

FINANCIAL STATEMENTS
OF THE CENTRAL BANK OF TUNISIA
AS AT 31 DECEMBER 2008
AND STATUTORY CO-AUDITORS' REPORT

STATUTORY CO-AUDITORS' REPORT

**STATUTORY JOINT- AUDITORS' REPORT
ON FINANCIAL STATEMENTS**

AS AT 31 DECEMBER 2008

To the Chairman of the Executive Board of the Central Bank of Tunisia

In compliance with the assignment entrusted to us by the President of the Republic, we have reviewed the Central Bank of Tunisia's balance sheet and statement of off balance sheet commitments as of 31st December 2008 as well as the statement of the results for the period then ended.

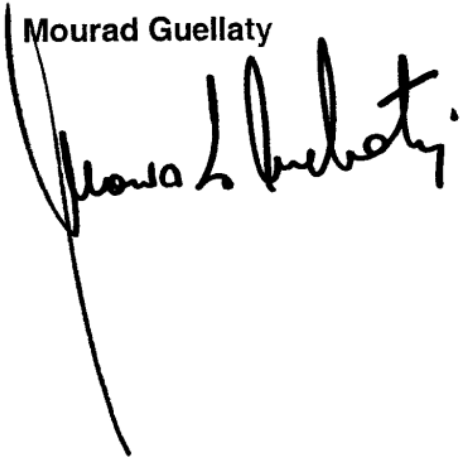
The Bank's Executive Board has finalised the annual accounts and our responsibility is to give an opinion on these accounts based on our audit.

Our review has been carried out in accordance with the provisions of (new) article 29 of law n°58-90 of 19 September 1958 governing the founding and organisation of the Central Bank of Tunisia, as amended by law n°2006-26 of 15 May 2006, and generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Central Bank of Tunisia as of 31 December 2008 and the results of its operations for the year then ended in accordance with accounting methods for evaluation and presentation recommended by Tunisian and international accounting principles, taking into account the specific nature of the Central Bank's activities and are consistent with those used the year before. The most significant accounting principles are described in note II attached to the financial statements.

Mourad Guellaty


Moncef Boussannouga Zammouri


**FINANCIAL STATEMENTS
OF THE CENTRAL BANK OF TUNISIA
AS AT 31 DECEMBER 2008**

BALANCE SHEET AS AT 31 DECEMBER 2008

(In dinars)

A S S E T S	<u>NOTES</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
Gold holdings		4 412 137	4 411 256
Subscriptions to international organisations	1	2 371 793	2 371 793
IMF reserve position	2	38 472 326	39 862 422
Assets and investments in special drawing rights	3	11 708 161	6 978 555
Foreign currency assets		11 687 458 293	9 638 103 604
Securities purchased / open market	4	25 073 300	24 577 500
Claims purchased firm	5		80 723 667
Advance to the State pertaining to Monetary Funds subscription	6	558 443 905	578 112 387
Standing advance to the State	7	25 000 000	25 000 000
Reimbursable advance to the State	8	553 125	1 053 125
Bills to be encashed	9	30 753 261	39 452 184
Shareholding portfolio	10	31 390 050	29 708 579
Fixed assets		30 999 768	26 724 133
Miscellaneous debtors	11	24 741 146	25 858 626
Memorandum accounts and accounts calling for adjustment	12	10 999 355	61 498 711
<u>TOTAL ASSETS</u>		<u>12 482 376 620</u>	<u>10 584 436 542</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2008

(In dinars)

<u>LIABILITIES AND EQUITY</u>	<u>NOTES</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
<u>LIABILITIES</u>			
Banknotes & coins in circulation	13	4 641 106 564	4 347 660 095
Bank and financial institutions current accounts		1 330 167 571	416 398 483
Government accounts	14	759 693 263	818 461 063
Commitments towards lending institutions related to monetary policy transactions	15	-	279 000 000
Allocation of special drawing rights	16	69 784 631	66 191 925
Current accounts in dinar of foreign institutions	17	520 037 080	534 031 721
Commitments in foreign currency towards Tunisian authorised intermediaries	18	2 029 148 223	1 293 091 158
Foreign accounts in foreign currency	19	31 636 157	56 176 391
Other commitments in foreign currency	20	13 625 665	32 105 954
Current collection of values	21	79 192 124	248 299
Depositors of bills to be encashed	22	40 954 401	41 335 710
Differences on conversion and revaluation	23	160 420 418	69 994 776
Miscellaneous creditors	24	15 471 425	15 997 910
Provisions for costs to manufacture banknotes, coins and medals	25	15 820 193	11 617 387
Other provisions	26	842 191	-
Memorandum accounts and accounts calling for adjustment	27	2 232 272 417	2 061 237 669
<u>TOTAL LIABILITIES</u>		<u>11 940 172 323</u>	<u>10 043 548 541</u>
<u>EQUITY</u>			
Capital	28	6 000 000	6 000 000
Reserves		89 145 872	87 854 047
Other equity		116 667	233 333
Results carried forward		79 423	79 423
<u>TOTAL EQUITY PRIOR TO FINANCIAL YEAR RESULTS</u>		<u>95 341 962</u>	<u>94 166 803</u>
Financial year results		446 862 335	446 721 198
<u>TOTAL EQUITY PRIOR TO ALLOCATION</u>		<u>542 204 297</u>	<u>540 888 001</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>12 482 376 620</u>	<u>10 584 436 542</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

STATEMENT OF OFF BALANCE-SHEET COMMITMENTS
AS AT 31 DECEMBER 2008

(In dinars)

	<u>NOTES</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
<u>Commitments for guarantee</u>	29	<u>9 121 484 048</u>	<u>8 324 531 668</u>
Debenture loans		8 480 375 044	7 648 117 654
Other external borrowings		641 109 004	676 414 014
<u>Commitments on foreign currency swap transactions</u>	29		
Commitments given		359 523 938	365 677 869
Commitments received		271 057 150	209 193 826
<u>Commitments on exchange swap transactions</u>	29		
Commitments given		944 450	-
Commitments received		942 572	-

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

STATEMENT OF RESULTS AS AT 31 DECEMBER 2008

(In dinars)

	<u>NOTES</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
<u>PROCEEDS</u>			
Proceeds from intervention on the money market		3 470 273	7 647 944
Interest on forward investments in foreign currency		351 396 861	398 878 467
Other proceeds on foreign currency transactions	30	54 440 268	42 282 840
Proceeds on transactions with international organisations		4 504 067	902 512
Interest on claims on the State		149 094	164 094
Interest on banks and financial institutions' accounts		329 968	523 117
Miscellaneous proceeds	31	2 710 187	2 399 452
Returned provisions for costs to manufacture banknotes, coins and medals		6 518 392	5 470 856
Provisions returned on securities		1 817 133	8 839 338
Gains on exchange/readjustment of foreign currency accounts		164 617 309	102 652 194
<u>TOTAL PROCEEDS</u>		<u>589 953 552</u>	<u>569 760 814</u>
<u>COSTS</u>			
Costs related to money market intervention		25 357 729	8 534 966
Interest paid on transactions in foreign currency	32	40 013 995	42 857 701
Other costs on transactions in foreign currency	33	13 473 218	11 721 448
Costs on transactions with international organisations		3 523 156	3 517 686
Miscellaneous costs		200 301	168 696
Staff costs		40 597 700	38 096 100
General operating costs		10 457 656	10 594 321
Costs for banknotes, coins and medals manufacturing		6 518 392	5 470 856
Allocations for fixed asset depreciation		2 104 833	2 077 842
Allocation for provisions/depreciation of securities		2 046	-
Allocations for other provisions		842 191	-
<u>TOTAL COSTS</u>		<u>143 091 217</u>	<u>123 039 616</u>
<u>FINANCIAL YEAR RESULTS</u>		<u>446 862 335</u>	<u>446 721 198</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

NOTES RELATED TO FINANCIAL STATEMENTS OF THE CENTRAL BANK OF TUNISIA AS OF 31/12/2008

GENERAL PRESENTATION

The total of the Central Bank of Tunisia's balance sheet for the year ending 31 December 2008 came to 12,482.4 MTD, compared to 10,584.4 MTD in 2007, an increase of 1,898 MTD or 17.9%. Results for the year came to 446.9 MTD vs. 446.7 MTD in 2007.

As for asset headings, foreign currency assets posted an increase of 2,049.4 MTD (21.3%), reaching 11,687.5 MTD compared to 9,638.1 MTD in 2007. This increase was attributable in particular to drawings on external loans, higher foreign direct investment, and greater income from tourism and worker remittances.

The advance to the State for subscription to monetary funds went down by 19.7 MTD between 2007 and 2008, the result of revaluation of Tunisia's participation in the International Monetary Fund on the basis of the new rate between special drawing rights and the dinar, as set by IMF on 30 April 2008. The value of the SDR against the dinar depreciated by 3.6% compared to its value on 30 April 2007.

«Memorandum accounts and accounts calling for adjustment» posted a decrease of 50.5 MTD compared to 2007, largely due to the drop in interest to be received on investment in foreign currency, recorded in adjustment accounts in the framework of entering proceeds for the period in which they were earned, under the combined effect of lower interest rates and lower investment in the form of deposits at foreign banks, compared to consolidation of investment in sovereign securities that are less risky. It should be noted that this option for management of reserves in foreign currency is part of the strategy adopted by the Bank and further strengthened since 2007 with the appearance of the first signs of the international financial crisis, favouring the objective of security over that of profitability.

For liability entries, the balance of banks' accounts increased by 913.8 MTD, up from 416.4 MTD on 31 December 2007 to 1,330.2 MTD on 31 December 2008. This reflects in particular the increase in the reserve requirement rate decided twice, at the end of April and the end of September 2008.

«Commitments in foreign currency towards Tunisian authorised intermediaries» showed an increase of 736 MTD compared to 2007, mainly affected by greater recourse by banks to the Central Bank to place deposits by their non resident clients.

Moreover, for the needs of coverage of risk inherent in exchange rate fluctuations in 2009, the amount of 160 MTD was entered as provisions under the line «differences on conversion», while an amount of 164.6 MTD was included in results for the year as gain on exchange, compared to 102.7 MTD in 2007.

It should be noted in this framework that monthly revaluation of accounts labelled in foreign currency in 2008 yielded a net gain of 254.6 MTD, reflecting exchange rate fluctuations.

«Memorandum accounts and accounts calling for adjustment» rose by 171 MTD, due mainly to an increase in the counter-value in dinars for an amount of 1,621.8 million US dollars, representing the unused balance of income from privatisation of *Tunisie Telecom* available to the Treasury in a suspense account, reflecting the impact of appreciation of the US dollar compared to the dinar.

As for the statement of results, interest on investment in foreign currency recorded a drop of 47.5 MTD (11.9%), reflecting in particular the effect of the drop in interest rates on the one hand and the pre-eminence of security over profitability in investment operations, favouring investment in sovereign securities rather than deposits at foreign banks on the other hand. Proceeds from transactions with international organisations went up by a considerable 3.6 MTD mainly because of a transfer from the International Monetary Fund to the Central Bank of Tunisia in the framework of “burden-sharing mechanism”, following settlement of arrears by a member state.

The result of intervention on the money market reflects the excess liquidity that prevailed over most of 2008, which required intervention by the Issuing Institution on several occasions during the year to absorb the surplus, using in particular negative calls for bids. Consequently, intervention on the money market yielded a net charge of 21.9 MTD vs. 0.9 MTD in 2007.

Operating costs went up by 2.4 MTD, from 48.7 MTD in 2007 to 51.1 MTD in 2008. In effect, staff costs rose by 2.5 MTD, while general operating costs went down by 0.1 MTD.

I. LEGAL FRAMEWORK AND ACCOUNTING REFERENTIAL

The Central Bank of Tunisia’s financial statements are drawn up in conformity with the terms of law n°58-90 of 19 September 1958 governing its founding and organisation (as modified in subsequent texts) and Tunisian accounting standards, taking into account the specific nature of the Central Bank’s activities. For those areas not covered by specific Tunisian accounting standards, international accounting standards and generally accepted principles will be applied.

Central Bank of Tunisia financial statements include

- a balance sheet,
- a statement of off balance sheet commitments,
- a statement of results, and
- notes related to the financial statements.

II. ACCOUNTING PRINCIPLES AND RULES OF ASSESSMENT

1) GOLD HOLDINGS

The Bank’s gold holdings are assessed at the official price for gold as per decree-law n°64-18 of 28 September 1964, which defines the dinar. Article 2 of this decree specifies that «*official parity for the dinar is set at 1.69271 gram of fine gold for one dinar*». Thus a gram of fine gold is worth 0.590768649 dinar. Following devaluation of the dinar in 1986, as per decree n°86-785 of 18 August 1986, the official price for gold became 0.6498475 dinar for one gram of fine gold.

2) ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Assets and liabilities labelled in foreign currency are converted to dinars at «*accounting reference rates*» that remain valid for a period of one month. Accounting reference rates represent average rates (bid rate + offer rate divided by two) set by the Central Bank of Tunisia on the last working day of each month.

Assets and liabilities labelled in foreign currency are revaluated at the end of each month. Latent losses and gains resulting from monthly revaluation are entered under the balance sheet account «*differences on conversion*».

3) ASSUMPTION OF PROCEEDS AND COSTS

3.1 The entering of proceeds and costs is based on the accounting principle of «*independence of financial years*». Thus proceeds and costs are tied to the accounting year in which they were acquired or due.

3.2 Proceeds and costs resulting from transactions in foreign currency are converted into dinars at the rate of exchange in effect on the day of the transaction.

3.3 At the end of the period, the balance of the account «*differences on conversion*» is processed as follows :

- Debit balance : The total amount of the balance is entered as a cost for the financial year.
- Credit balance : The only amount entered on the statement of results as gain on exchange for adjustment of accounts in foreign currency is that remaining after assessing the portion of the above-mentioned balance to be carried forward to the subsequent financial year to hedge against possible losses on exchange to be entered for that financial year.

3.4 Differences between the exchange rates in effect on the day of the transaction and accounting reference rates are entered on the statement of results as gains or losses on exchange. Such gains and losses, in effect, result from actual transactions.

4) FIXED ASSETS

Tangible and intangible fixed assets are accounted for by applying the rule of «*historic cost*», that is to say the cost of acquisition or the actual amount disbursed to cover costs in the case of construction.

Aside from land, fixed assets are to be depreciated in a straight-line method over the projected lifespan of the fixed asset by applying the usual rates for each category of fixed asset. For certain equipment that is specific to the Central Bank of Tunisia (such as cash register equipment), lifespan and applied depreciation rate are determined by reference to the experience of their users.

Tangible fixed assets are made up in particular of land, buildings, technical equipment, computer hardware, cash register equipment, transport material, and office equipment.

Intangible fixed assets are made up mainly of computer software.

5) SECURITIES IN FOREIGN CURRENCY that are part of «*foreign currency assets*» are assessed at market price on the closing day of the financial year. Latent losses from the difference between accounting value (possibly corrected by depreciation of premiums and discounts) and market value of securities are accounted for as provisions for depreciation. Latent gains are not recorded.

6) SECURITIES IN DINARS purchased in the framework of open market transactions are assessed at market price on the balance sheet's closing date. Latent losses or gains resulting from revaluation are entered in the balance sheet account «*differences on revaluation*».

7) SHAREHOLDING PORTFOLIO

The Central Bank of Tunisia's shareholding portfolio is made up of shares that it has acquired in the framework of article 53 of its statutes that represent the portion it holds in the capital of a number of non resident organisations and companies as well as resident companies that manage common banking services. These shares are recorded at the price of acquisition. In case of depreciation compared to their face value, the relevant shareholdings are provisioned.

III – DETAILED EXPLANATION OF THE HEADINGS IN THE FINANCIAL STATEMENTS

NOTE 1 : SUBSCRIPTIONS TO INTERNATIONAL ORGANISATIONS

The amount recorded under this heading represents the total of sums paid by the BCT to certain international financial organisations as shares subscribed to in gold or foreign currency by the Republic of Tunisia in the capital of these institutions as per prevailing legislation authorising the Central Bank of Tunisia to record transactions entered in the above mentioned framework under the assets heading of the Bank's balance sheet. The date of the last transaction entered in this framework goes back to 1969. The State has since then taken responsibility for all subscriptions, whether in local or foreign currency. The following institutions are involved :

Institution	Subscribed amount (in TND) ¹
International Bank for Reconstruction and Development	215 408
International Development Association	87 202
International Financial Corporation	76 808
African Development Bank	1 992 375

NOTE 2 : IMF RESERVE POSITION

The amount recorded under this heading (38.5 MTD)², represents the counter value in dinars of the portion subscribed to in foreign currency (20.2 million SDRs) of Tunisia's share in the capital of IMF. This represents the difference between Tunisia's full share (286.5 million SDR) and IMF's holdings in dinars, held in its account n°1 on the books of the Central Bank of Tunisia.

¹ This concerns the counter-value in TND of amounts subscribed in gold or in foreign currency in historic exchange rates.

² 1 TND = 0.52632 SDR, as per IMF quotation in effect since 30 April 2008.

As for holdings in foreign currency, the IMF reserve position is part of Tunisia's international reserves. In effect, if support for the balance of payments is required, these reserve assets labelled in SDRs can be drawn from IMF without any prior conditions, converting them to the most freely convertible currencies.

NOTE 3 : ASSETS AND INVESTMENT IN SDRS

This heading includes :

- the balance of the SDR account opened in the name of the Central Bank of Tunisia (BCT) on the books of the IMF, which on 31 December 2008 came to 3.4 million SDRs (the equivalent of 6.9 million dinars¹)
- the amount in SDRs represents the Central Bank of Tunisia's contribution to the PRGF²-HIPC³ fiduciary fund administered by the International Monetary Fund, which amounted to 2.4 million SDRs, the equivalent of 4.8 million dinars¹.

	2008	2007
<u>ASSETS AND INVESTMENT IN SPECIAL DRAWING RIGHTS</u>	<u>11 708 161</u>	<u>6 978 555</u>
Assets in Special Drawing Rights	6 895 389	2 413 559
Investment in Special Drawing Rights	4 812 772	4 564 996

NOTE 4 : SECURITIES PURCHASED IN THE FRAMEWORK OF OPEN MARKET TRANSACTIONS

This heading posted a slight increase of 0.5 MTD compared to 2007, following gains on revaluation of the relevant securities, which took place on 31 December 2008.

	2008	2007
<u>SECURITIES PURCHASED IN THE FRAMEWORK OF OPEN MARKET TRANSACTIONS</u>	<u>25 073 300</u>	<u>24 577 500</u>
Bonds equivalent to Treasury bonds purchased firm	25 073 300	24 577 500

NOTE 5 : CLAIMS PURCHASED FIRM

In 2008 the Treasury made the last payment (80.7 MTD) on National Oil Board claims (26 MTD) and Cereals Board claims (54.7 MTD) purchased firm by the BCT from the National Agricultural Bank, under State guarantee, in December 1996.

NOTE 6 : ADVANCE TO THE STATE PERTAINING TO MONETARY FUNDS SUBSCRIPTION

This heading enters as an advance to the Treasury the counter value in dinars of amounts paid out for subscriptions corresponding to Tunisia's shares in the capital of the International Monetary Fund and the Arab Monetary Fund, in application of the terms of law n°77-71 of

¹ 1 DTS = 2.037924 TND as of 31 December 2008.

² Poverty Reduction and Growth Facility.

³ Heavily Indebted Poor Countries.

7 December 1977 governing relations between the Central Bank of Tunisia and these two financial institutions.

- *International Monetary Fund*: The overall amount of Tunisia's subscription in the capital of this institution comes to 286.5 million SDRs, of which 266.3 million subscribed in dinars, credited to account n°1 in the name of the International Monetary Fund and 20.2 million subscribed in convertible currency.
- *Arab Monetary Fund*: Tunisia's overall share in the capital of this institution came to 12.85 million Arab accounting dinars, as per decision n°3/2005 of the Fund's board of governors approving release of the remaining portion of capital by incorporation of reserves. This transaction led to distribution of new shares to member states proportionate to their initial shares. Tunisia's share came to 5.85 million Arab accounting dinars. Since this transaction generates no financial flow, the increase in shares did not involve any accounting entry on the books of the Central Bank of Tunisia. It should be kept in mind that the previous share, subscribed to in cash, came to 7 million Arab accounting dinars, 0.1 million of which were subscribed to in local currency and credited to the dinar account opened on the books of the Central Bank in the name of the Arab Monetary Fund, and 6.9 million subscribed to in convertible currency. The Arab accounting dinar is worth 3 SDRs.

Subscriptions in dinars to the capital of these two institutions, recorded as a credit to their respective accounts on the books of the Central Bank, are adjusted annually to take into account trends in the exchange rate for the SDR against the Tunisian dinar, with reference to prices set by the International Monetary Fund.

NOTE 7 : STANDING ADVANCE TO THE STATE

Under this heading is found the amount of the standing advance to the State, as per the terms of the agreement signed by the Central Bank and the Ministry of Finance on 29 June 1970, as per law n°70-22 of 7 May 1970 governing restructuring of public finances. In return for this advance, the State pays interest at an annual rate of 0.5%.

NOTE 8 : REIMBURSABLE ADVANCE TO THE STATE

Under this heading is recorded the outstanding balance of the reimbursable advance to the State, granted in line with the above-mentioned agreement, in return for payment of interest at an annual rate of 3%. The final payment to be made against this advance is scheduled for 1 July 2009.

NOTE 9 : BILLS TO BE ENCASHED

The amount recorded under this heading represents the outstanding balance of securities subscribed to in favour of the State, notably underwritten bonds subscribed to for settling taxes and miscellaneous charges. These securities are to be held in the portfolio of the Central Bank of Tunisia until they fall due.

NOTE 10: SHAREHOLDING PORTFOLIO

The amount recorded under this heading represents the paid-up portion of the Central Bank of Tunisia's holdings in the capital of the following institutions :

Institution	Balance by currency		Balance as of 31/12/2008 in TND ¹
▪ Tunisian Banking Union (UTB)	7 152 659.46	EUR	13 250 301
▪ SWIFT Company	5 330.00	EUR	9 874
▪ African Import Export Bank	10 000 000.00	USD	13 109 000
▪ Maghreb Bank for Investment and Foreign Trade	2 500 000.00	USD	3 277 250
▪ Programme to finance inter Arab Trade	1 250 000.00	USD	1 638 625
▪ Interbank Clearing Company (SIBTEL)	105 000.000	TND	105 000
Total			31 390 050

NOTE 11 : MISCELLANEOUS DEBTORS

The main entry under this heading is the outstanding balance of various kinds of loans granted to employees that are financed from reserves for social funds.

NOTE 12 : MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (ASSETS)

This heading includes mainly costs paid in advance, proceeds to be received, and other miscellaneous debits awaiting adjustment. This balance recorded a significant drop of 50.5 MTD from the previous year's figure. This is broken down as follows :

	2008	2007
MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT	<u>10 999 355</u>	<u>61 498 711</u>
Accrued income and accrued expenses	6 431 199	55 505 963
Gold to be sold to jewellers	118 376	2 490 293
Advances and instalments for staff	3 667 958	2 898 244
Other memorandum and adjustment accounts	781 822	604 211

NOTE 13 : BANKNOTES AND COINS IN CIRCULATION

The balance of this category went up from 4,347.7 MTD on 31 December 2007 to 4,641.1 MTD on 31 December 2008, an increase of 293.4 MTD (6.7%). It is broken down as follows :

	2008	2007
<u>BANKNOTES AND COINS IN CIRCULATION</u>	<u>4 641 106 564</u>	<u>4 347 660 095</u>
Banknotes	4 420 401 160	4 140 748 440
Coins	220 705 404	206 911 655

The rate of increase remained more or less stable compared to that between 2006 and 2007, which was some 6.6%.

¹ As per rates of exchange in effect on 31 December 2008 :
1 EUR = 1.8525 TND
1 USD = 1.3109 TND

NOTE 14 : GOVERNMENT ACCOUNTS

The main entries under this heading are the balance of the Treasury current account (396.9 MTD), the balance of the Tunisian Government special accounts in foreign currency reflecting drawings on external loans and grants made to the State or public institutions with State guarantee (321 MTD), as well as the balances of other accounts relating to miscellaneous funds held by the Central Bank on behalf of the State, such as the fund for industrial promotion and decentralisation (FOPRODI) and the national fund to promote handicrafts and small trades (FONAPRA).

	2008	2007
<u>GOVERNMENT ACCOUNTS</u>	<u>759 693 263</u>	<u>818 461 063</u>
Tunisian Treasury current account	396 927 874	323 459 558
Tunisian Government special account in foreign currency	321 044 699	466 671 281
Tunisian Government grants accounts	2 548 436	2 865 323
FOPRODI	14 961 337	16 555 675
Tunisian Government – miscellaneous accounts	1 182 188	1 182 188
Special account/1969 IBRD loan	280 000	280 000
FONAPRA	15 550 977	3 027 786
Tunisian Government – loans accounts	7 197 752	4 419 252

NOTE 15 : COMMITMENTS TOWARDS LENDING INSTITUTIONS RELATED TO MONETARY POLICY TRANSACTIONS

This heading posts the negative net outstanding balance of BCT intervention on the money market.

There was no outstanding balance for such intervention as of 31 December 2008. Despite the excess bank liquidity that prevailed throughout much of 2008 (which required intervention by the Issuing Institution on several occasions to absorb the surplus), there was over the last quarter of the year under review a drop in bank liquidity and thus less intervention by the Central Bank in the form of negative calls for bids. The average for intervention for the month of December 2008 came to -14.3 MTD, compared to an average of -1,221.1 MTD for the month of September 2008.

NOTE 16 : ALLOCATION OF SPECIAL DRAWING RIGHTS

This item includes the counterpart of the cumulated amounts of SDRs allotted by the International Monetary Fund to Tunisia in its quality of member state. Coming to 34.243 million SDRs¹ as at 31 December 2008, these SDRs are to be returned to the International Monetary Fund if SDRs are cancelled. These allocations thus constitute an open-ended commitment to the International Monetary Fund.

¹ 1 SDR = 2.037924 TND on 31 December 2008

NOTE 17 : CURRENT ACCOUNTS IN DINAR OF FOREIGN INSTITUTIONS

This heading posts the balances of accounts opened in dinars in the name of foreign institutions such as the International Monetary Fund, the World Bank, the African Development Bank, and the Arab Monetary Fund.

The balance of International Monetary Fund account n° 1, including the amount of Tunisia's subscription in dinars to the capital of the Fund, is the major component of this heading (505.9 MTD).

NOTE 18 : COMMITMENTS IN FOREIGN CURRENCY TOWARDS TUNISIAN AUTHORISED INTERMEDIARIES

This heading includes the sight assets in foreign currency of authorised intermediaries on the one hand and the outstanding balance of borrowings by the Central Bank on the money market in foreign currency on the other.

NOTE 19 : FOREIGN ACCOUNTS IN FOREIGN CURRENCY

These are accounts opened in foreign currency or convertible Tunisian dinars in the name of non resident banks or institutions. If there is an overall debit in these accounts, their balance figures as one of the components under the heading «foreign currency assets», under the assets column of the balance sheet.

NOTE 20 : OTHER COMMITMENTS IN FOREIGN CURRENCY

This heading includes mainly the balance of the special deposit account in foreign currency in the name of the Abu Dhabi Fund for Arab Economic Development, as per the agreement signed with the Central Bank of Tunisia. The balance came to 10.4 million US dollars, the equivalent of 13.6 MTD¹ on 31 December 2008. The balance of this account was lower in 2008 than in 2007 because the fund used 11.4 million US dollars in 2008 in the form of direct investment in Tunisia.

It should be mentioned that the final payment to settle the loan contracted with the Arab Monetary Fund for the third structural adjustment facility (3.1 million SDRs) was made in 2008. Consequently, the category «other commitments in foreign currency» did not show an outstanding balance for the above mentioned facilities as at 31 December 2008.

NOTE 21: CURRENT COLLECTION OF VALUES

The amount recorded under this heading represents the net credit balance for accounts to collect values, notably cheques made out to the Treasury.

NOTE 22 : DEPOSITORS OF BILLS TO BE ENCASHED

This category represents the counterpart of the assets entry «bills to be encashed». The difference between these two items represents the value of securities due that are sent for clearing, the amount of which has not yet been encashed.

¹ 1 USD = 1.3109 TND on 31 December 2008

NOTE 23 : DIFFERENCES ON CONVERSION AND REVALUATION

This category includes that portion of the credit balance for the account «differences on conversion», retained as a provision to hedge risk from variations in exchange rates in 2009 (160 MTD) and gains on revaluation at market price for securities purchased in the framework of open market transactions (0.4 MTD).

NOTE 24 : MISCELLANEOUS CREDITORS

This heading includes mainly the deposit accounts of Bank agents and similar accounts, withheld tax due to the State, contributions for social coverage pending payment, and the amount of attachment orders on current accounts.

	2008	2007
<u>MISCELLANEOUS CREDITORS</u>	<u>15 471 425</u>	<u>15 997 910</u>
Trust fund accounts (staff accounts, staff association account...)	5 445 775	4 919 603
Withheld tax, VAT collected and other taxes and levies due to the State	967 278	736 080
Social coverage – suspense account	1 170 690	1 173 248
- CNSS (<i>national social security fund</i>)	570 197	560 174
- STAR (<i>Tunisian insurance and reinsurance company</i>)	599 318	609 231
- CNRPS (<i>national retirement and social security fund</i>)	1 175	3 843
Other miscellaneous creditors	7 887 682	9 168 979
<i>of which:</i>		
- Attachment orders on current accounts	6 698 954	7 765 330
- Blocked amounts for attachment orders already enacted	148 444	421 027
- Other attachment orders put in practice, in the hands of the BCT	52 224	211 764
- Account for enhanced competitiveness in the textile/clothing sector	434 422	646 865
- Outstanding petrol vouchers	88 790	64 197
- Intervention of the regime to encourage innovation in information technologies	397 070	3 800
- Unclaimed amounts from the suspense account «credits pending assignment»	30 398	31 191

NOTE 25 : PROVISIONS FOR COSTS TO MANUFACTURE BANKNOTES, COINS AND MEDALS

The amount entered on this line represents available resources prior to distribution of results, allocated to fund programmes to manufacture banknotes, coins and medals when profits from previous periods are distributed.

NOTE 26 : OTHER PROVISIONS

The figure recorded on this line concerns allotted funds for «provisions for costs» to cover any possible difference between the expected and the retained rate of wage increases when working out the 2009 operating budget.

NOTE 27 : MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (LIABILITIES)

This line shows mainly the credit amounts pending settlement, costs to be paid, proceeds paid in advance, and the counterpart of the IMF's reserve position.

	2008	2007
<u>MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (LIABILITIES)</u>	<u>2 232 272 417</u>	<u>2 061 237 669</u>
Counterpart of the IMF reserve position	38 472 326	39 862 422
Foreign currency pending assignment	2 128 473 502	1 977 593 335
<i>of which: income from privatisation of Tunisie Telecom</i>	<i>2 125 959 592</i>	<i>1 975 379 572</i>
Costs to be paid and miscellaneous proceeds paid in advance	5 199 270	7 037 051
Interest paid in advance on securities in foreign currency	46 455 874	25 245 238
Expenditure to be paid for specific and exceptional purposes	2 400 753	2 204 933
Staff costs to be paid	7 026 497	6 067 278
Other memorandum and adjustment accounts	4 244 195	3 227 412

NOTE 28 : EQUITY

Equity prior to assignment of 2008 income came to 542.2 MTD as at 31 December 2008, compared to 540.9 MTD on 31 December 2007, an increase of 1.3 MTD. Breakdown is as follows :

	2008	2007
Capital	6 000 000	6 000 000
Reserves	89 145 872	87 854 047
Other equity	116 667	233 333
Results carried forward	79 423	79 423
Total equity prior to financial year results	95 341 962	94 166 803
Financial year results	446 862 335	446 721 198
TOTAL EQUITY PRIOR TO ASSIGNMENT	542 204 297	540 888 001

«Other equity» is made up of the investment subsidy from technical assistance granted by the Arab Monetary Fund in the framework of the loan for the second structural adjustment facility. In effect, a portion of the amount for the above mentioned technical assistance has been used to partially finance acquisition of the software application for the system for transfer of gross amounts (SGMT). There was a lower amount recorded in 2008 compared to 2007, due to integration in the Bank's proceeds of a portion equal to the amount of annual amortisation of intangible fixed assets as specified by the above-mentioned software.

NOTE 29 : OFF BALANCE SHEET COMMITMENTS

The statement of off balance sheet commitments includes guarantee commitments, commitments on swap operations in foreign currency, and commitments for foreign exchange swap operations.

- Guarantee commitments

Recorded under this heading are debenture loans issued by the Central Bank of Tunisia on behalf of the Tunisian Government on foreign financial markets (Japanese, American and European) and external borrowings by the State in the framework of bilateral economic cooperation. These borrowings are managed by the Central Bank on behalf of the State against signature of commitments to the foreign party (foreign bank or financial institution) for settlement of relevant payments due.

These loans are recorded specifying principal and interest, except those with variable interest rates, for which only the amount of principal is recorded.

The Central Bank's financial commitments from the above mentioned loans mean a similar commitment on the part of the State for repayment of all scheduled amounts as well as settlement of all related financial costs. Thus it has been decided to enter these amounts on the Bank's books as off balance sheet commitments. These commitments are, in effect, considered to be surety bonds, in application of the accounting convention «pre-eminence of content over form».

This line posted a considerable increase of 797 MTD between 2007 and 2008 because of appreciation of the main foreign currencies in which the loans relating to these commitments are labelled, notably Japanese yen.

- Commitments on foreign currency swap transactions

This heading shows commitments given (foreign currency to be handed over) and commitments received (foreign currency to be received) in the framework of swap transactions in foreign currency to hedge foreign exchange risk on certain debenture loans labelled in Japanese yen.

- Commitments on foreign exchange swap transactions

This line lists commitments given (foreign currency to be given) and commitments received (foreign currency to be received) as foreign exchange swap transactions carried out in the framework of current management of reserves in foreign currency.

NOTE 30 : OTHER PROCEEDS ON FOREIGN CURRENCY TRANSACTIONS

This includes mainly commissions on foreign exchange transactions (30.4 MTD), gains on net exchange from the difference between exchange rates in effect on the date of the transaction in foreign currency and accounting reference rates (11.3 MTD), gains on sale of securities in foreign currency (9.8 MTD), and commissions on transactions related to transfer of non resident foreign banknotes (2.2 MTD).

NOTE 31 : MISCELLANEOUS PROCEEDS

	2008	2007
<u>MISCELLANEOUS PROCEEDS</u>	<u>2 710 187</u>	<u>2 399 452</u>
Proceeds on unused budget allocations	725 873	1 040 613
Commissions on sale of gold to jewellers	400 662	80 243
Cost recovery	369 861	409 825
Late fees on implementation of orders for manufacturing banknotes, coins and medals	13 284	
Recovery of complementary retirement pensions for seconded staff	104 405	312 558
Income from shareholding securities	557 488	77 781
Proceeds from services related to transfer of gross amounts	216 067	210 557
Portion entered as proceeds from the investment subsidy tied to the Arab Monetary Fund grant	116 667	116 667
Other proceeds	205 880	151 208

NOTE 32: INTEREST PAID ON TRANSACTIONS IN FOREIGN CURRENCY

Interest paid on transactions in foreign currency came to 40 MTD as at 31 December 2008 compared to 42.8 MTD as at 31 December 2007, a drop of 2.8 MTD, due mainly to the lower volume of interest paid for intervention on the domestic money market in foreign currency.

	2008	2007
<u>INTEREST PAID ON TRANSACTIONS IN FOREIGN CURRENCY</u>	<u>40 013 995</u>	<u>42 857 701</u>
Interest on money market intervention in foreign currency	39 540 466	41 427 553
Interest on deposit accounts in foreign currency	414 470	1 349 631
Interest on forward deposits in foreign currency		4 361
Interest on sight overdrafts in foreign currency	59 059	76 156

NOTE 33: OTHER COSTS ON TRANSACTIONS IN FOREIGN CURRENCY

This heading includes mainly costs relating to instruments to hedge foreign exchange risk (exchange swaps, foreign currency swaps, forward exchange...) and costs for extension of the premium on securities in foreign currency.

BREAKDOWN OF RESULTS FOR 2008

In line with the terms of article 68 of law n°58-90 dated 19 September 1958 governing creation and organisation of the Central Bank of Tunisia, the Bank's Executive Board at its meeting on 17 March 2009 approved breakdown of 2008 results as follows:

(all amounts in TND)

Results for the year	446,862,335
Provisions for costs to manufacture banknotes, coins and medals	13,800,000
Special reserves	1,000,000
Results carried forward	62,335
Share due to the State	432,000,000