

ANNUAL REPORT 2016



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Annual Report 2016

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Ismail Mabrouk
Chairman of the Board

Through constant determination and despite a difficult economic context, the BIAT succeeded to increase its market shares and strengthen its position relating to the activity indicators in 2016. Indeed, GNP progressed by 11.5 % to 593,6 MD, confirming our position as a leader in the market.

Furthermore, FY 2016 registered a real growth in deposits with a market share of 16%, i.e. a growth of 12,2% compared to 2015 in addition to exceeding the threshold of 9000 MD with 9078 MD.

In terms of gross credits, the BIAT stepped up to first position thanks to a growth of 15,7% and a market share of 12,3%.

This achievement was possible thanks to the support of all the shareholders, to our clients' confidence and the know-how and professionalism of all our collaborators and I would like to thank them all for their commitment and their mobilization.

This performance is the fruit of a far-sighted strategic vision and transformation plans defined by the managers, which involved all professions within the bank as well as its finance subsidiaries.

Hence, the Financial Council Pole was reinforced in order to provide support and coaching to our clients among enterprises in their development and restructuring projects.

Moreover, the bank correspondent network was consolidated by the partnership conventions executed with the BSIC and the Bank of Africa to coach the development of the Bank clients in Africa. In addition to this, the growth of the BIAT Insurance commercial network boosted BIAT Group with the launch of 15 new agencies and the development of life insurance.

Besides all these achievements, the BIAT, aware of its role as a leader of the Tunisian banking system, is more and more involved in the country's economic development. Indeed, it continues to finance important enterprises and provide support to investment promotion actions, for example its participation to the World Conference « Tunisia 2020 ». The launch of the first « Tunisian bond index » on the Tunisian financial market in collaboration with BMCE Group, was an innovative gain on the financial market.

The communication system was reinforced by the overhaul of the Bank website, more presence on social networks and proximity towards our clients and our partners through the organization of many commercial and institutional events.

Furthermore, the BIAT, fully involved in societal responsibility, maintains its support to Tunisian youth in terms of education, culture and entrepreneurship. The BIAT Foundation undertook many structural initiatives for the promotion of entrepreneurship such as the «Entrepreneurship Circles », the « SPARCK Workshops » and « Bloommaster Contest». Many projects in the area of education were consolidated such as "A School Bag, a Future", the day dedicated to scholarship beneficiaries as well as coaching young people.

As reference bank in Tunisia, the BIAT means to maintain its status of strong and responsible financial actor in Tunisia and commits to implement a new strategic vision based on far-sighted and transparent governance and a good understanding of its clients' needs by offering products and services that are adapted to their needs and their expectations.

Ismail Mabrouk



Mohamed Agrebi
General Manager

Global growth in 2016 was around 3% compared to 3.2% the previous year. The Tunisian economy, for its part, realized a growth rate of 1%, affected by a bad agricultural season with the decline especially in the olive-oil production.

In this particularly difficult situation, the banking system experienced liquidity problems, with a refinancing recourse that worsened passing from TND 5123 thousand on 31 Dec. 2015 to TND 6478 thousand on 31 Dec. 2016.

For its part, BIAT's deposits and gross loans increased respectively by 12.2% and 15.7% to reach TND 9078 thousand and TND 8113 thousand, crossing for the first time the bars of TND 9000 thousand and TND 8000 thousand, and reaching the market shares of:

- 16% for deposits, with an improvement of 0.5% compared to 2015.
- 12.3% for loans, with an improvement of 0.7 points compared to 2015.

Today, BIAT is the first player on the market, both for long-term deposits and for credits. The same applies to the balance sheet total amounting of TND 11,335 thousand, increasing by 15.25%.

Clients signature commitments for their part exceeded the mark of TND 1600 thousand to TND 1640 thousand, increasing by 21.7%.

This strong production generated a net banking income of TND 593.6 thousand, increasing by 11.5%. Such progress in the net banking income was made possible despite the 46 gross production declines in the MMR, which affected the evolution of the Interest margin, which grew by only 4% to TND 295 thousand.

Interest expense increased from 14.6% to TND 218.6 thousand at a higher rate than deposits since the MMR decline was not impacted in full on the cost of our resources, with savings that continued to be paid at the same rate (3.5%) and that our TADs are renewed at the new market conditions as they expire.

Commissions have risen from TND 19.5 thousand to 14.9% to reach TND 150.5 thousand. Non-banking income was TND 148.1 million, increasing by 25.6%.

The bank's net income exceeded the TND 190 thousand mark, increasing by 25.4% compared to the previous year (TND 151.6 thousand), despite the exceptional contribution of 7.5 % which impacted the tax with TND 18.5 thousand.

Our indicators are on green with:

- Commissions representing 25.4% of NBI, up by 1 point and now covering 76% of staff costs
- A cost / income ratio of 50.1%
- A loan rate of 5.8% improving by almost one point
- A solvency ratio of 10.40%
- A coverage rate of 66.2%.

Our bank complies with all regulatory ratios, liquidity ratios and risk-sharing ratios and today has a sound financial position, with performances that are at the level of the best international standards.

These results are the fruit of a global strategic vision, founded around:

- An industrial approach, with the pooling of back offices;
- A commercial approach, with network extension, with 200 branches today throughout the country, and aggressive customer conquest in all our markets;

- An economic approach, with a motivated staff, cultivating a culture of belonging.

BIAT is today close to 750,000 customers, a customer conquest representing nearly 100,000 customers and nearly 600,000 bank cards in circulation, a brand, a signature that speaks for itself and keeps no one indifferent.

Our ambitions are still large and we will make every effort to consolidate our results and our fundamentals and confirm our positioning of solid Bank, committed to the service of our customers and of the Tunisian economy.

Mohamed Agrebi



I - Profile

With forty years of existence, BIAT [Banque Internationale Arabe de Tunisie] was launched in 1976 with limited human and material resources, has become one of the most important financial institutions in North Africa and a Benchmark leading operator in Tunisia.

With 2396 employees in 2016, BIAT has around 750 thousand customers and a network of international correspondents of nearly 1500 banks. It has one of the most extensive networks in Tunisia with 200 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. Since more than a year, it has also owned a subsidiary, BIAT France, under the status of a payment agent with an agency in Paris.

BIAT is a universal bank that offers a complete range of services to all types of customers, Individuals, TREs, Professionals, MPs, and large Companies and Institutional, today, BIAT is a diversified banking group in the fields of insurance, asset management, investment capital, stock market intermediation and the International Board.

1

ECONOMIC, BANKING AND FINANCIAL ENVIRONMENT



- International Economic Environment

The International Monetary Fund (IMF), in its report about the international economic prospects which was published during the month of January 2017, mentions an expected improvement of international economic growth in 2016 with a growth rate at around 3.1% compared to the 3.2% rate which was recorded in 2015.

As for the developed countries the IMF foresees a growth rate of 1.6 % for 2016 compared to 2.1 % in 2015, such is in connection with the weaker activity than expected in the United States and the increase in uncertainties related to the exit of the European Union from the United Kingdom (Brexit).

With regard to the emerging and developing countries, which represent about 75% of the global economic growth, it is expected to see its growth pace evolve at the same rate as last year, i.e. 4.1%, after a slowdown for five consecutive years albeit with unequal outlooks between the countries.

Regarding the employment situation, it has improved during the year 2016 in the main industrialized countries. Indeed, in the Euro Zone, the unemployment rate is 9.8% against 10.5% a year earlier. In the United States, this rate declined by 0.3 percentage points to 4.6% in 2015, compared to 6.9% in 2015.

For its part, the International Monetary Fund's International Commodity Price Index declined to 10.2% over the year of 2016 compared with last year, mainly in relation to the contraction of the energy price index (-15.6%) and, to a lesser degree, that of metals (-5.5%).

In relation to this decrease in global prices of basic commodities, the inflation rates continued their retreat in the leading industrialized countries at low levels despite a strengthening observed during the last quarter of the year. In the United States and the Euro area in particular, the inflation rate remained at 1.3% and 0.2%, respectively, for the whole of 2016, compared with 0.5% and a 0 rate a year ago.

It should be recalled that the IMF estimates an inflation rate in the order of 0.7% in 2016 for all developed countries against a rate of 0.3% recorded in the year 2015.

On the international exchange markets, the year 2016 was marked by the appreciation of the American Dollar in comparison with the other major currencies. Hence, the Euro exchange rate was at around 1.0464 Dollar in December in comparison with 1.0924 at the end of December 2015.

- On the National Level

The Tunisian economy remained steady compared to the previous year with 1 % compared to 1.1% recorded in 2015. This rate is considered relatively modest account taken of the poor agricultural season, particularly for olive oil, as well as the decline in the energy production.

On the other hand, a recovery was observed in certain manufacturing sectors, mainly in the mechanical and electrical industries and the chemical industries, as well as in the merchant services, which benefited from a certain revival in the tourism and transport sectors.

In parallel, the overall unemployment rate knew a slight increase in comparison with rate recorded in the previous year from 15.4% to reach 15.5 %. The unemployment rate for higher education graduates remained at high levels reaching 31.6 % compared to 31.2 % recorded in 2015.

The inflation rate stood, in average, at 3.7 % for the full year of 2016 compared to 4.9 % in the previous year due to the impact of price deceleration of food products (2.6% compared to 5.2% in 2015) and those of manufactured products (3.6 % compared to 4.8 %).

On the level of the exchange market, the Dinar recorded in 2016, a decrease of 13.1 % against the Dollar, 8.7% against the Euro, and 14.9% against the Japanese yen. The depreciation of the dinar value reflects the continued pressures on the external balances as well as the evolution of the euro / dollar parity on the international foreign exchange market, closing the year with a 3.7% decline.

MAIN FIGURES	2014	2015	2016
Growth of GDP (at constant prices)	1,7%	1,1%	1,0%
Inflation rate (in %)	4,9%	4,9%	3,7%
National savings (in % of GNP)	14,2%	11,2%	10,5%
Current deficit (in % of GDP)	8,9%	8,8%	8,9%
Budget deficit (in % of GDP)	5,1%	4,8%	4,8%
Goods Exports growth (in %)	2,5%	-2,8%	+3,1%
Goods Imports growth (in %)	6,4%	-5,7%	+5,3%
Debt services / Current revenues (in %)	7,1%	8,4%	8,4%
Tourism revenues (in TND million)	3 626	2 415	2 323
Growth	12,6%	-33,4%	-3,8%
Total investments (in TND million)	16 435	16 823	17 753
Growth	-0,2%	2,4%	5,5%
Investment rate (in % of GDP)	20,3%	19,9%	19,6%
Lending to the Economy (in TND million)	62 210	66 093	72 547
Growth	9,4%	6,2%	9,8%
Money stock M2 (in TND million)	58 801	61 899	66 888
Growth	7,8%	5,3%	8,1%

Source BCT

Banking System

The evolution of the banking system activity was characterized in 2016, by the acceleration in the growth pace of deposits and credits.

The liquidity shortfall that has characterized the banks' cash position over the past three years has increased in 2016.

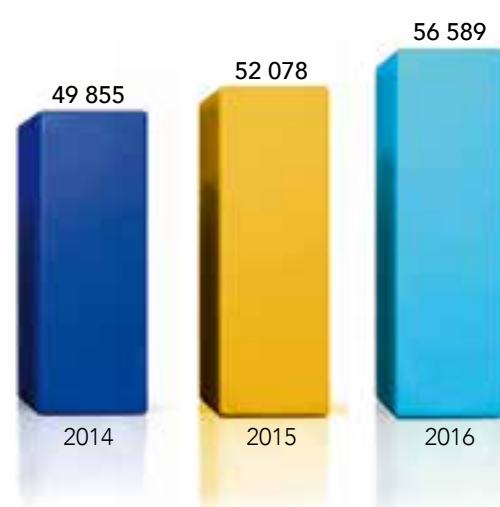
• Customers deposits

Banking system's customer deposits recorded, by December 31st, 2016, an evolution of 8.7% compared to the one recorded by the same date of the previous year (+4.5%), amounting to TND 56.589 million.

This progress mainly concerned savings deposits and demand deposits with increases of 10.1% and 10.3% respectively, and to a lesser extent, term deposits with an evolution of 4.7%.

Shares of savings and of low-paying deposits in the total of deposits, have been consolidated of 0.5 point and 0.4 point respectively, compared to 2015, at the expense of term deposits (-1.2 points).

Evolution of Customers Deposits (in TND million)



• Loans to Customers

At the end of 2016, loans to customers at the level of banking system totaled TND 65,163 million, reflecting an increase in the pace of growth compared to last year of (+9.0% against +6.4%), mainly due to the strengthening of the discount portfolio (+ 10.3% versus + 4.4%).

The increase in loans, granted during the year 2016, benefited mainly the service sector monitored by individuals followed by the sectors of industry and agriculture and fisheries.

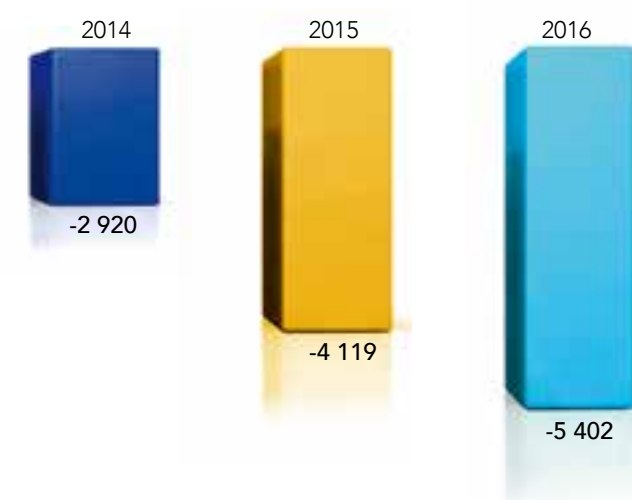
Evolution of loans to customers (in TND million)



• Money market

The deficit of liquidity that has characterized the cash flow position of banks during the last three years and increased in 2016, and resulted at the end of the same year in a net recourse of TND 5402 million to the money market, which is higher than that observed at the end of the preceding financial year (TND 4 119 million).

Net money market position (TND million)



Market rate

The average money market rate (MMR) has varied slightly during the year 2016, remaining close to the prime rate (4.25%). Actually, the highest rate of the year was 4.33% during the month of October, in relation to the significant liquidity deficit recorded on the market during that month.

For the full year 2016, this rate stands at 4.25%, decreased by 46 basis points compared to the year 2015 (4.71%). This decline is explained by the decision of the BCT to lower its key rate by 50 basis points to 4.25% at the end of October of the same year.

For its part, savings remuneration rate (SRR) remained the same with 3.5% since July 2014.

Stock exchange

The stock market activity was characterized in 2016 by the trade weakness with a volume that declined by 24% due in particular to the slowdown in savings and the attractiveness of investors to the bond yields. The daily average of transactions thus amounted to 6.9MD against 8.6MD in 2015.

The index balance sheet of the Tunis Stock Exchange «Tunindex» was however positive as it closed the year 2016, by a 8.9% growth with 5,488.8 points against a negative return of 0.9% in 2015.

Equally, most sectoral indexes have been on a rising trend throughout the year of 2016. Actually, ten indexes achieved positive return rates ranging from 0.2% (Distribution) to 42.4% (Household and personal care products) while the other indices posted negative returns varying between -0.9% (Consumer Services) and -7% (Insurance). As for the TUNBANK index, it achieved an annual return of 11.3%.

Furthermore, the upward trend of the market in addition to the new IPOs (particularly Délice Holding) induced an upward in the market capitalization of 3.6% with 19.300 million at the end of December 2016, meaning 21.1% of GDP, compared to TND 18.623 million or 20.3% of GDP, by the end of 2015.



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



This vision is being articulated in the framework of a new commercial strategy that's aims to make the client the center of the bank's strategy, through a more refined segmentation and products and supply services, as well as a model of support adapted to each market segment.

In addition, our strategy considers the actions related to CSR (Corporate Social Responsibility) a high priority through a major project dedicated to these issues and through the ongoing support for the actions of the BIAT foundation.

2.2 Highlights of the Bank

Structuring projects

- Continuation of the central services technological migration in the context of the revision of its information system;
- Continuing the operational efficiency project implementation allowing to attract the productivity gains and to mutualise the back offices.

Proximity and Expertise

- Consolidation of the «Financial Advisory» activity division dedicated to the assumption, management and support of companies requiring financial restructuring combined with possible operational transformations;
- Creation of a specific SME unit dedicated to the management of the SME clients, in the context of improving the sales efficiency through the specialization;
- Improvement of its bank correspondent's network and the signature of partnership conventions with the BSIC and the Bank of Africa to accompany the client development all over the African continent.
- Export, through its subsidiary "BIAT Consulting" the expertise and the know-how of the BIAT group all over the African continent ;

Offer

- Launching new products: «Platinum Class», «Elite Class», «Elite Pro Health Class», «Platinum Pro Health Class», «SAFIR Pro Health Agreement», «Tounessna International TRE Card», «Tounessna International TRE Pack» , «Universe Card», «Travel Insurance»;
- Redeveloping the «TEMPO» revolving credit card to offer a higher credit line limit in order to fulfill better the specific needs of our clients;
- Regarding the remote banking, launching the «E-banking business» service package which enables the business and professional customers to better manage their accounts remotely.

Communication

- Launching a new institutional site closer to the bank's clients, more interactive and more dynamic ;
- Launching a LinkedIn page ;

2.2 Highlights of the Bank

Recovery

- Strengthening the recovery department.

Strengthening control

- Reorganizing the internal control system taking into account international good practices;
- Establishing an action plan to reinforce the Information System defense lines.

Committed and responsible Bank

- Assistance in the international conference on investment «Tunisia 2020» held on 29 and 30 November 2016 in Tunis;
- Financing major projects such as the 4G mobile technology, Bouchemma power station and the «Prosol Program» for the renewable energies promotion;
- Launching a new bond index, in partnership with BMCE Bank of Africad;
- Sponsoring of sport and cultural events and supporting the associations and civil society, especially in the regions;
- Continuing the support of the BIAT Foundation for Youth actions, particularly in the aspects of Entrepreneurship and Education.

Prizes

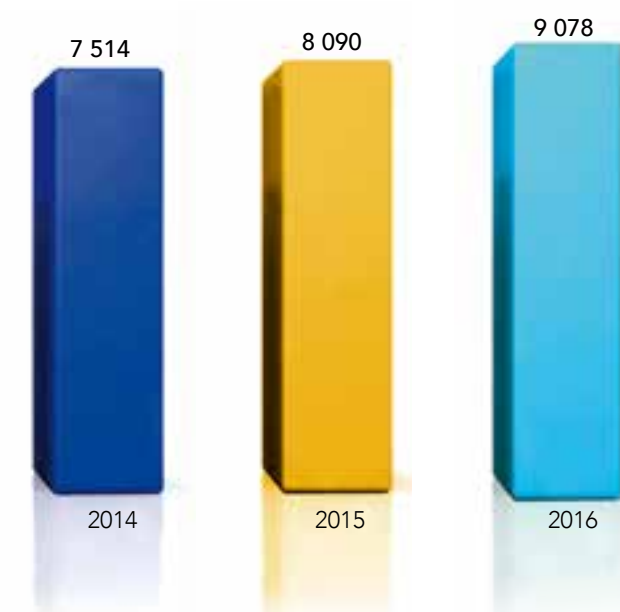
- BIAT was awarded twice as the «Best Bank in Tunisia» by EMEA for the Finance and Global Finance. Through these awards, EMEA for the Finance and Global Finance recognize the performance of BIAT and underline its sustained development, dynamism and financial strength.

2.3 Bank's Activities in 2016

2.3.1 Customer Deposits

By the end of year 2016, customer deposits recorded a growth of 12.2% to reach TND 9078 million.

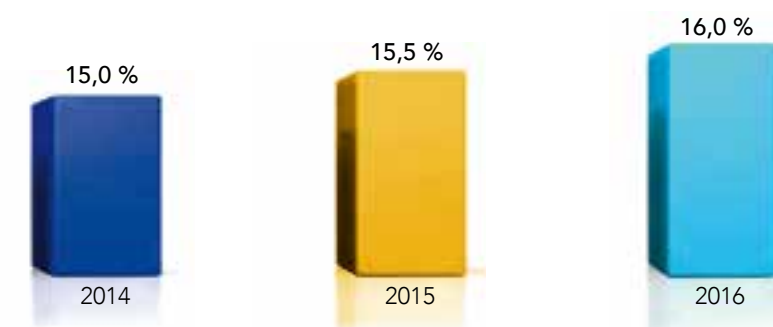
Evolution of Customer Deposits (in TND million)



This evolution results mainly from a 14.5% growth in the demand deposits to reach TND 4518 million and a growth of 10.5% to reach TND 2179 million in the savings deposits.

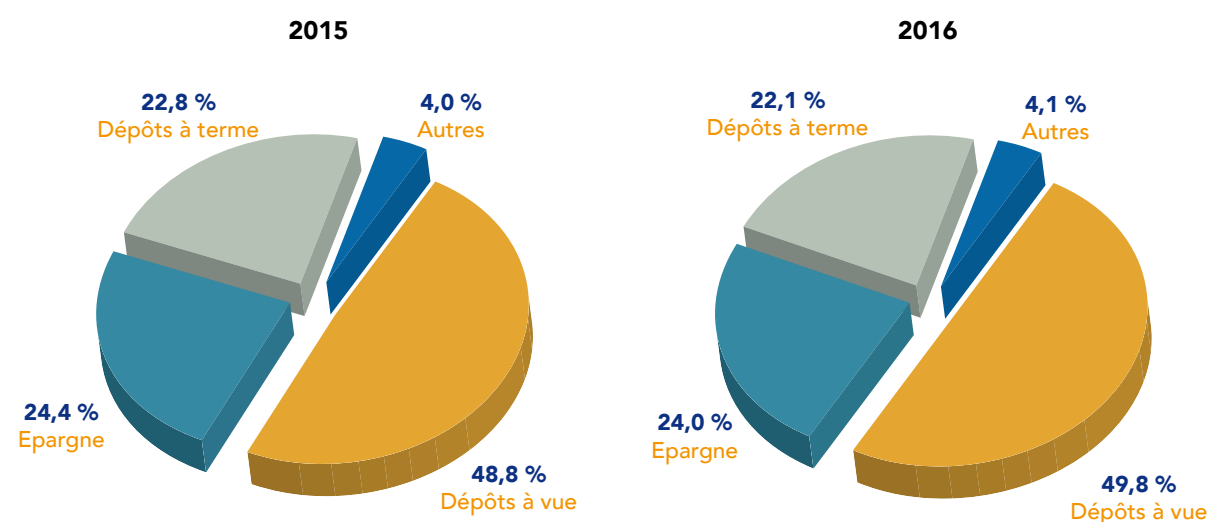
BIAT is consolidating its position as a market leader with a 16% share in 2016.

Customer deposits Market share's evolution (in TND million)



The structure of deposits with the Bank remains among the most favorable in the sector. The share of none, or low, remunerated deposits, represents 53.9% of total deposits. The Bank ranks in first position under this category of deposits with a share of 21.4 % in the market..

Customer deposits breakdown



2.3.2 Gross Customer Loans

BIAT gross customer loans amount has reached, for the financial year of 2016, TND 8.113 million, marking an increase of 15.7% compared to the rate recorded by the end of December 2015.

BIAT market share has increased from 11.6% at the end of December 2015 to 12.3% at the end of December 2016, with a consolidation of 0.7 points.

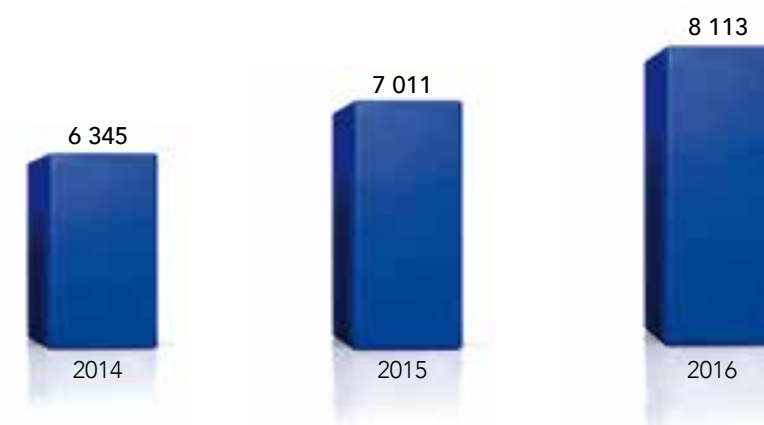
The growth of the customer loans is mainly due to the increase:

- Commercial and industrial loans to 14.8% to reach 4005 MD;
- Buyers of real estate loans to 24.7% to reach 2286MD;
- And accounts receivable to 11.1% to reach 738MD.

Despite the aspect of the rising risks in the banking sector in recent years, the provisions for loans to customers increased by only 1.7% to reach TND 435 million.

Thus, the net loans reached 7678MD, a growth of 16.6%.

Evolution of Gross customer Loans (in TND million)

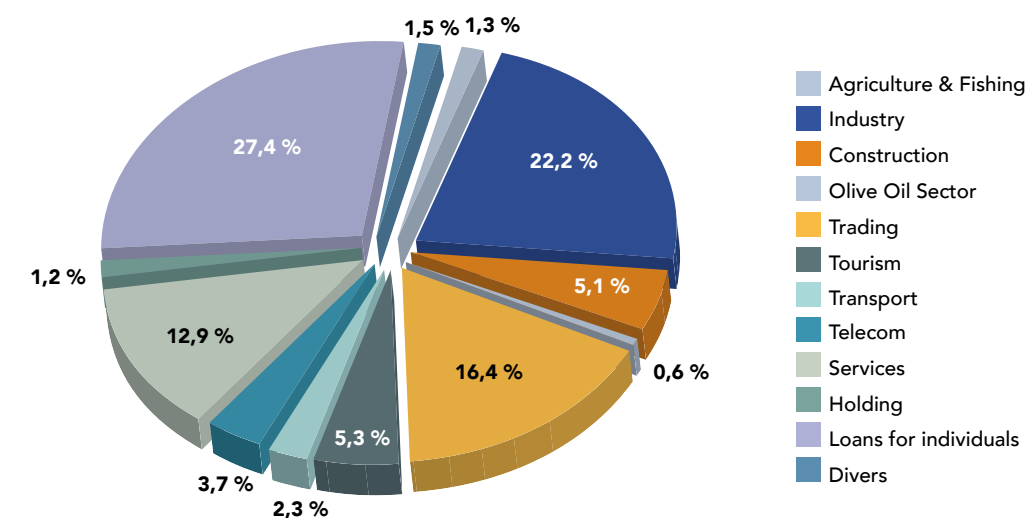


Evolution of the market share of customer loans (in TND million)



The breakdown of loans by sector is dominated by the loans to individuals holding 27.4%, the industry sector holding 22.2%, trade sector holding 16.4% and service sector holding 12.9%.

Breakdown of loans by sector in 2016



2.3.3 Signature Commitments

The volume of signature commitments in favor of customers increased by 21.7%, equaling TND 1,640 million by the end of the year 2016.

Signature commitments evolution (In TND million)



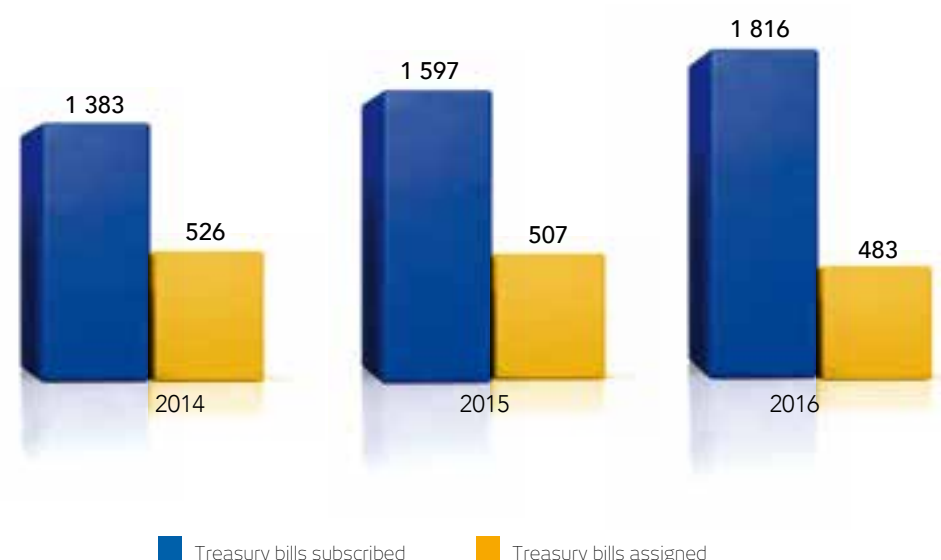
2.3.4 Government Securities Portfolio

The participation of the bank in the financing of the government budget is set at TND 1816 million for the year of 2016, recording thus an increase of 13.7% compared to end of December 2015.

The share dedicated to customers recorded a decline of 4.8% equaling TND 483 million.

The market share of the bank in the total portfolio of the state is set at 15.9%, a decrease of 1.4 points compared with 2015.

Government securities portfolio evolution (in TND million)



2.3.6 Customers Conquest

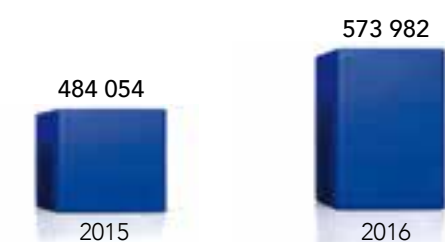
The Bank's goodwill develops in 2016 with the conquest of 86 thousand new customers, bringing the number of clients to about 754 thousand.

2.3.7 Electronic Banking

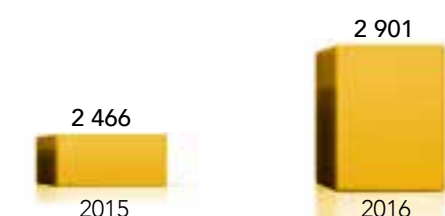
The number of cards issued reached, by the end of 2016, 573 982 units, showing an increase of 18.6% compared to the end of the year 2015.

The market share of the BIAT in the banking system stands at 18%.

Evolution of the number of cards



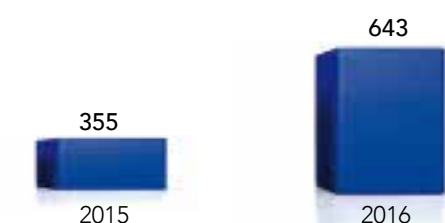
Member's growth



2.3.8 Monetary Market

The Bank ended the year 2016 with a net investment in the money market of TND 643 million, which higher than net investment (TND 355 million) registered at the end of the financial year 2015).

Money market recourse (in TND million)
In terms of year-end balances (in TND million)



Use of foreign exchange swaps
In terms of year-end balances (in TND million)



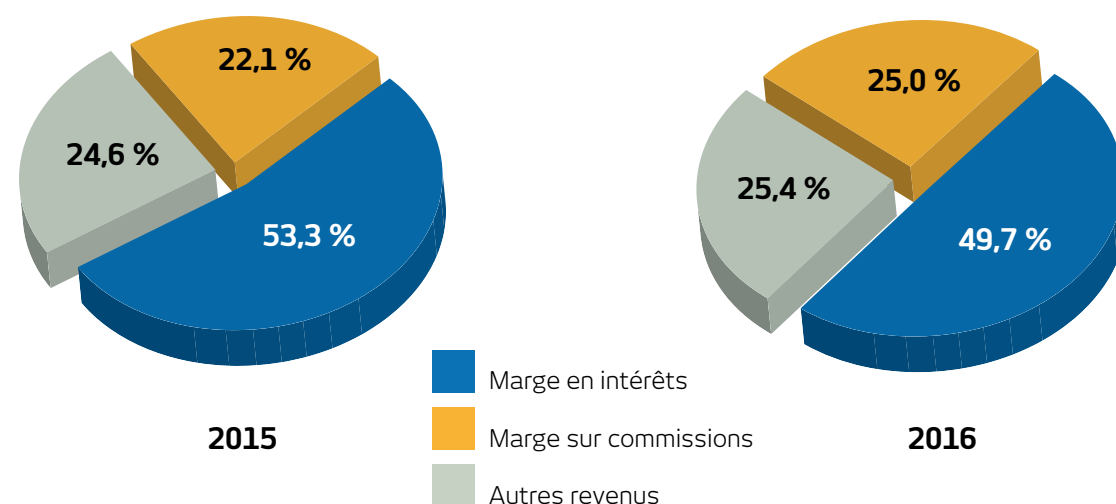
2.4 Bank's Operating Results in 2016

• Net banking income "NBI"

By the end of 2016, the net banking income reached TND 593.6 million, recording an increase of 11.5%.

The improvement of the interest margin, of the commission margin and of other revenues were respectively 4.0%, 14.9% and 25.6%.

The NBI structure is broken down as follows:



- Interest margin

Representing 49.7% of NBI, the interest margin recorded is TND 295.0 million, meaning 4.0% increase.

Net Interest margin evolution (in TND million)

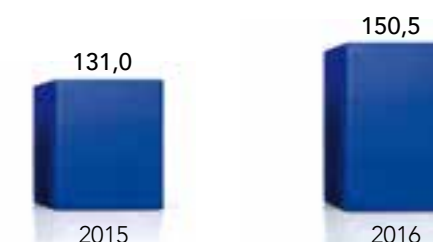


2.4 Bank's Operating Results in 2016

- Commission margin

The commission margin has improved by 14.9% over a year to reach TND 150.5 million.

Net commission margin evolution (in TND million)



By December 31st, 2016, the share of the commission margin in the NBI range in 25.4%.

- Other revenues

Other revenues increased by 25.6% to reach TND 148,1 million. This increase is namely attributed to the increase in the treasury bills revenues by 42.2% equaling TND 76.0 million. of net profit on trading securities.

By December 31st, 2016, all the other revenues represent 25.0% of GNP.

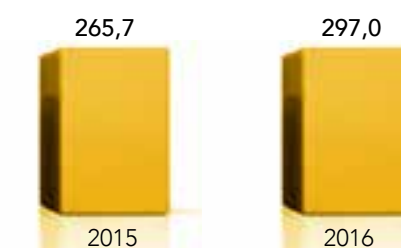
Others revenues' evolution (in TND million)



• Operating expenses

By the end of 2016, operating expenses recorded an increase of 11.8% reaching thereby TND 297 million. This evolution was driven by the increase of the personal costs by 12.4%, representing 66.3% of the operating costs.

Evolution of the Operating expenses (in TND million)



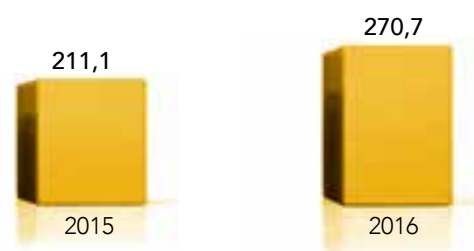
The operating ratio remained the same as the last year at around 50%.

2.4 Bank's Operating Results in 2016

• Operating result

Operating result increased by 28.2% meaning TND 270.7 million. This improvement was driven by the decrease in the risk expense by 57.6% meaning TND 27.3 million.

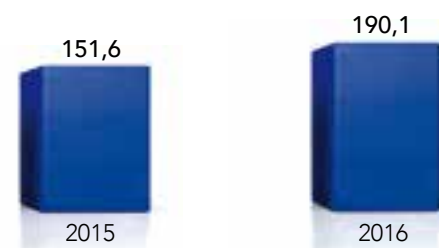
Operating result evolution (in TND million)



• Net result

In the end the net result stands at TND 190.1 million by the end of 2016, i.e. a decrease of 25.4% in comparison with preceding financial year (TND 151.6 million).

Evolution of the net result (in TND million)



• Equity

The equity with respect to the financial year of 2016 is established at TND 893.8 million contrary to TND 771.2 million in 2015, i.e. a growth of 15.9%.

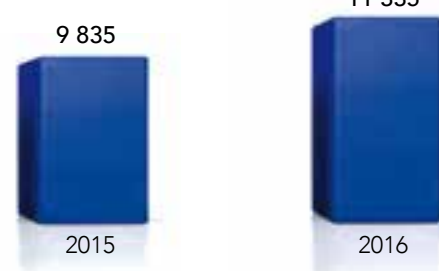
Evolution of Equity excluding Net income (in TND million)



• Total balance sheet

By the end of December 2016, the total balance sheet reached TND 11.335 million compared to TND 9.835 million in 2015, i.e. a slight growth of 15.3 %.

Evolution of total balance sheet (in TND million)



2.5 Bank's Development and Achievements over the Recent Years

2.5.1 Customers Deposits and Loans

- Customer deposits amount to TND 9.078 million by the end of 2016, continuing an average annual growth of 9.4 % over the past five years.
- The gross loans to customers totaled TND 8.113 million by December 31st, 2016 continuing an average annual growth of 9.8 % over the same period.

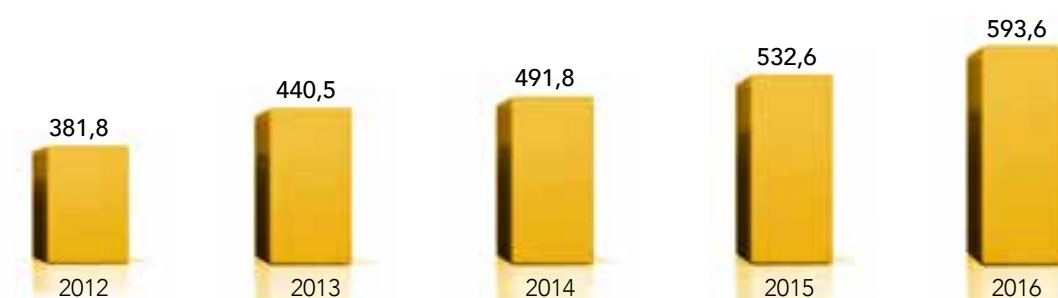
Deposits and Credits growth (in TND)



2.5.2 Net Banking Income

Net banking income recorded an average annual increase of 11.7 % over the past five years to settle at TND 593.6 million by the end of 2016.

Evolution of net banking income (in TND million)



2.5 Bank's Development and Achievements over the Recent Years

2.5.3 Net Result

The net income before accounting change shifted from TND 93.9 million in 2012 to TND 190.1 million in 2016, an average annual growth of 19.3 % over the last five 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 9.5 % over the past five years to reach TND 11.335 million by the end of December 2016.

Evolution of the Total Balance Sheet (In TND million)



(*): Figure restated for comparability purposes.

2.5 Bank's Development and Achievements over the Recent Years

2.5.5 Ratios

The majority of the bank ratios recorded improvement in 2015.

Structure ratios

	2012	2013	2014	2015	2016
(Deposits/ Gross loans)	113,7%	117,9%	118,4%	115,4%	111,9%

Profitability ratios

	2012	2013	2014	2015	2016
GNP / Total Assets	4,82%*	5,04%	5,62%	5,41%	5,24%
Net result / Net banking income NBI	24,6%*	24,4%	20,8%	28,5%	32,0%
Net result / Equity Capital (ROE) Return on Equity	17,2%*	17,6%	15,3%	19,7%	21,3%
Net result / Asset (ROA) Return on Assets	1,19%*	1,23%	1,17%	1,54%	1,68%

(*) Figure restated for comparability purposes

Productivity Ratios

(in TND thousands)

	2012	2013	2014	2015	2016
Deposits/ employee	2 444	2 703	2 952	3 289	3 788
Gross loans/ employee	2 150	2 292	2 493	2 850	3 386
NBI/ employee	147	168	192	216	248

2.5 Bank's Development and Achievements over the Recent Years

Regulatory ratios

Equity and the ratio of risk coverage

(in TND millions)

	2012	2013	2014	2015	2016
Capital	170,0	170,0	170,0	170,0	170,0
Reserves	314,4	367,2	397,3	406,6	462,2
Profits of the year	94,7	107,7	102,4	151,6	190,1
Other equity and forwarded result	1,1	-34,8	0,6	43,0	71,4
Equity	580,2	610,1	670,3	771,2	893,8 ⁽¹⁾

(1) Before appropriation of profit for the year 2016

	2012	2013	2014	2015	2016
Weighted net assets (in TND million)	5 611,7	6 124,4	6 508,0	7 254,9	9 450,6
Total of net core capital (in TND million)	525,3	555,5	609,7	691,8	815,3 ⁽²⁾
Risk coverage ratio (Tier 1)	9,36%	9,07%	9,37%	9,54%	8,63%
Additional own funds	39,2	29,9	82,9	94,0	168,0
Total net equity	564,5	585,3	692,6	785,8	983,3
Global ratio of risk coverage	10,06%	9,56%	10,64%	10,83%	10,40% ⁽³⁾

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

(3) Regulatory ratio of 10 %

2.5 Bank's Development and Achievements over the Recent Years

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.

2012	2013	2014	2015	2016
2,8 NEC	2,8 NEC	2,4 NEC	2,5 NEC	2,2 NEC

Standard 1: b- Individual risks exceeding 15 % of the net equity capital shall not generally exceed 1.5 time the Bank's NEC.

2012	2013	2014	2015	2016
1,1 NEC	0,9 NEC	0,8 NEC	0,6 NEC	0,7 NEC

Standard 2: Incurred risk on the same beneficiary shall not exceed 25 % of the Bank's NEC.

2012	2013	2014	2015	2016
0 client	0 client	0 client	0 client	0 client

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

2012	2013	2014	2015	2016
1,1 NEC	0,9 NEC	0,8 NEC	0,8 NEC	0,7 NEC

Liquidity Ratio

	2015	2016
LCR (Liquidity Coverage Ratio) Ratio	135,2%	150,735%

2.5 Bank's Development and Achievements over the Recent Years

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

	2012	2013	2014	2015	2016
Gross Risk	6 515,8	7 116,8	7 426,8	8 342,6	9 719,8
BDL	551,1	602,2	551,7	556,0	562,3
BDL ratio	8,5%	8,5%	7,4%	6,7%	5,8%
BDL coverage ratio *	65,0%	74,3%	70,8%	68,8%	66,2%

(*): 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)

In its report of the 31st of November 2016, BIAT' rating was retained by Moody's Investors, while changing the bank's outlook from stable to negative, parallel to the negative change in the sovereign rating outlook following the worsening of the budget deficit and the increase of the external debt.

Consequently, the rating of BIAT is as follows :

Deposits in foreign currencies	B1/NP
Deposits in local currency	Ba3/NP
Evaluation of the intrinsic strength	b2
Evaluation of the Adjusted Intrinsic Strength	b2
Counterparty risk assessment	Ba3(cr)/NP(cr)
Outlook	Negative

2.6 Foreseeable Development and Future Prospects

From the economic standpoint, growth predicted in 2017, shall be around 2.5%. The overall environment will be characterized by the renewed confidence resulted from the success of the "Tunisia 2020" conference in last November, as well as the adoption of essential legislations related to the private sector.

In this respect, BIAT intends to continue its balanced approach aiming to support its clients as well as to contribute in the financing of the State Budget, while improving its mobilization of deposits in order to avoid any tensions in its liquidity.

Efforts will focus, in 2017, on improving the consolidation of the bank's leadership position, through the realization of projects and areas for improvement, including the improvement of the services quality, risks controlling and optimization.

In parallel, BIAT will pursue its citizenship dimension through the integration of both the social and environmental responsibility in the evaluation of its performance.

BIAT's development scenario chosen for the year 2017 is oriented towards the resources development at a higher rate than the jobs rate, while giving priority to the demand deposits and savings collection.

During 2017, the GNP would evolve at a faster rate than the operating costs in order to improve the cost / income ratio.

As in 2016, the net income generation should improve the majority of the bank's ratios.

2.7 Research and Development Activities

Project Progress of the Development of Information System Overhaul

The year 2016 was marked by the pursuit of the overhaul of the bank information system namely through the implementation of the following functionalities:

The year 2016 was marked by the continuation of the bank's IS overhaul with the implementation of the latest international products on T24, the release of the off-platform (Temenos) effects and the launch of the project to overhaul the Accounting System.

It was also marked by the operational efficiency implementation and the projects optimization process such as the centralization of the check processing project at the Back Office, the cards automatic deactivation and the Credit process alleviation in the agency.

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 a specific cluster for SMEs in the context of improving the commercial efficiency through the specialization concept
- The reorganization of the internal control system while taking into account the international good practice.



3

BIAT GROUP AND PARTICIPATIONS



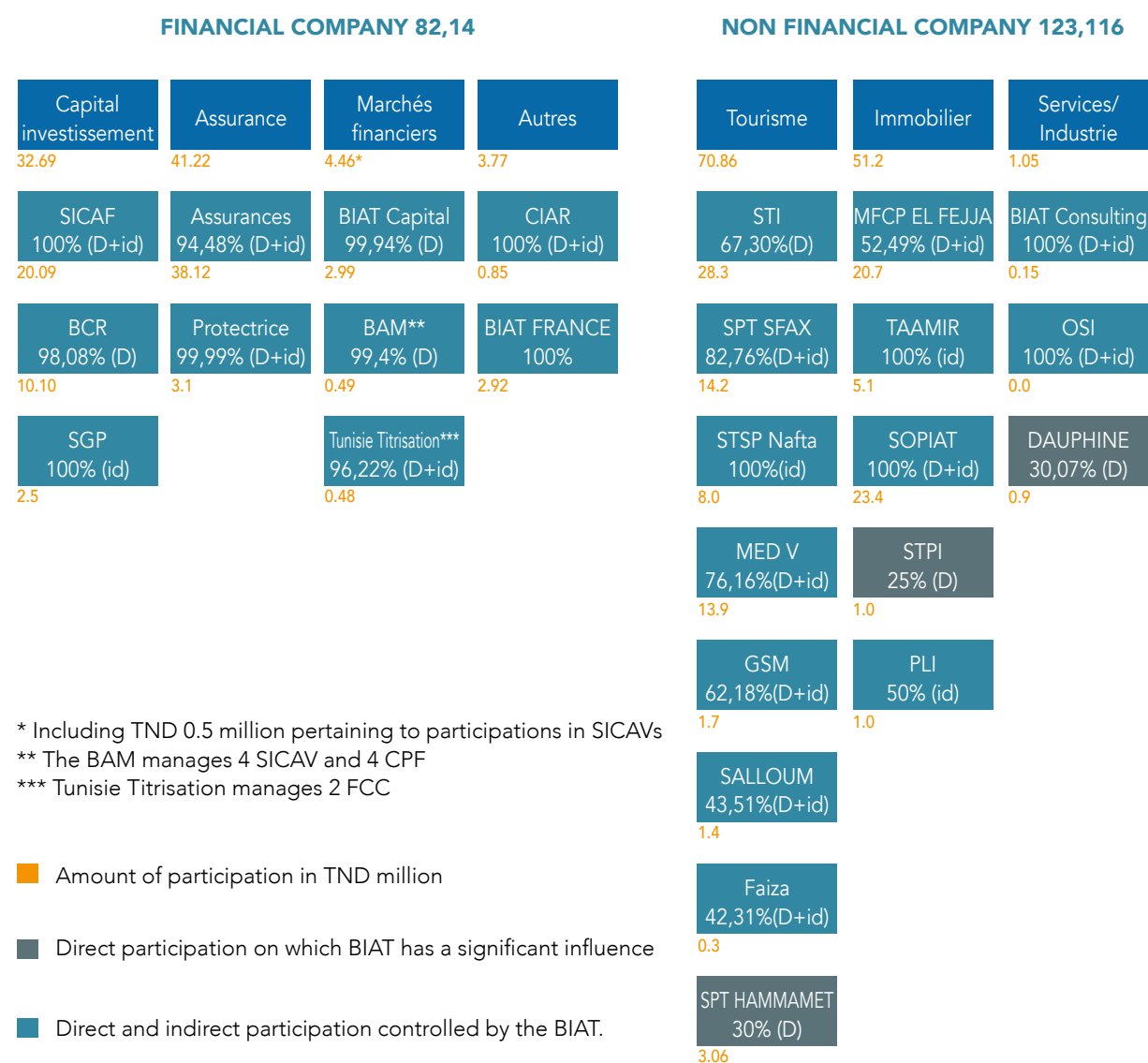
3.1 BIAT Group

The BIAT group 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.

BIAT GROUP AU 31 / 12 / 2016



3.1 BIAT Group

3.1.1 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 22 million, meaning 92.2%.

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

During the year 2016, the Assurances BIAT life revenues increased significantly, by 61%, thanks to the intensification of the bank insurance.

The company knew a growth in its turnover by 22% in 2016 equaling TND 96 million.

Assurances BIAT has opened 15 agencies in 2017, which reflects its desire to strengthen its commercial approach.

Assurances Protectrice Company

As the first independent insurance broker in the Tunisian market, Protectrice Assurances began operating in 1986, with a capital of TND 1.8 million directly held by BIAT with 46%.

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).

The performance of the financial year 2016 shows a turnover of TND 6.1 million.

3.1.2 Activities Related to Investment Capital

BIAT Capital Risque

BIAT Capital Risque, which was launched in 2000, is a risk capital investment company with a share capital of TND 10.2 million on the 31st of December 2016.

It also manages the Private Equity Funds on behalf of the BIAT Group with an amount of approximately TND 115 million on December 31st, 2016.

BIAT Capital Risque participates on its own behalf or on behalf of third parties in the capital financing and strengthening of the Tunisian companies operating in all the sectors of activity and throughout the Tunisian territory.

By December the 31st, 2016, the cumulative investments reached TND 91 million, with 73% of the total managed funds amounts and the capital of BIAT Capital Risque.

The year 2016 was marked by:

- The capital reduction of BIAT Capital Risque by TND 2,092 million, which represents the third capital reduction since 2012 where the capital was decreased from TND 26,150 million in 2012 to TND 10,198 million in 2016.
- A paid-up volume of the BIAT Group managed funds amounting TND 46.7 million
- An investment volume of around TND 26 million
- A net result of TND 0.930 million.

SICAF BIAT

The Company was established in November 2003. Its purpose consists of the securities and related operations management. It manages a portfolio of more than TND 20 million, mainly by participating in SGP, TAAMIR Company and SOPIAT. On December the 31st, 2016, its share capital reached TND 19million.

The year 2016 was marked by a net profit of TND 1.2 million.

Société Générale de Placement « SGP »

The company was launched in September 1992. Its main purpose consists of the management of the financial holdings. It manages an investments portfolio of more than TND 2.5 million and an investment envelope of approximately TND 0.4 million. By December the 31st, 2016, its share capital amounts reached TND 2.5 million and it is held directly by SICAF BIAT with 99.9%.

The year 2016 was marked by a net profit of TND 0.2 million.

3.1.3 Activities Related to Asset Management and Brokerage

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 500.0 million of managed assets.

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 on August 12th, 2014, the management which was insured until then by BIAT Capital (Stock market broker), of the following FCPs: BIATCAPITAL – stock market intermediary –FCP management, FCP BIAT – PRUDENCE, FCP BIAT – EQUILIBRE & 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 UCITS bond-market, 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 UCITS debenture of distribution, with a market share of 8.8 %, equal to TND 846 million by the end of 2016.
- **SICAV PATRIMOINE OBLIGATAIRE:** created in 2007, SICAV PATRIMOINE OBLIGATAIRE is a debenture UCITS of capitalization. Its managed assets amount to TND 177 million by the end 2016, with a market share of 4.5%.

Mixed UCITS

- **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 0.7 million by the end of 2016.
- **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 2016, to TND 3.3 million.
- **FCP BIAT – EQUITY PERFORMANCE:** created in 2016, FCP is mainly intended for institutional investors, with the contribution of the Caisse des Dépôts & Consignations. The fund's assets have reached TND 11 million by the end of 2016.

Furthermore, BIAT Asset Management initiated in 2016 an early liquidation procedure for the three «FCP BIAT - PRUDENCE», «FCP BIAT - EQUILIBRE» and «FCP BIAT - GROISSANCE» funds.

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). The fund's assets reached TND 14 million dinars at the end of 2016.

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, 2015, the share capital of BIAT CAPITAL is set at TND 3 million held up to 100% by BIAT.

- Since 2015, BIAT Capital supports the BIAT business units in order to offer its clients a wide range of financial market products.
- In 2016, the volume of transactions handled by BIAT Capital reached TND 475 million, equal to a 8.6% of the market share.

Tunisie Titrisation

Specialized in the management of mutual claims funds, the company began operating in 2005. Its capital amounts to TND 0.420 million. It manages the following two mutual claims funds :

- **MDF "BIAT CREDIMMO 1":** created in 2006, its purpose consists of the mortgage loans acquisition, ceded by BIAT, in order to issue representative shares of these receivables at one time. The volume of the sold receivables by the Bank is TND 50 million.
- At 31/12/2016, the outstanding principal amount was TND 2.9 million.
- **MDF "BIAT CREDIMMO 2":** created in 2007, its purpose consists of the mortgage-backed securities acquisition, ceded by BIAT, in order to issue representative shares of these receivables at one time. The volume of the sold receivables by the Bank is TND 50 million.
- At 31/12/2016, the outstanding principal amount was TND 5.5 million.

3.1.4 Activities of Recovery

Compagnie Internationale Arabe de Recouvrement "CIAR"

Created in December 2000; CIAR is a debt recovery company that acts for its own account or on behalf of the third parties.

CIAR currently disposes of a share capital of TND 1 million, majority held by BIAT.

The year 2016 was marked by the increase of CIAR's activity and performance indicators thanks to the strengthening of the own-account activity and the increase in subcontracting activity on behalf of BIAT.

CIAR's turnover is around TND 5 million and its net income is more than the double to reach over TND 1 million.

3.1.5 Tourism Related Activities

Société Tanit International "STI"

Founded in 1989, STI has as main purpose the development of the hotels, tourism and the health resorts in Tunisia as well as the direct or indirect participation in any company sharing the same purpose.

The STI is the result of a partnership between the three following banks STB, BNA and BIAT.

STI holds significant shares in two subsidiaries of the group namely the Tourist Promotion Corporation Mohamed V and the Sahara Palace Tourist Company.

Société de Promotion Touristique Mohamed V "SPT Mohamed V"

Founded in 2006, the company's purpose is to develop the hotel industry, catering, tourism and spas. By the end of 2016, its share capital amounted to TND 31.4 million.

The company owns the Ibis and Novotel 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, the hotels managed by the ACCOR Group, resisted and continued the satisfactory perform in terms of occupancy, revenues and gross operating income (RBE). The hotels' resistance to cyclical difficulties is explained in particular by their position in the tourism business and the team continuous efforts in order to maintain a good quality service.

By December the 31st 2016, the SPT Mohamed V has recorded a turnover of HT16 million.

The Company has advanced, as part of its development and in partnership with the ACCOR Group during the year 2016 on a second project of Novotel Les Berges du Lac, with a 125 beds capacity, and a scheduled opening on the end of 2019.

Société de Promotion Touristique Sfax « SPT Sfax »

The creation of the SPT Sfax in 2014 with a capital came in the light of the development of a 3* hotel, with 187 beds capacity, built on an exceptional and unique location in Sfax; in the intersection between the Majida Boulila Avenue and the road to Menzel Chaker.

In the framework of the partnership with the ACCOR Group development, and in response to a capital financing request by private land holders in Sfax, SPT Sfax was created with a capital of TND 17.4 million. The Construction work began at the end of 2014 and is expected to be finalized by the end of 2017 and an opening in early 2018 under the Ibis brand. Investments made at the end of 2016 amounted of approximately TND 13.3 million and the profit was 0.2 kD resulting from the revenues of Investment.

Société Touristique Sahara Palace Nafta «STSP Nafta»

The company was created in 2006 with a share capital of TND 8 million. The STSP Nafta aims at developing the hotel industry, catering, tourism and thermal spas. It owns the SAHARA PALACE hotel in Nafta, repurchased in 2006 by the STI, within the framework of the national program of privatization and has not been operated since then.

The hotel is located at 2 km from the center of Nefta, 20 km from Tozeur airport and only 30 km from the Tunisian-Algerian border.

The partnership or divestment researches continue despite the difficult economic context.

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.

The Golf course, mainly visited by foreign tourist customers, was affected negatively by the adverse environment of the Tunisian tourism sector. The current capital of the company is TND 6.5 million. Its turnover increased in 2016 to TND 0.1 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, in the framework of a of an overall global with the AFT.

Because of the structural problems of tourism which are aggravated by the cyclical difficulties since 2011, the government authorities have decided to review the overall investment policy, without, however, examining the case of the new areas under study, including Salloum area.

Thus, the Company remains awaiting for a decision-making, especially on the zone vocation, in order to resume the studies.

Société FAIZA

Created in 1993, with a capital of TND 1.3 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 put on hold.

Since 2015, BIAT has initiated the regularization of the company's legal situation.

Société de Promotion Touristique Hammamet

Created in 2016, with a share capital of TND 10.2 million, the company's purpose is to the development of hotels, catering, tourism and spas.

3.1.6 Real Estate Related Activities

Monastir El-Fejja competitiveness Pole « MFCPOLE»

The establishment of the company was in October 2006. By December the 31st, 2016, its share capital has reached TND 40 million, following a capital increase carried out at the end of the year 2016 in order to be able to finance an ambitious development plan. The main tasks of the company «Mfcpole» consist of :

- The development, operation and maintenance of the pole competitiveness (the Monastir Technopole and the industrial parks associated with Monastir and El Fejja in the Governorate of Manouba);
- Animation, promotion of the pole and the investments attraction
- Facilitation of a network of partners (industry, research and development, training);
- The incubation and supervision of the technological or services projects promoters within the pole as well as their assistance in the carrying out of their activities;
- The development of a technological and innovation monitor
- The strengthening of the cooperation and exchange with the similar poles, academic institutions as well as the research and technological innovation centers; both on the national and international level.

Société de Promotion Immobilière Arabe de Tunisie « SOPIAT »

Operating in the sector of the real estate development, the company started its activity in December 2000. At the end of 2016, its share capital has reached TND 26 million, resulting from a capital increase that was carried out at the end of 2016 as part of its development in response to the real estate needs of the BIAT Group.

This increase was used to acquire the land from the «mfcpole» subsidiary in El Fejja in order to build storage and filing facilities to be leased to the BIAT Group, as well as to acquire and to develop the agencies to meet an increasingly demanding clientele.

Société TAAMIR

Started operating in 1988, the company's share capital reached TND 5 million on December the 31st, 2016. Its object consists of the acquisition, sale, development, administration, leasing of immovable properties or fractions of immovable and non-immovable properties, and the property management.

Palm Links Immobilière

Palm Links Immobilière is a public limited company of real estate development created in 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 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. Palm Links Immobilière, having completed the development and marketing of all the lots, will be liquidated as soon as certain administrative obstacles are resolved.

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. By December 31st, 2016, its share capital was set at TND 4 million held up to 25% by BIAT .

3.1.7 Other Related Activities

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.

Institut Tunis Dauphine « ITD »

Founded in 2009 with a capital of 3 MD, the company is dedicated to the study, implementation and operation of a private education and training institution. It is the private university institute of higher education and research which is based on a partnership with the University Paris Dauphine.

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.

3.1 BIAT Group

After three years of operation, it records a turnover of around TND 1 million thanks mainly to its presence in several countries: Chad, Côte d'Ivoire, Democratic Republic of Congo, Togo, Burkina Faso and Benin.

In 2017, BIAT Consulting intends to consolidate its positioning in the of Central African and West African areas and to prospect the MENA zone and in particular the Algerian market.

BIAT France

BIAT France was created on the 24th of November 2014, a subsidiary "BIAT France- Payment Agent", is a limited liability company by simplified stock under the French law, held at 100% by BIAT. By the end of the year 2016, its share capital is € 1.2 million.

BIAT France affords its clients residing in France, and in particular the holders of the Tunisian nationality, TRE- money transfer service offer to Tunisia, which is rapid, secure and with a very competitive price.

It represents a BIAT advanced interface that enables the TRE clients to carry their projects in Tunisia (real estate investment or other).

3.2 BIAT Group Results

The main consolidated data of the group indicate that the total balance-sheet, by December 31st, 2016, amounts to TND 11.956 million, showing a 13.7% growth compared with the end of 2015.

The net banking income shows an increase of 14.1%, equaling TND 661.9 million by December 31st, 2016.

As for the net result, it shows an increase of 31.3% reaching the amount of TND 192.7 million by the end of 2016.

The group corporate income, for the years 2016 and 2015, is broken down as follows :

Company	Corporate income 2016	Corporate income 2015	Variation
BIAT	190 142	151 579	38 563
BIAT CAPITAL	-141	-369	228
BIAT ASSET MANAGEMENT	396	385	11
BIAT CAPITAL RISQUE	930	485	445
CIAR	1 231	549	682
SICAF	1 217	646	571
SOPIAT	14	-9	23
SALLOUM	-55	-123	68
OSI	-14	-11	-3
PROTECTRICE	1 050	1 175	-125
ASSURANCE BIAT	4 321	4 428	-107
FAIZA	-3	-3	0
OPPRUNITY	11	13	-2
TRESOR	12 967	15 503	-2 536
PROSPERITY	90	38	52
SGP	191	29	162
TAAMIR	232	164	68
GSM	-1 023	-348	-675
PALM LINKS	-2	27	-29
STI	-3 137	-2 154	-983
TUNISIE TITRISATION	-237	-206	-31
ELFEJJA	3 732	1 691	2 041
PATRIMOINE	6 900	4 561	2 339
FCC1	-382	134	-516
STPI	-199	-13	-186

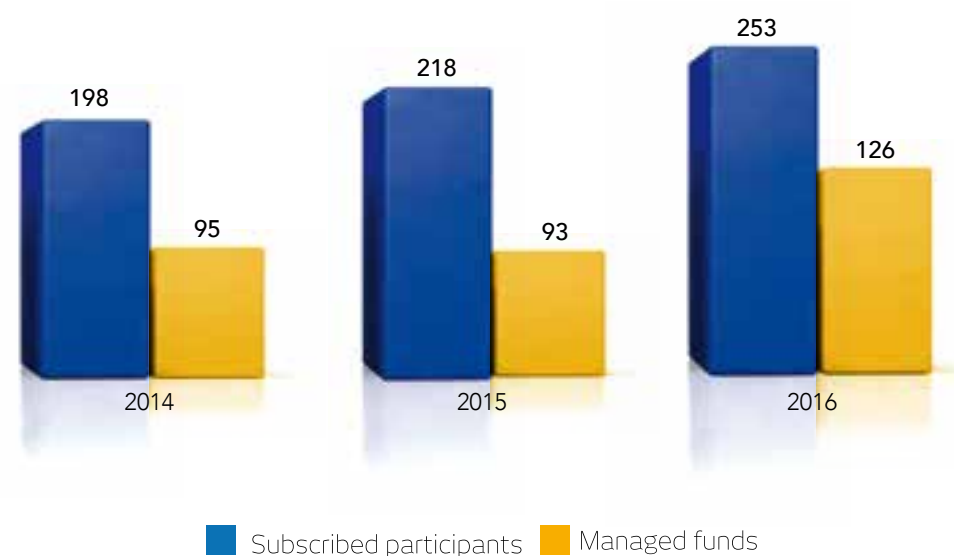
3.2 Résultats du groupe BIAT

FCP	424	90	334
FCC2	-113	-283	170
STSP	-1 162	-562	-600
SPTMV	2 700	1 746	954
ITD	41	-14	55
Prudence	-	69	-
BCO	148	-1	149
SPTSFAX	223	454	-231
BFR	-237	-467	230
PERFORMANCE	-33	-	-
CONSOLIDATED TOTAL	220 222	179 203	41 019

3.3 Evolution of the Investments Portfolio

By December the 31st, 2016, the accounting value of subscriptions (Interests and managed funds) recorded an increase of 22% compared with the year 2015 to amount to TND 379 million..

**Growth of Equity Participations
(In TND million)**



4

SHAREHOLDING



4.1 Capital Allocation Information and Voting Rights

4.1.1 Capital Structure ad at December 31St, 2016

Shareholders	Number of shares	Share in %
A/ Foreign shareholders	1 324 462	7,79%
INTESA SANPAOLO S.p.A	1 157 787	6,81%
Others	166 675	0,98%
B/ Tunisian shareholders	15 675 538	92,21%
Legal entities	11 482 309	67,54%
Natural persons	4 193 229	24,67%
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 2016 was particularly marked by the following transactions :

- ATTIJARI INTERMEDIATION assigned 15 000 BIAT shares or 0.09% of the capital;
- GAT acquired 15 000 BIAT shares or 0.09% of the capital;
- G.A.T assigned 15 000 BIAT shares or 0.09% of the capital ;
- ATTIJARI INTERMEDIATION acquired 15 000 BIAT shares or 0.09% of the capital;
- HBG HOLDING assigned 9 129 BIAT shares or 0.05% of the capital;
- FCP VALEUR INSTITUTIONNEL acquired 9 129 BIAT shares or 0.05% of the capital;
- STRAMICA assigned 6000 BIAT shares or 0.04% of the capital;
- MAGHREB FINANCIERE HOLDING acquired 6 000 BIAT shares or 0.04% du capital;
- ASSURANCE MULTIRISQUES ITTIHAD assigned 4 479 BIAT shares or 0.03% of the capital;
- ATTIJARI INTERMEDIATION acquired 4 479 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 a 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.

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.



5

GOVERNANCE



5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016

(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⁾.

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(In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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, 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⁾.

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 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.

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 Director

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 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;

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- 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;

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- 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.

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 Com-

mittees. 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 Director and the Deputy General Directors 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. 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

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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 :

■ The Charter of the Member of the Board of Directors

Art.1- Administration and social interest

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.

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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 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.

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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:

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- 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, 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.

▪ 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) 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.

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.

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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 :
 - Mr. Tahar SIOUD, Independent Administrator,
- Members :
 - Mr. Jean MESSINESSI: Administrator
 - 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 an internal structure of the bank or subsidiary of BIAT group whose presence is deemed useful.

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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.

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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;

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

- The reports of rating agencies;
- The reports mentioned in Articles 52 and 53 of BCT's circular No. 2006-19 pertaining to internal control

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 :

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

- 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
- Ensure the collect and centralization of documents prepared for the committee needs.
- 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.

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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 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:

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

- o The reports of control achieved by the competent public authorities, the auditors...,
- o macro-economic, sectoral, regional, or specific, retrospective or prospective studies
- o the notes concerning the strategy of development of the bank and the financial projections
- o the reports of the rating agencies
- o 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 13 of BCT's Circular No. 2011-06

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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.

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

- 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 commitments 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.

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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 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

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 :
 - o The reports of control achieved by the competent public authorities, the auditors...,
 - o macro-economic, sectoral, regional, or specific, retrospective or prospective studies
 - o the notes concerning the strategy of development of the bank and the financial projections
 - o the report of social and environmental performance
 - o the reports of the rating agencies
 - o 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 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

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 nine members as of May 23, 2014.

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
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"

(*) : State Secretary of the Foreign Affairs

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

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

5.1.5.1 Frequency of Meetings of the Board of Directors During 2016

In 2016, the Board of Directors held five meetings.

	Meeting of March 16, 2016	Meeting of April 20, 2016	Meeting of October 06, 2016	Meeting of December 14, 2015
Number of Attendances	9	10	8	9

5.1.6 Composition of the Permanent Committee of Internal Auditing as of May 23, 2014 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 2016, the Permanent Committee of Internal Audit met six times :

	Meeting of 10/02/2016	Meeting of 15/03/2016	Meeting of 19/04/2016	Meeting of 25/08/2016	Meeting of 21/09/2016	Meeting of 13/12/2016
Number of Attendances	3	3	3	3	3	3

5.1.7 Composition of the Executive Credit Committee as of May 23, 2014 and the Frequency of its Meetings

5.1.7.1 Composition

- M. Mohamed AGREBI : Chairman
- M. Mohsen HACHICHA
- M. Mehdi SETHOM

5.1.7.1 Frequency of Meetings

The Executive Credit Committee held six meetings in 2016 :

	Meeting of 23/02/2016	Meeting of 19/04/2016	Meeting of 26/05/2016	Meeting of 05/10/2016	Meeting of 09/11/2016	Meeting of 13/12/2016
Number of Attendances	4	4	4	2	3	3

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

5.1.8 The Risk Committee Composition as of May 23, 2014 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, 2016, held six meetings in 2016 :

	Meeting of 15/02/2016	Meeting of 07/04/2016	Meeting of 06/09/2016	Meeting of 03/11/2016	Meeting of 20/12/2016	Meeting of 15/02/2016
Number of Attendances	3	3	3	3	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.

5.1.10 Detailed Composition of Equity Capital

	2012	2013	2014	2015	2016
Weighted net asset (in TND million)	5 611,7	6 124,4	6 508,0	7 254,9	9450,6
Total net core equity capitals (in TND million)	525,3	555,5	609,7	691,8	815,3 ⁽¹⁾
Ratio of risk coverage (tier 1)	9,36%	9,07%	9,37%	9,54%	8,63%
Complementary Equity Capital (in TND million)	39,2	29,9	82,9	94,0	168,0
Total net equity capital	564,5	585,3	692,6	785,8	983,3
Global Ratio of risk coverage	10,06%	9,56%	10,64%	10,83% ⁽³⁾	10,40% ⁽²⁾

(1) After appropriation of the result of the financial year by the General Meeting

(2) Regulatory ratio of 10%

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

(3) After income appropriation by the General Meeting

5.1.11 Structure of the Shareholding and Voting Rights as at December 31st, 2016

Shareholders	Number of shares	Portion in %
A/ Foreign shareholders	1 324 462	7,79%
INTESA SANPAOLO S.p.A	1 157 787	6,81%
OTHERS	166 675	0,98%
B/ Tunisian shareholders	15675538	92.21%
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%
KAMOUN HABIB	590 290	3,47%
IFICO S,A	510 358	3,00%
INOPLAST FINANCIERE HOLDING	510 085	3,00%
MILAD KARIM	420 909	2,48%
T.T.S	390 964	2,30%
FAKHFAKH HEND Epouse BEL FEKIH	271 919	1,60%
G.A.T	270 544	1,59%
FAKHFAKH KHALED	241 840	1,42%
HACHICHA MOHSEN	236 575	1,39%
SPIDIT SICAF	202 773	1,19%
MILAD DORRA	186 431	1,10%
MILAD MERIEM	183 062	1,08%
OTHERS	3846293	22,62%
TOTAL	17 000 000	100,00%

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

5.1.12 Obligations and Commitments of the Bank Toward Executives

1. 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 Chief Executive Officer's remuneration is set by the committee established under the Board of Directors meeting on May 23rd, 2014. This remuneration amounted for the year 2016 to a gross amount of TND 785 million, including employer's expenses of TND 164 million. It includes, in addition to the salary and allowances, the assumption of a retirement provision.

5.1 The Board of Directors Report Concerning ITS Activities of the Year 2016 (In application of Article 39 of BCT's circular No. 2011-06 concerning the rules of good governance)

Furthermore, the Chief Executive Officer received a compensation of TND 18 million as a member of the Executive Credit Committee.

The Chief Executive Officer also benefits from a company car with driver and assumes the additional costs.

- The remuneration of the Deputy Chief Executive Officer in charge of Resources is set by the committee established under the Board of Directors meeting on May 23rd, 2014 and amounted, for the financial year 2016, to a gross amount of TND 661 million, including the employers' expenses of TND 139 million. It includes, in addition to the salaries and allowances, the assumption of a retirement provision.
- The remuneration of the Deputy Chief Executive Officer in charge of the Retail Banking is set by the committee established under the Board of Directors meeting on May 23rd, 2014 and reached in 2016, a gross amount of TND 666 million including the employer charges of TND 139 million. It includes, in addition to the salary and allowances, the assumption of a retirement pension.
- The members of the Board of Directors are remunerated by attendance fees set by the Ordinary General Meeting of May 27th, 2016. These attendance fees have reached a gross amount of TND 600 million in 2016.

In addition, the directors who sit on the delegation of the Board of Directors, the Standing Internal Audit Committee, the Credit Executive Committee and the Risk Committee, benefited from gross remuneration that amounts of TND 141 in the financial year 2016.

Nature of the benefit	General Director		DGD of resources		DGD of Bank retails		Administrators	
	Expense for the financial year	Liability on 31/12/ 2016	Expense for the financial year	Liability on 31/12/ 2016	Expense for the financial year	Liability on 31/12/ 2016	Expense for the financial year	Liability on 31/12/ 2016
Short-term benefits (*)	819 898	257 537	660 546	6 663	654 911	9 547	741 000	621 000
Post retirement benefit	6 193	-	4 226	-	8 804	-	-	-
Other long term benefits	-	-	-	-	-	-	-	-
End of contract indemnities	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-
Total	826 091	257 537	664 772	6 663	663 715	9 547	741 000	621 000

(*): Remuneration services, social security contributions and paid leave to corporate officers ; Directors' fees and other remuneration.

5.2 General Management

5.2.1 General Director

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 Deputy General Directors

According to the minutes of the Board of Directors meeting on March 12th, 2014, Mr. Hechmi LAKRICHE was nominated as vice General Manager in charge of the retail banking.

5.3. Statutory Auditors

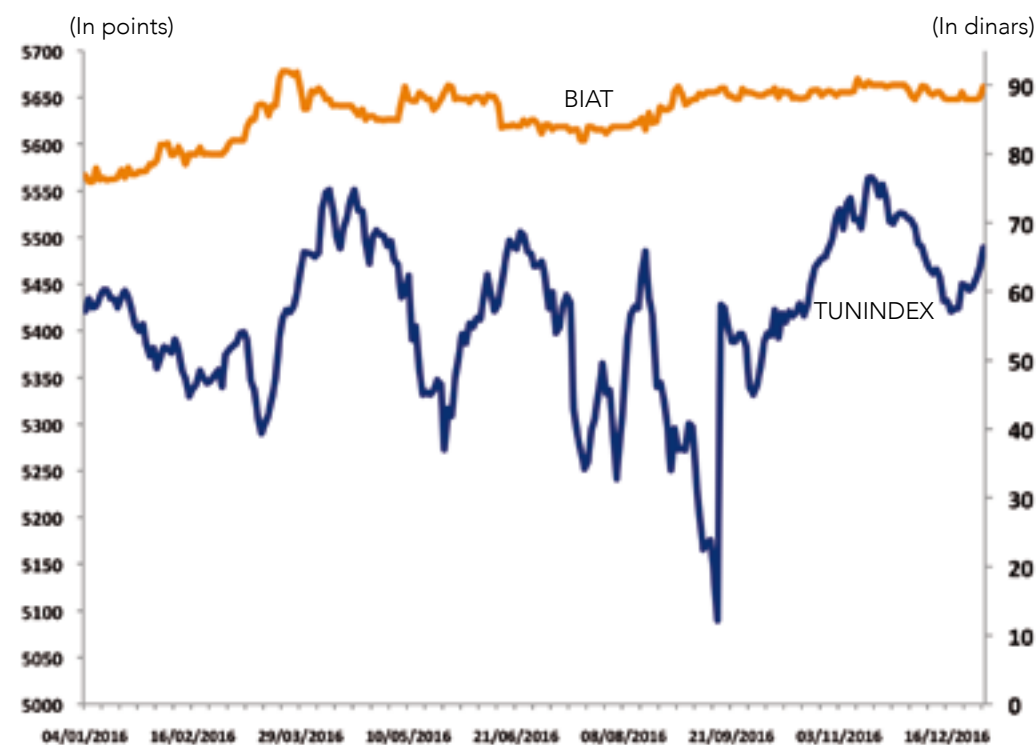
The Ordinary General Meeting of May the 27th, 2016 appointed the firms FINOR and the firm FMBZ - KPMG Tunisie as statutory auditors for a three-year period, expiring after the Ordinary General Meeting called to improve the company accounts for the financial year 2018.

6

BIAT'S SHARE IN THE STOCK MARKET



6.1 Trend in BIAT Share Price in 2016



The BIAT share price has been on an increasing trend since the beginning of 2016 and reached 89.750 dinars by December the 31st, 2016, thus recording a positive return of 22.73% for financial year of 2016 against a return of 8.86% for the Tunindexet index of 11.3% for Tunbank.

This increase in the performance allowed it be on the top of the market, with a capitalization of TND 1,525.750 million compared to TND 1,298,630 million, an increase of 17%.

The number of BIAT exchanged shares during the whole year 2016 was 478,848 compared with 368,243, a 30% improvement.

Shareholders	2015	2016
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)	86,000 / 70,500	92,710 / 75,000
Closing price	76,390	89,750
Profit after accounting per share (in dinars)	8,9	11,2
P.E.R	8,6	8,0
Dividend per share (in dinars)	4,000	4,000
Market Capitalization (in TND million)	1 298,63	1 525,75

6.2 Undertaken Financial Communication Actions

In conformity with its strategy of communication, BIAT continued in 2016 to communicate with its shareholders through the addressing of four quarterly issues letters to the shareholder's.

Besides, several one-to-one meetings were organized in 2016 with analysts, fund managers, rating agencies, etc.

In addition, a meeting was organized with the associations of the small shareholders.



7

INCOME APPROPRIATION



7.1 Statutory Provisions in Terms of Income Appropriation

Distributable profit consists of the net profits thus established, increased or reduced from the deferred results from previous years and after the deduction of:

1. Any legal reservations that the Company is required to make under the conditions provided for by the legislation in force;
2. Any amount which the General Assembly, on the proposal of the Board of Directors, decides to allocate to general or special reserve funds, or to carry forward again;
3. A sum not exceeding 10% of the profits to be set by the General Assembly of Shareholders on the proposal of the Board of Directors and to be allocated to a social fund or the Bank's staff friendly association.



7.2 Change in Shareholder's Equity and Dividend Paid

In million dinars

	Share Capital	Share Premium	Legal reserves	Ordinary Reserves	Social Funds	Re-serves for capital gains on the sale of equity investments	Exempt reinvestment reserves	Other Equity	Deferred Results	Results reported after Accounting changes	Results of the period	Total
Equity on 31/12/2014 before assignment	170 000	141 760	17 000	66 038	74 563	1 690	96 263	3	609	609	102 376	670 302
AGO assignment of the 01/06/2015					10 238		28 749		42 989	42 989	-81 976	-
Dividends		-30 000							-600	-600	-20 400	-51 000
Reserves Transfer				1 690		-1 690						-
Equity on 31/12/2014 after allocation of the result	170 000	111 760	17 000	67 728	84 801		125 012	3	42 998	42 998		619 302
Equity capital at 31/12/2015 before assignment	170 000	111 760	17 000	67 728	85 144		125 012	3	42 998	42 998	151 579	771 224
AGO assignment of 27/05/2016					15 158		39 998		28 423	28 423	-83 579	
Dividends											-68 000	-68 000
Reserves Transfer				27 022			-27 022					
Equity on 31/12/2015 after allocation of the result	170 000	111 760	17 000	94 749	100 302	-	137 989	3	71 421	71 421	-	703 224
Equity on 31/12/2016 before assignment	170 000	111 760	17 000	94 749	100 686		137 989	3	71 421	71 421	190 142	893 750
AGO allocation of 24/05/2017							89 999		100 143	100 143	-190 142	
Dividends		-68 000										-68 000
Reserves Transfer				-17 744			17 744					
Equity on 31/12/2016 after allocation of the result	170 000	43 760	17 000	77 005	100 686	-	245 732	3	171 564	171 564	-	825 750

8

ACCOUNTS AUDIT



8.1.1 Activity Report of the Permanent Internal Auditing Committee of the Year 2016

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 six times during the financial year 2016.

The Committee has examined the individual and consolidated financial statements of 2015, as well as the financial statements elaborated as at June 30th, 2016 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 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 2015.

The Committee examined a list of Auditors' offices, based on the structure of each firm, its references in the financial sector in general, and its experience in the field of banking audit in particular. It has also proposed to the Board of Directors the appointment of the best-ranked firms, namely KPMG Tunisie and FINOR, to ensure the statutory audit of the BIAT accounts for the three financial years 2016, 2017 and 2018.

In the framework of its mission risk control, 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.

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 structures activity reports of depending on the General Control; their work results, specifically, the identified malfunctions. Within this framework, the Committee examined and approved the program of structures missions related to the General Control.

In the framework of the implementation of the BCT Circular No. 2013-15 on the establishment of internal control rules for the risk management against the money laundering and financing of terrorism, the Committee approved on the device established to fight against the money laundering and the financing of terrorism.

The Committee also examined the findings of the Bank's internal audit and evaluation mission carried out with the assistance of Ernst & Young. The Committee has validated the mission results, in particular the General Control Department new organization, which enshrines the principle of the functions separation of the Permanent Control from those of the Periodic Control.

The Committee reiterated its support for the structures of the General Supervision in their efforts to secure the bank's operations and called on the General Management to ensure that the action plan drawn up from the mission of the internal control system, is implemented under the best conditions.



SOCIAL REPORT



9.1.1 Evolving of Personnel

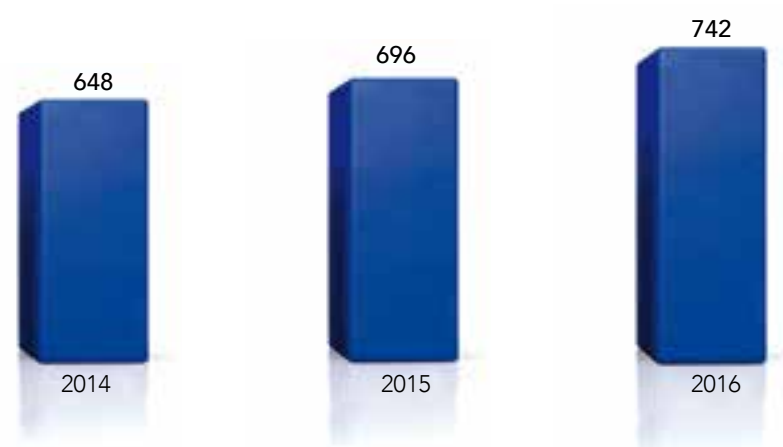
In 2016, BIAT proceeded to the recruitment of 34 salaried employees. This operation of external recruitment falls within the scope of the accompaniment of the strategic needs of the Bank.

During the period 2014-2016, personnel decreased by 149 persons to reach 2396 persons by 31 Dec. 2016 compared to 2545 in 2014.

We notice that the ratio of productivity (Staff/ Branch) is 11.98 in 2016 against 12.3 in 2015. However, the ratio of productivity remains above the average for the sector that record 10.4 persons per Branch.

Meanwhile, it should be highlighted that the sales Staff increased by 46 persons during the same period shifting from 696 persons in 2015 (representing 28.2% of Staff) to 742 persons in 2016 (representing 31% of Staff).

Evolution of Sales Staff

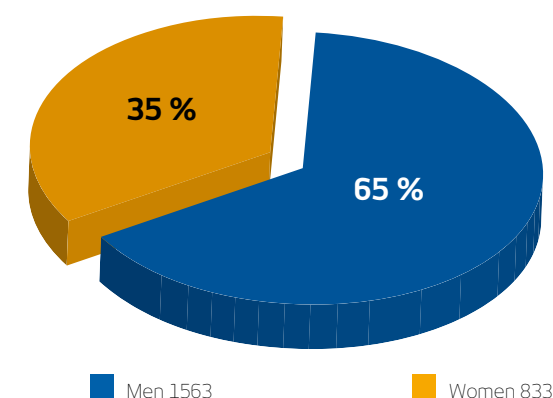


The structure of the Staff between the headquarters and the network, which keeps developing in favor of the network which represents 52% of the total Workforce of the Bank.

Besides, In order to find talented candidates eager to bring their experience and knowledge, BIAT participated in forums ATUGE Tunis 2016. In fact, 79 candidates of different disciplines (Engineering, Finance, Management, Economy, Statistics, Commerce, etc.) deposited their CVs.

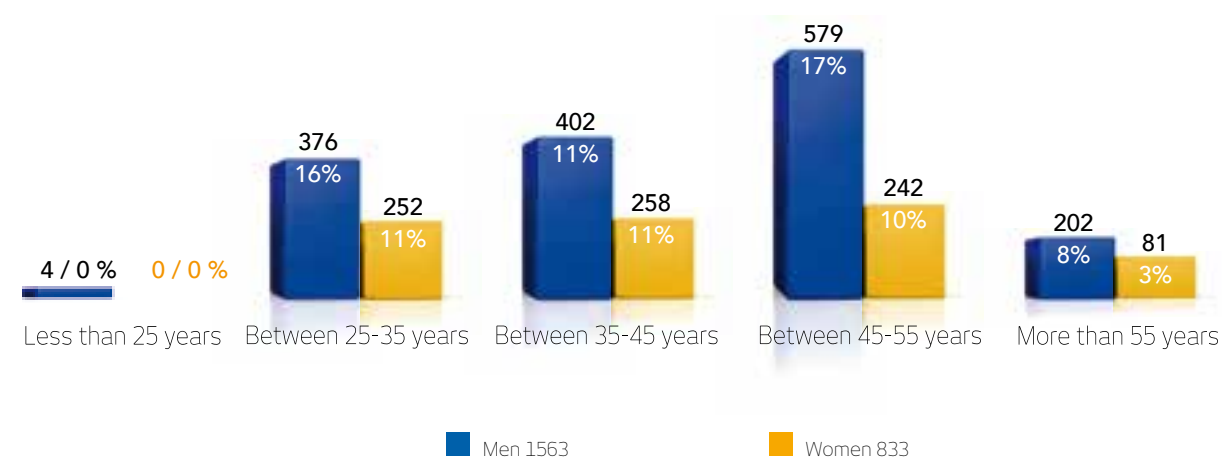
9.1.2 Breakdown of Staff

In 2016, the breakdown between Men-Women is respectively 65% and 35%.



- The average age in 2016 is of 43 years against 41 in 2014.
- The average seniority in 2016 is of 16 years against 15 in 2014.

Ages Pyramid in 2016



Managerial Supervision Rate 2016



9.1.3 Departures

The total number of departing employees reached 114 in 2016 (compared to 120 in 2014). The main reasons of departures, in order of importance, are: anticipated retirement (45, around 39%), ordinary retirement (22, around 19%), and others (47 around 41%). The global turn-over amounts to 5% in 2016, compared to 4.5%, in 2014. This rate varies according to activities sector and geographic zones.

9.1.4 Management of Trainees Activity

BIAT is committed to a proactive approach to employability of students, welcoming, during 2016, 1785 students from various disciplines (Engineering, Finance, Management, Economics, Statistics, Commerce, etc.), received for introductory or advanced internships (78%) and for graduation projects (22%).

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 to ensure the training of the best students specialized in the Banking Sector.

Among the actions carried out by BIAT we mention :

- Organizing a guided tour with the central university to discover culture, values and banking activities
- Participation in open days at the Paris-Dauphine University, ESC Sfax and ISCAE Manouba to develop student activities and strengthen the bank brand image in universities.

	2014			2015			2016		
	Network	Central Services	Total	Network	Central Services	Total	Network	Central Services	Total
Graduation projects	227	251	478	221	291	512	177	212	389
introductory / advanced internships	706	377	1083	723	378	1101	958	438	1396
Total	933	628	1561	944	669	1613	1135	650	1785

9.1.5 Nomination & Turnover of Branch Managers

Within the framework of developing the Branches' network, 10 Branch Managers were nominated in 2016.

Besides, within the framework of rotating Branch Managers, 8 Branch managers were affected by this mobility.

Following these new nominations and Branch managers Turn over, the Turn Over rate reaches 9% (compared to 42% in 2012).

	2014	2015	2016	Total
Turn over	25	30	8	63
New Branch Managers	25	23	10	58
Total (1)	50	53	18	121
Number of Branches (2)	185	200	200	
Turn Over %	27%	27%	9%	

9.1.6 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. 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 2016, 328 employees changed their position compared to 279 in 2014.

	2014	2015	2016
Central-Central	30	128	159
Central-Network	7	46	14
Network - Network	214	202	133
Network -Central	28	25	22
Total	279	401	328
Turn Over %	10,9%	16,3%	13,6%

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 9 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 7 certifying cycles**
 1. The diploma trainings: in banking, finance and management sectors in partnership with different organisms and university institutions. 58 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. 100 employees benefited from these trainings.
- **The plans of Branch, Headquarter and Managerial Training** dedicated to acting employees to master their jobs, an increase in competency and enhancement of adaptability.
- **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 and the resources optimization.
- **Cycles of work skills development:** intra-animated training cycles by Tunisian and foreign experts to the banking operations managers, security of the information system, IT Risk marketing and trading rooms.
- **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.



10

ELEMENTS
ON INTERNAL CONTROL



10.1.1 Key events of 2016

Within the framework of the improvement of its internal control and risk management system, BIAT has entrusted a consulting firm with the task of diagnosing and evaluating its internal control system.

The mission permits it to implement the following areas of improvement :

- The adoption of a target organization, which enshrines the principle of the functions separation of the permanent control from those of the periodic control;
- The definition of an action plan for the implementation of the areas of improvement concerning the perimeter and the control approach, the tools and human resources required for an effective Internal Control System;
- Validation of the Outlines (or Handbook) of the different control structures.

10.1.2 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 which aim to ensure all risks control and enhance the regularity, safety and efficiency of the operations.

The first two levels of control are ensured concretely by the 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 missions program that is beforehand validated by the Control Committee and by the Permanent Committee of Internal Auditing.

This control level is split in two distinct systems:

- The Permanent Control : it is ensured by the Management of Permanent Control Department and includes the following directions :
 - Management of Permanent Control Department aims at detecting, at early stages, the incurred risks, to continuously ensure distant and on sites control by dedicated teams and to supply a regular reporting of the noted incidents and inadequacies, as well as the ameliorations steps to be achieved.
 - The Compliance Department and LAB ensure an ongoing regulatory watch and guaranty the proper fulfillment of the legal obligations, as well as the compliance with the good practices and the professional and ethical rules. It also plays a role in monitoring

the proper fulfillment of the bank's ethics code, the anti-money laundering and terrorist financing. In addition, it carries out training activities in this field for the concerned persons, as well as the new recruits and staff of the newly opened agencies.

- Operational Risk Department: It is currently managing the operational risk mapping project.
- HISS or Head of Information System Security which ensures a permanent control of the information security through the implementation of the general information security strategy and its declination by activity. It also manages the diagnosis missions of the information system security and the intrusive tests.
- The Periodic Control: ensured by the Inspection Department and the Audit Department.
 - Inspection Department ensures the on-site control of the agencies, based on the risk indicators made by the Management of Permanent Control Department within the framework of its activity of both remote and on-site control of the agencies. Thus, the priority is given to the agencies that have achieved a high score by the D.C.P; reflecting a significant level of operational risk.
 - The Audit Department provides, through its missions, a reasoned and objective opinion on the Internal Control quality of the audited processes or entities. The identified dysfunctions will be used in the recommendations formulation, which implementation is considered the responsibility of the audited entities.

The Periodic Control procedures are governed by an Audit Charter applicable to all the entities of the BIAT Group.

10.1.3 Undertaken Actions Regarding the Permanent Control

The permanent control system was strengthened by the setting up a new warning center unit to improve the performance and efficiency of control work thanks to the monitoring flexibility and the reporting tools made available to the controllers.

10.1.4 Undertaken Actions Regarding Anti-Money Laundering and Terrorism Financing

According to the regulatory requirements, in 2016 BIAT acquired a profiling solution to monitor and analyze the transactions carried out by our customers.

BIAT has also succeeded in setting up its control system in compliance with FATCA for its pre-existing and new customers. This device highlights the integration of a FATCA T24 module acquired from TEMENOS as well as the implementation of the dedicated internal guides and

procedures. This project will be continued in 2017 for the subsidiaries accompany in setting up their own systems and to ensure the BIAT group's FATCA reporting to the Ministry of Finance.

10.1.5 Undertaken Actions Regarding the Information Security

In order to face the cybercrime rise throughout the world, the Information Security entity has measured the BIAT level of exposure to these types of attacks and has developed an action plan in order to strengthen the Information System defense lines. The implementation of the governance bodies for information security and the approval on the Information Security and Confidentiality Charter are considered among the main actions carried out for this reason.

The establishment of a supervisory and monitoring process, as well as an organization and the development of the first indicators of information security are considered among the main projects scheduled for 2017.

10.2.1 Main Risks Facing the Bank

Despite the sluggish growth of the economic conditions, sluggish exports and a weak investment, adversely affecting the demand in the credit market, BIAT's overall performance was satisfactory in 2016, with production volumes that confer to the objectives and the risk levels.

The tightening of the bank liquidity continued in 2016 across the sector, but BIAT has generally left with CRLs while still in compliance with the regulatory norm and with a strong position on the state securities.

Facing a risk increase in 2016 especially in the tourism sector and the weakening of the financial situation of Tunisian hotel units, BIAT has demonstrated resilience and mastered its exposure to this sector, based mainly on a good quality risk of its customers' portfolios.

Furthermore, in terms of operational risks, the major risk remains that of the interruption of the production system, may affect the bank the reputation.

10.2.2 Bank Objectives and Policy Regarding the Risk Management

The bank opts for an integrated risk department, which shall be independent from the other line-businesses, attached directly to the General Management and in charge of the three main risks foreseen by the Basel Committee.

The Bank's risks management is based on :

- On the upstream level, it formulates recommendations in terms of risk strategy and policy, sets the rules and designs both the methods and tools for measuring and assessing the risk.
- On the downstream level, it carries out a continuous portfolio for the monitoring the proper application of the bank's risk management policy and makes an alert in case of a deterioration in the risk quality. It also produces internal and regulatory reports.
- In the risk-taking process, it continuously carries out a second level control, by validating the proposals emanating from the business lines, in accordance with the delegatee schemes.

The Risk Department is the guarantor of the bank's overall quality and risk management. The business lines remain primarily responsible for the risks they initiate and manage.

10.2.3 Management of Credit Risk

In 2016, the bank granted its assistance to the economy in accordance with the principles set out in its declaration of risk appetite while respecting the strategic orientations set out in the context of the reflection on credit policy.

It has continued its efforts to improve the credit management procedures and processes identified in the risk transformation project:

- o Review of the powers delegation regarding the management of overruns by simplifying the process and tightening the overruns limits (circular No. 2016-13 of 04/04/2016)
- o Diagnosis of the loans granting and setting up process to individuals in order to set up a risk monitoring system

In order to align with the best practices of international credit risk measurement, the bank completed the following actions :

- o Definition and implementation of a new rating process integrating the behavioral aspects of the counterparties
- o Achievement of back-testing and continuous improvement of the rating models quality deployed in the credit file processing platform
- o Development and integration within the framework of the credit files study of the new rating models refused by the customer segment

The method used for the internal notation of the counterparties was approved by the risks committee

10.2.4 Market Risk Management

The control system for market risks is guaranteed by the Market Risk Management Department

The main aspects of the Market Risk Management are the following:

- o daily and independent monitoring, of the front office, the positions and risks arising from all the bank market activities, and comparing these positions and risks with the established limits;
- o definition of the databases functionalities and systems used to measure market risks;
- o the processing of all requests for limits formulated by the different activities, within the framework of the overall authorizations granted by the Directorate-General and the monitoring of their uses;
- o making of daily risk reporting to highlight potential overruns;
- o ensuring a regular monitoring of the market parameters used to calculate the risks and results;
- o Validation of the models used for the risks calculation; the operations results and its explanation;

A quarterly report summarizing the highlights of the year is presented to the Market Risk Committee (currency, interest rate, liquidity and exposures on bank counterparties and in particular on the use of limits).

In 2016, as part of the risks monitoring associated with the new activities, the Market Risk Department was in charge of the monitoring and control Market Making activity.

10.2.5 Operational Risk Management

Since 13/05/2016, the Operational Risk Management Department has been attached to the Central Management of Permanent Control and Compliance; within the General Control Department.

The oversight of the operational risk management and control process is officially attributed to the "Operational Risk and Internal Controls Committee".

On July 29, 2016 (circular note 20016-03), the Central Bank decided on the need to reserve Operating Funds for Operational Risks from 2016. The Own Funds requirement will be equal to 15% of the GNP average calculated over the last three financial years.

The projects that were realized in 2016 mainly concern :

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

- Review and improvement of risk mapping tools; Process and risk references, evaluation grids...
- The development of detailed risk mapping examples using a process approach; for sub-processes «files Transfer to litigation» and «accounts opening»
- Definition of BIAT's expertise needs for the risk mappings implementation across all its key macro-processes.
- Preparation of practical training on risk identification and analysis for 4 IT processes.

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.

- **Interest Rate Risks :**

By December the 31st, 2016, the applications and resources of the bank were distributed as follow on the basis of the vision (ALM):

- 93% of the liability is made of the resources with a fixed rate and of 7% of the resources with a variable rate; this structure 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.
- 42% of the asset is made of the applications with fixed rate and of 58% of the applications with variable rate.

Jobs Breakdown of / Resources according to the rate category as at 31/12/2016 :

- **Liquidity Risk :**

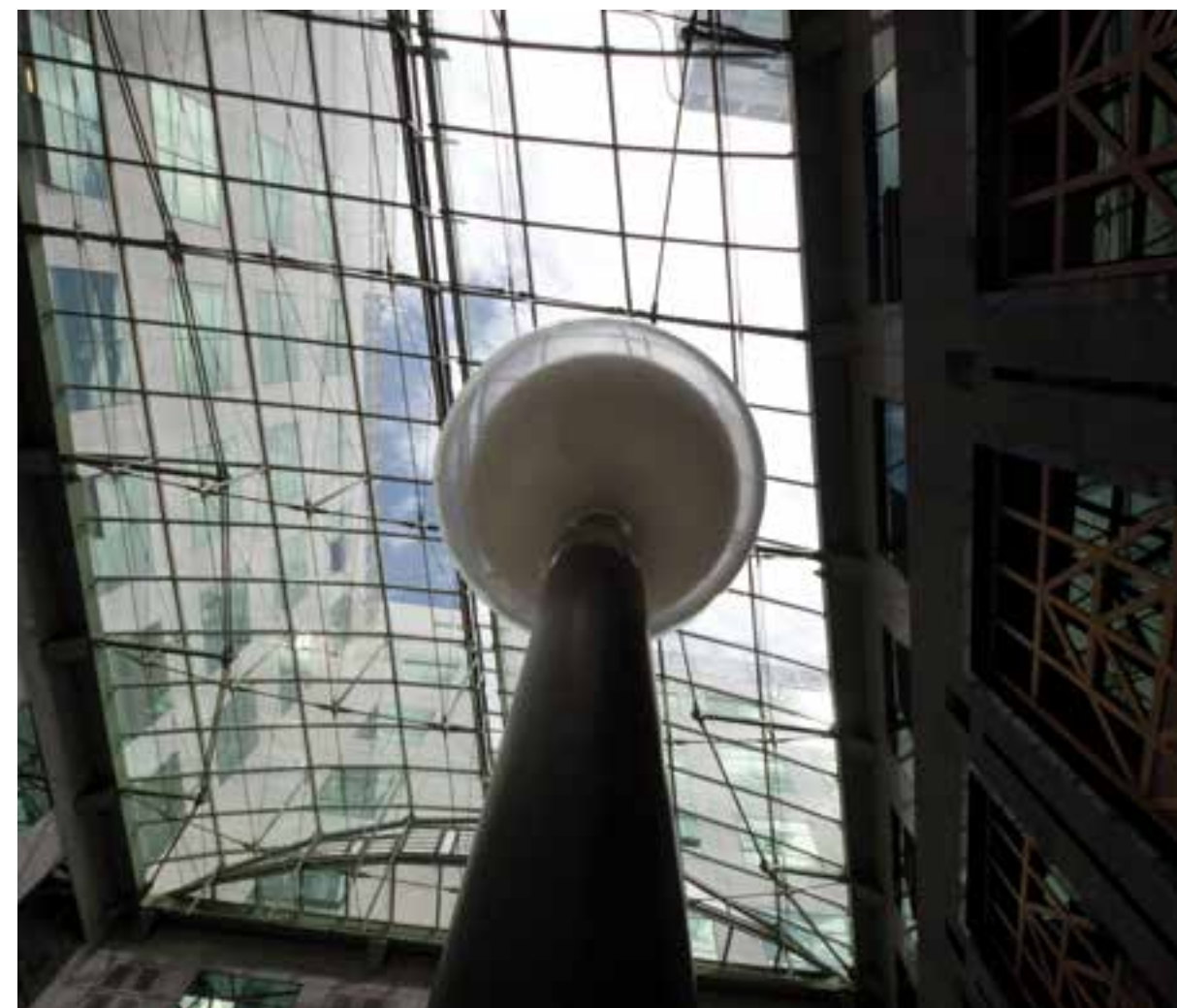
By December the 31st, 2016, BIAT had a liquidity ratio of 150.735%, which means 70% higher than the limit required for 2016.

Overall, the bank met a CRL liquidity ratio of over 100% throughout 2016.

- **The ALM function recasting within the BIAT :**

During the financial year 2016, BIAT has launched a project with a specialized firm in order to start the first steps of the ALM function recasting.

The developed roadmap will be implemented over the next few years.



11

BANK'S LINES OF BUSINESS



The Retail banking business line, which primarily serves customers who are individuals, professionals, TLA (Tunisians Living Abroad) and SME through a network of 200 branches, knew, in the year 2016, 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 (+12.7 %), of the number of opened accounts (+12.6%) and of the bills of sale (+29.2%).

In this context, the increase in the staff sales proportion in the Agencies' overall workforce is continuing in parallel with the efforts made for this purpose in the recent years.

Alongside to these actions related to organization, various actions related to marketing and commerce of operational nature were also launched in 2016 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 :

- Launch of new packs: Pack Express / Classe Elite / Classe Platinum / Classe Elite Pro Santé / Classe Platinum Pro Santé / Accord SAFIR Pro Santé / Pack Tounessna International
- Launch of classic business cards / Gold / Premium & International Prepaid Card
- Launch of the BIAT e-commerce service
- Launch of the BIAT Travel Insurance
- Redevelopment of the products and services: Accord SAFIR / Pack Business / Carte TEMPO / BIATNET / Multivir / MESSAGIS

- The Launching of Promotional Campaigns, namely :

- The campaign Real Estate Loans ;
- The campaign E-Banking Business
- The campaign of TEMPO Credit Card
- The TRE campaign
- The Saving accounts Contest
- The Travel Insurance campaign

- The Launch of synergy commercial campaigns with the BIAT group subsidiaries (Financial products, bancassurance) and with the Commercial Banking center for the CEA conventions

- The organization of more than one hundred field activities / customer events and the signing of partnerships and agreements which have particularly helped to revive the customer conquest and the personal financing activity as well as to consolidate the Bank position as the market leader.

- The reinforcement of the multi-channel customer relations system made available to customers and prospects with the commercial website development of BIAT as well as its facebook page (more than 600,000 fans by the end of 2016), in parallel with the development of the Customer Relationships Center "CRC" in terms of covered agencies and missions numbers, which now extend to the progressive (progressive) centralization of all the Bank's customer services, to take charge of the contacts prospect and to launch outgoing calls campaigns.

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 2016, we report:

- The reinforcement of the commercial activities and the clients proximity illustrated by:
 - A more than 17% Growth of the CIB's customer financing, reflecting our commitment to support the economy and to support our clients in their development projects
 - Customer movements dynamism with a more than two figures growth of these movements
 - Reinforcement of the cross-selling activities with the various business lines; in particular, the insurance and financial market activities
 - Organization of several meetings in Tunis, Sousse and Sfax to present our products and services offers as well as to ensure the proximity with our business customers..
- The Consolidation of our leading position in capital markets businesses, with significant growth in the volumes traded in the foreign exchange market, and the continuation of our clients' support and advice on their operations.
- Reflection on the enrichment of our risk capital offer, which should lead to an offer creation that is dedicated to strengthen the developing SMEs equities in 2017.
- Pursuit of our activities in order to strengthen our overseas correspondents' network, focusing on Africa on particular. This was shown in the signing of a partnership agreement

with La BSIC, a banking network in that acts in 14 African countries to support bank clients aiming to invest in Africa. In addition, other partnerships are being signed.

- Pursuit of the activities to develop even more our financial subsidiaries:
 - Reinforcement of synergies between the bank and our insurance subsidiaries, resulting in a significant improvement of the life insurance products sales in the bank's network.
 - Implementation of an insurance structure and the reinforcement of the management processes of our insurance subsidiaries.
 - Launch of a new BIAT Equity Performance fund with an amount of TND 10 million, this fund is intended to be invested mainly in the listed equities market.
 - Launch of the first bond index on the Tunisian financial market «Tunisian Bond Index» in collaboration with the BMCE group.

In addition, several activities aimed at expanding the BIAT's Corporate and Investment Banking offering were launched in 2016 and will gradually be applied; in particular, the setting up of a structure dedicated to the support the SMEs clientele of BIAT..



12

CORPORATE SOCIAL RESPONSIBILITY



12.1 CSR Project

BIAT has supported various cultural and social events in the past.

Since 2015, and with the launch of the CSR (Social and Environmental Responsibility) project in 2015, BIAT has been committed to a CSR approach structured in compliance with the international standards.

Inspired by the ISO 26000 standard, the 7 central matters of the Social and Environmental Responsibility of an institution are the following:

- Human rights
- Relations and working conditions
- Environment
- Practices fairness
- Consumer issues
- Community and local development

The BIAT Board of Directors stood up the CSR strategy foundations by prioritizing the two following axes:

- Environment;
- Community and local development through entrepreneurship.

12.2 Youth BIAT Foundation

The societal role of the Bank is also strengthened by the BIAT Foundation for Youth.

The BIAT Foundation's flagship projects and events in 2016 covered two main aspects :

Entrepreneurship aspect

The BIAT Foundation aims to develop the entrepreneurship culture among the young people, to support those who are involved in an entrepreneurial adventure as well as those who already create values and contribute to the development of their communities and Tunisia.

In addition, the Foundation aims to act as a facilitator or «enabler» within the Tunisian entrepreneurial ecosystem in order to unite the already existing support initiatives and lead them, as well as the entrepreneurs they accompany, towards the excellence and to the opening up opportunities both on the regional and international markets and ecosystems.

o Circles of Entrepreneurship (two editions: April and October 2016)

The purpose is to bring together the entrepreneurial ecosystem actors in Tunisia in order to identify the challenges faced by the entrepreneurs, to debate them and to collectively search for the possible solutions.

o The SPARK program | creative thinking workshops for young people (two editions: June and December 2016)

Through a series of events, the SPARK program is the first meeting between the young population and the Entrepreneurship world. It aims to inspire them and to introduce them to the entrepreneurship world through «Role-models» presentations of and practical workshops for the generation of ideas.

o Open startup Tunisia

Launched in November 2016, OST is considered the Columbia Engineering School initiative, in partnership with the BIAT Foundation, the US Embassy in Tunisia and the Africinvest investment fund.

The program enters the young students from different fields in competition to launch their project ideas. The specificity of this program is that it advocates openness between the various disciplines, in particular between the engineering schools and the business schools, as well as between the public and private establishments in order to encourage young people to develop their entrepreneurial intentions.

◦ Bloom Masters

Bloommasters was launched in January 2017. It is considered the biggest entrepreneurship competition in Tunisia, initiated by the BIAT Foundation for Youth in Bloom Masters partnership with the MIT Enterprise Forum Pan-Arab.

The prize, with a total amount of TND 400,000 (nine prizes; including two of them that amounts of TND 100,000), will be awarded to the innovative Tunisian start-ups. They will also benefit from the experts support, networking opportunities as well as the visibility in the media.

Through the Bloom Masters competition, the BIAT Foundation supports entrepreneurial excellence and hopes to develop the Tunisian start-ups into regional and international entrepreneurial stages.

Education aspect:

◦ «One School bag, One Future»: September 2016

55 schools host the event «One School bag, One Future” of the Foundation BIAT. At the beginning of the school year 2016-2017, more than 5000 school bags were distributed in schools in the disadvantaged areas of Tunisia.

◦ «Day in honor of the scholarship holders» November 20, 2016

This event, which became now a tradition of the BIAT Foundation, aims to strengthen the links between the 94 of Elite scholars and to imbue them with the values and objectives of the Foundation. Indeed, this event is dedicated to the three graduating high school graduates benefiting from BIAT Foundation’s «Elite Scholarship» program which aims to promote excellence, encourage the deserving students as well as the other students to follow suit them.

◦ “Youth Coaching”

After the Chebba, Haidra, Foussena and Feriana, the BIAT Foundation has chosen five localities in the north-west of Tunisia in order to carry out the project «Rehabilitation of public educational structures». The BIAT Foundation contribution to the children’s clubs of the cities of Goubollat, El Fahs, Medjez el Bab, Tibar and Zriba-Hammem consists in setting up:

- Reading rooms equipped with libraries;
- Computer rooms;
- Spaces dedicated to artistic activities;
- Playgrounds and sports areas

The purpose of this project is to enable the children attending these organizations with the appropriate means for their development. For this reason, the BIAT Foundation is continuing the adventure with them through the «Youth Coaching» project in order to enhance their creativity and their achievements through the workshops and animations turning around four play themes: reading initiation, to computer science Initiation, initiation to the arts and the development of motor skills. This project helps develop the talents of young people, make them discover the taste for learning; it also allows them to open themselves to themselves and to others.

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FINANCIAL STATEMENTS FOR THE
YEAR ENDING DECEMBER 31, 2016



AUDITORS' GENERAL REPORT ON THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

To the Shareholders of Banque Internationale Arabe de Tunisie "BIAT"

Dear Sirs,

In execution of the statutory auditors' assignment confided to us by your General Assembly, we are pleased to present to you our audit report on the financial statements of Banque Internationale Arabe de Tunisie "BIAT", as at December 31, 2016, as attached to this report, as well as on the Other Legal and Regulatory Requirements as provided by law, applicable regulations and professional standards.

I. Report on the financial statements

We have audited the accompanying financial statements of "Banque Internationale Arabe de Tunisie «BIAT», which comprises the balance sheet as at December 31, 2016, as well as the off balance-sheet commitments, the income and cash flows' statements and a summary of significant accounting policies and other notes. These financial statements show positive shareholders' equity of **TND 893,750 thousand**, including the profit for the financial year amounting to **TND 190,142 thousand**.

1. Management responsibility in the preparation and presentation of financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Tunisian Corporate Accounting System. This responsibility includes the design, the implementation and the monitoring of internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for making accounting estimates that are reasonable in the circumstances.

2. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards 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 misstatement.

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 Fund'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 effectiveness 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 the directors, 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.

3. Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banque Internationale Arabe de Tunisie « BIAT » as at December 31, 2016 and the results of its operations and its cash flows for the financial year then ended in accordance with Generally Accepted Accounting System in Tunisia.

II. Report on Other Legal and Regulatory Requirements

We also proceeded to the statutory specific reviews provided by law and professional standards.

Based on these reviews, we do not have any special comments regarding the fairness and the conformity of the accounting information contained in the Board of Directors' Management Report with the financial statements.

We have also proceeded to the examination of the internal control procedures relating to the accounting records supporting financial information and preparation of the financial statement. We report, in accordance with the requirements provided by Article 3 of Law N°94-117 dated 14 November 1994, as amended by law N°2005-96 dated 18 October 2005, that, based on our examination, we did not identify major deficiencies that are likely to impact our opinion on the financial statements.

Furthermore, in accordance with the provisions of Article 19 of the Decree No 2001-2728 dated November 20, 2001, we have carried out the necessary reviews and we have no observations on the conformity of the recording system of the Securities issued by the bank to the regulation in force.

Tunis, May 2, 2017

Statutory auditors

F.M.B.Z KPMG TUNISIE
Kalthoum BOUGUERRA

FINOR
Walid BEN SALAH

AUDITORS' SPECIAL REPORT ON THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

To the Shareholders of Banque Internationale Arabe de Tunisie "BIAT"

Dear Sirs,

Pursuant to Articles 43 and 62 of law No.2016-48 relating to Banks and Financial Institutions, Article 200 and following, and Article 475 of the Commercial Companies' Code, we hereby report on the regulated agreements and transactions realized during the financial year 2016.

Our responsibility is to ensure compliance with legal procedures for the authorization and approval of these agreements and / or transactions and ultimately of their fair interpretation in the financial statements. Our responsibility does not extend to seeking to identify the existence of any such agreements or transactions, but to disclose to you, based on information provided for us, and those obtained through our audit, their characteristics and essential terms, without having to make a decision on their usefulness and appropriateness. It is up to you to assess the interests in concluding these agreements and the realization of these transactions, for their approval.

I. Agreements newly concluded during the financial year 2016 :

1. As part of the exempt investment relating to the profit for the financial year 2016, BIAT and BIAT CAPITAL RISQUE signed on 5 December 2016 a management agreement for a fund (Industrial funds 2016-3) for an overall amount of TND 15,700 thousand. The fund will be used to finance the projects in accordance with the conditions and limits of Law No. 88-92 of 02 August 1988; relating to the investment companies, as amended and completed by the subsequent texts.

BIAT CAPITAL RISQUE will receive, on a quarterly basis and in arrears, a management fee of 0.5% HT per year, over the entire amount of the fund. In the event that BIAT CAPITAL RISQUE achieves a return in excess of the average MMR for this period, it will be entitled to a performance fee calculated according to a scale.

2. As part of the tax-exempt investment in the financial year 2016, BIAT and BIAT CAPITAL RISQUE signed on December 29, 2016, a management agreement for a Free Fund (Free Fund 2016-2) in an amount of TND 4.501 thousand.

The Managed Fund will be used to finance the projects in accordance with the conditions and limitations of the Law No. 88-92 of 02 August 1988 relating to investment companies, as amended and completed by subsequent texts.

BIAT CAPITAL RISQUE receives a management fee as remuneration that consists of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the stock of the fund, between the end of the seventh year and the tenth year.

In the event that BIAT CAPITAL RISQUE achieves a higher return than the average MMR for the period, it will be entitled to a performance fee calculated based on a scale.

Both agreements referred to in paragraphs 1 and 2 above were authorized by the Board of Directors meeting on March 22, 2017.

3. As part of the exempt investment relating to the 2015 financial results, BIAT and BIAT CAPITAL RISQUE signed on the 29th of February 2016, a management agreement for a fund (industry fund 2016-1) of an amount of TND 5,000 thousand. The fund will be used to finance the projects in accordance with the conditions and limits of Law No. 88-92 of 02 August 1988 relating to investment companies, as amended and completed by subsequent texts.

BIAT CAPITAL RISQUE receives a management fee as remuneration that consists of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the funds date of release and the end of the seventh year following the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the stock of the fund, between the end of the seventh year and the tenth year.

In the event that BIAT CAPITAL RISQUE achieves a higher return than the average MMR for the period, it will be entitled to a performance fee calculated based on a scale.

4. As part of the exempt investment relating to the 2015 financial results, BIAT and BIAT CAPITAL RISQUE signed on the 29th of February 2016, a management agreement for a fund (regional fund 2016-1) of an amount of TND 5,000 thousand. The fund will be used to finance the projects in accordance with the conditions and limits of Law No. 88-92 of 02 August 1988 relating to investment companies, as amended and completed by subsequent texts.

BIAT CAPITAL RISQUE receives a management fee as remuneration that consists of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the funds date of release and the end of the seventh year following the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the stock of the fund, between the end of the seventh year and the tenth year.

In the event that BIAT CAPITAL RISQUE achieves a higher return than the average MMR for the period, it will be entitled to a performance fee calculated based on a scale.

5. As part of the exempt investment relating to the 2015 results, BIAT and BIAT CAPITAL RISQUE signed on February 18, 2016 a management agreement for a fund (Free Fund 2016-1) for TND 9,401 thousand.

BIAT CAPITAL RISQUE will receive, quarterly and in arrears, a management fee of 0.5% per year, taxes excluded, on the total amount of the fund.

6. As part of the exempt investment relating to the financial year 2015 profit, BIAT and BIAT CAPITAL RISQUE signed on 24 March 2016 a management agreement for a fund (Industrial funds 2016-2) for a total of TND 5,050 thousand.

BIAT CAPITAL RISQUE receives a management fee as remuneration that consists of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the amounts invested;
- 1% per annum on the amounts invested, between the end of the seventh year and the tenth year.

In the event that BIAT CAPITAL RISQUE achieves a higher return than the average MMR for the period, it will be entitled to a performance fee calculated on a scale.

7. An agreement was concluded in January 2016 between BIAT and Société de Promotion Touristique Sfax, under which the bank makes available to these executives for a one-time intervention at the site of IBIS, SFAX. This agreement is concluded for a two-year period starting from January 1, 2016 and ending on December 31, 2017.

In return for the services rendered, BIAT charges a fee including the share of salaries and benefits, including all charges.

The amount of the invoice will be increased by the duties and taxes effective the date of invoice.

- 8.** An agreement was signed in September 2016 between BIAT and SPT MOHAMED V under which the bank makes available to the latter two executives for a one-off intervention at the NOVOTEL hotel. This agreement is concluded for a four-year period, starting from 1 January 2016 and ending on December 31, 2019.

In return for the services rendered, BIAT charges a fee including the share of salaries and benefits, including all charges.

The amount of the invoice will be increased by the duties and taxes in effect on the date of invoice.

The six agreements referred to in paragraphs 3 to 8 were authorized by the Board of Directors meeting on October 6, 2016.

- 9.** In November 2016, BIAT signed with BIAT CONSULTING a framework agreement for the provision of staff for a one-year period starting from March 1, 2016.

In return for the services rendered, BIAT CONSULTING invoices a fee calculated based on the actual cost of gross salaries including all expenses; indirect costs of staff provided, plus 5%.

The amount invoiced by the BIAT CONSULTING, in respect of the year 2016, amounts to TND 94,456 thousand, taxes excluded.

- 10.** A staff provision agreement was signed in November 2016 between BIAT and SOPIAT, whereby the latter made available to the Bank two employees for the follow-up of the maintenance staff of the 5th floor of 2nd part of the registered office.

In return for the services rendered, BIAT will pay to SOPIAT a billing fee including the salaries and benefits including all charges of these two employees with a margin of 5%.

This agreement is concluded from November 1, 2016 to December 31, 2018.

The expense recorded in this respect, in 2016, totaled TND 4,822 thousand.

Both agreements mentioned in paragraphs 9 and 10 were authorized by the Board of Directors meeting on April 24, 2017.

- 11.** In December 2016, BIAT concluded "an agreement with the Arab International Recovery Company «CIAR» for the assignment of bank receivables totaling the sum of TND 49,615 thousand for the price of TND 1,750 thousand.

- 12.** In June 2016, BIAT concluded a contract with the real estate company IRIS for the rental of two office premises with a floor area of 855 m²; located at the «Youssef Towers» building, rue du Dinar, les jardins du Lac, les Berges du Lac II-Tunis, as well as 18 parking spaces located in the basement of the building.

This rental is granted for an annual rent of TND 210,810 thousand.

In January 2017, three sublease agreements were signed with the companies BIAT CAPITAL, TUNISIE TITRISATION and BIAT ASSET MANAGEMENT for the period from October 1, 2016 to July 31, 2018. At the expiry of this period, the sublease will be renewed from year to year as of August 1, 2018 by a tacit agreement.

The subleases were concluded under the following conditions:

Company	Rental space	Period	Amount	Income of the year
BIAT CAPITAL	331 m ² avec 7 parking spaces	from 01/10/2016 to 31/07/2017	71.452 TD	21.435 TD
		from 01/08/2017 to 31/07/2018	90.029 TD	
TUNISIE TITRISATION	93 m ² avec 2 parking spaces	from 01/10/2016 to 31/07/2017	20.178 TD	6.053 TD
		from 01/08/2017 to 31/07/2018	25.425 TD	
BIAT ASSET MANAGEMENT	273 m ² avec 6 parking spaces	from 01/10/2016 to 31/07/2017	59.185 TD	17.755 TD
		from 01/08/2017 to 31/07/2018	74.573 TD	

- 13.** On May 4, 2016, BIAT signed a deposit and management agreement with BIAT ASSET MANAGEMENT, under which BIAT ASSIGN MANAGEMENT entrusts to BIAT, which accepts, to be the exclusive depository of the securities and funds belonging to FCP BIAT-EQUITY PERFORMANCE.

In return for its services, BIAT will receive an annual remuneration of 0.1% taxes excluded of the net assets of FCP BIAT-EQUITY PERFORMANCE. This daily remuneration is paid monthly in arrears.

The amount of revenue recorded in this respect, in 2016, totaled TND 5,989 thousand.

- 14.** On May 4, 2016, BIAT signed a distribution agreement with BIAT ASSET MANAGEMENT, under which BIAT ASSET MANAGEMENT confides to BIAT, and which accepts, to commercialize and distribute the shares of FCP BIAT-EQUITY PERFORMANCE.

In consideration for its services, BIAT will receive a share of the distribution fee consisting of 0.3% (taxes excluded) of the net assets per year, for the pro-rata to its distribution. This commission, which is borne by BIAT ASSET MANAGEMENT, will be deducted from the management fee of the FCP BIAT-EQUITY PERFORMANCE net assets.

BIAT ASSET MANAGEMENT will settle the remuneration of BIAT on a monthly basis in arrears on a simple presentation of the invoice.

The four agreements mentioned in paragraphs 11, 12, 13 and 14 above were authorized by the Board of Directors meeting on March the 22nd, 2017.

II. Transactions performed in relation with the agreements concluded during the previous years :

The execution of the following agreements, concluded during the previous financial years, continued during the financial year closed on December 31, 2016:

GOLF SOUSSE MONASTIR «GSM»

1. Following the conclusion of the deed in payment with GOLF SOUSSE MONASTIR «GSM», dated on the 27th of December 2013, under which BIAT became the owner of the real estate property subject to three land certificates located at Touristic area "Dkhila Monastir", the «GSM» company is willing to rent the golf course with its facilities and dependencies, already ceded to BIAT.

BIAT accepted this request and fixed an annual compound rent:

- A fixed portion of TND 200,000 thousand per annum, taxes excluded, prepaid quarterly. A cumulative increase of 5% per year will be applied to the fixed part of the rent, starting from the third year of the rental agreement.
- A variable portion calculated based on the turnover, taxes excluded, as follows:
 - Between 0 and TND 500,000 => 10%
 - Between 500.001 and TND 1 000,000 => 15%
 - More than TND 1,000,001 => 20%

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

The Board of Directors meeting on December 18, 2013 authorized this agreement.

Compagnie Internationale Arabe de Recouvrement « CIAR »

2. BIAT has leased to the company «CIAR», an office located on the building first floor located in Sfax Harzallah to be used as an administrative office.

This lease is granted and accepted for a period of two consecutive years, starting on September 1, 2013 and ending on August 31, 2015, renewable by tacit agreement and at an annual rent of TND 4,950 thousand excluding VAT, payable quarterly and in advance. This rent will be subject to a cumulative 5% increase applicable from the 3rd year of rental.

The amount included in BIAT's income in 2016 totaled TND 5, 284 thousand.

3. In 2015, BIAT and «CIAR» signed an agreement under which the bank is in charge of providing assistance and advice in the field of information technology.

Assisting and advising missions in the study, selection and implementation of IT solutions will have to be the subject of a mission order covered by the «CIAR» presenting the number of days of the mission, and at a daily rate fixed at TND 500 dinars thousand, taxes excluded.

Administrative and technical assistance missions are carried out at an annual remuneration of TND 7,500 thousand, taxes excluded.

These remunerations are paid to BIAT half-yearly in arrears, and upon the presentation of an invoice.

This agreement is concluded for a three-year period; it shall be renewed by tacit agreement unless one of the parties, subject to a 3-month notice period, has given a written waiver.

The amount included in BIAT's income totaled TND 7,500 thousand in 2016.

4. BIAT signed a lease contract with the company «CIAR» in 2012 to rent a 16.45-m² office; in the building first floor located at Boulevard 14 Janvier, Route Touristique Khezama, Sousse.

The lease is granted and accepted for a period of two consecutive years, starting on September 1, 2012 and ending on August 31, 2014, renewable from year to year by tacit renewal. This lease was granted and accepted for an annual rent of TND 2,468 thousand taxes excluded, payable quarterly and in advance.

The above-mentioned rent will be subject to a 5%, cumulative annual increase, which will be applicable from the 3rd year of rental.

The amount included in BIAT's income totaled TND 2,765 thousand in 2016.

5. On August the 10th, 2009, BIAT entered into a contract with «CIAR» to lease a villa located at 7- Rue Alain Savary-Tunis, with a built-up area of 431 m² for a two-year period; starting from October the 1st, 2009 and expiring on September the 30th, 2011, renewable from year to year by tacit agreement for an annual rent of TND 47,000 taxes excluded, payable quarterly and in advance.

The rent will be subject to an annual increase of 5% applicable from the 3rd year.

This contract was terminated in August 2016.

The rental income recorded in the results of BIAT for the financial year 2016 amounted to TND 39,990 thousand.

The Board of Directors authorized this agreement on April 28, 2010.

6. In 2014, BIAT concluded an "executives' secondment" agreement with «CIAR». In addition to salaries, wage supplements and benefits, BIAT's billing to CIAR includes a margin of 5%.

The amount invoiced by BIAT in 2016 totaled TND 284,211 thousand.

This agreement was authorized by the Board of Directors' meeting on 22nd of April 2015.

7. BIAT concluded, in November 2014, with «CIAR» an agreement for recovering its receivables.

This agreement, which was subject of an amendment in 2015, provides in its subject matter that BIAT give a mandate to «CIAR» which agrees to act in its name and on its behalf in order to recover its receivables from its customers.

In return for its services, the «CIAR» receives a remuneration that consists of the following:

- Fixed costs: 1% of the amount of the receivable with a maximum of 50 dinars per file. These fees are paid 50% upon handing over the files and 50% following the movement of the account (1st payment related to the recovery),
- Variable costs: 12% of the total amount recovered including interest on late payment.

These remuneration arrangements shall apply from January 1, 2015.

The amount invoiced by the CIAR, in 2016, totaled TND 457,189 thousand.

This agreement was authorized by the Board of Directors' meeting on December 18,, 2014. Its amendment was authorized by the Board of Directors' meeting on December 16, 2015.

8. On December 23, 2015, BIAT concluded an agreement for the assignment of receivables totaling TND 33,306 thousand for the price of TND 650 thousand.

An endorsement to this agreement was signed in March 2016 on the company retrocession of the debt «NOUHA EDITION» for TND 170 thousand with its accessories and pledges.

This amendment was authorized by the Board of Directors' meeting on October 6, 2016.

A second endorsement was signed in October 2016 on the company retrocession of the debt «TUNIPOST AUTOMATE» for TND 204 thousand with its accessories and pledges.

This amendment was authorized by the Board of Directors' meeting on December 14, 2016.

9. On December 22, 2014, BIAT concluded, with «CIAR», an agreement of receivables assignment totaling TND 43,867 thousand for the price of TND 1,180 thousand.

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

Two amendments to this agreement were signed in March 2016 for receivables' retrocession held on «COMETRA» and «STAM» respectively for TND 1,225 thousand and TND 481 thousand. «COMETRA» receivable was defined by the same acquisition price, that is, TND 30 thousand.

These amendments were authorized by the Board of Directors' meeting on October 6, 2016.

10. In 2014, BIAT concluded an accounting and administrative assistance agreement with «CIAR».

In return for this mission, BIAT receives an annual remuneration of TND 18 thousand, taxes excluded.

This remuneration was renewed in 2015 and 2016 under the endorsements signed in December 2015 and December 2016.

This amendment was authorized by the Board of Directors' meeting on 22nd of March 2017.

BIAT CAPITAL RISQUE

11. As part of the exempt investment relating to the profit for the financial year 2015, BIAT and «BIAT CAPITAL RISQUE» signed, on June 18th, 2015, a management agreement for a free fund for TND 2,001 thousand. The fund will be used to finance projects in accordance with the conditions and limits of Law No. 88-92 dated August 2nd, 1988 relating to the investment companies, as amended and completed by the subsequent texts.

«BIAT CAPITAL RISQUE» receives, as remuneration, a management fee of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the stock of the fund, between the end of the seventh year and the tenth year.

In the event that «BIAT CAPITAL RISQUE» achieves a higher return than the average MMR for the period, it will be entitled to a performance fee that will be calculated according to a scale.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 35.005 thousand, taxes excluded.

- 12.** As part of the investment relating to the 2013 financial year results, BIAT confided to «BIAT CAPITAL RISQUE», on May 20th, 2013, a mandate to manage a fund for TND 8,853 thousand fully paid up and with a view to promoting industrial projects and related activities giving right to tax advantages provided for by Law No 95-88 of 30 October 1995, as amended and completed by the new provisions of Articles 39 and 48 of the Corporate tax and Income tax "IRPP" Codes, and the subsequent texts.

BIAT CAPITAL RISQUE receives, as remuneration, a management fee of 0.5% per annum excluding VAT, over the fund total amount.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 44,265 thousand, taxes excluded.

- 13.** As part of the investment relating to the results for the 2013 financial year, BIAT and BIAT CAPITAL RISQUE signed, on March 18, 2014, an agreement for the management of an industrial fund amounting to TND 2,000 thousand.

BIAT CAPITAL RISQUE receives a management fee as remuneration consisting of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the stock of the fund, between the end of the seventh year and the tenth year.

The Manager will also be entitled to a performance fee (calculated on a scale) if the return is higher than the average MMR for the period.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 22,532 thousand, taxes excluded.

- 14.** On January 17, 2014, BIAT and «BIAT CAPITAL RISQUE» signed an agreement to manage an industrial fund in the context of the exempt investment relating to 2013 financial year results, for TND 11,671 thousand.

BIAT CAPITAL RISQUE will receive, on a quarterly basis and in arrears, a management fee of 0.5% per year, taxes excluded, over the fund total amount.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 58,535 thousand, taxes excluded.

Both agreements mentioned in paragraphs 13 and 14 above were authorized by the Board of Directors' meeting on 23rd, April 2014.

- 15.** BIAT has confided to «BIAT CAPITAL RISQUE», on 15th, March 2013, a mandate to manage a regional fund for TND 5,000 thousand fully paid up, with a view to promoting projects in the regional development zones and in job-creating projects giving right to the tax advantages provided for by Law No 95-88 of 30 October 1995, as amended and completed by the new provisions of Articles 39 and 48 of Civil Procedure Code, the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

«BIAT CAPITAL RISQUE» receives remuneration for its fund management consisting of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the 7th year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per year on the amounts invested between the 8th year and the 10th year.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 75.021 thousand, taxes excluded.

- 16.** BIAT has confided to «BIAT CAPITAL RISQUE», on March 15th, 2013, a mandate to manage an industrial fund for TND 5,500 thousand fully paid up in order to promote industrial projects and related activities giving right to tax benefits provided by Law No. 95-88 dated October 30, 1995, as amended and completed by the new provisions of Articles 39 and 48 of the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

«BIAT CAPITAL RISQUE» receives for its fund management a remuneration that consists of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per year on the amounts invested between the 8th year and the 10th year.

The amount invoiced by the «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 84,656 thousand, taxes excluded.

17. On December 30,, 2009, BIAT concluded a management agreement for venture capital funds with BIAT CAPITAL RISQUE, under which it confides it with a risk capital fund management for TND 3,000 thousand, fully paid up.

The Manager will act to ensure the best possible return on the investments funded by the Fund until it is fully repaid back.

In return for its fund management, «BIAT CAPITAL RISQUE» receives a commission equal to 1% per year, exclusive of taxes, collected annually in arrears and over the initial amount of the fund. After the 5-year term, this fee will be collected annually in arrears on the outstanding amount of the fund. The risk of failure of the beneficiaries of the assistance levied on the fund is borne by BIAT.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 19,500 thousand, taxes excluded.

This agreement was authorized by the Board of Directors' meeting on April 28, 2010.

18. On December 24, 2008, BIAT concluded a management agreement for venture capital funds with BIAT CAPITAL RISQUE, under which it confides the fund management of a risk capital of an overall amount of TND 14,250 thousand, fully paid.

The fund manager will act to provide BIAT with an average minimum return equal to the MMR + 0.5% until the fund is fully repaid.

In return for its fund management, «BIAT CAPITAL RISQUE» receives a commission equal to 1% per year, exclusive of taxes, collected annually in arrears over the initial amount of the fund. After the 5-year term, this fee will be collected annually in arrears on the outstanding amount of the fund. The risk of failure of the beneficiaries of the assistance drawn from the fund is borne by BIAT.

The amount invoiced by the «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 8,144 thousand, taxes excluded.

This agreement was authorized by the Board of Directors' meeting on April 28, 2009.

19. In 2010, BIAT confided to BIAT CAPITAL RISQUE with the fund management in the aggregate amount of TND 10,000 thousand, fully paid up, and entitled to tax benefits provided for by Law 95-88 date 30 October 1995, as amended and completed by the new provisions of Articles 39 and 48 of the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

BIAT CAPITAL RISQUE will assure BIAT with the best possible return on the investments financed by the said fund until its total reimbursement.

«BIAT CAPITAL RISQUE» receives in respect of its management of the said fund, a commission equal to 1% per year, taxes excluded, collected annually in arrears on the initial amount of the fund. After the 5-year term, this commission of 1% per year, excluding taxes, will be collected annually in arrears on the outstanding amount of the managed fund.

This agreement was amended in May 2011, as follows:

Fund destination:

- Equity investments to strengthen the companies' capital equity, as provided by Law 95-87 dated 30 October 1995;
- Intervention, through the subscription or acquisition of non-voting preferred shares or common shares, corporate investment certificates, equity securities, bonds convertible into shares and shares, and generally, of any other category assimilated to own funds.

Fund Compensation:

- 0.5% per year, VAT excluded, on the amounts invested during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per year, excluding VAT, on the amounts invested between the end of the 7th year and the 10th year.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 100.243 thousand, taxes excluded.

This agreement was authorized by the Board of Directors' meeting on March 16, 2011.

20. In 2011, BIAT confided to «BIAT CAPITAL RISQUE» the management of a regional fund for a total amount of TND 6,000 thousand, fully paid, with a view to promoting projects in the regional development zones and job-creating projects giving right to tax advantages provided by Law No 95-88 dated 30 October 1995, as amended and completed by the new provisions of Articles 39 and 48 of the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

«BIAT CAPITAL RISQUE» receives, as a management of the fund, a commission of:

- 0.5% per annum on the amounts invested, during the blocking period;

- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per year on the amounts invested between the 8th year and the 10th year.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 90,000 thousand, taxes excluded.

- 21.** On December 28th, 2011, BIAT confided the management of a fund with a total amount of 6,000 KDT, fully paid up, to «BIAT CAPITAL RISQUE», in order to support the effort and the process Of regional development giving entitlement to tax benefits provided by law n° 95-88 dated 30 October 1995, as amended and completed by the new provisions of articles 39 and 48 of the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

«BIAT CAPITAL RISQUE» receives on the management of the fund a commission of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per year on the amounts invested between the 8th year and the 10th year.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 90,000 thousand, taxes excluded.

Both agreements mentioned in paragraphs 20 and 21 above were authorized by the Board of Directors' meeting on December 14th, 2011.

- 22.** On December 27, 2007, BIAT concluded a management agreement for venture capital funds with BIAT CAPITAL RISQUE, under which it confided it with the risk capital fund management of a total amount of TND 9,000 thousand, fully paid up.

The Manager will provide BIAT with an average minimum return equal to the MMR + 0.5% until the total amount of the Managed Fund is repaid. In return, «BIAT CAPITAL RISQUE» receives for its fund management a fee equal to 1% per year, taxes excluded, collected annually in arrears on the initial amount of the fund. After the 5-year term, this commission will be collected annually in arrears on the outstanding amount of the fund managed.

The risk of failure of the beneficiaries assistance from the fund managed is borne by BIAT.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 7.276 thousand, taxes excluded.

- 23.** On April 13th, 2011, BIAT confided to BIAT CAPITAL RISQUE the management of a regional fund for a total amount of TND 10,000 thousand, fully paid up, giving entitlement to tax benefits provided by Law 95 -88 of October 30, 1995, as amended and completed by the new provisions of sections 39 and 48 of the Corporate tax and Income tax "IRPP" Codes and the subsequent texts.

«BIAT CAPITAL RISQUE» receives on the management of the fund a commission of:

- 0.5% per annum on the amounts invested, during the blocking period;
- 1.75% per annum on the amounts invested, between the date of release of the funds and the end of the seventh year following that of the release. After the blocking period, the commission is received in arrears on the outstanding amount;
- 1% per annum on the amounts invested between the 8th year and the 10th year.

The amount invoiced by «BIAT CAPITAL RISQUE», in respect of 2016, totaled TND 224,919 thousand, taxes excluded.

- 24.** In December 2015, an amendment to the venture capital funds management agreements was signed between BIAT and BIAT CAPITAL RISQUE, whereby both parties agreed by mutual agreement to add to the management agreements of the Funds in force, a provision relating to the direct expenses inherent to the participation lines and incurred by «BIAT CAPITAL RISQUE».

The direct expenses incurred by «BIAT CAPITAL RISQUE» in connection with the implementation or the divestiture of the participation lines allocated to the existing Funds will be borne by BIAT.

This amendment was authorized by the Board of Directors' meeting on March 16, 2016.

- 25.** In 2004, BIAT signed an amendment to the Management Agreement of October 17, 2000, with BIAT CAPITAL RISQUE. Under this amendment, BIAT receives an annual remuneration of TND 50,000 including VAT.

The income recorded in this respect, in 2016, totaled TND 42,372 thousand.

- 26.** BIAT has rented to BIAT CAPITAL RISQUE two offices for administrative use, with a total area of 92m2, located at the headquarters building in Habib Bourguiba Avenue -Tunis.

This lease is granted for a period of two consecutive years, beginning on September 1, 2015 and ending on August 31, 2017, and for an annual rent of TND 28,000 thousand, taxes excluded.

The income recorded in this respect in 2016, totaled TND 28,466 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

27. In 2015, BIAT concluded, with «BIAT CAPITAL RISQUE», a secondment contract of seven executives.

In addition to salaries, wage supplements and benefits, the BIAT charges to «BIAT CAPITAL RISQUES» include:

- A margin of 5%,
- VAT at the rate of 18%.

The amount of the invoice of BIAT, in 2016, totaled TND 672.839 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

SOPIAT

28. In November 2015, an agreement was concluded between BIAT and SOPIAT under which it made available to the bank two technicians for the follow-up of the second phase maintenance participants of the bank head office. In return for the services rendered, SOPIAT invoices a fee with the salaries and benefits including all charges of the two technicians with a margin of 10%.

The amount of the invoice will be readjusted according to any salary increase, any benefit granted or any exceptional bonus paid to the interested parties.

The amount included in BIAT expenses in 2016 totaled TND 50,795 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

29. In April 2014, an agreement was concluded between BIAT and SOPIAT, whereby the latter made available to the bank its technical director in order to provide it with all the necessary assistance and supervision during the phases of the applications study, credits release and projects realization.

These services will be invoiced to BIAT at the rate of 700 dinars per working day, excluding taxes.

The travel, accommodation and other related costs necessary for the performance of the service are included in the daily rate.

The amount allocated to BIAT in 2016 totaled TND 104,300 thousand.

30. BIAT has leased to SOPIAT two offices for administrative use, with a total area of 49m², located in its headquarters building, at Avenue Habib Bourguiba-Tunis.

This lease is granted for a period of two consecutive years, starting on January 26, 2015 and ending on January 25, 2017, and at an annual rent of TND 14,717 thousand, VAT excluded.

The income recorded for this respect in 2016 totaled TND 15,391 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

31. As part of the work on the project for the second tranche of its headquarters, BIAT needed the provisional assistance of certain technicians specializing in the monitoring and control of construction sites and it requested SOPIAT, on July 1, 2012, to provide it with two senior technicians for temporary assignment.

In return for this provision, BIAT undertakes to reimburse SOPIAT on presentation of an invoice, salaries (including bonuses and other benefits, employers' social security contributions, paid holidays and reimbursement of professional expenses) served by SOPIAT to these two technicians with an increase of 10%.

This agreement is effective August 1, 2012 and will end on the completion-scheduled date for the construction project, on June 30, 2014.

The cost of making this available for the year 2016 is fixed at TND 45,514 thousand.

This agreement was authorized by the Board of Directors' meeting on 13 March 2013.

BIAT CONSULTING

32. In 2014, BIAT concluded an accounting and administrative assistance agreement with BIAT CONSULTING.

In return for this mission, BIAT receives an annual remuneration of TND 2,800 thousand including VAT.

An endorsement to the said agreement was concluded in December 2015, under which both parties agreed to renew the annual remuneration planned for 2014, under the same terms and conditions, namely TND 2,800 thousand including VAT.

This remuneration will be raised to TND 3,100 thousand, exclusive of taxes for the financial year 2017 and subsequent.

The Board of Directors' authorized this amendment on April 24, 2017.

33. BIAT has leased three offices for administrative use to BIAT CONSULTING, with a total area of 101m², located in its headquarters building at Avenue Habib Bourguiba-Tunis.

This lease is granted for a period of two consecutive years, beginning on October 1, 2015 and ending on September 30, 2017, and at an annual rent of TND 30,683 thousand excluding VAT taxes.

The amount invoiced by BIAT for 2016 totaled TND 31,066 thousand.

This agreement was authorized by the Board of Directors' meeting on October 6, 2016.

34. In 2014, BIAT concluded with BIAT CONSULTING a contract for the secondment of two executives. In addition to salaries, wage supplements and benefits, BIAT CONSULTING invoicing includes a margin of 5%.

The amount invoiced by BIAT to BIAT CONSULTING in 2016 totaled TND 342,825 thousand.

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

BIAT ASSET MANAGEMENT

35. BIAT concluded, in January 2015, with «BIAT ASSET MANAGEMENT» a six-executive secondment contract.

In addition to salaries, wage supplements and benefits, BIAT invoicing to BIAT ASSET MANAGEMENT includes:

- A margin of 5%,
- VAT at the rate of 18%.

The amount of the BIAT invoice, in 2016, totaled TND 480,956 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

36. On November 20, 2013, BIAT renewed the deposit agreement initially signed on November 24, 2006 with BIAT ASSET MANAGEMENT.

This agreement provides that BIAT is the sole custodian of the securities and funds belonging to the «FCPEPARGNE ACTIONS» Mutual Fund.

The annual remuneration was maintained at 0.1% of the net assets of the Fund. It is levied daily and settled monthly in arrears.

In addition, a remuneration of 0.2% inclusive of taxes per year was set aside and deducted from the net assets of FCP BIAT - SAVINGS EQUITY, in respect of distribution expenses.

This daily remuneration is paid monthly in arrears in favor of BIAT, BIAT ASSET MANAGEMENT and BIAT CAPITAL in proportion to their distributions.

The amount recorded in profit or loss for the financial year 2016 totaled TND 3,353 thousand.

This amendment was authorized by the Board of Directors' meeting on March 12, 2014.

SICAV OPPORTUNITY and SICAV PROSPERITY

37. On 23rd of December 2013, BIAT amended the two exclusive depository agreements for the securities and funds of «SICAV OPPORTUNITY» and «SICAV PROSPERITY» initially signed on March 8, 2003.

The amendments to these agreements concern the remuneration of BIAT. The deposit commission rate has been revised downwards from 0.3%, including VAT, to 0.1% of net assets for «SICAV OPPORTUNITY» and from 0.2% including VAT, to zero, 0.1% including VAT, of net assets for «SICAV PROSPERITY».

These remunerations, taken daily, are settled monthly in arrears.

In addition, both agreements for the distribution of shares «SICAV OPPORTUNITY» and «SICAV PROSPERITY» were signed in 2013 between BIAT, BIAT CAPITAL and BIAT ASSETS MANAGEMENT.

Distribution services are paid by commissions at rates of 0.2% including VAT on net assets per annum in favor of distributors of the «SICAV OPPORTUNITY» securities and 0.1% including VAT of net assets per year in favor of the distributors of the «SICAV PROSPERITY» securities, in proportion to their distributions.

The amounts disclosed in the income statement for the financial year 2016 totaled TND 2,070 thousand.

SICAV TRESOR

38. On December 18, 2015, BIAT amended the exclusive depository agreement for securities and funds of «SICAV TRESOR» initially signed on March 8, 2003, as amended in 2010 and 2013.

The amendments made to this agreement relate to the deposit commission of BIAT, which were revised downwards from 0.15% including VAT to 0.10% including VAT on the net assets of the fund.

This remuneration, withdrawn daily, is paid monthly in arrears.

In addition, a distribution agreement for the shares «SICAV TRESOR» was signed in December 2013 between BIAT, SICAV TRESOR and BIAT ASSET MANAGEMENT, which re-

quires a distribution fee equal to 0.2% including VAT of the net assets in favor of the distributors of SICAV TRESOR shares and in proportion to their distributions. This agreement was amended in December 2015 to comply with the new regulations as well as the FATCA law.

This remuneration, paid daily, is paid monthly in arrears. This agreement is concluded for a period of one year from its signature and will be renewed by tacit agreement.

Revenue for the year 2016, as such, totaled TND 335,359 thousand.

SICAV PATRIMOINE OBLIGATAIRE

39. On October 13 2009, BIAT concluded an exclusive depository agreement for the securities and funds of «**SICAV PATRIMOINE OBLIGATAIRE**». Under the terms of this agreement, BIAT's services are remunerated at a rate of 0.1% including VAT, of the SICAV net assets, with a minimum of TND 5,000 1000 excluding VAT and a maximum of TND 20,000 thousand excluding VAT per year. The minimum and maximum thresholds were deleted under the agreement signed in December 2015.

This fee is deducted daily and settled monthly in arrears.

This agreement also provides that the said SICAV will be domiciled on BIAT premises without constituting a lease and does not give right to any creation of commercial property in its favor.

This agreement was revised on December 23, 2013, in order to introduce a distribution fee equal to 0.15% including VAT, on the net assets in favor of the distributors of SICAV PATRIMOINE OBLIGATAIRE, namely BIAT, BIAT CAPITAL and BIAT ASSET MANAGEMENT and this, in proportion to their distributions.

The distribution commission rate was increased to 0.2% including VAT, net assets under the agreement signed in December 2015.

This remuneration, withdrawn daily, is paid monthly in arrears. This agreement is concluded for a period of one year from its signature and will be renewed by tacit agreement.

The amount recognized in the income statement for the financial year 2016 totaled TND 132,029 thousand.

The Council meeting on October 6, 2016 authorized these amendments.

BIAT CAPITAL

40. In 2007, the Bank concluded an «Employee Credit» agreement with the company «BIAT CAPITAL», under which the Bank intends to facilitate access by the incumbents of «BIAT CAPITAL» to flexible, rapid and advantageous credits on concessional terms.

41. In 2015, BIAT concluded a tenancy agreement with «BIAT CAPITAL».

In addition to salaries, wage supplements and benefits, BIAT «BIAT CAPITAL» includes:

- A margin of 5%,
- VAT at the rate of 18%.

The amount recorded in the result of 2016, as such, totaled TND 631,597 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

42. In 2014, BIAT revised the agreement signed in 2012 with «BIAT CAPITAL», under which the bank acts as a sole depository for the securities and funds belonging to the FCP Mutual Fund BIAT PRUDENCE «, initially called «BIAT CAPITAL PRUDENCE FCP» and this, for an annual remuneration of 0.1% including VAT, of the net assets of the said funds with a minimum of TND 2,000 thousand and a maximum of TND 50,000 thousand per year. The remuneration, withdrawn daily, will be settled monthly in arrears.

In addition, BIAT, BIAT ASSET MANAGEMENT and BIAT CAPITAL revised, in 2014, the supplier agreement signed in 2012 by raising the distribution fee from 0.2% (taxes excluded) to 0.6% (taxes excluded) of these Mutual Fund net assets.

The amounts recorded in the income statement for the financial year 2016 totaled TND 1,812 thousand.

43. In 2014, BIAT revised the agreement signed in 2012 with «BIAT CAPITAL», under which BIAT acts as sole depository for the securities and funds belonging to the «FCP BIAT EQUILIBRE», Initially called «BIAT CAPITAL EQUILIBRE FCP» and this, for an annual remuneration of 0.1% including VAT of the said fund's net assets with a minimum of TND 2,000 thousand and a maximum of TND 50,000 thousand per year. The remuneration, paid daily, will be settled monthly in arrears.

In addition, BIAT, BIAT ASSET MANAGEMENT and BIAT CAPITAL revised, in 2014, the supplier agreement signed in 2012 by increasing the distribution fee from 0,2% taxes excluded to 0,7% taxes excluded, levied on this Mutual Fund net assets.

The amounts recorded in the income statement for the financial year 2016 totaled TND 1,286 thousand.

44. In 2014, BIAT revised the agreement signed in 2012 with «BIAT CAPITAL», under which BIAT acts as sole depository for the securities and funds belonging to the «FCP Mutual Fund BIAT CROISSANCE initially called «BIAT CAPITAL CROISSANCE FCP» and this, for an annual remuneration of 0.1% including VAT of the net assets of these funds with a minimum of TND 2,000 thousand and a maximum of TND 50,000 thousand per year. The remuneration, paid daily, will be settled monthly in arrears.

In addition, BIAT, BIAT ASSET MANAGEMENT and BIAT CAPITAL revised, in 2014, the supplier agreement signed in 2012 by increasing the distribution fee from 0,2% taxes excluded, to 0,7% taxes excluded, levied on the net assets of this Mutual Fund.

The amounts recorded in the income statement for the financial year 2016 totaled TND 1,286 thousand.

- 45.** During 2011, BIAT rented «BIAT CAPITAL» a set of premises, for use as administrative offices, consisting of a space on the ground floor with a total area of 148 m² and a space in Mezzanine with a total area of 129 m², with an overall area of 277 m² of the building owned by the BIAT located on the main boulevard in Les Berges du Lac, Tunis, in addition to the common areas (121 m²) as well as two parking spaces located in the basement.

This lease was granted for an annual rent of TND 59,700 thousand, VAT excluded payable quarterly and in advance with TND 14,925 thousand per quarter, VAT excluded. The above-mentioned rent will be subject to a cumulative increase of 5%, which will apply from the second year of rental.

This rental is granted for a period of two consecutive years, from December 1, 2011 to November 30, 2013, renewable annually by tacit renewal agreement.

This contract was terminated in September 2016.

The amount recognized in the income statement for the financial year 2016 totaled TND 54,424 thousand.

- 46.** BIAT concluded, on January 2, 2004, with «BIAT CAPITAL», an agreement for the stock exchange orders collection. Article 8 of this agreement provides that part of the brokerage commissions on any transaction negotiated by «BIAT CAPITAL» on behalf of BIAT or its customers be divided as follows:

Nature of commission	BIAT remuneration	BIAT CAPITAL remuneration
Brokerage commissions on trades in the stock exchange markets.	50%	50%
Brokerage commissions on transactions in over-the-counter markets.	-	100%
All fees charged on the clients of BIAT CAPITAL.	-	100%
All commissions charged on BIAT customers.	100%.	-

SOCIETE TANIT INTERNATIONAL

- 47.** BIAT has concluded a lease agreement with « TANIT INTERNATIONAL» by virtue of which it provides it with a set of offices with an area of 555 m² required for the realization of its activity, located at the main boulevard Les Berges du Lac 1, as well as four parking spaces located in the basement and this, for an annual rent of TND 83.250 thousand, VAT excluded, payable quarterly and in advance.

This lease is for a two-year period, starting from October 1, 2009 to September 30, 2011, renewable from year to year by tacit renewal. The rent will be subject to an annual increase of 5% applicable from the third year of rental.

Under a lease endorsement, the leased area was reduced to 368 m² and the annual rent was consequently reduced to TND 55,200 thousand excluding VAT. This amendment came into force as of May 2012.

This contract was terminated in 2016.

The amounts recognized in the income statement for the financial year 2016 totaled TND 38,160 thousand.

This contract act of cancellation was authorized by the Board of Directors' meeting on December 14, 2016.

OSI

- 48.** In 2009, BIAT concluded an agreement with the «OSI» under which it agreed to retrocede to the said company the rent amount and related expenses paid by the company for premises occupied by the services of BIAT. This agreement is granted for a period of one year and it is tacitly renewable agreement.

As such, the charge amount for the year 2016 totaled TND 30,302 thousand.

PÔLE DE COMPÉTITIVITÉ DE MONASTIR EL FEJJA COMPANY

- 49.** BIAT has concluded a lease agreement with « PÔLE DE COMPÉTITIVITÉ DE MONASTIR EL FEJJA», by virtue of which, it provides the latter with the necessary premises for the realization of its activity located at the main boulevard of the Lac 1 and this, for an annual rent of TND 70.950 thousand, taxes excluded, payable quarterly and in advance.

Under a lease endorsement entered into on September 26, 2011 and authorized by the Board of Directors on December 14, 2011, the leased area was reduced from 473 m² to 420 m². The annual rent was consequently reduced to TND 63,000 thousand, taxes excluded. This amendment came into force effective July 2011.

This contract was terminated in June 2016.

The amount recorded in the financial year 2016 product totaled TND 40,203 thousand.

The three agreements mentioned in paragraphs 47, 48 and 49 above were authorized by the Board of Directors' meeting on April 28th, 2010.

ORANGE TUNISIE LLC

50. On August 30, 2010, BIAT granted to «ORANGE TUNISIE LLC», the entire premises in the building ground floor located at 246 Habib Bourguiba Avenue in Kram with an area of 154 m². This lease was granted for a three-year term, starting from April 1, 2010, expiring on March 31, 2013, and renewable on a tacit basis.

The monthly rent was fixed, by mutual agreement between both parties, at TND 2,567 thousand, VAT excluded. It is subject to an annual cumulative 5% increase from the second year of rental.

«Orange Tunisia LLC» has paid TND 5,134 thousand as security for the payment of the rent.

The amount recognized for the financial year 2016 product totaled TND 40,788 thousand.

This agreement was authorized by the Board of Directors' meeting on December 15, 2010.

51. On December 24,, 2010, BIAT granted to «ORANGE TUNISIE LLC», the entire premises in the building ground floor located at rue Moncef Bey in BIZERTE, with an approximate area of 211.5 m². This lease was agreed for a three years period, starting on December 1, 2010.

The rent was fixed by mutual agreement, between both parties at TND 2,644 thousand per month, VAT excluded. It is subject to an annual cumulative 5% increase from the second year of rental.

The amount recognized in the income statement for the financial year 2016 totaled TND 40,658 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2011.

SOCIETE DE PROMOTION TOURISTIQUE « SALLOUM »

52. An amendment to the December 2011 accounting assistance agreement was signed in December 2016 between BIAT and SOCIETE DE PROMOTION TOURISTIQUE SALLOUM under which:

- SPT SALLOUM undertakes to pay the invoice sent by BIAT for the period from 01/01/2011 to 31/12/2015, of a fixed amount of TND 6,000 thousand, excluding taxes, payable in 1 installment and within fifteen (15) days from its receipt.
- The services' remuneration amount is fixed at TND 4,200 thousand from January 1, 2016, taxes excluded, with reference to the companies' practices with a similar volume of activities on the market.

This remuneration will be subject to an annual increase of 6%, effective January 1, 2017.

This amendment was authorized by the Board of Directors' meeting on December 14, 2016.

SICAF BIAT, SGP, TAAMIR

53. On December 23, 2011, BIAT has concluded accounting, financial and administrative assistance agreements with the following subsidiaries :

- SICAF BIAT;
- SGP;
- TAAMIR;

In return for this mission, BIAT receives from each subsidiary the following:

- The equivalent of salary and management costs for human resources in charge of the accounting and administrative assistance, borne by BIAT and increased by a margin of 10%, with an annual amount of TND 19,800 thousand per company, VAT excluded. This remuneration is adjustable annually according to the actual expenses borne by the bank.
- The equivalent of the salary and management costs relating to human resources responsible for management plus 10%;
- The equivalent overhead costs related to the provision of premises and other logistical means, borne by BIAT, with a fixed annual amount of TND 1,200 thousand per company, VAT excluded. This amount will be subject to a 6% cumulative increase applicable each year, starting from the second year of availability.

The amounts recognized in the income statement for the financial year 2016 totaled TND 67,045 thousand.

TUNISIE TITRISATION

54. In 2011, BIAT concluded a contract with «TUNISIE TITRISATION» for the rental of premises for administrative offices use, consisting of a space on the building first floor, owned by

BIAT, located on the main boulevard of Les Berges du Lac, Tunis, with a total area of about 19 m² besides the common areas of 8m².

This rental is granted for an annual rent of TND 4,050 thousand, VAT excluded, payable quarterly and in advance with, TND 1,013 thousand per quarter, VAT excluded.

The above mentioned rent will be subject to a cumulative annual increase of 5% to be applied from the 2nd year of rental.

This lease is also granted for a period of two consecutive years, starting from December 1 2011, and expiring on November 30, 2013, renewable annually by tacit agreement.

This contract was terminated in September 2016.

The amounts recognized in the income statement for the financial year 2016 totaled TND 3,692 thousand.

This agreement was initially authorized by the Board of Directors' meeting on March 13, 2013.

55. On May 10th, 2006, BIAT concluded an agreement with «TUNISIE TITRISATION» under which both parties constitute the joint-purpose fund «FCC BIAT-CREDIMMO 1», a joint ownership whose sole purpose is to acquire receivables relating to real estate loans granted by the Assignor (BIAT) to private individuals, with a view to issuing units representing these credits.

The total initial price of the issue is TND 50,000 thousand and the receivables sold by BIAT to the fund represented by TUNISIE TITRISATION, with a total initial outstanding capital of TND 50,019 thousand.

BIAT's total subscriptions to this fund amounted to TND 1,586 thousand as at December 31, 2016, allocated as follows:

- TND 1,519 thousand of subscriptions in the residual units; and
- TND 68 thousand subscriptions in the substantial shares.

As part of this operation, BIAT is both the custodian of the assets of the fund and of the collector. As such, and in remuneration for the depositary missions confided to it, BIAT receives from the management company «TUNISIE TITRISATION» acting on behalf of the fund, a commission equal to 0.05% per annum, VAT excluded, of the outstanding receivables at the beginning of the calculation period. In addition, and in its capacity as collector, BIAT receives from the said company a commission equal to 0.4% per year, VAT excluded, of the outstanding capital of pending receivables at the beginning of the calculation period.

The commissions received by BIAT for the financial year ending on 31st of December 2016 amounted to TND 18,280 thousand, taxes excluded.

56. On May 18, 2007, BIAT concluded an agreement with «TUNISIE TITRISATION» under which both parties constitute the «FCC BIAT-CREDIMMO 2» Joint Loan Fund, a co-ownership whose sole purpose is to acquire receivables relating to real estate loans granted by the Assignor (BIAT) to individuals, with a view to issuing units representing such receivables.

The total initial price of the issue is TND 50,000 thousand and the receivables sold by BIAT to the fund represented by TUNISIE TITRISATION totaling an initial outstanding capital of TND 50,003 thousand.

In addition, BIAT's total subscriptions to this fund amounted to TND 2,530 thousand on December 31st, 2016, allocated as follows:

- TND 1,503 thousand of subscriptions in the residual units;
- TND 555 thousand of subscriptions in the substantial shares;
- TND 472 thousand of subscriptions in P3 category units.

As part of this transaction, BIAT is both the custodian of the assets of the collector fund. As such, and in remuneration for the depositary missions confided to it, BIAT receives from the management company «TUNISIE TITRISATION» acting on behalf of the fund, a commission equal to 0.05%, VAT excluded, of the outstanding receivables at the beginning of the calculation period. In addition, and in its capacity as collector, BIAT receives from the said management company a commission equal to 0.4% VAT excluded per year, of pending receivables outstanding capital at the calculation period beginning.

The commissions received by BIAT for the financial year ending on December 31, 2016 totaled TND 31,633 thousand, taxes excluded.

LA PROTECTRICE ASSURANCE

57. As part of its assets and economic and social activities, BIAT concluded an agreement with «LA PROTECTRICE ASSURANCE», which is a study, consulting and insurance and reinsurance brokerage company, on December 27, 1997, assistance and advisory agreement.

In 2016, BIAT will incur a charge of TND 20,000 thousand under this agreement.

58. In 2014, BIAT concluded an agreement with LA PROTECTRICE ASSURANCE, under which it leases a part of the building first floor premises for the administrative offices use, located in Sakiet-Ezzite, Sfax, with an area of approximately 80 m².

The lease is granted and accepted for a period of two consecutive years, starting from June 1, 2014 and expiring on May 31, 2016, renewable from year to year by tacit agreement. It was granted and accepted for an annual rent of TND 9,600 thousand, taxes excluded.

The rent will be subject to a cumulative annual increase of 5%, which will be applied from the second rental year.

The amount disclosed in BIAT's income in 2016 totaled TND 10,374 thousand.

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

59. In 2013, BIAT concluded an agreement with LA PROTECTRICE ASSURANCE, under which it leases a part of the premises located at Avenue Habib Bourguiba, Manouba, with area of approximately 87.5m².

The lease is granted and accepted for a period of two consecutive years, starting from February 1, 2013 to January 31, 2015, renewable from year to year by tacit agreement. It was granted and accepted for an annual rent of TND 8,496 thousand, taxes excluded.

The rent will be subject to a cumulative annual increase of 5%, which will be applied from the 2nd year of rental.

The amount disclosed in BIAT's income in 2016 totaled TND 9,797 thousand.

The Board of Directors meeting on April 22, 2015 authorized this agreement.

60. In 2013, BIAT concluded an agreement with LA PROTECTRICE ASSURANCE, under which it leases to the latter an apartment on the building first floor for use as administrative offices, located at Place Sidi Mtir Mahdia, with an area of 183 m² including common areas.

The lease is granted and accepted for a period of two consecutive years, starting on December 1, 2011 and ending on November 30, 2013, renewable from year to year by tacit renewal. It was granted and accepted for an annual rent of TND 6,000 thousand, taxes excluded.

The rent will be subject to a cumulative annual increase of 5%, which will be applied from the 2nd year of rental.

The amount included in BIAT's income in 2016 totaled TND 7,323 thousand.

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

BIAT ASSURANCES

61. Since 2004, BIAT has signed insurance contracts with «BIAT ASSURANCES» through «LA PROTECTRICE ASSURANCE».

The expenses borne in 2016 are detailed as follows:

Nature	Amount of insurance expenses (In D)
Public liability insurance	47 955
Accidents insurance	99 543
Life Insurance "family protection"	134 953
Insurance «Assistance abroad for credit cards visa premier»,	838 344
Insurance "global bank robbery"	253 035
Insurance against theft and loss of cards	608 345
Insurance "Fire and extended coverage"	410 525
Automotive Fleet Insurance	44 605
Comprehensive insurance on computers	33 023
Insurance Pack Sapphire and Silver	383 692
Insurance BIAT travel card	31 585
Platinum Card Travel Insurance Assistance	2 815
Group insurance for employees (employer contribution)	9 397 841
Life insurance (AFEK)(*)	1 811 588

(*) In 2012, BIAT signed with BIAT ASSURANCE a collective life insurance contract for its staff, known as «members»

62. BIAT ASSURANCES sub-leases the bank's premises called «Commercial 2» with a total area of 145m² and in the building ground floor, located in Les Berges du Lac II, built on the parcel «DIAR EL ONS». This rental is granted and accepted for a firm period from January 1, 2010 to April 30 2014.

In May 2014, an endorsement was signed to extend the rental period from May 1, 2014 to April 30, 2019. A cumulative annual increase in the rent will be applied from May 1, 2014, at the annual rate of 5% based on the rent of the previous year.

The amount disclosed in the expenses of the BIAT, in 2016, totaled TND 30,713 thousand.

This endorsement was authorized by the Board of Directors' meeting April 22, 2015.

SOCIETE DE PROMOTION TOURISTIQUE « SPT SFAX »

63. In 2015, BIAT concluded an accounting and administrative assistance agreement with SPT Sfax. This agreement is concluded for a period of one year, renewable by tacit agreement. In return for this mission, BIAT receives an annual remuneration of TND 4,000 thousand, taxes excluded.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

64. BIAT has leased to SPT Sfax an office for administrative purposes, with an area of 25m2, in its headquarters building located at Avenue Habib Bourguiba-Tunis.

This lease is granted for a period of two consecutive years, from January 1, 2015 to December 31, 2016, and at an annual rent of TND 7,525 thousand, VAT excluded.

The income recognized in this respect, in 2016, totaled TND 7.901 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

SOCIETE DE PROMOTION TOURISTIQUE « SPT MOHAMED V »

65. BIAT has leased to SPT Mohamed V an office for administrative use, with an area of 43m2, in its headquarters building located at Avenue Habib Bourguiba-Tunis.

This lease is granted for a period starting on July 1st, 2016 and ending on December 31, 2018, renewable from year to year by tacit agreement, for an annual rent of TND 13,019 thousand, VAT excluded, payable quarterly and in advance.

This rent will be subject to a cumulative annual increase of 5% effective in July 1, 2017.

The product recognized in this respect, in 2016, totaled TND 6,509 thousand.

This agreement was authorized by the Board of Directors' meeting on March 16, 2016.

III. Obligations and commitments of the company towards its executives:

1. The obligations and commitments to executives as referred to in §II-5 of the new Article 200 of the Commercial Companies' Code are as follows:

- The remuneration of the Chief Executive Officer is fixed by the committee of the Board of Directors' meeting held on May 23, 2014. This remuneration increased to a gross amount of TND 785 thousand for the financial year 2016, including employer's expenses of TND

164 thousand. It includes, in addition to the salary and allowances, the assumption of a retirement pension.

He also benefits from a remuneration of TND 18 thousand in his capacity as a member of the Executive Credit Committee.

The General Director also benefits from a company car with a driver and assumption of relevant costs.

- The remuneration of the Deputy General Director in charge of Resources is determined by the committee of the Board of Directors' meeting held on May 23, 2014. It increased in the financial year 2016 to a gross amount of TND 661 thousand including the employers' expenses of TND 139 thousand.

It includes, in addition to salary and allowances, the assumption of a retirement pension.

- The remuneration of the Deputy General Director in charge of Retail Banking is fixed by the committee of the Board of Directors' meeting on May 23, 2014 and increased, for the year 2016, to a gross amount of TND 666 thousand, including employers' costs of TND 139 thousand. It includes, in addition to salary and allowances, the assumption of a retirement pension.

- The members of the Board of Directors are remunerated by attendance fees set by the ordinary general meeting of May 27, 2016. The attendance fees for the financial year 2016 increased to a gross amount of TND 600 thousand.

In addition, directors who serve on the delegation of the Board of Directors, the Internal Audit Committee, the Executive Credit Committee and the Risk Committee benefited from gross remuneration of TND 141 thousand for the financial year 2016.

- 2.** BIAT's obligations and commitments to its executives for the year ended on the 31st of December 2016 are as follows (in TND):

Nature of benefit	Chief executive		Deputy Director General of Re-sources		Deputy General Director of Retail Banking		Members of the board of directors	
	Expense for the year	Liabilities until 31/12/2016	Expense for the year	Liabilities until 31/12/2016	Expense for the year	Liabilities until 31/12/2016	Expense for the year	Liabilities until 31/12/2016
Short-term benefits (*)	819 898	257 537	660 546	6 663	654 911	9 547	741 000	621 000
Post-employment benefits	6 193	-	4 226	-	8 804	-	-	-
Other long-term benefits	-	-	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-	-	-
Payments in shares	-	-	-	-	-	-	-	-
Total	826 091	257 537	664 772	6 663	663 715	9 547	741 000	621 000

(*) : Remuneration paid, social expenses, and the paid leave to corporate officers; Directors' fees and other remuneration paid to the directors.

In addition to the above-mentioned agreements and transactions, our work did not disclose the existence of other agreements or transactions falling within the scope of Articles 43 and 62 of Law 2016-48 relating to the banks and financial institutions, Articles 200 et seq. and 475 of the Commercial Companies' Code.

Tunis, May 2, 2017

The Statutory Auditors

F.M.B.Z KPMG TUNISIE

Kalthoum BOUGUERRA

FINOR

Walid BEN SALAH



BALANCE SHEET

Ending December 31, 2016

(In thousands of TND)

	Note	31/12/2016	31/12/2015	Variation	In %
ASSETS					
Cash and balances with the BCT, CCP and TGT	III-1	511 397	519 194	(7 797)	-1,50%
Banking and financial institutions loans	III-2	870 102	805 687	64 415	8,00%
Customers loans	III-3	7 678 464	6 583 294	1 095 170	16,64%
Commercial securities' portfolio	III-4	1 336 486	1 101 495	234 991	21,33%
Investments' portfolio	III-5	386 722	321 388	65 334	20,33%
Fixed Assets	III-6	215 172	220 078	(4 906)	-2,23%
Other assets	III-7	336 632	284 315	52 317	18,40%
Total Assets		11 334 975	9 835 451	1 499 524	15,25%
LIABILITIES					
Tunisian Central Bank and post office	IV-1	779	1 303	(524)	-40,21%
Deposits and holdings of banking and financial institutions	IV-2	838 619	519 666	318 953	61,38%
Clients' Deposits and holdings	IV-3	9 078 305	8 090 342	987 963	12,21%
Borrowing and special resources	IV-4	183 145	118 657	64 488	54,35%
Other liabilities	IV-5	340 377	334 259	6 118	1,83%
Total Liabilities		10 441 225	9 064 227	1 376 998	15,19%
SHAREHOLDERS' EQUITY					
Share Capital		170 000	170 000	-	-
Reserves		462 184	406 644	55 540	13,66%
Other shareholder's equities		3	3	-	-
Reported results		71 421	42 998	28 423	66,10%
Results of the year		190 142	151 579	38 563	25,44%
Total Shareholder's Equity	V	893 750	771 224	122 526	15,89%
Total Liabilities and Shareholder's Equity		11 334 975	9 835 451	1 499 524	15,25%

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

Ending 31 December 2016

(In thousands of TND)

	31/12/2016	31/12/2015	Variation	In %
CONTINGENT LIABILITIES				
Collateral and other guarantees	1 526 915	1 354 767	172 148	12,71%
a- to banks and financial institutions	572 473	537 529	34 944	6,50%
b- to customers	954 442	817 238	137 204	16,79%
Letters of credits	735 209	593 193	142 016	23,94%
a- to customers	685 965	530 553	155 412	29,29%
b- Others	49 244	62 640	(13 396)	-21,39%
Total Contingent Liabilities	2 262 124	1 947 960	314 164	16,13%
COMMITMENTS GIVEN				
Financing commitments given	69 721	32 093	37 628	117,25%
To Customers	69 721	32 093	37 628	117,25%
Commitments on securities	2 047	3 541	(1 494)	-42,19%
a- Non paid-up participations	2 046	3 441	(1 395)	-40,54%
b- Securities to be received	1	100	(99)	-99,00%
Total Commitments Given	71 768	35 634	36 134	101,40%
COMMITMENTS RECEIVED				
Guarantees received	2 578 079	2 310 585	267 494	11,58%
Total commitments received	2 578 079	2 310 585	267 494	11,58%

ETAT DE RESULTAT

Période du 1er Janvier au 31 décembre 2016
(en Milliers de dinars)

	Note	Financial year 2016	Financial year 2015	Variation	In %
BANKING OPERATING INCOME					
Interests and other similar revenues	VII-1-1	513 581	474 434	39 147	8,25%
Commissions (in products)	VII-1-2	152 171	131 808	20 363	15,45%
Gains on commercial securities' portfolio and financial operations	VII-1-3	132 131	103 626	28 505	27,51%
Investment portfolio revenues	VII-1-4	16 002	14 303	1 699	11,88%
TOTAL BANKING OPERATING INCOME		813 885	724 171	89 714	12,39%
Banking Operating Expenses					
Interests incurred and related expenses	VII-2-1	(218 627)	(190 811)	(27 816)	14,58%
Incurred commissions	VII-2-2	(1 622)	(777)	(845)	108,75%
Total banking operating expenses		(220 249)	(191 588)	(28 661)	14,96%
Net Banking Income		593 636	532 583	61 053	11,46%
Net provision charge and value adjustments for loan losses, off-balance sheet items and liabilities	VII-3	(27 262)	(64 347)	37 085	-57,63%
Net provision charge and value adjustments on investment portfolio	VII-4	(6 662)	492	(7 154)	-1454,07%
Other operating income	VII-5	7 998	8 105	(107)	-1,32%
Personnel expenses	VII-6	(196 914)	(175 118)	(21 796)	12,45%
General operating expenses	VII-7	(70 388)	(61 864)	(8 524)	13,78%
Depreciation allowance on fixed assets	VII-8	(29 716)	(28 704)	(1 012)	3,53%
Operating Income		270 692	211 147	59 545	28,20%
Net gain/loss on ordinary items	VII-9	(7 000)	249	(7 249)	-2911,24%
Corporate income tax	VII-10	(55 012)	(59 817)	4 805	-8,03%
Income from ordinary activities		208 680	151 579	57 101	37,67%
Balance in gain / loss from other extraordinary items		(18 538)	-	(18 538)	-
Net income for the period		190 142	151 579	38 563	25,44%
Accounting changes affecting deferred profit		-	-	-	-
Consolidated net income for the year after accounting changes		190 142	151 579	38 563	25,44%

STATEMENT OF CASH FLOW

Period: from January, 1st to 31 December 2016
(In thousands of TND)

	Note	Financial year 2016	Financial year 2015
Banking operating revenues received (excluding investment portfolio revenues)			
Banking operating charges paid out		797 841	719 318
Deposits / Deposit withdrawal with other banks and financial institutions		(212 413)	(185 879)
Loans and advances / Repayment of loans and advances extended to customers		(177 798)	(108 912)
Deposits / Customer deposits withdrawal		(1 215 619)	(728 503)
Investment securities / Trading securities		982 654	569 469
Payments to personnel and other creditors		-	70
Other cash flows from operating activities		(288 778)	(257 472)
Corporate income tax		(10 859)	5 659
Net Cash Flow from Operating Activities		(48 398)	(61 874)
INVESTING ACTIVITIES		(173 370)	(48 124)
Interests and dividends on investment portfolio			
Purchase / Disposal of investment securities		15 161	14 838
Purchase / Disposal of fixed assets		(72 013)	(16 888)
Net Cash Flow from Investing Activities		(31 621)	(39 366)
FINANCING ACTIVITIES		(88 473)	(41 416)
Issue / Repayment of loans			
Increase \ decrease of special resources		62 736	(7 342)
Dividends paid		(4 028)	(7 527)
Dividendes versés		(68 000)	(51 000)
Net Cash Flow from Financing Activities		(9 292)	(65 869)
Effect of changes in exchange rates on cash and cash equivalents	IX-1	83 685	12 459
Net change in cash and cash equivalents during the year		(187 450)	(142 950)
Liquidity and cash equivalents at beginning of year		1 663 819	1 806 769
Liquidity and cash equivalents at Closing	IX-2	1 476 369	1 663 819

Note I – Compliance with Tunisian Accounting Standards

The financial statements of the International Arab Bank of Tunisia shall be drawn up in accordance with the provisions of Law No. 96-112 of 30-12-1996 on the accounting system of enterprises and the provisions of the Order of the Minister of Finance of 25 -03-1999 approving sector-specific accounting standards for banking operations.

The financial statements are prepared in accordance with the model defined in Accounting Standard No. 21 relating to the presentation of financial statements of banking institutions.

Note II – ground of measurement and relevant accounting principles applied and presentation of financial statements

The financial statements have been closed at 31st of December 2010, by virtue of the accounting principles and policies provided for in Decree No. 96-2459 of 30-12-1996, approving the conceptual framework for accounting and accounting principles under standards accounting Sector banking institutions. Among these principles, we describe below the rules that have been applied to take account of income and expenses, the valuation rules for receivables and securities and the rules for converting foreign currency transactions.

II-1. the rules of taking into account products

Interests, similar income and commissions are taken into account in the result of 2016 for their amounts related to the period from 1 January to 31 December 2016. Thus, the income that had been received and which concerns the periods subsequent to December 31st, 2016 is not taken into consideration in the financial year of 2016 and this in accordance to the provisions of accounting standards. The accrued and not yet due incomes on 31-12-2016 are also included in the financial year.

In accordance with the provisions of Sector Accounting Standards No. 24 and Circular No. 91-24 of 17-12-1991 of the Central Bank of Tunisia, interest and similar income due on 31-12-2016 and Uncollected or whose receipt is doubtful are not taken into account in the result and appear on the balance sheet in the form of reserved agios .

Interest and similar income recorded in prior year agios booked in 2016 are included in the financial year of 31-12-2016.

II-2. The rules for taking into account charges

Interest expense, incurred commissions, staff working costs and other expenses are taken into account as a reduction of the income of 31-12-2016 for their amounts relating to the period from 1 January to 31 December 2016. Thus, Expenses that have been disbursed and which relate to periods after 31-12-2016 are recorded in the balance sheet in the form of adjustment account.

The expenses related to the period concerned by this situation and that have not been paid out till 31-12-2016 are reduced from the income.

II-3. The evaluation rules for receivables

In accordance with the provisions of the Sector Accounting Standards for Banking Institutions and Circular No. 91-24 of 17 December 1991 of the Central Bank of Tunisia, an evaluation of all the Bank's claims was carried out on the Basis of the situation as of 31-12-2016.

This evaluation was accompanied by an assessment of all deductible guarantees within the meaning of circular 91-24 of the Central Bank of Tunisia relating to prudential rules.

These two transactions led the Bank to determine the amount of required provisions, an amount of provisions for the year 2016 and an amount of reserved income.

II-4. The rules for valuing securities

In accordance with the provisions of the Sector Accounting Standards of Banking Institutions and Circular No. 91-24 of 17-12-1991 of the Central Bank of Tunisia, an evaluation of the securities held by the Bank was carried out on 31-12-2016. This assessment made it possible to determine the amount of provisions required on these securities and an amount of the allocation to the provisions taken into account in the financial statements of 31-12-2016.

This valuation was determined on the basis of the latest December 2016 stock market price for the listed securities and the financial position of the issuing companies for the non-listed securities.

Unrealized gains on investment securities, equity securities, shares in affiliated undertakings or joint ventures are not taken into account in profit or loss of 31-12-2016.

Unrealized losses on all these categories of securities are recorded in the form of provisions for securities.

II-5. foreign currency transactions conversion rules

In accordance with the provisions of the sectoral accounting standards of banking institutions, the financial statements are closed by taking into account foreign receivables, debts in currencies and the foreign exchange position denominated in foreign currency, which are translated on the basis of the last exchange rate of BCT for the month of December 2016. The exchange gains and losses resulting from this conversion are taken into account in the financial year ending on 31/12/2016.

II-6. Financial Statements Presentation

The financial statements closed and published by BIAT for the year 2016 are presented in accordance with Sector Accounting Standard No. 21.

These statements include the data for the year 2016 and those relating to the year 2015.

NOTE III – TALANCE SHEET ASSETS

(Figures are in thousands of Tunisian Dinars)

Assets include the following items:

- AC1: Cash and Balance with Central Bank, Post office accounts and the Tunisian General Treasury;
- AC2:Receivables from banking and financial institutions
- AC3:Receivables from Customer
- AC4:Trade 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 a decrease between December 2015 and December 2016 for TND 7 797 thousand or 1.5% passing from a period to another from TND 519 194 thousand to TND 511 397 thousand. This Item is detailed as follows :

	31/12/2016	31/12/2015	Variation	En %
Cash	83 798	77 555	6 243	8,05%
Holdings in CBT	427 510	441 550	(14 040)	-3,18%
Holdings in POA	89	89	-	-
Total cash and Balances with CBT, POA and GTT	511 397	519 194	(7 797)	-1,50%

III-2. Receivables from Banks and Financial Institutions

The volume of this post recorded an increase between December 2015 and December 2016 of TND 64 415 thousand or 8% passing from a period to another from TND 805 687 thousand to TND 870 102 thousand. This volume is detailed as follows:

	31/12/2016	31/12/2015	Variation	En %
Receivables from banking institutions (a)	635 527	695 848	(60 321)	-8,67%
Receivables from financial institutions (b)	234 575	109 839	124 736	113,56%
Total Receivables from Banking and Financial Institutions	870 102	805 687	64 415	8,00%

(a) The decrease in the volume of our receivables from banks of TND 60 321 thousand or 8.67% which dropped from TND 695 848 thousand on 31/12/2015 to TND 635 527 thousand on 31/12/2016 relates to the following positions:

	31/12/2016	31/12/2015	Variation	En %
Loan accounts with Tunisian Central Bank	55 451	171 612	(116 161)	-67,69%
Loan accounts of interbank market	493 282	439 267	54 015	12,30%
Accrued interests on loans	1 132	1 122	10	0,89%
Correspondents' accounts «NOSTRI»	75 749	69 586	6 163	8,86%
Correspondents' accounts «LORI »	145	98	47	47,96%
Accrued interests on correspondents' accounts	-	3	(3)	-100,00%
Non- allocated Values	9 768	14 160	(4 392)	-31,02%
Total	635 527	695 848	(60 321)	-8,67%

- (b) (b) The increase of our receivables from financial institutions up to TND 124 736 thousand or 113,56 % which raised from TND 109 839 thousand on December 2015 to TND 234 575 thousand on December 2016 is mainly attributable to the increase of our loans to the Leasing companies and loans granted to financial institutions in the framework of repurchase transactions.

This section is detailed as follows:

	31/12/2016	31/12/2015	Variation	En %
Loans granted to leasing companies	157 006	108 473	48 533	44,74%
Loans granted to financial institutions	75 596	-	75 596	-
Related receivables and debts	1 973	1 366	607	44,44%
TOTAL	234 575	109 839	124 736	113,56%

III-3. Customer Receivables

Customer receivables 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.

The net total of Customer Receivables passed from TND 6 583 294 thousand on December 2015 to TND 7 678 464 thousand on December 2016 recording thereon an increase of TND 1 095 170 thousand or 16, 64%. It is broken down as follows:

	31/12/2016	31/12/2015	Variation	En %
Customer overdraft accounts (1)	738 479	664 871	73 608	11,07%
Other customer loans (2)	7 310 548	6 280 331	1 030 217	16,40%
Loans on special resources (3)	64 373	65 791	(1 418)	-2,16%
Total	8 113 400	7 010 993	1 102 407	15,72%
Provisions for doubtful loans	(298 549)	(308 265)	9 716	-3,15%
Interest reserve	(81 144)	(71 770)	(9 374)	13,06%
Collective Provisions	(55 243)	(47 664)	(7 579)	15,90%
Total Customer Loans	7 678 464	6 583 294	1 095 170	16,64%

(1) Customer Overdraft Accounts

Customer overdraft accounts recorded from one period to another an increase of TND 73 608 thousand or 11, 07 % rising from TND 664 871 thousand on December 2015 to TND 738 479 thousand on December 2016.

These accounts are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
Current overdraft accounts	687 419	617 062	70 357	11,40%
Doubtful overdraft accounts (a)	36 760	29 210	7 550	25,85%
Advance on time deposits	13 873	18 142	(4 269)	-23,53%
Receivables on customers' accounts	427	457	(30)	-6,56%
Total	738 479	664 871	73 608	11,07%

- (a) The gross amount of the doubtful receivables amounting to TND 36 760 thousand is divided between the different categories under the prudential regulations of the Central Bank of Tunisia as follows :

	31/12/2016	31/12/2015	Variation	En %
Category 2	6 438	6 612	(174)	-2,63%
Category 3	4 938	8 445	(3 507)	-41,53%
Category 4	25 384	14 153	11 231	79,35%
Total	36 760	29 210	7 550	25,85%

(2) Other customer's loans

The other customer borrowings recorded, from a period to another, an increase of TND 1 030 217 thousand or 16, 4% rising from 6 280 331 TND thousand on December 2015 to TND 7 310 548 thousand on December 2016. These accounts are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
Other Current borrowings (a)	6 824 896	5 794 880	1 030 016	17,77%
Other doubtful borrowings (b)	485 652	485 451	201	0,04%
Total	7 310 548	6 280 331	1 030 217	16,40%

- (a) The other bank overdrafts are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
Industrial and commercial loans	4 004 830	3 487 731	517 099	14,83%
Loans on real property, developers	141 081	125 731	15 350	12,21%
Loans on real property, buyers	2 286 183	1 833 484	452 699	24,69%
Agricultural loans	359 798	332 644	27 154	8,16%
Associated bank overdrafts	1 600	-	1 600	-
Total	6 793 492	5 779 590	1 013 902	17,54%
Non-allocated values	557	742	(185)	-24,93%
Accrued interest for other bank overdrafts	43 526	27 510	16 016	58,22%
Accrued interest for associated bank overdrafts	15	-	15	-
Interest received in advance	(12 694)	(12 962)	268	-2,07%
Total other bank overdraft	6 824 896	5 794 880	1 030 016	17,77%

(b) Gross other doubtful loans, amounting to TND 485 652 thousand, are broken down as follows among the categories defined by the prudential regulation of the Central Bank of Tunisia as follows :

	31/12/2016	31/12/2015	Variation	En %
Category 2	24 536	30 534	(5 998)	-19,64%
Category 3	35 358	40 317	(4 959)	-12,30%
Category 4	425 758	414 600	11 158	2,69%
Total	485 652	485 451	201	0,04%

(3) Loans on Special Resources

Credits on special resources recorded from one period to another a decrease of TND 1 418 thousand or 2, 16% passing from 65 791 thousand on December 2015 to TND 64 373 thousand on December 2016.

These accounts are broken down as follows:

	31/12/2016	31/12/2015	Variation	En %
Current loans on special resources	46 854	47 644	(790)	-1,66%
Receivables on special resources loans	420	331	89	26,89%
Loans on doubtful special resources (a)	17 099	17 816	(717)	-4,02%
Total	64 373	65 791	(1 418)	-2,16%

(a) (a) The gross amount of doubtful loans on special resources, amounting to TND 17 099 thousand, is divided between the different categories under the prudential regulation of the Central Bank of Tunisia as follows :

	31/12/2016	31/12/2015	Variation	En %
Category 2	3	87	(84)	-96,55%
Category 3	18	13	5	38,46%
Category 4	17 078	17 716	(638)	-3,60%
Total	17 099	17 816	(717)	-4,02%

Considering the foregoing, customer loans are summarized as follows :

(i) Current Receivables

	31/12/2016	31/12/2015	Variation	En %
Current Receivables excluding commitments by signature	7 541 638	6 462 443	1 079 195	16,70%
Non allocated values	557	742	(185)	-24,93%
Related Receivables	44 388	28 298	16 090	56,86%
Interests received in advance (in less)	(12 694)	(12 962)	268	-2,07%
Total	7 573 889	6 478 521	1 095 368	16,91%
Current Commitments by signature	1 617 592	1 324 238	293 354	22,15%
Total	9 191 481	7 802 759	1 388 722	17,80%

(ii) Gross doubtful Receivables

	31/12/2016	31/12/2015	Variation	En %
Doubtful Receivables excluding commitments by signature	539 511	532 477	7 034	1,32%
Doubtful commitments by signature	22 815	23 553	(738)	-3,13%
Total	562 326	556 030	6 296	1,13%

The gross amount of doubtful Receivables amounting to TND 562 326 thousand is divided between the different categories under the prudential regulation of the Central Bank of Tunisia as follows :

	31/12/2016	31/12/2015	Variation	En %
Category 2	31 580	37 776	(6 196)	-16,40%
Category 3	41 628	49 643	(8 015)	-16,15%
Category 4	489 118	468 611	20 507	4,38%
Total	562 326	556 030	6 296	1,13%

The provisions and overdraft charges covering the balance sheet receivables which have been established for an amount of TND 363 178 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 10 865 thousand.

Thus, provisions and overdraft charges which were formed to cover advances to customers totaled TND 374 043 thousand.

thousand and are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
overdraft charges on Classified receivables	67 299	61 459	5 840	9,50%
Provisions for classified balance sheet receivables	295 879	305 595	(9 716)	-3,18%
Provisions for off-balance sheet commitments	10 865	13 674	(2 809)	-20,54%
Total	374 043	380 728	(6 685)	-1,76%

Provisions and overdraft charges which were formed to cover unclassified customer receivables totaled TND 71 758 thousand and are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
overdraft charges on unclassified receivables	13 845	10 311	3 534	34,27%
Collective provisions	55 243	47 664	7 579	15,90%
Other provisions	2 670	2 670	-	0,00%
Total	71 758	60 645	11 113	18,32%

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 requisitions; maritime mortgages; mortgages on private agreements; pledging of fixed equipment; 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 2015 and December 2016 from TND 1 101 495 thousand to TND 1 336 486 thousand, thus recording an increase of TND 234 991 thousand or 21, 33%.

This change comes from the increase in the volume of securities transactions for TND 235 230 thousand or 21,41% (due to the different subscriptions and refunds transactions during the period from 01/01/2016 to 31/12/2016) accompanied by a decrease of the total of the investments securities for TND 239 thousand or 7,9%.

The movement of securities as well as their distribution between securities disposed to customers and securities kept in portfolio are detailed as follows :

(1) Trading Securities

a) Trading securities subscribed and non-redeemed are broken down as follows :

	31/12/2016	31/12/2015	Variation	En %
Fungible Treasury Bills	1 772 376	1 551 832	220 544	14,21%
Short term Treasury Bills	5 200	15 617	(10 417)	-66,70%
Zero coupon Treasury Bills	23 700	(23 700)	-100,00%	56,86%
Sub-total Trading securities (Principal)	1 777 576	1 591 149	186 427	11,72%
Related payables and loans and difference between nominal value and purchase value of Fungible Treasury Bills	38 629	17 813	20 816	116,86%
Total	1 816 205	1 608 962	207 243	12,88%

b) Trading securities are broken down among securities held in the Bank's portfolio and securities sold to customers. The following and are presented on December 31, 2016 in TND thousand as follows:

Désignation	31/12/2016	31/12/2015	Variation	En %
<i>Designation</i>				
1) Securities held in the Bank's portfolio	1 292 884	1 056 771	236 113	22,34%
Fungible Treasury Bills	365	3	362	12066,67%
Short term Treasury Bills	-	21 127	(21 127)	-100,00%
Zero coupon Treasury Bills	40 451	20 569	19 882	96,66%
Receivables, related payables and premiums on Zero Coupon Treasury Bills	1 333 700	1 098 470	235 230	21,41%
2) Securities assigned to customers				
Customer: Fungible Treasury Bills	477 670	492 305	(14 635)	-2,97%
Customer: Short term Treasury Bills	4 835	15 614	(10 779)	-69,03%
Customer: Zero coupon Treasury Bills	-	2 573	(2 573)	-100,00%
TOTAL SECURITIES ASSIGNED TO CUSTOMERS	482 505	510 492	(27 987)	-5,48%
GENERAL TOTAL	1 816 205	1 608 962	207 243	12,88%

(2) Investment Securities

Investment securities that are composed primarily of priority shares in special purpose entities and SICAV securities dropped from TND 3 025 thousand as of 31/12/2015 to TND 2 786 thousand as of 31/12/2016 recording a decrease of TND 239 thousand or 7,90%.

The decrease in the level of these securities is primarily due to repayment of priority shares in the special purpose entities and obligations. The decrease in the level of these securities is explained as follows:

	31/12/2016	31/12/2015	Variation	En %
SICAV Securities	2 303	2 303	-	0,00%
Priority shares in special purpose entities	472	708	(236)	-33,33%
Related Receivables and Payables	11	14	(3)	-21,43%
Total	2 786	3 025	(239)	-7,90%

III-5. Investment Securities Portfolio

This heading which consists mainly of investment securities, equity securities, shares in associated companies and joint venture, shares in affiliated companies, managed funds and holding of securities went from TND 321 388 thousand on December 2015 to TND 386 722 thousand on December 2016, recording an increase of TND 65 334 thousand or 20,33%.

	31/12/2016	31/12/2015	Variation	En %
Gross outstanding of investment securities	427 819	357 159	70 660	19,78%
Receivables on investment securities	6 039	5 714	325	5,69%
Provisions and arrears in interest for investment portfolio depreciation	(47 136)	(41 485)	(5 651)	13,62%
Total Investment Portfolio	386 722	321 388	65 334	20,33%

This increase is detailed as follows:

	31/12/2016
New shares or payments	47 510
Disposal or loss of equity Securities	(8 872)
Repayment of national loans	(481)
Payment of managed Funds	44 651
Return on managed Funds	(11 806)
provisions for impairment of investment securities	(5 582)
Reversal of provisions on investment securities	273
Interest reserved on managed Funds	(285)
Interest reserved on resell agreements	(57)
Repayment of subordinated shares (FCC)	(342)
Change in receivables and the contribution of dividends for which the law is established and unmatured	325
Total	65 334

These operations are detailed as follows :

Libellés	Titres d'investissement	Titres de participation et titres en portage	Parts dans les entreprises liées et dans les coentreprises	Fonds gérés	Total
Gross balance as at 31/12/2015 excluding related receivables	46 582	66 972	150 554	93 051	357 159
Payments made during 2016	-	4 151	43 361	44 650	92 162
Disposals, liquidations or repayments made during 2016	(823)	(6 820)	(2 051)	(11 806)	(21 500)
Gross balance as at 31/12/2016 excluding related receivables	45 759	64 303	191 864	125 894	427 819
Related Receivables on equities securities and resell agreements	500	2 488	-	3 050	6 038
Provisions and arrears in interest for investment portfolio depreciation	-	(14 124)	(28 580)	(4 433)	(47 136)
Total investment portfolio	46 259	52 667	163 284	124 511	386 722

III-6. Fixed Assets

Fixed assets are accounted for their purchase value exclusive taxes, increased by the non-recoverable VAT, except for transport equipment which is 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 business assets.

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.

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%
business assets	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 Equipments	10 years	10%
Motor vehicles	5 years	20%
Computer hardware	6,67 years	15%
Fixed assets with particular legal status	10 years	10%

The net fixed assets of their depreciation recorded a decrease of TND 4 906 thousand or 2, 23 % passing from TND 220 078 thousand on 31/12/2015 to TND 215 172 thousand to 31/12/2016.

	31/12/2016	31/12/2015	Variation	En %
Intangible fixed assets	64 390	62 663	1 727	2,76%
Depreciation of intangible fixed assets	(47 052)	(39 465)	(7 587)	19,22%
Tangible fixed assets	343 198	325 705	17 493	5,37%
Depreciation of tangible fixed assets	(164 634)	(149 028)	(15 606)	10,47%
Advances on fixed assets in progress	19 270	20 203	(933)	-4,62%
Total Fixed Assets	215 172	220 078	(4 906)	-2,23%

Fixed assets are detailed on 31/12/2016 as follows :

	31/12/2015	Acquisitions	Cessions ou mise en rebus	Reclassements	31/12/2016
License	18 796	1 454	-	34	20 284
Computer Software	39 781	139	-	100	40 020
Goodwill and right to lease	4 086	-	-	-	4 086
Total Intangible assets	62 663	1 593	-	134	64 390
Land	39 703	-	-	-	39 703
Constructions	105 989	642	-	-	106 631
Fittings and fixtures of construction	74 847	4 233	(4)	562	79 638
Buildings to be allocated	164	-	-	-	164
Fixed assets with particular legal status	340	-	-	-	340
Office furniture	14 450	558	(14)	249	15 243
Computer hardware	40 406	4 639	(4)	11	45 052
Motor vehicles	1 327	-	-	-	1 327
Constructions not allocated to professional activities	2 016	2 991	-	-	5 007
General installations of constructions	7 253	-	-	-	7 253
Banking operating equipment	18 522	1 429	-	616	20 567
Fittings and fixtures of banking operating equipment	34	3	-	-	37
Office Equipments	11 515	905	-	194	12 614
Fittings of office equipment	1 749	69	-	-	1 818
Fittings of office furniture	7 390	170	-	243	7 803
Total Tangible assets	325 705	15 639	(22)	1 875	343 197
Works in progress	19 173	1 217	-	(2 130)	18 260
Advances on fixed assets in progress	1 030	-	(20)	-	1 010
Total Gross values of fixed assets	408 571	18 449	(42)	(121)	426 857

	Cumul de- preciation 31/12/2015	Endow- ment	Adjustment sale and dis- posal	Cumul de- preciation 31/12/2016	Net Book Value 31/12/2016
License	(13 722)	(2 477)	-	(16 199)	4 085
Computer Software	(23 483)	(4 906)	-	(28 389)	11 631
Goodwill and right to lease	(2 260)	(204)	-	(2 464)	1 622
Total Intangible assets	(39 465)	(7 587)	-	(47 052)	17 338
Freehold land	-	-	-	-	39 703
Constructions	(30 146)	(3 224)	-	(33 370)	73 261
Fittings and fixtures of construc- tions	(48 126)	(4 250)	4	(52 372)	27 266
Buildings to be allocated	-	-	-	-	164
Fixed assets with particular legal status	(283)	(17)	-	(300)	40
Office furniture	(8 172)	(977)	14	(9 135)	6 108
Computer hardware	(28 061)	(3 731)	4	(31 788)	13 264
Motor vehicles	(903)	(154)	-	(1 057)	270
Constructions not allocated to professional activities	(606)	(262)	-	(868)	4 139
General installations of construc- tions	(6 132)	(111)	-	(6 243)	1 010
Banking operating equipment	(11 959)	(1 660)	-	(13 619)	6 948
Fittings and fixtures of banking operating equipment	(16)	(2)	-	(18)	19
Office Equipment	(8 514)	(648)	-	(9 162)	3 452
Fittings of office equipment	(1 261)	(81)	-	(1 342)	476
Fittings of office furniture	(4 690)	(510)	-	(5 200)	2 603
Total Tangible assets	(148 869)	(15 627)	22	(164 474)	178 723
Works in progress	-	-	-	-	18 260
Advances on fixed assets in pro- gress	-	-	-	-	1 010
Provisions on fixed assets	(159)	-	-	(159)	(159)
Total Net values of fixed assets	(188 493)	(23 214)	22	(211 685)	215 172

III-7. Other Assets

This heading went from TND 284 315 thousand on December 2015 to TND 336 632 thousand on December 2016, recording an increase of TND 52 317 thousand or 18, 4%. This heading is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Adjustment accounts	72 531	59 699	12 832	21,49%
Other assets accounts	264 101	224 616	39 485	17,58%
Total Other Assets	336 632	284 315	52 317	18,40%

Thus, the total of the balance sheet recorded between December 2015 and December 2016, an increase of TND 1 499 524 thousand or 15, 25%, shifting from TND 9 835 451 thousand to TND 11 334 975 thousand.

NOTE IV –Liabilities on the Balance Sheet

(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 Accounts
- PA2 : Deposit liabilities and holdings of Banking and Financial Institutions
- PA3 : Deposit liabilities and holdings of customers
- PA4 : Borrowings and Special Resources
- PA5 : Other Liabilities

IV-1. Central Bank of Tunisia and Post Office Accounts

The volume of this heading changed from one period to another from TND 1 303 thousand to TND 779 thousand, meaning a decrease by TND 524 thousand or 40,21%.

This Change is mainly due to a decrease of CBT checks awaiting payment in the amount of TND 543 thousand or 42,16% and in an increase of the credit balance of our foreign currency accounts held to the CBT of TND 27 thousand on December 2016. This heading is detailed as follows :

	31/12/2016	31/12/2015	Change	In %
Checks BCT awaiting payment	745	1 288	(543)	-42,16%
Count BCT in currencies	34	7	27	385,71%
Debts connected by the accounts BCT and CCP	-	8	(8)	-100,00%
Total central Bank and CCP	779	1 303	(524)	-40,21%

IV-2. Deposits and Assets of the Banking and Financial Institutions

The volume of this post shifted from one period to another of TND 519 666 thousand to TND 838 619 thousand, that is an increase of TND 318 953 thousand or 61, 38%. This heading is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Deposits and assets of banking institutions	833 603	516 818	316 785	61,30%
Deposits of financial institutions	5 016	2 848	2 168	76,12%
Total Deposits and assets of the banking and financial institutions	838 619	519 666	318 953	61,38%

This Change is explained by:

* An increase in the deposits and assets of banking institutions of TND 316 785 thousand or 61, 3%, which went from TND 516 818 thousand on December 2015 to TND 833 603 thousand on December 2016.

	31/12/2016	31/12/2015	Change	In %
Loan in dinars with the BCT	643 000	355 000	288 000	81,13%
Loan in dinars with banks	22 998	49 500	(26 502)	-53,54%
Deposits of the correspondents Bankers	50 037	34 372	15 665	45,57%
Other amounts due	117 171	77 810	39 361	50,59%
Connected debts	397	136	261	191,91%
Deposits and assets of banking institutions	833 603	516 818	316 785	61,30%

* An increase of deposits with financial institutions of TND 2 168 thousand or 76, 12%, that went from TND 2 848 thousand on December 2015 to TND 5 016 thousand on December 2016. This change originates essentially from deposits of leasing companies.

IV-3. Deposits and Assets of Customers

Deposits of customers recorded an increase of TND 987 963 thousand or 12, 21%, rising from TND 8 090 342 thousand on December 2015 to TND 9 078 305 thousand on December 2016. This increase is originated from the following items:

	31/12/2016	31/12/2015	Change	In %
Sight deposits	4 517 821	3 946 818	571 003	14,47%
Savings deposits	2 179 243	1 972 713	206 530	10,47%
Term accounts	1 342 385	1 260 403	81 982	6,50%
Term vouchers	278 539	303 088	(24 549)	-8,10%
Certificates of Deposit Money market	356 000	256 500	99 500	38,79%
Related debts	29 971	29 973	(2)	-0,01%
Other amounts due	374 346	320 847	53 499	16,67%
Total Deposits and assets of customers	9 078 305	8 090 342	987 963	12,21%

IV-4. Borrowings and Special Resources

Borrowings and special resources recorded an increase by TND 64 488 thousand or 54, 35%, falling from TND 118 657 thousand on December 2015 to TND 183 145 thousand on December 2016. This decrease is originating from the following items:

	31/12/2016	31/12/2015	Change	In %
Borrowings and debts on special resources	57 551	61 706	(4 155)	-6,73%
Related debts on special resources	281	348	(67)	-19,25%
Public funds and foreign bodies	10 258	10 131	127	1,25%
Total public funds and foreign bodies	68 090	72 185	(4 095)	-5,67%
Subordinated loans	112 700	46 350	66 350	143,15%
Debt related to loans	2 355	122	2 233	1830,33%
Total Borrowings and special resources	183 145	118 657	64 488	54,35%

This heading mainly consists of:

* Of the subordinated loan BIAT on 2014: this subordinate loan was set up on December, 2014 for an amount of TND 50,000 thousand.

* Of the subordinated loan BIAT on 2016: this subordinate loan was set up on 2016 for an amount of TND 70,000 thousand

The debts attached to this loan amounted on 31/12/2016 to TND 2.355 thousand.

These subordinated loans, which is taken into account in the calculation of the solvency ratio as of quasi-equity, serves in particular to finance the credits granted to the customers.

* Resources received from the public funds and foreign bodies to be used by the Bank to finance the credits to the customers.

These funds recorded a decrease by TND 4 095 thousand or 5, 67 % going down from TND 72 185 thousand in December 2015 to TND 68 090 thousand in December 2016.

This change results from refunds made for the benefit to these same funds of fallen due amounts, compensated by the release of new resources. This change is detailed as follows:

	Balance as at 31/12/2015	Resources	Refunds	Balance as at 31/12/2016
AFD	19 901	67	(3 567)	16 401
BEI	9 298	-	(2 924)	6 374
BIRD	8 685	-	(1 027)	7 658
CFD	4 522	126	-	4 648
ESPAGNOLE	2 275	-	(290)	1 985
FDCI	758	67	(56)	769
FNG	1 644	-	-	1 644
FONAPRA	5 339	779	(445)	5 673
FOPRODI	2 342	267	(251)	2 358
FOSDA FOSEP	189	-	(1)	188
ITL	9 419	5 047	(1 278)	13 188
KFW	6 412	-	(582)	5 830
PROPARCO	724	-	(332)	392
TAAHIL	328	-	(127)	201
BAD	-	500	-	500
Related debts	349	-	(68)	281
TOTAL	72 185	6 853	(10 948)	68 090

IV-5. Other Liabilities

The total of this item shifted from TND 334 259 thousand as on December 31, 2015 to TND 340 377 thousand as on December 31, 2016, recording an increase of TND 6 118 thousand or 1,83%. This Change results from the following subsections:

	31/12/2016	31/12/2015	Change	in %
Reserves for liabilities and loads (1)	89 191	112 331	(23 140)	-20,60%
Accounts of expectation and regularization (2)	177 991	159 443	18 548	11,63%
Other accounts (3)	73 195	62 485	10 710	17,14%
Total Other liabilities	340 377	334 259	6 118	1,83%

(1) Reserves for Liabilities and expenses

Reserves for liabilities and expenses shifted between December 2015 and December 2016 from TND 112 331 thousand to TND 89 191 thousand, meaning a decrease of TND 23 140 thousand, or 20, 6%.

	31/12/2016	31/12/2015	Change	in %
Provisions for risks of exploitation	78 326	98 657	(20 331)	-20,61%
Provisions on commitments off- balance sheet	10 865	13 674	(2 809)	-20,54%
Total Provisions pour passifs et charges	89 191	112 331	(23 140)	-20,60%

(2) Accounts of expectation and regularization

The accounts of expectation and regularization shifted between December, 2015 and December 2016 from TND 159 443 thousand to TND 177 991 thousand, meaning an increase of TND 18 548 thousand, or 11, 63%.

	31/12/2016	31/12/2015	Change	in %
Other deferred revenue	5 654	6 038	(384)	-6,36%
Accrued Expenses	75 131	60 265	14 866	24,67%
Suspense Accounts to be settled	97 206	89 070	8 136	9,13%
Currency adjustment account	-	4 070	(4 070)	-100,00%
Total Suspense Accounts and regularization	177 991	159 443	18 548	11,63%

(3) Other accounts

Between December 2015 and December 2016 the other accounts went from TND 62 485 thousand to TND 10 710 TND, meaning an increase by TND 10 710 thousand, or 17, 14%.

	31/12/2016	31/12/2015	Change	in %
State, taxes and fees	36 935	28 890	8 045	27,85%
Deduction accounts	29 026	25 333	3 693	14,58%
Other accounts payable	7 234	8 262	(1 028)	-12,44%
Total Other accounts	73 195	62 485	10 710	17,14%

NOTE V – Statement of Equity Capital

(Figures are expressed in TND thousand: thousand of Tunisian Dinars)

Between December 2015 and December 2016 the total of equity capital went from TND 771 224 thousand to TND 893 750 thousand, recording thereby an increase of TND 122 526 thousand or 15, 89%.

The chart which follows summarizes the changes of the equity capital between 2015 and 2016.

	Share capital	Reserves	Other Equity capital	Forwarded results	Net income of the year	Total
Balance as at 31/12/2014	170 000	397 314	3	609	102 376	670 302
Affection of the income	-	28 749	-	42 989	(71 738)	-
Share dividends	-	(30 000)	-	(600)	(20 400)	(51 000)
Social fund	-	10 581	-	-	(10 238)	343
Net income of the financial year 2015	-	-	-	-	151 579	151 579
Balance as at 31/12/2015	170 000	406 644	3	42 998	151 579	771 224
Income appropriation	-	39 998	-	28 423	(68 421)	-
Distributed dividends	-	-	-	(68 000)	(68 000)	-
Social funds	-	15 542	-	-	(15 158)	384
Net result of the financial year 2016	-	-	-	-	190 142	190 142
Balance as at 31/12/2016	170 000	462 184	3	71 421	190 142	893 750

In application of the article 19 of the Law No. 2013-54 of December 30, 2013, carrying Financial management Act t 2014, distributable equity frees of restraint amounted on December 31, 2015 to TND 275 760 thousand and detailed as follows:

Issuance premium:	TND 111 760 thousand
Reserves submitted to a particular tax regime:	TND 97 954 thousand
Other reserves:	TND 66 037 thousand
Retained earnings:	TND 9 thousand

NOTE VI – statement of off-balance sheet commitment

(Figures are expressed in TND thousand: thousand of Tunisian dinars)

1) The received guarantees appearing on the statement of off-balance sheet commitments except balance sheet do not include non-deductible guarantees as defined in the Circular No. 91-24 of 17-12-1991 of the Central Bank of Tunisia. Besides, these guarantees are included in the off balance sheet value of the claim on the balance sheet and relating to these guarantees. So, the surplus of guarantees with respect to each outstanding claim is excluded from this situation.

2) The foreign-exchange transactions not solved on the date of 31/12/2016 amount to TND 1 268 959 thousand.

3) The value of the securities to be delivered resulting from operations of securities amounts on 31/12/2016 to TND 7 thousand.

4) The authorized financing commitments and with which the conditions of implementation are not filled yet on 31/12/2016 amount to TND 144 797 thousand.

NOTE VII – Statement of Income

(Figures are expressed in TND thousand: thousand of Tunisian dinars)

VII-1. Bank Operating Revenues

The total of this item went from TND 724 171 thousand as at December 31, 2015 to TND 813 885 thousand as at December 31, 2016, recording an increase of TND 89 714 thousand or 12, 39%.

These bank operating revenues consist of following items :

- Interests and assimilated income;
- Commissions in income;
- portfolio earnings trade securities and financial transactions;
- Income of the portfolio securities of investment.

VII-1-1. The Interests and Assimilated Income

The interests and assimilated income shifted from TND 474 434 thousand on 31/12/2015 to TND 513 581 thousand on 31/12/2016, recording an increase of TND 39 147 thousand or 8,25%. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests on bank ordinary accounts	71	162	(91)	-56,17%
Interests on accounts of interbank loans	5 832	5 327	505	9,48%
Interests on customers loans	413 326	381 045	32 281	8,47%
Interests on accounts receivable to the customers	63 155	62 295	860	1,38%
Interests and similar income from guarantee commitments	20 823	19 464	1 359	6,98%
Other interests and similar income	10 374	6 141	4 233	68,93%
Total Interests and similar income	513 581	474 434	39 147	8,25%

VII-1-2. Commissions income

Commissions in turnover went from TND 131 808 thousand on 31/12/2015 to TND 152 171 thousand on 31/12/2016, recording an increase of TND 20 363 thousand or 15, 45%. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Commission on foreign-exchange transactions	4 581	4 368	213	4,88%
Commission on financing commitments	39 619	31 700	7 919	24,98%
Commission on guarantee commitment	7 196	6 164	1 032	16,74%
Commission on services of financial services	42 790	36 865	5 925	16,07%
Commissions on other bank transactions	57 985	52 711	5 274	10,01%
Total Commissions (in income)	152 171	131 808	20 363	15,45%

VII-1-3. Gains on trade securities portfolio and financial operations

These gains total TND 132 131 thousand on 31/12/2016 against TND 103 626 thousand on 31/12/2015, meaning an increase of TND 28 505 thousand or 27, 51%.

	31/12/2016	31/12/2015	Change	In %
Income of the transaction securities (a)	76 014	53 456	22 558	42,20%
Income on securities of investment (b)	108	123	(15)	-12,20%
Gains on transactions of exchange and arbitration (c)	56 009	50 047	5 962	11,91%
Total	132 131	103 626	28 505	27,51%

This increase is detailed as follows:

(a) Income of the transaction securities

Between December 2015 and December 2016 Transactions securities income went from TND 53 456 thousand to TND 76 014 thousand, meaning an increase by TND 22 558 thousand, or 42, 2%. These incomes are detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests of the transaction securities	69 872	51 203	18 669	36,46%
Capital gain or loss of transfer or refund	6 142	2 253	3 889	172,61%
Total Income of the transaction securities	76 014	53 456	22 558	42,20%

(b) Investment securities Income

The income of securities of investment, which consists of interests received on the bonds subscribed by the bank and the income of the Priority parts of the FCC, recorded a decrease by TND 15 thousand or 12,2 %, going from one period to the other from TND 123 thousand to TND 108 thousand.

	31/12/2016	31/12/2015	Change	In %
Interests on bonds	-	1	(1)	-100,00%
Income of the debt securitization funds	108	122	(14)	-11,48%
Total Income on investment securities	108	123	(15)	-12,20%

(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 50 047 thousand on 31/12/2015 to TND 56 009 thousand on 31/12/2016 recording an increase by TND 5 962 thousand or 11,91%.

VII-1-4. Income of the Investment Portfolio

The income of the investment portfolio which consist mainly of interests perceived on the investment securities subscribed by the Bank and dividends perceived on equity shares and income on securities on carrying recorded an increase by TND 1 699 thousand or 11,88% going from one period to another from TND 14 303 thousand to TND 16 002 thousand.

	31/12/2016	31/12/2015	Change	In %
Interests and income of the investment securities	6 081	4 041	2 040	50,48%
Income of share in the associated companies	6 711	9 628	(2 917)	-30,30%
Income of equity securities	3 210	634	2 576	406,31%
Total Income of the investment portfolio	16 002	14 303	1 699	11,88%

VII-2. Bank operating expenses

The total of this item shifted from TND 191 588 thousand on December 31st, 2015 to TND 220 249 thousand on December 31, 2016, recording an increase by TND 28 661 thousand or 14,96%.

These Bank operating expenses consist of following items:

- Incurred interests and similar expenses
- Incurred commissions.

VII-2-1. The Incurred Interests and the similar expenses

The incurred interests and the similar expenses shifted from TND 190 811 thousand on 31/12/2015 to TND 218 627 thousand on 31/12/2016, recording an increase by TND 27 816 thousand or 14, 58%. This change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests on bank ordinary accounts	403	542	(139)	-25,65%
Interests on interbank loan accounts	1 996	971	1 025	105,56%
Interests on customers' deposits	181 590	169 819	11 771	6,93%
Interests on bond and subordinate loan	5 847	3 682	2 165	58,80%
Interests on special resources	2 034	2 318	(284)	-12,25%
Other interests and expenses	26 757	13 479	13 278	98,51%
Total accrued interest and assimilated loads	218 627	190 811	27 816	14,58%

VII-2-2. Incurred Commissions

The incurred commissions shifted from TND 777 thousand on 31/12/2016 to TND 1 622 thousand on 31/12/2016, recording an increase by TND 845 thousand or 108,75%. This change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Commissions on treasury transactions and interbank transactions	1 556	715	841	117,62%
Commissions on other transactions	66	62	4	6,45%
Total incurred Commissions	1 622	777	845	108,75%

VII-3. Allocations to provisions and the result of value adjustment of receivables, off-balance sheet and liabilities

The balance under this heading recorded on 31/12/2016 a net endowment of TND 27 262 thousand broken down as follows:

	31/12/2016	31/12/2015	Change	In %
Allocations to provisions on customers receivables	(68 200)	(79 729)	11 529	-14,46%
Allocations to provisions for risks and expenses	(5 341)	(11 333)	5 992	-52,87%
Total of Allocations	(73 541)	(91 062)	17 521	-19,24%
Receivables Losses	(53 066)	(51 414)	(1 652)	3,21%
Total of Allocations and Receivables Losses	(126 607)	(142 476)	15 869	-11,14%
Reversal of provisions on customers receivables	74 908	76 068	(1 160)	-1,52%
Reversal of provisions for losses and expenses	23 960	1 983	21 977	1108,27%
Total of recovery	98 868	78 051	20 817	26,67%
Recoveries of receivables written off	477	78	399	511,54%
Total of recovery and receivables recoveries	99 345	78 129	21 216	27,16%
Balance	(27 262)	(64 347)	37 085	-57,63%

VII-4. Allocations to provisions and the result of value adjustment of Investment Portfolio

The volume under this heading recorded on 31/12/2016 a loss on balance of TND 6 662 thousand broken down as follows:

	31/12/2016	31/12/2015	Change	In %
Allocations to provisions on equity securities, carrying and managed funds	(2 944)	(597)	(2 347)	393,13%
Allocations to provisions on shares in the related companies and the joint ventures	(2 639)	(1 799)	(840)	46,69%
Total of Allocations	(5 583)	(2 396)	(3 187)	133,01%
Expenses and losses on securities	(1 352)	(907)	(445)	49,06%
Total of Allocations and the receivables losses	(6 935)	(3 303)	(3 632)	109,96%
Reversal of provisions on shares in the related companies and the joint ventures	273	3 306	(3 033)	-91,74%
Capital gain on the Disposal of equity shares	-	489	(489)	-100,00%
Total of the recovery	273	3 795	(3 522)	-92,81%
Total of reversals and receivables recoveries	273	3 795	(3 522)	-92,81%
Balance	(6 662)	492	(7 154)	-1454,07%

VII-5. Other Operating Incomes

This section, which is composed mainly of rental income and of interest on staff loans increased between December 2015 and December 2016 from TND 8 105 thousand to TND 7 998 thousand, recording thereby a decrease by TND 107 thousand or 1,32%.

VII-6. Staff Costs

This section, which is composed mainly of salaries, social expenses and other staff expenses, shifted between December 2015 and December 2016 from TND 175 118 thousand to TND 196 914 thousand, recording thereby an increase by TND 21 796 thousand or 12,45%.

VII-7. General Operating expenses

The increase by TND 8 524 thousand recorded between December 2015 and December 2016 results from an increase in the non-banking operating costs at the rate of TND 2 819 thousand and from an increase of other general operating expenses to the tune of TND 5 705 thousand.

VII-8. Dotations aux amortissements et aux provisions sur immobilisations

The balance of this section recorded on 31/12/2016 an amount of TND 29 716 thousand broken down as follows:

	31/12/2016	31/12/2015	Change	In %
Depreciation charge of intangible assets	7 587	7 058	529	7,50%
Depreciation charge of tangible assets	15 627	14 021	1 606	11,45%
Depreciation charge of the deferred charges	6 502	7 625	(1 123)	-14,73%
Total	29 716	28 704	1 012	3,53%

VII-9. Balance in Gain or in Loss Resulting from Other Ordinary Items

The balance of this section is a loss of TND 7 000 thousand originating from Capital gain on the Disposal of fixed assets for TND 13 thousand and other losses for TND 7 013 thousand.

	31/12/2016	31/12/2015	Change	In %
Losses on disposal of fixed assets	-	(17)	17	-100,00%
Other ordinary losses	(7 013)	(188)	(6 825)	3630,32%
Gain on disposal of fixed asset	13	454	(441)	-97,14%
Total	(7 000)	249	(7 249)	-2911,24%

VII-10. Income taxes

The balance of this section recorded on 31/12/2016 an amount of TND 55 012 thousand against TND 59 817 thousand on 31/12/2015, that is a decrease of TND 4 805 thousand or 8, 03%.

NOTE VIII – Portfolio Cashing

The value of checks, bills and other assimilated values held by the bank on behalf of third parties, awaiting collection amount on 31/12/2016 to TND 467 202 thousand. In accordance with the provisions of prescribed by the sector-based accounting standard of banking institutions, these values are not included in the balance sheet.

NOTE IX – Statement of Cash flows

(Figures are expressed in TND thousand: thousand of Tunisian dinars)

IX-1. Effects of Exchange Rate Changes on Cash and Cash Equivalents

The evolution of the exchange rates of the currencies quoted by the BCT which were used for the conversion in dinars of our deposits and foreign currency assets as shown on the financial statements at 31/12/2016 have generated an impact cash and cash equivalents in the amount of 83 685 thousand.

This Change is attributable in the following posts:

Wording	31/12/2016
Bank Operating Income	347
Customer Deposits	8 213
Loans and advances granted to Customers	73 927
Amounts paid to staff and Sundry creditors	344
Other Cash Flow generated from operating activities	854
Net change	83 685

IX-2. Cash and Cash Equivalents

This section is mainly composed from cashing in dinars and foreign currency, holdings with the Central Bank and with the center of postal checks, net sight deposits with banking institutions, loans and borrowings for a period of less than three months and transaction securities portfolio.

The treasury of the bank shifted from TND 1 663 820 thousand on 31/12/2015 to TND 1 476 369 thousand on 31/12/2016, recording a decrease by TND 187 451 thousand or 11, 27%, broken down as follows:

	31/12/2016	31/12/2015	Change	In %
Cash in TND				
Cash in dinars	79 920	75 726	4 194	5,54%
Corresponding Debtors	21 686	17 712	3 974	22,44%
Corresponding Creditors	(745)	(1 288)	543	-42,16%
Cash debtor equivalents	2 012	3 429	(1 417)	-41,32%
Cash creditor equivalents	(17 149)	(288)	(16 861)	5854,51%
Total of cash in TND	85 724	95 291	(9 567)	-10,04%
Foreign currencies Cash				
foreign currencies Cash	15 821	13 847	1 974	14,26%
Corresponding Debtors	469 893	481 604	(11 711)	-2,43%
Corresponding Creditors	(50 071)	(34 378)	(15 693)	45,65%
Foreign currency investment	284 568	402 550	(117 982)	-29,31%
Total of foreign currencies cash	720 211	863 623	(143 412)	-16,61%
transactions securities	1 336 432	1 109 405	227 027	20,46%
Loans in dinars	(665 998)	(404 500)	(261 498)	64,65%
Cash & Cash Equivalents	1 476 369	1 663 819	(187 450)	-11,27%

NOTE X – Transactions with related Parties

1. Within the framework of exempted investment affecting the result of financial year 2016, BIAT and BIAT CAPITAL RISQUE executed on 5 December 2016, an agreement pertaining to a fund management mandate (Industry Fund 2016 - 3) with a global amount of 15.700 KDT.

The managed fund will be used to finance projects in compliance with the conditions and within the limits of Law N° 88-92, dated 02 August 1988 relating to investment companies as modified and completed by subsequent texts.

The BIAT CAPITAL RISQUE will receive, at the end of each quarter, a management commission of 0.5% (tax excluded) per year on all the total of the fund amount.

In case the BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

2. Within the framework of exempted investment affecting the result of financial year 2016, BIAT and BIAT CAPITAL RISQUE executed on 29 December 2016, an agreement relating to the management mandate of a Free Fund (Free Fund 2016 - 2) with a global amount of 4.501 KDT.

The managed fund will be used to finance projects in compliance with the conditions and within the limits of Law N° 88-92, dated 02 August 1988 relating to investment companies as modified and completed by subsequent texts.

The BIAT CAPITAL RISQUE will receive on the fund remuneration a management commission of:

- 0.5% per year on placed amounts, during blocking period;
- 1.75% on the invested amounts between the date of fund liberation and the end of the seventh year following this liberation. After the period of account blocking, the commission is received in arrears on the outstanding amount.
- 1% on the outstanding fund, between the end of the seventh year and the tenth year.

In case BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

3. Within the framework of exempted investment affecting the result of financial year 2015, the BIAT and the BIAT Capital Risque executed, on 29 February 2016, an agreement relating to a fund management mandate (Industry Fund 2016 - 1) with a global amount of 5.000 KDT.

The managed fund will be used to finance projects in compliance with the conditions and within the limits of Law N° 88-92, dated 02 August 1988 relating to investment companies as modified and completed by subsequent texts.

The BIAT CAPITAL RISQUE will receive on the fund remuneration a management commission of:

- 0.5% per year on placed amounts, during the blocking period;
- 1.75% on the invested amounts between the date of fund liberation and the end of the seventh year following this liberation. After the period of blocking, the commission is received in arrears on the outstanding amount.
- 1% on the outstanding fund, between the end of the seventh year and the tenth year.

In case BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

4. Within the framework of exempted investment affecting the result of financial year 2015, the BIAT and the BIAT CAPITAL RISQUE executed, on 29 February 2016, an agreement relating to a fund management mandate (Regional Fund 2016) with a global amount of 5.000 KDT.

The BIAT CAPITAL RISQUE will receive on the fund remuneration a management commission of:

- 0.5% per year on placed amounts, during the blocking period;
- 1.75% on the invested amounts between the date of fund liberation and the end of the seventh year following this liberation. After the period of blocking, the commission is received in arrears on the outstanding amount.
- 1% on the outstanding fund, between the end of the seventh year and the tenth year.

In case BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

5. Within the framework of exempted investment affecting the result of financial year 2015, the BIAT and the BIAT CAPITAL RISQUE executed, on 18 February 2016, an agreement relating to a fund management mandate (Free Fund 2016 - 1) with a global amount of 9.401 KDT.

The BIAT CAPITAL RISQUE will receive, at the end of each quarter, a management commission of 0.5% (tax excluded) per year on all the total of the fund amount.

6. Within the framework of exempted investment affecting the result of financial year 2015, the BIAT and the BIAT CAPITAL RISQUE executed, on 24 March 2016, an agreement relating to a fund management mandate (Industry Fund 2016 - 2) with a global amount of 5.050 KDT.

The BIAT CAPITAL RISQUE will receive on the fund remuneration a management commission of:

- 0.5% per year on placed amounts, during the blocking period;
- 1.75% on the invested amounts between the date of fund liberation and the end of the seventh year following this liberation. After the period of account blocking, the commission is received in arrears on the outstanding amount.
- 1% on the outstanding fund, between the end of the seventh year and the tenth year.

In case BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

7. An agreement was executed, in January 2016, between BIAT and Sfax Tourism Promotion Company by virtue of which the BIAT puts at the disposal of the company Sfax Tourism Promotion Company two Executive Manager for a punctual intervention on the site IBIS Sfax. This convention was executed for a period of two years starting on January 2016 and ending on 31 December 2017.

In return of the services rendered, the BIAT invoices the honorarium including salary shares and the advantages with all charges included.

The amount of the invoice will be increased by applicable dues and taxes at the date of the invoice.

8. An agreement was executed in September 2016 between the BIAT and the company SPT Mohamed V, by virtue of which the BIAT puts at the disposal of the company SPT Mohamed V two Executive Manager for a punctual intervention on NOVOTEL Hotel. This convention was executed for a period of four years stating on 1 January 2016 and finishing on 31 December 2019.

In return of the services rendered, the BIAT invoices the honorarium including salary shares and the advantages with all charges included

The amount of the invoice will be increased by applicable dues and taxes at the date of the invoice.

9. The BIAT executed, on November 2016, with the company BIAT CONSULTING, a framework convention for providing executives for a period starting on 1 March 2016.

In exchange of the services rendered, the company BIAT CONSULTING calculated the honorarium based on the real cost of the gross salary all charges included, including the indirect charges for the personnel provided, all increased by 5%.

The amount invoiced by BIAT CONSULTING for 2016 amounts to 94.456 (tax excluded).

- 10.** An agreement was executed, on November 2016, between BIAT and SOPIAT Company by virtue of which this latter provides the BIAT with two workers to ensure the follow up of the participants in maintenance of the 5th floor for the second part of the Head Office.

In return of the services rendered, BIAT shall pay honorarium to SOPIAT Company with invoices including salaries and benefits all charges included for these two workers with a margin of 5%.

This agreement was concluded from 1 November 2016 until 31 December 2018.

The recorded charge in 2016 for this post rises to 4.822 Dinars.

- 11.** The BIAT executed in December 2016 with the International Arab Company for Debt Recovery «CIAR», an agreement for the transfer of a debt with an amount of 49.614.607 Dinars for the price of 1.750.000 Dinars.

- 12.** The BIAT executed in June 2016 with the Construction Company IRIS, an agreement for leasing two premises to be used as offices with a surface area of 855 m², situated at Building «Youssef Towers», rue du Dinar, Les Jardins du Lac, Les Berges du Lac II - Tunis, as well as 18 parking lots situated at the underground of the building.

The agreed amount for this rental was 210.810 Dinars.

Three sub-rental agreements were signed in January 2017 with the companies BIAT CAPITAL, TUNISIA SECURITIZATION and BIAT ASSET MANAGEMENT, for a period starting on 1 October 2016 until 31 July 2018. At the end of this period, the sub-location shall be renewed from year to year from 01/08/2018, through tacit consent.

The sub-lease agreements were executed in the following way:

Company	Surface area leased	Duration	Amount	Yield of the year
BIAT CAPITAL	331 m ² with 7 parking lots	From 01/10/2016 to 31/07/2017	71.452 DT	21.435 DT
		From 01/08/2017 to 31/07/2018	90.029 DT	
TUNISIA SECURITIZATION	93 m ² with 2 parking lots	From 01/10/2016 to 31/07/2017	20.178 DT	6.053 DT
		From 01/08/2017 to 31/07/2018	25.425 DT	
BIAT ASSET MANAGEMENT	273 m ² with 6 parking lots	From 01/10/2016 to 31/07/2017	59.185 DT	17.755 DT
		From 01/08/2017 to 31/07/2018	74.573 DT	

- 13.** The BIAT executed on 04 May 2016 with the company BIAT ASSET MANAGEMENT, an agreement relating to filing and management by virtue of which this latter assigns to BIAT, which accepts, the mission of exclusive agent of the funds and titles owned by FCP BIAT - EQUITY PERFORMANCE.

In exchange for these services, the BIAT will receive an annual remuneration of 0.1%, tax excluded of the assets of FCP BIAT - EQUITY PERFORMANCE.

This remuneration, which is deducted daily, is paid annually in arrears.

The amount stated for this post in 2016 amounts to 5.989 DT.

- 14.** The BIAT executed, on 04 May 2016 with the company BIAT ASSET MANAGEMENT, a distribution agreement in virtue of which this latter assigns to BIAT, which agrees, to market and distribute the shares of FCP BIAT- EQUITY PERFORMANCE.

In exchange of the services rendered, the BIAT will receive a share of the distribution commission equaling 0.3% excluding tax, of net assets on a pro-rat basis of its distribution. The distribution commission, which is paid by the company BIAT ASSET MANAGEMENT, shall be deducted from the management commission taken from the assets of FCP BIAT- EQUITY PERFORMANCE.

BIAT remuneration shall be paid by BIAT ASSET MANAGEMENT, monthly in arrears upon presentation of the invoice.

- 15.** After the conclusion of the transfer in lieu of payment act with the company "GOLF SOUSSE MONASTIR" GSM, on December 27th, 2013, by virtue of which BIAT became the owner of the real estate property of three land titles situated in the tourist zone Dkhila Monastir, the company GSM showed its will to rent the Golf Course with its conveniences and its outbuildings, already transferred to BIAT.

BIAT accepted this request and determined an annual rent composed of:

- A fixed portion of two hundred thousand TND_VAT excluded (TND 200,000_VAT excluded) per year payable on quarterly basis in advance. (*)
- A variable portion calculated on the basis of the turnover_ tax excluded.
 - Between TND 0 and TND 500,000 →10%
 - Between TND 500,001 and TND 1,000,000 →15%
 - More than TND 1,000,001 → 20%

(*) A cumulative increase of 5% per year will be applied to the fixed portion of the rent as from the third year of the rent.

The present lease is accepted for a period of two successive years beginning on January 01st, 2014 and ending on December 31st, 2015, renewable by tacit consent.

16. BIAT rented, to the company CIAR, for administrative offices usage, the office situated on the first floor of the Building located in Sfax Harzallah.

Besides, this rent is consented and accepted for a period of two consecutive years, beginning on September 1st, 2013 and ending on August 31st, 2015, renewable by tacit consent and an annual rent of TND 4,950_VAT excluded, payable on quarterly basis in advance. This rent is subject to a cumulative increase by 5% applied from the third year of the rent.

The amount listed among BIAT incomes in 2016 amounts to TND 5.284 .

17. BIAT and CIAR concluded in 2015 an Agreement by virtue of which BIAT is engaged in fulfilling the missions of assistance and IT consulting.

The missions of assistance and consulting in the study, the choice and the setting up of IT solutions should be subject to a mission order informed by CIAR presenting the number of days of the mission with a daily rate fixed to five hundred TND (TND 500 tax excluded) per day/man. The missions of administration and technical assistance are made an annual remuneration of seven thousand, five hundred TND (TND 7,500 tax excluded).

These remunerations are paid to BIAT quarterly in arrears by presenting an invoice.

The present Agreement is concluded for duration of three years. It will be renewed by tacit consent, except for a written renunciation by one of the parties by giving notice of 3 months.

The amount recorded among the revenues of BIAT amounts to TND 7.500.

18. BIAT concluded in 2012 with the company "CIAR", a lease agreement of an office with a surface area of 16.45 m² situated on the first floor of the building in Boulevard 14 Janvier, Route Touristique Khezama, Sousse.

The leasing was authorized and accepted for a period of two consecutive years beginning on September 1st, 2012 and ending on August 31st, 2014, renewable from year to year by tacit consent.

This leasing was authorized and accepted for an annual rent of two thousand four hundred sixty-seven TND and five hundred millimes VAT excluded (TND 2,467.500 VAT excluded), quarterly payable in advance, (meaning TND 616,875 VAT excluded per trimester).

The abovementioned rent, will be subject to an annual increase of 5% applied as from the third year of the leasing.

The rental income inscribed under the result of the financial year 2016 amount to 2.765 dinars.

19. BIAT concluded with the company "CIAR", on August 10, 2009, a leasing contract of a villa situated in Rue Alain Savary-Tunis, with a constructed surface area of 431 m². This leasing is consented for a period of two years, beginning on October 1st, 2009 and ending on September 30th, 2011, renewable from year to year by tacit consent, and this for an annual remuneration of TND 47.000 tax excluded, quarterly payable in advance.

The rent will be subject to an annual increase of 5% applied as of the third year.

This agreement was cancelled on August 2016.

The rental income included under the result of the financial year 2016 amounts to TND 39.990.

20. The BIAT concluded in 2014 with the company CIAR an Agreement of detachment of executives. Besides the salaries and salary supplements and advantages, the invoicing by the BIAT to the CIAR includes a margin of 5%.

The amount invoiced by BIAT in 2016 to CIAR amounts to TND 284.211.

21. In November 2014, BIAT concluded a mandate contract with the aim of recovering receivables with the company CIAR.

This contract states in its purpose that BIAT gives mandate to CIAR which accepts to act in its name and on its behalf to collect receivables from its customers.

In return of its services, CIAR perceives fixed remuneration as follows :

- Friendly and legal collection :Management fees (per file) : TND 100 Tax exclusive
- Remuneration on the collected sums: 15% on the totality of the collected sums including delay interests.

An amendment to this agreement was concluded between both parties who agreed to adjust the remuneration of outsourcing as follows:

- Fixed fees: 1% of the amount of receivables with a maximum of 50 dinars per file. These fees will be paid 50% at file handling and 50% at transaction (1st payment related to collection),
- Variable fees: 12% on the totality of collected sums including delay interests.

This new pricing shall be applied as of the first of January 2015.

The amount invoiced by CIAR in 2016 amounts to TND 457.189.

- 22.** BIAT concluded on December 23rd 2015 with CIAR Company an agreement of an assignment of bank receivables totaling the sum of TND 33.305.649 for a price of TND 650.000.

An amendment to this agreement was concluded on March 2016 concerning the retrocession of receivables on NOUHA EDITION Company for an amount of 170.485 along with its accessories and guarantees.

A second amendment to this agreement was concluded on October 2016 concerning the retrocession of receivables on TUNIPOST AUTOMATE Company for an amount of 204.485 along with its accessories and guarantees.

- 23.** BIAT concluded on December 22nd 2014, with the company "Compagnie Internationale Arabe de Recouvrement" «CIAR» (Arab International Company of Claims Collection), an Agreement of an assignment of bank receivables totaling TND 43.866.820 for a price of 1.180.000.

Two amendments were concluded on March 2016 concerning the retrocession of receivables on COMETRA and STAM Companies of respective amounts of TND 1.225.184 and 480.538. Receivables on COMETRA Company were retroceded for the same acquisition price of TND 30.000.

- 24.** BIAT concluded in 2014 with CIAR Company an agreement on administrative and accounting assistance.

In return to this mission, BIAT perceives an annual remuneration amounting to TND 18.000 (ex VAT)

This remuneration was renewed in 2015 and 2016 by virtue of two amendments concluded on December 2015 and December 2016.

- 25.** Within the framework of exempted investment affecting the result of financial year 2015, BIAT and BIAT CAPITAL RISQUE concluded on June 18th 2015, an agreement relating to the management mandate of a Free Fund of an amount of 2.001 KDT.

The managed fund will be used to finance projects in compliance with the conditions and within the limits of Law No. 88-92, dated 02 August 1988 relating to investment companies as modified and completed by subsequent texts.

The BIAT CAPITAL RISQUE will receive on the fund remuneration a management commission of:

- 0.5% per year on placed amounts, during the blocking period;
- 1.75% on the invested amounts between the date of fund liberation and the end of the seventh year following this liberation. After the period of account blocking, the commission is received in arrears on the outstanding amount.
- 1% on the outstanding fund, between the end of the seventh year and the tenth year.

In case BIAT CAPITAL RISQUE should reach a yield higher than the average TMM of the period, it would have right to a performance commission which will be calculated according to a scale.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 35.005 (tax excluded).

- 26.** Within the framework of the exonerated investment affecting the income of the year 2013, BIAT confided to "BIAT CAPITAL RISQUE" on May 20th, 2013 the management of a fund of eight million, eight hundred and fifty-three thousand TND (TND 8,853,000) fully paid up; such is in order to promote the industrial projects and the related activities benefiting from fiscal advantages determined by law 95-88 dated October 30, 1995 as amended and supplemented by the new provisions of Articles 39 and 48 of the code of the IS and of the IRPP and the subsequent texts.

BIAT CAPITAL RISQUE receives on the remuneration of the said fund a commission of management of 0.5% per year, tax excluded, on the totality of the amount of the funds.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 rises to TND 44.265 (tax excluded).

- 27.** Within the framework of the exonerated investment affecting the income of the year 2013, BIAT and BIAT CAPITAL RISQUE signed, on March 18th, 2014, a mandate agreement pertaining to the management of an industrial fund of an amount of two million TND (TND 2,000 thousand).

BIAT CAPITAL RISQUE receives on the remuneration of the fund, a commission of management of:

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the outstanding of funds, between the end of the seventh year and the tenth year.

On the other hand, the manager has the right to a performance commission (calculated according to a scale) if the return is higher than the average MMR of the period.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 22.532 (tax excluded).

- 28.** Within the framework of the exonerated investment affecting the result of the financial year 2013, BIAT and BIAT CAPITAL RISQUE signed, on January 17th, 2014, an Agreement pertaining to a mandate of management of industry fund of an amount of TND 11,671,000. BIAT CAPITAL RISQUE will receive, quarterly and on expiry dates, a management commission of 0.5% (tax excluded) per year on the total amount of the funds.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 58.535 (tax excluded).

- 29.** BIAT confided to "BIAT CAPITAL RISQUE" on 15/03/2013, the management of a regional fund of a global amount of five million TND (TND 5,000 thousand) fully paid up, in order to promote the projects located in the zones of regional development and in the job generating projects taking advantage of fiscal privileges defined under law No. 95-88 dated October 30th, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of the IS and the IRPP and the subsequent texts.

The company "BIAT CAPITAL RISQUE" receives, on the managing of the fund, a commission of:

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the invested amounts, between the eighth and the tenth year.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 75.021 (tax excluded).

- 30.** BIAT confided to "BIAT CAPITAL RISQUE", on 15/03/2013, the management of an industrial fund with the global amount of five million and five hundred thousand TND (TND 5,500 thousand) fully paid up in order to promote the industrial projects and the connected activities benefiting from fiscal advantages defined by law 95-88 dated October 30th, 1995 as amended and supplemented by the new provisions of articles 39 and 48 of the code of the IS and the IRPP and the subsequent texts.

BIAT CAPITAL RISQUE receives, on the management of the fund, a commission of:

- 0.5% per year on the invested amounts, and this, during the blocking period;

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

- 1% per year on the invested amounts, between the eighth and the tenth year.

The amount invoiced by BIAT CAPITAL RISQUE in 2016 amounts to TND 84.656 (tax excluded).

- 31.** BIAT concluded with BIAT CAPITAL RISQUE, on December 30th, 2009, a fund management agreement, by virtue of which it entrusts to the latter, under risk capital Funds, the management of a fund of an amount of TND 3,000,000, fully paid up.

The fund manager, in this case the company "BIAT CAPITAL RISQUE", will act to ensure the best profitability possible on the on participations financed by the fund such is, until its total repayment.

In return, "BIAT CAPITAL RISQUE" receives, for the management of the fund, a commission of the managed fund, equal to 1% per year tax excluded, annually calculated in arrears on the initial amount of the fund. After the period of five years, the commission will be annually calculated on the outstanding amount of the fund. The risk of default by the beneficiaries of funding supports levied on the fund is supported by BIAT.

The amount invoiced by BIAT CAPITAL RISQUE in 2016 amounts to TND 19.500 (tax excluded).

- 32.** BIAT concluded, on December 24th, 2008, with BIAT CAPITAL RISQUE, an Agreement of management of risk capital funds under which, it entrusts to this company under risk capital fund, the management of a fund of TND 14,250,000, fully paid up. BIAT CAPITAL RISQUE will act to ensure for BIAT, a minimum profitability average of participations equivalent to MMR+0.5%, such is until the total repayment of the fund.

The manager of the fund, BIAT CAPITAL RISQUE, will act to ensure to BIAT, an average minimum efficiency of participations equaling MMR+0.5%, until the total repayment of the managed fund.

In return, BIAT CAPITAL RISQUE receives, on the management of the fund, a commission of the managed funds, equal to 1% per year tax excluded, annually calculated in arrears, on the initial amount of the fund. After the period of five years, this commission will be annually calculated in arrears on the outstanding amount of the fund. The risk of default by the beneficiaries of funding supports levied on the fund is supported by BIAT.

The amount invoiced by BIAT CAPITAL RISQUE in 2016 amounts to TND 8.144 (tax excluded).

33. BIAT confided in 2010 to BIAT CAPITAL RISQUE the management of a fund amounting 10.000KDT totally paid up in order to benefit from fiscal advantages determined by law 95-88 dated October 30, 1995 as amended and supplemented by the new provisions of Articles 39 and 48 of the code of the IS and of the IRPP and the subsequent texts.

"BIAT CAPITAL RISQUE" will act to ensure the best profitability possible on the participations financed by the fund and this until its total repayment.

"BIAT CAPITAL RISQUE" receives, for the management of the fund, a commission of the managed fund, equal to 1% per year tax excluded, annually calculated in arrears on the initial amount of the fund. After the period of five years, the commission will be annually calculated on the outstanding amount of the fund.

The amendment of May 2011 concerned the fund destination as well as its remuneration:

Fund remuneration :

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the invested amounts, between the end of the seventh and the tenth year.

Destination Fund:

- Participations to reinforce companies own funds as it is defined by law n°95-87 of October 30th 1995.
- To intervene, by means of subscription or acquisition of ordinary shares or preferred shares without the right to vote, to investment certificates of companies, equity securities, convertible bonds to shares and membership shares and in general to any other category assimilated to own funds.

The amount invoiced by BIAT CAPITAL RISQUE in 2016 amounts to TND 100.243 (tax excluded).

34. BIAT confided to "BIAT CAPITAL RISQUE" in 2011, the management of a regional fund of a global amount of six million TND (TND 6,000 thousand) fully paid up, in order to promote the projects located in the zones of regional development and in the job generating projects taking advantage of fiscal privileges defined under law No. 95-88 dated October 30th, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of the IS and the IRPP and subsequent texts.

The company "BIAT CAPITAL RISQUE" receives, on the managing of the fund, a commission of:

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the invested amounts, between the eighth and the tenth year.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 90.000 (tax excluded).

35. BIAT confided to "BIAT CAPITAL RISQUE" on December 28th 2011, the management of a fund of a global amount of six million TND (TND 6,000 thousand) fully paid up, in order to support the effort and the process of regional development taking advantage of fiscal privileges defined under law No. 95-88 dated October 30th, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of the IS and the IRPP and subsequent texts.

The company "BIAT CAPITAL RISQUE" receives, on the managing of the fund, a commission of:

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the invested amounts, between the eighth and the tenth year.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 90.000 (tax excluded).

36. BIAT concluded, on December 27th, 2007, with BIAT CAPITAL RISQUE, an Agreement of management of risk capital funds under which, it entrusts to this company under risk capital fund, the management of a fund of 9.000 KDT fully paid up.

The manager of the Fund, BIAT CAPITAL RISQUE will act to ensure for BIAT, a minimum profitability average of participations equivalent to MMR+0.5%, such is until the total repayment of the fund.

In return, BIAT CAPITAL RISQUE receives, on the management of the fund, a commission of the managed funds, equal to 1% per year tax excluded, annually calculated in arrears, on the initial amount of the fund. After the period of five years, this commission will be

annually calculated in arrears on the outstanding amount of the fund. The risk of default by the beneficiaries of funding supports levied on the fund is supported by BIAT.

The amount invoiced by BIAT CAPITAL RISQUE in 2016 amounts to TND 7.276 (tax excluded).

- 37.** BIAT confided to "BIAT CAPITAL RISQUE" on April 13th 2011, the management of a regional fund of a global amount of ten million TND (TND10,000 thousand) fully paid up, taking advantage of fiscal privileges defined under law No. 95-88 dated October 30th, 1995 as amended and completed by the new provisions of articles 39 and 48 of the code of the IS and the IRPP and subsequent texts.

The company "BIAT CAPITAL RISQUE" receives, on the managing of the fund, a commission of:

- 0.5% per year on the invested amounts, and this, during the blocking period;
- 1.75% per year on the invested amounts, between the date of funds release and the end of the seventh year following that of the release. After the blocking period, the commission is perceived in arrears on the outstanding amounts;
- 1% per year on the invested amounts, between the eighth and the tenth year.

The amount invoiced by BIAT CAPITAL RISQUE for 2016 amounts to TND 224.919 (tax excluded).

- 38.** An amendment to the agreements of management of capital risk funds was concluded on December 2015 between BIAT and BIAT CAPITAL RISQUE by virtue of which the two parties commonly agreed to add to all of the current agreements of management of funds a provision relative to direct costs related to shareholding lines and engaged by BIAT CAPITAL RISQUE.

The direct costs engaged by BIAT CAPITAL RISQUE for the implementation and disinvestment of shareholding lines imputed to current funds, will be taken in charge by BIAT.

- 39.** BIAT concluded in 2004 with BIAT CAPITAL RISQUE an amendment of management agreement of October 17th 2000. By virtue of this amendment BIAT receives, in return of its benefits, an annual remuneration of TND 50.000 TTC.

The income recorded at this level in 2016 amounts to TND 42.372.

- 40.** BIAT rented to the company BIAT CAPITAL RISQUE two offices of administrative usage, of a surface area of 92m², located on its head office in Avenue Habib Bourguiba-Tunis.

This rental was agreed for a period of two consecutive years, beginning the 1st of September 2015 and ending the 31st of August 2017, for an annual rent of twenty eight thousand dinars VAT excl. (TND : 28.000,000 VAT excl.).

The income recorded at this level in 2016 amounts to TND 28.466.

- 41.** In 2015 BIAT concluded with the company « BIAT CAPITAL RISQUE » an agreement of secondment of seven executives. Besides the salaries and salary complements and benefits, BIAT invoices to « BIAT CAPITAL RISQUES » include.

- A margin of 5%,
- VAT at 18%.

The invoicing amount of BIAT amounts in 2016 to 672.839 dinars.

- 42.** An agreement was concluded on November 2015 between BIAT and the company SOPIAT by virtue of which SOPIAT provides BIAT with two technicians for the follow up of the operators of maintenance of the second phase of the bank's registered office. In return of these services, the BIAT will reimburse the SOPIAT on presentation of an invoice, expenses incurred by the SOPIAT to these two technicians with an increase of ten percent (10%).

The amount of the invoice will be readjusted with respect to all salary increases, all benefits granted or all exceptional bonuses paid to the concerned.

The amount listed among the expenses of BIAT in 2016 amounts to TND 50.795.

- 43.** An agreement was concluded on April 2014 between BIAT and SOPIAT Company by virtue of which SOPIAT puts at the disposal of BIAT its technical director in the aim of providing all the necessary assistance and supervision during the stage of studying loan demands and realization of projects and the release of these loans.

These services will be invoiced to BIAT at 700 dinars tax excluded per day of work.

Travel, stay and other related necessary fees in execution of the service providing will be added to the day rate.

The amount listed among the expenses of BIAT in 2016 amounts to 104.300 dinars.

- 44.** BIAT rented to SOPIAT two offices of administrative usage, of a surface area of 49m², located on its head office in l'Avenue Habib Bourguiba-Tunis.

This rental was agreed for a period of two consecutive years, beginning January 26th, 2015 and ending January 25th 2017, for an annual rent of fourteen thousand seven hundred a seventeen dinars VAT excl. (TND : 14.717,000 VAT excl.).

The income recorded in 2016 amounts to TND 15.391.

- 45.** The BIAT, as part of work on the project of the second tranche of its registered office, needed the temporary help of certain technicians specialized in the monitoring and the piloting of building sites and she moved closer to the SOPIAT on July 1st 2012, to equip him with two senior technicians for a temporary mission.

In return of this provision, the BIAT will reimburse the SOPIAT, by presenting an invoice, wages (including bonuses and other benefits, social employer costs, paid vacations and reimbursement of professional fees) provided by the SOPIAT to these two technicians with an increase of ten percent (10%).

This provision comes into effect on August 1st, 2012 and will come to an end in the date planned for the completion of the construction project, which is June 30th, 2014.

As such, the amount of this provision, for the year 2016 amounts to TND 45.514.

- 46.** 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 incl. tax.

An addendum to this agreement was concluded in December 2015 between BIAT and the Company BIAT CONSULTING by virtue of which both parties have agreed to extend the annual remuneration expected for the year 2014, in the same terms and conditions, i.e. two thousand eight hundred dinars (TND 2.800 Tax inclusive). Such remuneration will increase to TND 3.100 tax excluded for the year 2017 and the followings.

- 47.** BIAT rented to BIAT CONSULTING Company three offices of administrative usage, of a surface area of 101m², located on its head office in l'Avenue Habib Bourguiba-Tunis.

This rental was agreed for a period of two consecutive years, beginning on October 1st, 2015 and ending on September 30th 2017, for an annual rent of TND 30.683 VAT excl.

The amount invoiced by BIAT in 2016 amounts to TND 31.066.

- 48.** The BIAT concluded in 2014 with the company BIAT CONSULTING an Agreement of detachment of two executives. Besides the salaries and salary supplements and advantages, the invoicing by BIAT to BIAT CONSULTING includes a margin of 5%.

The amount invoiced by BIAT to BIAT CONSULTING in 2016 amounts to TND 342.825.

- 49.** The BIAT concluded on January 2015 with BIAT ASSET MANAGEMENT an agreement of a detachment of six executives.

Besides the salaries and salary complements and benefits, BIAT invoicing to « BIAT ASSET MANAGEMENT » include:

- A margin of 5%,
- VAT at 18%.

The amount of BIAT invoicing in 2016 amounts to 480.956 dinars.

- 50.** BIAT renewed, on November 20th, 2013, the Agreement of deposit initially signed on November 24th, 2006, with the «BIAT ASSET Management».

This Agreement stipulates that the BIAT is the sole agent of the securities and the funds belonging to the Mutual fund in Securities "FCP-EPARGNE ACTIONS».

The annual remuneration was maintained in 0.1 % incl. tax of the net asset of the aforementioned Fund. It is daily taken and settled monthly in arrears.

Besides, a 0.2 % remuneration incl. tax the year was established and taken from the net asset of FCP BIAT - SPARE ACTIONS, in conformity with the expenses of distribution.

This remuneration taken daily is monthly adjusted in arrears in favor of the BIAT, BIAT ASSET management and of the BIAT CAPITAL in proportion to their distributions.

The amount listed in the result of the financial year 2016 amount to TND 3.353.

- 51.** BIAT amended, on December 23rd, 2013, the two Agreements of exclusive trustee of securities and funds of the "SICAV OPPORTUNITY" and of the "SICAV PROSPERITY" initially signed on March 08th, 2003.

The amendments made to these Agreements, concern the remuneration of BIAT, in fact, the rate of commissions of paid deposits were reviewed in decreasing bringing them from 0.3% (all taxes included) to 0.1% (all taxes included) of the net assets for "SICAV OPPORTUNITY" and from 0.2% (all taxes included) to 0.1% (all taxes included) of the net assets for "SICAV PROSPERITY".

These remunerations, daily levied, are monthly paid in arrears.

In addition, two Agreements of distribution of the SICAV securities were signed in 2013 between BIAT, the BIAT CAPITAL and the BIAT ASSET MANAGEMENT

Distribution services are remunerated by commissions with rate to 0.2% (all taxes included) of the net assets per year in favor of the distributors of securities "SICAV OPPORTUNITY" and of 0.1% (all taxes included) of the net assets per year in favor of their distributors of the securities "SICAV PROSPERITY" and this in proportion to their distributions.

The amount listed in the result of the financial year 2016 amount to TND 2.070.

- 52.** BIAT amended, on December 18th, 2015, the Agreement of exclusive trustee of securities and funds of the "SICAV TRESOR" initially signed on March 8th, 2003, as amended in 2010 and 2013.

The amendments made to this Agreement, concerns the remuneration of BIAT, in fact, the rate of commissions of paid deposits were reviewed in decreasing bringing them from 0.15% (all taxes included) to 0.1% (all taxes included) of the net assets of the said funds.

These remunerations, daily levied, are monthly paid in arrears.

In addition, an Agreement of distribution of the SICAV TRESOR securities were signed ON December 2013 between BIAT, SICAV TRESOR and the BIAT ASSET MANAGEMENT

Distribution services are remunerated by commissions with rate to 0.2% (all taxes included) of the net assets per year in favor of the distributors of securities "SICAVTRESOR" in proportion to their distributions.

This agreement was amended on December 2015 to comply with the provisions of law No. 2003-75 of December 10th 2003 pertaining to the support of international efforts to fight terrorism and money laundering, as amended and completed by subsequent texts and FATCA law.

These remunerations, daily levied, are monthly paid in arrears.

This agreement was concluded for a period of one year starting from its ratifying; it will be renewable by tacit consent.

The incomes of the financial year 2016 amount to TND 335.359.

- 53.** BIAT concluded, on October 13th, 2009, an Agreement of exclusive trustee of the securities and funds of the "SICAV PATRIMOINE OBLIGATOIRE". By virtue of the provisions of this Agreement, the services of BIAT are remunerated at rate of 0.1% (all taxes excluded) of the net assets of the said SICAV, with a minimum of TND 5,000 VAT excluded and a maximum of TND 20,000 VAT excluded per year.

The minimum and maximum thresholds were cancelled by virtue of an agreement concluded on December 2015.

This remuneration is levied daily and payable monthly in arrears.

This Agreement stipulates, in addition, that the said SICAV will be domiciled in the seats of BIAT without setting up a rental agreement and gives no rights to the establishment a commercial property for its own benefit.

This Agreement was reviewed on December 23rd, 2013 in order to set up a commission of distribution equal to 0.15% (all taxes included) of the net assets in favor of the distributors of securities SICAV PATRIMOINE OBLIGATOIRE namely:

- BIAT
- BIAT CAPITAL
- BIAT ASSET MANAGEMENT

Such is, in pro-rata to the distributions.

The rate of distribution commission rises to 0.2% (all taxes included) of net asset by virtue of an agreement concluded on December 2015.

These remunerations, daily levied, are monthly paid in arrears.

This Agreement is concluded for a period of a year starting from its signature, and will be renewable by tacit consent.

The amounts included in the result of the financial year 2015 amount to TND 132.029.

- 54.** The Bank concluded in 2007 with the company «BIAT CAPITAL», an Agreement of «Credit - employee», under which the Bank proposes to facilitate employees to holders of the company "BIAT CAPITAL" access to formulas of flexible loans, quick and advantageous according concessional.
- 55.** 55. In 2015 BIAT concluded with the company « BIAT CAPITAL RISQUE » an agreement of detachment of ten executives. Besides the salaries and salary complements and benefits, BIAT invoices to « BIAT CAPITAL RISQUES » include:
- A margin of 5%,
 - VAT at 18%.

The amount included in the result of 2016 amounts to 631.597 dinars.

- 56.** In 2014, the BIAT reviewed the agreement concluded on 2012 with BIAT CAPITAL, by virtue of which BIAT ensures the functions of an exclusive depositary of securities and funds belonging to FONDS COMMUN DE PLACEMENT in securities "FCP BIAT PRUDENCE" initially named "BIAT CAPITAL PRUDENCE FCP" for an annual remuneration of 0.1% (all tax included) of the net assets of the said funds with a minimum of TND 2.000 and a maximum TND 50.0000 per year.

These remunerations, daily levied, are monthly paid in arrears.

In addition, BIAT, the BIAT ASSET MANAGEMENT and BIAT CAPITAL reviewed on 2014 the distributor agreement concluded on 2012 pertaining to distribution commission of 0.2% (tax excluded) per year, levied from net asset of Common Placement Fund and Securities of 0.6% (tax excluded)

The amounts listed in the result of the financial year 2016 amount to TND 1.812.

- 57.** In 2014, the BIAT reviewed the agreement concluded on 2012 with BIAT CAPITAL, by virtue of which BIAT ensures the functions of an exclusive depositary of securities and funds belonging to Common Placement Fund in securities "FCP BIAT PRUDENCE" initially named "BIAT CAPITAL PRUDENCE FCP", and this for an annual remuneration of 0.1% (all tax included) of the net assets of the said funds with a minimum of TND 2.000 and a maximum TND 50.0000 per year.

These remunerations, daily levied, are monthly paid in arrears.

In addition, BIAT, the BIAT ASSET MANAGEMENT and BIAT CAPITAL reviewed on 2014 the distributor agreement concluded on 2012 pertaining to distribution commission of 0.2% (tax excluded) per year, levied from net asset of Common Placement Fund and Securities of 0.7% (tax excluded)

The amounts listed in the result of the financial year 2016 amount to TND 1.286.

- 58.** In 2014, the BIAT reviewed the agreement concluded on 2012 with BIAT CAPITAL, by virtue of which BIAT ensures the functions of an exclusive depositary of securities and funds belonging to Common Placement Fund in securities "FCP BIAT PRUDENCE" initially named "BIAT CAPITAL PRUDENCE FCP", and this for an annual remuneration of 0.1% (all tax included) of the net assets of the said funds with a minimum of TND 2.000 and a maximum TND 50.0000 per year.

These remunerations, daily levied, are monthly paid in arrears.

In addition, BIAT, the BIAT ASSET MANAGEMENT and BIAT CAPITAL reviewed on 2014 the distributor agreement concluded on 2012 pertaining to distribution commission of 0.2% (tax excluded) per year, levied from net asset of Common Placement Fund and Securities of 0.7% (tax excluded)

The amounts listed in the result of the financial year 2016 amount to TND 1.286.

- 59.** The BIAT concluded, in 2011 with the company «BIAT CAPITAL» a rental agreement of a set of premises constituted by a space at the ground floor with a total area of 148 m² and a space in the Mezzanine, with a total area of 129 m², that is a global surface of 277 m² of the building property of the BIAT situated on the big main boulevard the Berges du Lac in Tunis and this besides common areas (121 m²) as well as two spaces of parking located underground.

This rent is granted for an annual rent of 59,700 dinars excl.tax, payable quarterly and beforehand, being 14,925 dinars excluding tax per quarter. The rent fixed above will suffer from a cumulative increase of 5 %, which will be applied from the 2nd year of the rent.

Besides, this rent is granted for a period of two consecutive years, beginning on December 1st, 2011 and expiring November 30, 2013, renewable each year by tacit agreement.

This agreement was cancelled on September 2016

The amount listed in the result of the financial year 2016 amounts to TND 54.424.

- 60.** The BIAT concluded on January 2nd 2004, with BIAT CAPITAL an agreement of collecting market orders. Article 8 of this agreement stipulates that a portion of brokerage commis-

sions on any transaction negotiated by BIAT CAPITAL Company for BIAT or its customers is allocated as following:

Type of commission	BIAT remuneration	BIAT CAPITAL remuneration
Brokerage commissions on transactions realized on the markets of the rating of the stock exchange	50%	50%
Brokerage commissions on transactions realized on the counter markets		100%
Any commissions levied on the customer's specific to BIAT CAPITAL		100%
Any commissions levied on the customer's specific to BIAT	100%.	

- 61.** The BIAT concluded in 2009 with the «SOCIETE TANIT INTERNATIONAL» a rental agreement by virtue of which it gives to this one a set of offices, of a surface area of 555m², necessary for the exercise of its activity, being a part of the located building in the boulevard principal des Berges du Lac 1, as well as 4 parking spaces located in the underground, for an annual rental of TND 83.250, payable quarterly in advance.

This rent is agreed for two years, beginning on October 1st 2009 and ending on September 30th 2011, renewable year-on-year by tacit consent.

The rent will be subject to an annual increase of 5% applied from the third year of the rent.

An amendment for the lease contract: the rented area decreased to 368 m² instead of 555 m² and consequently the annual rent decreased to TND 55.200 (tax excluded). This modification comes into effect on May 2012

This agreement was cancelled in 2016.

The amounts listed on the financial year 2016 amount to TND 38.160.

- 62.** During the financial year 2009, BIAT concluded an agreement with the company "OSI", by virtue of which it accepts to retrocede, to the said company, the amount of the rent and the related expenses paid by this latter for the premises used by BIAT's services. This Agreement is agreed for a period of one year.

In this respect, the amount of expenses of the year 2016, amount to TND 30,302.

- 63.** BIAT concluded with the "SOCIETE DU POLE DE COMPETITIVITE DE MONASTIR EL FEJJA", a lease contract by virtue of which it puts at the disposal of this company a pre-

mises needed for the exercising of its activity, which is part of the building it owns, situated on boulevard principal des Berges du Lac 1, such is for an annual rent of TND 70,950 (tax excluded) quarterly payable in advance.

By virtue of an amendment to the lease contract concluded on September 26th, 2011 the rented surface area was reduced from 473 m² to 420 m², the rent was consequently reviewed in decrease, thus amounting to TND 63,000 (tax excluded). This modification was put into effect as of July, 2011.

The agreement was cancelled on June 2016.

The amount listed under the result of the financial year 2016 amount to TND 40,203.

- 64.** On August 30, 2010, BIAT rented to the company "Orange Tunisie SA", the entirety of the premises situated on the ground-floor of the building situated on n° 246 avenue Habib Bourguiba in Kram, having the surface area of 154 m². This rental was agreed for a period of three years, beginning as of April 1st, 2010, and ending on March 31st, 2013, tacitly renewable.

The monthly rent was set by mutual agreement between the two parties, at the sum of TND 2,567_VAT excluded. It will be subject to an annual cumulative increase of 5% effective as of the second year of the rental.

The company "Orange Tunisie SA" paid an amount of TND 5,134 as a guarantee of the payment of the rent.

The amount listed under the result of the financial year 2016 amount to TND 40,788.

- 65.** On December 24th, 2010, BIAT rented to the company "Orange Tunisie SA", the entirety of the premises situated on the ground-floor of the building situated on Rue Moncef Bey in Bizerte, having an approximate surface area equaling 211.5 m². This rental was agreed for a duration of three years, beginning as of December 1st, 2010.

The rent was set by mutual agreement between the two parties, at the sum of TND 2,643,750 VAT excluded. It will be subject to a cumulative annual increase of 5% effective as of the second year of the rental.

The amount listed under the result of the financial year 2016 amount to TND 40,658.

- 66.** An amendment to accounting assistance agreement of December 2011 was concluded on December 2016 between BIAT and PROMOTION TOURISTIQUE COMPANY "SALLOUM" by virtue of which:

- SPT SALLOUM is engaged to pay the invoice sent by BIAT relative to the period as from 01/01/2011 to 31/12/2015, of a flat rate of TNF 6.000 (tax excluded) payable at one time within fifteen (15) days as from the reception of the BIAT invoice.

- The remuneration amount of services was fixed on January 1st 2016 for TND 4,200 (tax excluded), with reference to what is applied in the market for companies with a similar volume of activities.

The remuneration is subject to an annual increase of 6%, and this starting from January 1st 2017.

- 67.** On December 23rd, 2011, BIAT, concluded with the following subsidiaries agreements of accounting, financial and administrative assistance:

- The company SICAF BIAT;
- The company SGP;
- The company TAAMIR ;

In return of this mission, BIAT receives from each subsidiary the following:

- The equivalent of the salary expenses and employers contributions pertaining to the human means in charge of the accounting and administrative assistance, supported by BIAT and increased by a margin of 10%, reach thereby an annual amount of TND 19,800_VAT excluded (per company). This remuneration is reviewable annually on the basis of the actual expenses incurred by the Bank.
- The equivalent of the salary expenses and employers contributions pertaining to the human means in charge of the management and administration in case they were billed and increased by 10%; being an annual amount of TND 19.800, tax excluded (by company). This remuneration will be reviewed annually regarding the expenses carried by the bank.
- The equivalent of general fees pertaining to the provision of premises and other logistics supported by BIAT reaching thereby an annual amount set at TND 1,200_VAT excluded, per company. This amount will be subject to a cumulative increase of 6% each year, as of the second year of such provision.

The amounts included under the result of the financial year 2016 amounted to TND 67,045.

- 68.** In 2011, BIAT concluded, with TUNISIE TITRISATION, a lease contract of premises dedicated to administrative offices usage, consisting of a space on the first floor of the building property of BIAT building located in les Berges du Lac Tunis, of a total surface area of approximately 19 m² in addition to common sections of 8 m².

This rental is agreed for an annual rent of TND 4,050_VAT excluded payable quarterly in advance, TND 1,013 VAT excluded per trimester.

This rent will be subject to an annual cumulative increase of 5% that will be applied as of the 2nd year of rental.

This lease is agreed for 2 consecutive years, from December 1st, 2011, to November 30th, 2013, renewable each year by tacit consent.

This agreement was cancelled on September 2016.

The amounts included under the result of the financial year 2016 amount to TND 3.692.

- 69.** On May 10th, 2006, BIAT concluded an agreement with the company «TUNISIE TITRISATION» by virtue of which both contractors constitute the mutual claims fund «FCC BIAT-CREDIMMO 1», a co-ownership with the sole purpose to acquire receivables relating to real estate credits approved by the grantor BIAT to individuals, in order to issue shares representatives of these loans.

The total initial cost of this issuance amounts to (TND 50,000 thousand) and the debts transferred by BIAT in the said fund represented by the company «TUNISIE TITRISATION», total an initial still-due balance of (TND 50,019 thousand).

The total subscriptions of BIAT to this fund amount, by December 31st, 2016, (TND 1,586 thousand), broken down as follows:

- TND 1,519 thousand of subscriptions in outstanding shares and
- TND 131 thousand of subscriptions in substantial shares.

Within the framework of this transaction, BIAT ensures as well as the role of the trustee of the assets of the Fund, that of the collector. In this respect, and in remuneration of the missions of the trustee entrusted to it, BIAT receives at the management company «TUNISIE TITRISATION» acting on behalf of the fund, a commission equal to 0.05% VAT excluded per year, of the still due capital of live receivables at the beginning of the period of calculation. In addition, and in its capacity of collector, BIAT collects from the said management company on behalf of the fund, a commission equal to 0.4% VAT excluded per year, of the still due capital of live receivables at the beginning of the calculation period.

Commissions collected by BIAT in this respect for the financial year ending December 31st, 2016 reached TND 18.280.

- 70.** On May 18th, 2007, BIAT concluded an Agreement with the company «TUNISIE TITRISATION » by virtue of which both contractors constitute the mutual claims fund « FCC BIAT-CREDIMMO 2 » a co-ownership with the sole purpose to acquire receivables relating to real estate credits approved by the grantor BIAT to individuals, in order to issue shares representatives of these loans.

The total initial cost of this issuance amounts to (TND 50,000 thousand) and the debts transferred by BIAT in the said fund represented by the company «TUNISIE TITRISATION», total an initial still-due balance of (TND 50,003 thousand).

The total subscriptions of BIAT to this fund amount, by December 31st, 2016, to (TND 2,530 thousand), broken down as follows:

- TND 1,503 thousand of subscriptions in outstanding shares ;
- TND 555 thousand of subscription in substantial shares ;
- TND 472 thousand of subscription in the shares of the P3 category.

Within the framework of this transaction, BIAT ensures as well as the role of the trustee of the assets of the Fund, that of the collector. In this respect, and in remuneration of the missions of the trustee entrusted to it, BIAT receives from the management company «TUNISIE TITRISATION» acting on behalf of the fund, a commission equal to 0.05% VAT excluded per year, of the still due capital of live receivables at the beginning of the period of calculation. In addition, and in its capacity of collector, BIAT collects from the said management company on behalf of the fund, a commission equal to 0.4% VAT excluded per year, of the still due capital of live receivables at the beginning of the calculation period.

Commissions received by BIAT in this respect for the financial year ending December 31st, 2016, amount to TND 31.633.

- 71.** Within the framework of coverage of its wealth and its economic and social activity, BIAT concluded on December 27th, 1997, with the company «LA PROTECTRICE», a company of studies, consulting and brokerage in insurance and reinsurance, an Agreement of assistance and consulting. The expenses supported by BIAT, in 2016, under this Agreement, amount to TND 20,000.

- 72.** The BIAT concluded, in 2014, a Agreement with the Protectrice Assurance (INSURANCE PROTECTOR), by virtue of which lets to Protectrice Assurance, for use of administrative offices, a part of the premises situated on the first floor of the building Sakiet Ezzit Sfax of a surface of 80 m².

The rent is accepted and agreed for two consecutive years, beginning on June 1st 2014 and ending on May 31st 2016, renewable year-on-year by tacit consent. It was agreed and accepted for an annual rent amounting TND 9.600 (tax excluded).

The rent is subject to an annual increase by 5% applied from the second year of the rent.

The amount listed among the BIAT incomes amounts to TND 10.374.

- 73.** 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.

The rent is accepted and agreed for two consecutive years, beginning on February 1st 2013 and ending on January 31st 2015, renewable year-on-year by tacit consent. It was agreed and accepted for an annual rent amounting TND 8.496 (tax excluded).

The rent is subject to an annual increase by 5% applied from the second year of the rent.

In 2016, the amount listed among the BIAT incomes amounts to TND 9.797.

- 74.** The BIAT concluded, in 2013, an Agreement with the PROTECTRICE ASSURANCE, by virtue of which BIAT 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.

The rent is accepted and agreed for two consecutive years, beginning on December 1st 2011 and ending on November 30th 2013, renewable year-on-year by tacit consent. It was agreed and accepted for an annual rent amounting TND 6.000 (tax excluded).

The rent is subject to an annual increase by 5% applied from the second year of the rent.

The amount listed among the BIAT incomes amounts to TND7.323.

- 75.** 75. Since 2004, BIAT concluded insurance contracts with the company « Assurances BIAT » - through the protector the supported load, in 2016 is equal to :

Nature	Amount of the load of insurance (in TND)
Third-party insurance	47 955
Physical Accident Insurance	99 543
Life insurance "family protection "	134 953
Insurance "Assistance a l'étranger pour les cartes bancaires visa premier" (Assistance abroad for bank cards visa first)	838 344
Insurance "vol global banque" (global theft bank)	253 035
Insurance against theft and the loss of cards	608 345
Insurance "incendie et garanties annexes" (fire and attached guarantees)	410 525
Insurance of the automobile fleet	44 605
Comprehensive insurance on computers	33 023
Insurance Pack Saphir and Silver	383 692
ASSURANCE CARTE BIAT TRAVEL	31 585
ASSURANCE ASSISTANCE VOYAGE CARTE PLATIN	2 815
Insurance groups of the staff (employer's contribution)	9 397 841
Life insurance (AFEK) (*)	1 811 588

(*)BIAT signed in 2012, with the BIAT ASSURANCE, a collective agreement «life insurance» for the benefit of its staff, «members»

- 76.** The company ASSURANCES BIAT gives, in sub-leasing to the company BIAT sub-tenant who accepts, the premises named "Commercial 2" having a surface area of 145 m², situated on the ground floor of the building located in les Berges du Lac II built on the land lot "DIAR EL ONS". This rent is authorized and accepted for a firm period from January 1st, 2010 to April 30th, 2014.

As of the month of May 2014, an amendment was signed to lengthen the period beginning from 01/05/2014 and ending on 30/04/2019. A cumulative annual increase of the rent will be applied starting from 01/05/2014 at an annual rate of 5% on the basis of the rent of the preceding year.

The amount included among the expenses of BIAT in 2016 amounts to 30,713 dinars.

- 77.** In 2015 BIAT concluded with the company SPT Sfax an accounting and administrative assistance agreement.

This agreement is concluded for one year, renewable by tacit consent.

In return to this mission, BIAT receives an annual remuneration of TND 4.000 tax excl.

- 78.** BIAT rented to SPT Sfax an office of administrative usage, of a surface area of 25m², located on its head office in Avenue Habib Bourguiba-Tunis.

This rental was agreed for a period of two consecutive years, beginning on 1st of January 2015 and ending on 31st of December 2016, for an annual rent of seven thousand five hundred and twenty five dinars VAT excl. (TND : 7.525,000 VAT excl.).

The income recorded in 2016 amounts to TND 7.901.

- 79.** BIAT rented to the company SPT Mohamed V an office of administrative usage, of a surface area of 43m², located on its head office in Avenue Habib Bourguiba-Tunis.

This rental was agreed for a period of two consecutive years, beginning on July 1st 2016 and ending on December 31st 2018, renewable year-on-year by tacit consent, for an annual rent of thirteen thousand and nineteen dinars VAT excl. (TND : 13.019,000 VAT excl.), payable quarterly and in advance.

The rent is subject to an annual increase by 5% applied from July 1st 2017.

The income recorded in 2016 amounts to TND 6.509.



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CONSOLIDATED FINANCIAL
STATEMENTS AS AT DECEMBER 31, 2016



« BIAT » GROUP
STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS - FOR THE FINANCIAL
YEAR ENDING 31 DECEMBER 2016

To the Shareholders of Banque Internationale Arabe de Tunisie "BIAT"

Dear Sirs,

In execution of the statutory auditors' assignment confided to us by your General Assembly, we are pleased to present to you our audit report on the consolidated financial statements of Banque Internationale Arabe de Tunisie "BIAT", related to the financial year ended on December 31, 2016, as attached to this report, as well as on the reviews and the specific information provided by law, applicable regulations and professional standards.

I. Report on the financial statement

We have audited the accompanying consolidated financial statements of Banque Internationale Arabe de Tunisie «BIAT» Group, which comprises the consolidated balance sheet as at December 31, 2016, as well as the consolidated off balance-sheet commitments, the consolidated income and cash flows' statements and a summary of significant accounting policies and other notes. These consolidated financial statements show positive shareholders' equity of **TND 904,215 thousand**, including the consolidated profit for the financial year amounting to **TND 192,702 thousand**.

1. Management responsibility for the preparation and presentation of the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Tunisian Corporate Accounting System. This responsibility includes the design, the implementation and the monitoring of internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and for making accounting estimates that are reasonable in the circumstances.

2. Auditors 'Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Auditing Standards in Tunisia. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the consolidated 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 effectiveness 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 the directors, 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.

3. Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Banque Internationale Arabe de Tunisie « BIAT » as at December 31, 2016 and the results of its operations and its cash flows for the financial year then ended in accordance with Generally Accepted Accounting System in Tunisia.

II. Report on Other Legal and Regulatory Requirements

We also proceeded to the statutory specific reviews provided by law and professional standards.

Based on these reviews, we do not have any special comments regarding the fairness and consistency of the accounting information contained in the Board of Directors' Management Report with the consolidated financial statements.

Tunis, May 2, 2017

Statutory auditors

F.M.B.Z KPMG TUNISIE

Kalthoum BOUGUERRA

FINOR

Walid BEN SALAH

CONSOLIDATED FINANCIAL STATEMENTS 2016

BALANCE SHEET

As of December 31st, 2016
(in thousands of dinars)

	Note	31/12/2016	31/12/2015	Change	In %
Assets					
Cash in hand, Balance at Central Bank. Post office accounts and Tunisian Treasury	IV-1	511 625	519 409	(7 784)	-1,50%
Due from banks and financial institutions	IV-2	858 593	818 821	39 772	4,86%
Customer loans	IV-3	7 653 102	6 567 699	1 085 403	16,53%
Commercial securities portfolio	IV-4	1 975 861	1 753 466	222 395	12,68%
Investment portfolio	IV-5	198 812	186 178	12 634	6,79%
Equity affiliates	IV-6	4 303	1 309	2 994	228,72%
Fixed assets	IV-7	292 535	265 253	27 282	10,29%
First acquisition differential (Goodwill)	IV-8	10 387	11 053	(666)	-6,03%
Other assets	IV-9	450 470	396 140	54 330	13,71%
Total assets		11 955 688	10 519 328	1 436 360	13,65%
LIABILITIES					
Tunisian Central Bank and post office	V-1	779	1 303	(524)	-40,21%
Due to banks and financial institutions	V-2	839 384	528 822	310 562	58,73%
Customer deposits	V-3	8 857 874	7 980 614	877 260	10,99%
Borrowing and special resources	V-4	169 969	108 853	61 116	56,15%
Other liabilities	V-5	614 740	561 948	52 792	9,39%
Total liabilities		10 482 746	9 181 540	1 301 206	14,17%
MINORITY INTERESTS					
Minority interests in consolidated reserves	VI	547 547	535 027	12 520	2,34%
Minority interests in consolidated income	VI	21 180	20 706	474	2,29%
Total minority interests		568 727	555 733	12 994	2,34%
SHAREHOLDERS' EQUITY					
Share capital		170 000	170 000	-	-
Reserves		541 510	465 265	76 246	16,39%
Other equity		3	3	-	-
Consolidated profit for the year		192 702	146 787	45 915	31,28%
Total of the stockholders' equity	VII	904 215	782 055	122 160	15,62%
Total liabilities and equity		11 955 688	10 519 328	1 436 360	13,65%

OFF BALANCE SHEET COMMITMENTS

As at December 31st, 2016
(In TND thousand)

	31/12/2016	31/12/2015	Change	In %
CONTINGENT LIABILITIES				
Guarantees and endorsements given	1 526 916	1 354 767	172 149	12,71%
a- to banks and financial institutions	572 473	537 529	34 944	6,50%
b- to customers	954 442	817 238	137 204	16,79%
Letters of credits	735 209	593 193	142 016	23,94%
a- to customers	685 965	530 553	155 412	29,29%
b- Others	49 244	62 640	(13 396)	-21,39%
Total contingent Liabilities	2 262 125	1 947 960	314 165	16,13%
COMMITMENTS GIVEN				
Financing commitments given	69 721	32 093	37 628	117,25%
To customers	69 721	32 093	37 628	117,25%
Commitments on securities	2 047	3 541	(1 494)	-42,19%
a- Non paid up participations	2 046	3 441	(1 395)	-40,54%
b- Securities to be received	1	100	(99)	-99,00%
Total commitments given	71 768	35 634	36 134	101,40%
COMMITMENTS RECEIVED				
Guarantees received	2 578 079	2 310 585	267 494	11,58%
Total Commitments received	2 578 079	2 310 585	267 494	11,58%

STATEMENT OF INCOME

Period from January 1st to December 31, 2016
(In thousands of dinars)

	Note	Financial year 2016	Finan- cial year 2015	Change	In %
BANKING OPERATING INCOME					
Interests and other similar revenues	VIII-1-1	512 653	473 908	38 745	8,18%
Commissions received	VIII-1-2	222 908	182 857	40 051	21,90%
Gains on commercial securities portfolio and financial operations	VIII-1-3	158 059	134 056	24 003	17,91%
Investment portfolio revenues	VIII-1-4	16 506	6 525	9 981	152,97%
TOTAL BANKING OPERATING INCOME		910 126	797 346	112 780	14,14%
BANKING OPERATING EXPENSES					
Interests incurred and related expenses	VIII-2-1	(213 491)	(187 083)	(26 408)	14,12%
Claims paid on insurance transactions	VIII-2-2	(32 153)	(26 330)	(5 823)	22,12%
Incurred expenses	VIII-2-3	(2 428)	(3 797)	1 369	-36,05%
Losses on commercial securities portfolio and financial transactions		(143)	(202)	59	-29,21%
TOTAL BANKING OPERATING EXPENSES		(248 215)	(217 412)	(30 803)	14,17%
Net Banking Income		661 911	579 934	81 977	14,14%
Net provision charge and value adjustments for loan losses, off-balance sheet items and liabilities	VIII-3	(54 765)	(82 359)	27 594	-33,50%
Net provision charge and value adjustments on investment portfolio	VIII-4	(3 085)	1 545	(4 630)	-299,68%
Other operating income	VIII-5	29 939	25 333	4 606	18,18%
Personnel expenses	VIII-6	(207 548)	(185 249)	(22 299)	12,04%
General operating expenses	VIII-7	(91 130)	(75 414)	(15 716)	20,84%
Depreciation allowance on fixed assets	VIII-8	(35 486)	(32 923)	(2 563)	7,78%
Operating Income		299 836	230 867	68 969	29,87%
Share in earnings of companies accounted for under the equity method		(101)	(27)	(74)	274,07%
Net gain (loss) on ordinary items	VIII-9	(6 113)	1 111	(7 224)	-650,23%
Corporate income tax	VIII-10	(61 086)	(64 458)	3 372	-5,23%
Income from ordinary activities		232 536	167 493	65 043	38,83%
Share of profit attributable to minority interests		(21 180)	(20 706)	(474)	2,29%
Income from ordinary activities of the group		211 356	146 787	64 569	43,99%
Balance in gain / loss from other extraordinary items		(18 654)	-	(18 654)	-
Consolidated net income of the year		192 702	146 787	45 915	31,28%
Effect of accounting changes net of deferred tax		-	-	-	-
Consolidated net income for the year after accounting changes		192 702	146 787	45 915	31,28%

STATEMENT OF CASH FLOW

Period: from January 1st, to December 31st, 2016
(in thousands of dinars)

	Financial year 2016	Financial year 2015
OPERATING ACTIVITIES		
Banking operating revenues received (excluding investment portfolio revenues)	919 204	816 437
Banking operating charges paid out	(269 165)	(228 621)
Deposits / Deposit withdrawal with other banks and financial institutions	(151 950)	(108 913)
Loans and advances / Repayment of loans and advances extended to customers	(1 148 651)	(733 864)
Deposits / Customer deposits withdrawal	871 587	594 186
Securities held for sale	(15 686)	(19 395)
Payments to personnel and other creditors	(324 431)	(294 958)
Other cash flows from operating activities	41 359	40 920
Corporate income tax	(53 734)	(64 482)
Net Cash Flow from Operating Activities	(131 467)	1 310
INVESTING ACTIVITIES		
Interests and dividends on investment portfolio	15 559	10 941
Purchase / Disposal of investment securities	(60 771)	8 495
Purchase / Disposal of fixed assets	(58 698)	(30 847)
Net Cash Flow from Investing Activities	(103 910)	(11 411)
FINANCING ACTIVITIES		
Repayment of bond loans	52 192	(7 211)
Increase \ decrease of special resources	2 562	(7 528)
Paid dividends	(29 969)	(150 543)
Net Cash Flow from Financing Activities	24 785	(165 282)
Net change in cash and cash equivalents during the year	(210 592)	(175 383)
Liquidity and cash equivalents at beginning of year	2 160 935	2 336 318
Liquidity and cash equivalents at the end of the year	1 950 343	2 160 935

NOTE I – TE SE L Principles

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 Tunisian Accounting standards related in particular to the banking operations, the financial statements and business combinations (NCT 35,36,37,38 and 39).

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 - TE SE Ting Principles Applied to the Consolidated Financial Statements

The consolidated financial statements as at 31st of December, 2016, have been established in conformity with the provisions and rules set forth in particular by the Law 2001-117 of 06/12/2001 supplementing the Commercial Companies Code and by the accounting standards relating to the financial statements consolidation and business combinations. Among these principles, we describe below those relating to the consolidation scope, consolidation methods, restatements and eliminations, tax treatment and goodwill.

II-1. Perimeter of consolidation

The consolidation scope includes all the companies on which BIAT exercises exclusive control; whether directly or indirectly by its consolidated companies and by the companies over which it exercises a significant influence.

II-2. Adopted consolidation methods*II-2.1. Global integration method*

Companies controlled exclusively by the Bank (with a controlling percentage of more than 40%) and the companies activity that is considered an extension of banking or related activities are consolidated using the full consolidation method.

This method consists of replacing the amount of equity interests in all of the assets, liabilities, expenses and income of each of the consolidated companies by indicating the minority interest in the consolidated shareholders' equity and in the consolidated net income 'exercise.

II-2.2. Equity method

Companies on which BIAT exercises significant influence are consolidated using the equity method. The significant influence is assumed when the entity it consolidates holds at least 20% of the voting rights while having the power to participate in the financial and operational policy decisions of the investee and, however, without exercising these policies.

II-3. Restatement and eliminations

The necessary restatements for the companies' harmonization of both the accounting and valuation methods are carried out.

Receivables, liabilities and the reciprocal commitments, charges and revenues are eliminated.

The effect on the consolidated balance sheet, off-balance sheet and statement of income of intra-group transactions is eliminated.

Intra-group dividends, provisions on the consolidated securities and gains or losses arising from the assets sales between the group companies are offset.

II-4. Closing date

The consolidated financial statements are prepared on the basis of the individual financial statements ending at December 31st, 2016 for all of the Group companies.

II-5. Taxes treatment

The tax charge on the consolidated companies includes the payable tax by the various companies, adjusted for the deferred taxes effect arising from the temporary differences caused by the differences between the accounting recognition date and the taxation date.

II-6. Shares differences acquisition

The positive differences recorded in the consolidated shares acquisition between their cost price and the net equity share are recorded in the balance sheet under Goodwill. These differences are not allocated to the balance sheet items and are amortized based on the investment outlook return at the time of acquisition. The amortization period used is twenty years.

The negative goodwill is recognized in the income statement.

II-7. Valuation of the receivables rules

According to the provisions of the Sector Accounting Standards for the Banking Institutions, and the Circular No. 91-24 of 17-12-1991 of the Tunisian Central Bank, an evaluation of all the Bank's claims was carried out based on the situation as at December 31st, 2016.

This evaluation was accompanied by an assessment of all deductible guarantees within the meaning of circular 91-24 of the Central Bank of Tunisia relating to prudential regulations.

These two transactions permitted the Bank to determine the amount of provisions required, the amount of the provision for the year 2016 and the amount of reserved income.

Note III – Companies Included in the Consolidation Scope

By December 31st, 2016, the BIAT group consolidation scope is as follows:

	31/12/2016		31/12/2015	
	Control rate (in %)	Interest rate (in %)	Control rate (in %)	Interest rate (in %)
Banque Internationale Arabe de Tunisie	100,00	100,00	100,00	100,00
BIAT Capital	99,94	99,94	99,94	99,94
BIAT Assets Management	99,40	99,40	99,40	99,40
BIAT Capital risque	98,08	98,08	98,07	98,07
Compagnie Internationale Arabe de Recouvrement	100,00	100,00	100,00	100,00
SICAF BIAT	100,00	100,00	100,00	100,00
Société de Promotion Immobilière Arabe de Tunisie	100,00	100,00	99,98	99,98
Société de Promotion Touristique	43,51	43,51	43,51	43,51
Organisation et Service Informatique	100,00	100,00	100,00	100,00
Société la PROTECTRICE	99,99	99,99	99,99	99,99
Assurances BIAT	94,48	94,47	94,48	94,47
Société FAIZA	42,31	42,31	42,31	42,31
SICAV Opportunity	63,76	63,76	63,76	63,76
SICAV Trésor	4,76	3,00	5,36	5,10
SICAV Prosperity	17,32	17,32	37,99	37,99
Société Générale de Placement	100,00	100,00	100,00	100,00
Société TAAMIR	100,00	100,00	100,00	100,00
Société Golf Sousse Monastir	62,18	57,15	62,18	57,15
Société Palm Links Immobilière	50,00	50,00	50,00	50,00
Société Tanit International	67,30	67,30	67,30	67,30
Société Tunisie Titrisation	96,22	95,88	76,80	75,59
Société de pôle de compétitivité de Monastir	52,49	52,49	44,99	44,98
SICAV PATRIMOINE Obligataire	3,29	3,22	0,34	0,34
Fonds commun de créances 1	59,96	59,38	48,04	47,28
Société tunisienne de promotion des pôles immobiliers et industriels	25,00	25,00	25,00	25,00
Fonds Commun de placement Epargne Actions	1,86	1,84	7,95	7,88
Fonds commun de créances 2	61,25	60,21	57,67	56,54
Société Touristique Sahara Palace	100,00	67,30	100,00	67,30
Société de Promotion Touristique Mohamed V	76,16	65,75	76,16	65,75
Institut Tunis Dauphine	30,07	30,07	30,07	30,07
FCP Equilibre	-	-	95,24	95,18
FCP Prudence	-	-	57,92	57,92
BIAT Consulting	100,00	99,93	100,00	99,93
STE DE PROMOTION TOURISTIQUE (SPT) SFAX	82,76	82,75	82,76	82,75
BIAT France	100,00	100,00	100,00	100,00
FCP Equity Performance	68,18	67,00	-	-
Société de Promotion Touristique Hammamet	30,00	30,00	-	-

By December 31st, 2016, the BIAT group consolidation methods are detailed as follows:

	31/12/2016	31/12/2015
Banque Internationale Arabe de Tunisie	Global Integration	Global Integration
BIAT Capital	Global Integration	Global Integration
BIAT Assets Management	Global Integration	Global Integration
BIAT Capital risque	Global Integration	Global Integration
Compagnie Internationale Arabe de Recouvrement	Global Integration	Global Integration
SICAF BIAT	Global Integration	Global Integration
Société de Promotion Immobilière Arabe de Tunisie	Global Integration	Global Integration
Société de Promotion Touristique	Global Integration	Global Integration
Organisation et Service Informatique	Global Integration	Global Integration
Société la PROTECTRICE	Global Integration	Global Integration
Assurances BIAT	Global Integration	Global Integration
Société FAIZA	Global Integration	Global Integration
SICAV Opportunity	Global Integration	Global Integration
SICAV Trésor	Global Integration	Global Integration
SICAV Prosperity	Global Integration	Global Integration
Société Générale de Placement	Global Integration	Global Integration
Société TAAMIR	Global Integration	Global Integration
Société Golf Sousse Monastir	Global Integration	Global Integration
Société Palm Links Immobilière	Global Integration	Global Integration
Société Tanit International	Global Integration	Global Integration
Société Tunisie Titrisation	Global Integration	Global Integration
Société de pôle de compétitivité de Monastir	Global Integration	Global Integration
SICAV PATRIMOINE Obligataire	Global Integration	Global Integration
Fonds commun de créances 1	Global Integration	Global Integration
Société tunisienne de promotion des pôles immobiliers et industriels	Equity Method	Equity Method
Fonds Commun de placement Epargne Actions	Global Integration	Global Integration
Fonds commun de créances 2	Global Integration	Global Integration
Société Touristique Sahara Palace	Global Integration	Global Integration
Société de Promotion Touristique Mohamed V	Global Integration	Global Integration
Institut Tunis Dauphine	Equity Method	Equity Method
FCP Equilibre	Outside the perimeter	Global Integration
FCP Prudence	Outside the perimeter	Global Integration
BIAT Consulting	Global Integration	Global Integration
STE DE PROMOTION TOURISTIQUE (SPT) SFAX	Global Integration	Global Integration
BIAT France	Global Integration	Global Integration
FCP Equity Performance	Global Integration	Outside the perimeter
Société de Promotion Touristique Hammamet	Equity Method	Outside the perimeter

Note IV – Balance Sheet Assets

(Figures are expressed in thousands of Tunisian Dinars)

IV-1. Cash and Balances with Central Bank (CBT), Post Office Accounts (POA) and General Treasury of Tunisia (GTT)

The volume of this post registered a decrease between December 2015 and December 2015 for TND 7 784 thousand or 1.5% passing from a period to another from TND 519 409 thousand to TND 511 625 thousand. This volume is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Cash	84 026	77 770	6 256	8,04%
Holdings in CBT	427 510	441 550	(14 040)	-3,18%
Holdings in POA	89	89	-	0,00%
Total cash and Balances with CBT, POA and GTT	511 625	519 409	(7 784)	-1,50%

IV-2. Due from Banks and Financial Institutions

The volume of this post registered an increase between December 2015 and December 2016 of TND 39 772 thousand or 4.86% passing from a period to another from TND 818 821 thousand to TND 858 593 thousand. This volume is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Receivables from banking institutions (a)	649 880	708 982	(59 102)	-8,34%
Receivables from financial institutions (b)	208 713	109 839	98 874	90,02%
Total Dues from Banks and Financial Institutions	858 593	818 821	39 772	4,86%

a) The decrease in the volume of our dues from banks of TND 59 102 thousand or 8.34% which dropped from TND 708 982 thousand on 31/12/2015 to TND 649 880 thousand on 31/12/2016 relates to the following positions:

	31/12/2016	31/12/2015	Change	In %
Loan accounts with Tunisian Central Bank	55 451	171 612	(116 161)	-67,69%
Money market placement	495 582	439 267	56 315	12,82%
Accrued interests on loans	1 132	1 122	10	0,89%
Correspondents' accounts «NOSTRI»	83 630	78 132	5 498	7,04%
Correspondents' accounts «LORI »	145	98	47	47,96%
Accrued interests on correspondents' accounts	-	19	(19)	-100,00%
Non- allocated Values	13 940	18 732	(4 792)	-25,58%
Total	649 880	708 982	(59 102)	-8,34%

b) The increase in the total receivables of TND 98,874 thousand or 90.02% from TND 109,839 thousand in December 2015 to TND 208,713 thousand in December 2016 is mainly due to the increase in our loans in favor of the Leasing companies and the loans granted to financial institutions in connection with the effectuated repo transactions. This section is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Loans granted to leasing companies	157 006	108 473	48 533	44,74%
Loans to other financial institutions	49 747	-	49 747	-
Receivables and payables	1 960	1 366	594	43,48%
Total	208 713	109 839	98 874	90,02%

IV-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 from TND 6 567 699 thousand as at December 2015 to TND 7 653 102 thousand as at December 2016, rising by TND 1 085 403 thousand or 16.53 %. These amounts are ventilated as follows:

	31/12/2016	31/12/2015	Change	In %
Customer overdraft accounts	743 117	678 599	64 518	9,51%
Other customer loans	7 339 022	6 307 338	1 031 684	16,36%
Loans on special resources	64 373	65 791	(1 417)	-2,15%
Total	8 146 512	7 051 728	1 094 785	15,53%
Provisions and agios for customer loans	(438 167)	(436 365)	(1 803)	0,41%
Collective Provisions	(55 243)	(47 664)	(7 579)	15,90%
Total Customer Loans	7 653 102	6 567 699	1 085 403	16,53%

IV-4. Commercial securities portfolio

The volume of this item increased from TND 1 753 466 thousand in December 2015 to 1 975 861 in December 2016, recording an increase of TND 222 395 thousand or 12.68%.

	31/12/2016	31/12/2015	Change	In %
Trading securities	1 793 651	1 590 489	203 162	12,77%
Investment securities	182 210	162 977	19 233	11,80%
Total Commercial Securities Portfolio	1 975 861	1 753 466	222 395	12,68%

This change stems from an increase in the trading securities volume of TND 203,162 thousand or 12.77% (due to the various subscription and redemption operations carried out during the period from 01/01/2016 to 31/12/2016), accompanied by an increase in the total investment securities of TND 19,233 thousand or 11.8%.

IV-5. Investment portfolios

This total item increased from TND 186,178 thousand in December 2015 to TND 198,812 thousand in December 2016, recording an increase of TND 12,634 thousand or 6.79%.

	31/12/2016	31/12/2015	Change	In %
Gross investment in securities	217 802	202 827	14 975	7,38%
Receivables related to investment securities	4 181	3 590	591	16,46%
Provisions and agios for investment portfolio depreciation	(23 171)	(20 239)	(2 932)	14,49%
Total Investment Portfolio	198 812	186 178	12 634	6,79%

IV-6. Investments in associates

The total of this item increased from TND1, 309 thousand in December 2015 to TND 4,303 thousand in December 2016, an increase of TND 2,994 thousand or 228.72 %.

	31/12/2016	31/12/2015	Change	In %
Institut Tunis Dauphine	181	48	133	277,08%
Société de Promotion Touristique Hammamet	3 060	-	3 060	-
Société tunisienne de promotion des pôles immobiliers et industriels	1 062	1 261	(199)	-15,78%
Total Investments in associates	4 303	1 309	2 994	228,72%

IV-7. Fixed assets

Fixed assets are recognized at their acquisition cost, excluding taxes, plus non-recoverable VAT, with the exception of transport equipment, which is included in the balance sheet for its purchase cost, inclusive of all taxes.

Amortization of fixed assets is carried out using the straight-line method and calculated according to the amortization rates recognized by the tax regulations in force with the exception of goodwill.

Depreciation and amortization are determined and recorded on the basis of the fixed assets carrying amount and the acquisition date of each fixed asset.

Net depreciation fixed assets and amortization increased by TND 27,282 thousand or 10.29%, from TND 265,253 thousand at 31/12/2015 to TND 292,535 thousand at December 31,2016.

These fixed assets are detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Intangible assets	67 630	65 180	2 450	3,76%
Amortization of intangible assets	(49 377)	(41 559)	(7 818)	18,81%
Tangible assets	453 585	400 322	53 263	13,31%
Amortization of tangible assets	(201 971)	(182 423)	(19 548)	10,72%
Current assets and advances	22 668	23 733	(1 065)	-4,49%
Total Fixed Values	292 535	265 253	27 282	10,29%

IV-8. Goodwill

The total of this item increased from TND 11 053 thousand in December 2015 to TND 10 387 thousand in December 2016, recording a decrease of TND 666 thousand.

	Gross value 31/12/2016	Accumulated amort 31/12/2016	Net carrying amount 31/12/2016	Gross value 31/12/2015	Accumulated Amort 31/12/2015	Net carrying amount 31/12/2015
Securities held by BIAT	20 351	(10 108)	10 243	20 351	(9 462)	10 889
SALLOUM	171	(103)	68	171	(94)	77
GSM	881	(881)	-	881	(881)	-
BCAP	16	(12)	4	16	(11)	5
ASSBIAT	10 802	(2 199)	8 603	10 801	(1 659)	9 142
BCR	95	(57)	38	95	(52)	43
SICAF	44	(24)	20	44	(22)	22
STI	6 540	(6 540)	-	6 540	(6 540)	-
STPI	12	(6)	6	12	(6)	6
SOPIAT	49	(25)	24	49	(22)	27
PROTECT	1 741	(261)	1 480	1 741	(174)	1 567
Securities held by SGP	1 015	(972)	43	1 015	(968)	47
OSI	78	(35)	43	78	(31)	47
GSM	937	(937)	-	937	(937)	-
Securities held by BCR	18	(17)	1	18	(16)	2
SICAF	18	(17)	1	18	(16)	2
Securities held by SICAF	308	(208)	100	308	(193)	115
TAAMIR	131	(92)	39	131	(85)	46
PROTECT	122	(79)	43	122	(73)	49
SGP	34	(24)	10	34	(22)	12
SOPIAT	21	(13)	8	21	(12)	9
Total	21 692	(11 305)	10 387	21 692	(10 639)	11 053

IV-9. Other assets

The total of this item increased from TND 396,140 thousand in December 2015 to TND 450,470 thousand in December 2016, recording an increase of TND 54,330 thousand or 13.71%.

Thus, the total consolidated balance sheet recorded, between December 2015 and December 2016, an increase of TND1, 436,360 thousand or 13.65%, from TND 10,519,328 thousand to TND 11,955,688 thousand.

NOTE V – Liabilities

(Figures are expressed in thousands of Tunisian dinars)

V-1. Central Bank of Tunisia and Post Office

The volume of this post changed from one period to another from TND 1 303 thousand to TND 779 thousand, a decrease of TND 524 thousand or 40.21 %.

This Change is mainly due to a decrease of BCT checks awaiting for payment in the amount of TND 543 thousand or 42.16 % and in a decrease of the credit balance of our foreign currency accounts held to the BCT of TND 27 thousand in December 2016.

	31/12/2016	31/12/2015	Change	In %
Checks BCT awaiting payment	745	1 288	(543)	-42,16%
Count BCT in currencies	34	7	27	385,71%
Debts connected by the accounts BCT and CCP	-	8	(8)	-100,00%
Total Banque Centrale and CCP	779	1 303	(524)	-40,21%

V-2. Deposits and Assets of the Banking and Financial Institutions

The volume of this post shifted from one period to another of TND 528 822 thousand to TND 120,738 thousand, that is a increase of TND 310 562 thousand or 58.73 %.

	31/12/2016	31/12/2015	Change	In %
Deposits and assets of banking institutions	834 368	525 974	308 394	58,63%
Deposits of financial institutions	5 016	2 848	2 168	76,12%
Total Deposits and assets of the banking and financial institutions	839 384	528 822	310 562	58,73%

This Change is explained by the increase of the deposits and assets of banking institutions of TND 308 394 thousand or 58,63%, which shifted from TND 525 974 thousand in December 2015 to TND 834 368 thousand in December 2016.

	31/12/2016	31/12/2015	Change	In %
Loan in dinars with the BCT	643 000	355 000	288 000	81,13%
Loan in dinars with banks	23 167	57 227	(34 060)	-59,52%
Deposits of the correspondents Bankers	50 373	36 130	14 243	39,42%
Other amount due	117 429	77 447	39 982	51,62%
Connected debts	399	170	229	134,71%
Deposits and assets of banking institutions	834 368	525 974	308 394	58,63%

An increase of the deposits of the financial institutions of TND 2 168 thousand or 76,12%, which shifted from TND 2 848 thousand in December 2015 to TND 5 016 thousand in December 2016. This Change results mainly from deposits of the companies of leasing.

V-3. Deposits and Assets of the Customers

The deposits of the customers registered an increase of TND 877 260 thousand or 10,99%, shifting from TND 7 980 614 thousand in December 2015 to TND 8 857 874 thousand in December 2016. This increase results from the following posts:

	31/12/2016	31/12/2015	Change	In %
Demand deposits	4 467 519	3 931 416	536 103	13,64%
Saving deposits	2 179 243	1 972 713	206 530	10,47%
Accounts with term	1 296 235	1 203 483	92 752	7,71%
Vouchers with term	278 539	303 088	(24 549)	-8,10%
Certificates of deposit money market	263 500	228 000	35 500	15,57%
Connected debts	29 565	29 101	464	1,59%
Other amounts due	343 273	312 813	30 460	9,74%
Total Deposits and assets of the customers	8 857 874	7 980 614	877 260	10,99%

V-4. Loans and Special Resources

The loans and the special resources registered an increase of TND 61 116 thousand, or 56,15%, going from TND 108 853 thousand in December 2015 to TND 169 969 thousand in December 2016. This increase results from the following posts:

	31/12/2016	31/12/2015	Change	In %
Loans and debts for special resources	64 141	62 607	1 534	2,45%
Debts connected on special resources	281	348	(67)	-19,25%
Public money and foreign bodies	10 258	10 131	127	1,25%
Total public money and foreign bodies	74 680	73 086	1 594	2,18%
Subordinate loans	92 934	35 600	57 334	161,05%
Debts connected with the loans and the debts on own accounts	2 355	167	2 188	1310,18%
Total Loans and special resources	169 969	108 853	61 116	56,15%

V-5. Other Liabilities

The total of this post shifted of TND 561 948 thousand on 31 December 2015 to TND 614 740 thousand on December 31, 2016, registering an increase of TND 52 792 thousand or 9.39%.

NOTE VI – Minority Interests

(The numbers are expressed in TND thousands: thousand Tunisian dinars)

Minority interests are broken down by consolidated company as follows:

Sociétés	31/12/2016		31/12/2015	
	Equity	Income	Equity	Income
BIAT Capital	2	-	2	-
BIAT Assets Management	4	2	4	2
BIAT Capital risque	188	15	232	4
Société de Promotion Immobilière Arabe de Tunisie	1	-	1	-
Société de Promotion Touristique	2 107	(24)	2 137	(83)
Assurances BIAT	1 838	235	1 699	262
SICAV Opportunity	258	4	269	5
SICAV Trésor	316 964	12 578	369 906	14 704
SICAV Prosperity	2 718	74	906	23
Société Palm Links Immobilière	139	(1)	126	13
Société Tanit International	5 523	(321)	5 742	(221)
Société Tunisie Titrisation	13	(10)	84	(50)
Société de pôle de compétitivité de Monastir	20 911	1 373	14 908	930
SICAV PATRIMOINE Obligataire	165 468	6 515	119 271	4 488
Fonds commun de créances 1	1 662	(155)	2 480	70
Fonds Commun de placement Epargne Actions	13 799	416	2 780	83
Fonds commun de créances 2	2 344	(45)	3 983	(123)
Société Touristique Sahara Palace	-	-	3	-
Société de Promotion Touristique Mohamed V	6 871	497	6 334	493
FCP Equilibre	-	-	5	-
FCP Prudence	-	-	1 092	28
STE DE PROMOTION TOURISTIQUE (SPT) SFAX	3 142	38	3 063	78
FCP Equity Performance	3 595	(11)	-	-
Total	547 547	21 180	535 027	20 706

NOTE VII – State of Equity Capital

(The numbers are expressed in TND thousands: thousand Tunisian dinars)

The total of own capital changed between December, 2015 and December, 2016 from TND 782 055 thousand to TND 904 215 thousand, marking an increase of TND 122 160 thousand or 15,62%.

The Board which follows summarizes the Changes of the own capital of the exercise 2015 in the exercise 2016.

Company	31/12/2016		31/12/2015	
	Equities	Income	Equities	income
Banque Internationale Arabe de Tunisie	745 519	185 279	666 445	140 248
BIAT Capital	286	(92)	639	(353)
BIAT Assets Management	128	352	104	366
BIAT Capital risque	(473)	781	(305)	191
Compagnie Internationale Arabe de Recouvrement	3 772	1 786	3 247	1 027
SICAF BIAT	2 264	99	2 394	(14)
Société de Promotion Immobilière Arabe de Tunisie	(620)	(25)	(608)	(54)
Société de Promotion Touristique	(203)	(27)	(172)	(73)
Organisation et Service Informatique	204	(21)	239	(34)
Société la PROTECTRICE	(159)	912	99	677
Assurances BIAT	1 951	3 483	107	3 931
Société FAIZA	(674)	(3)	(672)	(3)
SICAV Opportunity	(37)	6	(17)	8
SICAV Trésor	(3 797)	389	(1 175)	790
SICAV Prosperity	57	16	43	14
Société Générale de Placement	1 511	(90)	1 301	(36)
Société TAAMIR	174	169	(14)	152
Société Golf Sousse Monastir	(18 124)	(658)	(17 720)	(441)
Société Palm Links Immobilière	29	(1)	16	13
Société Tanit International	(16 933)	(661)	(16 484)	(454)
Société Tunisie Titrisation	(259)	(227)	(98)	(156)
Société de pôle de compétitivité de Monastir	2 108	1 517	3 187	761
SICAV PATRIMOINE Obligataire	(171)	217	12	15
Fonds commun de créances 1	551	(227)	926	63
Société tunisienne de promotion des pôles immobiliers et industriels	267	(199)	281	(13)
Fonds Commun de placement Epargne Actions	33	8	23	7
Fonds commun de créances 2	62	(68)	(140)	(160)
Société Touristique Sahara Palace	(5 100)	(1 163)	(4 529)	(571)
Société de Promotion Touristique Mohamed V	(1 178)	954	(917)	946
Institut Tunis Dauphine	(816)	98	(838)	(14)
FCP Equilibre	-	-	(8)	-
FCP Prudence	-	-	(324)	39
BIAT Consulting	(147)	164	(62)	(1)
STE DE PROMOTION TOURISTIQUE (SPT) SFAX	679	185	304	375
BIAT France	(498)	(229)	(16)	(459)
FCP Equity Performance	1 107	(22)	-	-
Total Capital et shareholders equity excluding income	711 513	192 702	635 268	146 787

Consolidated company	Integration method	Equity capital	Securities elimination	Gross Acquisition Differences	Const amort / loss val. EA	Neutr of Div	Provisions and revaluation	Internal Gain	De-ferred taxes and other	Minority Re-serves	Total equity
BIAT	Global Integration	703 612	-	-	-	6 441	26 232	(3 814)	13 048	-	745 519
BCAP	Global Integration	3 190	(2 999)	16	(11)	-	-	-	92	(2)	286
BAM	Global Integration	588	(498)	-	-	42	-	-	-	(4)	128
BCR	Global Integration	10 740	(10 110)	95	(53)	129	-	(1 086)	-	(188)	(473)
CIAR	Global Integration	1 303	(1 018)	-	-	38	-	2 592	857	-	3 772
SICAF	Global Integration	19 645	(19 000)	62	(37)	510	1 084	-	-	-	2 264
SOPIAT	Global Integration	25 863	(26 011)	70	(34)	43	-	(717)	167	(1)	(620)
SALLOUM	Intégration Globale	3 710	(1 903)	171	(95)	-	-	-	21	(2 107)	(203)
OSI	Global Integration	179	(24)	78	(31)	-	-	-	2	-	204
PROTECT	Global Integration	2 883	(4 692)	1 863	(247)	45	-	(11)	-	-	(159)
ASSBIAT	Global Integration	32 843	(38 622)	10 802	(1 659)	14	411	-	-	(1 838)	1 951
FAIZA	Global Integration	268	(542)	-	-	-	(400)	-	-	-	(674)
OPPRU-NITY	Global Integration	710	(490)	-	-	1	-	-	-	(258)	(37)
TRESOR	Global Integration	333 092	(19 925)	-	-	-	-	-	-	(316 964)	(3 797)
PRESPERITY	Global Integration	3 287	(512)	-	-	-	-	-	-	(2 718)	57
SGP	Global Integration	2 823	(3 292)	34	(22)	281	1 687	-	-	-	1 511
TAAMIR	Global Integration	4 684	(4 655)	131	(86)	35	2	-	63	-	174
GSM	Global Integration	(1 135)	(4 134)	1 818	(1 818)	-	-	(18 453)	5 598	-	(18 124)
LINKS	Global Integration	278	(110)	-	-	-	-	-	-	(139)	29
STI	Global Integration	17 767	(28 300)	6 540	(6 540)	8	(2 056)	-	1 171	(5 523)	(16 933)
TITRIS	Global Integration	463	(709)	-	-	-	-	-	-	(13)	(259)
ELFEJJA	Global Integration	44 015	(20 996)	-	-	-	-	-	-	(20 911)	2 108
PATRI-MOINE	Global Integration	170 928	(5 799)	-	-	168	-	-	-	(165 468)	(171)
FCC1	Global Integration	4 137	(1 924)	-	-	-	-	-	-	(1 662)	551
STPI	Equity method	1 261	(1 000)	12	(6)	-	-	-	-	-	267
FCP	Global Integration	14 060	(228)	-	-	-	-	-	-	(13 799)	33
FCC2	Global Integration	6 046	(3 640)	-	-	-	-	-	-	(2 344)	62
STSP	Global Integration	2 902	(8 003)	-	-	1	-	-	-	-	(5 100)
SPTMV	Global Integration	28 358	(23 915)	-	-	127	-	-	1 123	(6 871)	(1 178)
ITD	Equity method	30	(900)	-	-	-	-	-	54	-	(816)
BCO	Global Integration	353	(500)	-	-	-	-	-	-	-	(147)
SPTS FAX	Global Integration	18 221	(14 400)	-	-	-	-	-	-	(3 142)	679
BFR	Global Integration	2 430	(2 921)	-	-	-	-	-	(7)	-	(498)
PERFOR-MANCE	Global Integration	11 229	(6 527)	-	-	-	-	-	-	(3 595)	1 107
SPTH	Equity method	3 060	(3 060)	-	-	-	-	-	-	-	-
Total consolidé		1 473 823	(261 359)	21 692	(10 639)	7 883	26 960	(21 489)	22 189	(547 547)	711 513

Consolidated company	Integration method	Social outcome	Neutr dotations provisions	Neutr des div	Ret (+v) Interne	Const amort/ loss val. EA	Diferred taxes and others	Minority interests	Conso- lidated income
BIAT	Global Integration	190 142	2 873	(6 441)	-	-	(1 295)	-	185 279
BCAP	Global Integration	(141)	-	-	-	(1)	50	-	(92)
BAM	Global Integration	396	-	(42)	-	-	-	(2)	352
BCR	Global Integration	930	-	(129)	-	(5)	-	(15)	781
CIAR	Global Integration	1 231	-	(38)	-	-	593	-	1 786
SICAF	Global Integration	1 217	(606)	(510)	-	(2)	-	-	99
SOPIAT	Global Integration	14	-	(43)	-	(3)	7	-	(25)
SALLOUM	Global Integration	(55)	-	-	-	(9)	13	24	(27)
OSI	Global Integration	(14)	-	-	-	(4)	(3)	-	(21)
PROTECT	Global Integration	1 050	-	(45)	-	(93)	-	-	912
ASSBIAT	Global Integration	4 321	(49)	(14)	-	(540)	-	(235)	3 483
FAIZA	Global Integration	(3)	-	-	-	-	-	-	(3)
OPPORTUNITY	Global Integration	11	-	(1)	-	-	-	(4)	6
TRESOR	Global Integration	12 967	-	-	-	-	-	(12 578)	389
PRESPERITY	Global Integration	90	-	-	-	-	-	(74)	16
SGP	Global Integration	191	2	(281)	-	(2)	-	-	(90)
TAAMIR	Global Integration	232	-	(35)	-	(7)	(21)	-	169
GSM	Global Integration	(1 023)	-	-	-	-	365	-	(658)
LINKS	Global Integration	(2)	-	-	-	-	-	1	(1)
STI	Global Integration	(3 137)	2 175	(8)	-	-	(12)	321	(661)
TITRIS	Global Integration	(237)	-	-	-	-	-	10	(227)
ELFEJJA	Global Integration	3 732	-	-	(1 123)	-	281	(1 373)	1 517
PATRIMOINE	Global Integration	6 900	-	(168)	-	-	-	(6 515)	217
FCC1	Global Integration	(382)	-	-	-	-	-	155	(227)
STPI	Equity method	(199)	-	-	-	-	-	-	(199)
FCP	Global Integration	424	-	-	-	-	-	(416)	8
FCC2	Global Integration	(113)	-	-	-	-	-	45	(68)
STSP	Global Integration	(1 162)	-	(1)	-	-	-	-	(1 163)
SPTMV	Global Integration	2 700	-	(127)	-	-	(1 122)	(497)	954
ITD	Equity method	41	-	-	-	-	57	-	98
BCO	Global Integration	148	-	-	-	-	16	-	164
SPTSFAX	Global Integration	223	-	-	-	-	-	(38)	185
BFR	Global Integration	(237)	-	-	-	-	8	-	(229)
PERFORMANCE	Global Integration	(33)	-	-	-	-	-	11	(22)
Total consoli- dated		220 222	4 395	(7 883)	(1 123)	(666)	(1 063)	(21 180)	192 702

NOTE VIII – Statement of Income

(The numbers are expressed in TND thousand: thousand Tunisian dinars)

VIII-1. Bank Operating Revenues

The total of this post shifted of TND 797 346 thousand on December 31st, 2015 to TND 910 126 thousand on December 31st, 2016, recording an increase of TND 112 780 thousand or 14,14%.

VIII-1-1. The Interests and Assimilated Income

The interests and assimilated income shifted of TND 473 908 thousand on 31/12/2015 to TND 512 653 thousand on 31/12/2016, registering an increase of TND 38 745 thousand or 8,18%. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests on bank ordinary accounts	357	584	(227)	-38,87%
Interests on accounts of interbank loans	6 352	6 055	297	4,91%
Interests on credits to the customers	411 430	379 281	32 149	8,48%
Interests on debit accounts to the customers	63 027	62 207	820	1,32%
Interests and products likened on commitments of guarantee	20 801	19 446	1 355	6,97%
Other interests and assimilated income	10 686	6 335	4 351	68,68%
Total Interests and assimilated income	512 653	473 908	38 745	8,18%

VIII-1-2. Commissions on Products

Commissions on products changed from TND 182 857 thousand on 31/12/2015 in TND 222 908 thousand on 31/12/2016, registering an increase of TND 40 051 thousand or 21,9%. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Commission on foreign-exchange transactions	4 581	4 368	213	4,88%
Commission on commitments of financing	39 588	28 813	10 775	37,40%
Commission on commitment of guarantee	7 194	6 161	1 033	16,77%
Commission on services of financial services	44 480	38 451	6 029	15,68%
Commissions on other bank transactions	127 065	105 064	22 001	20,94%
Total Commissions (on products)	222 908	182 857	40 051	21,90%

VIII-1-3. Gains on Commercial Securities Portfolio and Financial Transactions

These gains totaling TND 158 059 thousand on 31/12/2016 against TND 134 056 thousand on 31/12/2015, that is an increase of TND 24 003 thousand or 17,91 %.

	31/12/2016	31/12/2015	Change	In %
Income of the securities of transaction (a)	76 761	55 442	21 319	38,45%
Income on securities of investment (b)	25 192	28 521	(3 329)	-11,67%
Gains on transactions of exchange and arbitration (c)	56 106	50 093	6 013	12,00%
Total Gains on commercial securities portfolio and financial transactions	158 059	134 056	24 003	17,91%

This increase is detailed as follows:

(a) Income of the securities of transaction

The products of the securities of transaction shifted between December 2015 and December 2016 of TND 55 442 thousand to TND 76 761 thousand, that is an increase of TND 21 319 thousand, or 38,45%. These products are detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests of the securities of transaction	70 448	53 131	17 317	32,59%
Capital gain or loss of transfer or refund	6 313	2 311	4 002	173,17%
Total Income of the securities of transaction	76 761	55 442	21 319	38,45%

(b) Income of the securities of investment

The income of securities of investment, which consists of interests received on the bonds subscribed by the bank and the income of the Priority parts of the FCC signed by the BIAT, registered a decrease of TND 3 329 thousand or 11,67%, going from one period to another of TND 28 521 thousand to TND 25 192 thousand.

	31/12/2016	31/12/2015	Change	In %
Interests of the obligations	25 042	28 383	(3 341)	-11,77%
Income of the common funds of claims	150	138	12	8,70%
Total Income on securities of investment	25 192	28 521	(3 329)	-11,67%

(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 50 093 thousand on 31/12/2015 to TND 56 106 thousand on 31/12/2016 registering an increase of TND 6 013 thousand or 12%.

VIII-1-4. Income of the Investment Portfolio

The income of the investment portfolio which consist mainly of interests perceived on the securities of investment subscribed by the Bank and dividends perceived on equity shares and products on securities on carrying recorded an increase of TND 9 981 thousand or 152,97% from one period to another of TND 6 525 thousand to TND 16 506 thousand.

	31/12/2016	31/12/2015	Change	In %
Interests and income of the securities of investment	12 815	5 435	7 380	135,79%
Income of the securities participation	3 691	1 090	2 601	238,62%
Total Income of the investment portfolio	16 506	6 525	9 981	152,97%

VIII-2. The Expenses of Banking Exploitation

The total of this post shifted of TND 217 412 thousand on December 31st, 2015 to TND 248 215 thousand on December 31st, 2016, registering an increase of TND 30 803 thousand or 14,17%.

These expenses of banking exploitation consist of following posts:

- Incurred interests and assimilated loads
- Claims paid on insurance operations
- Incurred commissions.
- Losses on commercial securities portfolio and financial operations

VIII-2-1. The Incurred Interests and the Assimilated Loads

The incurred interests and the assimilated loads shifted of TND 187 083 thousand on 31/12/2015 to TND 213 491 thousand on 31/12/2016, registering an increase of TND 26 408 thousand, or 14,12%. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Interests on bank ordinary accounts	940	1 252	(312)	-24,92%
Interests on bank current accounts	1 996	972	1 024	105,35%
Interests on deposits of the customers	175 455	163 981	11 474	7,00%
Interests on debenture and subordinate loan	6 474	3 798	2 676	70,46%
Interests on special resources	2 034	2 318	(284)	-12,25%
Other interests and loads	26 592	14 762	11 830	80,14%
Total accrued interest and assimilated loads	213 491	187 083	26 408	14,12%

VIII-2-2. Claims paid on insurance transactions

Claims paid on insurance transactions increased from TND 26,330 thousand at 31/12/2015 to TND 32,153 thousand at 31/12/2016, recording an increase of TND 5,823 thousand or 22.12%.

VIII-2-3. The Incurred Commissions

The incurred commissions shifted of TND 3 797 thousand on 31/12/2015 in TND 2 428 thousand on 31/12/2016, registering a decrease of TND 1 369 thousand or 36,05 %. This Change is detailed as follows:

	31/12/2016	31/12/2015	Change	In %
Committees on operations of finance and interbank operations	1 743	693	1 050	151,52%
Commissions on other operations	685	3 104	(2 419)	-77,93%
Total incurred Commissions	2 428	3 797	(1 369)	-36,05%

VIII-3. Endowments in Reserves and Income of the Valuable Corrections on Claims, off-Balance Sheet and Liabilities

The balance of this section registers on 31/12/2016 a net endowment of TND 54 765 thousand ventilated as follows:

	31/12/2016	31/12/2015	Change	In %
Endowment in reserves on claims of the customers	(98 452)	(100 123)	1 671	-1,67%
Endowment in contingency reserves and loads	(6 053)	(11 389)	5 336	-46,85%
Total of the endowment	(104 505)	(111 512)	7 007	-6,28%
Losses on claims	(53 443)	(51 627)	(1 816)	3,52%
Total of the endowments and the losses on claims	(157 948)	(163 139)	5 191	-3,18%
Reversal of provisions on claims of the customers	78 327	78 097	230	0,29%
Reversal of provisions for losses and loads	24 379	2 605	21 774	835,85%
Total of the recovery	102 706	80 702	22 004	27,27%
Recoveries claims passed in loss	477	78	399	511,54%
Total of the recovery and the recoveries on claims	103 183	80 780	22 403	27,73%
Balance	(54 765)	(82 359)	27 594	-33,50%

VIII-4. Endowment in Reserves and Result of the Valuable Corrections on Investment Portfolio

The volume of this section registers on 31/12/2016 a balance in loss of TND 3 085 thousand ventilated as follows:

	31/12/2016	31/12/2015	Change	In %
Endowment in reserves on equity shares, carrying and managed funds	(3 210)	(800)	(2 410)	301,25%
Loads and losses on securities	(486)	(226)	(260)	115,04%
Total of the endowments and the losses on claims	(3 696)	(1 026)	(2 670)	260,23%
Reversal of provisions on equity shares, portfolios and managed funds	539	2 070	(1 531)	-73,96%
Disposal gain on equity shares	72	501	(429)	-85,63%
Total of the reversals and the recoveries on receivables	611	2 571	(1 960)	-76,23%
Balance	(3 085)	1 545	(4 630)	-299,68%

VIII-5. Other Operating Incomes

This section increased between December 2015 and December 2016 of TND 25 333 thousand in TND 29 939 thousand, thus registering an increase of TND 4 606 thousand or 18,18%.

VIII-6. Expenses of Staff

This section, which is composed mainly of salaries, social charges and other personnel expenses, shifted between December 2015 and December 2016 of TND 185 249 thousand in TND 207 548 thousand, thus registering an increase of 22 299 thousand or 12,04%.

VIII-7. General expenses of exploitation

The increase of TND 15 716 thousand registered between December 2015 and December 2016 results from an increase of non-banking operating expenses up to TND 8 374 thousand and to a decrease of the other general loads of exploitation at the level of TND 7 342 thousand.

VIII-8. Depreciation Allowances and in Reserves on Fixed Assets

The balance of this section registers on 31/12/2016 an amount of TND 35 486 thousand ventilated as follows:

	31/12/2016	31/12/2015	Change	In %
Depreciation allowances of intangible assets	8 484	8 435	49	0,58%
Depreciation allowances of tangible assets	19 548	16 905	2 643	15,63%
Depreciation allowances of the postponed loads	6 604	7 639	(1 437)	-18,81%
Reversal of provisions for capital assets	-	(249)	249	-100,00%
Other depreciation provisions	850	193	1 059	548,70%
Total	35 486	32 923	2 563	7,78%

VIII-9. Balance in Gain or in Loss Resulting from Other Ordinary Elements

The balance of this section is a loss of TND 6 113 thousand results from disposal gains on fixed assets for 892 thousand by other losses for 7138 thousand and other gains for TND 133 thousand.

VIII-10. Profit Tax

The balance of this section registers on 31/12/2016 an amount of TND 61 086 thousand against TND 64 458 thousand on 31/12/2015, that is a decrease of TND 3 372 thousand or 5,23%.



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RESOLUTIONS OF THE ORDINARY
GENERAL MEETING



First Resolution

After listening to the report on the individual financial situation as well as the consolidated situation for 2016 and to the Auditors' report, the Ordinary General Assembly, approves the Managing Board report as a whole, the regulated conventions governed by the regulations of Article 200 and subsequent articles, Article 475 of the Code of Commercial Companies and Articles 43 and 62 of Law 2016-48 dated 11 July 2016 related to banks and financial institutions, as well as individual and consolidated financial statements to 31 December 2016 as they were presented to it.

Accordingly, it grants the Managing Board Members full discharge without any reserves for their management in 2016.

This resolution was submitted to vote and adopted unanimously.

Second Resolution

The Ordinary General Assembly decided to distribute the net profit of 2016, which amounts to 190,141,760.688 Dinars, increased by the balance carried forward of 71,420,853.749 Dinars, i.e. a global distributable amount of 261,562,614.437 Dinars as follows:

(In dinars)

Distributable result	261,562,614.437
Reserves for financial investments	89,999,100.000
Balance carried forward	171,563,514.437

The Ordinary General Assembly decided to distribute among shareholders, free of withholding tax, an amount of 68 Million Dinars withdrawn from the account « Share Premium », which is one of the Bank's proper capitals prior to 2013.

Accordingly, the dividend by share is set at 4 Dinars by share, i.e. 40% of share nominal value. These dividends shall be paid, free of withholding tax, from 12 June 2017.

This resolution was submitted to vote and approved with the majority of voices.

Third Resolution

The Ordinary General Assembly decided to reconstitute reserves for financial investments with an amount of 17 744 340,359 Dinars, which have been allocated within profit distribution for 2010, through optional reserve transfer.

This resolution was submitted to vote and adopted unanimously.

Fourth Resolution

The Ordinary General Assembly notes the resignation of Mr. Fathi MESTIRI from his position as Member of the Board of Directors representing minority shareholders.

The Ordinary General Assembly decided to appoint Mr. Sami HACHICHA as Member of the Board of Directors for a period of three years, finishing at the end of 2019 Ordinary General Assembly. .

The Ordinary General Assembly decided to renew the mandate of the Members of the Board of Directors, for a period of three years until the end of 2019 Ordinary General Assembly, this concerns:

- Mr. Ismail MABROUK
- Mr. Karim MILAD
- Mr. Hichem DRISS
- Mr. Jean MESSINESI
- Mr. Mohamed Afif CHELBI, as independent member
- Mr. Mehdi SETHOM, as independent member
- Mr. Tahar SIOUD

Mr. Tahar SIOUD is appointed as representative for minority shareholders interests.

This resolution was submitted for vote and adopted with the majority of voices.

Fifth Resolution

The Ordinary General Assembly decided to allocate to the Board of Directors the gross amount of six hundred thousand Dinars as attendance fees for 2017.

This resolution was submitted to vote and adopted with the majority of voices.

Sixth Resolution

The Ordinary General Assembly authorizes the Bank to issue one or more ordinary debenture and/or subordinated loans for a maximum global amount of 300 Million Dinars over a period of three years and delegates all necessary powers to the Managing Board to fix the terms, amounts and conditions of their issue.

The Ordinary General Assembly authorizes the Board of Directors to delegate to General Management the power to fix the day before the issue the terms and conditions of the loan.

This resolution was submitted to vote and adopted with the majority of voices.

Seventh Resolution

The Ordinary General Assembly authorizes the Bank to engage the process of the cancellation of admission at the London Stock Exchange of GDRs which only represents 0.018% of its share capital and to proceed with the termination of the Deposit Agreements entered between the Company and the Depositary (Bank of New York).

This resolution was submitted to vote and adopted with the majority of voices.

Eighth Resolution

The Ordinary General Assembly notes the responsibility functions of the Chair and the Board Members in other companies, as manager, member of Board of Directors, Chief Executive Officer, General Managers, Executive Board Member or Supervision Council Members, in compliance with Article 192 of the Code of Commercial Companies.

This resolution was submitted to vote and adopted unanimously.

Ninth Resolution

The Ordinary General Assembly grants all powers to the legal representative or any one mandated by himself to make any deposits and fill in all legal formalities for publication or regularization.

This resolution was submitted to vote and adopted unanimously.



First Resolution

The Extraordinary General Assembly decides to modify the First Paragraph of Article 25 of the Statutes in compliance with the new regulations as follows:

ARTICLE 25 first (old)

1/ The Managing Board appoint the Chief Executive Officer of the Company for a determined period. .

The Chief Executive Officer must be a person.

If the Chief Executive Officer is a member of the Managing Board, the duration of his responsibilities shall not exceed his mandate as administrator.

The Chief Executive Office is revocable by decision of the Managing Board

ARTICLE 25 first (New)

1/ The Managing Board appoint the Chief Executive Officer of the Bank for a determined period.

The Chief Executive Officer must be a person.

The Chief Executive Office is revocable by decision of the Managing Board

The Chief Executive Officer shall not have this same function at another bank, financial establishment, insurance company, brokerage company, securities portfolio management company or investment company.

The Chief Executive Officer shall have the status of resident in Tunisia under applicable exchange regulations.

This resolution is submitted to vote and adopted unanimously.

Second Resolution

The Extraordinary General Assembly decides to modify Article 48 of the Statutes as follows:

Compliance with applicable regulations: :

- Deletion of Paragraph 1-C ;
- Deletion of Paragraph 2.

Modification of the amount allocated to the social funds :

- Modification of Paragraph « 1-d ».

ARTICLE 48 (old)

1/ From net profits are deducted first:

- a- all the legal reserves that the Company must establish under the conditions provided for in the applicable regulations;
- b- all amounts, which the General Assembly, upon the decision of the Managing Board, decide to allocate to general reserve funds or report again;
- c- a 5 % interest rate of the liberated and unredeemed amount of the shares without, in case of insufficient profits to execute this payment, making a prepayment on the results of the following year;
- d- an amount of 10 % of profits to allocate to social funds or to the Bank work councils.

2/ The remainder with deferred profits from previous years shall be allocated as additional dividend.

ARTICLE 48 (new)

The distributable profit is made up of the net profits as stated, increased or reduced of the deferred results of the previous years after deducting:

- 1/ All the legal reserves that the Company must establish under the conditions provided for under applicable regulations;
- 2/ All amounts, which the General Assembly, upon the decision of the Managing Board, decide to allocate to general reserve funds or report again;
- 3/ A sum not exceeding 10 % of profits to be set by the Shareholders General Assembly upon the suggestion of the Managing Board and to allocate to social funds or to the Bank work councils.

This resolution is submitted to vote and adopted unanimously.

Third Resolution

The Extraordinary General Assembly grants all powers to the Bank legal representative or any person that he appoints for this end to make any deposits and execute any legal formalities of publication or regularization.

This resolution was submitted to vote and adopted unanimously.



BIAT's Annual Report 2016

Writing and editing : Central Department of Planning and Budget; Corporate Communication Division

All the photographs were taken at BIAT's branches and Head Office. The Corporate Communication Division would like to extend its warm thanks to all the BIAT staff who contributed to the photographic report.

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