



ANNUAL REPORT 2021



SOCIETE TUNISIENNE DE BANQUE

ANNUAL REPORT

FINANCIAL YEAR 2021

SOCIETE TUNISIENNE DE BANQUE

Public Limited Company with a capital of TND 776.875.000
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- Electronic Commerce : ecom.stb.com.tn
- Online banking : stbnet.stb.com.tn
- Facebook : STB BANK-authorized page

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BOARD OF DIRECTORS



Mme Amel MDINI ⁽¹⁾

Chairperson of the Board of Directors Representing the State



M. Ilyes CHERIF ⁽²⁾

State auditor



M. Hatem SALAH

Representing the state



M. Mohamed Taher BELLASSOUED

Representing the state



M. Tarek BEN LARBI

Representing the state



M. Mohamed MRAIDHA

Representing the state



M. Lassaad ZARROUK

MAE representative



M. Taïeb BELAID

Representing private shareholders



M. Hassen FEKI

Representing STAR



M. Moez BEN ZID

Representing minority shareholders



M. Sadok ATTIA (Deceased)

President of the independent Audit Committee



Mme Rym OUESLATI

President of the Independent Risk Committee

BOARD OF DIRECTORS

The Audit Committee

The fundamental mission of the Committee is to ensure the implementation and proper functioning of the internal control system, to ensure the monitoring and supervision of internal control activities.

The Risk Committee

Its mission is to help the Board of Directors fulfill its responsibilities relating to the management and monitoring of risks and compliance with the regulations and policies adopted in this area.

The Appointments and Remuneration Committee

Its mission is to help the Board of Directors to adopt a remuneration policy in line with the medium and long-term performance of the Bank.

The Strategic Committee

Its role is to assist the Board of Directors in monitoring the implementation of the Bank's strategy and Business Plan.

Higher Resolution Committee

Its mission is to monitor the implementation of the action plan resulting from the Bank's recovery strategy, to examine proposals for deregistration and assignment as well as for transactional settlement.

Markets Committee

Its mission is to examine the regularity of the procedures for recourse to competition, the awarding of contracts, the sincerity and transparency of the procurement procedures and to ensure the acceptability of the administrative, financial and technical conditions.

Governance and Subsidiary Restructuring Committee

The fundamental mission of this Committee is to monitor the performance of the subsidiaries and holdings and the evaluation of the governance systems within the STB group, based on the best practices in this area.

(1) : Appointment of Mrs. Amel MDINI as Chair of the Board of Directors to replace Mrs. Nejia GHARBI (Board of Directors of May 06, 2021).

(2) : Appointment of Mr. Ilyes CHERIF as State auditor to replace Mr Anas ELHENI (letter from the presidency of government dated 29/01/2021 and letter from the Ministry of Finance dated 18/02/2021).

EXECUTIVE MANAGEMENT

Managing Director



M. Mohamed CHOUIKHA⁽¹⁾

Deputy Managing Director



M. Lassaad JOUINI⁽²⁾

Secretary General



M. Nabil FRINI

CO-AUDITORS

The group: CFA-CBC
Represented by Mr. Fathi SAIDI



- Firm «CFA»
represented by Mr. Fathi SAIDI



- Cabinet «CBC»
represented by Mr. Chokri BEN LAKHAL

Group : CSL - CNH
Represented by Mr. Samir LABIDI



- Firm «CSL»
represented by Mr. Samir LABIDI



- Firm «CNH»
represented by Mrs. Nour El Houda HANAN

Tasks

The main mission of the Co-Auditors (CAC) is to certify the annual accounts of the bank by carrying out a legal audit, the procedure of which is strictly defined by law and in accordance with the accounting principles generally accepted in Tunisia. The certification of the accounts by the CAC consists in validating the sincerity, regularity and veracity of the financial data provided in the accounts and the annual accounts of the bank (balance sheet, income statement, off-balance sheet, cash flow statement and legal annexes).

(1) : By reference to the letter from the Ministry of Finance dated March 17, 2021, Mr. Mohamed CHOUIKHA was appointed Managing Director by the Board of Directors on March 22, 2021

(2) : Appointment of Mr. Lassaad JOUINI as Deputy managing director by the Board of Directors on September 29, 2021

CHAIRPERSON'S MESSAGE



As in most countries around the world, the Tunisian economy witnessed a slow recovery in 2021, with a 2.9% growth after a sharp recession in 2020 that was due to the impact of the COVID-19 pandemic. This slight improvement is mainly driven by the recovery of certain sectors, particularly those of exporting manufacturing industries combined with the recovery of the European economy, the robust recovery in hydrocarbon production and the restored production of phosphate and its by-products.

Despite this rather sluggish backdrop, the STB has been able to demonstrate its sustainability and resilience as a public bank, confirming the growth it has experienced over the past few years.

In fact, fully anchored in its role as a universal bank and a reference support to the various economic sectors, the Bank has successfully weathered its way through the COVID crisis and managed to overcome its annihilating impact, making some achievements in perfect line with the objectives it had set, which allowed it to maintain its position on the podium of the most important banks.

The Bank rightly closed its 2021 fiscal year with a 60% rebound in net income, reflecting efforts to improve day-to-day management and the strong involvement of both management and administration bodies and STB teams.

In doing so, it has been able to maintain its status as a privileged partner serving professionals and private individuals after it has gradually adopted an approach based on international norms and standards in terms of performance management and risks. The strict application of funding standards through the use of descriptive and predictive analytical models based on data from the new information system has rightly helped to achieve this objective, and it is essential for the imminent adoption of IFRS standards.

In addition, underpinned by the success of its five-year strategic transformation 2016-2020 plan and the expertise acquired in its implementation, the Bank embarked in 2021 on a new strategic reflection to set new ambitions for development and growth and to chart an accelerated performance trajectory.

The aim of modernizing the bank and its digital transformation has continued to receive particular attention, resulting in the launch of a series of

actions aimed at achieving a customer-centric vision with a view to creating an ecosystem that promotes innovations and offers added value to the Bank's customers.

Furthermore, the STB keeps deploying its efforts to further develop its internal auditing system and to introduce proactive risk management strategies that enable it, at once, to meet the regulatory thresholds required by the BCT in terms of solvency and liquidity, and ensure the necessary resilience in the face of environmental and economic turbulences, including the unprecedented COVID-19 crisis.

In addition to these aspects, the Bank's adoption of a new vision requires a redoubling of efforts at the level of business development, the design of an offer that is best suited to the customers' real needs and a better outreach, all with a view to further consolidating and diversifying the Bank's business.

The acquisition of further market shares and the development of the segment of SMEs and individuals constitute, in this respect, essential drivers for the new strategy and the expected growth process.

The Bank's ambitions undoubtedly include restructuring and optimizing the profitability of the equity portfolio in order to expand the Bank's business lines or "more business" by launching new financial activities and business activities related to insurance, leasing, factoring, etc.

At the same time, the STB will continue to work actively to develop a sustainable, reinvented and inclusive economy in which all its stakeholders can have confidence. As such, it will play a leading and responsible role, respecting the world in which it operates and ensuring its vocation as a unifying force in society.

DIRECTOR GENERAL'S MESSAGE



With regard to activity indicators, STB bank continued to deploy its efforts in terms of mobilizing deposits with customers by targeting in particular those enjoying permanent surplus resources so as to maintain over time a stable, and relatively inexpensive diversified commercial base. Such efforts resulted in an increase in outstanding deposits by 7.2% to total TND 9 048m.

At the same time, the bank was able to increase in a remarkable way the volume of its loans for the benefit of its customers, bringing their gross outstanding to TND 9 731.1 m, up by 7.2%. This development bears witness to the Bank's efforts aimed at supporting companies and professionals heavily impacted by the health crisis linked to the COVID 19 pandemic.

Such increases have brought the transformation ratio (LTD) below 120%, a threshold to be recorded a year later. This is despite STB's substantial market share in public enterprises' financing, which have suffered from a significant increase in their pressing needs for bank loans.

On another level, particular attention was paid to improving the quality of the bank's assets through the various available mechanisms aimed at lowering the NPL rate and bringing it closer to the sector average, while allocating the sums necessary to cover outstanding debts.

In this sense, the rate of hanging receivables was reduced to 13.5% (vs. 14.9% in 2020) while maintaining the coverage rate almost at its level recorded at the end of 2020, i.e. 75%.

Regarding the results indicators, the Bank posted a net profit of TND 115.5 m at the end of 2021, a marked improvement (+60%) compared to its level a year earlier.

This remarkable progress was made possible on the back of a combination of certain factors particularly

attributed to the good performance in terms of the yield of added value and better control of the cost of risk.

In this regard, it should be noted that NBI rose 4.0%, an increase that was reflected in all its components, including income from market transactions.

As for the cost of risk, it was related to an envelope of TND 146 2m significantly lower than that booked at the end of 2020 (TND 210 0m).

Through these various developments, the bank was able to post significantly better solvency ratios with levels of 13.3% for the overall solvency ratio and 9.3% for Tier-1. This trend also characterized the return on assets (ROA) and equity (ROE) ratios which appreciated by 0.3 and 3.5 percentage points to stand at 0.9% and 10.5 % respectively. .

In addition to the aspects developed above, the Bank has endeavored to achieve the objectives it has set itself in terms of quality aimed at strengthening the expertise of its teams, the modernization of its information system and the development of its business. This has enabled it, in addition to consolidating practices related to good governance, to move up a notch in the gradual implementation of a fully customer-oriented management model through the use of fairly granular and quality data, now provided by the new IS.

In recognition of such efforts, the STB was once again honored, in 2021, by the Arab Union of Banks and the Arab Organization for Information and Communication Technologies, as the best digital bank in Tunisia and the best digital bank in North Africa, in themes related to innovation, financial inclusion, loyalty and well-being.

Driven by these achievements, the STB will be able to meet the challenges in an increasingly competitive context, and it aims to reposition itself as a leader in the banking market at the level of innovation, modernization, sustainable development and value creation, and the development of its traditional businesses, all with a view to always honoring its commitments to its shareholders, customers and human capital.

COMPANY PROFILE SOCIÉTÉ TUNISIENNE DE BANQUE

Société Tunisienne de Banque, created after independence, is the country's first bank as it opened its branches on March 26, 1958. For decades, it asserted itself in its role as the privileged instrument of the country's financial policy and was a precursor in the mobilization of national savings.

Fully rooted in the country's development process, STB has been able to strengthen its financial, technical and commercial capacities while intensifying its support for growth and the revival of investment. The actions it carried out have enabled it to consolidate its position at national and international level and to record significant and continuous development of its main growth indicators.

The STB group was already presenting itself as a major economic force, on the back of its dozens of subsidiaries belonging to all sectors of the economy.

In the year 2000, STB was called upon to carry out the merger-takeover project of BNDT and BDET, which gave birth to the first national bank having a global scope, combining the activities of a commercial bank with those of a development and business bank, which enabled it to further consolidate its leading role in the development of the national economy.

However, from 2001, STB found itself faced with successive crises in the tourism sector triggered by the events of September 11, 2001, the Gulf War in 2003, the Ghriba attack in Jerba in 2004, etc. ...

In addition, during the post-revolution period, the deterioration of performance indicators and the loss of market share increased. The large and growing volume of outstanding tourist debts has had the effect of further reducing the bank's profitability.

In this context of economic sluggishness, in July 2013 the supervisory authorities entrusted a specialized external firm with a Full Audit mission for the bank, which resulted in the choice of a restructuring scenario for STB advocating rapid and in-depth reforms and a recapitalization of up to TND 757 M.

Thus and with reference to the conclusions of the full audit work, the Bank began and succeeded, from the first half of 2016, in designing its new strategy by means of a bottom-up and collaborative approach, with the contribution and involvement of all functions and managers of the bank.

The operational implementation of this strategy, based on 13 axes of transformation, was initiated at the beginning of the second half of 2016 and provides, according to a business plan «STB_2016-2020», three horizons of impact capable of giving the bank a place on the podium of performing banks at the end of the plan period.

In this respect, it is clear that the quantitative achievements noted at the end of the 2016-2020 plan were perfectly in line with the ambitious objectives contained in the BP aimed at breaking with the downward trends in activity indicators and reverse the performance curve.

In this sense, the Bank's performance indicators have generally resumed their upward movement, concomitantly with the efforts made to consolidate and balance its financial situation:

- The balance sheet total was multiplied during the period of the plan by 1.6 times, posting an average annual growth rate of 9.7%;
- Shareholders' equity peaked at TND 1 100 M corresponding to an average annual growth rate of 9.6%, thanks to the consolidation of the results over the period of the plan totaling TND 363.5 M (totally allocated to equity accounts);
- Outstanding deposits with customers increased during the same period, at an average annual growth rate of 9.8%, representing a 66% overrun of the expected forecasts;
- The same trend also characterized the evolution of net receivables, which increased at an average annual growth rate of 11.1% compared to initial forecasts of 6.3%;
- With regard to performance indicators, they have de facto marked fairly substantial changes, including in particular the Net Banking Income which, at the end of the plan period, stood at TND 625.7 M corresponding to 2.3 times the amount recorded during the year preceding the implementation of the plan.

With reference to the proven success recorded in the execution of the 2016-2020 plan, the bank has initiated, with the support of a specialized external firm, the definition of the new strategy covering the period 2022-2026, the operational start of which is scheduled for the second half of 2022.

GOVERNANCE : BOARD OF DIRECTORS ACTIVITY REPORT FINANCIAL YEAR 2021

I- ADMINISTRATIVE BODY



Mode of Governance

Since the Extraordinary General Meeting of June 3, 2015, STB has abolished the position of Chief Executive Officer and Managing Director and has opted to separate the position of CEO from the function of Managing Director. Currently :

Mr. Mohamed CHOUIKHA performs the function of Managing Director

Mrs. Amel MDINI acts as Chief Executive Officer.

The Managing Director and the Deputy Managing Director cannot be members of the Board of Directors.

Structure of the Board of Directors

The Board of Directors is made up of 11 members, including the President. This number is adapted to the nature, the complexity, the diversity, the volume of activity as well as the risks to which the bank is exposed and is distributed as follows:

- Five directors representing public participants and special agents
- Two independent members chairing the Audit Committee and the Risk Committee respectively.
- Three directors representing the private sector, chosen by reference to the register of shareholders, and according to their profile and availability.
- A director representing small shareholders and is elected following a call for candidates.



Qualifications & career path of the Board of Directors

Ms Amel MDINI Chairperson of the Board of Directors	<ul style="list-style-type: none"> • Company Manager AJM Consulting • Acting as CEO of BH Bank • Chairperson of the Board of Directors of Caisse de Dépôts et Consignations-Gestion • Deputy Managing Director of Caisse de Dépôts et Consignations • Secretary General of the Ministry of Finance • Head of General Financial Control • Project manager at the High Committee for Administrative and Financial audit • Finance General Auditor
Mr Mohamed MRAIDHA	<ul style="list-style-type: none"> • Central Director at BNA • Managing Director at SICAR INVEST • Managing Director at SIP SICAR • Administrator at ESSOUKNA • SMVDA Administrator • Chairman of the Board of Directors SODAL
Mr Mohamed Taher BELLASOUED	<ul style="list-style-type: none"> • Managing Director STEG Renewable Energy • Head of Cabinet at the Ministry of Energy & Mines • Managing Director of the Tuniso-Koweito- Chinoise du Petrole CTKCP • Head of Cabinet at the Ministry of Industry • Director of Cabinet at the Presidency of the Government • Director General of Concessions at the Presidency of the Government • General Auditor of Public Services at the Presidency of the Government
Mr Tarek BEN LARBI	<ul style="list-style-type: none"> • Director General of Privatization at Presidency of the Government
Mr Hatem SALAH	<ul style="list-style-type: none"> • University Professor in Financial & Banking Economics at ESC Tunis • Director of the ThÉMA research laboratory (Economic Theory, Modeling and Application), ESC Tunis. • Independent consultant to multilateral donors. • Member of the Economic Analysis Council, Presidency of the Government. • Independent member of the investment committee, SICAR Régionale SODESIB • Member of the Board of Directors of the association of Tunisian economists (ASECTU) • Member of the scientific council of the ESC of Tunis • Member of the jury for promotion to the rank of Professor of Higher Education in economics. • Deputy Director, Director of Internships, ESC de Tunis. • Director of Research Masters: Banking, Finance & International Trade, ESC de Tunis
Mr Hassene FEKI	<ul style="list-style-type: none"> • CEO of STAR
Mr Moez BEN ZID	<ul style="list-style-type: none"> • Advisor to several clients in North Africa • Member of the Board of Marina Bizerte • Board member – CAPSA • Managing Director at Deutsche Bank (London, New York, Singapore) • Managing Director in charge of structured credit sales teams. • Fixed Income & Alternative Management Department - JPMorgan Chase Bank • Member of the team responsible for the development of credit derivatives – Société Générale Paris • Member of the interest rate derivatives team responsible for the development of management systems – Crédit Commercial de France

Mr Lassaad ZARROUK	<ul style="list-style-type: none"> • Managing Director of MAE Assurances • President of the General Arab Insurance Union – GAIF • Chairman and CEO of STAR - Insurance • President of the Tunisian Federation of Insurance Companies (FTUSA)
Mr Taieb BELAID	<ul style="list-style-type: none"> • Manager Simef Electric • President of the Chamber of Electrical Industries within UTICA • Vice-president of Fedelec within UTICA
Mr Sadok ATTIA	<ul style="list-style-type: none"> • Founder and CEO - Attia Consulting International • Managing Director, Noor Islamic Bank Dubai • Managing Director, Arab Banking Corporation Tunis • Head of Citibank Dakar Senegal Office • Managing Director of onshore banking and acting CCO Citibank Tunis • Onshore Banking Manager BEST bank (Albaraka Group) • Head of North Africa Financial Institutions Division, Citibank, New York, USA • Regional Financial Control and Credit Administration Manager for Tunisia, Algeria and Libya, Citibank, Tunis
Ms Rym OUESLATI	<ul style="list-style-type: none"> • Chartered accountant, graduate from the French State • Doctor in management sciences • Teacher at Tunis Dauphine University • Pedagogical manager of training for professionals in the fields of banking, insurance, governance, etc. (ACCA, IFRS, IFRS-Assurance, training of directors, etc.) • Teacher at the Higher Institute of Management (ISG of Tunis) • Teacher at the Higher School of Economics and Commercial Sciences Tunis (ESSEC Tunis) • Responsible for audit and IFRS reporting missions (UBCI, BTK, Attijari Bank, etc.)

Appointment of the Board of Directors members

The selection of directors representing public participants and special agents is carried out by the supervisory Ministry on the basis of combined criteria taking into account both their academic and professional skills and their successful experience in relation to the skills and complementarity required.

As for the members representing the private sector, their choice is generally made on the basis of the register of shareholders, according to their profiles and their availability.

As regards the independent members and the member representing the small shareholders, their selection is made following a call for applications and on the basis of terms of reference comprising various criteria including knowledge of the banking business, governance, control management and risk management and relating in particular to qualification and good repute.

Renewal of terms

Directors representing public participants on the Board of Directors are appointed for a period of three years, renewable only once, and cannot be appointed as members of the Board of Directors of another entity with public participation.

The renewal of the term of the independent members and of the member representing the small shareholders can only be carried out once.

Training of the Board of Directors members

The Bank provides the board members with specific training relating in particular to banking and financial operations as well as certain specific aspects and/or major regulatory changes (governance of public companies, money laundering ...).

Evaluation of the Board and the board members

The bank aims to carry out regular assessments of the Board as a whole and of each of its members on the basis of a self-assessment questionnaire.

Disqualifications / Conflicts of Interest

Based on the sworn statements, none of the members of the General Management and the Board of Directors is affected by the prohibitions provided for by article 60 of law 2016-48.

II- FUNCTIONING OF THE BOARD OF DIRECTORS

Main powers of the Board of Directors

The Board of Directors:

- Ensures the establishment of an effective governance system for the bank, which guarantees the efficiency of operations, the protection of assets and the control of risks within the framework of compliance with the laws and legislation governing their activities.
- Evaluates the bank's governance system periodically as to its adaptation to significant changes occurring at the bank, particularly in terms of the size of the activity, the complexity of operations, market developments and organizational requirements.
- Evaluates the framework laws, the organization charts, the conditions and methods of recruitment and the conditions of appointment and withdrawal from functional jobs.
- Monitors all major changes affecting the bank's business so as to safeguard the interests of depositors, shareholders, all stakeholders and, in general, the long-term interests of the bank.
- Ensures that the establishment acts in compliance with all applicable laws.
- Analyzes in depth the technical issues that fall within the remit of the committees.
- Approves arbitration policies and arbitration clauses and reconciliation agreements, the amounts of which are set by the Boards of Directors for the settlement of disputes in accordance with the legislation and regulations in force.

- Sets global strategic orientations and approves program contracts and business plans and explicitly defines profitability objectives consistent with maintaining the bank's financial soundness .
- Monitors the execution of the bank's strategy
- Ensures that the human, financial and logistical resources are permanently in line with the strategy and intervention policies adopted.
- Approves the provisional operating and investment budgets as well as their methods of financing before the end of the year preceding their execution.
- Approves and monitors the implementation of capital adequacy measurement models in relation to the volume and nature of risks, liquidity management policies, compliance requirements with laws and texts organizing the activity and the internal control system.
- Defines the quantitative and qualitative indicators for monitoring the bank's performance, particularly in terms of solvency, liquidity and profitability.
- Approved the financial statements
- Prepares the bank's annual report.

And in general, ensure that the bank permanently enjoys a good reputation allowing it to maintain public confidence.

Frequency of meetings of the Board of Directors

The Board of Directors meets at least six times a year and when necessary, in order to examine the issues on the agenda presented at least ten days before the meetings are held to all members of the Board of Directors and the Ministry of Finance. During the 2021 financial year, the Board met 13 times respectively on:

January 26, 2021	June 01, 2021
February 18, 2021	June 17, 2021
March 22, 2021	08 September 2021
April 05, 2021	September 29, 2021
April 20, 2021	November 18, 2021
April 28, 2021	December 14, 2021
May 06, 2021	

Agenda of the Board of Directors

The agendas of the Board of Directors cover all the important questions and contain the points which are discussed on a permanent basis. It is :

- Report on the Bank's financial situation: The Board of Directors is regularly informed of the bank's situation concerning the following points: Analysis of the bank's financial situation, its positioning, analysis of achievements in relation to Goals...
- Audit Committee report: The Board of Directors must include in its agenda via the report of the Audit Committee, the resolutions taken to remedy the shortcomings cited in the reports of the auditors and external audit bodies. Indeed, the resolutions taken in this sense are monitored by the Internal Audit Department and periodically submitted to the Audit Committee. The minutes of the Audit Committee retracing the monitoring of these points are submitted to the Board of Directors.
- Risk committee report: The Board of Directors examines the reports of the Risk Committee relating mainly to the design and updating of a risk management policy as well as the analysis and monitoring of the institution's exposure to risks, in particular the credit, market, liquidity and operational risk
- Reports from other committees: Appointments and Remuneration Committee, Strategy Committee, Higher Resolution Committee, Governance and Subsidiary Restructuring Committee and Markets Commissions
- In addition, the Board of Directors discussed certain regular points during 2021; they are as follows :

- ✓ Follow-up on Board decisions
- ✓ Approval of activity indicators and individual quarterly financial statements
- ✓ Approval of the consolidated financial statements annually
- ✓ Follow-up of the Statutory Auditors' reservations and the internal audit letter
- ✓ AGO & EGM files for the 2020 financial year
- ✓ Monitoring of the financial situation of TF Bank
- ✓ Appointment of STB's new Managing Director on March 22, 2021
- ✓ Appointment of the new Chairman of the Board and review of the composition of the committees resulting from the Board of Directors on May 6, 2021
- ✓ Appointment of STB's new Deputy Managing Director on September 29, 2021
- ✓ Approval of the business plan for the 2021-2025 period as well as the budgets for the 2022 financial year
- ✓ Procurement follow-up
- ✓ Approval of bond issue programs 2021-2025 and launch of the first tranche for 100 MD
- ✓ Examination of the implementation of the restructuring program and the evaluation of the mechanism for the fight against money laundering and the financing of terrorism and follow-up of the recommendations of the BCT on non-compliance with the regulations on investment.
- ✓ Review of the compliance audit charter
- ✓ Review of BCT circular 2021-05 on the governance framework for banks and approval of the roadmap for its application.
- ✓ Discussion of all the measures taken by the government relating to the economic crisis caused by COVID.

Secretariat of the board of directors

The secretariat of the Board of Directors is provided by a bank executive, appointed by the Chairman of the Board, who writes the minutes of the meetings within an average of seven days from the date of the meeting.

The minutes are signed by the Chairman of the Board of Directors, two other members as well as by the secretary of the Board of Directors.

The duly signed minutes are recorded in a special register kept at the Secretariat of the Board of Directors at the Bank's registered office.

III- COMMITTEES FROM THE BOARD OF DIRECTORS

Audit Committee (Created during the Board meeting of December 12, 2006)

The fundamental mission of the Audit Committee, made up of 3 members including a chairman (independent member), consists in overseeing the implementation and proper functioning of the internal control system, in ensuring its monitoring and supervision. of its activities, in particular the close collaboration with the Risk Committee in order to guarantee better complementarity in terms of internal control and risk management.

Also, the Audit Committee monitors the activity of the Internal Audit Body (responsible for its secretariat) and, if necessary, the work of other structures of the Bank responsible for audit missions.

The committee met 8 times during the year 2021.

Risk Committee (Created during the Board meeting of December 11, 2012)

The Risk Committee, made up of 3 members, including a Chairman (an independent member), is tasked with helping the Board of Directors to fulfill its responsibilities relating to the management and monitoring of risks and compliance with relevant regulations and policies.

The committee met 6 times during 2021. The secretariat is provided jointly by the Central Credit Risk Monitoring Department and the Central Operational Risks and Markets and Permanent Control Department.

Appointment and Remuneration Committee (Created during the CA of November 15, 2011)

This committee, made up of 3 members, has the task of helping the Board of Directors to adopt a compensation policy in line with the medium and long-term performance of the Bank.

It met 07 times during the year 2021. The secretariat is provided by the Support and Means Division.

Strategy Committee (Created during the Board Meeting of September 11, 2015)

The Strategy Committee, made up of 6 members of the Board including one independent and chaired by the Chairman of the Board of Directors, has the role of participating in the design of the Bank's strategy, monitoring its implementation and therefore to examine the implementation of Strategic projects.

The number of meetings of the Strategy Committee was high. It met 3 times during the year 2021. The secretarial services for these meetings are provided by the Strategy and Steering Department.

Higher Resolution Committee (Created during the Board meeting of November 21, 2018)

The committee is made up of 3 members of the Board of Directors, the Managing Director and/or the Deputy Managing Director, the Head of the Credit and Resolution Risk Division, the Head of the Commercial and Network Division, the Central Resolution Director, the Central Credit Risk Monitoring and any Manager whose presence may be deemed useful.

Its mission is to monitor the implementation of the action plan resulting from the Bank's recovery strategy, to examine the proposals for transactional settlement within the framework of law 2018-36 of June 6 2018 to be submitted to the Board of Directors for approval and to examine and decide on the proposals for deregistration and assignment to the STRC of receivables meeting the regulatory conditions to be submitted to the Board of Directors for approval.

The committee, whose secretariat is provided by the Credit and Resolution Risks Division, met 5 times during the year 2021.

Governance and Subsidiary Restructuring Committee (Created during the Board meeting of October 2, 2018)

This committee, made up of 3 members and any member whose presence is deemed useful, has the task of issuing its opinion and proposing recommendations on the governance and restructuring of the Bank's subsidiaries and holdings.

It also issues opinions and recommendations concerning the proposed restructuring plans and their implementation, the remuneration, the secondment and the appointment of managers or members of the Board of Directors of subsidiaries and companies in which STB holds a stake.

It also oversees the implementation by the subsidiaries of a quarterly reporting system covering the main business indicators.

The committee, whose secretariat is provided by the Central Management of Subsidiaries and Participations, met 06 times during the year 2021.

Markets Committee

The said commission, composed of 4 members in addition to the State Auditor, has the mission of examining the regularity of the procedures for recourse to competition, the awarding of contracts, the sincerity and transparency in the procedures for awarding contracts. And also ensures that the administrative, financial and technical conditions are acceptable.

The secretariat is provided by the Permanent Secretariat of the Contracts Commission and the number of meetings rose to 10 times during the year 2021.

IV- OBLIGATIONS, COMMITMENTS AND MISSIONS OF MEMBERS OF THE BOARD OF DIRECTORS

Privacy

Board members are required to maintain the confidentiality of the information to which they have access and not to use it for non-professional purposes.



Contribution to the work of the Board

The members actively contribute to the work of the Board of Directors by constructively questioning the Managing Director and asking for clarifications on the various points on the agenda.

Communication of information

The Chairman of the Board ensures that the management body provides all the information necessary for the discussions and deliberations of the Board of Directors.

Attendance at Board meetings

The members regularly participate in the meetings of the Board of Directors.

The attendance rate is considered satisfactory.

Business lines

STB is a universal bank that handles all banking transactions including;

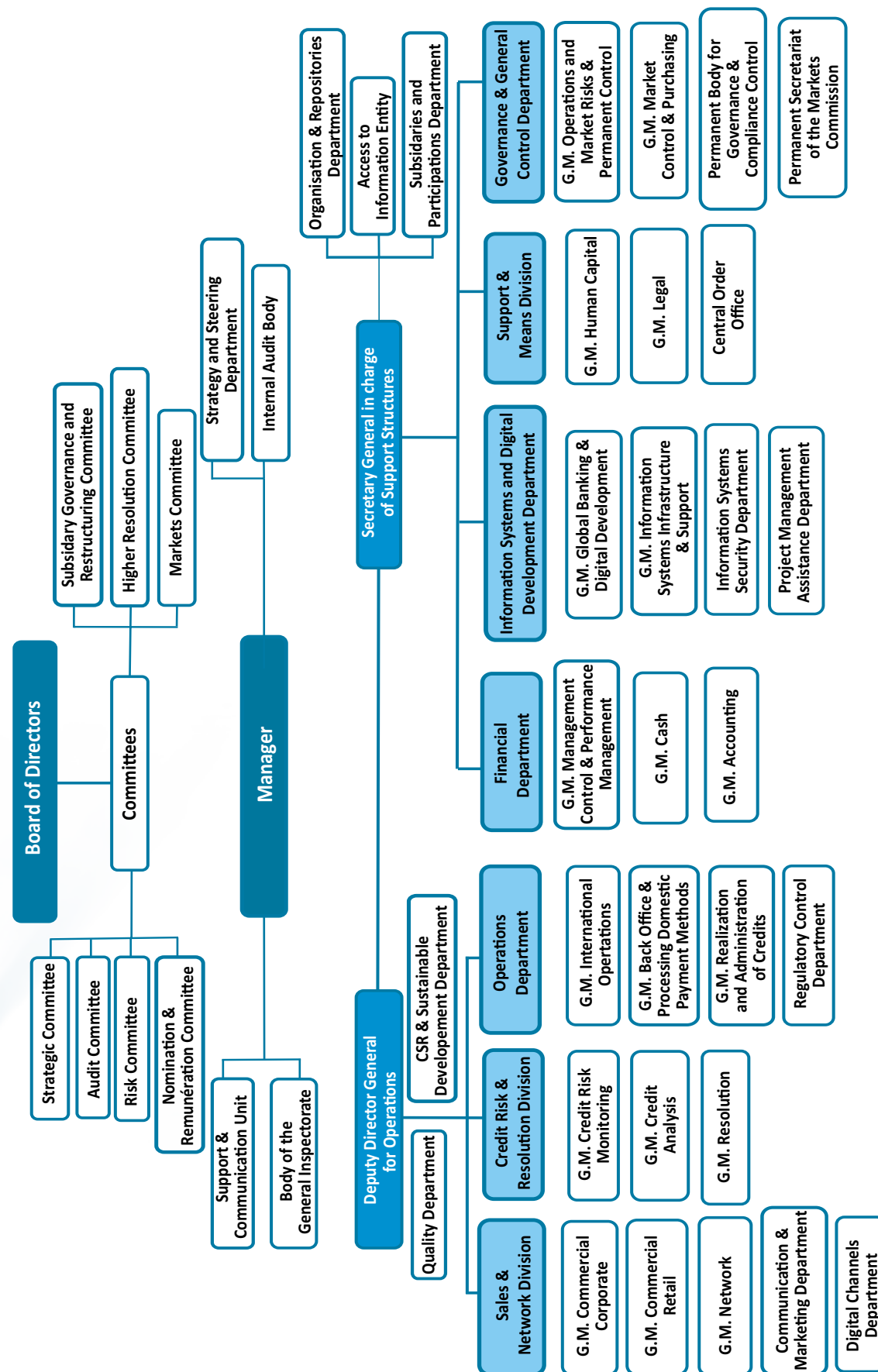
- Receiving deposits from the public, whatever their duration and form,
- The granting of loans in all its forms
- The provision of customers and the management of means of payment
- Operations related to its activity such as counselling and assistance in matters of asset management, financial management, financial engineering and, in general, all services intended to facilitate the creation, development and restructuring of businesses.
- International activity
- Market activities

Structure of subsidiaries

The STB group is formed by the parent company STB and its subsidiaries in which it directly or indirectly



V- ORGANIZATIONAL CHART OF THE BANK



holds more than 50% at least of the capital. STB as the parent company therefore exercises exclusive control over the companies in the group.

The STB group is made up of 13 companies broken down by business segment as follows:

- Financial division: 8 companies
- Real Estate Division: 1 company
- Tourist pole: 2 companies
- Service division: 2 companies

The financial sector

- STB Finance (Sicav l'Epargnant – Sicav l'Investisseur – Sicav Avenir – Sicav l'Epargne Obligataire)
- Société tunisienne de recouvrement des créances (STRC)
- STB Invest
- STB Sicar
- STB Manager

The tourism sector

- Ed-dkhila
- Activhotels

The real estate sector

- Immobilière de l'avenue

The service sector

- La Générale Vente
- STB Moyens Généraux
- STB Sécurité & Gardiennage
- Société Magasins Généraux & Entrepôt Réel De Tunisie

Shareholding structure (as at December 31, 2021)

In accordance with the provisions of Article 40 of the Articles of Association, only holders of at least 10 shares, released from the payments due, may attend the General Meeting or be represented by another shareholder by means of the power they will be obligated to hand over to their agent or return it duly signed, at least three days before the meeting to the Company STB FINANCE, Subsidiary of the Bank, located rue Hédi Karray – 1004 Tunis.

Owners of less than 10 shares may meet to form this number and be represented by one of them or by a member of the meeting.



in Thousands			
Shareholders	Number of shares	Amount	%
Tunisian shareholders	153 750 439	768 752	98,95%
Juristic persons	140 859 034	704 295	90,66%
Public companies	129 568 465	647 842	83,39%
Private companies	11 290 569	56 453	7,27%
Natural Persons	12 891 405	64 457	8,30%
Foreign shareholders	1 624 561	8 123	1,05%
Juristic persons	1 516 981	7 585	0,98%
Natural Persons	107 580	538	0,07%
Total	155 375 000	776 875	100%

VI- DEVELOPMENT OF MANUALS, POLICIES, CODES AND CHARTERS

Strategy definition / Program contract

With the support of a firm specializing in strategy, the bank has begun work to design its strategy covering the period 2022-2026.

This work started during the 2nd quarter of 2021 and focused in a first stage on a benchmark study (national and international) as well as on the evaluation of the old strategy (STB 2016-2020).

This evaluation will make it possible to establish the new strategy and this by reference to the proven success recorded at the level of the execution of the various strategic axes (Number of 13).

The implementation of the new strategy is scheduled for the second half of 2022.

Governance charter

A Good Governance charter has been drawn up since September 2013 and was amended in June 2016 and February 2017,

This charter aims to consolidate the following basic principles:

- Commitment to principles of good governance
- Avoidance of conflicts of interest
- Disclosure and Transparency
- Fight against corruption
- Fight against the financing of terrorism, money laundering and the financing of illegal activities,

This charter will be updated to take into account the requirements of BCT circular No. 2021-05 on the governance framework for banks and financial institutions .

Code of ethics

The bank has a code of ethics which lays down the principles and rules of good professional conduct.

This charter aims to:

- Determine the behaviors and attitudes expected of bank employees, as well as the behaviors and attitudes that are incompatible with the Bank's values.

- Establish ethical standards, ground rules and principles of professional etiquette,
- define values and create a high professional culture among STB's employees, to strengthen adherence to these standards, rules and values, and to establish the bases of Good practices and good governance, thanks to the implementation of solid ethics and frameworks for Self-discipline that governs the bank's workflow and complies with applicable regulations and laws.

Each employee working in the Société Tunisienne de Banque applies this code and also adheres to what is stated therein. He undertakes to implement all the modifications that will be made to him.

The Human Resources Department undertakes to provide this code to be signed by all bank employees and show commitment to abide by it. It also keeps the signed copy in the employee's file.

Administrator charter:

Each director undertakes to adhere to the guiding rules of the charter:

- Defending the social interest
- Protecting the Bank's reputation
- Complying with laws and statutes
- Independence
- Professionalism and involvement
- Avoidance of conflict of interest
- Integrity and loyalty

Committee Charters:

All committees have a charter essentially providing for the principles of confidentiality and the avoidance of conflict of interest

Each charter is reviewed and its relevance assessed at least once a year. The duly modified text is submitted to the Board of Directors for approval.

Anti-money laundering policy

A procedure note governing the fight against money laundering and the financing of terrorism is transmitted to the Audit Committee for examination and then to the Board of Directors for approval each time there is an update or a modification imposed by the regulations or the evolution of the AML/FT typology. (The same applies to any procedures

manual, AML/FT report or any documentation related to AML/FT).

Manuals of procedures for human resources management and purchasing

The bank has a recruitment manual validated by the bank's Board of Directors.

The bank updated the procurement procedures manual and approved it by the Board of Directors. This manual sets the conditions for the preparation, conclusion, execution, payment and closing of contracts and purchases.

VII- COMMUNICATION OF INFORMATION

The Bank ensures timely communication of reliable and relevant information on the significant aspects of its activity in order to offer a complete, objective, up-to-date image of the establishment,

To the public

Annual publication of a detailed report, intended for the public, on the activities of the Council, setting forth:

- The governance code and the details of its implementation, the internal code of ethics and the charters of the establishment's committees.
- The nominative composition of the Board, the rules of its operation, the professional background of its members, their representation qualities and their mandates and a summary of the work of the committees.
- The organization of the institution, its business lines and the structure of its subsidiaries.
- The frequency of board and committee meetings, including the number of members who attended each meeting.
- A presentation by the board on the adequacy of the internal control system and its resources.
- A description of the structure, operation and activities of risk management.
- The institution's risk profile, in particular the level of exposure by type of risk, by geographical area, by sector and by main beneficiaries.
- The detailed breakdown of own funds between basic own funds and additional own funds and their adequacy in relation to the risk profile.
- The provisioning policy for risk coverage.

- The shareholder structure, in particular the main shareholders, their representation on the board, voting rights.

To the Central Bank of Tunisia

The main documents sent to the central bank are as follows:

- The special report of the auditor contains a part reserved for the agreements concluded between the bank and the persons having links with it. A copy of this report is communicated to the Central Bank of Tunisia.
- Any appointment or any change occurring at the level of the first managers in charge of audit, risk management and compliance control are notified, without delay, to the Central Bank of Tunisia.
- Any designation of the Chairman, a member of the Board of Directors, the General Manager, and the Deputy General Manager is notified to the Central Bank of Tunisia within a period not exceeding seven days. In the event of opposition by the Central Bank of Tunisia to the decision to appoint the Chairman, a member of the Board of Directors, the Managing Director, the Deputy Managing Director and as soon as it is informed of the opposition decision, the bank suspends the appointment decision.
- A detailed Curriculum Vitae of the person appointed (member of the Board of Directors, Managing Director, Deputy Managing Director and President) is provided to the Central Bank of Tunisia accompanied by a cover letter presenting the appointment criteria and a certificate of the council certifying that the person is not affected by the prohibitions provided for by the said laws and the code of commercial companies.
- The identity and curriculum vitae of the internal audit manager responsible for ensuring the consistency and effectiveness of periodic control missions are communicated to the BCT.
- A copy of the detailed annual reports on the activities of the audit committee and the risk committee are communicated to the Central Bank of Tunisia 15 days before the holding of the Ordinary General Meeting of shareholders.

The Bank takes care to communicate to the Central Bank of Tunisia, at the latest, 4 months from the end of the accounting year and fifteen days, at least, before the holding of the Ordinary General Assembly, of the report relating to the conditions under which internal control is ensured, and the report on the

measurement and monitoring of the risks to which the bank and the group are exposed.

To the Ministry of Finance

The documents communicated to the Ministry of Finance are detailed as follows:

- Program contracts;
- The minutes of the management and deliberation bodies;
- Reports and minutes of meetings of audit and risk committees and compliance audit bodies issued by the Board of Directors;
- The progress of the execution of the program contracts;
- The provisional operating and investment budgets and their methods of financing as well as the monitoring reports of their execution;
- The financial statements, the reports of the auditors and the reports from the various control structures;
- The reports of the Central Bank of Tunisia and its recommendations;
- Annual activity reports;
- The indicators provided for by the prudential standards established in accordance with the regulations in force;
- Annual situations relating to the number of employees and payroll.

The aforementioned documents are transmitted to the Ministry of Finance for follow-up, within a period not exceeding ten days from the date of their establishment or their approval by the Board of Directors or their receipt, and this, as the case may be.

To the Presidency of the Government

The provisional operating and investment budgets and their methods of financing, the annual activity reports, the financial statements as well as the reports

of the auditors are transmitted to the Presidency of the Government within ten days of the date of their establishment or their approval by the Board of Directors or their receipt, as the case may be.

To the Ministry of Economy and Planning

The provisional operating and investment budgets are sent to the Ministry of Development and International Cooperation within ten days of their approval by the Board of Directors.

In addition, information sessions are sometimes organized at BVMT level by the establishment's senior executives, in particular the Managing Director and the Head of the Financial Division and intended for shareholders, market analysts and journalists from the financial press. .

VIII- SUPERVISION OF GENERAL MANAGEMENT

The bank's General Management is fully committed to setting up the governance system.

The General Management is subject to effective supervision by the Board of Directors by passing judgment on the decisions taken within the framework of the management of the activity of the establishment relating to its profitability and its financial solidity.

The compliance of the Chairperson's actions with the approved strategy and policies, including the risk policy, is monitored.

IX- REMUNERATION AND APPOINTMENT

The appointment of the Managing Director is made by the Board of Directors on the proposal of the Ministry of Finance.

The appointment of the members of the management body (The Deputy Managing Director and the Secretary General) and the heads of senior management and their remuneration is made by the Board of Directors on the basis of a report drawn up by the Committee of Appointment and Remuneration.

Board and committee members are appointed by the Ordinary General Meeting of shareholders.

X- OBLIGATIONS TO AVOID CONFLICTS OF INTEREST

The conflict of interest management policy, which was updated by the Governance, Ethics and Compliance Department and which will be presented to the Board of Directors, detailed the following obligations:

- The adoption of an effective management policy for conflicts of interest.
- The conflict of interest management policy must include the duty of all board members to avoid activities that could create conflicts of interest.
- Prohibiting the person concerned to participate in the vote concerning the approval of the agreements concluded with the bank and the persons having links with it.
- The actions of the interested party are not taken into account for the calculation of the quorum and the majority.
- Compliance by the Chairman of the Board of Directors with the obligation to submit the agreements concluded between the bank and the persons having links with it to the General Meeting of shareholders for approval on the basis of a special report drawn up by the or auditors.
- The commitment to abstain from participating and voting when it comes to matters in respect of which there may be a conflict of interest or when the objectivity of the director or his ability to discharge his duties properly duties towards the bank may be impaired.
- A commitment not to use bank assets for personal use.
- The commitment to inform the Board of Directors of any information that has led or could lead to a situation of conflict of interest.
- The commitment to exercise their roles honestly by placing the interest of the establishment above their own interests.



- Any member of the board of the bank cannot be a member of the board of another bank at the same time.
- Notifying the Central Bank of Tunisia of any agreement concluded between the bank and the persons having links with it within the meaning of article 43 (relating to the management of conflicts of interest) of law n° 2016-48 that the Managing Director, the Deputy Managing Director cannot exercise the function of manager of an economic enterprise.
- The Managing Director, the Deputy Managing Director may not exercise any of these functions in another bank, financial institution, insurance company, stock market intermediation company, securities portfolio management company or investment company.
- The respect of professional secrecy by the members of the Board of Directors and this for the information of which they have become aware as a result of the exercise of their missions and not to use this information, apart from the cases permitted by law, for purposes other than those required for the execution of the missions entrusted to them, even after the loss of their qualities, and this, under penalty of the sanctions provided for by article 254 of the penal code relating to the offense of disclosing confidential information. The conflict of interest policy and the draft director's charter include this commitment.

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ECONOMIC AND FINANCIAL ENVIRONMENT

INTERNATIONAL ECONOMIC ENVIRONMENT

Widespread economic recession as a direct consequence of the impacts of the health crisis linked to the COVID 19 pandemic

Under the effect of the improvement in the health situation on a global scale, the relative lifting of health restrictions and the return of activity to its normal pace, the growth rate of the international economy has increased, according to the latest estimates of the International Monetary Fund, at 5.5% in 2021 against a recession of 3.5% in 2020.

This improvement would have been better had it not been for the slight deterioration in growth prospects for some advanced countries compared to previous estimates. Emerging and developing countries, however, experienced a notable improvement in their growth due to a strong recovery in commodity-exporting countries.

As for advanced countries, the economic growth rate stood at 5.0% in 2021 against previous forecasts of 5.6%. This downward revision is mainly due to the spread of the new variant «OMICRON» again restricting movement and negatively impacting labor shortages, increased energy costs and disruptions at the chain level. supply.

Emerging and developing countries saw a remarkable development in their economic activity, reaching 6.3% in 2021 compared to a decline of 3.3% in 2020. This marked recovery is due, among other things, to the improvement in growth prospects. in some exporting countries and rising domestic demand in others.

The United States of America posted a recovery in growth of 5.6% against previous estimates of 7%. Economic activity in the United States actually picked up again in the fourth quarter of 2021 after some moderation in the third quarter which is linked to an increase in cases of contamination by COVID19 and disruptions at the level of supply chains. All told, the main indicators of consumer spending and industrial

production improved significantly at the end of fiscal year 2021.

With regard to the employment situation, the unemployment rate fell to 4.8% at the end of the third quarter of 2021. Despite this improvement, the employment-to-population ratio remains lower by more than 2 percentage points from its pre-pandemic level.

Consumer prices reached, for their part, 5.4% at the end of the third quarter of 2021. This worsening is explained, mainly by a remarkable increase in the prices of components linked to the automotive industry and energy, the rise in housing rents and wage pressures in certain sectors of activity.

With regard to monetary policy, the US Federal Reserve decided to keep its interest rates unchanged within a range of 0% and 0.25% and to continue its program of emergency purchases of treasury securities and mortgages.

Growth in the **euro zone**, for its part, posted a solid rebound of 5.2%. This development concerned, in particular, the major European economies and more particularly, France (6.3%), Italy (5.8%), Spain (5.7%) and Germany (3.1 %).

The unemployment rate in the region improved by continuing its downward trend, settling at 7.4% in 2021 against 8.3% in 2020. This rate fell again, according to new estimates, to return to levels close to those recorded before the start of the pandemic.

By reaching 4.1%, the inflation rate worsened, on its part under the effect of the rapid reopening of the economy, the disruptions in the supply chains and the increase in the cost of 'energy.

Moreover, with regard to fiscal policies in the euro zone, the various governments provided a discretionary stimulus amounting to 2 percentage

points of the region's overall GDP. Targeted long-term refinancing operations as well as the expansion of the pandemic emergency purchase program also played a notable role in supporting the recovery.

Japan, in turn, experienced growth of 2.4%. The development of the Japanese economy was, in fact, slowed down by the establishment and then the extension of a fourth state of emergency and the tightening of health restrictions during the third quarter of 2021 following the spread of new variants of COVID19.

It is noteworthy, however, to highlight the positive contribution of the progress made in terms of vaccination, the drop in contamination rates and the new economic measures in Japan, to a vigorous return to growth.

Inflation remained moderate due, in particular, to the reduction in mobile phone prices at the start of 2021. Excluding this one-off effect, inflation in Japan has recently been positive, remaining below a target by 2%. The unemployment rate held steady at 2.8%.

Monetary policy also remained accommodating. The Bank of Japan has supported loans to businesses affected by the coronavirus and recently extended this support until the end of March 2022.

China, a barometer of global economic recovery, observed, according to the latest estimates, better than expected growth of 8.1% at the end of 2021 compared to 2.2% a year earlier, despite noted oppression during the second half of 2021.

This is a significant recovery accounted for, essentially by the dynamism of exports originating in the recovery of foreign economies and by the vigor of investment, despite new epidemic outbreaks, tensions in supply chains and a situation of crisis in real estate.

Unlike the situation in the Eurozone and the United States of America, inflation in China remained low given the weak repercussions of the surge in prices in the upstream sectors, rising on average by 0, Only 9% for the whole of 2021.

Monetary policy remained neutral and cautious. In this sense, the Central Bank of China provided the necessary liquidity injections while refraining from carrying out any marked easing.

India 's economy has shown, according to the International Monetary Fund, a considerable rebound reaching 9.4% in 2021 compared to a decline of 7.3% at the end of the previous year, despite the second wave. of contaminations by the DELTA variant which peaked in the spring of 2021.

Inflation stood at 4.5% in October 2021 compared to 7.6% in October 2020. This decrease is explained, in particular, by a very buoyant harvest season, a recovery in supply chains and the adoption of certain administrative measures.

Brazil in turn posted a clear recovery in its growth of 5.2% against a recession of around 4.1% in 2020.

This country also recorded inflation of 10.1%, exceeding the target of 3.75% set by the government and thereby significantly affecting the purchasing power of Brazilians.

The unemployment rate stood at 13.2% at the end of the 3rd quarter of 2021 after a record of 17% at the end of the first quarter and a drop to 14.1% in the second.

Growth in **sub-Saharan Africa** rose to 3.7% in 2021. This relatively modest recovery is largely due to the significant improvement in world trade and the net increase in prices basic products.

ECONOMIC AND FINANCIAL ENVIRONMENT

TUNISIAN ECONOMY

Showing a slow recovery, the Tunisian economy observed, according to the latest estimates, a growth of 2.9% in 2021 after a sharp contraction observed in 2020 in relation to the repercussions of the COVID 19 pandemic felt to date.

This slight improvement has its origin, mainly in the revival observed in certain sectors, in particular those of the exporting manufacturing industries in relation to the recovery of the European economy, the vigorous recovery in the production of hydrocarbons and the restoration of the production of phosphates and derivatives.

This rebound was stifled, however, by the acceleration of COVID19 cases during the second half of 2021 following the emergence of new variants, the strengthening of health restrictions and political uncertainties.

Against this backdrop, the industrial production index posted an increase of 2.6% at the end of October 2021 compared to the pre-endemic year 2019. This increase mainly concerned the sectors of manufacturing industries, energy and phosphates.

The year 2021 was characterized, in fact, by a positive evolution of the added value of manufacturing industries concerning, in particular, the mechanical and electrical industries, the textile, clothing and leather industries and the chemical industries sector in relation to the increase in the production of phosphates. Contrary to this trend, the agro-food industries showed a regression of 5.6%.

At the same time, the extractive industries saw a considerable increase in their added value. In this sense, the CPG achieved a production of 3.8 million tons of Phosphates during the year 2021 at a level nevertheless below the objectives set due, in particular, to the difficult start of production at the beginning of the year due to strikes and sit-ins and the suspension of mining activities in some production units.

The hydrocarbons sector posted, in the same way, a notable increase in its production of 29.9% following the entry into operation of two new drilling fields, namely "Nawara" and "Halk Menzel".

The other sectors, more particularly the service sector, are still hit by the repercussions of the health crisis. However, the emergence of a third wave of COVID 19 and the strengthening of containment measures have weighed additionally on labor-intensive service sectors such as the tourism sector.

The agriculture and fishing sector saw a slight increase in its added value in the second quarter of 2021 in line with the improvement in cereal production, up 7.2% compared to the previous campaign.

In turn, market services activities posted an increase in their added value due to the recovery in the hotel, café and restaurant sector. The activity of transport services continued, nevertheless to suffer the repercussions of the health crisis.

With regard to the tourism sector, all activity indicators experienced a positive trend during the 2021 financial year after a sharp contraction recorded in 2020.

The number of foreign tourist entries actually increased by 11.8% to 1.6 million visitors at the end of December 2021. This drop concerned mainly European tourists, particularly the French and Germans. . The entries of North African tourists saw, however, a decline of 3.7%.

Overall tourist overnight stays posted, in turn, an increase of 8.6% to 3.3 million overnight stays against a decline of 80.3% during the same period of the previous year. Overall tourist revenues for the period consequently posted an improvement of 12.6% over 2021, amounting to TND 2,286 M.

Air passenger traffic also experienced a recovery of 31.7% during the 2021 financial year against a decline of 75.1% a year earlier, reaching a total number of 3.9 million passengers in 2021. This increase concerned both international lines and domestic lines.

In addition, investments posted in the industry sector reached TND 2 275.6 M during the first 11 months of the 2021 financial year, which corresponds to a decrease of 16.5% compared to their level observed a year earlier. . This regression has its origin, in

particular at the level of the building materials sector, the leather and shoe industries, the mechanical and electrical industries, the textile and clothing industries and miscellaneous industries.

The number of projects fell, at the same time, by 1.1% to 3 068 projects against 3 103 projects during the same period of the previous year, thus enabling the creation of 44 238 new jobs.

In the same way, industrial investments declared one hundred percent foreign or in partnership posted a deceleration of 9.4%, standing at TND 877.4 M compared to TND 968.8 M estimated a year earlier.

The year 2021 was also characterized by a drop in declared investment in regional development zones by 8.3%, going from TND 1 295.2 M to TND 1 187.9 M. However, their share in overall declared investment rose to 52.2%.

Declared investments in the services sector posted a decline of 6.2% to reach TND 940.6 M against TND 1003.1 M during the first eleven months of the 2020 financial year. These projects will allow the creation of 27 496 new jobs.

With regard to foreign trade, exports underlined an increase of 20.5% during the 2021 financial year at a slightly less pronounced pace than that of the increase in imports for the same period (+22.2%).

The balance of the trade balance posted, thus a notable amplification to settle at TND-16 215.1 M against TND -12 757.8 M a year earlier. The coverage rate for its part fell by 1 point compared to the past year to stand at 74.2% during the 2021 financial year.

The increase in exports concerned the majority of services with the exception of the agro-food industries and more particularly the sector of mines, phosphates and derivatives, the energy sector, the sector of textiles, clothing and leather and the sector of mechanical and electrical industries.



Exports of the industrial sector recorded in this sense, an increase of 19.6% during the first eleven months of 2021 to reach TND 37 745.1 M compared to TND 31 551 M during the same period a year earlier.

It is noteworthy, however, to highlight the downward trend in the share of exports from the Offshore sectors in overall exports to return to 71.7% in 2021.

The rise in imports originated, for its part, mainly in the level of capital goods, raw materials and semi-finished products, under the combined effect of the increase in demand and the continuation of rising international prices for energy products.

Average inflation stood at 5.7% for the whole of 2021 against 5.6% a year earlier. An aggravation sustained by the tensions on world prices and the upward trend in the prices of fresh and managed products, including in particular the prices of food products. A slowdown marked, however, the prices of manufactured goods and services.

Core inflation stood at an average of 5.4% in 2021 compared to 5.6% the previous year.

The unemployment rate rose to 18.4% at the end of the third quarter of 2021.

KEY FIGURES

	TND in millions	Dec.-17	Dec.-18	Dec.-19	Dec.-20	Dec.-21	CAGR (2017-2021)
Activity	Total balance sheet	9 050,9	10 519,8	11 301,9	12 249,4	13 505,8	10,5%
	Customer deposits	5 963,8	6 357,0	7 370,0	8 442,1	9 047,6	11,0%
	Loan resources	289,0	284,8	313,0	363,1	495,8	14,4%
	Total of collected resources	6 252,8	6 641,8	7 683,0	8 805,3	9 543,4	11,1%
	Outstanding of gross loans from customers	8 150,5	9 092,7	9 803,0	10 747,8	11 350,1	8,6%
	Outstanding of net loans from customers	6 114,8	7 133,4	7 978,2	9 080,4	9 731,1	12,3%
	Net contributions to the company	7 636,8	8 655,7	9 490,6	10 796,2	11 684,8	11,2%
Results	Intermediation margin	190,4	254,6	363,0	367,9	362,5	17,5%
	Net commissions	77,1	85,9	101,2	113,2	125,8	13,0%
	Securities portfolio revenues	115,3	132,8	137,0	144,5	162,2	8,9%
	Net banking product	382,7	473,4	601,1	625,7	650,6	14,2%
	Operating expenses	191,2	219,8	234,2	247,8	282,2	10,2%
	Gross operating profit	198,4	261,5	374,5	386,1	378,5	17,5%
	Net profit for the year	44,4	66,9	157,3	72,2	115,5	27,0%
Equity	Total revenues	639,4	846,2	1 048,0	1 089,9	1 123,9	15,1%
	Capital	776,9	776,9	776,9	776,9	776,9	0,0%
	State allocation	117,0	117,0	117,0	117,0	117,0	0,0%
	Reverses	485,1	485,1	485,0	483,8	483,1	[0,1%]
	Reported result	(620,5)	(575,6)	(508,3)	(349,7)	(277,1)	(18,3%)
	Result of the period	44,4	66,9	157,3	72,2	115,5	27,0%
	Total equity	802,9	870,2	1 027,9	1 100,1	1 215,3	10,9%
	TND in millions	Dec.-17	Dec.-18	Dec.-19	Dec.-20	Dec.-21	
Risk	Solvency ratio	11,5%	10,7%	12,6%	12,6%	13,3%	
	Tier 1	7,7%	7,7%	9,2%	9,0%	9,3%	
	LCR	88,3%	96,9%	142,8%	102,5%	107,6%	
	LTD	-	150,0%	137,4%	117,0%	118,5%	
	Classified debt rate	24,4%	20,8%	18,3%	14,9%	13,5%	
	coverage rate of classified rate (net of reserved agios)	73,5%	75,4%	75,4%	75,3%	75,0%	
Profitability	Return on Equity (ROE)	5,8%	8,3%	18,1%	7,0%	10,5%	
	Return on Assets (ROA)	0,5%	0,7%	1,4%	0,6%	0,9%	
	Net results / NBP	11,6%	14,1%	26,2%	11,5%	17,7%	
	Net commissions /NBP	20,1%	18,1%	16,8%	18,1%	19,3%	
	Intermediation margin / NBP	49,7%	53,8%	60,4%	58,8%	55,7%	
	Net commissions/ payroll	54,5%	59,9%	67,2%	72,1%	70,0%	
Productivity	Deposits / effective (in thousand Dinars)	2 907,8	3 426,9	3 822,6	4 457,3	4 602,0	
	Loans / effective (in thousand Dinars)	2 981,4	3 845,5	4 138,1	4 794,3	4 949,7	
	NBP/ effective (in thousand Dinars)	186,6	255,2	311,8	330,3	330,9	
	Operating coefficient	49,9%	46,4%	39,0%	39,6%	43,4%	
Other indicators	Employees	2 051	1 855	1 928	1 894	1 966	
	Number of branches	140	143	149	149	149	
	Number of ATMs	184	197	202	188	191	
	Number of VSE	848	901	1 082	1 386	1 600	
Dashboard «shareholder»	Number of shares (in thousands)	155 375	155 375	155 375	155 375	155 375	
	Closing rate (in TND)	3,6	3,7	4,7	3,4	3,0	
	Market capitalization (in Millions)	556,2	571,8	727,2	520,5	463,0	
	Earnings per share (in TND)	0,3	0,4	1,0	0,5	0,7	

FINANCIAL POSITION AS AT 31 DECEMBER 2021

FINANCIAL STATEMENTS

RESOURCES

JOBS

EQUITY

ASSET QUALITY

SOLVENCY

LIQUIDITY

RESULTS

BALANCE SHEET

ENDED ON DECEMBER 31, 2021

(Unit : in TD 1 000)

	Notes	2021	2020	Variation	%
Assets					
AS1 - Cash and assets with the BCT, CCP and TGT	5.1	532 828	292 205	240 623	82,3%
AS2 - Receivables on banking and financial institutions	5.2	571 397	363 032	208 365	57,4%
AS3 - Receivables from customers	5.3	9 731 138	9 080 399	650 739	7,2%
AS4 - Commercial securities portfolio	5.4	630 908	456 174	174 734	38,3%
AS5 - Investment portfolio	5.5	1 258 378	1 193 808	64 570	5,4%
AS6 - Fixed assets	5.6	124 928	126 583	(1 655)	(1,3%)
AS7 - Other assets	5.7	656 179	737 235	(81 056)	(11,0%)
Total assets		13 505 756	12 249 436	1 256 320	10,3%
Liabilities					
LI1 - Central Bank and CCP	5.8	1 461 625	1 233 106	228 519	18,5%
LI2 - Deposits and assets of banking and financial institutions	5.9	545 025	358 105	186 920	52,2%
LI3 - Customer deposits and assets	5.10	9 047 593	8 442 133	605 460	7,2%
LI4 - Loans and special resources	5.11	495 760	363 134	132 626	36,5%
LI5 - Other liabilities	5.12	740 419	752 834	(12 415)	(1,6%)
Total liabilities		12 290 422	11 149 312	1 141 110	10,2%
Equity					
EQ1 - Capital	5.13	776 875	776 875	-	-
EQ2 - State allocation	5.13	117 000	117 000	-	-
EQ3 - Reserves	5.13	466 258	466 516	(258)	(0,1%)
EQ4 - Treasury shares	5.13	(5 509)	(5 509)	-	-
EQ5 - Other equity	5.13	22 314	22 776	(462)	(2,0%)
EQ6 - Reported result	5.13	(277 072)	(349 693)	72 621	(20,8%)
EQ7 - Income for the year	5.13	115 468	72 159	43 309	60,0%
Total equity		1 215 334	1 100 124	115 210	10,5%
Total equity and liabilities		13 505 756	12 249 436	1 256 320	10,3%

(*) Data restated for comparative purposes, see note 3.9-Amendments to previously published financial statements.

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

ENDED ON DECEMBER 31, 2021

(Unit : in TD 1 000)

	Notes	2021	2020	Variation	%
Contingent liabilities					
CL1 - Bonds, endorsements and other guarantees given	6.1	1 461 294	1 422 640	38 654	2,7%
CL2 - Documentary credits		488 692	438 934	49 758	11,3%
CL3 - Assets pledged		-	-	-	-
Total contingent liabilities		1 949 986	1 861 574	88 412	4,7%
Given commitments					
GC4 - Financing commitments given	6.2	115 592	84 003	31 589	37,6%
GC5 - Securities commitments		101	101	-	-
Total given commitments		115 693	84 104	31 589	37,6%
Received commitments					
RC7 - Guarantees received	6.3	2 251 533	2 052 947	198 586	9,7%
Total received commitments		2 251 533	2 052 947	198 586	9,7%

INCOME STATEMENT

PERIOD FROM JANUARY 1 TO DECEMBER 31, 2021

(Unit : in TND 1 000)

	Notes	2021	2020	Variation	%
Banking products					
BP1 - Interest and similar income	7.1	829 417	827 222	2 195	0,3%
BP2 - Commissions (in products)	7.2	132 236	118 132	14 104	11,9%
BP3 - Gains on commercial securities portfolio and financial transactions	7.3	91 642	70 892	20 750	29,3%
BP4 - Investment Portfolio Income	7.4	70 568	73 647	(3 079)	(4,2%)
Total banking products		1 123 863	1 089 893	33 970	3,1%
Banking expenses					
BE1 - Interest incurred and similar expenses	7.5	(466 907)	(459 322)	(7 585)	1,7%
BE2 - Commissions incurred		(6 387)	(4 914)	(1 473)	30,0%
BE3 - Losses on commercial securities portfolio and financial transactions		-	-	-	-
Total banking expenses		(473 294)	(464 236)	(9 058)	2,0%
Net banking income	7.6	650 569	625 657	24 912	4,0%
BP5-BE4 - Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities	7.7	(138 193)	(189 607)	51 414	(27,1%)
BP6-BE5 - Allocations to provisions and result of value adjustments on the investment portfolio	7.8	(8 023)	(20 397)	12 374	(60,7%)
BP7 - Other operating products	7.9	10 076	8 176	1 900	23,2%
BE6 - Staff costs	7.10	(179 724)	(157 011)	(22 713)	14,5%
BE7 - General operating expenses	7.11	(88 606)	(76 281)	(12 325)	16,2%
BE8 - Allocations to depreciation and provisions on fixed assets		(13 843)	(14 486)	643	(4,4%)
Operating income		232 256	176 051	56 205	31,9%
BP8-BE9 - Profit/loss balance from other ordinary items	7.12	(3 523)	5 047	(8 570)	(169,8%)
BE11 - Income tax	7.13	(91 529)	(83 108)	(8 421)	10,1%
Income from ordinary activities		137 204	97 990	39 214	40,0%
BP9-BE10 - Profit/loss balance from other one-off items	7.14	(21 736)	(25 831)	4 095	(15,9%)
Net income for the year		115 468	72 159	43 309	60,0%
Effect of accounting changes (Net of tax)		-	-	-	-
Income after accounting change		115 468	72 159	43 309	60,0%

CASH FLOW STATEMENT

PERIOD FROM JANUARY 1 TO DECEMBER 31, 2021

(Unit : in TND 1 000)

	Notes	2021	2020	Variation	%
Operating activities					
Banking income received		994 207	950 385	43 822	4,6%
Banking operating expenses disbursed		(432 110)	(431 074)	(1 036)	(0,2%)
Deposits / withdrawals of deposits from banking and financial institutions		41 106	(194 417)	235 523	121,1%
Loans and advances / repayments loans and advances granted to customers		(696 609)	(1 229 206)	532 597	43,3%
Deposits / withdrawal of customer deposits		613 627	1 058 887	(445 260)	(42,0%)
Investment securities		(183 957)	(121 647)	(62 310)	(51,2%)
Amounts paid to staff and sundry creditors		(218 463)	(155 128)	(63 335)	(40,8%)
Other cash flows from operating activities		(23 700)	(307 628)	283 928	92,3%
Income tax		(104 525)	(160 593)	56 068	34,9%
Net cash flow from operating activities	8.1	(10 424)	(590 421)	579 997	98,2%
Investing activities					
Interest and dividends received on investment portfolio		65 721	69 358	(3 637)	(5,2%)
Acquisitions / disposals on investment portfolio		(71 739)	(47 468)	(24 271)	(51,1%)
Acquisitions / disposals of fixed assets		(11 137)	(11 912)	775	6,5%
Other investment flows		-	-	-	-
Net cash flow from investing activities	8.2	(17 155)	9 978	(27 133)	(271,9%)
Financing activities					
Issuance of loans		88 451	50 000	38 451	76,9%
Repayment of loans		(33 062)	(41 616)	8 554	20,6%
Increase / decrease in special resources		66 822	37 633	29 189	77,6%
Dividends paid		-	-	-	-
Net cash flow allocated to financing activities	8.3	122 211	46 017	76 194	165,6%
Impact of changes in exchange rates on cash and cash equivalents		-	-	-	-
Impact of changes in methods on cash and cash equivalents		-	-	-	-
Net change in cash and cash equivalents		94 632	(534 426)	629 058	117,7%
Cash and cash equivalents at the beginning of the period		(1 072 860)	(538 434)	(534 426)	(99,3%)
Cash and cash equivalents at end of period	8.4	(978 228)	(1 072 860)	94 632	8,8%

RESOURCES

Upward trend in customer deposits affecting its various forms and reflecting the objective of preserving a stable and diversified commercial base.

La Société Tunisienne de Banque closed the 2021 financial year with an increase in expanded resources

of TND 766 M i.e., 8.4% to bring their outstanding amount to TND 9 893 M (vs TND 9 127 M a year earlier).

The increase noted essentially characterized deposits collected from customers and borrowing resources.

TND in millions	Dec.-20	Dec.-21	Variation	%
Customer deposits	8 442	9 048	605	7,2%
Financial intermediation	322	349	28	8,6%
Borrowed resources	363	496	133	36,5%
Total Expanded Resources	9 127	9 893	766	8,4%

1. Customer deposits

The effort to mobilize deposits made it possible to drain an additional overall envelope of TND 605 M corresponding to an increase of 7.2%. This growth mainly affected sight deposits which rose by TND 308 M i.e., 9.2% to reach an outstanding amount of TND 3 650 M of which TND 1 107 M represents the volume of foreign currency deposits.

At the same time, the bank continued its momentum in terms of collecting savings deposits by managing to collect an additional volume of TND 238 M (i.e., an increase of 7.1%). The overall outstanding amount of this category of deposits was thus increased to TND 3 586 M at the end of the 2021 financial year.

In addition and for cost control considerations, the bank worked to reduce the outstanding balance

of term deposits to stabilize it at TND 1 445 M at the end of 2021 (vs. TND 1455 M a year earlier) by the renunciation of the renewal of certain rather expensive maturities or the orientation of certain relations for the investment of their cash surpluses in Treasury bonds.

It goes without saying that through these developments and through proactive management of the transformation ratio, the bank succeeded throughout the year in posting a level of the LTD ratio below the 120% threshold.

With reference to these developments, the structure of customer deposits remains characterized by the predominance of low-yielding deposits (savings deposits and sight deposits) at 80%..

TND in millions	Dec.-20	Part	Dec.-21	Part	Variation	%
Demand deposits	3 342	35,6%	3 650	39,6%	308	9,2%
of which demand deposits in currency	913	10,7%	1 107	10,8%	194	21,3%
Fixed term deposits	1 455	19,8%	1 445	17,2%	(10)	(0,7%)
Savings deposits	3 348	41,0%	3 586	39,7%	238	7,1%
Other sums due to customers	297	3,5%	367	3,5%	70	23,6%
Total deposits from customers	8 442	100,0%	9 048	100,0%	605	7,2%

2. Financial intermediation

Customer investments in monetary and financial instruments increased by TND 28 M, i.e., 8.6% to stand at TND 349 M at the end of 2021, on the back of the increase in investments in Treasury bonds of TND 29.3 M, i.e., 11.5%.

3. Borrowing resources

At the end of the 2021 financial year, outstanding borrowing resources stood at TND 496 M, up TND 132.6 M, i.e., 37% compared to its level recorded at the end of December 2020, broken down as follows:

- Bonds & private loans: + TND 61.9 M, ie; 28%, mainly resulting from the successful closing of the private bond loan issued at the beginning of the year for TND 84.7 M.
- Special resources: +70.7 MD or 49%, an increase coming mainly from the signing on certain external credit lines including in particular that of FADES (TND +28.9 M), KFW (TND+22.9 M) and the Italian line (TND+7.4 M).

TND in millions	Dec.-20	Dec.-21	Variation	%
Bond and private loans	219	281	62	28,3%
Special resources	145	215	71	48,9%
Total Borrowed Resources	363	496	133	36,5%

JOBS

Despite a sluggish economic context, gross receivables showed relatively marked growth in line with the efforts made by the bank to support businesses and professionals heavily affected by the economic crisis.

concerned gross claims on customers (TND+602 M, ie., 5.6%).

The securities portfolio in turn posted an increase of TND 247 M, ie. 13%, up from TND1 848 M at the end of 2020 to TND 2 095 M at the end of the 2021 financial year.

Taking into account the provisions and reserved bank charges allocated to cover the depreciation of these uses, the net outstanding balance of assistance to the economy amounted to TND11 685 M at the end of 2021 compared to TND 10 796 M a year earlier, i.e. an increase of TND 889 M, ie. 8.2%.

1. Net competition for the economy

Gross competition for the economy posted an increase of TND 848 M, ie, 6.7% and stood at TND 13 510 M at the end of 2021 compared to TND 12 662 M at the end of the 2020 financial year. This increase mainly

TND in millions	Dec.-20	Dec.-21	Variation	%
Gross contributions to the economy	12 662	13 510	848	6,7%
Gross receivables from customers	10 748	11 350	602	5,6%
Gross securities portfolio	1 848	2 095	247	13%
Commercial paper	66	64	(1)	(2,2%)
Provisions and agios reserved	1 866	1 825	(41)	(2,2%)
Provisions/receivables	1 151	1 140	(11)	(1,0%)
Provisions/securities	198	206	8	3,9%
Agios reserved	516	479	(37)	(7,2%)
Net contributions to the economy	10 796	11 685	889	8,2%

2. Net receivables from customers

At the end of the 2021 financial year, the gross outstanding amount of customer receivables stood at TND 11 350 M compared to TND 10 748 M a year earlier, thus marking an increase of TND 602 M, i.e. 5.6%. The strong growth reflects the bank's efforts to support economic players whose activity has suffered greatly due the fallout from the crisis linked to the Covid-19 pandemic.

• Gross management loans : TND + 102 M, i.e, 2,2%

Management loans changed slightly under the effect mainly of the following differentiated variations:

- Commercial discount: TND -61 M, ie, -7.2%
- Cash loans: TND +201 M, ie, 8.1%,

At the same time, the bank aimed at monitoring the evolution of commitments in the form of account debits. The latter amounted to TND 994 M at the end of 2021 (vs TND 982 M a year earlier) to represent a share contained within the 10% limit.

• Gross investment loans: + TND 455 M, ie, 11,5%

Gross investment loans posted a significant increase to total an outstanding amount of TND 4 424 M at the end of the 2021 financial year (vs TND 3 969 M at the end of 2020). The increase observed in this

section largely concerned commitments in the form of "Covid credits" granted as part of business support measures.

It should also be noted that the gross outstanding balance of investment loans takes into account the sale and write-off operations of certain compromised debts for an amount of TND 153 M.

• Loans to individuals : + TND 55 M, ie,,2,8%

At the end of the 2021 financial year, outstanding loans to individuals stood at TND 2 053 M (compared to TND1 998 M recorded at the end of 2020) and thus represented 18.1% of gross receivables at the end of 2021 (vs 18.6% in 2020).

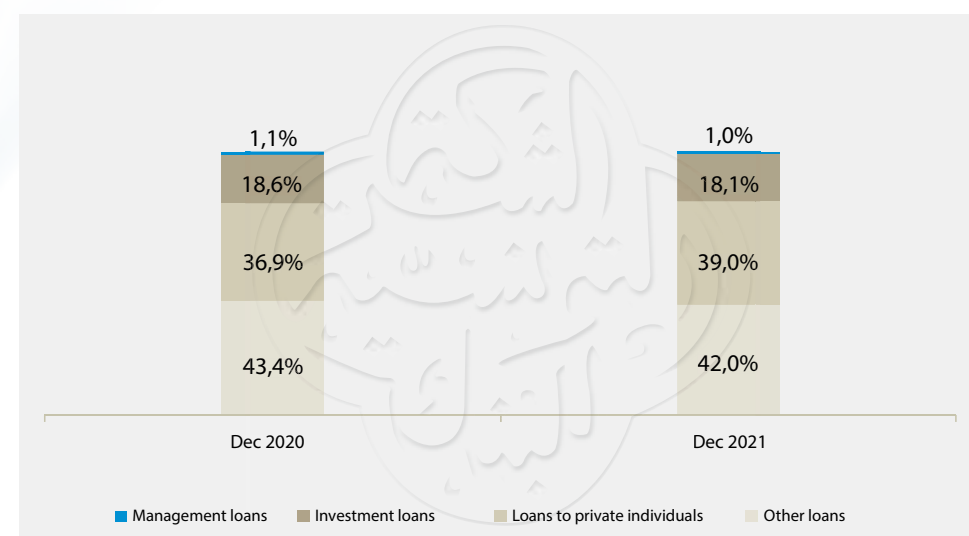
• Othe gross customer loans : TND-10M, ie. -8,3%

Consisting mainly of receivables in the form of associated current accounts, the outstanding balance of this category of commitment fell by TND 10 M ie, 8.3% under the effect of the drop in:

- Associated current accounts: TND - 2 M
- Advances on time deposits: TND - 8 M

In the light of the developments mentioned above, the structure of gross credits has been slightly modified but remains characterized by the predominance of management loans with a share of 42.0%.

Structure of gross credits



At the same time, the Bank continued its efforts to provision for its outstanding debts by allocating the sums required to cover their depreciation. In addition to allocations to traditional and additional provisions, it constituted additional collective provisions in the amount of TND 7 M, in application of BCT circular N°2021-01 of 11-01-2021.

Taking into account allocations to provisions and net reservations on the one hand and the subtractive

impact linked to disposals and write-offs of compromised debts. Provisions and reserved bank charges dropped by TND 48 M to be brought down to TND 1 619 M.

Thus and with reference to the above, the net outstanding amount of customer receivables increased by TND 651 M ie, 7.2% to TND 9 731 M at the end of 2021 compared to TND 9 080 M at the end of the 2020 financial year.

TND in millions	Dec.-20	Dec.-21	Variation	%
Gross receivables from customers	10 748	11 350	602	5,6%
Management loans	4 662	4 764	102	2,2%
Investment loans	3 969	4 424	455	11,5%
Loans to individuals	1 998	2 053	55	2,8%
Other loans	119	109	(10)	(8,3%)
Provisions et agios reserved	(1 667)	(1 619)	48	(2,9%)
Provisions	(1 151)	(1 140)	11	(1,0%)
Agios reserved	(516)	(479)	37	(7,2%)
Net receivables from customers	9 080	9 731	651	7,2%

3. Securities portfolio

The overall outstanding amount of the securities portfolio increased in gross terms by TND 247 M ie, 13.4% to stand at TND 2 095 M at the end of 2021

compared to TND 1 848 M a year earlier. In net terms, it increased by TND 239 M ie, 14.5% to pass during the same period from TND 1 650 M to TND1 889 M

TND in millions	Dec.-20	Dec.-21	Variation	%
Commercial securities portfolio	456	631	175	38,3%
Gross investment securities portfolio	1 392	1 464	72	5,2%
Gross securities portfolio	1 848	2 095	247	13,4%
Provisions	(198)	(206)	(8)	3,9%
Net securities portfolio	1 650	1 889	239	14,5%

• Commercial securities portfolio : TND+175M ie, 38,3%.

The outstanding balance of the commercial securities portfolio increased significantly (TND +174.7 M ie, 38.3%) and reached TND 630.9 M at the end of 2021. This increase exclusively characterized the stock of Equivalent Treasury Bonds (TND+179.0 M ie, 40.0%) and reflects the bank's choice to increase the volume

of this category of employment, which stood at TND 626.8 M, in order to satisfy the growing demands for investments from customers.

With regard to the portfolio of Short-Term Treasury Bonds, it fell by TND 4.3 M to reach TND 4.1 M, a position to be related to the mode of issue of this category of securities (most often in the form of an open market operation).

TND in millions	Dec.-20	Dec.-21	Variation	%
Trading securities	8	4	(4)	(51,1%)
Investment securities	448	627	179	40,0%
Commercial securities portfolio	456	631	175	38,3%

• **Net investment securities portfolio : TND +64 M ie, 5,4%**

The gross outstanding balance of investment securities increased by TND 72 M ie, 5.2%, from TND 1 392 M at the end of 2020 to TND1 464 M, under the effect of the increase in:

- Bond issues of TND 51 M ie, 92% following the subscription to the national loan for an amount of TND 75 M
- Managed funds of TND 10 M resulting from the subscription to the STB Growth Fund

- Mutual fund of TND 10M corresponding to the granting of a new fund for the benefit of STB SICAR

Taking into account the increase in provisions allocated to cover the depreciation of equity securities (TND +8 MD ie, 4%), the overall net outstanding balance of the investment securities portfolio stood at TND 1 258 M of which TND 806.2 M (or a share of 64%) representing the net volume of the stock of Equivalent Treasury Bonds kept in the investment portfolio.

TND in millions	Dec.-20	Dec.-22	Variation	%
ATB investment	806	806	(0)	(0,0%)
Bond loans	56	106	51	91,6%
Managed funds	86	96	10	11,8%
Mutual funds	39	49	10	25,5%
Equity securities	405	406	1	0,3%
Gross investment portfolio	1 392	1 464	72	5,2%
Provisions	198	206	8	3,9%
Net investment portfolio	1 194	1 258	64	5,4%

4. Off-balance commitments

- In terms of contingent liabilities, outstandings rose by TND 88M ie, 4.7% to TND 1 950 M at the end of 2021. This situation is the result of the improvement observed in the opening of documentary credits (TND +50 M ie, +11.3%) and the issue of deposits & sureties (TND+39 M ie, +2.7%).

- Given that funding commitments increased from TND 84 M at the end of 2020 to TND 116 M at the end of 2021, an increase of TND 32 M, ie, 38%.
- At the same time, commitments received in turn increased by TND 199 M ie, 9.7% to a total of TND 2 252 M at the end of 2021, compared with TND 2 053 M a year earlier.

TND in millions	Dec.-20	Dec.-21	Variation	%
Contingent liabilities	1 862	1 950	88	4,7%
deposits, endorsements and other guarantees given	1 423	1 461	39	2,7%
Documentary credits	439	489	50	11,3%
Commitments given	84	116	32	37,6%
Financing commitments given	84	116	32	37,6%
Securities commitments	0	0	-	0,0%
Received Commitments	2 053	2 252	199	9,7%
Guarantees received	2 053	2 252	199	9,7%

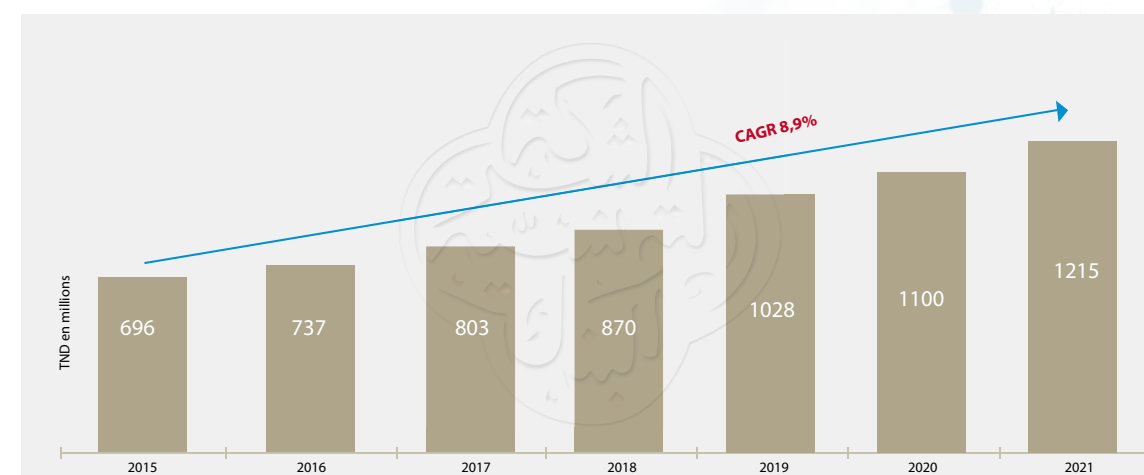
EQUITY

By reference to net income at the end of 2021 of TND 115 M, total equity stood at TND 1 215M, up 10% from the level reached at the end of 2020.

Under the assumption of the total allocation of this result to the reduction of losses carried forward, the deferral of the debtor would be TND 162 M (compared to TND 694.7 M in 2015).

TND in millions	Dec.-20	Dec.-21	Variation	%
Capital	777	777	-	0,0%
State allocation	117	117	-	0,0%
Reserves	467	466	(0)	-0,1%
Own shares	(6)	(6)	-	0,0%
Other equities	23	22	(0)	(2,0%)
Reported revenues	(350)	(277)	73	(20,8%)
Profit of the year	72	115	43	60,0%
Total Equity	1 100	1 215	115	10,5%

Equity Evolution



ASSET QUALITY

Continuous effort to improve asset quality resulting in a decline in the NPLs rate over the year and the continuation of the downward trend begun in 2016

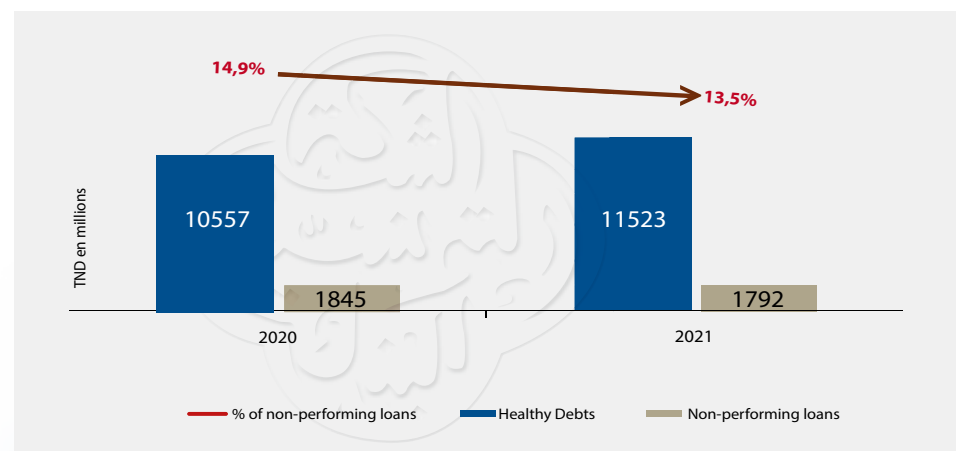
1. Evolution of hung receivables

The Bank continued its efforts to improve the quality of its assets and thus lower the fixed-asset rate. The latter has been reduced to 13.5% at the end of financial year 21 thanks to the implementation of a set of mechanisms for dealing with compromised loans, including the consolidation of amicable

recovery efforts, as well as a better selection of new appropriations . legal and transactional transactions as well as the realization of the program of assignments and write-offs of certain compromised loans.

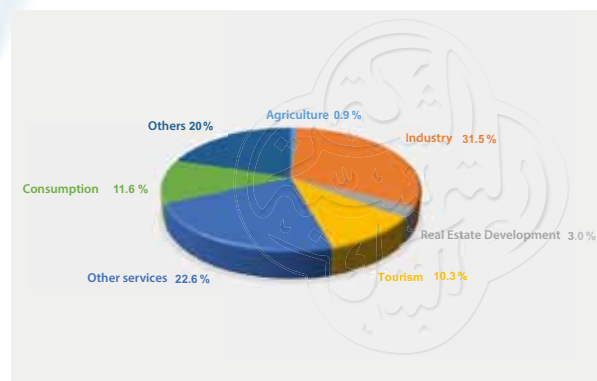
Indeed, at the end of fiscal year 2021, the outstanding amount of receivables non-performing loans was TND 1 792 M, downTND 53 M ie, 2.9% from the level recorded at the end of 2020. At the same time, productive claims increased by TND 966 M ie, 9.1% to total at the end of the same period TND 11 523 M. These differentiated developments resulted in a 1.4 percentage point fall in the fixed-asset rate.

Rate Evolution of Hanging Receivables

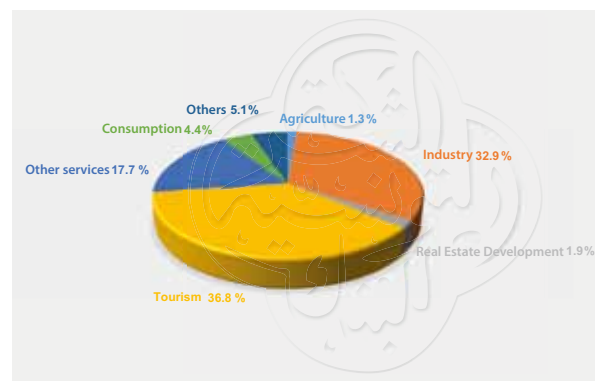


The structure of non-performing loans by division shows a strong concentration at the level of tourism and industry sectors with respective shares of 36.8% and 32.9%.

Structure of commitments by sector Fiscal year 2021



Structure of non-performing loans by sector Fiscal year 2021



A level of coverage that remains high at 75%, a direct consequence of the deductions from profits of the sums necessary for provisions

2. Coverage of Non-performing loans

The overall coverage rate of non-performing receivables stabilized at 75.0% at the end of 2021 (vs. 75.3% a year earlier).

The outcome at such a level, which is quite comfortable, can be explained, in addition to the fall in the volume of non-performing loans, by deductions from profits, for several financial years and in accordance with the prudent policy adopted by the

bank in terms of provisioning , the sums necessary for the constitution of:

- Traditional provisions required for recurring financing activity to cover the impairment of bad debts.
- Additional provisions required for receivables that have been held for 3 years or more in contentious risk classes, particularly in the tourism sector.

In this respect, the provisions constituted and taken into account for the determination of the debt coverage rate rightly reached an outstanding amount of TND 1 021 M which breaks down as follows:

- Conventional provisions: TND 599 M
- Additional provisions TND 422 M.

TND in millions	Dec.-20	Dec.-21	Variation	%
Gross Loans	12 402	13 315	913	7,4%
Wholesome Loans	10 557	11 523	966	9,1%
Hanging Receivables	1 845	1 792	(53)	(2,9%)
In % of gross claims	14,9%	13,5%		
Provisions	(1 033)	(1 021)	12	(1,2%)
Reserved bank charges	(473)	(431)	42	(8,9%)
Net Claims	10 896	11 863	967	8,9%
% coverage of hanging debts (net of Reserved Agios)	75,3%	75,0%		

SOLVENCY

Solvency ratios above regulatory thresholds, testifying to the bank's good resilience in the face of major risks.

1. Tier-1 solvency ratio

Basic net equity was further consolidated, going from TND 903 M to TND 1 023 M. The increase noted (TND+121 M ie, 13.4%) corresponds to the allocation

of the entire profit recorded at the end of 2021 to the reserve accounts.

At the same time, the risks incurred have increased, but at a slower pace than that of net tier one capital, thus generating an improvement in the Tier-1 ratio, which stood at 9.25% at the end of 2021 (vs. 8.97% at the end of 2020).

In addition, it should be noted that the risks incurred remain largely made up of credit risk with a share of 87%

TND in millions	Dec.-20	Dec.-21	Variation	%
Risks involved	10 068	11 062	995	9,9%
Risk-weighted assets - Credit risks	8 804	9 571	767	8,7%
Risk-weighted assets - Operational risks	1 063	1 173	111	10,4%
Risk-weighted assets - Market risks	202	319	117	58,0%
Basic Net Own Funds	903	1 023	121	13,4%
Solvency Ratio (tier one)	8,97%	9,25%		

2. Risk coverage ratio (overall solvency)

In addition to the increase in Tier-1 capital, total net capital, used to calculate the overall solvency ratio,

was strengthened thanks to an increase in additional capital of TND 81 M. This development is mainly attributed to the increase in the net balance of bond loans by TND 67 M

TND in millions	Dec.-020	Dec.-21	Variation	%
Risks involved	10 068	11 062	995	9,9%
Risk-weighted assets - Credit risks	8 804	9 571	767	8,7%
Risk-weighted assets - Operational risks	1 063	1 173	111	10,4%
Risk-weighted assets - Market risks	202	319	117	58,0%
Net Funds	1 265	1 466	201	15,9%
Basic net own funds	903	1 023	121	13,4%
Additional equity	362	442	81	22,3%
Solvency Ratio	12,56%	13,25%		

In view of these achievements, the excess in net basic equity (Tier-1 amounted to TND 249 M while the surplus recorded at the level of total net equity

amounted to TND 360 M, which is likely to give the bank a fairly significant capacity for the development of its activity.

LIQUIDITY

Through the implementation of a proactive management of liquidity ratios, STB managed throughout 2021 to comply with the required regulatory thresholds.

1. Liquidity Coverage Ratio (LCR)

Thanks to proactive liquidity management, the bank was also able to post LCR levels above the required standard throughout the year, mainly through the

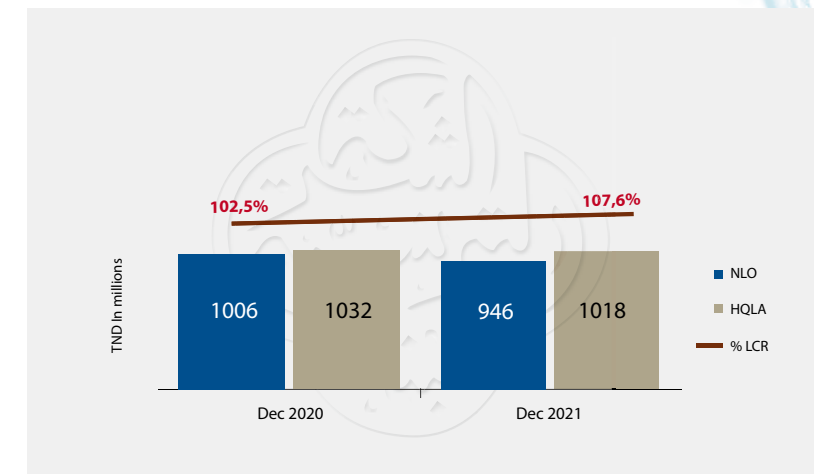
consolidation of its high-quality assets in a to cover net cash outflows.

The average LCR, calculated on 12 monthly observations, indeed stood at 129.9%, corresponding to an average of high quality liquid assets of TND 1 193 M and an average of net cash outflows of TND 921 M.

It should also be noted that the short-term liquidity ratio stood at 107.64% at the end of the 2021 financial year (vs. 102.52% a year earlier) for a regulatory level required of 100%.

TND in millions	Dec.-20	Dec.-21	Variation	%
Net liquidity outflows	1 006	946	(61)	-6,0%
High quality liquid assets	1 032	1 018	(14)	-1,3%
% LCR	102,52%	107,64%		
Regulatory level	100%	100%		

Evolution of liquidity coverage ratio LCR



2. Loan to Deposit ratio (LTD)

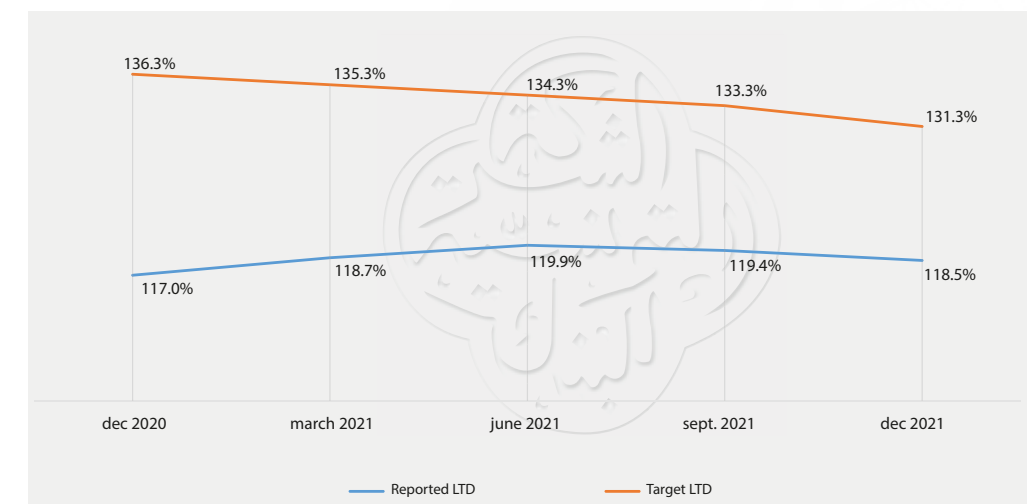
compared to deposits, the level of LTD remains below 120%.

Despite the increase of 1.4 percentage points, a direct consequence of a faster increase in gross claims

Also, the LTD remains well below the dynamic target required by BCT.

TND in millions	Dec.-20	Dec.-21	Variation	%
Loans and advances to customers	8 798	9 463	665	7,6%
Deposits	7 518	7 989	471	6,3%
LTD	117,03%	118,46%		
LTD ratio target	136,3%	131,3%		

LTD changes by quarter are shown in the following graph :



RESULTS

Consolidation of net income by more than 60% thanks in particular to a considerable effort in terms of controlling the cost of risk.

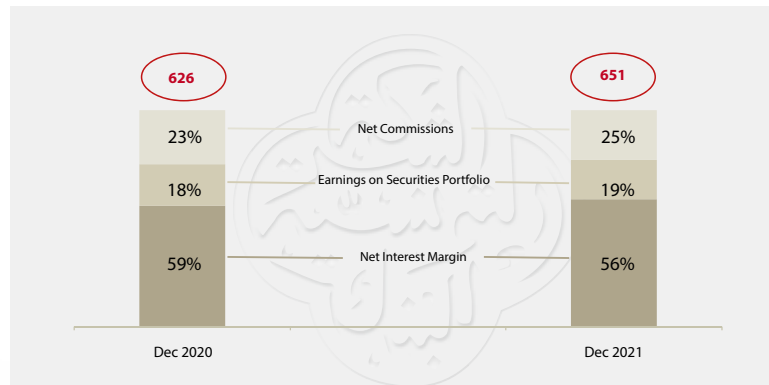
1. Net banking income

In a fairly difficult economic context, the bank was able to post a NBI of TND 650.6 M, up TND 24.9 M or 4.0% compared to its level at the end of 2020.

TND in millions	Dec.-20	Dec.-21	Variation	%
Net margin of interest	368	363	(5)	-1,5%
Net Commissions	113	126	13	11,2%
Income from equities portfolio and financial transactions	145	162	18	12,2%
Net Banking Income	626	651	25	4,0%

The structure of NBI has been slightly modified but remains characterized by the predominance of the net interest margin with a share of 55.7% (vs. 58.8% in 2020).

Structure of NBI (TND M)



• Net Interest Margin

The net interest margin deteriorated slightly by 1.5%, going from TND 368 M at the end of 2020 to TND 363 M at the end of the 2021 financial year. This variation is explained by:

- ✓ The regression of the net margin on commercial activity (TND - 8 MD ie. -2%) which is explained by

a faster increase in interest charges than that of loans to customers, mainly under the effect of the fall in interest rates.

- ✓ The appreciation of the margin generated from the treasury activity (TND +10 M ie, 14%), a situation to be linked to the significant decline in the bank's recourse to refinancing with the BCT.

TND in millions	Dec.-20	Dec.-21	Variation	%
Margin on treasury operations	(72)	(63)	10	(14%)
Interest income	20	19	(1)	(5%)
Interest charges	(92)	(81)	11	(12%)
Margin on customer transactions	440	432	(8)	(2%)
Interest income	784	787	2	0%
Interest charges	(345)	(355)	(10)	3%
Other Net Revenues	0	(7)	(7)	
Overall Net Margin	368	363	(5)	(1%)

In relation to average assets, the overall net interest margin fell reasonably, falling to 2.82% at the end of 2021 compared to 3.12% at the end of 2020.

• Net Commissions

Net commissions showed a relatively significant increase (TND +13 M ie, 11.2%) to total TND 125.8 M at the end of 2021 (vs TND 113.2 M at the end of 2020).

The increase noted essentially characterized the account management activity followed by the financing activity which together continue to monopolize almost three quarters of the commissions received.

TND in millions	Dec.-20	Dec.-21	Variation	%
Received Commissions	118,1	132,2	14,1	11,9%
Cheques, Bills, Transfers and Account Maintenance	59,2	64,0	4,8	8%
Equities transactions	0,5	1,1	0,6	108%
Exchange operations	9,6	10,5	0,9	9%
Foreign trade operations	3,4	5,3	1,9	56%
Survey	21,8	22,9	1,0	5%
Others	23,6	28,5	4,9	21%
Paid Commissions	(4,9)	(6,4)	(1,5)	30,0%
Net Commissions	113,2	125,8	12,6	11,2%

As a result, the rate of coverage of payroll by commissions stood at 70% against 72% at the end of December 2020 as a result of the increase in payroll.

• Income from the securities portfolio

The total income of the securities portfolio was increased from TND 145 M to TND 162 M, up TND 18 M, mainly as follows:

- Income from the Treasury Bills portfolio (y.c BTA investment): + TND 9.5 M ie, 10%.

- ✓ Interest received in nominal terms of TND 4.5 M as a result of the increase in the average stock of government securities held in the bank's portfolio

- ✓ Gains/losses on BTCT of TND 5.8 M to reach a volume of TND 9.1M

- Net gains on foreign exchange transactions: TND +6 M ie, 18%, this performance is entirely attributed to the improvement in foreign exchange earnings from TND 26.7 M to TND 36.6 M.

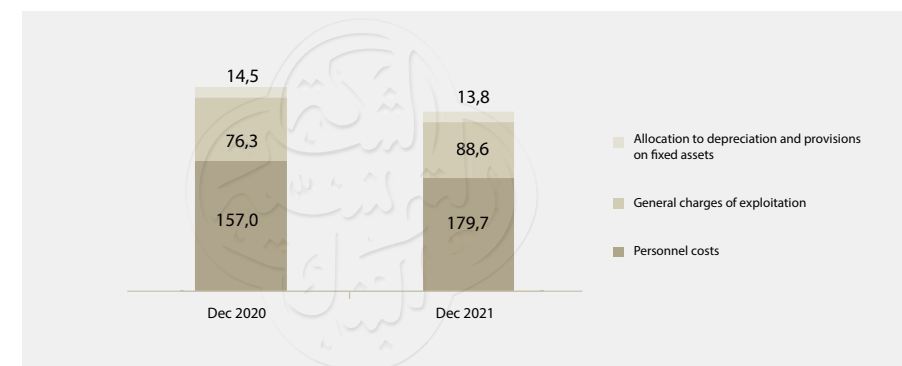
- Income from bonds: +0.5 MD or 12%, an increase induced by the increase in the stock of subscribed bonds.

2. Operating profit

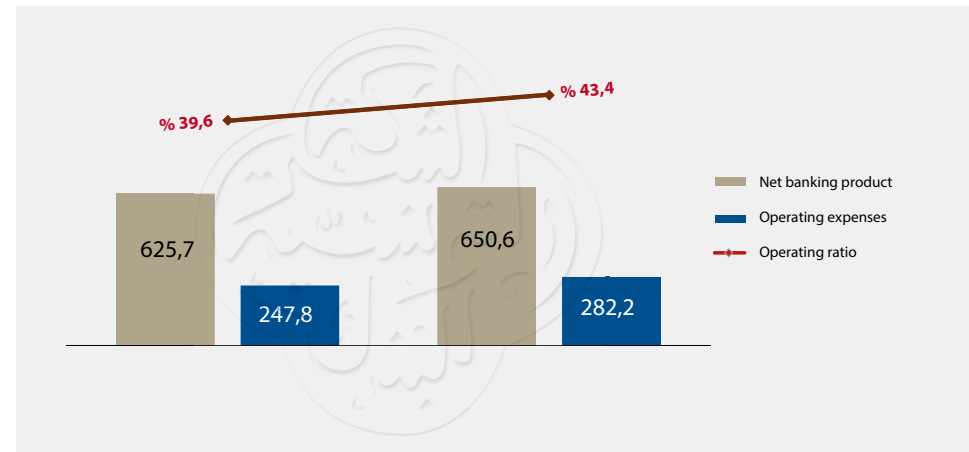
Gross operating income fell by TND 8M or 2.0% to TND 378M at the end of Financial year 21. This variation is explained by the increase in operating costs mainly due to the effect of the new legal increase in wages

Consequently the operating ratio went from 39,6% at end of 2020 to 43,4% at end 2021.

Operating Expenses Structure



Evolution of Operating Ratio



Operating income increased during the analysis period from TND 176.1 M to TND 232.3 M.

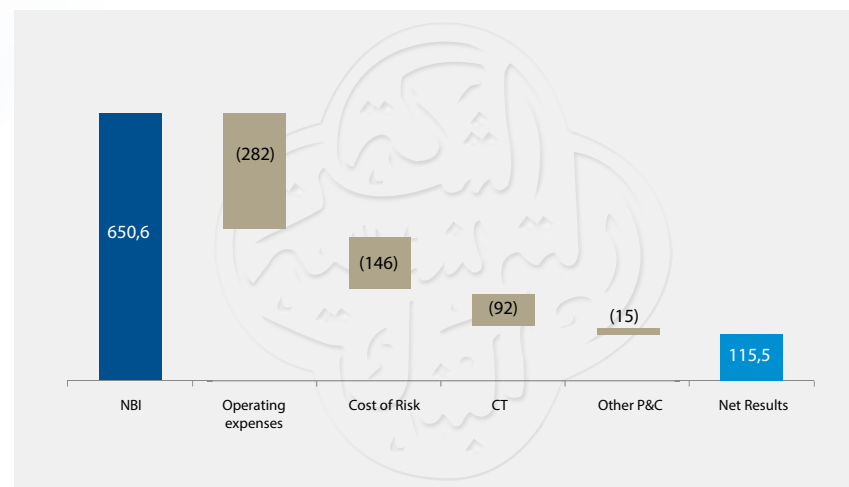
- This performance is mainly due to the recognition of a much smaller net burden of risks than that relating to the 2020 financial year, which is detailed as follows:
- Cost of risk on receivables and miscellaneous risks: TND 138.2 M of which TND 7 M for collective reserves

- Cost of risk on investment portfolio: TND 8.0 M

3. Net Income

Financial year 21 net income was TND 115.5, M up TND 43.3 M ie, 60.0% from 2020 levels..

Net Result Creation



TND in millions	Dec.-20	Dec.-21	Variation	%
Interest and similar income	827,2	829,4	2,2	0,3%
Accrued interest and similar charges	(459,3)	(466,9)	(7,6)	1,7%
Net Margin of Interest	367,9	362,5	(5,4)	(1,5%)
Received commissions	118,1	132,2	14,1	11,9%
Paid commissions	(4,9)	(6,4)	(1,5)	30,0%
Net Commissions	113,2	125,8	12,6	11,2%
Gains on commercial and financial securities portfolio	70,9	91,6	20,8	29,3%
Income from the investment securities portfolio	73,6	70,6	(3,1)	(4,2%)
Income from the Equities Portfolio	144,5	162,2	17,7	12,2%
Net Banking Income	625,7	650,6	24,9	4,0%
Other operating incomes	8,2	10,1	1,9	23,3%
Staff costs	(157,0)	(179,7)	(22,7)	14,5%
General operating expenses	(76,3)	(88,6)	(12,3)	16,2%
Depreciation allowances	(14,5)	(13,8)	0,6	(4,4%)
Gross Operating Income	386,1	378,5	(7,6)	(2,0%)
Allocations to provisions and result of value adjustments on receivables, balance sheet and liabilities	(189,6)	(138,2)	51,4	(27,1%)
Allocations to provisions and result of value adjustments on the investment portfolio	(20,4)	(8,0)	12,4	(60,7%)
Operating Result	176,1	232,3	56,2	31,9%
Other ordinary items gain/loss balance	5,0	(3,5)	(8,6)	(169,8%)
Corporate taxes	(83,1)	(91,5)	(8,4)	10,1%
Revenues of Ordinary Activities	98,0	137,2	39,2	40,0%
Balance in gain/loss of one-off items	(25,8)	(21,7)	4,1	(15,9%)
Net Profit for the Year	72,2	115,5	43,3	60,0%



**INTERNAL CONTROL
RISK MANAGEMENT
DEVELOPMENT AND MODERNISATION**

INTERNAL CONTROL

Presentation of the internal audit system

The internal audit system designates all the processes, methods and measures aimed at permanently ensuring the security, effectiveness and efficiency of operations, the protection of assets, the reliability of financial information and compliance with these operations with the laws and regulations in force.

According to BCT circular 2006-19 of November 28, 2006, this system includes in particular:

- An audit system for operations and procedures;
- an accounting organization and information processing;
- risk measurement, monitoring and audit systems;
- a documentation and information system.

The internal audit system is organized around the governance bodies provided for by Tunisian banking regulations, in particular the audit committee and the risk committee, three lines of defense, which incorporate operational and hierarchical audit, 2nd level audit and 3rd level audit, and aims to achieve the following objectives:

- financial performance, through the efficient and adequate use of the bank's assets and resources as well as protection against the risk of losses;
- exhaustive, precise and regular knowledge of the data necessary for decision-making and risk management,
- compliance with laws and regulations and with internal and external standards;
- the accuracy and completeness of accounting records and obtaining reliable financial information.
- To this end, it is based on a set of notes defining the procedures and delegations of power and on an information system to ensure the collection, processing, analysis of data and dissemination of results.

- In addition to the internal audit and general inspection bodies and the structures attached to the "governance and general control" division, the internal control system also includes a set of structures distributed by division and dedicated to the area of control.

Organization of the different levels of the internal control system

• Permanent audit system

Permanent control is carried out at two levels: a 1st level control which is carried out by the operational staff and supplemented by a hierarchical control and a 2nd level control in charge of the structures dedicated to the business lines as well as those attached to the Governance and Compliance Monitoring.

• Permanent audit department

The main mission of which is to steer the permanent audit system, the permanent control department ensures its proper functioning through functional relations and close coordination with 1st and 2nd level control players.

The structures in charge of the 2nd level permanent control by domain and identified in this system:

• Network Administration and Control Department:

It is mainly responsible for:

- Auditing the correct application by the Agencies of the procedures and organization notes, the compliance rules as well as the delegations of power in force.
- Ensuring the follow-up of the remarks recorded in the reports of the CAC and the Audit and Inspection missions.
- Ensuring the follow-up and control of the predisposition of the agencies in terms of quality of service;
- Reporting, monthly to the hierarchy, the Reporting of control activities carried out with the agencies.

• Greater Tunis Legal Support and Decentralized Control Department:

This structure is mainly responsible for:

- Ensuring that the guarantees required when granting Retail/Grand-Tunis credits are provided.
- Auditing all decentralized guarantee operations concerning Retail credits.

• Regulatory Control Department:

It is mainly responsible for:

- Controlling the real movements in foreign currencies of the Bank's accounts with foreign correspondents, and monitor the clearance of operations.
- Controlling the regulatory compliance of the processing of foreign trade transactions and transfers.
- Control the operations on AVA and ensuring the follow-up of complaints from/to the BCT.
- Defining, setting up and revising the authorizations of the various stakeholders in the management process.

• Direction Means of Payment:

It is mainly responsible for:

- Ensuring the Monitoring and supervision of cards, ATMs and TPEs.
- Ensuring the monitoring of fraud relating to cardholders and merchants.
- Ensuring the reconciliation and matching of electronic banking transactions.
- Auditing the payments received from national and international clearing.

• Treasury Back Office Department:

It is primarily responsible for ensuring:

- monitoring of the back office changes over time.
- the reconciliation between the actual movements and the CRO generated relating to the transactions negotiated.
- reconciliation between the actual movements on the BCT account in dinars
- the management of Tele-compensation incidents.

• The Guarantees Auditing and Monitoring Department

Whose main mission is to:

- -Check the conformity of legal acts and the constitution of guarantees in accordance with credit decisions.
- Ensure the validation of data entries of real and financial guarantees and their assignment to the lines of commitments.

-Control all decentralized guarantees (Corporate credits).

• Expenditure Audit Department

It is mainly responsible for:

- Ensuring compliance of investment and operating expenses incurred by the Bank with regulations and procedures in force and contractual clauses
- Proceeding to the control and follow-up of the expenses made by the Agencies and the Regional Directions, object of delegations.

- Guaranteeing the conformity of the Bank's expenditure files and the regularity of the accounting entries concerning the expenses incurred.

• Accounting Audit Department:

It is mainly responsible for:

- Ensuring compliance with the application of the accounting control system and procedures, particularly at the level of the operational entities concerned.
- Communicating and alerting on the malfunctions observed, following the work of controls and justifications of the accounts, to the control structures: back office, permanent control.
- Monitoring the regularizations and adjustments made by the operational services.
- Ensuring the second level controls at the expense of the Management, in particular the control of the likelihood of the account balances and the detection of any anomalies, the follow-up of the justification of the balances and the contribution to the work of clearance of discrepancies and suspense and the implementation of accounting adjustment procedures with the structures concerned.

• Information Systems Security Department:

It is mainly responsible for:

- Defining the general information systems security policy and ensure its implementation;
- Ensuring the implementation of security controls, in particular regulatory external audits of the security of the Bank's IT systems;
- Defining the norms and security standards to be implemented;
- Defining and implement procedures to ensure the availability of the information system, preserve its integrity and confidentiality, and ensure the security of electronic transactions;
- Ensuring the application of information systems security principles and rules;
- Assess risks, threats and consequences;
- Participate in the implementation and monitoring of the Business Continuity Plan.

• The Permanent Body for Governance and Compliance Control

Is made up of the Governance, Ethics and Compliance Control Department and the Financial Security and Data Reliability Control Department. In particular, it is responsible for:

- Ensuring the proper application of the principles of governance and the prevention of corruption within the Bank in accordance with the legislative and regulatory framework in force,
- Ensuring compliance with the Bank's policies, charters and codes of conduct and ethics
- Contributing to the protection of the Bank and its managers by preventing the risks of non-compliance.
- Contributing to the protection of the Bank and its Managers by preventing the risks of money laundering and terrorist financing which may lead to administrative or criminal sanctions or lead to financial loss or damage to the reputation and image of the bank
- Contributing to safeguarding business relationships with foreign correspondent banks or service providers in terms of compliance and LAB/FT
- Advise and assist in the implementation of anti-corruption mechanisms and verify the existence of procedures in this area as well as their respect
- Ensuring the dissemination of the Bank's own ethical rules and conduct awareness and training actions for employees by business line

- Reto the National Authority for the Fight against Corruption on the results of the investigations carried out following the cases of corruption that have been the subject of denunciations.

• Periodic control structures:

- **The Internal Audit Body** whose main mission is to:
 - Provide assurance on compliance with current regulations and internal procedures and control of operations;
 - Evaluate the internal control system by assessing its relevance and effectiveness and to ensure the achievement of its objectives;
 - Ensure the harmonization of accounting procedures and their overall consistency in order to guarantee relevant financial information;
 - Evaluate the risk management process;
 - Evaluate the internal control system to compliance and AML/CFT risk management;
 - Evaluate, in particular, the major risks identified by the Operational and Market Risk Department and recommend solutions to control these risks.

The work of the Audit body is defined within the framework of an annual risk-based plan approved by General Management and the Audit Committee.

- **The General Inspection Body** whose main mission is to:
 - Ensure compliance with current regulations and internal procedures;
 - Identify the shortcomings and irregularities observed and propose the necessary measures to remedy them and establish control reports;
 - Conduct investigative missions;
 - Conduct investigative missions to delineate responsibilities in the event of error, fraud or embezzlement.

These structures issue recommendations to improve the effectiveness of the internal control system.

Furthermore, and in order to strengthen the role of audit and inspection, certain actions have been undertaken and/or to be undertaken by the bank. These actions consist of:

- Access to the DATA platform to allow the consultation, examination and analysis of data within the framework of audit and control missions;

- The launch of a consultation for the acquisition and implementation of an IT solution allowing the management of the activity of the internal audit.

• Hierarchical and functional attachments of the permanent control and periodic control departments

The internal audit and general inspection bodies report hierarchically to the Chairperson of the Board of Directors.

In accordance with the regulations in force and to guarantee its independence, the Internal Audit Body is functionally attached to the Audit Committee.

As regards the permanent control structures, they are grouped together within the Governance and General Control Division. It is :

- **The OPGCC**, to which the Financial Security and Data Reliability Control Department and the Governance, Ethics and Compliance Control Department are attached;
- **The Central Operational Risks and Market and Permanent Control Department** to which the ROM Department and the Permanent Control Department report;
- **The Central Markets and Purchasing Control Department**, to which the Procurement and Purchasing Assistance and Control Department and the Control and Monitoring Department for the Execution of Non-Market Contracts and Purchases and Budget Management are attached.

As for the Central Credit Risk Monitoring Department, which includes the Commitments Control Department and the Credit Risk Assessment and Reporting Department, it is attached to the Credit Risk and Resolution Division.

HIGHLIGHTS OF FISCAL YEAR 2021

- Creation of committees and teams in charge of projects related to the internal control system, in particular:
 - **The Information Systems Security Committee (CSSI)**: Created with the aim of strengthening the security of information systems and computer networks in the Bank, and in application of the provisions of Circular of the Presidency of the Government no. °24 of November 5, 2020.

- **The ALCO committee**: Created on 07/30/2021 to optimize the Bank's profitability and monitor the management of balances between assets and liabilities in relation to financial risks (rate, exchange rate and liquidity;

- Reinforcement of operational audit at the network level and formalization and updating of certain procedures and organization notes;

- Continuation of work to clear outstanding accounts and address the underlying causes;
- Launch of projects for the organization of the bank's accounting system, in particular the establishment of multi-currency accounting and the adoption and implementation of IFRS standards;
- Reinforcement of information system security;
- Development of a compliance control charter;

PRESENTATION OF THE MAIN PLANNED ACTIONS

As part of the projects and actions aimed at strengthening permanent control, STB will continue to implement the actions already started, in particular those relating to the strengthening of the control of operations carried out by the agency.

These actions concern both system control and human control, as well as the tools to be made available to the persons designated for this purpose and to the structures concerned to effectively accomplish their mission in terms of control.

Other actions are planned in the area of internal control and can be summarized mainly in the following points:

- Finalization of the implementation of the permanent control system already started and covering the first batch of processes carried out at the levels of the central services (Commitments, Foreign Banks, Cash, Dinars & Currencies);
- Strengthening of Permanent Control Through DATA ANALYTICS, by service business processes of central departments;
- Elaboration of an internal control charter defining mainly the missions, the functioning, the perimeters and the power of the various control structures in particular that of the permanent control as well as the functional relations between them;

- Completion of work to cover the bank's business processes by risk mapping;
- Development of a risk appetite policy;
- Acquisition of an IT solution to implement SNI models in the bank's information system;
- Finalization of the implementation of the risk module;
- Continuation of the establishment of a multi-currency accounting system;
- Initiation of the IFRS standards implementation project;
- Launch of a diagnostic project of the tax management system within the STB in order to consider its optimization;
- Implementation of a secure Hyper-converged (HCI) Data Center Infrastructure
- Acquisition of a Web Application Firewall (WAF) security solution;
- Implementation of an IT solution for expense management (Budget, Purchasing, etc.)
- Implementation of the Carthago Operational Risk solution

RISK MANAGEMENT

Following its reorganization in 2020, risk management at the STB level is mainly ensured through the following structures:

- A Credit and Resolution Risk unit to which the Central Risk Monitoring Department is now attached
- A Governance and General Audit unit, to which the Central Operational Risks & Market and Permanent Audit Department now reports

As for ALM risks (liquidity risk and overall interest rate risk), STB has chosen to manage them at the level of:

- Functional attributions of the Management Audit and ALM Department, attached to the Central Management Audit and Performance Management Department, which is attached to the financial division.

- The ALCO Committee created in 2021 and bringing together the finance, treasury, risk management, commercial and financing functions

Central Credit Risk Monitoring Department

The Central Credit Risk Department brings together the Commitment Control Department and the Credit Risk Assessment & Reporting Department, for better management of default risks and control of the quality of the Bank's credit portfolio.

The main missions and responsibilities of the Commitments Control Department can be summarized in the following points:

- Ensure the quality of data relating to commitments and guarantees
- Ensure compliance with the limits set by delegation of powers granted in the granting of credits
- Control the regularization of authorized overruns and report the irregularities observed
- Analyze recurring authorization requests and recommend necessary actions
- Follow the recommendations of the Credit Committees in terms of control of commitments

As for the main missions and responsibilities of the Credit Risk Assessment & Reporting Department, consist of:

- Identify, assess and analyze the credit risk of natural and legal persons
- Model Credit Risk (credit risk parameters PD/LGD/CCF ..., stress testing, IFRS standards).
- Develop stress test scenarios
- Check compliance with overall risk exposure limits and capital requirements
- Ensure proactive and dynamic management of the commitments portfolio.
- Assess and control merger risks
- Ensure the classification and determination of counterparties and the calculation of provisions on commitments
- Determine and assess Credit Risk indicators
- Set up a system of rapid corrective measures in the event of deterioration in the quality of credits

- Ensure regulatory monitoring in terms of credit risk
- Provide credit risk management reporting and respond to external requests for credit risk information.

The Central Department of Operational and Market Risks and Permanent Control

The Central Operational Risk, Market and Permanent Audit Department is made up of a Department in charge of Operational and Market Risk and a Permanent Audit Department.

The main missions and responsibilities of the Operational Risks and Markets Department can be summarized as follows:

• In terms of Operational Risk:

- Design and implement an operational risk management system
- Prepare the operational risk management policy
- Define operational risk appetite by business line and overall Banking
- Analyze operational risks related to outsourced activities
- Set up the bank's operational risk repository (by process, by activity, by Basel category and by business application, etc.)
- Design, set up and continuously feed the database of Operational Risk incidents (proven losses)
- Define and monitor the evolution of Key Risk Indicators (KRI).
- Promote a strong operational risk culture within the Bank
- Develop reports and dashboards, operational risks for stakeholders.

• With regard to the Business Continuity Plan:

- Prepare the Bank's business continuity policy;
- Identify the different loss scenarios to which the Bank is exposed
- Identify business continuity needs;
- Propose scenarios for technical and organizational backup solutions;
- Set up and monitor the deployment of continuity solutions;

- Develop and update the list of PCA Relays of the Bank and their deputies (branch and head office)
- Ensure a regular assessment of the availability of human, real estate and technical resources related to the continuity of the Bank's activity
- Develop a guide for maintenance in operational condition of the BCP (MCO);

Furthermore, and in accordance with the provisions of article 15 of BCT circular 2006-19, the Operational and Market Risks Department, assisted by a firm, has started work to implement the BCP since the end of 2017, according to the following phases :

- Phase 1: Mission Launch and BCP Planning
- Phase 2: Preparation and implementation of backup solutions
- Phase 3: Testing and Sustainability of the BCP

The Business Continuity Plan project is part of the work of the Bank's 2016-2020 strategy and meets international standards and best practices (ISO 22301 standards relating to business continuity and ISO 27005 relating to the analysis and management risks as well as the recommendations of BASEL II).

The actions carried out during the 2021 financial year focused on:

- The updating of:
 - Business continuity procedures (70 procedures)
 - Technical procedures for restarting critical applications
 - BCP Relay
 - Alert escalation and crisis management procedures
 - Fallback site zoning
 - Equipment of the position site on D+1
 - Planning of backup site and fallback site tests
 - Design and implementation of a BCP portal

Procedures for obtaining ISO 22 301 certification from INORPI will be initiated as soon as the BCP implementation work is finalized.

It should be noted that the BCP scope primarily covers:

- The unavailability of IS and Telecoms
- Headquarters unavailability
- The unavailability of an agency or a group of agencies

This scope includes in a second stage (for which work has already started) the unavailability of HR, the unavailability of a partner / supplier and the unavailability of critical documents, and in a third stage the subsidiaries of the STB

• **In terms of Market Risk:**

- Prepare the market risk management policy (exchange risk, interest rate risk, property title risk and settlement/delivery risk);
- Calculate financial risk appetite
- Determine capital requirements for market risk using the various methods (regulatory model and internal ICAAP model);
- Design, in collaboration with the structures concerned, the system of market risk limits (calculation of limits, monitoring of compliance with limits, management of authorizations and overruns)
- Ensure permanent and independent monitoring of positions resulting from market activities
- Set up internal and external reports for stakeholders

Following an audit mission undertaken at the start of 2020, the rate of compliance of the implementation of the Market risk management system within the Bank with regulatory requirements is 87.5%.

This system is based on a set of standards and procedures covering all market risks for all the bank's activities.

The actions carried out during the 2021 financial year focused on:

- The setting of internal limits on cash in foreign currencies and dinars held at branch level
- The launch of the project to determine the bank's overall net foreign currency position and the project to define risk appetite (other credit risk)

Central management control and performance management department:

Among the powers entrusted to the central management control and performance management department, there are certain tasks relating to the bank's risk management component, which are listed below:

- Ensure active management of resources and uses of the balance sheet (ALM), and ensure the balance and consistency of its development.
- Develop ALM models for behavioral analysis, sensitivity measurement and stress tests...
- Ensure the preparatory work of the ALM Committee.
- Ensure proactive management allowing compliance with the prudential rules and standards in force.

Asset-Liability Management Committee:

In 2021, the bank created the Asset-Liability Management Committee (ALCO). The main missions of this committee can be summarized as follows:

- Regularly coordinate asset and liability management operations in accordance with policies (risk management, credits, collection, etc.).
- Recommend an optimal composition of assets and liabilities taking into account the thresholds and risk limits, and issue the decisions to the operational structures, necessary to establish an efficient balance sheet structure.
- Guarantee a sufficient level of profitability through sound management of liquidity and interest rate risks, so as to consolidate equity over time.
- Monitor and ensure compliance with the ALM activity with regard to the limits and constraints previously established and approve, in the event of drift, the solutions and the necessary adjustment plans;
- Produce quarterly reports to the Board of Directors relating to ALM activity.

The ALCO Committee meets, when convened by its Chairman, at least once a quarter and whenever necessary.

DEVELOPMENT AND MODERNIZATION

Business Development

Based on the Bank's progress in terms of customer knowledge, now possible thanks to analytical models and better customer segmentation, the bank continued its efforts to optimize its commercial base.

The Bank's development strategy is based in this regard on a marketing policy based on customer loyalty and profitability as well as better labeling of product offerings.

This strategy is organized around the following priorities:

- Communication and promotion;
- Diversification and consolidation of the product range;
- The strengthening of distribution channels, pivots of the commercial strategy;
- Planning of commercial and marketing actions;
- The adoption of an incentive pricing policy and the granting of preferential conditions in relation to the client's activity.

As part of its communication policy, an integral part of its development strategy, STB has embarked on a process of modernizing sales areas to support promotional actions and encourage sales in agencies. To do this, it has implemented a strategy aimed at promoting products at points of sale and strengthening communication with customers through

The design of modern communication supports and guides on the functionalities of existing products and services.

At the same time, the STB continued to mobilize its efforts to develop values of encouragement and solidarity through the sponsorship of events, as well as dynamism on the markets through its communication actions, mainly for digital products:

Sponsorship of economic, cultural and sporting events:

- FITA, Online Riyada Fair, Sfax International Fair, Tunisian-Libyan Forum, Tripoli International Fair, Startup Gatex, «Building digital Libya Summit», ATCF events, prospecting missions in Africa
- JCC 2021 – Radio and Television Festival (ASBU), Rouhaniyet,
- Triathlon and para-triathlon competitions, sponsorship of league I football clubs, partnership with the Basketball Federation, partnership with the Handball Federation, partnership with SKYS AREA

Communication campaigns:

- Transformers Awards
- Digi -School Transfer
- DIGI-Savings

With regard to the diversification and consolidation of the range of products, the Bank broadened the panoply of its offer in terms of products, which it consolidated by improving product marketing and better targeting of the offer.

As such, it has made available to customers an enriched and innovative range of products in order to satisfy and retain existing relationships and develop their use by new customers.

Thus and with the aim of attracting new prospects, the STB has set up a range of new products to meet the needs of its target customers. Among which, it launched several packs in 2021, such as the Student Pack as part of the STB-TFB synergy work and the Savings Pack consisting of the products: C-savings account, C-savings card, DigiEpargne application.

On the other hand, it has developed a platform called «Ekseb Fi Bled» intended for TRA customers, a new range of ecological credits, namely Credit Eco-car, Credit Eco-equipment and Credit Eco-home and Credit Digital in the as part of its STB-AMAD partnership, STB has developed,

Furthermore, and as part of its commercial strategy aimed at strengthening, through the policy of targeting customers from different social and professional categories, the transaction volume

relating to electronic payment operations, direct banking and digital products, the Bank has been capable of posting performances in line with the objectives it has set for the 2021 financial year.

In this sense and compared to the achievements observed during 2020, the bank was able to increase the total number of cards by 14%, active memberships in STBNet by 20%, the number of active subscribers to STBSMS by 11% and registrations in the 52% STBDIRECT proceeds.

In addition to the aspects developed above, the year 2021 was also characterized by the development of:

- agreements and partnerships with companies using innovative and disruptive operational, technological or economic models in both the public and private sectors.
- the bancassurance activity by making available to STB customers an increasingly varied range of products rich in guarantees with the aim of exploring new avenues of development, loyalty of existing customers and prospecting for new ones. As such, two new products are marketed, namely Account Overdraft Insurance launched at the end of June 2020 and Legal Protection Assistance, launched at the end of June 2019, in partnership with STAR and AXA (reinsurer). This last product is offered, on the Tunisian market, exclusively by STB.

International business development

Winning back the bank's international market share is the challenge of international activity, a challenge achieved in particular thanks to the finalization and urbanization of the integrated solution for processing international transactions.

This new environment has in fact made it possible to industrialize the processing processes and has served as a platform for the implementation of a multitude of digital applications, giving international operators the possibility of monitoring their operations from start to finish in real time. all transparency and this, by means of a "SWIFT GPI" tracking system to which the STB was the first bank in North Africa to adhere to it.

The entry into operation of the new version of foreign banking operations management has also made it possible to aspire to the achievement of the following objectives:

- Substantial improvement in the quality of services by reducing processing times and establishing better monitoring of customer orders;
- The draining of new international flows thanks to the performance of the STB visible to foreign correspondents on the GPI observer with a performance index maintained above 90/100 since the adoption of this system;
- The consolidation of the network's sales force through a commercial advantage and a comparative advantage capable of attracting potential international operators;
- Reducing operating costs by optimizing the use of both human and material resources;
- Securing processing, strengthening controls and eliminating discrepancies and accounting suspense;
- The redeployment of executives occupied with execution tasks towards control and customer assistance missions;
- The consolidation of operators' knowledge of foreign exchange regulations and the technique of international operations by adopting the idea of a front-end back office.

Information system

As part of the continued implementation of a more scalable and easier to maintain IS, Société Tunisienne de Banque undertook during the 2021 financial year to finalize version 2 of the Urbanized Global Banking and the preparation of the roadmap for the period 2022-2023.

The launch of this new System has the following objectives:

- Improving commercial performance and customer satisfaction, through improving the quality of commercial contacts, better knowledge of the customer and innovation and the implementation of new business models;
- Reducing transaction processing times and improving the quality of services;
- Improving operational performance by covering all agency operations, providing real-time customer data and fully automating business processes and strengthening the control system;
- Risk management through the establishment of system control and the improvement of the quality and reliability of data.

In addition, the new urbanization plan will allow the deployment of a new architecture ensuring total agility in terms of customer relationship management and the development of offers or services.

The V2 project will cover certain aspects not yet covered relating to the referential aspects, entering into a relationship, electronic banking, distribution channels, urbanization, management of decrees, operational risks, investments, commitments by disbursement (Retail and Corporate), commitments by signature, collection and litigation, control and good governance and customer relations.

Digital transformation strategy

The Bank's digital transformation strategy is broken down into several areas, including:

- The customer experience
- Enriched and omni-channel customer journeys
- Innovative digital products
- An open digital financial platform
- Open innovation in Agile mode mobilizing internal and external human capital
- A Lean Banking approach for back office transformation
- Capital Data made reliable and exploited

In this context, several digital products have been integrated into the new STB Direct platform.

- For the Retail segment: This involves the launch of Digi-carte, Digi-transfers, Digi OPA, Digi OPD, Digi-transfer schooling, Digi-credit, Digi Savings, Digi-Placements and Digi Actionnaire products.
- For the Corporate segment: the implementation of innovative digital products including personalized API offers, the digitized GPI for cross-border payments, electronic signature and the Easy Transactions System.

With regard to the bank's Capital DATA component, several key actions were implemented during 2021, relating in a first stage to the definition and design using an agile approach and data reliability of a target Data strategy. This strategy aims in particular at three complementary axes, namely operational efficiency, risk management, and customer knowledge and a DATA-centric model for online banking in line with its strategic orientations.

This made it possible to set up:

- DATA portals
- Financial Activity Tracking Systems
- Predictive models
- Financial profitability dashboards, analysis and monitoring of suspicious deposits and accounts
- Dashboards for financing study and customer visit sheets and follow-up of customer visits

The main actions also concerned the implementation of new projects related to the Asset Liability Management module, risk modeling and Scoring and tariff optimizations.

In addition and as part of its strategy of transformation and implementation of innovative digital solutions, the Tunisian Banking Company obtained, during the year 2021, two trophies in this area, namely the prize for excellence of the best financial institutions. 2020-2021 Arab digital studies in North Africa and the prize for the best CSR Strategy with transformational orientation and Best Dashboard solution.

HUMAN CAPITAL

- The redeployment of employees to sales in order to further improve the Bank's productivity. The development already undertaken of the commercial network and the promotion of direct customer contact functions (customer service managers) aim in this respect to improve the quality of service, the first lever for growth in market share and customer portfolio, and therefore maximizing GNP.
- Exploitation of the functionalities of the new HR Information System, allowing better processing of administrative tasks, adaptation and interfacing with the bank's IS of modules relating to the management of social services, training, management skills etc. ...
- The deployment of the DIGI-RH digital human resources platform through a «Mobile» application allowing the online processing and dematerialization of administrative documents (pay slip, leave request, etc.)
- The establishment of a strong corporate culture aimed at involving staff in news of the Bank's activity and maintaining cohesion between employees so as to create a healthy and fulfilling work environment and therefore to get the collaborators

to the «ultimate cause» which is the good and the development of the STB, for the good of all.

- The continuation of training actions provided in specific topics related to the development of the banking and financial world and the obligation to comply with new prudential rules
- In this context, the STB proceeded to:
 - Implement a new project «Development of skills assessments» affecting the profile of 800 employees, mainly new recruits).
 - Allow 778 employees to benefit from diploma training, intra and inter-company.

Social and environmental responsibility – CSR –

CSR is part of the continuity of the bank's commitments to its stakeholders and aims to communicate on the issues of economic, environmental and social responsibility, the main policies implemented by the STB to prevent the extra-financial risks that arise of its activity as well as projects and actions reflecting STB's desire to be a responsible bank that respects the world in which it operates and plays a unifying role in society.

In accordance with the principles of the Global Compact, STB published its first Communication on Progress (COP) relating to the year 2020, which presented the main performance indicators and previous achievements on the Labor, Human Rights and Environment aspects. and fight against corruption.

STB wants to actively participate in the development of a sustainable, reinvented and inclusive economy in which all our stakeholders can have confidence. This vision has been formalized in an Environmental and Social policy, structured around 11 strategic commitments aimed at supporting the development of a sustainable economy and reducing the environmental impact while respecting ethics in the conduct of business and purchases.

In this context, it undertakes to preserve the confidentiality of all the information in its possession by ensuring respect for privacy and the protection of personal information relating to any stakeholder, namely customers, outlook, collaborators, suppliers...

• Economic pillar

The economic pillar of STB's CSR is integrated into the very heart of its business and in line with the following issues: Responsible Financing, Sustainable Support for customers, Inclusion and financial education, Digitalization and support to change

This pillar of economic responsibility is based on a participatory approach to co-construct a transformative strategy for client companies in synergy with that of STB and this by putting the client at the center of the bank's strategic thinking to ensure the sustainability of its activity in a disruptive world from which the birth of Néo by STB

The Neo by STB program, which offers support for companies in their transformation to create value and differentiate themselves in the digital age, must bring together a new community of entrepreneurs who will be part of a tailor-made program that aims to bring sectoral expertise, managerial fundamentals, innovation opportunities, disruptive strategic visions and reinvented business models.

Three strategic axes have been retained in this context; health, the development of value chains and sustainable development. During the 2021 financial year, the STB entered into several partnerships with public establishments, health establishments, universities, technology parks and start-ups to build the transformational ecosystem.

• Environmental Pillar

STB aims to reduce the environmental impact linked to its activity and that of its customers, through initiatives aimed at reducing paper consumption and pollution and anticipating fire risks, controlling consumption energy and responsible and sustainable financing: An Environmental and Social Risk Management System

The Social Pillar

The commitment to professional equality between men and women is anchored in STB's values. It also promotes gender equality in recruitment, career development and promotion.

In order to further develop its commitment to professional equality between women and men, the STB has signed an agreement on the SAWI project «supporting and accelerating the inclusion of women

in the workplace in the Middle East and North Africa»: a two-year project aimed at developing, improving and implementing inclusive policies and practices for better RRP (recruitment, retention and promotion of women).

In addition, a series of actions have been undertaken for the benefit of:

• Children of SOS Villages:

The bank enabled the SOS Villages teams to collect donations and sponsorships internally. Many employees were sensitive to this action.

• Hospitals

The bank provided support to hospitals to help them meet their need for oxygen concentrators during the crisis.

• Young people in structured sports activities

Thanks to sponsorship granted to ROTARACT CLUB, the bank ensured the creation of a sports field in Cité Ettadhamen dedicated to gifted children and young people who will have access to supervision to benefit from a sports education.

• Schools

In addition to its intervention within the framework of the project to develop toilet blocks at school level, proposed by the APBT and supported by all the banks, the STB has entered into partnerships to guarantee comprehensive and sustainable intervention in the establishments.

The implementation of the new IFRS referential

STB deploys a strategic plan for the transition to IFRS standards

The adoption of the IAS/IFRS international accounting framework by STB for the presentation of its consolidated accounts is part of a national vision commanding the improvement of the transparency of economic entities through the disclosure of high quality financial reporting. In this sense:

- In September 2018, the National Accounting Council required financial institutions and listed companies to prepare consolidated financial statements under IFRS from 2021;

- The BCT published on January 29, 2020 the BCT circular N 2020-01 on the preliminary measures to carry out the project the adoption of international financial information standards (IFRS);
- The Financial Market Council has imposed on listed companies the obligation to prepare IFRS consolidated financial statements for the financial year which will end on December 31, 2021 and called on them in its last press release of May 26, 2020 to put in place an action plan detailing the steps necessary for the implementation of these standards which will have strong repercussions both on the informational and organizational levels, particularly in terms of the information system.

As this is a structuring and large-scale project, the Bank immediately designed a strategic plan for the implementation of the new framework, so as to ensure the achievement, under the best conditions, of the following objectives:

- Comply with international standards for accounting and financial reporting;
- Take into account the economic reality of the transactions carried out in order to establish better visibility of its risk exposure;
- Adaptation of the information system to meet the requirements of international standards.

The implementation of IFRS standards requires a clear approach ranging from the diagnosis of accounting methods and IS to the implementation of the action plan defined and the options selected.

Implementation of IFRS standards

The IFRS standards implementation project at the STB Group was launched with the assistance of the external firm. To this end, the phases of the project have been planned as follows:

1. Framework of the IFRS project
2. Diagnosis of the existing situation and identification of gaps or «Gap Analysis»
3. Impact simulation and choice of accounting options
4. Development of an implementation plan
5. Development, tests and recipes
6. Post-implementation follow-up

Development prospects

With the assistance of a firm specializing in banking, the bank has begun defining its new strategy covering the period 2021-2025. The preparation and development of the new strategy will take place in three phases which are presented schematically as follows:

- In a first stage, the work entrusted to the firm (already completed) concerned the development of a benchmark in relation to the national environment as well as a comparative study of the banking strategies adopted by countries presenting a banking context similar to that of Tunisia. These studies were supplemented by an in-depth assessment of the STB 2016-2020 strategy and the performance achieved both quantitatively and qualitatively.
- The second step will consist in defining the planning governance and the planning roadmap for the STB horizon 2025 strategy and then designing the basic bricks of the strategy execution mechanism.
- The third phase will focus on the development of the STB Horizon 2025 strategy and will include:
 - **the definition of strategic objectives, by means of:**
 - An identification of the vision, mission and strategic objectives of the Bank.
 - A construction of the global strategy and the Business model
 - A breakdown of the overall strategy on each perimeter of the bank's organization in thematic strategies and by division

- The development of a target business plan for the Bank

- **identification of the STB Horizon 2025 project portfolio, covering the following aspects:**

- construction of the strategic plan
- development of the portfolio of strategic projects
- the establishment of the detailed roadmap
- the definition of the strategy execution methodology, the monitoring KPIs by type of project and the principles of governance of the execution of the strategy
- the preparation of change management on each strategic component

The bank will work during the 2021-2025 five-year period to carry out the policy it has defined since the implementation of the restructuring plan while ensuring that its action is corrected according to the constraints of an environment marked by lively competition and whose magnitude has tended to increase tenfold in recent years.

In its capacity as a universal bank, the STB will extend its assistance to all economic sectors and will preserve its status as a privileged partner serving professionals and individuals while adopting approaches converging towards international norms and standards in the management of performance and risk assessment. The strict application of «sound» financing standards and the use of descriptive and predictive analytical models will help achieve this objective, particularly with regard to the imminent adoption of IFRS standards.



In this regard, particular attention will be given to the financing of SMEs, given their central role in the growth process, as well as to new promising projects with high added value.

Furthermore, the experience of STB, which is a bank with an international vocation, will enable it to display its ambitions in this area and to develop its international financial transactions on all specialized markets. In particular, the STB will play a leading role in promoting exports and partnerships.

In this context, it is particularly important that the STB, through its businesses and its network of correspondents, can provide the best conditions of cost, security and speed, services related to operations with foreign countries and constitute a privileged channel partnership and foreign investment.

In addition to these aspects, the modernization of the bank will inevitably involve the pursuit of its digital transformation, in particular through:

A customer-centric vision that sticks with the concept of «Bank as a Platform» to create an ecosystem of innovation and added value for its customers

The transformation by the DATA allowing the management of the activity from its different angles, a better quality and a diversity of the analytical data, a transformation which enhances the DATA heritage of the bank.

Review and reengineering of processes, strengthening of security and monitoring of the evolution of the IS, monitoring of the evolution of infrastructures

These overall strategic orientations should enable STB to improve all of its performance indicators and achieve satisfactory and sustainable profitability, which remains the fundamental objective for ensuring its sustainability.

In this context, the STB must focus its efforts on the development of the asset management and advisory businesses, which generate commissions, and which will not fail to play the role of a leverage effect to optimize the Bank's results, and increase its competitiveness.



NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021
(AMOUNTS EXPRESSED IN THOUSAND DINARS - TND)

1. PRESENTATION OF THE BANK

La Société Tunisienne de Banque is a public limited company governed by law n° 2016-48 of 11 July 2016 relating to banks and financial institutions. STB's constitutive general assembly dates from January 18, 1957. STB's share capital amounts to TND 776.875 thousand and it is composed of 155 375 000

shares with a value of 5 dinars each, admitted to the permanent list of the Tunis Stock Exchange (BVMT).

STB's head office is located at Avenue Hédi Nouira 1001 Tunis. Its network includes 147 branches, 188 ATMs, 11 regional offices and 2 subsidiaries

The capital structure of the Bank is as at December 31, 2021 as follows:

Shareholders	Number of shares	Amount in thousand TND	% of Capital
A - TUNISIAN SHAREHOLDERS	153 653 099	768 265	98.95%
Tunisian State	111 160 004	555 800	71.54%
Public companies	18 408 461	92 042	11.85%
Private Legal Companies	11 290 569	56 453	7.27%
The Bank's Repurchase of its Securities	679 987	3 400	0.44%
Individuals	12211 418	61 057	7.86%
B - FOREIGN SHAREHOLDERS	1 624 561	8 123	1.05%
Corporates	1 516 981	7 585	0.98%
Individuals	107580	538	0.07%
TOTAL	155 375 000	776 875	100.00%

2. BASELINE FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Société Tunisienne de Banque «STB» as at December 31, 2021 are drawn up in accordance with the provisions of Law n° 96-112 of December 30, 1996, relating to the Accounting System for Companies and Tunisian accounting standards including in particular the Accounting Sectoral Standards (NCT 21, 22, 23, 24 and 25) relating to banking establishments

3. MEASUREMENT BASES AND RELEVANT ACCOUNTING PRINCIPLES APPLIED

STB's financial statements are drawn up on the basis of the measurement of assets at historical cost. The most significant accounting principles can be summarized as follows:

3.1. Recognition of commitments and related income

3.1.1 - Off-balance sheet commitments

Financing commitments relating to medium and long-term loans, documentary credits and

guarantees in the form of endorsements and sureties are entered off-balance sheet as they are contracted and are transferred to the balance sheet as and when releases of funds for their face value.

3.1.2 - Accounting for customer loans

Net discount credits are presented in the balance sheet at their nominal value after deduction of interest accrued in advance and not yet accrued.

Loans disbursed and current accounts receivable are presented after deduction of reserved interest and agios, income received or recognized in advance and related provisions.

3.1.3 - Recognition of revenue from customer loans

Interest, similar products as well as commissions are recognized in the result of the fiscal year ended December 31, 2020 for their amounts relating to said fiscal year.

Interest on short-term loans is collected in advance and recorded in the accruals accounts when these loans are released and are subject to a subscription at the end of the month, for the accrued portion.

Unpaid interest relating to non-performing, long and medium-term loans (class B2, B3 and B4), within the meaning of the circular of the "BCT" n° 91-24, are recorded as reserved interest and are presented as subtractions from the item «Receivables from customers». This interest is factored in profit or loss when it is actually collected.

The accrued and unmatured interest relating to loans classified as current assets (class A) or among assets requiring special monitoring (class B1) within the meaning of the circular of the «BCT» n° 91-24 and whose collection workforce is reasonably assured, are recognized in profit or loss as accrued.

The reservation of products on debit current accounts is made on the basis of the "account freeze" criterion and risk class.

An account is considered frozen if the sum of its net credit movements is less than the debit charges generated by the account.

Agios on disputed debts in closed debit current accounts are not recognized.

3.1.4 - Accounting for late payment interest

Interest on arrears is recognized as income by the "STB" during payment by the client or when consolidating loans for a given client.

However, late payment interest on disputed debts is calculated, recorded and reserved at the level of the Carthago-Commitment module; Their amount at December 31, 2021 totaled TND 167 283 thousand.

3.1.5- Provisions on commitments

i. Individual provisions

The provisions required on customer commitments have been determined in accordance with prudential standards for division, risk coverage and monitoring of commitments covered by BCT Circular N° 91-24, as amended by subsequent texts which define the classes of risks and minimum provisioning rates as follows:

Classes	Description	Provisioning rate
A	Current assets	0%
B1	Assets requiring special monitoring	0%
B2	Uncertain assets	20%
B3	Assets of concern	50%
B4	Compromised assets	100%

The provisioning rates by class of risk class are applied to the net unhedged risk, i.e. the amount of the commitment after deduction of the reserved bank agios and the value of the guarantees obtained in the form of financial assets, mortgaged buildings, guarantees of the State and guarantees from banks and insurance companies.

Provisions on loans and accounts receivable are presented as deductions from the headings concerned.

Provisions on off-balance sheet commitments are presented under the heading "Other liability items".

ii. Collective provisions

Pursuant to circular to banks no. 2021-01 of 11 January 2021 relating to Division, risk coverage and monitoring of commitments, the Bank has set aside general provisions called « Collective Provisions » in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) within the meaning of article 8 of the BCT Circular 91-24 of December 17, 1991.

The collective provision was determined in accordance with the adjustment of the method for calculating the collective provision for the 2021 financial year communicated by the BCT on 11 /02/2022.

iii. Additional provisions

Pursuant to Circular to Banks No. 2013-21 of December 30, 2013, STB made additional provisions on assets with a seniority in class 4 greater than or equal to 3 years to cover the net risk, in accordance with the following minimum quotas:

- 40% for assets with a 3 to 5 year- seniority in class 4;
- 70% for assets with a 6 to 7-year seniority in class 4;
- 100% for workers with seniority greater than or equal to 8 years in class 4.

3.2. Accounting for the securities portfolio and related income

The securities portfolio held by the Bank is classified into two categories: the investment portfolio and the commercial securities portfolio.

3.2.1 - Investment portfolio and related income

The investment portfolio is divided into the following:

- Securities representing capital shares in companies whose long-term ownership is deemed useful for the Bank's business (long-term equity

securities): Equity securities, shares in associated companies and shares in related companies ;

- Fixed-income securities acquired by the Bank with the intention of holding them until maturity (investment securities including, in particular, bond issues);
- Securities issued by the State "Treasury bonds" acquired by the Bank with the intention of holding them until maturity;
- Securities representing financing stakes which have been the subject of a retrocession agreement but which have not yet been definitively transferred;
- Funds managed by SICAR companies.

The accounting rules for transactions on these different categories of securities are summarized as follows:

i. Long-term equity securities

These securities are recognized in the balance sheet at the acquisition price, excluding fees and charges.

Participations subscribed and not paid up are recorded as off-balance sheet commitments at their issue value.

Acquisition and sale of equity securities are recorded either on the date of transfer of ownership of the securities, or on the date of registration of the transaction at the Tunis Stock Exchange. The capital gains resulting from the disposal of these securities are presented under the item "Allocations to provisions and result of value adjustments on the investment portfolio".

Dividends on securities held by the Bank are taken into account in the income statement as soon as their distribution has been officially approved.

At each accounting close, equity investments are valued at their value in use and give rise to the constitution of provisions to cover any capital losses that may be incurred and that are of a lasting nature.

This value takes into account:

- The stock market value for listed securities;
- The mathematical value calculated from the latest balance sheet available for investments in non-hotel projects;
- The mathematical value calculated from the last available balance sheet corrected taking into account

the capital gain on fixed assets for investments in hotel projects.

- The fair value taking into account several objective criteria such as the price stipulated in recent transactions, the mathematical value, the yield, the size of the profits, the activity, the size or the reputation of the company and this for the stakes in the capital of telecom operators.

ii. Fixed income securities

Income from fixed-income securities is factored in as income spread over the period concerned.

When the acquisition price of fixed-income securities is higher or lower than their redemption price, the difference, called the premium or discount, as the case may be, is included in the acquisition cost and spread over the residual life of the securities.

At each accounting close, the acquisition cost of the investment securities is compared with the market value.

Unrealized capital gains on investment securities are not recognised. Unrealized capital losses arising from the difference between the book value (eventually corrected for amortization or write-backs of premiums or discounts) and the market value or the fair value of the securities are provisioned.

iii. Securities representing financing participations

Financing participations are considered as an extension of the main financing activity and the capital gains resulting from their sale are assimilated to interest and form part of banking operating income. These capital gains are recognized as income only once at the time of disposal and are presented under "Income from the investment portfolio".

Dividends on securities held by the Bank are taken into account in the income statement as soon as their distribution has been officially approved.

Unpaid capitalized interest (converted into equity investments) are transferred from receivables accounts to equity accounts. The related reserved agios are transferred to the level of the provisions on participations.

iv. Funds managed by SICAR companies

Investments in funds managed by SICARs, which are made under retrocession agreements, are valued at their value in use and taking into account the

prospects for recovery. Thus, provisions are made for shareholdings with unpaid retrocession dates and whose value in use does not cover the acquisition cost of the securities.

3.2.2- Commercial title portfolio and related income

The commercial securities portfolio held by the Bank is classified into two categories:

- Transaction securities: securities characterized by their liquidity and whose holding period does not exceed three months.
- Investment securities: securities acquired with the intention of holding them for a period not exceeding one year.

i. Trading titles:

At each accounting close, trading securities are valued at market value. The market value corresponds to the weighted average stock market price on the closing date or on the most recent prior date. Price variations resulting from their valuation at market value are taken to income. Income relating to trading securities is taken to income upon realization.

ii. Investment securities: :

At each accounting close, investment securities must be valued at market value for listed securities and at fair value for unlisted securities, in order to assess whether it is appropriate to constitute provisions for depreciation.

Securities are valued for each type of securities separately. Unrealized capital gains highlighted on certain securities cannot compensate for unrealized losses on others. Unrealized capital losses arising from the difference between the book value (eventually corrected for amortization of premiums and discounts) and the market value or the fair value of the securities give rise to the constitution of provisions for depreciation. Unrealized capital gains are not recognized.

The income relating to these securities is taken into account in the income statement in a manner spread over the period concerned.

The premium or discount on investment securities is spread over the residual term of the securities.

3.3. Accounting for customer deposits and related charges

Interest charges on customer deposits and assets are recognized by type of deposit as follows:

- Interest on current accounts is posted to customer accounts and accounted for each quarter. The value dates used for the calculation of interest on customer current accounts vary according to the nature of the withdrawal or deposit transactions carried out by the customer, in accordance with Circular No. 91-22.
- Interest on term accounts is posted to customer accounts in arrears and is subject to subscription on each closing date.

3.4. Accounting for resources and related expenses

Loans contracted by the Bank are recognized on the balance sheet as and when drawings are made. Interest on loans is recognized as an expense as it accrues.

External loans denominated in foreign currencies are converted into dinars, according to the release exchange rate. The risk of exchange rate fluctuation is covered by the national guarantee fund managed by the "Tunis - Ré" reinsurance company.

Debts denominated in foreign currencies are discounted at the exchange rate on the closing date. The hedging contract, entered into with Tunis-Ré, against fluctuations in the exchange rate is recognized as a hedging instrument, in accordance with the international accounting standard IAS 39. It is then valued at its fair value, which corresponds to the risk of exchange incurred and estimated at the closing date.

3.5. Buyback of Treasury Shares

In accordance with the provisions of Tunisian Accounting Standard 02, relating to equity:

- The repurchased treasury shares are presented, on the balance sheet, as a deduction from shareholders' equity;
- Capital gains or losses realized on repurchased treasury shares are recognized directly in equity;
- Dividends received on repurchased treasury shares are posted to the "Results brought forward" account.

3.6. Accounting for transactions denominated in foreign currencies and foreign exchange result

Manual banknote exchange transactions are recorded daily at the rate on the day of the transaction. In this case, the exchange result represents the difference between the buying and selling prices on the day in question.

Balance sheet accounts denominated in foreign currencies, including foreign exchange positions, are revalued at the fixed rate at the exchange rate in effect on the closing date. The resulting difference is recorded in a balance sheet account "38,391: Exchange fluctuation".

3.7 - Fixed assets and depreciation

Fixed assets are recorded at their acquisition cost taking into account the VAT recovery percentage of the previous year.

Fixed assets are depreciated on a straight-line basis. The amortization rates applied by the Bank are detailed as follows:

- Buildings	2%
- Transportation equipment	20%
- Furniture and office equipment	10%
- Security, communication and air conditioning equipment	15%
- Hardware	20%*
- Software	33%*
- Fixtures, fittings and installations	33%
- The right to lease	10%
- Office furniture out of operation	5%
- Non-operating buildings	10%
- Non-operational tool equipment	2%
- Non-operational tool equipment	10%

(*) Rate applied for acquisitions from January 1, 2008.

However, and by way of derogation from the historical cost accounting principle, the Bank carried out during the 2000 financial year the revaluation of land and buildings. This revaluation led to an increase in shareholders equity for an amount of TND 37 324 million presented under the item "Other shareholders equity".

Pursuant to IAS 16, part of the balance of the revaluation discrepancies of was transferred to the results carried forward to take into account the decrease in the book value of the revalued fixed assets.

However, and by way of derogation from the historical cost accounting principle, the Bank carried out during the 2000 financial year the revaluation of land and buildings. This revaluation led to an increase in shareholders' equity for an amount of TND 37 324 M presented under the item "Other shareholders' equity".

Pursuant to paragraph 41 of IAS 16, part of the balance of the revaluation difference has been transferred to the results carried forward to take into account, on the one hand, the use of revalued assets and, on the other hand, the transfer of the difference of revaluation relating to the sold assets.

3.8 - Provisions for retirement benefits and other post-employment benefits

A provision for employee benefits is recorded by the bank to meet the commitments corresponding to the present value of the rights acquired by the employees relating to the conventional indemnities (twelve monthly payments) which they will be able to claim upon retirement. It results from a calculation carried out according to the retrospective method of projected credit units (provided for by the International Accounting Standard IAS 19, Employee benefits, having no equivalent in Tunisia) which takes into account in particular the risk of mortality, forecast changes in salaries, staff turnover and a financial discount rate.

An additional provision is also recorded to cover the Bank's commitments to retired staff in terms of social insurance, using the same accounting method and based on estimates of the life expectancies of beneficiaries and annual charges. arising from the social insurance contract.

4. HIGHLIGHTS OF THE YEAR

4.1 - BRUNO POLI case

A legal action was brought against the bank in 2011 by Mr. BRUNO POLI for the restitution of cash vouchers given to the BNDT. On 29/10/2015, a first instance judgment, confirmed on appeal, was pronounced against the bank ordering it to return the cash vouchers and failing that to pay 7 million dollars. The Court of Cassation overturned and referred the case to the Court of Appeal of Tunis. A stay order was obtained without payment.

The Court of Appeal again recorded the first instance judgment condemning the bank to return the cash certificates and failing that to pay 7 million dollars. Consequently, a provision for risks was made as of December 31, 2020 for an amount of TND 36,533 thousand .

During the 2021 financial year and following the notification of the judgment of the court of reference, the bank again lodged an appeal in cassation, and was able to obtain a stay of order without payment.

4.2 - Write-off and assignment of receivables

Pursuant to paragraph VII quater decies of article 48 of the IRPP and IS code, STB has written off the bad bank debts during the 2021 financial year.

And by reference to law n° 98-4 of February 2, 1998, relating to debt collection companies, STB proceeded

to the assignment of the batches of bank receivables to its subsidiary STRC.

The total envelope of debts written off and assigned amounts to TND 219 499 million, including TND 63 984 million for interest on arrears.

4.3- Contribution to the Deposit Guarantee Fund

In application of article 149 and following of law n°2016-48 of July 11, 2016 relating to banks and financial institutions as well as the provisions of decree n° 2017-268 of February 1, 2017 relating to the fixing of the rules of intervention, organization and operation of the said fund, STB is obliged to join the deposit guarantee fund in return for an annual contribution of 0.3% of the outstanding amount of its deposits. The contribution relating to the year 2021 is TND 23 052 M.

5. EXPLANATORY NOTES RELATING TO BALANCE SHEET ITEMS

5.1 - Cash, and assets with the BCT, CCP and TGT

Assets in cash and with the BCT, CCP and TGT totaled TND 532 828 thousand on 31/12/2021 against TND 292 205 thousand on 31/12/2020, i.e. an increase of TND 240 623 thousand.

The different headings making up this item are as follows:

Description	2021	2020	Variation	%
CASH	78 510	73 298	5 212	7.1%
Cash in Dinars	68 856	65 365	3 491	5.3%
Cash in foreign currency	9 654	7 933	1 721	21.7%
BCT	453 916	218 256	235 660	108.0%
BCT in Dinars	7 156	35 294	(28 138)	(79.7%)
BCT in foreign currency	396 760	182 962	213 798	116.9%
Deposit facility	50 000	-	50 000	-
CCP	398	647	(249)	(38.5%)
TGT	4	4	-	-
Total	532 828	292 205	240 623	82.3%

Liquidity ratio

Pursuant to the provisions of BCT circular n°2014-14 of 10 November 2014, banks are required to comply with a minimum liquidity ratio of 100% for the year 2021 and the year 2020. STB posted these ratios:

Description	Reg. Threshold	2021	Reg Threshold	2020
Liquidity ratio	100%	107.64%	100%	102.52%

Movements in provisions for miscellaneous risks on assets with banking and financial institutions during the year are as follows:

Description	2020	Endowments	Covers	Reclass .	2021
Provisions for miscellaneous risks (Assets with BCT dinars)	7 838	-	1 042		6 796
Total	7 838	-	1 042	-	6 796

5.2 - Receivables from banking and financial institutions

Receivables from banking and financial institutions totaled TND 571 397 M on 31/12/2021 compared with TND 363 032 M on 31/12/2020.

The various headings making up this item are detailed as follows:

Description	2021	2020	Variation	%
Receivables from banking establishments	43 061	70 331	(27 270)	(38.8%)
Current accounts of resident banks	2	2	-	-
Current accounts of non-resident banks	43 058	70 328	(27 270)	(38.8%)
Debit accounts of correspondents in convertible dinars	1	1	-	-
Loans to financial institutions	42 044	144 678	278 366	192.4%
Money market loans in Dinars	322 000	70 000	252 000	360.0%
Off-market loans in Dinars	-	-	-	-
Money Market Loans in foreign currency	101 044	74 678	26366	35.3%
Provisions on interbank loans	(1 616)	-	(1 616)	-
Receivables and loans to specialized financial organizations	106 804	147 910	(41 106)	(1)
Receivables and loans to specialized financial organizations (leasing)	50 582	59 657	(9 075)	(15.2%)
Receivables and loans to specialized financial organizations (Tunis Ré)	56 222	88 253	(32 031)	(36.3%)
Related receivables	104	114	(10)	(8.8%)
Receivables attached to interbank loans in dinars	86	28	58	207.1%
Receivables related to interbank loans in foreign currencies	18	86	(68)	(79.1%)
Total	571 397	363 032	208 364	57.4%

BCT refinancing receivables are as follows:

Description	2021	2020	Variation	%
Receivables from banking and financial institutions			-	-
Eligible for BCT refinancing	-	-	-	-
Not eligible for BCT refinancing	571 293	362 918	208 375	57.4%
Total	571 293	362 918	208 375	57.4%

The breakdown of receivables from banking and financial institutions (excluding related receivables) according to whether or not they are materialized by interbank market securities is as follows:

Description	2021	2020	Variation	%
Receivables from banking and financial institutions			-	-
Materialized by interbank market securities	-	-	-	-
Not materialized by interbank market securities	571 293	362 918	208 375	57.4%
Total	571 293	362 918	208 375	57.4%

The breakdown of receivables from banking and financial institutions (excluding related receivables) by residual term as of 12/31/2021 is detailed as follows:

Description	≤ 3 months	3 months at 1 year	1 year at 5 years old	> 5 years	Total
Receivables from banking establishments	43 061	-	-	-	43 061
current accounts of resident banks	2	-	-	-	2
current accounts of non-resident banks	43 058	-	-	-	43 058
accounts receivable from correspondents in convertible dinars	1	-	-	-	1
Loans to banking establishments	423 044	-	-	-	423 044
Loans on the money market in dinars	322 000	-	-	-	322 000
Non-money market loans in dinars	-	-	-	-	-
Money market loans in foreign currencies	101 044	-	-	-	101 044
Provisions on interbank loans	(1 616)	-	-	-	(1 616)
Loans to specialized financial organizations (leasing)	531	1 500	48 551	-	50 582
Receivables from specialized financial organizations (Tunis Ré)	56 222	-	-	-	56 222
Total	521 242	1 500	48 551	-	571 293

The breakdown of receivables from banking and financial institutions (excluding related receivables) according to the nature of the relationship: affiliated companies, associated companies and other:

Description	Affiliated companies	Associated companies	Joint ventures	Others	Total
Receivables from banking establishments	-	-	-	43 061	43 061
current accounts of resident banks	-	-	-	2	2
current accounts of non-resident banks	-	-	-	43 058	43 058
accounts receivable from correspondents in convertible dinars	-	-	-	1	1
Loans to banking establishments	-	16 410	-	406 634	423 044
Loans on the money market in dinars	-	-	-	322 000	322 000
Non-money market loans in dinars	-	-	-	-	-
Money market loans in foreign currencies	-	16 410	-	84 634	101 044
Provisions on interbank loans	(1 616)	-	-	-	(1 616)
Loans to specialized financial organizations (leasing)	-	-	-	50,582	50,582
Receivables from specialized financial organizations (Tunis Ré)	-	-	-	56,222	56,222
Total	(1 616)	16 410	-	556 499	571 293

Movements in provisions for miscellaneous risks on receivables from banking and financial institutions during the year are as follows:

Description	2020	Endowments	Covers	Reclass	2021
Provisions for miscellaneous risks (Receivables from banking establishments)	26 935		3 548	-	23 387
Total	26 935	-	3 548	-	23 387

5.3 - Receivables from customers

The comparative evolution of net commitments between 2021 and 2020 is as follows:

Description	2021	2020	Variation	%
Current accounts receivable	994 143	982 396	11 747	1.2%
Credits from special resources	148 853	112 387	36 466	32.4%
Debts assumed by the State	13 711	17 981	(4 270)	(23.7%)
Bonus paid by the State	4 230	6 177	(1 947)	(31.5%)
Associated current accounts	89 770	91 827	(2 057)	(2.2%)
Other customer contests	10 205 578	9 674 485	531 093	5.5%
Receivables to be waived	3 562	3 562	-	-
Related receivables	94 678	97 220	(2 542)	(2.6%)
Gross total	11 554 525	10 986 035	568 490	0
Provisions	(1 139 962)	(1 151 452)	11 490	0
Provisions on current accounts	(150 255)	(158 045)	7 790	4.9%
Provisions on special resources	(34 441)	(26 993)	(7 448)	(27.6%)
Provisions on other customer loans	(770 536)	(786 605)	16 069	2.0%
Provisions on associated current accounts	(45 552)	(47 533)	1 981	4.2%
Provisions on receivables to be waived	(455)	(455)	-	-
Collective provisions	(138 723)	(131 821)	(6,902)	(5.2%)
Reserved fees	(646 251)	(710 993)	64 742	0
Reserved charges on current accounts	(47 463)	(56 336)	8,873	15.8%
Agios reserved on other customer contests	(547 322)	(605 268)	57 946	9.6%
Reserved charges on associated current accounts	(34 579)	(34 656)	77	0.2%
Agios reserved on special resources	-	-	-	-
Reserved charges on receivables to be waived	(3 107)	(3,107)	-	-
Reserved charges on related receivables	(13 780)	(11 626)	(2,154)	(18.5%)
Products received in advance	(37 174)	(43 191)	6 017	0
Total Net in Mtnd	9 731 138	9 080 399	650 739	0

The structure of net outstanding customer receivables as at 12/31/2021 is as follows:

Description	Gross outstandings	Individual Provisions	Additional provisions	Reserved Agios	Pdt collected in advance	Net outstandings
C/C Debtors	994 143	(115,338)	(34,917)	(47,463)	-	796,425
C/ Special resources	148,853	(30,334)	(4,108)	-	-	114,411
Associated current accounts	89,770	(32,153)	(13,400)	(34,579)	-	9,638
Other conc. to customers	10,223,519	(422,165)	(348,370)	(547,322)	(37,174)	8,868,488
Receivables to be waived	3,562	(455)	-	(3,107)	-	-
Related receivables	94,678	-	-	(13,780)	-	80,898
Total	11,554,525	(600,445)	(400,795)	(646,251)	(37,174)	9,869,861
Collective provisions	-	-	-	-	-	(138,723)
Net outstanding	-	-	-	-	-	9,731,138

The gross outstanding receivables from customers excluding unpaid debts and related receivables is broken down by residual as follows:

Description	< 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Gross outstanding
C/C Debtors	994 143	-	-	-	994 143
Other customer contests	2 195 062	1 959 501	3 509 044	1 122 291	8 785 898
Appropriations from special resources	2 914	10 426	63 960	34 969	112 269
Total 2021	3 192 119	1 969 927	3 573 004	1 157 260	9 892 310

Reserved agios: The reserved agios accounts closed on 31/12/2021 are detailed as follows:

Description	2021	2020	Variation	%
Agios reserved on C/C	(47 463)	(56 336)	8 873	15.8%
Agios reserved on Securities and Sureties	(3 468)	(3 171)	(297)	(9.4%)
Reserved charges on ordinary medium-term credit interest	(148 083)	(163 228)	15 145	9.3%
Reserved bank charges on consolidated medium-term credit interest	(227 040)	(242 093)	15 053	6.2%
Reserved charges on loans guaranteed by the State	(1 448)	(1 737)	289	16.6%
Agios reserved on associated C/C	(34 579)	(34 656)	77	0.2%
Late payment interest reserved on disputed receivables	(167 283)	(195 039)	27 756	14.2%
Reserved bank charges/receivables to be waived	(3 107)	(3 107)	-	-
Reserved charges on related receivables	(13,780)	(11 626)	(2 154)	(18.5%)
Subtotal	(646 251)	(710 993)	64 742	9.1%
Reserved bank charges on receivables assumed by the State	(2 519)	(3 358)	839	25.0%
Total	(648 770)	(714 351)	65 581	9.2%

Late payment interest reserved on disputed debts is calculated and accounted for automatically by the system. They amount to 12/31/2021 at 167 283 thousand dinars.

Description	2020	Endowments	Covers	Reclass	2021
Provisions on current accounts	(158 045)	(28 319)	33 024	3 085	(150 255)
Provisions on special resources	(26 993)	(7 398)	2 061	(2 111)	(34 441)
Provisions on other customer loans	(786 605)	(129 167)	147 219	(1 983)	(770 536)
Provisions on associated current accounts	(47 533)	-	1 981	-	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(131 821)	(6 901)	-	(1)	(138 723)
Total	(1 151 452)	(171 785)	184 285	(1 010)	(1 139 962)

Description	2020	Endowments	Covers	Reclass	2021
Individual provisions for bad debts to customers	(568 639)	(129 500)	98 925	(1,231)	(600 445)
Additional provisions for bad debts to customers	(450 992)	(35 386)	85 360	224	(400 794)
Collective provisions	(131 821)	(6 901)	-	(1)	(138 723)
Total	(1 151 452)	(171 787)	184 285	(1 008)	(1 139 962)

- Eligibility for Central Bank refinancing

The breakdown of receivables from customers according to whether or not they are eligible for Central Bank refinancing is as follows:

Description	2021	2020	Variation	%
Receivables eligible for refinancing	942 549	2 012 863	(1 070 314)	(53.2%)
Receivables not eligible for refinancing	10 574 802	8 929 981	1 644 821	18.4%
Total	11 517 351	10 942 844	574 507	5.3%

5.3.1 - Guarantees

The guarantees retained by the Bank for the determination of the provisions on the commitments are set in certain cases in the absence of an inventory of the legal documents justifying them (certificates of ownership, AFT certificate, AFI, etc.).

5.3.2 - Additional provisions

Pursuant to the provisions of BCT circular n°2013-21 of December 30, 2013, STB constituted a net recovery on additional provisions of the range of TND 50 198 thousand for the 2021 financial year, on commitments having a seniority greater than or equal to 3 years in class 4.

The balance of additional provisions amounted to TND 400 794 thousand as at December 31, 2021.

5.3.3 - Collective provisions

Pursuant to circular to banks n° 2021-01 of 11 January 2021 relating to Division, risk coverage and monitoring of commitments, the Bank has

drawn up, by deduction from the results of the 2021 financial year, general provisions called « Collective Provisions » in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) within the meaning of article 8 of BCT Circular 91-24 of December 17, 1991.

The collective provision was determined in accordance with the adjustment of the method for calculating the collective provision communicated by the BCT on /11/02/2022

5.3.4- Receivables consolidated and assumed by the State without interest

Receivables taken over by the State are the debts of certain public enterprises taken over by the State within the framework of the finance law for the year 1999 and whose outstanding amount totals the sum of TND 13 711 thousand. These receivables were consolidated over a period of 20 to 25 years, without interest and with the guarantee of the State.

5.4 - Commercial securities portfolio

The balance of this item totaled TND 630 908 m on 31/12/2021 compared with TND 456 174 thousand on 31/12/2020. The commercial securities portfolio is made up of fixed income securities issued by the State and variable income securities.

Description	2020	Acquisition/ Staffing	Sale/ Liquidation/ Takeover	Reclassification	2021
I- Investment securities	447 779	499 953	(320 930)	-	626 801
1.1 Securities issued by the State and public bodies	447 779	499 953	(320 930)	-	626 801
Raw values	446 099	488 607	(304 650)	-	630 055
Receivables and related debts	29 474	11 346	-	-	40 820
Next to	(27 794)	-	(16 280)	-	(44 074)
II- Securities of transactions	8 395	-	(4 288)	-	4 107
2.1 Fixed Income Trading Securities	8 395	-	(4 288)	-	4 107
Goods of treasure	9 033	-	(4 625)	-	4 408
Receivables and related debts	(638)	-	337	-	(301)
Net total	456 174	499 953	(325 218)	-	630 908

5.5 - Investment portfolio

The value of the investment securities portfolio amounts to TND 1 258 378 thousand at 31/12/2021 compared with TND 1 193 808 thousand at 31/12/2020 and is detailed as follows:

Description	2021	2020	Variation	%
BTA investment	798 100	798 100	-	-
Discount/premiums on BTA investment	(17 467)	(21 260)	3 793	17.8%
Related receivables	25 527	29 521	(3 994)	(13.5%)
Total BTA investment	806 160	806 361	(201)	(0.0%)
Bond issues	103 696	39 896	63 800	159.9%
national loan	-	14 000	(14 000)	(100.0%)
Bond loan provisions	(2 650)	(2 650)	-	-
Related receivables	2 688	1 633	1,055	64.6%
	-	-	-	-
Total other investment securities	103,734	52 879	50 855	96.2%
SICAR managed funds	96,235	85 811	10 424	12.1%
Managed funds provisions	(57,401)	(56 384)	(1 017)	(1.8%)
Total Funds Managed	38,834	29 427	9 407	32.0%
shares in mutual funds	49 146	39 146	10 000	25.5%
Provisions on shares in mutual funds	(996)	(1 855)	859	46.3%
Total Mutual Funds Provisions	48 150	37 291	10 859	29.1%
Shares in related companies	193 178	2001	1.0%	
Shares in associates and joint ventures	41 591	-	-	
Equity securities	152 050	(494)	(0.3%)	
Participations in retrocession	18 777	(361)	(1.9%)	
Companies in liquidation	30	-	-	
Equity securities provisions	(144 940)	(137 444)	(7 496)	(5.5%)
Receivables and related debts	(332)	(332)	-	-
Total equity securities	261 500	267 850	(6 350)	(2.4%)
Grand total	1 258 378	1 193 808	64 570	5.4%

Movements by category of securities classified in the investment portfolio are shown in the following table:

Description	2020	Subscription	Assignment/ reimbursement/ restitution	Capitalized results	2021
BTA Investment	798 100	36 600	(36 600)	-	798 100
Bond issues	39 896	76 000	(12 200)	-	103 696
national loan	14 000	-	(14 000)	-	-
SICAR managed funds	85 811	10 000	-	424	96 235
mutual fund	39 146	10 000	-	-	49 146
Equity securities	152 050	-	(494)	-	151 556
Shares in associates and joint ventures	41 591	-	-	-	41 591
Shares in related companies	193 179	2 000	-	-	195 179
Company in liquidation	30	-	-	-	30
Participation in retrocession	18 777	-	(361)	-	18 416
Total in thousand TND	1 382 580	134 600	(63 655)	424	1 453 949

The breakdown of investment securities excluding BTA as at 12/31/2021 into listed securities and unlisted securities is as follows:

Description	2021	2020	Variation	%
Unlisted securities	595 584	539 527	56 057	10.4%
Listed securities	58 961	43 647	15 314	35.1%
UCITS securities	1 305	1 305	-	-
Gross value in thousand TND	655 850	584 479	71 371	12.2%

The list of the main subsidiary companies as at 12/31/2021 is detailed as follows:

Subsidiaries	Share of capital held by «STB»	Gross book value	Provision	Net book value
FINANCIAL SECTOR				
STRC	91.93%	36 462	0	36 462
STB SICAR	81.99%	16 205	0	16 205
STB INVEST	92.00%	36 986	0	36 986
STB FINANCE	61.34%	4 749	0	4 749
BFT	78.18%	3 535	3 535	0
TF Bank	49.50%	35 540	18 656	16 884
TOURIST SECTOR				
SKANES PALACE INTERNATIONAL	99.76%	6 180	6 180	0
AFRICA SOUSSE	96.94%	9 050	9 050	0
ED-DKHILA	61.21%	3 221	0	3 221
CIE HOTELI CENTRE VILLES	70.28%	2 100	2 488	-388
REAL ESTATE SECTOR				
IMMOBILIERE DE L'AVENUE	84.71%	7 461	4 753	2 708
SERVICES SECTOR				
STE LA GENERALE DE VENTE	50.00%	2 000	0	2 000
ACTIVHOTELS	97.57%	28 084	7 313	20 771

The results and shareholders' equity of the subsidiaries are as follows:

Company name	Headquarters	Equity —	Result 2021
Financial sector		138 554	7 296
STB INVEST	IMMEUBLE STB-34, rue Hédi KARRAY-1004 El Menzah	55 600	1 512
STRC	Avenue Habib Bourguiba- Immeuble Africa -1000 Tunis	46 506	5 316
STB FINANCE	Immeuble STB-34, rue Hédi KARRAY-1004 El Menzah	8 088	956
STB SICAR	Immeuble Sawarby – Centre Urbain Nord-1003 Tunis	24 987	203
STB MANAGER	IMMEUBLE STB-34, rue Hédi KARRAY-1004 El Menzah	3 373	(691)
Building sector		4 352	(1 155)
L'IMMOB DE L'AVENUE «IA»	31, Avenue de Paris, 1002 Tunis	4 352	(1 155)
Tourism Sector		5 113	(1 380)
ED-DKHILA	25, Avenue Jean Jaurès-1002 Tunis	5 113	(1 380)
Services sector		25 540	9 770
GEVE	C/O Immeuble STB Rue Hédi NOUIRA 1001 Tunis	2 128	7 510
SOCIETE ACTIVHOTELS	C/O Immeuble STB Med V - 1001 Tunis	19 762	1 527
STB MOYENS GENERAUX	1, Rue des Entrepreneurs - 1001 Tunis	320	18
STB SECURITE ET GARDIENNAGE	1, Rue des Entrepreneurs - 1001 Tunis	43	(4)
MGERT - Magasins Généraux et Entrepôt Réel de Tunisie	132 bis Rue DE LA CHIMIE, Sidi Rezig	3 287	719

The investment portfolio includes funds managed by the company “STB SICAR” with a total gross value of TND 96 238 thousand, and which have been provisioned up to TND 57 400 thousand. The balance of managed funds is detailed as follows:

Managed Funds	Initial fund	Capitalized result	Previous Refunds	Participate . in retrocession	Direct Participat.	SICAV securities	Balance
MF STB 1	2021	-1 135	2 127	2 216	2 094	94	4 738
MF STB 2	8 000	1 387	4 331	4 402	299	176	5 056
MF STB 3	5 000	897	2 077	2 537	1 000	52	3 820
MF STB 4	6 500	1 167	2008	5 772	120	635	5 659
MF STB 5	6 824	1 481	2 633	5 047	533	287	5 672
MF STB 6	2 707	169	1 085	1 326	80	1 152	1 791
MF STB 7	800	64	140	265	390	68	724
MF STB 8	6 752	3 173	3 852	2 720	3 032	1 629	6 073
MF STB 9	4 800	273	519	3 931	-	494 351	4 554
MF STB 10	8 748	165	186	8 523	-	226	8 727
MF STB 11	6 000	484	0	4 826	1 158	1 269	6 484
MF STB 12	9 898	1 128	0	6 021	1 526	972	11 026
MF ID 1	2 000	863	1 630	1 289	-	41	1 233
MF ID 2	2 000	219	957	1 639	-	55	1 262
MF ID 3	5 436	1 155	2 839	3 684	140	92	3 752
MF ID 4	360	26	28	335	-	30	358
MF ID 5	1 133	247	173	967	-	258	1 207
MF ID 6	4 000	498	1 023	3 366	-	1 014	3 475
MF STB 14	10 000	332	0	6 283	-	3 942	10 332
MF STB 15	10 000	295	0	7 398	-	2 897	10 295
Total	108 958	12 888	25 608	72 547	10 372	509 240	96 238

As at December 31, 2021, the situation of uses on the Managed Funds is detailed as follows:

Managed Funds	2021	2020	Variation	%
Current accounts of resident banks	16	201	(185)	(92.0%)
Shares (investment)	2,596	3,220	(624)	(19.4%)
Units in UCITS	15,381	12,838	2,543	19.8%
Other equity securities	2,579	2,579	-	-
Participations in retrocession	82,917	75,299	7,618	10.1%
Receivables related to shareholdings in retrocession	723	723	-	-
Various debtors	252	88	164	186.4%
Provisions on retrocession participations	(59,192)	(59,006)	(186)	(0.3%)
Assets in bank accounts in dinars	(15)	(14)	(1)	(7.1%)
Sundry creditors	(6,423)	(6,501)	78	1.2%
Total	38 834	29 427	9 407	32.0%

5.6 – Fixed assets

Net fixed assets amounted to TND 124 928 thousand at 31/12/2021. The movements recorded during the 2021 financial year are detailed as follows

Description	Gross Value 2020	Acquisition/ Disposal 2021	adjustment gross value / previous ex	Gross Value 2021	Amortization 2020	Endowment / Prov. 2021	prior amortization/ex adjustment	Amortization 2021	Net Worth 2021
Intangible assets	30 120	3 431	1 283	34 834	(25 170)	(4 099)	531	(28 738)	6 096
Computer software	30 063	3 431	1283	34 777	(25 170)	(4 099)	531	(28 738)	6 039
Right to lease	57	-	0	57	-	-	-	-	57
Tangible fixed assets	284 757	8 054	(2 214)	290 597	(163 124)	(9 424)	783	(171 765)	118 832
Lands	26 828	(2)	12018	38 844	-	-	-	-	38 844
Buildings	75 056	14	-2043	73 027	(37 287)	(1 487)	928	(37 844)	35 183
Office furniture	6 997	1 947	17	8 961	(6 268)	(571)	(130)	(6 969)	1 992
Transportation equipment	2 217	934	0	3 151	(1 014)	(79)	(240)	(1 335)	1 816
Hardware	47 715	2 277	-196	49 795	(44 776)	(3 017)	(1 199)	(48 992)	803
Communication material	3 261	7	-1207	2 061	(2 620)	(113)	1 422	(1 310)	751
Office equipment	18 663	10	-648	18 025	(16 816)	(514)	157	(17 173)	852
Safety equipment	5 547	571	-41	6 077	(3 364)	(298)	26	(3 636)	2 441
air conditioning equipment	5 823	-	265	6 088	(5 382)	(123)	(1)	(5 506)	582
Fixtures amenities and install	51 921	2 374	949	55 244	(32 591)	(2 688)	(1 253)	(38 381)	16 863
Office furnit outside operation	33	-	0	33	(31)	-	-	(31)	2
Non-Operating Mat-tool	394	9	0	403	(348)	(10)	-	(359)	44
Unused buildings	39 643	(87)	-11 328	28 229	(12 627)	(524)	1 073	(10 229)	18 000
Buildings pending assignment	659	-	0	659	-	-	-	-	659
TOTAL	314 877	11 485	(931)	325 431	(188 294)	(13 523)	1 314	(200 503)	124 928

5.7 – Other assets

As at 12/31/2021, other assets totaled TND 656 179 thousand compared with TND 737 235 thousand as at 12/31/2020 and are detailed as follows:

Description	2021	2020	Variation	%
Staff loans and salary advances	169 447	156 554	12 893	8.2%
Medical expenses to be recovered	3 147	3 147	-	-
State, tax and duties	77 171	76 602	569	0.7%
Miscellaneous inventory	3 274	3 172	102	3.2%
Exchange gap payable by the state	39	238	(199)	(83.6%)
Conversion gap Assets (2)	-	23 527	(23 527)	(100.0%)
Headquarters, branches and agencies Assets	31 921	13	31 908	245446.2%
Accruals and deferred income	163 238	120 983	42 255	34.9%
Securities submitted for clearing	60 663	139 844	(79 181)	(56.6%)
Financial instruments as revenue	107	107	-	-
Debits adjustment	812	1 248	(436)	(34.9%)
Prepaid expenses	1 026	837	189	22.6%
Accrued income	(281)	1 078	(1 359)	(126.1%)
Assigned receivables	2 361	2 930	(569)	(19.4%)
PF payment gap due after collection (1)	18 071	20 470	(2 399)	(11.7%)
Other Asset Accounts	125 183	186 485	(61 302)	(32.9%)
TOTAL	656 179	737 235	(81 056)	(11.0%)

(1) The collection portfolio item due after collection shows a debit balance of TND 18 071 thousand. This balance is the result of the netting between several asset and liability accounts relating to the values on collection and the values payable after collection.

The details of this section are as follows:

Type	2021	2020	Variation	%
Cash value	173,020	137,584	35,436	25.8%
Values due after collection	(154,949)	(117 114)	(37,835)	(32.3%)
Total	18,071	20,470	(2,399)	(12%)

(2) The balances of accounts in foreign currencies are converted into dinars on each closing date by applying the average rate on this date. The resulting conversion gap compensated with the balances of the position accounts and against exchange position values is provisioned up to 50% if it shows a debit balance.



Details of the provisions recorded on other assets are as follows:

Description	Provision 2020	Endowment 2021	Covers 2021	Provision 2021
Staff loans	(1,732)	-	-	(1 732)
State, tax and duties	(829)	-	-	(829)
Miscellaneous inventory	(28)	-	-	(28)
Conversion gap	(12 105)	-	-	(12 105)
Accruals and deferred income	(8 133)	-	-	(8 133)
Securities submitted for clearing	(84)	(72)	-	(156)
Financial instruments as revenue	(111)	-	-	(111)
Debits adjustment	(1 251)	-	182	(1 069)
Prepaid expenses	(134)	-	-	(134)
Assigned receivables	(2 137)	-	-	(2 137)
PF payment gap due after collection	(471)	-	-	(471)
Litigations	(53 774)	(9 473)	3 264	(59 983)
Others	(10 969)	(261)	-	(11 230)
Total	(91 758)	(9 806)	3 446	(98 118)

5.8 – Central bank and CCP

As at 12/31/2021 this item totaled TND 1 461 625 000 compared with TND 1 233 106 000 as at 12/31/2020. This post is detailed as follows:

Description	2021	2020	Variation	%
Tender	1 427 000	1 045 000	382 000	36.6%
Loan facility	-	92 000	(92 000)	(100.0%)
Uses with the BCT	33 278	95 413	(62 135)	(65.1%)
Related debts	1 347	693	654	94.4%
TOTAL	1 461 625	1 233 106	228 519	18.5%

5.9 – Deposits and assets of banking and financial institutions

At 31/12/2021 this item totaled 545 024 thousand compared with 358 105 thousand at 31/12/2020. Its breakdown by type of banking and financial institution is as follows:

Description	2021	2020	Variation	%
Current accounts of banking establishments	49 479	10 557	38 922	368.7%
- Deposit banks	1	1	-	-
- Non-resident banks	49 478	10 556	38 922	368.7%
Loans from banking establishments	470 167	317 088	153 079	48.3%
- Loans in dinars	209 000	35 000	174 000	497.1%
- Foreign currency loans	261 167	282 088	(20 921)	(7.4%)
Account holding of financial institutions	23 346	28 220	(4 874)	(17.3%)
Related debts	2 032	2 240	(208)	(9.3%)
Total	545 024	358 105	186 919	52.2%

The breakdown of loans from banking and financial institutions according to the materialization of loans by interbank market securities

Description	2021	2020	Variation	%
Materialized by securities	-	-	-	-
Not materialized by securities	545 024	358 105	186 919	52.2%
Total	545 024	358 105	186 919	52.2%

The breakdown of deposits and assets of banking and financial institutions (excluding related debts) by residual maturity at 31/12/2021 is detailed as follows:

Description	≤ 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Current accounts of banking establishments	49 479	-	-	-	49 479
- Deposit banks	1	-	-	-	1
- Non-resident banks	49 478	-	-	-	49 478
Loans from banking establishments	381 594	88 573	-	-	470 167
- Loans in dinars	209 000	-	-	-	209 000
- Foreign currency loans	172 594	88 573	-	-	261 167
Have accounts with financial institutions	23 346	-	-	-	23 346
Related debts	2 032	-	-	-	2 032
Total	456 451	88 573	-	-	545 024

The breakdown of deposits and assets of banking and financial institutions (excluding related debts) according to the nature of the relationship at 12/31/2021 is detailed as follows:

Description	Related companies	Associated companies	Joint ventures	Others	Total
Current accounts of banking establishments	-	-	-	49 479	49 479
- Deposit banks	-	-	-	1	1
- Non-resident banks	-	-	-	49 478	49 478
Loans from banking establishments	-	-	-	470 167	470 167
- Loans in dinars	-	-	-	209 000	209 000
- Foreign currency loans	-	-	-	261 167	261 167
Have accounts with financial institutions	-	-	-	23 346	23 346
Related debts	-	-	-	2 032	2 032
Total	-	-	-	545 024	545 024

5.10 – Customer deposits and assets

The balance of this item amounts to 9 047 593 MD on 31/12/2021 compared with TND 8 442 133M on 31/12/2020. The deposits are detailed as follows:

Description	2021	2020	Variation	%
Sight deposits	2 616 904	2 352 223	264 681	11.3%
savings deposits	3 585 871	3 347 891	237 980	7.1%
Term account	608 453	610 879	(2 426)	(0.4%)
Accounts in convertible dinars	108 603	94 038	14 565	15.5%
Currency deposits	841 117	682 247	158 870	23.3%
Currency investments	266 122	230 989	35 133	15.2%
Coupons	586 999	561 385	25 614	4.6%
Other amounts due to customers	184 331	279 620	(95 289)	(34.1%)
Related debts	(12 807)	(4 639)	(8 168)	(176.1%)
Certificates of deposits	262 000	287 500	(25 500)	(8.9%)
Total	9 047 593	8 442 133	605 460	7.2%

The breakdown of customer deposits and assets by residual term excluding related debts is detailed as follows:

Description	Lower at 3 months	3 months at 1 year	1 year old at 5	5 years old see you	Gross outstanding
Sight deposits	3 685 283	147 349	114	-	3 832 746
Dinar sight deposits	2 616 904	-	-	-	2 616 904
Accounts in convertible dinars	108 603	-	-	-	108 603
Currency accounts	841 117	-	-	-	841 117
Currency investment	118 659	147 349	114	-	266 122
savings deposits	3 585 870	-	-	-	3 585 870
Special savings accounts	3 541 788	-	-	-	3 541 788
Other savings accounts	44 082	-	-	-	44 082
Term deposits	652 186	599 510	205 757	-	1 457 453
Term account	268 192	250 597	89 664	-	608 453
Coupons	193 494	280 413	113 093	-	587 000
Certificates of deposits	190 500	68 500	3 000	-	262 000
Other amounts due to customers	184 331	-	-	-	184 331
Total	8 107 670	746 859	205 871	-	9 060 400

The breakdown of deposits and customer deposit assets by type of relationship as at 31/12/2021 is detailed as follows:

Description	Related companies	Associated companies	Joint ventures	Others	Total
Dinar sight deposits	15 523	-	-	2 709 984	2 725 507
Currency accounts	-	3 542	-	837 575	841 117
Currency investment	-	-	-	266 122	266 122
savings deposits	-	-	-	3 585 871	3 585 871
Term account	27 000	10 400	-	571 053	608 453
Coupons	-	-	-	586 999	586 999
Certificates of deposits	7 500	5 000	-	249 500	262 000
Other amounts due to customers	-	-	-	184 331	184 331
Total	50 023	18 942	-	8 991 435	9 060 400

5.11 – Loans and special resources

The balance of this item totals 495 760 thousand DT on 31/12/2021 against 363 134 thousand DT on 31/12/2020 and breaks down as follows:

Description	2021	2020	Variation	%
Bonds & private borrowings	257 450	205 129	52 321	25.5%
Special resources	220 564	149 719	70 845	47.3%
Budget resources	78 404	63 884	14 520	22.7%
External resources	142 160	85 835	56 325	65.6%
Interest on bond issues	22 740	13 112	9 628	73.4%
Interest payable on external resources	1 908	1 121	787	70.2%
Related debts	388	388	-	-
Conversion difference on borrowing	[7 290]	[6 335]	[955]	[15.1%]
Total	495 760	363 134	132 626	36.5%

(*) Hedging against exchange rate fluctuation is covered by the national guarantee fund managed by Tunis Ré.

(a) Bonds & private borrowings

The breakdown of bond and corporate borrowings by residual term as of 12/31/2021 is detailed as follows:

Description	≤ 3 months	[3 months 1 year]	[1 year 5 years]	> 5 years	Total
Bonds and private borrowings	14 525	22 639	207 138	13 148	257 450

The breakdown of bond and corporate borrowings into long-term and short-term borrowings is detailed as of 12/31/2021 as follows:

Description	Sale 2020	New borrowings	Refunds	Reclassifications	Sale 2021
Long term loan	172 066	81 284	[33 063]	-	220 287
Short term loan	33 063	4 100	-	-	37 163
Total	205 129	85 384	[33 063]	-	257 450

(b) Special Resources

The breakdown of special resources by residual term is detailed as of 12/31/2021 as follows:

Description	≤3 months	[3 months-1 year]	[1 year-5 years]	> 5 years	Total
Special Resources	2 359	8 907	60 098	70 796	142 160
Budget resources	-	5 226	26 692	46 486	78 404

The breakdown of special resources into long-term and short-term resources is detailed as at 12/31/2021 as follows:

Description	Sale 2020	New borrowings	Refunds	Reclassifications	Revaluation	Sale 2021
Long term resources	136 294	79 503	[11 725]	-	-	204 072
Short term resources	13 425	3 067	-	-	-	16 492
Total resources before hedging	149 719	82 570	[11 725]	-	-	220 564
Hedging on Foreign Currency Resources	[6 335]	-	[955]	-	-	[7 290]
Total resources	143 384	82 570	[12 680]	-	-	213 274

The breakdown of borrowings and special resources by type is as follows:

Description	Related companies	Associated companies	Joint ventures	Others	Total
Bonds & private borrowings	13 815	-	-	243 635	257 450
Special Resources	-	-	-	220 564	220 564
Budget resources	-	-	-	78 404	78 404
External resources	-	-	-	142 160	142 160
Interest on bond issues	1 594	-	-	21 146	22 740
Interest payable on external resources	-	-	-	1 908	1 908
Related debts	-	-	-	388	388
Conversion difference on borrowing	-	-	-	[7 290]	[7 290]
Total	15 409	-	-	480 351	495 760

5.12 – Other Liabilities

This item totaled TND 740 419 thousand at 12/31/2021 against TND 752 834 thousand at 31/12/2020:

Description	2021	2020	Variation	%
Provisions for liabilities and charges (1)	284 185	256 556	27 629	10.8%
State taxes duties and social debts (2)	130 242	120 723	9 519	7.9%
Financial instruments not due (3)	21 964	22 436	(472)	(2.1%)
Reserved agios supported by the State	2 519	3 358	(839)	(25.0%)
Fees to pay	61 852	54 438	7 414	13.6%
Sundry creditors	2 213	2 363	(150)	(6.3%)
Suspension to be regularized	5 915	5 915	-	-
Headquarters branches and agencies	3 974	9 349	(5 375)	(57.5%)
Accruals-Liabilities	54 551	112 799	(58 248)	(51.6%)
Cleared securities pending settlement	154 690	147 647	7 043	4.8%
Conversion gap	2 123	-	2 123	-
Other credits	501	501	-	-
Credits to regularize	1 975	3 033	(1 058)	(34.9%)
Interest to be recovered on special resources	13 715	13 716	(1)	(0.0%)
Total in thousand TND	740 419	752 834	(12 415)	(1.6%)

(1) Provisions for liabilities and charges constituted by the bank at the end of the 2021 financial year amount to TND 284 185M compared with TND 256 556M at the end of the previous financial year. The provisions made cover risks on off-balance sheet items and miscellaneous risks and are detailed as follows:

Description	Provisions 2020	Covers	Endowments	Reassignment and correction	Provisions 2021
Prov on I/O	60 041	(1 208)	5 876	417	65 126
Prov for retirement	50 671	(5 473)	24 226	-	69 423
Prov for miscellaneous risks	145 844	(8 036)	11 827	-	149 636
Total	256 556	(14 717)	41 929	417	284 185

(2) This section is detailed as follows:

Description	2021	2020	Variation	%
Corporation tax payable	91 997	83 575	8 422	
VAT	4 283	4 348	(65)	(1.5%)
Withholding tax	17 095	18 041	(946)	(5.2%)
Exchange equalization fund	11 975	10 144	1 831	18.1%
Social solidarity contribution	105	82	23	28.0%
Others	4 787	4 533	254	5.6%
Total	130 242	120 723	9 519	7.9%

(3) This section is detailed as follows:

Description	2021	2020	Variation	%
Medium-term financial notes not due	1 432	1 357	75	5.5%
Short-term financial notes not due	-	-	-	-
Financial effects on medium-term interest not due	4 531	4 482	49	1.1%
Unmatured financial instruments received from clearing	547	547	-	-
Bills for collection not due sent to tele-clearing	3 683	1 668	2 015	120.8%
Unmatured discounted items sent for collection	11 771	14 382	(2 611)	(18.2%)
Total	21 964	22 436	(472)	(2.1%)

5.13 – Equity

On the closing date, the share capital amounted to TND 776 875 thousand. It is composed of 155 375 000 shares with a nominal value of TND 5 fully paid up. Movements in the bank's equity are detailed as follows:

(1) These are revaluation reserves for an amount of TND 37 324 thousand (land: TND15 328 thousand and operating buildings: TND 21 996 thousand). Pursuant to paragraph 41 of IAS 16 part of the balance of the revaluation difference i.e. TND 461 000 in 2021 was transferred to the results brought forward to take into account the use of revalued goods another part i.e. TND 763 corresponding to the full transfer of the revaluation difference of the assigned goods, i.e. a total amount of TND 462 thousand assigned.

Description	Sale 2020	Allocation of the 2020 result	Sale of treasury shares	Capital Increase	Distribution of dividends	The result of the accounting period	Other movements	Sale 2021
Share capital	776 875	-	-	-	-	-	-	776 875
State funding	117 000	-	-	-	-	-	-	117 000
Capital-related premiums	142 663	-	-	-	-	-	-	142 663
Legal reserves	12 430	-	-	-	-	-	-	12 430
Statutory reserves	49 479	-	-	-	-	-	-	49 479
Special Regime Reserves	196 906	-	-	-	-	-	-	196 906
Reserves for exempt reinvestments	9 974	-	-	-	-	-	-	9 974
Reserves for social fund	10 037	-	-	-	-	-	(258)	9 779
Reserves for banking risks	45 028	-	-	-	-	-	-	45 028
Own shares	(5 509)	-	-	-	-	-	-	(5 509)
Other equity (2)	22 776	-	-	-	-	-	(462)	22 314
Deferred income	(349 693)	72 159	-	-	-	-	462	(277 072)
Net income for the year	72 159	(72 159)	-	-	-	115 468	-	115 468
Total	1 100 125	-	-	-	-	115 468	(258)	1 215 335

The percentage of shares held by the bank out of the total shares outstanding.

Total number of ordinary shares	155 375 000
Number of treasury shares	679 987
The percentage of shares held by the bank out of the total shares outstanding.	0.44%

5.13.1 – State funding

Pursuant to Law No. 2012-17 of 17 September 2012, STB recorded among its shareholders' equity a State allocation of TND 117 000 thousand with the possibility of restitution in the event of restoration of the financial equilibrium of the bank.

5.13.2- Earnings per share

Description	2021	2020	Variation	%
Net profit for the year before accounting changes (in TND)	115 467 528	72 159 067	43 308 461	60.0%
Number of common shares	155 375 000	155 375 000	-	0.0%
Number of treasury shares	679 987	679 987	-	0.0%
Number of ordinary shares in circulation at the beginning of the period	155 375 000	155 375 000	-	0.0%
Number of ordinary shares outstanding at the end of the period	154 695 013	154 695 013	-	0.0%
Weighted average number of shares	155 375 000	155 375 000	-	0.0%
Profits attributable to treasury shares	505 335	315 799	189 536	60.0%
Earnings per share of TND par value	0.746	0.466	0	37.5%

6 - NOTES RELATING TO THE STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

6.1 - Contingent liabilities

The contingent liabilities item made up of the headings «Sureties, endorsements and other guarantees given» and «Documentary credits» breaks down as at 31 December 2021 into the following items:

Description	2021	2020	Variation	%
Guarantees and endorsements by order of customers	1 027 143	981 930	45 213	4.6%
Other irrevocable unconditional bank guarantees	434 151	440 711	(6 560)	(1.5%)
Total sureties endorsements and other guarantees given	1 461 294	1 422 641	38 653	2.7%
Documentary credits and import acceptances	424 259	418 805	5 454	1.3%
Documentary credits and export acceptances	64 433	20 128	44 305	220.1%
Total documentary credits	488 692	438 933	49 759	11.3%
Total contingent liabilities	1 949 986	1 861 574	88 412	4.7%

Breakdown of commitments by type of relationship

Description	Related companies	Associated companies	joint venture	Others	Total
a- In favor of banking establishments	-	-	-	-	-
Counter guarantees	-	-	-	-	-
Debtors by letters of guarantee from our foreign correspondents	-	-	-	-	-
b- In favor of customers	-	-	-	1 027 143	1 027 143
Guarantee and endorsements by order of the clientele	-	-	-	1 027 143	1 027 143
Debtors by letters of guarantee	-	-	-	-	-
Debtors by guaranteed bonds	-	-	-	-	-
Debtors by tax guarantees	-	-	-	-	-
Debtors by guarantees on public contracts	-	-	-	-	-
Commercial paper collateral	-	-	-	-	-
Debtors by bank guarantees automatic taxation	-	-	-	-	-
c- In favor of the State	-	-	-	434 151	434 151
Other irrevocable, unconditional bank guarantees	-	-	-	434 151	434 151
Bonds, endorsements and other guarantees given	-	-	-	1 461 294	1 461 294

Documentary credits

Documentary credits totaled TND 488 692 thousand at 12/ 12/2021 compared with TND 438 933 thousand on 30/12/2020. The breakdown of documentary credits by type of relationship was as follows:

Description	Related companies	Associated companies	joint venture	Others	Total
Debtors by foreign currency export letters of credit	-	-	-	64 433	64 433
Debtors by letter of credit import currencies	-	-	-	424 259	424 259
Total	-	-	-	488 692	488 692

6.2 - Commitments given

The «Commitments given» item amounted to TND 115 693 thousand at 31 December 2021 compared with TND 84 104 thousand at 31 December 2020.

Description	2021	2020	Variation	%
Funding commitments	115 592	84 003	31 589	37.6%
Securities commitments	101	101	-	-
Total	115 693	84 104	31 589	37.6%

6.3 - Guarantees received

The balance of the «Guarantees received» item amounted to TND 2 251 533 thousand at 31 December 2021 compared with 2 052 947 thousand at 31 December 2020:

Libellé	2021	2020	Variation	%
Counter guarantees received from banks established abroad	434 151	440 711	(6 560)	(1.5%)
Guarantees received from banks and financial institutions established in Tunisia	43 669	38 965	4 704	12.1%
Guarantees received from the State and insurance organizations	1 177 962	964 129	213 833	22.2%
Guarantees received from customers	595 751	609 142	(13 391)	(2.2%)
Total	2 251 533	2 052 947	198 586	9.7%

This heading applies to non-accounting figures communicated by the various departments of the bank.

Counter-guarantees received from banks are presented in contingent liabilities and guarantees received from banks.

The real guarantees received from customers to cover grants granted are not taken.

7 - NOTES RELATING TO THE INCOME STATEMENT

7.1 – Interest and similar income

Interest and similar income amounted to TND 829 417 thousand as at 31 December 2021 compared with TND 827 222 thousand as at 31 December 2020 and breaks down as follows:

Description	2021	2020	Variation	%
Interest on receivables from banking and financial institutions	18 771	19 788	(1 017)	(5.1%)
Interest on dinar money market loans	8 365	9 658	(1 293)	(13.4%)
Interest on loans in the forex market	10 406	10 130	276	2.7%
Interest on receivables from customers	786 508	784 412	2 096	0.3%
Bank interest on accounts receivable	98 367	108 687	(10 320)	(9.5%)
Interest on customer loans	688 141	675 725	12 416	1.8%
Assimilated income	24 138	23 022	1 116	4.8%
Total	829 417	827 222	2 195	0.3%

7.2 – Commissions (in products)

The amount of commissions totaled TND 132 236 thousand as at 31 December 2021 compared with TND 118 132 thousand as at 31 December 2020 and breaks down as follows:

Description	2021	2020	Variation	%
Cheques, bills transfers and account management	64 022	59 212	4 810	8.1%
Corporate securities	1 065	513	552	107.6%
Foreign exchange transactions	10 087	9 598	489	5.1%
Foreign trade operations	5 652	3 407	2 245	65.9%
Safe	42	32	10	31.3%
Studies	21 606	21 831	(225)	(1.0%)
Others	29 762	23 539	6 223	26.4%
Total	132 236	118 132	14 104	11.9%

7.3 – Profit on commercial securities portfolio and financial transactions

The balance of this item amounted to TND 91 642 thousand as at 31 December 2021 compared with TND 70 892 thousand as at 31 December 2020 and breaks down as follows:

Description	2021	2020	Variation	%
Net profit on trading securities	1 171	1 126	45	4.0%
Net interest on treasury bills	1 171	1 126	45	4.0%
Net profit (losses) on investment securities	48 467	34 247	14 220	41.5%
Dividends and similar income from investment securities	39 349	30 958	8 391	27.1%
Profit on investment securities	9 118	3 289	5 829	177.2%
Net profit on foreign exchange transactions	42 004	35 519	6 485	18.3%
Result on foreign exchange transactions	42 004	34 561	7 443	21.5%
Manual exchange commissions	-	958	(958)	(100.0%)
Total	91 642	70 892	20 750	29.3%

7.4 – Income on investment securities portfolio

Income on the investment security portfolio amounted to 70 568 thousand as at 31 December 2021 compared with TND 73 647 thousand as at 31 December 2020 and is detailed as follows:

Description	2021	2020	Variation	%
Interest and similar income on investment securities	4 316	3 840	476	12.4%
Interest and similar income on BTA investment	57 008	61 798	(4 790)	(7.8%)
Dividends and similar income / equity securities	9 244	8 009	1 235	15.4%
Total in thousand TD	70 568	73 647	(3 079)	(4.2%)

As at 31/12/2021, the breakdown of dividends and similar income into equity investments affiliated companies and companies was as follows:

Description	Related companies	Associated companies	joint venture	Others	Total in thousand TND
Dividends	2007	2 351	-	3 628	7 986
Attendance fees	123	11	-	(51)	83
SICAR income	-	-	-	1 175	1 175
Total in thousand TND	2 130	2 362	-	4 752	9 244

7.5 – Interest incurred and similar charges

Interest incurred and similar charges amounted to TND -466.907 thousand as at 31 December 2021 compared with TND -459.322 thousand as at 31 December 2020 and are detailed as follows:

Description	2021	2020	Variation	%
Transactions with banking establishments	(81 334)	(92 119)	10 785	11.7%
Customer transactions	(354 897)	(344 530)	(10 367)	(3.0%)
Loans and special resources	(30 619)	(22 412)	(8 207)	(36.6%)
Other interest and charges	(57)	(261)	204	78.2%
Total	(466 907)	(459 322)	(7 585)	(1.7%)

7.6 – Analysis of changes in net banking income

Net banking income rose 4% from the 2020 to the 2021 financial years. This change is explained as follows:

Description	2021	2020	Variation	%
Interest and similar income	829 417	827 222	2 195	0.3%
Accrued interest and similar charges	(466 907)	(459 322)	(7 585)	(1.7%)
Net interest margin	362 510	367 900	(5 390)	(1.5%)
Commissions received	132 237	118 132	14 105	11.9%
Commissions paid	(6 388)	(4 914)	(1 474)	(30.0%)
Net commissions	125 849	113 218	12 631	11.2%
Gains on commercial securities portfolio and financial transactions	91 642	70 892	20 750	29.3%
Investment securities portfolio income	70 568	73 647	(3 079)	(4.2%)
Net banking income	650 569	625 657	24 912	4.0%

7.7 - Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities

Description	2021	2020	Variation	%
Allocations to provisions on customer commitments	(108 047)	(160 941)	52 894	32.9%
Allocations to provisions for bad debts	(136 512)	(140 131)	3 619	2.6%
Additions to additional provisions	(35 865)	(50 185)	14 320	28.5%
Allocations to collective provisions	(6 901)	(34 357)	27 456	79.9%
Reversals of provisions for bad debts	100 098	189 587	(89 489)	(47.2%)
Reversals of additional provisions	85 395	140 017	(54 622)	(39.0%)
Receivables assigned to STRC or written off	(152 162)	(351 982)	199 820	56.8%
Receivables written off	(18 801)	(4 227)	(14 574)	(344.8%)
Recovery of reserved agios on receivables sold, written off or abandoned	56 701	90 337	(33 636)	(37.2%)
Allocations to provisions for risks and charges	(30 146)	(28 666)	(1 480)	(5.2%)
Allocations to provisions for risks and charges	(36 053)	(54 258)	18 205	33.6%
Benefits and pensions linked to social rehabilitation	(7 602)	(9 539)	1 937	20.3%
Reversals of provisions for risks and charges	8 036	27 831	(19 795)	(71.1%)
Reversals of provisions for retirement and social restructuring	5 473	7 300	(1 827)	(25.0%)
TOTAL	(138 193)	(189 607)	51 414	27.1%

7.8 – Allocations to provisions and result of value adjustments on the investment portfolio

As at 31 December 2021, the balance of this item is detailed as follows:

Description	2021	2020	Variation	%
Allocations to provisions for depreciation of the investment portfolio	(11 067)	(21 798)	10 731	49.2%
Allocations to provisions for managed funds	(1 173)	(5 223)	4 050	77.5%
Capital gains or losses on disposal of the investment portfolio	(368)	2 781	(3 149)	(113.2%)
Reversals of provisions for depreciation of the investment portfolio	4 429	3 503	926	26.4%
Reversals of provisions for managed funds	156	340	(184)	(54.1%)
Total	(8 023)	(20 397)	12 374	60.7%

7.9 – Other operating income

The other operating income heading reached a total of TND 10 076 thousand as at 31/12/2021 compared with TND 8 176 thousand as at 31/12/2020 detailed as follows:

Description	2021	2020	Variation	%
Income from buildings	2 365	1 052	1 313	124.8%
Interest on staff loans	7 701	7 070	631	8.9%
Other accessory products	10	54	(44)	(81.5%)
Total	10 076	8 176	1 900	23.2%

7.10 – Personal expenses

Personnel costs reached a total of TND 179 724 thousand as at 31 December 2021 compared with TND 157 011 thousand as at 31 December 2020 detailed as follows:

Description	2021	2020	Variation	%
Staff remuneration	(130 233)	(114 951)	(15 282)	(13.3%)
Social expenses	(46 590)	(39 336)	(7 254)	(18.4%)
Other staff-related expenses	(2 901)	(2 724)	(177)	(6.5%)
Total	(179 724)	(157 011)	(22 713)	(14.5%)

7.11– General operating expenses

General operating expenses reached a total of TND 88 606 thousand as at 31 December 2021 compared with TND 76 281 thousand as at 31 December 2020 detailed as follows:

Description	2021	2020	Variation	%
Rent	(4 046)	(3 792)	(254)	(6.7%)
Maintenance and repairs entrusted to third parties	(5 508)	(5 786)	278	4.8%
Works executed by third parties	(20 199)	(16 282)	(3 917)	(24.1%)
Membership fee Deposit Guarantee Fund	(23 052)	(20 264)	(2 788)	(13.8%)
Insurance premium	(1 624)	(1 531)	(93)	(6.1%)
Others	(2 661)	(2 760)	99	3.6%
Dues and taxes	(4 348)	(1 359)	(2 989)	(219.9%)
Supplies made to the business	(2 432)	(2 365)	(67)	(2.8%)
Intermediary compensation and fees	(1 490)	(1 261)	(229)	(18.2%)
Transportation and travel	(202)	(219)	17	7.8%
Miscellaneous management fees	(23 044)	(20 662)	(2 382)	(11.5%)
Total	(88 606)	(76 281)	(12 325)	(16.2%)

7.12– Profit / loss balance from other ordinary items

The profit/loss balance from other ordinary items was TND -3 523 thousand at 31/12/2021 compared with TND 5 047 thousand at 31/12/2020 and is detailed as follows:

Description	2021	2020	Variation	%
Gains from other ordinary items	13 623	9 582	4 041	42.2%
- Capital gain on sale	669	5 074	(4 405)	(86.8%)
- TFP grant	1 380	1 373	7	0.5%
- Other Earnings	11 574	3 135	8 439	269.2%
Losses from other ordinary items	(17 146)	(4 535)	(12 611)	(278.1%)
Total	(3 523)	5 047	(8 570)	(169.8%)

7.13- Corporate tax

The tax charge on profits was TND 91 529 thousand as at 31 December 2021 compared with TND 83 108 thousand as at 31 December 2020.

Description	2021	2020	Variation	%
Fiscal result	261 513	237 450	24 063	10.1%
Corporate tax	(91 529)	(83 108)	(8 421)	(10.1%)

7.14- Profit /loss balance from other one-off items

The gain/loss balance from other one-off items totaled TND 21 736 thousand as at 31 December 2021 and is detailed as follows:

Description	2021	2020	Variation	%
cyclical contribution	(5 230)	(14 231)	9 001	63.2%
covid-19 donation	(16 506)	(11 600)	(4 906)	(42.3%)
Total	(21 736)	(25 831)	4 095	15.9%

8 - NOTES TO THE CASH FLOW STATEMENT

8.1 – Net cash flow allocated to operating activities

Operating activities yielded during the 2021 financial year a negative net cash flow of TND -10 424 thousand.

The main variations are detailed as follows:

- operating income showed a surplus of 562 097 thousand dinars compared with cashed operating expenses.
- Loans and repayments on loans made by customers yielded a negative net flow of TND -696 609 thousand .
- Customer deposits and withdrawals yielded a positive net flow of TND 613 627 thousand.
- Acquisitions/sales of investment securities yielded a negative net flow of TND -183 957 thousand .
- The sums paid to staff and various creditors yielded a negative flow of TND -218 463 thousand .
- The other cash flows linked to operating activities resulted in a net disbursement of TND -23 700 thousand .

8.2 – Net cash flow allocated to investing activities

Investing activities yielded a negative net flow of TND -17 155 thousand during the 2021 financial year.

8.3 – Net cash flow allocated to financing activities

Financing activities generated during the 2021 financial year a net cash flow of TND 122 211 thousand.

8.4 – Cash and cash equivalents

The bank's cash and cash equivalents reached a balance of -978 228 as at 31 December 2021 compared with TND -1 072 860 thousand as at December 31 2020 detailed as follows:

Description	2021	2020	Variation	%
Cash CCP and liquidity recovery	78 913	73 949	4 964	6.7%
BCT	(1 007 709)	(1 014 850)	7 141	0.7%
Banks and specialized organizations	(6 418)	32 055	(38 473)	(120.0%)
Money market loans	(47 122)	(172 410)	125 288	72.7%
Trading securities	4 108	8 396	(4 288)	(51.1%)
Total	(978 228)	(1 072 860)	94 632	8.8%

9 - NOTES RELATING TO EVENTS AFTER THE APPROVAL OF THE FINANCIAL STATEMENTS

* The individual financial statements for the 2021 financial year were approved and authorized for publication by the Board of Directors on 04/05/2022;

* Consequently they do not reflect events occurring after this date.

However no particular event has occurred so far.



GENERAL REPORT OF THE STATUTORY AUDITORS

YEAR AS AT 31 DECEMBER 2021

I. Report on the Annual Financial Statements

1. Qualified Opinion

To carry out the mission that was entrusted to us by your General Assembly, we have audited the accompanying financial statements of SOCIÉTÉ TUNISIENNE DE BANQUE -STB, which comprise the balance sheet at 31 Dec. 2021, the state off-balance sheet commitments, the income statement, and the cash flow statement for the year ended on that date, as well as the appended notes, including the summary of the main accounting methods.

In our opinion, subject to the implications of the matters described in the section « Basis for Qualified Opinion,» the accompanying financial statements present fairly, in all material respects, the financial position of the SOCIÉTÉ TUNISIENNE DE BANQUE - STB at December 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting standards in Tunisia.

2. Basis for qualified opinion

We carried out our audit in accordance with the international audit standards applicable in Tunisia. Our responsibilities under these standards are more fully described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent from the Bank in accordance with the rules of ethics which apply to the audit of financial statements in Tunisia and we have fulfilled the other ethical responsibilities incumbent on us under these rules.

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

2.1 Our audit work was limited by the bank's information system which has shortcomings that impact the procedures and processes for processing and presenting financial information. These failures relate in particular to the justification and reconciliation of flows and operations and to the closing of the table of commitments .

2.2 The headings «Cash and assets with the BCT, CCP and TGT», «Receivables from banking and financial institutions», «the Central Bank and CCP» and «Deposits and assets from banking and financial institutions» include accounts which present uncleared old suspensions mainly relating to BCT Dinars, BCT Currencies and corresponding currency accounts .

Likewise, certain accounts under the headings «Other assets» and «Other liabilities» show fixed balances and suspensions relating mainly to inter-headquarters accounts (in dinars and in currencies).

The bank has undertaken work to justify and clear the operations that have remained pending, which it has entrusted to external accounting firms. This action is in progress at the year end 2021, the potential impact on the financial statement items can not be identified.

3. Key audit matters

Key audit matters are those which, in our professional judgment, have been the most significant in the audit of the financial statements for the period under review. These matters have been addressed in the context of our audit of the financial statements taken as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

We have determined that the matters described below are the key audit matters that should be communicated in our report :

3.1 Classification of receivables and estimate of provisions

Key audit matter

As at December 31, 2021, the receivables came to 13 405 million dinars, the provisions constituted to cover the risks associated with these receivables were 1 066 million dinars and the interest and reserved agios at 465 million dinars.

As indicated in the note to the financial statements 3.1 «Recognition of commitments and related income», the bank proceeds with the classification, evaluation of commitments and the recognition of related provisions as soon as it considers that the criteria defined by BCT circular n° 91-24 of December 17, 1991, as modified by subsequent circulars are fulfilled.

Given the Bank's exposure to credit risk, the estimation of which obeys quantitative and qualitative criteria requiring a high level of judgment, we have considered the classification of receivables, the evaluation of the related provisions and the calculation of interests and reserved agios as a key point in our audit.

Audit procedures implemented

Based on discussions with the Management and the examination of the auditing procedures put in place by the Bank, we became aware of the counterparty risk assessment method and the recognition of the necessary provisions taking into account the guarantees obtained. The method of classifying the Bank's commitments is mainly based on the age of the receivable.

We have therefore applied the following audit approach:

- Reconciliation of the situation of customer commitments to accounting data;
- The assessment of the methodology adopted by the Bank in terms of classification of receivables in relation to the rules issued by the Central Bank of Tunisia;
- Assessment of the reliability of the risk coverage and product reservation system ;
- Verification of the inclusion of certain qualitative criteria resulting from the operations carried out and the behavior of the relationship during the financial year;

- Examination of the guarantees retained for the calculation of provisions and the appreciation of their values, having regard to the rules enacted and the methods adopted ;
- Verification of the arithmetic calculation of the amount of provisions required on customer receivables on an individual, collective and additional basis, in application of the regulations in force;
- Verification that the proposed adjustments have been taken into account by the Bank.

3.2 Accounting for interest and commissions

Key audit matter

The interest on the commitments and commissions brought to the level of the result of the 2021 financial year stood at TND 962 million.

We considered that the inclusion of interest and commissions in profit or loss constitutes a key audit point because of the importance of this item and the limits inherent in the bank's information system.

Audit procedures implemented

As part of our audit of the accounts, our work focused more particularly on the following items:

- A review of the policies, processes and audits implemented by the bank for the recognition and accounting treatment of revenues;
- Assessment of the IT environment due to the generation and automatic inclusion of revenue in accounting;
- Verification of compliance with accounting standard NCT 24 relating to «commitments and related income in banking establishments» in terms of taking income into account and separating accounting years;
- Carrying out analytical procedures on the trend of interests and commissions;
- The verification of the reliability of the interests of booking methods;
- Verification of the appropriateness of the information provided in the notes to the financial statements.

3.3 Deconsolidation and presentation of Assimilable Treasury Bonds –ATBs

Key audit matter

The presentation of BTAs in an investment portfolio or in a commercial portfolio stems from the policy adopted by the Bank.

At December 31, 2021, the ATB portfolio value of the Bank came at 1 367 million dinars. The application of the policy adopted by the bank resulted in the presentation of an ATB portfolio of 586 million dinars in the Commercial securities portfolio (AC4) and 777 million dinars in the investment purposes portfolio (AC5).

Due to the material nature of ATB's outstandings and the use of the assumptions and intentions of the Bank's governance regarding the allocation of these securities, we believe that taking into account the portfolio and its valuation constitutes a key point in the audit.

Audit procedures implemented

We have assessed the control system put in place by the Bank concerning the valuation and accounting of its portfolio. Our work focused more particularly on the following items:

- Compliance with the provisions of accounting standard No. 25 relating to the securities portfolio in banking establishments ;
- The assessment of the Bank's liquidity policy and its corroboration with the history of the holding and placement of ATBs ;
- Assessment of the portfolio classification criteria and the reliability of the valuation models applied ;
- Verification of the information provided in the notes to the financial statements.

4 Observation paragraphs

Without calling into question our opinion expressed above, we consider it useful to draw your attention to the following points:

1. The bank's equity includes an allocation from the State in the amount of 117 million dinars constituted under Law No. 2012-17 of September 21, 2012 and accompanied by a possibility of restitution in the event of restoration of the bank's financial equilibrium.

2. The assets of the bank include 14 million dinars in respect of debts assumed by the State, over a period of 25 years without interest, and this within the framework of the finance law for the year 1999.

5 Management report

Responsibility for the management report lies with the Board of Directors. Our opinion on the financial statements does not extend to the management report and we do not express any form of assurance whatsoever thereon.

Pursuant to the provisions of article 266 of the Code of Commercial Companies, our responsibility consists in verifying the accuracy of the information given on the Bank's accounts in the management report of the Board of Directors by reference to the data appearing in the financial statements. Our work consists in reading the management report and, in doing so, in assessing whether there is a significant inconsistency between it and the financial statements or the knowledge we have acquired during the audit, or whether the report otherwise appears to have a material anomaly. If, in the light of the work we have carried out, we conclude that there is a material anomaly in the management report, we are required to report this fact.

We have nothing to report in this regard.

6 Responsibility of the Management and the Board of Directors in the preparation and presentation of the financial statements

The Board of Directors and the Management are responsible for the preparation and fair presentation of these financial statements in accordance with the corporate accounting system and internal audit which deems it necessary to enable the preparation of financial statements that are free from material anomalies, whether these result from fraud or error.

In preparing the financial statements, it is the Board and the Management's responsibility to evaluate the ability of the Bank to continue its operations, communicate, if any, the issues relating to the continuity of operations and apply the accounting principle of going concern, unless the Board of Administration and the Management intend to propose to liquidate the bank, or to cease its operations or if no other realistic solution is available to it.

It is the duty of the Board of Directors to monitor the Bank's financial reporting process.

7 Responsibility of chartered accountants in the audit of financial statements

Our objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether these result from fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance corresponds to a high level of assurance, which does not however guarantee that an audit carried out in accordance with the international auditing standards applicable in Tunisia will always allow the detection of any material anomaly that may exist. Anomalies may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could influence the economic decisions that users of financial statements make when they base themselves on such statements.

As part of an audit carried out in accordance with international auditing standards applicable in Tunisia, we exercise our professional judgment and exercise critical thinking throughout this audit. In addition,

- We identify and assess the risks that the financial statements carry material misstatement, whether due to fraud or error, design and implement audit procedures in response to these risks, and gather sufficient and appropriate evidence on which to base our opinion. The risk of non-detection of a material anomaly resulting from fraud is higher than that of a material anomaly resulting from an error, because fraud can involve collusion, falsification, willful omissions, misrepresentations or bypassing internal auditing ;
- We acquire an understanding of internal auditing items that are relevant to the audit in order to design audit procedures appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Bank's internal auditing ;
- We assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided by the management ;
- We draw a conclusion as to the appropriateness of the use by management of the accounting principle

of continuity of operations and, according to the evidence obtained as to whether or not a material uncertainty related to events or situations likely to cast significant doubt on the Bank's ability to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about that uncertainty or, if such information is not adequate, express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. Future events or situations could also cause the Bank to cease its operations ;

- We assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the underlying transactions and events in a way that gives an appropriate faithful image.
- We communicate with those charged with governance including the extent and planned schedule of work audit and our important findings, including any significant deficiencies in internal auditing that we may have identified during our audit.

II. Report on legal and regulatory obligations

As part of our co-audit mission, we have also carried out the specific verifications provided for by the standards published by the Order of Chartered Accountants of Tunisia and by the regulatory texts in force in this area.

1. Effectiveness of the internal auditing system

In application of the provisions of article 266 (paragraph 2) of the Code of Commercial Companies and of article 3 of law n° 94-117 of November 14, 1994, as amended by law n° 2005-96 of 18 October 2005, we carried out periodic checks on the effectiveness of the internal control system relating to the processing of accounting information and the preparation of financial statements. In this regard, we recall that the responsibility for the design and implementation of an internal auditing system as well as the periodic monitoring of its effectiveness and efficiency, rests with the Management and the Board of Directors.

A report dealing with the weaknesses and shortcomings identified during our audit was submitted to the Bank's management. This report discloses shortcomings that impact the procedures

and processes for processing and presenting financial information.

2. Compliance of securities accounts with the regulations in force

Pursuant to the provisions of article 19 of decree n° 2001-2728 of November 20, 2001, we carried out verifications relating to the compliance of the account keeping of securities issued by the Bank with the regulations in force.

The responsibility for ensuring compliance with the requirements of the regulations in force lies with the Management.

Based on the procedures we deemed necessary to implement, we have not detected any irregularities related to the compliance of accounts securities of the Bank with current regulations.

3. Cross-holdings

In accordance with the provisions of article 466 of the code of commercial companies «A joint-stock company cannot own shares of another joint-stock company, if the latter holds a fraction of its capital that is greater than ten percent». Two companies of the STB group hold at 31 Dec. 2021 , 305 712 shares in STB's capital.

The companies will be deprived of the voting rights attached to them during the Annual General Assembly approving the financial statements ended at December 31, 2021 .

4. Foreign exchange position

With reference to article 5 of the circular of the Central Bank of Tunisia N ° 97-08, we were not able to assess the foreign exchange position of the Bank due to the failure to keep multi-currency accounts kept in accordance with prescriptions of the Tunisian accounting standard n ° 23.

Tunis, April 6 , 2022
The Joint Auditors

Group CFA - CBC
Fathi Saidi



CSL- CNH Group
Samir Labidi



SPECIAL REPORT FROM THE STATUTORY AUDITORS FINANCIAL YEAR AS AT DECEMBER 31, 2021

Pursuant to the provisions of articles 43 and 62 of law n° 2016-48 of 11 July 2016, relating to banks and financial establishments, and articles 200 and 475 of the Code of Commercial Companies, we report below on the agreements and operations covered by these texts.

Our responsibility is to make sure of the compliance with the legal procedures for authorizing and approving these agreements or operations and of their ultimate correct translation in the financial statements.

It is not our responsibility to specifically and extensively investigate the possible existence of such agreements or operations but to communicate to you, on the basis of the information given to us and that obtained during the implementation of our auditing procedures, their essential characteristics and methods, without having to comment on their usefulness and merits. It is up to you to assess the interest attached to the conclusion of these agreements and carrying out these transactions with a view to their approval.

1. Newly completed agreements and operations

1. STB signed a foreign exchange financing agreement with the Tunisian State, its main shareholder, for an amount of 20 million Euros within the framework of the syndicated loan granted by the Tunisian banks to the State for a global amount of EUR 259,5 million and USD 150 million .

The outstanding amount of this loan as at December 31, 2021 was EUR 20 million, i.e. the equivalent of TND 65 121 million.

2. Société Tunisienne de Banque «STB» concluded with its subsidiary Société Tunisienne de Recouvrement des Créances, «STRC», an agreement for the assignment of a batch of bank debt for an amount equal to TND 27,993 million and its accessories. The assignment was granted at a price of a symbolic Tunisian dinar.

3. STB entered into a retrocession agreement with its subsidiary STB FINANCE for the second tranche of the 2021 national loan. Under this agreement, STB FINANCE must pay to STB a retrocession of the investment commission with a rate of 6.5% of the amounts invested and this upon collection of the investment commission from the issuer. The amount invoiced under this agreement is of the range of TND 97,500 thousand.

4. STB entered into a retrocession agreement with its subsidiary STB FINANCE for the third tranche of the 2021 national loan. Under this agreement, STB FINANCE must pay to STB a retrocession of the investment fee with a rate of 8% of the amounts invested and this upon collection of the investment commission from the issuer. The amount invoiced under this agreement is of the range of TND 280 thousand.

5. On 5 March 2021, STB signed an agreement with its subsidiary STB SICAR for the management of venture capital funds in the amount of 10 million dinars. This agreement was submitted to the Board of Directors meeting on June 10, 2020, which authorized the granting of an envelope of 20 million dinars.

The outstanding amount at 31 December 2021 was around 10.295 million dinars.

The remuneration of the STB SICAR, under the management of this fund, was as follows:

- Management fee of 1,25 % of the amount allocated to the end of each fiscal year ;
- Performance fee of 25%% calculated on realized capital gains net of recorded losses ;
- Commission on dividends of 10% of the dividends paid by the companies in the portfolio.

6. STB granted short-term interbank loans in foreign currency to TFB, a company belonging to the STB group, amounting to 5 million euros at 31 December 2021, equivalent to TND 16 410 million dinars.

7. By virtue of the decisions of the Minister of Finance, STB benefited from an envelope of guarantees granted by the State, the main shareholder, to cover the liabilities of certain public companies. These guarantees amount to TND 240 050 million.

8. STB entered into an investment and management agreement with its subsidiary "STB FINANCE" for the investment and management of private subordinated bond STB SUB 2020-2.

Under this agreement, STB FINANCE received a fee of 0.6% of the amount of the loan in respect of set-up fees and investment commissions. This commission is in the range of 506 503 dinars excluding tax.

As part of the preparation of the prospectus and the arrangement of the transaction, STB FINANCE received a flat-rate commission of 15,000 dinars excluding tax.

9. On March 18, 2021, STB signed with its subsidiary, STB Sécurité et Gardiennage an agreement for the provision of services the purpose of which is to provide for the guarding of premises and establishments belonging to the STB for a period of one year from its signature, renewable by tacit renewal. The price of these benefits is composed of gross wages including the benefits of the agents plus all the related employer charges with a profit margin of 5%.

The amounts invoiced for the services provided in 2021 totaled 365 thousand dinars including taxes.

10. During the 2021 financial year, the STB subscribed to the 2021 national loan issued by the Tunisian State, the main shareholder, on three tranches for 75 million dinars repayable in fine at maturity after 5 years with an interest rate equal to 8.8% (category B). At 31 December 2021, the outstanding amount of this loan was 75 million dinars

11. In financial year 21, STB provided a pre-financing loan of 28 million dinars to its subsidiary IMMOBILIERE DE L'AVENUE. The amount released totaled TND 3.542 million.

The information relating to this new credit is as follows:

- Duration: 4 years with only one annual interest at maturity;
- Repayment : Infinite with possibility of early settlement without penalty;
- Rate: MMT+2%;
- Guarantee: First mortgage on the entire property located in the North-East of Lake Tunis, with an area of 2460 m² object of the land deed n°152992 Tunis

The outstanding amount of this credit and accrued interest amounted to TND 3 672 million at 31 December 2021.

12. On December 14, 2021, STB entered into a lease agreement with its subsidiary, IMMOBILIERE DE L'AVENUE. As part of this contract, STB rented office space on the first and second floors of the building on Avenue de Paris from its subsidiary. The lease is granted for a period of one year from 1 January 2022, for an annual rent of TND 26 966 excluding taxes, renewable by tacit renewal with an increase of 2% per year from 1 January 2023.

In accordance with Article 4 of this Agreement, both parties acknowledge that the subsidiary has occupied these premises for four years without a lease agreement and without rent fixing and payment. As a result, it was agreed to set the amount of rent for this period at TND 215 731 of which TND 53 933 relate to the 2021 fiscal year.

13. During financial year 2021, STB's subsidiaries, partners and directors subscribed to STB's 2020-2 private subordinated bond for a total of 85 million dinars. The amount subscribed, amounting to 8 million dinars, is broken down as follows:

Company	Category	Amount
STB SICAR	Category A	1 000 000
STB INVEST	Category C	4 000 000
Total obligations subscribed by subsidiaries and associates		5 000 000
MAE	Category C	3 000 000
Total obligations subscribed by directors		3 000 000
Grand total in dinar		8 000 000

14. The outstanding term deposits written, during 2021, by STB's subsidiaries and associates and administrators totaled at December 31, 2021, TND 72 400 million, broken down as follows:

Relationship	Certificate of deposit	A term deposit	Total General
L'IMMOBILIERE DE L'AVENUE	-	4 300 000	4 300 000
MAGASINS GENERAUX ET ENTREPOT REEL	-	4 900 000	4 900 000
SICAV INVESTISSEUR	-	200 000	200 000
SICAV AVENIR	-	200 000	200 000
SICAV L'EPARGNE OBLIGATAIRE	5 000 000	6 000 000	11 000 000
STB MANAGER	3 500 000		3 500 000
STB SICAR	-	2 500 000	2 500 000
STE TUNISIENNE DE RECOUVREMENT	-	14 300 000	14 300 000
ACTIVHOTELS	1 000 000	-	1 000 000
STE TOURISTIQUE ED-DKHILA EXTENSION	500 000	-	500 000
GEVE	5 000 000	-	5 000 000
STAR	-	25 000 000	25 000 000
Total in dinars	15 000 000	57 400 000	72 400 000

II. Transactions carried out relating to previous agreements

1. By virtue of Law No. 2012-17 of September 21, 2012, STB noted, during the 2011 financial year, among its shareholders' equity, an allocation from the State in the amount of 117 million dinars, together with a possibility of restitution in the event of the re-establishment of the bank's financial equilibrium.

2. Prior to the audited financial year, STB entered into agreements with the Tunisian State for the management of several budgetary funds (intended to finance either non-reimbursable subsidies, or allocations, or credits) in return for the collection of commissions.

The outstanding amount of these funds budget areas amounted at 31 December 2021 to TND 78 404 million compared to TND 63 884 million at December 31, 2020.

3. Prior to the audited financial year and under the decisions of the Minister of Finance, STB has received a guarantee envelope given by the State, the main shareholder, to cover commitments of some public enterprises. At December 31, 2021, these guarantees totaled TND 547 246 million.

4. Prior to the audited financial year, STB subscribed to the 2014 national loan issued by the Tunisian State, the main shareholder, for TND 70 million repayable over 7 years with a grace period of 2 years and an interest rate equal to 6.15% (category B) and for an amount of 756 thousand dinars bought on the market and repayable over 5 years with a grace period of 1 year and an interest rate equal to 5.95% (category A). The outstanding amount of this loan i.e; TND 14 million was totally paid back during 2021.

5. Prior to the audited financial year, STB signed agreements with the Tunisian State, its largest shareholder, with foreign currency. The debt outstanding of these loans at December 31, 2021 was EUR 60 million, i.e., TND 196 353 million.

6. The loan granted by STB to the State of Tunisia, its main shareholder, through the ministries totaled TND 165 537 million (excluding syndicated loans).

7. Pursuant to the correspondence received in 2020, the State guarantee signed following the decision of the Ministerial Council of June 2, 2011 was renewed until February 15, 2021. By virtue of this decision, STB granted to its subsidiary the Banque Franco-Tunisienne «BFT» an interbank loan of TND 70 million for a period of 7 days renewable with an interest rate of 7, 2 5%.

8. STB granted to the subsidiary the Banque Franco-Tunisienne «BFT» a foreign currency short-term interbank loan that totaled at December 31, 2020, USD 700 thousand, equivalent to TND 1 515 million.

Relationship	Amount subscribed	Outstanding at 31/12/2021
SICAV L'EPARGNANT	14 132 100	7 415 560
SMGERT	100 000	60 000
STB FINANCE	700 000	350 000
STB INVEST	12 175 000	7 805 313
SICAV L'EPARGNE OBLIGATAIRE	6 180 000	6 180 000
SICAV L'INVESTISSEUR	50 000	50 000
SICAV L'AVENIR	30 000	30 000
STB SICAR	1 000 000	600 000
Total obligations subscribed by subsidiaries and associated companies	34 367 100	22 490 873
STAR	52 000 000	22 726 000
Total obligations subscribed by administrators	52 000 000	22 726 000
Grand total in Dinars	86 367 100	45 216 873

11. The outstanding term deposits subscribed, prior to fiscal year 2021, by STB's subsidiaries, associated companies and administrators totaled at 31 December 2021 an amount of TND 35 million, broken down as follows.

Relationship	Amount
la société tunisienne d'assurance et de réassurance «STAR»	30 000 000
SICAV L'EPARGNE OBLIGATAIRE	4 000 000
STE TUNISIENNE DE RECOUVREMENT	1 000 000
Total in dinars	35 000 000

9. On October 18, 2016, STB subscribed to the private subordinated bond loan issued by TFB, a company belonging to the STB group, for a total amount of EUR 16 million, i.e. the equivalent of TND 39.560 million guaranteed by the State by virtue of the decision of the Minister of Finance dated October 17, 2016.

On May 26, 2017 and March 28, 2018, STB converted the above-mentioned loan into the capital of the said company for EUR 6 million and EUR 3 million respectively, i.e. the equivalent of TND 22.253 million.

During the 2020 financial year, STB proceeded to the capital conversion of EUR 2 289 million, i.e. the equivalent of TND 5 660 million.

The outstanding amount of the loan totaled at December 31, 2020 EUR 4 711 million equivalent to TND 11 647 million.

10. Prior to the audited financial year, the directors, associated companies and subsidiaries of the STB subscribed to the various bond issues issued by the STB .

The outstanding amounts subscribed are detailed as follows :

12. Prior to the audited year, STB concluded current account associated agreements with companies belonging to the group whose outstanding at December 31, 2021 totaled TND 1 162 million detailed as follows :

Company	Outstanding at 31/12/2021	Remuneration rate
L'IMMOBILIERE DE L'AVENUE- avance CCA	1 162	Not remunerated
Total in thousand Dinars	1 162	

13. Prior to the audited financial year, STB signed several risk capital fund management agreements with its subsidiary STB SICAR. The position of these managed funds is detailed as follows:

Managed funds	Subscription date	Subscribe damount	Outstanding at 31/12/2021
STB managed funds 1	1999	8 000	4 738
STB managed funds 2	2000	8 000	5 056
STB managed funds 3	2001	5 000	3 820
STB managed funds 4	2002	6 500	5 658
STB managed funds 5	2003	6 824	5 672
STB managed funds 6	2005	2 707	1 791
STB managed funds 7	2006	800	724
STB managed funds 8	2007	9 371	6 073
STB managed funds 9	2008	4 800	4 554
STB managed funds 10	2008	8 748	8 727
STB managed funds 11	2009	6 000	6 483
STB managed funds 12	2009	9 898	11 026
STB managed funds 14	2020	10 000	10 332
ID STB managed funds 1	2002	2 000	1 233
ID STB managed funds 2	2002	2 000	1 262
ID STB managed funds 3	2003	5 436	3 751
ID STB managed funds 4	2005	360	358
ID STB managed funds 5	2006	1 133	1 207
ID STB managed funds 6	2007	4 000	3 475
Total in thousand dinars		101 577	85 941

STB SICAR's remuneration conditions for the management of these funds are summarized as follows:

- 1% Management fee taken from the assets valued at the closing date of the managed fund, paid before the deduction of all fees and commissions with a minimum of 1% of the amount of funds allocated per year ;
- 10% to 20% performance fee calculated on capital gains realized on the sale of shares or company shares and dividends paid ;
- 10% Return commission deducted from the investment income made by the funds.
- Management fee of 1.25% of the amount of the fund allocated at the end of each financial year;
- Performance fee of 25%% calculated on realised capital gains net of losses recorded;
- Commission on dividends of 10% of the dividends paid by the companies in the portfolio.

The conditions of remuneration of the SICAR STB, as part of the management of the fund entrusted in 2020, can be summarized as follows:

During the year 2021, STB recorded total expenses of TND 1040 748 thousand under these various commissions (including that relating to the new fund entrusted in 2021) .

14. By virtue of the agreements concluded with SICAV L'Épargnant, SICAV Investisseur, SICAV Avenir and SICAV l'épargne obligataire, STB acts as depositary and / or distributor of securities and funds for these SICAVs.

In consideration for the services provided in this capacity, the bank receives the following commissions :

- 0,15% of the amount of net assets of SICAV l'Épargnant calculated daily. The Commission on the 2020 financial year totaled TND 348 508 Tax incl.
- 0,2 % of the amount of net assets of SICAV L'Investisseur calculated daily. The commission on the 2021 financial year stood at TND 2 444.
- TND 1 090 (including taxes), fixed fee paid annually by SICAV Avenir.
- 0,15% of the amount of the net assets of SICAV l'épargne obligataire calculated daily. The fee relating to the 2021 financial year totaled TND 255 054 Tax incl.

15. By virtue of agreements concluded with its subsidiary STB FINANCE, STB provides securities and fund depositary for the FCP and FCP DELTA HIKMA funds, managed by STB FINANCE

In consideration for the services provided in this regard, the bank receives a fee of 0.1% (including tax) of the amount of the net assets of each fund calculated daily. The fee relating to the financial year 2021 amounted to TND 553 including taxes.

16. By virtue of s convention s concluded s with its subsidiary FINANCE STB, STB provides securities and fund depositary for the funds INNOVATION FCP and FCP CAPITAL PLUS, managed by STB FINANCE.

In consideration for the services provided in this regard, the bank receives a commission of 0.1% (excluding tax) of the amount of the net assets of each fund calculated daily. The commission relating to fiscal year 2021 amounted to TND10 579 excluding taxes.

17. By virtue of agreements with its subsidiary STB FINANCE, the latter performs the following functions :

- Management of all equity securities portfolio lines and related rights and obligations on deposit in the accounts of STB which undertakes to transfer all of its own securities portfolios on behalf of its clients. STB-Finance will retrocede to STB a commission, called brokerage commission, equal to 40% of the commissions invoiced by STB Finance relating to transactions emanating from the Bank's network. The commission relating to 2021 fiscal year totaled TND 436 excluding taxes.

In consideration for these services, STB FINANCE receives a 2% commission on all transactions entrusted to it and relating to the STB securities portfolio. However, beyond a certain amount, a ceiling will be fixed by mutual agreement between the two parties. The commission relating to fiscal year 2021 amounted to TND 1 089 excluding taxes.

- Management of securities transactions for all lines of the 2014 National Bond Loan subscribed by the STB and by its clients. STB FINANCE retrocedes to STB one-third of the commissions received in connection with the processing of the 2014 National Bond Loan lines. No amount was retroceded in 2021.

- STB shareholding management which includes operations relating to the keeping of the STB shareholder register as well as the holding of meetings and related operations. In return for these services, STB FINANCE receives an annual lump sum of 40 thousand dinars (excluding taxes).

18. STB leases some of its premises to its subsidiaries. The annual terms of the lease contracts are detailed as follows :

Subsidiaries	Amount of annual rent in Dinars	Lease start date	Increase per year	Start date of the increase	2021 Lease VAT
STRC 1 st floor	10 000 (Inc Tax)	01/07/2004	5%	Second lease year	22 564
STRC 2 nd Floor	10 000 (Inc Tax)	01/09/2001	5%	Second lease year	25 802
STRC 3 rd floor	10 000 (Inc Tax)	01/05/2005	5%	Second lease year	21 752
STB INVEST	8 400 (Exc VAT)	01/07/2004	5%	Second lease year	33 756
STB INVEST	5 227 (Exc VAT)	01/12/2011	5% (once in 2 years)	Third lease year	
STB MANAGER	5400 (Exc VAT)	01/01/2003	5%	Second lease year	31 441
STB FINANCE	27 875 (Exc VAT)	01/01/2010	5% (once in 2 years)	Third lease year	68 319
STB SECURITE ET GARDIENNAGE	4 800 (Exc VAT)	01/01/2016	5% (once in 2 years)	Third lease year	6 297
STB MOYENS GENERAUX	5 400 (Exc VAT)	01/01/2016	5% (Once in 2 years)	Third lease year	7 085
ACTIVHOTELS	5 515 (Exc VAT)	01/07/2020	5%	Second lease year	6 727
TOTAL IN DINARS					223 743

19. Prior to the audited fiscal year, STB signed a service agreement with its subsidiary, STB Sécurité et Gardiennage, the purpose of which was to provide security services for the premises and establishments belonging to STB for a period of three years from 1 st January 2016 renewable by tacit agreement. The price of security services is calculated on the basis of the gross monthly salary of each security guard plus benefits as well as the costs of the head office of the STB Sécurité et Gardiennage.

Amounts invoiced for services provided for the year 2021 have totaled the sum of TND 8 533 .

20. Prior to the audited fiscal year, STB signed a service agreement with its subsidiary, the company STB Moyens Généraux, the purpose of which was to provide cleaning services for the premises and establishments belonging to STB for a period of three years from 1 st February 2015 renewable by tacit agreement. The price of

cleaning services calculated on the basis of the gross monthly salary of each cleaning agent plus benefits as well as the head office costs of the STB Moyens Généraux.

Amounts invoiced for services provided for the year 2021 totaled TND 6 384 thousand.

21. Prior to the financial year audited, STB signed with its subsidiary STB Moyens Généraux, an agreement for the provision of human resources designed to define the terms and conditions under which the company undertakes to make human resources available to the STB for a period of three years from 1 October 2020 renewable by tacit renewal. The price of these benefits is composed of gross wages including the benefits of the agents plus all the related employer charges with a profit margin of 5%.

The amounts invoiced for the services provided in 2021 totalled 799 thousand dinars including taxes.



22. The bank loans granted by the STB to the companies, related parties, its directors and officers totaled 47,507 million dinars as of December 31, 2021, distributed as follows:

Group	Relation	Account debit	Other commitments	Grand Total
GROUP STB	STE EDDKHILA	-	2 519 311	2 519 311
	SED SOUSSE NORD	135 552	2 291 730	2 427 282
	L'IMMOBILIERE DE L'AVENUE	-	21 462 540	21 462 540
	STB INVEST	710	-	710
	STRC	-	7 142 857	7 142 857
	STB SICAR/FG STB 11D	11 011	-	11 011
	STB MOYENS GENERAUX	268 069	-	268 069
	S.T.B SECURITE GARDIENNAGE	434 359	-	434 359
	MAGASINS GENERAUX	-	202 300	202 300
Total loans/subsidiaries		849 701	33 618 738	34 468 439
GROUP BELAID MONCEF	STE SUD TRADE	-	244 700	244 700
	STPA - STE TNE DES PROD. ALUMINEUX	-	1 646 173	1 646 173
	STE CHIMEX	-	925 299	925 299
	STE GLE DES PLASTIFIANTS	-	2 229 189	2 229 189
	SOMEF TUNISIE	-	1 474 798	1 474 798
	STE VARAT TUNISIE	-	2 101 278	2 101 278
	STE SIMEF ELECTRIC AUGMENTATION CAPITAL	-	638 236	638 236
	STE SOMEF DISTRIBUTION	-	181 200	181 200
	STAR	-	3 403 328	3 403 328
	BEL LASSOUED MOHAMED TAHAR	486	-	486
Total directors		486	12 844 201	12 844 687
Secretary general		-	97 334	97 334
Deputy Director General		-	96 496	96 496
Total managers		-	193 829	193 829
Grand total in dinar		850 188	46 656 768	47 506 956

III. STB's obligations and commitments towards managers

1. The obligations and commitments towards managers as referred to in article 200 (new) II § 5 of the Code of Commercial Companies are detailed as follows :

- The former Chief Executive Officer was appointed by decision of the Board of Directors meeting on March 07, 2019. The items of compensation are the same items as those set by the bank's compensation committee and approved by STB's board of directors meeting on May 30, 2016.

The items of remuneration of the Chief Executive Officer are detailed as follows :

- a fixed item which consists of a monthly net salary fixed at 16 thousand dinars,
- and a variable annual item which does not exceed 50% of the amount of the fixed element, ie 96 thousand dinars and which will be calculated on the basis of the rate of achievement of the objectives set by the board of directors as well as financial indicators.

The benefits in kind are a company car with a quota of 500 liters of fuel per month, the payment of telephone communication costs with a ceiling of 250 dinars per month as well as the reimbursement of all costs incurred within the framework of the exercise of his activity on presentation of the related invoices.

- The items of remuneration of the former Deputy Executive Officer and the Secretary General as revised by the nomination and remuneration committee of the bank, were approved by STB's Board of Directors which met in September 16, 2020. The items of compensation for the CEO have been revised as follows :

- a fixed element which consists of a gross monthly salary fixed at TND 4 767 thousand dinars, ie a net salary of TND 2 670 thousand ;
- An additional executive premium TND 1 500 (Remuneration revised from TND 600 to TND 2000);
- And an annual variable element which does not exceed 25% of the amount of the fixed element and which will be calculated on the basis of the rate of achievement of the objectives set by the Board of Directors as well as financial indicators.

The benefits in kind are a company car with a quota of 400 liters of fuel per month as well as reimbursement of telephone charges.

- The amount of attendance fees due to the directors of the STB was fixed by decision of the Ordinary General Meeting held on 29 April 2021 at 4000 dinars net per meeting for the chairman of the board of directors and 2000 dinars net per meeting for members of the Board of Directors.

- The amount of attendance fees due to the directors members of the Standing Audit Committee and the Risk Committee has been fixed by decision of the Ordinary General Meeting convened on 29 April 2021 at 2000 dinars net and per meeting for the Chairman of each committee and 1000 dinars in net and per meeting for committee members. Chairs and members of more than one committee will be paid on the basis of their attendance on a single committee of their choice.

2. STB's obligations and commitments towards its managers, as shown in the financial statements for the year ended December 31, 2021 , were as follows (in TND) :

Nature of salary	Managing Director		Dep MD and SG		Administrators	
	Expenses of the year	Liabilities at 31/12/2021	Expenses of the year	Liabilities at 31/12/2021	Expenses of the year	Liabilities at 31/12/2021
Short-term benefits	478 525	23 019	520 522	37 743	292 500	208 265
Post-employment benefits(*)	-	-	121 983	215 080	-	-
TOTAL	478 525	23 019	642 504	252 823	292 500	208 265

(*) Post-employment benefits are set by reference to the terms of the national collective agreement for staff of banks and financial institutions.

Furthermore, and apart from the aforementioned agreements and operations, our audit work did not reveal the existence of other agreements or operations falling within the framework of the aforementioned legal texts.

Tunis, 12 April 06, 2022
The Joint Auditors

CFA -CBC Group
Fathi Saidi



CSL- CNH Group
Samir Labidi



RESOLUTIONS OF SOCIETE TUNISIENNE DE BANQUE ORDINARY GENERAL ASSEMBLY FRIDAY 29 APRIL 2021 (FISCAL YEAR 2021)

FIRST RESOLUTION:

After having heard the report of the Board of Directors relating to the 2021 financial year and the general report of the statutory auditors as well as the additional explanations provided, the Ordinary General Meeting approves the report of the Board of Directors and the financial statements of the financial year ended December 31, 2021, as presented to it.

This resolution put to the vote was adopted by a majority of those present.

SECOND RESOLUTION

After having taken note of the special report of the auditors in accordance with the provisions of article 200 and following and article 475 of the code of commercial companies as well as articles 43 and 62 of law n° 2016-48 of July 11, 2016 relating to banks and financial institutions, the Ordinary General Meeting approves all transactions falling within the scope of the provisions of said articles as they have been presented.

This resolution put to the vote was adopted by a majority of those present.

THIRD RESOLUTION

After having heard the management report relating to the STB group and the general report of the statutory auditors, the Ordinary General Assembly approves the consolidated financial statements for the financial year ended December 31, 2021, as presented to it.

This resolution put to the vote is adopted by a majority of those present.

FOURTH RESOLUTION

The Ordinary General Assembly gives the members of the Board of Directors full, final and unreserved discharge from their management relating to the 2021 financial year.

This resolution put to the vote was adopted by a majority of those present.

FIFTH RESOLUTION

On the proposal of the Board of Directors, the Ordinary General Meeting decides to allocate the result for the 2021 financial year, detailed below:

	In Dinars
- Income for the 2021 fiscal year:	115.467.527,702
- Retained earnings 2020 :	-277.071.864,639
- Results deferred 2021 :	-161.604.336,937

This resolution put to the vote was adopted by a majority of those present.

SIXTH RESOLUTION

The Ordinary General Meeting fixes:

- a net amount of 4 000 Dinars per meeting to be allocated to the Chairman of the Board of Directors.
- a net amount of 2 000 Dinars per effective attendance per meeting to be allocated to the members of the Board of Directors.
- a net amount of 2 000 Dinars per effective attendance per meeting to be allocated to the Chairman of the Permanent Internal Audit Committee and to the Chairman of the Risk Committee.
- a net amount of 1 000 Dinars per session to be allocated:

- to each member of the Permanent Internal Audit Committee and the Risk Committee
- to each Chairman or member of other committees from the Board of Directors.

Chairmen and members belonging to more than one committee may only receive one compensation calculated on the basis of their attendance at a single committee of their choice.

This resolution put to the vote was adopted by a majority of those present.

SEVENTH RESOLUTION

The Ordinary General Assembly, after noting the end of the term of the two independent directors with the approval of the financial statements for the 2021 financial year, decides to renew the term of Mrs. Rym OUESLATI and to appoint Mr. Mohamed Jilani BEJI and as independent directors, respectively chairing the Audit Committee and the Risk Committee, for a period of three years, ending at the end of the Ordinary General Assembly which will have to approve the financial statements for the 2024 financial year.

Independent members	Term
Mrs Rym OUESLATI (Chair of the Audit Committee)	2022-2024
Mr Mohamed Jilani BEJI (Chair of the Risk Committee)	2022-2024

This resolution put to the vote was adopted by a majority of those present.



EIGHTH RESOLUTION

Pursuant to the provisions of article 19 of law 94-117 of November 14, 1994 on the reorganization of the financial market as modified by law 99-92 of August 17, 1999 relating to the revival of the financial market and of the decree of Minister of Finance of November 17, 2000, the Ordinary General Meeting authorizes the Board of Directors to buy and resell STB shares on the stock market in order to regulate their prices for one year.

This resolution put to the vote was adopted by a majority of those present.

NINTH RESOLUTION

All powers are given to the legal representative of the Bank or his agent for the purpose of carrying out the necessary registration, filing and legal publication formalities.

This resolution put to the vote was adopted by a majority of those present.



STB GROUP MANAGEMENT REPORT

PRESENTATION OF THE SCOPE OF THE GROUP

OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS

GROUP OUTLOOK

GENERAL PRESENTATION OF THE STB GROUP

The STB group is formed by the parent company STB and subsidiaries in which it directly or indirectly holds more than 50% at least of the capital. STB as the parent company therefore exercises exclusive control over the companies in the group.

The STB group is made up of 13 companies broken down by business segment as follows:

- Financial division: 8 companies
- Real Estate division: 1 company
- Tourist pole: 2 companies
- Service division: 2 companies

The parent company, Société Tunisienne de Banque, is a credit institution founded in 1958 and governed by the provisions of Law No. 2016-48 of July 11, 2016. It is listed on the stock exchange and its capital amounts to 776,875 .000 dinars is fully paid up and is divided into 155,375,000 ordinary shares with a nominal value equal to 5 dinars.

The STB group essentially carries out its activities at the level of four economic poles:

- **Financial division:** this division brings together the entities approved under Law 2016/48 governing the activity of credit institutions as well as the entities whose activity is an extension of it, namely: stock market intermediation, management undertakings for the collective investment of transferable securities UCITS (Law n°88-92 of 2-8-88 and law n°2001-83 of 24-7-2001) and SICARs governed by law n°95-87 of 30 -10-95.
- **Tourist pole:** this pole brings together hotel units and entities approved for the management of hotel and tourist units.
- **Services division:** this division brings together the support and logistics entities on behalf of STB and its Subsidiaries.
- **Real estate division:** : this division brings together entities approved under law no . the construction or renovation of collective or semi-collective buildings for residential, commercial, professional or administrative use.

Presentation of the main companies belonging to the STB Group

Financial pole

STB INVEST SICAF

STB INVEST was created in 1991, its corporate purpose is to promote investment in the country under the regime of investment companies with fixed capital (SICAF).

In 2021, STB INVEST became a member of the Tunisian Association of Capital Investors.

STB FINANCE

Founded in 1967, this company operates as an intermediary on the stock market and aims to carry out all transaction and securities management operations. As part of the implementation of decisions to reorganize the subsidiaries of the STB group by business line, it was decided to transfer the management of UCITS from STB Manager to STB finance. It was decided on July 16, 2020 to transfer the management of the SICAVs.

With a view to developing commercial activity and creating better synergy within the STB group, an action plan has been initiated which essentially aims to consolidate the contribution of the subsidiaries to the formation of the group's added value and to ensure more interaction of their activities. In this context, STB Finance will play a crucial role in the expected development in terms of revenue growth on

both bond and equity markets.

As such, motivational agreements have been put in place to develop through the STB network the businesses of: Assets-Management, Corporate, IPO, Wealth Management as well as STB finance products.

SICAVs (SICAV L'INVESTISSEUR, SICAV L'EPARGNANT, SICAV L'AVENIR)

These three SICAVs are investment companies with variable capital, whose purpose is to manage a portfolio of transferable securities using its own funds.

The SICAV L'EPARGNANT is a bond SICAV while the SICAV L'INVESTISSEUR and the SICAV L'AVENIR are mixed SICAVs.

Their objectives are to provide their shareholders with regular and substantial income as well as optimal liquidity.

STB MANAGER

Created in 2002, the purpose of STB MANAGER was to manage UCITS. Its new corporate purpose has been extended to the management of the FCPRs of the STB group.

In 2021, STB MANAGER increased its share capital for an amount of TND 2 M exclusively subscribed by STB to develop its new activity.

As a first achievement, STB MANAGER has created two funds:

The «ESSOR FUND» whose amount collected is 5 MD. This Fund is in the investment phase.

STB MANAGER has set up an investment committee for the selection of projects to be financed by the said fund.

The «STB GROWTH FUND» whose planned amount is TND 30 M which are intended to finance innovative sectors and start-ups. The STB Manager prepared the deal flow of the said fund.

STB SICAR

Created in 1998, the purpose of the venture capital investment company STB SICAR is to acquire holdings for its own account or for the account of third parties in the share capital of companies with a view to retrocession.

As part of its development and the continuity of its activity, STB SICAR obtained, in 2021, 3 venture capital funds for a total of TND 13,200 thousand:

- STB group funds: "STB 15" for an amount of 10 000 thousand dinars and "ERMG 6" for an amount of 200 thousand dinars;
- Private «BIOPRO» fund for an amount of 3 000 thousand dinars.

SOCIETE TUNISIENNE DE RECOUVREMENT DES CREANCES (STRC)

The STRC, created in 1999, is the first bank debt collection company approved under Law 98-4 of February 02, 1998. The corporate purpose of the STRC is the collection of debts for its own account and for the account of others.

To meet the objectives of effectiveness and efficiency, the company has strengthened its human, material and logistical resources and developed its information system, its procedures and its organization.

In this context, several actions have been carried out:

- The implementation of the Smart Manager application for legal monitoring and investigation;
- The entry into production of a new business application;
- The start of a project to clean up the portfolio;
- The establishment of a team dedicated to the management and monitoring of debt collection from subcontractors.

Tourist Division

ACTIVHOTELS

Founded in 2006, ACTIVHOTELS is a public limited company whose purpose is the creation, acquisition, sale, rental, operation and management of any hotel, tourist or seaside complex.

ED-DKHILA

Founded in 1966, the ED-DKHILA Tourist Company aims to create and manage hotel and tourist units. Since 1968, it has been operating the "Résidence Club Skanès" holiday village located in the tourist area of Monastir, which has been rented for several years.

In order to comply with the regulations in force (Law 2016-48), CAREPP authorized the decision-making and deliberation bodies of STB, on 06/12/2018, to sell 98% of the share capital corresponding to the participation of the STB group (68%) and other shareholders (30%) .

In this context, the company has drawn up terms of reference for the choice of a specialized firm for the valuation of the company.

Real estate division

L'IMMOBILIERE DE L'AVENUE

Founded in 1931, Immobilière de l'Avenue is one of the oldest property development companies in the sector.

Following the vacancy of the position of Chairperson of the Board of Directors, a Director was appointed as Managing Director by the Board of the company for the period from 06/23/2021 to 12/23/2021.

It should be noted that the STB Board of Directors decided, on September 8, 2021, to sell the assets of Immobilière de l'Avenue.

Services division

SECURITE ET GARDIENNAGE

STB SECURITE ET GARDIENNAGE is a public limited company created in 2015 whose purpose is to ensure the security and guarding of goods and establishments and generally any service operation directly or indirectly related to its purpose.

In addition and within the framework of the synergy of the group, the STB SECURITE ET GARDIENNAGE concluded a 2nd convention of guarding services with the STB for the reinforcement of the staff of the company.

List of companies within the scope of the STB Group as at December 31, 2021

In Thousands of Dinars

	CONSOLIDATED COMPANIES	ACTIVITY POLE	COUNTRY	CAPITAL
1.	STB BANK (parent company)	CREDIT INSTITUTION	TUNISIA	776 875
2.	STB INVEST	FINANCIAL INSTITUTIONS	TUNISIA	39 352
3.	STB MANAGER	FINANCIAL INSTITUTIONS	TUNISIA	2 500
4.	STB FINANCE	FINANCIAL INSTITUTIONS	TUNISIA	6 500
5.	STB SICAR	FINANCIAL INSTITUTIONS	TUNISIA	19 495
6.	L'IMMOBILIERE DE L'AVENUE	SERVICE	TUNISIA	9 400
7.	STE TUN.RECOUVR. DES CREANCES "STRC"	FINANCIAL INSTITUTIONS	TUNISIA	39 662
8.	SOCIETE LA GENERALE DES VENTES	SERVICE	TUNISIA	4 000
9.	SOCIETE ED DKHILA	SERVICE	TUNISIA	7 500
10.	SOCIETE ACTIVHOTELS	SERVICE	TUNISIA	28 784
11.	SICAV L'INVESTISSEUR	FINANCIAL INSTITUTIONS	TUNISIA	920
12.	SICAV L'AVENIR	FINANCIAL INSTITUTIONS	TUNISIA	1 086
13.	SICAV EPARGNE OBLIGATAIRE	FINANCIAL INSTITUTIONS	TUNISIA	2 275
14.	SICAV EPARGNANT	FINANCIAL INSTITUTIONS	TUNISIA	18 002
15.	TUNISIAN FOREIGN BANK (in Euro)	CREDIT INSTITUTION	FRANCE	43 423
16.	STE MOYENS GENERAUX	SERVICE	TUNISIA	500
17.	MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	SERVICE	TUNISIA	20
18.	S.T.C VERITAS	SERVICE	TUNISIA	649
19.	SONI BANK (in thousands of FCFA)	CREDIT INSTITUTION	NIGER	14 919
20.	S.C.I "LA MAISON DU BANQUIER"	SERVICE	TUNISIA	1 773
21.	S.P.C.M "ELFEJJA"	SERVICE	TUNISIA	8 000
22.	STB SECURITE ET GARDIENNAGE	SERVICE	TUNISIA	200

STB MOYENS GENERAUX

STB Moyens Généraux is a public limited company created in 2014 whose purpose is to provide cleaning services for premises and establishments and generally any service operation directly or indirectly related to its purpose.

Following the extension of its corporate purpose, the company obtained a tax identification card stipulating a main activity "cleaning and disinfection of premises" and a secondary activity "other provision of human resources".

Thus, the company is now able to meet the needs of the Bank and its various subsidiaries in human resources to ensure support and support activities.

GENERALE DE VENTE «GEVE»

The Société Générale de vente GEVE was incorporated on July 11, 2007, by virtue of the decision of the CAREP of March 12, 2007. Its purpose is the holding, purchase and resale of any asset or real estate or furniture of in the hands of the STIA.

The 2021 financial year recorded the most significant event since the creation of GEVE consisting of the sale of the STIA I-SOUSSE Site for a value of TND 11.9 M, thus generating a capital gain on the sale of TND 9 467 M.

Classification of companies falling within the scope of the STB Group

COMPANIES CONSOLIDATED BY GLOBAL INTEGRATION

According to IAS 28.5 and NCT36, full integration is applied when the parent company has exclusive control over the company to be consolidated, i.e. the power to direct the financial and operational policies

in order to obtain the benefits of its activities, as well as the power to appoint or remove the majority of the members of the board of directors or equivalent governing body.

There are 13 globally integrated companies, including the parent company:

In Thousands of Dinars

CONSOLIDATED COMPANIES	ACTIVITY	COUNTRY	CAPITAL
STB	CREDIT INSTITUTION	TUNISIA	776 875
STB INVEST	FINANCIAL INSTITUTIONS	TUNISIA	39 352
STB MANAGER	FINANCIAL INSTITUTIONS	TUNISIA	2 500
STB FINANCE	FINANCIAL INSTITUTIONS	TUNISIA	6 500
STB SICAR	FINANCIAL INSTITUTIONS	TUNISIA	19 495
IMM. AVENUE	SERVICE	TUNISIA	9 400
STRC	FINANCIAL INSTITUTIONS	TUNISIA	39 662
GEVE	SERVICE	TUNISIA	4 000
EDDKHILA	SERVICE	TUNISIA	7 500
ACTIVHOTELS	SERVICE	TUNISIA	28 784
STBMG	SERVICE	TUNISIA	500
MGERT	SERVICE	TUNISIA	20
STBSG	SERVICE	TUNISIA	200

COMPANIES CONSOLIDATED BY EQUITY METHOD

According to IAS 28.5 and NCT36, the STB group's equity affiliates operate in diversified business sectors such as SICAVs, services and mainly tourism.

As a result, and as part of its support for the national economy, the parent company highlights this significant influence by the following facts:

- Representation on the Board of Directors or equivalent management body of the investee;
- Participation in the policy-making process through advice and logistical and financial assistance;
- Significant transactions between STB and the company held: in terms of participation and/or loan commitments (banking pool);
- An exchange of management personnel (seconded personnel).

In Thousands of Dinars

CONSOLIDATED COMPANIES	ACTIVITY POLE	COUNTRY	CAPITAL
SICAV L'INVESTISSEUR	FINANCIAL INSTITUTIONS	TUNISIA	920
SICAV L'AVENIR	FINANCIAL INSTITUTIONS	TUNISIA	1 086
SICAV EPARGNE OBLIGATAIRE	FINANCIAL INSTITUTIONS	TUNISIA	2 275
SICAV EPARGNANT	FINANCIAL INSTITUTIONS	TUNISIA	18 002
TUNISIAN FOREIGN BANK	CREDIT INSTITUTION	FRANCE	43 423
S.T.C VERITAS	SERVICE	TUNISIA	649
SONI BANK	CREDIT INSTITUTION	NIGER	14 919
S.C.I " LA MAISON DU BANQUIER"	SERVICE	TUNISIA	1 773
S.P.C.M "ELFEJJA"	SERVICE	TUNISIA	8 000

Evolution of the percentage of control and the percentages of interests

CONTROL PERCENTAGES

Control is the power to direct the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The percentage of control reflects the direct and/or indirect dependency link between STB and the consolidated companies. It makes it possible to determine the companies that must be included in

the scope of consolidation as well as the consolidation methods to be applied. The percentage of control expresses the number of voting rights held by STB in the consolidated company. It is calculated by adding together all the voting rights held directly or indirectly by the companies placed under the exclusive control of STB.

The following table presents the control percentages as of December 31, 2021, as well as those as of December 31, 2020:

CONSOLIDATED COMPANIES	% of Group Control		
	2021	2020	Var %
1. STB BANK (parent company)	100,00%	100,00%	0,00%
2. STB INVEST	95,05%	94,60%	0,44%
3. STB MANAGER	99,99%	99,96%	0,03%
4. STB FINANCE	96,71%	96,71%	0,00%
5. STB SICAR	99,50%	99,50%	0,00%
6. L'IMMOBILIERE DE L'AVENUE	99,90%	99,90%	0,00%
7. STE TUN.RECOUVR. DES CREANCES "STRC"	100,00%	100,00%	0,00%
8. SOCIETE LA GENERALE DES VENTES	50,00%	50,00%	0,00%
9. SOCIETE ED DKHILA	67,87%	67,87%	0,00%
10. SOCIETE ACTIVHOTELS	100,00%	100,00%	0,00%
11. SICAV L'INVESTISSEUR	78,17%	78,29%	-0,12%
12. SICAV L'AVENIR	98,35%	98,37%	-0,03%
13. SICAV EPARGNE OBLIGATAIRE	1,61%	1,98%	-0,36%
14. SICAV EPARGNANT	8,83%	3,35%	5,48%
15. TUNISIAN FOREIGN BANK	49,46%	49,46%	0,00%
16. STE MOYENS GENERAUX	99,98%	99,98%	0,00%
17. MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	49,95%	49,95%	0,00%
18. S.T.C VERITAS	27,06%	27,06%	0,00%
19. SONI BANK	25,00%	25,00%	0,00%
20. S.C.I " LA MAISON DU BANQUIER"	19,96%	19,96%	0,00%
21. S.P.C.M "ELFEJJA"	20,00%	20,00%	0,00%
22. STB SECURITE ET GARDIENNAGE	99,90%	99,90%	0,00%

INTEREST PERCENTAGES OR FINANCIAL DEPENDENCE ON THE GROUP

The percentage of interest expresses the share of capital held by STB directly and/or indirectly in each consolidated company. Unlike the percentage of control which determines the method of

consolidation, the percentage of interest allows the implementation of consolidation. Indeed, it makes it possible to assess the rights of STB in the net assets of the consolidated companies as well as the share due to minority shareholders.

It is also used as a primary tool in implementing consolidation entries when eliminating reciprocal transactions and allocating equity. The percentage of interest is calculated by taking the sum of the percentages of capital held directly by the parent company in the capital of the subsidiary and the

product of the percentages of capital held directly and indirectly in the sub-subsidiaries.

The following statement presents the interest percentages as of December 31, 2021, as well as those as of December 31, 2020:

CONSOLIDATED COMPANIES	% of Group Interest		
	2021	2020	Var %
1. STB BANK (parent company)	99,98%	99,99%	0,00%
2. STB INVEST	94,72%	94,73%	0,00%
3. STB MANAGER	99,40%	97,05%	2,35%
4. STB FINANCE	95,55%	95,55%	0,00%
5. STB SICAR	98,58%	98,58%	0,00%
6. L'IMMOBILIERE DE L'AVENUE	99,16%	99,16%	0,00%
7. STE TUN.RECOUVR. DES CREANCES "STRC"	99,72%	99,72%	0,00%
8. SOCIETE LA GENERALE DES VENTES	49,99%	49,99%	0,00%
9. SOCIETE ED DKHILA	67,51%	67,51%	0,00%
10. SOCIETE ACTIVHOTELS	99,93%	99,94%	0,00%
11. SICAV L'INVESTISSEUR	75,85%	75,97%	-0,12%
12. SICAV L'AVENIR	97,55%	97,58%	-0,03%
13. SICAV EPARGNE OBLIGATAIRE	1,56%	1,89%	-0,34%
14. SICAV EPARGNANT	8,68%	3,20%	5,48%
15. TUNISIAN FOREIGN BANK EX « U.T.B»	49,45%	49,45%	0,00%
16. STE MOYENS GENERAUX	97,15%	97,15%	0,00%
17. MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	49,93%	49,94%	0,00%
18. S.T.C VERITAS	27,05%	27,05%	0,00%
19. SONI BANK	25,00%	25,00%	0,00%
20. S.C.I "LA MAISON DU BANQUIER"	19,96%	19,96%	0,00%
21. S.P.C.M "ELFEJJA"	20,00%	20,00%	0,00%
22. STB SECURITE ET GARDIENNAGE	97,06%	97,06%	0,00%

OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS

STB Group key figures

In millions of dinars		dec 2017	dec 2018	dec 2019	dec 2020	dec 2021	CAGR
Activity	Total assets	9 089,9	10 615,0	11 406,8	12 348,4	13 602,1	10,6%
	Customer deposits	5 985,5	6 340,1	7 331,9	8 413,7	8 982,9	10,7%
	Outstanding net customer loans	6 043,7	7 074,1	7 974,2	9 081,7	9 718,1	12,6%
Results	Intermediation margin	158,2	247,9	359,4	361,9	363,4	23,1%
	Volume of net commissions	75,7	86,2	103,0	115,9	132,1	15,0%
	Sales figures	634,3	835,5	1 043,3	1 083,0	1 124,4	15,4%
	Net banking income	350,6	465,0	596,6	621,3	654,9	16,9%
	Operating expenses	245,3	240,7	255,7	273,5	314,8	6,4%
	Net income for the year	17,6	59,9	178,7	68,4	128,5	64,3%
Equity	Capital	776,9	776,9	776,9	776,9	776,9	0,0%
	Consolidated reserves	-314,0	79,8	132,7	300,8	378,9	
	Treasury shares	-5,5	-5,5	-5,5	-5,5	-5,5	0,0%
	Results for the period	17,6	59,9	178,7	68,4	128,5	64,3%
	Equity	475,0	911,1	1 082,7	1 140,6	1 278,8	28,1%
Profitability	Return on equity (ROE)	3,9%	7,0%	19,8%	6,4%	11,2%	
	Return on assets (ROA)	0,2%	0,6%	1,6%	0,6%	1,0%	
	Net results / NBI	5,0%	12,9%	30,0%	11,0%	19,6%	
	Net commissions / NBI	21,6%	18,5%	17,3%	18,7%	20,2%	
	Intermediation margins / NBI	45,1%	53,3%	60,2%	58,2%	55,5%	
	Net commissions / payroll	49,9%	54,0%	60,9%	65,1%	64,5%	
	Operating coefficient	70,0%	51,8%	42,9%	44,0%	48,1%	

CHANGES IN THE CONSOLIDATED BALANCE SHEET

At asset item level:

At the end of 2021, the total assets of the STB group amounted to TND 13 602.1 M, up by TND 1 253.6 MD ie, 10.2% compared to its level at the end of 2020. The increase recorded is explained by the main variations following:

- Increase in outstanding customer receivables of TND +636.4 M ie, +7.0% which amounted to TND 9 718.1 M at the end of the 2021 financial year. This increase is due to the parent company which saw its outstanding amount increased by TND 650.7 M ie, 7.2%;
- Increase in the commercial securities portfolio of TND +184.1 M ie, +37.8%, observed mainly at company level (TND +174.7 M ie, +38.3%);
- Growth of the investment securities portfolio of TND+65.1 M ie, +6.2%, almost concentrated at the level of the parent company's portfolio;
- Increase in assets and cash with the BCT by TND 240.6 M and receivables on banking and financial institutions by TND 203.7 M. These changes were recorded mainly in the accounts of the parent company.

At the level of liability items:

The Group's total liabilities recorded an increase of TND+1,111.9 M ie, +9.9% which is mainly explained by the following variations:

- Deposits and customer assets: TND +569.2 M ie, +6.8% thus bringing their outstanding balance at the end of the 2021 financial year to 8 982.9 M compared to 8 413.7 M at the end of 2020. In this respect, the parent company recorded an increase of TND +605.5 M ie, +7.2%
- Deposits and assets of banking and financial institutions: TND+185.9 M ie, +51.6%
- Loans and special resources: TND+128.8 M ie +36.6% the outstanding amount of this category of parent company resources increased by TND +132.6 M ie, +36.5%

At the level of equity items:

The total equity of the STB group stood at 1 278.8 M at the end of 2021 compared to 1 140.6 M at the end of

the 2020 financial year, thus recording an increase of TND+138.3 M ie, +12.1%.

This variation is attributed to the rise in consolidated reserves of TND 78 M ie, 26.0% and the consolidation of the group's result of TND 60 M i.e, 87.9%

This last assessment concerned the consolidated results of the parent company (TND+48.8 M) and to a lesser degree those of the STRC, STB Finance, SONIBANK, GEVE and ACTIVHOTELS whose cumulative consolidated results are TND 9.3 M

EVOLUTION OF THE GROUP'S RESULT AND ITS MAIN COMPONENTS

At the end of December 2021, the consolidated net result of the STB group increased by TND 60.1 M ie, 87.9% to stand at TND128.5 M compared to TND 68.4 M at the end of 2020. This result comes mainly from the positive contributions from the parent company (TND116.0 M).

The analysis of the components of the group's net income reveals the following remarks:

- Net banking income stood at TND 654.9 M, recording an increase of 33.7 MD or 5.4%, breaking down as follows:
 - banking operating income: TND+ 41.4 M ie, 3.8%
 - banking operating expenses: TND +7.8 M ie, 1.7%
- Operating expenses increased by 41.3 million dinars to total 314.8 million dinars at the end of December 2021. This situation is explained by the increase in:
 - Payroll: TND+ 26.6 M to total TND 204.7 M at the end of 2021
 - General operating expenses: TND+ 15.3 M to total TND 94.4 M
- The cost/income ratio stood at 47.9% at the end of the 2021 financial year compared to 44.0% recorded at the end of 2020. As for that of the parent company, it reached 43.4% in 2021 compared to 39 .6% at the end of 2020.
- The group's operating result increased by TND 76.3 M ie, 43.5% to total 251.7 million dinars at the end of December 2021 compared to 175.3 million dinars at the end of 2020.

The 2021 financial year ended with a positive consolidated result of TND 128.5 MD compared a similar result of TND 68.4 M as at December 31, 2020. The contribution to the consolidated result of the parent company and its subsidiaries can be detailed in comparison as following:

Description	2021	2020	Variation	%
Contribution of the consolidating parent company	116,1	67,1	48,9	72,8%
Contribution of entities in the banking sector	(1,7)	(4,6)	2,9	62,9%
Contribution of entities in the financial services sector	8,3	4,5	3,8	84,9%
Contribution of entities in the other services sector	5,9	1,4	4,6	335,6%
Total	128,5	68,4	60,1	87,9%

Breakdown of the group's net income and reserves according to the consolidation standard:

The breakdown of reserves and consolidated results is detailed as follows:

In Thousands of Dinars

Consolidated Companies	Consolidated Reserves		Consolidated Incomes	
	2021	2020	2021	2020
FULLY INTEGRATED COMPANIES	360 967	292 361	126 565	70 220
1 STB BANK (parent company)	384 356	313 174	116 009	67 144
2 STB INVEST	16 364	15 502	1 510	1 497
3 STB MANAGER	800	1 157	(687)	(383)
4 STB FINANCE	1 162	1 031	1 163	68
5 STB SICAR	5 563	5 464	36	(32)
6 L'IMMOBILIERE DE L'AVENUE	(4 965)	(1 056)	(1 259)	(1 160)
7 STE TUN.RECOUVR. DES CREANCES "STRC"	(39 494)	(40 346)	4 919	2 727
8 SOCIETE LA GENERALE DES VENTES	(936)	(1 846)	3 754	924
9 SOCIETE ED DKHILA	(273)	472	(932)	(745)
10 SOCIETE ACTIVHOTELS	(2 929)	(2 770)	1 526	(178)
11 STE MOYENS GENERAUX	(174)	(19)	17	(16)
12 MAGASINS GENERAUX ET ENTREPOS REELS DE TUNIS	1 646	1 677	358	448
13 STB SECURITE ET GARDIENNAGE	(153)	(79)	151	(74)
EQUITY COMPANIES	17 982	8 430	1 961	(1 807)
14 SICAV L'INVESTISSEUR	355	18	(37)	24
15 SICAV L'AVENIR	9	6	12	30
16 SICAV EPARGNE OBLIGATAIRE	(161)	(484)	154	101
17 SICAV EPARGNANT	14 226	(492)	1 198	441
18 TUNISIAN FOREIGN BANK EX « U.T.B »	(35 801)	(27 848)	(6 154)	(7 586)
19 S.T.C VERITAS	1 033	1 008	549	90
20 SONI BANK	34 762	33 824	4 461	3 018
21 S.C.I "LA MAISON DU BANQUIER"	(455)	(463)	35	21
22 S.P.C.M "ELFEJJA"	4 014	2 861	1 743	2 054
TOTAL	378 949	300 791	128 526	68 413

GROUP OUTLOOK

The main perspectives of the STB group as designed within the framework of the development of the business plan of the Subsidiaries covering the period 2021-2025, are as follows:

- Acquisition of strategic holdings in financial companies;
- Restructuring of the Private Equity division;
- Sale of the company ED-DKHILA and the company L'IMMOBILIERE de L'AVENUE in the context of the application of article 75 of law 48-2016;
- Design of a tool for managing and measuring the performance of the STB group;
- Adoption of IFRS standards by the subsidiaries of the STB group;
- Compliance with the provisions of Articles 53 and 54 of Circular No. 2021-05 of August 19, 2021 regarding governance within the STB group and the establishment of a system for exchanging information between group entities .



CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

CONSOLIDATED BALANCE SHEET

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME BY DIVISION 2021

CONSOLIDATED STATEMENT OF INCOME BY BUSINESS LINE 2020

CONSOLIDATED INDICATORS 2021

CONSOLIDATED INDICATORS 2020

CONSOLIDATED RESULTS ENDED AT DECEMBER 31, 2021

(Unit : Thousand Dinars)

		Notes	2021	2020	Variation	%
Assets						
AS1	Cash and assets with the BCT, CCP and TGT	6.1	533 470	292 836	240 634	82,2%
AS2	Receivables from banking and financial institutions	6.2	571 959	368 309	203 650	55,3%
AS3	Receivables from customers	6.3	9 718 101	9 081 688	636 413	7,0%
AS4	Commercial securities portfolio	6.4	670 811	486 710	184 101	37,8%
AS5	Investment portfolio	6.5	1 121 828	1 056 739	65 089	6,2%
AS5b	Equity-accounted securities	6.6	108 153	100 144	8 009	8,0%
AS6	Deviations acquisition	6.7	143 724	146 302	(2 578)	(1,8%)
	Fixed assets		580	696	(116)	(16,7%)
AS7	Deferred tax asset	6.8	733 460	815 023	(81 563)	(10,0%)
	Other assets		13 602 086	12 348 447	1 253 639	10,2%
Liabilities						
LI1	Banque Centrale and CCP	6.9	1 461 625	1 233 106	228 519	18,5%
LI2	Deposits and assets of banking and financial institutions	6.10	546 276	360 361	185 915	51,6%
LI3	Customer deposits and assets	9.11	8 982 913	8 413 681	569 232	6,8%
LI4	Loans and special resources	6.12	480 350	351 555	128 795	36,6%
	Deferred tax liability		34 962	32 397	2 565	7,9%
LI5	Other liabilities	6.13	805 567	808 659	(3 092)	(0,4%)
	Total liabilities		12 311 693	11 199 759	1 111 934	9,9%
	Minority Interests		11 551	8 117	3 434	42,3%
Equity						
EQ1	Capital	6.14	776 875	776 875	-	-
EQ3	Consolidated reserves	6.15	378 949	300 791	78 158	26,0%
EQ4	Treasury shares		(5 508)	(5 508)	-	-
EQ7	Consolidated result		128 526	68 413	60 113	87,9%
	Total Equity	6.14	1 278 842	1 140 571	138 271	12,1%
	Total equity and liabilities		13 602 086	12 348 447	1 253 639	10,2%

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS ENDED ON DECEMBER 31, 2021

(Unit : Thousand Dinars)

		Notes	2021	2020	Variation	%
Contingent liabilities						
CL1	Sureties, endorsements and other guarantees given		1 461 294	1 422 640	38 654	2,7%
CL2	Documentary credits		488 692	438 934	49 758	11,3%
Total contingent liabilities		7.1	1 949 986	1 861 574	88 412	4,7%
Given commitments						
GC4	Financing commitments given		115 590	73 730	41 860	56,8%
GC5	Securities commitments		101	101	-	-
Total given commitments		7.2	115 691	73 831	41 860	56,7%
Received commitments						
RC7	Guarantees received		2 208 276	2 025 200	183 076	9,0%
Total received commitments		7.3	2 208 276	2 025 200	183 076	9,0%

CONSOLIDATED INCOME STATEMENT

PERIOD FROM JANUARY 1 TO DECEMBER 31, 2021

(Unit : Thousand Dinars)

		Notes	2021	2020	Écart	%
Banking products						
BP1	Interest and similar income	8.1	827 974	819 451	8 523	1,0%
BP2	Commissions (in products)	8.2	137 014	120 021	16 993	14,2%
BP3	Gains on commercial securities portfolio and financial transactions	8.3	91 895	71 918	19 977	27,8%
BP4	Investment Portfolio Income	8.4	67 514	71 585	(4 071)	(5,7%)
Total banking products			1 124 397	1 082 975	41 422	3,8%
Banking expenses						
BE1	Interest incurred and similar expenses	8.5	(464 569)	(457 574)	(6 995)	(1,5%)
BE2	Commissions incurred		(4 887)	(4 122)	(765)	(18,6%)
BE3	Losses on commercial securities portfolio and financial transactions		-	-	-	-
Total banking expenses			(469 456)	(461 696)	(7 760)	(1,7%)
Net banking income			654 941	621 279	33 662	5,4%
BP5-BE4	Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities	8.6	(123 631)	(190 606)	66 975	35,1%
BP6-BE5	Allocations to provisions and result of value adjustments on the investment portfolio	8.7	(2 708)	(1 053)	(1 655)	(157,2%)
BP7	Other operating products	8.8	37 834	19 193	18 641	97,1%
BE6	Staff costs	8.9	(204 664)	(178 089)	(26 575)	(14,9%)
BE7	General operating expenses	8.10	(94 399)	(79 078)	(15 321)	(19,4%)
BE8	Allocations to depreciation and provisions on fixed assets		(15 705)	(16 317)	612	3,8%
Operating income			251 668	175 329	76 339	43,5%
BP11	Share in the results of companies accounted for using the equity method		1 988	(1 789)	3 777	211,1%
BP8-BE9	Profit/loss balance from other ordinary items	8.11	(1 292)	5 339	(6 631)	(124,2%)
BE11	Income tax	8.12	(98 247)	(83 522)	(14 725)	(17,6%)
Income from ordinary activities			154 117	95 357	58 760	61,6%
BP9-BE10	Profit/loss balance from other extraordinary items		(21 736)	(25 831)	4 095	15,9%
Consolidated net income for the year			132 381	69 526	62 855	90,4%
BP9-BE10	Minority interests in the income		3 855	1 113	2 742	246,4%
Income after accounting change			128 526	68 413	60 113	87,9%

CONSOLIDATED CASH FLOW STATEMENT

PERIOD FROM JANUARY 1 TO DECEMBER 31, 2021

(Unit : Thousand Dinars)

	Notes	2021	2020	Écart	%
Operating activities					
Banking income received		997 319	944 160	53 159	5,6%
Banking operating expenses disbursed		(428 555)	(429 370)	815	0,2%
Deposits / withdrawals of deposits with banking and financial institutions		40 003	(194 768)	234 771	120,5%
Loans and advances / repayments loans and advances granted to customers		(666 573)	(1 210 258)	543 685	44,9%
Deposits / withdrawal of customer deposits		576 899	1 069 061	(492 162)	(46,0%)
Acquisitions / disposals of investment securities		(189 775)	(124 720)	(65 055)	(52,2%)
Amounts paid to staff and sundry creditors		(243 756)	(163 420)	(80 336)	(49,2%)
Other cash flows from operating activities		5 688	(312 167)	317 855	101,8%
Income tax		(109 674)	(164 339)	54 665	33,3%
Net cash flow from operating activities	9.1	(18 424)	(585 821)	567 397	96,9%
Investing activities					
Interest and dividends received on investment portfolio		62 777	70 790	(8 013)	(11,3%)
Acquisitions / disposals on investment portfolio		(61 770)	(48 634)	(13 136)	(27,0%)
Acquisitions / disposals of fixed assets		(11 735)	(12 824)	1 089	8,5%
Net cash flow from investing activities	9.2	(10 728)	9 332	(20 060)	(215,0%)
Financing activities					
Issuance / Repayment of loans		52 423	5 057	47 366	936,6%
Emissions / Reimbursement of special resources		66 821	37 633	29 188	77,6%
Dividends paid and other distributions		(23)	(472)	449	95,1%
Net cash flow allocated to financing activities	9.3	119 221	42 218	77 003	182,4%
Impact of changes in exchange rates on cash and cash equivalents		(145)	(42)	(103)	(245,2%)
Impact of change in scope on cash and cash equivalents		-	-	-	-
Impact of reclassifications and corrections on cash and cash equivalents		-	-	-	-
Net change in cash and cash equivalents	9.3	89 924	(534 313)	624 237	116,8%
Cash and cash equivalents at the beginning of the period		(1 066 967)	(532 654)	(534 313)	(100,3%)
Cash and cash equivalents at end of period	9.4	(977 043)	(1 066 967)	89 924	8,4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021

(AMOUNTS EXPRESSED IN THOUSANDS OF TUNISIAN DINARS -TND)

NOTE 1 - PRESENTATION OF THE GROUP

The STB Group is made up of the bank, parent company, 13 subsidiary companies and 8 associated companies, operating mainly in the financial, banking and other service sectors. The Group is presented at 12/31/2021 as follows:

STB: Société Tunisienne de Banque Credit institution, Bank Headquarters: Hédi Nouria Street - 1001 Tunis - Tunisia	
Financial services	
STB SICAR Sawarby BLOCK Centre Urbain Nord 1003 Tunis	STB INVEST STB BLOCK -34, Hédi KARRAY Street- 1004 El Menzah
STB FINANCE STB BLOCK 34, Hédi KARRAY Street 1004 El Menzah	SOCIETE TUNISIENNE DE RECOUVREMENT DES CREANCES Habib Bourguiba Avenue – Africa BLOCK 1000 Tunis
STB MANAGER STB BLOCK 34, Hédi KARRAY Street 1004 El Menzah	SICAV L'INVESTISSEUR STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah
SICAV L'EPARGNE OBLIGATAIRE STB BLOCK 34, Hédi KARRAY Street 1004 El Menzah	SICAV L'EPARGNANT STB, Hédi NOUIRA Street 1001 TUNIS
SICAV AVENIR STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah	
Banking services	
TUNISIAN FOREIGN BANK 19, Pyramids Street 75001 Paris	SONI BANK AVENUE OF LA MAIRIE NIAMEY NE 0891, Africa Avenue, Niamey, Niger
Other services	
GEVE C / O STB BLOCK Hédi NOUIRA Street 1001 Tunis	SOCIETE ACTIVHOTELS C / O BLOCK STB Med V 1001 Tunis
STB MOYENS GENERAUX 1, Entrepreneurs Street 1001 Tunis	STB SECURITE ET GARDIENNAGE 1, Entrepreneurs Street 1001 Tunis
ED-DKHILA 25, Jean Jaurès Avenue 1002 Tunis	STVC VERITAS BP 728, Les Berges du Lac. 1080 LES BERGES DU LAC Tunis
L'IMMOBILIERE DE L'AVENUE 31, Paris Avenue, 1002 Tunis	MAISON DU BANQUIER 13 Khereddine Pacha Avenue 1002 Tunis
Hôtel d'entreprises, Pôle industriel «EL FEJJA» 1153 Mornaguia - La Mannouba	Magasins Généraux et Entrepôt Réel de Tunisie MGERT I32 bis LA CHIMIE Street, Sidi Rezig

STB's head office is located at Avenue Hédi Nouria 1001 Tunis. Its network includes 147 branches, 188 ATMs, 11 regional offices and 2 subsidiaries.

The capital structure of the Bank as at 31 December 2021 was as follows:

Shareholders	Number of shares	Amount in thousands of TND	% of Capital
A - TUNISIAN SHAREHOLDERS	153 750 439	768 752	99,0%
Tunisian State	111 160 004	555 800	71,5%
Public enterprises	18 408 461	92 042	11,8%
Private Companies	11 290 569	56 453	7,3%
The Bank's Buyback of its Securities	679 987	3 400	0,4%
Individuals	12 211 418	61 057	7,9%
B - FOREIGN SHAREHOLDERS	1 624 561	8 123	1,0%
Companies	1 516 981	7 585	1,0%
Individuals	107 580	538	0,1%
TOTAL	155 375 000	776 875	100,0%

NOTE 2 – REFERENCE BASE FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

STB group's consolidated financial statements are drawn up in accordance with the provisions of law n° 96-112 dated 30 December 1996, relating to the Company Accounting System, decree n° 96-2459 dated 30 December 1996, approving of the Conceptual Framework of Accounting and the Tunisian Accounting Standards, including in particular Sectoral Accounting Standards n° 21 to 25 published by order of the Minister of Finance dated 25 March 1999 as well as Technical Accounting Standards n° 35 to 39 published by order of the Minister of Finance of 1 December 2003.

NOTE 3 - BASIS OF MEASUREMENT AND ACCOUNTING PRINCIPLES APPLIED

The consolidated accounts are drawn up on the basis of the individual annual accounts of STB and all the significant subsidiaries controlled by it.

The most significant accounting principles applied are summarized as follows:

3.1- PRINCIPLES OF CONSOLIDATION

3.1.1- Consolidation methods

Full consolidation method

Fully consolidated companies are companies over which the group exercises an exclusive control by right, presumed or de facto control. The group has exclusive control of a subsidiary when it is able to

direct the financial and operating policies of an entity in order to benefit from its activities.

This method consists of substituting for the amount of equity securities the assets, liabilities, expenses and income of each of the consolidated companies, indicating the share of minority interests in consolidated shareholders' equity, and in the consolidated result of the accounting year.

The full consolidation method consists of the following successive steps:

- The individual financial statements of the parent company and its subsidiaries are combined line by line by adding similar items such as assets, liabilities, equity, income and expenses;
- The book value of the parent company's stake in each subsidiary and the parent' company's share in the equity of each subsidiary are eliminated;
- Minority interests in the net income of consolidated subsidiaries for the accounting year are identified and subtracted from the group's income in order to obtain the net income attributable to the owners of the parent company;
- Minority interests in the equity of consolidated subsidiaries are identified and presented in the consolidated balance sheet separately from the liabilities and equity of the parent company.
- Minority interests in equity include the amount at the date of the original consolidation, calculated according to NC38, relating to business combinations and the minority interests in movements in equity since the date of the consolidation;

- Intra-group balances and intra-group transactions and the resulting unrealized profits are reciprocally eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless the cost cannot be recovered;
- Temporary differences resulting from the elimination of unrealized profits and losses resulting from intra-group transactions are treated in accordance with accounting rules relating to income tax.

Equity method

Equity-accounted companies are companies over which the group exercises only significant influence. The group exercises significant influence over a company when it is in a position to participate in the financial and operational policy decisions of the company held, without, however, exercising control over these policies.

Under the equity method, the investment is initially recorded at cost and the book value is increased or decreased to factor in the investor's share in the results of the company held after the date of acquisition. Distributions received from the investee reduce the book value of the investment. Adjustments to the book value may also be necessary for changes due to changes in the equity of the business held that have not been included in the income statement.

Thus, the value of equity securities will be replaced by the group's share in equity, including the result of companies accounted for by the equity method.

3.1.2 - Rules specific to consolidation

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances..

• Full consolidation for subsidiaries carrying out an activity different from those of entities operating in the field of financial services

All the subsidiaries controlled exclusively by STB are fully consolidated, regardless of their sector of activity. The financial statements of consolidated companies are restated in order to bring them into conformity with the accounting rules, valuation and presentation rules of the STB group. The accounting principles and valuation rules specific to non-banking activities have been maintained in the consolidated accounts of the STB group.

• Presentation of consolidated financial statements

The presentation of STB Group's consolidated financial statements complies with the provisions of accounting standard AS 21 relating to the presentation of financial statements of banking institutions.

Non-banking revenues generated by subsidiaries are included in the items under «Other operating income».

• Restatement of bank receivables assigned to the recovery company

For the batches of receivables transferred to the company STRC (batches 2017-2018-2019-2020), it is undertaken after elimination of internal income on disposal, upon the reconstitution of their gross outstandings, as well as their coverage.

In the consolidated balance sheet, receivables net of provisions and reserved charges are presented under the item «Receivables from customers».

• Restatement of managed funds

The outstandings of funds managed by SICARs are replaced by uses made on these funds in accordance with the financial statements of each fund, thus provisions and results on managed funds are reclassified as provisions and results on said uses.

• Elimination of reciprocal transactions

Reciprocal balances resulting from transactions the Group companies as well as the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses realized as a result of disposals of assets within the Group and internal provisions are neutralized.

• First consolidation differences

The first consolidation difference is the difference at the time of acquisition between the acquisition cost of the securities and the corresponding share in the net book assets of the consolidated company. This difference is broken down into valuation difference corresponding to unrealized capital gains or losses on assets as well as goodwill corresponding to positive or negative goodwill.

Whenever information has been available, goodwill has been identified and recognized as such among intangible fixed assets as an asset. The goodwill determined was amortized on a straight-line basis over a period of 5 years.

• Change in the percentage of interest in a consolidated company

The increase in the percentage of interest held in a company included in the scope of consolidation gives rise to the recognition of additional goodwill amortized according to the rules specified above.

The drop in the percentage of interest in a company that remains consolidated, in particular following a transaction on dilutive capital for the group company holding the stake in said company, gives rise to the derecognition of the difference in acquisition up to the portion of interest exited.

• Treatment of losses accruing to minority shareholders

In the event that the losses attributable to minority interests in a consolidated subsidiary exceed the minority interests in the equity of the subsidiary, this surplus and all future losses relating to minority interests are charged to majority interests unless the minority shareholders have an irrevocable obligation to make up for losses and are able to do so. If the subsidiary subsequently generates profits, the majority interests are allocated all of these profits until the share of losses relating to minority interests previously allocated to the majority shareholders has been recovered.

• Deconsolidation

Securities held by the Group in a deconsolidated subsidiary are recognized on the date of exit from the scope of consolidation at their consolidation book value, i.e. the share of consolidated shareholders' equity that they represent at that date, increased, if necessary by the share. - corresponding share in the residual goodwill.

The carrying amount of the investment at the date it ceases to be a subsidiary is considered to be its cost thereafter. This one is fixed except for subsequent depreciation, when its value in use falls below this new book value.

3.2 - Recognition of commitments and related income

3.2.1- Off-balance sheet commitments

Financing commitments relating to medium and long-term loans, documentary credits and guarantees in the form of endorsements and sureties are entered off-balance sheet as they are contracted and are transferred to the balance sheet as and when releases of funds are made for their face value.

3.2.2 - Accounting for customer loans

Net discount credits are presented in the balance sheet at their nominal value less interest accrued in advance and not yet accrued.

Loans disbursed and debit current accounts are presented after deduction of reserved interest and agios, income received or recognized in advance and related provisions.

3.2.3 - Recognition of revenue from customer loans

Interest, similar products as well as commissions are factored in profit or loss for the fiscal year ended 31 December 2020 for their amounts relating to said fiscal year.

Interest on short-term loans is collected in advance and recorded in the accruals accounts when these loans are released and are subject to a subscription at the end of the month, for the accrued portion.

The unpaid interest relating to non-performing long and medium-term loans (class B2, B3 and B4), within the meaning of the circular of the "BCT" n° 91-24, are recorded as reserved interest and are presented in subtractions of the item «Receivables from customers». This interest is factored in profit or loss when it is actually collected.

The accrued and unmatured interest relating to loans classified as current assets (class A) or among assets requiring special monitoring (class B1) within the meaning of the circular of the «BCT» n° 91-24 and whose collection workforce is reasonably assured, are recognized in profit or loss as accrued.

The reservation of products on debit current accounts is made on the basis of the "account freeze" criterion and risk class.

An account is considered frozen if the sum of its net credit movements is less than the debit charges generated by the account.

Agios on disputed debts in closed debit current accounts are not recognized.

3.2.4 - Accounting for late payment interest

Interest on arrears is recognized by "STB" during payment by the client or when consolidating loans for a given client.

However, late payment interest on disputed debts is calculated, recorded and reserved at the level of the Carthago-Engagement module. Their amount at December 31, 2021 stood at TND 167 283 thousand.

3.2.5 - Provisions on commitments

i. Individual provisions

The provisions required on customer commitments have been determined in accordance with prudential standards for division, risk coverage and monitoring of commitments covered by BCT Circular No. 91-24, as amended by subsequent texts which define the classes of risks and minimum provisioning rates as follows:

Classes	Description	Provisioning rate
A	Current assets	0%
B1	Assets requiring special monitoring	0%
B2	Uncertain assets	20%
B3	Assets of concern	50%
B4	Compromised assets	100%

The provisioning rates by risk class are applied to the net unhedged risk, i.e. the amount of the commitment less the reserved premiums and the value of the guarantees obtained in the form of financial assets, mortgaged buildings, guarantees of the State and guarantees from banks and insurance companies.

Provisions on loans and accounts receivable are presented as a deduction from the headings concerned.

Provisions for off-balance sheet commitments are presented under "Other liability items".

ii. Additional provisions (BCT Circular n ° 2013-21)

Pursuant to Bank Circular No. 2013-21 of 30 December 2013, STB has made additional provisions on assets with seniority in class 4 greater than or equal to 3 years to cover net risk, in accordance with the following minimum quotas:

- 40% for assets with a seniority in class 4 of 3 to 5 years;
- 70% for assets with seniority in class 4 of 6 and 7 years;
- 100% for assets with seniority in class 4 greater than or equal to 8 years.

iii. Collective provisions

Pursuant to the circular to banks n° 2021-01 of 11 January 2021 relating to Division, risk coverage and monitoring of commitments, the Bank has drawn up general provisions called "Collective provisions" in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) within the meaning of article 8 of BCT Circular 91-24 of December 17, 1991.

The collective provision was determined in accordance with the new referential methodology enacted by Circular No. 2021-01 of 11 January 2022.

3.3 - Accounting for the securities portfolio and related income

The securities portfolio held by the Bank is classified into two categories: the investment portfolio and the commercial securities portfolio.

3.3.1 - Investment portfolio and related income

The investment portfolio comprises the following:

- Securities representing capital shares in companies whose long-term ownership is deemed useful for the Group's activity;
- Fixed income securities acquired by the Group with the intention of holding them until their maturity (investment securities including in particular bond issues);
- Securities issued by the State "Treasury bills" acquired by the Group with the intention of holding them until their maturity;
- Securities representing financing stakes which have been the subject of a retrocession agreement but which have not yet been definitively sold;

The accounting rules for transactions on these different categories of securities are summarized as follows:

i. Long-term equity securities

These securities are recognized in the balance sheet at the acquisition price, excluding costs and charges.

Participations subscribed and not paid up are recorded as off-balance sheet commitments at their issue value.

Acquisition and sale of equity securities are booked either on the date of transfer of ownership of the securities, or on the date of registration of the transaction at the Tunis Stock Exchange. The capital gains resulting from the sale of these securities are presented under the item "Net new provisions and result of value adjustments on the investment portfolio".

Dividends on securities held by the Group are factored in profit or loss as soon as their distribution has been officially approved.

At each accounting close, the equity securities are valued at their customary value and are subject to the creation of provisions to cover any losses incurred that are of a lasting nature.

This value takes into account:

- The stock market value of the stock for listed securities,
- The mathematical value calculated from the last available balance sheet for participations in projects other than hotels,
- The mathematical value calculated from the last available balance sheet, adjusted for the capital gains on fixed assets for investments in hotel projects.
- Fair value taking into account several objective criteria such as the price stipulated in recent transactions, the mathematical value, the yield, the importance of the profits, the activity, size or reputation of the company and this for the participations in the capital of the telecom operators.

ii. Fixed income investment securities

Income from fixed income securities is factored in as income spread over the period in question.

When the acquisition price of fixed income securities is higher or lower than their redemption price, the difference, called the premium or discount, as the case may be, is included in the acquisition cost and spread over the residual life of the securities.

At each accounting close, the cost of acquiring investment securities is compared with the market value.

Unrealised gains on investment securities are not recognised. Unrealised losses arising from the difference between the carrying amount (possibly adjusted for depreciation or reversals of premiums or haircuts) and the market value or fair value of the securities are provisioned.

iii. Securities representing financing participations

Financing participations are considered as an extension of the main financing activity and the capital gains resulting from their sale are assimilated to interest and form part of banking operating income. These capital gains are recognized as income only once at the time of disposal and are presented under the item "Income from the investment portfolio".

Dividends on securities held by the Group are recognized in profit or loss as soon as their distribution has been officially approved.

Unpaid capitalized interest (converted into equity participations) are transferred from accounts receivable to equity accounts. The related reserved premiums are transferred to the level of provisions on participations.

iv. Funds managed by Sicar companies

The participations in funds managed by SICARs which are carried out within the framework of retrocession agreements are valued at their value in use and taking into account the prospects for recovery. Thus, provision is made for participations with unpaid retrocession deadlines and whose value in use does not cover the cost of acquiring the securities.

3.3.2- Commercial securities portfolio and related income

The commercial securities portfolio held by the Bank is classified into two categories:

- Trading securities: securities characterized by their liquidity and for which the holding period does not exceed three months.

- Investment securities: securities acquired with the intention of holding them over a period not exceeding one year.

i. Transaction securities

At each accounting close, trading securities are valued at market value. The market value corresponds to the weighted average market price on the closing date or on the most recent earlier date. Price variations resulting from their valuation at market value are taken to profit or loss. Income relating to trading securities is recognized in profit or loss upon realization.

ii. Investment securities

At each accounting close, investment securities must be valued at market value for listed securities and at fair value for unlisted securities, with a view to estimating whether depreciation provisions should be made.

Securities are valued for each type of security separately. Unrealised gains highlighted on some securities cannot offset unrealised losses on others. Unrealised losses arising from the difference between the carrying amount (possibly adjusted for depreciation of premiums and discounts) and the market value or fair value of the securities give rise to provisions for impairment. Unrealised gains are not recognized.

Income from these securities is taken into account in the income statement over the period concerned.

The premium or discount on investment securities is spread over the residual maturity of the securities.

3.4 - Accounting for customer deposits and related charges

Interest charges on customer deposits and assets are recognized by type of deposit as follows:

- Interest on current accounts is posted to customer accounts and posted per quarter. The value date used to calculate interest on current accounts of customers vary according to the nature of withdrawal operations or payments made by the customer, in accordance with Circular No. 91-22.
- Interest on term accounts is positioned on customer accounts in arrears and is subject to subscription on each closing date.

3.5 - Accounting for resources and related charges.

Loans contracted by the Bank are recognized in the balance sheet as and when withdrawals are made. Interest on borrowings is recognized as an expense as it is accrued.

External loans denominated in foreign currencies are converted into dinars, according to the exchange rate of the release. The risk of exchange rate fluctuations is covered by the national guarantee fund managed by the "Tunis - Ré" reinsurance company.

Debts denominated in foreign currencies are discounted at the exchange rate on the closing date. The hedging contract, concluded with Tunis-Ré, against exchange rate fluctuations is recognized as a hedging instrument, in accordance with the international accounting standard IAS 39. It is then measured at its fair value which corresponds to the risk of changes incurred and estimated at the balance sheet date.

3.6 - Buyback of Treasury shares

In accordance with the provisions of Tunisian Accounting Standard 02, relating to equity:

- Repurchased shares are presented in the balance sheet, subtracted from shareholders' equity;
- Capital gains or losses on repurchased own shares are booked in directly in equity;
- Dividends received on repurchased own shares are booked in the "Deferred income" account.

3.7 - Accounting for transactions denominated in foreign currencies and the exchange result.

Manual banknote exchange transactions are recorded daily during the day of the transaction. The exchange result represents in this case the difference between the buying and selling price of the day in question.

Balance sheet accounts denominated in foreign currencies, including foreign exchange positions, are subject to a revaluation of the fixed rate at the exchange rate in force on the closing date. The resulting difference is recorded in a balance sheet account "38.391: Exchange rate fluctuation".

3.8 - Fixed assets and depreciation

Fixed assets are recorded at their acquisition cost taking into account the percentage of VAT recovery for the previous year.

Fixed assets are depreciated on a straight-line basis. The depreciation rates applied by the Group are detailed as follows:

Buildings	2%
Transportation equipment	20%
	10%
Office Furniture and Equipment	15%
	20%*
Security, communication and air conditioning equipment	10%
Hardware	15%
	33%*
Software	33%
Fixtures, fittings and installations	10%
- Right to lease	5%
- office furniture not in use	10%
- Buildings not in use	2%
- Tool equipment not in use	10%

(*) Rate applied for acquisitions from January 1, 2008.

However, and by way of derogation from the historical cost accounting principle, STB carried out during the 2000 financial year the revaluation of land and buildings. This revaluation led to an increase in shareholders' equity for an amount of TND 37 324 million presented under the item "Other shareholders' equity".

Pursuant to IAS 16, part of the balance of the revaluation surplus was transferred to the results carried forward to take into account the decrease in the book value of the revalued fixed assets.

3.9 - Provisions for retirement indemnities and other post-employment benefits

A provision for employee benefits is booked by STB to meet the commitments corresponding to the present value of the rights acquired by the employees relating to the contractual indemnities (six monthly

payments) which they will be able to claim when they retire. It results from a calculation carried out according to the retrospective method of projected units of credit (provided for by the International Accounting Standard IAS 19, Employee benefits, having no equivalent in Tunisia) which particularly factors the risk of mortality, the estimated evolution of salaries, staff turnover and a financial discount rate.

An additional provision is also recognized to cover STB's commitments to its retired staff in terms of social insurance, using the same accounting method and based on estimates of the life expectancies of beneficiaries and annual charges arising from the social insurance contract.

3.10- Income taxes:

In accordance with generally accepted principles in Tunisia, the Group distinguishes between current taxes and deferred taxes.

3.10.1 - Current taxes

The income tax expense payable is determined on the basis of the rules and rates in force specific to each of the Group companies over the period to which the results relate.

3.10.2 - Deferred taxes

Only the elimination of reciprocal transactions having an impact on results and reserves gave rise to the recognition of deferred tax.

Temporary differences resulting from the individual financial statements of group companies have not given rise to the possible recognition of deferred taxes.

Current and deferred taxes are recognized as income or tax expense in the income statement.

For the 2020 financial year and beyond, the effective tax rates used to calculate the deferred tax stocks of consolidated companies are presented by entity as follows:

CONSOLIDATED COMPANIES	Nominal rate	Effective rate
Credit institutions		
TUNISIAN BANKING SOCIETY	35%	35%
TFB	35%	35%
Financial sector		
STB INVEST	35%	35%
STRC	35%	35%
STB FINANCE	35%	35%
STB SICAR	35%	35%
STB MANAGER	35%	35%
Building sector		
IMMOB.DE L'AVENUE "IA"	15%	15%
Service sector		
GEVE	15%	15%
SOCIETE ACTIVHOTELS	15%	15%
STB MOYENS GENERAUX	15%	15%
STB SECURITE et GARDIENNAGE	15%	15%
SOCIETE EDDKHILA	15%	15%
SOCIETE MGERT	15%	15%

NOTE 4 - Scope of consolidation

4.1 Presentation of the scope of consolidation

The Bank's consolidated accounts include all the entities under exclusive control or under significant influence, except those whose consolidation is negligible for the preparation of the Group's consolidated accounts.

The scope of consolidation is made up of all the companies over which STB exercises, directly or indirectly, through its consolidated companies, exclusive control and the companies over which it exercises significant influence.

A subsidiary is consolidated from the date on which the Group effectively obtains control.

Entities for which equity securities were acquired solely with a view to subsequent disposal in the near future are excluded from the scope of consolidation. When severe and lasting restrictions call into question the group's ability to control the operating policy and the assets of a subsidiary or an investment, it is also excluded from the scope of consolidation. This is the case of subsidiaries in liquidation or those placed under the control of a receiver.

The companies retained in the scope of consolidation as well as the activity sectors and the countries of residence of each company are presented as follows:

CONSOLIDATED COMPANIES	NAME	ACTIVITY POLE	COUNTRY
1. STB BANK (parent company)	STB	CREDIT ESTABLISHMENT	TUNISIA
2. STB INVEST	STB INVEST	FIN. ESTABLISHMENTS	TUNISIA
3. STB MANAGER	STB MANAGER	FIN. ESTABLISHMENTS	TUNISIA
4. STB FINANCE	STB FINANCE	FIN. ESTABLISHMENTS	TUNISIA
5. STB SICAR	STB SICAR	FIN. ESTABLISHMENTS	TUNISIA
6. L'IMMOBILIERE DE L'AVENUE	IMM. AVENUE	SERVICE	TUNISIA
7. STE TUN.RECOUVR. "STRC"	STRC	FIN. ESTABLISHMENTS	TUNISIA
8. SOCIETE LA GENERALE DES VENTES	GEVE	SERVICE	TUNISIA
9. SOCIETE ED DKHILA	EDDKHILA	SERVICE	TUNISIA
10. SOCIETE ACTIVHOTELS	ACTIVHOTELS	SERVICE	TUNISIA
11. SICAV L'INVESTISSEUR	SICAV INVEST	FIN. ESTABLISHMENTS	TUNISIA
12. SICAV L'AVENIR	SICAV AVENIR	FIN. ESTABLISHMENTS	TUNISIA
13. SICAV EPARGNE OBLIGATAIRE	SICAV OBLIG	FIN. ESTABLISHMENTS	TUNISIA
14. SICAV EPARGNANT	SAVING SICAV	FIN. ESTABLISHMENTS	TUNISIA
15. TUNISIAN FOREIGN BANK EX "UTB"	TFB	FIN. ESTABLISHMENTS	FRANCE
16. STE MOYENS GENERAUX	STBMG	SERVICE	TUNISIA
17. MAGASINS GENERAUX ET ENTREPOSITS REELS DE TUNIS	MGERT	SERVICE	TUNISIA
18. STC VERITAS	STCV	SERVICE	TUNISIA
19. SONI BANK	SONIBANK	FIN. ESTABLISHMENTS	NIGER
20. SCI "LA MAISON DU BANQUIER"	SCIMB	SERVICE	TUNISIA
21. SPCM "ELFEJJA"	ELFEJJA	SERVICE	TUNISIA
22. STB SECURITE ET GARDIENNAGE	STBSG	SERVICE	TUNISIA

The scope of the consolidated financial statements includes, in addition to the parent company, 21 entities at 31 December 2021:

- 12 treated by full consolidation;
- 9 associated companies treated by the equity method.

The percentages of control, the percentages of the group's interest as well as the consolidation methods of each entity within the scope of consolidation are as follows:

Consolidable companies	% of the Group's control			Consolidation method		% of the Group's interest		
	2021	2020	Var %	2021	2020	2021	2020	Var %
STB	100,00%	100,00%	0,00%	FC	FC	99,98%	99,99%	0,00%
STB INVEST	95,05%	94,60%	0,44%	FC	FC	94,72%	94,73%	0,00%
STB MANAGER	99,99%	99,96%	0,03%	FC	FC	99,40%	97,05%	2,35%
STB FINANCE	96,71%	96,71%	0,00%	FC	FC	95,55%	95,55%	0,00%
STB SICAR	99,50%	99,50%	0,00%	FC	FC	98,58%	98,58%	0,00%
IMM. AVENUE	99,90%	99,90%	0,00%	FC	FC	99,16%	99,16%	0,00%
STRC	100,00%	100,00%	0,00%	FC	FC	99,72%	99,72%	0,00%
GEVE	50,00%	50,00%	0,00%	FC	FC	49,99%	49,99%	0,00%
EDDKHILA	67,87%	67,87%	0,00%	FC	FC	67,51%	67,51%	0,00%
ACTIVHOTELS	100,00%	100,00%	0,00%	FC	FC	99,93%	99,94%	0,00%
SICAV INVEST	78,17%	78,29%	-0,12%	EM	EM	75,85%	75,97%	-0,12%
SICAV AVENIR	98,35%	98,37%	-0,03%	EM	EM	97,55%	97,58%	-0,03%
SICAV OBLIG	1,61%	1,98%	-0,36%	EM	EM	1,56%	1,89%	-0,34%
SICAV EPARGNANT	8,83%	3,35%	5,48%	EM	EM	8,68%	3,20%	5,48%
TFB	49,46%	49,46%	0,00%	EM	EM	49,45%	49,45%	0,00%
STBMG	99,98%	99,98%	0,00%	FC	FC	97,15%	97,15%	0,00%
MGERT	49,95%	49,95%	0,00%	FC	FC	49,93%	49,94%	0,00%
STCV	27,06%	27,06%	0,00%	EM	EM	27,05%	27,05%	0,00%
SONIBANK	25,00%	25,00%	0,00%	EM	EM	25,00%	25,00%	0,00%
SCIMB	19,96%	19,96%	0,00%	EM	EM	19,96%	19,96%	0,00%
ELFEJJA	20,00%	20,00%	0,00%	EM	EM	20,00%	20,00%	0,00%
STBSG	99,90%	99,90%	0,00%	FC	FC	97,06%	97,06%	0,00%

FC: Full consolidation

EM: Equity method

NC: Not consolidated

4.1.1- Special treatments

Consolidation of the TUNISIAN FOREIGN BANK -TFB- accounts: the percentage of control of the STB group in the TFB was ended at December 31, 2020 at 49.46%. However, TFB has been consolidated using the equity method given that STB considers that it does not have the power to govern the financial and operating policies of the said company.

Consolidation of SICAV accounts: the percentages of control of the STB group in certain SICAVs exceed 50%. However, the SICAVs have been consolidated using the equity method since the STB does not have the power to govern their financial and operational policies (control exercised by the Financial Market Council).

Concerning SICAV EPARGNANT and SICAV EPARGNE OBLIGATAIRE, although the percentage of control of the STB group does not exceed 20%, these 2 Sicavs

have been included in the scope of consolidation given that influence exists as soon as the management of 2 companies is ensured by the STB MANAGER.

4.1.2- Change in the STB group's scope of consolidation

The 2021 consolidation scope has not changed compared to the 2020 consolidation scope

4.2 - Companies excluded from the scope of consolidation

43 companies are excluded from the scope of consolidation of the STB group for the reasons presented below:

- Companies in liquidation or in a compromised situation:

Order	Name
1	SKANES PALACE INTERNATIONAL
2	AFRICA SOUSSE
3	STE TOURISTIQUE AIN DRAHAM «HOTEL NOUR EL AIN»
4	EL MARASSI
5	STE D'ANIMATION ET DE LOISIRS PARADISE PARK (H PHEDRA)
6	STE D'ETUDES ET DE DEV. HAMMAMET SUD «SEDHS»
7	STE D'ET. DEVPT AUDIO-VISUEL DE TSIE «SEDAT»
8	STE COND. IMPR & PUBLICITE «CIP»
9	STE DES IND. METALLURGIQUES «SIMET»
10	CIE MED. TOURIST «HOTEL DALIA»
11	STIA
12	DUNES DE NEFZAOUA (bankrupt)
13	LA BANQUE FRANCO-TUNISIENNE BFT.

- The companies on the back burner:

Order	Name
1	COMPAGNIE DE DEVELOPPEMENT DU GRAND KORBOUS
2	STE D'ETUDES ET DE DEVELOPPEMENT DE SOUSSE
3	STE D'ET. & DE DEVPT "ZOUARAA"
4	STE DE COMMERCE INTERNATIONAL DE KEBILI "SOCIK"
5	CIE DE DEVELOPPEMENT "LELLA HADHRIA"
6	Optima Sicar
7	S.H.T. LES BERGES 2000 "Hôtel l'Atrium"
8	COPRAT HAMMAMET GARDEN HOTEL

Companies whose financial statements as at December 31, 2021 are unavailable:

Order	Name
1	SIDCO SICAR
2	CIE TQUE ARABE "CTA" (MARINA MONASTIR)
3	STE DE DEV.ECO. DE KASSERINE SODEK-SICAR
4	STE TANIT INTERNATIONAL
5	MARINA HAMMAMET
6	SOPINO
7	SOPIC
8	SED SOUSSE NORD

- Companies over which STB has lost control following a court decision (companies under judicial administration):

Order	Name
1	KURIAT PALACE
2	STE HOTELIERE "BEL AIR"

- Companies acquired and held with the sole prospect of a subsequent sale in the near future as well as companies for which a sale procedure has been initiated:

Order	Name
1	CIE HOTELIERE DES CENTRES VILLES (HOTEL ANDALOUS)
2	STE RAMLA TOZEUR
3	STE D'ANIMATION TOURISTIQUE BISAT SA
4	STE D'ACTIVITE TQUE "HOTEL ZODIAC"
5	Sté d'Etudes et de Prom.Tque "Hôtel Mariqueen" JERBA MARITIM
6	STE HOTEL YOUNES
7	STE TOURISME & ANIMATION "RAIS CLUB"
8	STE DE PROMOTION TOURISTIQUE LES CYCLAMENS
9	STE INTLE DE GEST. HOT. "H. BYBLOS"
10	STE HOTEL BYZANCE
11	IMACO
12	STE HOTELIERE «DAR DHIAFA» TROPICANA CLUB

NOTE 5 - HIGHLIGHTS OF THE PERIOD

5.1 - The Bruno Poli Case

Legal action was brought against the bank in 2011 by Mr. BRUNO POLI for the return of cash vouchers given to the BNDT. On 10/29/2015, a first instance judgment, confirmed on appeal, was pronounced against the bank ordering it to return the cash certificates and failing this to pay 7 million dollars. The Court of Cassation reversed and referred the case to the Tunis Court of Appeal. A stay of execution order was obtained without deposit.

The Court of Appeal again recorded the first instance judgment ordering the bank to return the cash certificates and failing that to pay 7 million dollars. As a result, a provision for risks was made at December 31, 2020 for an amount of TND 36 533 thousand.

During the financial year 2021, following the notification of the judgment of the Court of Reference, the Bank again lodged an appeal in cassation and was able to obtain a stay of enforcement without recording.

5.2 - Write-off and assignment of receivables

Pursuant to paragraph VII quater decies of article 48 of the IRPP and IS code, STB has written off the bad bank debts during the 2021 financial year.

And by reference to law n° 98-4 of February 2, 1998, relating to debt collection companies, STB proceeded to the assignment of the batches of bank receivables to its subsidiary STRC.

The total envelope of debts written off and assigned is within the range of TND 219 499 million, including TND 63 984 million for interest on arrears.

5.3- Contribution to the deposit guarantee fund

Pursuant to article 149 and the following articles of the law n° 2016-48 of July 11, 2016 relating to banks and financial institutions as well as the provisions of decree n° 2017-268 of February 1, 2017 relating to the setting of the rules of Intervention, organization and operation of the said fund, STB is obliged to join the deposit guarantee fund for an annual contribution of 0.3% of its outstanding deposits. The contribution for the year 2021 was TND 23 052 thousand.

Description	2021	2020	Variation	%
CASH	78 527	73 304	5 223	7,1%
Cash in Dinars	68 873	65 371	3 502	5,4%
Cash in currency	9 654	7 933	1 721	21,7%
BCT	453 916	218 256	235 660	0
BCT in Dinars	7 156	35 294	(28 138)	(79,7%)
BCT in currency	396 760	182 962	213 798	116,9%
Deposit facility	50 000	-	50 000	-
CCP	398	647	(249)	(38,5%)
TGT	629	629	-	-
Total	533 470	292 836	240 634	82,2%

6.2 - Receivables from banking and financial institutions

Receivables from banking and financial institutions totaled TND 571 959 thousand at 31/ 12/2021 compared to TND 368 309 thousand at 31/ 12/2020.

NOTE 6 - NOTES RELATING TO CONSOLIDATED BALANCE SHEET

ITEMS (The figures are expressed in thousands of Tunisian Dinars)

6.1 - Cash, and assets with the BCT, CCP and TGT

Assets in cash and with the BCT, CCP and TGT totaled TND 533 470 thousand at 31/12/2021 compared to TND 292 836 thousand at 31/12/2020, i.e. a decrease of TND 240 634 thousand,

The different headings that make up this position are as follows:

The different sections that make up this post are detailed as follows:

Wording	2021	2020	Variation	%
Receivables from banking institutions	43 623	75 608	(31 985)	(42,3%)
Current accounts of resident banks	564	5 279	(4 715)	(89,3%)
Current accounts of non-resident banks	43 058	70 328	(27 270)	(38,8%)
Debit accounts of correspondents in convertible dinars	1	1	-	-
Loans to financial institutions	423 044	144 678	278 366	192,4%
Money market loans in Dinars	322 000	70 000	252 000	360,0%
Money market loans in currencies	101 044	74 678	26 366	35,3%
Provisions on interbanking loans	(1 616)	-	(1 616)	-
Receivables and loans to specialized financial organizations	106 804	147 909	(41 105)	(27,8%)
Receivables and loans to specialized financial organizations (leasing)	50 582	59 657	(9 075)	(15,2%)
Receivables and loans to specialized financial organizations (TUNIS RE)	56 222	88 252	(32 030)	(36,3%)
Related receivables	104	114	(10)	(8,8%)
Receivables related to interbank loans in dinars	86	28	58	207,1%
Receivables related to interbank loans in currency	18	86	(68)	(79,1%)
Total	571 959	368 309	203 650	55,3%

The receivables due to the refinancing of the BCT are as follows:

Description	2021	2020	Variation	%
Receivables from banking and financial institutions			-	-
Entitled to BCT refinancing	-	-	-	-
Not entitled to BCT refinancing	571 959	368 309	203 650	55,3%
Total	571 959	368 309	203 650	55,3%

Breakdown of receivables from banking and financial institutions (excluding related receivables) according to whether or not they are materialized by securities on the interbank market

Description	2021	2020	Variation	%
Receivables from banking and financial institutions			-	-
Materialized by securities from the interbank market			-	-
Materialized by securities from the interbank market	571 959	368 309	203 650	55,3%
Total	571 959	368 309	203 650	55,3%



Particulars	< 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total
Receivables from banking institutions	43 623	-	-	-	43 623
current accounts of resident banks	564	-	-	-	564
current accounts of non-resident banks	43 058	-	-	-	43 058
debit accounts of correspondents in convertible dinars	1	-	-	-	1
Loans to banking institutions	423 044	-	-	-	423 044
Monetary market loans in dinars	322 000	-	-	-	322 000
Non-money market loans in currency	101 044	-	-	-	101 044
Provisions on interbanking loans	(1 616)	-	-	-	(1 616)
Loans to specialized financial organizations (leasing)	531	1 500	48 551	-	50 582
Receivables from specialized financial organizations (Tunis Ré)	56 222	-	-	-	56 222
Related receivables	104	-	-	-	104
Total	523 524	1 500	48 551	-	571 959

6.3 - Receivables from customers

The comparative change in net commitments between 2021 and 2021 was as follows:

Description	2021	2020	Variation	%
Current accounts receivable	993 367	981 759	11 608	1,2%
Loans from special resources	112 269	80 727	31 542	39,1%
Receivables assumed by the State	13 711	17 981	(4 270)	(23,7%)
State subsidy	4 230	6 177	(1 947)	(31,5%)
Associated current accounts	88 608	90 665	(2 057)	(2,3%)
Other loans to customers	10 170 782	9 646 951	523 831	5,4%
Receivables to be waived	3 562	3 562	-	-
Related receivables	94 119	96 785	(2 666)	(2,8%)
Bank loans held by the STRC	1 036 835	1 002 373	34 462	3,4%
Other loans from special resources	36 585	31 659	4 926	15,6%
Gross total	12 554 068	11 958 639	595 429	5,0%
Provisions	(2 152 544)	(2 122 772)	(29 772)	(1,4%)
Provisions on current accounts	(150 255)	(158 045)	7 790	4,9%
Provisions on special resources	(34 441)	(26 993)	(7 448)	(27,6%)
Provisions on other customer loans	(770 537)	(786 605)	16 068	2,0%
Provisions on associated current accounts	(45 552)	(47 533)	1 981	4,2%
Provisions on receivables to be waived	(455)	(455)	-	-
Collective provisions	(138 723)	(131 821)	(6 902)	(5,2%)
Provisions on bank receivables held by STRC	(1 012 581)	(971 320)	(41 261)	(4,2%)
Reserved agios	(646 249)	(710 988)	64 739	9,1%
Reserved agios on current accounts	(47 461)	(56 332)	8 871	15,7%
Agios reserved on other customer loans	(547 322)	(605 268)	57 946	9,6%
Agios reserved on other current associated accounts	(34 579)	(34 656)	77	0,2%
Agios reserved on debts to be waived	(3 107)	(3 107)	-	-
Agios reserved on related receivables	(13 780)	(11 625)	(2 155)	(18,5%)
Income collected in advance	(37 174)	(43 191)	6 017	13,9%
Income collected in advance	(37 174)	(43 191)	6 017	13,9%
Total Net in Million TND	9 718 101	9 081 688	636 413	7,0%

The structure of net customer receivables at 31/12/2021 is the following :

Description	Gross outstanding	Individual Provisions	Additional Provisions	Reserved Agios	Inc. collected in advance	Net outstanding
C/C Debtors	993 367	(115 338)	(34 917)	(47 461)	-	795 651
C/ Special resources	148 853	(30 334)	(4 108)	-	-	114 411
Associated current accounts	88 608	(32 153)	(13 400)	(34 579)	-	8 476
Other loans to customers	10 188 723	(422 165)	(348 370)	(547 322)	(37 173)	8 833 693
Receivables to be waived	3 562	(455)	-	(3 107)	-	-
Receivables held by STRC	1 036 835	(1 012 581)	-	-	-	24 254
Related receivables	94 119	-	-	(13 780)	-	80 339
Total	12 554 067	(1 613 026)	(400 795)	(646 249)	(37 173)	9 856 824
Collective provisions	-	(138 723)	-	-	-	(138 723)
Net outstanding	12 554 067	(1 751 749)	(400 795)	(646 249)	(37 173)	9 718 101

The gross outstanding receivables from customers, excluding unpaid debts and related receivables, is broken down according to the residual term as follows:

wording	< 3 months	3 months to 1 year	1 year to 5 years	> 5 ans	Gross outstanding
Current accounts receivable	993 367	-	-	-	993 367
Credits from special resources	2 914	10 426	63 960	34 969	112 269
Receivables assumed by the state	13 711	-	-	-	13 711
State subsidy	4 230	-	-	-	4 230
Associated current accounts	88 608	-	-	-	88 608
Other loans to customers	3 579 946	1 959 501	3 509 044	1 122 291	10 170 782
Bank receivables held by STRC	1 036 835	-	-	-	1 036 835
Total at 31 December 2018	5 719 611	1 969 927	3 573 004	1 157 260	12 419 802

The evolution of bad debts and their provisions is detailed as follows:

Description	2020	Allocations	Buyouts	Reclass	2021
Provisions on current accounts	(158 045)	(28 319)	33 024	3 085	(150 255)
Provisions on special resources	(26 993)	(7 398)	2 061	(2 111)	(34 441)
Provisions on other customer loans	(786 605)	(129 167)	147 219	(1 983)	(770 536)
Provisions on associated current accounts	(47 533)	-	1 980	1	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(131 821)	(6 901)	-	(1)	(138 723)
Provisions on bank receivables held by STRC	(971 320)	(5 043)	751	(36 969)	(1 012 581)
Total	(2 122 772)	(176 828)	185 035	(37 978)	(2 152 543)

6.3.1 - Guarantees

The guarantees retained by the Bank for the determination of provisions on commitments are set in certain cases in the absence of an inventory of legal documents justifying them (certificates of ownership, AFT, AFI certificate, etc.).

6.3.2 - Additional provisions

Pursuant to the provisions of BCT circular n° 2013-21 of 30 December 2013, STB has made a reversal of additional provisions of around TND 50 404 thousand for the 2021 financial year, on commitments with a seniority in class 4 greater than or equal to 3 years.

The balance of additional provisions was TND 400 794 thousand at 31 December

6.3.3 - Collective provisions

Pursuant to the circular to banks n° 2021-01 of January 11, 2021 relating to Division, risk coverage and monitoring of commitments, the Bank has drawn up from the revenues of fiscal year 2021 general provisions called "Collective provisions" in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) within

the framework of article 8 of BCT Circular 91-24 of December 17, 1991.

The collective provision was determined in accordance with the new referential methodology enacted by Circular No. 2021-01 of 11 January 2021 and was estimated at the end of 2021 at TND 138 723 million.

6.3.4 - Receivables consolidated et assumed by the State without interests

The debts assumed by the State are the debts of certain public enterprises assumed by the State within the framework of the finance law for the year 1999 and whose outstanding amount totals the sum of TND13 711 thousand. These receivables were consolidated over a period of 20 to 25 years, without interest and with the guarantee of the State.

6.4 - Commercial securities portfolio

The value of the investment securities portfolio totaled TND 670 811 thousand at 31/12/2021 compared to TND 486 710 thousand at 31/12/2020. The commercial securities portfolio is composed of fixed-income securities issued by the State and variable income securities

Description	2020	Acquisition/ Dotation	Sale/ Liquidation/ Takeover	Reclassification	2021
I- Investment securities	478 315	532 471	(334 667)	(9 415)	666 704
Shares (Investment)	21 433	2 391	(167)	(481)	23 176
ATB (Investment)	446 098	488 607	(304 650)	-	630 055
Bonds (Investment)	-	-	-	8	8
Commercial paper and certificates of deposits (Investment)	-	7 757	(4 000)	1 838	5 595
Shares in equity mutual funds (Investment)	13 217	3 047	(1 828)	1 254	15 690
Other investment securities	222	19 324	(7 742)	(11 563)	241
Receivables related to ATBs (Investment)	29 475	11 345	-	-	40 820
Premiums / discounts on ATB (Investment)	(27 794)	-	(16 280)	-	(44 074)
Provisions on investment securities	(4 336)	-	-	(471)	(4 807)
II- Trading securities	8 395	-	(4 287)	(1)	4 107
2.1 Fixed-income trading securities	8 395	-	(4 287)	(1)	4 107
Short-term treasury bonds (Trading)	9 033	-	(4 624)	(1)	4 408
Related receivables and debts	(638)	-	337	-	(301)
Net total	486 710	532 471	(338 954)	(9 416)	670 811

6.5 - Investment securities portfolio

The value of the investment securities portfolio totaled TND 1 121 828 thousand at 31/12/2021 compared to TND 1 056 at 31/12/2020 and is detailed as follows:

Description	2021	2020	Variation	%
ATB investment	798 100	798 100	-	-
Discount/premiums on ATB investment	(17 468)	(21 260)	3 792	17,8%
Related receivables	25 527	29 521	(3 994)	(13,5%)
Total ATB investment	806 159	806 361	(202)	(0,0%)
Bond loans	111 577	53 077	58 500	110,2%
National loans	700	14 100	(13 400)	(95,0%)
Bond loans provisions	(3 650)	(3 650)	-	-
Related receivables	6 753	2 856	3 897	136,4%
Total other investment securities	115 380	66 383	48 997	73,8%
Shares in mutual funds	49 146	39 146	10 000	25,5%
Provisions on shares in Mutual funds	(996)	(1 855)	859	46,3%
Total Mutual funds	48 150	37 291	10 859	29,1%
Stake securities	230 714	230 184	530	0,2%
Retrocession stakes	121 294	113 567	7 727	6,8%
Companies under liquidation	30	30	-	-
Provisions on stake securities	(131 719)	(129 198)	(2 521)	(2,0%)
Provisions on stakes in retrocession	(68 571)	(68 268)	(303)	(0,4%)
Receivables and related debts	(332)	(334)	2	0,6%
Receivables related to stakes in retrocession				
Total stake securities	152 139	146 704	5 435	3,7%
Grand Total	1 121 828	1 056 739	65 089	6,2%

The movements by category of securities classified in the investment portfolio are recorded in the following table :

Description	2020	Subscription	Assignment / reimbursement / restitution	Reclassifying	2021
Investment ATBs	798 100	36 600	(36 600)	-	798 100
Bond loans	53 077	76 896	(12 200)	(6 196)	111 577
National loan	14 100	-	(14 100)	700	700
Shares in mutual funds	39 146	10 000	-	-	49 146
Stake securities	230 184	582	(508)	456	230 714
Stakes in retrocession	113 567	508	(584)	7 803	121 294
Companies in liquidation	30	-	-	-	30
Total in thousand Tunisian dinars	1 248 204	124 586	(63 992)	2 763	1 311 561

6.6 - Securities in the equity method

The Group's stakes using the equity method concern the following companies :

Company	Group's stake 2021	Group's stake 2020	Var %	Equivalence value 2021	Equivalence value 2020	Variation	%
SICAV INVEST	75,9%	76,0%	[0,1%]	896	992	(96)	(9,7%)
SICAV AVENIR	97,5%	97,6%	[0,0%]	1 115	1 134	(19)	(1,7%)
TFB	49,5%	49,5%	[0,0%]	20 641	27 162	(6 521)	(24,0%)
STCV	27,1%	27,1%	[0,0%]	1 696	1 212	484	39,9%
SONIBANK	25,0%	25,0%	[0,0%]	47 418	45 035	2 383	5,3%
SCIMB	20,0%	20,0%	[0,0%]	1 249	1 228	21	1,7%
ELFEJJA	20,0%	20,0%	[0,0%]	13 758	12 916	842	6,5%
SICAV EPARGNANT	8,7%	3,2%	5,5%	18 968	7 662	11 306	147,6%
SICAV OBLIG	1,6%	1,9%	[0,3%]	2 412	2 803	(391)	(13,9%)
Total				108 153	100 144	8 009	8,0%

6.7 - Fixed assets

The net fixed assets totaled TND 143 724 thousand at 31/12/2021. The movements recorded during the 2021 financial year are detailed as follows:

Description	Gross value 2020	Buyout/ assignemnt 2021	Gross value 2021	Amort. 2020	Allocation / Prov. 2021	Transf.	Amort 2021	Net value 2021
Intangible assets	31 103	4 841	35 944	(25 975)	(4 185)	536	(29 624)	6 320
Computer software	31 026	4 841	35 867	(25 955)	(4 185)	536	(29 604)	6 263
Right to lease	57	-	57	-	-	-	-	57
Other intangible assets	20	-	20	(20)	-	-	(20)	-
Tangible fixed assets	337 692	6 482	344 174	(196 517)	(11 519)	1 265	(206 771)	137 404
Land	27 752	12 016	39 768					39 768
Constructions	90 749	(2 054)	88 695	(49 067)	(1 956)	949	(50 074)	38 621
Office furniture	7 010	1 966	8 976	(6 268)	(571)	(130)	(6 969)	2 007
Transport equipemt	3 855	862	4 717	(2 106)	(546)	165	(2 487)	2 230
Hardware	48 383	2 109	50 492	(45 386)	(3 044)	(1 179)	(49 609)	883
Communication equipment	3 270	(1 199)	2 071	(2 627)	(114)	1 422	(1 319)	752
Office equipment	19 195	(626)	18 569	(17 316)	(526)	170	(17 672)	897
Safety equipment	5 547	530	6 077	(3 364)	(298)	26	(3 636)	2 441
Air-conditioning equipemnt	5 823	265	6 088	(5 382)	(123)	(1)	(5 506)	582
Fixture, improvments and instal.	62 003	3 532	65 535	(39 305)	(3 468)	(3 102)	(45 875)	19 660
Non-operating office furnit	33	-	33	(31)	-	-	(31)	2
Non-operating equip tools	394	9	403	(348)	(10)	(1)	(359)	44
Equipemnt and tools, tourist	14 141	-	14 141	(12 680)	(314)	-	(12 994)	1 147
Non-operating buildings	39 643	(11 414)	28 229	(12 626)	(549)	2 946	(10 229)	18 000
Fixed assets pending assignment	659	-	659	-	-	-	-	659
Other tangible fixed assets	9 235	486	9 721	(11)	-	-	(11)	9 710
TOTAL	368 794	11 323	380 117	(222 492)	(15 704)	1 801	(236 395)	143 724

6.8 - Other assets

At 31/12/2021, the other asset items totaled TND 733 460 thousand compared to TND 815 023 thousand at 31/12/2020 and is detailed as follows:

Description	2021	2020	Variation	%
Staff loans and advances	171 182	158 027	13 155	8,3%
Medical expenses to recover	3 147	3 147	-	-
State , tax and duties	8 808	7 393	1 415	19,1%
Advance on corporate tax	74 987	75 307	(320)	(0,4%)
Miscellaneous stocks	16 187	16 086	101	0,6%
Exchange rate difference changed to the state	39	238	(199)	(83,6%)
Cconversion gap-Asset	-	23 527	(23 527)	(100,0%)
Headquarters, subsidiaries and branches_Asset	31 921	13	31 908	245446,2%
Adjustment accounts_Asset	158 394	116 110	42 284	36,4%
Securities presented for clearing	60 663	139 844	(79 181)	(56,6%)
Financial effects as revenue	107	107	-	-
Debits adjustment	812	1 248	(436)	(34,9%)
Prepaid expenses	1 203	960	243	25,3%
Accruals	(595)	5 366	(5 961)	(111,1%)
Assigned receivables	2 361	2 930	(569)	(19,4%)
Portfolio difference payment due after collection	18 099	21 084	(2 985)	(14,2%)
Other asset accounts	133 155	194 298	(61 143)	(31,5%)
Miscellaneous debtors	15 810	15 536	274	1,8%
Inventories of completed building works	27 713	25 016	2 697	10,8%
Customers and related accounts	4 761	4 933	(172)	(3,5%)
Taxes payable-Assets	7 300	6 043	1 257	20,8%
Provisions for State accounts, taxes and duties	(115)	(115)	-	-
Provisions on other asset accounts	(1 779)	(1 385)	(394)	(28,4%)
Provisions on customers and related accounts	(700)	(690)	(10)	(1,4%)
TOTAL	733 460	815 023	(81 563)	(10,0%)

6.9 - Central Bank and CCP

At 12/31/2021, this item totaled TND 1 461 625 thousand compared to TND 1 233 106 thousand at 31/12/2020. Its breakdown is as follows:

Description	2021	2020	Variation	%
Call for tender	1 427 000	1 045 000	382 000	36,6%
Loan facility	-	92 000	(92 000)	(100,0%)
Uses at the BCT	33 278	95 413	(62 135)	(65,1%)
Related debts	1 347	693	654	94,4%
TOTAL	1 461 625	1 233 106	228 519	18,5%

6.10 - Deposits and assets of banking and financial institutions

At 12/31/2021, this item totaled TND 546 276 thousand compared to TND360 361 thousand at 31/ 12/2020. Its breakdown by type of banking and financial institution is as follows:

Description	2021	2020	Variation	%
Current accounts of financial institutions	72 951	38 805	34 146	88,0%
Deposit banks	16	16	-	-
Non-resident banks	72 935	38 789	34 146	88,0%
Loans from financial institutions	471 293	319 316	151 977	47,6%
Loans in dinars	210 126	37 228	172 898	464,4%
Loans in currency	261 167	282 088	(20 921)	(7,4%)
Account for financial institutions and related debts	2 032	2 240	(208)	(9,3%)
Total	546 276	360 361	185 915	51,6%

- Breakdown by criterion of materialization by securities of the interbank market

Description	2021	2020	Variation	%
Deposits and assets of banking institutions	72 951	38 805	34 146	88,0%
Loans from financial institutions	471 293	319 316	151 977	47,6%
Deposits and assets of financial institutions	2 032	2 240	(208)	(9,3%)
Total	546 276	360 361	185 915	51,6%

- Breakdown by criterion of materialization by securities of the interbank market

Description	2021	2020	Variation	%
Debts materialized by securities on the interbank market	-	-	-	-
Debts not materialized by securities on the interbank market	546 276	360 361	185 915	51,6%
Total	546 276	360 361	185 915	51,6%

The corresponding accounts payable are presented net of the corresponding accounts payable by currency.

The breakdown of deposits and assets of banking and financial institutions (excluding related debts) according to the residual maturity at 31/12/2021 is detailed as follows:

Description	≤ 3 months	between 3 months and 1 year	between 1 year and 5 years	> 5 years	Total
Current accounts of financial institutions	72 951	-	-	-	72 951
Deposit banks	16	-	-	-	16
Non-resident banks	72 935	-	-	-	72 935
Loans from financial institutions	382 721	88 572	-	-	471 293
Loans in dinars	210 126	-	-	-	210 126
Loans in currency	172 595	88 572	-	-	261 167
Accounts for financial institutions	2 032	-	-	-	2 032
Total	457 704	88 572	-	-	546 276

6.11 - Customer deposits and assets

The balance of this item came to TND 8 982 913 thousand at 31/12/2021 compared to TND 8 431 681 thousand at 31/12/2020. Deposits are detailed as follows:

Description	2021	2020	Variation	%
Sight depositors	2 586 224	2 335 391	250 833	10,7%
Savings depositors	3 585 870	3 347 891	237 979	7,1%
Term account	581 453	605 279	(23 826)	(3,9%)
Accounts in convertible dinars	108 603	94 038	14 565	15,5%
Currency depositors	841 117	682 247	158 870	23,3%
Currency investment	266 122	230 989	35 133	15,2%
Cash vouchers	586 999	556 365	30 634	5,5%
Other amounts owed to customers	184 331	279 620	(95 289)	(34,1%)
Related debts	(12 306)	(4 639)	(7 667)	(165,3%)
Depository certificates	254 500	286 500	(32 000)	(11,2%)
Total	8 982 913	8 413 681	569 232	6,8%

The breakdown of customer deposits and assets excluding related debts according to the residual maturity excluding related debts is detailed as follows:

Description	≤ 3 months	from 3 months to 1 year	from 1 year to 5 years	Above 5 years	Gross outstanding
Sight depositors	3 654 603	147 349	114	-	3 802 066
Sight depositors in dinars	2 586 224	-	-	-	2 586 224
Accounts in convertible dinars	108 603	-	-	-	108 603
Currency accounts	841 117	-	-	-	841 117
Investments in currency	118 659	147 349	114	-	266 122
Savings deposits	3 585 870	-	-	-	3 585 870
Special savings accounts	3 541 788	-	-	-	3 541 788
Other savings accounts	44 082	-	-	-	44 082
Term deposits	617 686	599 510	205 756	-	1 422 952
Term accounts	241 192	250 597	89 664	-	581 453
Interest-bearing vouchers	193 494	280 413	113 092	-	586 999
Deposit certificates	183 000	68 500	3 000	-	254 500
Other amounts owed to customers	184 331	-	-	-	184 331
Total	8 042 490	746 859	205 870	-	8 995 219



6.12 - Loans and special resources

The balance of this item came at TND 480 350 thousand at 31/12/2021 compared to TND 351 355 thousand at 31/12/2020 and breaks down as follows :

Description	2021	2020	Variation	%
Bond and private loans	243 635	194 279	49 356	25,4%
Special resources	220 564	149 721	70 843	47,3%
Budget resources	78 404	63 886	14 518	22,7%
External resources	142 160	85 835	56 325	65,6%
Interest payable on bond issues	21 145	12 383	8 762	70,8%
Interest payable on external resources	1 908	1 120	788	70,4%
Related debts	388	388	-	-
Conversion gap on loan	(7 290)	(6 336)	(954)	(15,1%)
Total	480 350	351 555	128 795	36,6%

(a) Bond and private loans

The breakdown of bond and private loans according to the residual maturity at 3/12/2021 is detailed as follows:

Description	≤ 3 months	[3 months-1 year]	[1 year-5 years]	> 5 years	Total
Bonds and private loans	709	22 639	207 138	13 149	243 635

The breakdown of bond and private loans into long-term and short-term loans is detailed at 31/12/2020 as follows:

Description	Balance 2020	New loans	Reimbursements	Reclassifying	Balance 2021
Long-term loan					
Short-term loan	33 063	4 100	-	-	37 163
Total	194 279	82 286	(32 930)	-	243 635

(b) Special resources

The breakdown of special resources according to residual maturity is detailed as at 12/31/2021 as follows:

Description	≤ 3 months	[3 months-1 year]	[1 year-5 years]	> 5 years	Total
Special resources	2 359	14 133	86 790	117 282	220 564

The breakdown of special resources into long-term and short-term resources as of 12/31/2021 is as follows:

Description	Balance 2020	New loans	Reimbursements	Reclassifying	Revaluation	Balance 2021
Long-term resources						
Short-term resources	13 425	3 067	-	-	-	16 492
Total resources before hedging	149 720	82 569	(11 725)	-	-	220 564
Hedging on currency resources	(6 335)	-	(955)	-	-	(7 290)
Total resources	143 385	82 569	(12 680)	-	-	213 274

6.13 - Other liabilities

This item totaled TND 805 567 thousand at 31/12/2021 compared to TND 808 659 thousand at 31/12/2020 :

Description	2021	2020	Variation	%
Provisions for liabilities and charges ⁽¹⁾	292 880	261 112	31 768	12,2%
State, , taxes, duties and social debts ⁽²⁾	42 084	41 065	1 019	2,5%
Unmatured financial bills ⁽³⁾	21 964	22 436	(472)	(2,1%)
Agios reserved paid for the State	2 519	3 358	(839)	(25,0%)
Fees to pay	64 088	55 831	8 257	14,8%
Other creditors	32 693	25 436	7 257	28,5%
Outstanding to be regularized	5 915	5 915	-	-
Headquarters, subsidiaries and branches	3 974	9 348	(5 374)	(57,5%)
Accruals-Liabilities	51 514	111 514	(60 000)	(53,8%)
Telecompensated securities pending settlement	154 690	147 646	7 044	4,8%
Other loans	276	276	-	-
Loans to be regularized	2 043	3 039	(996)	(32,8%)
Interest recoverable on special resources	13 716	13 716	-	-
Suppliers of fixed assets	1	1	-	-
Prepaid income	16 467	16 518	(51)	(0,3%)
State, Corporate Tax payable	92 092	83 856	8 236	9,8%
Miscellaneous suppliers	3 720	4 973	(1 253)	(25,2%)
Dividends payable	2 245	2 056	189	9,2%
Other staff loans interest and costs	338	338	-	-
Other loans interest and expenses	225	225	-	-
Total in thousand dinars	805 567	808 659	(3 092)	(0,4%)

(1) The provisions for liabilities and expenses established by the Group at the end of the 2021 financial year came at TND 292 880 thousand compared to TND 261 112 thousand at the end of the previous year. The provisions established cover the risks on off-balance sheet items and various risks, and are detailed as follows:

Description	Provisions 2020	Allocation	buybacks	Reassignment et correction	Provisions 2021
Prov on signed commitments	60 041	5 876	(1 208)	418	65 127
Prov for retirement	51 159	25 590	(5 473)	-	71 276
Prov for various risks	149 912	14 674	(8 109)	-	156 477
Total	261 112	46 140	(14 790)	418	292 880

(2) This section is detailed as follows:

Particulars	2021	2020	Variation	%
VAT	4 596	4 947	(351)	(7,1%)
Withholding tax	18 136	18 764	(628)	(3,3%)
Foreign exchange equalization fund	11 975	10 144	1 831	18,1%
Social solidarity contribution	105	82	23	28,0%
Others	7 272	7 128	144	2,0%
Total	42 084	41 065	1 019	2,5%

(3) This section is detailed as follows:

Particulars	2021	2020	Variation	%
Unmatured medium-term financial effects	1 432	1 357	75	5,5%
Financial effects on unmatured medium-term interest	4 531	4 482	49	1,1%
Unmatured financial bills received from compensation	547	547	-	-
Unmatured bills for collection sent to remote compensation	3 683	1 669	2 014	120,7%
Unmatured discount bills sent to collection	11 771	14 381	(2 610)	(18,1%)
Total	21 964	22 436	(472)	(2,1%)

6.14 - Minority interests

Minority interests break down by entity as follows:

Section	Reserves		Results		Total minority interests			
Entities	2021	2020	2021	2020	2021	2020	Variation	%
STB	25	(10)	19	9	44	(1)	45	4500,0%
STB INVEST	2 898	2 854	84	83	2 982	2 937	45	1,5%
STB MANAGER	2	35	(4)	(12)	(2)	23	(25)	(108,7%)
STB FINANCE	302	297	54	3	356	300	56	18,7%
STB SICAR	188	186	1	-	189	186	3	1,6%
IMM. AVENUE	(64)	(31)	(11)	(10)	(75)	(41)	(34)	(82,9%)
STRC	14	12	14	8	28	20	8	40,0%
GEVE	1 066	154	3 754	924	4 820	1 078	3 742	347,1%
EDDKHILA	1 632	1 990	(448)	(358)	1 184	1 632	(448)	(27,5%)
ACTIVHOTELS	(2)	(2)	1	-	(1)	(2)	1	50,0%
SICAV INVEST	20	1	(1)	1	19	2	17	850,0%
SICAV AVENIR	-	-	-	-	-	-	-	-
SICAV OBLIG	1	(17)	6	5	7	(12)	19	158,3%
SICAV EPARGNANT	(35)	(155)	21	14	(14)	(141)	127	90,1%
TFB	(6)	(4)	(1)	(1)	(7)	(5)	(2)	(40,0%)
STBMG	(6)	(1)	1	-	(5)	(1)	(4)	(400,0%)
MGERT	1 660	1 691	359	449	2 019	2 140	(121)	(5,7%)
STCV	-	-	-	-	-	-	-	-
SONIBANK	5	5	1	-	6	5	1	20,0%
SCIMB	-	-	-	-	-	-	-	-
ELFEJJA	1	1	-	-	1	1	-	-
STBSG	(5)	(2)	5	(2)	-	(4)	4	100,0%
Total	7 696	7 004	3 855	1 113	11 551	8 117	3 434	42,3%

6.15 - Equity

At the closing date, the share capital totaled TND 776 875 thousand. It is made up of 155 375 000 shares with a nominal value of TND 5, fully paid up. Movements in the bank's equity are detailed as follows:

Description	Share capital	Consolidated Reserves	Conversion reserves	AEquity	Consolidated income	Balance 2021
Balance at 31/12/2020	776 875	293 399	7 392	(5 508)	68 413	1 140 571
Result allocation	-	68 413	-	-	(68 413)	-
Conversion gap	-	-	(1 134)	-	-	(1 134)
Consolidated result	-	-	-	-	128 526	128 526
Reclassification	-	3 521	-	-	-	3 521
Change of methods and correction of errors (*)	-	(3 466)	-	-	-	(3 466)
Other variations (Social fund, subsidies, own shares, etc.)	-	10 824	-	-	-	10 824
Balance at 31/12/2021	776 875	372 691	6 258	(5 508)	128 526	1 278 842

(*) The change in methods and error correction resulted from the change in the opening equity of some companies following the acceptance of the final version of the financial statements at 31/12/2020, received after the closing of the group's financial statements at 31/12/2020.

6.15.1 - State allocation

By virtue of Law No. 2012-17 of 17 September 2012, STB recognized among its shareholders' equity an allocation of the State amounting to TND 117 million, together with a possibility of restitution in the event of the reestablishment of the bank's financial equilibrium

6.15.2 - Earnings per share

Description	2021	2020	Variation	%
Net profit for the year before accounting changes (in mDT)	128 525	68 413	60 112	87,9%
Number of ordinary shares	155 375 000	155 375 000	-	-
Number of equity (including STB shares held by the subsidiaries)	1 006 499	991 699	14 800	1,5%
% in relation to issued shares		0,64%	0	1,5%
Number of ordinary shares outstanding at the beginning of the period	154 368 501	154 383 301	(14 800)	(0,0%)
Number of ordinary shares outstanding at the end of the period	154 368 501	154 383 301	(14 800)	(0,0%)
Weighted average number of shares	154 368 501	154 383 301	(14 800)	(0,0%)
Earnings accruing to equity	833	437	396	90,7%
Earnings per share of the TD nominal value	0,833	0,443	0,389	87,9%

6.15.3 - Consolidated reserves

Consolidated reserves correspond to the results accumulated by the group in the entities included in the scope from the acquisition of control until the closing date of the financial year preceding the one covered by the publication

Description	2021	2020	Variation	%
Contribution of the consolidating parent company	384 356	313 174	71 182	22,7%
+ Group share, in the issue premium	115 857	115 860	(3)	(0,0%)
+ Group share, in the State allocation	116 981	116 983	(2)	(0,0%)
+ Group share, in other reserves	151 518	80 331	71 187	88,6%
Contribution of subsidiaries in the banking sector	(1 038)	5 977	(7 015)	(117,4%)
Contribution of subsidiaries in the financial services sector	(1 178)	(18 144)	16 966	93,5%
Contribution of subsidiaries in the sector of other services	(3 191)	(216)	(2 975)	(1377,3%)
Total	378 949	300 791	78 158	26,0%

Consolidated reserves are broken down by group company as follows:

Entity	Consolidated reserves	Conversion reserves	2021	Consolidated reserves	Conversion reserves	2020	Variation	%
STB	384 145	211	384 356	312 818	356	313 174	71 182	22,7%
STB INVEST	16 364	-	16 364	15 502	-	15 502	862	5,6%
STB MANAGER	800	-	800	1 157	-	1 157	(357)	(30,9%)
STB FINANCE	1 162	-	1 162	1 031	-	1 031	131	12,7%
STB SICAR	5 562	1	5 563	5 463	1	5 464	99	1,8%
IMM. AVENUE	(4 965)	-	(4 965)	(1 056)	-	(1 056)	(3 909)	(370,2%)
STRC	(39 494)	-	(39 494)	(40 346)	-	(40 346)	852	2,1%
GEVE	(936)	-	(936)	(1 846)	-	(1 846)	910	49,3%
EDDKHILA	(273)	-	(273)	472	-	472	(745)	(157,8%)
ACTIVHOTELS	(2 929)	-	(2 929)	(2 770)	-	(2 770)	(159)	(5,7%)
SICAV INVEST	355	-	355	18	-	18	337	1872,2%
SICAV AVENIR	9	-	9	6	-	6	3	50,0%
SICAV OBLIG	(161)	-	(161)	(484)	-	(484)	323	66,7%
SICAV EPARGNANT	14 226	-	14 226	(492)	-	(492)	14 718	2991,5%
TFB	(38 369)	2 568	(35 801)	(30 761)	2 913	(27 848)	(7 953)	(28,6%)
STBMG	(174)	-	(174)	(19)	-	(19)	(155)	(815,8%)
MGERT	1 646	-	1 646	1 677	-	1 677	(31)	(1,8%)
STCV	1 033	-	1 033	1 008	-	1 008	25	2,5%
SONIBANK	31 284	3 478	34 762	29 702	4 122	33 824	938	2,8%
SCIMB	(455)	-	(455)	(463)	-	(463)	8	1,7%
ELFEJJA	4 014	-	4 014	2 861	-	2 861	1 153	40,3%
STBSG	(153)	-	(153)	(79)	-	(79)	(74)	(93,7%)
Total	372 691	6 258	378 949	293 399	7 392	300 791	78 158	26,0%

6.15.4 - Consolidated result

The financial year, as at 31 December 2021, closed with a positive consolidated result of TND 128 526 thousand compared to a similar result of TND 68 413 thousand at 31 December 2020. The contribution to the consolidated result of the parent company and its subsidiaries can be comparatively detailed as follows:

Description	2021	2020	Variation	%
Contribution of the consolidating parent company	116 009	67 144	48 865	72,8%
Contribution of entities in the banking sector	(1 694)	(4 568)	2 874	62,9%
Contribution of entities in the sector of financial services	8 270	4 473	3 797	84,9%
Contribution of entities in the sector of other services	5 941	1 364	4 577	335,6%
Total	128 526	68 413	60 113	87,9%

The consolidated result is broken down by group company as follows:

Entity	2021	2020	Variation	%
STB	116 009	67 144	48 865	72,8%
STB INVEST	1 510	1 497	13	0,9%
STB MANAGER	(687)	(383)	(304)	(79,4%)
STB FINANCE	1 163	68	1 095	1610,3%
STB SICAR	36	(32)	68	212,5%
IMM. AVENUE	(1 259)	(1 160)	(99)	(8,5%)
STRC	4 919	2 727	2 192	80,4%
GEVE	3 754	924	2 830	306,3%
EDDKHILA	(932)	(745)	(187)	(25,1%)
ACTIVHOTELS	1 526	(178)	1 704	957,3%
SICAV INVEST	(37)	24	(61)	(254,2%)
SICAV AVENIR	12	30	(18)	(60,0%)
SICAV OBLIG	154	101	53	52,5%
SICAV EPARGNANT	1 198	441	757	171,7%
TFB	(6 154)	(7 586)	1 432	18,9%
STBMG	17	(16)	33	206,3%
MGERT	358	448	(90)	(20,1%)
STCV	549	90	459	510,0%
SONIBANK	4 461	3 018	1 443	47,8%
SCIMB	35	21	14	66,7%
ELFEJJA	1 743	2 054	(311)	(15,1%)
STBSG	151	(74)	225	304,1%
Total	128 526	68 413	60 113	87,9%

NOTE 7 - NOTES RELATING TO THE STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

(The figures are expressed in thousands of Tunisian Dinars)

7.1 - Contingent liabilities

The contingent liability post made up of the headings "Sureties, endorsements and other guarantees given" and "documentary credits" breaks down at 31 December 2021 as follows:

Description	2021	2020	Variation	%
Customer sureties and endorsements	1 027 143	981 930	45 213	4,6%
Other irrevocable, unconditional guarantees from banks	434 151	440 710	(6 559)	(1,5%)
Total deposits, endorsements and other guarantees given	1 461 294	1 422 640	38 654	2,7%
Documentary credits and import acceptances	424 259	418 806	5 453	1,3%
Documentary credits and export acceptances	64 433	20 128	44 305	220,1%
Total documentary credits	488 692	438 934	49 758	11,3%
Total contingent liabilities	1 949 986	1 861 574	88 412	4,7%

7.2 - Commitments given

The item "Commitments given" totaled TND 115 691 thousand at December 31, 2021 compared to TND 73 831 thousand at December 31, 2020.

Description	2021	2020	Variation	%
Financing commitments	115 590	73 730	41 860	56,8%
Commitments on securities	101	101	-	-
Total	115 691	73 831	41 860	56,7%

7.3 - Guarantees received

The balance of the "Guarantees received" post at 31 December 2021 was TND 2 208 276 thousand compared to TND 2 025 200 thousand at 31 December 2020:

Description	2021	2020	Variation	%
Security lines received from banks established abroad	434 152	440 710	(6 558)	(1,5%)
Guarantees received from banks and financial institutions established in Tunisia	412	11 218	(10 806)	(96,3%)
Guarantees received from the State and insurance organizations	1 177 962	964 129	213 833	22,2%
Guarantees received from customers	595 750	609 143	(13 393)	(2,2%)
Total	2 208 276	2 025 200	183 076	9,0%

- For this section, these are the non-accounting figures communicated by the various departments of the bank.
- Security lines received from banks are presented as contingent liabilities and guarantees received from banks.
- The actual guarantees received from customers to cover the loans granted are not taken.

NOTE 8 - NOTES RELATING TO THE CONSOLIDATED STATEMENT OF INCOME

(The figures are expressed in thousand Tunisian Dinars)

8.1 - Interest and similar income

Interest and similar income amounted to TND 827 974 thousand at 31 December 2021, compared to TND 819 451 thousand at 31 December 2020 and breaks down as follows:

Description	2021	2020	Variation	%
Interest on receivables from banking and financial institutions	18 772	19 802	(1 030)	(5,2%)
Interest on dinar money market loans	8 365	9 657	(1 292)	(13,4%)
Interest on currency money market loans	10 407	10 130	277	2,7%
Interest on other assets with banking and financial institutions	-	15	(15)	(100,0%)
Interest on customer receivables	784 632	776 032	8 600	1,1%
Interest in agios on account receivables	98 319	108 625	(10 306)	(9,5%)
Interest on customer loans	686 314	667 407	18 907	2,8%
Reversal of reserved interests on receivables	(1)	-	(1)	-
Assimilated income	24 570	23 617	953	4,0%
Total	827 974	819 451	8 523	1,0%

8.2 - Commissions (in income)

The amount of commissions amounted to TND 137 014 thousand at 31 December 2021 compared to TND 120 021 thousand at 31 December 2020 and breaks down as follows:

Description	2021	2020	Variation	%
Checks, bills, transfers and account maintenance	63 976	59 184	4 792	8,1%
Securities transactions	3 996	2 154	1 842	85,5%
Foreign exchange transactions	10 087	9 598	489	5,1%
Foreign trade operations	5 652	3 407	2 245	65,9%
Safe	42	32	10	31,3%
Research	21 606	21 831	(225)	(1,0%)
Others	31 655	23 815	7 840	32,9%
Total	137 014	120 021	16 993	14,2%

8.3 - Gains on the commercial securities portfolio and financial transactions

Description	2021	2020	Variation	%
Net gains on trading securities	1 211	1 187	24	2,0%
Net interest on treasury bills	1 171	1 126	45	4,0%
Dividends and similar income from trading securities	37	61	(24)	(39,3%)
Capital gains on sale of trading securities	3	-	3	-
Net gains (losses) on investment securities	48 680	35 212	13 468	38,2%
Dividends and similar income from trading securities	40 544	31 961	8 583	26,9%
Losses on investment securities	9 103	3 401	5 702	167,7%
Allocations to provisions for depreciation of investment securities	(1 519)	(875)	(644)	(73,6%)
Reversals of provisions for depreciation of investment securities	552	725	(173)	(23,9%)
Net gains on foreign exchange transactions	42 004	35 519	6 485	18,3%
Result on foreign exchange transactions	42 004	34 561	7 443	21,5%
Manual exchange commissions	-	958	(958)	(100,0%)
Total	91 895	71 918	19 977	27,8%

8.4 - Income on investment securities portfolio

Income on the Investment securities portfolio amounted to TND 67 514 thousand at 31 December 2021 compared to TND 71 585 thousand at 31 December 2020 and breaks down as follows

Description	2021	2020	Variation	%
Interest and similar income on investment securities	115	185	(70)	(37,8%)
Interest and similar income on BTA investment	57 007	61 798	(4 791)	(7,8%)
Dividends and similar income / equity securities	3 731	4 709	(978)	(20,8%)
Income from managed funds	-	(652)	652	100,0%
Income from retrocession equity securities	1 329	667	662	99,3%
Interest and similar income from bonds	5 332	4 878	454	9,3%
Total in thousand TND	67 514	71 585	(4 071)	(5,7%)

8.5 - Interest incurred and similar expenses

Incurred interest and similar charges amounted to TND 464 569 thousand at 31 December 2021 compared to TND 457 574 thousand at 31 December 2020 and are detailed as follows:

Description	2021	2020	Variation	%
Transactions with banking institutions	(81 781)	(92 415)	10 634	11,5%
Customer transactions	(353 500)	(343 458)	(10 042)	(2,9%)
Loans and special resources	(29 022)	(21 434)	(7 588)	(35,4%)
Other interests and expenses	(266)	(267)	1	0,4%
Total	(464 569)	(457 574)	(6 995)	(1,5%)

8.6 – Allocations to provisions and result of value adjustments on receivables, off-balance sheet and liabilities

Description	2021	2020	Variation	%
Allocations to provisions on customer commitments	(92 825)	(161 645)	68 820	42,6%
Allocations to provisions for doubtful debts	(141 497)	(140 130)	(1 367)	(1,0%)
Allocations to provisions on associated current accounts	131	115	16	13,9%
Allocations to additional provisions	(35 865)	(50 185)	14 320	28,5%
Allocations to collective provisions	(6 901)	(34 357)	27 456	79,9%
Allocations to provisions for impairment of operating assets of non-financial subsidiaries	(10)	(9)	(1)	(11,1%)
Provision writebacks for bad debts	100 849	176 403	(75 554)	(42,8%)
Additional provisions writebacks	85 395	140 017	(54 622)	(39,0%)
Receivables assigned to STRC or written off	(154 630)	(352 191)	197 561	56,1%
Receivables written off	(15 448)	(4 227)	(11 221)	(265,5%)
Writebacks of reserved agios on transferred, written off or abandoned receivables	75 756	103 170	(27 414)	(26,6%)
Other allocations	(651)	(251)	(400)	(159,4%)
Other write-backs	46	-	46	-
Allocations to provisions for risks and charges	(30 806)	(28 961)	(1 845)	(6,4%)
Allocations to provisions for risks and charges	(36 400)	(54 809)	18 409	33,6%
Allocations to provisions related to social reorganization	(445)	(62)	(383)	(617,7%)
Allowances and pensions linked to social reorganization	(7 602)	(9 540)	1 938	20,3%
Provision writebacks for risks and charges	8 168	28 150	(19 982)	(71,0%)
Provision writebacks for retirement and social reorganization	5 473	7 300	(1 827)	(25,0%)
TOTAL	(123 631)	(190 606)	66 975	35,1%

8.7 - Allocations to provisions and result of value adjustments on the investment portfolio

At 31 December 2021, the balance of this post was broken down as follows:

Description	2021	2020	Variation	%
Allocations to provisions for depreciation of equity securities	(3 396)	(3 517)	121	3,4%
Allocations to provisions for depreciation of other investment securities	-	-	-	-
Allocations to provisions for depreciation of retrocession securities	(1 443)	(6 189)	4 746	76,7%
Capital gains or losses on the sale of other investment securities	(478)	(24)	(454)	(1891,7%)
Capital gains or losses on the sale of equity securities	279	4 604	(4 325)	(93,9%)
Reversals of provisions for depreciation of investment portfolio	1 998	3 683	(1 685)	(45,8%)
Reversals of provisions for depreciation of retrocession securities	332	390	(58)	(14,9%)
Total	(2 708)	(1 053)	(1 655)	(157,2%)

8.8 - Other operating income

The item other operating income came at 31/12/2021 to a total of TND 37 834 thousand compared to TND 19 193 thousand at 31/12/2020, detailed as follows:

Description	2021	2020	Variation	%
Income from buildings	20 128	9 027	11 101	123,0%
Interest on staff loans	7 701	7 070	631	8,9%
Change in inventories of work in progress and completed work	4 739	(2 239)	6 978	311,7%
Other accessory products	403	670	(267)	(39,9%)
Other products : Services	4 863	4 665	198	4,2%
Total	37 834	19 193	18 641	97,1%

8.9 - Payroll expenses

Payroll expenses reached totaled TND 204 664 thousand at 31 December 2021 compared to TND 178 089 thousand at 31 December 2020 restated, and are detailed as follows:

Description	2021	2020	Variation	%
Staff remuneration	(148 513)	(130 440)	(18 073)	(13,9%)
Social expenses	(51 290)	(43 333)	(7 957)	(18,4%)
Variation in paid leave	(475)	(223)	(252)	(113,0%)
Other personnel costs	(4 386)	(4 093)	(293)	(7,2%)
Total	(204 664)	(178 089)	(26 575)	(14,9%)

8.10 - General operating expenses

General operating expenses reached a total of TND94 399 thousand at 31 December 2021 compared to TND 79 078 thousand at 31 December 2020, detailed as follows:

Description	2021	2020	Variation	%
Rent	(4 947)	(4 567)	(380)	(8,3%)
Maintenance and repairs entrusted to third parties	(5 831)	(1 436)	(4 395)	(306,1%)
Work and methods performed by third parties	(6 598)	(10 243)	3 645	35,6%
Membership fee Deposit guarantee fund	(23 052)	(20 264)	(2 788)	(13,8%)
Insurance premium	(1 770)	(1 679)	(91)	(5,4%)
Others	(11 760)	(5 860)	(5 900)	(100,7%)
Duties and taxes	(5 246)	(1 963)	(3 283)	(167,2%)
Supplies made to the company	(2 525)	(2 454)	(71)	(2,9%)
Intermediary remuneration and fees	(2 277)	(1 958)	(319)	(16,3%)
Transport and travel	(263)	(284)	21	7,4%
Attendance fees	(345)	(183)	(162)	(88,5%)
Social solidarity contribution	(145)	(60)	(85)	(141,7%)
Var. other stocks	(5 826)	(6 784)	958	14,1%
Miscellaneous management fees	(23 535)	(20 919)	(2 616)	(12,5%)
Other adjustment accounts	(279)	(424)	145	34,2%
Total	(94 399)	(79 078)	(15 321)	(19,4%)

8.11- Gain / loss balance from other ordinary items

The gain / loss balance from other ordinary items was TND 1 2092 thousand at 31/12/2021 compared to TND 5 339 thousand at 31/12/2020 and is detailed as follows:

Description	2021	2020	Variation	%
Gains from other ordinary items	15 953	9 981	5 972	59,8%
Capital gain / capital loss on disposals	1 009	5 179	(4 170)	(80,5%)
TFP grant	1 386	1 373	13	0,9%
Other gains	13 558	3 429	10 129	295,4%
Losses from other ordinary items	(17 245)	(4 642)	(12 603)	(271,5%)
Total	(1 292)	5 339	(6 631)	(124,2%)

8.12 - Corporate tax

The income tax expense at 31 December 2021 was TND 98 247 thousand compared to TND 83 522 thousand at December 31, 2020.

Description	2021	2020	Variation	%
Corporate atx	(95 565)	(84 980)	(10 585)	(12,5%)
Deferred taxes	(2 682)	1 458	(4 140)	(284,0%)
Total	(98 247)	(83 522)	(14 725)	(17,6%)

NOTE 9 - NOTES RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Figures are expressed in thousands of Tunisian Dinars)

9.1 - Net cash flow used in operating activities

The operating activities generated, during the financial year 2021, a negative net cash flow of TND -18 424 thousand.

The main variations are detailed as follows:

- The operating income received posted a surplus of TND 567 949 thousand compared to the operating expenses disbursed;
- Loans and loan repayments made by customers generated a negative net flow of TND -666 573 thousand;
- Customer deposits and withdrawals generated a positive net flow of TND 1 069 061 thousand;



- the acquisitions / disposals of investment securities generated a negative net flow of TND -189 775 thousand;
- The sums paid to staff and to various creditors reached TND243 756 thousand;
- Other cash flows linked to operating activities resulted in a net disbursement of TND 5 688 thousand.

9.2 - Net cash flow used in investing activities

The investment activities generated during the financial year 2020, a negative net flow of TND -10 728 thousand.

9.3 - Net cash flow used in financing activities

Financing activities generated, during fiscal year 2020, a positive net cash flow of TND119 221 thousand.

9.4 - Cash and cash equivalents

The bank's liquidity and liquidity equivalents reached a balance of TND 977 043 thousand at 31 December 2021 compared to TND 1 066 967 thousand at 31 December 2020, detailed as follows:

Description	2021	2020	Variation	%
Cash, CCP and liquidity recovery	79 553	74 580	4 973	6,7%
Deposit facility	50 000	-	50 000	-
BCT	(1 057 709)	(1 014 850)	(42 859)	(4,2%)
Banks and specialized organizations	(5 871)	37 317	(43 188)	(115,7%)
Money market loans	(47 123)	(172 410)	125 287	72,7%
Trading securities	4 107	8 396	(4 289)	(51,1%)
Total	(977 043)	(1 066 967)	89 924	8,4%

NOTE 10 - NOTES RELATING TO TRANSACTIONS WITH LINKED PARTIES

10.1 – Agreements and Newly Completed Transactions

- In 2021, STB signed a foreign exchange financing agreement with the Tunisian State, its main shareholder, for an amount of € 20 million, as part of the syndicated loan granted by the Tunisian banks to the State for a total amount of € 259.5 million and USD 150 million.
- The outstanding amount of this loan as of 31/12/2021 is € 20 million ie, the equivalent of TND 65 121 million.
- STB granted to TFB, a company belonging to the STB group, short-term interbank loans amounting to € 5 million at 31 December 2021, the equivalent of TND 16.410 million.
- Under the decisions of the Minister of Finance, STB benefited from an envelope of guarantees granted by the State, the main shareholder, to cover the liabilities of certain public companies. These guarantees amount to TND 240 050 million.

Relation	Cash voucher	Deposit certificate	Term deposit	Grand total
SICAV AVENIR			200 000	200 000
SICAV L'EPARGNE OBLIGATAIRE		5 000 000	6 000 000	11 000 000
SICAV L'INVESTISSEUR			200 000	200 000
Total in dinars	0	5 000 000	6 400 000	11 400 000

- Current deposit accounts (payables) opened by associated companies have the following balances (in millions of dinars) at 31/12/2021:

COMPANY	AMOUNT
SICAV AVENIR	31 582
L'INVESTISSEUR STE SICAV	46 783
TUNISIAN FOREIGN BANK	57 427
STE TNNE DE CONTROLE VERITAS	2 521 220

- From July 1, 2021, the SICAV L'EPARGNE OBLIGATAIRE entered into a management agreement with STB Finance under which the latter's remuneration was increased to 0.50%

- In Financial year 2021, subscriptions to the STB 2020-2 subordinated bond issued by STB amounted to TND 84 714.100 million. The amount subscribed by the related parties, is 3,000 million dinars and is detailed as follows:

Company	Category	Amount
MAE	Category C	3 000 000
Total bonds subscribed by administrators		3 000 000

- The amount of dividends to be received from the related parties on 31/12/2021 are detailed as follows:

SICAV AVENIR	24 974,199
SICAV L'INVESTISSEUR	10 504,126
SICAV L'EPARGNANT	2 703,500
SONIBANK	1 352 558,182
EL FEJJA	960 000,000

- The outstanding amount of term deposits subscribed, during 2021, by the associated companies of the STB totaled , as at December 31, 2021, an amount of TND15.400 million dinars, distributed as follows:

including tax against a remuneration of 0.40% until June 30, 2021. This remuneration is annual and calculated daily on the basis of the net assets of the SICAV.

- For the 2021 financial year, the amount of this remuneration totalled TND 767 338; it is included in investment management expenses in the income statement.

- STB Manager holds an administrative position on the board of directors of SICAV L'EPARGNE obligataire. As such, it received from the latter an attendance fee of 1 250 dinars (gross amount).

- The Board of Directors of the SICAV l'épargnant meeting on March 23, 2021 decided to revise the management fee, entrusted to the company STB FINANCE. This is responsible for choosing investments and the administrative and accounting management of the company for a remuneration including tax of 0.312% per year, calculated on the basis of net assets. This remuneration has been reduced to 0.412% including tax per year since July 1, 2021.

- For the 2021 financial year, the amount of this remuneration totaled 925 thousand dinars.

- The company «SICAV L'INVESTISSEUR» has entrusted the management to the company «STB MANAGER» for a remuneration of 0.5% excluding tax of the net assets (formerly set at 0.8% including tax) calculated daily at the new rate, from 01/01/2019. This update takes into account the decision of the company's board of directors meeting on June 7, 2018 which also provides for the SICAV to bear all costs related to its management from the same date mentioned above.

- In addition, the board of directors of the «SICAV L'INVESTISSEUR» meeting on June 07, 2018 decided to change the manager to entrust the latter to the company «STB FINANCE». The SICAV received the relevant approval from the Financial Market Council on 10/31/2019 and submitted it to the extraordinary general meeting of 01/22/2020 for updating the statutes.

- The new management agreement with STB Finance was concluded on 07/07/2020. However, the date of its entry into force is 07/16/2020 according to a press release published by the SICAV in the B.O of the CMF on 07/10/2020. The manager's remuneration conditions remained unchanged.

- The management charge recorded by the company for the 2021 financial year amounts to TND 7 271.

- The management agreement was concluded between the company "SICAV AVENIR" and the company "STB FINANCE". This was in charge of the choice of investments and the administrative and accounting management of the company. In return for the services, the manager received a remuneration of 0.5% excluding tax of the net assets per year.

- As such, the fees recognized for the year 2021 totaled TND 6 765 including tax.

10.2 – Transactions carried out relating to previous agreements

- Pursuant to Law No. 2012-17 of September 21, 2012, STB recorded, during the 2011 financial year, among its shareholders' equity, a State endowment of an amount of TND 117 million together with a possibility of restitution in the event of the restoration of the bank's financial equilibrium.

- Prior to the 2021 financial year, STB signed foreign currency financing agreements with the Tunisian State, its main shareholder. The outstanding amount of these loans as at 12/31/2021 is EUR 79 999.99 million, i.e. the equivalent of TND 260.483 million.

- Prior to the 2021 financial year, STB concluded with the Tunisian State management agreements for several budgetary funds (intended to finance either non-refundable subsidies, or grants, or credits) in return for the collection of commissions .

- The outstanding balance of these budgetary funds stood at TND 78.404 million on 12/31/2021 compared to TND 63.975 million on 12/31/2020.

- Prior to the 2021 financial year and by virtue of the decisions of the Minister of Finance, STB benefited from a package of guarantees granted by the State, the main shareholder, to cover the commitments of certain public companies. As at 12/31/2021, these guarantees totaled TND 547.246 million.

- STB granted its subsidiary Banque Franco-Tunisienne «BFT» an interbank loan of TND 70 million for a renewable period of 7 days with an interest rate of 7.25%.

- STB granted its subsidiary Banque Franco-Tunisienne «BFT» a short-term interbank loan in foreign currency which amounted to USD 560 thousand on December 31, 2021, i.e. the equivalent of TND 1.616 million.

- On October 18, 2016, STB subscribed to the private subordinated bond loan issued by TFB, a company belonging to the STB group, for a total amount of 16 million Euros, i.e. the equivalent of 39.560 million Dinars guaranteed by the State pursuant to the decision of the Minister of Finance dated October 17, 2016.

- On May 26, 2017 and March 28, 2018, STB converted the above-mentioned loan into the capital of the said company respectively for 6 million Euros and 3 million Euros, i.e. the equivalent of TND 22.253 million.
- During the 2020 financial year, STB carried out the capital conversion of EUR2.289 million, i.e. the equivalent of TND 5.660 million .
- The outstanding amount of the loan totaled on 12/31/2021 EUR 4 710 634.96 , i.e. the equivalent of TND 11 647 037.521 dinars.
- Prior to the 2021 financial year, the directors and associated companies of STB subscribed to the various bond loans issued by STB.

The outstanding of the amounts subscribed are detailed as follows :

Relation	Subscribed amount	Outstanding at 31/12/2021
SICAV L'EPARGNANT	14 132 100	7 415 560
SICAV L'EPARGNE OBLIGATAIRE	6 180 000	6 180 000
SICAV L'INVESTISSEUR	50 000	50 000
SICAV L'AVENIR	30 000	30 000
Total bonds subscribed by subsidiaries and related companies	20 392 100	13 675 560,0
STAR	52 000 000	22 726 000
Total bonds subscribed by administrators	52 000 000	22 726 000
Grand total in Dinars	72 392 100	36 401 560

- Under the terms of the agreements entered into with the SICAV L'Épargnant, the SICAV Investisseur, the SICAV Avenir and the SICAV l'épargne obligataire, STB performs the function of depositary and/or distributor of securities and funds for these SICAVs.
- 0.15% of the amount of the net assets of the SICAV bond savings calculated daily. The commission relating to 12/31/2021 stood at TND 255 054 including tax.
- Prior to the audited year, STB subscribed to the 2014 national loan issued by the Tunisian State, the main shareholder, for 70 million dinars repayable over 7 years with a grace period of 2 years and a rate of interest equal to 6.15% (category B) and for an amount of 756 thousand dinars purchased on the market repayable over 5 years with a grace period of 1 year and an interest rate equal to 5.95% (category A). The outstanding amount of this loan, i.e. 14 million dinars, was fully repaid in 2021.
- Bank loans granted by STB to companies, related parties, its directors and its managers totaled, as at 12/31/2021, TND 78.278 million, distributed as follows:
 - 0.15% of the amount of the net assets of the SICAV saving the saver calculated daily. The commission relating to the 2021 financial year amounts to TND 384 508 including tax ;
 - 0.2% of the amount of the net assets of the SICAV the investor calculated daily. The commission relating to the 2021 financial year amounts to TND 2 444 including tax ;
 - (TND 1 000 (excluding taxes), fixed commission paid annually by the SICAV Avenir;



Group	Relation	Account debit	Other commitments	Total commitments
GROUP STB	SONIBANK		8 187 000	8 187 000
	SICAV INVESTISSEUR		420 000	420 000
	POLE DE COMPETITIVITE MONASTIR EL FEJJA		8 000 000	8 000 000
	STE TNNE DE CONTROLE VERITAS		115 000	115 000
	TUNISIAN FOREIGN BANK		47 187 000	47 187 000
	SICAR AVENIR		835 000	835 000
		0	64 744 000	64 744 000
GROUP BELAID MONCEF	STE SUD TRADE		244 700	244 700
	STPA - STE TNE DES PROD. ALUMINEUX		1 646 173	1 646 173
	STE CHIMEX		925 299	925 299
	STE GLE DES PLASTIFIANTS		2 229 189	2 229 189
	SOMEF TUNISIE		1 474 798	1 474 798
	STE VARAT TUNISIE		2 101 278	2 101 278
	STE SIMEF ELECTRIC AUGMENTATION CAPITAL		638 236	638 236
	STE SOMEF DISTRIBUTION		181 200	181 200
	BEL LASSOUED MOHAMED TAHAR	486		486
	STAR		3 898 328	3 898 328
Total administrators		486	13 339 201	13 339 687
Secretary general			97 334	97 334
Deputy manager			96 496	96 496
Total administrators			193 830	193 830
		486	78 277 031	78 277 517

The outstanding amount of term deposits subscribed, prior to the 2021 financial year, associated companies and directors of STB totaled, as at December 31, 2021, TND 34 million, distributed as follows:

Relation	Amount
La Société Tunisienne d'Assurance et de Réassurance « STAR »	30 000 000
SICAV L'EPARGNE OBLIGATAIRE	4 000 000
Total in Dinars	34 000 000

10.3 – Obligations and commitments of STB towards managers

10.3.1. The obligations and commitments towards managers as referred to in Article 200 (new) II § 5 of the Code of Commercial Companies are detailed as follows:

- The Managing Director was appointed by decision of the Board of Directors meeting on March 22, 2021. The elements of remuneration are the same as set by the bank's remuneration committee and

approved by the STB board of directors met on May 30, 2016. The components of compensation break down as follows:

- A fixed element which consists of a monthly net salary fixed at 16 thousand dinars
- And a variable annual element which does not exceed 50% of the amount of the fixed element, i.e. 96 thousand dinars and which will be calculated on the basis of the rate of achievement of the objectives set by the board of directors as well as financial indicators.
- The benefits in kind are a company car with a quota of 500 liters of fuel per month, the payment of telephone communication costs with a ceiling of 250 dinars per month as well as the reimbursement of all costs incurred within the framework of the exercise of his activity on presentation of the related invoices.
- The items of remuneration of the Deputy General Manager and the Secretary General as revised by the bank's appointment and remuneration

committee, were approved by the STB board of directors meeting on September 16, 2020. The remuneration items have been revised as follows:

- A fixed element which consists of a gross monthly salary set at 4 767 thousand dinars, i.e. a net salary of 2.670 thousand dinars;
- An additional function allowance of 1 500 dinars (revision of the allowance from 600 dinars to 2 000 dinars);
- And a variable annual element which does not exceed 25% of the amount of the fixed element and which will be calculated on the basis of the rate of achievement of the objectives set by the Board of Directors as well as financial indicators.
- The benefits in kind are a company car with a quota of 400 liters of fuel per month as well as the reimbursement of telephone charges.
- The amount of attendance fees due to STB directors was set by decision of the Ordinary General Meeting

of April 29, 2021 at 4,000 dinars net per meeting for the chairman of the board of directors and 2,000 dinars net per meeting for members of the Board of Directors.

- The amount of attendance fees due to directors who are members of the permanent audit committee and the risk committee was set by decision of the Ordinary General Meeting of April 29, 2021 at 2,000 dinars net and per meeting for the chairman of the each committee and at 1000 dinars net and per meeting for committee members. The chairs and members of more than one committee will be remunerated on the basis of their attendance in a single committee of their choice.

10.3.2. STB's obligations and commitments to its managers, as shown in the financial statements for the year ended December 31, 2021, are as follows (in TND)

Type of remuneration	GM		DGM and GS		Administrators	
	Annual expenses	Liabilities at 31/12/2021	Expenses of the fiscal year	Liabilities at 31/12/2021	Annual expenses	Liabilities at 31/12/2021
Short-term benefits	478 525	23 019	533 354	37 743	292 500	208 265
Post-employment benefits	-	-	121 983	215 080	-	-
TOTAL	478 525	23 019	655 336	252 823	292 500	208 265

* Post-employment benefits are set by reference to the terms of the national collective agreement for staff of banks and financial institutions.



CONSOLIDATED INCOME STATEMENT BY DIVISION

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

(In thousand of Tunisian Dinars)

	2021	Banking	Financial	Others
Banking operating income				
PR1 Interest and similar income	827 974	827 537	409	28
PR2 Commissions (in income)	137 014	132 188	4 826	-
PR3 Gains on commercial securities portfolio and financial transactions	91 895	91 642	409	(156)
PR4 Income from the investment portfolio	67 514	66 091	1 409	14
Total banking operating income	1 124 397	1 117 458	7 053	(114)
Bank operating expenses				
CH1 Interest incurred and similar charges	(464 569)	(463 913)	(2)	(654)
CH2 Commissions incurred	(4 887)	(4 840)	(44)	(3)
CH3 Losses on commercial securities portfolio and financial transactions	-	-	-	-
Total bank operating expenses	(469 456)	(468 753)	(46)	(657)
Net banking income	654 941	648 705	7 007	(771)
PR5-CH4 Allocations to provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(123 631)	(137 307)	13 883	(207)
PR6-CH5 Allocations to provisions and result of value adjustments on the investment portfolio	(2 708)	(2 540)	(171)	3
PR7 Other operating expenses	37 834	9 391	635	27 808
CH6 Staff costs	(204 664)	(179 724)	(8 308)	(16 632)
CH7 General operating expenses	(94 399)	(89 637)	(3 188)	(1 574)
CH8 Depreciation and provisions for fixed assets	(15 705)	(13 843)	(239)	(1 623)
Operating profit	251 668	235 045	9 619	7 004
PR11 Share in the profits of associates	1 988	(1 694)	1 354	2 328
PR8-CH9 Solde en gain/perte provenant des autres éléments ordinaires	(1 292)	(3 523)	198	2 033
CH11 Tax on profit	(98 247)	(93 758)	(2 727)	(1 762)
Income from ordinary activities	154 117	136 070	8 444	9 603
PR9-CH10 Gain / loss balance from other ordinary items	(21 736)	(21 736)	-	-
Net profit for the year	132 381	114 334	8 444	9 603
PR9-CH10 Minority interest in profits	3 855	19	175	3 661
Consolidated net income for the year	128 526	114 315	8 269	5 942

CONSOLIDATED INCOME STATEMENT BY DIVISION

PERIOD FROM JANUARY 1 TO 31 DECEMBER 2020

(In thousand of Tunisian Dinars)

	2020	Banking	Financial	Others
Banking operating income				
PR1 Interest and similar income	819 451	818 840	297	314
PR2 Commissions (in income)	120 021	118 104	1 917	-
PR3 Gains on commercial securities portfolio and financial transactions	71 918	70 892	947	79
PR4 Income from the investment portfolio	71 585	70 147	1 437	1
Total banking operating income	1 082 975	1 077 983	4 598	394
Bank operating expenses				
CH1 Interest incurred and similar charges	(457 574)	(457 273)	(3)	(298)
CH2 Commissions incurred	(4 122)	(4 048)	(73)	(1)
CH3 Losses on commercial securities portfolio and financial transactions	-	-	-	-
Total banking operating expenses	(461 696)	(461 321)	(76)	(299)
Net banking income	621 279	616 662	4 522	95
PR5-CH4 Allocations to provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(190 606)	(204 121)	13 660	(145)
PR6-CH5 Allocations to provisions and result of value adjustments on the investment portfolio	(1 053)	(1 430)	376	1
PR7 Other operating income	19 193	7 997	1 170	10 026
CH6 staff costs	(178 089)	(157 011)	(7 547)	(13 531)
CH7 General operating expenses	(79 078)	(65 580)	(8 097)	(5 401)
CH8 Depreciation and provisions for fixed assets	(16 317)	(14 486)	(190)	(1 641)
Operating profit	175 329	182 031	3 894	(10 596)
PR11 share in the profits of associates	(1 789)	(4 569)	615	2 165
PR8-CH9 Gain / loss balance from other ordinary items	5 339	5 047	36	256
CH11 Income tax	(83 522)	(82 447)	(1 052)	(23)
Income from ordinary activities	95 357	100 062	3 493	(8 198)
PR9-CH10 Gain / loss balance from other extraordinary items	(25 831)	(25 831)	-	-
Net income for the year	69 526	74 231	3 493	(8 198)
PR9-CH10 Minority interest in income	1 113	(9)	(101)	1 223
Consolidated net income for the year	68 413	74 240	3 594	(9 421)

CONSOLIDATED INDICATORS

PERIOD FROM JANUARY 1 TO 31
DECEMBER 2021

(In thousand of Tunisian Dinars)

	2021	Banking	Financial	Others
1- Banking operating income	1 124 397	1 117 458	7 053	(114)
a- Interests	827 974	827 537	409	28
b- Income commissions	137 014	132 188	4 826	-
c- Income from the commercial securities portfolio	91 895	91 642	409	(156)
d- Income from the investment portfolio	67 514	66 091	1 409	14
2- Bank operating expenses	(469 456)	(468 753)	(46)	(657)
a- Interests incurred	(464 569)	(463 913)	(2)	(654)
b- Commissions incurred	(4 887)	(4 840)	(44)	(3)
3- Net banking income	654 941	648 705	7 099	543
4- Other operating income	37 834	9 391	635	27 808
5- Operating expenses, including :	(314 770)	(283 204)	(11 735)	(19 831)
a- Staff costs	(204 664)	(179 724)	(8 308)	(16 632)
b- General operating expenses	(94 401)	(89 637)	(3 188)	(1 576)
c- Depreciation allowances	(15 705)	(13 843)	(239)	(1 623)
6- Portfolio structure	1 900 792	1 801 940	75 504	23 348
a- Commercial securities portfolio	670 811	648 885	16 701	5 225
b- Investment portfolio	1 229 981	1 153 055	58 803	18 123
7- Outstanding loans appearing on the balance sheet	9 718 101	9 693 847	24 255	(1)
8- Outstanding depositors, including :	8 982 913	8 982 913	-	-
a- Sight depositors	3 802 066	3 802 066	-	-
b- Savings depositors	3 585 871	3 585 871	-	-
9- Loans and special resources	480 350	480 350	-	-
10- Shareholders' equity (excluding profit for the year)	1 150 317	1 154 685	(1 177)	(3 191)

CONSOLIDATED INDICATORS

PERIOD 1 JANUARY TO 31 DECEMBER 2020

(In thousand of Tunisian Dinars)

	2020	Banking	Financial	Others
1- Banking operating income	1 082 975	1 077 983	4 598	394
a- Interests	819 451	818 840	297	314
b- Commissions in income	120 021	118 104	1 917	-
c- Income from commercial securities portfolio	71 918	70 892	947	79
d- Income from the investment portfolio	71 585	70 147	1 437	1
2- Bank operating expenses	(461 696)	(461 321)	(76)	(299)
a- Interests incurred	(457 574)	(457 273)	(3)	(298)
b- Commissions incurred	(4 122)	(4 048)	(73)	(1)
3- Net banking income	621 279	616 662	4 674	693
4- Other operating income	19 193	7 997	1 170	10 026
5- Operating expenses, including :	(273 484)	(248 723)	(14 752)	(10 009)
a- Staff costs	(178 089)	(157 011)	(7 547)	(13 531)
b- General operating expenses	(79 078)	(77 226)	(7 015)	5 163
c- Depreciation allowances	(16 317)	(14 486)	(190)	(1 641)
6- Portfolio Structure	1 643 593	1 563 351	63 434	16 808
a- Commercial securities portfolio	486 710	472 232	14 379	99
b- Investment portfolio	1 156 883	1 091 119	49 055	16 709
7- Outstanding loans appearing on the balance sheet	9 081 688	9 050 635	31 053	-
8- Outstanding depositors, including:	8 413 681	8 413 681	-	-
a- Sight deposits	3 342 664	3 342 664	-	-
b- Savings deposits	3 347 891	3 347 891	-	-
9- Loans and special resources	351 555	351 555	-	-
10- Shareholders' equity (excluding profit for the year)	1 072 158	1 090 518	(18 144)	(216)

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STB GROUP YEAR ENDED AT 31 DECEMBER 2021

1. Qualified opinion

In execution of the mission entrusted to us by your General Assembly, we have audited the accompanying Consolidated financial statements of the STB Group -STB Société Tunisienne de Banque, which comprise the balance sheet at 31 Dec. 2021, the statement of off-balance sheet commitments, the income statement, and the cash flow statement for the year ended on that date, as well as the accompanying notes, including the summary of the main accounting methods.

In our opinion, subject to the implications of the issues described in the section «basis for qualified opinion, the enclosed consolidated financial statements present fairly, in all material respects, the financial position of the Société Tunisienne de Banque -STB GROUP as at December 31, 2021, as well as its financial performance and cash flows for the year ended on that date, in accordance with generally accepted accounting principles in Tunisia.

2. Basis of qualified opinion

We carried out our audit in accordance with the international audit standards applicable in Tunisia. Our responsibilities under these standards are more fully described in the section "Responsibilities of the statutory auditors for the audit of the consolidated financial statements" of this report. We are independent from the Group in accordance with the rules of ethics which apply to the audit of financial statements in Tunisia and we have fulfilled the other ethical responsibilities incumbent on us under these rules.

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

2.1 Our audit work was limited by the shortcomings of the bank's information system which impact the procedures and processes for processing

and presenting financial information. These shortcomings relate in particular to the justification and reconciliation of flows and transactions and to the approval of the table of commitments.

2.2 The headings "Cash and balances with the BCT, CCP and TGT", "Receivables from banking and financial institutions", "Central Bank and CCP" and "Deposits and assets from banking and financial institutions" of the financial statements of the parent company STB has accounts which present uncleared old suspensions relating mainly to the BCT Dinars, BCT Currencies and currency correspondents accounts.

Likewise, certain accounts under the headings "Other assets" and "Other liabilities" show fixed balances and suspensions relating mainly to inter-headquarters accounts (in dinars and in currencies).

The bank has undertaken work to justify and clear the operations that have remained pending, which it has entrusted to external accounting firms. As this action was in progress at the end of the financial year 2021, the possible impact on the elements of the financial statements cannot be determined.

2.3 The consolidation work was carried out in the absence of the statutory auditors' reports of six companies on a scope made up of 22.

Thus, we are not in a position to estimate the effect of the adjustments that the work of the auditors could, if necessary, highlight.

2.4 As mentioned in Note 3.11.2 «Treatment of deferred taxes», the deferred tax is recorded only for disposals of intra-group transactions. Contingent tax assets and liabilities on other temporary differences arising from the individual financial statements of the companies included in the scope of consolidation are not recognised in the Group's financial statements.

2.5 As mentioned in note 3.11.2 «Treatment of deferred taxes», deferred taxes are deferred tax is recognized only in respect of the elimination of intra-group transactions. The contingent tax assets and liabilities on other temporary differences arising from the individual financial statements of the companies included in the scope of consolidation are not recognized in the Group financial statements.

3. Key audit matters

Key audit matters are matters which, in our professional judgment, have been the most significant in the audit of the consolidated financial statements for the period under review. These matters have been addressed in the context of our audit of the consolidated financial statements taken as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

We have determined that the matters described below are the key audit matters that should be communicated in our report:

3.1 Classification of receivables and estimate of provisions

Key audit matter

The Group proceeds with the classification, the evaluation of the commitments and the recognition of the provisions relating thereto as soon as it considers that the criteria defined by the BCT circular n° 91-24 of December 17, 1991, as modified by the subsequent circulars are filled.

Given the exposure of the STB Group to credit risk with estimated obeys quantitative and qualitative criteria requiring a high level of judgment, we considered the classification of receivables, evaluation and related provisions the calculation of reserved interest and agios as a key matter in our audit.

Audit procedures implemented

Based on discussions with management and the examination of the control procedures implemented by the STB Group, we became aware of the counterparty risk assessment method and the recognition of the necessary provisions given the guarantees obtained. The method of classifying the Group's commitments is mainly based on the seniority of the receivable.

We have therefore applied the following audit approach:

- Reconciliation of the situation of customer commitments to accounting data;
- The assessment of the methodology adopted by the Group in terms of classification of receivables in relation to the rules issued by the Central Bank of Tunisia;
- Assessment of the reliability of the risk coverage and product reservation system;
- Verification of the consideration of certain qualitative criteria resulting from the operations carried out and the behavior of the relationship during the financial year;
- Examination of the guarantees retained for the calculation of provisions and the appreciation of their values, having regard to the rules enacted and the methods adopted;
- Verification of the arithmetic calculation of the amount of provisions required on customer receivables on an individual, collective and additional basis, in application of the regulations in force;
- Verification that the proposed adjustments have been taken into account by the Group.

3.2 Recording interests and commissions

Key audit matters

The interest on the commitments and commissions brought to the level of the result of the 2021 financial year amounted to TND 965 million.

We considered that the inclusion of interest and commissions in profit or loss constitutes a key audit point because of the importance of this item and the limitations inherent in the Group's information system.

Audit procedures implemented

As part of our audit of the accounts, our work focused more particularly on the following elements:

- A review of the policies, processes and controls put in place by the Group for the recognition and accounting treatment of revenue ;

- Assessment of the IT environment taking into account the generation and automatic inclusion of revenue in accounting ;
- Verification of compliance with accounting standard NCT 24 relating to "commitments and related income in banking establishments" in terms of taking income into account and separating accounting years;
- Carrying out analytical procedures on the trend of interests and commissions;
- The verification of the reliability of the interests reservation methods;
- Verification of the appropriateness of the information provided in the notes to the financial statements.

3.3 Taking into account and presentation of Assimilable Treasury Bills - ATB

Key audit question

The presentation of ATBs in an investment portfolio or a commercial portfolio follows from the policy adopted by STB (parent company) .

As at December 31, 2020, the value of the ATB portfolio of the STB (parent company) amounted to 1 367 million dinars. The application of the policy adopted by the STB led to the presentation of ATB portfolio of TND 586 million in portfolio Commercial securities (AC4) and TND 781 million in portfolio investment securities (AC5) .

Due to the material nature of ATB's outstandings and the use of assumptions and intentions of the Group's governance with regard to the allocation of these securities, we believe that considering the portfolio and its valuation constitutes a key point in the audit.

Audit procedures implemented

We appreciated the control system implemented by the STB concerning the valuation and accounting of its portfolio. Our work focused more particularly on the following elements:

- Compliance with the provisions of accounting standard No. 25 relating to the securities portfolio in banking establishments;
- The assessment of the Bank's liquidity policy and its corroboration with the history of the holding and placement of ATBs ;

- Assessment of the portfolio classification criteria and the reliability of the valuation models applied ;
- Verification of the information provided in the notes to the financial statements.

3.4 Scope of Consolidation

Key audit matter

The scope of consolidation of the STB Group is made up of 22 companies, including 13 fully consolidated companies and 9 companies consolidated by the equity method. In addition, 45 companies have been excluded e s scope of consolidation for various reasons.

We considered that the audit of the scope of consolidation constitutes a key matter of the audit because of the importance of the number of excluded companies.

Audit procedures implemented

As part of our audit of the scope of consolidation of the STB Group, our work focused more particularly on the following elements:

- Verification of compliance with Tunisian accounting standards No.35- 37 concerning consolidated financial statements with respect to the determination of the scope of consolidation ;
- Verification of the method for determining the percentage of control exercised by the Group over each entity ;
- Assessment of the nature of the control exercised taking into account several rules laid down by accounting standards, including in particular the power to direct the entity's financial and operational policies, the power to obtain the majority of voting rights in meetings of the board of directors or equivalent management body... ;
- Examination of the merits of the grounds for excluding certain companies from the Group's consolidation scope;
- Verification of the appropriateness of the information provided in the notes to the financial statements.

4 Paragraphs observed

Without calling into question our opinion expressed above, we consider it useful to draw your attention to the following points:

1. The Group's equity includes an allocation from the State in the amount of TND 117 million constituted under Law No. 2012-17 of September 21, 2012 and accompanied by a possibility of restitution in the event of restoration of the financial balance of the bank.
2. The assets of the Group include TND 14 million in respect of debts assumed by the State, over a period of 25 years and without interest, and this within the framework of the finance law for the year 1999.

5 Management report

Responsibility for the management report lies with the Board of Directors. Our opinion on the consolidated financial statements does not extend to the management report and we do not express any form of assurance whatsoever on this report.

Pursuant to the provisions of article 266 of the Commercial Companies Code, our responsibility consists in verifying the accuracy of the information given on the Group's accounts in the management report of the Board of Directors by reference to the data appearing in the statements. consolidated financial statements .

Our work consists of reading the management report and, in doing so, assessing whether there is a significant inconsistency between it and the consolidated financial statements or the knowledge we acquired during the audit, or whether the Management report otherwise appears to contain a material misstatement. If, in the light of the work we have carried out, we conclude that there is a material anomaly in the management report, we are required to report this fact.

We have nothing to report in this regard.

6 Responsibility of the Management and the Board of Directors in the preparation and presentation of the consolidated financial statements

The Executive Board o and managing directors are in charge of the preparation and fair presentation of these consolidated financial statements under the corporate accounting system and internal control that is deemed necessary for enabling the preparation of financial statements free from material anomalies, whether these result from fraud or error.

In preparing the financial statements, it is the board of directors and management who are responsible for the evaluation of the STB Group's ability to continue its operations, and communicate, if any, the issues relating to the continuity of operations and apply the accounting principle of going concern, unless the Executive Board and the Management intend to propose to liquidate the Group or to cease trading or if no other realistic solution is available to it.

It is the duty of the Executive Board to monitor the Group's financial reporting process .

7 Responsibility of chartered accountants in the audit of consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement, whether these result from fraud or error, and to issue an auditor's report containing our opinion. . Reasonable assurance corresponds to a high level of assurance, which does not however guarantee that an audit carried out in accordance with the international auditing standards applicable in Tunisia will always allow the detection of any material anomaly that may exist. Anomalies may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they may influence the economic decisions that users of the consolidated financial statements make on the basis of those economic decisions.

As part of an audit carried out in accordance with international auditing standards applicable in Tunisia, we exercise our professional judgment and exercise critical thinking throughout this audit. Besides,

- We identify and assess the risks that the consolidated financial statements carry material misstatement, whether due to fraud or error, design and implement audit procedures in response to these risks, and gather evidence sufficient and appropriate to form a basis for our opinion. The risk of non-detection of a material anomaly resulting from fraud is higher than that of a material anomaly resulting from an error, because fraud can involve collusion, falsification, willful omissions, false declarations. or bypassing internal audit;

- We acquire an understanding of internal auditing items that are relevant to the audit in order to design audit procedures appropriate to the circumstances, and not for the purpose of expressing an opinion on the efficiency of the Group's internal auditing ;
- We assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided by the management;
- We draw a conclusion as to the appropriateness of the use by management of the accounting principle of continuity of operations and, according to the evidence obtained as to whether or not a material uncertainty related to events or situations likely to cast significant doubt on the Group's ability to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. Future events or situations could also cause the Group to cease operations;
- We assess the overall presentation of the form and content of the consolidated financial statements, including information provided in the notes, and assess whether the consolidated financial statements represent operations and underlying events in a way that gives an appropriate faithful image.
- We communicate with those in charge of governance including the extent and planned schedule of work audit and our important findings, including any significant deficiencies in internal control that we may have identified during our audit.

Tunis, April 12 , 2022
The Joint Auditors

Group CFA -CB C
Fathi Saidi



CSL- CNH Group
Samir Labidi

