

## Activity Report 2024

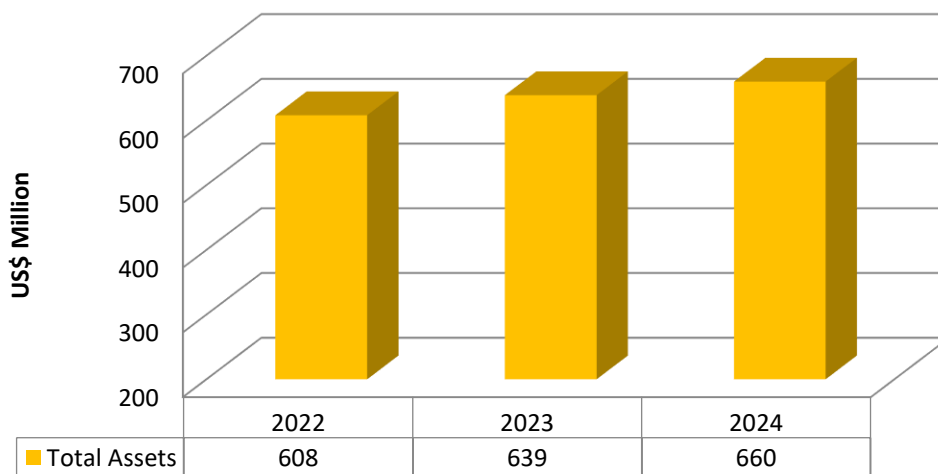
### 1- Activity & Performance

#### 1- Performance Annual Review

During 2024, TIB concluded yet another year of steady and sustained progress. The Bank generated an operating income of US\$35.765 million against US\$ 36.937 million in 2023 and US\$ 29.861 million in 2022. Net income stands at US\$ 19.445 million. TIB has been generating values to its shareholders since inception. The total comprehensive income for the year reached US\$ 20.120 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\$ 659.607 million.

#### Total Assets



The funding of assets were made up essentially of US\$409.312 million in total deposits (62.05% of total assets) of which customers' deposits amounted to US\$238.726 million and interbank deposits US\$170.586 million. Customers' deposits represent almost 58.32% of total deposits and 36.19.% of total assets. These deposits continue to remain a permanent source of funding.

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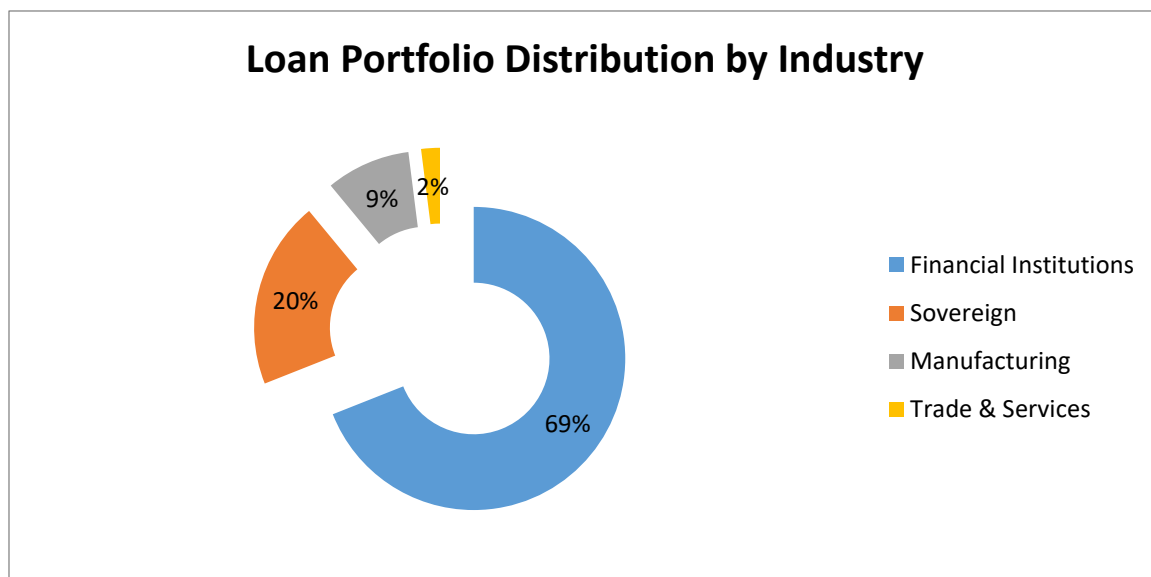
Shareholders' funds totaled US\$ 230.950 million registered an increase on a year-on-year basis by US\$ 9.7 million. Return on equity (ROE) is 9.1% and return on assets (ROA) stands at 3.1%. At 48.87%, the Bank comfortably exceeds the minimum regulatory ratio of 10% as established by the Tunisian banking directives.

TIB's average liquidity ratio of 140.4% 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 equivalent assets represent 39.83% of the total assets in 2024.

Liquidity 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, and sovereign the loan book remains diversified, with the largest sector, manufacturing, accounting for 9% of total loans and advances.

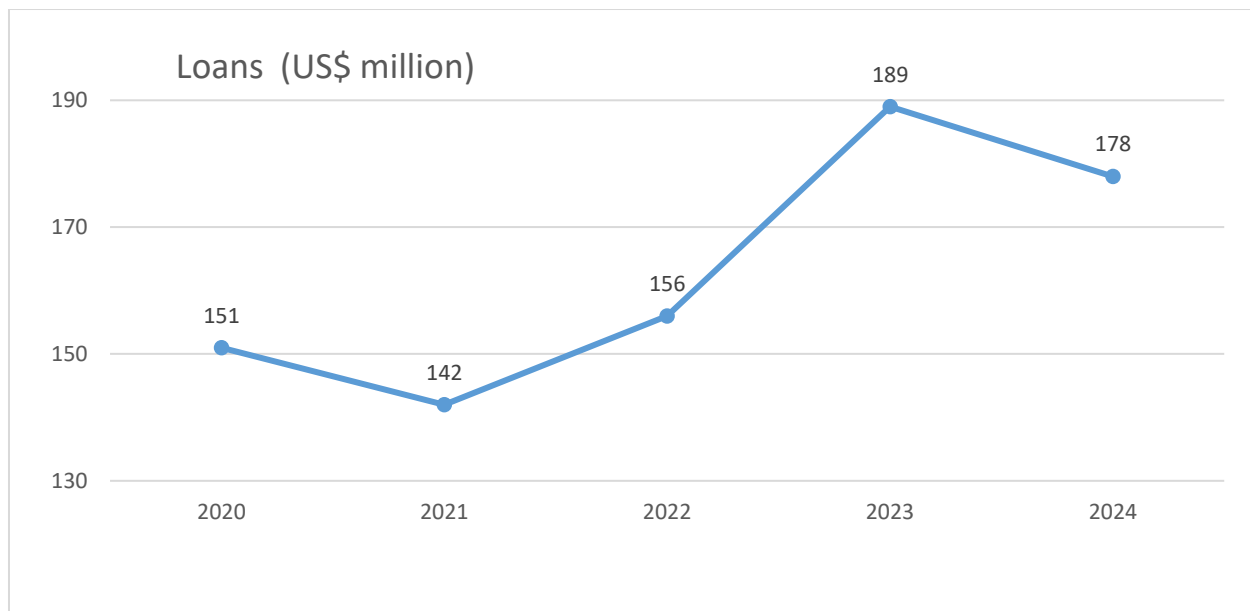


All exposures pertaining to non-performing loans that are over 90 days past due, or in a nonaccrual status have been provided for in compliance with the local regulatory requirements and IFRS

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regulations. Consistent with its policy of prudent provisioning, allowances for loan losses of the Bank fully covers 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, 70% of TIB's loan portfolio or US\$124 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.

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

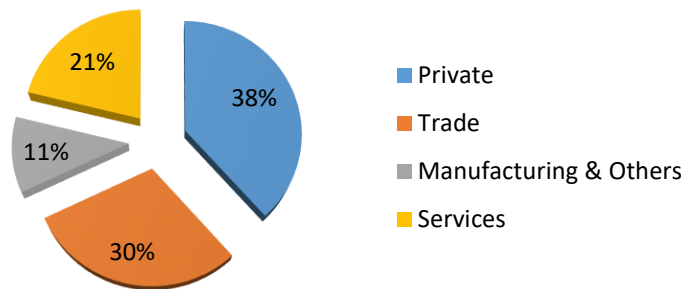
### Funding

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

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cheaper source of funding for the Bank. Funding sources analysis shows that retail activity ensures about 38% of the Bank's core customer deposits followed by trade and services.

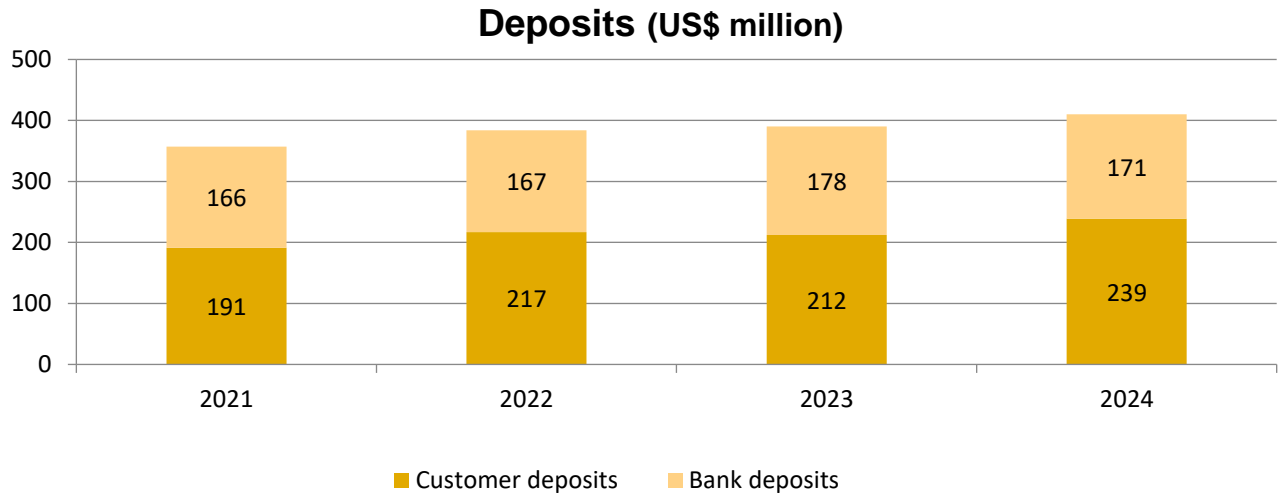
### Funding Sources



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 60% of total deposits; the US dollar ranks second to the Euro representing about 35 % of deposits.

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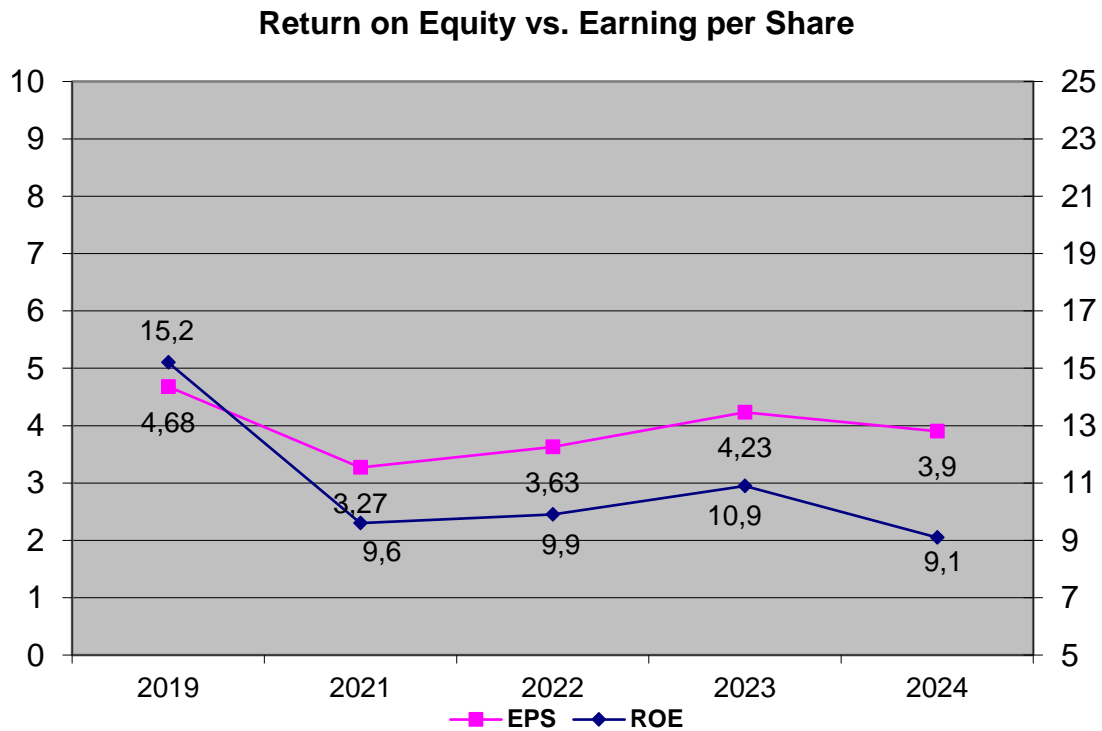


### Net Income

TIB generated interest income increased from US\$ 18.480 in 2023 to US\$ 20 million in 2024. The non-interest income reached US\$ 19.18 million. Income from subsidiaries dropped slightly US\$ 9.394 million in 2024 compared to US\$ 10.099 million in 2023. Income from subsidiaries contribution to the Bank's revenue is stable around 25% in 2023 and 2024 against 40% in 2020 and 35% in 2022.

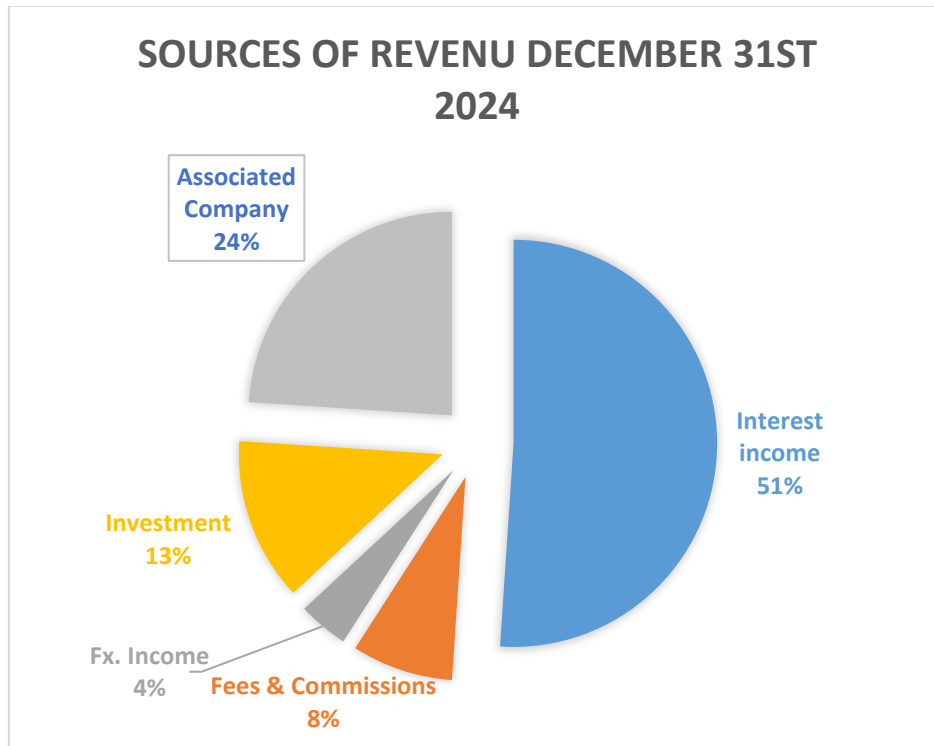
The net income before tax reached US\$ 28.817 million against US\$ 29.425 million in 2023 and US\$ 22.354 million in 2022. The total comprehensive income for 2024 reached US\$ 20.120 million. Profit after tax for the year 2024 reached US\$ 19.445 million in 2024 against US\$ 21.159 million in 2023 and US\$ 18.163 in 2022 million which rounds up to US\$ 3.89 per share of US\$10.00. TIB is committed to constantly enhancing value to its shareholders.

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Net banking products was stable US\$ 35.765 million in 2024 from US\$ 36.937 Million in 2023, which increased from US\$ 29.861 Million in 2022. The Bank maintained its tight control over non-interest expenses. Indeed, noninterest expenses decreased from US\$ 7.512 in 2023 to US\$ 6.948 million in 2024.

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### Capitalisation

Consolidated shareholders' funds before appropriation totaled US\$ 230.950 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 48.87% 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 (RMS)

The Risk Management System at Tunis International Bank seeks to have in place management policies and procedures that are designed to help ensure an awareness of, and accountability for,

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risks taken throughout the Bank, and also to develop the tools needed to address those risks. The Bank has an independent Risk Management Structure (RMS) which is headed by the Chief Risk Officer (CRO) who reports directly to the Board Risk Committee (BRC). The RMS does not have any business targets in terms of either levels of business or income/profits to be achieved, with a view to ensuring its objectivity in analyzing the various risks.

The mission of the RMS is to identify, assess and mitigate various risks that the bank face in its day-to-day operations and report to the Senior Management of the Bank on the effects and, where possible, mitigations. It is a comprehensive approach involving various risk management tools, techniques, and methodologies to manage risks effectively. The RMS main objective is to minimize the impact of risks on the bank's operations, financial performance, and reputation.

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

- i. Credit Risk which includes default risk of clients and counterparties
- ii. Market Risk which includes interest rate, foreign exchange and equity prices risks
- iii. Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost.
- iv. Non- Financial Risks: This covers all other risks that the Bank is facing such as Operational Risk, fraud risk, Environmental, Social and Governance (ESG), third-party risks, Disaster Recovery & Business Recovery and resilience;
- v. Information and Cyber Security Risks: This includes risks of misappropriation of information and data; and
- vi. 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.

### 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....



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### II- Market Risk

Market Risk Management provides a comprehensive and dynamic framework for measuring, monitoring and managing liquidity, interest rate and foreign exchange.

#### 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 liabilities.

#### 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

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

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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 maintains a satisfactory liquidity position with a comfortable level of high liquid assets.

### III- Non-Financial Risks

Non-Financial Risks include all others risks that the Bank is facing such as: Operational Risk, Business Continuity, Fraud risk, Environmental, Social and Governance (ESG), Third-Party risks and resilience.

#### III-1 Operational Risk

Banks' activities are becoming more diverse and complex. Thus, banking practices require that risks other than credit, market and liquidity 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 inadequate or failed internal process, people and system or from external events as well as legal risk, reputation and systemic risk.

#### III-2 Business Continuity

The Bank ensures that all identified critical operations, services and systems are recovered in time in the event of a disruption.

During the Year 2024, The bank has reviewed and updated its Disaster recovery & Business Continuity Plan (DR& BCP) which stands on to have the following four steps:

- Business Impact Analysis (BIA);
- Risk assessment;
- Risk management; and
- Risk monitoring and testing

In 2024, the bank continued to strengthen its Disaster Recovery (DR) and Business Continuity (BC) activities as part of its comprehensive risk management efforts. A key initiative was the implementation of Business Impact Analysis (BIA) workshops, conducted across various departments, including Investment, Legal, Operations, and Compliance. These workshops were instrumental in identifying critical business functions and establishing priorities for recovery. Through this process, the bank classified business functions based on their tolerance to interruption, enabling a focused approach to mitigate potential disruptions. Additionally, we assessed the risks associated with each function, implementing appropriate measures to minimize risks and ensure swift recovery in the event of an incident.

To further enhance its preparedness, the bank took steps to fortify its risk management framework. This included updating vendor agreements to ensure that our suppliers also maintain robust business continuity plans. DR tests were successfully conducted at our recovery site in Bizerte, where we simulated various recovery scenarios to validate our processes. Any issues identified during these tests were addressed through detailed action plans, ensuring continuous improvement. Furthermore, we prioritized training and

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awareness initiatives, offering first aid, evacuation, and disaster recovery training sessions, coupled with an awareness campaign emphasizing the critical importance of testing and preparedness.

### III-3 FRAUD RISK

Fraud Risk is the risk of unexpected financial, material or reputational loss as the result of fraudulent action of persons internal or external to the Bank.

Fraud risk management is the process of identifying, understanding and responding to fraud risks in an organization. To ensure effective management of the risk of fraud, the Bank has created a program for the detection, monitoring and prevention of internal and external fraud. By setting up an anti-fraud policy and appointing, an Anti-Fraud Management Committee with ultimate responsibility is to ensure the implementation of the Anti-Fraud policy, and to support the Bank's commitment to protecting its revenue, property, reputation and other assets.

### III-4 THIRD-PARTY RISKS

Third-party risk management (TPRM) is a form of risk management that focuses on identifying and reducing risks relating to the use of third parties.

In order to secure its assets, data and reputation, the Bank's must identify, evaluate and mitigate risks associated with its third parties' connections.

To cover this risk component, the Risk Management Structure (RMS) has implemented a new plan of IT Third-Party Risk Management to comply with international standards and best practices of the banking and financial industry.

### III-5 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ESG stands for Environmental, social and Governance, the three most important non-financial factors for the company.

The Bank has an approved Corporate Social Responsibility policy and designed a Corporate Social and Environmental Responsibility Committee.

TIB comply with local regulation (Tunisian Law N°2018-35 on corporate responsibility aiming to reconcile the companies with their social environment through the participation in the process of sustainable development and good governance & Central Bank of Tunisia (CBT) circular N°2021-05 setting requirements pertaining to ensuring the respect of the principals of societal and environmental responsibilities).

The Board of Directors made a commitment to promoting the development of corporate social and environmental responsibility activities.

During the year 2024, the Bank made a meaningful contribution to society and the well-being of the community by supporting various noble causes.

TIB is also dedicated to reducing its carbon footprint, including providing credit for the installation of photovoltaic projects, among other initiatives.

### III-6 RESILIENCE

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Resilience is a concept concerned fundamentally with how a system, community or individual can deal with disturbance, surprise and change, is framing current thinking about sustainable futures in an environment of growing risk and uncertainty.

This appropriation has been driven by the need to identify a broad-based discourse and set of guiding principles to protect development advances from multiple shocks and stresses.

On the IT security side, Cyber resilience is the ability of an organization to protect itself from, detect, respond to and recover from cyber-attacks. By being resilient, organizations 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.

### IV- IT Risk/ Cyber Resilience/ Payment Systems Control/ data Protection

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 e-Banking, corporate networks, and other systems containing sensitive data.

TIB is committed to secure and protect the personal data of its customers in accordance with the Law No. 2004-63 of July 27, 2004 and other subsequent texts. 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.

Throughout the year 2024, there were no recorded breaches or incidents related to data protection, demonstrating the Bank's commitment to safeguarding sensitive information and maintaining robust security protocols to ensure compliance with data protection standards.

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### 2- Financial Highlights 2020-2024

The following is selected consolidated financial information (in US\$ 000's) of Tunis International Bank as at December 31<sup>st</sup> of the years 2020 up to 2024

Profit & Loss	2020	2021	2022	2023	2024
Net Interest Income	6,130	6,266	7,040	15,628	16,577
Non Interest Income	19,667	19,459	22,820	21,309	19,188
Operating Costs	7,744	7,134	7,101	7,512	6,948
Operating Profit	18,053	18,591	22,759	29,425	28,817
Provisions	950	160	405	400	363
Net Profit After Provisions	16,592	16,358	18,163	21,159	19,445
Dividend Proposed/Paid	4,000	2,500	4,000	4,000	5,000

Balance sheet	2020	2021	2022	2023	2024
Cash	58,978	105,178	66,296	52,886	55,152
Time Deposits	215,613	134,234	189,759	185,689	207,56
Investment	157,463	175,170	187,222	199,639	204,970
Loans and Advances	151,883	142,065	156,409	188,626	178,127
Other Assets	6,777	7,825	8,302	11,937	113,798
<b>Total Assets</b>	<b>590,714</b>	<b>564,472</b>	<b>607,988</b>	<b>638,778</b>	<b>659,607</b>
Deposits from Banks	168,788	167,432	166,586	178,458	170,586
Deposits from Customers	225,431	191,197	217,016	211,654	238,726
Other Liabilities	17,522	19,175	22,198	27,452	19,344

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<b>Total Liabilities</b>	<b>411,576</b>	<b>377,804</b>	<b>405,800</b>	<b>417,564</b>	<b>428,657</b>
Shareholders' Funds	178,973	186,668	202,189	221,214	230,950

Capitalization	2020	2021	2022	2023	2024
Share Capital	50,000	50,000	50,000	50,000	50,000
Reserves	-1,539	-4,684	-3,083	343	903
Retained Earnings	113,920	124,994	137,108	170,871	180,047
Net Profit	16,592	16,358	18,163	21,159	19,445
Shareholders' Equity	178,973	186,668	202,189	221,214	230,950
Total Capitalization	178,973	186,668	202,189	221,214	230,95

### 3- Future Prospects and Developments

Despite a challenging economic environment both locally and across the MENA region, Tunis International Bank's achievements reflect exceptional performance and demonstrate the resilience of its business model. The year 2024 was marked; by growth across all activity indicators, and we are committed to further consolidating this trend in 2025.

Tunisia's economic growth improved slightly in 2024 but remained moderate. The reduction in energy import costs, combined with a stronger performance in the tourism sector, helped limit the current account deficit. Additionally, the external sector contributed to the reconstitution of foreign exchange reserves. Despite persistent challenges, Tunisia's economy continues to demonstrate resilience.

TIB's core operating principles focus on continuously providing top-tier customer service, enhancing its ability to deliver superior results, exceeding customer expectations, and optimizing shareholder value. The bank remains committed to supporting non-resident companies, particularly subsidiaries of renowned international groups, by offering financing solutions and expertise for their activities in North Africa, as well as in Europe and the Middle East—key target markets for Tunisia.

TIB's strategic priorities for the coming years include:

- Strengthening the training and development of its staff;



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- Enhancing anti-money laundering measures in accordance with local regulations and international best practices;
- Accelerating digital transformation initiatives;
- Further integrating social and environmental responsibility principles into its operations.

Additionally, the bank aims to maintain a balanced balance sheet structure in terms of capitalization and liquidity while ensuring full compliance with prudential regulations.

In 2025, as in previous years, TIB will continue to support its customers in neighboring markets (Algeria and Libya) by leveraging its expertise and logistical capabilities to meet their evolving needs. TIB is committed to:

- Maintaining high liquidity levels and strong capital ratios;
- Meeting customer expectations by adapting its digital strategy to evolving market conditions;
- Ensuring sustainable growth under optimal conditions, with a focus on profitability and loan portfolio quality;
- Strengthening its anti-money laundering framework by rigorously applying the regulatory requirements of the Central Bank of Tunisia, local laws, and international standards.

As we move forward, Tunis International Bank remains dedicated to strengthening its position as a trusted financial partner, committed to excellence, innovation, and sustainable growth. By continuously adapting to market challenges, embracing digital transformation, and upholding the highest regulatory and ethical standards, TIB aims to reinforce its leadership in the banking sector while delivering long-term value to its customers and stakeholders.

### 4- 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 are regularly reviewed and assessed to embrace and adapt to new technologies and to ensure the efficiency of the Bank's operational resilience and business continuity.

Banks are leveraging the benefits of Artificial Intelligence (AI) for holistic transformation spanning several layers, including operations, customer support, marketing, risk management, and compliance. AI has the potential to transform traditional processes into scalable and flexible functions. TIB is preparing to offer intelligent, personalized, timely and relevant customer experiences by acquiring a data analytic tool, which will help the bank to identify, assess, and

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mitigate various risks. By applying statistical analysis and predictive modeling, the bank will anticipate future risks develop appropriate controls while keeping an eye on the Cyber security side.

Several initiatives were also launched in order to enhance the resilience of our IT infrastructure with the aim of:

- Strengthen the performance, reliability and flexibility of the Ban's IT infrastructure.
- Improve of the IT security.
- Protecting the bank from any financial loss and reputational damage associated with prolonged disruption to any of its banking services.

## 2-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 12<sup>th</sup>, 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 Shareholding 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 Association in conformity with the Tunisian Commercial Law.



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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 association (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 association (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 Association. 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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### 3- 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.

Effective Corporate Governance is an important part of our identity. The essential framework for this is provided first by the Central Bank of Tunisia through circular n°2021-05 issued in august 2021 and the Tunisian banking law N° 2016-48, was last amended in July 2016.

The adopted corporate governance ensures the responsible, value-driven management and control of the bank. It has the following four key elements: good relations with shareholders, effective cooperation between the Management Board and Supervisory Board, a system of performance related compensation, and transparent and timely reporting.

#### 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 relating to Banks and Financial Institutions;
- ii. Tunisian Law N°94-117 related to the Financial Market reorganization.

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- iii. Central Bank of Tunisia's (CBT) corporate governance instructions as issued in Circular N° 2021-05 of August 2021 related to the Financial Market reorganization; and
- iv. 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 newly updated subsidiaries Governance Policy (SGP) issued in October 2024 and approved by the Bank's Board of Directors in December, 2024 which provides guidelines for maintaining a strong communication, monitoring, and coordination of activities between Burgan Bank and its Subsidiaries.

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 Executive Committee,
  - The Credit Committee,
  - The Asset and Liability Committee,

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- The Management Investment Committee,
- The Management Cyber Security Risk Committee,
- The Management anti-fraud Committee,
- The Management Product & Pricing Committee,
- The Provision Assessment Committee,
- The Management Audit Committee,
- The Management Whistleblowing Committee,
- The Management Data Protection Committee and
- The Corporate Social and Environmental Responsibilities Committee and
- The Management Tender and Procurement Committee.

### Board of Directors

The Board of Directors is responsible for managing the bank and exercises control over TIB.

The administrative and organizational structures required by the Banking Law (Law n°48 of July 11, 2016 & CBT Circular n°2021-05 dated August 2021) and related legislation, have been implemented at TIB. In reference to these banking regulations. The Board composition and Board members' qualifications are adapted to the Bank's strategy of development, size, the nature of its activity, complexity of operations and risk profile.

In addition, there are two strong and independent members in the Board to exercise objective judgment on the Bank's affairs independently.

The ordinary General Assembly from among the shareholders appoints the board members, with the exception of the chairman of the Board of directors, who must be a shareholder. Board members are nominated for a term of 3 years. They can be re-elected 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

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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.

The Board 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 has a permanent secretariat acting directly under the Chairman of the Board. The Board held six meetings during 2024.

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;
- 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.

## Activity Report 2024

- 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

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 responsible for :

- Ensuring that the Board is properly, efficiently and independently fulfilling his responsibilities.
- Ensuring that the Board's Committees are properly fulfilling their responsibilities and that they report of their activities to the Board; and
- Overseeing the process of the annual performances' evaluation of the Board, Board Committees and their members;

The Chairman should meet with Board's members, Executive Management and shareholders when deemed necessary

The Chairman is responsible in particular for:

- Setting the agenda items of Board's meetings after discussion with Executive Management and Governance bodies;
- Ensuring regular meetings of the Board;
- Communicating enquiries, comments and all decisions of the Board to Executive Management;

## Activity Report 2024

- Discussing with Executive Management and identifying major issues to be reported to the Board;

The Chairman of the Board is the designated interlocutor with the shareholders and the 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.

### Chief Executive Officer

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:

- 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, at all times, the overall proper functioning of the internal control and risk management systems;
- Implementing and ensuring the respect of the compliance policy as approved by the Board;
- Ensuring the communication of all the 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.

The 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



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- 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. 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. The Board shall establish three Board's Committees:

Board Audit Committee (BAC);  
Board Risk Committee (BRC); and  
Board Nomination and Remuneration Committee (BNRC).

Board's Committees shall:

- Analyze all specific and technical aspects related to their respective domain - in order to assist the Board in making decisions;
- Regularly report to the Board on Committees' activities, assessments and opinions on the organization and operations of the Bank in areas they cover;
- Report to the Board on any event that may impede the Bank's strength and reputation;
- Review activities reports of Control functions, External Auditors' reports and notifications sent by Central Bank of Tunisia or any other supervisory authority;
- Recommend the Board to instruct Executive Management to perform investigations, if needed;
- Submit to the board meeting, in which the annual financial statements are reviewed, a detailed annual report on their activities.

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

Committees should elaborate minutes of each committee meeting signed by all its members and in which are recorded in detail the deliberations, decisions and recommendations as well as the



## Activity Report 2024

divergent opinions and the follow-up on the implementation of the decisions from previous meetings.

Board audit committee members and Board risk committee members cannot be appointed to more than one of the following committees and vice versa:

- 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. BRC and BAC are chaired by independent Board members.

All of the Board of Directors are non-executive members. The election of TIB's Board members is implemented according to the Articles of association and the Banking Law. As per the Banking Law, the Chief Executive Officer of the Bank and the deputy Chief Executive Officer must not be Board member. TIB's Board of Directors backgrounds, terms of office, and the committees in which they take charge are presented in the Annual Report.

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 such 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 (BAC) has three members and is chaired by an independent board member. The Board Audit Committee shall meet at the request of its Chairman at least six times a year and once every quarter, and as deemed necessary. In 2024, the Board Audit Committee held six meetings. The BRC communicated all of its minutes of meeting to the BAC.

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The Chief Internal Auditor serves as secretary of the committee. The Board Audit Committee Charter covers the duties and responsibilities of the committee.

The BAC duties comprises, among others:

- Reviewing the interim financial reports and annual financial statement with management and the external auditors prior to distribution to the Board of Directors for approval, and consider whether they are complete and consistent with the information known to the committee members;
- Reviewing the strategy and the long-range business plan of the Bank;
- Serving as a communication channel between the Board and the auditors, ensuring the independent exercise of the latter's duty.

Accordingly, the Committee held a meeting with the statutory auditors and reviewed and approved their 2023 annual audit reports, annual and quarterly financial statements, and management letters based on their activities. The Committee reviewed the audited financial statements for the year ended 31 December 2023 on solo and consolidated basis and the draft Auditors' Report on the Consolidated Financial Statement as at 31 December 2023 and noted the Statutory Auditors unqualified opinion. The Committee also reviewed and discussed with management and statutory auditors their respected disclosure controls and procedures to ensure a proper follow-up. The BAC ensured that there were no restrictions placed on statutory auditors by management.

Furthermore, the BAC reviewed and discussed the Bank's revised budget and long-range business plan, prior to their submission to the Board.

Overseeing the 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 addressed and 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 cybersecurity, an effective internal control framework, and an efficient compliance including anti money laundering programs. The Committee ensured that Corporate Governance frameworks requirements are effective and properly implemented. The BAC also met with the Chief Compliance Officer to discuss her department's compliance and Anti-Money Laundering activities, programs and procedures.

During the financial year 2024 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.

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### 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 meet at the request of his chairman at least six times a year and not less than one meeting on a quarterly basis and more when it deems necessary.

The Board Risk Committee is responsible for formulating the risk management strategies and policies. The BRC 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 Chief Risk Officer is appointed as the secretary of the committee.

The Committee's principal duties are:

Assist the Board in monitoring the risk management system, Without prejudice to article 50 of Tunisian Banking Law N° 2016-48;

Establishing and updating the risk Management Policy and setting the exposure and the operational limits;

Approving the risk measuring and the risk monitoring systems;

Overseeing the Executive Management compliance with the Risk Appetite Policy;

Analyzing and following-up the Bank's exposures to risks, including; credit risk, market risk, liquidity and operational risks;

Assessing the provisioning policy and the permanent adequacy of bank's net worth against TIB's risk profile;

Assessing risks arising from the Board's strategic decisions;

Implementing corrective actions to enhance the effectiveness of the risk management framework;

Approving business continuity plans.

During 2024, the BRC held six meetings. The Board Risk Committee (BRC) communicated its minutes of meeting to the Board Audit Committee (BAC).

### The Board Nomination & Remuneration 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 six meetings during 2024.

## Activity Report 2024

The Head of the Human Resources Department ensures the secretary of the BNRC.

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

Establishing the Nomination and Remuneration policy of the Board and Board Committees members, Executive Management and first responsible persons of key functions.

Establishing succession planning for Board and Board Committees members, Executive Management and first responsible persons of key functions.

Nomination of Board and Board Committees members, Executive Management and first responsible persons of control functions.

Establishing the design of the methodology for evaluating the work of the Board members and its committees.

The BNRC developed and maintained 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 BNRC reviewed the independency criteria for independent Board members and communicated outcomes to the board.

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 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 activities within the framework of the related banking regulation in Tunisia.

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, 2024, three BCGC meetings were held, one by attendance and two by circulation.

The Bank's Chief Compliance Officer shall act as secretary of the Committee.

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BCGC is essentially 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;
- 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 a regular 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. 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.

During 2024, the following changes have taken place:

Mr. Mohamed Fekih was appointed as the Chairman of the Board ( Since April 29th 2024)

Mrs. Ben Rahal was appointed as the Chairman of the Board Audit Committee.

Mr. Souilem was appointed as the Chairman of the Board Risk Committee.

Mr. Abbouchi joined the board of directors.

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Mr. Louheb and Mr. Al Awadhi Left the board of directors.

### BOARD OF DIRECTORS

*The Board of Directors was elected on April 29th, 2024 for a mandate of three years.*

#### **Masaud M.J. Hayat**

Chairman of the Board Until April 29th 2024

Chairman of the Board Corporate Governance Committee Until April 29th 2024

Advisors, Chairman's Office at Kuwait Projects Company (Holding) – KIPCO

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.

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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.

### Mohamed Fekih

Chairman of the Board since April 29th 2024

Chairman of the Board Corporate Governance Committee since April 29th 2024

Board and Executive Committee Member of Gulf Bank Algeria, Algeria

Chairman of UGFS – North Africa, Tunisia, Tunisia

Chairman of SACEM Industries, Tunisia

Board Member and Chairman of the Board Audit and Risk Committee of Ooredoo, Tunisia

Mr. Fekih's career in banking sector began when he joining Citibank Tunis, followed by Tunis International Bank for years of increasing responsibilities. As the Chief Executive Officer of Tunis International Bank, up to April 2024, Mr. Fekih led steady and sustained growth to shareholders, customers and staff.

Mr. Fekih graduated from the University of Law, Political and Economic Sciences of Tunis and holds a Diploma of Higher Management Studies from the Higher Institute of Management of Tunis (Institut Supérieur de Gestion de Tunis). He has also participated in various courses and seminars with Citibank and other well-known international institutions in the United States and Europe such as the High Performance Board Program 2009 (IMD Lausanne), in addition to various trainings held in Malta, United Kingdom and Kuwait as part of KIPCO Group Banks' training annual programs.



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### **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 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. Soukarieh also served as Group Chief Financial Officer of Wataniya Telecom Group of companies between December 2004 and December 2007.

Mr. Soukarieh 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 Until April 29th 2024

Chairman of the Board Audit Committee Until April 29th 2024

Member of the Board Nomination and Remuneration Committee Until April 29th 2024

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



## Activity Report 2024

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 Until April 29th 2024

Member of the Board Audit Committee Until April 29th 2024

Member of the Board Corporate Governance Committee Until April 29th 2024

Banking, Investment 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 Development 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 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

## Activity Report 2024

Paris II and a Bachelors degree in French Literature from the University of Paris Sorbonne, France.

### **Khalid Al Zouman**

Member of the Board

Member of the Board Risk Committee

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 Audit 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.

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### Samir Chebil

Member of the Board

Member of the Board Risk Committee

Member of the Board Nomination and Remuneration 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 as 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 teaching position as Distinguished Professional Lectures and Assistant Professor in the United States and Tunisia (George Washington University, Georgetown University, John Hopkins University, Dauphine University Tunis, IHEC Tunis).

Mr. Chebil taught both MBA and Executive Programs courses mainly in finance, economics, banking, financial derivatives and international finance.

He received several teaching awards.

Mr. Chebil holds a PhD and an MBA in the Finance field from the George Washington University. Mr. Chebil was awarded the prize of best economic dissertation in 1994 for his thesis on lessons of financial liberalization in developing countries.

### Samer Abbouchi

Member of the Board since April 29th 2024

Member of the Board Audit Committee since April 29th 2024

## Activity Report 2024

Mr Abbouchi joined KIPCO's investment team in 2023 as Senior Vice President in the Investment department and became Deputy Group Chief Investment Officer in 2025. Mr. Abbouchi hold a diversified working experience in the financial services sector, investment and asset management. Prior to joining KIPCO, Mr Abbouchi held several positions in Gulf Bank, including Deputy GM - Investment Banking and Head of Strategic Investments. He started his career with Ernst & Young and worked at Global Investment House and Ryada Capital Investment Company. Mr Abbouchi is a Graduate in Business Administration from the American University of Beirut. Samer is a Certified Internal Auditor, a Chartered Financial Analyst and an MBA graduate from London Business School.

Mr. Abbouchi previous Board memberships include: Societe Generale de Banque de Jordanie , Jordan Islamic Bank, Buraq Investment Company (Kuwait), Al Ekhlas Holding Company (Kuwait), Elite Educational Company (Kuwait), First Jordan Investment Company (Jordan), FinaCorp Investment Company (Tunisia) (Jordan), National International Holding Company (Kuwait), Global Jordan and Reef Real Estate Finance Company.

### **Amel Ben Rahal**

Independent Board Member since April 29th 2024

Chairman of the Board Audit Committee since April 29th 2024

Chairman of the Board Jasmin Clinic, Tunisia

Board Member, Tunisie Leasing & Factoring, Tunisia

Mrs Ben Rahal started her career in Central Bank of Tunisia as a financial Analyst in 1983 followed by years of increasing responsibilities in credit section, financial stability and risk prevention. From 2012 to 2021, Mrs. Ben Rahal was the Chief Executive Officer of the Financial Stability and Risk Prevention Department at the Central Bank of Tunisia.

Mrs. Ben Rahal graduated in Finance from Institute of High Commercial Studies (IHEC-Carthage-Tunisia) and had a post graduate diploma in Advanced Banking Management Studies from the Institute of Financing of Development (IFID) Tunisia.

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Mrs. Ben Rahal previous board membership include, College of the Financial Market, National Office of Oil, the Chemical group, Gafsa phosphate company in Tunisia. Mrs. Ben Rahal was also appointed as an external expert in IMF Technical assistance missions: Financial Sector Stability Review in 2019 for Guinea-Bissau and in 2022 for Democratic Republic of Congo-DRC.

### Mohamed Salah Souilem

Independent Board Member since April 29th 2024

Chairman of the Board Risk Committee since April 29th 2024

Mr Souilem graduate from Institute of High Commercial Studies (IHEC- Carthage- Tunisia).

Mr. Souilem joined the Central Bank of Tunisia in 1981 in the accounting department for two years followed by years of increasing responsibilities in international relations department, external reserves, Fx and treasury. Mr. Souilem was appointed from October 2011 to December 2017 as managing director of Monetary Policy. He contributed to the modernization of the operational and strategic monetary policy.

Mr. Souilem previous board membership include Union Internationale des Banques (UIB) for two successive mandated up to April 2024 heading also the Board Risk Committee. Mr. Souilem was board member in several Tunisian Companies Tuninter, Tunisair, Cotunace, ETAP. Mr. Souilem was also executive member in Tunisian Forex Club.

## 4- Capitalization- 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	2020	2021	2022	2023	2024
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## Activity Report 2024

Share Capital	50,000	50,000	50,000	50,000	50,000
Reserves	-1,539	-4,684	-3,083	343	903
Retained Earnings	113,920	124,994	137,108	170,871	180,047
Net Profit	16,592	16,358	18,163	21,159	19,445
Shareholders' Equity	178,973	186,668	202,189	221,214	230,950
Total Capitalization	178,973	186,668	202,189	221,214	230,95

## 5- Financial Statements Control

During the financial year 2024, in fulfilling its responsibilities under its charter, the Board Audit Committee assisted the Board of Directors in overseeing the integrity of TIB's financial statements, the implementation of the Bank's internal control system, and the qualifications and independence of the external auditors.

The Committee held a meeting with the statutory auditors to review and approve their 2023 annual audit reports, annual and quarterly financial statements, and management letters based on their activities. The Committee also reviewed the audited financial statements for the year ended December 31, 2023, on both a solo and consolidated basis, as well as the draft Auditors' Report on the Consolidated Financial Statements as of the same date. The Committee took note of the statutory auditors' unqualified opinion. Additionally, the Committee reviewed and discussed disclosure controls and procedures with both management and statutory auditors to ensure proper follow-up. The BAC ensured that no restrictions were imposed on the statutory auditors by management. Furthermore, the BAC reviewed and discussed the Bank's revised budget and long-term business plan before their submission to the Board.

## 6- 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.

## Activity Report 2024

Tunis International Bank had 104 employees as at December 31st, 2024 in both its Headquarters and all its branches. In 2024, women represent 46.15% of TIB Staff. The average age of the staff was respectively 45.53 in 2023 and 46.15 in 2024

In 2024, 93% of TIB's staff hold executive positions, of which 15% senior executives.

### Internships

TIB is committed to a proactive process in terms of professional integration of students by welcoming over 2024, 7 students from different disciplines (IT, Finance, Economy,..) for internships. 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 carrer 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

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.



## Activity Report 2024

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 the Bank.

In 2024, 49 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 Cybersecurity and IT Security for all staff members.
- Training sessions on operational risk management.
- Trainings related to local regulatory requirements such as, "Loi de Finances", and new Central Bank of Tunisia Circulars for concerned staff.
- Training on the role of the financial sector on the fight against slavers and human traffic.

Several training sessions on financial analysis and risk.

## 7- 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;



## Activity Report 2024

- 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.

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;

## Activity Report 2024

- 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.