

NATIONAL AGRICULTURAL BANK

ANNUAL REPORT 2009



B.N.A.: l'alliée de votre réussite

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GENERAL PRESENTATION OF THE NATIONAL AGRICULTURAL BANK

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GENERAL PRESENTATION OF THE NATIONAL AGRICULTURAL BANK

Denomination :	NATIONAL AGRICULTURAL BANK
Juridical shape :	A Public Limited Company with Governing and General Directorate
Nationality :	Tunisian
Registered Office :	Rue Hédi Nouria 1001 Tunis
Telephone :	(00 216) 71 831 000 / (00 216) 71 831 200
Telex :	NABATTU 14 130 / BANATU 15 436 / DIRBNA 13 220
Swift number :	BNTETNTT
Website address :	www.bna.com.tn
Constituting date :	June 1, 1959
Duration :	99 years
Trade register :	B142431996 TUNIS
Fiscal number :	000 123 LAM 000
Registered capital :	160,000,000 Tunisian Dinars
Period :	From The 1 st Of January To December the 31 th Of each year
Purpose :	Banking Activity
Fiscal system :	Common Law.

BOARD OF DIRECTORS

■ BOARD OF DIRECTORS

Chairman : Mr. Moncef Dakhli

Members :

- The Ministry Of Finance
represented by Mr. Maher Zouari and Mr. Ismail Hamadi.
- The Ministry Of Development And International Cooperation
represented by Mr. Lotfi Frady.
- The Ministry Of The Agriculture And Of The Hydraulic Resources
represented by Mr. Ali Aydi.
- The « Office des Céréales »
represented by Mr. Youssef Neji.
- The « Caisse Nationale de Sécurité Sociale »
represented by Mr. Khalil Belhaouen.
- The « Office du Commerce de la Tunisie »
represented by Mr. Slaheddine Makhloufi.
- The « Caisse Tunisienne des Assurances Mutuelles Agricoles »
represented by Mr. Mansour Nasri.
- Mr. Sahbi Mahjoub.
- Mr. Ali El Hlioui.
- Mr. Mustapha Lahmar.

■ GOVERNMENT CONTROLLER

Mr. Mahmoud Montassar Mansour

■ INDEPENDANT AUDITORS

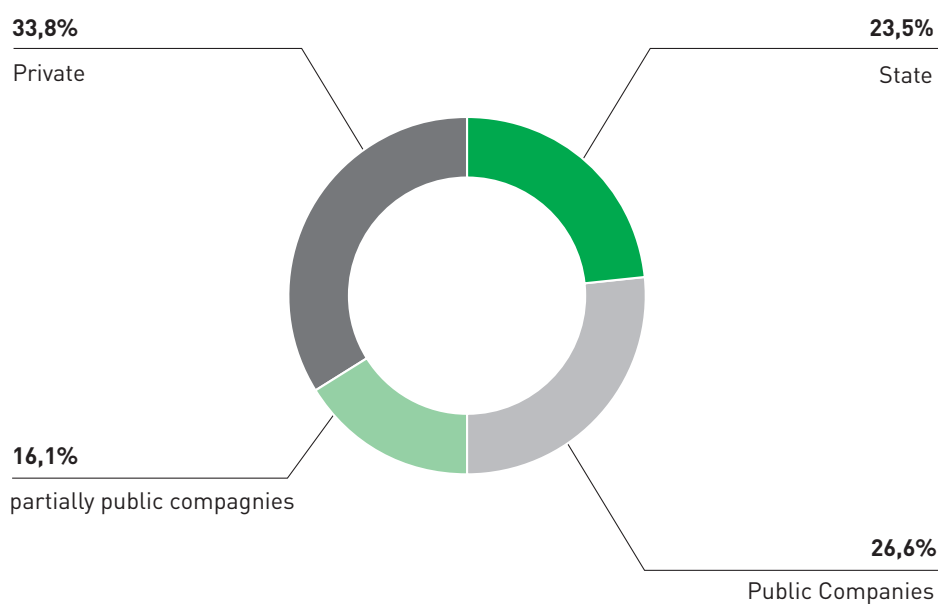
- « La Générale d'Audit et Conseil »
represented by Mr. Chiheb Ghanmi.
- « Commissariat, Management, Conseil »
represented by Mr. Cherif Ben Zina.

STRUCTURE OF CAPITAL AND VOTE ENTITLEMENT

■ STRUCTURE OF CAPITAL AND VOTE ENTITLEMENT

At the end of 2009 the allocation of registered capital and vote entitlement were as follows :

	Number of shares	Amount in TND	%
State	7,517,319	37,586,595	23,49
Public Companies	8,509,484	42,547,420	26,59
Partially Public Companies	5,143,467	25,717,335	16,08
Private	10,829,730	54,148,650	33,84
Total at Dec 31,2009	32,000,000	160,000,000	100,00



ACCESS CONDITIONS TO MEETING

■ ACCESS CONDITIONS TO MEETING

In accordance with article 40 of the status, only the shareholders whose have at least ten paid-up shares are entitled to take part in meeting after simple presentation of identity proof.

The shareholders whose have at least ten shares have the power to join together and choose one of the group to represent them. This operation require a signed mandate which can be gave to the mandatory or deposited at the head office of the Bank five days at least before the meeting.

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ECONOMIC SITUATION IN 2009

■ ECONOMIC SITUATION IN 2009

I / The International Economic Situation

At the international level, economic conditions in 2009 were marked by ongoing financial unrest, causing lower production and collapse of world trade. Tighter credit and a brutal drop in stock values along with loss of confidence among consumers and investors in most countries brought about the onset of recession in the economies of industrialized countries and slowing of growth in emerging countries. Starting the third quarter of 2009, an end to recession and economic recovery were made possible by better financial conditions and coordinated monetary and budgetary intervention. Governments and monetary authorities adopted diversified strategies, including expansionary monetary policies such as injection of liquidity and reduction of key interest rates at record lows, as well as discretionary plans for budgetary recovery that although meant to boost economic activity in fact led to increased public debt and higher budget deficits. In this context, real GDP around the world fell by 0.6% in 2009 after rising by 3.4% in 2008.

In the United States, credit tightened at a faster pace, financial assets depreciated and consumer confidence plummeted, bringing about the deepest recession since the great crash of the 1930s. Still, thanks to better economic conditions and growing activity in the third quarter of 2009, real GDP in the United States dropped by just 2.4% compared to 1.3% growth in 2008.

In the euro zone, GDP posted a drop of some 4.1% in 2009 after 0.7% growth in 2008. In effect, economic activity was affected by the extreme shock to financial systems, the collapse of confidence in the wake of sharp reduction in household consumer and corporate investment outlays, as well as the harmful repercussions of exposing the banking system to US financial assets.

In Japan, economic activity picked up starting the third quarter of 2009 thanks to renewed domestic demand and net exports, despite aggravation in the first half of the year of problems in the export sector due to appreciation of the yen on the one hand and tightening of credit on the other.

Emerging and developing countries were not immune to the drop in economic activity. In effect, it was only in the second half of 2009 that the process of economic recovery was clearly seen to be under way, thanks to budgetary recovery measures and expansionary monetary policies, a

return to capital inflows, and positive trends on stock and real estate markets. China in particular posted economic growth at some 8.7% in 2009 vs. 9% a year earlier, especially in the wake of measures undertaken to boost domestic demand.

In this framework, falling economic activity brought about net deterioration in conditions on the job market. The unemployment rate went up in the United States and the euro zone to 10% for 2009 vs. 5.8% and 8.2% respectively for 2008. In Japan, unemployment rose from 4.3% in 2008 to 5.1% in 2009.

On another front, after a long period of decreasing inflationary pressure, consumer prices went up in the main industrialised countries starting in November 2009. Inflation rates for 2009 as a whole came to -0.4% in the United States, 0.3% in the euro zone and -1.4% in Japan, vs. 3.8%, 3.3% and 1.4% respectively in 2008.

On international foreign exchange markets, the euro closed for the year 2009 at USD 1,4326 - 2.5% more than at the end of 2008, due to investor optimism about economic activity and the difference in interest rates between the United States and the euro zone. The yen depreciated against the dollar by 2.5% in 2009.

Stock indexes were up considerably by the end of 2009, in particular on European stock exchanges, after having posted record lows in March. Thanks to economic recovery and growing international demand as investor confidence and optimism returned, stock market indexes rose by 19% for the Dow Jones and the Nikkei, 22% for the CAC 40 and 44% for the Nasdaq.

II / The National Economic Situation

At the national level, despite repercussions from the world economic and financial crisis on production and foreign trade as well as tourism and air transport, Tunisia's economy continued to grow thanks to higher agricultural production and steady progress in service activities. Ongoing implementation of timely measures to help companies encountering difficulties along with adoption of appropriate monetary policy helped maintain overall balances and keep prices down. Thus the Tunisian economy posted a growth rate of 3.1% in 2009.

1 - Agriculture and fishing

The cereal harvest for the 2008-2009 agricultural year came to a record level of 25.3 million quintals (compared to 11.9 million the year before) for an increase of 113%. Imported quantities

ECONOMIC SITUATION IN 2009

for all varieties of cereals came to 2,314,000 tonnes worth 828 MD for 2009, a drop of 23.9% in terms of volume and 44.2% in terms of value compared to the previous year's figures.

In tree crops, production of olive oil fell to 160,000 tonnes for the 2008-2009 season, down from 200,000 tonnes the year before. Exports of olive oil for this campaign came to 142,000 tonnes worth 533 MD vs. 169,000 tonnes and 759 MD the previous season.

The date harvest came to 162,000 for the 2008-2009 season, compared to 145,000 tonnes the year before, an increase of 11.7%, leading to higher figures for exports in terms of both quantity and value.

Citrus production came to 297,000 tonnes for the 2008-2009 season, down from 300,000 tonnes the year before. This decrease was caused largely by a 27,000 tonne drop in production of Maltese oranges.

In the livestock sector, production of fresh milk rose by 3.7% to 1,048,000 tonnes in 2009 vs. 1,010,000 tonnes a year earlier.

In the field of fishing and aquaculture, production came to 90,000 tonnes in 2009 compared to 100,300 tonnes in 2008, a drop of 10.3%. Exports of seafood in 2009 were down by some 18.5% to 16,300 tonnes in terms of quantity and by 23.4% to 182 MD in terms of value.

2 - Industrial activity

The general index for industrial production fell by 4.9% in 2009, after going up by 3.2% the year before. This drop involved mainly mechanical/electrical industries (-19.6%) and textiles (-12.4%). Exports by the energy sector dipped by 35.3% in 2009 (after growing by 30% in 2008) and exports by the mining sector went down by 56% in 2009 (vs. 127% in 2008). Imports of raw materials and semi-finished products fell by 21% in 2009, after increasing by 30.2% the year before.

3- Tourism

The tourist sector fell slightly, mainly because of a drop in indicators on the number of foreign tourists and tourist bednights. 6.9 million foreign tourists visited Tunisia in 2009 (vs. more than 7 million the year before), posting a drop of 2.1%. This influenced the overall number of tourist bednights, which fell by 8.2% in 2009 after going up by 2% a year earlier. 2009 income from tourism in foreign currency grew by 2.1% in 2009 (vs. 10.2% in 2008) to some 3460 MD.

4 - Inflation

In the area of price trends, inflation posted an average of +3.7% in 2009 (down from 5% the year before), despite the appearance of some pressure on the prices of a number of products (especially food) in the closing months.

5 - External payments

The general balance of payments yielded a 2204 MD surplus in 2009, an increase of 151 MD because of a 596 MD decrease in the current deficit and a 305 MD reduction in the balance of capital and financial transactions. The drop in exports (-17.6%) was greater than that in imports (-15%), for a 2.4 percentage point decrease in the coverage rate to 75.8% in 2009. Remittances from Tunisians working abroad rose by 8% (+195 MD) to 2631 MD in 2009.

6 - Monetary and financial balance

Conditions in the financial system were marked in 2009 by slower growth in net claims abroad and loans to the economy, despite a higher level of net claims on the State. This situation mirrors trends in monetary aggregates, which also posted slower growth. Thus money supply M2 went up by 11.9% in 2009 vs. 14.5% in 2008, affected by slower growth in quasi money and faster growth in monetary availability. Net claims abroad rose by 1574 MD in 2009 vs. 1584 MD a year earlier, influenced mainly by the 1697 MD increase in net holdings in foreign currency. Loans to the economy by the financial system went up by 10.5% in 2009 (vs. 14% the year before) because of slower growth in the outstanding balance of loans from ordinary resources and a downward trend in the outstanding balance of loans from special resources and that of commercial paper. Net claims on the State went up by 775 MD in 2009 vs. 108 MD in 2008, leading to considerable recovery in the outstanding balance of banks' portfolio Treasury bonds (+468 MD in 2009). Trends in the dinar's exchange rate between 2008 and 2009 on average posted depreciation of 17.2% against the Japanese Yen, 8.8% against the US Dollar and 3.9% against the Euro.



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ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

2009, marked by celebration of the 50th anniversary of the national agricultural bank BNA, was a year of ongoing progress in the Bank's activity, in line with the strategic choices that form the basis of the 2009 - 2013 contract programme. These priorities target higher growth in the volume of business, a doubling of financial profitability (despite lower interest rates) and a change in the behaviour of a number of major institutional clients, notably in the area of financing needs.

Despite the difficult economic conditions that affected investment and foreign trade, loan policy was based on ongoing efforts to improve the quality of claims and to increase the Bank's market shares, particularly the number of private individuals and small/medium businesses, which could offset the drop in commitments by storage structures.

The Bank's efforts to mobilise client resources focused on development of sight deposits, especially by private parties. It sought to maintain prudent remuneration policy and to avoid raising rates, which is becoming increasingly risky.

Furthermore, the Bank undertook a capital increase and issued a subordinated loan. Prudential solvency and division of risk ratios improved considerably, providing the Bank with new possibilities for growth in its activities while also meeting the prudential norms dictated by monetary authorities.

In the area of banking operations, activity at BNA yielded a higher level of net banking proceeds, with assignment of allotments to provisions in amounts high enough to reach the national objective of covering risks, yielding net profits that were higher than the year before and confirming the Bank's profitability and solvency indicators.

As for organisation and support activities, 2009 was marked in particular by overhaul of the Bank's organisational chart, greater decentralisation, an improved internal audit system, deployment of the agency system and the commitments system (applications developed in-house), and conclusion of a market contract to establish a new hub for the information system. Progress in human resource management in 2009 involved mainly reducing the average age of employees through recruitment, opting for training in line with the new specialisations of banking, and redeployment of available staff according to the needs of the Bank's structures, taking into account departures on retirement and the growing network of bank branches.

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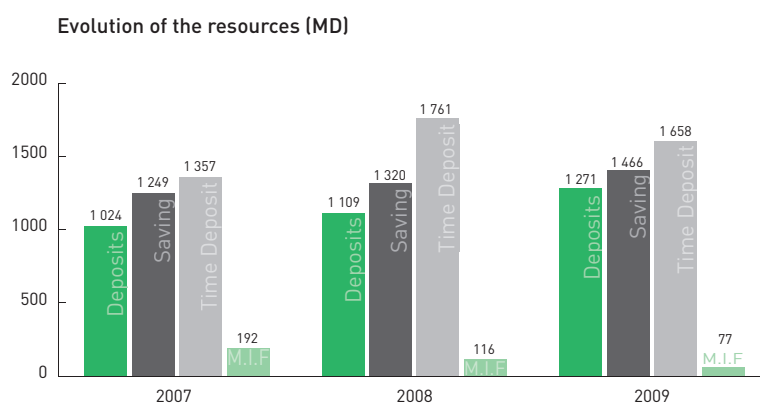
	2005	2006	2007	2008	2009
Balance Sheet structure					
Total Balance Sheet	4 176 423	4 509 522	5 050 653	5 577 447	5 648 461
Resources	3 276 323	3 520 110	3 821 367	4 306 281	4 473 105
Stockholder's Equity (before distribution of profits)	352 110	365 851	386 856	411 248	492 924
Provisions	202 750	215 819	284 095	344 760	403 504
Net commitments	4 083 793	4 518 020	5 249 766	5 632 037	5 424 479
Commitments by Disbursement	3 108 207	3 335 197	3 881 073	4 543 380	4 357 967
Surety Bonds	975 586	1 182 823	1 368 693	1 088 657	1 066 512
Operations Activities					
Turnover	269 826	307 188	340 524	391 739	396 409
Expense on banking operations	121 207	130 413	149 293	174 089	154 859
Net banking income	148 619	176 775	191 231	217 650	241 549
General operating expenses	91 534	95 566	99 551	102 754	120 192
Operating Result	6 652	19 239	27 849	39 050	48 851
Net income	8 065	16 323	28 106	31 763	40 299
Productivity and operational efficiency					
General operating expenses / N.B.I	61,59%	54,06%	52,06%	47,21%	49,76%
N.B.I / Manpower	53,7	65,8	71,8	81,5	90,2
N.B.I / Number of branches	1 032,1	1 210,8	1 309,8	1 470,6	1 538,5
Net income / Manpower	2,9	6,1	10,5	11,9	15,1
Net Income / Number of branches	56,0	111,8	192,5	214,6	256,7
Financial performance					
Net Income / Total average stockholder's equity (R.O.E)	3,83%	7,64%	12,71%	13,45%	14,24%
Net Income / Total Assets (R.O.A)	0,20%	0,38%	0,59%	0,60%	0,72%
Cook ratio	10,42%	9,73%	8,98%	8,16%	11,43%
Liquid ratio	131,04%	142,92%	114,64%	115,10%	133,36%
unpaid / Total commitments	17,52%	15,77%	13,60%	12,06%	13,07%
Received interest / average outstanding loans	6,21%	6,54%	6,73%	6,77%	6,42%
Paid interest / average outstanding resources	3,37%	3,35%	3,57%	3,70%	3,12%
Sales Force					
Manpower	2 767	2 687	2 665	2 672	2 677
Branches	144	146	146	148	157

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

■ RESOURCES

1 / Client resources

The outstanding balance of resources taken in from clients rose by 3.9% to a total of 4,473 MD as at 31.12.2009 (compared to 4306 MD at the end of the previous year), a 167 MTD increase in volume vs. 485 MD between 2007 and 2008. This was the result of a 206 MD increase in deposits and a 39 MD drop in investment in monetary and financial instruments.



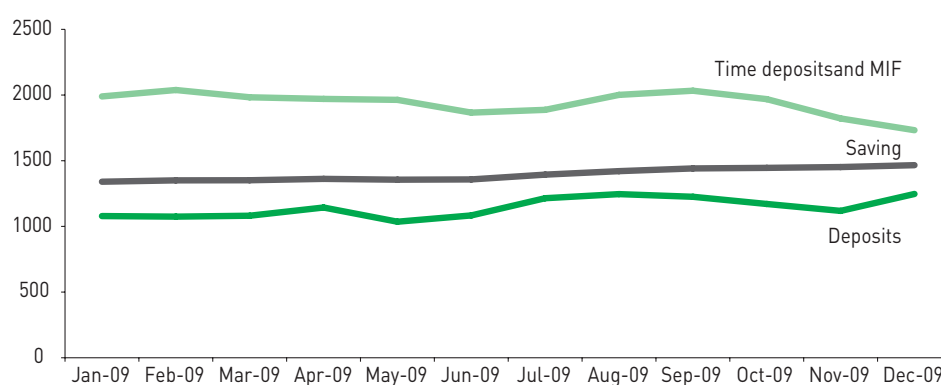
The fact that the net additional envelope of client resources mobilised in 2009 was lower than that recorded in 2008 was the reason behind the Bank's decision to focus its commercial policy on an increase in deposits at the lowest possible cost and by negotiating short term cash flow on the basis of financing needs to market the cereal harvest. This trend concerned exclusively forward deposits mobilised from a number of major institutional clients.

(in thousands of TND)

	Dec.31,2008 Realization	Projection Dec.31,2009	Dec.31,2009 Realization	Realization %	Gap in volume
Deposits	4 162 632	4 576 000	4 374 873	95,6%	-201 128
Sight deposits	942 576	1 056 000	1 107 236	104,9%	51 236
Savings	1 320 179	1 465 000	1 466 067	100,1%	1 067
Time deposits	1 761 208	1 930 001	1 658 352	85,9%	-271 649
Other amounts owed to customers	138 670	125 000	143 218	114,6%	18 218
Other resources	115 900	74 000	77 188	104,3%	3 188
Treasury bills	5 000	24 000	12 238	51,0%	-11 762
Commercial paper	110 900	50 000	64 950	129,9%	14 950
Total resources (without subordinated debts)	4 278 532	4 650 000	4 452 061	95,7%	-197 940

In effect, the completion rate for projection of the outstanding balance of client resources came to 95.7% as of 31.12.2009. These projections would have been considerably exceeded if it had not been for the Bank's policy on fees for mobilisation of forward investment from institutional clients, particularly at the end of 2009.

The average outstanding balance of client deposits went up by 12.3%, a 482 MD increase in volume in 2009 vs. 445 MD at the end of 2008.



1.1 – Deposits

The outstanding balance of client deposits and assets came to 4396 MD as of 31.12.2009, compared to 4190 MD at the end of 2008, a 4.9% increase corresponding to 206 MD more in volume.

This trend was mainly the result of :

- a 15.6% increase in sight deposits and other sums due to clients, for a total of 1250 MD at the end of 2009 vs. 1081 MD as of 31.12.2008, a 169 MD increase in volume vs. 87 MD for 2008 (to be noted in this framework: a 177 MD increase in sight deposits in 2009 vs. just 40 MD in 2008,
- a 11.1% (+146 MD) increase in savings deposits, up to 1,466 MD as of 31.12.2009 vs. 1,320 MD as of 31.12.2008, double the increase in 2008.

The geographic breakdown reflecting marketing efforts carried out by farming structures in all regions but particularly agricultural areas.

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

	Contribution in effort of 2009	Share in 2008	Share in 2009
Grand Tunis	15%	18%	18%
Monastir	10%	11%	11%
Sfax	9%	8%	8%
Nabeul	8%	12%	11%
Béja	8%	5%	5%
Sousse	7%	8%	8%
Jendouba	7%	7%	7%
Kasserine	6%	5%	5%
Siliana	5%	3%	4%
Mednine	5%	4%	4%
le Kef	5%	3%	4%
Kairouan	5%	5%	5%
Bizerte	4%	7%	7%
Gabes	2%	2%	2%
Gafsa	2%	2%	2%
TOTAL	100%	100%	100%

- and a decrease in the volume of forward deposits and other financial products, down from 1761 MD as of 31.12.2008 to 1658 MD at the end of 2009, a drop of 5.8% (-103 MD) following an increase of 29.8% (+404 MD) the year before, this trend being attributable in particular to the drop in forward investments in dinars by a number of institutional clients because of BNA's prudence about high interest rates.

Thus, in line with the commercial and financial objectives of the Bank's Programme Contract, trends in the structure of deposits was marked by better balancing of sight deposits and savings deposits, with respective shares that increased by 2.4 and 1.9 percentage points respectively. This influenced the average annual cost of deposits, which came to just 3.06% as of 31.12.2009.

Structure of deposits in (%)		31.12.2007	31.12.2008	31.12.2009
Deposits	<i>var</i>	28,2% +1,2 pc	26,5% -1,7 pc	28,9% +2,4 pc
Saving	<i>var</i>	34,4% -1,5 pc	31,5% -2,9 pc	33,4% +1,9 pc
Time deposits	<i>var</i>	37,4% +0,3 pc	42% +4,6 pc	37,7% -4,3 pc
TOTAL		100%	100%	100%

1.2 – Investment in monetary and financial instruments

The outstanding balance of client investment in monetary and financial instruments dropped by 33.4 % to 77 MD as of 31.12.2009, compared to 116 MD at the end of 2008, a decrease of 39 MD in volume. This situation was attributable to the 46 MD decrease in the outstanding balance of commercial paper and the 7 MD increase in investment in treasury bonds.

2 - Loans and special resources

The net outstanding balance of loans and special resources came to 567.8 MD as of 31.12.2009 vs. 576.5 MD at the end of 2008, down by 1.5% for a drop in volume of 8.7 MD.

This development was the result of:

- Settlement of the last two 2009 payments for the syndicated loan in the amount of 21.6 MD,
- a 47 MD drop in the outstanding balance of external resources, due to settlement of almost 56 MD in scheduled repayments (principal) to draw down foreign loans vs. 8.4 MD in calls on the funds available under these lines,
- issue of the first portion in the amount of 50 MD of the subordinated loan, serving to increase additional core funds and thus enhance the Bank's solvency and to its potential to provide financing to the national economy,
- and the 10.1 MD increase in the outstanding balance of budgetary resources.

(in thousands of TND)

	31.12.2007	31.12.2008	31.12.2009	Var. 2008/2007		Var. 2009/2008	
				Volume	(%)	Volume	(%)
Obligation and syndicated loans	43 548	21 970	50 392	-21 578	-49,6	28 422	129,4
External loans	390 580	368 017	320 855	-22 563	-5,8	-47 161	-12,8
Budgetary resources	168 416	179 713	189 771	11 297	6,7	10 059	5,6
Total	602 544	569 699	561 018	-32 844	-5,5	-8 681	-1,5
Other loans	7 180	6 771	6 789	-408	-5,7	18	0,3
Total	609 723	576 471	567 808	-33 253	-5,5	-8 663	-1,5

3 – Core capital and provisions

In line with the resolutions of the extraordinary general assembly held on 14 March 2009, BNA capital went up from 100 MD to 160 MD. Release of the entire issue premium (20 MD), attribution of free shares (10 MD) by tapping extraordinary reserves, and release of the first portion of stock issues in cash (25 MD) took place in 2009.

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

Moreover, following the decision of the ordinary general assembly on 15 May 2009, amounts of 13.6 MD and 9.8 MD were taken from 2008 profits and assigned respectively to reserves for tax-free reinvestment and extraordinary reserves.

Thus the outstanding balance of BNA's core capital prior to assignment of profits came to 493 MD at the end of 2009 vs. 411 MD as of 31.12.2008, an increase of 19.9% vs. 6.3% the year before.

It should be noted that in line with law n° 94 - 117 of 14 November 1994, BNA in 2009 disposed of the equity capital that it had previously bought back, i.e. 318,424 shares. The net loss of these divestment transactions came to 124 400 dinars, recorded by deduction from extraordinary reserves. Dividends encashed in 2009 on this equity capital totalling 82,500 dinars were entered on the account line «carried forward».

Furthermore, with issue of a first portion of the subordinated loan and the capital increase and assignment of profits for the year, net capital stock equity rose by 31.5% to a total of 531 MD as at 31.12.2009, compared to 403 MD at the end of 2008.

Consequently, the solvency ratio rose from 8.16% as at 31.12.2008 to 11.43% at the end of 2009, giving the Bank new margins for growth while remaining in line with prudential regulations.

The overall outstanding balance of provisions came to 404 MD as of 31.12.2009 vs. 345 MD as of 31.12.2008, representing an increase in volume of 59 MD.

This trend was the result in particular of

- assignment of a gross allotment to provisions of 109.2 MD in 2009 vs. 91.2 MD in 2008, and
- recovery from provisions of 50.4 MD in 2009 vs. 30.6 MD in 2008.

■ JOBS

1 – Commitments

(in thousands of TND)

	31.12.2007	31.12.2008	31.12.2009	Var. 2008/2007		Var. 2009/2008	
				Volume	(%)	Volume	(%)
Commitments by disbursement	3 881 073	4 543 380	4 357 967	662 307	17,1	-185 413	-4,1
Surety bonds	1 368 693	1 088 657	1 066 512	-280 037	-20,5	-22 144	-2,0
Total Nets Commitments	5 249 766	5 632 037	5 424 479	382 270	7,3	-207 558	-3,7
Subordinated Debts	-316 261	-342 395	-362 829	-26 133	8,3	-20 434	6,0
Provisions and reserved interest	593 352	672 024	739 603	78 671	13,3	67 579	10,1
Total	5 526 857	5 961 665	5 801 253	434 808	7,9	-160 413	-2,7

The overall outstanding balance of the Bank's net commitments fell by 3.7%, down from 5632 MD as of 31.12.2008 to 5424 MD at the end of 2009, corresponding to a drop in volume of 208 MD.

This development was attributable to a 185 MD (-4.1%) decrease in balance sheet commitments, for a total of 4358 MD at the end of 2009 vs. 4543 MD as of 31.12.2008 and of 22 MD (-2.0%) for surety bonds, down from 1089 MD at the end of 2008 to 1067 MD at the end of 2009. In terms of gross outstanding balance, the Bank's commitments came to 5801 MD as of 31.12.2009 compared to 5962 MD as of 31.12.2008, a drop of 2.7% after an increase of 7.9% in 2008.

Thanks to efforts to enhance monitoring and collection of claims from clients, indicators of the quality and profitability of loans improved, leading to a lower volume of assigned receivables.

1.1 - Loan policy and structure of commitments

Despite difficult conditions, BNA did its best to follow loan policy that focuses on the sectors least affected by fallout from the economic and financial crisis, while continuing to help its client export companies overcome prevailing difficulties.

These efforts helped the Bank attain better strategic positioning on the private individual and small/medium scale business compartments. But the lower level of financing required by the cereals board in the closing months of 2009 eliminated the possibility of avoiding a drop in the overall outstanding balance of gross commitments.

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

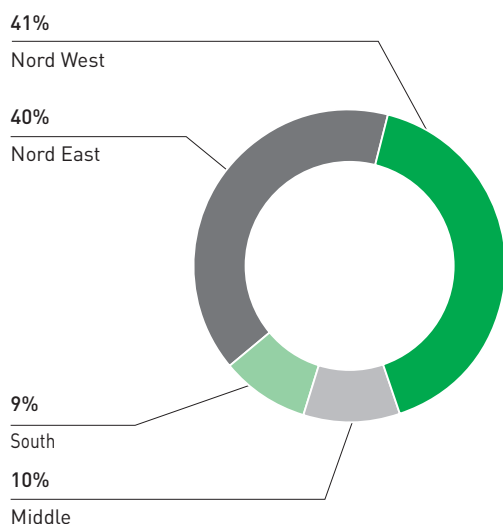
(in thousands of TND)

	31.12.2007	31.12.2008	31.12.2009	Var. 2008/2007		Var. 2009/2008	
				Volume	(%)	Volume	(%)
Loans for agricultural production	632 591	664 582	674 980	31 992	5,1	10 398	1,6
Commitments by disbursement	622 614	652 697	657 987	30 083	4,8	5 290	0,8
Surety bonds	9 977	11 885	16 993	1 909	19,1	5 108	43,0
Loans for marketing agricultural commodities	852 056	919 098	279 095	67 042	7,9	-640 004	-69,6
Commitments by disbursement	503 201	695 323	197 646	192 122	38,2	-497 677	-71,6
Surety bonds	348 856	223 776	81 449	-125 080	-35,9	-142 327	-63,6
Commercial and industrial loans	4 042 210	4 377 985	4 847 178	335 774	8,3	469 194	10,7
Commitments by disbursement	3 032 349	3 524 989	3 879 108	492 640	16,2	354 119	10,0
Surety bonds	1 009 861	852 995	968 070	-156 865	-15,5	115 075	13,5
TOTAL	5 526 857	5 961 665	5 801 253	434 808	7,9	-160 413	-2,7

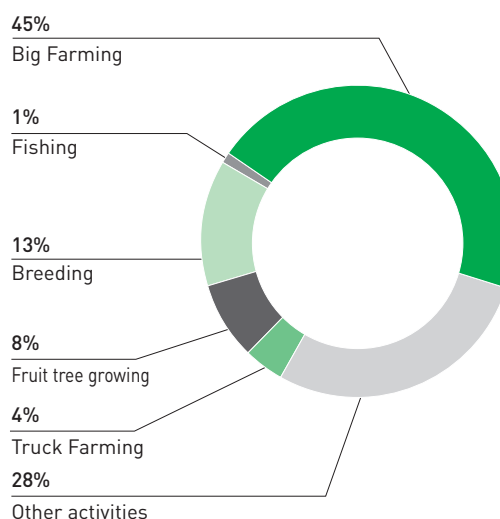
a) – Loans for agricultural production

In lines with national goals to develop the agricultural sector, more than 5500 farmers took advantage of short term loans in 2009 to finance the agricultural campaign, corresponding to 67 MD vs. 55 MD in 2008. There were more than 1500 loan applications for medium and long term financing, corresponding to 44 MD in disbursements in 2009. Thus the overall volume of outlays for agricultural production loans came to 111 MD in 2009, compared to 102 MD in 2008, an increase of 10 %.

Releasing structure of agriculture per region



Releasing structure of agriculture per activity



Furthermore, the breakdown of financing by region and by speculation reflects the Bank's efforts to actively support national priorities in terms of regional development while ensuring diversification of risk depending on the solvency and profitability of all branches of agriculture.

b) – Loans for marketing agricultural commodities

The outstanding balance of loans for marketing agricultural commodities took a sharp downturn of 69.6%, from 919 MD as of 31.12.2008 to 279 MD at the end of 2009. This was due for the most part to the 633 MD drop in the cereal board's commitments between December 2008 and December 2009.

(in thousands of TND)

	31.12.2007	31.12.2008	31.12.2009	Var. 2008/2007		Var. 2009/2008	
				Volume	(%)	Volume	(%)
Cereal	788 533	843 490	223 562	54 957	7,0	-619 928	-73,5
Wine	28 151	34 723	31 218	6 572	23,3	-3 505	-10,1
Oil	35 372	40 886	24 315	5 513	15,6	-16 570	-40,5
TOTAL	852 056	919 098	279 095	67 042	7,9	-640 004	-69,6

c) – Commercial and industrial loans

BNA efforts focused on development of its market shares for small/medium businesses as well as private individuals and professionals, giving due attention to maintaining stable income in the future by promoting medium and long term loans. The outstanding balance of loans to professionals and private parties came to 882 MD as of 31.12.2009, posting an increase of 134 MD in volume compared to 2008. 417 MD were released in 2009 for more than 40,000 new loan agreements.

As for financing of businesses, 147 MD were released against medium and long term loans to finance investment in industry, 120 MD for real estate promotion, and 86 MD for services. This came to 353 MD overall in 2009 vs. 205 MD in 2008, for an increase of 72%. Thus the gross outstanding balance of commercial and industrial commitments posted 4847 MD as of 31.12.2009, an increase of 10.7% (+ 469 MD) vs. 8.3 % (+ 336 MD) at the end of 2008.

1.2 – Monitoring risk and profitability

In line with national objectives and the Bank's strategic choices regarding better rates for filed receivables and coverage of risk by provisions, BNA continued in 2009 to implement policy in

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

the areas of collection and rigorous monitoring of companies exposed to prevailing economic difficulties, while adopting a pro-active policy to assess risk and maintain provisions.

These efforts led to a higher rate of claim collection and thus higher quality and profitability in the Bank's loan portfolio. Furthermore, BNA improved its procedure for assessing the guarantees taken into account in determining the level of provisions to be constituted, on the basis of seniority and class of risk, seeking to ensure durability and projected financial profitability in the Bank's assets.

a) – Loan collection and profitability

Encashment of claim recovery (principal and interest) as of 31.12.2009 amounted to 2326 MD vs. 2109 MD at the end of 2008, an increase of 10.3%. The collection rate thus improved by two percentage points to 68.8% in 2009 vs. 66.8% in 2008 and 62.6% the year before. This enhanced performance for collection efforts was made possible by rigorous monitoring, notably of companies hit by the world economic crisis, so that the collection rate for amounts due on commercial and industrial claims came to 99.1% in 2009.

The volume of payment on loans for agricultural production (exclusive of disputed claims) came to 112.5 MD as of 31.12.2009, compared to 84.8 MD in 2008. It should be noted in this framework that the best results were achieved for large-scale crops, for which 56.7 MD were repaid in 2009 vs. 32.7 MD as of 31.12.2008.

As for disputed claims, the volume of collection increased from 23.7 MD in 2008 to 28.7 MD at the end of 2009, an increase of 20.9%.

Still, following a sharp drop in commitments held by structures that store cereals, the rate of non-repayment eased by one percentage point to 13.1% as of 31.12.2009 compared to 12.1% at closing of the 2008 year.

The yield rate for loans from its own and external resources held at 6.42% as of 31.12.2009 vs. 6.77% at the end of 2008, despite the one percentage point drop in the money market rate between December 2008 and December 2009.

b) – Quality of risk and prudential regulations

Thanks to monitoring and collection of claims on clients, the volume of filed receivables went down by 20.6 MD to 687.7 MD as of 31.12.2009, compared to 708.3 MD at the end of 2008 and 733.8 MD in 2007. This trend was attributable mainly to enhanced quality for class 2 risk, which led to a drop of 27.5 MD.

(in thousands of TND)

	2005	2006	2007	2008	2009
Total claims	4 255 718	4 622 202	5 551 298	5 961 138	5 780 128
Ordinary claims	3 490 943	3 903 422	4 817 533	5 252 847	5 092 454
Filed receivables	764 775	718 780	733 765	708 291	687 674
classe 2	176 410	97 934	75 489	44 060	16 596
classe3	70 304	87 749	109 141	49 817	51 589
classe4	105 005	119 490	148 977	166 203	156 816
Disputed	413 057	413 607	400 158	448 211	462 673
Total claims evolution	162 886	366 484	929 096	409 840	-181 010
Filed receivables evolution	-102 677	-45 995	14 985	-25 474	-20 617
Filed receivables rate	17,97%	15,55%	13,22%	11,88%	11,89%

But such performance in enhancing the quality of risks did not lead to a drop in the rate of filed receivables, which remained at the same level as in 2008 because of a 181 MD drop in the overall outstanding balance of claims. This rate would have been gone down considerably if it had not been for the 633 MD drop in the cereal board's commitments between December 2008 and December 2009.

Thanks in particular to implementation of measures to boost capital stock equity, the Bank improved the situation with regard to prudential norm in the area of division of risks among its clients as a whole.

2 - The securities portfolio

The overall volume of the net commercial securities portfolio, made up almost entirely of commercial paper, went down by 10.6%, from 349.9 MD as of 31.12.2008 to 312.7 MD as of 31.12.2009.

The net outstanding balance of the investment portfolio came to 309.6 MD as at 31.12.2009 vs. 319.7 MD at the end of the previous year, corresponding to a 10.0 MD drop in volume.

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This trend was in particular the result of:

- a 10.9 MD drop in public enterprise debt assumed by the State following State settlement of repayments scheduled for 2009,
- release of shares subscribed to by the Bank in the capital of five companies in the amount of 4.1 MD, compared to sale of shares worth an accounting value of 3.7 MD, of which 2.9 MD involved BNA acquisition of shares in the capital of the Tunisian banking union UTB,
- a 1.2 MD increase in the outstanding balance of debenture loans subscribed to by the Bank, following Bank subscription to a debenture loan in the amount of 5 MD, compared to encashment of 3.8 MD in reimbursement of bonds in the portfolio, and
- a 7.5 MD increase in the outstanding balance of venture capital management funds, especially following assignment of an allocation of 8.5 MD, compared to repayment of 3.7 MD.

It should be specified that in the framework of measures taken by the commission to clear up finances and restructure companies with public holdings (CA.R.E.P.P) on 28 May 2009, the Bank divested itself of all its holdings in the capital of the Tunisian banking union UTB. Gains on sale came to 4.1 MD, aside from gains on exchange evaluated at 3.5 MD. Given these gains, the yield rate for the Bank's portfolio of share securities came to 15.1% at the end of 2009 vs. 7.4% in 2008.

The Bank's holdings were spread out over 78 companies, 12 of which were on the stock exchange's official list, yielding latent gains of 118 MD for acquisition value of 101 MD.

The sectoral breakdown of the Bank's stock portfolio remained in line with the choices for realigning the Bank's holdings in finance and agrofood, which make up a respective 37.5% and 28% of the portfolio.

3 – Fixed assets

The outstanding balance of net fixed assets went up by 11.5%, from 48.1 MD as of 31.12.2008 to 53.6 MD at the end of 2009, an increase in volume of 5.5 MD.

In effect, investment expenditure tied to operational premises involved some 4.0 MD, of which 1.7 MD were for acquisition of fixed assets in line with plans to open new branch offices.

As for computer equipment, outlays for investment came to 2.3 MD of which 1.1 MD were for acquisition of software and the same amount for renewal of computer material.

The outstanding balance of amortisation rose from 64.9 MD at the end of 2008 to 68.9 MD at the end of 2009, due to assignment of an annual allotment to amortisation of fixed assets amounting to 4.1 MD in 2009.

■ POSITION ON THE MONEY MARKET AND LIQUIDITY

The above mentioned trends in resources and uses yielded a net surplus for the bank on the money market amounting to 466 MD as at 31.12.2009 compared to net indebtedness of 32 MD as of 31.12.2008.

The liquidity ratio came to 133.36% as at 31.12.2009 vs. 115.10% at the end of 2008.

■ BANKING OPERATIONS ABROAD

The financial and economic crisis that broke out in the last quarter of 2008 quickly affected foreign trade in a big way, at both the domestic and international levels. There was in particular a drop in prices for raw materials and falling demand in the euro zone, Tunisia's main trading partner. These adverse conditions influenced trends in the overall volume of BNA's banking operations with foreign correspondents, dropping by almost a third from 33,101 MD in 2008 to 22,220 MD in 2009. It should be noted that the lower volume of operations with foreign correspondents for a number of the Bank's major clients was offset at least partially by a commercial effort to sign up new clients, leading to an increase in the number of domiciliation and transfer orders.

1 – Domiciliated securities

The volume of domiciliation of foreign trade titles came to 9,527 MD at the end of 2009 vs. 10,997 MD the previous year, for a drop of 13.4%. But the number of domiciliated titles went up by 2.16% to almost 29,000 files in 2009. In effect, domiciliation of import titles fell to 8280 MD at the end of 2009, down from 9326 MD in 2008, an 11.2% decrease. Still, the number of domiciliation titles entrusted to the BNA went up by 5.4% to more than 20,000 titles, helping to offset the impact of lower prices for imported raw materials and non recurrence of domiciliation of some 3000 MD in volume in 2008 by one of the Bank's largest clients, in the framework of expansion of its activities. The volume of domiciliated export titles at BNA agencies fell by 25.4%, from 1671 MD in 2008 to 1247 MD in 2009.

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2 – Settlements abroad

Settlements abroad handled by BNA agencies posted just 12,693 MD in 2009, compared to 22,104 MD the year before, a drop of 42.6 %. Incoming payments from abroad came to 4873 MD as at 31.12.2009 compared to 15,005 MD at the end of 2008, a 7185 MD decrease in volume, of which 6768 MD were received transfers. Outgoing payments destined for abroad dropped by 31.4%, down from 7100 MD in 2008 to 4873 MD as at 31.12.2009.

3 – Banknote exchange transactions

Banknote exchange transactions handled by BNA agencies amounted to 412 MD as at 31.12.2009, compared to 407 MD in 2008, a 1.2% increase. This was the result of a 2.0% increase in purchases of foreign currency and a 3% drop in volume of transactions for sale of foreign currency.

■ INTERMEDIARY BALANCES FOR MANAGEMENT AND PROFITS

Monetary policy in 2009 was marked in particular by a one percentage point drop in the average money market rate, down from 5.19% in December 2008 to 4.18% in December 2009. This trend had an effect on trends in proceeds and financial charges. But the Bank was still able to generate net banking proceeds in line with projections for 2009.

1 – Banking proceeds on transactions

Total proceeds from banking transactions came to 396.4 MD as at 31.12.2009 vs. 391.7 MD at the end of 2008, an increase of 1.2% (+4.7 MD) vs. 15.0% (+51,2 MD) in 2008.

This trend was attributable mainly to :

- a 7.5 MD (+2,7%) increase in interest on transactions with clients, led in particular by strong performance for encashment of proceeds from interest on unpaid and disputed claims (exclusive of loans from budgetary resources), which posted an increase of 24.8% (+2.4 MD) for a total of 12.1 MD as at 31.12.2009 vs. 9.7 MD in 2008 - noting that this trend in interest collected on loan transactions is attributable to a large degree to a lower money market rate and lower demand for financing in a number of economic sectors affected by recession in the euro zone, with the average yield rate for loans granted from core and external resources dropping by just 0.35% vs. the above-mentioned drop of 1% in the money market rate,
- a 0.8 MD increase in gains on the investment securities portfolio,
- a 1.6 MD drop in interest collected on cash transactions, and
- a drop in gains on the Treasury bond portfolio, in the amount of 2.1 MD.

2 – Banking operating costs

Banking operating costs were down by 11.0%, from 174.1 MD as at 31.12.2008 to 154.9 MD at the end of 2009, a 19.2 MD drop in volume vs. an increase of 24.8 MD in 2008. The main factors for this trend were :

- a 10.8 MD (-84.9%) drop in interest on cash transactions,
- a 6.4 MD drop in the volume of interest on client deposits, and
- a 2.1 MD drop in interest and commissions incurred on external and bond loans.

3 – Net banking proceeds

Net banking proceeds came to 241.5 MD as at 31.12.2009, compared to 217.6 MD at the end of the previous year, an increase of 11.0% (+23.9 MD) vs. 13.8% (+ 26.4 MD) in 2008.

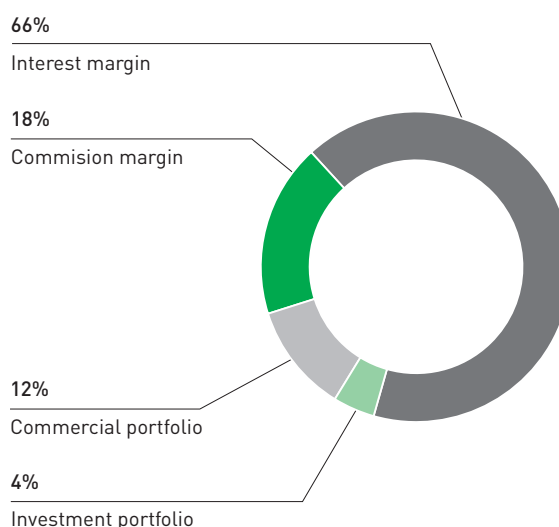
(in thousands of TND)

	31.12.2007	31.12.2008	31.12.2009
Net margin of interest	113.198	133.730	159.908
Contribution to NBI	59%	61%	66%
Net margin of commissions	39.154	43.653	43.704
Contribution to NBI	20%	20%	18%
Net margin of commercial portfolio	30.102	30.573	27.433
Contribution to NBI	16%	14%	11%
Net margin of investment portfolio	8.776	9.694	10.504
Contribution to NBI	5%	4%	4%
Net Banking Income	191.231	217.650	241.549

The net interest margin, representing 66% of net banking proceeds, rose by 20% to 159.9 MD as at 31.12.2009, a 26.2 MD increase in volume. This trend was due in particular to the interest margin on cash transactions that rose by 9.2 MD between 2008 and 2009.

Still, the share of income from the commercial securities portfolio fell by three percentage points to 11% as at 31.12.2009, following the lower average outstanding balance of Treasury bonds in the portfolio and the drop in the money market's average rate.

Structure of Net Banking Income in 31.12.2009



ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

4 – Operating costs and operational efficiency ratios

Operating costs totalled 120.2 MD in 2009, compared to 102.7 MD as at 31.12.2008, an increase of 17.0% (+17.4 MD).

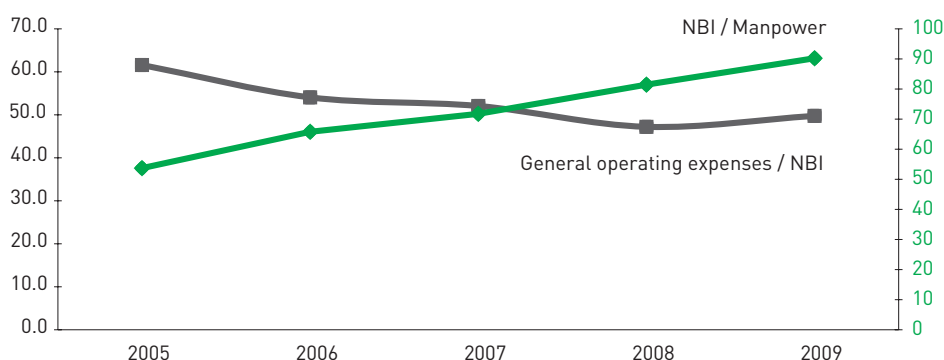
This was the result of:

- a 14.5 MD (17.9%) increase in wage costs, compared to 2.3 MD (+3.0%) in 2008, attributable to the wage increase contracted in the framework of the collective agreement, costs for promotions, the introduction of a fuel indemnity in line with that granted by other public banks, and attribution of a premium in the framework of the Bank's 50th anniversary and
- a 2.9 MD (13.4%) increase in the volume of general operating costs in 2009, compared to 0.9 MD (+4.1%) the year before.

Thus, given the trend in net banking proceeds, the operating coefficient eased, moving from 47.2% as at 31.12.2008 to 49.8% at the end of 2009.

Productivity per agent rose by 10.8%, with 90,231 dinars in net banking proceeds per agent as at 31.12.2009 vs. 81,456 dinars at the end of 2008.

Productivity efficiency



5 – Allotments to provisions and correction of values

In line with the national objective to ensure a 70% rate of coverage of filed receivables, BNA continued efforts to build up provisions by assigning 109.2 MD in gross allotment to provisions in 2009 vs. 91.2 MD in 2008, despite a drop in volume of filed receivables and an increase in the volume of recovered provisions on claims. In this framework, with a view to entry into force of Basel II prudential norms, the Bank has assigned 3.5 MD to cover operational risks.

And given gains and losses as well as correction of values on claims and securities (of which 7.5 MD are gains) and gain on exchange on sale of UTB stock, the volume of net allotments to provisions came to 68.8 MD at the end of 2009 vs. 71.4 MD in 2008, a drop of 4% compared to an increase of 20% as at 31.12.2008.

Tapping net banking proceeds to cover risks was once again reduced, thanks to assignment of an allotment to provisions net of recovered provisions representing 24% as at 31.12.2009 vs. 28% at the end of 2008 and 36% in 2007.

It should also be mentioned that this provisioning effort helped achieve a ratio of coverage of filed receivables by provisions of 68.61% as at 31.12.2009. Subsequently, the national objective to achieve 70% coverage of filed receivables by provisions will be achieved by BNA in 2010.

6 – Results

Given the above-mentioned trends in proceeds and costs, operating results came to 48.9 MD as at 31.12.2009, compared to 39.1 MD in 2008, an increase of 25.1%. Net results went up by 26.9%, from 31.763 MD as at 31.12.2008 to 40.299 MD for 2009. Thus the yield rate for average capital stock equity amounted to 14.24% as at 31.12.2009, compared to 13.45% for 2008 and 12.71% for 2007.

■ COMMUNICATION AND MARKETING POLICY

In 2009, BNA pursued its communication policy, which focuses on becoming better known and enhancing its institutional image while also adapting techniques and modes for marketing products and services to clients.

2009 marked the Bank's 50th anniversary and a communication plan was introduced. This plan includes various scientific and cultural elements based on the history and achievements of the Bank since its founding. Various regional events were organised in honour of clients and entrepreneurs (notably in conjunction with the inauguration of new bank branches), as was an international colloquium with the participation of renowned scientific and professional figures. These along with other events were important for making the Bank's better known.



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These efforts to achieve greater outreach and an ever better image were crowned by the choice of BNA to receive the President of the Republic's award for the quality of banking services in 2009. On another front, campaigns for «products and e-banking» contributed considerably to promotion of high added value banking products while also providing higher quality service. Thus aside from adaptation of certain savings and financing products, remote banking achieved a new level of growth in 2009. There were in particular almost 6000 subscribers to the BNAnet network, there were more than 250,000 hits on the Bank's website, and there was a monthly average of more than 42,000 connections to the BNAPhone vocal service.

It should also be noticed that launching of a new NOMADE electronic recharging service in cooperation with the local telephone service will provide new synergy with the Bank's other products and it will thus help to generate higher turnover.

Furthermore, in line with priorities in the area of proximity, the Bank strengthened its commercial network by opening seven new bank branches, two special offices, and six new cash machines, bringing its networks to 124 machines and 157 bank branches.

■ ORGANISATION AND INFORMATION SYSTEM

Bank policy in the area of organisation in 2009 involved facilitating the transition to new areas of banking specialisation and processing, storage and transmission of information processes, in the framework of introduction of the new information system.

Following adoption of the BNA governing board's plan to reorganise the organisational chart, it was submitted to the authorities for approval. Establishment in the near future of a new organisational chart will help the Bank provide better reactivity and greater organisational synergy will help it to better monitor trends in risks and opportunities inherent to trends in competitiveness and migration to the new information system based on new information and communication technologies, marked by a centralised accounting system.

It should also be noted that the decentralisation initiative was supported in 2009 by adaptation of procedures for a greater role and greater responsibility for regional structures, notably in granting, monitoring and collecting loans and in managing guarantees and internal audit.

As for the pivotal initiative to introduce the technical base for the information system, the contract was awarded to a local supplier in 2009, in the framework of a banking interest grouping. It follows that the success of the new bank branch system «SMILE», the system of commitments «SAEB», and client and product referentials (modules that have been developed in-house) is proof of the Bank's capacity to bring this project to maturity in the targeted time frame and with all due diligence.

Thus work groups, marked by the active participation of both central services and operational management staff, were engaged in establishing the functional and technical pre-requisites that will serve to find the solution for meeting the Bank's needs and expectations by introducing a new core information system.

Furthermore, preliminary measures for introduction of a new accounting system were undertaken with the help of an outside consultant and they should in the end contribute to sufficient integration of the accounting function in all the components of the new information system.

And given certain specific needs, the Bank called on the market to acquire specialised software applications relating to certain areas of specialisation such as money laundering, management of documentary letters of credit, security of the SWIFT system, and management of cash flow in foreign currencies.

■ HUMAN RESOURCES

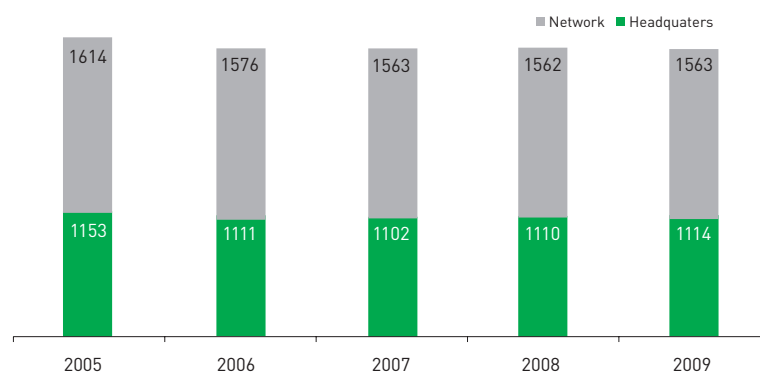
Regarding the Bank's strategic choices, especially development of its commercial network and more generalised use of new information and communication technologies, BNA's policy for human resources in 2009 focused on a larger number of staff members, through recruitment of new specialists and ongoing training to keep Bank staff's know how current through training and internal rotation.

In this framework, in addition to reintegration within Bank departments, carrying out of the recruitment programme led to recruitment of 54 new staff members, almost all assigned to bank branches, in line with the plan to open new branches and with the need to replace staff leaving bank branches.

Recruitment policy also helped the Bank to lower the average age of staff, given departures over the past few years. Consequently, the age pyramid showed an improvement of almost two percentage points in the group of staff under the age of 35 to 9.9% of overall employees in 2009.

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Real Manpower 2005 - 2009



Also of note were the 41 definitive departures in 2009, 31 of which were on retirement. Given the temporary absence of 14 staff members (secondment, long term sick leave, leave without pay, etc.), the actual staff count at the Bank rose from 2672 as at 31.12.2008 to 2677 at the end of 2009. Nevertheless, to achieve the goal of increasing the rate of banking penetration and the fact that 722 staff members (27% of the Bank's manning table) will be eligible for retirement in less than ten years, recruitment efforts will have to continue in the coming years.

Age bracket	2007	2008	2009	Manpower 31.12.2009
< = 25 years	0,10%	0,20%	0,70%	20
26 - 35 years	8,30%	7,80%	9,20%	245
36 - 50 years	65,00%	62,80%	63,10%	1690
51 - 60 years	26,60%	29,20%	27,00%	722
Total	100%	100%	100%	2677

In the area of training, more than 2100 employees (80% of actual total) took training courses organised by the Bank in 2009 at a global cost corresponding to some 0.4% of annual turnover. It should be noted that training activities organised by the Bank's integrated training centre accounted for almost two thirds of the overall number of trainees.

On another front, in the framework of opening up to the university and professional environment, BNA in 2009 accepted almost 1000 interns at the various structures in its network and at central services, including 200 paid interns.

■ IN-HOUSE GOVERNANCE AND INTERNAL AUDIT

Bank efforts in 2009 focused on improving the process for prudential surveillance by strengthening structures attached to the board and aligning the missions and objectives of internal audit structures, in line with the national goal of introducing the new prudential norms instituted by monetary authorities.

Thus aside from the mandates initiated by external audit structures (auditors, the court of audit, etc.), the permanent internal audit committee ensured periodic monitoring of trends in financial



conditions and respect of the Bank's policies and internal procedures. The conclusions and recommendations of these oversight bodies, all subject to the board, were the object of rigorous monitoring by the Bank to clear up known difficulties and inadequacies.

Furthermore, the Bank pursued its objectives in the area of coordination and synchronisation of the role of the internal audit department and of the inspection division, with a view to ensuring that regulations are met and the interests of the Bank preserved, at both central and regional structures. In this sense, reorganisation of tasks entrusted to each division led to more than a hundred audit exercises and/or inspections in 2009, in addition to survey and monitoring exercises.

The executive loan committee, which met more than a dozen times in 2009, ruled on all the large-scale loans submitted to it while also monitoring trends in incurred risks, as well as conduct of the Bank's loan policy, taking into account available capital stock equity and economic and financial conditions.

In the area of monitoring of conformity and efforts to crack down on money laundering, beyond the ongoing help of the relevant structures, those in charge at more than 100 agencies were

ACTIVITY AT THE B.N.A FOR THE FINANCIAL YEAR 2009

invited to attend sessions for training and awareness-building about diligence and rules of ethics to be respected in line with Bank policy on conformity.

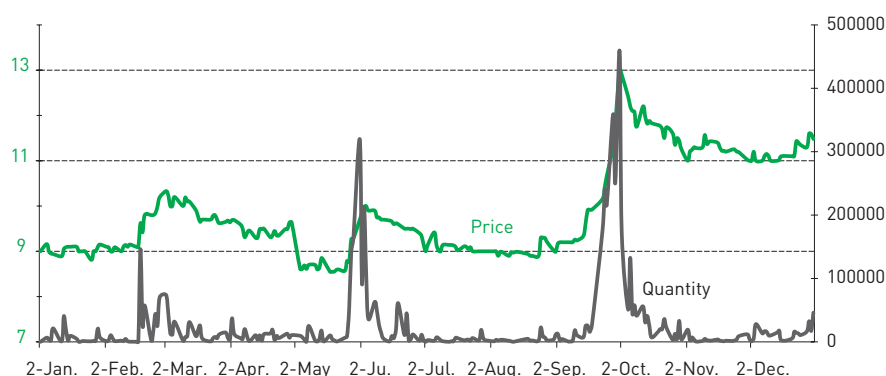
Furthermore, to continue to put in place the pre-conditions for establishment of Basel II prudential norms, specifications were drawn up and validated for acquisition of software to manage operational risks and management of assets and liabilities. Establishment of this means of prudential surveillance will pick up speed, with creation in the very near future of structures appropriate to the framework of the Bank's new organisational chart.

As for communication and financial transparency, it should be noted that in addition to publication of indicators of activity and financial statements at the proper times and according to regulatory norms, the Bank organised a press conference in November 2009 to which stockholders and the media were invited. This event, coinciding with celebration of the Bank's 50th anniversary, helped highlight BNA's achievements and its contribution to the national economy, and especially to outline its objectives for growth and profitability, both short term and strategic.

■ BNA SHARES ON THE STOCK EXCHANGE

BNA stock was traded at 247 stock exchange sessions, with average volume of daily transactions at more than 24,000 shares. Overall trading of BNA stock thus came to 5,950,895 shares for overall volume of 62,719,219 dinars.

BNA Share Evolution in 2009



End-of-session quotations fluctuated between a minimum of 8.550 dinars on 18 May 2009 and a maximum of 13.020 dinars on 1 October 2009. Stock market capitalisation came to 309.960 million dinars and the P.E.R to 7.69 at the end of 2009, compared to 179.8 MD and 5.66 respectively

at the end of 2008. It should also be noted that 2009 was marked by the success of subscription to the capital increase, up from 100 MD to 160 MD, with paying in of the entire issue premium and of the first half of subscribed nominal. We take this opportunity to thank the Bank's stockholders for their ongoing support of BNA stock.

	2006	2007*	2008	2009
Registered capital (in Thousands of TND)	100.000	100.000	100.000	160.000
Called up capital (in Thousands of TND)	100.000	100.000	100.000	135.000
Face value (TND)	10	5	5	5
Shares number (in Thousands)	10.000	20.000	20.000	32.000
Admitted shares number (in Thousands)	10.000	20.000	20.000	27.000
Transacted capital (TND)	20.764.702	22.111.988	23.781.008	62.719.219
Transacted shares	1.443.159	1.583.109	2.711.195	5.950.895
Maximum quotation price (TND)	18,200	10,850	9,540	13,020
Minimum quotation price (TND)	8,550	7,940	7,700	8,550
Dividends per action (TND)	0,800	0,400	0,400	0,450
Date of allotment	11/06/2007	16/06/2008	02/06/2009	07/06/2010
Price Earning Ratio (P.E.R)	10,54	6,37	5,66	7,69
Stock exchange capitalization (in Thousands of TND) in 31.12	172.000	179.000	179.800	309.960

* figure calculated integrating the split of June 22, 2007.

■ PROSPECTS

In line with the orientations announced in the framework of the presidential programme and the Bank's strategic objectives for the period 2009-2013, BNA will in 2010 focus on the following main objectives:

- Higher economic and financial profitability for the Bank, while pursuing the initiative to boost provisioning and strengthen equity.
- Pursuit of commercial action to increase client resources, notably by expanding the network of bank branches and developing the range of products and services offered by the Bank.



- Conduct of loan policy based on diversification of risks and improvement of quality and of coverage of commitments, while maintaining its active contribution to economic priorities.
- Establishment of an appropriate organisational and logistic system in support of plans to completely reorganise the Bank's information system.

Implementation of these development choices will lead in particular to an increase in the gross outstanding balance of commitments and of the rate of coverage of filed receivables by provisions. As for mobilisation of resources, the outstanding balance of funds mobilised from clients has gone up despite the downward trend in the average cost of deposits.

Higher capital stock equity in 2010 is expected to be secured through release of the second portion of the capital increase and issue of the second portion of the subordinated loan. These projections of activity will lead to significant improvement in the Bank's operational indicators and thus a high level of economic and financial performance than the target set in the 2009 – 2013 programme contract.

INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

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BALANCE SHEET BEFORE DISTRIBUTION OF PROFITS AS AT DECEMBER 31, 2009

(in thousands of TND)

	Notes	31.12.2009	31.12.2008	Change in	
				Volume	(%)
ASSETS					
1. Cash & credit notes with the central bank, the post office & the treasury	4.1.1	427 593	168 318	259 275	154,0
2. Receivables from banking and financial institutions	4.1.2	113 198	72 828	40 370	55,4
3. Receivables from customers	4.1.3	4 357 967	4 543 380	-185 413	-4,1
a- debit accounts		498 119	618 878	-120 759	-19,5
b- other assistance to customers		3 342 963	3 363 254	-20 291	-0,6
c- loans out of special resources		489 440	532 601	-43 161	-8,1
d- farming receivables from the state		27 445	28 647	-1 202	-4,2
4. Commercial securities portfolio	4.1.4	312 728	349 918	-37 190	-10,6
5- Investment portfolio	4.1.5	309 628	319 665	-10 037	-3,1
6- Frozen assets	4.1.6	53 593	48 084	5 509	11,5
7- Other assets	4.1.7	73 753	75 254	-1 501	-2,0
a- suspense and adjustment accounts		34 076	37 492	-3 416	-9,1
b- Other		39 677	37 762	1 915	5,1
TOTAL ASSETS		5 648 460	5 577 447	71 013	1,3
LIABILITIES					
1. The central bank and the post office		1	8	-7	-87,5
2. Deposit & credit notes of banking & financial institutions	4.1.8	15 696	210 964	-195 268	-92,6
3. Customers' deposits and credit notes	4.1.9	4 395 917	4 190 380	205 537	4,9
a- sight deposits		1 108 078	943 506	164 572	17,4
b- other deposits and credit notes		3 287 839	3 246 874	40 965	1,3
4- Borrowings and special resources	4.1.10	567 808	576 471	-8 663	-1,5
a- realised borrowings		52 576	22 164	30 412	137,2
b- special resources		515 232	554 307	-39 075	-7,0
5. Other liabilities	4.1.11	176 114	188 376	-12 262	-6,5
a- provisions for liabilities and expensive		7 833	5 842	1 991	34,1
b- suspense and adjustment accounts		131 953	142 684	-10 731	-7,5
c- other		36 328	39 850	-3 522	-8,8
TOTAL LIABILITIES		5 155 536	5 166 199	-10 663	-0,2
STOCKHOLDERS' EQUITY					
1a- Capital	4.1.12	160 000	100 000	60 000	60,0
1b- shareholders : no called capital	4.1.12	-25 000		-25 000	
2- Reserves	4.1.12	184 478	149 965	34 513	23,0
3- Treasury stock	4.1.13	-3	-3 678	3 675	-99,9
4. Other stockholders' equity	4.1.12	133 000	133 000	0	0,0
5- Income brought forward	4.1.12	150	198	-48	-24,2
6- Income for the year	4.1.12	40 299	31 763	8 536	26,9
TOTAL STOCKHOLDERS EQUITY		492 924	411 248	81 676	19,9
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY		5 648 460	5 577 447	71 013	1,3

STATEMENT OF OFF-BALANCE SHEET LIABILITIES AS AT DECEMBER 31, 2009

(in thousands of TND)

	Notes	31.12.2009	31.12.2008	Change in	
				Volume	(%)
CONTINGENT LIABILITIES					
OBS1- Bonds, backings & other guaranties given	4.2.1	714 665	703 447	11 218	1,6
a - in favour of banking institutions		100 641	75 466	25 175	33,4
b - in favour of customers		454 024	467 981	-13 957	-3,0
c - in favour of the state		160 000	160 000	-	
OBS2- Documentary credits		324 711	409 103	-84 392	-20,6
a - debtor by export documentary credits		28 207	46 784	-18 577	-39,7
b - debtor by import documentary credits		296 504	362 319	-65 815	-18,2
OBS3- Assets given as security					
TOTAL CONTINGENT LIABILITIES		1 039 376	1 112 550	-73 174	-6,6
COMMITMENTS GIVEN					
OBS4- Financing commitments given		287 776	211 571	76 205	36,0
a - notified credits which are not utilized		287 776	211 571	76 205	36,0
OBS5- Commitments on securities		8 795	5 530	3 265	59,0
a - equity investments still to be paid in		5 216	2 820	2 396	85,0
b - other		3 579	2 710	869	32,1
TOTAL COMMITMENTS GIVEN		296 571	217 101	79 470	36,6
COMMITMENTS RECEIVED					
OBS6- Financing commitments received		0	114	-114	-100,0
OBS7- Guarantees received	4.2.2	468 873	489 256	-20 383	-4,2

STATEMENT OF OPERATIONS

AS AT DECEMBER 31, 2009

(in thousands of TND)

	Notes	31.12.2009	31.12.2008	Variations	
				Volume	[%]
REV1- Interest and similar income	4.3.1	313 711	306 775	6 936	2,3
a- transactions with banking & financial institutions		10 283	11 863	-1 580	-13,3
b- transactions with customers		290 727	283 179	7 548	2,7
c- other interest and similar income		12 701	11 733	968	8,3
REV2- Fees & commissions (as income)	4.3.2	44 760	44 697	63	0,1
REV3- Gains on commercial portfolio & financial transactions	4.3.3	27 433	30 573	-3 140	-10,3
REV4- Revenue from investment portfolio	4.3.4	10 504	9 694	810	8,4
TOTAL INCOME FROM BANKING OPERATIONS		396 408	391 739	4 669	1,2
EXP1- Accrued interest & similar expense	4.3.5	153 803	173 045	-19 242	-11,1
a- transactions with banking & financial institutions		1 904	12 654	-10 750	-85,0
b- transactions with customers		134 214	140 630	-6 416	-4,6
c- borrowings and special resources		14 170	15 524	-1 354	-8,7
d- other interest and expense		3 515	4 237	-722	-17,0
EXP2- Fees and commissions accrued		1 056	1 044	12	1,1
TOTAL EXPENSE ON BANKING OPERATIONS		154 859	174 089	-19 230	-11,0
NET BANKING INCOME		241 549	217 650	23 899	11,0
REV5/EXP4- Provisions made & result of valuation adjustments on off-balance sheet receivables & liabilities	4.3.6	-68 263	-69 597	1 334	-1,9
REV6/EXP5- Provisions made & result of valuation adjustments on investment portfolio	4.3.7	-633	-1 751	1 118	-63,8
REV7- Other operating revenue (+)		532	444	88	19,8
EXP6- Staff expense (-)	4.3.8	95 465	80 942	14 523	17,9
EXP7- General operating expenses (-)		24 727	21 812	2 915	13,4
EXP8- Provisions & fixed assets depreciation allowances (-)		4 141	4 942	-801	-16,2
RESULTS FROM OPERATIONS		48 852	39 050	9 802	25,1
REV8/EXP9- Income/loss balance from other regular items		53	576	-523	-90,8
EXP11- Income taxes (-)		8 606	7 863	743	9,4
RESULTS FROM REGULAR ACTIVITIES		40 299	31 763	8 536	26,9
REV9/EXP10- Income/loss balance from extraordinary items					
NET INCOME FOR THE PERIOD		40 299	31 763	8 536	26,9

STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1ST TO DECEMBER 31, 2009

(in thousands of TND)

	Notes	31.12.2009	31.12.2008
OPERATIONAL ACTIVITY			
1-Product of operating		384 030	373 940
2-Charge of operating		-161 451	-177 105
3-Deposit / withdrawal of money from banking & financial institutions		7 781	18 604
4-Loan / repayment given to customers		122 955	-721 890
5-Deposit / withdrawal of the customers		212 243	563 292
6-Securities		-715	120
7-Paid-up amount for the employees & creditors		-88 672	-80 601
8-Others cash flows from operating activities		-37 616	61 705
9-Income taxes		-13 542	0
CASH FLOWS FROM OPERATIONAL ACTIVITIES		425 013	38 065
INVESTMENT ACTIVITIES			
1-Interest & similar from investment portfolio		11 010	9 607
2-Acquisition / assignment on investment portfolio		1 417	-14 919
3-Acquisition / assignment on immobilization		-9 587	-4 392
4-Income of participation securities		7 547	490
CASH FLOWS FROM INVESTMENT ACTIVITIES		10 387	-9 214
FINANCIAL ACTIVITIES			
1a-Shares of BNA		3 551	-233
1b-Shares emission		45 000	-
2-Loans emission		50 000	-
3-Repayment of loans		-21 578	-21 578
4-Increase / diminution of special resources		-37 103	-11 267
5-Paid-up dividend		-7 914	- 7 886
CASH FLOWS FROM FINANCING ACTIVITIES		31 956	-40 964
Net change in cash & cash equivalents during the period		467 356	-12 113
Cash & cash equivalents at start of the period		320 735	332 848
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	4.4.1	788 091	320 735

BALANCE SHEET AFTER DISTRIBUTION OF PROFITS AS AT DECEMBER 31, 2009

(in thousands of TND)

	31.12.2009	31.12.2008	Change in	
			Volume	(%)
ASSETS				
1. Cash & credit notes with the central bank, the post office & the treasury	427 593	168 318	259 275	154,0
2. Receivables from banking and financial institutions	113 198	72 828	40 370	55,4
3. Receivables from customers	4 357 967	4 543 380	-185 413	-4,1
a- debit accounts	498 119	618 878	-120 759	-19,5
b- other assistance to customers	3 342 963	3 363 254	-20 291	-0,6
c- loans out of special resources	489 440	532 601	-43 161	-8,1
d- farming receivables from the state	27 445	28 647	-1 202	-4,2
4. Commercial securities portfolio	312 728	349 918	-37 190	-10,6
5- Investment portfolio	309 628	319 665	-10 037	-3,1
6- Frozen assets	53 593	48 084	5 509	11,5
7- Other assets	73 753	75 254	-1 501	-2,0
a- suspense and adjustment accounts	34 076	37 492	-3 416	-9,1
b- Other	39 677	37 762	1 915	5,1
TOTAL ASSETS	5 648 460	5 577 447	71 013	1,3
LIABILITIES				
1. The central bank and the post office	1	8	-7	-87,5
2. Deposit & credit notes of banking & financial institutions	15 696	210 964	-195 268	-92,6
3. Customers' deposits and credit notes	4 395 917	4 190 380	205 537	4,9
a- sight deposits	1 108 078	943 506	164 572	17,4
b- other deposits and credit notes	3 287 839	3 246 874	40 965	1,3
4- Borrowings and special resources	567 808	576 471	-8 663	-1,5
a- realised borrowings	52 576	22 164	30 412	137,2
b- special resources	515 232	554 307	-39 075	-7,0
5. Other liabilities	188 264	196 376	-8 112	-4,1
a- provisions for liabilities and expensive	7 833	5 842	1 991	34,1
b- suspense and adjustment accounts	131 953	142 684	-10 731	-7,5
c- other	48 478	47 850	628	1,3
TOTAL LIABILITIES	5 167 686	5 174 199	-6 513	-0,1
STOCKHOLDERS' EQUITY				
1a- Capital	160 000	100 000	60 000	60,0
1b- Shareholders : no called capital	-25 000		-25 000	
2- Reserves	212 749	173 859	38 890	22,4
3- Treasury stock	-3	-3 678	3 675	-99,9
4. Other stockholders' equity	133 000	133 000	0	0,0
5- Income brought forward	28	67	-39	-58,2
TOTAL STOCKHOLDERS' EQUITY	480 774	403 248	77 526	19,2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5 648 460	5 577 447	71 013	1,3

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

IN DECEMBER 31, 2009

1 • PRESENTATION OF THE BANK

The national agricultural bank BNA is a limited liability company with 160 million dinars in capital, made up of 32,000,000 shares worth 5 TD each. It is posted on the official list of the Tunis stock exchange.

At the 14 March 2009 meeting of the extraordinary general assembly it was decided to increase the Bank's capital by 60 million dinars (10 MD by incorporating reserves and 50 MD by cash inputs), for an increase from 100 MD to 160 MD. The first portion of the capital increase in cash (25 MD) was completed on 6 July 2009 and the remaining second portion in the identical amount of 25 MD was completed on 9 March 2010. Thus, given that the issue premium came to a total of 20 MD, the overall amount mobilised for this increase amounted to 70 million dinars.

The head office is situated at Hedi Noura Avenue, 1001 Tunis. The bank is managed by a board of director.

The bank has 15 regional directions and 155 branches.

The bank finance different sector of activities and nearly all the needs of the agricultural sector.

2 • PROCESSING REFERENTIAL OF THE FINANCIAL STATEMENTS

The financial statements of the National Agricultural Bank are constituted in accordance with the terms of the law N° 96-112 of 30 December 1996 which concern the accounting system of the enterprises, the decree N°96-2459 of 30 December 1996 which support the conceptual confines of the accounting and accounting principles foreseen in accounting norms for the banking sector. Number 21 and 25 published in the order of the Finance Ministry at 25th March 1999.

3 • BASIC FOR MEASUREMENT AND ACCOUNTING PRINCIPALES USED

The financial statements of the National Agricultural Bank are constituted in accordance with the decree N°96-2459 of 30 December 1996 which support the conceptual confines of the accounting and accounting principles foreseen in accounting norms for the banking sector.

The most significant bookkeeping are summarised below.

3.1. Accounting for commitments and related income

3.1.1. Commitments on the off balance sheet

Financing commitments are entered on the off balance sheet as they are contracted and transferred to the balance sheet as they are disbursed, at nominal value.

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

3. 1. 2. Claims on clients

Loans and advances are entered as assets for the amount of funds made available to clients. Loans granted as net discount are entered at nominal value (funds made available to clients above and beyond interest entered in advance). Claims on clients (disbursed loans and debit current accounts) are shown under assets less relevant provisions, interest and reserved fees and interest entered in advance but not yet accrued. Claims are evaluated and classification made periodically in line with the terms of BCT circular N°91-24 of 17 December 1991 and modified by subsequent texts.

Commitments that exceed 50,000 TD are subject to assessment on a case by case basis. Provisions constituted on these commitments are determined by taking into account accepted guarantees and reserved fees and interest.

In light of the difficulties encountered in trying to use dated guarantees and procedures applied during auction sales, a discount of 40% on the value of actual guarantees was applied starting this year for loan applications transferred for legal action between three years and five years ago but for loan applications transferred for legal action more than five years ago the discount is 100%.

Constituting these provisions on filed claims is done in line with the following rates:

Category of risk	Rate of provision
0 and 1	0%
2	20%
3	50%
4	100%

required provisions on commitments that are below 50,000 TD are assessed using a method of extrapolation in light of the rate for provisioning commitments exceeding 50,000 TD.

The level of provisions required to cover disputed claims of less than 50,000 TD was calculated by applying to the net outstanding balance of claims (after deduction of commitments on budgetary funds, those guaranteed by the FNG and the FNE as well as bank charges and reserved interest) positioning rates varying between 30% and 100% depending on how long ago they were handed over for legal action. □

3.1.3. Accounting for income relating to client claims

Interest, similar proceeds and encashed commissions as well as accrued products that have not yet fallen due that are reasonably sure of being encashed are taken into account in results. When their encashment is not sure, interest and fees are entered as reserved interest and fees, presented as a minus on the "claims on clients" line. They are posted as proceeds only when they are actually encashed, to be part of results for the year of encashment.

3.2. Accounting for the securities portfolio and related income

The bank's securities portfolio falls into two categories: the commercial securities portfolio and the investment securities portfolio.

3.2.1. Commercial securities portfolio and related income

This portfolio includes securities acquired with the intention of selling them off short term. It is made up of transactional securities and investment securities are assessed at the end of the year at their stock market value, with latent losses entered as provisions. Treasury bonds are assessed at their depreciated cost. Income related to fixed income securities are taken into account in results as they accrue.

3.2.2. Investment securities portfolio and related income

The investment securities portfolio includes securities acquired with the intention of keeping them until they fall due, as well as those whose durable possession is considered useful for banking activity.

To be found under this category are:

- Certificates of participation, shares in associated companies and shares in related companies.
- Fixed income securities acquired by the bank with the intention of holding them until they fall due.
- Debt at public enterprises assumed by the Tunisian state.
- Amounts invested in funds managed by the SICAR INVEST company.

Non freed subscriptions are recorded as off balance sheet commitments at the price of issue.

Securities are accounted for at the price of acquisition exclusive of fees and costs except for costs for studies and consulting committed by the bank at the time of acquisition. Acquisition and sale

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

of securities are entered for the date of transfer of ownership of the securities, i.e. the date on which the transaction is registered at the Tunis Stock Market.

Encashed dividends, actual gains on sales, income on managed funds and income from bond loans are posted under the category "income from the investment portfolio" on the results statement. Dividends not yet encashed but that have been the object of a decision to distribute as well as proceeds from managed funds and accrued bond loans are also entered as "income from the investment securities portfolio is subject to assessment on the date of closing by comparing it with the usual of securities at accounting value. Corresponding provisions are readjusted accordingly.

The normal value of securities is determined by referring to the stock market value for listed securities and the mathematical value calculated starting with the last available balance sheet for non listed securities.

Funds managed by capital risk mutual investment companies are made up of holdings secured in the framword of onlending agreements. These securities are assessed at the closing date by referring to the mathematical value of participation in the core funds of the company issuing securities, taking into account prospects for collection.

3.3. Accounting for client deposits and related costs

Client deposits and assets are made up of :

- sight deposits and savings accounts for which interest fees are calculated and entered on a quarterly basis and
- Forward investment by clients, either post or pre counted, for which interest is entered as it accrues.

3.4. Accounting for external loans and related costs

External credit lines are entered on off balance sheets at the time an agreement is signed, and then entered under liabilities, converted at the rate of exchange on the date it is released, during discharge of calls for funds. Interest on loans is entered under costs for the year as it accrues. Losses on exchange on these loans are covered by an insurance policy contracted with the TUNIS RE COMPANY.

3.5. Buying back of core shares

In line with accounting standard NC02 relating to core capital:

- Buy backs of core shares are presented as a deduction from core capital [such shares are those purchased directly by the bank or through deposited funds management directly by SICARINVEST],
- Gains or losses on bought back core shares are charged directly to core capital,
- Dividends on core shares are charged to “results carried forward”.

3.6. Reclassification of certain lines on the financial statements:

Certain lines on the financial statements as at 31.12.2008 were processed anew to take into account the following reclassifications.

(in thousands of TND)

	Former line	New line	31.12.2008
Profits/arbitration transaction monetary rejects	PR7	PR8/CH9	27
Commissions collected on banknote exchange	PR2	PR3	2 808
Losses and profits on sale of travellers checks	PR2	PR3	-6
Loans on the money market in foreign currency (central bank of Tunisia BCT)	AC2	AC1	82 223
Interest to be collected /Loans on the money market in foreign currency (BCT)	AC2	AC1	169
Interest to be collected/closing of leasing company accounts	AC3A	AC2	5
Interest to be served /closing of leasing company accounts	PA3A	PA2	5
Foreign banknotes in foreign currency	AC1	PA3B	1 240

4 • NOTES ON LINES IN THE FINANCIAL STATEMENTS

4.1- Notes on lines in the balance sheet

4.1.1- Cash and assets at the central bank of Tunisia BCT, the postal checks centre CCP and the Tunisian general treasury TGT

Cash assets at the BCT, CCP and TGT came to a total of 427,593,000 TD as at 31.12.2009, compared to 168,318,000 TD as at 31.12.2008, an increase of 259,275,000 TD mainly due to the higher level of loans on the money market in dinars.

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

(in thousands of TND)

	31/12/2009	31/12/2008
Credits notes and cash in Dinars	31 579	29 189
Credits notes and cash in Devises	8 469	13 913
Credits notes and cash with central bank in Dinars	1 978	14 492
Credits notes and cash with central bank in currency	7 878	7 401
Loan on the monetary market in Dinars	329 000	
Loan on the monetary market in currency	38 214	82 223
Interest receivable	54	169
Movements with IBS	6 682	9 257
Credits notes and cash with the post office	570	1 177
Credits notes and cash with TGT	3 169	10 497
TOTAL	427 593	168 318

4.1.2- Claims on banking and financial institutions

Claims on banking and financial institutions increased from 72,828,000 TD as at 31.12.2008 to 113,198,000 TD as at 31.12.2009, an increase of 40,370,000 TD.

The various headings that make up this line as well as their balances can be detailed as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
a-Receiveables from banking institutions	110 256	72 823
* sight accounts	4 748	5 090
* loan on the monetary market	105 170	39 752
* loan on the currency market		27 092
* interest receivable	338	889
b-Receiveables from financial institutions	2 942	5
* sight accounts	2 908	
* interest receivable	34	5
TOTAL	113 198	72 828

4.1.3- Claims on clients

Net claims on clients as at 31.12.2009 came to 4,357,967,000 TD, compared to 4,543,380,000 TD as at 31.12.2008, a decrease of 185,413,000 (a drop of 4.1%). The structure of these claims by category is as follows:

(in thousands of TND)

	Gross outstandings	Subordinated debt	Prepaid income	Provisions	Reserved interest	Net outstandings
a- Agricultural liabilities	632 010	299 464	-1 697		-293 635	636 142
* debit accounts	18 072					18 072
* other customer credit	330 803	44 066	-1 697		-39 278	333 894
* loans out of special resources	283 135	255 398			-254 357	284 176
b- Commercial & industrial liabilities	4 074 607	74 201	-10 585		-96 439	4 041 784
* debit accounts	494 715	17 671			-32 339	480 047
* other customer credit	3 376 467	44 661	-10 585		-54 070	3 356 473
* loans out of special resources	203 425	11 869			-10 030	205 264
c- Associated current account	680					680
d- Receivables / stockholder's funds taken over by the state	27 445					27 445
e- Provisions				-348 084		-348 084
TOTAL at Dec. 31,2009	4 734 742	373 665	-12 282	-348 084	-390 074	4 357 967
TOTAL at Dec. 31,2008	4 873 008	359 716	-17 322	-301 391	-370 631	4 543 380

Gross allotments to provisions on claims constituted in 2009 came to 95,990,000 TD, compared to 85,590,000 TD in 2008.

4.1.4- The commercial securities portfolio

The overall outstanding balance of the Bank's commercial securities portfolio came to 312,728,000 TD as at 31.12.2009 (vs. 349,918,000 TD as at 31.12.2008), a drop of 37,190,000 TD. This drop was due for the most part to the decrease in treasury bonds held by the Bank, which fell from 356,540,000 TD as at 31.12.2008 to 318,039,000 TD as at 31.12.2009.

The commercial securities portfolio of the bank has the following attribute:

(in thousands of TND)

	31/12/2009	31/12/2008
a-Floating rate securities	1 078	312
* listed	1 092	377
* provisions on securities	-14	-65
b- Flat return securities	311 650	349 606
* state bond	318 039	356 540
* reattached loan	-6 389	-6 934
NET TOTAL	312 728	349 918

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.1.5- The investment securities portfolio

The Bank's investment securities came to 309,628,000 TD as at 31.12.2009, compared to 319,665,000 TD as at 31.12.2008. Movements by category of securities filed under this line as well as the corresponding provisions can be presented as follows:

(in thousands of TND)

	Equity security	Other investment	administered funds	Loans of public companies	Equity with commitment retrocession	Reserved interest and carry	Total at 31/12/2009
a - Book value at Dec.31th	102 162	24 909	46 092	164 262	2 500	-207	339 718
value at January 1 st	101 149	23 750	38 553	175 176	3 300	-273	341 655
purchases	4 075	5 000	8 500				17 575
cancellation reclassement security BNA/MF			3 047				3 047
handover	-2 905				-800		-3 705
recuperation subscription	-157						-157
capital loss for handover treasury stock			-295				-295
payback		-3 841	-3 713	-10 914		66	-18 402
b - Subordinated debt	54	194	1 709	63			2 020
c - Provisions at Dec. 31st	-20 424		-10 883		-803		-32 110
provisions at January 1 st	-14 960		-8 495		-1 059		-24 514
allowance for the period	-5 788		-2 835				-8 623
recapture of provisions	324		447		256		1 027
Net value at Dec.31,2009	81 792	25 103	36 918	164 325	1 697	-207	309 628
Net value at Dec.31,2008	86 244	24 049	32 204	175 200	2 241	-273	319 665

The other investment securities held by the Bank are made up of subscriptions to debenture loans (7,909,000 TD) and to the OPTIMA investment mutual fund (17,000,000 TD).

The breakdown of the Bank's equity securities in listed securities, non listed securities and shares in mutual investment companies dealing in securities can be presented as follows:

	31/12/2009	31/12/2008
Listed securities	34 925	36 925
Unquoted securities	66 638	63 625
Securities of OPCVM	599	599
Total	102 162	101 149

Provisions on equity securities went up from 14,960,000 TD as of 31.12.2008 to 20,424,000 TD as at 31.12.2009, following assignment in 2009 of an additional allotment to provisions in the amount of 5,788,000 TD and to entry of recovered funds in the amount of 324,000 TD.

Funds managed by the bank entrusted to SICAR INVEST as of 31.12.2009 were as follows :

	Year of allocation	initial amount	payback	less value on handover of own stock	Total at Dec 31,2009
managed fund 1	1997	4 500	-1 914	-187	2 399
managed fund 2	1997	2 057	-874	-239	944
managed fund 3	1998	5 550	-3 329	-1 170	1 051
managed fund 4	1999	7 350	-2 674		4 676
managed fund 5	2000	7 000	-1 374	-12	5 614
managed fund 6	2001	7 000	-1 052	-70	5 878
managed fund 7	2002	5 000	-253	-156	4 591
managed fund 8	2003	3 500			3 500
managed fund 9	2005	1 500			1 500
managed fund 10	2006	5 000			5 000
managed fund 11	2007	2 500			2 500
managed fund 12	2008	8 500			8 500
TOTAL		59 457	-11 470	-1 834	46 153
Capital loss for managed fund 8 & 9 waiting for allocation				-61	-61
TOTAL		59 457	-11 470	-1 895	46 092

The outstanding balance of provisions on managed funds as at 31.12.2009 came to 10,883,000 TD, a net additional amount of 2,388,000 TD over the figure as at 31.12.2008.

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.1.6- Fixed assets

Fixed assets are assessed at their historic acquisition cost, including all costs and taxes that the Bank cannot recover. These fixed assets are depreciated according to the following modes and rates.

Fixed assets	Kind of depreciation	Ratio of depreciation
software	linear	33%
hardware	linear	15%
building	linear	2%
spending of organization	linear	10%
office furniture	linear	10%
material	linear	20%
strong-box	linear	3%

Net value of tangible and intangible fixed assets as of 31.12.2009 is as follows:

(in thousands of TND)

	Dec.31,2008	Purchases / Allowances	Sales / Recoveries	Internal allocation	Dec.31,2009
a-Intangible fixed assets	4 931	1 510	-	-	6 441
* software	4 931	1 510	-	-	6 441
Depreciation	-4 071	-498	-	-	-4 569
* software	-4 071	-498	-	-	-4 569
Net Total (1)	860	1 012	-	-	1 872
b-Tangible fixed assets	108 028	17 086	-31	-8 978	116 105
* land	5 008	135	-	-2 074	3 069
* building	47 285	1 784	-31	-3 187	45 851
* land settlement & lay-on	21 629	1 836	-	-4	23 461
* haulage materials	1 463	552	-	-	2 015
*office furniture	31 035	1 167	-	-	32 202
* fixed assets in process	1 093	2 812	-	-2 347	1 558
* office furniture in store	318	1 584	-	-1 179	723
* advance for office furniture	183	327	-	-42	468
* spend for new agency	14	132	-	-145	1
* other fixed assets	-	6 757	-	-	6 757
Depreciation	-60 804	-3 799	219	-	-64 384
* building	-17 972	-1 102	219	-	-18 855
* land settlement & lay-on	-17 504	-858	-	-	-18 362
* haulage materials	-1 301	-81	-	-	-1 382
*office furniture	-24 027	-1 758	-	-	-25 785
Net Total (2)	47 224	13 287	188	-8 978	51 721
OVERALL TOTAL (1) + (2)	48 084	14 299	188	-8 978	53 593

4.1.7- Other Assets

The bank's other assets categories came to 75,254,000 TD on 31.12.2008 to 73,753,000 TD on 31.12.2009.

(in thousands of TND)

	31/12/2009	31/12/2008
a-Asset adjustment accounts	34 076	37 492
* sundry debtors	5 199	6 005
* the government tax expenses	7 069	1 389
* management fees receivable	4 691	4 246
* foreign exchange adjustments	281	219
* other account	16 836	25 633
b-Other	39 677	37 762
* staff loans	31 769	32 466
* expenses carried over	16	53
* cash card stocks	404	189
* allowance for postage stamps	25	24
* allowance for revenue stamps	5	5
* allowance for special travel stamps	83	67
* deposits and guaranties	143	140
* other account	7 232	4 818
TOTAL	73 753	75 254

4.1.8- Banking and financial institutions deposits and assets

This line came to 15,696,000 TD as at 31.12.2009, compared to 210,964,000 TD as at 31.12.2008, a drop of 195,268,000 TD, largely the result of the drop in loans on the monetary market in dinars and sight accounts. It can be broken down as follows:

(in thousands of TND)

a-Deposits & credit notes of banking & financial institutions	31/12/2009	31/12/2008
* deposits & credit notes of banking institutions	12 823	210 021
* deposits & credit notes of financial institutions	2 873	943
TOTAL	15 696	210 964

b-Breakdown by type receivable	31/12/2009	31/12/2008
* sight accounts	9 175	29 436
* borrowings on the monetary market (in dinars)	-	179 000
* borrowings on the currency market	6 486	2 248
* interest for payment	35	280
TOTAL	15 696	210 964

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.1.9- Client deposits and assets

Client deposits and assets came to a total of 4,395,917,000 TD as at 31.12.2009, compared to 4,190,380 thousand TD as at 31.12.2008, an increase of 205,537,000 TD, an increase of 4.9%.

(in thousands of TND)

	31/12/2009	31/12/2008
a- Deposits in dinars	4 006 167	3 792 998
* sight deposits	917 965	745 658
* saving deposits	1 466 067	1 320 179
* cash notes	162 423	151 081
* term accounts	219 939	210 608
* special investment accounts	1 054 291	1 229 687
* certificates of deposit	51 500	6 500
* other amounts due to customers	133 982	129 285
b- Deposits in currency	368 705	369 634
* sight deposits	189 271	196 918
* cash notes	9 020	8 714
* term accounts	69 131	53 009
* investment accounts	92 048	101 608
* other amounts due to customers	9 235	9 385
c- Reattached debt	21 045	27 748
interest to be paid for sight deposits	842	930
interest to be paid for term accounts in currency	23	519
interest to be paid for saving deposits, cash notes, term accounts & other financial product	29 418	35 675
interest given in advance for cash notes and special investment accounts	-9 238	-9 376
TOTAL	4 395 917	4 190 380

4.1.10- Loans and special resources

The Bank's loans and special resources came to a total of 567,808,000 TD as at 31.12.2009 vs. 576,471,000 in 31.12.2008, which breaks down as follows. It should be noted that over the second quarter of 2009, BNA launched and successfully closed the first portion of 50 million dinars for the subordinated bond loan.

(in thousands of TND)

	31/12/2009	31/12/2008
Bond debt	52 576	586
ABC Bahrain borrowings	-	21 578
Special resources	510 626	547 729
Interest for payment	4 606	6 578
TOTAL	567 808	576 471

4.1.11- Other liabilities

The other liability lines came to a total of 176,114,000 TD as of 31.12.2009, compared to 188,376,000d TD as at 31.12.2008. This can be broken down as follows :

(in thousands of TND)

	31/12/2009	31/12/2008
State's duty	11 194	7 864
Corporation tax	8 606	7 863
Social organism	20 801	17 824
Sundry creditors	36 328	39 850
Other liabilities' adjustment accounts	88 899	108 528
Foreign exchange adjustment accounts	1 892	605
SWAP currency	561	
Reserve for liabilities & expenses	7 833	5 842
TOTAL	176 114	188 376

4.1.12- Core capital

Gross capital stock equity (prior to deduction of buyback by the bank of its own stock) came to a total of 492,927,000 TD as at 31.12.2009 vs. 414,926,000 TD as at 31.12.2008. The movement of capital stock equity in 2009 can be broken down as follows:

(in thousands of TND)

	Balance at Dec.31,2008	Appropriation of 2008 income	Other movements	Balance at Dec.31,2009
Social capital	100 000		60 000	160 000
Shareholders : no called capital	-		-25 000	-25 000
Endowment from the state	133 000			133 000
Legal reserve	10 000			10 000
Extraordinary reserve	35 051	9 800	-10 124	34 727
Special regime reserve	13 703			13 703
Reserve for tax-exempt reinvestments	25 230	13 594		38 824
Premiums for stock issues & mergers	35 077		20 000	55 077
Reserve for staff provident fund	30 904	500	743	32 147
Income brought forward before distribution	198	-198		-
Income brought forward after distribution		68	82	150
Income for the period	31 763	-31 763	40 299	40 299
TOTAL	414 926	-7 999	86 000	492 927

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

In line with the terms of law n°94-30 of 21 February 1994, State allotment of 133,000,000 TD is not reimbursable until the Bank's financial balance is re-established.

Among the other movements figure:

- Losses and gains for net value of -124,000 TD, following sale of a portion of its own stock [- 295,000 TD representing losses, following sale of capital stock equity held through managed funds and + 171,000 TD representing gains following sale of capital stock equity held directly by the BNA.
- The 60,000,000 TD capital increase, simultaneously by 10,000,000 TD by incorporation of reserves and 50,000,000 TD cash inputs, of which 25,000,000 TD were called for and paid in at the beginning of 2010.
- The 20,000,000 TD increase in the issue premium, following the Bank's capital increase in 2009.
- The 743,000 TD in interest collected on loans granted from social funds.
- Dividends on BNA's equity share capital from results carried forward in the amount of 82,000 TD.

4.1.13- Treasury shares

Treasury shares held by the bank came to 3000 TD as at 31.12.2009, compared to 3678 thousand TD as at 31.12.2008, posting a drop of 3,675,000 TD following:

- sale of treasury shares held directly by BNA, the acquisition value of which amounted to 628,000 TD (1st batch) and 37,000 TD (2nd batch), which posted respective gains of 81,000 TD and 89,000 TD,
- acquisition at the end of the financial period of treasury shares held directly by BNA for an amount of one thousand dinars, and
- sale of treasury shares held via managed funds, the acquisition value of which came to 3,048,000 TD and on which losses of 295,000 TD were posted.

(in thousands of TND)

	Balance at Dec 31,2008	Purchase	Handover	Balance at Dec 31,2009
Treasury shares bought back directly	-630	-38	665	-3
Treasury stock buy back through managed funds	-3 048	0	3 048	0
TOTAL	-3 678	-38	3 713	-3

4.2- Notes on off balance sheet commitments

4.2.1- Sureties, endorsements and other guarantees given

This line came to 714,665,000 TD on 31.12.2009 vs. 703,447,000 TD on 31.12.2008. It breaks down as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
a-In favour of banking institutions	100 641	75 466
Debtor by letter of indemnity of our foreign corresponding	100 641	75 466
b-In favour of customers	454 024	467 981
Debtor by endorsement and acceptance	56 560	41 855
Debtor by letter of indemnity	85 228	84 446
Debtor by surety bond	10 025	11 205
Debtor fiscal security	49 545	52 846
Debtor by public bargain security	179 422	156 740
Endorsement on debenture loan	8 075	9 703
Endorsement on treasurer's bill	64 950	110 900
Debtor by banking security on taxation	219	286
c-In favour of the state	160 000	160 000
Budgetary debts transferred by the state	160 000	160 000
TOTAL	714 665	703 447

4.2.2- Guarantees received (OBS7)

As of 31.12.2009, the line "guaranties received" was made up of the following components:

(in thousands of TND)

	31/12/2009	31/12/2008
Guarantees received from banks & insurance companies	4 548	4 548
Guarantees received from the state	206 012	209 770
Guarantees received from customers	258 313	274 938
TOTAL	468 873	489 256

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.3- Notes on the results statement

4.3.1- Interest and related income

Interest and related income came to 313,711,000 TD on 31.12.2009 vs. 306,775,000 TD on 31.12.2008 posting a growth rate of 2,3%. Breakdown is as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
a- Business transaction with banking-houses & financial establishment	10 283	11 863
Interest from loans on dinars monetary market	9 253	3 928
Interest from loans on currency monetary market	809	6 675
Interest from other financial & bank depositary	101	540
Benefit from SWAPS operations	120	720
b- Operations with the customers	290 727	283 179
Interest from customer's debtor account	48 795	46 816
Interest from customer's loan	241 932	236 363
c- Other interest & assimilated income	12 701	11 733
TOTAL	313 711	306 775

4.3.2- Commissions collected

Commissions collected by the bank amounted to 44,760,000 TD on 31.12.2009 vs. 44,697,000 TD on 31.12.2008. They broken down as follows :

(in thousands of TND)

	31/12/2009	31/12/2008
Commissions from transactions on cheques, drafts, transfers and keeping of accounts	23 364	22 040
Commissions on electronic banking	2 936	2 780
Commissions on foreign exchange transactions	715	1 250
Commissions on foreign trade transactions	2 092	1 794
Commissions on rental of safe deposit boxes	21	14
Commissions from review, advisory and arrangement fees	7 962	9 147
Commissions for the management of government and external funds	2 057	1 850
Commissions for guarantees on commercial paper	380	374
Sundry fees	5 233	5 448
TOTAL	44 760	44 697

4.3.3- Gains on the commercial portfolio and financial transactions

This line came to 27,433,000 TD on 31.12.2009 vs. 30,573,000 TD on 31.12.2008. These gains broke as of 31.12.2009 as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
a- Net gains (or net losses) on placement securities	20 962	22 928
Net interest from treasury bonds (+)	20 895	22 915
Dividends and similar revenue (+)	16	21
Retaking in provisions for depreciation in investment securities (+)	51	16
Endowment for depreciation of securities placement (-)	-	-24
b- Net gains on foreign exchange transactions	6 471	7 645
Positive result from exchange transactions	4 504	4 837
Commissions for manual exchange	1 967	2 808
TOTAL	27 433	30 573

4.3.4- Income from the investment portfolio

Income from the investment portfolio came to 10,504,000 TD on 31.12.2009 vs. 9,694,000 TD on 31.12.2008, an increase of 8,4%; Break down is as follows :

(in thousands of TND)

	31/12/2009	31/12/2008
Income from participation equity	8 456	7 300
Income of bonds	339	346
Income of managed funds	1 709	2 048
TOTAL	10 504	9 694

4.3.5- Accrued interest and related charges

Accrued interest and related charges came to 153,803,000 TD on 31.12.2009 vs. 173,045,000 TD on 31.12.2008, an increase of 11,1%; They are broken down as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
a-Business transaction with banking-houses & financial establishment	1 904	12 654
Interest cost for loans on dinars monetary market	1 275	11 449
Interest cost for loans on currency monetary market	25	109
Interest cost for other financial & ban depositary	459	1 069
Deport/report on operations of SWAP	145	27
b-Operation with the customers	134 214	140 630
Interest cost for sight account	4 559	7 254
Interest cost for saving account	38 726	48 085
Interest cost for bonds term account & financial product	90 929	85 291
c-Debt	14 170	15 524
d-Other interest and & cost	3 515	4 237
TOTAL	153 803	173 045

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.3.6- Allocations for provisions and result of correction of securities on claims, off balance sheet and liabilities

This category came to 68,263,000 TD on 31.12.2009 vs. 69,597,000 TD on 31.12.2008, a decrease of 1,334,000 TD. The situation on 31.12.2009 was as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
Accounting to provisions for doubtful receivables	-95 990	-85 590
Forgotten debt	-17 065	-10 907
Resumption of provisions for doubtful receivables off-balance sheet commitments & liabilities	49 297	29 275
Provisions for various risk	-4 569	-2 953
Retaking of various provisions	63	572
Amounts recovered under written-off receivables	1	6
TOTAL	-68 263	-69 597

4.3.7- Allocations to provisions and result of correction on investment portfolio securities (REV6/EXP5)

This line came to 633,000 TD on 31.12.2009 vs. 1,751,000 TD on 31.12.2008, as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
Accounting to provisions for investment portfolio depreciation	-5 788	-835
Accounting to managed funds provisions	-2 835	-1 833
Capital gains from investment portfolio sales	4 094	490
Exchange gains from investment portfolio	3 453	
Exceptional losses on investment portfolio	-584	-280
Retaking in provisions made for investment portfolio depreciation	580	644
Retaking in managed funds provisions	447	63
TOTAL	-633	-1 751

4.3.8- Staff Costs

Staffs costs came to 95,465,000 TD on 31.12.2009 vs. 80,942,000 TD on 31.12.2008, with breakdown as follows:

(in thousands of TND)

	31/12/2009	31/12/2008
Wages	71 402	61 459
Social & fiscal expenditure	19 355	16 125
Other expenditure of employees	4 708	3 358
TOTAL	95 465	80 942

4.4- Notes on the cash flow Statement

4.4.1- Liquidity and quasi liquidity

Liquidity and quasi liquidity totalled 788,091,000 TD as at 31.12.2009 vs. 320,735,000 TD as at 31.12.2008, a positive variation of 467,356,000 TD. Operational, investment and financing activities yielded a positive net flow of 425,013,000 TD, 10,387,000 TD and 31,956,000 TD. Analysis of these three components underlines the following observations.

1- Net cash flows from operational activities

The main lines that contributed to this positive net flow of 425,013 thousand dinars are the following:

- client deposits recorded a net increase between December 2008 and December 2009 of 212,243,000 TD;
- loans to clients recorded a net drop between December 2008 and December 2009 of 122,955,000 TD;
- net disbursements to staff and miscellaneous creditors for the period between 31.12.2008 and 31.12.2009 came to 88,672,000 TD;
- the surplus in proceeds encashed compared to costs disbursed between 31.12.2008 and 31.12.2009 came to 225,579,000 TD.

2- Net cash flows from investment activities

A positive net flow of 10,387,000 TD for the period between December 2008 and December 2009 was due mainly to interest and dividends encashed on the investment portfolio in the amount of 11,010,000 TD, variation in the investment portfolio for 1417,000 TD, and gains and losses on equity securities in the amount of 7547,000 TD, partially offset by acquisition of fixed assets in the amount of 9587,000 TD.

3- Net cash flows from financing activities

The positive net flow of 31,956,000 TD for the period between December 2008 and December 2009 was due mainly to issue of shares in the amount of 45,000,000 TD (nominal: 25,000,000 Tunisian dinars and issue premium: 20,000,000 TD) and launching of a subordinated loan in the amount of 50,000,000 TD, partially offset by reimbursement of 21,578,000 TD in borrowings, the 37,103,000 TD drop in special resources, and dividends paid in the amount of 7,914,000 TD.

NOTES RELATING TO THE INDIVIDUAL FINANCIAL STATEMENTS

4- Liquidity and quasi liquidity

This heading is made up of cash holdings in dinars and foreign currency at the Central Bank and the postal check centre as well as net assets at banking institutions, interbank loans and borrowings of a duration of less than three months, and the transaction securities portfolio. Such liquidity and quasi liquidity amounted to 788,091,000 Tunisian dinars as of 31.12.2009, mainly from the following lines:

(in thousands of TND)

LIQUIDITY AND QUASI LIQUIDITY AT THE END OF THE PERIOD	788 091
LIQUIDITY IN TUNISIAN DINARS	451 357
Cash in dinars	31 579
Holding at the central bank of Tunisia in dinars	1 978
Holding at the postal check centre	570
IBS Transactions	6 682
TGT check to be encashed	3 169
Investments in dinars	407 500
Corresponding debit in dinars	7 642
Corresponding credit in dinars	-7 763
LIQUIDITY IN FOREIGN CURRENCY	43 284
Cash in foreign currency	8 469
Holdings at the Central Bank of Tunisia in foreign currency	7 877
Corresponding debit in foreign currency	15
Corresponding credit in foreign currency	-1 413
Investments in foreign currency	28 336
BORROWINGS IN DINARS	-
BORROWINGS IN FOREIGN CURRENCY	6 485
INVESTMENT FOR MORE THAN THREE MONTHS*	299 935

* Investment in bonds equivalent to Treasury bonds (BTA) and zero coupon Treasury bonds (BTZC), which are part of the commercial securities portfolio, are considered to be quasi liquidity.

GENERAL REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS

In execution of the mandate entrusted to us by the General Assembly, we hereby present to you our general audit report on the financial statements of the National Agricultural Bank as at 31 December 2009 annexed to this report along with the specific verifications outlined in legislation and professional norms.

■ Opinion on the financial statements

We have audited the BNA's (National Agricultural Bank) financial statements as of 31 December 2009, which were drawn up under the responsibility of the Bank's executive management and administration.

Such responsibility is for design, establishment and monitoring of internal control for drawing up and sincerely presenting financial statements that present no significant anomalies, whether as a result of fraud or error, the choice and application of appropriate accounting methods and determination that accounting has been presented in a reasonable manner in view of circumstances. Our responsibility is limited to expressing an opinion on these statements on the basis of our audit. We have carried out the audit following international audit norms, in line with the terms of reference for audit of the financial statements of loan institutions given in the Central Bank of Tunisia's note to banks n°93-23 of July 1993. These norms require that the audit be planned and carried out in a manner that gives reasonable assurance that the financial statements do not contain any significant anomalies.

An audit implies the use of procedures that will provide convincing proof about the amounts and information found in the financial statements. The choice of procedures is left to our judgement, as is assessment of the risk that financial statements could contain significant anomalies, due to either fraud or error. In proceeding with this risk assessment, we have taken into account the internal controls used at the bank for establishing and faithfully presenting financial statements, so as to define audit procedures that are appropriate to the circumstances, rather than to give an opinion on the effectiveness of its procedures. An audit also calls for giving an opinion about the appropriateness of the accounting methods used and the reasonable nature of accounting estimates made by the management, as well as assessment of the overall manner in which financial statements are presented.

We consider that the work carried out in this framework constitutes a reasonable basis to support our conclusions.

The attached financial statements covering the period 1 January through 31 December 2009

show a net balance sheet total of 5 648.5 million dinars and net profits of 40.3 million dinars.

This result is due to the following factors:

- Allotment of net provisions and of the result of correction of values on claims, off balance sheet and liabilities in the amount of 68.3 million dinars
- Corporate tax in the amount of 8.6 million dinars
- Proceeds from sale of equity securities in the amount of 7.5 million dinars

On the basis of a diligent review, we find that the financial statements of the National Agricultural Bank are correct and faithfully represent in all significant ways the financial situation at the National Agricultural Bank along with the result of its operations and cash flows for the year ending 31 December 2009, in line with the accounting principles generally used in Tunisia.

■ Specific reviews

We have proceeded with the review and specific verifications outlined in legislation, in line with audit norms applicable in Tunisia. On the basis of our review, we have neither discovered nor heard of any significant inconsistencies in the account data provided in the boards annual management report that are in contradiction with bank's financial statement's at 31 December 2009.

In the framework of our audit and in application of (new) article 3 or law N° 94-117 governing reorganisation of the financial market as modified in subsequent texts, we have reviewed internal audit procedures relating to how accounting data is handled and how financial statements are prepared. This review has enabled us to identify a number of inadequacies in the bank's information and internal audit system. And in application of the terms of article 19 of decree n°2001-2728 of 20 November 2001, we have carried out the required verifications and have found nothing to report regarding conformity of the stock accounts issued by the National Agricultural Bank in the context of prevailing regulations.

Tunis, 26 April 2010

CO AUDITORS

P/ CMC – DFK International

Chérif BEN ZINA

P/ GAC – CPA International

Chiheb GHANMI

SPECIAL REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS

In application of the terms of article 29 of law n°2001-65 of 10 July 2001 concerning loan institutions and articles 200 and 475 of the commercial company code, we would like to inform you of the conventions outlined in these articles to be used or which remain in force for 2009.

Our responsibility is to ensure that legal procedures for authorising and approving these conventions or operations and that they are correctly translated, in fine, in the financial statements. It is not up to us to specifically seek in a sustained manner the possible existence of such conventions or operations but to transmit to you, on the basis of information we have received as well as information obtained through our audit procedures, their essential characteristics and modalities, without commenting on their usefulness or justification. It is up to us to assess the interest attached to the conclusion of these conventions and the carrying out of these operations with a view to their approval.

■ Funds managed by SICAR INVEST

The National Agricultural Bank signed agreements with its affiliate SICAR INVEST to manage capital risk funds. These managed funds are broken down as follows:

(in thousands of TND)

Specifications	Amount of fund	Outstanding of fund in the end of 2009
BNA fund 1 (1997)	4 500	2 399
BNA fund 2 (1998)	2 057	944
BNA fund 3 (1999)	5 550	1 051
BNA fund 4 (2000)	7 350	4 676
BNA fund 5 (2000/2001)	7 000	5 614
BNA fund 6 (2002)	7 000	5 878
BNA fund 7 (2003)	5 000	4 591
BNA fund 8 (2004)	3 500	3 500
BNA fund 9 (2005/2006)	1 500	1 500
BNA fund 10 (2007)	5 000	5 000
BNA fund 11 (2008)	2 500	2 500
BNA fund 12 (2009)	8 500	8 500
TOTAL	59 457	46 153

Conditions for remunerating these funds are summarised as follows:

- A 0.5% management commission on the outstanding balance of funds entrusted to them, up to 200,000 dinars a year.
- Collection fees of :
 - 0.75% if the claim dates back less than three months
 - 1.50% if the claim dates back between three months and one year
 - 2.50% if the claim dates back more than one year
- A 3% commission on proceeds taken in.

■ Conventions regarding trustees of securities and funds

In light of trusteeship agreements with « SICAV PLACEMENT OBLIGATAIRE », « SICAV BNA » and « BNA-CAPITAUX », the National Agricultural Bank plays the role of trustee for securities and funds. To remunerate these services, the bank receives the following commissions:

- « SICAV PLACEMENT OBLIGATAIRE »: 0.15% exclusive of tax on the amount of net assets;
- « SICAV BNA »: 1000 dinars exclusive of tax per annum;
- « BNAC CONFIANCE FCP»: 0.1% including tax on the amount of net assets, paid quarterly;
- « BNAC PROGRES FCP»: 0.1% including tax on the amount of net assets, paid quarterly.

■ Convention regarding the keeping of a register on stockholders and related services

The agreement between the National Agricultural Bank and BNA-CAPITAUX was updated in 2007 to include the following:

- Keeping up the register of stockholders and related services, for which BNA-CAPITAUX received a lump sum payment of 50,000 dinars for 2007, down to 40,000 dinars in 2008 and 30,000 dinars in 2009;
- Portfolio management on behalf of the National Agricultural Bank for which BNA-CAPITAUX received:
 - A commission amounting to 0.4% of the amount of the transaction;
 - A commission amounting to 0.2% of the amount of the coupon on encashment of coupons;
 - Fees of 0.075% for keeping accounts, calculated as a percentage of the stock portfolio, up to a maximum of 2 500 dinars per stock;
- Portfolio management on behalf of BNA clients, for which BNA-CAPITAUX received payment in line with the latter's prices to the public [For stock market transactions via the BNA network, it was agreed that relevant transaction fees would be split evenly between the National Agricultural Bank and BNA-CAPITAUX].

■ Transactions carried out with the « TUNISIA COMPUTER SERVICES COMPANY »

The amount for purchases of equipment, computer supplies and services provided by the «TUNISIA COMPUTER SERVICES COMPANY» came to 1 037 170 dinars in 2009 vs. 2 225 367 dinars in 2008.

■ Rental contract with BNA-CAPITAUX

In 2009 the National Agricultural Bank rented business premises to BNA-CAPITAUX for Sousse branche.

Because it did not give notice three months before expiration of the contract, the current rental agreement has been renewed for a new period of one year, under the same conditions but with a 5% increase in the price of rent, until such time as notice is given by registered letter with confirmation of receipt by either the renter or the owner.

Since 1st April, Monthly rent is set at 420 dinars, exclusive of tax and payable in advance.

In 2009 the «National Agricultural Bank» rented premises for commercial use to «BNA Capitaux». This contract runs for a period of one year, renewable by tacit agreement. Annual rent comes to 4 630,500 dinars, exclusive of tax, starting 1 July 2009.

■ Remuneration and advantages for leaderships and administrators

- Gross remuneration to the deputy president director general in 2009 came to 66 420,400 dinars, including benefits in kind.
- Gross remuneration to the deputy managing director in 2009 came to 60 601,970 dinars, including benefits in kind.
- Attendance fees for board members in 2009 came to a gross total of 57 187 500 dinars.

Tunis, 26 April 2010

CO AUDITORS

P/ CMC – DFK International

Chérif BEN ZINA

P/ GAC – CPA International

Chiheb GHANMI

RESOLUTIONS ADOPTED BY THE ORDINARY GENERAL ASSEMBLY ON 21 MAY 2010

FIRST RESOLUTION:

The Ordinary General Assembly, after having listened to reading of:

- the Board's report on BNA activity and individual financial statements, on BNA group activity, and on consolidated financial statements relating to 2009
- reports of the audit commission on BNA's financial statements and consolidated financial statements as of 31.12.2009.

Takes note of the conclusions given in audit reports and approves the Board's reports as well as the individual and consolidated financial statements as of 31.12.2009 as presented to it.

Consequently, it entirely and unreservedly absolves the Board of their management responsibilities regarding 2009 accounts.

This resolution is adopted unanimously.

SECOND RESOLUTION:

The Ordinary General Assembly, after hearing reading of the auditor's special report on operations that are the object of articles 200 and following as well as 475 of the commercial companies code and article 29 of law n° 2001-65 as modified by law n° 2006-19, takes note of the conclusions of this report.

This resolution is adopted unanimously.

THIRD RESOLUTION:

As proposed by the Board, the Ordinary General Assembly decided to allot 2008 profits to be distributed as follows:

Results	40.298.750,302 DT
Carried forward from 2008	150.148,629 DT
Profits to be distributed	40.448.898,931 DT
Legal reserves	2.022.444,947 DT
Reserves for tax-exempt reinvestment	21.350.000,000 DT
Reserves for special regime	4.098.336,660 DT
Extraordinary reserves	300.000,000 DT
Social funds	500.000,000 DT
Results to be carried forward	28.117,324 DT
Total assigned	28.298.898,931 DT
Remainder to be distributed	12.150.000,000 DT
Dividends (9%)	12.150.000,000 DT

Dividends for 2009 were thus set at 0.450 TD net per share. These dividends will be released for payment starting on 7 June 2010.

This resolution is adopted at the majority.

FOURTH RESOLUTION:

The Ordinary General Assembly decided, on the basis of a proposal by the Board, to deposit in « Carry forward » account dividends from BNA shares acquired in line with the terms of article 19 of law n° 94-117 of 14 November 1994, i.e. 82 468,800 dinars.

This resolution is adopted unanimously.

FIFTH RESOLUTION:

The Ordinary General Assembly decided, on the basis of a proposal by the Board, to deduct 124 375,393 TD from the Extraordinary reserves to regularize the capital loss registered in the framework of transfer of BNA shares acquired in line with the terms of article 19 of law n° 94-117 of 14 November 1994.

This resolution is adopted unanimously.

SIXTH RESOLUTION:

The Ordinary General Assembly authorises buy back by the Bank of its core stock, as allowed for in the terms outlined in law n° 94-117 of 14 November 1994, law n° 99-92 of 17 August 1999 and Minister of Finance decree of 17 November 2000, with a view to regulating the market.

It delegates to the Board the power to set maximum buying prices and minimum resale prices, the maximum number of shares to be acquired and the timeframe for acquisitions to be made, authorising it to use extraordinary reserves for coverage of losses that can be entered.

This resolution is adopted unanimously.

SEVENTH RESOLUTION:

The Ordinary General Assembly authorises issue by the National Agricultural Bank of one or more bond loans, up to 100 million dinars, for the period between the present Assembly's meeting and the one that will approve the following year's accounts. The Board is authorised to set the amounts, conditions and modalities for each issue.

This resolution is adopted unanimously.

EIGHTH RESOLUTION:

The Ordinary General Assembly sets the net amount for directors' tokens in 2009 at five thousand (5000 dinars) per administrator.

This resolution is adopted unanimously.

NINETH RESOLUTION:

The Ordinary General Assembly notes the designation of Mr. Youssef NEJI as the administrator representing the cereals board to replace Mr. Mohamed Fadhel ZRELLI.

This resolution is adopted unanimously.

TENTH RESOLUTION:

The Ordinary General Assembly designed "GEM" represented by M Abderrazek Gabsi and "CSL" represented by Samir Laarbi as co – auditors, that certified the Individual Financial Statements and Consolidated Financial Statements of the BNA for the exercises 2010-2011-2012.

Their mandate expired on the Ordinary General Assembly,

This resolution is adopted unanimously.

ELEVENTH RESOLUTION:

The Ordinary General Assembly designed, for the years 2010-2012, the administrators bellow:

- Mr. Moncef Dakhli, represent Tunisian State .
- The Ministry Of Finance, two represented by two members.
- The Ministry Of Development And International Cooperation, represented By one member
- The Ministry Of The Agriculture And Of The Hydraulic Resources, represented By one member
- The « Office des Céréales », represented By one member
- The « Caisse Nationale de Sécurité Sociale », represented By one member
- The « Office du Commerce de la Tunisie », represented By one member
- The « Caisse Tunisienne des Assurances Mutuelles Agricoles », represented By one member
- Mr. Sahbi Mahjoub.
- Mr. Ali El Hlioui.
- Mr. Mustapha Lahmar.

Their mandates expired in the Ordinary General Assembly that decided on financial statements for exercise 2012.

This resolution is adopted at the majority.

TWELVETH RESOLUTION:

The bearer of a copy or extract of these minutes is free to dispose of them or publish them as required.

This resolution is adopted unanimously.

ACTIVITY AT THE BNA GROUP IN 2009

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ACTIVITY AT THE BNA GROUP IN 2009

■ CONSOLIDATED FINANCIAL SITUATION

The national agricultural bank's consolidated financial statements as well as those of companies in its perimeter of consolidation as at the end of 2009 show the following main developments.

- A 1.8% increase in the total of the consolidated balance sheet to 6015 MD as at 31.12.2009 vs. 5908 MD as at 31.12.2008.
- A 21.4% increase in the outstanding balance of capital stock equity, for a total of 505 MD in 2009 vs. 416 MD in 2008.
- A 4.1% drop in the outstanding balance of shares in companies accounted for under the equity method, down from 19.9 MD as at 31.12.2008 to 19.1 MD as at 31.12.2009.
- The total of consolidated operating proceeds amounted to 407.3 MD at the end of 2009, compared to 401.2 MD in 2008, an increase of 1.5%.
- Consolidated operational costs came to a total of 149.5 MD as at 31.12.2009 vs. 171.8 MD at the end of the previous year, a decrease of 12.9%.
- Consolidated net banking proceeds went up by 12.3% to 257.8 MD in 2009, compared to 229.5 MD in 2008.
- Operating costs came to 186.9 MD in 2009 vs. 151.4 MD in 2008, an increase of 23.4%.
- The share of the group in the results of companies accounted for under the equity method moved from -1,930,000 dinars as at 31.12.2008 to -89,000 dinars at the end of 2009.
- The consolidated net result for 2009 came to 46.029 million dinars, of which 40.892 million dinars were from the positive contribution of the BNA as the consolidating company, 1.901 million dinars from that of BNA-CAPITAUX and 1.174 MD from that of SO.FIN.REC. The positive contribution of the real estate group to the consolidated result came to 1.653 MD for 2009.

It should be noted that compared to 31.12.2008, the consolidated net result posted an increase in volume of 12.8 million dinars, attributable for the most part to the +12.9 million dinar greater positive contribution of BNA (the consolidating company) and of BNA-CAPITAUX (1.0 million dinars) and the drop in that of the real estate group for an amount of 1.0 MD.

Contribution to the consolidated result

(in thousands of TND)

Denomination	Contribution to the consolidated result of 2008	Contribution to the consolidated result of 2009
NATIONAL AGRICULTURAL BANK (consolidating company)	27 949	40 892
SOFINREC	1 362	1 174
BNA-CAPITAUX	923	1 901
SIVIA	894	229
SIMPAR	699	931
ESSOUKNA	664	708
SICAF PARTICIPATIONS BNA	252	21
Les Œillets	203	228
EL MEDINA	173	-443
SOIVM-SICAF	138	579
SICAR INVEST	78	4
SOGEST	61	37
SICAV BOND INVESTMENT COMPANY	7	7
IFRIKIA	3	5
SICAV-BNA	0	2
ZIED	-2	-1
AGRO-SERVICES	-5	22
SIP SICAR	-50	-88
T.I.S	-88	-180
CONSOLIDATED RESULT OF THE GROUP	33 265	46 029

■ FINANCIAL AFFILIATES

BNA CAPITAUX

BNA Capitaux is a stockbrokerage firm. Initial capital was 2.5 million dinars, now standing at 5 million dinars, made up of 50,000 shares worth 100 dinars each, 99% of which is held by the National Agricultural Bank. The company works mainly in stockbrokerage and management of stock portfolios and holdings of any kind as well as management of stock mutual investment funds in any form.

In 2009, the total of transactions on the Tunis Stock Exchange came to 3324 million dinars compared to 4130 million dinars in 2008. The volume of transactions carried out by BNA-Capitaux on the official list market came to 278,688,000 dinars in 2009 compared to 198,536,000 dinars the year before, for a market share of 7.6%, in third place out of a total of 23 stockbrokers. Corporate income rose by 30% over the 2008 figure, coming to 3,221,000 dinars and the net

ACTIVITY AT THE BNA GROUP IN 2009

result was 1,953,000 dinars as at 31/12/2009, a 127% increase. This improvement was the result of BNA Capitaux's main activity of stockbrokerage, which continues to post exceptional results, with turnover of 3.2 million dinars in 2009, compared to 2.0 million dinars in 2008 and 1.8 million dinars in 2007.

At the same time, operating costs grew more slowly, yielding an operating result that has risen by +100% every year since 2007. This main activity is thus structurally beneficiary and profitable. Activity in the securities portfolio also recorded satisfactory results, an increase of 37% over the 2008 figure.

THE STOCK INVESTMENT COMPANY «SOIVM SICAF»

SOIVM SICAF was founded in July 1993 with initial capital of two million dinars, now standing at 4 million dinars, made up of 400,000 shares with a nominal value of 10 dinars each. This is a company that uses its core funds to manage a stock portfolio.

BNA's holdings in this closed-end investment company amounted to 63% or 2,514,000 dinars. Income derives from dividends and proceeds from investment, closely linked to economic and stock market conditions.

In 2009, net income from investments went up by +288% to 1,109,000 dinars. Operational results came to +1,028,000, an increase of 307% and the net result was +1,015,000 dinars vs. 251,000 dinars in 2008.

OPEN END BOND MUTUAL INVESTMENT COMPANY

The open end mutual investment company was founded in September 1996 with initial capital of 300,000 dinars held exclusively by the BNA group. As at 31/12/2009 it came to 329,936,000 dinars. Maintaining and managing a stock portfolio using nothing but its own funds.

As at 31/12/2009, its net assets came to 304,599,000 dinars vs. 256,246,000 dinars as at 31/12/2008, an increase of 19%. It posted 2009 net profits of 15,118,000 dinars, a 10% increase over the previous year's figure, allowing for distribution of dividends in the amount of 4.289 dinars per share. Posted yield was 4.12%.

BNA OPEN END MUTUAL INVESTMENT COMPANY

SICAV BNA is an open end investment company founded in 1993 with a corporate mandate to constitute and manage a stock portfolio using its core funds. Initial capital was 300,000 dinars, which had increased to 3,653,000 dinars as at 31.12.2009. Net assets rose by 37% in 2009, up from 2,493,000 dinars to 3,413,000. Similarly, net results went up considerably, from 131,000

dinars in 2008 to 653,000 dinars in 2009. Thus distributable results went up by 25%, which led to an increase in distribution of dividend per share to 0.577 dinar for 2009, up from 0.501 dinar the year before.

THE CAPITAL RISK INVESTMENT COMPANY «SICAR INVEST »

SICAR INVEST was founded in March 1997 with initial capital of 2 million dinars. It currently stands at 8 million dinars, entirely paid in. The object of this venture capital investment company is essentially to participate (for its own account or on behalf of others) in increasing corporate stock equity. SICAR INVEST's income is made up of commissions for management of funds, commitments for study, proceeds from investment and gains on onlending. This income came to 765,000 dinars in 2009, posting a drop of 18% from the 2008 figure.

Other operating proceeds were marked by a high increase, up from 184,000 dinars in 2008 to 555,000 in 2009, given the higher level of proceeds from investment and recovery on provisions. Operating costs posted an increase of 12%, up from 933,000 dinars in 2008 to 1,043,000 dinars in 2009. Net results rose by 31%, up from 168,000 dinars in 2008 to 221,000 in 2009. The company's overall balance sheet came to 68,268,000 dinars in 2009, an increase of 3.7% and the core stock portfolio for onlending up from 9,119,000 dinars in 2008 to 8,713,000 in 2009.

THE CAPITAL RISK INVESTMENT COMPANY «SIP-SICAR»

SIP SICAR is a capital risk investment company founded in 1997 with initial capital of 2 million dinars, now standing at 3 million dinars entirely paid in. SIP SICAR's income is made up of proceeds from investment and piggybacking on the securities it manages.

Operating proceeds dropped by 13%, down from 307,000 dinars in 2008 to 268,000 in 2009.

2009 posted a net deficit of 248,000 dinars, compared to a deficit of 142,000 in 2008.

THE FINANCIAL CLAIM COLLECTION COMPANY «SO.FIN.RE.C»

SO.FIN.REC is a claim collection company affiliated to the National Agricultural Bank. Founded in 2001, its current capital is 3 million dinars, entirely paid up, divided into 600,000 shares with a nominal value of 5 dinars each, 90% of which is held by the National Agricultural Bank. This capital is being increased to 8 million dinars to help handle new acquisition of claims and to remain in conformity with prudential ratios for claim collection companies. SOFINREC's work involves the acquisition of claims and collection for itself and on behalf of others.

2009 posted a 9.7% increase in collection to 13,175,000 dinars, leading to net income from collection in the amount of 7,129,000 dinars, an increase of 4%. At the end of 2009, net results had posted an increase of 20% (660,000) over the 2008 figure.

ACTIVITY AT THE BNA GROUP IN 2009

THE «SICAF PARTICIPATIONS BNA» COMPANY

SICAF PARTICIPATIONS BNA is a close-end investment company, founded in December 2003 with capital of 500,000 dinars held exclusively by the National Agricultural Bank.

This company recorded final liquidation of three companies in their portfolio in 2009, exclusive of any distribution. Consequently, SPB's stock portfolio counted 46 companies as at 31/12/2009. The year closed with a net gain of 22,000 dinars vs. 257,000 in 2008 despite the absence of income from the stock portfolio.

■ REAL ESTATE GROUP

THE REAL ESTATE AND STOCK COMPANY «SIMPAR»

SIMPAR was founded in April 1973 with initial capital of 300,000 dinars. There have been several increases since then and capital now stands at 3,500,000 dinars for 700,000 shares.

In 2009 SIMPAR posted turnover of 20,725,000 dinars vs. 15,338,000 in 2008, an increase of 35 %. 2009 showed profits that were 44% higher at 3,656,000 dinars vs. 2,534,000 in 2008.

THE REAL ESTATE AND DEVELOPMENT COMPANY «SIVIA»

«SIVIA» is a limited liability company, founded in April 1980 with initial capital of 900,000 dinars, currently standing at 1,400,000 dinars. «SIVIA» handles all kinds of real estate operations. Activity at SIVIA involved all kinds of real estate transactions. It posted 12,552,000 dinars in turnover in 2009, up from 12,079,000 in 2008, for an increase of 3.9 %. 2009 showed profits of 900,000, which allowed for distribution of dividends at the same 10% rate as the year before.

THE ESSOUKNA COMPANY

ESSOUKNA is a real estate promotion company, founded in November 1983 with initial capital of 800,000 dinars, now standing at 3,006,000, with 3,006,250 shares worth 1 D nominal each.

2009 turnover came to 17,347,000 dinars vs. 17,272,000 in 2008. Net results were up by 35%, from 2,303,000 dinars in 2008 to 3,104,000, allowing for distribution of dividends in the amount of 0.280 dinar per share.

THE «EL MEDINA» REAL ESTATE PROMOTION COMPANY

«EL MEDINA» is a limited liability company founded in 1988, with capital currently posted at 900,000 dinars.

EL MEDINA's work involves purchase and sale all real estates.

2009 turnover came to 8137 thousand dinars vs. 7344 thousand dinars in 2008, an increase of 11%. The 23.6% increase in operating costs brought about net results that fell from 591 thousand dinars in 2008 to 119 thousand dinars in 2009.

THE «ŒILLETS» REAL ESTATE COMPANY

The Œillets Real Estate Company is a limited liability company, founded in December 1997 with initial capital of 150,000 dinars, currently standing at 900,000 dinars. Its initial purpose was to build housing for BNA staff but in 2003 this expanded to include housing initiatives of all kinds. 2009 turnover dropped by 38%, down from 3789 thousand dinars in 2008 to 2340 thousand dinars in 2009. Similarly, net results, although remaining positive, went down from 340 thousand dinars in 2008 to 229 thousand dinars in 2009.

THE GENERAL COMPANY FOR STUDIES, SUPERVISION AND WORKS «SOGEST»

SOGEST is a limited liability company, founded in December 1978. It handles engineering advice, including technical studies, oversees worksites, supervises, coordinates and verifies work in civil engineering and construction.

2009 turnover came to 1,128,000 dinars and net results to 204,000 dinars in 2009, compared to 1,015,000 and 195,000 dinars respectively in 2008. SOGEST performance remained fairly good, helping it to distribute dividends of 7.5 dinars per share in 2009 compared to 7 dinars in 2008.

■ SERVICE COMPANIES

AGRO-SERVICES

«Agro-Services» is a limited liability company, founded in June 1991 with capital of 200,000 dinars. Now its capital is 600,000 dinars. It participates in development of agriculture and fishing, carrying out feasibility studies and providing technical assistance relating to the production and management of agricultural operations.

Turnover rose by 3.4%, up from 2,473,000 dinars as at 31.12.2008 to 2,558,000 in 2009. 2009 posted positive results of 70,000 dinars vs. a deficit of 16,000 dinars in 2008.

TUNISIA COMPUTER SERVICES COMPANY «TIS»

TIS, founded in June 1991 with capital of 250,000 dinars, works in developing computer solutions, telematics and electronic banking.

Income was from services rendered and from sale of material. It fell by 30.5%, from 2,930,000 dinars in 2008 to 2,037,000 dinars in 2009. 2009 posted a deficit of 129,000 thousand dinars.

PERIMETER OF CONSOLIDATION AS AT DECEMBER 31, 2009

Denomination and address	Activity	Percentage of control	Percentage of interest
B.N.A Rue Hédi Nouira - Tunis	financial services	100,00%	98,53%
GLOBALLY INTEGRATED SUBSIDIARY COMPANIES			
SOIVM-SICAF Stock Investment Company Rue Hédi Nouira - Tunis	financial services	100,00%	74,30%
SICAV-BNA BNA's Variable Capital Mutual Investment Fund Immeuble Ennouzha - Cité Ennasim - Montplaisir - Tunis	financial services	22,38%	19,87%
BNA-CAPITAUX Rue 8301 Immeuble Ennouzha - Montplaisir - Tunis	financial services	100,00%	97,98%
Placement Obligataire-SICAF Bond Investment Company Rue Hédi Nouira - Tunis	financial services	0,08%	0,05%
SICAR INVEST Capital Risk Investment Company 67, Avenue Jughurta - Mutuelleville - Tunis	financial services	49,13%	41,58%
SIP SICAR Capital Risk Investment Company	financial services	100,00%	35,59%
SOFINREC Claim Collection Company 10, Rue Pierre de Coubertin Immeuble de la CIL - 1001 - Tunis.	financial services	100,00%	96,40%
SICAF PARTICIPATIONS BNA	financial services	100,00%	98,53%
ZIED Company SARL 46, Rue Tarek Ibn Zied - Mutuelleville - Tunis	financial services	100,00%	30,75%
SIMPAR Real Estate and Shareholdings Group 14, Rue Masmouda - Mutuelleville - Tunis	estate promotion	42,08%	33,48%
ESSOUKNA company 46, Rue Tarek Ibn Zied - Mutuelleville - Tunis	estate promotion	70,56%	23,73%
SIVIA Real Estate and Development Company 8, Rue Saint Fulgence, Notre Dame - Mutuelleville - Tunis	estate promotion	99,99%	42,11%
EL MEDINA 11, Rue Masmouda - Mutuelleville - Tunis	estate promotion	99,99%	40,94%
Les Œillets Real Estate Company 11, Rue El Arbi Zarrouk - Mutuelleville - Tunis	estate promotion	100,00%	52,56%
IFRIKIA	Agriculture	100,00%	38,16%
T.I.S Tunisia Computer Services Company 6, place Mohamed Kurd Ali 1005 El Omrane - Tunis	computer company	68,00%	43,79%
SOGEST General Company for Studies, Supervision & Public Works 17, Avenue d'Afrique - El Menzah V - Tunis	Services	94,74%	44,73%
AGRO-SERVICES 4, Rue Hassen Ibn Noûman 1002 - Tunis - Belvédère	Services	29,85%	29,41%
EQUIVALENCE PUTTING SUBSIDIARY COMPANIES			
TUNISIE-RE Reinsurance Company Rue 8006 n° 7 Montplaisir - Tunis	financial services	25,08%	22,39%
«Générale des ventes» company	trade	50,00%	49,26%
SODINO	financial services	22,98%	22,64%

CONSOLIDATED STATEMENT OF THE BALANCE SHEET BEFORE DISTRIBUTION OF PROFITS AS AT DECEMBER 31, 2009

(in thousands of TND)

	Notes	2009	2008*
ASSETS			
Cash and credit notes with the central bank, the post office and the treasury		427 595	168 321
Receivables from banking and financial institutions	3	113 537	73 159
Receivables from customers	4	4 288 897	4 467 447
Commercial securities portfolio	5	622 559	636 905
Investment portfolio	6	273 894	281 912
Financial contribution in firms of equivalence putting	7	19 067	19 877
Frozen assets		55 698	49 975
Acquisition gap (Goodwill)		51	59
Other assets	8	213 801	209 864
TOTAL ASSETS		6 015 099	5 907 519
LIABILITIES			
The central bank and the post office		1	8
Deposits and credit notes of banking institutions		15 696	210 964
Customers' deposits		4 317 470	4 126 698
Borrowings and special resources		566 035	580 114
Other liabilities	9	224 455	230 494
TOTAL LIABILITIES		5 123 657	5 148 278
Minority interest		386 151	342 953
STOCKHOLDERS EQUITY			
Capital (nominal value of 5 Dinars of the 32 million shares in 31/12/2009)		160 000	100 000
no called up capital		(25 000)	
Treasury stock of self control	10	(2 681)	(6 122)
Consolidated reserves	11	195 778	158 786
Other consolidated stockholders' equity	12	131 165	130 359
Consolidated income for the year	13	46 029	33 265
TOTAL STOCKHOLDERS EQUITY		505 291	416 288
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY		6 015 099	5 907 519

(*) information treated for comparison (Rv. Note 1)

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET LIABILITIES

(in thousands of TND)

	2009	2008
CONTINGENT LIABILITIES		
OBS1- Bonds, backings and other guarantees given	714 665	703 447
a - in favour of banking institutions	100 641	75 466
b - in favour of customers	454 024	467 981
c - in favour of the state	160 000	160 000
OBS2- Documentary credits	324 711	409 103
a - debtor by export documentary credits	28 207	46 784
b - debtor by import documentary credits	296 504	362 319
OBS3-Assets given as security		
TOTAL CONTINGENT LIABILITIES	1 039 376	1 112 550
COMMITMENTS GIVEN		
OBS4- Financing commitments given	268 236	211 571
Notified credits not used	268 236	211 571
OBS5- Commitments on securities	8 795	5 530
a - Equity investments still to be paid in	5 216	2 820
b - Other	3 579	2 710
TOTAL COMMITMENTS GIVEN	277 031	217 101
COMMITMENTS RECEIVED		
OBS6- Financing commitments received	0	114
OBS7- Guarantees received	476 327	530 752

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands of TND)

	Notes	2009	2008(*)
REV1- Interest and similar revenue		305 855	298 337
REV2- Commissions (as revenue)		46 395	45 955
REV3- Gains on commercial portfolio and financial transactions		46 859	49 227
REV4- Revenue from investment portfolio		8 206	7 699
TOTAL INCOME FROM BANKING OPERATIONS		407 315	401 218
EXP1- Accrued interest and similar expense		(148 019)	(169 097)
EXP2- Commissions accrued		(829)	(829)
EXP3- Losses on commercial portfolio and financial transactions		(679)	(1 825)
TOTAL EXPENSE ON BANKING OPERATIONS		(149 527)	(171 751)
NET BANKING INCOME		257 788	229 467
REV5/EXP4- Provisions made & result of valuation adjustments on off-balance sheet receivables and liabilities		(63 437)	(64 042)
REV6/EXP5- Provisions made & result of valuation adjustments on investment portfolio		3 127	(500)
REV7- Other operating revenue		76 461	59 653
EXP6- Staff expense		(103 274)	(87 673)
EXP7-General operating expenses		(83 621)	(63 722)
EXP8- Provisions & fixed assets depreciation allowances		(4 613)	(5 237)
RESULTS FROM OPERATIONS		82 431	67 946
Quota of the equivalence putting companies	7	(89)	(1 930)
REV8/EXP9- Income/loss balance from other regular items		(822)	(12)
RESULT BEFORE TAX		81 520	66 004
Income Taxes	14	(16 115)	(13 513)
Minority interest		(19 376)	(19 226)
NET RESULT - QUOTA OF THE GROUP		46 029	33 265

(*) information treated for comparison (Rv. Note 1)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2009

(in thousands of TND)

	Notes	2009	2008(*)
OPERATING ACTIVITIES			
1- Product of operating		393 271	382 632
2- Charge of operating		(154 659)	(177 285)
3- Deposit / withdrawal of money from banking and financial institutions		7 781	18 188
4- Loan / repayment given to customers		123 199	(710 470)
5- Deposit / withdrawal of the customers		195 537	563 958
6- Securities		(23 773)	(49 531)
7- Paid-up amount for the employees and creditors		(155 252)	(133 983)
8- Others cash flows from operating activities		37 768	109 794
9 - Firms taxes		(21 336)	(3 125)
CASH FLOWS FROM OPERATING ACTIVITIES		402 534	178
INVESTING ACTIVITIES			
1- Interest and similar from investment portfolio		5 539	7 961
2- Acquisition / assignment on investment portfolio		3 627	(9 807)
3- Acquisition / assignment on immobilization		(10 014)	(5 164)
4- Income of participation securities		7 547	1 957
CASH FLOWS FROM INVESTING ACTIVITIES		6 699	(5 052)
FINANCING ACTIVITIES			
1- Shares of BNA		3 494	(280)
2- Shares emission by parent companies		45 000	-
3- Shares emission by subsidiaries		38 969	46 157
4- Loans emission		45 000	-
5- Repayment of loans		(21 878)	(21 578)
6- Increase / diminution of special resources		(37 215)	(11 589)
7- paid-up dividend		(18 864)	(18 827)
CASH FLOWS FROM FINANCING ACTIVITIES		54 506	(6 117)
* Impact of the perimeter of consolidation's variation		-	-
* Net increase in cash & cash equivalents		463 739	(10 992)
* Cash and cash equivalents at start of period	16	346 317	357 308
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	16	810 055	346 317

(*) information treated for comparison (Rv. Note 1)

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ACCOUNTING PRINCIPLES FOR ASSESSING AND PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The consolidated accounts of the BNA group, presented in thousand dinars, have been drawn up in line with the accounting principles generally accepted in Tunisia for loan institutions.

FACTORS FOR ASSESSING COMPARABILITY

1- Because of the notable influence exercised by BNA on STIA, the Bank's holdings in its capital was handled by consolidation using the equity method.

Following the decision of the CAREPP on 25 November 2008, confirmed by STIA's extraordinary general assembly on 27 March 2009, all the company's assets were sold in 2009 in the form of a functional unit to private investors. Consequently, BNA substantially lost the power to participate in decisions related to use of STIA's assets as well as access there to exclusion starting 27 March 2009 of STIA from the perimeter of the consolidated financial statements of the national agricultural bank (following loss of notable influence) justified accounting of BNA holdings in its deconsolidated company at its consolidation accounting value at this date, i.e. the share of consolidated capital stock equity that it represented, possibly increased by the corresponding share in the residual acquisition difference.

STIA stock held by BNA as at 27 March 2009 presented nil value, with the consolidator assuming its share in the accumulated deficit results posted by the former in past years.

2- Some items of consolidated financial statements in 31/12/2008 are retreated to take into account the redeployment as follow:

	Former line	New line	31.12.2008
Profits/arbitration transaction monetary rejects	PR7	PR8/CH9	27
Commissions collected on banknote exchange	PR2	PR3	2 808
Losses and profits on sale of travelers checks	PR2	PR3	(6)
Loans on the money market in foreign currency (central bank Tunisia BCT)	AC2	AC1	82 223
Interest to be collected/Loans on the money market in foreign currency (BCT)	AC2	AC1	169
Interest to be collected/closing of leasing company accounts	AC3A	AC2	5
Interest to be served/closing of leasing company accounts	PA3A	PA2	5
Foreign banknotes in foreign currency	AC1	PA3B	1 240

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL ACCOUNTING RULES AND PRINCIPLES

RULES OF ESTABLISHMENT FOR CONSOLIDATED ACCOUNTS

- Referential for drawing up consolidated financial statements

Consolidated financial statements for the period 1st January to 31 December 2009 have been established in line with accounting principles generally accepted in Tunisia, notably accounting norms (NCT 21 to 25) relating to banking establishments and norms NCT (35 to 39) relating to consolidation.

To understand the importance of the various activities carried out by the group, sectoral information can be found in note 15.

Deferred taxation is dealt with in line with international financial information standard IAS 12.

- Application of global integration for affiliates that carry out an activity unlike that of structures working in the financial sector

All affiliates controlled exclusively by the National Agricultural Bank are consolidated by global integration, regardless of their area of activity.

The financial statements of consolidated companies are reprocessed to bring them in line with the BNA group's rules for accounting, assessment and presentation. Accounting principles and rules of assessment applicable to non banking activities are maintained in the consolidated accounts of the BNA group.

PRESENTATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Presentation of the BNA Group's consolidated financial statements is in conformity with the terms of norm NC 21 concerning presentation of financial statements for banking establishments.

Income generated by affiliates that do not work in financial services is recorded under the category «other operational proceeds». Assets other than tangible and intangible fixed assets and liabilities at affiliates that work in the non financial sector are no longer entered under current and non current components and are now respectively presented under «other assets» and «other liabilities».

PERIMETER, METHODS AND RULES OF CONSOLIDATION

PERIMETER

Consolidated accounts are established on the basis of the National Agricultural Bank's individual accounts and those of all the affiliates it controls. Unless it turns out to be unfeasible (for example when affiliates close their accounts during the year with a difference of more than three

months), they will establish an intermediate situation as of 31 December, with results determined on the basis of 12 months.

Excluded from the perimeter of consolidation are companies for which equity securities have been acquired solely for sale in the near future. When severe ongoing restrictions put into question the ability of the group to control operational policy and the assets of an affiliate or holdings, it is also excluded from the perimeter of consolidation. Such is the case for affiliates being liquidated or that are placed under the control of an administrator appointed by the courts. The value of holdings in these companies is entered under the category «Holdings and shares in non consolidated related companies».

METHODS OF CONSOLIDATION

- **Companies consolidated by global integration**

Companies over which the Group exercises exclusive control are consolidated by global integration, including companies with a different account structure. The Group has exclusive control over an affiliate when it has the ability to dictate financial and operational policy at that affiliate in order to benefit from its activities. This control is the result of:

- either direct or indirect holding of the majority of voting rights in the consolidated company.
- or designation of the majority of members on administrative, directive or oversight structures.
- or the right to exert dominant influence on an affiliate as per a contract or statutory clauses.

Control is also presumed to exist when a company directly or indirectly holds at least 40% of voting rights in another company, with no other associate holding a higher percentage.

The global integration method has been applied in line with the following approach:

- Individual financial statements of the parent company and its affiliates are combined line by line by adding like components for assets, liabilities, core capital, proceeds and costs.
- Reciprocal operations between companies in the group are eliminated in a symmetrical manner.
- Minority interests in the net result of consolidated affiliates for the year are identified and subtracted from the Group's results in order to obtain the net result due to the owners of the parent company.
- The accounting value for the group's holdings in each affiliate and the share of the group in capital stock equity are eliminated to determine consolidated reserves and the share of minority holdings in reserves.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

Losses falling to minority interests in a consolidated affiliate can be higher than minority interests in the affiliate's capital stock equity. This surplus and all future losses relating to minority holders are charged to majority interests unless the minority holders have an irrevocable obligation to compensate for these losses and are able to do so. If the affiliate later turns a profit, majority interests will have to allot all of these profits until the share of losses relative to minority holders previously charged to majority interests is recovered.

- **Companies accounted for under the equity method**

Companies under notable influence are accounted for under the equity method. Notable influence is the result of the power to participate in financial and operational policies by a company without holding control. Notable influence can be the result of representation on boards of directors or oversight committees, of participation in strategic decisions, of the existence of major inter-company operations, of exchange of management staff, and/or of ties of technical dependency.

Notable influence on the financial and operational policies of a company is assumed to exist when the group has direct or indirect control of a portion of at least 20% of voting rights in that company. The equity method consists of the following steps:

- Reprocess the capital stock equity of the company accounted for using the equity method by eliminating reciprocal operations that have an impact on its results or reserves;
- Enter the share of the group in the capital stock equity of the company accounted for under the equity method under an assets account entitled «Securities accounted for under the equity method»;
- Eliminate the group's holdings in the company accounted for under the equity method from the share of the group in capital stock equity and note the difference in the consolidated result under the account entitled «Share in the results of companies accounted for under the equity method», taking into account the impact on consolidated reserves.

The group's share in an associated company is the sum total of holdings in this associated company held by BNA and its affiliates. To this end, the shares held by other associated companies in the group are ignored.

If, according to accounting for a consolidated company using the equity method, the consolidating bank's share in the deficit results of an associated company is equal to or more than the accounting value of the holding, the bank generally ceases to take into account its share in future losses. Holdings are then presented as a nil value. Additional losses are the object of provisions,

insofar as the bank has assumed responsibility or effected payments for the company accounted for using the equity method to fulfil its obligations to the latter, guaranteed by the bank or for which it has some other commitment. If the company accounted for under the equity method later turns a profit, the consolidating bank again takes into account its share of these profits only after it exceeds its share of net losses not yet taken into account.

RULES OF CONSOLIDATION

Acquisition cost for securities, acquisition difference and evaluation difference

- **Cost for acquiring securities**

The cost for acquiring securities is equal to the amount of remuneration paid to the seller by the acquirer, increased by the costs considered significant directly imputable to net acquisition of the corresponding tax savings.

- **Difference on acquisition**

Differences on acquisition (corresponding to the difference between the acquisition cost of securities and evaluation of assets and liabilities of the acquired company) are amortized on a linear basis over a period not to exceed 20 years, defined on the basis of conditions specific to each acquisition.

Every time that information has been available, the differences on acquisition have been identified and entered as assets as appropriate, as intangible fixed assets for globally integrated affiliates, or as securities accounted for under the equity method for other companies.

- **Difference on evaluation**

The differences on evaluation corresponding to differences between the re-estimated entry value in the consolidated balance statement of assets/liabilities of the acquired company and the accounting value of these components are accounted for according to the common rules applicable to corresponding components.

Variation of the interest percentage in a consolidated company

An increase in the interest percentage held in a company included in the perimeter of consolidation calls for entry in accounting of an additional difference on acquisition depreciated according to the rules specified above. The drop in the percentage of interest in a company remaining consolidated (notably after an operation on depreciated dilutive capital for the company in the group holding shares in that company) gives rise to additional amortization of the acquisition difference.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

Reciprocal transactions

Reciprocal accounts as well as proceeds and costs resulting from transactions internal to the group and that have a significant influence on the consolidated financial statements are eliminated when they concern entities that are the object of global or proportional integration.

Shares issued by BNA held by the group

Shares issued by BNA and acquired that are meant to regularise prices or those held by the group are entered in reduction of consolidated capital stock equity for their acquisition value. If these securities are later sold, the result of the sale and corresponding tax are recorded in consolidated core capital.

Global integration of stock mutual investment funds

Except for re-processing of the effect of withholding on accounting for income in the form of interest, accounting principles and rules of evaluation specific to stock mutual investment funds have been maintained in the BNA group's consolidated accounts. The posts that make up globally integrated stock mutual investment funds are presented under headings of the same nature in the balance sheet, income statement and consolidated off balance sheet, aside from the following components:

- **Negotiation fees**

The costs occasioned by purchase and sale transactions for securities held by stock mutual investment funds are charged directly to core funds. The group's share is presented under the heading «Other consolidated capital stock equity».

- **Variation of potential gains or losses on securities**

Gains or losses on securities held by stock mutual investment funds that correspond to the balance of the variation during the period of potential gains or losses are charged directly as capital stock equity. The group's share is presented under the heading «Other consolidated capital stock equity».

- **Variation of gains or losses on securities**

Gains (or losses) on securities held by stock mutual investment funds that correspond to the balance of variation during the exercise of potential gains or losses are entered directly in capital stock equity. The share due to the group is presented under the heading «Other consolidated capital stock equity».

OTHER ACCOUNTING PRINCIPLES RELATING TO EVALUATION AND PRESENTATION

ACCOUNTING FOR LOANS AND RELATED INCOME

Accounting for loans to clients

Financing and guarantee commitments are entered off balance sheet as they are contracted and entered on the balance sheet as funds are released for nominal value.

Net discount loans are presented on the balance sheet at their nominal value minus interest calculated in advance and not yet accrued. Disbursed loans and debit current accounts are presented minus interest and reserved fees, proceeds paid or accounted for in advance, and related provisions.

Accounting for income on loans to clients

Interest on short term loans is collected and accounted for in proceeds accounts when these loans are released. They then, as appropriate, are the object of regularisation at the end of the month, for the portion that is not accrued. Interest due on long and medium term loans relative to the current year are taken into account as a result at the time of their encashment. Interest due and not yet encashed are entered as reserved proceeds and deducted from the category «Claims on clients». This interest is taken into account as a result when it is actually encashed. Fees on debit current accounts relating to filed commitments in classes B2, B3, B4 and B5 are reserved and presented at the time of closing, deducted from debit current accounts. Fees on disputed claims in closed debit current accounts are not entered in accounting.

ACCOUNTING FOR THE SECURITIES PORTFOLIO AND RELATED INCOME

The consolidated securities portfolio is found in two categories: the investment portfolio and the commercial securities portfolio.

Investment portfolio and related income

In the investment portfolio are found:

- Securities representing shares in capital in companies, the ongoing ownership of which is considered useful for the group's activity but not held with the intention to control (non consolidated equity securities)
- Fixed income securities acquired by the group with the intention of holding them until they fall due (investment securities, notably debenture loans)
- Securities representing financing shares that have been the object of an agreement to onlend but which are not yet definitively sold.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rules for accounting for transactions on these various categories of securities are summarized as follows:

Equity securities of a durable nature (non-consolidated)

Shares that have been subscribed to but not yet paid in are recorded as off balance sheet commitments at their issue value. These securities are accounted for in the balance sheet at the price of acquisition, exclusive of expenses and costs. Transactions to acquire and sell equity securities are recorded on the date of transfer of securities, i.e. the date when the transaction is recorded at the Tunis Stock Market. The added value that results from sale of these securities is presented under the heading «Allotment for provisions and result of corrections on values in the investment portfolio». Dividends on securities held by the group are taken into account as a result as soon as they are encashed.

Investment securities

Income from fixed income securities are taken into account in proceeds, spread out over the period concerned by their being held.

Securities representing financing shares

Subscribed to but not yet paid in shares are recorded as off balance sheet commitments at their issue value. These securities are accounted for in the balance sheet at the price of acquisition, exclusive of expenses and costs.

Transactions involving acquisition and sale of equity securities are recorded on the date of transfer of ownership of the securities, i.e. the date when the transaction is recorded at the Tunis Stock Market. Financing shares are considered to be an extension of the main financing activity and gains resulting from their sale are treated as interest, being a part of banking operations. These gains are recorded as proceeds as they accrue, once their effective encashment is considered reasonably sure. Alternately, they are recorded as a lump sum at the time of sale. They are presented as results under the heading «Income from the investment securities portfolio».

Commercial securities portfolio

The commercial securities portfolio is made up of fixed income and/or variable income securities held for future transaction or investment. Securities issued by the State (Treasury bonds) acquired in the framework of brokerage of the consolidated party (securities acquired for investment with clients) are accounted for in transaction securities. The portion of securities onlended to clients

(other than globally integrated affiliates) is presented in a compensated manner as a deduction under the heading «Transaction securities». Consequently, income from these securities and fees for their onlending to clients are entered as a result, spread out over the relevant period and presented in a compensated manner. Securities issued by globally integrated stock mutual investment funds held by the companies in the group for investment purposes are among the components of the consolidated commercial portfolio.

The securities portfolio held by globally integrated stock mutual investment funds are also among the components of the consolidated commercial portfolio. The costs for acquisition of these securities are recorded, for the share belonging to the group, as capital stock equity under the heading «Other consolidated capital stock equity». Listed securities held by globally integrated stock mutual investment funds are assessed at the end of period date by referring to the average stock market prices for the month of December. Positive or negative differences in estimating compared to the entry value of the same securities are charged directly as capital stock equity, for the share belonging to the group, under the heading «Other consolidated capital stock equity». Gains or losses on sale of securities held by globally integrated stock mutual investment funds are placed, for the share belonging to the group, under the heading «Other consolidated capital stock equity». As for the share belonging to interests outside the group in acquisition costs, the differences in estimation and the results of sale of securities held by the globally integrated stock mutual investment fund is presented apart from liabilities and capital stock equity under the heading «Interests of minority holders».

PROVISIONS FOR RISKS ON NON CONSOLIDATED LOANS AND SHARES

• Provisions for risks on loans

Provisions for risks on loans is determined in line with prudential norms of division, risk coverage, and monitoring of commitments as given in Central Bank of Tunisia (BCT) circular n° 91-24 of 17 December 1991, as modified by subsequent circulars that define the classes of risk in the following manner:

A-current assets

B1-assets which require a specific follow-up

B2-uncertain assets

B3-worrisome assets

B4-compromised assets

B5-litigation assets

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The rate of provisioning retained by the consolidating bank corresponds to the minimal rate by class of risk as specified in BCT circular n° 91-24, applied to net exposure to risk of the counterpart, i.e. the amount of the commitment less reserved fees and the value of guarantees obtained.

The applicable rates of provision by class of risk are as follows:

B2- Uncertain assets	20%
B3- Worrisome assets	50%
B4- Compromised assets	100%
B5- litigation assets	100%

• Provisions on non consolidated holdings:

At the date of closing, non consolidated equity securities are assessed at their usual value, giving rise to the constitution of provisions to cover any losses that might occur that are of a durable nature. This value takes into account:

- the stock market value of the stock for listed securities
- the mathematical value calculated on the basis of the last available balance sheet for other securities.

ACCOUNTING FOR CLIENT DEPOSITS AND RELATED COSTS

Interest costs on client deposits and assets are recorded by the nature of deposits in the following manner:

- Interest on current accounts is positioned on client accounts and accounted for on a quarterly basis. The value dates used to calculate interest on clients' current accounts vary according to the nature of withdrawals and deposits made by clients, in line with BCT circular n° 91-22.
- Interest on forward accounts is positioned on forward client accounts that have fallen due, being the object of subscription at each closing date.

FIXED ASSET VALUES

Fixed assets are accounted for on the date of entry at the cost of historic acquisition, including the purchase price exclusive of taxes, duties and supported non recoverable taxes, and direct costs exclusive of deductible taxes. Fixed assets are depreciated starting on the date they are first used, on the basis of their estimated lifespan. Rates of amortisation applied by the group are to be detailed as follows:

Real estate	2-5%
Transport equipment	20%
Desk equipment	10-15%
Communication & conditioning equipments and material of security	10%
Computer	15-33%
Software	33%
Arrangement & installation	10%

TAXES ON INCOME

Current taxes:

BNA Group companies are subject to corporate taxes as per rules and rates prevailing in each sector of activity.

Differed taxes:

Differed taxes are accounted for when a time difference is identified between accounting values for assets and liabilities that figure in the balance sheet and respective tax bases when these differences have an incidence on future payment of taxes. Differed taxes are calculated on the basis of the voted or virtually voted tax rate that should apply when the time difference is inverted. When there is a change in the tax rate, the corresponding effect is recorded in the income account under the heading «differed tax charge». Net differed tax assets are taken into account only if it is probable that the consolidated company has prospects for recovery at a given time. Differed taxes are determined at the level of each tax entity; they are not updated. For 2006 and beyond, effective tax rates used to calculate stocks of differed taxes at consolidated companies are presented by entity as follows:

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Nominal ratio	Real ratio
Establishment of Credit		
Banque Nationale Agricole	35%	20%
Other		
BNA CAPITAUX	30%	30%
SOFINREC	35%	35%
SICAR INVEST	35%	0%
SIP SICAR	35%	0%
SOIVM SICAF	35%	35%
SICAF PARTICIPATIONS	35%	35%
SICAV BNA	0%	0%
SICAV BOND HOLDER PLACEMENT	0%	0%
Real Estate Promotion		
SIMPAR	30%	20%
ESSOUKNA	30%	20%
SIVIA	30%	30%
SPI MADINA	30%	30%
LES CÉILLETS	30%	30%
Agriculture		
IFRIKIA	10%	10%
Informatics Services		
TIS	30%	30%
Other Activity		
SOGEST	30%	30%
AGRO SERVICES	30%	30%
ZIED SARL	30%	30%

SECTORAL DATA

The group is managed mainly on the basis of four groups of activities:

- Financial services: This pole groups the entities that have the status of loan institutions or companies whose activity is a direct extension of activities at loan institutions or that are involved in activities relating thereto: stock brokerage, claim collection, capital risk, portfolio management ...
- Real estate promotion: This pole groups entities authorised in the framework of law n° 90-17 of 26 February 1990 to handle in a professional capacity housing tract operations and land development mainly for housing, as well as construction or renovation of collective or semi-collective buildings for housing, commercial, professional or administrative use.
- Agriculture: This pole groups entities involved in the use of available natural resources to increase agricultural production.
- Computer services: This pole groups entities specialised in the maintenance and marketing of computer equipment and software.

Sectoral data is provided only by sector of activity, in the absence of identification of geographical sectors involved in supplying goods or services in a given economic environment and exposed to risks and profitability different from risks and profitability in other sectors of activity operating in other economic environments.

Sectoral results are presented by taking into account the effect of transactions internal to the group, while sectoral assets and liabilities are presented after eliminating the effect of transactions internal to the group.

NOTE 2: PERIMETRE OF CONSOLIDATION

The perimeter of consolidated financial statements included (a side from the consolidating parent) 22 entities as of 31 December 2009:

- **18** affiliates treated under global integration
- **3** associated companies processed using the equity method

Modifications made in the perimeter of consolidation as at 31 December 2009 compared to the perimeter in force on the closing date of 31 December 2008 are as follows:

Company	Input	Output	Nature	Comments
STIA	-	X	Associated company	Loss of notable influence following sale of all assets in the form of a functional unit.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

Companies included in the perimeter of consolidation, the percentage of control, and the percentage of interest for the group are as follows:

	Method of consolidation	% of control	% of interest
a-Banking institutions			
BNA	GI	100,00%	98,53%
b-Financial services			
BNA CAPITAUX	GI	100,00%	97,98%
SOFINREC	GI	100,00%	96,40%
SICAR INVEST	GI	49,13%	41,58%
SIP SICAR	GI	100,00%	35,59%
SOIVM SICAF	GI	100,00%	74,30%
SICAF PARTICIPATIONS	GI	100,00%	98,53%
SICAV BNA	GI	22,38%	19,87%
SICAV BOND HOLDER PLACEMENT	GI	0,08%	0,05%
TUNIS-RE	EP	25,08%	22,39%
SODINO	EP	22,98%	22,64%
c-Estate promotion			
SIMPAR	GI	42,08%	33,48%
ESSOUKNA	GI	70,56%	23,73%
SIVIA	GI	99,99%	42,11%
SPI MADINA	GI	99,99%	40,94%
LES ŒILLETES	GI	100,00%	52,56%
d-Agriculture			
IFRIKIA	GI	100,00%	38,16%
e-Computer company			
TUNISIA INFORMATICS SERVICES	GI	68,00%	43,79%
Autres activités			
SOGEST	GI	94,74%	44,73%
AGRO SERVICES	GI	29,85%	29,41%
ZIED SARL	GI	100,00%	30,75%
«GENERAL SALES COMPAGNY»	EP	50,00%	49,26%

GI : global integration - EP: equivalence placed.

NOTE 3 – CLAIMS ON BANKING INSTITUTIONS

Content of this rubric can be clarified as follows:

(in thousands of TND)

	2 009	2 008
a-Receivables from banking institutions	110 595	73 154
* sight accounts	5 087	5 421
* overnight placements	105 170	39 752
* time placements	-	27 092
* interest receivable	338	889
b-Receivables from financial institutions	2 942	5
* time placements	2 908	-
* interest	34	5
TOTAL	113 537	73 159

NOTE 4 – CLAIMS ON CLIENTS

The composition and evolution of the net outstanding balance of claims on clients as of 31 December 2009 can be given in a comparative manner as follows:

(in thousands of TND)

	Gross outstan- dings	Subordina- ted debt	Prepaid income	Provisions	Reserved interest	Net outstandings
a-Agricultural liabilities	632 010	299 464	(1 697)	-	(293 635)	636 142
* debit accounts	18 072	-	-	-	-	18 072
* others advances to the customers	330 803	44 066	(1 697)	-	(39 278)	333 894
* loans out of special resources	283 135	255 398	-	-	(254 357)	284 176
b-Commercial & industrial liabilities	3 960 478	73 778	(10 585)	-	(96 439)	3 927 232
* debit accounts	492 149	17 577	-	-	(32 339)	477 388
* others advances to the customers	3 264 903	44 332	(10 585)	-	(54 070)	3 244 580
* loans out of special resources	203 425	11 869	-	-	(10 030)	205 264
c- Ordinary associated account	680	-	-	-	-	680
d- Receivables / stockholder's funds taken over by the state	27 445	-	-	-	-	27 445
e-Cost of loans amortization held by SRC	-	-	-	-	-	45 482
f-Provisions	-	-	-	(348 084)	-	(348 084)
Total at Dec.31,2009	4 620 613	373 242	(12 282)	(348 084)	(390 074)	4 288 897
Total at Dec.31,2008						4 467 447

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – COMMERCIAL SECURITIES PORTFOLIO

The breakdown of this post is presented in a comparative manner as follows:

(in thousands of TND)

	2009				2008
	Total Brut	Subor-dinated Debt	Provisions	Accounting net value	Accounting net value
a-Floating rate securities					
Listed	7 934	-	(410)	7 524	7 167
Not listed	-	-	-	-	0
Part of OPCVM	51 672	-	-	51 672	46 035
Total Floating rate securities	59 607	-	(410)	59 196	53 202
b-Fixed rate securities					
Government securities & similar bills	417 365	1 382	-	418 747	463 188
Bonds	112 848	2 922	-	115 770	85 741
Treasury bill	28 360	486	-	28 846	34 773
Total fixed rate securities	558 573	4 790	-	563 363	583 702
TOTAL	618 180	4 790	(410)	622 559	636 905

NOTE 6 – INVESTMENT SECURITIES PORTFOLIO

The value of the investment securities portfolio went from 281,912,000 TD on 31/12/2008 to 273,894,000 TD on 31/12/2009. This trend can be broken down as follows:

(in thousands of TND)

	2009					2008
	Total Brut	Subordina-ted Debt	Provisions	Reserved interest	Accounting net value	Accounting net value
Investment securities	24 909	194	-	-	25 103	24 049
Financing or retrocession	48 466	454	(15 221)	(207)	33 492	32 850
Participation in tied companies (not consolidated)	10 799	-	(6 919)	-	3 880	3 880
Equity security	54 745	54	(7 705)	-	47 094	45 933
Receivables taken over by the state	164 262	63	-	-	164 325	175 200
TOTAL	303 181	765	(29 846)	(207)	273 894	281 912

NOTE 7 – HOLDINGS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The value of equivalency for securities issued by associated companies came to 19,067 T TD as at 31/12/2009 vs 19,877 T TD as at 31/12/2008.

The breakdown of this line can be compared as follows:

(in thousands of TND)

	2009					2008
	Quota In Purchased Capital (1)	Net Goodwill (2)	Quota In Reserves (3)	Quota In Results (4)	Comparability Value (1)+(2)+(3)+(4)	Comparability Value
TUNIS-RE	10 302	-	2 810	1 099	14 210	13 833
GENERALE DES VENTES	2 000	-	(328)	(1 029)	642	1 672
SODINO	3 260	380	732	(158)	4 214	4 372
TOTAL	15 562	380	3 214	(89)	19 067	19 877

NOTE 8 – OTHER ASSETS

Content of this heading can be illustrated as follows:

(in thousands of TND)

	2 009	2 008
Suspense & adjustment accounts	38 132	39 383
Assets payable tax	4 319	3 449
Assets put off tax	20 936	18 061
Stock of transformation activities	107 359	104 483
Others	43 055	44 488
TOTAL	213 801	209 864

NOTE 9 – OTHER LIABILITIES

The breakdown of this post is presented in a comparative manner as follows:

(in thousands of TND)

	2 009	2 008
Provisions for liabilities & expense	11 226	8 226
Suspense & adjustment accounts	134 123	144 164
Assets payable tax	2 927	2 526
Assets put off tax	16 546	12 829
Others	59 633	62 749
TOTAL	224 455	230 494

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – TREASURY STOCK

Under this heading are found the counterpart paid by the parent bank and its affiliates for acquisition and holding of shares issued by BNA. No profit or loss will be accounted for in the result at the time of purchase or sale of these shares. The counterpart received on sale of these shares and dividends received are recorded directly as capital stock equity under the heading «Core shares and auto control».

This category, which on 31/12/2009 amounted to 2,681,000 TD vs. 6,122,000 TD on 31/12/2008, can be broken down as follows:

(in thousands of TND)

	2 009	2 008
Own stock finance held by the BNA	3	3 678
Treasury stock for regularization held by subsidiary companies	6 560	6 400
Additional (or drop in) value realised on own stock finance	(49)	53
Dividend on own stock finance	(321)	(385)
Quota of minority	(3 512)	(3 625)
TOTAL	2 681	6 122

NOTE 11 – CONSOLIDATED RESERVE

Consolidated reserves correspond to the results accumulated by the consolidating Bank in the entities included in the perimeter starting when control was taken or notable influence began, up until the closing date prior to that relating to publication.

Consolidated reserves as of 31/12/2009 came to 195,778,000 TD vs. 158,786,000 TD as of 31/12/2008. Breakdown can be presented as follows:

(in thousands of TND)

	2 009	2 008
a-Contribution of the BNA (consolidating company)	168 228	135 894
b-Contribution of the subsidiary companies	27 550	22 892
Positive contribution	28 921	24 364
Negative contribution	(1 371)	(1 472)
TOTAL	195 778	158 786

NOTE 12 – OTHER CONSOLIDATED CAPITAL STOCK EQUITY

This category, which on 31/12/2009 came to 131,165,000 TD vs. 130,359,000 TD on 31/12/2008, can be broken down as follows:

(in thousands of TND)

	2 009	2 008
Endowment from the state (133 thTD)	133 000	133 000
Additional value (or drop in value) potential in stock exchange transactions of securities held by the OPCVM	(457)	(143)
Additional value (or drop in value) achieved in stock exchange transactions of securities held by the OPCVM	1 117	271
Negotiation expenses of the OPCVM	(15)	(1)
Minority portion	(2 480)	(2 767)
TOTAL	131 165	130 359

NOTE 13 – CONSOLIDATED EARNING

The year ending 31/12/2009 yielded a positive consolidated result amounting to 46,029 K TD, compared to results of the same nature corresponding to 33,265 K TD as at 31/12/2008. The contribution to consolidated results of the parent company and its affiliates can be compared as follows:

(in thousands of TND)

	2 009	2 008
a-Contribution of the BNA (consolidating company)	40 892	27 949
b-Contribution of the subsidiary companies	5 136	5 315
Positive contribution	5 848	5 460
Negative contribution	(712)	(145)
TOTAL	46 029	33 265

NOTE 14 – INCOME TAXES

The breakdown of this post is presented in a comparative manner as follows:

(in thousands of TND)

	2 009	2 008
Payable fiscal expense	15 902	14 436
Put off fiscal expense	4 175	3 834
Put off fiscal product	(3 962)	(4 757)
TOTAL FISCAL EXPENSE	16 115	13 513

NOTE 15 – SECTOR-RELATED INFORMATION

Sectoral data on the poles of activities retained can be presented as follows for the periods ending 31/12/2009 and 31/12/2008:

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Financial Services		Estate Promotion		Agriculture		Informatics Services		Other Activity		Suppression Between sector		Consolidated	
	2 009	2 008	2 009	2 008	2 009	2 008	2 009	2 008	2 009	2 008	2 009	2 008	2 009	2 008
(in thousands of TND)														
A- RESULTS FROM REGULAR ACTIVITIES														
External earnings														
Concurrent earnings in formation of net banking income	407 076	399 592	-	-	-	-	-	-	-	-	-	-	-	-
Not concurrent earnings in formation of net banking income	-	-	63 518	64 641	-	-	896	785	2 653	2 532				
Earnings coming from transaction with other sector	6 007	6 470	253	353	-	1	586	400	1 049	968	(7 895)	(8 190)		
TOTAL	413 083	406 061	63 771	64 993	-	1	1 482	1 185	3 702	3 500	(7 895)	(8 190)	474 143	467 549
B-INCOME														
Sector-related income	75 565	60 209	14 396	17 083	(37)	(40)	(693)	(1 948)	221	161	(7 634)	(7 692)	81 817	67 773
Not allocated expense													(31)	(354)
Operational income													81 786	67 420
Financial expense of not financial sector													(33)	(156)
Investing yield of not financial sector													313	595
Net income quota from associated companies	(312)	(2 238)	223	308	-	-	-	-	-	-	-	-	(89)	(1 930)
Balance of account from other regular elements													(457)	74
Income taxes													(16 115)	(13 513)
Net income for the period													65 405	52 491
D-OTHER INFORMATION														
Sector-related assets	5 848 055	5 746 322	109 718	106 788	9	-	348	423	2 395	2 655			5 940 524	5 856 189
Contribution in equivalence putting associated companies	16 177	17 064	2 890	2 813	-	-	-	-	-	-	-	-	19 067	19 877
Sector-related liabilities	5 081 131	5 114 208	16 510	12 885	64	60	545	636	1 144	1 215			5 099 395	5 129 004
Depreciation allowance	4 211	4 823	277	345	-	-	-	-	83	69			4 571	5 237

NOTE 16 – LIQUIDITY AND EQUIVALENT LIQUIDITY

Liquidity and consolidated equivalent of liquidity came to 810,055,000 TD as of 31/12/2009 vs. 346,317,000 TD on 31/12/2008, a positive net variation of 463,739,000 TD that is detailed in the consolidated cash flow statement.

(in thousands of TND)

	2 009	2 008
Cash & credit notes with the central bank, the post office & the treasury	60 326	85 921
Banks and specialized organizations	(1 180)	(24 015)
Marketable securities / loans on money market	429 350	(76 510)
Treasury bonds	302 199	339 970
Treasury bill	19 360	20 950
TOTAL	810 055	346 317

AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF THE BNA GROUP

As part of the mandate to audit the consolidated financial statements of the National Agricultural Group, we hereby present to you our audit on verification of the BNA's consolidated financial statements as of 31 December 2009, annexed to the present report, along with the specific verifications outlined in legislation and professional norms.

The attached consolidated financial statements covering the period of 1st January to 31 December 2009 show a total net balance sheet of 6 015 099 000 dinars, capital stock equity for the group of 505 291 000 dinars including results for the year amounting to 46 029 000 dinars.

I - Opinion of the auditors concerning the consolidated financial statements

We have audited the National Agricultural Bank Group's attached consolidated financial statements, which includes a balance sheet, income statement, statement of off balance sheet commitments, cash flow statement and notes that provide a summary of the main accounting methods and other explanatory notes pertaining to the period 1 January 2009 to 31 December 2009.

These statements were finalised under the responsibility of the Bank's executive and administrative authorities. This responsibility covers design, establishment and monitoring of internal audit of how financial statements are drawn up and faithfully presented with no significant anomalies due to either fraud or error, the choice and application of appropriate accounting methods and determination that accounting estimates being reasonable in light of circumstances.

Our responsibility is to give an opinion on the basis of our audit. We have carried out this audit in line with professional norms applicable in Tunisia, which require that we respect rules of ethics, planning and that the audit is carried out to obtain reasonable assurance that the financial statements do not include any significant anomalies.

An audit implies that procedures are used to gather reliable information on the amounts and data given in the financial statements. The choice of procedures is left to the judgement of the auditor, as is assessment of risk that the financial statements might contain significant anomalies as a result of either fraud or error. In carrying out an assessment of risk, the auditor takes into account internal audit procedures in effect in the establishment relating to the drawing up and faithful presentation of financial statements so that they can define audit procedures appropriate to the circumstances rather than express an opinion about the effectiveness thereof. An audit

also includes assessment of the appropriate character of accounting methods used and the reasonable nature of accounting estimates made by management, as well as assessment of the overall presentation of consolidated financial statements.

On the basis of our diligent work, it is our opinion that the consolidated financial statements of the National Agricultural Bank Group are correct, faithfully presenting all aspects of significance as well as the results of operations and cash flows for the whole made up of companies included in consolidation for the exercise ending le 31 December 2009, in line with the accounting principles generally recognised in Tunisia.

II - Specific verifications

We have proceeded with the review and specific verifications outlined in legislation, in line with audit norms applicable in Tunisia. On the basis of our review, we have neither discovered nor heard of any significant inconsistencies in the accounty data provided in the boards annual management report that are in contradiction with bank's consolidated financial statement's at 31 December 2009.

In the framework of our audit and in application of (new) article 3 of law n° 94-117 governing reorganisation of the financial markets as modified by subsequent texts, we have reviewed the internal audit procedures governing how accounting data is processed and financial statements prepared at the parent company. This review has enabled us to identify certain inadequacies in the Bank's information and internal audit system.

Tunis, 26 April 2010

CO AUDITORS

P/ CMC – DFK International

Chérif BEN ZINA

P/ GAC – CPA International

Chiheb GHANMI

