AVIS DES SOCIETES

ETATS FINANCIERS CONSOLIDES ELABORES CONFORMEMENT AU REFERENTIEL IFRS

Tunis International Bank -TIB -

Siège Social : 18, avenue des états Unis d'Amérique 1002 Tunis-Belvédère

Tunis International Bank - TIB- publie ci-dessous, ses états financiers consolidés arrêtés au 31 décembre 2021, élaborés conformément au référentiel IFRS, tels qu'ils seront soumis à l'approbation de l'assemblée générale ordinaire qui se tiendra en date 14 avril 2022. Ces états sont accompagnés du rapport des commissaires aux comptes,. M. Walid MOUSSA cabinet S.C.M.G et M Foued AMIRI cabinet ARC Tunisie.

CONSOLIDATED BALANCE SHEET
As at December 31, 2021
(Amounts in US Dollars)

	Notes	2021	2020
ASSETS			
Bank demand and call deposits	**3**	105 178 420	58 978 457
Time deposits	**4**	134 234 424	215 612 509
Financial assets designated at fair value through P&L		856 466	895 245
Financial assets at fair value through other comprehensive income	**5**	30 710 338	33 377 001
Financial assets measured at amortized cost	**6**	56 502 248	42 245 021
Investments in associated companies	**7**	87 100 659	80 946 409
Loans and advances, net	**8**	142 064 986	151 882 930
Accrued interest and other assets	**9**	6 124 224	4 757 416
Property and equipment, net	**10**	1 700 519	2 019 211
TOTAL ASSETS		**564 472 284**	**590 714 199**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES		**377 804 117**	**411 741 157**
Deposits from banks and financial institutions	**11**	167 431 882	168 787 990
Deposits from customers	**12**	191 197 442	225 431 255
Accrued interest and other liabilities	**13**	19 174 793	17 521 912
SHAREHOLDERS' EQUITY	**14**	**186 668 167**	**178 973 042**
Share capital		50 000 000	50 000 000
Reserves		32 771 380	32 215 226
Foreign currency translation reserve		-37 455 245	-33 754 418
Retained earnings		141 352 032	130 512 234
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**564 472 284**	**590 714 199**

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2021
(Amounts in US Dollars)

	Notes	2021	2020
TOTAL INCOME		**26 882 316**	**27 145 308**
Interest income	**15**	7 423 273	7 478 667
Other income, net	**16**	8 637 613	8 816 672
Share of results of associated companies		10 821 430	10 849 969
INTEREST EXPENSES		**1 157 759**	**1 348 489**
Interest expenses	**17**	1 157 759	1 348 489
OPERATING INCOME		**25 724 557**	**25 796 819**
Salaries and benefits	**18**	3 931 245	3 717 654
General and administrative expenses	**19**	3 202 735	4 026 415
NET OPERATING INCOME **(BEFORE WRITE DOWN AND PROVISIONS)**		**18 590 577**	**18 052 750**
Allowance for doubtful loans		160 000	950 000
NET INCOME FOR THE YEAR BEFORE TAX		**18 430 577**	**17 102 750**
Tax expenses		2 072 816	510 395
NET INCOME FOR THE YEAR		**16 357 761**	**16 592 356**
Number of shares		5 000 000	5 000 000
Earning per share	**20**	**3,27**	**3,32**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
For the year ended December 31, 2021
(Amounts in US Dollars)

	2021	2020
PROFIT FOR THE YEAR	**16 357 761**	**16 592 356**
Net fair value (loss) gain from financial assets at fair value through other comprehensive income	-443 846	362 913
Other comprehensive (loss) income for the year	**-443 846**	**362 913**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**15 913 915**	**16 955 269**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended December 31, 2021
(Amounts in US Dollars)

	2021	2020
OPERATING ACTIVITIES		
Net income of the year	**16 357 761**	**16 592 356**
Adjustments for :		
Depreciation	416 513	393 258
Social fund	-240 000	-240 000
Share of profit from associates companies	-10 133 040	-2 072 263
Operating profit before changes in operating assets and liabilities	**6 401 234**	**14 673 351**
Changes in operating assets and liabilities		
Time deposits	81 378 085	2 698 290
Loans and advances	9 817 944	-24 993 895
Accrued interest and other assets	-1 366 808	-1 453 538
Deposits from banks and financial institutions	-1 356 108	-105 272
Deposits from customers	-34 233 813	-46 190 969
Accrued interest and other liabilities	1 652 881	120 666
Net cash provided by operating activities	**62 293 415**	**-55 251 367**
INVESTING ACTIVITIES		
Purchase of financial assets designated at fair value through P&L	34 177	-
Sales of financial assets designated at fair value through P&L	-	-
Purchase of financial assets at fair value through other comprehensive income	-8 279 214	-3 695 300
Sales of financial assets at fair value through other comprehensive income	10 506 329	4 926 123
Purchase of financial assets measured at amortized cost	-22 328 774	-8 000 000
Sale of financial assets measured at amortized cost	8 071 547	11 502 589
Purchase of fixed assets net	-97 821	-132 671
Net cash used by investing activities	**-12 093 756**	**4 600 741**
FINANCING ACTIVITIES		
Dividends paid	-4 000 000	-
Net cash used by financing activities	**-4 000 000**	**-**
Increase / Decrease in cash and cash equivalents	46 199 659	-50 650 626
Cash and cash equivalents as of 1st January	58 978 761	109 629 387
Cash and cash equivalents as of 31 December	**105 178 420**	**58 978 761**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2021
(Amounts in US Dollars)

	Share Capital	Statutory Reserve	General Reserve	Revaluation Reserve	Investment FV reserve	Foreign Currency reserve	Retained Earnings	Total
Balance at December 31, 2019	**50 000 000**	**7 556 427**	**20 658 734**	**1 000 000**	**1 637 151**	**-26 599 952**	**122 718 921**	**176 971 283**
Net income for the period							16 592 356	16 592 356
Other comprehensive income					362 913			362 913
Total comprehensive income					***362 913***		***16 592 356***	***16 955 269***
Transfer to general reserve			1 000 000				-1 000 000	-
Dividends distributed							-5 000 000	-5 000 000
Transfer to social fund							-240 000	-240 000
Share of changes recognised directly in associate's equity						-7 154 466	-2 559 045	-9 713 511
Balance at December 31, 2020	**50 000 000**	**7 556 427**	**21 658 734**	**1 000 000**	**2 000 064**	**-33 754 418**	**130 512 232**	**178 973 042**
Net income for the period							16 357 761	16 357 761
Other comprehensive income					-443 846			-443 846
Total comprehensive income					***-443 846***		***16 357 761***	***15 913 915***
Transfer to general reserve			1 000 000				-1 000 000	-
Dividends distributed							-4 000 000	-4 000 000
Transfer to social fund							-240 000	-240 000
Share of changes recognised directly in associate's equity						-3 700 827	-277 964	-3 978 791
Balance at December 31, 2021	**50 000 000**	**7 556 427**	**22 658 734**	**1 000 000**	**1 556 218**	**-37 455 245**	**141 352 029**	**186 668 167**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of Tunis International Bank for the year ended December 31, 2021 were authorised for issue in accordance with resolution of the Board of Directors on January 2022.

Tunis International Bank S.A. (TIB) was established in June 1982 in Tunisia as a fully licensed Bank operating mainly with non residents under the current Tunisian law 2009-64 of August 12th, 2009 and under the supervision of the Central Bank of Tunisia. The main activity of the Bank is corporate and private banking and Money Market operations. The Bank is subject to 35% corporate tax for activities with residents and non residents. The Bank's registered address is 18, avenue des Etats Unis d'Amerique P.O. Box 81 – Le Belvedere 1002, Tunis, Tunisia.

TIB is a subsidiary of Burgan Bank (Kuwait), member of KIPCO Group (Kuwait).

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention, except for financial assets classified at fair value through profit or loss, fair value through other comprehensive income and financial assets measured at amortized cost.

The consolidated financial statements have been presented in US Dollars being the functional currency of the Bank.

2.2. Principles of consolidation

TIB has an associated company located in Algeria. For the preparation of the consolidated financial statement of the Bank, TIB has consolidated its shares in AGB using equity method.
The associated company included in the consolidated financial statements of TIB is the following:

Name of associated company	Country	Year of incorporation
Algeria Gulf Bank	Algeria	2003

An associated company is one in which the Bank exercises significant influence (but not control) over its operations, generally accompanying, directly or indirectly, a shareholding of between 20% and 50% of the equity share capital.
Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Bank's share of net assets of the investee. The Bank recognises in the consolidated statement of income its share of the total recognised profit or loss of the associate from the date that influence or ownership effectively commences until the date that it effectively ceases.

Distributions received from an associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Bank's share in the associate arising from changes in its equity that have not been recognised in the associate's profit or loss. The Bank's share of those changes is recognised directly in equity.

Whenever impairment requirements of IAS 36 indicate that investment in an associate may be impaired, the entire carrying amount of the investment is tested by comparing its recoverable amount with its carrying value. Goodwill is included in the carrying amount of an investment in an associate and, therefore, is not separately tested for impairment.

Unrealised gains on transactions with an associate are eliminated to the extent of the Bank's share in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred. An assessment of an associate is performed when there is an indication that the asset has been impaired, or that impairment losses recognised in prior years no longer exist.

2.3. Significant accounting judgments and estimates

In the process of applying the Bank's accounting policies, management has used its judgment and made estimates in determining the amounts recognised in the consolidated financial statements. The most significant use of judgment and estimates are as follows:

Impairment allowances on loans and advances

The Bank reviews its non performing portfolio at each reporting date to assess whether an allowance for impairment should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances, the Bank also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a collectively risk of default, based on historical experience, from the existing overall credit portfolio over its remaining life. In determining the level of collective allowances, management also refers to the composition of the portfolio, industry, collateral values, significant increase in credit risk, rating model, macro-economic variables and the Tunisian Central Bank requirements.

2.4. Change in the consolidated financial statement disclosure

The expected Credit Loss as per IFRS9 is deducted from each related balance sheet heading to reflect the net amounts.
The main effects resulting from ECL allocation are shown under the below table:

Balance sheet heading	2020	ECL allocation	2020 Amended
Bank demand and call deposits	58 978 761	(304)	58 978 457
Time deposits	215 685 448	(72 939)	215 612 509
Financial assets measured at amortized cost	42 418 019	(172 998)	42 245 021
Loans and advances, net	151 471 540	411 390	151 882 930
Accrued interest and other liabilities	17 356 763	165 149	17 521 912

2.5. Summary of significant accounting policies

(a) Foreign currency translation

Translation of foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in the consolidated income statement. Income and expenses items incurred in foreign currencies are translated, into the functional currency monthly using the functional currency rate of exchange prevailing at that date.

Translation of financial statements of foreign operations

Assets and liabilities of foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at average exchange rates for the relevant period. All resulting exchange differences are taken directly to a ***foreign currency translation reserve*** the consolidated statement of changes in equity table.

(b) Financial Instruments

Recognition

A financial asset or a financial liability is recognised when the Bank becomes a party to the contractual provisions of the instrument. All regular way purchase and sale of financial assets are recognised using settlement date accounting. Changes in fair value between the trade date and settlement date are recognised in the consolidated statement of income or in other comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

Classification and measurement

Initial classification and measurement of financial instruments

The classification of financial instruments at initial recognition depends on the business model for managing the instruments and on their contractual cash flow charateristics. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

The expected frequency, value and timing of sales are also important aspects of the Bank’s assessment.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank’s original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Contractual cashflow characteristics

The Bank also assesses the characteristics of the contractual cashflow of the financial asset to identify whether the contractual cashflow is Solely for purpose of Payment of Principal and Interest (SPPI test).

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of ‘interest’ within a lending arrangement are typically the consideration for the time value of money and credit risk. The Bank also considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set during its assessment of the SPPI test.

The Bank reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Subsequent classification and measurement categories of financial assets

The Bank classifies all of its financial assets as either:

- Financial asset carried at amortised cost;
- Financial asset at fair value through other comprehensive income (FVOCI);
- Financial asset at fair value through profit or loss (FVTPL).

Financial asset carried at amortised cost:

A financial asset is carried at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, impairment and gain or loss on derecognition is recognised in the consolidated statement of income.

Cash and cash equivalents, Treasury bills and bonds with CBT and others, due from banks and other financial institutions, loans and advances to customers, certain investment securities and certain other assets are classified as financial asset carried at amortised cost.

Financial asset at fair value through other comprehensive income:

****)Debt instruments carried at FVOCI***

A debt instrument is carried at FVOCI if it meets both of the following conditions:

- It is held within a business model whose objectives are both to hold asset to collect contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments carried at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and gain or loss on derecognition is recognised in consolidated statement of income in the same manner as financial assets carried at amortised cost.

*****)Equity instruments carried at FVOCI***

Upon initial recognition, the Bank may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under "IAS 32 Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Equity instruments carried at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and is not recycled to consolidated statement of income on derecognition.

Dividend income on equity instruments carried at FVOCI is recognised in consolidated statement of income, when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Financial assets carried at FVTPL:

Financial assets carried at FVTPL is initially recorded in the consolidated statement of financial position at fair value. The financial assets classified under this category are either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Management designates an instrument as financial asset carried at FVTPL where even though it meets the classification criteria of financial asset carried at amortised cost or financial asset carried at FVOCI, this designation eliminates, or significantly reduces, the inconsistent accounting treatment that would otherwise arise. Such designation is determined on an instrument-by instrument basis.

Financial assets carried at FVTPL are subsequently measured at fair value. The changes in fair value are recorded in the consolidated statement of income. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income using the effective interest rate method, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVTPL is recorded in the consolidated statement of income as other operating income when the right to the payment has been established.

Subsequent classification and measurement categories of financial liabilities

Financial liabilities, other than financial guarantees and loan commitments, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

Due to banks, due to other financial institutions, deposits from customers, other borrowed fund and certain other liabilities are classified as financial liabilities carried at amortised cost.

Financial guarantees and loan commitments

In the ordinary course of business, the Bank issues financial guarantees, consisting of letters of credit, guarantees and acceptances.

Financial guarantees are initially recognised as off balance sheet at fair value. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the amount initially recognised less cumulative amortisation recognised in the consolidated statement of income, which is the higher of ECL under IFRS 9 and provision required by the Central Bank of Tunisia instructions.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer.

Similar to financial guarantee contracts, under IAS 39, a provision was made if they were an onerous contract and the higher of ECL under IFRS 9 and provision required by the Central Bank of Tunisia instructions.

De-recognition

****)De-recognition of financial assets and financial liabilities other than substantial modification of terms and conditions***

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired, or
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Bank continues to recognise the transferred asset to the extent of the Bank's continuing involvement. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

****)De-recognition of financial assets due to substantial modification of terms and conditions***

The Bank de-recognises a financial asset, such as loans and advances to customers, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit-impaired (POCI).

When assessing whether or not to de-recognise a financing receivable, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in de-recognition. Based on the change in cash flows discounted at original effective interest rate, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Fair value measurement

The Bank measures financial instruments, such as, derivatives, investment securities etc., at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Bank.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes. For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) Impairment of financial assets

The Bank records impairment of financial assets as the higher of expected credit loss "ECL" computed under IFRS 9 or the provisions as required by Central Bank of Tunisia instructions. Financial assets consists of loans and advances to customers, non-cash credit facilities, investment in debt securities measured at amortised cost or FVOCI and on balances and deposits with banks. Equity investments are not subject to ECL.

Expected credit losses under IFRS 9

The Bank performs an assessment at the end of each reporting period of whether there has been a significant increase in credit risk since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- The contractual cash flows that are due to the Bank under the contract; and
- The cash flows that the Bank expects to receive, discounted at the effective profit rate of the financing facility.

The Bank applies a three-stage approach to classify and measure the ECL on the financial assets classified as credit facilities, as described below:

Stage 1: 12-month ECL

For financial assets classified as credit faclities where there has not been any significant increase in credit risk since their initial recognition or those credit faclities which are determined to have a low credit risk at the reporting date, the Bank classifies these facilities under Stage 1 and measures the loss allowance which is a result of defaults that are expected to arise over the next 12 months (12-month ECL) on these financial assets.

Stage 2: Lifetime ECL – not credit impaired

For financial assets classified as credit faclities where there has been a significant increase in credit risk since initial recognition but are not credit impaired, the Bank classifies these facilities under Stage 2 and measures loss allowance which is a result of defaults that are expected to arise over the lifetime (Lifetime ECL) on these financial assets.

Stage 3: Lifetime ECL – credit impaired
For financial assets classified as credit faclities which are in default and credit impaired, the Bank classifies these facilities under Stage 3 and measures loss allowance at an amount equal to 100% of net exposure i.e. exposure after deduction of eligible collaterals.

Staging of credit facilities

The Bank continuously monitors all financial assets classified as credit facilities and applies a series of absolute thresholds and other criteria to determine the staging. All financial assets classified as credit facilities that are more than 30 days past due are deemed to have significant increase in credit risk since initial recognition and are classified under Stage 2. All rescheduled credit facilities are classified under the Stage 2 unless it qualifies for Stage 3. The Bank also applies other criteria to determine a significant increase in credit risk for financial assets, such as:

- Deterioration in the customer rating of the borrower indicating default;
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral;
- A material deterioration in the customer's financial position in the opinion of the Bank causing concerns on the repayment ability;
- A material covenant breach in a committed facility;
- Filing for bankruptcy or liquidation;
- Downgrade in the facility's credit rating by 2 grades.

The transfer of credit facility from Stage 2 to Stage 1 is made after a curing period of 12 months from the satisfaction of all conditions that triggered classification of the credit facility to Stage 2.

Definition of default

The Bank considers a financial asset to be in default and therefore Stage 3 (credit impaired) when:

- The borrower is past due for more than 90 days on its credit obligation to the Bank;
- The borrower is facing significant financial difficulty;
- The borrower is assessed as credit impaired based on internal qualitative and quantitative assessment;
- Other indicators such as breach of covenants, customer being deceased etc;

The Bank assess whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Measurement of ECLs

ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. Cash shortfall represent the difference between cashflows due to the Bank in accordance with the contract and the cashflows that the Bank expects to receive. The key elements in the measurement of ECL includes exposure at default, probability of default and loss given default.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities, repayments of principal and interest, whether scheduled by contract or otherwise.

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. Through-The-Cycle PD (TTC PD) are generated from the rating tool based on internal / external credit ratings. The Bank converts the TTC PD to Point In Time (PIT) PD term structure using appropriate models and techniques.

The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any eligible collateral after hair-cuts.

Incorporation of forward looking information

The Bank incorporates forward-looking economic inputs that are relevant to the region in which the Bank is located, for both its assessment of significant increase in credit risk and its measurement of ECL. Qualitative overlays are made as and when necessary to correctly reflect the impact of the movement in the relevant economy on the Bank. Incorporating forward-looking information based on a three probability-weighted scenarios increases the degree of judgement required. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

(d) End of service benefits

Provision is made under the Tunisian Labour Law, employee contracts and the Bank internal procedure. This liability, which is unfunded, represents the amount payable to each employee and is a reliable approximation of the present value of the obligation as at the reporting date.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and those balances of the demand and call deposits with banks including Central Banks and financial institutions.

(f) Offsetting

Consolidated financial assets and consolidated financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(g) Interest income and expenses

The Bank recognises interest income and expenses on an accrual basis. The Bank does not recognise interest income on loans or other income earning assets which are classified as non-performing.

Loans and other income earning assets are classified as non-performing when these are classified as doubtful or loss, respectively class 2, 3 and 4 following the regulations issued by Central Bank of Tunisia, or when in the opinion of management, collection of interest and/or principal is doubtful.

When a loan is classified as non-performing, any interest income previously recognised but not yet collected is reversed. Interest on non-performing loans and other income earning assets under Central Bank of Tunisia guidelines is recognised in the consolidated statement of income only to the extent of cash received.

(h) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Expenditures which extend the future useful life of assets or provide further economic benefits are capitalised and depreciated. Fixed assets are depreciated using the straight line method over their estimated useful life.

3. BANK DEMAND AND CALL DEPOSITS

	2021	2020
Cash	679 760	802 786
Due from Banks	104 499 191	58 175 975
Less: Expected credit losses	(531)	(304)
	105 178 420	**58 978 457**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality	79 689 217			**79 689 217**
Standard quality	24 809 974			**24 809 974**
Past due but not impaired				**-**
Impaired Facilties				**-**
Total	**104 499 191**	**-**	**-**	**104 499 191**

31 December 2020	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality	44 374 454			**44 374 454**
Standard quality	13 801 521			**13 801 521**
Past due but not impaired				**-**
Impaired Facilties				**-**

Total	**58 175 975**	**-**	**-**	**58 175 975**

31 December 2021	*Stage 1 USD*	*Stage 2 USD*	*Stage 3 USD*	*Total USD*
Opening ECL allowance	**304**			**304**
Impact due to transfer between stages				**-**
ECL allowance for the year	227			**227**
Amounts written off				**-**
Foreign exchange adjustments				**-**
Closing ECL allowance	**531**	**-**	**-**	**531**

4. TIME DEPOSITS

	2021	2020
Up to 3 months	124 356 104	195 685 448
From 3 months to 1 year	10 000 000	20 000 000
Less: Expected credit losses	(121 680)	(72 939)
	134 234 424	**215 612 509**

31 December 2021	*Stage 1 USD*	*Stage 2 USD*	*Stage 3 USD*	*Total USD*
Internal rating grade				
High quality	15 000 000			**15 000 000**
Standard quality	119 356 104			**119 356 104**
Past due but not impaired				**-**
Impaired Facilties				**-**
Total	**134 356 104**	**-**	**-**	**134 356 104**

31 December 2020	*Stage 1 USD*	*Stage 2 USD*	*Stage 3 USD*	*Total USD*
Internal rating grade				
High quality	44 813 600			**44 813 600**
Standard quality	170 871 848			**170 871 848**
Past due but not impaired				**-**
Impaired Facilties				**-**

Total	**215 685 448**	**-**	**-**	**215 685 448**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Opening ECL allowance	**72 939**			**72 939**
Impact due to transfer between stages				-
ECL allowance for the year	48 741			**48 741**
Amounts written off				-
Foreign exchange adjustments				-
Closing ECL allowance	**121 680**	**-**	**-**	**121 680**

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

A - By nature	**2021**	**2020**
Listed securities	3 174 691	13 264 342
Unlisted securities	27 535 647	20 112 659
	30 710 338	**33 377 001**

B - By currency	**2021**	**2020**
US Dollars	12 101 270	22 160 607
Pound Sterling	8 782 150	763 425
Tunisian Dinars	3 697 530	3 995 621
Bahrain Dinars	3 133 302	3 135 797
Kuwaiti Dinars	2 995 451	3 320 916
Jordanian Dinars	635	635
	30 710 338	**33 377 001**

6. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

A - By nature	**2021**	**2020**
Government bonds and debt securities	39 622 191	26 526 771
Other bonds and debts securities	17 289 316	15 891 248
Less: Expected credit losses	(409 259)	(172 998)

	2021	2020
	56 502 248	**42 245 021**

B - By currency

	2021	2020
USD	40 200 432	28 932 573
EUR	16 711 075	8 554 804
KWD	-	4 930 642
Less: Expected credit losses	(409 259)	(172 998)
	56 502 248	**42 245 021**

C - By maturity

	2021	2020
Up to 3 months	-	2 000 453
From 3 months to 1 year	4 981 090	4 930 642
Over 1 year	51 930 417	35 486 924
Less: Expected credit losses	(409 259)	(172 998)
	56 502 249	**42 245 021**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality				**-**
Standard quality	46 239 799	10 671 708		**56 911 507**
Past due but not impaired				**-**
Impaired Facilties				**-**
Total	**46 239 799**	**10 671 708**	**-**	**56 911 507**

31 December 2020	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality	3 000 000			**3 000 000**
Standard quality	39 418 019			**39 418 019**
Past due but not impaired				**-**
Impaired Facilties				**-**

Total	**42 418 019**	**-**	**-**	**42 418 019**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Opening ECL allowance	**172 998**			**172 998**
Impact due to transfer between stages	(54 707)	54 707		-
ECL allowance for the year	160 419	75 842		**236 261**
Amounts written off				-
Foreign exchange adjustments				-
Closing ECL allowance	**278 710**	**130 549**	**-**	**409 259**

7. INVESTMENTS IN ASSOCIATED COMPANIES

The Bank has a participation in Algeria Gulf Bank (AGB), a Bank incorporated in Algeria. The shares of AGB are not listed in any public exchange.

Summarised financial information of AGB is set out below:

	2021	**2020**
Total assets	2 218 992 068	2 023 460 323
Total liabilities	(1 956 672 735)	(1 781 655 158)
Net assets	**262 319 333**	**241 805 165**
Revenues	**134 275 611**	**151 563 691**
Profit for the year	**36 071 433**	**36 166 563**

8. LOANS AND ADVANCES, NET

	2021	**2020**
Bank and financial institutions	114 454 735	123 037 562
Corporate businesses, private and others	32 414 573	33 614 094
	146 869 308	**156 651 656**

Allowances for loan losses	(4 804 322)	(4 768 726)
	142 064 986	**151 882 930**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality	3 355 418			**3 355 418**
Standard quality	122 157 057	16 904 682		**139 061 739**
Past due but not impaired				**-**
Impaired Facilties			4 452 151	**4 452 151**
Total	**125 512 475**	**16 904 682**	**4 452 151**	**146 869 308**

31 December 2020	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Internal rating grade				
High quality	4 931 396			**4 931 396**
Standard quality	146 581 966	686 144		**147 268 110**
Past due but not impaired				**-**
Impaired Facilties			4 452 151	**4 452 151**
Total	**151 513 362**	**686 144**	**4 452 151**	**156 651 657**

31 December 2021	***Stage 1 USD***	***Stage 2 USD***	***Stage 3 USD***	***Total USD***
Opening ECL allowance	**752 093**	**637**	**4 015 996**	**4 768 726**
Impact due to transfer between stages				**-**
ECL allowance for the year	(247 722)	123 318	160 000	**35 596**
Amounts written off				**-**
Foreign exchange adjustments				**-**
Closing ECL allowance	**504 371**	**123 955**	**4 175 996**	**4 804 322**

8.1 Geographical analysis

	2021	**2020**
Middle East/Africa	142 064 986	151 882 930
	142 064 986	**151 882 930**

8.2 Maturity analysis

	2021	2020
Up to 3 months	17 141 609	17 100 664
From 3 months to 1 year	66 766 584	60 940 858
Over 1 year	58 156 793	73 841 408
	142 064 986	**151 882 930**

8.3 Allowances for loan losses

	2021	2020
Specific provision	4 175 996	4 015 996
General provision	628 326	752 730
	4 804 322	**4 768 726**

The movements of allowance for loan losses are as follows:

	Specific allowance	General allowance	Total
Balance at 31 December 2020	**4 015 996**	**752 730**	**4 768 726**
Allowances of the year	160 000	-	160 000
Reclassification	-	(124 404)	(124 404)
Balance at 31 December 2021	**4 175 996**	**628 326**	**4 804 322**

In line with Central Bank instruction addressed to all banks in order to build up collective provision to cover potential risks arising from the ongoing, local as well as international, economic and financial environment. TIB has made a collective provision allocation amounting to 628 KUS$. This amount has been calculated using, the maximum between, the model indicated in the CBT circular N°2012-02 of January 11th, 2012 followed by the circular N°2012-8 of March 2nd, 2012, the circular N°2012-20 of December 6th, 2012 and the circular N°2021-01 of January 11th, 2021 and ECL as per IFRS9.

8.4 Non-performing loans

	Loans and advances	Interest suspended	Provisions	Collateral against NPL
Bank and financial institutions	3 951 458	179 112	3 675 303	-
Corporate businesses, private and others	500 693	-	500 693	500 693
	4 452 150	**179 112**	**4 175 996**	**500 693**

9. ACCRUED INTEREST AND OTHER ASSETS

	2021	2020
Accrued interest receivable	2 236 090	2 152 441
Prepayments	2 191 840	868 265
Deferred tax assets	1 696 294	1 736 710
	6 124 224	**4 757 416**

10. PROPERTY AND EQUIPMENT

	Net value 2021	Net value 2020
Land	700 000	700 000
Building	376 777	478 157
Office furniture and other fixed assets	623 742	841 054
Total net	**1 700 519**	**2 019 211**

11. DEPOSITS FROM BANKS AND FINANCIAL INSTITUTIONS

	2021	2020
Repayable on demand	106 091	83 917
Up to 3 months	155 994 791	144 170 073
From 3 months to 1 year	11 331 000	24 534 000

	167 431 882	**168 787 990**

12. DEPOSITS FROM CUSTOMERS

	2021	2020
Up to 3 months	182 384 177	214 412 604
From 3 months to 1 year	8 313 265	11 018 651
Over 1 year	500 000	-
	191 197 442	**225 431 255**

13. ACCRUED INTEREST AND OTHER LIABILITIES

	2021	2020
Accrued interest payable	79 494	62 488
Provision for non-cash credit facilities	4 324	165 149
Waiting for settlement	1 222 067	1 644 654
Accrued expenses	4 883 430	3 145 740
Retirement benefits provision	4 463 931	4 570 288
Deferred tax liabilities	1 236 722	1 408 805
Other liabilities	7 284 825	6 524 788
	19 174 793	**17 521 912**

14. SHAREHOLDERS' EQUITY

		2021	2020
Share capital		50 000 000	50 000 000
Reserves	(a)	32 771 380	32 215 226
Foreign currency translation reserve	(b)	(37 455 245)	(33 754 418)
Retained earnings		124 994 271	113 919 878

Part of reserve in associated company	*64 579 323*	*54 695 707*
Net profit of the period	16 357 761	16 592 356
	186 668 167	**178 973 042**

a- Reserves are detailed as follows :

	2021	**2020**
Statutory Reserves	7 556 427	7 556 427
General reserve	22 658 734	21 658 734
Revaluation reserve	1 000 000	1 000 000
Fair value Reserve	1 556 219	2 000 065
	32 771 380	**32 215 226**

b- The foreign currency translation reserve represents the net foreign exchange gain (loss) arising from translating the financial statements of the associated companies from their functional currencies into United States Dollars.

15. Interest income

	2021	**2020**
Interest on interbank placements	1 910 461	1 868 889
Interest on loans and advances	5 512 812	5 609 778
	7 423 273	**7 478 667**

16. Other income

	2021	**2020**
Investment income (16.1)	3 475 293	3 753 569
Foreign exchange	2 003 048	2 354 227
Fees and commissions	3 159 272	2 708 876
	8 637 613	**8 816 672**

16.1 Investment income

	2021
Interest on financial assets at amortized cost	2 571 058
Dividends from financial assets at fair value through OCI	1 010 782
Losses on financial assets designated at fair value through P&L	-7 530
Investment fees	-99 017
	3 475 293

17. INTEREST EXPENSES

	2021	2020
Interest expenses on deposits and collaterals	103 546	144 716
Interest expenses on interbank deposits	1 054 213	1 203 773
	1 157 759	**1 348 489**

18. SALARIES AND BENEFITS

	2021	2020
Wages and salaries	3 069 367	2 833 294
Social security costs	692 866	577 610
Pension costs	160 000	300 000
Other	9 012	6 750
	3 931 245	**3 717 654**

19. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Depreciation	416 513	393 258
Premises costs	301 798	298 656
IT costs	304 022	309 356
Communication	255 936	250 948
Marketing & Advertising costs	63 111	59 022

Government donation COVID-19	-	1 382 890
Board fees	273 000	213 000
Tax	26 232	21 744
Administration costs	1 562 123	1 097 541
	3 202 735	**4 026 415**

20. EARNINGS PER SHARE

	2021	**2020**
Net profit attributable to ordinary equity holders	16 357 761	16 592 356
Weighted average number of ordinary shares	5 000 000	5 000 000
Basic earnings per share	**3,27**	**3,32**

21. COMMITMENTS AND CONTINGENCIES

	2021	**2020**
Forward exchange contracts purchases	7 465 398	12 027 532
Forward exchange contracts sales	7 457 325	11 989 544
Letters of credit, guarantees and acceptances	9 322 119	11 124 742
	24 244 842	**35 141 818**

22. FAIR VALUE HIERARCHY

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

• **Level 1** – Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

• **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

• **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

	Level 1	Level 2	Level 3	TOTAL
Financial assets designated at FV through P&L				
Equity Securities	856 466	-	-	**856 466**
Debt Securities	-	-	-	**-**
Financial assets at fair value through OCI				
Equity Securities	3 174 691	27 535 647	-	**30 710 338**
Debt Securities	-	-	-	**-**
Financial assets measured at amortized cost				
Equity Securities	-	-	-	**-**
Debt Securities	56 502 248	-	-	**56 502 248**
Investments in associated companies				
Equity Securities	-	87 100 659	-	**87 100 659**
Debt Securities	-	-	-	**-**
	60 533 405	**114 636 306**	**-**	**175 169 711**

23. INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments.

The Bank's interest sensitivity position is based on maturity dates and contractual repricing arrangements. As at **31 December 2021** it was as follows:

	Up to 3 months	3 month to 1 year	Over 1 year	Non interest bearing items	TOTAL

Bank demand and call deposits	104 498 660	-	-	679 759	**105 178 420**
Time deposits	124 234 424	10 000 000	-	-	**134 234 424**
Financial assets designated at fair value through P&L	-	-	-	856 466	**856 466**
Financial assets at fair value through other comprehensive income	-	-	-	30 710 338	**30 710 338**
Financial assets measured at amortized cost	-	4 981 090	51 521 158	-	**56 502 248**
Investments in associated companies	-	-	-	87 100 659	**87 100 659**
Loans and advances, net	17 141 609	66 766 584	58 156 793	-	**142 064 986**
Accrued interest and other assets	-	-	-	6 124 224	**6 124 224**
Property and equipment	-	-	-	1 700 519	**1 700 519**
Total assets	**245 874 693**	**81 747 674**	**109 677 951**	**127 171 965**	**564 472 284**
Deposits from Banks and financial institutions	156 100 882	11 331 000	-	-	**167 431 882**
Deposits from customers	182 384 177	8 313 265	500 000	-	**191 197 442**
Accrued interest and other liabilities	-	-	-	19 174 793	**19 174 793**
Shareholders' equity	-	-	-	186 668 167	**186 668 167**
Total liabilities and shareholders' equity	**338 485 059**	**19 644 265**	**500 000**	**205 842 960**	**564 472 284**

Currency wise interest rates are as follows:

	2021	**2020**
US Dollars	%	%
Assets	0.03 - 10.50	0.02 - 10.50
Liabilities	0.06 – 2.15	0.06 – 2.95
Kuwaiti Dinars		
Assets	–	–
Liabilities	1.63 – 2.63	2.63 – 3.25

Tunisian Dinars		
Assets	6.43 – 8.75	7.10 – 14.00
Liabilities	2.00 - 8.00	3.00 - 10.50
Euros		
Assets	0.10 - 6.35	0.10 - 6.35
Liabilities	0.03 - 0.65	0.02 - 1.25
British Pounds		
Assets	–	–
Liabilities	0.15 – 0.55	0.25 – 0.25

24. CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank considers the US Dollar as its functional currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.
The Bank had the following net exposures denominated in foreign currencies as of 31 December 2021:

	2021 - 000'USD	
	Long position	**Short position**
Euros	-	-393
Tunisian Dinar	652	-
Saudi Riyals	46	-
Canadian Dollar	-	-1
Kuwaiti Dinar	-	-13
Bahraini Dinar	-	-81
Libyan Dinar	6	-
Algerian Dinar	4	-
Swiss Francs	-	-3
Arab Emirate Dirham	3	-
Japanese Yen	59	-
Pound Sterling	1	-
Other	5	-
	776	**-491**

25. LIQUIDITY RISK

The maturity profile of the assets and liabilities at **31 December 2021** was as follows:

	Up to 3 months	**3 month to 1 year**	**1 year to 5 years**	**Undated**	**TOTAL**
Bank demand and call deposits	105 178 420	-	-	-	**105 178 420**

Time deposits	124 234 424	10 000 000	-	-	**134 234 424**
Financial assets designated at fair value through P&L	856 466	-	-	-	**856 466**
Financial assets at fair value through other comprehensive income	-	-	-	30 710 338	**30 710 338**
Financial assets measured at amortized cost	-	4 981 090	51 521 158	-	**56 502 248**
Investments in associated companies	-	-	-	87 100 659	**87 100 659**
Loans and advances, net	17 141 609	66 766 584	58 156 793	-	**142 064 986**
Accrued interest and other assets	-	-	-	6 124 224	**6 124 224**
Property and equipment	-	-	-	1 700 519	**1 700 519**
Total assets	**247 410 918**	**81 747 674**	**109 677 951**	**125 635 740**	**564 472 284**
Deposits from Banks and financial institutions	156 100 882	11 331 000	-	-	**167 431 882**
Deposits from customers	182 384 177	8 313 265	500 000	-	**191 197 442**
Accrued interest and other liabilities	-	-	-	19 174 793	**19 174 793**
Shareholders' equity	-	-	-	186 668 167	**186 668 167**
Total liabilities and shareholders' equity	**338 485 059**	**19 644 265**	**500 000**	**205 842 960**	**564 472 284**

26. RELATED PARTY BALANCES & TRANSACTIONS

	December 2021				
Assets	**Major shareholder "BB"**	**Associated companies "AGB"**	**Key management**	**Others Related Parties**	**Total**

Bank demand and call deposits	5 088 753	-	-	315 677	5 404 430
Time deposits	-	-	-	52 951 490	52 951 490
Financial assets designated at fair value through P&L	-	-	-	232 807	232 807
Financial assets at fair value through other comprehensive income	-	-	-	1 206 383	1 206 383
Financial assets measured at amortized cost	-	-	-	3 000 000	3 000 000
Investment managed by a related party	-	-	-	277 909	277 909
Investments in Associated Companies	-	87 100 659	-	-	87 100 659
Loans and advances, net	-	221	1 782 760	5 000 000	6 782 981
Accrued Interest receivable	-	-	12 578	248 081	260 659
	5 088 753	**87 100 880**	**1 795 338**	**63 232 346**	**157 217 317**
Liabilities					
Deposits from Banks and financial institutions	17 799 795	22	-	35 616 788	53 416 605
Deposits from customers	-	-	269	8 162	8 430
Accrued Interest payable	6 133	-	-	5 744	11 877
	17 805 928	**22**	**269**	**35 630 693**	**53 436 912**

December 2021

Income Statement	**Major shareholder "BB"**	**Associated companies "AGB"**	**Key management**	**Others Related Parties**	**Total**
Interest Income	-	-	31 614	1 541 114	1 572 728
Other Income, net	-	10 821 430	-	152 738	10 974 168
Interest Expense	-207 449	-	-	-121 696	-329 145
General & Administrative expenses	-	-	-	-590 000	-590 000
	-207 449	**10 821 430**	**31 614**	**982 156**	**11 627 751**

Key management compensation

Remuneration paid or accrued in relation to key management, including Directors and other Senior Officers was as follows:

	2021	**2020**
Short term employee benefits - including salary & bonus	917 244	686 273
Accrual for end of services indemnity	48 721	34 000
	965 965	**720 273**

27. SEGMENTAL INFORMATION

	2021	2020
Assets		
North America	44 985 195	41 294 349
Europe	63 546 658	83 815 396
Middle East/ Africa	455 940 431	465 604 454
	564 472 284	**590 714 199**
Liabilities		
Europe	33 331 000	49 534 000
Middle East/ Africa	344 473 117	362 207 157
	377 804 117	**411 741 157**

	2021	2020
Investment Income		
Middle East/ Africa	2 530 411	2 768 825
North America	627 387	524 214
Europe	317 495	460 530
	3 475 293	**3 753 569**
Interest Income		
Europe	632 747	827 681
Middle East/ Africa	6 790 526	6 650 986
	7 423 273	**7 478 667**
Other Income		
Middle East/ Africa	5 162 320	5 063 104
	5 162 320	**5 063 104**

28. CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank manages credit risk by setting limits for individual counterparties, and groups of counterparties and for geographical and industry segments. The Bank also monitors credit exposures, and continually assesses the creditworthiness of counterparties. In addition, the Bank obtains security where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.
For details of the composition of the assets by geographic segment refer to note 27.
Credit risk in respect of derivative financial instruments is limited to those with positive fair values.

29. CONCENTRATIONS

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.
The distribution of assets and liabilities by geographic region is disclosed in note 27.

30. MARKET RISK

Market risk is defined as the risk of loss in the value of on or off balance sheet financial instruments caused by a change in market.

Independent Auditor's Report

To the Shareholders of Tunis International Bank,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tunis International Bank which comprise the consolidated balance sheet as at December 31st, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity for the year then ended, a summary of significant accounting policies and other explanatory information.
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tunis International Bank as at December 31st, 2021 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).
Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* sections of our report. We are independent of the Group in accordance with the requirements of the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Bank and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concerns basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Tunis, March 10th, 2022

Walid MOUSSA	**Foued AMIRI**
S.C.M.G	**ARC**