

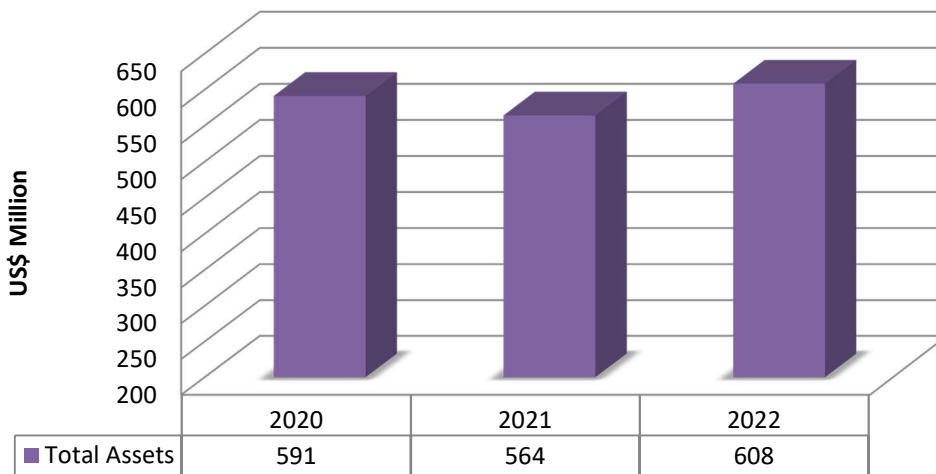
TIB Activity Report 2022

1- Performance Annual Review

During 2022, TIB concluded yet another year of steady and sustained progress. The Bank generated an operating income of US\$29.861 million against US\$ 25.725 million in 2021. Net income stands at US\$ 18.163 million.

Despite the tight global and regional economic conditions, the Bank accomplished its performance strategy underpinning its well-established leading role in the Tunisian nonresident banking sector, with consolidated year-to-date total assets US\$ 607.988 million.

Total Assets



The funding of assets were made up essentially of US\$383.602 million in total deposits (63.09% of total assets), of which customers' deposits amounted to US\$217.016 million and interbank deposits, US\$166.586 million. Customers' deposits represent almost 56.57% of total deposits and 35.69% of total assets. These deposits continue to remain a permanent source of funding for the Bank.

Shareholders' funds totaled US\$ 202.189 million and registered an increase on a year-on-year basis by US\$15.6 million. Return on Equity (ROE) is 9.9% and Return on Assets (ROA) stands at 3%. At 44.36%, the Bank comfortably exceeds the minimum regulatory ratio of 10% as established by the Tunisian banking directives.

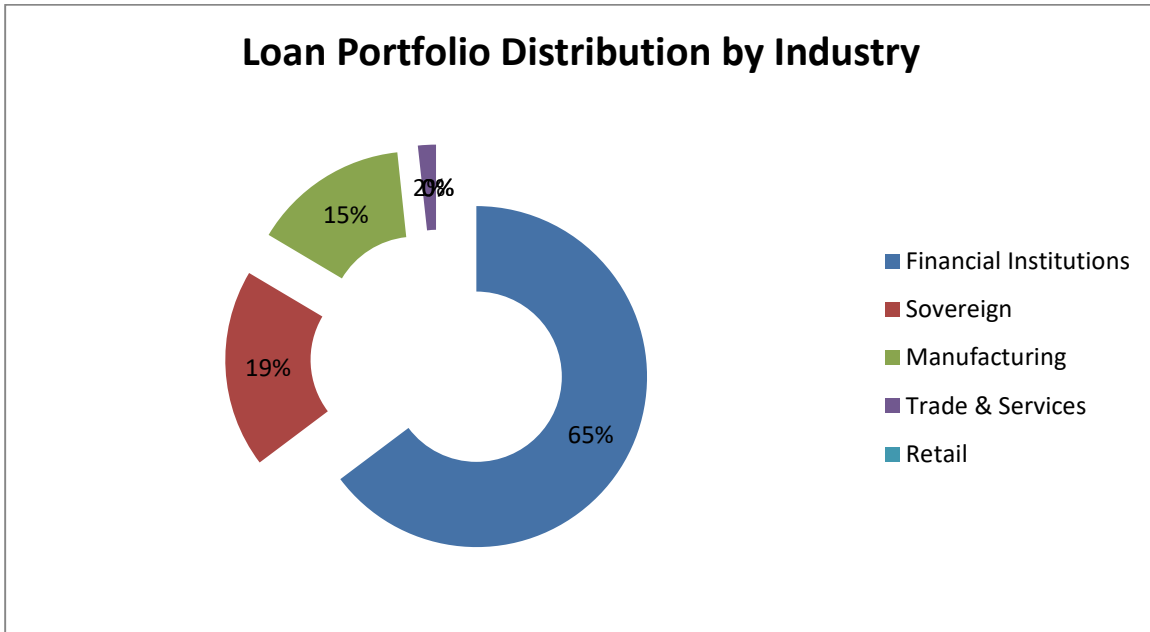
TIB's average liquidity ratio of 112.7% is significantly above the Central Bank of Tunisia and the internationally agreed standards minimum requirements of 100%. The Bank continues to maintain a liquid balance sheet by having a high proportion of liquid assets at all times. Cash and cash equivalents represent 42% of the total assets in 2022.

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

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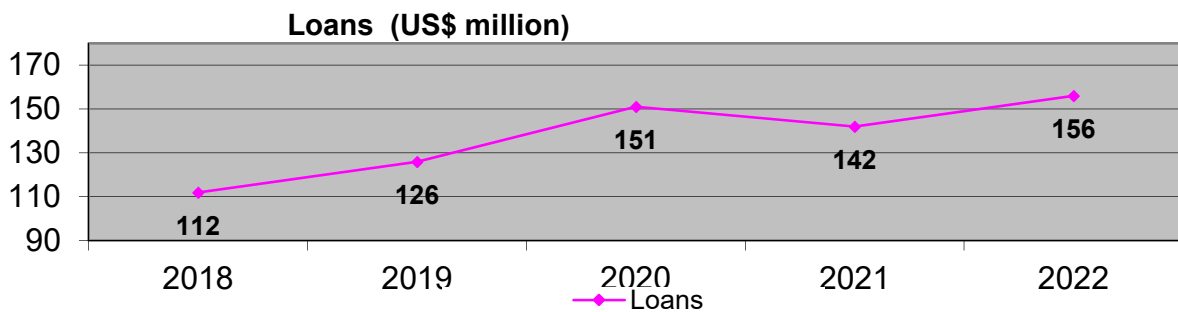
Loans and Investment

Over the years, TIB has developed a broadly diversified loan portfolio in line with sound risk management principles. With the exception of exposures on the financial institutions and sovereign, the loan book remains diversified, with the largest sector, manufacturing, accounting for 15% of total loans and advances.



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 IFRS regulations. Consistent with its policy of prudent provisioning, allowances for loan losses of the Bank fully covers adequately all nonperforming 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, 49% of TIB's loan portfolio or US\$76.5 million is due to mature within one year. The remaining facilities have a maturity greater than one year but less

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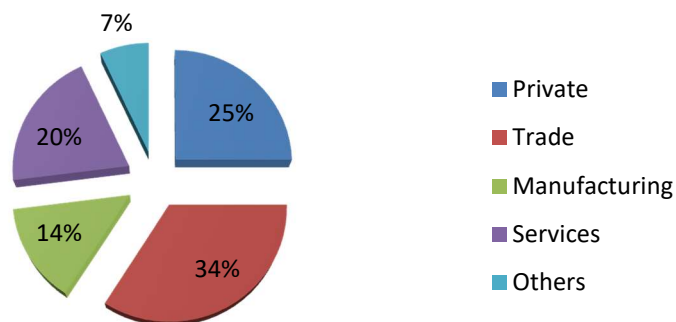
than 5 years. Some of these loan facilities are syndicated loans for banks established in OECD countries.

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 25% of the Bank's core customer deposits, services 20% and manufacturing 14%.

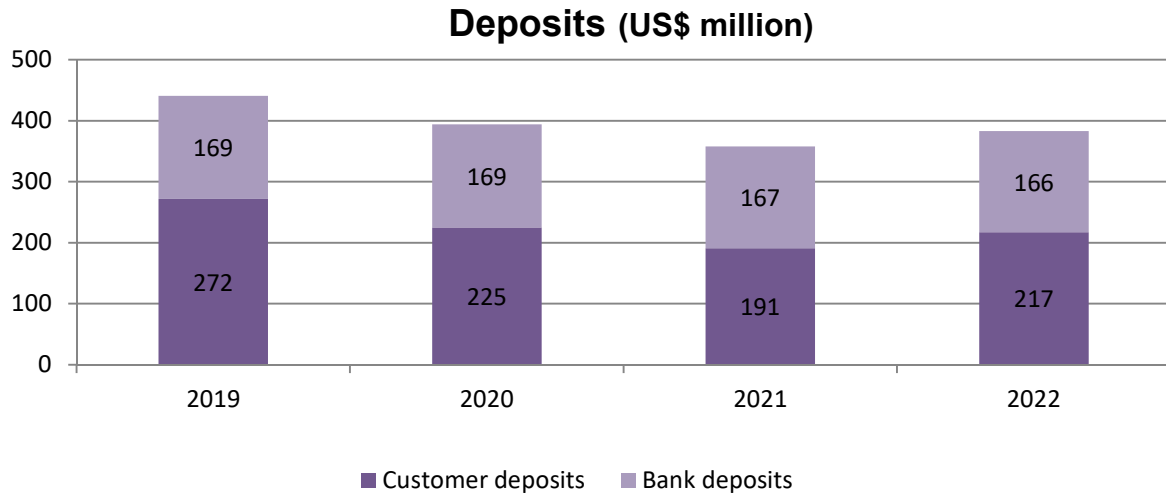
Funding Sources



TIB has always had a large customer deposit base. 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.

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 62% of total deposits; the US dollar ranks second to the Euro representing about 31 % of deposits.

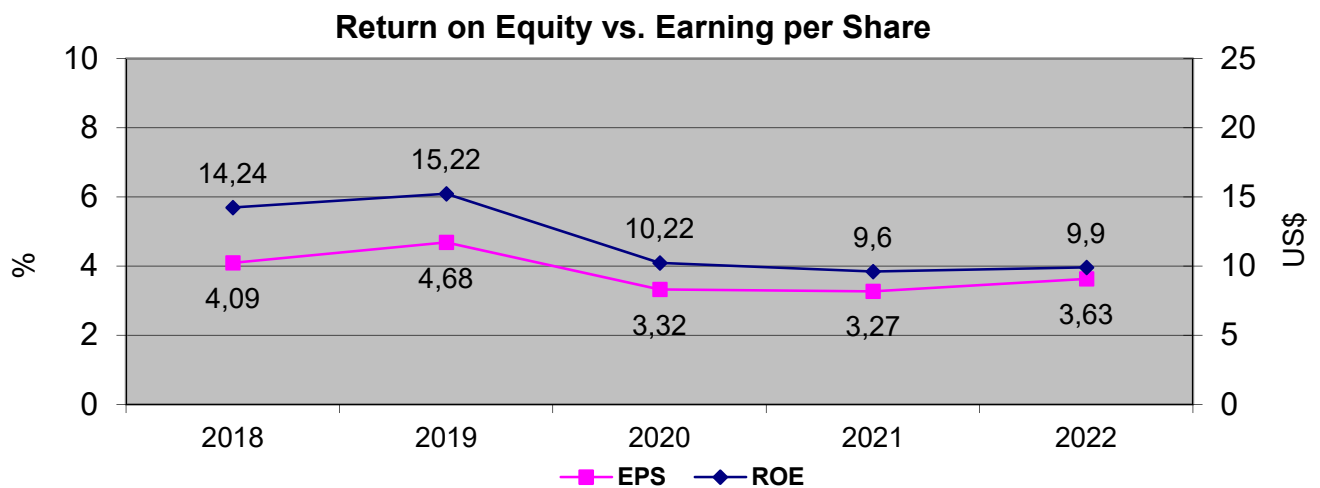
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Net Income

TIB generated interest income of US\$ 8.392 million and noninterest income of US\$ 22.820 million in 2022. Income from associated company dropped slightly US\$ 10.428 million in 2022 compared to US\$ 10.821 million in 2021. Income from associated company contribution to the Bank's revenue is lower 35% in 2022 against from 40% in 2020 and 2021.

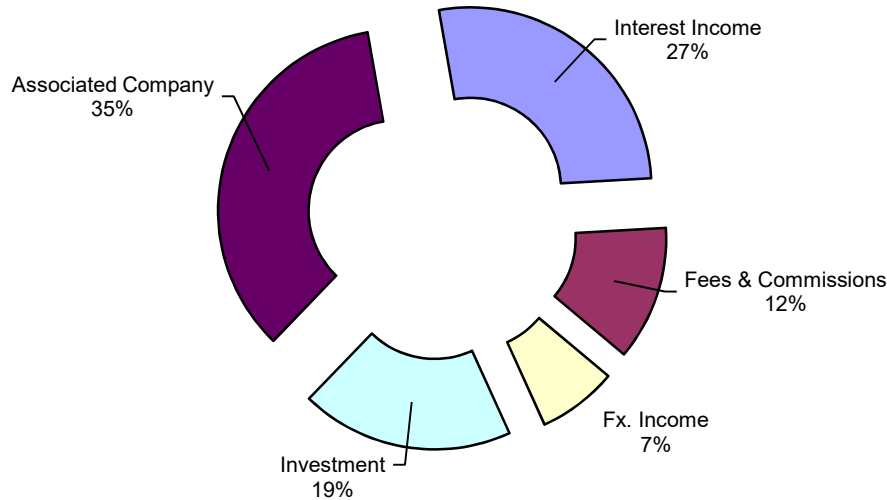
The net income before tax increased by 21.29% from US\$ 18.431 million in 2021 to US\$ 22.354 million in 2022. Tax expenses jumped from US\$ 0.510 million in 2020 to US\$ 2.073 million in 2021 and US\$ 4.192 million in 2022. Profit after tax for the year 2022 was US\$ 18.163 million against US\$ 16.358 million which rounds up to US\$ 3.63 per share of US\$10.00. TIB is committed to constantly enhancing value to its shareholders.



Net banking products increased US\$ 4.136 Million from US\$ 25.725 Million to US\$ 29.861 Million the previous year. The Bank maintained its tight control over noninterest expenses. Indeed, noninterest expenses decreased slightly from US\$7.134 to US\$ 7.101 in 2022.

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Sources of Revenue December 31, 2022



Capitalisation

Consolidated shareholders' funds before appropriation totaled US\$ 202.189 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 44.36% 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.

Risk Management System

The Risk Management System at TIB seeks to have in place management policies and procedures that are designed to help ensure an awareness of, and accountability for, risks taken throughout the Bank, and to develop the tools needed to address those risks.

The Bank has a well documented Risk Policy that classifies the risks faced by it in its day-to-day activities into certain families of risks and accordingly specific responsibilities have been given to various officers for the identification, measurement, control and reporting of these identified families of risks. Among the families of risks are:

- i. Credit Risk which includes default risk of clients and counterparties
- ii. Market Risk which includes interest rate, foreign exchange, equity and liquidity risks
- iii. Operational Risk which includes risks due to operational failures
- iv. IT Risk which includes information security & cyber-attacks in addition to business continuity plan, disaster recovery
- v. Monitoring which includes Stress Testing (credit, market & liquidity), Risk Appetite Framework.

The RMS is responsible for ensuring that the relevant details for measurement of the risk and allocation of the appropriate risk weights to the exposures, so that the computation of the Risk Weighted Assets can be made appropriately.

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I- Credit Risk

Tunis International Bank always ensures to meet the prudential rules and limits set by the Central Bank of Tunisia (CBT) to restrict loan exposures to single borrowers or groups of connected borrowers. It is the Bank's policy to have minimum stipulated coverage and top up clause for each of the secured loans. In addition, the collateral should also be adequately liquid and diversified. These policies coupled with the credit selective basis reduce considerably the amount of provision required when there is a payment default.

Credit risk includes besides loans, acceptances, interbank transactions, trade financing, foreign exchange transactions, bonds, equities, etc....

II- Market Risk

Market Risk Management provides a comprehensive and dynamic framework for measuring, monitoring and managing liquidity, interest rate and foreign exchange as well as equity risk of a bank that needs to be closely integrated with the bank's business strategy.

II.1 INTEREST RATE RISK

TIB manages interest rate risk as an inherent part of its business. Almost all the pricing of the facilities granted is indexed on the two world major currencies i.e. US\$ and Euro which account for more than 90% of our portfolio. Furthermore, all the facilities granted are on the currency of the source of payments to avoid exchange risk factor.

The policy of the Bank is not to fund long-term assets with short-term liabilities or to fund long-term fixed rate with short-term variable resources. In addition, the Bank's assets and liabilities floating rate are tied to the same index rate to avoid any unexpected divergence resulting from the difference in the various floating rates.

The traditional Gap Analysis is used as method to measure the Interest Rate Risk. Gap Analysis measures mismatches between rate sensitive liabilities and rate sensitive.

II.2 EQUITY RISK

In order to dilute the risk and to avoid dealing with a single security firm, the portfolio of TIB is managed through two well reputed Brokers and Asset Management Companies. At the end of the year 2022, TIB's investment portfolio complies with the Bank's internal policy.

As it the case with the bank's loan portfolio, no concentration was recorded neither by geographic distribution nor by industry sector nor by single counterparty.

II.3 FOREIGN EXCHANGE RISK

In addition to the Foreign Exchange prudential limit, by setting appropriate internal limits-open position and gaps, stop-loss limits, day light as well as overnight limits for each currency, Individual Gap Limits and Aggregate Gap Limits, clear-cut and well defined division of responsibilities between front and back office, the risk element in foreign exchange risk is being managed and monitored adequately. The Value-at-Risk (VAR) is used to measure the bank's EUR/USD FX risk. Foreign Exchange prudential limits are always observed.

II.4 MARKET STRESS TESTING

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Market risk arises out of changes in financial market prices and their impact on the value of an asset. For TIB, it typically consists of two main market risk factors namely: interest rate and stock prices.

II-5 LIQUIDITY RISK

Bank deposits generally have a much shorter contractual maturity than loans and liquidity management needs to provide a cushion to cover anticipated deposit withdrawals. Liquidity is the ability to efficiently accommodate deposit as also reduction in liabilities and to fund the loan growth and possible funding of the off-balance sheet claims. The cash flows are placed in different time buckets based on future likely behavior of assets, liabilities and off-balance sheet items. Tolerance levels on mismatches for various maturities are being applied.

Liquidity indicates the margin of protection available to both depositors and creditors against unanticipated financial difficulties that may be experienced by a bank. The bank's liquidity ratio stands at 112.7% compared to 100% required by CBT.

III- Operational Risk / Business Continuity Plan/ Compliance

Banks' activities are becoming more diverse and complex. Thus, banking practices require that risks other than credit, interest rate and market risk can be substantial and should be carefully and properly managed. These risks are headed under the operational risk and include the risk of loss resulting from poor internal process, inadequate people and systems as well as legal risk, reputation and systemic risk.

A back-up site was installed at the Bizerte branch, a location 60 km away from our head office site, as part of a contingency plan whereby, in the event of a major business disruption, the Bank will have the ability to quickly re-establish its computerised operations. Business impact analyses (BIA) were conducted to all functional areas; in order to ascertain their needs to continue the activity in case the headquarters is not operational. The backup of all banking operations is conducted through two different ways, a physical storage data at end of day and on line data saving at Bizerte branch with a slight delay.

Compliance risk management is the process of identifying, assessing and mitigating potential losses that may arise from the Bank's non-compliance with laws, regulations, standards, and both internal and external policies and procedures. It allows the Bank to focus essential resources on the most significant risks and areas lacking adequate controls.

VII- IT Risk/ Cyber Resilience/ Payment Systems Control/ data Protection

Cyber resilience is the ability of an organisation to protect itself from, detect, respond to and recover from cyber-attacks. By being resilient, organisations can reduce the impact of an attack and ensure that they can continue to operate effectively.

The rising threat of malware, ransomware attacks, and other cyber threats is having a greater impact on operations, resulting in costly disruptions to business.

In light of these insights, the Bank assessed its operational resilience with a focus on the Bank's cyber resilience in order to assess its ability to adapt rapidly to changing environment.

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TIB remains mobilized to ensure the security of all means of payment, whether in decline, such as checks, or whether they are developed in the years to come, such as instant transfers or mobile payments. The security of all means of payment is the condition for offering all users, from individuals to companies, real freedom of choice in their daily use.

In the same way, aware of the rise in cybernetic risks and the acceleration of the pace of attacks on computer networks and in a proactive approach to managing this type of risk that could have harmful consequences both on its information systems and on its exchange of data with customers (via its cash management platform). The bank adopted the One-time password (OTP) systems that provide a mechanism for logging on to a network or service using a unique password that can only be used once, as the name suggests. One-time passwords are a form of strong authentication, providing much better protection to eBanking, corporate networks, and other systems containing sensitive data

To comply with the general data protection regulation (GDPR), TIB designed a data protection committee (DPC) and appointed a data protection officer (DPO) who is the DPC head. DPO mission is responsible for advising the organization in relation to data protection compliance and the supervisory authority. DPO acts as contact point and co-operate with the relevant Data Protection Authorities and to data subjects when exercising their individual data rights as well as supervise and advice on the response to such requests.

No breach or event was recorded during the year 2022.

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Financial Highlights

The following is selected consolidated financial information (in US\$ 000's) of Tunis International Bank as at December 31st of the years 2018 up to 2022

Profit & Loss	2018	2019	2020	2021	2022
Net Interest Income	6,405	6,573	6,130	6,266	7,040
Non Interest Income	23,114	25,155	19,667	19,459	22,82
Operating Costs	7,600	7,420	7,744	7,134	7,101
Operating Profit	21,918	24,308	18,053	18,591	22,759
Provisions	500,000	251,000	950,000	160,000	405,000
Net Profit After Provisions	20,451	23,382	16,592	16,358	18,163
Dividend Proposed/Paid	5,000	5,000	4,000	2,500	4,000

Balance sheet	2018	2019	2020	2021	2022
Cash	80,54	109,629	58,978	105,178	66,296
Time Deposits	265,728	218,384	215,685	134,234	189,759
Investment	159,955	170,48	157,637	175,170	187,222
Loans and Advances	111,692	125,646	151,883	142,065	156,409
Other Assets	5,242	5,584	6,777	7,825	8,302
Total Assets	623,158	629,723	590,714	564,472	607,988
Deposits from Banks	171,381	168,893	168,788	167,432	166,586

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Deposits from Customers	275,667	271,622	225,431	191,197	217,016
Other Liabilities	12,073	12,236	17,522	19,175	22,198
Total Liabilities	459,122	452,752	411,576	377,804	405,800
Shareholders' Funds	164,036	176,971	178,973	186,668	202,189

Capitalization	2018	2019	2020	2021	2022
Share Capital	50,000	50,000	50,000	50,000	50,000
Reserves	2,800	4,251	-1,539	-4,684	-3,083
Retained Earnings	90,785	99,337	113,920	124,994	155,271
Net Profit	20,471	23,382	16,592	16,358	18,163
Shareholders' Equity	164,036	176,971	178,973	186,668	202,189
Total Capitalization	164,036	176,971	178,973	186,668	202,189

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Future Prospects and Developments

The results reflect the exceptional performance achieved by Tunis International Bank and substantiate the resilience of its business model despite the unprecedented challenging environment locally and throughout the MENA region.

Tunisia economy faced an unprecedented recession in 2020 with the Covid crisis impact, the recovery that followed in 2021 and 2022 was limited. The economic situation was and continues to be challenging due to large and growing imbalances in the public finances and the declining trend of foreign investments. The increase of international commodity and energy prices aggravate the current account deficit and generate more inflationary tensions.

The major cornerstones of TIB operating mode are to continuously provide top-notch customers services, improve our ability to deliver superior results in order to exceed our customers' expectations and to optimize shareholders' value.

In 2023 and like in previous years, TIB will continue to support its customers in neighboring markets (Algeria and Libya) by making its expertise and logistics available to them. TIB will undertake to make every effort to:

- Guarantee a high level of liquidity and capital ratio
- Meet the expectations of its customers in this difficult context by developing and adapting its digitalization strategy
- Ensure that positive growth is maintained under optimal conditions based on profitability and the quality of its loan portfolio
- Pursue its policy of strengthening and combating money laundering by applying the regulatory procedures of the Central Bank of Tunisia and its international correspondents.

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Research and Development Activity

The banking landscape is changing everywhere in the world. The successive waves of technological changes are revolutionizing the way customers manage their finances. The bank's hardware software, and tools regularly reviewed and assessed to embrace new technologies and to ensure the efficiency of the Bank's operational resilience and business continuity.

Simultaneously, this new technology will improve intrusion detection and physical security measures in order to increase the safety level of the local network and decrease the internal traffic and hackers' intrusion.

As a part of its digitalisation efforts, TIB enhanced its internet banking system with increased secure access using 4 eyes concept (maker & checker).

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III- About the Bank & Shareholding

Tunis International Bank (TIB) was created in June 1982 and was the first bank established in Tunisia as a fully licensed banking corporation under the Tunisian Law of July 12th, 1976 replaced on August 12th, 2009. TIB operates under the supervision of the Central Bank of Tunisia (CBT) and is a member of Tunisia's Clearing House Association. TIB is a private non-resident commercial bank and its main shareholder is Burgan Bank, Kuwait, which is a subsidiary of the Kuwait Projects Company (Holding) K.S.C "KIPCO". The Share holding of Tunis International Bank is as follow: Burgan Bank, Kuwait (86.7%) & Banks & Finance Institutions from M.E (13.3%).

Shareholders

Our shareholders are involved in decisions that are material importance to the Bank, as is legally required, including amendments to the articles of association, the appropriation of profit, the authorization to issue new shares and important structural changes.

The General Assembly (Shareholders) Meetings

The General Shareholders Meetings of the Bank ("the General Assembly") is composed of the shareholders or their representatives. The General shareholders Meetings regulations are stated in the Articles of Incorporation in conformity with the Tunisian Commercial Law.

The General Assembly will hold one ordinary session per year, usually by April. Extraordinary sessions will be held whenever necessary. The ordinary General Assembly shall be convened by written invitation sent at least 15 (fifteen) calendar days prior to the day of the sitting.

As per TIB articles of incorporation (Art 27), the legal quorum in the constituent general assembly, ordinary and extraordinary, is determined on the basis of the total number of shares.

Voting and minority rights:

TIB has only one class of share carrying the same voting right.

The voting right associated with the shares shall be based on the proportion of the capital they represent. In form equal to the face value, each share in the capital gives the right to one vote. In case of a mortgage of shares, the right to vote return to its owner.

As per TIB articles of incorporation (Art 27), every shareholder has the right to attend the general meetings and participate in the deliberations, regardless of the number of shares he owns. Each shareholder may vote by correspondence. Each shareholder may be represented by any person using a special power of attorney.

Transfer of Shares

Transfer of Shares can be done in accordance with the related legislation and TIB's Articles of Incorporation. As per TIB articles of association, with the exception of the case of inheritance or assignment to spouses, ancestors or descendants, the assignment of company shares for the benefit of third parties is subject to the bank approval.

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IV- Corporate Governance

Tunis International Bank is subject to Banking regulations and provisions of the Corporate Governance principles which are applicable to Tunisian Banks according to the Central Bank Legislation. Throughout the year, activities particularly with regard to developing Corporate Governance Principles structure that the Bank is subject to have been performed.

Corporate governance specifies the framework through which the banks' goals and strategies are placed, daily operations processing, how to achieve goals and performance monitoring. It also specifies responsibilities, specialties, and decision-making in a way that achieves the principle of accountability, while noting the protection of shareholders' rights, the rights of related parties, and depositors' rights. In addition, it defines what it requires in terms of the necessity of constant development of strong systems to manage overall risks and the security of the banks' business to enhance general trust in the banking system and maintaining financial stability. The Corporate Governance system adopted ensures the responsible, value-driven management and control of the bank.

Central Bank of Tunisia issued on August 19th 2021 a new circular 2021-05 introducing a new corporate governance framework for the banks and the financial institutions who must adapt their corporate governance system. An overhaul of the corporate governance of Tunis International Bank started to comply with the requirements of the new CBT circular 2021-05 and is effective starting from mid 2022.

CORPORATE GOVERNANCE FRAMEWORK

Corporate governance determines the method by which the Bank's business and affairs are organized by its Board of Directors and the Executive Management.

Tunis International Bank (TIB or the Bank) is committed to the highest standards of corporate governance and recognizes that good governance is pivotal in helping the business to deliver its strategies whilst meeting its obligations towards shareholders and other stakeholders.

TIB should comply, primly and at the minimum, with:

- i. Tunisian Banking Law N°2016-48 of July 2016;
- ii. Central Bank of Tunisia's (CBT) corporate governance instructions as issued in Circular N° 2021-05 of August 2021; and
- iii. Tunisian Commercial Companies Code as enacted by Law 2000-93 of November 2000.

The bank adhered also in April 3rd, 2017 to the Subsidiaries Governance Manual (SGM), and to the subsidiaries Governance Policy (SGP) in March 2021, which provides guidelines for maintaining a strong communication, monitoring, and coordination of activities between Burgan Bank and its Subsidiaries.

TIB is governed by a Board of Directors (the Board). The Board establishes the governance framework consigned in a governance code, namely "**Corporate Governance Code**", defining the set of rules governing the relation between Governance bodies of the Bank, namely: the General Assembly, the Board of Directors, Executive Management and Committees, with different stakeholders.

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The governance framework defines in particular the Governance bodies' authorities, roles and responsibilities in addition to decision-making processes within the Bank, in a way that ensures achieving sound corporate governance principles.

TIB's governance is carried out in accordance with the corporate governance Code which is based on the following principles:

- i. Principle of proportionality
- ii. Principle of power-balance
- iii. Principle of fairness towards shareholders
- iv. Principle of disclosure and transparency

By promoting sound corporate governance the Bank objectives are:

- ➔ The protection of Depositors, creditors, Shareholders and Employees' interests;
- ➔ Ensuring sound, prudent and transparent management of the Bank; based on a solid culture of Risk and Compliance;
- ➔ Ensuring conditions of integrity, loyalty and honorability of Directors of the Board, Executive Management, and Employees of the Bank.

The Governance and Management bodies of TIB consist of the following:

- i. The General Assembly of the Bank ;
- ii. The Board of Directors;
- iii. Committees of the Board of Directors; which assist the Board in the discharge of its duties include :
 - ➔ The Board Audit Committee,
 - ➔ The Board Risk Committee,
 - ➔ The Board Nomination and Remuneration Committee, and
 - ➔ The Board Corporate Governance Committee.
- iv. Executive Management;
- v. Internal Control Functions; and
- vi. Management Committees include :
 - ➔ The Management Committee,
 - ➔ The Credit Committee,
 - ➔ The Assets and Liabilities Committee,
 - ➔ The Investment Committee,
 - ➔ The Information Technology Security Committee,
 - ➔ Investigation & antifraud Committee,
 - ➔ Management Product & Pricing Committee,
 - ➔ Provisio, Assesement Committee,
 - ➔ The Data Protection Committee (DPC),
 - ➔ Management Whistleblowing Committee (MWBC) and
 - ➔ Management Data Protection Committee (MDPC).
 - ➔ Corporate Social and Environmental Responsibilities Committee (CSERC)

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Board of Directors

The Board of Directors is responsible for managing the bank and exercises control over TIB. As per Art. 13 of TIB articles of incorporation, the Board of Directors consists of three members at least and twelve members at most. They are appointed by the Ordinary General assembly from among the shareholders or from outside, with the exception of the Chairman of the Board of Directors, who must be a shareholder. The Board members are nominated for a period of 3 years. The members of the Board of Directors can be re-elected and removed at any time by the ordinary general assembly.

Among the most important roles of the Board : ensuring the effective implementation of the governance framework, ensuring the effectiveness of the management of TIB by Executive Management based on the work of control functions also setting the Bank's strategy of development based on a formal Risk Appetite policy ;

The Board appoints first responsible persons of control functions (internal audit, risk and compliance), based on the proposition of Executive Management.

The Board of directors holds six regular meetings each year, as well as additional meetings as may be required. Board meetings are usually held at the Bank's premises or at any other place that is deemed appropriate by the Board members. With the exception of the Board Corporate Governance Committee, that should meet bi-annually, all other Board Committees meet at least six times a year. The Board Audit Committee and the Board Risk Committee are headed by independent Directors.

It ensures that all provisions of law and company internal policies are abided by. The Board heads leads and controls the Bank. The Board is collectively responsible and ultimately accountable for the affairs and performance of the Bank. All Board members must objectively take decisions in the interest of the Bank.

The Board Meeting agendas are prepared in accordance with the proposals of the Chairman of the Board after discussion with Executive management and Governance bodies. The Board held seven meetings during 2022. In the event of the non availability of one or more Board members, a meeting via telephone and/ or videoconference may take place.

The Board shall ensure that financial disclosures made by the Bank are fair, transparent and comprehensive.

The Board is ultimately responsible for ensuring that the Bank is in compliance with relevant laws and regulations that it is subject to. These laws involve the Tunisian Banking Law, Central bank of Tunisia regulations, the Commercial Code, the Labor Law, occupational health and safety etc.

All Board members, as well as senior management, are bound to observe the following best practice:

Board members should not :

→ Enter into competition with the Bank;

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- Use company privileged information or take advantage of business opportunities for himself or any relatives;
- Misuse the Bank's assets.

Board members should :

- Assiduously participate in the Board meeting accordingly to the conditions laid-down by the corporate governance code ;
- Actively contribute to the activity of the Board;
- Ensure that the Board agenda meeting covers all important and crucial items ;
- Devote the time deemed necessary to fulfill their obligations.
- Report to the Board any conflict of interest arising from their other activities or commitments to other organizations;
- Declare in writing all of their directorship positions and/or interests above 5% in other enterprises to the Board on an annual basis or immediately after becoming so.
- Respect the code of conduct as referred to in Article 13 of CBT Circular N° 2021-05.

Chairman of the Board and Chief Executive Officer

The Chairman of the Board is the highest ranking officer of the bank and accordingly, all the powers that may be delegated by the Law, the by-laws and the rules and regulations of the Board have been delegated to him. He is responsible for directing the Bank's management team, always in accordance with the decisions and standards set by the shareholders acting at a general shareholders' meeting and by the Board within their respective purview.

The Chairman of the Board should have professional experience in banking and / or finance and should have personal skills such as leadership, communication and conflicts management, which are required for fulfilling his / her duties. The Chairman of the Board is responsible of Ensuring that Board is properly, efficiently and independently fulfilling its responsibilities. The Chairman of the Board is the designated interlocutor with shareholders and Central Bank of Tunisia concerning the TIB's Governance matters, as well as, during any particular or exceptional circumstance that may impede the proper functioning of the TIB's governance bodies. The Chairman of the Board is also responsible of establishing the bank's Annual Report.

To ensure an appropriate balance of power increased accountability and greater capacity of the Board for independent decision-making, the functions of the Board Chairman and Chief Executive Officer should be assumed by separate persons.

The Chief Executive Officer, acting by delegation from and reporting to the Board of Directors and the Chairman, as the highest ranking officer of the Bank, is in charge of the conduct of the business and highest executive duties. There is a clear separation of duties between the Chairman, the Chief Executive Officer, the Board and the committees thereof, as well as various checks and balances that assure proper equilibrium in the corporate governance structure of the Bank. The powers delegated to the Chief Executive Officer and those delegated to the Chairman do not include, in either case, those reserved by the Board to itself.

The Executive Management is responsible for:

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The effective monitoring of the implementation process of the Bank's development strategy and risk appetite policy as approved by the Board of Directors.

- Ensuring the efficiency and independency of control functions
- Ensuring the communication of all relevant and required information to the Board and Board's Committees for decision-making and provide them with the necessary means to accomplish their missions

Executive Management should immediately alert the Board of any event that could:

- Impact the financial situation and the risk profile of the Bank
- Cause the internal control system to malfunction and increase the risk of non-compliance; and
- Alter the continuity of critical activities.

Number, Structure and Independency of the Committees Established Within the Board

The administrative and organizational structuring required by the Banking Law (Law n°2016-48 of July 11, 2016 & CBT Circular n° 2021-05 dated August, 2021) and related legislations, exists in TIB. The Board shall establish three Board's Committees:

- i. Board Audit Committee (BAC);
- ii. Board Risk Committee (BRC); and
- iii. Board Nomination and Remuneration Committee (BNRC).

Every committee should elaborate charters, approved by the Board of Directors, defining its attributions, its composition, its operating rules and its relations with Board and the operational structures of the bank.

Each of the regulatory Board's Committees shall meet at least on quarterly basis and more when deemed necessary following the chairperson's invitation.

Board committees should report to the Board on any event that may impede the Bank's strength and reputation;

Board committees should review activities reports of Control functions, External Auditors' reports and notifications sent by Central Bank of Tunisia or any other supervisory authority;

Within the framework of the related regulation, a member of the Board can't be appointed to more than of the following two committees: ·

- i. Board Risk Committee (BRC),
- ii. Board Audit Committee (BAC),

Board Audit Committee (BAC) and Board Risk Committee (BRC) shall establish a framework for coordination and collaboration to facilitate Board's decisions.

In reference to these banking regulations, the Board is composed of 9 members including the Chairman. Also, there are two strong independent and nonexecutive members on the Board to exercise objective judgment on the Bank's affairs independently.

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BRC and BAC are chaired by independent Board members.

The Board has constituted the required sub-committees of the Board: the Audit, Risk, Corporate Governance, and Nomination and Remuneration committees with supervisory, information, advisory and proposal powers.

All of the Board of Directors are non-executive members. The election of TIB's Board members is implemented according to the Articles of Incorporation and the Banking Law.

The Board reserves for itself, and likewise cannot delegate, the following matters, among others:

Decisions regarding the acquisition and disposition of substantial assets (except when the decisions come within the purview of the shareholders at a general shareholders' meeting); The appointment, remuneration, general policies and strategies and, in particular, strategic plans, management objectives and the annual budget, corporate governance, and dividend and treasury share policies, the general risk policy, and the policies for the provision of information and for communication with the shareholders, the markets and the public opinion.

Performance-Related Compensation

The compensation of members of the Board is primarily aligned to their contribution to business performance and international industry standards. Part of the Management Board's compensation is equity-based, and this is driven by the performance of the Bank.

The Board Audit Committee

The Board Audit Committee has three members and is chaired by an independent Board member. The Board Audit Committee shall hold meetings at least six times a year as per local requirements.

The Chief Internal Auditor is appointed as secretary of the committee. The Board Committees' Charter covers the duties and responsibilities of the committee.

In 2022, the Board Audit Committee held six meetings. The Committee's duties comprises, among others:

- ➔ Reviewing the Bank's financial information (Financial Statements and Long Range Plan) and ensuring that the bank's financial reports are prepared in line with the related legislation, regulations and standards. The Committee reviewed the audited financial statements for the year ended 31st December 2021 on solo and consolidated basis and the draft Auditors' Report on the Consolidated Financial Statement as at 31 December 2021 and noted the External Auditors unqualified opinion. Furthermore, the Committee reviewed interim financial reports and annual financial statements with management and External Auditors, and reviewed the strategy of the bank and its long-range business plan, when they were revised, prior to their submission to the Board.
- ➔ Serving as a communication channel between the Board and the auditors, ensuring the independent exercise of the latter's duty.

During 2022, the Committee held a video conference meeting with the external auditors and:

Reviewed and approved their 2021 annual audit reports, annual and quarterly financial statements, and management letters based on their activities;

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Reviewed and discussed with management and external auditors their respected disclosure controls and procedures to ensure a proper follow-up; and

Ensured that there were no restrictions placed on external auditors by management.

- ➔ **Oversight of Internal Controls and Risk Management Systems:** The Board Audit Committee monitored the evaluation of the effectiveness of the Bank's internal control system, including information technology security and control through the review of all audit reports issued by the Internal Audit and External Auditors. The Committee made sure that all issues and observations raised were resolved in due time. The Committee was in continuous communication with the Management to implement all convened action plans. The Board Audit Committee focused on risk mitigation regarding information security and cyber criminality, an effective internal control framework, and an efficient compliance including anti money laundering programs. The Committee ensured that Corporate Governance requirements as per the CBT circular 2021-05 are implemented and effective;
- ➔ Fulfilling other responsibilities determined by related legislations in effect and duties assigned by the Board within this framework.

During the financial year 2022 and in performing its duties related to its charter, the Board Audit Committee assisted the Board of Directors in fulfilling its oversight responsibilities of ensuring the integrity of the financial statements of TIB, implementing the Bank's internal control system, and ensuring the external auditors' qualifications and independence.

Upon recommendation of the Board Audit Committee and the Board of Directors, the General Assembly Meeting held on April 14th , 2022 approved the extension of ARC- Correspondent of RSM in Tunisia for an another term 2022-2024 and appointed CMG-Consulting Members Group for a three year period term 2022-2024. The appointment will expire after the Ordinary General Assembly to be called to approve the Financial Year 2024' accounts.

The Board Risk Committee (BRC)

The Board Risk Committee has three members and is chaired by an independent Board member. The Board Risk Committee shall hold meetings at least six times a year as per local requirements.

The Board Risk Committee is responsible for formulating the risk management strategies and policies. The Risk Committee is the common communication platform with the Board in terms of assessing the risk the Bank is exposed to, making suggestions about the measures to be taken and methods to be followed. The Committee's principal duties are published in the Board Committees' Charter. The Risk Committee has four members and is chaired by an independent Board member. As per supervisory requirements, the Committee should hold at least 6 meetings a year. The head of the Risk Department is appointed as secretary of the committee. The Committee's principal duties are:

- b. BRC shall Without prejudice to article 50 of Tunisian Banking Law N° 2016-48, BRC should assist the Board in monitoring risk management ssystem.
- c. Establishing and updating a risk Management Policy and setting exposure and operational limits;
- d. Approving risks measuring and monitoring risks systems;

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- e. Overseeing the Executive Management compliance with the Risk Appetite Policy;
- f. Analyzing and following-up the Bank's exposures to risks, including; credit risk, market risk, liquidity and operational risks;
- g. Assessing the provisioning policy and the permanent adequacy of bank's net worth against TIB's risk profile;
- h. Assessing risks arising from the Board's strategic decisions;
- i. Implementing corrective actions to enhance the effectiveness of the risk management framework;
- j. Approving business continuity plans; and
- k. Designating the first responsible person of the risk management function.

The Board Risk Committee (BRC) should communicate its minutes of meeting to the Board Audit Committee (BAC).

The Board Remuneration & Nomination Committee (BNRC)

Board Nomination and Remuneration Committee has been established for the purpose of executing functions and activities related to monitoring and controlling remuneration policies of the Bank on behalf of Board of Directors. The Committee carries out its activities regarding remuneration policies within the framework of related banking regulations. The Committee has three members. The committee informs the Board of Directors on the results of its own activities and its opinions on any important related issues. The BNRC had four meetings during 2022. The Head of the Human Resources Department ensures the secretary of the BRC.

Without prejudice to article 51 of Tunisian Banking Law N° 2016-48, the BNRC should assist the Board of Directors in:

- l. Establishing the Nomination and Remuneration policy of the Board and Board Committees members, Executive Management and first responsible persons of key functions.
- m. Establishing succession planning for Board and Board Committees members, Executive Management and first responsible persons of key functions.
- n. Nomination of Board and Board Committees members, Executive Management and first responsible persons of control functions.
- o. Establishing the design of the methodology for evaluating the work of the Board members and its committees.

BNRC shall annually review the independency criteria for independent Board members – Outcomes should be communicated to the Board.

The BNRC must develop and maintain a clear, transparent and rigorous identification, selection, and appointment and evaluation process of members of the Board, its committees, the Executive Management and control functions.

The selection process requires that applicants:

- have the necessary qualifications, skills and experience, - meet the integrity criteria and enjoy a good reputation, and
- devote sufficient time to, properly exercise their responsibilities.

BNRC should identify and raise to the Board any situation of conflict of interest that may arise from the nomination process.

The Board Corporate Governance Committee

In its October 2014 meeting, and to comply with the parent company, the Board of Directors has approved the constitution of a new Corporate Governance Committee. The Committee has three members and is headed by the Chairman of the Board. The Committee carries out its

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activities within the framework of the related banking regulation in Tunisia and Kuwait. Tunis International Bank should comply with all Tunisian laws and regulation and comply with corporate governance guidance issued by the parent company unless it contravenes local Tunisian laws and regulations. During, 2022 three BCGC meetings were held, one by attendance and two by circulation due to pandemic situation. The Chief Compliance Officer is appointed as secretary of the committee.

BCGC shall essentially be responsible for assisting the Board of Directors in setting and overseeing the Bank's corporate governance practices, especially through the following:

Prepare and obtain Board approval on Bank policies relating to corporate governance framework, in line with the CBT requirements and Central Bank of Kuwait (CBK) guidelines unless it contradicts with CBT.

Follow-up on the execution of Corporate Governance Code's standards and regulations and present a report of it to the Board of Directors; and

Perform an annual review of the Corporate Governance practices, including the review of BCGC charter, to ensure their effectiveness and recommend any necessary improvements to the Board.

The BCGC will refer to the other (i.e. Audit and Risk) Committees any matters that have come to the attention of the Committee that are relevant for the other (i.e. Audit and Risk) Committees for noting or consideration.

Board Activities

Financial Information Periodically Published by the Bank

The Board approved the quarterly financial information, the annual accounts, and the management report for 2022. In addition, the Board has approved other documents such as: the annual report; the annual corporate governance report; the audit, risk, and compliance reports; and the Nomination and Remuneration committee's reports.

Financial Reporting According to International Standards

Shareholders and the public are regularly kept up-to-date, mostly, through the Annual Report, which includes the Consolidated Financial Statements. TIB's consolidated reporting is in accordance with International Financial Reporting Standards (IFRS 9). This provides for a high degree of transparency and facilitates comparability with Burgan Bank's financial statements.

Changes in the Composition and Size of the Board No changes occurred in 2022.

During 2022, no changes occurs regarding the composition and size of the Board.

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BOARD OF DIRECTORS

The Board of Directors was elected on April 14th, 2021 for a mandate of three years.

Masaud M.J. Hayat

Chairman of the Board
Chairman of the Board Corporate Governance Committee

Vice-Chairman and Group Chief Executive Officer, Burgan Bank, Kuwait
Chairman of United Gulf Holding Co, Bahrain
Chairman of United Gulf Bank, Bahrain
Vice-Chairman of Gulf Bank Algeria, Algeria
Vice-Chairman Bank of Baghdad, Iraq
Vice-Chairman of FIMBank pl.c., Malta
Board Member of Jordan Kuwait Bank, Jordan
Board Member of KAMCO Invest, Co, Kuwait
Board Member of North Africa Holding Company, Kuwait
Board Member Masharea AlKhair Charity Foundation, Kuwait
Board Member United Gulf Financial Services, Tunisia

Mr. Hayat has been appointed as Group Chief Executive Officer of Burgan Bank since April 2019 in addition to his capacity as Vice Chairman of the Board and has been Board Member of Burgan since 2013. Mr. Hayat brings to the board his extensive experience of 44 years in Banking, Commercial, investment and management industries at a local and regional level.

Mr. Hayat started his career in Al- Ahli Bank of Kuwait in 1974 where he worked in various fields such as operations, Local and International Credit until he reached the post of Deputy Chief General Manager and Acting CEO in 1992, and advisor to the Board of Directors until 1996.

Mr. Hayat has held key positions and Board memberships in the Kipco Group since 1997 in banking, telecommunications, investments and services, including his role as Chief Executive Officer – Banking (2010-2019). Mr. Hayat has attended various professional local and international courses, amongst which is in Leadership & Innovation in Public & Private Sectors at Harvard University in 2004 and a 3 months program in Management and Finance at Wharton Business School – University of Pennsylvania – Philadelphia – USA.

Rabih Soukarieh

Member of the Board
Member of the Board Nomination and Remuneration Committee
Member of the Board Corporate Governance Committee

Board member, and Board Credit Committee Member of FIMBank p.l.c., Malta

Chief Executive Officer of Gulf Bank Algeria (AGB), Algeria, since August 2015. Mr. Soukarieh has over 30 years of experience in investment as well telecommunications industries. Mr. Soukarieh has been an employee of the KIPCO Group of companies in various

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executive management and leadership roles for 20 years and represented the group on various boards spanning multiple industries.

Prior to joining AGB, he has served as CEO of United Gulf Bank, Bahrain, between 2012 and August 2015, Chairman and CEO of Millenium Private Equity, Dubai. Mr. Soukariéh also served as Group Chief Financial Officer of Wataniya Telecom Group of companies between December 2004 and December 2007.

Mr. Soukariéh holds a Masters in Business Administration from Northeastern University and a Bachelor of Science in Finance from Indiana University, Bloomington, U.S.A.

Mohamed Louhab

Independent Board Member
Chairman of the Board Audit Committee
Member of the Board Nomination and Remuneration Committee

Board Member at GIG (Guf Insurance Company) formerly L'Algérienne des Assurances (2A), Algeria

Mr. Louhab is a consultant in the financial sector since 2015. With over 40 years experience in his field, he served as General Manager for several reputable banks in Algeria, notably Gulf Bank Algeria's (AGB), Trust Bank and CNEP Bank.

Mr. Louhab holds a Bachelor of Science in Economics and a Master's Degree in Management from l'Institut des Etudes Politiques in Algiers, Algeria.

He also received a Banking Management Degree from l'Institut des Etudes Bancaires CNAM in Paris, France as well as a Diploma in Banking and Finance (Cours supérieur d'économie bancaire) from FinAfrica in Milan, Italy.

Bader Al Awadhi

Member of the Board
Member of the Board Audit Committee
Member of the Board Corporate Governance Committee

Banking, Investment, Financial and Project Management Consultant.
Independent Board of Directors representative for private Companies.
Independent Board Member at United Gulf Holding Company, Bahrain.
Founder and ex-Board Member of MADA Real Estate Develop
Company, Saudi Arabia
Former Board Member of National International Investment Holding
Company, Kuwait

Mr. Al Awadhi holds a Bachelor of Science in Industrial Engineering from the University of Miami, and has completed the General Manager Program and the Program for Management Development at Harvard Business

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school,USA. Mr. Al Awadhi has over 30 years of experience in the Banking sector and Investment Sectors.

Mohamed Fethi Houidi

Member of the Board
Member of the Board Audit Committee
Chairman of the Board Nomination and Remuneration Committee

Former Chairman of the Board of Ooredoo, Tunisia

Mr. Houidi held high ranking duties in the Tunisian public sector. He was the Ambassador of Tunisia in Beirut from 2000 to 2002.

Mr. Houidi holds a Doctorate degree in the Science of Communication from the University of Paris II and a Bachelors degree in French Literature from the University of Paris Sorbonne, France.

Yacoub Algusane

Member of the Board
Member of the Board Risk Committee

Board Member, Chairman of Corporate Governance Committee, Member of Management Oversight Committee, SACEM Industries, Tunisia
Board Member of Hempel Marine Paints in Kuwait, Bahrain, Qatar and Saudi Arabia

Board Member of Sands Pharmaceutical, Canada

Board Member of Fujeira Investment Group, United Arab Emirates

Member of the Board of Kuwait Danish Dairy, Kuwait

Managing Director of Danish Saudi Dairy, Saudi Arabia

Chief Executive Officer of EPFM Management Training, Algeria

Mr. Algusane is owner and proprietor of Coubi Group, Ottawa, Canada. The company's main business sectors are financial services: Wealth Management, Trading and Investment.

Mr. Algusane held management positions in various companies in the United States of America, the United Kingdom and Kuwait. Mr. Algusane holds a Masters in Business Administration from Columbia Graduate School of Business, New York and a Bachelor of Arts from International Business Law Tokai University, Japan.

Khalid Al Zouman

Member of the Board
Member of the Board Risk Committee

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Board member of Burgan Bank Turkey, Turkey

Mr. Al Zouman is the Chief Financial Officer at Burgan Bank Group, Kuwait.

Mr. Al Zouman joined Burgan in 2000. Prior to joining Burgan, Mr. Al Zouman was a Manager at Ernst & Young since 1988. During his experience in E&Y, Mr. Al Zouman was trained for two years in the Pittsburgh office, Pennsylvania, where he also passed his Certified Public Accountant (CPA) examination. Mr. Al Zouman holds a degree in Computer Science from Kuwait University.

Ahmed Benghazi

Member of the Board

Member of Board Risk Committee

Managing partner of ABG, a consulting firm specialized in financial advisory.

Mr. Benghazi was CEO of Axis Capital (now BMCE Capital Tunisia), a group of companies operating in brokerage, asset management and financial advisory, and managing Director of Fitch North Africa, first local rating company to operate in the region.

Mr. Benghazi held various responsibilities in the ministry of development economy. He, amongst other tasks, contributed to the elaboration of the Tunisian Privatization program in the early nineties.

Mr. Benghazi holds a Masters degree in public administration from Harvard University, J.F. Kennedy School of Government, a Masters degree from l'Ecole Nationale d'Administration, Tunis, and a Bachelors degree in Economics from the University of Economic Sciences of Tunisia.

Samir Chebil

Independent Board Member

Chairman of the Board Risk Committee

Mr. Chebil held high ranking duties at the World Bank Executive Board for 15 years dealing with

various strategic and economic development issues in developing countries. He assessed the soundness and effectiveness of the projects submitted to the World Bank's Executive Board.

Mr. Chebil was a Senior Advisor and a board member of various committees, notably the Budget, Personnel, and Remuneration committees.

Previously, Mr. Chebil was an Economist at the IMF, assessing various financial and banking sector soundness indicators and recommending economic and financial reforms in several developing countries.

Mr. Chebil held several teaching position as an assistant professor and a Distinguished

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Professional Lecturer in the United States and Tunisia (George Washington University, Georgetown University, John Hopkins University, IHEC Tunis, Dauphine University Tunis, and Mediterranean School of Business).

Mr. Chebil taught both MBA and Executive Programs courses in finance, economics, banking, financial derivatives, and international finance. He received several teaching awards.

Mr. Chebil holds a Ph.D. and an MBA in finance and international finance from George Washington University. The Economic Club of Washington awarded Mr. Chebil the prize of the best economic dissertation in 1994 for his thesis on lessons of financial liberalization in developing countries.

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6- Capitalisation- Allocation of Earnings

As per TIB articles of association, the distributable profit consist of the net profit of the year increased or decreased by the retained earnings carried forward after deduction of the legal reserves. The general assembly approval is required based on the board recommendation.

Capitalization	2018	2019	2020	2021	2022
Share Capital	50,000	50,000	50,000	50,000	50,000
Reserves	2,800	4,251	-1,539	-4,684	-3,083
Retained Earnings	90,785	99,337	113,920	124,994	155,271
Net Profit	20,471	23,382	16,592	16,358	18,163
Shareholders' Equity	164,036	176,971	178,973	186,668	202,189
Total Capitalization	164,036	176,971	178,973	186,668	202,189
Dividend Proposed/Paid	5,000	5,000	4,000	2,500	4,000

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7- Financial Statements Control

During the financial year 2022 and in performing its duties related to its charter, the Board Audit Committee assisted the Board of Directors in fulfilling its oversight responsibilities of ensuring the integrity of the financial statements of TIB, implementing the Bank's internal control system, and ensuring the external auditors' qualifications and independence.

Upon recommendation of the Board Audit Committee and the Board of Directors, the General Assembly Meeting held on April 14th, 2022 approved the extension of ARC- Correspondent of RSM in Tunisia for an another term 2022-2024 and appointed CMG-Consulting Members Group for a three year period term 2022-2024. The appointment will expire after the Ordinary General Assembly to be called to approve the Financial Year 2024' accounts.

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8- TIB staff

The Bank's greatest asset is its people. Through their dedication, quality and collaboration, they are the engine that drives the Bank to deliver excellent customer service, generate long-term value for shareholders and contribute to the community. TIB is committed to investing in developing and supporting its staff to develop their careers in a professional, diverse environment in which they can excel.

The Bank continues to expand the digitalization of HR services offered to staff by enhancing and improving the HR portal which offer many features as self-service and easy and centralized access to documents database.

Tunis International Bank had 101 employees as at December 31st, 2022 in both its Headquarters and all its branches. In 2022, women represent 46% of TIB Staff. The average age of the staff was respectively 44.8 in 2020, 45.1 in 2021 and 45.6 in 2022.

In 2022, 92% of TIB's staff hold executive positions, of which 75% are executives and 17% senior executives and 8% officers.

Internships

TIB is committed to a proactive process in terms of professional integration of students by welcoming over 2022 13 students from different disciplines (IT, Finance, Economy,..) for graduation projects (15%) and observation internships (85%). The trainees represent for TIB a recruitment pool for the best potential.

Internal mobility

In line with its aim of motivating and helping to develop its employees' careers, Tunis International Bank highly encourages its employees to stay and grow. In this regard, before considering external recruitment, Tunis International Bank prioritizes internal mobility. This principal is adopted with a view to arousing motivation, commitment and the enrichment of the professional career of TIB staff.

TIB's Staff Incentive Program

Tunis International Bank has an established Nomination and Remuneration Policy, approved by the Board. This policy is in line with local regulation requirements and provides a clear and formal compensation system and components based on objective criteria.

The Bank aims to attract and retain qualified personnel in all functions by offering an overall competitive remuneration package. TIB rewards its employees with a performance bonus based on the individual's performance assessment, the concerned business activity and the overall results of the Bank.

The Bank will pay upon the end of employment, a leaving indemnity for the period of employment calculated on the basis of the Bank's Human Resources Procedures.

Training and Development

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Every year, Tunis International Bank establishes a well a strategic and goal-oriented staff development program, which is in line with its strategy, business plan, initiatives, and general staff needs and requirements. More specifically, TIB's employee training helps staff gain professional knowledge and new skills to both improve performance in their current roles and to progress their careers. Tunis International Bank's Human Resources Department relies on various resources, both internal and external, to provide staff members with the needed trainings and development.

TIB is committed to investing in a learning culture to provide employees with learning opportunities to help them develop skills and capabilities. To accelerate integration, new hires follow a detailed training plan in the various departments of theBank.

In 2022, 48 training sessions/ program have been attended by TIB Staff. The Human Resources Department's training and development program was designed in line with the Bank's and employees' needs and included the following, among others:

- An online e-learning course and certification on Anti-Money Laundering and Counter Terrorist Financing for all staff members—provided by the mother company, Burgan Bank Group.
- An in-house training on Introduction to Cybersecurity and IT Security for all staff members.
- Trainings related to local regulatory requirements such as FATCA, Loi de Finances, and new Central Bank of Tunisia Circulars for concerned staff.

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9- Internal Control

The internal audit, compliance and risk management, collectively refer to “internal control” as defined by regulations.

The Board and Executive Management establish also the Internal Control Department to reinforce the second line of defense.

The Board is responsible for ensuring that control functions (as per art 53 of law 2016-48) have formalized policies and procedures, adequate human, technical and financial resources enabling them to, effectively conduct their missions with complete independency and objectivity.

The Board shall, at least once a year, meet control function Heads to assess the efficiency and effectiveness of the internal controls and be informed about major developments that may affect the risk profile of the Bank.

First responsible persons of both Internal Audit and Risk Management functions should not combine their functions with other responsibilities within the Bank.

Without prejudice to Articles 53 and 54 of Banking Law N° 2016-48, the Bank should communicate to CBT the identities and qualifications of first responsible persons of control functions.

The Bank should immediately inform CBT any decision of revocation or replacement of first responsible persons of control functions and rationale behind these decisions.

Risk Management

Risk Management is responsible of:

Identifying the main risks and develop a risk heat map and assess the levels of exposure to these risks;

Developing the Risk Management policy;

Recommending the Risk Appetite policy to Executive Management;

Continuously monitoring risks exposures and risk-taking activities;

Developing policies for managing capital adequacy and liquidity adapted to Bank’s risk profile on an individual and consolidated basis;

Implementing a monitoring system for early detecting events where the ceilings risks set by the bank are exceeded;

Providing opinion on decisions that lead to significant risks, and

Proposing adequate measures to mitigate risks and any event that may prejudice the solvency and liquidity of the Bank as well as the interests of stakeholders.

Internal Audit

The internal audit function provides the Board and Executive Management with independent quality assurance regarding the effectiveness of internal control systems and processes, risk management and governance.

Internal Audit is responsible of:

Regularly review the risk governance proceeds by:

Assessing the effectiveness of both compliance and risk management functions;

Assessing the quality, effectiveness and frequency of risk management related reports submitted to the Board and Executive Management; and

Assessing the effectiveness of the Bank’s internal control systems.

Raise to the board and Executive Management on issues and shortcomings noted during audit reviews in order to take adequate corrective actions.

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Internal Audit should have access to all information, archives and Bank's premises.

The Internal Audit Function should communicate to the heads of the Compliance and Risk Functions on non-compliance issues raised during the performed audit reviews.

Compliance

The compliance function should exercise an advisory role to the Board and the Executive Management on issues related to compliance with legal and regulatory provisions in force and keep them informed of changes in this area.

The Compliance Function should be independent of Executive Management.

The responsibilities of the compliance include:

- Ensuring regulatory watch;
- Establishing non-compliance risk map;
- Ensuring the existence of formalized policies and procedures and internal controls in areas related to the Compliance Function;
- Regularly reviewing and ensuring the implementation of the compliance related policy and procedures and recommend corrective actions;
- Providing written opinion and advices on new products and services and related internal control procedures;
- Providing the Bank's staff with compliance training sessions related to their field of work and ensuring the dissemination of Compliance culture;
- Reporting to the Board on problems observed regarding procedural issues as well as mitigation actions; and
- Communicating to the Board Audit Committee Compliance activity report on semi-annual basis.

Internal Control Department

The Internal Control Department performs on a day-to-day basis controls over the activity of the bank.

The adequacy of the Bank's internal controls should be reviewed at least annually.

Effective internal controls aim to safeguard the shareholders' investments, bank's assets and depositors.