

RAPPORT D'ACTIVITE EXERCICE COMPTABLE 2015	
RUBRIQUES devant figurer au rapport d'activité	TIB
I/ACTIVITES ET RESULTATS	
1) Exposé sur l'activité, la situation et les résultats de la société	
Une brève description de l'activité de la société au cours du dernier exercice p 1	APP
La situation et les performances de la société au cours du dernier exercice p 1-2-3-4-5-6	APP
Description des principaux risques auxquels la société est confrontée	1
Les progrès réalisés ou les difficultés rencontrées	1
Description des objectifs et moyens mis en œuvre et positionnement de la société vis-à-vis de la concurrence	1
Les résultats de l'activité et son évolution	1
2)L'évolution de la société et de ses performances au cours des 5 dernières années	1
3)Indicateurs spécifiques par secteur	1
4)Les évènements importants survenus entre la date de clôture de l'exercice et la date à laquelle le rapport a été établi	1
5)Evolution prévisible et perspectives d'avenir (indication des données chiffrées sur 3 ans)	1
6)Activité en matière de recherches et développement	1
7)Les changements des méthodes d'élaboration et de présentation des états financiers	1
II/ PARTICIPATIONS	
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III/ ACTIONNARIAT	
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IV/ORGANES D'ADMINISTRATION ET DE DIRECTION	
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2)Déroulement des opérations de rachat et les effets que cette opération a engendrés	1
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VIII/GESTION DES RESSOURCES HUMAINES	
L'intéressement du personnel, la formation et toute autre forme de développement du capital humain	1
IX/ELEMENTS SUR LE CONTROLE INTERNE	
Définition et objectifs de la société en matière de contrôle interne et de gestion des risques financiers (avec une description des activités et procédures de contrôle mises en place)	1
POURCENTAGE DE CONFORMITE	Très faible.

Chairman's Statement

Dear Shareholders,

ON BEHALF OF YOUR BOARD OF DIRECTORS, I am honoured as your Chairman, to present you the Annual Report of Tunis International Bank (TIB) for the financial year ended December 31, 2015. I am pleased with the performance achieved by our Bank given the unprecedented challenging circumstances, both locally and globally. Despite a competitive operating environment, the slow global economic recovery and the maintained historically-low interest rates of major currencies, by end of year 2015, our Bank reached its objective of sustained progress and thus underpinning our well established leading role in the Tunisian offshore banking sector.

We aim to improve our ability to deliver superior results in order to exceed our customers' expectations, optimize shareholders' value, and gain recognition from our clients and community to be amongst the best service providers in our industry. We reiterate that the executive team and your Board of Directors continue to be fully dedicated to achieving these objectives.

BANK'S PERFORMANCE

Tunis International Bank is pleased to announce that its underlying performance continues to deliver steady value increases to its shareholders, maintaining the trend established over recent years. At 12.38%, return on equity (ROE) is strong, net earnings per share (EPS) work out at 2.84% and the return on average assets (ROAA) is 2.39%. It is our mission to ensure that these fundamentals are maintained and reinforced, as they form the bedrock for future value accretion.

The Bank has adapted its strategy to take into consideration the growing competition due to the liberalisation of the financial sector. An emphasis on maintaining customer service and building customer loyalty is of utmost importance. This integral principle forms one of the major cornerstones of our operating mode.

TIB's consolidated profit reached US\$ 14.215 million in 2015 compared to US\$ 16.372 million in 2014. This consolidated figure was achieved despite narrowing revenue by 35% from subsidiaries, specifically in Algeria. This decrease is mainly due to the depreciation of the Algerian Dinars, the new Algerian foreign exchange regulation, as well as the declining of petrol and gas prices, which represents the majority of the budget revenue.

Following the introduction of a directive on loan provisioning from the Central Bank of Tunisia, TIB Management has considered it appropriate to absorb a greater portion of the impact of revised provisions in the current financial year. We believe, the level of provisioning adequately reflects the valuation of loans and advances, and is consistent with the Bank's policy of prudent provisioning. Most importantly, the Bank's performance in 2015 has confirmed that our strategy of pursuing business selectively while delivering high value services was appropriate and best suited in minimizing the risks in the current economic climate. Indeed, all the booked provisions were related to loans and advances aging more than five years.

The year 2015 has also marked the implementation of a new Anti-Money Laundering (AML) system. This implementation constitutes a major upgrade to the former software system resulting in full compliance with the best practices and standards and providing enhancements to various functionalities and services.

Chairman's Statement

In line with the new AML system, the bank has implemented strict Anti-Money Laundering (AML) policies and procedures that meet local regulatory requirements as well as international best practices. These AML policies include Know-Your-Customer (KYC) procedures to control and identify both new and existing clients, and detailed measures to enable proper detection and reporting of suspicious activities and abnormal transactions. The relevant development and training took place both in-house and in external workshops for all staff members reinforcing the strict implementation of our AML policies.

The new core banking system "ICS Banks" is now firmly in place allowing a uniform basis for decision-making, not only through the Bank, but also but also amongst the banks of Burgan Bank Group, the parent company.

Positive and meaningful synergies with Burgan Bank Group, as well as sister companies, were generated and developed throughout the year. Customer relationship management techniques, best practices in business disaster recoveries, risk and joint club deal participation, and advanced risk management tools were all successfully implemented.

We are determined to prevent any temporary setbacks from slowing down the Bank's progress and growth. The growing synergy amongst the Burgan Bank Group subsidiaries has provided an opportunity to extend our activities internationally to our neighbouring countries. This strategy will potentially open the door to larger markets holding greater business prospects with diversified placements and funding sources.

GRATITUDE

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere gratitude to the Tunisian authorities and administration, especially the Central Bank of Tunisia for their continued and valued support.

I also wish to extend my deep appreciation to our shareholders for their unrelenting support and to our customers for their continued trust and confidence. Last, and by no means least, I would like to acknowledge the loyalty, dedication, professionalism, and teamwork of our senior management and staff members, who have worked above and beyond to ensure the positive results in 2015. I thank you all once again and I am confident that TIB is well positioned for continued future success.

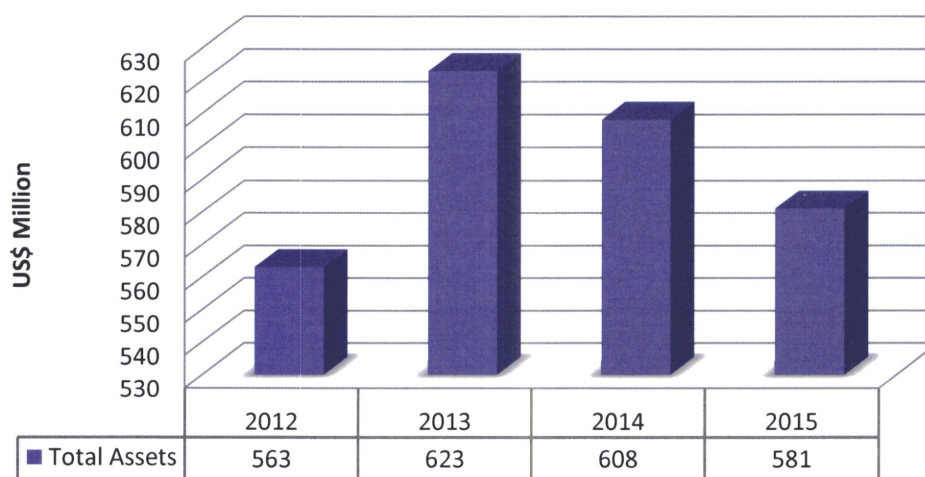
Masaud Hayat
Chairman of the Board of Directors

Business Performance

In 2015, TIB concluded yet another year of steady and sustained progress. The Bank generated an operating income of US\$21.9 million against US\$ 25.96 million in 2014. Net income stands at US\$ 14.215 million. TIB has been generating values to its shareholders for over 20 years now.

Despite the tight global and regional economic conditions, the Bank accomplished its performance strategy underpinning its well established leading role in the Tunisian offshore banking sector, with consolidated year-to-date total assets US\$ 581 million against US\$ 608 million in 2014. For consolidation purposes, average exchange rate at which foreign currencies crystallized into US\$ in our books depreciated by about 20%. Accordingly, consolidated total assets have been distorted by the exchange rate changes.

Total Assets



Although earning assets on the balance sheet registered a decrease on a year-on-year basis by US\$25 million or 4.5% compared to the previous year, both investment and loan portfolios were up by 16.36% and 17.15% respectively. Interbank placement decreased compared to last year same period by US\$66.6 million or 21.27%. The Bank did indeed focus on investment grade opportunities and customer loans with more profitable returns.

The funding of assets were made up essentially of US\$441.2 million in total deposits (76% of total assets) of which customers' deposits amounted to US\$274.6 million and interbank deposits US\$166.7 million. Customers' deposits represent almost 62% of total deposits and 47% of total assets. These deposits continue to remain relatively stable and as a permanent source of funding.

Shareholders' funds totaled US\$ 129 million and remained at nearly the same balance as the previous year. The Algerian Dinars devaluation impacted negatively on the consolidated equity of the Bank. Return on equity (ROE) is 12.38% and return on average assets (ROAA) stands at 2.39%. At 33.13%, the Bank comfortably exceeds the minimum regulatory ratio of 10% as established by the Tunisian banking directives.

TIB's average liquidity ratio of 103.3% is significantly above the Central Bank of Tunisia and the internationally agreed standards minimum requirements of 100%. The Bank continues to maintain a liquid balance sheet by having a high proportion of liquid assets at all times. Liquidity

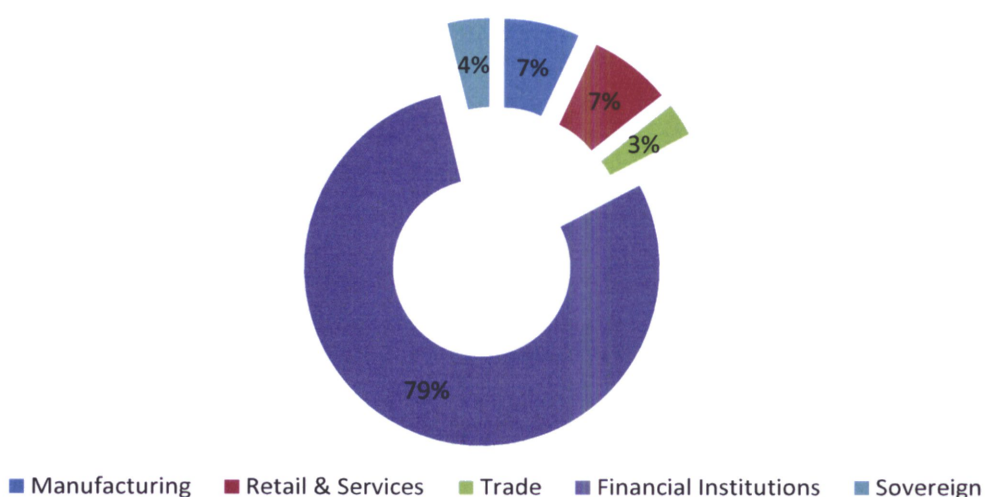
Business Performance

is actively managed through dealings in the major world markets through the Bank's extensive network of international and reputable counterparties.

Loans and Investment

Over the years, TIB has developed a broadly diversified loan portfolio in line with sound risk management principles. With the exception of exposures on financial institutions, the loan book remains diversified, with the largest sector, the retail and services sector, accounting for 7.45% of total loans and advances. About 23.11% of the portfolio is within MENA region, although there is no significant concentration in any single country and 46.4% lies within OECD countries.

**Loan Portfolio Distribution
by Industry**



All exposures pertaining to non-performing loans that are over 90 days past due, or in a nonaccrual status have been provided for in compliance with the local regulatory requirements and IAS regulations. Consistent with its policy of prudent provisioning, allowances for loan losses of the Bank fully covers adequately all exposures under performing loans.

Lending strategy remains unchanged with the core portfolio comprising short-term related discounting and refinancing facilities and participation in international syndication market to well reputable banks. SME's financing are conducted on a very selective and prudent basis in order to maintain a low insolvency risk and to preserve the value of the Bank. The Bank aims to excel in providing a comprehensive service to its corporate, commercial and retail customers.

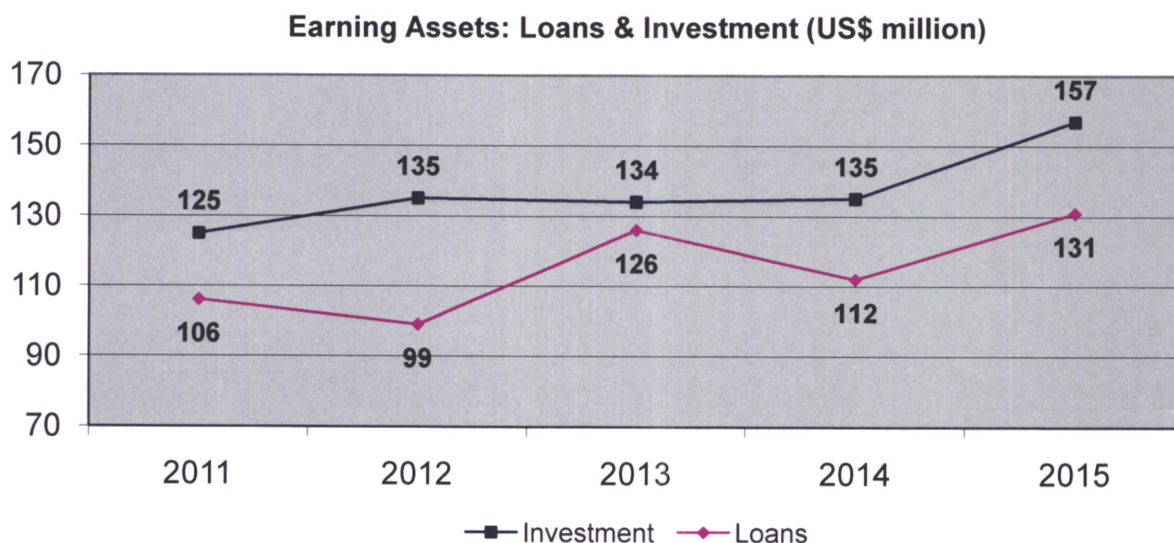
Based on a maturity profile analysis, 52% of TIB's loan portfolio or US\$68.78 million is due to mature within one year. The remaining facilities have a maturity greater than one year but less than 5 years. Some of these loan facilities are syndicated loans for banks established in OECD countries.

In US\$ terms, commercial lending and investment portfolio increased by US\$ 19.2 million and US\$22 million respectively during 2015. However, more than half of the loan book is denominated in Euro. The current year witnessed foreign exchange volatility, particularly in €/US\$ where the Euro fell almost 10% from the beginning of the year to finish just below 1.09

Business Performance

at year end. Accordingly, loan and investment amounts have been distorted by exchange rate changes.

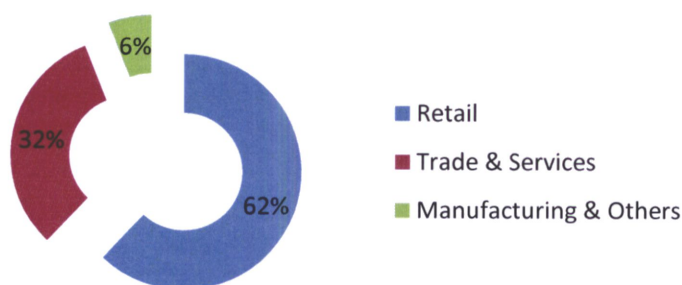
The level of provisioning reflects a combination of very low levels of problem loans within TIB thanks to the Bank's prudent lending policy.



Funding

The Bank continues to attract deposits on a selective basis and to focus on high net worth individuals and corporate clients with stable resources. Customer deposits constitute a core and cheaper source of funding for the Bank. Funding sources analysis shows that retail activity ensures about 62 % of the Bank's core customer deposits followed by trade and services with 32% and the remaining 6% is ensured by manufacturing and other industry sectors.

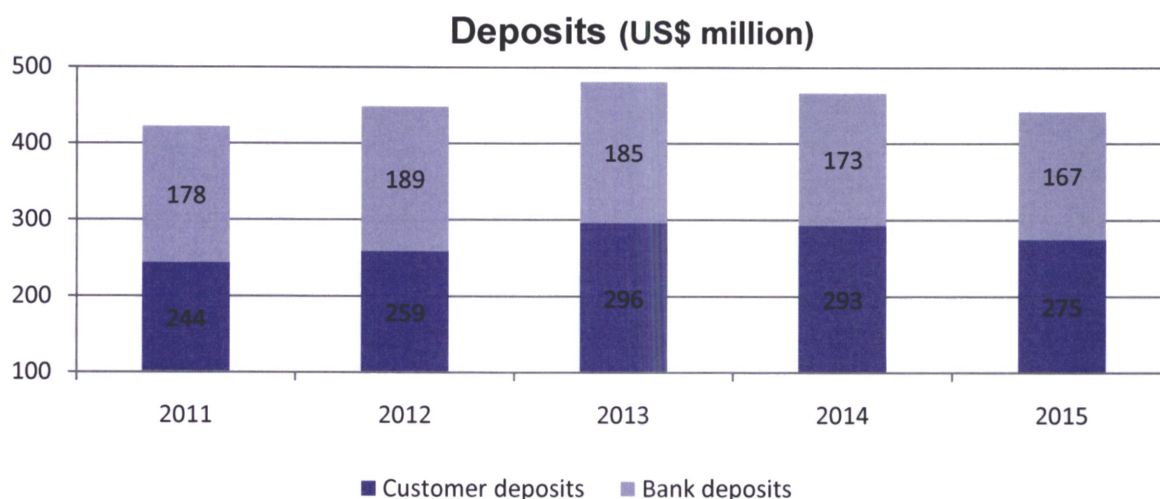
Funding Sources



TIB has always had a large customer deposit base. Customer deposits decrease by US\$18.5 million or 6.34%, as customers sought alternative avenues of higher return than what the Bank's deposit rates had to offer. The Bank is however cognizant of the importance of building up customer loyalty and continues to emphasize its exceptional customer service. This focus was maintained throughout the year and is an integral principle in our core banking activities. The Bank is confident that in the long run, the loyalty of its customers will ensure a stable and lower cost funding base.

Business Performance

The Bank manages its excess of liquidity by financing on selective basis profitable commercial and business opportunities. Based on a maturity profile analysis, deposits with a tenor of less than a month comprise the majority of TIB's customer deposits. These deposits are rolled over regularly and make up the main source of funding for the Bank. An analysis of the customer deposits by currency indicates that the composition of Euro-denominated deposits represent roughly 60% of total deposits; the US dollar ranks second to the Euro representing about 35 % of deposits.



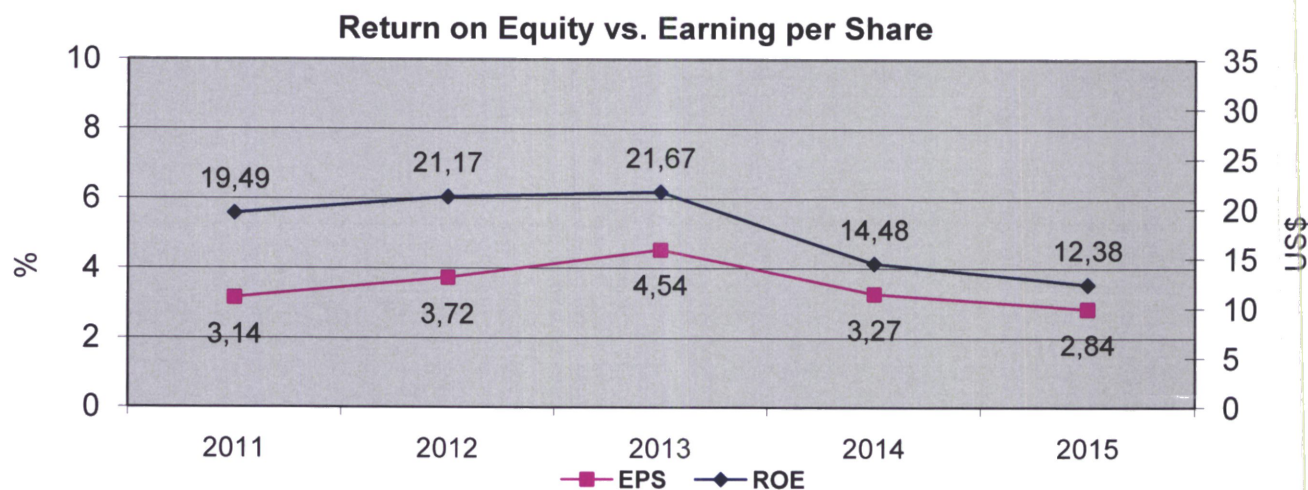
Net Income

TIB generated interest income of US\$ 3.7 million and noninterest income of US\$ 19.3 million in 2015. Income from subsidiaries provided US\$ 10.7 million compared to US\$ 14.6 million in 2014. This consolidated figure was achieved despite the depreciation of the Algerian Dinars by 20% coupled with the changing of foreign exchange regulation in Algeria. Despite this decrease, income from subsidiaries maintained its contribution to the Bank's revenue at about 46% down from 53% in 2014 and 55.3% in 2013.

Since the accounting books of the Bank is denominated in US dollars and given the Bank's balance sheet structure and revenues are almost equally split between US dollars and Euros, the decrease in Euro against US dollar negatively affects both the Bank's balance sheet and income statement.

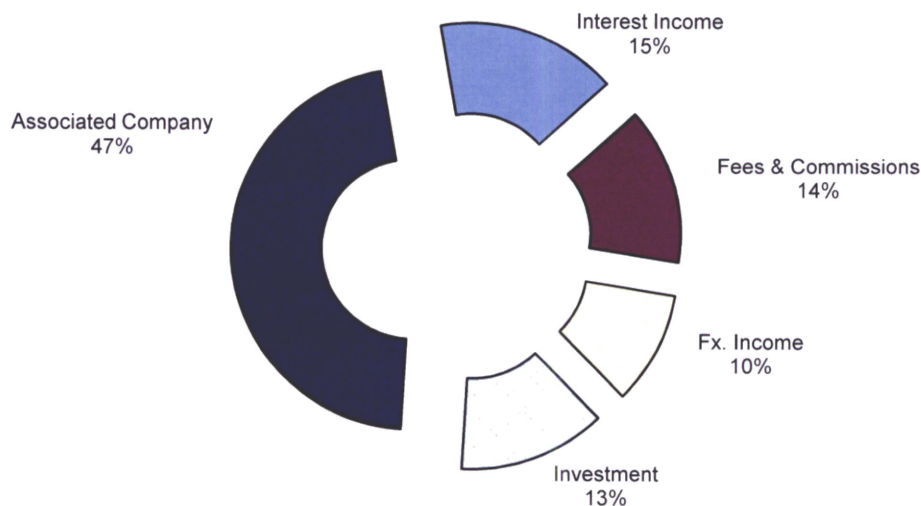
Profit after tax for the year 2015 was US\$ 14.215 million which rounds up to US\$ 2.84 per US\$ 10.00. TIB is committed to constantly enhancing value to its shareholders.

Business Performance



The fall in Euros against the US dollar had a significant drag on the bank's operating results. Consequently, net banking products decreased in 2015 to US\$ 21.9 million from US\$ 25.9 million in the previous year. The Bank maintained its tight control over noninterest expenses, succeeding to keep figures below last year to date's same period figures. Noninterest expenses decreased by about US\$ 429,000 reaching a total of US\$ 7.35 million in 2015.

Sources of Revenue December 31, 2015



Capitalisation

Consolidated shareholders' funds before appropriation totaled US\$ 129 million. The policy of the Bank has always been to maintain a good balance sheet structure and a strong capital base. It is supervised by the Central Bank of Tunisia (CBT) and is required to maintain a minimum capital ratio of 10% known as the risk asset ratio (RAR). TIB's capital adequacy ratio of about 33.13% is significantly above the CBT's and the internationally agreed threshold. TIB is ranked among the top banks in Tunisia when classified by risk asset ratio.

Business Performance

Consolidated Shareholders' Fund (US\$ million)

