insurance and registered in the income statement for the financial year 2014 amounted to 1,815,024 TND.

14. Within the framework of the works relative to the project of the second step of its head office, the BIAT needed the temporary help of certain technicians specialized in the follow-up and the piloting of building sites and approached SOPIAT on July 01st, 2012, to endow her with two senior technicians for a temporary mission.

On the other hand of this provision, the BIAT makes a commitment to pay off SOPIAT on production of an invoice, the salaries (including the bonuses and the diverse advantages, the employers' welfare costs, the paid leaves and the professional reimbursement of expenses) served by the SOPIAT to these two technicians with a ten percent increase (10%).

This provision comes into effect August first, 2012 and will terminate at the project ending date, June 30th, 2014.

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The expense relating to this provision registered in the income statement for the financial year 2014 amounted to 91.700 TND without VAT.

These agreements were a posteriori authorized by the board of director gathered on March 13th, 2013.

15. The BIAT concluded, on September 10th, 2012, with "BIAT CAPITAL", three agreements of sole agent of securities and funds belonging to Mutual funds in Securities «BIAT CAPITAL PRUDENCE FCP», «BIAT CAPITAL EQUILIBRE FCP » and «BIAT CAPITAL CROISSANCE FCP» for an annual remuneration of 0,1% VAT included of the net asset, with a minimum of 2,000 TND and a maximum of 50,000 TND per year and per fund.

This remuneration, taken daily, will be monthly adjusted in arrears.

Besides, and for their distribution, the BIAT CAPITAL and BIAT will perceive 0,2% remuneration without VAT per year, taken from the net asset of these Mutual funds in Securities and shared between them in proportion to their distributions. This remuneration taken daily will be adjusted quarterly in arrears.

Expenses registered in the income statement for the financial year 2014 amounted 8,112 TND.

16. The BIAT entrusted the "BIAT CAPITAL RISQUE" on 15/03/2013, the management of a regional fund of a global five million dinar amount (5,000 m TND) totally released in order to promote the projects implanted in regional development areas and in creative projects of jobs by taking advantage of statutory fiscal advantages n°95-88 of October 30th, 1995 such as modified and completed by the new provisions of the articles 39 and 48 of the code of the corporation taxes and the revenue taxes and the subsequent texts.

The "BIAT CAPITAL RISQUE" company perceives on the management of the fund a commission of :

- 0.5 % a year on the placed amounts, and during the period of investment;
- 1.75% a year on the invested amounts, between the release date of funds and the end of the seventh year which follows the release date. After this, the commission is perceived in arrears on the outstanding discounted bills;
- 1 % a year on amounts invested between the end of the seventh year and tenth year.

17. The BIAT entrusted to the "BIAT CAPITAL RISQUEI" (ex SICAR AVENIR) on March 15th, 2013, the management of an industrial of a global amount of five millions and five hundred miles dinars (5,500 mD) released totally to promote the industrial projects and related activities by taking advantage of statutory fiscal advantages n°95-88 of October 30th, 1995 such as modified and completed by the new provisions of the articles 39 and 48 of the code of the corporation taxes and the revenue taxes and the subsequent texts.

The "BIAT CAPITAL RISQUE" company perceives on the management of the fund a commission of:

- 0.5 % a year on the placed amounts, and during the period of investment;
- 1.75 % a year on the invested amounts, between the release date of funds and the end of the seventh year which follows the release date. After this, the commission is perceived in arrears on the outstanding discounted bills;
- 1 % a year on amounts invested between the end of the seventh year and tenth year.

These agreements were a posteriori authorized by the board of director gathered on Mai 23th, 2013.

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18. The BIAT concluded with the "COMPANY INTERNATIONAL TANIT" a rental agreement by virtue of which it gives to this one a set of offices of a surface of 555 m² necessary for the exercise of its activity, being part of the building belonging to her located in the main boulevard of the Banks of the Lake 1, as well as four parking spaces situated in the under-ground for an annual amount of 83,250 TND without VAT, payable quarterly and beforehand.

This rent is granted for a period of two years, beginning on October 1st, 2009 and falling due in September 30th, 2011, renewable yearly by tacit renewal. The rent will undergo an annual increase of 5% applicable from the third year of rent.

An amendment to the rental agreement stipulates that the rented surface was returned to the reduction to 368 m² instead of 555 m² and the annual rent has been revised consequently to 55,200 TND without VAT. This modification came into effect from May 2012.

Amounts registered in the 2014 income statement amounted to 64,700 TND.

19. BIAT gave to the SOPIAT in 2010, a set of premises (seven located offices) on the 1st floor of a total surface of 315 m² of the building property of the BIAT situated on the main boulevard the banks of the Lake Tunis, for a period of two consecutive years beginning January 1st, 2010 and falling due renewable December 31st, 2011 by tacit renewal. The rent is granted for an annual amount of 47,250 TND without VAT payable quarterly and beforehand.

In 2011, a first amendment to the rental agreement indicated that the rented surface was reduced to 147 m² instead of 315 m² and the rent has been revised consequently to 22,050 TND without VAT (from July, 2011).

In 2012, a second amendment to the rental agreement indicated that the rented surface was increased to 187 m² instead of 147 m² and the annual rent has been revised consequently to 28,050 TND without VAT. This modification came into effect from May, 2012.

Revenue registered in the income statement of 2014 amounted to 32,471 dinars without VAT.

20. BIAT rented to the company "BIAT venture capital" in 2011, for administrative use, three offices situated in the right wing of the first floor and two offices situated in the right wing of the second floor of a global surface of 222 m², including common areas as well as two places of the parking lot situated in the under-ground, being part of the building situated on the big main boulevard the Banks of the Lake Tunis.

The annual rent is 33,300 TND without VAT, payable quarterly and beforehand, thus, 8,325 dinars without VAT by quarter.

This rent is granted for a period of two consecutive years, beginning July 01st, 2011 and falling due June 30th, 2013, renewable every year by tacit renewal.

An amendment to the rental agreement has been concluded in 2012 indicating that the rented surface was increased to 316 m² instead of 222 m² and the annual rent has been revised consequently to 47,400 TND without VAT. This modification came into effect from May, 2012.

Amounts registered in the income statement for 2014 are 51,014 TND.

These amendments have been authorized by the board of directors gathered on December 14th, 2012.

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21. On December 24th, 2008 BIAT reached a management agreement of venture capital funds with “BIAT CAPITAL RISQUE”. Under the terms of this agreement, BIAT entrusts “BIAT CAPITAL RISQUE” with the management of a private equity fund amounting to TND 14,250,000 that is totally paid up.

The fund manager SICAR AVENIR shall do its best to guarantee an average minimum return on participations equal to TMM+0.5% (Average Money Market Rate) until full repayment of the managed fund.

“BIAT CAPITAL RISQUE” shall receive an annual management fee equal to 1% tax free, charged annually in arrears, of the initial amount of the fund. After the term of 5 years, the commission shall be charged annually in arrears on the outstanding balance of the managed fund.

The default risk of the beneficiaries of the financing made out of the managed fund shall be incurred by BIAT.

This agreement was authorized by the board of directors gathered on April 28th, 2009.

22. On December 30th, 2009 BIAT reached a management agreement of venture capital funds with “SICAR AVENIR”. Under the terms of this agreement, BIAT entrusts “SICAR AVENIR” with the management of a private equity fund amounting to TND 3,000,000 that is totally paid up.

The fund manager “SICAR AVENIR” shall do its best to ensure the best possible return on the fund's participations until its full repayment to BIAT.

“SICAR AVENIR” shall receive an annual management fee equal to 1% tax free, charged annually in arrears, of the initial amount of the fund. After the term of 5 years, the commission shall be charged annually in arrears on the outstanding balance of the managed fund.

The default risk of the beneficiaries of the financing made out of the managed fund shall be incurred by BIAT.

23. On August 10th, 2009, BIAT reached with “CIAR” a rental agreement under which the latter shall hire a Villa located 7, rue Alain Savary, Tunis, covering a built surface of 433 m². The annual rent is set at TND 47,000 tax free, payable quarterly in advance. The rental period is two consecutive years starting January 1st, 2010 and ending December 31st, 2011, subject to renewal from one year to another by tacit agreement. The rent shall be subject to 5% annual increase starting the third year.

The rental revenue registered in the income statement of 2014 amounted to 55,088 dinars.

24. On October 13th, 2009 BIAT reached a marketing agreement of “SICAV PATRIMOINE OBLIGATAIRE” securities. For this purpose, subscriptions and repurchases of the aforementioned SICAV's shares shall be made by clients at all the bank's network. No commissions shall be due by the SICAV to BIAT in remuneration of the marketing. In addition, BIAT shall cover expenses relating to logistics that are essential for the functioning of SICAV as well as maintenance and operating costs relating to the running of equipment put at its disposal.

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25. During the financial year 2009, BIAT reached an agreement with “OSI (Organisation et Services Informatiques) that provides for the reimbursement by BIAT to OSI of the rents and related charges paid by the latter to account for the premises used by BIAT’s units. This agreement was accepted for a period of one year.

Thus, the charge incurred by BIAT in connection with this agreement for the 2014 financial year amounts to TND 32,408.

26. BIAT reached a rental agreement with “Société de Pôle de Compétitivité Monastir Elfejja” under which it shall provide the said company with the necessary premise for the conduct of its business, which is part of a building it owns located on the main avenue of Berges du Lac 1. The annual rent is set at TND 70,950 tax free payable quarterly in advance.

This lease was granted for a two-year period starting October 1st, 2009 and ending September 30th, 2011 shall be renewed from year to year by tacit renewal. The rent will be subject to an annual increase of 5% starting the third year.

The surface area was dropped down from 473 m² to 420 m² so as the rental fee which was cut down to TND 63,000 tax free. The effective date of this agreement is July 2011.

Amounts registered in the income statement for 2014 are 73,842 TND without VAT.

These agreements have been authorized by the board of directors gathered on April 28th, 2010.

27. On August 30th, 2010, BIAT reached a rental agreement with “Société ORANGE TUNISIE” under which it shall hire the whole premise on the ground floor of the building located 246 avenue Habib Bourguiba, le Kram. The surface area under this rental agreement totaled approximately 154 m². The term of this rental agreement was three years starting from April 1st, 2010, to March 31, 2013, renewable by tacit agreement. The rent was set at TND 2,567 - tax excluded - per month. It is subject to a 5% annual increase, cumulative starting the second year. “ORANGE TUNISIE” paid a rental security deposit of TND 5,134.

Revenues accounted in income in 2014 totaled TND 39,489.

This agreement has been authorized by the board of directors gathered on December 15th, 2010.

28. In 2010, BIAT reached a rental agreement with “ORANGE TUNISIE”, a company with Directors in common with your Bank at 2010 year-end, under which it shall hire the whole premise on the ground floor of the building located rue Moncef Bey-Bizerte. The surface area under this rental agreement totaled approximately 211.5 m². The term of this rental agreement was three years starting December 1st, 2010. The rent was set at TND 2,643,750 - tax excluded - per month. It is subject to a 5% annual increase, cumulative starting the second year.

Amounts registered in the income statement for 2014 are 36,879 TND.

29. BIAT entrusted to “BIAT CAPITAL RISQUE” the management of a fund amounting to TND 10,000,000, which was totally paid up by the Bank, with the aim of taking advantage of the tax relief provided for by law 95-88 dated October 30, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of corporate tax and personal income tax and subsequent texts.

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“BIAT CAPITAL RISQUE” shall act in order to ensure to BIAT the best possible returns on the participations financed by the fund until its total repayment to the fund’s investor.

“BIAT CAPITAL RISQUE” shall receive remuneration in the form of a management fee equal to 1% per annum - tax excluded - in arrears, on the initial amount of the fund. Beyond 5 years, the management fee shall amount to 1% per annum - to be paid in arrears on a yearly basis - of the fund’s remaining balance.

The amendment dated May, 2011 focused on the destination and the remuneration of the fund as following :

- Remuneration of the fund :

- 0.5% per annum free of taxes on the amounts placed during the lock up period ;
- 1.75% free of taxes per annum on invested amounts between the fund’s payment date and the end of the 7th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance.
- 1% free of taxes per annum on invested amounts between the 7th year and 10th year following payment of the fund.

- Destination of the fund :

- Contribution in enhancing the equity of entities by acquisitions of shares as defined by law 95-87 dated October 30th, 1995 ;
- Intervene by subscription or acquisition of ordinary stock, or shares with preferred dividend without voting right, or investment certificates, investment securities, or convertible bond, or shares or any other type of shares which could be categorized as equity.

These agreements have been authorized by the board of directors gathered on Mars 16th, 2011.

30. On 23 December, 2011 BIAT reached a management agreement with its subsidiaries under which BIAT shall assume the execution of all tasks relating to the accounting, administrative and financial management of the said subsidiaries listed as following :

- SICAF BIAT ;
- SGP ;
- TAAMIR ;
- OSI ;
- SALLOUM.

In remuneration of the delivered service, BIAT shall receive from each subsidiary :

- The equivalent of the payroll charges and employer contributions of the employees put at the disposal of each subsidiary with a 10% margin. The remuneration fixed for each one of the said companies is TND 19,800 free of taxes. This remuneration is subject to revision annually according to the expenses really incurred by BIAT ;
- The equivalent of payroll charges and employer contributions of the employees put at the disposal of each subsidiary and responsible for management and leadership tasks with a 10% margin ;
- The equivalent of overheads incurred by the bank by putting at the disposal of each subsidiary premises and logistics. The annual amount is fixed to TND 1,200 free of taxes for each one of the said subsidiaries. This remuneration will be subject to an annual increase of 6% starting the second year.

Since OSI and SALLOUM had stopped their activities, the effective date of this agreement would be the date of their revival.

Amounts registered in the income statement for 2014 are 63,607 TND without VAT.

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31. BIAT reached a rental agreement with “BIAT CAPITAL” under which it shall provide the said company with the necessary premise for the conduct of its business, which is part of a building it owns located on the main avenue of Berges du Lac 1. The said premises include local offices on the ground floor with a surface area of 148 m² and other ones on the intermediate floor with a surface area of 129 m². This rental agreement includes shared area with a surface area of 121 m² and two underground parking places. The annual rent is set at TND 59,700 free of taxes payable quarterly in advance, thus TND 14,925 free of taxes per quarter. This amount is subject to an annual increase of 5% starting the second year.

The rental agreement was concluded for a period of two consecutive years, starting December 1st, 2011 until November 30th, 2013 and is renewable by tacit agreement.

Revenues accounted in income in 2014 totaled TND 66,093.

32. In 2011, BIAT entrusted to “BIAT CAPITAL RISQUE” the management of a regional fund amounting to TND 6,000,000, which was totally paid up by the Bank, with the aim of boosting industry and related activities provided for by law 95-88 dated October 30, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of corporate tax and personal income tax and subsequent texts.

The remuneration of “BIAT CAPITAL RISQUE” shall consist on a management fee of :

- 0.5% per annum on the amounts placed during the lock up period ;
- 1.75% per annum on invested amounts between the fund's payment date and the end of the 7th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance.
- 1% per annum on invested amounts between the 7th year and 10th year following payment of the fund.

33. On December 28th, 2012, BIAT entrusted to “BIAT CAPITAL RISQUE” the management of a fund amounting to TND 6,000,000, which was totally paid up by the Bank, with the aim of taking advantage of the tax relief provided for by law 95-88 dated October 30, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of corporate tax and personal income tax and subsequent texts.

The remuneration of “BIAT CAPITAL RISQUE” shall consist on a management fee of :

- 0.5% per annum on the amounts placed during the lock up period ;
- 1.75% per annum on invested amounts between the fund's payment date and the end of the 7th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance.
- 1% per annum on invested amounts between the 7th year and 10th year following payment of the fund.

These agreements have been authorized by the board of directors gathered on December 14th, 2011.

34. BIAT reached a rental agreement with “TUNISIE TITRISATION” under which it shall provide the said company with the necessary premise for the conduct of its business, which is part of a building it owns located on the main avenue of Berges du Lac 1. The said premises include a local office on the first floor with a surface area of 19 m² and shared area with a surface area of 8 m². The annual rent is set at TND 4,050 free of taxes payable quarterly in advance, thus TND 1,013 free of taxes per quarter. This amount is subject to an annual increase of 5% starting the second year.

The rental agreement was concluded for a period of two consecutive years, starting December 1st, 2011 until November 30th, 2013 and renewable by tacit agreement.

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Revenues accounted in income in 2014 totaled TND 4,484.

This agreement was authorized by the board of directors gathered on March 13th, 2013

35. BIAT entrusted to "BIAT CAPITAL RISQUE" the management of a regional fund amounting to TND 10,000,000, which was totally paid up by the Bank, with the aim of taking advantage of the tax relief provided for by law 95-88 dated October 30, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of corporate tax and personal income tax and subsequent texts.

The remuneration of "BIAT CAPITAL RISQUE" shall consist on a management fee of :

- 0.5% per annum on the amounts placed during the lock up period ;
- 1.75% per annum on invested amounts between the fund's payment date and the end of the 7th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance.
- 1% per annum on invested amounts between the 8th year and 10th year following payment of the fund.

36. On March 8th, 2003, BIAT reached a tripartite agreement regarding the marketing of "SICAV PROSPERITY", "SICAV TRESOR" and "SICAV OPPORTUNITY" securities with these three companies and a management company "BIAT ASSETS MANAGEMENT". Under this agreement, "BIAT ASSETS MANAGEMENT" shall be in charge of the marketing of the securities of these three companies with the clients. This shall include the use of the name of BIAT in commercial and promotional campaigns to be launched subject to the written consent of BIAT that shall cover totally the relating fees.

In addition, BIAT shall cover the expenses relating to the necessary logistics for the functioning of the Management Company as well as subscription, maintenance and operating fees relating to the running of equipment provided to "BIAT ASSETS MANAGEMENT".

37. On October 17th, 2000, BIAT reached a management agreement with "SICAR AVENIR", under which BIAT shall assume the execution of all tasks relating to the administrative, financial and commercial management of the said SICAR. BIAT shall be paid by SICAR an annual remuneration equal to 1% of SICAR's shareholders' equity. This agreement also provides that the head office of "SICAR AVENIR" shall be registered at BIAT's premises without that being considered a rental and without being entitled to the development of any commercial property.

In addition, this agreement was amended twice on February 25th, 2002 and October 24th, 2004, changing the purpose of the agreement and the remuneration that shall be perceived by BIAT. Under the terms of the second amendment, in addition to enabling "SICAR AVENIR" to benefit from BIAT's commercial network and promotional and advertising actions, the bank shall provide "SICAR AVENIR" with support and consultancy services. BIAT shall receive an annual lump payment of TND 50,000 all tax included.

38. On December 27th, 2006 BIAT reached a management agreement of venture capital funds with "BIAT CAPITAL RISQUE" ex "SICAR AVENIR". Under the terms of this agreement, BIAT entrusts SICAR AVENIR with the management of a private equity fund amounting to TND 5,000,000 that is totally paid up.

The fund manager "BIAT CAPITAL RISQUE" shall do its best to guarantee an average minimum return on participations equal to TMM+0.5% (Average Money Market Rate) until full repayment of the managed fund.

"BIAT CAPITAL RISQUE" shall receive an annual management fee equal to 1% tax free, charged annually in arrears, of the initial amount of the fund. After the term of 5 years, the commission shall be charged annually in arrears on the outstanding balance of the managed fund.

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The default risk of the beneficiaries of the financing made out of the managed fund shall be incurred by BIAT.

39. On December 27th, 2007 BIAT reached a management agreement of venture capital funds with "BIAT CAPITAL RISQUE". Under the terms of this agreement, BIAT entrusts "BIAT CAPITAL RISQUE" with the management of a private equity fund amounting to TND 9,000,000 thousand that is totally paid up.

The fund manager SICAR AVENIR shall do its best to guarantee an average minimum return on participations equal to TMM+0.5% (Average Money Market Rate) until full repayment of the managed fund.

"BIAT CAPITAL RISQUE" shall receive an annual management fee equal to 1% tax free, charged annually in arrears, of the initial amount of the fund. After the term of 5 years, the commission shall be charged annually in arrears on the outstanding balance of the managed fund.

The default risk of the beneficiaries of the financing made out of the managed fund shall be incurred by BIAT.

40. On January 2th, 2004, BIAT reached an agreement for the collection of stock exchange orders with "BIAT CAPITAL". Article 8 of this agreement provides that brokerage commissions on any transaction executed by "BIAT CAPITAL" on behalf of BIAT or its clients shall be partially accruing to BIAT.

In addition, BIAT shall provide "BIAT CAPITAL" with the necessary premises, logistics, and equipment for the conduct of its business and shall cover the relating maintenance expenses. "BIAT CAPITAL" may also use the name of BIAT in commercial and promotional campaigns subject to the written consent of BIAT.

41. On May 10th, 2006, BIAT reached an agreement with "TUNISIE TITRISATION" providing for the formation of a Securitization Special Purpose Vehicle "FCC BIAT-CREDIMMO 1", a joint property with the exclusive purpose of acquiring real estate loans granted by the assignor (BIAT) to individuals in view of issuing securities representing the loans.

The issue initial total price amounted to TND 50,000,000, and loans sold by BIAT to the said SPV represented by "TUNISIE TITRISATION" reached an outstanding balance of TND 50,019,000.

In addition, total subscriptions by BIAT to this SPV amounted as at December 31st, 2014 to TND 1,724,000 broken down as follows :

- TND 1,519,000 subscriptions of residual units;
- TND 205,000 subscriptions to subordinated units;

As part of this transaction, BIAT ensures both the role of depository of the SPV assets and that of loan collector. As for the remuneration of its depository service, BIAT charges the management company "TUNISIE TITRISATION", acting in the name of the SPV, a 0.05% tax free fee per year, applicable to the outstanding balance of the loan at the beginning of period of calculation. In addition, as loan collector, BIAT charges "TUNISIE TITRISATION", acting in the name of the fund, a 0.4% tax free fee per year, applicable to the outstanding balance of the loan at the beginning of period of calculation.

Fees received by BIAT in 2014 totaled TND 35,167.

42. On May 18th, 2007, BIAT reached an agreement with "TUNISIE TITRISATION" providing for the formation of a Securitization Special Purpose Vehicle "FCC BIAT-CREDIMMO 2", a joint property with the exclusive purpose of acquiring real estate loans granted by the assignor (BIAT) to individuals in view of issuing securities representing the loans.

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The issue initial total price amounted to TND 50,000,000, and loans sold by BIAT to the said SPV represented by "TUNISIE TITRISATION" reached an outstanding balance of TND 50,003,000.

In addition, total subscriptions by BIAT to this SPV amounted as at December 31st, 2013 to TND 3,653,000 broken down as follows :

- TND 1,503,000 subscriptions of residual units;
- TND 1,000,000 subscriptions to subordinated units;
- TND 300,000 subscriptions to category P2 securities.
- TND 850,000 subscriptions to category P3 securities.

As part of this transaction, BIAT ensures both the role of depository of the SPV assets and that of loan collector. As for the remuneration of its depository service, BIAT charges the management company TUNISIE TITRISATION, acting in the name of the SPV, a 0.05% tax free fee per year, applicable to the outstanding balance of the loan at the beginning of period of calculation. In addition, as loan collector, BIAT charges TUNISIE TITRISATION, acting in the name of the fund, a 0.4% tax free fee per year, applicable to the outstanding balance of the loan at the beginning of period of calculation.

Fees received by BIAT in 2014 totaled TND 56,891.

43. For the purpose of coverage of its assets and its social and economic activity, BIAT entered into assistance and consultancy agreement with "LA PROTECTRICE", a company specialized in research, consultancy and brokerage in insurance and reinsurance business.

The charge incurred by BIAT in connection with this agreement for the 2014 financial year amounts to TND 20,000.

44. BIAT has entered since 2004 into several insurance agreements with the company "ASSURANCES BIAT". Total premiums paid in 2014 amounted to TND 11,368,000.

45. On October 12th, 2005 BIAT entered into an agreement with "Compagnie Internationale Arabe de Recouvrement" "CIAR" for the assistance in debt collection. Under this agreement, "CIAR" shall provide BIAT with assistance in out-of-court collection of debt within the limits and in respect of the regulation in force. In remuneration of the delivered service, "CIAR" shall receive a 10% commission - tax free - on the collected amount.

D. Obligations and commitments of the company towards its management

The obligations and commitments of the company towards its management as referred to in the article 200 (new) II § 5 of the commercial companies' code are as follows :

- The previous honorary Chairman of the Board of Directors received benefits in kind set by the Board of Directors in March 13, 2007. These benefits amounted to a gross amount of TND 12,000 for the financial year ended 2014. These advantages consist of the payment of housing incidental expenses and employer contribution.
- The remuneration of the previous General Manager was set by the remuneration committee from the Board of Directors on May 23, 2014. This remuneration, for the period between 1 January 2014 and 30 May 2014, amounted to a gross amount of TND 1,830 thousand for the financial year 2014, including TND 380 thousand employer contributions. It includes the salary, allowances and welfare, pension scheme full and final settlement. The previous General Manager had also a company car with a driver and payment of related expenses.

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In addition, the Board of Directors in its meeting of May 23, 2014 has decided to sell a passenger car "Mercedes", fully depreciated, for TND 25,000 for the previous General Manager.

- The remuneration of the new General Manager was set by the remuneration committee from the Board of Directors on May 23, 2014. This remuneration, for the period between June 1st and December 31st, 2014, amounted to a gross amount of TND 235,000 for the financial year 2014, including TND 49,000 employer contribution; it includes the salary, welfares and pension scheme. The General Manager has also the following benefits: a company car, a driver and payment of related expenses.
- The remuneration of the Deputy Managing Director in charge of Resources for the BIAT, for the period between June 1st and December 31st, 2014, was set by the remuneration committee from the Board of Directors on May 23, 2014. This remuneration amounted to a gross amount of TND 197,000 for the financial year 2014, including TND 42,000 employer contribution; it includes the salary, welfares and pension scheme.
- The remuneration of the Deputy Managing Director in charge of retail banking market, for the period between June 1st and December 31st, 2014, was set by the remuneration committee from the Board of Directors on May 23, 2014. This remuneration amounted to a gross amount of TND 201,000 for the financial year 2014, including TND 42,000 employer contribution; it includes the salary, welfares and pension scheme.
- The Members of the Board of Directors received remuneration as attendance fees set by the Annual General Meeting of the Bank held May 23, 2014. These attendance fees totaled a gross amount of TND 450,000 in financial year 2014. In addition, Members of the Board who are also members of the Delegation of the Board of Directors, the internal audit permanent committee and the executive credit committee, received a gross remuneration of TND 72,000 for the financial year 2014.

Besides, except for the aforementioned agreements, your Board of Directors has not notified us of any other agreement executed during the financial year under review, and our audit work did not reveal the existence of other agreements or operations falling within the scope of of article 29 of law 2001-65 relating to credit institutions as amended and completed by law 2006-19 dated May 2nd, 2006, article 200 and following, and article 475 of the code of commercial companies.

Tunis, April 28th, 2015
The statutory auditors

Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA



ECC MAZARS
Mohamed Ali ELAOUANI CHERIF



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BALANCE SHEET

As of December 31, 2014 (in thousands of dinars)

	Note	December 31 st , 2014	December 31 st , 2013	Change	In %
ASSETS					
Cash in hand, Balance at Central Bank. Post office accounts and Tunisian Treasure	III-1	411 346	140 830	270 516	192,09%
Due from banks and financial institutions	III-2	774 481	1 554 831	(780 350)	-50,19%
Customer loans	III-3	5 920 745	5 550 364	370 381	6,67%
Commercial securities portfolio	III-4	872 178	804 405	67 773	8,43%
Investment portfolio	III-5	305 288	237 859	67 429	28,35%
Fixed assets	III-6	212 814	193 267	19 547	10,11%
Other assets	III-7	256 375	261 828	(5 453)	-2,08%
Total assets		8 753 227	8 743 384	9 843	0,11%
LIABILITIES					
Tunisian Central Bank and post office	IV-1	1 578	18 798	(17 220)	-91,61%
Due to banks and financial institutions	IV-2	120 738	634 386	(513 648)	-80,97%
Customer deposits	IV-3	7 513 761	7 099 580	414 181	5,83%
Borrowing and special resources	IV-4	129 818	90 175	39 643	43,96%
Other liabilities	IV-5	317 030	290 342	26 688	9,19%
Total liabilities		8 082 925	8 133 281	(50 356)	-0,62%
SHAREHOLDERS' EQUITY					
Share capital		170 000	170 000	-	0,00%
Reserves		397 314	367 215	30 099	8,20%
Other shareholders' equity		3	9	(6)	-66,67%
Income carried forward		609	(34 779)	35 388	-101,75%
Net Income for the period		102 376	107 658	(5 282)	-4,91%
Total Shareholders' Equity	V	670 302	610 103	60 199	9,87%
Total liabilities and Shareholders' Equity		8 753 227	8 743 384	9 843	0,11%

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STATEMENTS OF OFF-BALANCE-SHEET COMMITMENTS

As of December 31, 2014 (in thousands of dinars)

	Note	December 31 st , 2014	December 31 st , 2013	Change	In %
CONTINGENT LIABILITIES					
Guarantees and endorsements given		1 306 342	1 167 636	138 706	11,88%
a- to banks and financial institutions		524 665	402 173	122 492	30,46%
b- to customers		781 677	765 463	16 214	2,12%
Letters of credits		367 963	372 825	(4 862)	-1,30%
a- to customers		315 525	343 501	(27 976)	-8,14%
b- Others		52 438	29 324	23 114	78,82%
Total contingent Liabilities		1 674 305	1 540 461	133 844	8,69%
COMMITMENTS GIVEN					
Financing commitments given		69 215	94 084	(24 869)	-26,43%
To customers		69 215	94 084	(24 869)	-26,43%
commitments on securities		2 317	3 366	(1 049)	-31,16%
a- Non paid up participations		2 315	3 246	(931)	-28,68%
b- Securities to be received		2	120	(118)	-98,33%
Total commitments given		71 532	97 450	(25 918)	-26,60%
COMMITMENTS RECEIVED					
Guarantees received		2 350 461	2 249 769	100 692	4,48%
Total Commitments received		2 350 461	2 249 769	100 692	4,48%

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INCOME STATEMENT

Period from January 1st to December 31, 2014 (In thousands of dinars)

	Note	Financial year 2014	Financial year 2013	Change	In %
BANKING OPERATING INCOME					
Interests and other similar revenues	VII-1-1	454 188	390 868	63 320	16,20%
Commissions received	VII-1-2	109 954	94 796	15 158	15,99%
Gains on commercial securities portfolio and financial operations	VII-1-3	107 558	98 677	8 881	9,00%
Investment portfolio revenues	VII-1-4	8 248	8 614	(366)	-4,25%
Total banking operating income		679 948	592 955	86 993	14,67%
BANKING OPERATING EXPENSES					
Interest and similar expenses	VII-2-1	(187 491)	(148 195)	(39 296)	26,52%
Commissions paid	VII-2-2	(5 063)	(4 283)	(780)	18,21%
Total Banking Operating Expenses		(192 554)	(152 478)	(40 076)	26,28%
Net Banking Income		487 394	440 477	46 917	10,65%
Net provision charge and value adjustments for loan losses, off-balance sheet items and liabilities	VII-3	(81 015)	(50 819)	(30 196)	59,42%
Net provision charge and value adjustments on investment portfolio	VII-4	(6 823)	(9 042)	2 219	-24,54%
Other operating income	VII-5	7 068	5 603	1 465	26,15%
Personnel expenses	VII-6	(164 744)	(155 994)	(8 750)	5,61%
General operating expenses	VII-7	(51 759)	(50 488)	(1 271)	2,52%
Depreciation allowance on fixed assets	VII-8	(29 883)	(26 222)	(3 661)	13,96%
Operating Income		160 238	153 515	6 723	4,38%
Net gain (loss) on ordinary items	VII-9	(3 892)	(726)	(3 166)	436,09%
Corporate income tax			(45 131)	(8 839)	19,59%
Net Income for the Period		102 376	107 658	(5 282)	-4,91%
Impact of accounting changes		-	(35 613)	35 613	-100,00%

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STATEMENT OF CASH FLOWS

Period: from January 1st to December 31, 2014 (in thousands of dinars)

	Note	Financial year 2014	Financial year 2013
OPERATING ACTIVITIES			
Banking operating revenues received (excluding investment portfolio revenues)		674 992	623 549
Banking operating charges paid out		(187 780)	(148 474)
Deposits / Deposit withdrawal with other banks and financial institutions		348 133	(281 699)
Loans and advances / Repayment of loans and advances extended to customers		(396 963)	(447 788)
Deposits / Customer deposits withdrawal		346 085	649 199
Securities held for sale		470	767
Payments to personnel and other creditors		(246 195)	(223 037)
Other cash flows from operating activities		112 273	(63 781)
Corporate income tax		(57 206)	(32 683)
Net Cash Flow from Operating Activities		593 809	76 053
INVESTING ACTIVITIES			
Interests and dividends on investment portfolio		7 701	8 034
Purchase / Disposal of investment securities		(75 944)	(28 933)
Purchase / Disposal of fixed assets		(55 331)	(50 894)
Net Cash Flow from Investing Activities		(123 574)	(71 793)
FINANCING ACTIVITIES			
Repayment of bond loans		47 059	(16 479)
Increase \ decrease of special resources		(7 752)	(5 833)
Dividends paid		(42 500)	(42 500)
Net Cash Flow from Financing Activities		(3 193)	(64 812)
Impact of the change in foreign exchange rate on cash and cash equivalent	IX-1	41 571	79 443
Net change of cash and cash equivalents during the period		508 613	18 891
Cash and cash equivalents at beginning of period		1 298 156	1 279 265
Cash and Cash Equivalents at End of Period	IX-2	1 806 769	1 298 156

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

As of December 31, 2014

NOTE I - COMPLIANCE WITH TUNISIAN ACCOUNTING STANDARDS

The financial statements of BANQUE INTERNATIONALE ARABE DE TUNISIE have been prepared in accordance with the provisions of Law No. 96-112 dated 30 December 1996 relating to corporate accounting system and with the provisions of the Minister of Finance Order dated 25 March 1999 approving the banking accounting standards.

The financial statements are established according to the format defined by the accounting standard No. 21 pertaining to the presentation of the financial statements of banking institutions.

NOTE II - BASIS OF VALUATION, APPLIED RELEVANT ACCOUNTING PRINCIPLES AND FINANCIAL STATEMENTS PRESENTATION

The financial statements as at 31 December 2014 have been established in conformity with the accounting principles set forth by the Decree No. 96-2459 dated 30 December 1996 approving the accounting conceptual framework and accounting principles defined by the banking accounting standards. Among these principles, we describe hereafter the rules which were applied by the Bank for the consideration of revenues and expenses, the evaluation of loans and securities and the conversion of foreign exchange transactions.

II-1. Recognition of Revenues

Interests, similar revenues, and commissions are recognized in the income statement as of 31 December 2014 for their value for the period starting 1st of January 2014 and ending the 31st of December 2014. As a result, revenues received and referring to subsequent periods to 31 December 2014 are not taken into account in the income statement of the financial year 2014, in compliance with the accounting standards. Accrued revenues non-falling due as at 31 December 2014 are on the other hand included in the income.

In compliance with the banking accounting standard number 24 and the Central Bank of Tunisia circular No. 91-24 dated 17 December 1991, interests and similar revenues due on 31 December 2014 and not collected yet or for which there is a reasonable doubt for their collection, are not included in the income for the financial year and are disclosed on the balance sheet as reserved interests.

Interests and similar revenues disclosed as reserved interests in previous financial periods and collected in the current financial year are, on the other hand taken into account in the income as of 31 December 2014.

II-2. Recognition of Expenses

Interest expenses, accrued commissions, staff costs and other expenses are taken into account in decrease of the income as of 31 December 2014 for their amounts referring to the period starting from 1 January 2014 to 31 December 2014. Therefore, paid out expenses referring to periods subsequent to 31 December 2014 are disclosed in the balance sheet as adjustment accounts.

Expenses referring to this reporting period and have not been paid out as of 31 December 2014 are charged against income.

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II-3. Assets Evaluation Rules

In compliance with banking accounting standards and Central Bank of Tunisia circular No. 91-24 dated 17 December 1991, a valuation of all the bank's loans was made based on the accounts drawn up as of 31 December 2014 and on the subsequent events to the reporting date.

This valuation was supported by the assessment of all deductible securities as defined by the Central Bank of Tunisia circular No. 91-24 pertaining to prudential rules.

These loan and security valuations led to the assessment of the amount of required provisions, the provision charge for 2014 financial year and the amount of reserved interests.

II-4. Securities Evaluation Rules

In compliance with banking accounting standards and Central Bank of Tunisia circular No. 91-24 dated 17 December 1991, a valuation of securities held by the Bank was made as at 31 December 2014. This evaluation enabled to determine the amount of required provisions on these securities and the amount of the provisions taken into consideration for the establishment of the financial statements as at 31 December 2014.

This valuation was based on the last market price of December 2014 for listed securities. As for unlisted securities, it was based on the financial positions of the issuing companies.

The unrealized capital gains on securities held for sale, equity securities and shares in associated companies and joint ventures are not included in the income as at 31 December 2014.

The unrealized capital losses on all these types of securities are taken into account through provision charges on securities.

II-5. Converting Foreign Currency Transactions Rules

In compliance with banking accounting standards, the financial statements are drawn up including foreign currency loans and debts and exchange position in foreign currency translated based on the last average foreign exchange rate of the Central Bank of Tunisia of December 2014. Foreign exchange gains and losses resulting from this conversion are included in the income as at 31 December 2014.

II-6. Financial Statements Presentation

The financial statements of BIAT drawn up and published as at 31 December 2014 are prepared in compliance with the banking accounting standard No. 21.

These statements include data related to the financial years 2014 and 2013.

Note III – BALANCE SHEET ASSETS

(Figures are expressed in thousands of Tunisian Dinars)

Assets include the following items :

- AC1: Cash and balances with Central Bank, post office and General Treasury of Tunisia;
- AC2: Due from banks and financial institutions;
- AC3: Loans to customers;

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- AC4: Commercial securities portfolio;
- AC5: Investment portfolio;
- AC6: Fixed assets;
- AC7: Other assets.

III-1. Cash and Balances with Central Bank (CBT), Post Office Accounts (POA) and General Treasury of Tunisia (GTT)

The volume of this post registered an increase between December 2013 and December 2014 for TND 270,516 thousand or 192.09% passing from a period to another from TND 140,830 thousand to TND 411,346 thousand. This

	December 31 st , 2014	December 31 st , 2013	Change	In %
Cash	70 871	58 332	12 539	21,50%
Holdings in CBT	340 386	82 406	257 980	313,06%
Holdings in POA	89	92	(3)	-3,26%
Total cash and Balances with CBT, POA and GTT	411 346	140 830	270 516	192,09%

III-2. Due from Banks and Financial Institutions

Le volume de ce poste a enregistré une baisse entre Décembre 2013 et Décembre 2014 de 780 350mD ou 50,19% en passant d'une période à une autre de 1 554 831mD à 774 481mD. Il se détaille comme suit :

	December 31 st , 2014	December 31 st , 2014	Change	In %
Due from banks	697 115	1 457 470	(760 355)	-52,17%
Due from financial institutions	77 366	97 361	(19 995)	-20,54%
Total Dues from Banks and Financial Institutions	774 481	1 554 831	(780 350)	-50,19%

The decrease in the volume of our dues from banks of TND 760,355 thousand or 52.17% which dropped from TND 1,457,470 thousand on December 31st, 2013 to TND 697,115 thousand on December 31st, 2014 relates to the following positions :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Loan accounts with Tunisian Central Bank	338 643	1 089 102	(750 459)	-68,91%
Money market placement	287 305	345 183	(57 878)	-16,77%
Accrued interests on loans	1 229	2 026	(797)	-39,34%
Correspondents' accounts «NOSTRI»	44 979	5 376	39 603	736,66%
Correspondents' accounts «LORI »	1 197	5 038	(3 841)	-76,24%
Accrued interests on correspondents' accounts	1	-	1	-
Non- allocated Values	23 761	10 745	13 016	121,14%
Total	697 115	1 457 470	(760 355)	-52,17%

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The decrease of our dues from financial institutions up to TND 19,995 thousand or 20.54% which dropped from TND 97,361 thousand in December 2013 to TND 77,366 thousand in December 2014 is mainly attributable to the decrease of our loans to the Leasing companies. This section is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Short and medium term loans to leasing companies	76 398	96 285	(19 887)	-20,65%
Accrued interests	968	1 076	(108)	-10,04%
Total	77 366	97 361	(19 995)	-20,54%

III-3. Customers Loans

Customer loans include current and classified overdraft accounts, other current and classified loans, current and classified loans on special resources and associates' current accounts.

Gross doubtful loans (classified) as well as required provisions covering classified assets are determined in compliance with the Central Bank of Tunisia circular No. 91-24 dated 17 December 1991 on prudential rules and banking accounting standards.

Total net customer loans showed an increase of TND 370,381 thousand or 6.67%, rising from TND 5,550,364 thousand as at December 2013 to TND 5,920,745 thousand as at December 2014. These amounts are analyzed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Customer overdraft accounts (1)	604 561	594 822	9 739	1,64%
Other customer loans (2)	5 664 957	5 342 051	322 906	6,04%
Loans on special resources (3)	75 927	83 668	(7 741)	-9,25%
Total	6 345 445	6 020 541	324 904	5,40%
Provisions for doubtful loans	(322 047)	(372 376)	50 329	-13,52%
Interest reserve	(69 722)	(70 629)	907	-1,28%
Collective Provisions	(32 931)	(27 172)	(5 759)	21,19%
Total Customer Loans	5 920 745	5 550 364	370 381	6,67%

(1) Customer Overdraft Accounts

Customer overdraft accounts recorded from one period to another an increase of TND 9,739 thousand or 1.64%, rising from TND 594,822 thousand in December 2013 to TND 604,561 thousand in December 2014. These accounts are broken down as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Current overdraft accounts	559 587	506 989	52 598	10,37%
Doubtful overdraft accounts	22 345	75 600	(53 255)	-70,44%
Advance on time deposits	22 284	11 969	10 315	86,18%
Accrued interest	345	264	81	30,68%
Total	604 561	594 822	9 739	1,64%

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The gross amount of the doubtful receivables amounting to TND 22,345 thousand is divided between the different categories under the prudential regulations of the Central Bank of Tunisia as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Category 2	6 134	11 161	(5 027)	-45,04%
Category 3	6 532	6 770	(238)	-3,52%
Category 4	9 679	57 669	(47 990)	-83,22%
Total	22 345	75 600	(53 255)	-70,44%

(2) Other customers loans

The other customer loans recorded an increase of TND 322,906 thousand or 6.04 %, rising from TND 5,342,051 thousand in December 2013 to TND 5,664,957 thousand in December 2014. These accounts are broken down as followst :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Other customer loans	5 171 351	4 852 519	318 832	6,57%
Other doubtful loans	493 606	489 532	4 074	0,83%
Total	5 664 957	5 342 051	322 906	6,04%

(a) Other current loans are broken down as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Industrial and commercial loans	3 044 401	2 897 351	147 050	5,08%
Loans on real property, developers	137 641	132 052	5 589	4,23%
Loans on real property, buyers	1 626 743	1 501 892	124 851	8,31%
Farm loans	347 481	309 341	38 140	12,33%
Sub-total (Discount portfolio)	5 156 266	4 840 636	315 630	6,52%
Non-allocated values	632	150	482	321,33%
Accrued interest	24 839	19 961	4 878	24,44%
Interest received in advance	(10 386)	(8 228)	(2 158)	26,23%
Total autres concours courants	5 171 351	4 852 519	318 832	6,57%

(b) Gross other doubtful loans, amounting to TND 493,606 thousand, are broken down as follows among the various risk categories defined by the prudential regulation of the Central Bank of Tunisia as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Category 2	25 198	47 708	(22 510)	-47,18%
Category 3	50 253	25 596	24 657	96,33%
Category 4	418 155	416 228	1 927	0,46%
Total	493 606	489 532	4 074	0,83%

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(3) Loans on special resources

Credits on special resources recorded from one period to another a decrease of TND 7,741 thousand or 9.25%, passing from TND 83,668 thousand in December 2013 to TND 75,927 thousand in December 2014. These accounts are broken down as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Current loans on special resources	57 212	65 702	(8 490)	-12,92%
Accrued interests	408	508	(100)	-19,69%
Doubtful loans on special resources	18 307	17 458	849	4,86%
Total	75 927	83 668	(7 741)	-9,25%

The gross amount of doubtful loans on special resources, amounting to TND 18,307 thousand, is divided between the different categories under the prudential regulation of the Central Bank of Tunisia as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Category 2	238	33	205	621,21%
Category 3	3 087	90	2 997	3330,00%
Category 4	14 982	17 335	(2 353)	-13,57%
Total	18 307	17 458	849	4,86%

Considering the foregoing, customer loans are summarized as follows :

(i) Current loans

	December 31 st , 2014	December 31 st , 2013	Change	In %
Current loans excluding commitments by signature and associates' current accounts	5 795 353	5 425 296	370 057	6,82%
Non allocated values	632	150	482	321,33%
Accrued interests	25 592	20 733	4 859	23,44%
Interests on loans received in advance	(10 386)	(8 228)	(2 158)	26,23%
Total	5 811 191	5 437 951	373 240	6,86%
Current commitments by signature	1 079 720	1 089 352	(9 632)	-0,88%
Total	6 890 911	6 527 303	363 608	5,57%

(ii) Gross doubtful claims

	December 31 st , 2014	December 31 st , 2013	Change	In %
Doubtful loans excluding commitments by signature and associates' current accounts	534 258	582 591	(48 333)	-8,30%
Doubtful commitments by signature	17 481	19 612	(2 131)	-10,87%
Total	551 739	602 203	(50 464)	-8,38%

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The gross amount of doubtful loans amounting to TND 551,739 thousand, is divided between the different categories under the prudential regulation of the Central Bank of Tunisia as follows:

	December 31 st , 2014	December 31 st , 2013	Change	In %
Category 2	31 843	59 598	(27 755)	-46,57%
Category 3	60 468	34 303	26 165	76,28%
Category 4	459 428	508 302	(48 874)	-9,62%
Total	551 739	602 203	(50 464)	-8,38%

The provisions and reserved income covering the balance sheet receivables which have been established for an amount of TND 379,939 thousand have been charged on the amount of receivables classified above-mentioned.

Provisions for off-balance sheet liabilities are included in the liabilities at an amount of TND 10,964 thousand.

Thus, provisions and reserved income which were formed to cover receivables classified customer totaled TND 390,903 thousand and are broken down as follows

O3mD ventilés comme suit :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Reserved Interest	60 562	63 154	(2 592)	-4,10%
Provisions for the coverage of balance sheet loans	319 377	371 706	(52 329)	-14,08%
Provisions for the coverage of off-balance sheet items	10 964	12 402	(1 438)	-11,59%
Total	390 903	447 262	(56 359)	-12,60%

Provisions and reserved interest which were formed to cover receivables not classified customer totaled TND 44 ,761 thousand and are broken down as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Reserved interests on non-classified receivables	9 160	7 475	1 685	22,54%
Collective provisions	32 931	27 172	5 759	21,19%
Other provisions	2 670	670	2 000	298,51%
Total	44 761	35 317	9 444	26,74%

It is worth mentioning that within the context of the analysis and assessment of customer receivables, the provisions required for classified receivables have been determined taking into account only the deductible collaterals as defined in the Circular of the Central Bank of Tunisia No. 91-24.

Thus, were excluded from this calculation the non-deductible guarantees such as pledging of a business, mortgages on registering requisition; maritime mortgages; mortgages on private agreements; pledging of fixed equipments; pledges on deals; pledges on rolling stock; pledges on goods; joint and several guarantees of individual and legal entities; endorsements of individual and legal entities; life insurance; and domiciliation of salaries, rents and contracts.

III-4. Trading Securities Portfolio

The volume of Trading securities portfolio has passed between December 2013 and December 2014 from TND 804, 405 thousand to TND 872, 178 thousand, thus registering an increase of TND 67, 773 thousand or 8.43%.

This variation comes from the increase in the volume of securities transactions for TND 68, 861 thousand or 8.61% (due to the different subscriptions and refunds transactions during the period from 01/01/2014 to December 31st, 2014)

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accompanied by a decrease of the total of the investments portfolio for TND 1,087 thousand or 23.46%.

The change of securities and their distribution between the securities sold to the customer and securities held in the portfolio of the bank are detailed below :

(1) Trading Securities

a) Trading securities subscribed and non-redeemed are broken down for their nominal value as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Fungible Treasury Bills	1 340 912	1 312 337	28 575	2,18%
Short term Treasury Bills	19 500	14 514	4 986	34,35%
Zero coupon Treasury Bills	23 000	23 000	-	0,00%
Sub-total Trading securities (Principal)	1 383 412	1 349 851	33 561	2,49%
Debt and accrued interest and difference between face value and purchase value of Fungible Treasury Bills	16 693	20 826	(4 133)	-19,85%
Total	1 400 105	1 370 677	29 428	2,15%

The change in Trading Securities in the form of Fungible Treasury Bills (BTA) amounting to TND 28,575 thousand is detailed as follows :

	December 31 st , 2014
Acquisitions with the Treasury in 2014	204 000
Transfers received from clients	11 100
Transfers issued by clients	(37 371)
Reimbursements of the BTA in 2014	(149 154)
Net Change	28 575

The variation of the securities transaction in Short term Treasury Bills (BTC) amounting to TND 4, 986 thousand comes mainly from :

	December 31 st , 2014
Acquisitions with the Treasury in 2014	19 500
Reimbursements of the BTC in 2014	(14 514)
Net Change	4 986

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b) Trading securities are broken down among securities held in the Bank's portfolio and securities sold to customers. The following is the breakdown of trading securities for their book value as at December 31, 2014 in TND thousand :

Designation	December 31 st , 2014	December 31 st , 2013	Change	In %
1) Securities held in the Bank's portfolio				
Fungible Treasury Bills	828 463	772 296	56 167	7,27%
Short term Treasury Bills	733	373	360	96,51%
Zero coupon Treasury Bills	19 827	19 827	-	0,00%
Loans, accrued interests and premiums on Zero Coupon Treasury Bills	19 609	7 275	12 334	169,54%
TOTAL SECURITIES HELD BY THE BANK	868 632	799 771	68 861	8,61%
2) Securities assigned to customers				
Customer: Fungible Treasury Bills	509 533	553 592	(44 059)	-7,96%
Customer: Short term Treasury Bills	18 767	14 141	4 626	32,71%
Customer: Zero coupon Treasury Bills	3 173	3 173	-	0,00%
TOTAL SECURITIES ASSIGNED TO CUSTOMERS	531 473	570 906	(39 433)	-6,91%
GENERAL TOTAL	1 400 105	1 370 677	29 428	2,15%

(2) Investment securities

Investment securities that are composed primarily of obligations and priority shares in common funds dropped from TND 4, 633 thousand at December 31, 2013 to TND 3, 546 thousand at December 31, 2014 registering a decrease of TND 1,087 thousand or -23.46%.

The decrease in the level of these titles is primarily due to repayment of priority shares in the common fund claims and obligations. The decrease in the level of these titles is explained as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Bonds issued by private companies	70	540	(470)	-87,04%
SICAV Securities	2 303	2 303	-	0,00%
Priority shares in common funds	1 150	1 758	(608)	-34,58%
Receivables and accrued interest	23	32	(9)	-28,13%
Total	3 546	4 633	(1 087)	-23,46%

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III-5. Investment Portfolio

This heading which consists mainly of debt securities held for investment, equity participations, interests in associated companies and joint ventures and interests in subsidiaries and affiliated companies has risen from TND 237,859 thousand at 31 December 2013 to TND 305,287 thousand at 31 December 2014, recording an increase of TND 67,428 thousand or 28.35%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Gross outstanding debt of Investment securities	340 688	265 719	74 969	28,21%
Accrued interest on investment securities	6 704	7 875	(1 171)	-14,87%
Provisions and interest reserve for investment portfolio depreciation	(42 105)	(35 735)	(6 370)	17,83%
Total Investment portfolio	305 287	237 859	67 428	28,35%

This increase details as follows :

	December 31 st , 2014
New equity participations or payments on subscriptions	36 031
Disposal of equity participations	(1 795)
Subscription to the National Loan Bonds of 2014	39 000
Repayment of national loans	(429)
Payment of managed Funds	13 670
Return on managed Funds	(11 422)
Provision on equity participations	(7 189)
Reversal of a provision on equity participations	1 342
Interest reserved on managed Funds	(406)
Interest reserved on resell agreements	(118)
Repayment of subordinated shares (FCC)	(86)
Change in accrued interests and in the share of dividends the entitlement to which is set but not yet due	(1 170)
Total	67 428

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These operations are detailed as follows:

TYPE OF OPERATION	DEBT SECURITIES HELD FOR IVESTMENT	EQUITY PARTICIPATIONS AND EQUITY SUBJECT TO RESELL AGREEMENTS	INTEREST IN SUBSIDIARIES, AFFILIATED COMPANIES AND JOINT- VENTURES	Managed Funds	Total
Gross balance as at December 31st, 2013 excluding accrued interest	8 672	53 115	111 554	92 378	265 719
Payments made during 2014	39 000	18 841	17 190	13 670	88 701
Disposals, liquidations or redemptions made during 2014	(515)	-	(1 795)	(11 422)	(13 732)
The upgrading	-	(150)	150	-	-
Gross balance as at December 31st, 2014 excluding accrued interest	47 157	71 806	127 099	94 626	340 688
Accrued interest on participation equities and resell agreements	743	4 595	-	1 366	6 704
Provisions and interest reserve for investment portfolio depreciation	-	(15 024)	(25 938)	(1 143)	(42 105)
Total investment portfolio	47 900	61 377	101 161	94 849	305 287

III-6. Fixed Assets

Fixed assets are carried at their acquisition cost exclusive of tax, increased by the non-recoverable VAT, except for motor vehicles which are stated in the balance sheet at their purchase cost inclusive of tax.

Fixed assets are depreciated using the straight-line method based on the depreciation rates allowed by the fiscal regulation in force, except for the goodwill.

Depreciation allowances are determined and carried on the basis of the underlying fixed assets cost net of resale value and taking into account the acquisition date of every fixed asset item.

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The following are the applied depreciation rates :

Fixed Assets	Lifetime	Depreciation rate
Intangible fixed assets		
Software	3 years	33,33%
Licenses	3 years	33,33%
Goodwill	20 years	5%
Tangible fixed assets		
Buildings	20 et 40 years	5% et 2,5%
General installations, fittings and fixtures of buildings	10 years	10%
Office Equipment	10 years	10%
Motor vehicles	5 years	20%
Computer hardware	6,67 years	15%
Fixed assets with particular legal status	10 years	10%

The fixed assets net book value recorded an increase of TND 19,547 thousand or 10.11% passing from TND 193,267 thousand at December 31, 2013 to TND 212,814 thousand at December 31, 2014.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Intangible fixed assets	60 162	58 410	1 752	3,00%
Depreciation of intangible fixed assets	(32 407)	(25 711)	(6 696)	26,04%
Tangible fixed assets	265 771	255 031	10 740	4,21%
Depreciation of tangible fixed assets	(136 251)	(126 683)	(9 568)	7,55%
Advances on fixed assets in progress	55 539	32 220	23 319	72,37%
Total Fixed Assets	212 814	193 267	19 547	10,11%

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Fixed assets are detailed as at 31 December 2014 as follows :

	December 31 st , 2013	Acquisitions	Disposals	Reclassifications	December 31 st , 2014
License	15 523	1 427	-	-	16 950
Computer Software	38 946	180	-	-	39 126
Goodwill and right to lease	3 941	145	-	-	4 086
Total Intangible assets	58 410	1 752	-	-	60 162
Freehold land	38 006	586	(191)	-	38 401
Constructions	64 366	622	-	-	64 988
Fittings and fixtures of constructions	62 694	2 947	-	2 753	68 394
Buildings to be allocated	369	-	(122)	-	247
Fixed assets with particular legal status	358	-	(7)	-	351
Office furniture	9 883	647	(9)	-	10 521
Computer hardware	35 262	4 904	(3 098)	-	37 068
Motor vehicles	1 501	387	(167)	-	1 721
Constructions not allocated to professional activities	1 876	172	-	-	2 048
General installations of constructions	6 547	-	-	-	6 547
Banking operating equipment	15 478	1 303	(1 252)	-	15 529
Fittings and fixtures of banking operating equipment	30	2	-	-	32
Office Equipment	10 621	757	(42)	-	11 336
Fittings of office equipment	1 562	91	-	30	1 683
Fittings of office furniture	6 478	187	-	240	6 905
Total Tangible assets	255 031	12 605	(4 888)	3 023	265 771
Works in progress	29 836	27 451	-	(3 023)	54 264
Advances on fixed assets in progress	2 384	-	(1 109)	-	1 275
Total Gross values of fixed assets	345 661	41 808	(5 997)	-	381 472

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	Gross Amounts December 31 st , 2013	Depreciation Allowance	Depreciation Adjustment/ Disposals	Gross Amounts December 31 st , 2014	Net Book Value December 31 st , 2014
License	(9 841)	(1 814)	-	(11 655)	5 295
Computer Software	(14 011)	(4 685)	-	(18 696)	20 430
Goodwill and right to lease	(1 859)	(197)	-	(2 056)	2 030
Total Intangible assets	(25 711)	(6 696)	-	(32 407)	27 755
Freehold land	-	-	-	-	38 401
Constructions	(25 375)	(2 086)	-	(27 461)	37 527
Fittings and fixtures of constructions	(40 130)	(4 428)	-	(44 558)	23 836
Buildings to be allocated	-	-	-	-	247
Fixed assets with particular legal status	(259)	(23)	6	(276)	75
Office furniture	(6 682)	(720)	7	(7 395)	3 126
Computer hardware	(24 926)	(3 201)	3 089	(25 038)	12 030
Motor vehicles	(1 144)	(161)	162	(1 143)	578
Constructions not allocated to professional activities	(103)	(264)	-	(367)	1 681
General installations of constructions	(5 490)	(584)	-	(6 074)	473
Banking operating equipment	(10 409)	(1 316)	1 252	(10 473)	5 056
Fittings and fixtures of banking operating equipment	(10)	(3)	-	(13)	19
Office Equipment	(7 134)	(775)	39	(7 870)	3 466
Fittings of office equipment	(1 135)	(69)	-	(1 204)	479
Fittings of office furniture	(3 727)	(493)	-	(4 220)	2 685
Total Tangible assets	(126 524)	(14 123)	4 555	(136 092)	129 679
Works in progress	-	-	-	-	54 264
Advances on fixed assets in progress	-	-	-	-	1 275
Provisions on fixed assets	(159)	-	-	(159)	(159)
Total Net values of fixed assets	(152 394)	(20 819)	4 555	(168 658)	212 814

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III-7. Other Assets

The other assets dropped from TND 261,828 thousand in December 2013 to TND 256,375 thousand in December 2014, recording a decrease of TND 5,453 thousand or 2.08%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Adjustment accounts	57 818	76 177	(18 359)	-24,10%
Other assets accounts	198 557	185 651	12 906	6,95%
Total Other Assets	256 375	261 828	(5 453)	-2,08%

(1) Adjustment accounts

The adjustment accounts passed between December 2013 and December 2014 from TND 76,177 thousand to TND 57,818 thousand, i.e. a decrease of TND 18,359 thousand.

(2) Other assets accounts

The Other assets accounts increased by TND 12,906 thousand or 6.95%, from TND 185,651 thousand in December 2013 to TND 198,557 thousand in December 2014. This increase comes from the following accounts :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Other accounts receivables	192 426	176 113	16 313	9,26%
Stock Accounts	105	18	87	483,33%
Deferred charges	782	1 137	(355)	-31,22%
Study expenses	5 244	8 383	(3 139)	-37,44%
Total of other accounts of assets	198 557	185 651	12 906	6,95%

Thus, the total of the balance sheet recorded between December 2013 and December 2014, an increase of TND 9,843 thousand or 0.11%, shifting from TND 8,743,384 thousand to TND 8,753,227 thousand.

NOTE IV – Liabilities

(figures are expressed in thousands of Tunisian dinars)

Liabilities on the balance sheet consist of the following sections:

- PA1 : Tunisian Central Bank and Post Office
- PA2 : Due to Banks and Financial Institutions
- PA3 : customer Deposits
- PA4 : Borrowings and Special Resources
- PA5 : Other Liabilities

IV-1. Central Bank of Tunisia and Post Office

Central bank of Tunisia and post office passed from TND 18,798 thousand at December 2013 to TND 1,578 thousand at December 2014, i.e. a decrease by TND 17,220 thousand or - 91.61%.

This variation is mainly due to the decrease of the Tunisian Central Bank's checks waiting for collection for TND 13,910 thousand or 90.84% and the drop of the credit balance of our currency accounts held by the Tunisian Central Bank for TND 3,312 thousand at December 2014.

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	December 31 st , 2014	December 31 st , 2013	Change	In %
Checks awaiting collection with the Central Bank of Tunisia	1 402	15 312	(13 910)	-90,84%
Foreign currency accounts with the Central Bank of Tunisia	174	3 486	(3 312)	-95,01%
Accrued interest on BCT and CCP accounts	2	-	2	-
Total BCT and CCP	1 578	18 798	(17 220)	-91,61%

IV-2. Deposits and assets of Banks and Financial Institutions

The volume of the deposits and assets of Banks and Financial Institutions went from TND 634 386 thousand in 2013 to TND 120,738 thousand in 2014, i.e. a decrease by TND 513,648 thousand or 80.97%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Deposits and assets of banks	118 360	630 962	(512 602)	-81,24%
Deposits of financial institutions	2 378	3 424	(1 046)	-30,55%
Total Deposits and assets of banks and financial institutions	120 738	634 386	(513 648)	-80,97%

This Change is explained by the decrease of the deposits and assets of banking institutions of 512,602 TND or 81.24 %, which shifted from 630,962 TND in December 2013 to 118,360 TND in December 2014.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Loan in dinars with the BCT	-	555 000	(555 000)	-100,00%
Loan in dinars with banks	-	33 500	(33 500)	-100,00%
Deposits of the correspondents Bankers	28 384	40 294	(11 910)	-29,56%
Other amount due	89 973	2 090	87 883	4204,93%
Connected debts	3	78	(75)	-96,15%
Deposits and assets of banking institutions	118 360	630 962	(512 602)	-81,24%

This variation is explained by the decrease of the deposits and assets of banking institutions of TND 1,046 thousand or 30.55%, which dropped from TND 3,424 thousand at December 2013 to TND 2,378 thousand at December 2014. This Change results mainly from deposits of the leasing companies.

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IV-3. Customer Deposits

Customer deposits registered an increase of TND 414, 181 thousand or 5.83%, rising from TND 7 099 580 thousand at December 2013 to at TND 7,513,761 thousand at December 2014. This increase comes from the following positions :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Demand deposits	3 676 721	3 492 123	184 598	5,29%
Savings deposits	1 808 710	1 696 548	112 162	6,61%
Time deposits and similar accounts	1 089 130	977 978	111 152	11,37%
Time certificates and similar values	347 143	366 401	(19 258)	-5,26%
Certificate of deposits (Money market)	261 500	232 500	29 000	12,47%
Related debts	23 957	19 731	4 226	21,42%
Other due amounts	306 600	314 299	(7 699)	-2,45%
Total Customer Deposits	7 513 761	7 099 580	414 181	5,83%

IV-4. Borrowings and Special Resources

The borrowings and special resources recorded an increase of TND 39,643 thousand, or 43.96%, rising from TND 90,175 thousand in December 2013 to TND 129,818 thousand in December 2014. This increase comes from the following posts :

	December 31 st , 2014	December 31 st , 2013	Change	In %
borrowings and debts for special resources	68 978	76 897	(7 919)	-10,30%
Debts connected on special resources	319	374	(55)	-14,71%
Public funds and external agencies	10 389	10 222	167	1,63%
Total public funds and external agencies	79 686	87 493	(7 807)	-8,92%
Subordinated loans	50 000	2 673	47 327	1770,56%
Debts related to borrowings and debts on own accounts	132	9	123	1366,67%
Total Borrowings and special resources	129 818	90 175	39 643	43,96%

This position consists mainly of :

The BIAT 2014 subordinated Loan: This subordinated loan was implemented in December 2014 for an amount of TND 50,000 thousand.

The debts attached to this loan as of December 31st, 2014 amounted to TND 132 thousand.

This subordinated loan, which was taken into account in the determination of the adequacy ratio of solvency as quasi-equity, are used to finance loans to customer.

Public funds and external agencies received resources to be used by the Bank to finance loans to customer.

These funds registered a decrease of TND 7,807 thousand or 8.92% dropping from TND 87,493 thousand at December 2013 to TND 79,686 thousand at December 2014.

This variation comes from the reimbursements for the benefit of these same funds for the amounts accrued, offset by the release of new resources. This variation is detailed as follows :

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	Balance as at December 31 st , 2013	Resources	Repayments	Balance as at December 31 st , 2014
AFD	27 211	108	(4 012)	23 307
BEI	15 599	-	(3 029)	12 570
BIRD	7 875	810	-	8 685
CFD	4 193	626	(256)	4 563
ESPAGNOLE	1 981	-	(721)	1 260
FDCI	934	26	(119)	841
FNG	1 719	-	-	1 719
FONAPRA	5 440	320	(340)	5 420
FOPRODI	2 062	308	(23)	2 347
FOSDA FOSEP	190	-	(1)	189
ITL	8 206	2 783	(1 747)	9 242
KFW	8 990	256	(1 528)	7 718
PROPARCO	2 151	-	(1 095)	1 056
TAAHIL	568	-	(118)	450
Related Debts	374	319	(374)	319
TOTAL	87 493	5 556	(13 363)	79 686

IV-5. Other Liabilities

The total of other liabilities increased from TND 290,342 thousand at 31 December 2013 to TND 317,030 thousand at 31 December 2014, registering a rise of TND 26,688 thousand or 9.19%. This variation comes from the following subsections :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Provisions for liabilities and expenses	101 993	76 680	25 313	33,01%
Transfer and adjustments accounts	152 382	150 466	1 916	1,27%
Other accounts	62 655	63 196	(541)	-0,86%
Total Other liabilities	317 030	290 342	26 688	9,19%

(1) Provisions for Liabilities and Expenses

Provisions for liabilities and expenses shifted between December 2013 and December 2014 from TND 76,680 thousand to TND 101,993 thousand, thus recording an increase of TND 25,313 thousand or 33.01%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Provisions for operation contingencies	91 029	64 278	26 751	41,62%
Provisions on off-balance commitments	10 964	12 402	(1 438)	-11,59%
Total Provisions for liabilities and expenses	101 993	76 680	25 313	33,01%

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(2) Adjustments and transfer accounts

Adjustments and transfer accounts shifted between December 2013 and December 2014 from TND 150,466 thousand to TND 152,82 thousand, thus recording an increase of TND 1,916 thousand, or 1,27%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Other deferred income	5 762	5 054	708	14,01%
Headquarter and subsidiaries	-	14	(14)	-100,00%
Accrued liabilities	62 885	76 014	(13 129)	-17,27%
Transfer accounts to be adjusted	83 735	69 290	14 445	20,85%
Adjustment account in foreign currency	-	94	(94)	-100,00%
Total Adjustments and Transfer Accounts	152 382	150 466	1 916	1,27%

(3) Other accounts

Other accounts shifted between December 2013 and December 2014 from TND 63,196 thousand to TND 62,655 thousand, thus recording a decrease by TND 541 thousand, or 0.86%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Taxes	30 542	30 828	(286)	-0,93%
Withholding accounts	25 559	22 386	3 173	14,17%
Other payables	6 554	9 982	(3 428)	-34,34%
Total Other accounts	62 655	63 196	(541)	-0,86%

NOTE V – Shareholders' Equity

[figures are expressed in thousands of Tunisian dinars]

Total equity rose between December 2013 and December 2014, from TND 610 103 thousand to TND 670,302 thousand, thus registering an increase of TND 60,199 thousand or 9.87%.

The following table summarizes the changes in equity for the year 2013 to fiscal year 2014 :

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	Share Capital	Reserves	Other equities	Results carried forward	Net income	Total
Balances as at 31/12/2012 published	170 000	314 408	15	1 113	94 696	580 232
Accounting change	-	-	-	(34 850)	(763)	(35 613)
Balances as at 31/12/2012 restated	170 000	314 408	15	(33 737)	93 933	544 619
Income allocation	-	43 005	-	(1 042)	(41 963)	-
distributed dividends	-	-	-	-	(42 500)	(42 500)
Social fund	-	9 802	-	-	(9 470)	332
Other equities	-	-	(6)	-	-	(6)
Net income of 2013	-	-	-	-	107 658	107 658
Balance as at December 31st, 2013	170 000	367 215	9	(34 779)	107 658	610 103
Income allocation	-	22 566	-	35 388	(57 954)	-
distributed dividends	-	-	-	-	(42 500)	(42 500)
Social fund	-	7 533	-	-	(7 204)	329
Other equities	-	-	(6)	-	-	(6)
Net income of 2014	-	-	-	-	102 376	102 376
Balance as at 31/12/2014	170 000	397 314	3	609	102 376	670 302

In compliance with the article 19 of the Law No. 2013-54 dated 30 December 2013 pertaining to the Finance Law of the year 2014, distributable equity free of the withholding tax amounted as at 31 December 2014 to TND 306,360 thousand detailed as follows :

Issuance premium :	TND 141,760 thousand
Reserves subject to particular tax regime :	TND 97,954 thousand
Other reserves :	TND 66,037 thousand
Balance carried forward :	TND 609 thousand

NOTE VI – off-Balance Sheet Commitments

[The figures are expressed in TND thousands]

1) Guarantees received on the off-balance sheet commitments do not include non-deductible guarantees within the meaning of the circular n ° 91-24 dated 17 December 1991 of the Central Bank of Tunisia. In addition, these guarantees are included in off-balance sheet for the value of the receivables included in the balance sheet and related to these guarantees. Thus, the surplus of the guarantees relative to the amount of each debt is excluded from this situation.

2) Foreign exchange transactions unsettled at the date of December 31, 2014 amounted to TND 558,722 thousand.

3) The value of the securities to be delivered resulting from securities operations amounted to TND 75 thousand as at December 31, 2014.

4) Authorized funding commitments, the establishment conditions of which are not yet filled, totaled TND 347,215 thousand at December 31, 2014.

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NOTE VII – Income Statement

[The figures are expressed in TND thousands]

VII-1. Bank Operating Income

The total of the Banking operating income has passed between December 2013 and December 2014, from TND 592,955 thousand to TND 679, 948 thousand, thus registering an increase of TND 86, 993 thousand or 14.67%.

These banking operating revenues consist of the following items:

- Interests and similar revenues;
- Commissions received;
- Gains on commercial securities portfolio and financial operations;
- Revenues of investment securities portfolio.

VII-1-1. Interests and similar revenues

Interest and similar income increased from TND 390,868 thousand at December 31, 2013 to TND 454,188 thousand at December 31, 2014, registering an increase of TND 63,320 thousand or 16.2%. This variation is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Interests on ordinary accounts (banks)	85	70	15	21,43%
Interests on interbank lending accounts	4 344	5 608	(1 264)	-22,54%
Interests on customer loans	360 980	309 216	51 764	16,74%
Interests on customer overdraft accounts	61 030	50 446	10 584	20,98%
Interests and similar revenues on guarantee commitments	18 937	16 793	2 144	12,77%
Other interests and similar revenues	8 812	8 735	77	0,88%
Total Interests and Similar Income	454 188	390 868	63 320	16,20%

VII-1-2. Commissions received

Commissions on products have increased from TND 94,796 thousand at December 31, 2013 to TND 109,954 thousand at December 31, 2 014, registering an increase of TND 15,158 thousand or 15.99%. T his variation is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Commission on foreign-exchange transactions	4 111	3 928	183	4,66%
Commission on financing commitments	23 076	19 827	3 249	16,39%
Commission on guarantee commitments	5 997	5 687	310	5,45%
Commission on financial services	31 543	27 912	3 631	13,01%
Commissions on other banking operations	45 227	37 442	7 785	20,79%
Total Commissions (on products)	109 954	94 796	15 158	15,99%

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VII-1-3. Gains on Commercial Securities Portfolio and Financial Operations

The gains on commercial securities portfolio and financial operations totaled TND 107,558 thousand at December 31, 2014 against TND 98,677 thousand at December 31, 2013, thus recording an increase of TND 8,881 thousand or 9% :

		December 31 st , 2014	December 31 st , 2013	Change	In %
Trading securities revenues	(a)	53 794	39 976	13 818	34,57%
Investment Securities revenues	(b)	165	255	(90)	-35,29%
Gain on foreign exchange operations	(c)	53 599	58 446	(4 847)	-8,29%
Total		107 558	98 677	8 881	9,00%

This increase is detailed as follows :

(a) Trading securities revenues

The trading securities revenues rose between December 2013 and December 2014 from TND 39,976 thousand to TND 53,794 thousand, thus recording an increase of TND 13,818 thousand, or 34.57%. These incomes are detailed as follows :

		December 31 st , 2014	December 31 st , 2013	Change	In %
Interests		51 593	37 642	13 951	37,06%
Capital gain on sale		2 201	2 334	(133)	-5,70%
Total		53 794	39 976	13 818	34,57%

(b) Investment securities income

The revenues of the investment securities, which consist of interests on the obligations entered into by the Bank and revenue share priority of FCC subscribed by the BIAT, recorded a decrease of TND 90 thousand or 35.29%, passing from one period to another from TND 255 thousand to TND 165 thousand.

		December 31 st , 2014	December 31 st , 2013	Change	In %
Interests on obligations		28	60	(32)	-53,33%
Income of the invest fund FCC		137	195	(58)	-29,74%
Total		165	255	(90)	-35,29%

(c) Net gain on foreign-exchange transactions

The net gains on the foreign-exchange transactions that mainly consist of gains and losses resulting from transactions of manual exchange, from the exchange currency spot and futures increased from TND 58,446 thousand on December 31st, 2013 to TND 53,599 thousand on December 31st, 2014 registering a decrease of TND 4,847 thousand or 8.29% .

VII-1-4. Investment Portfolio Revenues

Revenues from the investment portfolio which are composed mainly of interest on the investment securities underwritten by the Bank and dividends received on equity securities and commodities on carrying equity recorded a drop of TND 366 thousand or -4.25% from a period to another : from TND 8,614 thousand at the end of 2013 to TND 8,248 thousand at the end of 2014.

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	December 31 st , 2014	December 31 st , 2013	Change	In %
Dividends and similar revenues on securities held for investment	2 834	2 323	511	22,00%
Dividends and similar revenues on subsidiaries and affiliated Companies	4 732	5 715	(983)	-17,20%
Revenues on Equity participations	682	576	106	18,40%
Total	8 248	8 614	(366)	-4,25%

VII-2. Banking Operating Expenses

The total of this post shifted from TND 152,478 thousand on 31 December 2013 to TND 192,554 thousand on 31 December 2014, registering an increase of TND 40,076 thousand or 26.28 %.

These banking operating expenses consist of the following items:

- Incurred interests and similar expenses
- Commissions Paid.

VII-2-1. Incurred Interests and Similar Expenses

Incurred interests and similar expenses rose from TND 148,195 thousand on December 31st, 2013 to TND 187,491 thousand on December 31st, 2014, registering an increase of TND 39,296 thousand, or 26.52%. This Change is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Interests on ordinary bank accounts	470	622	(152)	-24,44%
Interests on interbank borrowing accounts	1 389	437	952	217,85%
Interests on customer deposits	153 438	118 532	34 906	29,45%
Interests on bonds and subordinated loans	391	1 093	(702)	-64,23%
Interests on special resources	2 601	2 970	(369)	-12,42%
Other interests and expenses	29 202	24 541	4 661	18,99%
Total	187 491	148 195	39 296	26,52%

VII-2-2.Commissions Paid

The commissions incurred increased from TND 4,283 thousand on December 31st, 2013 to TND 5,063 thousand on December 31st, 2014, registering an increase of TND 780 thousand or 18.21%. This Change is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Commissions on cash and interbank transactions	568	592	(24)	-4,05%
Commissions on financial services	4 366	3 580	786	21,96%
Commissions on other transactions	129	111	18	16,22%
Total	5 063	4 283	780	18,21%

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VII-3. Provision charge and value adjustments for loan losses, off-balance sheet items and liabilities

This heading amounted to 81,015 thousand at December 31, 2014, detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Provision charge for doubtful loans	(82 447)	(103 253)	20 806	-20,15%
Provision charge for contingencies and expenses	(28 349)	(13 314)	(15 035)	112,93%
Total provision	(110 796)	(116 567)	5 771	-4,95%
Bad debt write-off	(100 364)	(2 887)	(97 477)	3376,41%
Total provisions and write-off	(211 160)	(119 454)	(91 706)	76,77%
Recovery on provisions for doubtful loans	128 455	53 871	74 584	138,45%
Recovery on provisions for contingencies and expenses	1 442	14 713	(13 271)	-90,20%
Total recoveries	129 897	68 584	61 313	89,40%
Recoveries on bad debts write-off	248	51	197	386,27%
Total recoveries on provisions and bad debt write-off	130 145	68 635	61 510	89,62%
Balance	(81 015)	(50 819)	(30 196)	59,42%

VII-4. Provision charge and value adjustments on investment portfolio

The volume of this section recorded as at December 31st, 2014 a net loss of TND 6,823 thousand detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Provision charge and value adjustments on investment portfolio	(1 834)	(2 276)	442	-19,42%
Provision charge on shares of affiliated companies	(5 356)	(7 029)	1 673	-23,80%
Total Allocations	(7 190)	(9 305)	2 115	-22,73%
Expenses and Losses on Securities	(977)	(4 090)	3 113	-76,11%
Total Expenses and Losses	(8 167)	(13 395)	5 228	-39,03%
Recovery on provisions for equity securities	1 344	4 275	(2 931)	-68,56%
Gain from the sale of equity securities	-	78	(78)	-100,00%
Total Recoveries	1 344	4 353	(3 009)	-69,12%
Total Recoveries on Receivables	1 344	4 353	(3 009)	-69,12%
Balance	(6 823)	(9 042)	2 219	-24,54%

VII-5. Other Operating Incomes

This section, which is composed mainly of rental products and interest on loans to staff members, rose between December 2013 and December 2014 from TND 5,603 thousand to TND 7,068 thousand, thus recording an increase of TND 1,465 thousand or 26.15%.

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VII-6. Personnel Expenses

This section, which is composed mainly of wages, social charges and other personnel expenses, rose between December 2013 and December 2014 from TND 155, 994 thousand to TND 164,744 thousand, thus recording an increase of TND 8,750 thousand or 5.61% .

VII-7. General Operating Expenses

The increase of TND 1,271 thousand between December 2013 and December 2014 is the result of an increase in non-banking operating expenses up to TND 1,852 thousand and an decrease of other general expenses of TND 581 thousand.

VII-8. Depreciation and Provisions Allowances on Fixed Assets

The balance of depreciation and provisions allowances on fixed assets reached on December 31st, 2014 an amount of TND 29, 883 thousand detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Depreciation allowance of intangible fixed assets	6 696	6 249	447	7,15%
Depreciation allowance of tangible fixed assets	14 124	12 633	1 491	11,80%
Amortization charge of differed expenses	9 069	7 345	1 724	23,47%
Depreciation adjustment	(6)	(5)	(1)	20,00%
Total	29 883	26 222	3 661	13,96%

VII-9. Net Profit / Loss on Other Ordinary items

The balance of this heading recorded a loss of TND 3,892 thousand resulting from capital gains on disposal of fixed assets for TND 186 thousand, offset by capital losses on disposal of fixed assets for TND 16 thousand and other losses for TND 779 thousand.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Losses on disposal of fixed assets	(16)	(22)	6	-27,27%
Other ordinary losses	(4 062)	(779)	(3 283)	421,44%
Gain disposal on fixed asset	186	75	111	148,00%
Total	(3 892)	(726)	(3 166)	436,09%

VII-10. Corporate Income Tax

Corporate income tax amounted to TND 53, 970 thousand on December 31st, 2014 as compared to TND 45,131 thousand on December 31st, 2013, recording an increase of TND 8,839 thousand or 19.59%.

NOTE VIII – Collection Portfolio

The value of checks, bills and other similar values held by the bank on behalf of third parties, awaiting collection amounted to TND 471,581 thousand at December 31, 2014. In accordance with the provisions set forth by the banking sector accounting standard, these values do not appear in the balance sheet.

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Note IX – Cash Flow Statement

[The figures are expressed in TND thousands]

IX-1. Impact of the change in exchange rate on cash and cash equivalents

The development of exchange rates of foreign currencies quoted by the Central Bank of Tunisia that were used to translate into Tunisian dinar our foreign currency deposits and assets as reported in the financial statements as at December 31st, 2014 generated an impact on cash and cash equivalents for an amount of TND 41,571 thousand. This Change is attributable to the following headings :

Name	December 31 st , 2014
Customer Deposits	63 035
Customer Loans and advances	(22 567)
Other cash flows resulting from operating activities	1 103
Net Change	41 571

IX-2. Cash and Cash Equivalents

This heading consists mainly of dinar and foreign currency cash in hand, balance with Tunisian Central Bank and post office accounts, net demand assets with banks, interbank loans and borrowings for less than a three month period and trading securities portfolio.

These cash and cash equivalents went up from TND 1,298,156 thousand as at December 31st, 2013 to TND 1,806,769 thousand as at December 31st, 2014, thus recording an increase of TND 508,613 thousand or 39.18%.

It is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Cash position (TND)				
Cash on hand	70 573	58 662	11 911	20,30%
Correspondant banks (debtor)	41 545	41 141	404	0,98%
Correspondant banks (creditor)	(1 401)	(15 312)	13 911	-90,85%
Cash equivalent (debtor)	2 302	2 995	(693)	-23,14%
Cash equivalent (creditor)	(308)	(276)	(32)	11,59%
Total cash in TND	112 711	87 210	25 501	29,24%
Cash position (foreign currency)				
Cash on hand	16 054	14 046	2 008	14,30%
Correspondant banks (debtor)	329 451	37 406	292 045	780,74%
Correspondant banks (creditor)	(28 558)	(43 780)	15 222	-34,77%
Placement In foreign currency	494 926	973 972	(479 046)	-49,18%
Total cash in foreign currency	811 873	981 644	(169 771)	-17,29%
Trading Securities	882 185	817 802	64 383	7,87%
Borrowings In dinars	-	(588 500)	588 500	-100,00%
Cash and cash equivalent	1 806 769	1 298 156	508 613	39,18%

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Note X – Related Party Transactions

1. In 2003, BIAT reached three exclusive depository agreements of securities and funds of “SICAV PROSPERITY”, “SICAV TRESOR” and “SICAV OPPORTUNITY”. Under the provisions of these agreements, services delivered by BIAT shall be remunerated at the conditions summarized in the following table:

In April 2010, SICAV Trésor was approached by BIAT to amend deposit agreement reached in 2003.

	BEGINNING OF THE AGREEMENT	DURATION	BIAT REMUNERATION
SICAV TRESOR	March 8 th , 2003	5 years renewable	0.2% all tax included of net assets
	April 1 st , 2010		0.35% all tax included of net assets starting 1 st April 2010
SICAV OPPORTUNITY	March 8 th , 2003	5 years renewable	0.3% all tax included of net assets
SICAV PROSPERITY	March 8 th , 2003	5 years renewable	0.2% all tax included of net assets

2. The BIAT concluded, in 2003, tripartite Agreements of Marketing of the titles «SICAV PROSPERITY», «SICAV TRESOR» and «SICAV OPPORTUNITY» with these three companies and «BIAT ASSETS MANAGEMENT », Management Company and under which, the latter insures the marketing of the titles of these SICAV for the benefit of the customers. No commissions shall be due by the SICAV to BIAT in remuneration of the securities commercialization.

3. In 2009, BIAT entered into an agreement of exclusive depository of securities and funds of “SICAV PATRIMOINE OBLIGATAIRE”. Under the provisions of these agreements, services delivered by BIAT shall be summarized as follows :

	BEGINNING OF THE AGREEMENT	DURATION	BIAT REMUNERATION
SICAV PATRIMOINE OBLIGATAIRE	October 13 th , 2009	1 year renewable	0.1% all tax included of net assets Minimum : TND 5.000 excl. tax Maximum : 20.000 excl. tax

4. BIAT concluded in 2009 a commercialization agreement of SICAV PATRIMOINE OBLIGATAIRE securities. No commissions shall be due by the SICAV to BIAT in remuneration of the securities commercialization.

5. BIAT concluded into in 2004 an agreement with BIAT CAPITAL RISK under which BIAT shall provide to BIAT CAPITAL RISK assistance and advice. In remuneration for this service, BIAT shall receive an annual lump payment of TND 50 000 all tax included.

6. BIAT concluded management agreement of venture capital funds with BIAT CAPITAL RISK The volume of managed funds, totally paid up by BIAT is summarized as follows :

YEAR	AMOUNT OF TOTALLY PAID UP MANAGED FUND (TND)	RETURN ON THE PARTICIPATIONS ACCRUING TO BIAT	RETURN ON REMAINING AVAILABLE AMONTS ACCRUING TO BIAT	SICAR AVENIR REMUNERATION: MANAGEMENT FEES TO BE PAID BY BIAT
2006	5,000,000	MMR+0.5%	MMR-1%	1% per annum-tax excluded- on the initial amount of the fund, beyond 5 years, 1% per annum on the fund's remaining balance.
2007	9,000,000	MMR+0.5%	MMR-1%	Idem
2008	14,250,000	MMR+0.5%	MMR-1%	Idem
2009	3,000,000	Best possible return	MMR-1%	Idem

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In addition, BIAT and "BIAT CAPITAL RISK" signed other agreements of venture capital funds. The following table summarizes the main terms and conditions of the management agreement :

DATE OF SIGNATURE	AMOUNT OF THE FREED MANAGED FUND	RETURN ON THE PARTICIPATIONS ACCRUING TO BIAT	BIAT CAPITAL RISQUE REMUNERATION : MANAGEMENT FEES TO BE PAID BY BIAT
December 2010* Revised by amendment in May 2011)	10,000,000	Best possible return on participations financed by the Fund until its total repayment to BIAT	- 0.5% per annum-tax excluded- on the amounts placed during the lock up period. - 1.75% per annum- tax excluded- on invested amounts between the fund's payment date and the end of the 7 th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance. - 1% per annum- tax excluded- on invested amounts between the end of the 7 th year and 10 th year. In addition, BIAT CAPITAL RISQUE is entitled to a performance fee if it reaches a return exceeding the average money market rate.
April 2011	10,000,000	Idem	Idem agreement signed in December 2010
December 2011	12,000,000	Idem	Idem agreement signed in December 2010
March 2013	10,500,000	Idem	Idem agreement signed in December 2010
May 2013	8,853,000	Idem	0.5% year in excluded tax on total amount of the fund
January 2014	11,671,000	Best possible return on participations and this until its total repayment to BIAT	0.5% per annum- tax excluded- on total amount of the fund
March 2014	2,000,000 (TND) two million Dinars	Best performance possible on investments financed by the Fund until the total reimbursement of the latter to the BIAT	- 0.5% per annum-tax excluded- on the amounts placed during the lock up period. - 1.75% per annum- tax excluded- on invested amounts between the fund's payment date and the end of the 7 th year following that of payment. Beyond the lock up period, fees will be paid in arrears on the balance. In addition, BIAT CAPITAL RISQUE is entitled to a performance fee if it reaches a return exceeding the average money market rate.

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7. The BIAT reached in 2004 an agreement for collection of stock exchange orders with BIAT CAPITAL “ former FINANCIERE PLACEMENT DE GESTION “FPG”. This Agreement provides that brokerage commissions on any transaction executed by BIAT CAPITAL on behalf of BIAT or its clients shall be detailed as follows:

TYPE OF FEE	BIAT REMUNERATION	BIAT CAPITAL REMUNERATION
Brokerage fees on transactions executed on the stock exchange central market	50% accruing to BIAT	50% accruing to BIAT CAPITAL
Brokerage fees on transactions executed on the stock exchange over the counter market		100% accruing to BIAT CAPITAL
Any commissions levied on BIAT CAPITAL own clients		100% accruing to BIAT CAPITAL
Any commission levied on BIAT own clients	100% accruing to BIAT	

8. BIAT concluded in 2007 an “employee loan” agreement with BIAT CAPITAL enabling its employees to have easier access to certain loan offers under special conditions.

9. In 2006, BIAT reached an agreement with TUNISIE TITRISATION by providing for the formation of a Securitization Special Purpose Vehicle “FCC BIAT - CREDIMMO 1”, a joint property with the exclusive purpose of acquiring real-estate loans granted by the assignor (BIAT) to individuals in view of issuing securities representing the loans. The issue initial total price amounted to TND 50 000 thousand, and loans sold by BIAT to this fund represented by TUNISIE TITRISATION reached an outstanding balance of TND 50 019 thousand.

In addition, total subscriptions by BIAT to this fund amounted as at December 31st, 2014 to TND 1,724,298 broken down as follows :

YEAR	SUBORDINATED UNITS (TND)	RESIDUAL UNITS (TND)	TOTAL (TND)
2014	205 587	1 518 711	1 724 298

The BIAT receives from the management company “TUNISIE TITRISATION” acting on behalf of the fund, a fee equal to 0.05% excl. tax per year, of the loan outstanding balance at the beginning of the calculation period. And a commission equal to 0.4 % excl. tax per year, of the loan outstanding at the beginning of calculation period in its capacity as collector. The fees charged by BIAT as such amounted to the year ended December 31st, 2014 to TND 35,167 excl. tax.

10. In 2007, BIAT reached an agreement with TUNISIE TITRISATION by providing for the formation of a Securitization Special Purpose Vehicle “FCC BIAT-CREDIMMO 2”, a joint property with the exclusive purpose of acquiring real estate loans granted by the assignor (BIAT) to individuals in view of issuing securities representing the loans.

The issue initial total price amounted to TND 50 000 thousand, and loans sold by BIAT to this fund represented by TUNISIE TITRISATION reached an outstanding balance of TND 50 003 thousand.

In addition, total subscriptions by BIAT to this fund amounted as at December 31st, 2014, to 3,652,119 TND distributed as follows :

YEAR	CATEGORY P2 SECURITIES (TND)	CATEGORY P3 SECURITIES (TND)	SUBORDINATED UNITS (TND)	RESIDUAL UNITS (TND)	TOTAL (TND)
2014	299 830	850 000	1 000 000	1 503 290	3 653 120

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The BIAT collects with the management company "TUNISIE TITRISATION" acting for the fund, a commission equal to 0.05% excl. tax a year, the due remaining capital of the claims in the beginning of the calculation period. And a commission equal to 0.4% excl. tax per year, of the due remaining capital of the living claims in the beginning of the calculation period in its collector quality.

Commissions perceived by the BIAT as such amounted in conformity with the past financial year on December 31st, 2014 to 56,891 dinars excl. tax.

11. BIAT entered into assistance and consultancy agreement with LA PROTECTRICE, a company specialized in research, consultancy and brokerage in insurance and reinsurance business. The charge incurred by BIAT in connection with this agreement amounts by year to TND 20 000, free of taxes.

12. BIAT has entered since 2004 into the following insurance agreements with the company ASSURANCES BIAT - through LA PROTECTRICE Company. The Bank incurred for 2014 the following expenses :

NATURE	INSURANCE EXPENSES (TND)
Civil liability insurance	50 984
Life insurance "family protection "	97 844
Personal Accident Insurance	96 358
Insurance "Assistance abroad for Visa Premier Cards"	1 027 731
"bank global theft" insurance	234 323
Insurance against theft and loss of payment cards	357 571
"fire and related risks" insurance	438 231
Car fleet insurance	51 864
Comprehensive insurance on computers	33 023
Pack Safir and Silver insurance	696 695
Personnel insurance (Employers' contributions)	8 282 925
Life insurance (AFEK) (*)	1 815 024

(*) BIAT contracted in 2012, BIAT confidently collective life assurance" to the benefit of its staff, named " members", under the terms of this contract, Assurances BIAT is required to guarantee payment to the member himself or his descendants a capital or an annuity if he is alive at the end of the insurance period. In the event of death before the term of membership, only the sum of paid premiums is served to him.

13. In 2005, BIAT entered into an agreement with Compagnie Internationale Arabe de Recouvrement "CIAR" for the assistance in debt collection. Under this agreement, CIAR shall provide BIAT with assistance in out-of-court collection of debt within the limits and in respect of the regulation in force. In remuneration of the delivered service, CIAR shall receive a 10% commission - tax free - on any collected amount.

14. In 2009, BIAT reached an agreement with "Organisation et Services Informatiques" OSI that provides for he reimbursement by BIAT to OSI of the rents and related charges paid by the latter to account for the premises used by BIAT's units. This agreement covered one year period.

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In this regard, the total charge for the financial year 2014 amounted to TND 32,408 free of taxes.

15. BIAT reached in 2009 with "CIAR" a rental agreement of the villa located 7, Alain Savary street, Tunis, summarized as follows:

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Agreement 1	01/01/2010	2 years renewable	47,000 excl. tax	5%

16. In 2009, BIAT reached a rental agreement with "Société de Pôle de Compétitivité Monastir Elfeija" under which it shall provide the said company with a part of a building it owns located on the main avenue of Berges du Lac 1.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/10/2009	2 years renewable	63,000 excl. tax	5%

*The annual rent was revised in 2011 (amendment) further to the reduction of the rented surface.

17. In 2009, BIAT reached a rental agreement with "Société Tanit International" under which it shall provide the said company with the necessary premise for the conduct of its business, which is part of a building it owns located on the main avenue of Berges du Lac 1.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/10/2009	2 years renewable	83,250 excl. tax	5%

From the month of May 2012, an amendment was signed concerning the modification of the area and the amount of the rent accordingly, as follows:

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Amendment 1	01/05/2012	2 years renewable	55,200 excl. tax	5%

18. In 2010, BIAT concluded with the SOCIETE DE PROMOTION IMMOBILIERE ARABE DE TUNISIE "SOPIAT" a rental agreement under which it puts at the disposal of this company the necessary premise for the conduct of its business, which is part of a building, which is part of building located on the main avenue of Berges du Lac 1, Tunis whose detail is summarized thus :

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/10/2010	2 years renewable	22,050 excl. tax	5%

*Value changed in July, 2011 by amendment 1.

Starting from the month of May 2012, amendment 2 was signed amending on the area and the amount of the rent accordingly, as follows:

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Amendment 2	01/05/2012	2 years renewable	28,050 excl. tax	5%

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19. The BIAT concluded, in 2010, an Agreement with the company Orange Tunisie by virtue of which it lets all of the premises situated on the ground floor of the located building in the avenue Habib Bourguiba in Kram.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/04/2010	3 years renewable	30,804 excl. tax	5% starting from the second year

20. The BIAT concluded, in 2010, an agreement with "Société Orange Tunisie", under which it shall hire the whole premise situated on the ground floor of the building located on rue Moncef Bey - BIZERTE.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/12/2010	3 years renewable	31,725 excl. tax	5%

21. ASSURANCES BIAT reached a rental agreement with BIAT that accepts, referred to as local "Commercial 2" with a total area of 145 m² and located on the ground floor of the building located on the berges du Lac II built on the parcel «DIAR EL ONS». This lease is granted and accepted for a closed period from January 1, 2010 to April 30, 2014

It is granted and accepted subject to a rent determined thus:

- For the period of January 1, 2010 to April 30, 2010: six thousand forty-one dinar and 666 millimes (TND 6,041.666 excl. tax)
- For the period of May 1, 2010 to April 30, 2011: nineteen thousand nine hundred thirty seven dinars and five hundred millimes (TND 19,937.500 excl. tax)
- For the period of May 1, 2011 to April 30, 2012: twenty one thousand three hundred eighty-seven dinars and five hundred millimes (TND 21,387.500 excl. tax)

An annual increase of 5% will be applied from May 1st, 2012.

Starting from the month of May 2014, an amendment was signed to extend the period beginning on 01/05/2014 and ending on 04/30/2019. A cumulative annual increase of the rent will be applied from 01/05/2014 at the rate of 5% based on the rent of the previous year.

As such, the expenses of the year 2014 is equal to TND 27, 857.

22. BIAT concluded in 2011 with the company «BIAT CAPITAL RISK» a rental agreement under which it shall hire a set of offices required for the exercise of its activity, part of the building located in the main boulevard of the berges du Lac 1, whose details are summarized as follows:

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/07/2011	2 years renewable	33,300 excl. tax	5%

From the month of May 2012, an amendment was signed on the modification of the area and the amount of the rent accordingly, as follows:

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Amendment 1	01/05/2012	2 years renewable	47,400 excl. tax	5%

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23. BIAT concluded in 2011, with three of its subsidiaries an agreement for accounting and administrative assistance, these subsidiaries are as follows:

- SICAF BIAT ;
- SGP ;
- TAAMIR.

In return for this mission, BIAT receives from each subsidiary an annual amount of TND 19,800 free of taxes. This amount is revised annually based on actual expenses incurred by BIAT.

24. BIAT concluded in 2011 with the company «BIAT CAPITAL» a rental agreement of a set of premises consists of a space on the ground floor with a total area of 148 m² and a Mezzanine space with a total area of 129 m², a total area of 277 m² of property BIAT building located on the main boulevard of Berges du Lac Tunis and this also common parts (121 m²) and two parking spaces located in the basement .

This lease is granted an annual rent of TND 59,700, free of taxes, payable quarterly in advance or TND 14,925, free of taxes, quarterly. Rent specified above will undergo a cumulative increase of 5%, which will be applied from the 2nd year of the lease.

In addition, this lease is granted for a period of two consecutive years, effective December 1, 2011 and expiring November 30, 2013, renewable annually by tacit agreement.

25. In 2012, BIAT and BIAT CAPITAL gathered to create three mutual funds in securities. These funds will detail as follows:

FUND	PORTFOLIO STRUCTURE	INITIAL AMOUNT OF FUNDS
PRUDENCE	<ul style="list-style-type: none"> - A maximum proportion of 30 % in listed shares. - A minimum proportion of 45 % in bonds, BTA, BTCT, certificates of deposit and treasury bills. - Max 5% in OPCVM - 20 % in liquid assets and near-liquid assets. 	TND 100,000 divided into 1,000 shares of 100 each. (BIAT CAPITAL)
EQUILIBRE	<ul style="list-style-type: none"> - Between 40 % and 60 % in listed shares. - Between 20 % and 40 % in bonds, BTA, BTCT, certificates of deposit and treasury bills. - Max 5% in OPCVM - 20 % in liquid assets and near-liquid assets. 	TND 100,000 divided into 1,000 shares of 100 each. (BIAT CAPITAL)
CROISSANCE	<ul style="list-style-type: none"> - Between 60 % and 80 % in listed shares. - Between 0 and 20 % in bonds BTA, BTCT, certificates of deposit and treasury bills. - Max 5% in OPCVM - 20 % in liquid assets and near-liquid assets. 	TND 100,000 divided into 1,000 shares of 100 each. (BIAT CAPITAL)

Moreover, BIAT and BIAT CAPITAL signed up depositary and management agreements for each Fund. In consideration for its services, BIAT receive an annual remuneration of 0.1% plus VAT of net assets for each fund with at least two thousand dinars free of tax per year and a maximum of fifty thousand dinars, free of tax per year. This daily fee charged is set quarterly in arrears.

In addition, an annual fee of 0.2% plus VAT will be levied on the net assets of each fund in respect of distribution costs. This daily fee charged will be set quarterly in arrears for BIAT CAPITAL and BIAT in their capacity as distributors of fund units in proportion to their distribution.

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26. The BIAT concluded with the company Tunisie Titrisation (TUNISIA SECURITIZATION) a rental agreement of a premises established of a space on the first floor of a surface of 19m² besides the common areas of a surface of 8m² as well as a space of a parking lot situated in the basement, being a part of the building owned located on the large main boulevard des Berges du Lac.

This present rent is granted and accepted for a period of two consecutive years, beginning December 1, 2011 and ending November 30, 2013, renewable every year by tacit agreement.

This present rent is granted and accepted for an annual rent of four thousand Dinars Fifty (4,050) excl. tax , payable quarterly in advance, or one thousand twelve Dinars five hundred millimes (TND1,012,500) excl. tax per quarter .

The rent above fixed will undergo a cumulative increase of 5%, which will be applied from the second year of rent

27. BIAT in the work on the draft of the second tranche of its headquarter office, needed the help of some temporary technicians specializing in the monitoring and management of construction sites and it is closer to the SOPIAT to provide it with two technicians for a temporary assignment.

In return of this provision, BIAT will reimburse the SOPIAT on presentation of an invoice, wages served by SOPIAT to these two technicians with an increase of ten percent (10%). This release provision takes effect at August 1, 2012 and will end on the date for completion of the construction project, on 30 June 2014.

As such, the amount of this provision, for the rest of 2014 rises to TND 91,700 excluding tax.

28. The BIAT BIAT rent to the “Compagnie Internationale Arabe de Recouvrement” “CIAR” an office N°109 with an area of 16.45 m² located on the first floor of the building located at Boulevard 14 January -route touristique Khezama- Sousse.

This lease is granted and accepted for a period of two consecutive years, beginning at September 1, 2012 and ending at August 31th, 2014, renewable from year to year by tacit agreement.

The annual rent is fixed at Two Thousand Four Hundred and Sixty Five dinars 500 millimes free of tax (TND: 2 467.500 free of tax), payable quarterly in advance.

The agreement specified above will undergo a cumulative annual increase of 5% will be applied from the 3rd year of the lease.

29. BIAT renewed the deposit agreement originally signed on November, 24, 2006 with “BIAT ASSETS MANAGEMENT.”

The agreement stipulates that BIAT is the sole custodian of securities and funds belonging to equity mutual investment funds “FCP-EPARGNE ACTIONS “.

The annual remuneration was maintained at 0.1% (all taxes included), of the net assets of the Fund. It is levied daily and paid monthly in arrears.

In addition, a fee of 0.2% (all taxes included) per annum has been established and levied on the net assets of “FCP BIAT-EPARGNE ACTIONS”, for the costs of distribution.

This daily levied remuneration is paid monthly in arrears for BIAT, “BIAT ASSET MANAGEMENT” and “BIAT CAPITAL” in proportion to their distributions.

30. BIAT reached a disposal agreement by payment in kind with « GOLF SOUSSE MONASTIR» under which this company sells to the Bank, buildings located in the tourist area of Monastir for a sum of 22,600,000 TND excluding VAT and before withholding at source, as transfer in lieu of payment of the principal and interest of the debt agreed upon to TND 20, 620, 988 as at September 30, 2013.

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Following the conclusion of the disposal agreement by transferring in lieu of payment with « GOLF SOUSSE MONASTIR-GSM», dated December 27, 2013, under which BIAT became the owner of the buildings objects of three land titles based in the tourist area “Dkhila Monastir”, the company GSM expressed a willingness to lease the golf course with its dependencies and washroom, already transferred to BIAT.

BIAT accepted this request and set an annual rent composed of:

- A fixed amount of two hundred thousand dinars excluding VAT (TND 200, 000) per year, payable in advance quarterly. [*]
- A variable amount calculated on the basis of turnover excluding tax.

MINIMUM TURNOVER	MAXIMUM TURNOVER	RATE
0	500 000	10%
500 001	1 000 000	15%
1 000 001	> 1 000 000	20%

[*] A cumulative increase of 5% per year will be applied to the fixed part of the rent from the third year of the lease. The present lease is accepted for duration of two consecutive years beginning January 01st, 2014 and finishing December 31st, 2015, renewable by tacit renewal.

31 BIAT reached a rental agreement with “CIAR” under which it shall provide the said company with the necessary premise for the conduct of its business, which a local office on the first floor of the building located in Sfax Harzallah. This lease is granted and accepted for an annual rent of four thousand nine hundred fifty dinars excluding VAT (TND 4, 950), payable in advance quarterly. In addition, this rent is granted and accepted for a period of two consecutive years, beginning September 1, 2013 and ending August 31, 2015, renewable by tacit agreement.

32. BIAT reached an agreement with “CIAR” under which BIAT performs assistance and computer consulting on behalf of the company. The support and consulting missions, in the study, the choice and implementation of IT solutions must be object to a mission order notified by “CIAR”, with the number of days, with a daily rate set at five hundred dinars excluding VAT (TND 500) per man-day.

The administrative and technical assistance missions are based on 25 man-days per year for the sum of seven thousand five hundred dinars excluding VAT (TND 7 500), or TND 300 daily excluding VAT. This agreement will take effect from November 1, 2013. This agreement has a term of three years; it will be renewed by tacit agreement for periods of one year.

33. “BIAT ASSET MANAGEMENT”, in need of temporary assistance for certain employees, has approached BIAT to acquire three employees in the last quarter of 2013. In return, “BIAT ASSET MANAGEMENT” agrees to reimburse BIAT, upon presentation of an invoice, payroll taxes and employers engaged with an increase of ten percent (10%).

34. BIAT concluded, in 2014, an agreement with the Protectrice Assurance (INSURANCE PROTECTOR), under which it shall provide to Protectrice Assurance, with the use of administrative offices, a part of the premises, with an area of 80 m² located on the first floor of the building in Sakiet Ezzit Sfax.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	June 2014	2 years	9 600 excl. tax	5%

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35. The BIAT concluded, in 2013, an Agreement with the Protectrice Assurance, by virtue of which let the Protectrice use administrative offices, a part of the premises situated in the Manouba Avenue Habib Bourguiba of an approximate surface of 87,5 m².

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/02/2013	2 years	8 496 excl. tax	5%

36. In 2013, BIAT reached an agreement with the PROTECTRICE ASSURANCE, by virtue of which rents to the Protectrice for use of administrative offices, an apartment situated in Place Sidi Mtir Mahdia of a surface of 183 m² including common areas.

NUMBER	STARTING PERIOD	DURATION	ANNUAL RENT TAX-FREE (TND)	INCREASE RATE
Contract 1	01/12/2011	2 years	6 000 excl. tax	5%

37. The BIAT concluded on the September 25th 2014, an Agreement of transfer of the banking claims with the BIAT adding up the sum of fifty three millions nine hundred sixty-four thousand seven hundred eighty-three dinars six hundred and thirty-two millimes (DTU : 53,964,783.632) in addition to costs, nonaccrued interest and late-payment interest satisfying the conditions of transfer planned in the Article 10 of the Law No. 98-4 of February 2nd 1998 , with the price of two hundred thousand dinars (DTU : 200,000.000) .

38. An amendment to this Agreement was signed in February 2015 by virtue of which the CIAR and the BIAT decided to change the purchase price , bringing it to a total of fifty-three millions four hundred and thirty four thousand eighty nine dinars eight hundred eighty-nine millimes (DTU : 53,434,089.889) in addition to the expenses and Agreement late-payment interest and of delay.

39. The BIAT concluded on December 22nd 2014, with the CIAR an Agreement of transfer of the banking claims totaling the sum of forty-three millions eight hundred and sixty-six thousand eight hundred nineteen dinars six hundred and eighty millimes (TND: 43,866,819.680) in addition to costs, nonaccrued interest and late-payment interest satisfying the conditions of transfer determined by the article 10 of the Law No. 98-4 of February 2nd 1998 , for the average price of one million one hundred and eighty thousand dinars (TND: 1,180,000.000) .

40. Contract of mandate with the company « CIAR » :

In November, 2014, the BIAT concluded a contract of mandate for the purposes of debt collection with the company CIAR.

This contract stipulates in its object that the BIAT gives a mandate to the CIAR which agrees to act on its behalf and for its account to recover its claims towards its customers.

In return of its services, the CIAR receives a remuneration fixed as follows:

- Amicable and judicial recovery

Management fees (by case): 100TND/excl. tax

- Remuneration on the recovered sums :

15 % on all of the sums recovered including late-payment interest.

41. The BIAT concluded in 2014 with the company BIAT CONSULTING an agreement of accounting and administrative assistance.

In return of this mission, the BIAT receives an annual remuneration to the amount of TND 2,800 all taxes included

42. The BIAT concluded in 2014 with the company CIAR an Agreement of accounting and administrative assistance.

In return of this mission, the BIAT receives an annual remuneration to the amount of TND 18,000 excl. tax.

43. BIAT concluded in 2014 with CIAR an agreement of secondment of two executives. In addition to the salaries and salary supplements and advantages, the invoicing by the BIAT to the CIAR includes a margin of 5%.

44. BIAT concluded in 2014 with BIAT CONSULTING an agreement of the secondment of two executives. In addition to the salaries and salary supplements, the invoicing by the BIAT to BIAT CONSULTING includes a margin of 5%.



CONSOLIDATED FINANCIAL STATEMENTS



13. CONSOLIDATED FINANCIAL STATEMENTS 2014**REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED
FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31ST, 2014****To the shareholders
of Banque Internationale Arabe de Tunisie BIAT**

In compliance with the assignment entrusted to us by your Annual General Meeting dated June 21th, 2013, we are pleased to present to you our report on the audit of the consolidated financial statements of GROUP BANQUE INTERNATIONALE ARABE DE TUNISIE (BIAT) for the financial year ended December 31st, 2014, as attached to the present report showing a total financial position of TND 9,479,696 thousand and a net income of TND 116,637 thousand as well as the examinations and specific information provided for by law, the regulation in force and professional standards.

We have audited the accompanying consolidated financial statements of BANQUE INTERNATIONALE ARABE DE TUNISIE "BIAT", including the consolidated balance sheet drawn up as at December 31st, 2014 as well as the consolidated off-balance sheet items, the consolidated statement of income, the consolidated cash flows statement and the notes to the financial statements including a summary of the main accounting methods and other explanatory notes.

Management's Responsibility in the preparation and presentation of financial statements

The Bank's management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with Tunisian accounting standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, as making accounting estimates that are reasonable to circumstances.

Auditor's Responsibility

The consolidated financial statements were prepared by your board of directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards applicable in Tunisia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment; including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effective functioning of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements give a true and fair view and present fairly, in all material respects, the financial position of GROUP BANQUE INTERNATIONALE ARABE DE TUNISIE (BIAT), as at December 31st, 2014, as well as the result of its operations and its cash flows for the year then ended, in accordance with the generally accepted auditing standards in Tunisia.

Specific verifications

We have also performed, according to the profession's standards, the specific verifications required by law.

Based on these verifications, we have no observations to raise on the sincerity and consistency with the financial statements of the accounting information given in the Management Report of the Board of Directors.

In conducting our audit, we have also examined the internal control procedures relating to the accounting information's process and to the preparation of the consolidated financial statements. In accordance with the provisions of article 3 (new) of law 94-117 dated November 14th, 1994 as amended by law 2005-96 dated October 18th, 2005, we did not notice, based on our examinations, the existence of material weaknesses that could impact our above-expressed opinion on the consolidated financial statements.

Tunis, April 28th, 2015
The Statutory auditors

Les commissaires aux comptes associés M.T.B.F
Ahmed BELAIFA



ECC MAZARS
Mohamed Ali ELAOUANI CHERIF



Chapter 13

CONSOLIDATED BALANCE SHEET

As at December 31st, 2014 (In TND thousands)

	Note	December 31 st , 2014	December 31 st , 2013	Change	In %
ASSETS					
Cash in hand, Balance at Central Bank. Post office accounts and Tunisian Treasure	IV-1	411 723	141 070	270 653	191,86%
Due from banks and financial institutions	IV-2	786 210	1 562 991	(776 781)	-49,70%
Customer loans	IV-3	5 905 815	5 541 357	364 458	6,58%
Commercial securities portfolio	IV-4	1 548 043	1 496 416	51 627	3,45%
Investment portfolio	IV-5	196 151	130 851	65 300	49,90%
Investments in equity affiliates	IV-6	2 070	2 057	13	0,63%
Fixed assets	IV-7	255 055	252 769	2 286	0,90%
Net acquisition differential (Goodwill)	IV-8	11 732	10 739	993	9,25%
Other assets	IV-9	362 897	359 931	2 966	0,82%
TOTAL ASSET		9 479 696	9 498 181	(18 485)	-0,19%
LIABILITIES					
Tunisian Central Bank and post office	V-1	1 579	18 798	(17 219)	-91,60%
Due to banks and financial institutions	V-2	133 528	634 829	(501 301)	-78,97%
Customer deposits	V-3	7 379 485	6 965 770	413 715	5,94%
Borrowing and special resources	V-4	119 113	99 820	19 293	19,33%
Other liabilities	V-5	525 958	498 077	27 881	5,60%
TOTAL LIABILITIES		8 159 663	8 217 294	(57 631)	-0,70%
MINORITY INTERESTS					
Share of minority interest in consolidated reserves		609 679	641 682	(32 003)	-4,99%
Share of minority interest in the consolidated income for the period		25 975	26 116	(141)	-0,54%
Total minority interests	VI	635 654	667 798	(32 144)	-4,81%
SHAREHOLDERS' EQUITY					
Capital		170 000	170 000	-	0,00%
Consolidated reserves			337 031	60 708	18,01%
Other shareholders' equity		3	9	(6)	-66,67%
Consolidated income for the period		116 637	106 049	10 588	9,98%
TOTAL SHAREHOLDERS' EQUITY	VII	684 379	613 089	71 290	11,63%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9 479 696	9 498 181	(18 485)	-0,19%

Chapter 13

CONSOLIDATED OFF-BALANCE SHEET ITEMS

As at December 31st, 2014 (In TND thousands)

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Contingent liabilities				
Guarantees and endorsements given	1 306 342	1 167 636	138 706	11,88%
a- to banks and financial institutions	524 665	402 173	122 492	30,46%
b- to customers	781 677	765 463	16 214	2,12%
Letters of credits	367 963	372 825	(4 862)	-1,30%
a- Given to customers	315 525	343 501	(27 976)	-8,14%
b- Others	52 438	29 324	23 114	78,82%
Total contingent liabilities	1 674 305	1 540 461	133 844	8,69%
COMMITMENTS GIVEN				
Financing commitments given	69 215	94 084	(24 869)	-26,43%
To customers	69 215	94 084	(24 869)	-26,43%
Commitments on securities	2 317	3 366	(1 049)	-31,16%
a- Non paid up participations	2 315	3 246	(931)	-28,68%
b- Securities to be received	2	120	(118)	-98,33%
TOTAL COMMITMENTS GIVEN	71 532	97 450	(25 918)	-26,60%
COMMITMENTS RECEIVED				
Guarantees received	2 350 461	2 249 769	100 692	4,48%
Total commitments received	2 350 461	2 249 769	100 692	4,48%

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CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR

STARTING FROM JANUARY 1ST TO DECEMBER 31ST, 2014 (In TND thousands)

	Note	Fy 2014	Fy 2013	Change	En %
Banking Operating Income					
Interest and other similar revenues	VIII-1-1	453 151	388 048	65 103	16,78%
Commissions received (in products)	VIII-1-2	153 159	138 048	15 111	10,95%
Gains on commercial securities portfolio and financial operations	VIII-1-3	140 857	136 572	4 285	3,14%
investment portfolio revenues	VIII-1-4	4 355	3 428	927	27,04%
Total of Banking Operating Income		751 522	666 096	85 426	12,82%
Banking Operating Expenses					
Interests and similar expenses	VIII-2-1	(182 754)	(150 376)	(32 378)	21,53%
Losses paid relating to insurance operations	VIII-2-2	(24 264)	(22 044)	(2 220)	10,07%
Commissions paid	VIII-2-3	(8 609)	(10 027)	1 418	-14,14%
Losses on commercial securities portfolio and financial operations		(322)	(655)	333	-50,84%
TOTAL BANKING OPERATING EXPENSES		(215 949)	(183 102)	(32 847)	17,94%
NET BANKING INCOME		535 573	482 994	52 579	10,89%
Net provision charge and value adjustments for loan losses, off-balance sheet items and liabilities	VIII-3	(91 242)	(69 324)	(21 918)	31,62%
Net provision charge and value adjustments on investment portfolio	VIII-4	(523)	(1 945)	1 422	-73,11%
Other operating income	VIII-5	28 953	27 794	1 159	4,17%
Personnel expenses	VIII-6	(174 362)	(164 196)	(10 166)	6,19%
General operating expenses	VIII-7	(66 225)	(67 019)	794	-1,18%
Depreciation allowance on fixed assets	VIII-8	(35 274)	(36 604)	1 330	-3,63%
OPERATING INCOME		196 900	171 700	25 200	14,68%
Share of results of equity investments		(80)	(103)	23	-22,33%
Balance in gains / loss resulting from other ordinary elements	VIII-9	(2 882)	(642)	(2 240)	348,91%
Corporate income tax	VIII-10	(51 326)	(38 790)	(12 536)	32,32%
NET INCOME FOR THE PERIOD		142 612	132 165	10 447	7,90%
The share of income due to the minority shareholders		(25 975)	(26 116)	141	-0,54%
Net income for the period prior to accounting changes		116 637	106 049	10 588	9,98%
Impact of net accounting changes on deferred taxes		-	(26 237)	26 237	-100,00%
Net income for the period after accounting changes		116 637	79 812	36 825	46,14%

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CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2014

STARTING FROM JANUARY 1ST TO DECEMBER 31ST, 2014 (In TND thousands)

	Fy 2014	Fy 2013
OPERATING ACTIVITIES		
Banking operating revenues received (excluding investment portfolio revenues)	776 997	719 548
Banking operating charges paid out	(222 538)	(237 489)
Deposits / Deposit withdrawal with other banks and financial institutions	348 355	(286 288)
Loans and advances / Repayment of loans and advances extended to customers	(418 058)	(438 235)
Deposits / Customer deposits withdrawal	409 657	666 890
Securities held for sale	433 972	123 561
Payments to personnel and other creditors	(294 430)	(226 437)
Other cash flows from operating activities	125 169	(140 155)
Corporate income tax	(59 430)	16 093
NET CASH FLOW FROM OPERATING ACTIVITIES	1 099 694	197 488
INVESTING ACTIVITIES		
Interests and dividends on investment portfolio	(72)	2 573
Purchase / Disposal of investment securities	(58 075)	(11 413)
Purchase / Disposal of fixed assets	(40 785)	(54 603)
NET CASH FLOW FROM INVESTING ACTIVITIES	(98 932)	(63 443)
FINANCING ACTIVITIES		
Issuance / Repayment of loans	26 708	(15 429)
Increase / decrease of special resources	(7 752)	(7 162)
Dividends paid and other distributions	(71 857)	(70 386)
Net cash flow from financing activities	(52 901)	(92 977)
Net change of cash and cash equivalents during the period	947 861	41 068
Cash and cash equivalents at beginning of period	1 388 457	1 347 389
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2 336 318	1 388 457

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As AT December 31st, 2014

Note I – General principles

The Consolidated financial statements of GROUP BIAT have been prepared in accordance with the provisions of law No. 96-112 dated December 30, 1996 relating to companies accounting system; and with those particular operations specific to banking institutions, to the consolidation of financial statements and to the grouping the companies (NC 35, 36, 37, 38 and 39).

The financial statements are prepared according to the format set by the accounting standard No. 21 relating to the presentation of the financial statements of banking institutions.

Note II – Accounting principles applied for ending the consolidated financial statements

The consolidated financial statements as at December 31, 2014 have been prepared in conformity with provisions of law No. 2001-117 of 06/12/2001 completing the Commercial Companies Code and by the accounting principles relating to the consolidation of financial statements and to the grouping of companies. Among these principles, the following is a description of policies relating to the scope of consolidation, the methods of consolidation, restatements and eliminations, the closing date, the treatment of tax and to the acquisition differentials.

II-1. The scope of consolidation

The scope of consolidation includes all companies over which BIAT exercises directly or indirectly through its exclusive control by its consolidated companies and by companies over which it exercises a notable influence.

II-2. The adopted methods of consolidation

II-2.1 The method of the Full consolidation

The companies which are controlled exclusively by the Banque (whose percentage of control exceeds 40%) and the companies of which activity is an extension of banking activities or the related activities are consolidated by the method of Full consolidation.

II-2.2 The Equity Method

The companies in which the BIAT exercises a notable influence are consolidated by equity method. The notable influence is presumed since the entity which it consolidates detains 20% at least of the voting rights while having the power to participate in the decisions of financial and operational policy of held company and without, however, exercising control over these policies.

This method consists in substituting for the amount of equity shares the group share of the Bank in equity capital including the result of the fiscal year of equity companies.

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II-3. The restatements and eliminations

The required adjustments in view of the harmonization of accounting and company valuation methods were made. Intercompany receivables, payables, commitments, income and expenses were eliminated.

The impact on the consolidated balance sheet, off-balance sheet items and income statement of intercompany transactions was eliminated.

Intercompany dividends, provisions on participations in consolidated companies, and capital gains or losses on the sale of assets between consolidated companies were also eliminated.

II-4. The closing date

The consolidated financial statements have been prepared based on the individual financial statements of Group companies drawn up as at December 31st, 2014.

II-5. Tax treatments

The consolidated charge of corporate income tax consists of corporate income tax due by Group companies adjusted by the impact of differed income tax arising from temporary differences due to the mismatch between the accounting record and tax imposition dates.

II-6. Goodwill on acquisition

The excess of the purchase price of shares of consolidated companies over the Group's share in their net assets at the date of acquisition is recorded as goodwill and carried on the assets side of the consolidated balance sheet. Goodwill is not allocated to a specific balance sheet item and is amortized over the estimated period of benefit at the date of acquisition. The goodwill amortization period is of 20 years.

Negative goodwill is recognized as income for the period.

II-7. The rules of evaluation of the claims

In accordance with the provisions of the sector-based accounting standards of banking institutions and by the Circular No. 91-24 of 17-12-1991 of the Central Bank of Tunisia, an evaluation of the set of the claims of the Bank was made on the basis of the situation stopped in 31-12-2014 and considering the events after this date.

This evaluation was accompanied with an appreciation of the set of the deductible guarantees in the sense of the circular n°91-24 of the Central Bank of Tunisia concerning the prudential rules.

These two operations led the Bank to determine an amount of required reserves, an amount of the endowment in reserves relative in the year 2014 and an amount of the reserved products.

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Note III – Companies included within the scope of consolidation

On December 31st, 2014, the scope of consolidation of the BIAT Group consists of the following :

	December 31 st , 2014		December 31 st , 2013	
	Rate control [%]	Rate Interest [%]	Rate control [%]	Rate Interest [%]
Banque Internationale Arabe de Tunisie	100,00	100,00	100,00	100,00
BIAT Capital	99,93	99,93	99,93	99,93
BIAT Assets Management	99,40	99,40	99,40	99,40
BIAT Capital Risque	98,07	98,07	98,07	98,07
Compagnie Internationale Arabe de Recouvrement	100,00	100,00	100,00	99,99
SICAF BIAT	100,00	100,00	100,00	99,99
Société de Promotion Immobilière Arabe de Tunisie	99,98	99,98	99,98	99,98
Société de Promotion Touristique-Salloum-	43,51	43,51	43,51	43,50
Organisation et Service Informatique-OSI-	100,00	100,00	100,00	99,99
Société LA PROTECTRICE	99,99	99,99	84,25	84,25
Assurances BIAT	93,98	93,97	93,98	93,19
Société FAIZA	42,31	42,31	42,31	42,31
SICAV Opportunity	70,54	70,39	73,98	73,82
SICAV Trésor	3,96	3,68	4,30	4,27
SICAV Prosperity	44,77	44,77	48,18	48,18
Société Générale de Placement	100,00	100,00	100,00	99,99
Société TAAMIR	100,00	100,00	100,00	99,99
Société d'Informatique et de Management	-	-	100,00	99,99
Société Golf Sousse Monastir	62,18	57,15	62,18	57,14
Société Palm Links Immobilière	50,00	49,99	50,00	49,99
Banque d'Affaires de Tunisie	22,22	22,22	22,22	22,22
Société Tanit International	67,30	67,30	67,30	67,30
Société Tunisie Titrisation	76,80	75,52	76,78	75,38
Société de pôle de compétitivité de Monastir	44,99	44,98	44,99	44,98
SICAV PATRIMOINE Obligataire	23,54	16,21	26,53	13,80
Fonds Commun de créances 1	41,33	40,40	37,10	35,97
Société tunisienne de promotion des pôles immobiliers et industriels	25,00	25,00	25,00	25,00
Fonds Commun de placement Epargne Actions	10,37	10,28	27,82	27,57
Fonds Commun de créances 2	52,68	51,50	47,66	46,48
Société Touristique Sahara Palace	100,00	67,30	100,00	67,30
Société de Promotion Touristique Mohamed V	79,38	61,41	79,38	61,41
Institut Tunis Dauphine	30,07	30,07	30,00	30,00
FCP Croissance	-	-	38,99	38,96
FCP Equilibre	95,24	95,17	95,24	95,17
FCP Prudence	41,46	41,46	35,16	35,16
BIAT Consulting	100,00	99,93	-	-
Société de Promotion Touristique SFAX	82,76	82,75	-	-

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On December 31st, 2014, the methods of consolidation of the BIAT Group consist of the following :

	December 31 st , 2014	December 31 st , 2013
Banque Internationale Arabe de Tunisie	Full consolidation	Full consolidation
BIAT Capital	Full consolidation	Full consolidation
BIAT Assets Management	Full consolidation	Full consolidation
BIAT Capital Risque	Full consolidation	Full consolidation
Compagnie Internationale Arabe de Recouvrement	Full consolidation	Full consolidation
SICAF BIAT	Full consolidation	Full consolidation
Société de Promotion Immobilière Arabe de Tunisie	Full consolidation	Full consolidation
Société de Promotion Touristique	Full consolidation	Full consolidation
Organisation et Service Informatique	Full consolidation	Full consolidation
Société la PROTECTRICE	Full consolidation	Full consolidation
Assurances BIAT	Full consolidation	Full consolidation
Société FAIZA	Full consolidation	Full consolidation
SICAV Opportunity	Full consolidation	Full consolidation
SICAV Trésor	Full consolidation	Full consolidation
SICAV Prospérité	Full consolidation	Full consolidation
Société Générale de Placement	Full consolidation	Full consolidation
Société TAAMIR	Full consolidation	Full consolidation
Société Golf Sousse Monastir	Full consolidation	Full consolidation
Société Palm Links Immobilière	Full consolidation	Full consolidation
Banque d'Affaires de Tunisie	Equity method	Equity method
Société Tanit International	Full consolidation	Full consolidation
Société Tunisie Titrisation	Full consolidation	Full consolidation
Société de pôle de compétitivité de Monastir	Full consolidation	Full consolidation
SICAV PATRIMOINE Obligataire	Full consolidation	Full consolidation
Fonds Commun de créances 1	Full consolidation	Full consolidation
Société tunisienne de promotion des pôles immobiliers et industriels	Equity method	Equity method
Fonds Commun de placement Epargne Actions	Full consolidation	Full consolidation
Fonds Commun de créances 2	Full consolidation	Full consolidation
Société Touristique Sahara Palace	Full consolidation	Full consolidation
Société de Promotion Touristique Mohamed V	Full consolidation	Full consolidation
Institut Tunis Dauphine	Equity method	Equity method
FCP Equilibre	Full consolidation	Full consolidation
FCP Prudence	Full consolidation	Full consolidation
BIAT Consulting	Full consolidation	Outside consolidation scope
Société de Promotion Touristique SFAX	Full consolidation	Outside consolidation scope

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It is worth noting that in December 2014, the BIAT Group established a new company "BIAT France" company. This company is exclusively controlled by the BIAT at December 31st, 2014.

Given that the company "BIAT France" did not enter into operation in 2014, it is not integrated into the scope of consolidation of the BIAT group at December 31st, 2014.

Note IV – Assets headings

IV-1. Cash in hand and assets with the Tunisian Central Bank, Post office accounts and Tunisian Treasury

The post "Cash in hand, Balance with Tunisian Central Bank, Post office accounts and Tunisian Treasury" recorded an increase between December 2013 and December 2014 of TND 270, 653 thousand or 191.86 % raised from a year to another from TND 141,070 thousand to TND 411,723 thousand. This post is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Cash	71 248	58 572	12 676	21,64%
Assets to the TCB	340 386	82 406	257 980	313,06%
Assets to the CCP	89	92	(3)	-3,26%
Total	411 723	141 070	270 653	191,86%

IV-2. Due from banks and other financial institutions

Due from banks and other financial institutions recorded a reduction between December 2013 and December 2014 of TND 776,781 thousand or 49.7% changed from a year to another from TND 1,562,991 thousand to TND 786,210 thousand. This post consists of the following :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Receivables on banking institutions (a)	708 844	1 465 629	(756 785)	-51,64%
Receivables on banking institutions (b)	77 366	97 362	(19 996)	-20,54%
Total	786 210	1 562 991	(776 781)	-49,70%

(a) The reduction in the volume of our receivables on the banking institutions of TND 756,785 thousand, or 51,64 % which changed from TND 1,465,629 thousand on December 31st, 2013 to TND 708,844 thousand on December 31st, 2014 is as follows:

	December 31 st , 2014	December 31 st , 2013	Change	In %
Accounts of loans to the BCT	338 643	1 089 102	(750 459)	-68,91%
Accounts of loans of the interbanking market	287 305	345 183	(57 878)	-16,77%
Receivables connected to loans	1 229	2 026	(797)	-39,34%
Corresponding accounts NOSTRI	50 974	9 958	41 016	411,89%
Corresponding accounts LORI	1 197	5 038	(3 841)	-76,24%
Receivables connected to corresponding accounts	159	-	159	-
Not imputed values	29 337	14 322	15 015	104,84%
Total	708 844	1 465 629	(756 785)	-51,64%

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(b) The decrease of the total of our receivables on financial institutions at the level of TND 19,996 thousand or 20.54 % which increased from TND 97,362 thousand in December 2013 to TND 77,366 thousand in December 2014 is due mainly to the decline in our competition in favor of Leasing companies. This section consists of the following :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Short and medium-term loans granted to the leasing companies	76 398	96 285	(19 887)	-20,65%
Receivables and debts connected	968	1 077	(109)	-10,12%
Total	77 366	97 362	(19 996)	-20,54%

IV-3. Customer loans

Customers loans consist of current accounts, checking and classified, other current and classified contests, and loans on special resources current and classified.

The Gross doubtful loans as well as the required provisions covering the classified assets are determined according to measures planned by the Circular No. 91-24 of 17-12-1991 of the Central Bank of Tunisia relating to the prudential rules as well as by accounting standards applicable to Banking Institutions.

The total net on the customer loans shifted from TND 5, 541, 357 thousand in December, 2013 to TND 5, 905, 815 thousand in December 2014 so recording an increase of TND 364, 458 thousand or 6,58 %. This is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Customers checking accounts	619 865	616 198	3 667	0,60%
Other customers loans	5 678 307	5 334 301	344 006	6,45%
Loans on special resources	75 927	83 668	(7 741)	-9,25%
Total	6 374 099	6 034 167	339 932	5,63%
Provisions and reserved agios to customers loans	(435 353)	(465 638)	30 285	-6,50%
Collective provisions	(32 931)	(27 172)	(5 759)	21,19%
Total customers loans	5 905 815	5 541 357	364 458	6,58%

IV-4. Commercial securities portfolio

Commercial securities portfolio changed between December 2013 and December 2014 from TND 1,496,416 thousand to TND 1, 548,043 thousand, thus showing an increase of TND 51,627 thousand or 3.45 %.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Trading securities	1 387 181	896 666	490 515	54,70%
Investment securities	160 862	599 750	(438 888)	-73,18%
Total commercial securities portfolio	1 548 043	1 496 416	51 627	3,45%

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This change is due to an increase in trading securities of TND 490,515 thousand or 54.70 % (due to the various operations of subscriptions and redemptions made during the period from 01/01/2014 to December 31st, 2014) accompanied by a decrease in total investment securities in the amount of TND 438,888 thousand or 73.18 %.

IV-5. Investment securities portfolio

The total of this investment portfolio raised from TND 130, 851 thousand in December 2013 to TND 196, 151 thousand in December 2014, showing an increase of TND 65, 300 thousand or 49.90 %.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Gross value of investment securities	207 530	143 940	63 590	44,18%
Loans attached to investment securities	9 715	7 005	2 710	38,69%
Provisions and reserved agios for depreciation of the investment portfolio	(21 094)	(20 094)	(1 000)	4,98%
Total investment portfolio	196 151	130 851	65 300	49,90%

IV-6. Equity securities

The total of equity securities shifted from TND 2,057 thousand in December 2013 to TND 2,070 thousand in December 2014, showing an increase of TND 13 thousand or 0.63 %.

These equity securities are detailed as follows:

	December 31 st , 2014	December 31 st , 2013	Change	In %
Tunis Dauphine institute	61	(32)	93	-290,63%
Banques d’Affaire de Tunisie	735	739	(4)	-0,54%
Societe tunisienne de promotion des poles immobiliers et industriels	1 274	1 350	(76)	-5,63%
Total securities of equity method	2 070	2 057	13	0,63%

IV-7. Fixed assets

Fixed assets are recorded for their acquisition cost excluding taxes plus non-recoverable VAT excluding transportation equipment which appears in the balance sheet at its purchase cost including all taxes.

The Depreciation of the Fixed assets is amortized on a straight-line basis and calculated according to the depreciation rates recognized by the fiscal regulations in force with the exception of the trade fund.

Depreciation provisions are determined and recorded on the basis of the accounting net value of the fixed assets of the recoverable value and according to the required date of each item of fixed asset.

The net fixed assets of their depreciations showed an increase of TND 2,286 thousand or 0.9 % shifting from TND 252,769 thousand on December 31st, 2013 to TND 255,055 thousand on December 31st, 2014.

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	December 31 st , 2014	December 31 st , 2013	Change	In %
Intangible assets	62 373	60 498	1 875	3,10%
Depreciation of intangible assets	(34 291)	(27 371)	(6 920)	25,28%
Tangible assets	329 678	335 892	(6 214)	-1,85%
Depreciation of tangible assets	(166 260)	(156 588)	(9 672)	6,18%
Advances on Fixed assets and fixed assets in process	63 555	40 338	23 217	57,56%
Total Fixed assets	255 055	252 769	2 286	0,90%

IV-8. Titles' goodwill on acquisition

The goodwill on acquisition total shifted from TND 10,739 thousand in December 2013 to TND 11,732 thousand in December 2014, showing an increase of TND 993 thousand or 9.25 %.

	Gross value December 31 st , 2014	CUMUL Depreciations December 31 st , 2014	NCV December 31 st , 2014	Gross value December 31 st , 2013	CUMUL Depreciations December 31 st , 2013	NCV December 31 st , 2013
Securities held by BIAT	20 510	(8 962)	11 548	18 769	(8 307)	10 462
SALLOUM	171	(86)	85	171	(77)	94
GSM	881	(881)	-	881	(881)	-
BCAP	16	(10)	6	16	(10)	6
ASSBIAT	10 735	(1 118)	9 617	10 734	(583)	10 151
BCR	95	(48)	47	95	(43)	52
SICAF	44	(20)	24	44	(16)	28
BAT	226	(147)	79	226	(135)	91
STI	6 540	(6 540)	-	6 540	(6 540)	-
STPI	12	(5)	7	12	(5)	7
SOPIAT	49	(20)	29	49	(17)	32
PROTECTRICE	1 741	(87)	1 654	-	-	-
Securities held by SGP	1 015	(965)	50	1 015	(961)	54
OSI	78	(28)	50	78	(24)	54
GSM	937	(937)	-	937	(937)	-
Securities held by BCR	18	(15)	3	18	(15)	3
SICAF	18	(15)	3	18	(15)	3
Securities held by SICAF	308	(177)	131	471	(251)	220
SIM	-	-	-	163	(89)	74
TAAMIR	131	(79)	52	131	(72)	59
PROTECTRICE	122	(67)	55	122	(61)	61
SGP	34	(20)	14	34	(19)	15
SOPIAT	21	(11)	10	21	(10)	11
Total	21 851	(10 119)	11 732	20 273	(9 534)	10 739

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IV-9. Other assets

The total of other assets changed from TND 359,931 thousand in December 2013 to TND 362,897 thousand in December 2014, showing an increase of TND 2,966 thousand or 0.82%.

The total of the consolidated balance sheet showed, between December 2013 and December 2014, a decrease of TND 18,485 thousand or 0.19%, shifting from TND 9,498,181 thousand to TND 9,479,696 thousand.

NOTE V – Liabilities headings

[The figures are expressed in TND thousands]

V-1. Central bank of Tunisia or BCT and CCP

The heading of “Central bank of Tunisia or BCT and CCP” changed from one period to another from TND 18,798 thousand to TND 1,579 thousand, showing a decrease of TND 17,219 thousand or 91.6%.

This change is mainly due to a decrease of BCT checks awaiting settlement regulation at the level of TND 13,909 thousand or 90.84% and in a decrease of the credit balance of our foreign currency accounts held to the BCT of TND 3,312 thousand in December 2014.

	December 31 st , 2014	December 31 st , 2013	Change	In %
BCT Checks awaiting payment	1 403	15 312	(13 909)	-90,84%
BCT account in foreign currency	174	3 486	(3 312)	-95,01%
Debts connected to BCT and CCP accounts	2	-	2	-
Total Central Bank and CCP	1 579	18 798	(17 219)	-91,60%

V-2. Deposits and assets of the banking and financial institutions

The item deposits and assets of the banking and financial institutions changed from one period to another one from TND 634,829 thousand to TND 133,528 thousand, which is a decrease of TND 501,301 thousand or 78.97%.

	December 31 st , 2014	December 31 st , 2013	Change	In %
Deposits and assets of banking institutions	131 150	631 381	(500 231)	-79,23%
Deposits of financial institutions	2 378	3 448	(1 070)	-31,03%
Total deposits and assets of the banking and financial institutions	133 528	634 829	(501 301)	-78,97%

This change is due to :

- The decrease of the deposits and the assets of the banking institutions of TND 500,231 thousand or 79.23%, which changed from TND 631,381 thousand in December 2013 to TND 131,150 thousand in December 2014.

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	December 31 st , 2014	December 31 st , 2013	Change	In %
Borrowings in dinars of the BCT	-	554 979	(554 979)	-100,00%
Borrowings in dinars with banks	5 911	34 500	(28 589)	-82,87%
Deposits of the correspondents Bankers	35 642	40 047	(4 405)	-11,00%
Other amounts due	89 594	1 749	87 845	5022,58%
Connected debts	3	106	(103)	-97,17%
Deposits and assets of banking institutions	131 150	631 381	(500 231)	-79,23%

• The decrease of the deposits of the financial institutions of TND 1,070 thousand or 31.03%, which increased from TND 3,448 thousand in December 2013 to TND 2,378 thousand in December 2014. This variation results essentially from deposits of the companies of leasing.

V-3. Customers deposits and assets

Customer deposits registered an increase of TND 413,715 thousand or 5.94%, changing from TND 6,965,770 thousand in December 2013 to TND 7,379,485 thousand in December 2014. This increase results from the following :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Sight deposits	3 650 999	3 459 282	191 717	5,54%
Deposits of savings	1 808 710	1 696 548	112 162	6,61%
Accounts due	1 026 055	949 358	76 697	8,08%
Vouchers due	347 143	366 401	(19 258)	-5,26%
certificates of stock market deposit	216 500	159 000	57 500	36,16%
Other amounts due	306 822	315 492	(8 670)	-2,75%
Connected debts	23 256	19 689	3 567	18,12%
Total customers deposits and assets	7 379 485	6 965 770	413 715	5,94%

V-4. Borrowings and special resources

The item "loans and special resources" recorded an increase of TND 19,293 thousand, or 19.33 % shifting from TND 99,820 thousand in December 2013 to TND 119,113 thousand in December 2014. This increase results from the following items :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Borrowings and debts for special resources	68 978	76 897	(7 919)	-10,30%
Borrowings connected to special resources	319	374	(55)	-14,71%
Public fund and foreign bodies	10 389	10 222	167	1,63%
Total public fund and foreign bodies	79 686	87 493	(7 807)	-8,92%
Subordinate borrowings and other debts	39 427	12 327	27 100	219,84%
Total Borrowings and special resources	119 113	99 820	19 293	19,33%

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V-5. Other liabilities

The other liabilities raised from TND 498,077 thousand on December 31st, 2013 to TND 525, 958 thousand on December 31st, 2014, showing an increase of TND 27, 881 thousand or 5.6%.

NOTE VI – Minority interests

[The figures are expressed in TND thousands]

The minority interests are detailed by company consolidated as follows :

Company	December 31 st , 2014		December 31 st , 2013	
	Reserves	Income	Reserves	Income
BIAT Capital	3	-	3	-
BIAT Assets Management	4	3	4	3
BIAT Capital risque	233	12	266	16
Société de Promotion Immobilière Arabe de Tunisie	1	-	1	-
Société de Promotion Touristique	2 113	(7)	2 125	(11)
Société la PROTECTRICE	-	-	17	263
Assurances BIAT	1 027	235	944	146
Société FAIZA	-	-	167	-
SICAV Opportunity	329	5	261	5
SICAV Trésor	558 064	21 203	587 479	24 418
SICAV Prosperity	700	18	580	16
Société Palm Links Immobilière	150	(25)	160	(13)
Société Tanit International	5 367	417	6 259	(535)
Société Tunisie Titrisation	124	(43)	150	(25)
Société de pôle de compétitivité de Monastir	13 085	2 512	12 140	1 492
SICAV PATRIMOINE Obligataire	10 032	461	12 252	560
Fonds commun de créances 1	3 893	60	5 565	-
Fonds Commun de placement Epargne Actions	2 283	54	604	19
Fonds commun de créances 2	5 719	32	7 879	-
Société de Promotion Touristique Mohamed V	1 381	923	1 545	(246)
FCP Croissance	-	-	336	(4)
FCP Equilibre	5	-	5	-
FCP Prudence	2 166	52	2 940	12
Ste de Promotion Touristique (SPT) Sfax	3 000	63	-	-
Total	609 679	25 975	641 682	26 116

NOTE VII – The Consolidated Shareholders' Equity

[The figures are expressed in TND thousands]

The total of shareholders' equity shifted between December 2013 and December 2014 from TND 613,098 thousand to TND 684, 379 thousand, showing an increase of TND 71, 290 thousand or 11.63 %.

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The Consolidated Shareholders' Equity of 2013 and 2014 are detailed as follows :

Company	December 31 st , 2014		December 31 st , 2013	
	Reserves	Income	Reserves	Income
Banque Internationale Arabe de Tunisie	601 818	105 952	536 224	102 921
BIAT Capital	698	40	578	279
BIAT Assets Management	108	440	96	443
BIAT Capital risque	(241)	630	(361)	806
Compagnie Internationale Arabe de Recouvrement	2 907	814	2 416	761
SICAF BIAT	2 539	111	3 351	101
Société de Promotion Immobilière Arabe de Tunisie	(456)	(177)	(253)	(254)
Société de Promotion Touristique	(181)	(14)	(164)	(18)
Organisation et Service Informatique	228	11	239	(16)
Société la PROTECTRICE	(1 056)	1 284	(741)	1 398
Assurances BIAT	3 597	3 132	2 175	1 465
Société FAIZA	(669)	(3)	(419)	-
SICAV Opportunity	16	11	(18)	13
SICAV Trésor	(2 604)	810	(861)	1 090
SICAV Prosperity	55	15	27	16
Société Générale de Placement	1 675	(35)	1 698	(377)
Société TAAMIR	(80)	39	(15)	(69)
Société d'Informatique et de Management	-	-	(14)	(8)
Société Golf Sousse Monastir	(17 198)	(522)	(18 901)	1 703
Société Palm Links Immobilière	41	(25)	51	(14)
Banque d'Affaires de Tunisie	(171)	(15)	(66)	(104)
Société Tanit International	(17 253)	859	(11 930)	(4 589)
Société Tunisie Titrisation	25	(134)	103	(75)
Société de pôle de compétitivité de Monastir	1 697	2 053	930	1 220
SICAV PATRIMOINE Obligataire	(145)	89	(72)	89
Fonds commun de créances 1	823	41	684	102
Société tunisienne de promotion des pôles immobiliers et industriels	358	(77)	290	68
Fonds Commun de placement Epargne Actions	49	6	19	7
Fonds commun de créances 2	(193)	34	(282)	72
Société Touristique Sahara Palace	(3 995)	(541)	(3 530)	(510)
Société de Promotion Touristique Mohamed V	(3 775)	1 468	(3 515)	(392)
Institut Tunis Dauphine	(840)	1	(703)	(79)
FCP Croissance	-	-	5	(3)
FCP Equilibre	2	(4)	6	(5)
FCP Prudence	(37)	37	(6)	8
BIAT Consulting	-	3	-	-
Ste de Promotion Touristique (SPT) Sfax	-	304	-	-
Total of shareholders' equity group before the financial year income	609 679	25 975	507 041	106 049

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The following charts summarize the change from shareholders equity and corporate incomes of the Group companies to the shareholders equity and consolidated incomes of the financial year 2014 :

Consolidated company	Method of consolidation	Corporate shareholders' equity	Elimination of securities	Goodwill adjustment	Depreciation EA	Elimination of dividends	Provisions and revaluation	Deferred and other taxes	Minority reserves	Total of shareholders' equity
BIAT	Full consolidation	567 926	-	-	-	4 778	20 592	12 345	-	601 818
BIAT CAPITAL	Full consolidation	3 557	(2 998)	16	(9)	110	-	25	(3)	698
BIAT ASSET MANAG	Full consolidation	587	(497)	-	-	21	-	-	(4)	108
BIAT CAPITAL RISQUE	Full consolidation	12 823	(12 163)	95	(43)	366	-	-	(233)	(241)
CIAR	Full consolidation	1 293	(1 017)	-	-	40	-	-	-	2 907
SICAF	Full consolidation	19 583	(19 000)	62	(31)	842	1 084	-	-	2 539
SOPIAT	Full consolidation	4 955	(5 016)	70	(27)	115	-	164	(1)	(456)
SALLOUM	Full consolidation	3 730	(1 903)	171	(77)	-	-	10	(2 113)	(181)
OSI	Full consolidation	197	(23)	78	(23)	-	-	-	-	228
PROTECTRICE	Full consolidation	1 845	(4 692)	1 853	(61)	-	-	-	-	(1 056)
ASSURANCE BIAT	Full consolidation	17 006	(22 577)	10 734	(582)	42	-	-	(1 027)	3 597
FAIZA	Full consolidation	273	(542)	-	-	-	(400)	-	-	(669)
OPPRUNITY	Full consolidation	1 116	(772)	-	-	1 370	-	-	(329)	16
TRESOR	Full consolidation	580 973	(26 882)	-	-	-	-	-	(558 064)	(2 604)
PRESPERITY	Full consolidation	1 267	(512)	-	-	-	-	-	(700)	55
SGP	Full consolidation	2 826	(3 292)	34	(19)	441	1 679	6	-	1 675
TAAMIR	Full consolidation	4 436	(4 656)	131	(72)	21	-	60	-	(80)
GSM	Full consolidation	(147)	(4 134)	1 818	(1 818)	-	-	5 536	-	(17 198)
PALM LINKS	Full consolidation	294	(110)	-	-	7	-	-	(150)	41
BAT	Equity method	701	(1 000)	226	(135)	-	-	39	-	(171)
STI	Full consolidation	27 594	(28 300)	6 540	(6 540)	29	(11 908)	699	(5 367)	(17 254)
TUNISIE TITRISATION	Full consolidation	532	(354)	-	-	-	-	-	(124)	25
ELEFJA	Full consolidation	23 778	(8 996)	-	-	-	-	-	(13 085)	1 697
PATRIMOINE	Full consolidation	14 951	(5 065)	-	-	-	-	-	(10 031)	(145)
FCC1	Full consolidation	7 469	(2 752)	-	-	-	-	-	(3 893)	823
STPI	Equity method	1 350	(1 000)	12	(4)	-	-	-	-	358
FCP	Full consolidation	2 547	(215)	-	-	-	-	-	(2 283)	49
FOC2	Full consolidation	11 322	(5 796)	-	-	-	-	-	(5 719)	(193)
STSP	Full consolidation	4 001	(8 000)	-	-	4	-	-	-	(3 995)
SPTMV	Full consolidation	11 679	(14 447)	-	-	112	-	261	(1 381)	(3 775)
ITD	Equity method	(13)	(900)	-	-	-	-	73	-	(840)
EQUILIBRE	Full consolidation	107	(100)	-	-	-	-	-	(5)	2
PRUDENCE	Full consolidation	3 700	(1 571)	-	-	-	-	-	(2 166)	(37)
BIAT CONSULTING	Full consolidation	500	(500)	-	-	-	-	-	-	-
SPT SFAX	Full consolidation	17 400	(14 400)	-	-	-	-	-	(3 000)	-
Consolidated total		1 352 158	(204 210)	21 851	(9 444)	8 300	11 037	19 218	(609 679)	567 742

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Consolidated company	Method of consolidation	Social Income	Provisions Reprocessed	Elimination of dividends	Observation of amortization EA	Deferred and other taxes	Minority incomes	Consolidated income
BIAT	Full consolidation	102 376	5 357	(4 778)	-	2 997	-	105 952
BIAT CAPITAL	Full consolidation	176	-	(110)	(1)	(25)	-	40
BIAT ASSET MANAG	Full consolidation	463	-	(21)	-	-	(3)	440
BIAT CAPITAL RISQUE	Full consolidation	1 013	-	(366)	(5)	-	(12)	630
CIAR	Full consolidation	523	-	(40)	-	331	-	814
SICAF	Full consolidation	956	-	(842)	(3)	-	-	111
SOPIAT	Full consolidation	(77)	-	(115)	(4)	19	-	(177)
SALLOUM	Full consolidation	(24)	-	-	(9)	11	7	(14)
OSI	Full consolidation	(6)	-	-	(4)	21	-	11
PROTECTRICE	Full consolidation	1 377	-	-	(93)	-	-	1 284
ASSURANCE BIAT	Full consolidation	3 947	-	(42)	(537)	-	(235)	3 132
FAIZA	Full consolidation	(3)	-	-	-	-	-	(3)
OPPRUNITY	Full consolidation	16	-	-	-	-	(5)	11
TRESOR	Full consolidation	23 373	10	(1 370)	-	-	(21 203)	810
PRESPERITY	Full consolidation	33	-	-	-	-	(18)	15
SGP	Full consolidation	410	4	(441)	(2)	(6)	-	(35)
TAAMIR	Full consolidation	85	-	(21)	(7)	(19)	-	39
GSM	Full consolidation	(677)	-	-	-	155	-	(521)
PALM LINKS	Full consolidation	(42)	-	(7)	-	-	25	(25)
BAT	Equity method	(20)	-	-	(11)	16	-	(15)
STI	Full consolidation	(169)	1 025	(29)	-	450	(417)	859
TUNISE TITRISATION	Full consolidation	(176)	-	-	-	-	43	(134)
ELFEJJA	Full consolidation	4 565	-	-	-	-	(2 511)	2 053
PATRIMOINE	Full consolidation	550	-	-	-	-	(461)	89
FCC1	Full consolidation	101	-	-	-	-	(60)	41
STPI	Equity method	(77)	-	-	(1)	-	-	(77)
FOP	Full consolidation	61	-	-	-	-	(54)	6
FCC2	Full consolidation	66	-	-	-	-	(32)	34
STSP	Full consolidation	(536)	-	(4)	-	-	-	(541)
SPTMV	Full consolidation	1 600	-	(112)	-	904	(923)	1 468
ITD	Equity method	20	-	-	-	(19)	-	1
EQUILIBRE	Full consolidation	(4)	-	-	-	-	-	(4)
PRUDENCE	Full consolidation	89	-	-	-	-	(52)	37
BIAT CONSULTING	Full consolidation	3	-	-	-	-	-	3
SPT SFAX	Full consolidation	367	-	-	-	-	(63)	304
Consolidated total		140 357	6 395	(8 300)	(675)	4 834	(25 975)	116 637

Chapter 13

NOTE VIII – Income statement

(The figures are expressed in TND thousands)

VIII-1. Bank operating revenues

The item “Bank operating revenues” changed from TND 666,096 thousand on December 31st, 2013 to TND 751, 522 thousand on December 31st, 2014, showing an increase of TND 85, 426 thousand or 12.82 %.

VIII-1-1. The Interests and similar revenues

The interests and similar revenues changed from TND 388,048 thousand on 31st December 2013 to TND 453, 151 thousand on 31st December 2014, showing an increase of TND 65, 103 thousand or 16.78%. This change is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Interests on ordinary bank accounts	1 605	2 224	(619)	-27,83%
Interests on interbank loans accounts	4 344	5 608	(1 264)	-22,54%
Interests on customers loans	358 868	303 833	55 035	18,11%
Interests on customers accounts receivable	60 511	50 443	10 068	19,96%
Interests and similar revenues on guarantee commitments	18 921	16 793	2 128	12,67%
Other interests and similar revenues	8 902	9 147	(245)	-2,68%
Total interests and similar revenues	453 151	388 048	65 103	16,78%

VIII-1-2. Commissions in products

Commissions in products changed from TND 138,048 thousand on 31st December 2013 to TND 153, 159 thousand on 31st December 2014, showing an increase of TND 15, 111 thousand or 10.95 %. This change is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Change	In %
Commission on foreign exchange transactions	4 111	3 928	183	4,66%
Commission on financing commitments	21 618	18 972	2 646	13,95%
Commission on guarantee commitment	5 997	5 687	310	5,45%
Commission on financial services	32 416	28 524	3 892	13,64%
Commissions on other banking transactions	89 017	80 937	8 080	9,98%
Total Commissions (in products)	153 159	138 048	15 111	10,95%

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VIII-1-3. Gains on commercial securities portfolio and financial transactions

These gains total TND 140, 857 thousand on 31st Dec. 2014 against TND 136, 572 thousand on 31st Dec. 2013, showing an increase of TND 4, 285 thousand or 3, 14 %.

		December 31 st , 2014	December 31 st , 2013	Change	In %
Incomes of transaction securities	(a)	57 691	40 664	17 027	41,87%
Incomes on investment securities	(b)	29 485	37 436	(7 951)	-21,24%
Gains on foreign exchange transactions of arbitrage	(c)	53 681	58 472	(4 791)	-8,19%
Total		140 857	136 572	4 285	3,14%

This increase is detailed as follows :

(a) Incomes of transaction securities

Products of transaction securities changed between December 2013 and December 2014 from TND 40,664 thousand to TND 57,691 thousand, showing an increase of TND 17,027 thousand, or 41.87%. These products are detailed as follows :

		December 31 st , 2014	December 31 st , 2013	Change	In %
Interests of transaction securities		55 512	38 154	17 358	45,49%
Capital gain or loss on disposal or refund		2 179	2 510	(331)	-13,19%
Total		57 691	40 664	17 027	41,87%

(b) Income of investment securities

The income of investment securities, which consist of interest received on the bonds and of income of the priority parts of the FCC, recorded a decrease of TND 7,951 thousand or 21.24%, changing from one period to another from TND 37,436 thousand to TND 29,485 thousand.

		December 31 st , 2014	December 31 st , 2013	Change	In %
Interests of the obligations		29 036	34 259	(5 223)	-15,25%
Income of the common funds of loans		449	3 177	(2 728)	-85,87%
Total		29 485	37 436	(7 951)	-21,24%

(c) Net gain on foreign-exchange transactions

The net gains on the foreign exchange transactions which consist mainly of gains and of losses resulting from transactions of manual exchange, from the exchange of spot and forward exchanges, changed from TND 58,472 thousand on 31st December 2013 to TND 53,681 thousand on 31st December 2014, showing a decrease of TND 4,791 thousand or 8.19%.

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VIII-1-4. Income of the investment portfolio

The income of the investment portfolio which consists mainly of interests perceived on the investment securities, dividends were received on equity shares and of products on porting titles. This income recorded an increase of TND 927 thousand or 27.04% from one period to another of TND 3,428 thousand to TND 4,355 thousand.

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Interests and income of the titles of investment	3 033	2 870	163	5,67%
Income of the titles participation	1 322	558	764	136,92%
Total	4 355	3 428	927	27,04%

VIII-2. The expenses of banking operations

The total of this post changed from TND 183, 102 thousand on December 31st, 2013 to TND 215,949 thousand on December 31st, 2014, registering an increase of TND 32, 847 thousand or 17.94%.

These expenses of banking operations consist of following items:

- Incurred interests and similar charges
- Incurred commissions.

VIII-2-1. Incurred Interests and similar expenses

The incurred interests and the similar expenses increased from TND 150,376 thousand on 31st Dec. 2013 to TND 182,754 thousand on 31st Dec. 2014, showing an increase of TND 32,378 thousand, or 21.53%. This change is detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Interests on ordinary bank accounts	1 821	4 781	(2 960)	-61,91%
Interests on interbank loans accounts	1 418	469	949	202,35%
Interests on customers deposits	147 288	116 512	30 776	26,41%
Interests on bond and subordinate loans	391	1 093	(702)	-64,23%
Interests on special resources	2 601	2 970	(369)	-12,42%
Other interests and expenses	29 235	24 551	4 684	19,08%
Total	182 754	150 376	32 378	21,53%

VIII-2-2. Disasters paid on operations of insurance

The disasters paid on operations of insurance changed from TND 22,044 thousand on December 31st, 2013 to TND 24, 264 thousand on December 31st, 2014, registering an increase of TND 2, 220 thousand or 10.07%.

VIII-2-3. The incurred Commissions

The incurred commissions changed from TND 10,027 thousand on 31st December 2013 to TND 8,609 thousand on 31st Dec. 2014, showing a decrease of TND 1, 418 thousand or 14.14%. This change is detailed as follows :

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	December 31 st , 2014	December 31 st , 2013	Variation	In %
Commissions on operations of finance and interbank operations	630	815	(185)	-22,70%
Commissions on performances of financial services	4 385	3 581	804	22,45%
Commissions on other operations	3 594	5 631	(2 037)	-36,17%
Total incurred Commissions	8 609	10 027	(1 418)	-14,14%

VIII-3. Provision charge and value adjustments for loan losses, off- balance sheet items and liabilities

The heading "Provision charge and value adjustments for loan losses, off- balance sheet items and liabilities" recorded on 31st Dec. 2014 a net charge of TND 91, 242 thousand detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Provision charge on loans and disasters	(94 262)	(117 640)	23 378	-19,87%
Provision charge on risks and fees	(28 332)	(13 844)	(14 488)	104,65%
Total of the charges	(122 594)	(131 484)	8 890	-6,76%
Losses on loans	(100 526)	(2 898)	(97 628)	3368,81%
Total of the charges and the losses on loans	(223 120)	(134 382)	(88 738)	66,03%
Reversals of provisions on customers loans	129 494	50 065	79 429	158,65%
Reversals of provisions for losses and charges	2 136	14 783	(12 647)	-85,55%
Total of recoveries	131 630	64 848	66 782	102,98%
Adjustments for loan losses	248	210	38	18,10%
Total of the reversals and the recoveries on loans	131 878	65 058	66 820	102,71%
Balance	(91 242)	(69 324)	(21 918)	31,62%

VIII-4. Provision charge and value adjustments on investment portfolio

The heading "Provision charge and value adjustments on investment portfolio" recorded on 31st Dec. 2014 a balance in loss of TND 523 thousand detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Endowments in reserves on equity shares, carrying and managed funds	(2 016)	(2 188)	172	-7,86%
Loads and losses on titles	(384)	(4 754)	4 370	-91,92%
Total of the endowments and the losses on equity shares	(2 400)	(6 942)	4 542	-65,43%
Reversals of provisions on equity shares, carrying and managed funds	1 809	5 063	(3 254)	-64,27%
Disposal gain on equity shares	68	(66)	134	-203,03%
Total of the reversals and the recoveries on equity shares	1 877	4 997	(3 120)	-62,44%
Balance	(523)	(1 945)	1 422	-73,11%

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VIII-5. Other operating income

This section, which consists mainly of rental products and of interests on the loans to the staff, increased between December 2013 and December 2014 from TND 27, 794 thousand to TND 28,953 thousand, thus showing an increase of TND 1,159 thousand or 4.17%.

VIII-6. Personnel expenses

This section, which consists mainly of salaries, of corporate charges and other personnel expenses, increased between December 2013 and December 2014 from TND 164, 196 thousand to TND 174, 362 thousand, showing an increase of TND 10,166 thousand or 6.19%.

VIII-7. General operating expenses

The decrease of TND 794 thousand recorded between December 2013 and December 2014 due to a decrease of the non-banking operating expenses up to TND 3,379 thousand and to an increase in other general operating expenses up to TND 2,585 thousand.

VIII-8. Depreciation and provisions allowances on fixed assets

The balance of this column recorded on December 31st, 2014 an amount of TND 35,274 thousand detailed as follows :

	December 31 st , 2014	December 31 st , 2013	Variation	In %
Depreciation allowances of intangible assets	7 935	10 814	(2 879)	-26,62%
Depreciation allowances of tangible assets	17 189	16 491	698	4,23%
Depreciation allowances of the postponed expenses	9 439	8 741	698	7,99%
Regularization of the depreciations	(6)	(44)	38	-86,36%
Reversals of provisions on fixed assets	(171)	-	(171)	-
Other provision charges	888	602	286	47,51%
Total	35 274	36 604	(1 330)	-3,63%

VIII-9. Balance in gain or in loss resulting from other ordinary elements

The balance of this section is a loss of TND 2,882 thousand coming essentially from capital gains on disposal of fixed assets for TND 1,943 thousand, capital losses on disposals of fixed assets TND 39 thousand and other losses for TND 4,077 thousand.

VIII-10. Income tax on profits

The balance of this heading records on 31st December 2014 an amount of TND 51, 326 thousand against TND 38, 790 thousand on 31st December 2013, that is an increase of TND 12, 536 thousand or 32.32 %.





RESOLUTIONS OF THE ORDINARY GENERAL MEETING



Chapter 14

Resolutions of the Ordinary General Meeting

Tunis on June 1st, 2015

First Resolution

The ordinary General Meeting of Shareholders, having heard the reading of the Board of Directors' report on both separate and consolidated financial situations of the year 2014, as well as the reading of the Statutory auditors' report, hereby approves the Board of Directors' report in its entirety, the agreements governed under the dispositions of Article 200 and following, article 475 of the Code of Commercial Companies as well as Articles 23 and 29 of Law 2001-65 dated the 10th of July 2001, pertaining to credit institutions, as amended and supplemented by subsequent texts, as well as both the separate and consolidated financial statements elaborated as at December 31st, 2014, as were presented before its Members.

Accordingly, it gives full, unreserved, discharge, to Members of the Board of Directors for their Management of the financial year 2014.

Submitted to vote, this resolution was adopted by a majority.

Second Résolution

The Ordinary General Meeting decides to distribute to Shareholders the amount of TND 30 million to be levied from the account « issuance premium ». This account appearing among equity of the bank prior to 2013, has not undergone any modification since the last capital increase made in 2007.

Submitted to vote, this resolution was unanimously adopted.

Third Résolution

The General Meeting decides the allocation of the net profit of the financial year 2014 which amount to TND 102,375,957.523 plus retained earnings of TND 608,576.049, meaning a total distributable income of TND 102,984,533.572 as follows :

(In TND)

Distributable income	102,984,533.572
Legal reserves	-
Reserves to added value on transfer of equity securities	-
Reserves on financial reinvestments	-28,748,940.000
Equity Fund	-10,237,595.752

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Residue to allocate	63,997,997.820
Reinstatement issuance premium prior to 2013	30,000,000.000
Total to distribute	93,997,997.820
Dividends originating from equity of 2013 and prior	30,600,000.000
o Dividends originating from issuance premium	30,000,000.000
o Dividends originating from retained earnings	600,000.000
Dividends originating from earnings of the financial year 2014	20,400,000.000
Retained earnings	42,997,997.820

Consequently, dividend per share is set a TND 3 per share, meaning 30% of the nominal value of shares. These dividends will be subject to payment as of June 15th, 2015.

Submitted to vote, this resolution was unanimously adopted.

Fourth Resolution

The ordinary General Meeting decides to authorize the Bank to transfer a maximum amount of TND 99 million, from « Optional reserves » and from « Retained earnings » to « Reserves subject to a special taxation regime », such is to comply to the regulations governing exempted reinvestments, for the period, going from 2004 to 2009, having been subject to taxation adjustments.

Submitted to vote, this resolution was unanimously adopted.

Fifth Resolution

The ordinary General Meeting decides the transfer to optional reserves, of the endowments allocated to reserves for added value on transfer of equity securities in the framework of allocating the 2009 earnings, of an amount of TND 1,690,055.060.

Submitted to vote, this resolution was unanimously adopted.

Sixth Resolution

The Ordinary General Meeting Decides to renew Mr. Fathi MESTIRI's term of office as a Member of the Board of Directors representing small shareholders, for a three years term expiring at the conclusion of the ordinary General Meeting called to approve the accounts of 2017.

Submitted to vote, this resolution was adopted by a majority.

Chapter 14

Seventh Resolution

The ordinary General meeting decides to allocate to the Board of Directors the amount of six hundred thousand dinars as attendance fees for the financial year 2015.

Submitted to vote, this resolution was unanimously adopted.

Eighth Resolution

The Ordinary General Meeting grants all powers to the legal representative of the Bank or any person duly authorized for the purpose of making all deposits and accomplishing all legal formalities of publication or regularization.

Submitted to vote, this resolution was unanimously adopted.

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BIAT's Annual Report 2014

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