ANNUAL REPORT 2012

Annual Report 2012

Activity Report

December 2012

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Limited liability company

with capital of 12,300,000 dinars

Headquarters : Rue Hédi Nouira - 1001 TUNIS

Trade register B 182331996

Tél : 71.340.477 (100 grouped lines)

Telegraphic adress : SOTUBANK

Code : Peterson 4th Edition Acmé

Télex : N° 14135 - 14815 - 15376 - 15377

S.W.I.F.T. adress : STBK TN TT

FAX : 71.348.400 - 71.340.009

Websites :

- Commercial : w.w. w. Stb. Com. tn
- Electronic Commerce : ecom. Stb. Com. tn
- Online Banking : Stbnet. Stb.Com. tn

SUMMARY

COMMITTES TIED TO THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

Mrs. Samira GHRIBI (*)	Chairman of the Board
	State Representative
Mrs. Amel MEDINI (**)	State Representative
Mr. Kilani BOUCHAHOUA (***)	State Representative
Mr. Fares BESSROUR (****)	State Representative
Mr. Noureddine KAABI	State Representative
Mr. Hassen GHENIA	State Representative
The national social security administration (CNSS)	represented by its President Director General
The Tunisian oil exploration company (ETAP)	represented by its President Director General
STAR	represented by its President Director General
Mr. Noureddine BOUAOUAJA	
Mr. Abdelkader HAMROUNI	
Mr. Mohamed Salah KHALFALLAH	

(*): MRS. SAMIRA GHRIBI WAS NAMED TO REPLACE MR. HEDI ZAR ON 2 MAY 2011 (MINISTRY OF FINANCE LETTER N°366 OF 30 APRIL 2011)

(**) : Mrs. Amel MEDINI was named to replace Mr. Hedi BEN CHEIKH (Ministry of Finance letter n°370 of 30 April 2011)

(***): Mr. Kilani BOUCHAHOUA was named to replace Mr. Ahmed HADOUEJ (Ministry of Finance letter n°565 of 9 June 2011)

(****): Mr. Fares BESSROUR was named to replace Mr. Mohamed JEBALI (Ministry of Finance letter n°694 of 11 June 2011)

GENERAL DIRECTORATE

PRESIDENT DIRECTOR GENERAL	Mrs. Samira GHRIBI
DEPUTY DIRECTORS GENERAL	Messrs Fethi CHOUROU in charge of support structures
	Mourad BACCAR in charge of operational structures

ADVISORS TO THE PRESIDENT DIRECTOR GENERAL

Mr. Khaled FENDRI	in charge of control structures
Miss Hallouma BEN KHADOUMA	in charge of collection and of committees under the authority of the board of directors concerning collection and monitoring of operational issues

AUDITORS

• Grouping	Mrs. Nedra SEMMAR JLASSI
	The International Management & Auditing Company « IMAC » represented by Mr. Abderrazek SOUEI
•CFA :	Mr. Fathi SAIDI

STATE CONTROLER

Mr. Mahmoud Montacer MANSOUR

Committees under the authority of the Board of Directors

The standing committee for internal audit

The committee's underlying mission is to ensure that the internal control system is in place and functioning properly, along with monitoring and oversight of internal control activities.

Standing structure for compliance

It is in charge of determining and assessing the risks of non conformity to laws and regulations in force, to the norms of proper functioning of the profession, and to best practices.

The executive committee for credit

Its main role is to give advice on applications for short and medium term financing for amounts above a given threshold.

Auditors

Their role is to ensure the reliability and sincerity of financial statements and their conformity to Tunisian accounting norms as well as the rules issued by financial authorities (the central bank, the financial market council, tax authorities ...) and the group. They also give an opinion on the effectiveness of the Bank's internal control system.

COMMITTES TIED TO THE BOARD OF DIRECTORS

CONDITIONS FOR ATTENDING ASSEMBLIES

In line with the terms of article 40 of its statutes, only those holding at least 10 shares, paid up in full, can attend assemblies or be represented by another stockholder by means of a power of attorney remitted to a proxy or submitted at least three days prior to the meeting to the directorate for equity, stock exchange and asset management, patrimony and institutional assets, located on rue Hedi Nouira, 1001 Tunis. Those holding less than 10 shares can ban together to reach this number and be represented by one of their number or by a member of the assembly.

STRUCTURE OF STB CAPITAL AS AT 31 DECEMBER 2012

STOCKHOLDERS	NUMBER OF SHARES	%
TUNISIAN STOCKHOLDERS	**22 652 287**	**91,119**
Corporate entities	16 110 734	64,282
Public corporate entities	12 540 038	50,443
Private corporate entities	3 570 696	14,363
Private individuals	6 541 553	26,314
FOREIGN STOCKHOLDERS	**2 207 713**	**8,881**
Corporate entities	2 024 481	8,144
Private individuals	183 232	0,737
Total	**24 860 000**	**100,00**

INTERNAL CONTROL

Aside from efforts to continually enhance the quality of assets, notably in tourism, STB is giving greater priority to management of risk, mainly counterpart, transformation, interest rate and operational risk. Since management of risk requires better governance and a stronger internal control system, STB in 2012 continued its efforts in these areas.

As for governance, in line with publication of central bank of Tunisia circular 2011-06 involving stricter rules for good governance at loan institutions, the Bank has taken the following steps.

- Creation of a nominations and remuneration committee that will propose to the Board of Directors nominations and remuneration of upper management, officials in charge of bank structures, members of the board and committees, with a view to securing the most skilled people and to ensuring equal opportunity
- Launching of the procedure governing:
  - the naming of independent administrators
  - the designation of the administrator representing minority stockholders (small-scale shareholders)
- Elaboration of charters for committees under the authority of the board:
  - executive committee for credit
  - standing committee for internal audit
  - risk committee
  - committee for remuneration and nominations
- Start of work to draw up:
  - the Bank's governance code
  - the administrator's charter
  - conflict of interest policy

The functioning and frequency of committees under the authority of the board of directors have been enhanced.

As for the internal control system, with particular reference to central bank of Tunisia circular n°2006-19 of 28 November 2006, the Bank pursued its policy regarding an enhanced data processing and process control system.

Concerning the information system, in 2012 STB implemented improvements in certain applications:

- replacement of the current accounting system by the «Carthago-compta» application, along with introduction of other modules that make up the core of the future information system
- gradual phasing in of the ''IMX'' software for management of guarantees, located at headquarters and regional offices, thanks to a major effort in the areas of inventory and valuation of guarantees
- finalisation of the computer application for management of commitments (sureties

and endorsements), which is currently being put in place

- progress on work to start up software relating to management of foreign banking transactions as well as dinar and foreign currency cash transactions
- improvement and enrichment of agency applications, notably automatic generation of accounting based on operational reports, which can be automatically interpreted in line with pre-defined accounting diagrams to generate daily reports of operations at branch offices

As for control of operations, the following actions have been undertaken:

- gradual elaboration of new notes on procedures, which provide for ongoing checks at the primary and secondary levels
- rigorous monitoring of commitments and introduction of a system to manage loan applications and issue warnings that will keep overruns down (workflow)
- strengthening of legal studies on guarantees to be built up

As for ongoing control of activities, the Bank's organisational chart provides for the following control structures:

- department of management control
- department of commitments control
- department of accounting control
- department of accounting regulatory control and of decentralised operations (for transactions in foreign currency and abroad)
- department of common services (security service for people, goods, securities ...)

Aside from these departments, the Bank has the usual periodic control structures:

- department of general inspection
- department of internal audit

These two structures, in charge of ensuring that regulations in force and internal procedures are respected and of making recommendations to improve the effectiveness of management systems under the authority of the central directorate for general control, which answers to the President Director General. They carry out their mandate with complete autonomy, on the basis of duly approved annual programmes or as instructed by the directorate general. In line with legal and regulatory stipulations, this is a permanent component on the Bank's organizational chart, in charge of compliance.

INTERNATIONAL ECONOMIC ENVIRONMENT

2012 was marked by slowing world economic growth, down from 3.9% in 2011 to 3.2%, putting an end to the recovery that began in 2009 and 2010. Major efforts to free the world economy from the excessive indebtedness caused by the 2007 crisis (notably budgetary austerity measures) continue to weigh on growth as demand remains low while requiring reallocation of resources, which further weakened supply.

Industrialised countries have recorded slower GDP growth, down from 1.6% in 2011 to 1.3%.

In the euro zone, GDP fell by 0.4% in 2012, marking a new round of recession against a background of concern about the sovereign debt crisis, due to lower domestic demand and slowing foreign trade. All countries in the zone have felt the impact of deteriorating economic conditions, although to different degrees. Countries weakened by serious macroeconomic imbalances have been more exposed. Having opted for necessary but demanding adjustments, especially budgetary, these countries have moreover been subjected to less favourable financing conditions and have fallen anew into recession. The euro zone has managed to steer clear of the risk of implosion thanks to intervention by the ECB, which authorised bank refinancing operations for three years at a rate of 1%, allowing the financial sector to borrow more than a trillion euros, along with buy-back of State loans to countries in difficulty that had not previously benefited from European assistance, such as Spain. It also helped ease financial markets.

The United States posted economic growth of 2.2% in 2012, compared to 1.8% the previous year. Despite slowing investment, the trend toward « reshoring » (repatriation of industrial activity) intensified as transport costs rose because of energy prices, despite the energy boom created by rapid expansion of gas and shale oil production, which will give Tunisia a comparative advantage for years to come. The real estate sector also stabilised in 2012 as household indebtedness steadily decreased.

The Japanese economy grew by 2% in 2012, with the strongest results in the first quarter of the year, posting a 6% growth rate before dropping for the rest of the year. The 11 March 2011 catastrophe greatly increased the country's debt, which came to 200% of GDP. Weak demand worldwide, a high-value yen, and geopolitical conflict with China weighed heavily on Japanese exports.

Emerging and developing countries posted slower growth, coming in at 5.1% vs. 6.3% in 2011, in the wake of weaker demand from developed countries.

GDP in China grew by 7.8% in 2012, down from 9.3% in 2011 and 10.3% in 2010. As number one exporter in the world, China was affected by gloomy economic conditions in Europe and – for the first time in 10 years – it posted a trade deficit of 31.5 billion dollars in February. Household consumption had been growing more slowly over the previous two years, which led authorities to ease monetary policy in order to support growth.

Growth in Africa remained about the same as in 2011, at about 5.2%, but there were significant variations. There was sustained activity in sub Saharan Africa, where there were relatively few negative factors. Low income countries in general experienced expansion linked to exploitation of natural resources, while middle-income countries that are more integrated in the world economy grew at a slower pace because of the drop in exports and investment. Africa's development is also dependent on structural elements that will allow the inclusion of growth posted over the previous decade by the transition to a labour-intensive and varied economy.

World trade grew by 2% in 2012, down from 5.2% in 2011. This slower pace was due to slower growth in production and persistently high unemployment in developed economies.

TUNISIA'S ECONOMY

The Tunisian economy enjoyed a degree of recovery in 2012 after a year of recession, posting GDP growth of 3.6% in real terms compared to -2% in 2011. Such growth, which took place in a context of international economic crisis combined with a sensitive socio-political climate, needs to be examined more carefully, as it does in fact mask conditions that remained for the most part fragile, varying from one sector to another.

Thanks to clement weather, the agriculture & fishing sector grew by 3.9% in 2012. The harvest of oil olives for the 2011-2012 season yielded 182,000 tons of olive oil, up from 120,000 tons in 2011, an increase of 50%. 147,000 tons were exported, worth 593 million dinars, compared to 101,000 tons worth 403 million dinars the previous season. Cereal production was satisfactory, at 22.7 million quintals, the same level as for the 2010-2011 season. Cereal imports rose from 2,578,000 tons in 2011 to 2,867,000 tons in 2012, worth 1217 million dinars and 1389 million dinars respectively. In the industrial sector, manufacturing industries posted a 1.4% increase in production at the end of 2012, with variations from one branch to another.

At the same time that external demand was falling, production by mechanical/electrical industries fell by 1.3% and that of textile industries was down by 2.8%. Recovery in the downstream branches of mining extraction, notably manufacture of phosphoric acid, helped chemical industries to post a 15.3% increase in production. And agrofood industries maintained a steady growth rate of 4%.

As for non manufacturing industries, production in mining extraction activities has for two years fallen sharply, so stocks had to be tapped in order to maintain the level of sales. Production in the energy sector posted an upward trend in 2012.

Tourism activity went up considerably over 2011 figures. Tourist entries were up by 29.4% over 2011 figures, with bednights increasing by 45.2% and income from tourism by 30.4% as at end 2012. But performance in the tourism sector in 2012 is to be taken with moderation, since in fact it is well below the results achieved in 2010. The sector, which is extremely sensitive to the political and social context, is experiencing serious difficulties.

In the area of foreign trade, exports grew at a rate of 5.8% to 26,547.7 million dinars and imports were up by 13.3% to 38,182.7 million. Imports grew at a faster pace than exports, yielding a negative balance of trade at -11,635 million dinars, an increase of 3,031.5 million dinars compared to 2011, and a five percentage point drop in the rate of coverage to 69.5% as of yearend 2012.

The deficit in current foreign transactions widened from 4,766.4 million dinars (7.3% of GNP) in 2011 to 5,765.2 million (8.1% of GNP) in 2012. Flat demand from abroad, the growing trade deficit and higher prices contributed to greater pressure on the balance of current payments. Recovery in income from tourism however helped offset pressure on the balance of external payments.

In the area of prices, the consumer price index rose to 5.6% in terms of annual average as at yearend 2012, compared to 3.5% in 2011 and 4.4% in 2010. The higher inflation rate was due mainly to the higher cost of foodstuffs and energy products, the drop in parity with the dinar, and mechanisms meant to regulate markets that were not working because of the Libyan crisis.

Key
Figures

STB KEY FIGURES

Activity

Figures in thousand dinars	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012	variation Dec 2012/Dec 2011	Average change five years
Total balance sheet	5 728 759	5 967 257	6 753 589	7 072 160	7 544 135	6,7%	7,1%
client deposits	4 010 784	4 296 450	5 009 945	5 240 145	5 517 309	5,3%	8,3%
Total resources taken in	4 399 054	4 713 033	5 409 334	5 689 548	5 965 738	4,9%	7,9%
Outstanding balance of net loans to clients	4 447 928	4 795 204	5 351 859	5 557 292	5 653 418	1,7%	6,2%
Total net financing to the economy	4 699 092	5 045 893	5 686 965	6 013 466	6 160 844	2,5%	7,0%

Results

Figures in thousand dinars	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012	variation Dec 2012/Dec 2011	Average change five years
Brokerage margin	153 186	166 807	167 797	139 262	140 857	1,1%	-2,1%
Volume of net commissions	45 506	51 222	51 993	53 078	51 919	-2,2%	3,4%
Turnover	381 673	403 155	413 613	407 315	400 479	-1,7%	1,2%
Net banking proceeds	220 071	244 377	242 843	221 356	225 659	1,9%	0,6%
Operating costs	-102 321	-112 724	-117 963	-121 022	-126 153	4,2%	5,4%
Gross operating result	121 520	134 541	128 352	103 721	103 283	-0,4%	-4,0%
Net result for the year	32 239	40 158	14 799	11 387	-4 707		

Equity

Figures in thousand dinars	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012	variation Dec 2012/Dec 2011	Average change five years
Capital	124 300	124 300	124 300	124 300	124 300	0,0%	0,0%
Reserves including merger premium	289 930	312 926	342 633	358 122	358 756	0,2%	5,5%
Results carried forward	0	0	0	-117 277	-225 502	92,3%	
Endowment fund	0	0	0	117 000	117 000	0,0%	
Results for the period	32 239	40 158	14 799	11 387	-4 707	-141,3%	
Equity (prior to assignment of results)	483 723	514 090	519 286	528 005	404 311	-23,4%	-4,4%

Financial Ratios

	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012
Return on equity (ROE)	7,14%	8,47%	2,93%	2,20%	-
Return on assets (ROA)	0,56%	0,67%	0,23%	0,16%	-
Operating coefficient	46,5%	46,1%	48,6%	54,7%	55,9%
Net commissions /GNP	20,7%	21,0%	21,4%	24,0%	23,0%
Net commissions /wages	61,5%	54,4%	59,4%	56,4%	52,5%
Wages/GNP	33,6%	38,5%	36,0%	42,3%	43,8%
Brokerage margins / GNP	69,6%	68,3%	69,1%	62,9%	62,4%

Regulatory ratios

	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012
Solvency ratio	9,3%	9,0%	8,2%	9,85%	8,57%
Liquidity ratio	101,5%	79,7%	82,1%	89,5%	93,8%

Breakdown of bank staff and productivity ratio

	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012
Total number of staff members :	**2 442**	**2 380**	**2 348**	**2 330**	**2 241**
Upper management	29.4%	31.7%	33.4%	36.0%	39.4%
Professional & supervisory staff	56.1%	41.4%	41.3%	39.6%	47.4%
Operational staff	12.7%	25.5%	23.5%	21.3%	11.5%
Service staff	1.8%	1.5%	1.9%	3.1%	1.7%
Staff location :					
Headquarters	1 046	1 034	1 034	1 037	986
Branch network	1 271	1 245	1 226	1 216	1 187
Seconded & other	125	101	88	77	68
GNP / Employee	**90.1**	**102.7**	**103.4**	**95.0**	**100.7**

Trends in the price of STB stock and in the TUNINDEX in 2012

Key business indicators for stockholders

	dec 2008	dec 2009	dec 2010	dec 2011	dec 2012
closing price (in dinars)	9.00	14.40	18.99	10.10	8.96
stock market capitalisation (in million dinars)	224	358	472	251	223
Profits per share (in dinars)	1.30	1.62	0.60	0.46	-

BUSINESS ACTIVITIES AT THE TUNISIAN BANKING COMPANY (STB)

RESOURCES

Continuing its role of providing support to and developing Tunisia's economy, the bank stepped up efforts to mobilise traditional resources, a situation that was further helped by recourse to refinancing on the money and interbank market. The volume of refinancing in the form of tenders to the central bank of Tunisia amounted to 180 million dinars as at end December 2012, compared to 120 million dinars at the end of December 2011.

CLIENT RESOURCES

The outstanding balance of expanded resources posted a 368 million dinar increase (6%), up from 6.1606 billion dinars as at end December 2011 to 6.5286 billion dinars as at end December 2012.

This increase was the result of contrasting trends in client deposits. Globally, there was an increase of 277.2 million dinars (5.3%), which however needs to be tempered by the following stipulations.

- Sight deposits grew by 153.4 million dinars (8%), 57% of which were in dinars (+87 million dinars or 6.3%), the increase being mainly in the accounts of private individuals and businesses.

  The share of deposits that are not or only slightly remunerated in overall client deposits came to 31.6%, almost the same level as in 2011 (31%).
- The outstanding balance of sight deposits in foreign currency as of the end of December 2012 came to 591 million dinars, an increase of 66.5 million dinars or 12.7%, as a result of the higher volume of investment by certain parties.
- Forward deposits, on the other hand, dropped by 88 million dinars or -6.5%. This decrease in fact reflects the bank's deliberate choice to limit the increase in forward accounts for reasons of profitability and to substitute them with other less expensive forms of resources.

- Savings deposits were up by 10.3%, corresponding to additional volume of 188.9 million dinars, extending the trend in effect these past five years, posting an average annual growth rate of 8.3%. The outstanding balance of savings deposits thus rose from 1835 million dinars to 2024 million dinars, which continues for the most part to be classic savings.
- Made up mainly of suspense accounts and of unavailable accounts, other sums due to clients rose by 22.4 million dinars (16.2%) to 160.7 million dinars, representing 2.9% of client deposits, an increase of 30 base points.

Client investment in Treasury bonds recorded virtually the same 448 million dinar outstanding balance as at yearend 2011, corresponding to a 7.5% share of overall client resources. The majority of such investment (79%) continues to be in bonds equivalent to Treasury bonds.

BORROWED RESOURCES

L'encours des ressources d'emprunt a progressé de 91,8 MD ou 19,5% pour The outstanding balance of borrowed resources went up by 91.8 million dinars (19.5%) to 562.8 million dinars as at yearend 2012. This situation is attributable to a number of variations, mainly concerning:

- mobilisation of a number of private loans for an overall amount of 54 million dinars for a duration of five years
- encashment at the beginning of the first quarter of 2012 of the remaining amount of the subordinated bond loan for an amount of 53 million dinars (17 million of which were encashed in 2011)
- reimbursement of annuities on principal due on bond loans issued by the Bank for a total of 13.6 million dinars
- repayment of amounts due on a number of external lines of credit (notably those contracted with the ADB and the EIB)

Trends in the components and share of Bank resources can be broken down as follows:

RESOURCES

(MTD)	dec-11	dec-12	Variation MTD	Variation in %	Share dec 2011	Share dec 2012
Client resources	**5 689,5**	**5 965.7**	**276.2**	**4.9%**	**92.4%**	**91.4%**
Client deposits	5 240,1	5 517.3	277.2	5.3%	85.1%	84.5%
Deposits eaming little or no interest	**2 049.8**	**2 225.7**	**175.9**	**8.6%**	**33.3%**	**34.1%**
Sight deposits	1 911.6	2 065.0	153.4	8.0%	31.0%	31.6%
of which deposits in foreign currency	524.7	591.1	66.5	12.7%	8.5%	9.1%
Other sums due to clients	138.2	160.7	22.4	16.2%	2.2%	2.5%
Interest bearing deposits	**3 190.3**	**3 291.6**	**101.3**	**3.2%**	**51.8%**	**50.4%**
Forward deposits	1 355.3	1 267.6	-87.7	-6.5%	22.0%	19.4%
Savings deposits	1 835.0	2 024.0	188.9	10.3%	29.8%	31.0%
Financial brokerage	**449.4**	**448.4**	**-1.0**	**-0.2%**	**7.3%**	**6.9%**
Commercial paper	20.0	18.2	-1.8	-9.0%	0.3%	0.3%
Short term treasury bonds	69.6	76.2	6.6	9.4%	1.1%	1.2%
Bonds equivalent to treasury bonds	359.9	354.1	-5.7	-1.6%	5.8%	5.4%
Borrowed resources	**471.1**	**562.8**	**91.8**	**19.5%**	**7.6%**	**8.6%**
of which bond issues	257.5	354.9	97.4	37.8%	4.2%	5.4%
TOTAL EXPANDED RESOURCES	**6 160.6**	**6 528.6**	**368.0**	**6.0%**	**100.0%**	**100.0%**

JOBS

In a particularly tough competitive environment, the Bank has continued efforts to support the economy, posting an increase in gross financing of the economy amounting to 383.7 million dinars (5.2%), led mainly by gross investment loans (up by 5.6%) and loans to private individuals (up by 63.4%) for a combined share of 63.4% vs. 61.9% a year earlier.

Trends in the components of loans to the economy are shown in the table below.

Gross financing of the economy

(MTD)	dec-11	dec-12	Variation		Share	
			MTD	In %	dec 2011	dec 2012
Management loans	1 959.5	1 949.7	-9.8	-0.5	26.3%	24,9%
Investment loans	3 355.9	3 543.9	187.9	5.6	45.1%	45,3%
Loans to private individuals	1 254.7	1 416.3	161.5	12.9	16.8%	18,1%
Other gross loans	255.5	227.6	-27.9	-10.9	3.4%	2,9%
(Overall) gross securities portfolio	601.6	675.3	73.7	12.3	8.1%	8,6%
Commercial paper	20.0	18.2	-1.8	-9.0	0.3%	0,2%
Gross financing of the economy	7 447.1	7 830.9	383.7	5.2	100.0%	100,0%
Provisions & reserved agios	1 433.7	1 670.0	236.3	16.5		
Net financing of the economy	6 013.5	6 160.8	147.4	2.5		

LOANS TO CUSTOMERS

There was slower growth in lending, with the outstanding balance of gross loans to customers up by just 4.6% in 2012 vs. 7.3% in 2011. Given the additional amount of 215.7 million dinars assigned to provisions and reserved agios, net claims on clients came to 5653.4 million dinars, a slight 96.1 million dinar (1.7%) increase over the figure at the end of 2011 :

Net claims on clients

(MTD)	dec-11	dec-12	Variation	
			MTD	In %
Gross claims on clients	6 825.6	7 137.4	311.8	4.6
Provisions & reserved agios	1 268.3	1 484.0	215.7	17.0
Net claims on clients	5 557.3	5 653.4	96.1	1.7

This situation is at least partially attributable to the drop in the volume of disbursements (down from 492 million to 264 million dinars as of end 2012), despite the considerable increase in approvals, up from just 281 million in 2011 to 600 million dinars at the end of 2012. Approvals involved in particular industry (227 million dinars), services (220 million dinars) and real estate (103 million dinars). Approvals in tourism came to 40.4 million dinars and approvals in agriculture amounted to 10 million dinars.

The low level of disbursements (compared to approvals) involved mainly:

- services: 86.5 million dinars (a utilisation rate of 39.3%)
- industry: 69.9 million dinars (a utilisation rate of 30.8%)

in MTD	Approvals				Commitments				Disbursements			
	Dec-11	Share %	Dec-12	Share %	Dec-11	Share %	Dec-12	Share %	Dec-11	Share %	Dec-12	Share %
Industry	119,0	42,3%	227,3	37,9%	141,6	36,5%	45,6	20,6%	165,3	33,6%	69,9	26,5%
Agriculture	8,5	3,0%	10,0	1,7%	12,1	3,1%	1,3	0,6%	28,2	5,7%	3,6	1,4%
Tourism	10,7	3,8%	40,4	6,7%	9,9	2,5%	31,5	14,2%	14,4	2,9%	30,1	11,4%
Real estate	71,2	25,3%	102,6	17,1%	31,7	8,2%	56,0	25,3%	64,4	13,1%	73,6	27,9%
Services	72,0	25,6%	219,9	36,6%	192,9	49,7%	86,9	39,3%	219,5	44,6%	86,5	32,8%
Overall financing of investment	281,3	100,0%	600,1	100,0%	388,3	100,0%	221,3	100,0%	491,7	100,0%	263,7	100,0%

INVESTMENT LOANS

Gross investment loans increased by 187.9 million dinars to an overall total of 3543.9 million dinars at the end of the period under review. The outstanding balance of mandatory provisions and reserved agios went up proportionally, for an increase of 177 million dinars to 1224.5 million dinars. Thus, in light of the above, the net outstanding balance of investment loans rose from 2308.6 million dinars to 2319.4 million dinars, continuing to account for the highest share of claims on clients: 41.0% vs. 41.5% at the end of December 2011.

Gross financing of the economy

(MTD)	dec-11	dec-12	Variation MTD	Variation in %	Share dec 2011	Share dec 2012
Gross investment loans	3 355.9	3 543.9	187.9	5.6	49.2%	49.7%
Provisions & reserved agios	1 047.5	1 224.5	177.0	16.9		
Net investment loans	2 308.5	2 319.4	10.9	0.5	41.5%	41.0%

MANAGEMENT LOANS

Gross management loans went down by a slight 9.8 million dinars (0.5%), from 1959.5 million dinars to 1949.7 million dinars.

Analysis of trends in management loans shows the following.

- Net commitments in the form of account debits dropped by

35.2 million dinars (-6.4%) to 510.7 million dinars, representing a 29.1% share of short term net loans and 9.8% of overall net claims on clients.

- Loans that can be mobilised in the short term came in at about the same level as at the end of December 2011.
- The share of net management loans in the overall amount of net claims on clients thus fell by 1.2 point, from 32.3% to 31.1%.
- The outstanding balance of required provisions and reserved agios pertaining to management loans went up from the end 2011 figure (+28.1 million dinars or +17.0%) to 193.3 million dinars as of end 2012.

The following table shows trends in and the structure of management loans.

Management loans

(MTD)	dec-11	dec-12	Variation MT	Variation in %	Share dec 2011	Share dec 2012
Net overdrawn current accounts	**545.9**	**510.7**	**-35.2**	**-6.4**	**9,8%**	**9,0%**
Gross overdrawn current accounts	711.0	704.0	-7.1	-1.0	10,4%	9,9%
Provisions & reserved agios	165.2	193.3	28.1	17.0		
Other short term net loans	**1 248.4**	**1 245.7**	**-2.7**	**-0.2**	**22,5%**	**22,0%**
Net management loans	**1 794.3**	**1 756.4**	**-37.9**	**-2.1**	**32,3%**	**31,1%**
Gross management loans	1 959.5	1 949.7	-9.8	-0.5	28,7%	27,3%
Provisions & reserved agios	165.2	193.3	28.1	17.0		

LOANS TO PRIVATE INDIVIDUALS

At the end of December 2012, the outstanding balance of loans to private individuals came to 1416.3 million dinars, an increase of 161.5 million dinars, 12.9% more than the figure posted at the end of 2011. Thus its share in overall gross loans rose by almost 1.5 point, from 18.4% at the end of 2011 to 19.8% at the end of 2012. This outstanding balance includes an amount of 991.8 million dinars, representing the volume of loans for renovations and/or construction.

Loans to private individuals

(MD)	dec-11	dec-12	Variation		Share	
			MT	en %	dec 2011	dec 2012
Loans to private individuals	1 254.7	1 416.3	161.5	12.9%	18.4%	19.8%

OTHER NET COMMITMENTS

Made up mainly of related current accounts, this commitments line posted a 38.4 million dinar drop in net terms (-19.2%) for an outstanding balance of 161.4 million dinars.

This variation was due mainly to a drop in the related current account of the STRC Tunisian claim collection company (-15.8 million dinars) and a drop in commitments in the form of advances against forward accounts (-15.3 million dinars). The outstanding balance of provisions went up by 10.9 million dinars to 29 million dinars, compared to 18.1 million dinars at the end of 2011.

Other loans

(MTD)	dec-11	dec-12	Variation		Share	
			MT	in %	dec 2011	dec 2012
Gross other loans	255.5	227.6	-27.9	-10,9%	3.7%	3.2%
Associated current accounts	227.6	209.9	-17.7	-7,8%	3.3%	2.9%
Other loans to clients	27.9	17.7	-10.2	-36,5%	0.4%	0.2%
Provisions & reserved agios	55.7	66.2	10.5	18,9%		
Net other loans	**199.8**	**161.4**	**-38.4**	**-19.2%**	**3.6%**	**2.9%**

COMMERCIAL SECURITIES PORTFOLIO

The outstanding balance of the Treasury bond portfolio managed for the Bank itself posted an increase of 77 million dinars, up from 132.6 million dinars at the end of December 2011 to 209.5 million dinars at the end of 2012.

This portfolio, which is made up for the most part of bonds equivalent to Treasury bonds (61% of the outstanding balance), continued on the upward trend in effect since 2011. This reflects the Bank's commitment to building up a stable source of income, but it also allows the Bank to further strengthen the portfolio eligible for refinancing through the central bank of Tunisia.

INVESTMENT SECURITIES PORTFOLIO

The net investment portfolio lost 23.9 million dinars (7.9%) in terms of worth, mainly due to the following developments:

- the lower outstanding balance managed by capital risk funds
- the 5.7 million dinar increase in the number of shares held by the Bank in associated companies and joint ventures, mainly SONIBANK (+5.7 million dinars)
- a 2.5 million dinar increase in the Bank's holdings in affiliated companies, notably the capital risk company STB SICAR (+2.5 million dinars)
- the 5.1 million dinar increase in provisions for capital risk funds and the 15.6 million dinar increase for unlisted stocks, mainly STRC (the Tunisian claims collection company)

Trends in the securities portfolio

(MTD)	dec-11	dec-12	Variation MTD	Variation in %
Commercial securities portfolio	132,6	209,5	77,0	58,1%
Treasury bills held	132,6	209,5	77,0	58,1%
Gross investment securities portfolio	469,0	465,7	-3,3	-0,7%
Investment securities	27,9	30,1	2,2	7,9%
Equity securities	216,3	202,7	-13,7	-6,3%
Shares in associated companies and joint ventures	82,4	88,1	5,7	6,9%
Shares in affiliated companies	121,0	123,6	2,5	2,1%
Other holdings	21,3	21,2	-0,1	-0,3%
Gross securities portfolios	601,6	675,3	73,7	12,3%
Provisions	165,3	186,0	20,7	12,5%
Net securites portfolio	436,2	489,3	53,1	12,2%

OFF BALANCE SHEET COMMITMENTS

The Bank's off balance sheet commitments went down from 1878.4 million dinars at the end of 2011 to 1648.6 million dinars as of 31 December 2012. This situation was due solely to a 283.3 million dinar drop in commitments in favour of or upon instructions from clients, 204.9 million of which represent the drop in commitments in the form of opening of documentary credit. This downturn also characterized, although to a lesser degree, commitments in the form of deposits and guarantees (-46.1 million dinars) as well as loans granted to them but not used (-32.3 MD). Commitments in favour of or ordered by banks rose by 71.4 million dinars to an outstanding balance of 621.3 million dinars at the end of 2012, limited solely to confirmation of documentary credit.

Off balance sheet commitments

in million Tunisian dinars (MTD)	dec-11	dec-12	Variation		Share	
			MTD	in %	dec 2011	dec 2012
Commitments in favour of or as instructed by clients	1 310.7	1 027.4	-283.3	-21.6	69/8%	62.3%
Opening of documentary credit	526.0	321.1	-204.9	-39.0	28.%	19.5%
Loans granted but not used	171.9	139.6	-32.3	-18.8	9.2%	8.5%
Commitmentson trasury bills	0.0	0.0	0.0		0.0	0.0
Deposits and guarantees	608.8	562.7	-46.1	-7.6	32.4%	34.1%
Shares that have not been paid up	3.9	4.0	0.0	0.3	0.2%	0.2%
Commitments in favour of or at the request of clients	549.9	621.3	71.4	13.0	29.3%	37.7%
Resident banks	0.0	0.0	0.0		0.0	0.0
Endorsements/guarantees on bills/promissory notes	0.0	0.0	0.0		0.0	0.0
Non resident banks located abroad	549.9	621.3	71.4	13.0	29.3%	37.7%
Confirmation of documentary credit	82.3	185.8	103.5	125.8	4.4%	11.3%
Other irrevocable, unconditional guarantees	467.6	435.4	-32.2	-6.9	24.9%	26.4%
Commitments by STB to reimburse the State	17.9	0.0	-17.9	-100.0	1.0%	0.0%
Overall off balance sheet commitments	**1 878.4**	**1 648.6**	**-229.8**	**-12.2**	**100.0%**	**100.0%**

QUALITY OF ASSETS

NON PERFORMING LOANS

At the end of 2012, the outstanding balance of the Bank's commitments (exclusive of holdings and related current accounts) reached a volume of 7831.9 million dinars, up from 7736.0 million at the end of 2011, an increase of 95.9 million dinars or 1.2%. This variation can be broken down as follows.:

Trends in the Bank's commitments

in million Tunisian dinars (MTD)	December		Variations	
	2011	2012	MTD	%
Total claims	7 736.0	7 831.9	95.9	1.2
Productive claims	5 956.5	5 727.6	-228.9	-3.8
Unmproductive claims	1 779.5	2 104.3	324.8	18.3
Rate of nonperforming claims (%)	23.00	26.87		

Deterioration in the quality of assets involved in particular loans that can be easily mobilised and to a much lesser degree overdrafts in current accounts and surety bonds, as is shown in the table below.

Structure of nonperforming claim

MTD	2011		2012		Variations	
	MTD	Share	MTD	Share	MTD	Share (pb)
Crédits mobilisables	1 446.9	81.3%	1 731.5	82.3%	284.7	-98
Engagements par signature	74.3	4.2%	76.4	3.6%	2.2	54
Comptes courants débiteurs	258.4	14.5%	296.3	14.1%	37.9	44
Total	**1 779.5**	**100.0%**	**2 104.3**	**100.0%**	**324.8**	

The breakdown of non performing claims by sector of activity also shows the Bank's high exposure to tourism, which accounts for the highest share (52.3% at the end of 2012 vs. 49.7% a year earlier) of compromised assets, followed by industry.

COVERAGE OF NON PERFORMING CLAIMS

Overall coverage of nonperforming claims came to 47.84% at the end of 2012 vs. 47.97% at the end of 2011, a slight drop of 0.14 point despite the remarkable increase in provisions and reserved agios (+153 million dinars).

Trends in npnperforming claims and their coverage

in million Tunisian dinars (MTD)	December		Variations	
	2011	2012	MTD	%
Overall claims	7 736.0	7 831.9	95.9	1.2
Productive claims	5 956.5	5 727.6	-228.9	-3.8
Umproductive claims	1 779.5	2 104.3	324.8	18.3
Rate of non performing claims (%)	23.00	26.87		
Coverage	853.7	1 006.7	152.9	17.9
Reserved agios	394.8	432.9	38.1	9.6
Provisions	458.9	573.8	114.8	25.0
Rate of coverage of non performing claims	47.97%	47.84%	-0.14 point	

SOLVENCY RATIOS

With reference to results posted at the end of 2012, the Bank's solvency ratio fell by 1.28 points compared to its 2011 level, coming in at 8.57%. It should be noted that net worth serving to calculate the solvency ratio fell from 598.8 million dinars at the end of 2011 to 499.7 million dinars at the end of 2012.

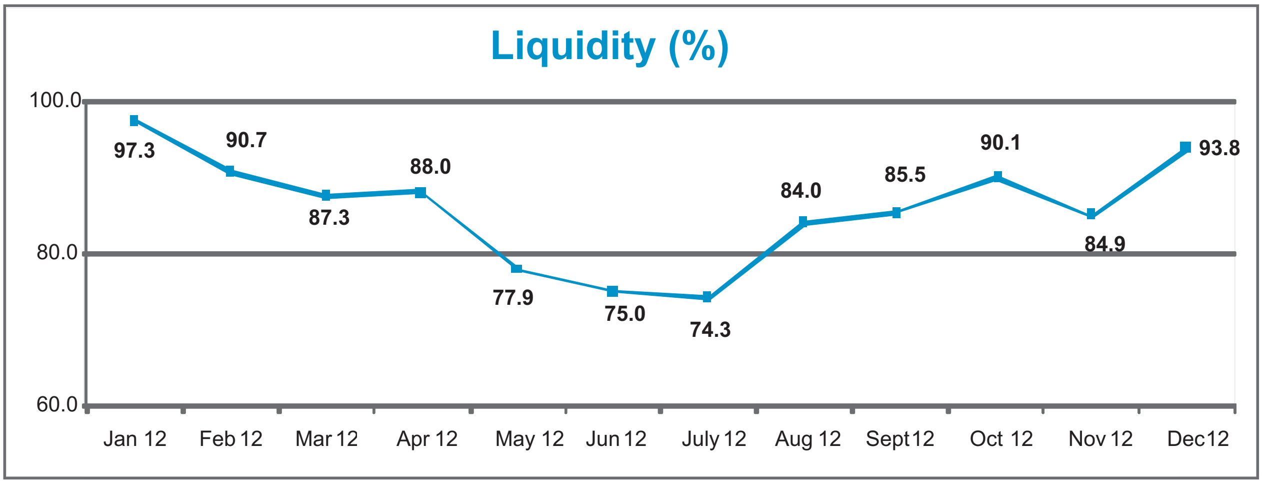
In million Tunisian dinars (MTD)	December		Variations	
	2011	2012	MT	%
Overall net worth	598.8	499.7	-99.1	-16.5
Overall incurred risk	6 078.7	5 827.9	-250.8	-4.1
Solvency ratio	9.85%	8.57%	-1.28 point	

LIQUIDITY

At the end of December 2012, the liquidity ratio came to 93.8%, compared to 89.5% at the end of 2011, for a regulatory threshold of 100%. Trends for 2012 as a whole in the liquidity ratio show that there is an imbalance between assets for realisation and contingent liabilities, a situation which in fact was reflected in greater recourse by the bank to refinancing on the money and interbank market to make up for cash deficits. It is important to note there was tight liquidity for the sector as a whole.

Trends in the liquidity ratio in 2012

(MD)	janv-12	feb-12	march-12	apr-12	may-12	june-12	july-12	aug-12	sept-12	oct-12	nov-12	dec-12	Average
Assets for realization	1 747	1 685	1 551	1 938	1 649	1 589	1 711	1 836	1 791	1 964	1 746	2 085	1 774
Contingent liabilities	1 795	1 858	1 775	2 203	2 118	2 118	2 304	2 186	2 095	2 180	2 056	2 221	2 076
Liquidity ratio(%)	97.3	90.7	87.3	88.0	77.9	75.0	74.3	84.0	85.5	90.1	84.9	93.8	85.7



PROFITABILITY

At the end of December 2012, net banking proceeds came to 225.7 million dinars, an increase of 4.3 million dinars or 1.9% compared to the previous year's figure. Globally, this variation was due to slower growth in costs for banking operations (-11.1 million dinars or -6%) than in proceeds from banking operations (-6.8 million dinars or -1.7%). Fairly weak growth in net banking proceeds was due to the reduction in key interest rates dictated by the central bank of Tunisia in the second half of 2011 as well as to a fall-off in loan activity.

NET BANKING PROCEEDS

Analysis of trends in net banking proceeds by activity between December 2011 and December 2012 shows the following.

- The structure of net banking proceeds by activity remained virtually the same as in 2011, with «financing» continuing to constitute the largest portion of added value for the bank, followed by «account management».
- «Cash position in dinars» improved considerably. Related net banking proceeds rose from a negative balance (-3.9 million dinars) to +1.7 million dinars, an increase of 5.7 million dinars due entirely to higher income from Treasury bonds.
- The contribution of the trading floor in foreign currency to formation of the bank's net proceeds remained virtually unchanged at 9.2%.
- The contribution of foreign trade transactions and transfers to the bank's net banking proceeds dipped by 0.4 point as trading activity slowed, linked in turn to difficult current conditions in the chemical industries sector.
- Results in foreign exchange activity picked up considerably, posting growth of 20.3%.

The increase in net banking proceeds (+4.3 MD or 1.9%) posted at the end of December 2012 can be broken down as follows.

Net interest margin :	+ 1.6 million dinars or +1.1%
Net commissions :	- 1.2 million dinars or -2.2%
Gains on the commercial securities portfolio :	+ 3.9 million dinars or+75.8%
Gains on foreign exchange transactions :	+ 1.3 million dinars or +8.6%
Gains on the investment securities portfolio :	- 1.3 million dinars or -14 %

(TND 000)	31-dec.-11	31-dec.-12	Variation MT	Variation %
MInterest margin	**139 262**	**140 857**	**1 595**	**1,1**
Interest and related income	321 379	311 381	-9 998	-3,1
Incurred interest and related charges	-182 117	-170 523	11 594	-6,4
Other income	**82 094**	**84 802**	**2 708**	**3,3**
Net Commissions	53 078	51 919	-1 159	-2,2
Gains on the commercial securities portfolio (investment securities)	5 159	9 071	3 912	75,8
Gains on financial transactions (foreign exchange)	14 552	15 808	1 256	8,6
Income from the investment securities portfolio	9 305	8 004	-1 301	-14,0
Net banking proceeds	**221 356**	**225 659**	**4 304**	**1,9**

GROSS OPERATING RESULTS

Gross operating results decreased slightly (-0.4 million dinars or -0.4%) from the end December 2011 figure, posting 103.3 million dinars. The 4.3 million dinar increase in net banking proceeds was absorbed by the higher volume of operating costs (+5.1 million dinars), which amounted to 126.2 million dinars at the end of 2012 vs. 121.0 million dinars at the end of 2011. This increase involved in particular wages (+4.6 million dinars) and to a lesser degree general operating costs (+0.5 million dinars). Thus the operational coefficient, which corresponds to the ratio of operating costs/net banking proceeds, fell by 1.2 points, from 54.7% to 55.9%.

(In thousand dinars)	31-dec-11	31-dec-12	Variation MT	Variation %
MInterest margin	139 262	140 857	1 595	1,1
Other income	82 094	84 802	2 708	3,3
Net banking proceeds	221 356	225 659	4 304	1,9
Other operational proceeds	3 387	3 776	389	11,5
Operating costs	-121 022	-126 153	-5 132	4,2
Administrative costs	-114 510	-119 640	-5 129	4,5
Allotments to amortization	-6 511	-6 514	3	
Gross operating results	103 721	103 283	-439	-0,4
Operational Coefficient (%)	54,7	55,9		

NET RESULTATS

Given entry of a net charge for risk for the year amounting to 95.5 million dinars along with a tax obligation of 13.3 million dinars, net results for 2012 came to -4.7 million dinars, compared to 11.4 million dinars a year earlier. The Bank, as in 2011, covered certain earlier risks in an overall amount of 127.7 million dinars, in application of accounting norm n° 11. The net tax effect of these accounting modifications amounted to -119.6 million dinars. With reference to the above and including the impact of accounting modifications, results for 2012 came to -124.3 million dinars, broken down as follows

Trends in results 2012 -2011

(In thousand dinars)	31-dec-11	31-dec-12	Variation MT	Variation %
Interest margin	139 262	140 857	1 595	1,1
Other income	82 094	84 802	2 708	3,3
Net banking proceeds	**221 356**	**225 659**	**4 304**	**1,9**
Other operational proceeds	3 387	3 776	389	11,5
Overall income	**224 743**	**229 436**	**4 693**	**2,1**
Operating costs	(121 022)	(126 153)	5 132	4,2
Gross operating results	103 721	103 283	(439)	-0,4
Net allocations for claims	(82 033)	(79 534)	2 498	3,0
Net allocations to provisions for risk and costs	(312)	3 675	3 988	
Net allocations for the investment portfolio	(955)	(19 687)	(18 733)	
Operating results	**20 422**	**7 736**	**(12 686)**	**-62,1**
Balance «proceeds/costs» on other ordinary components	(546)	873	1 419	
Corporate tax	(8 489)	(13 316)	(4 827)	56,9
Net results	**11 387**	**-4 707**	**(16 094)**	**-141,3**
Impact of accounting modifications net of tax	**-117 277**	**-119 612**		
Net results after accounting modifications	**-105 890**	**-124 320**	**(18 430)**	**-17,4**

STOCK MARKET AND STB STOCK

2012 was a turbulent period for the stock market, due to the various socio-political events that shook the country, causing significant fluctuation in stock prices. The Tunindex's stock capitalisation index dropped by 3.02% to 4579.85 points as at 31 December 2012, down from 5266.5 points on 27 July. The Tunindex20, an index launched in 2012 to measure the performance of the 20 most liquid stocks on the market, also closed for the year on a downturn (-4.61%). The bank index fell by 5.9% in 2012 after losing 13.23% in 2011. And STB stock in 2012 posted capitalization of 222.75 million dinars, a drop of 11.3%. The price per share of STB stock ranged between 10.990 and 7.500 dinars.

INTERNATIONAL ACTIVITY

In 2012, STB continued to play a leading role in mobilisation of external resources and coverage of specific needs for financing and the geographic expansion of its customers. The Bank's international activity was underpinned by a strategy based on improving the quality of services, diversification of products, and development of relations with foreign correspondents. This led to a considerable expansion of transactions abroad and of the Bank's network of correspondents.

TRANSACTIONS ABROAD

Les règlements de la Banque avec l'étranger ont atteint 15.059,5MD à fin Bank payments abroad amounted to 15,059.5 million dinars at the end of 2012, about the same level as in 2011, as opposed to a decrease of 23.2% in 2010. Import and export transactions entrusted to the Bank amounted to 3232.7 million dinars and 2156.8 million dinars respectively. This corresponds to increases of 33.2% for import transactions (vs. -20.9% for 2011) and 36.2% for export transactions (vs. -9% for 2011). Transfers were down by 12.2%, posting volume of 9670 million dinars. This decrease was due to a drop in the volume of deposits in convertible dinars by correspondents.

Settlements abroad	2011	2012	Variation	
			Absolue	Relative
Imports	2 427.2	3 232.7	805.5	33.2
Exports	1 583.7	2 156.8	573.1	36.2
Non commercial transfers	11 015.7	9 670.0	-1 345.7	-12.2
Total	15 026.6	15 059.5	32.9	0.2

TRADING FLOOR IN FOREIGN CURRENCY

Turnover on the trading floor dealing in cash foreign exchange transactions rose from 17.5 million dinars in 2011 to 21.1 million dinars in 2012, a remarkable increase of 20.6%. Similarly, proceeds generated in 2012 came to 10.3 million dinars, up from 9 million dinars in 2011 for an increase of 14.4%. Turnover on the trading floor dealing in forward foreign exchange transactions continued to grow, up from 1334.2 million dinars in 2011 to 3407.7 million dinars in 2012. There was however a drop in results for forward foreign exchange. The money market in foreign currency posted a 3.1% drop in consolidated net results, down from 9.7 million dinars in 2011 to 9.4 million dinars in 2012.

INTERNATIONAL RELATIONS

In 2012 the Bank's international activities focused on strengthening of its collaboration with foreign correspondents and the search for new business opportunities around the world. Some 109 visits were made by representatives of foreign banks to discuss relations with

STB and measures to be taken to further develop these relations. Already in 2012 STB's network of correspondents abroad grew and was strengthened by the establishment of relationships with six new foreign banks in Switzerland, Bahrain, Oman, Bangladesh and the United States. In the area of international business, STB secured the custom of 31 new totally exporting businesses and foreign companies with markets in Tunisia, with the opening of accounts in convertible dinars and foreign currency.

The Bank also monitored major initiatives for which international tenders had been made, from launching to awarding of the contract. And it issued in 2012 a large number of provisional and definitive guarantees in the overall amount of 131.2 million dinars.

DEVELOPMENT OF TRADE

At the level of commercial and marketing activities, the Bank continued to develop its strategy to secure customer loyalty. In 2012, 11 loan agreements were signed to benefit staff working for the Bank's major relations, bringing the overall number of signed agreements to 157, an increase of 7.5% over the 2011 figure. In the area of finding new customers and retaining current customers, STB drew up prospective strategies for all categories of customers with whom the Bank's presence could be further developed. This is the case in particular for a number of liberal professions as well as public and private structures. Furthermore, given that competition is becoming increasingly tough, the Bank reviewed and set up a schedule for the creation of new banking products: STB Pack Prestige, STB Pack Assyl, M.Banking (Mobile Banking), Plan Epargne Auto (a car savings plan), STB Express Mandat and Plan Epargne Voyage (a travel savings plan). In the area of electronic banking (STB NET, STB GSM and STB SMS), the Bank has established relations with 4008 new subscribers, an increase of 3.6% over the previous year.

In the area of electronic payments, there were 151,843 activated cards and the number of electronic payment terminals rose in 2012 by 5.3% to 1903. The Bank had 175 ATMs, 70 of which were in locations other than its branches. Commissions on electronic payments amounted to 5,954,000 dinars, 4.3% more than in 2011, thanks to developments at affiliated companies that serve the local market: Tunisiana, Topnet, etc. These levels were attained despite the drop in tourism and in an environment of greater competition, notably from private banks.

In the area of developing its network of bank branches and further enhancing the Bank's business and market share among the various categories of customers, two new branches were opened in 2012, in Aouina and Sidi Alouane. There were renovations or relocations for a number of other branches.

In 2012, the Bank continued to enhance its media presence by means of advertising in newspapers and news magazines, along with communication campaigns, notably for its MoneyGram product.

HUMAN RESOURCES

In the area of human resource management, the Bank in 2012 pursued its policy based on ongoing mobilisation of skills by means of on-the-job training and social policy focusing on supporting development of each staff member's potential. A number of training initiatives took place at the integrated learning centre as well as mixed participation events in the form of seminars targeting practical as well as theoretical professional content. Staff also attended various international symposiums and conferences.

In the framework of its partnership with a number of universities and State-approved vocational training centres and schools, STB took on 98 university interns and 124 from vocational training centres.

In the area of social policy, in seeking to provide the best of material and staff morale working conditions, the Bank in 2012 sought to further improve staff benefits, loans to employees and medical coverage. With 87 staff members retiring and 12 new staff recruited (of whom 10 were graduates of IFID), the Bank's manning table counted 2241 employees in 2012, down from 2330 in 2011.

PROSPECTS FOR DEVELOPMENT

In the framework of fostering an ever-sounder financial base, an exhaustive audit was launched by the Bank as per interministerial council decision of 14 February 2012. This audit should lead to adoption of a strategic plan to restructure the Bank, targeting:

- a stronger financial position
- enhanced governance, management and institutional framework
- greater staff and operational capacity
- greater competitiveness and effectiveness in providing financing to the economy

There will be two stages to this audit: a diagnostic audit and a strategy for restructuring. The first stage will include a financial audit focusing on an in-depth, exhaustive assessment of the Bank's financial position, an institutional audit that reviews the Bank's overall organisation and its information system, as well as a social audit with particular attention to evaluating human resource management policy, and a performance audit covering commercial and financial performance.

The second stage, dealing with restructuring strategy, will depend on the diagnostic stage. The results and recommendations of the first stage will inform drawing up of possible alternatives for restructuring and definition of practical modalities for implementation, seeking the optimal scenario to be adopted. On this basis, an overall programme for restructuring and development will be established and presented in the form of a proposal made up mainly of:

- strategic orientations broken down into policies and areas for development,
- an action plan and an implementation schedule,
- definition of the required financial, manpower and operational means, and
- a master plan for unifying information systems and putting into place an internal control system.

STB BANK

FINANCIAL STATEMENTS

AS AT 31/12/2012

BALANCE SHEET

in thousand dinars

ASSETS

	Notes	31-12-2012	31-12-2011
Cash and assets at the central bank of Tunisia (BCT), the postal checks centre (CCP and the Tunisian general treasury (TGT)	4.1	506 827	119 408
Claims on banking and financial institutions*	4.2	281 878	329 007
Claims on clients*	4.3	5 653 418	5 557 292
Commercial securities portfolio	4.4	209 547	132 557
Investment portfolio	4.5	279 729	303 667
Fixed assets		81 797	79 836
Other assets*		530 939	550 393
TOTAL ASSETS		**7 544 135**	**7 072 160**
LIABILITIES			
Central bank of Tunisia and postal checks centre		181 625	142 070
Deposits and assets of banking and financial institutions	4.8	178 161	151 699
Client deposits and assets	4.9	5 517 309	5 240 145
Borrowings and special resources	4.10	562 830	471 062
Other liabilities*	4,11	699 898	539 178
TOTAL LIABILITIES		**7 139 823**	**6 544 154**
EQUITY	4.12		
Capital		124 300	124 300
State allotment		117 000	117 000
Reserves		358 756	358 122
Treasury shares		-2 859	-2 850
Other equity		37 324	37 324
Results carried forward		-225 502	-117 277
Results for the year		-4 707	11 387
TOTAL EQUITY		**404 312**	**528 006**
TOTAL LIABILITIES AND EQUITY		**7 544 135**	**7 072 160**

STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS AT 31 DECEMBER 2012

in thousand Tunisian dinars

	Notes	31-12-2012	31-12-2011
CONTINGENT LIABILITIES			
HB 1 Deposits, endorsements and other guarantees given		998 141	1 076 378
HB 2 Documentary credit		506 916	608 336
HB 3 Assets given as guarantee			
TOTAL CONTINGENT LIABILITIES		1 505 057	1 684 714
COMMITMENTS GIVEN			
HB 4 Financing commitments given		139 623	171 909
HB4-a Financing commitments		139 623	171 909
HB4-b Commitments to reimburse the State		0	0
HB 5 Commitments on securities		3 953	3 942
TOTAL COMMITMENTS GIVEN		143 576	193 718
COMMITMENTS RECEIVED			
HB 6 Financing commitments received			
HB 7 Guarantees received		1 567 685	1 572 563

STATEMENT OF RESULTS for the period 1 January 2012 to 31 December 2012

(in thousand dinars)

	Notes	31-12-2012	31-12-2011
PROCEEDS FROM BANKING OPERATIONS			
-Interest and related income	4.16	311 381	321 379
Commissions	4.17	56 216	56 920
Gains on the commercial securities portfolio and financial transactions	4.18	24 879	19 711
Income from the investment securities portfolio	4.19	8 004	9 305
OVERALL PROCEEDS FROM BANKING OPERATIONS		400 480	407 315
COSTS FOR BANKING OPERATIONS			
- Accrued interest and related charges	4.20	-170 523	-182 117
- Commissions incurred		-4 297	-3 842
- Losses on the commercial securities portfolio and financial transactions		0	0
OVERALL COSTS FOR BANKING OPERATIONS		-174 820	-185 959
NET BANKING PROCEEDS		225 660	221 356
- Allotments to provisions and result of correction of values on claims, off balance sheet and liabilities	4.21	-75 859	-82 345
- Allotments to provisions and result of correction of values on the investment portfolio	4.22	-19 687	-955
- Other operational proceeds		3 776	3 387
- Staff costs	4.23	-98 818	-94 215
- General operating costs	4.24	-20 822	-20 295
- Allotments to amortization and to provisions for fixed assets		-6 514	-6 511
OPERATING RESULTS		7 736	20 422
- Balance as gains/losses from other ordinary components		873	-546
- Corporate tax	4.25	-13 316	-8 489
RESULT OF ORDINARY ACTIVITIES		-4 707	11 387
- Balance as gains/losses from extraordinary components		0	
NET RESULTS FOR THE YEAR		-4 707	11 387
IMPACT OF ACCOUNTING MODIFICATIONS (NET OF TAX)		-119 612	-117 277
RESULTS AFTER ACCOUNTING MODIFICATIONS		-124 319	-105 890

CASH FLOW STATEMENT for the period ! January to 31 December 2012

in thousand dinars

	Notes	31-12-2012	31-12-2011
OPERATIONAL ACTIVITIES			
Proceeds from banking operations that have been encashed		383 970	403 734
Cost for banking operations that have been disbursed		-187 539	-183 994
Deposits / Withdrawals at other banking and financial institutions		1 366	-5 400
Loans and advances / Reimbursement of loans and advances made to clients		-213 511	-415 351
Deposits / Withdrawal of client deposits		288 536	228 704
Acquisitions/ sales of investment securities		-68 062	-49 093
Sums paid to staff and miscellaneous creditors		-85 940	-90 984
Other cash flows from operational activities		83 125	11 418
Corporate tax that has been paid		-14 729	-21 586
Net treasury flows affecting operational activities		187 216	-122 552
INVESTMENT ACTIVITIES			
Interest and dividends from the investment portfolio that has been encashed		7 870	7 857
Acquisitions / sales on the investment portfolio		4 168	-14 340
Acquisitions / sales of fixed assets		-8 475	-6 313
Net treasury flow assigned to investment activities		3 563	-12 796
FINANCING ACTIVITIES			
Stock issues		0	0
Issue / Reimbursement of loans and special resources		92 902	36 623
Dividends paid		-5	-36
Net treasury flows assigned to financing activities		92 897	36 587
Net variation of liquidity and quasi liquidity throughout the year		283 676	-98 757
Liquidity and quasi liquidity at the beginning of the year		189 664	288 421
Liquidity and quasi liquidity at the end of the year	4.26	473 340	189 664

NOTES ON FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2012

1. REFERENTIAL FOR DRAWING UP FINANCIAL STATEMENTS

STB's financial statements as at 31 December 2012 have been drawn up in line with accounting principles generally applied in Tunisia, notably accounting norms NCT 21, 22, 24 and 25 pertaining to banking institutions..

2. BASIS FOR MEASUREMENT AND PERTINENT ACCOUNTING PRINCIPLES APPLIED

STB's financial statements are drawn up on the basis of measuring the components of patrimony at their historic cost. The most significant accounting principles can be summarized as follows.

2.1. Accounting for commitments and related income

Accounting for off balance sheet commitments

Financing commitments relating to medium and long term loans, documentary credit and guarantees in the form of endorsements and deposits are entered on the off balance sheet as they are contracted, then transferred to the balance sheet as funds are released, at their face value..

Accounting for loans to clients

Net discount loans are presented in the balance sheet at their face value less discounted interest paid in advance and not yet accrued.

Disbursed loans and overdrawn current accounts are presented with the deduction of interest and reserved agios, proceeds charged or accounted for in advance and related provisions.

Accounting for income on loans to clients

Interest, related proceeds and commissions are taken into account in results for the year ending 31 December 2012 at the amounts pertaining to that year.

Interest on short term loans is collected in advance and accounted for in adjustment accounts when funds are released, becoming the object of subscription at the end of the month for the portion accrued.

Unpaid interest pertaining to doubtful long and medium term loans (classes B2, B3 and B4), in the sense of central bank of Tunisia circular n° 91-24, are entered as reserved interest and presented as a deduction against «Claims on clients». Such interest is taken into account at the time of actual encashment.

Interest that has accrued but that is not yet due for loans classified as current assets (class A) or as assets requiring particular monitoring (class B1) in the sense of central bank of Tunisia circular n° 91-24, the effective encashment of which is reasonably sure, are entered in results as it is accrued, except for interest on loans handled in the framework of the central bank of Tunisia's recent circular n°2011-04. Reserving of proceeds on overdrawn current accounts is done on the basis of the criteria of freezing of an account. Only agios on frozen accounts are reserved. An account is considered frozen if the sum of its net credit entries is less than the debit agios generated by the account. Agios on disputed claims in overdrawn current accounts that have been closed are not entered into accounting.

Accounting for late interest

Late interest is recorded by STB when the client pays or at the time of loan consolidation for a given client. However, since the introduction in 2007 of a new electronic application for disputed cases (« IMX »), a portion of late interest has been calculated, reserved, and entered into accounting, in the amount of 371,910,000 dinars.

Provisions for commitments:

Individual provisions

Mandatory provisions for client commitments have been determined in line with the prudential norms of division, coverage of risk, and monitoring of commitments, as per central bank of Tunisia circular n° 91- 24, as modified by central bank of Tunisia circulars n° 93-23 and n° 99-04, which define classes of risk and their minimum rate of provisioning in the following manner:

• A : current assets	0 %
• B1 : assets that require particular monitoring	0 %
• B2 : uncertain assets	20 %
• B3 : worrisome assets	50 %
• B4 : compromised assets	100 %

The rate of provisioning by class of risk is applied to uncovered net risk, at either the amount of the commitment less reserved agios and the value of guarantees obtained in the form of financial assets, mortgaged real estate, State guarantees as well as bank and insurance guarantees. Provisions for loans and overdrawn accounts are presented with the deduction of the relevant categories. Provisions on off balance sheet commitments are presented under the heading «other liability lines».

Collective provisions

In application of circular to banks n° 2012-02 of 11 January 2012 pertaining to evaluation of commitments in the framework of measures taken in light of current economic conditions to help businesses, the Bank has tapped 2011 results to constitute provisions of a general nature called «collective provisions» with a view to covering latent risk on current commitments (class 0) and those requiring particular monitoring (class 1), in the sense of article 8 of central bank of Tunisia circular 91-24 of 17 December 1991. In order to determine the amount of this provision, the bank has used the methodology prescribed in the note to loan institutions n°2012-08 of 2 March 2012, which provides for the following stages:

1- Regrouping of commitments in classes 0 and 1 into standardized groups by sector of activity

2- Calculation of average rates of migration for each group, which corresponds to additional risks for the group in year 'N' in relation to commitments 0 and 1 of the same group in year 'N-1'. This calculation was made by eliminating the commitments of a specific risk profile, such as the Ben Ali clan and public enterprises.

3-Determining the scaling factor by group of claims reflecting greater risk, noting that calculation of the scaling factor was done in order to take into account the commitments of the Ben Ali clan and those of public enterprises, given that the latter have also been affected by the exceptional situation that emerged in 2011

4- Estimation of rates of provision to be applied by group of claims and determination of the amount of the collective provision by multiplying the amount of commitments 0 and 1 by these three parameters.

2.2. Accounting for the securities portfolio and related income

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

2.2.1 Investment portfolio and related income

Are found in the investment portfolio:

• securities representing shares of capital in companies, the durable possession of which is considered useful for the Bank's activities (i.e. long term holdings): equity securities, shares in associated companies, and shares in related companies

• fixed income securities acquired by the Bank with a view to holding them until they fall due (investment securities, notably bond issues)

• securities representing financing shares subject to a retrocession agreement, but which are not yet definitively transferred

• funds managed by capital risk funds

Accounting rules for transactions involving these categories of securities can be summarised as follows.

Equity securities of a durable nature

These securities are accounted for on the balance sheet at the price of acquisition, exclusive of costs and charges. Shares that have been subscribed to but not yet paid in are recorded as off balance sheet commitments at their value when issued. Transactions to acquire or transfer equity securities are entered either at the date of transfer of ownership of the securities or at the date of registry of the transaction at the Tunis Stock Exchange. Gains resulting from sale of these securities are entered on the line entitled « Allotments to provisions and result of correction of values on the investment portfolio». Dividends on securities held by the Bank are entered under results as soon as their distribution is officially approved.

Investment securities

Gains on fixed income securities (bonds) are entered under proceeds spread out over the relevant period.

Securities representing financing of equity participation

Financing of equity participation is considered to be an extension of mainstream financing activity. Gains resulting from sale thereof are treated as interest and are part of operational banking proceeds. These gains are entered as proceeds just once, at the time of sale, and entered under the heading «income from the investment portfolio». Dividends on securities held by the Bank are entered under results as soon as their distribution has been officially approved. Unpaid amounts in capitalized interest (converted into capital participation) are transferred from claims accounts to participation accounts. Related reserved agios are transferred to provisions for shares.

Provisions for shares

Provisions for shares are assessed at their carrying value on the closing date for accounts, leading to constitution of provisions to cover any possible losses of a durable nature. This value takes into account:

- price posted on the stock exchange for listed stocks

- mathematical value calculated on the basis of the last available balance sheet for shares in undertakings other than hotels

- mathematical value calculated on the basis of the last available balance sheet corrected in light of gains from fixed assets for holdings in hotel undertakings

Holdings in funds managed by capital risk funds that are carried out in the framework of retrocession agreements are evaluated at their carrying value, taking into account prospects for recovery. Thus there is provisioning for shares with scheduled retrocession payment that has not been made, the carrying value of which does not cover the cost of acquiring the securities.

2.2.2 Commercial securities portfolio and related income

The commercial securities portfolio held by the Bank is divided into two categories.

- Transaction securities: securities characterised by their liquidity, the duration of possession not exceeding three months (short term Treasury bonds)

- Investment securities: securities acquired with the intention of holding on to them for no more than one year

Income related to these securities is entered under results, spread out over the relevant period.

Premiums on investment securities (the difference between the price of acquisition and the value of reimbursement) are spread out over the residual duration of securities.

2.3. Accounting for client deposits and related charges

Interest charges on client deposits and assets are entered by category of deposit in the following manner.

- Interest on current accounts is positioned on client accounts and entered into accounting on a quarterly basis. The dates of value used to calculate interest on client current accounts vary by nature of withdrawal or deposit transactions, in line with central bank of Tunisia circular n° 91-22.

- Interest on forward accounts is positioned on client accounts as it falls due and is the object of subscription on each closing date.

2.4. Accounting for resources and related charges

Loans contracted by the Bank are entered as drawings are made. Interest on loans is accounted for as charges as it is accrued. Borrowings abroad contracted by the Bank that include coverage by Tunis Re for any loss on exchange are entered on the financial statements in Tunisian dinars converted on the basis of historic price. Borrowings in foreign currency for which STB runs a risk on foreign currency exchange are revalued upon dates of closing at the rates in effect on those dates. Latent losses on exchange are entered under results.

2.5. Accounting for transactions labelled in foreign currencies and for results of exchange

Transactions involving banknote exchange are entered into accounting daily at the rate in effect the day of the transaction. The result of exchange in this case represents the difference between the buying rate and the selling rate on the relevant day. Balance sheet lines labelled in foreign currency, including foreign exchange positions, are revalued from set rate to rate of exchange in effect on the date of closing. The difference is recorded on balance sheet line «38.391 Difference on conversion».

2.6. Fixed assets and depreciation

Fixed assets are entered into accounting at the cost of acquisition, taking into account the percentage of recovery of VAT the previous year. Fixed assets are depreciated in a linear manner. The depreciation rate applied by the Bank is as follows:

-Buildings	2%
-Means of transport	20%
-Furniture and office material	10 %
	15%
	20% (*)
-Security, communications and air conditioning material	10%
-Computer equipment	15%
	33% (*)
-Computer software	33%
- Facilities, fixtures &fittings	10%

(*) Rate applied for acquisitions dating from 1 January 2008

However, as an exception to the accounting principle of historic cost, the Bank in 2000 revalued land and buildings, which led to a 37,324 million dinar increase in net worth, entered under the heading «other equity».

3. ACCOUNTING CHANGES

The balances of provisions for commitments and for risk and charges were the object of corrections needed to improve coverage of risk prior to 2012. Thus accounting adjustments, entered by means of the line pertaining to accounting modifications affecting results carried forward, were made as follows.

Object of the adjustment	Amount in thousand dinars
1. Adjustment of provisions for client claims	-51 819
2. Adjustment of provisions for associated current accounts	-10 770
3. Adjustment of provisions for departure on retirement	-29 663
4. Adjustment for provisions for risk	-35 424
5. Impact of corporate tax	8 064
Total	**-119 612**

Given the difficulty of making adjustments for previous years, data for 2011 was not processed anew in pro forma for purposes of comparability.

Note 4.1 – Cash and assets at the central bank of Tunisia (BCT), the postal checks centre (CCP) and the Tunisian general treasury (TGT)

The balance of this line came to 506,827,000 dinars as at 31 December 2012, compared to 119,408,000 dinars as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Cash	85 995	29 377
Central bank of Tunisia (BCT)	163 873	88 865
Postal check centre (CCP)	932	1 162
Tunisian general treasury (TGT) and recovery of liquidity	256 027	4
Total	**506 827**	**119 408**

in thousand dinars

- «BCT» dinar accounts show outstanding items that are being cleared.

- The following table summarises these outstanding items by length of time outstanding.

Outstanding for	BCT DEBIT	STB DEBIT	BCT CREDIT	STB CREDIT
less than one quarter	397 991 328	498 383 510	491 980 181	562 570 636
more than one quarter	93 363 181	79 376 462	118 137 627	44 901 150
more than one half	101 994 131	106 716 477	84 447 010	111 220 202
more than one year	776 463 451	889 111 593	958 565 479	707 517 108
TOTAL	1 369 812 092	1 573 588 042	1 653 130 297	1 426 209 096

- «BCT» accounts in foreign currency show outstanding items being cleared.

These outstanding items are summarised in the table below by currency and by length of time outstanding.

SOCIETE TUNISIENNE DE BANQUE

CURRENCY	LENGTH OF TIME OUTSTANDING	LC	LD	NC	ND	LC &NC BCT	LD & ND BCT	RATE	LC &NC BCT in in million dinars	LD & ND BCT
AED	Less than one quarter	0	0	0	0	0	0	0.4222	0	0
	More than one quarter	0	0	0	0	0	0	0.4222	0	0
	More than one half	58 970	0	0	0	58 970	0	0.4222	24 894	0
	More than one year	0	191	0	0	0	191	0.4222	0	81
		58 970	191	0	0	58 970	191		24 894	81
CAD	Less than one quarter	339 912	562 025	281 025	108	620 937	562 133	1.5581	967 483	875 860
	More than one quarter	10	0	38 918	38 908	38 928	38 908	1.5581	60 654	60 622
	More than one half	0	261 009	261 005	0	261 005	261 009	1.5581	406 672	406 677
	More than one year	3 825	10	66 960	98 136	70 786	98 146	1.5581	110 291	152 921
		343 747	823 044	647 909	137 152	991 656	960 196		1 545 099	1 496 081
CHF	Less than one quarter	28	14 000	0	365	28	14 365	1.6931	47	24 322
	More than one quarter	0	0	0	0	0	0	1.6931	0	0
	More than one half	0	0	0	0	0	0	1.6931	0	0
	More than one year	117	25	8 797	600	8 914	625	1.6931	15 092	1 057
		145	14 025	8 797	965	8 942	14 990		15 140	25 379
DKK	Less than one quarter	0	0	0	0	0	0	0.2740	0	0
	More than one quarter	0	0	0	0	0	0	0.2740	0	0
	More than one half	0	0	0	0	0	0	0.2740	0	0
	More than one year	18 900	18 801	0	0	18 900	18 801	0.2740	5 179	5 152
		18 900	18 801	0	0	18 900	18 801		5 179	5 152
DZD	Less than one quarter	0	0	0	0	0	0	0.0198	0	0
	More than one quarter	0	0	0	0	0	0	0.0198	0	0
	More than one half	0	0	0	0	0	0	0.0198	0	0
	More than one year	0	0	0	440 720	0	440 720	0.0198	0	8 744
		0	0	0	440 720	0	440 720		0	8 744

CURRENCY	LENGTH OF TIME OUTSTANDING	LC	LD	NC	ND	LC &NC BCT	LD & ND BCT	RATE	LC &NC BCT in in million dinars	LD & ND BCT
EURO	Less than one quarter	2 434 691	2 336 790	4 687 168	3 404 165	7 121 859	5 740 955	2.0476	14 582 718	11 755 180
	More than one quarter	55 961	266 783	192 332	88 458	248 293	355 240	2.0476	508 404	727 390
	More than one half	247 025	562 500	1 136 280	153 209	1 383 305	715 709	2.0476	2 832 456	1 465 487
	More than one year	3 357 693	7 075 265	3 584 597	2 308 402	6 942 290	9 383 668	2.0476	14 215 033	19 213 998
		6 095 370	10 241 338	9 600 377	5 954 234	15 695 746	16 195 572		32 138 610	33 162 054
GBP	Less than one quarter	11 548	946 397	855 003	0	866 551	946 397	2.5057	2 171 316	2 371 388
	More than one quarter	0	0	41 980	0	41 980	0	2.5057	105 189	0
	More than one half	2 789	7	4 987	111	7 776	118	2.5057	19 483	296
	More than one year	15 720	15 741	4 863	21 671	20 583	37 412	2.5057	51 575	93 743
		30 056	962 145	906 833	21 782	936 889	983 927		2 347 564	2 465 427
JPY	Less than one quarter	34 296 900	0	145 063 500	145 063 500	179 360 400	145 063 500	0.0180	3 228 936	2 611 506
	More than one quarter	0	0	3 405 924	0	3 405 924	0	0.0180	61 315	0
	More than one half	0	0	0	0	0	0	0.0180	0	0
	More than one year	2 574 423	0	0	0	2 574 423	0	0.0180	46 346	0
		36 871 323	0	148 469 424	145 063 500	185 340 747	145 063 500		3 336 597	2 611 506
KWD	Less than one quarter	3 000	3 000	0	0	3 000	3 000	5.5129	16 539	16 539
	More than one quarter	0	0	0	0	0	0	5.5129	0	0
	More than one half	0	0	0	0	0	0	5.5129	0	0
	More than one year	2 240	0	0	0	2 240	0	5.5129	12 349	0
		5 240	3 000	0	0	5 240	3 000		28 888	16 539
LYD	Less than one quarter	0	0	0	0	0	0	1.2359	0	0
	More than one quarter	0	0	0	0	0	0	1.2359	0	0
	More than one half	0	0	0	0	0	0	1.2359	0	0
	More than one year	0	25 791	0	0	0	25 791	1.2359	0	31 875
		0	25 791	0	0	0	25 791		0	31 875
MAD	Less than one quarter	88 620	0	0	0	88 620	0	0.1833	16 241	0
	More than one quarter	0	0	0	0	0	0	0.1833	0	0
	More than one half	0	0	0	0	0	0	0.1833	0	0
	More than one year	0	0	612	0	612	0	0.1833	112	0
		88 620	0	612	0	89 232	0		16 353	0

SOCIETE TUNISIENNE DE BANQUE

CURRENCY	LENGTH OF TIME OUTSTANDING	LC	LD	NC	ND	LC &NC BCT	LD & ND BCT	RATE	LC &NC BCT in million dinars	LD & ND BCT
MRO	Less than one quarter	0	0	0	0	0	0	0.0051	0	0
	More than one quarter	0	0	0	0	0	0	0.0051	0	0
	More than one half	0	0	0	0	0	0	0.0051	0	0
	More than one year	0	0	0	0	0	0	0.0051	0	0
		0	0	0	0	0	0		0	0
NOK	Less than one quarter	0	0	0	225	0	225	0.2779	0	63
	More than one quarter	0	0	0	0	0	0	0.2779	0	0
	More than one half	0	0	0	0	0	0	0.2779	0	0
	More than one year	0	142 300	97	0	97	142 300	0.2779	27	39 540
		0	142 300	97	225	97	142 525		27	39 602
QAR	Less than one quarter	0	0	0	0	0	0	0.4259	0	0
	More than one quarter	0	0	0	0	0	0	0.4259	0	0
	More than one half	0	0	0	0	0	0	0.4259	0	0
	More than one year	0	0	0	0	0	0	0.4259	0	0
		0	0	0	0	0	0		0	0
SAR	Less than one quarter	62 560	3 000	0	0	62 560	3 000	0.4134	25 864	1 240
	More than one quarter	0	0	0	0	0	0	0.4134	0	0
	More than one half	0	0	0	0	0	0	0.4134	0	0
	More than one year	0	0	0	0	0	0	0.4134	0	0
		62 560	3 000	0	0	62 560	3 000		25 864	1 240
SEK	Less than one quarter	9 050	1 552 045	1 552 047	100 360	1 561 097	1 652 405	0.2379	371 416	393 140
	More than one quarter	0	73 138	0	63	0	73 201	0.2379	0	17 416
	More than one half	63	0	0	0	63	0	0.2379	15	0
	More than one year	0	0	45 474	0	45 474	0	0.2379	10 819	0
		9 113	1 625 183	1 597 521	100 423	1 606 634	1 725 606		382 250	410 556
USD	Less than one quarter	16 811 780	25 504 880	5 544 422	10 975 664	22 356 202	36 480 544	1.5506	34 665 527	56 566 732
	More than one quarter	90 098	841 625	1 030 173	1 402	1 120 271	843 027	1.5506	1 737 092	1 307 198
	More than one half	749 986	256 458	530 500	116 168	1 280 485	372 626	1.5506	1 985 520	577 793
	More than one year	1 638 433	24 936 831	2 059 779	6 111 089	3 698 212	31 047 919	1.5506	5 734 448	48 142 904
		19 290 297	51 539 794	9 164 873	17 204 323	28 455 171	68 744 117		44 122 588	106 594 627

Note 4.2 – Claims on banking and financial institutions

The balance of this line came to 281,878,000 dinars as at 31 December 2012, compared to 329,007,000 as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Claims on banking institutions	20 116	41 261
- Resident banks	2	4
- Non resident banks	8 338	32 697
- Financial structures (leasing companies)	11 776	8 560
Financial institutions	261 762	287 746
- Resident banks	257 794	282 915
- Non resident banks*	4 168	4 831
Total	**281 878**	**329 007**

in thousand dinars

- Overdrawn correspondent accounts are entered net of credit correspondent accounts, by foreign currency.

- Correspondent accounts show outstanding items that are being cleared.

The following table summarises these outstanding items by currency and by how long they have been outstanding.

SOCIETE TUNISIENNE DE BANQUE

OUTSTANDING FOR	CURRENCY	CORRES DEBIT	CORRES CREDIT	STB DEBIT	STB CREDIT	STB DEBIT +DEBIT CORRES DEV	STB CREDIT+ CORRES CREDIT (FC)	RATE	STB DEBIT + CORRES DEBIT in million TND	STB CREDIT +CORRES CREDIT in million TND
>3 months <6 months	DZD	1 463	0	0	0	1 463	0	0.0020	3	0
>3 months <6 months	EUR	1 635 902	1 397 770	2 218 640	7 091 607	3 854 542	8 489 377	2.0476	7 892 561	17 382 847
>3 months <6 months	GBP	3 514	2 440	14 180	9 831	17 694	12 271	2.5057	44 337	30 748
>3 months <6 months	JPY	76 924	124 430	0	0	76 924	124 430	0.0180	1 385	2 240
>3 months <6 months	KWD					0	0	5.5129	0	0
>3 months <6 months	LYD					0	0	1.2359	0	0
>3 months <6 months	NOK	2 675	0	7 000	4 000	9 675	4 000	0.2779	2 688	1 111
>3 months <6 months	SAR	2 757	0	0	201 500	2 757	201 500	0.4134	1 140	83 306
>3 months <6 months	SEK	74 420	74 438	0	73 130	74 420	147 568	0.2379	17 706	35 109
									7 959 820	17 535 363
>6 months < 12 months	DZD	22 194	0	0	0	22 194	0	0.0020	44	0
>6 months < 12 months	EUR	3 747 120	2 264 065	2 443 010	4 205 163	6 190 130	6 469 229	2.0476	12 674 910	13 246 392
>6 months < 12 months	GBP	25 618	36 527	36 938	26 211	62 556	62 738	2.5057	156 746	157 203
>6 months < 12 months	JPY	96 485	0	0	2 500	96 485	2 500	0.0180	1 737	45
>6 months < 12 months	KWD	7	0	0	0	7	0	5.5129	38	0
>6 months < 12 months	LYD	0	0	0	0	0	0	1.2359	0	0
>6 months < 12 months	NOK	4 500	15 000	16 500	6 500	21 000	21 500	0.2779	5 835	5 974
>6 months < 12 months	SAR	1 605	320	10 320	50	11 925	370	0.4134	4 930	153
>6 months < 12 months	SEK	2 114	0	0	0	2 114	0	0.2379	503	0
									12 844 743	13 409 767
>12 months	DZD	286 166	12 296 215	2 000	2 608 737	288 166	14 904 952	0.0020	572	29 571
>12 months	EUR	16 559 233	22 300 971	17 316 047	13 648 250	33 875 280	35 949 220	2.0476	69 363 023	73 609 624
>12 months	GBP	21 788	17 745	68 029	67 115	89 816	84 860	2,5057	225 052	212 633
>12 months	JPY	4 022 382	719 362	1 003 799	1 819 792	5 026 181	2 539 154	0,0180	90 484	45 711
>12 months	KWD	11	0	2 240	3 021	2 251	3 021	5,5129	12 410	16 655
>12 months	LYD	350 021	437 176	842 111	678 138	1 192 131	1 115 315	1,2359	1 473 355	1 378 418
>12 months	NOK	1 675	1 472	3 500	7 928	5 175	9 400	0,2779	1 438	2 612
>12 months	SAR	675	0	196	27	871	27	0,4134	360	11
>12 months	SEK	194	9 904	77 146	56 810	77 340	66 714	0,2379	18 401	15 873
>12 months	MRO	0	300 165	0	5 241 190	0	5 541 355	0,0051	0	28 355
									71 185 094	75 311 108

The application for managing loans in foreign currency does not allow for retracing all the transactions carried out by the bank.

Note 4.3 – Claims on clients

Comparative trends in net commitments between 2011 and 2012 are shown below.

Description	31/12/2012	31/12/2011
- Overdrawn current accounts	703 925	694 570
- Loans from special resources	261 353	264 508
- Claims assumed by the State	52 432	56 702
- Subsidy assumed by the State	25 649	27 597
- Associated current accounts	209 900	227 611
- Other loans to clients	5 848 936	5 505 832
- Claims to be abandoned	3 562	3 562
- Related claims	30 707	44 696
Gross total	**7 136 464**	**6 825 078**
Provisions	626 918	503 710
- Provisions for current accounts	147 607	127 686
- Provisions for special resources	51 371	49 222
- Provisions for other loans to clients	341 546	254 327
- Provisions for associated current accounts	29 012	18 092
- Provisions for claims to be abandoned	455	455
- Collective provisions	53 928	53 928
- Reserved agios	848 393	755 922
- Reserved agios for current accounts	45 680	37 497
- Reserved agios for other loans to clients	665 058	584 596
- Reserved agios for associated current accounts	37 219	37 601
- Reserved agios for special resources	97 329	93 121
- Reserved agios for claims to be abandoned	3 107	3 107
- Proceeds collected in advance	7 735	8 154
Net total	**5 653 418**	**5 557 292**

The structure of the net outstanding balance of claims on clients as at 31 December 2012 is as follows.

in thousand dinars

Description	Encours Brut	Créances Rattachées	Provisions	Agios Réservés	Produits perçus d'avance	Encours Net
C/C Débiteurs	703 925	44	-147 607	-45 680		510 682
C/ Ressources spéciales	261 353	561	-54 371	-97 329		110 213
Comptes courants associés	209 900		-29 012	-37 219		143 669
Autres conc. à la clientèle	5 927 017	30 102	-395 473	-665 058	-7 734	4 888 554
- Créances à abandonner	3 562		-455	-3 107		0
Total	**7 105 757**	**30 707**	**-624 210**	**-848 393**	**-7 734**	**5 653 418**

The bank's information system does not provide for traceability, cross-checking and monitoring of the balances of «proceeds collected in advance» lines relating to client loans. But adjustments are carried out to estimate these balances at the end of the year, on the basis of non accounting information pertaining to the portfolio.

Reserved agios:

Reserved agios lines as 31 December 2012 can be broken down as follows.

in thousand dinars

Description	31 Dec 2012	31 Dec 2011
Reserved agios for current accounts	45 680	37 497
Reserved agios for endorsement and security deposits	6 969	6 500
Reserved agios for regularisation of overdrawn balances	0	0
Reserved agios for interest on ordinary medium term loans	109 806	89 082
Reserved agios for interest on consolidated medium term loans	172 364	167 715
Reserved agios for loans guaranteed by the State	4 009	4 287
Reserved agios for special resources	97 329	93 121
Reserved agios for associated current accounts	37 219	37 601
Late interest reserved for disputed claims	371 910	317 012
Reserved agios/claims to be abandoned	3 107	3 107
Subtotal	848 393	755 922
Reserved agios for claims assumed by the State	10 094	10 935
Reserved agios for attached claims	8 705	8 705
Total	**867 192**	**775 562**

Following introduction in 2007 of the new software application for disputed claims «IMX», a portion of late interest has been calculated, reserved and accounted for in the amount of 371,910,000 dinars.

Reserved late interest on disputed claims concerns only a portion of disputed claims managed by this new software programme, calculated and accounted for automatically by the system. Reserved agios on associated current accounts are accounted for in part on the 'reserved agios for associated current accounts' line, and partly on the lines pertaining to reserved agios for other commitments.

Provisions lines evolved in the following manner in 2012.

in thousand dinars

Description	Amount
BALANCE as at 31 December 2011	756 023
ACCOUNTING MODIFICATIONS RELATING TO 'PROVISIONS FOR COMMITMENTS' LINES	47 867
ACCOUNTING MODIFICATIONS RELATING TO 'PROVISIONS FOR ASSOCIATED CURRENT ACCOUNTS' LINES	10 770
ACCOUNTING MODIFICATIONS RELATING TO 'PROVISIONS FOR DEPARTURE ON RETIREMENT' LINES	29 663
ACCOUNTING MODIFICATIONS RELATING TO 'PROVISIONS FOR RISK' LINES	35 424
ALLOTMENT TO PROVISIONS FOR COMMITMENTS	100 646
ALLOTMENT TO PROVISIONS FOR SECURITIES	22 242
ALLOTMENT TO PROVISIONSS FOR DEPARTURE ON RETIREMENT	2 453
ALLOTMENT TO PROVISIONS FOR RISK AND CHARGES	12 620
RECOVERY OF PROVISIONS FOR COMMITMENTS	-32 671
RECOVERY OF PROVISIONS FOR SECURITIES	-1 573
RECOVERY OF PROVISIONS FOR RISK AND CHARGES	-18 749
BALANCE AS AT 31 December 2012	964 715

(1) in application of the note to loan institutions n° 2012-08 of 2 March 2012 governing the referential methodology for determining collective provisions set by central bank of Tunisia n° 2012-02 of 11 January 2012 to cover latent risk for current commitments and those requiring particular monitoring

The amount of the collective provision was estimated at 53,928,000 dinars, broken down as follows.

SOCIETE TUNISIENNE DE BANQUE

ACTIVITY	CLASSES 0&1 DEC2012	AVERAGE MIG FATE 2008/2012	SCALING FACTOR 2011/2012	CORRECTED RATE OF PROVISIONING	COLLECTIVE PROVISIONS DEC2012
AGRICULTURE	40 246 181	9.49%	2.32	20.00%	1 771 652
OTHER INDUSTRIES	7 727 907	5.77%	1.00	25.00%	111 528
OTHER SERVICES	728 162 323	1.65%	2.42	25.00%	7 299 876
CONSTRUCTION & PUBLIC WORKS	315 654 364	3.83%	1.00	20.00%	2 415 808
COMMERCE	554 787 107	2.90%	1.40	25.00%	5 629 396
MANUFACTURING INDUSTRIES	1 080 754 584	4.29%	1.24	25.00%	14 377 905
REAL ESTATE PROMOTION	314 825 265	6.40%	1.72	15.00%	5 206 482
TOURISM	369 169 469	16.38%	1.00	20.00%	12 092 614
OTHER	27 737 276	3.26%	1.72	41.69%	1 915 033
CONSUMPTION	1 061 016 993	0.74%	1.65	20.00%	2 589 308
HOUSING	271 644 746	1.43%	1.34	10.00%	518 402
TOTAL	**4 771 726 215**				**53 928 003**

NB: All the rates of provisioning that have been applied are those prescribed by note 2012-08, except for that applied to non performing claims, which is filed under other sectors and which is not provided for in this circular. STB applied the reigning average rate of migration.

Guarantees retained by the Bank to determine provisions for commitments are in certain cases entered despite the absence of an inventory of legal documents justifying them, such as certificates of ownership or an attestation from Tunisia's tourism real estate agency AFT, Tunisia's industrial land agency AFI...).

Note 4.4 – Commercial securities portfolio

The balance of this account amounted to 209,547,000 dinars as at 31 December 2012, compared to 132,557,000 dinars as at 31 December 2011. The commercial securities portfolio is made up of fixed income securities issued by the State and of variable rate securities.

Description	31 Dec 2012	31 Dec 2011
Short term treasury bonds	83 400	75 113
Bonds equivalent to treasury bonds	125 168	57 397
Attached claims and debts	2 991	1 852
Depreciation of bonds equivalent to treasury bonds	-228	-269
Interest collected in advance	-1 784	-1 536
Total	209 547	132 557

Note 4.5 – Investment portfolio

The value of the securities portfolio rose from 279,729,000 as at 31 December 2012 to 303,667,000 as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec
- Investment securities	30 133	27 938
- Equity securities	203 008	216 525
- Shares in associated companies and joint ventures	88 121	82 161
- Shares in related companies	123 559	121 397
- Companies being liquidated	582	582
- Reconveyed shares	20 657	20 727
- Attached claims and debts	-332	-332
Gross value	465 728	468 998
Provisions	185 999	165 331
Net value	279 729	303 667

Movements by category of securities in the investment portfolio are shown in the table below.

in thousand dinars

Description	Accounting value	Provisions 31 Dec 2011	Allotments	ecovery	Reassignment	Accounting modification	Provisions 31 Dec 2012
Investment securities	30 133	-650					-650
Capital risk funds	95 750	-35 812	-6 574	1416	-65		-40 905
Equity securities	340 177	-128 869	-7 468	157	65	-8 200	-144 444
Attached claims	-332	0					0
Total	465 728	-165 331	-14 042	1 573	0	10 008	-185 999

The following is a list of the main affiliated companies as at 31 December 2012.

Affiliates	Share of capital held by STB	Gross accounting value	Provisions	Net accounting value
FINANCIAL SECTOR				
Tunisian claims collection company STRC	91.4%	33 801	26 348	7 453
STB SICAR (capital risk fund)	49.2%	10 905	1 197	9 708
STB INVEST	94.4%	34 676		34 676
SOFIGES (financial management company)	61.3%	4 749		4 749
BFT (Franco-Tunisian bank)	78.2%	3 535	3 535	0
TOURISM				
SKANES PALACE INTERNATIONAL	99.8	6 180	6 180	0
AFRICA SOUSSE	96.9	9 050	9 050	0
ED-DKHILA	61.2	3 221		3 221
DOWNTOWN HOTELS COMPANY	70.3	2 488	2 488	
REAL ESTATE SECTOR				
IMMOBILIERE DE L'AVENUE	84.7	7 461		7 461
SERVICES SECTOR				
LA GENERALE DE VENTE Company	50	2 000	1 071	929

The investment portfolio includes funds managed by the capital risk fund «STB SICAR» in the amount of 95,750,000 dinars, with provisions of 40,905,000 dinars. The balance of managed funds can be broken down as follows.

Managed funds	Initial fund	Main repayments	Capitalised results	Reimbursement on gains	Balance at 31 Dec 2012
FG STB 1	8 000	1 027	-1 136	943	4 894
FG STB 2	8 000	2 661	1 734	1 422	5 651
FG STB 3	5 000	1 052	1 026	558	4 416
FG STB 4	6 500	315	1 224	1 407	6 002
FG STB 5	6 824	765	1540	1 393	6 206
FG STB 6	2 707	375	138	349	2 121
FG STB 7	800		72		872
FG STB 8	9 371		1 463		10 834
FG STB 9	4 800		265		5 065
FG STB 10	8 748		550		8 889
FG STB 11	6 000		483		9 298
FG STB 12	9 898		696		10 594
FG STB 13	10 000		664		10 664
FG ID 1	2 000	562	888	1 068	1 258
FG ID 2	2 000	184	231	773	1 274
FG ID 3	5 436	1 623	1246	1 211	3 848
FG ID 4	360	3	26	25	358
FG ID 5	1 133		248		1 381
FG ID 6	4 000		531		4 531
Total	101 577	8 567	11 889	9 149	95 750

As at 31 December 2012, the status of uses for these managed funds was as follows.

in thousand dinars

Managed funds	Equity shares to be reconveyed	Direct Direct	Variable rate mutual fund securities
Fonds gérés STB 1 (1999)	2 716	2 094	122
Fonds gérés STB 2 (2000)	5 912	299	171
Fonds gérés STB 3 (2001)	2 618	1 000	598
Fonds gérés STB 4 (2002)	6 898		239
Fonds gérés STB 5 (2003)	7 302	231	418
Fonds gérés STB 6 (2005)	2 810	79	215
Fonds gérés STB 7 (2006)	405	390	177
Fonds gérés STB 8 (2007)	7 425	382	4 201
Fonds gérés STB 9 (2008)	4 800		626
Fonds gérés STB 10 (2008)	8 575		729
Fonds gérés STB 11 (2009)	4 027		2 225
Fonds gérés STB 12 (2009)	5 074	731	4 718
Fonds gérés STB 13 (2010)			10 644
FG 1 ID SICAR (2002)	1 289		28
FG 2 ID SICAR (2002)	1 639		16
FG 3 ID SICAR (2003)	3 874	140	48
FG 4 ID SICAR (2005)	358		
FG 5 ID SICAR (2006)	951		430
FG 6 ID SICAR (2007)	3 378		1 153

Note 4.6 – Fixed assets

Net fixed assets amounted to 81,798,000 dinars as at 31 December 2012. Movements recorded in 2012 can be broken down as follows.

Description	Gross value as at 31 Dec 2011	Acquisition / sale 2012	Gross value as at 31 Dec 2012	Depreciation 31/12/2011	Allotment/ Regularisation 2012	Disposal depreciation assets 2012	depreciation as at Dec 2012	Net value as at Dec 2012
Intangible fixed	6 266	2 014	10 314	6 246	1 429	0	7 675	2 639
Computer software	8 243	2 014	10 257	6 246	1 429		7 675	2 582
Right to lease	57	0	57	0			0	57
Cost of studies and development	0	0	0	0	0	0	0	0
Tangible fixed	177 825	6 462	184 287	100 043	5 085	0	105 128	79 159
Land	17 773	0	17 773					17 773
Buildings	65 941	3 647	69 588	23 822	1 382		25 204	44 384
Office furniture	4 867	96	4 963	4 432	186		4 618	345
Means of transport	1 161	0	1 161	694	59	0	753	408
Computer equipment	30 793	100	30 893	29 151	1 698		30 849	44
Means of communication	1 783	16	1 799	1 605	45		1 650	149
Office material	14 708	328	15 036	14 045	273		14 045	718
Security material	2 371	308	2 679	1 842	148		1 842	689

	as at 31 Dec 2011	/ sale 2012	as at 31 Dec 2012	31/12/2011	Regularisation 2012	depreciation assets 2012	as at Dec 2012	as at Dec 2012
Air conditioning material	4 611	108	4 719	3 404	234		3 404	1 081
Facilities, fixtures & fittings	24 734	1 165	25 899	19 228	1 039		19 228	5 632
Unused office furniture	32	0	32	24	0		24	8
Unused tools	296	0	296	274	6		274	16
Unused buildings	6 860	0	6 860	1 522	15		1 522	5 323
Office material awaiting reassignment	101	-1	100	0			0	100
Building under way	1 794	695	2 489	0			0	2 489
TOTAL	186 125	8 476	194 601	106 289	6 514	0	106 289	81 798

There was no exhaustive physical inventory of fixed assets carried out by the Bank in 2012. Furthermore, the Bank has no database detailing the fixed assets entered into accounting by the bank by nature of fixed asset and by reference.

Note 4.7 – Other assets

As at 31 December 2012, the 'other assets' line came to a total of 530,938,000 dinars, compared to 550,393,000 dinars as at 31 December 2011, broken down as follows

Description	31 Dec 2012	31 Dec 2011
- Loans to staff	132 251	102 632
- Medical expenses to be recovered	3 090	2 811
- State, taxes and levies (1)	43 528	47 621
- Miscellaneous stock	1 008	782
- Difference on exchange assumed by the State	10 092	2 246
- Difference on conversion	0	4 219
- Head office, branches and subsidiaries (3)	39 049	26 061
- Asset regularisation accounts (2)	220 827	291 226
- Values presented for compensation	31 950	24 208
- Financial instruments entered as revenue	107	107
- Debits to be regularised	4 277	16 136
- Charges paid in advance	738	589
- Proceeds to be received	3 403	3 497
- Transferred claims	2 136	2 136
- Other	38 482	26 122
TOTAL	530 938	550 393

(1) This line has decreased since differed tax assets linked to an accounting modification were not entered into accounting.

(2) The decrease on this line was due mainly to State reimbursement of 70 million dinars in external loans, covered by legislation pertaining to the State's guarantee for repayment of amounts due against external lines of credit.

(3) Inter-head office lines (35 100 xxx) and (35 200 xxx) and those pertaining to electronic payment transactions show old outstanding items being cleared. Moreover, unidentified net debit items that are outstanding and that have to do with the inter-head office are provisioned in the amount of 4350 million dinars. This amount was determined by applying a provisioning rate of 100% for items outstanding since before 2012, 50% for first half of 2012 outstanding items, and 20% for third quarter 2012 outstanding items

Note 4.8 – Banking and financial institution deposits and assets

As at 31 December 2012, this line came to a total of 178,161,000 dinars, compared to 151,699,000 dinars as at 31 December 2011. Breakdown by category of banking and financial institution is as follows

Description	31 Dec 2012	31 Dec 2011
Banking institutions	69 893	59 519
- Deposit banks	287	134
- Investment banks	0	0
- Financial structures	0	0
- Non resident banks	69 606	59 385
Interbank borrowings	108 268	92 180
Total	178 161	151 699

- Credit correspondent accounts are presented cleared net of debit correspondent accounts by currency.

- Correspondent accounts show outstanding items that are being cleared.

The following table shows these outstanding items by currency and by how long they have been outstanding.

OUTSTANDING FOR	CURRENCY	CORRES DEBIT	CORRES CREDIT	STB DEBIT	STB CREDIT	STB DEBIT + CORRES DEBIT	STB CREDIT + CORRES CREDIT	RATE	STB DEBIT + CORRES DEBIT million TD	STB CREDIT +CORRES CREDIT million TD
>3 months <6 months	CAD	5 515	20 585	38 529	18 100	44 044	38 685	1.5581	68 625	60 276
>3 months <6 months	CHF	8 242	432	2 040	7 605	10 282	8 037	1.6931	17 409	13 608
>3 months <6 months	USD	1 909 827	1 171 665	618 739	1 446 883	2 528 566	2 618 547	1.5506	3 920 795	4 060 320
>3 months <6 months	DKK					0	0	0.2740	0	0
>3 months <6 months	MAD	0	0	0	0	0	0	0.1833	0	0
>3 months <6 months	AED	7 042	28 502	0	0	7 042	28 502	0.4222	2 973	12 032
									4 006 830	**4 134 203**
>6 months <12 months	CAD	21 987	21 171	13 451	32 437	35 439	53 608	1.5581	55 217	83 527
>6 months <12 months	CHF	38 773	596	7 680	37 623	46 453	38 219	1.6931	78 651	64 709
>6 months <12 months	USD	1 933 183	1 489 080	1 645 296	1 207 599	3 578 478	2 696 679	1.5506	5 548 788	4 181 470
>6 months <12 months	AED	59 140	25	0	25	59 140	50	0.4222	24 966	21
>6 months <12 months	DKK	740	0	0	0	740	0	0.2740	203	0
>6 months <12 months	MAD	26 636	0	14 105	38 909	40 741	38 909	0.1833	7 466	7 130
									5 682 656	**4 329 706**
>12 months	CAD	122 473	121 433	143 324	586 014	265 797	707 448	1.5581	414 138	1 102 274
>12 months	CHF	95 723	382 153	90 339	43 362	186 063	425 515	1.6931	315 026	720 449
>12 months	USD	67 239 302	87 591 010	67 659 269	61 741 433	134 898 571	149 332 443	1.5506	209 173 724	231 554 886
>12 months	AED	1 903	0	0	48 100	1 903	48 100	0.4222	803	20 305
>12 months	DKK	4 085	8 083	13 507	875	17 592	8 958	0.2740	4 821	2 455
>12 months	MAD	304 781	235 042	6 099	474 166	310 880	709 208	0.1833	56 972	129 969
									209 902 889	**233 377 609**

Note 4.9 – Client deposits and assets

The balance of this line came to 5,217,309,000 dinars as at 31 December 2012, compared to 5,240,145,000 dinars as at 31 December 2011. Deposits can be broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Sight deposits	1 469 716	1 385 155
Savings deposits	2 023 960	1 834 617
Forward accounts	426 023	937 859
Accounts in convertible dinars	72 832	77 002
Accounts in foreign currency	313 636	232 764
Investment in foreign currency	204 024	213 127
Cash vouchers	296 422	281 987
Other sums due to clients	160 674	138 239
Attached debts	8 022	19 395
Certificates of deposit	120 000	120 000
Total	5 517 309	5 240 145

The applications used to manage client investment in foreign currency and in dinars does not allow for the tracking of all transactions carried out by the bank.

Note 4.10 – Borrowings and special resources

The outstanding balance of this line amounted to 562,830,000 dinars as at 31 December 2012, compared to 471,062,000 dinars as at 31 December 2011, broken down as follows

Description	31 Dec 2012	31 Dec 2011
Bond and private loans	341 510	248 108
Special resources	202 711	207 702
Attached debt	18 609	15 252
Total	560 830	471 062

Note 4.11 – Other liabilities

This line posted 699,898,000 as at 31 December 2012, compared to 539,178,000 dinars as at 31 December 2011.

Description	31 Dec 2012	31 Dec 2011
Provisions for liabilities and charges (1)	151 797	86 982
State, taxes, levies and social debts (2)	18 103	15 940
Financial instruments that have not yet fallen due (3)	160 713	153 884
Reserved agios assumed by the State	10 094	10 935
Charges to be paid	32 264	30 550
Sundry creditors	3 018	2 977
Outstanding items to be regularized	5 915	5 915
Head office, branches and subsidiaries	12 595	5 667
Adjustment accounts-liabilities	51 939	61 310
Electronically-cleared values being settled	189 767	109 356
Difference on conversion	0	1 423
Other loans	322	330
Loans to be regularised	2 866	5 947
Interest to be recovered on special resources	13 724	13 741
Difference on the encashment portfolio due after encashment	46 781	34 221
Total	**699 898**	**539 178**

(1) Provisions for liabilities and charges constituted by the bank at the end of 2012 came to 151,797,000 dinars, compared to 86,982,000 dinars at the end of the previous year, covering risk on the components of the off balance sheet as well as sundry risks, as shown in the following table.

Description	Provisions 31 Dec 2011	Recovery	Allotments	Accounting Modification	Reassignment and correction	Provisions 31 Dec 2012
Provisions for E/S	18 311	-1 142	4 466	327	-247	21 715
Provisions for departure upon retirement			2 453	29 663		32 116
Provisions for sundry risks (*)	68 671	-18 749	12 620	35 424		97 966
Total	86 982	-19 891	19 539	65 414	-247	151 797

(2) This line can be broken down as follows.

En mD

Description	31 Dec 2012	31 Dec 2011
VAT	1 442	1 603
Withholding	5 886	5 389
Foreign exchange equalisation fund	6 677	7 021
Other	4 098	1 927
Total	**18 103**	**15 940**

(3) This line can be broken down as follows.

in thousand dinars

Description	31/12/2012	31/12/2011
Medium term financial instruments not yet due	69 278	60 062
Short term financial instruments not yet due	62 035	67 473
Financial effects on medium term interest not yet due	28 784	25 801
Financial instruments not yet due received from clearing	616	548
Total	**160 713**	**153 884**

- The line pertaining to the portfolio of securities due for payment after encashment posted a balance of 46,781 million dinars. This balance is the result of clearing between several asset and liability accounts relating to securities being encashed and securities due after encashment.

The breakdown of this line is shown below:

in thousand dinars

SECURITIES BEING ENCASHED		100 806 307 279
20 319 070	DISCOUNT CHECKS PAYABLE ABROAD	0
37 610 000	BANKNOTE STOCKS MUTILIATED UPON ENCASHMENT	4 075 808
38 111 010	CHECKS IN TND FROM CORRESPONDENTS	-12 650 043
38 111 020	CHECKS IN TND FROM THE NETWORK	90 163 812
38 111 040	CHECKS FROM THE GREATER TUNIS AREA	15 970 167
38 111 090	CHECKS IN FOREIGN CURRENCY FROM THE NETWORK	31 089 421
38 111 110	COLLECTION ACCOUNTS BNDT	0
38 111 120	COLLECTION ACCOUNTS BDET	6 166 416
38 112 010	CHECKS BEING CASHED IN TUNISIA	999 166 068
38 112 020	CHECKS BEING CASHED ABROAD	-356 983 360
38 112 040	CHECKS IN FOREIGN CURRENCY RECEIVED FROM BANKS	0
38 112 050	CHECKS IN FOREIGN CURRENCY RECEIVED FROM CORRESPONDENTS	0
38 112 060	TRAVELLERS CHECKS BEING CASHED	0
38 112 090	CHECKS IN FOREIGN CURRENCY RECEIVED, BEING CASHED	322 710 002
38 113 050	DISCOUNT CHECKS SENT FOR COLLECTION TO STB	0
38 113 080	FC CHECKS SENT TO/RECEIVED FROM LOCAL CORRESPONDENTS	7 115 502 084
38 113 100	FC CHECKS SENT TO/RECEIVED FROM FOREIGN CORRESPONDENTS	6 705 579 444
38 121 010	FINANCIAL INSTRUMENTS IN TND RECEIVED FROM CORRESPONDENTS	15 531 158
38 122 010	COMMERCIAL SECURITIES FALLEN DUE, BEING CASHED	-38 283 226
38 122 020	SECURITIES NOT YET FALLEN DUE, BEING CASHED	65 903 451 190
38 122 050	TUNISIE LEASING FINANCIAL INSTRUMENTS NOT YET DUE, BEING CASHED	0
38 122 060	FINANCIAL INSTRUMENTS IN FC RECEIVED, BEING CASHED	585 495
38 122 090	REIMBURSEMENT IMPORT DOCUMENTS, BEING CASHED	0
38 131 050	FC CHECKS BEING CASHED, REPROCESSED, UNPAID	-6 554 586 036
38 142 030	TRANSFERS RECEIVED, TO BE ACTED ON	162 982 812
38 142 050	DUE FOR PAYMENT BY AUTOMATIC WITHDRAWAL	1 113 500
38 151 000	CHECKS FOR CLEARANCE,NOT YET BEEN ENTERED	9 377 718 433
38 152 000	CHECKS&FINANCIAL INSTRUMENTS TO BE REJECTED IN CLEARING	-203 307
38 161 070	CORRESPONDENT ACCOUNTS DUE AFTER SETTLING FC CHECKS	-9 103 915
38 444 010	CHECKS BEING CASHED AGAINST FC ACCOUNTS	9 032 228
38 444 030	CHECKS RECEIVED FROM THE NETWORK AGAINST FC ACCOUNTS	-1 520 121
38 444 040	CHECKS RECEIVED FROM LOCAL CORRESPONDENTS	
	AGAINST FC ACCOUNTS	-2 004 578 177
38 741 010	FINANCIAL INSTRUMENTS FALLEN DUE, PENDING CLEARANCE	-156 623 203
38 742 020	FINANCIAL INSTRUMENTS FALLEN DUE, RECEIVED FROM CLEARING	80 028
38 743 000	VALUES TO BE CLEARED	-49 300
38 751 320	INTERNAL CLEARANCE OF CHECKS	7 242 812 506
16 311 010	CHECKS PRESENTED BY THE BANK	14 668 532 920
16 311 030	AUTOMATIC WITHDRAWALS PRESENTED BY BANK	-2 731 375 525

VALUES DUE FOLLOWING ENCASHMENT		147 587 164 173
38 111 100	CHECKS IN FC RECEIVED FROM CORRESPONDENTS	-9 103 915
38 121 110	FINANCIAL INSTRUMENTS IN FC RECEIVED FROM NETWORK	-2 402 890
38 123 040	DISCOUNTED BURNED FINANCIAL INSTRUMENTS SENT FOR COLLECTION	-86 411 492
38 126 020	POSTAL CHECK CENTRE TRANSFERS AND CHECKS TO BE CLEARED	0
38 141 030	TRANSFER ORDER RECEIVED, TO BE CARRIED OUT	0
38 141 040	AUTOMATIC WITHDRAWAL TO BE CARRIED OUT AT THE BANK	1 113 500
38 142 020	TRANSFER RECEIVED, AWAITING ASSIGNMENT	0
38 142 040	TRANSFER ORDERED, AWAITING ASSIGNMENT	1 642 847 592
38 153 010	CHECKS IN FC TO BE REJECTED BY THE NETWORK	0
38 161 010	CORRESPONDENT ACCOUNT DUE AFTER SETTLING CHECK IN TND	651 780
38 161 040	CORRESPONDENT ACCOUNT DUE AFTER SETTLING FINANCIAL INSTRUMENT IN TND	15 531 158
38 163 010	CLIENT ACCOUNT DUE AFTER ENCASHING CHECK	55 850 375
38 163 020	CLIENT ACCOUNT DUE AFTER CLEARING TRAVELLERS CHECKS	0
38 163 030	CLIENT ACCOUNT DUE AFTER CASHING COMMERCIAL PAPER	9 872 117
38 163 040	VALUES DUE AFTER CASHING CHECKS AND IMPACT OF EXCHANGE	70 494 825 491
38 163 050	CLIENT ACCOUNTS DUE AFTER CASHING IN FINANCIAL INSTRUMENTS NOT YET DUE	67 734 072 254
38 163 080	DEPOSIT OF UNPAID FC CHECKS, TO BE RETURNED FOR REIMBURSEMENT	-6 554 586 036
38 163 110	CLIENT ACCOUNT DUE AFTER CASHING FC CHECK FROM AGENCIES	-134 400
38 163 130	DEPOSIT OF FC CHECKS RECEIVED FROM BANKS	0
38 163 140	DEPOSIT OF FC CHECKS RECEIVED FROM CORRESPONDENTS	0
38 163 150	DEPOSIT OF IMPORT REMITTALS FOR ENCASHMENT	0
38 163 170	CLIENT ACCOUNT DUE FOR ENCASHMENT OF FC CHECKS	14 147 450 475
38 163 180	CLIENT ACCOUNT DUE FOR ENCASHMENT OF FC CHECKS	585 495
38 163 190	DEPOSIT OF UNPAID CHECKS, TO BE RETURNED TO REMITTERS	32 725 045
38 544 010	VALUES DUE AFTER ENCASHMENT OF STB CHECKS ON FC ACCOUNTS	44 288 968
38 544 020	VALUES DUE AFTER ENCASHMENT OF CHECKS FROM OTHER BANKS ON FC ACCOUNTS	259 673 957
38 544 030	VALUES DUE AFTER ENCASHMENT OF CHECKS FROM FOREIGN BANKS IN FC	-203 097 393
38 751 770	LETTERS OF EXCHANGE AUTOMATICALLY CLEARED,GONE INTO CIRCULATION	3 412 092
38 751 780	LETTERS OF EXCHANGE REFUSED BY THE AUTOMATIC CLEARING SYSTEM	0
		-46 780 856 894

Note 4.12 - Equity

At the date of closing, corporate capital posted 124,300,000 dinars, made up of 24,860,000 shares with a face value of five Tunisian dinars, fully paid in.

Description	Balance prior to assignment as at 31 Dec 2011	Assignment of 2011 results	Balance after assignment at 31 Dec 2011	Other charges	Balance as at 31 Dec 2012
Capital	124 300		124 300	0	124 300
Reserves	331 335		331 335	634	331 969
Merger premium	26 787		26 787	0	26 787
Treasury shares	-2 851		-2 851	-8	-2 859
Other equity (3)	37 324		37 324	0	37 324
State allotment (1)	117 000		117 000	0	117 000
Results carried forward	-117 277	11 387	-105 890	-119 612	-225 502
Accounting modifications (2)	-117 277	11 387	-105 890	-119 612	-225 502
Results for the year	11 387	-11 387	0	-4 707	-4 707
Total	**528 005**	**0**	**528 005**	**-123 693**	**404 312**

(1) This is the State allotment from which STB benefitted for application of the State's guarantee for repayment of amounts due on the following external lines of credit.

Line of credit	Outstanding balance 2011	Outstanding balance 2010	Repayments made in 2011		Repayments to be made 2012-2014		State guarantee	
			Principal	Intérêt	Principal	Intérêt	Principal	Intérêt
Borrowings from the EIB PGET II/BNDT	15 498	17 801	2 303	961	7 715	2 072	10 018	3 033
Borrowings from the ADB 6/ex-BNDT	18	35 900	17 950	648	17 950	643	35 900	1 291
Borrowings from GSI/ex BNDT	95 624	95 624	-	4 542	-	13 626	-	18 169
Borrowings ADB 7th line of credit BDET	37 974	48 824	10 850	2 102	32 550	3 347	43 399	5 449
Total	**149 115**	**198 149**	**31 102**	**8 253**	**58 215**	**19 688**	**89 317**	**27 941**

As per legislation approved by the constituent national assembly, STB has included as part of its equity holdings a State allotment of 117 million dinars, with the possibility of restitution, should the bank regain financial balance.

(2) This is the net tax effect for entering additional coverage of risk relating to former years.

(3) These are reserves for revaluing, for an overall amount of 37,324,000 dinars, made up of land (15,328,000 dinars) and operational property (21,996,000 dinars).

Note 4.13 – Potential liabilities

The line for potential liabilities [made up of « Deposits, endorsements and other guarantees given » and « documentary credit »] could, as of 31 December 2012, be broken down into the following components

in thousand dinars

Description	31/12/2012	31/12/2011
Deposits and endorsements on behalf of clients	562 702	608 786
Other irrevocable, unconditional guarantees on behalf of banks	435 439	467 592
Total deposits, endorsements and other guarantees given	998 141	1 076 378
Documentary credit and import acceptance	321 078	526 026
Documentary credit and export acceptance	185 838	82 310
Total documentary credit	506 916	608 336
Total possible liabilities	1 505 057	1 684 714

Off balance sheet commitment accounts are not justified and do not reflect in a reliable, exhaustive manner the bank's actual commitments. Consequently, to alleviate this situation, the statement of off balance sheet commitments is drawn up using non-accounting statements

Note 4.14 – Financing commitments given

The line «financing commitments given» was, as at 31 December 2012, made up of financing commitments and State reimbursement commitments in the amount of 189,776,000 dinars, compared to 171,909,000 dinars as at 31 December 2011.

Description	31 Dec 2012	31 Dec 2011
Financing commitments	139 623	171 909
Commitments to reimbursement the State (1)		
Total	**139 623**	**171 909**

(1): This line was processed anew in 2011 to facilitate comparability.

Note 4.15 –Guarantees received

The balance of the «guarantees received» line as at 31 December 2012 came to 1,567,685,000 dinars, compared to 1,572,563,000 dinars as at 31 December 2011

Description	31 Dec 2012	31 Dec 2011
Counter guarantees received from banks established abroad	778 033	831 988
Guarantees received from banks and financial institutions based in Tunisia	13 468	32 372
Guarantees received from the State and insurance structures	566 932	500 635
Guarantees received from clients	209 252	207 568
Total	1 567 685	1 572 563

Counter guarantees received from banks are presented as potential liabilities and as guarantees received from banks.

- This heading includes figures outside of accounting that are provided by the various departments of the bank.
- Real guarantees received from clients to cover financing that has been approved are not entered on the off balance sheet.

Note 4.16 – Interest and related income

Interest and related income as at 31 December 2012 came to 311,674,000 dinars, compared to 321,379,000 dinars as at 31 December 2011, broken down as follows:

Description	31 Dec 2012	31 Dec 2011
Interest from claims on banking & financial institutions	18 819	19 182
Interest from claims on clients	280 573	287 998
Related income	12 282	14 199
Total	311 674	321 379

Note 4.17 – Commissions (in proceeds)

The amount of commissions as at 31 December 2012 came to 56,216,000 dinars vs. 56,920,000 as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Checks, financial instruments, transfers and account fees	22 462	22 901
Transactions involving securities	659	847
Transactions involving foreign exchange	8 353	8 072
Transactions involving foreign trade	1 535	1 453
Safe deposit boxes	32	29
Studies	8 746	8 785
Other	14 429	14 833
Total	56 216	56 920

Note 4.18 – Gains on the commercial securities portfolio and financial transactions

The balance of this line as at 31 December 2012 came to 24,879,000 dinars, up from 19,711,000 dinars as at 31 December 2011, broken down as follows.

Description	31 Dec 2011	31 Dec 2011
Net gains on trading securities	4 312	3 126
Net gains on investment securities	4 759	2 033
Net gains on foreign exchange transactions	15 808	14 552
Total	24 879	19 711

The breakdown of net gains on trading securities can be found below.

Description	31 Dec 2012	31 Dec 2011
Gains on sale of short term treasury bonds & bonds equivalent to treasury bonds	1 493	1 631
Interest on short term treasury bonds	3 287	2 029
Losses on sale of short term treasury bonds and bonds equivalent to treasury bonds	-468	-534
Total	4 312	3 126

Net gains on investment securities are broken down in the following table.

Description	31 Dec 2012	31 Dec 2011
IInterest and related income	4 759	2 033
Dividends and related income	0	0
Total	2 033	2 033

Note 4.19 – Income from the investment securities portfolio

Income from the investment securities portfolio amounted to 8,004,000 dinars as at 31 December 2012, vs. 9,305,000 dinars as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
IInterest and related income from investment securities	1 645	1 547
Dividends and related income from equity securities	6 359	7 758
Total	8 004	9 305

Note 4.20 – Accrued interest and related charges

Accrued interest and related charges as at 31 December 2012 came to 170,523,000 dinars, compared to 182,117,000 as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Transactions with banking institutions	14 255	15 929
Transactions with clients	127 432	140 256
Borrowing and special resources	28 827	25 884
Other interest and charges	9	48
Total	170 523	182 117

Note 4.21 – Allotments to provisions and result of correction of values on claims, off balance sheet and liabilities

Description	31 Dec 2012	31 Dec 2011
- Allotments to provisions	-111 767	-116 861
- Recovery from provisions	49 881	37 522
- Recovery of agios/abandoned claims		6 060
- Written off claims	-15 513	-11 046
- Recovery of provisions for written off claims	1 540	1 980
Total	-75 859	-82 345

Note 4.22 – Allotments to provisions and result of correction of values on the investment portfolio

As at 31 December 2012, the balance of this line could be broken down as follows.

Description	31 Dec 2012	31 Dec 2011
- Recovery from provisions for depreciation of the investment portfolio	157	2 561
- Recovery from provisions for managed funds	1 416	0
- Gains or losses on sale of the investment portfolio	982	634
- Allotments/provisions for depreciation of the investment portfolio	-22 242	-3 925
- Losses on capital risk funds	0	-224
Total	-19 688	-954

Note 4.23 – Staff costs

Staff costs on 31 December 2012 amounted to a total of 98,817,000 dinars, compared to 94,215,000 as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Remuneration of staff	75 153	71 322
Benefits	21 724	21 034
Other staff-related charges	1 940	1 859
Total	98 817	94 215

Note 4.24 – General operating costs

General operating costs as at 31 December 2012 came to a total of 20,822,000 dinars vs. 20,295,000 dinars as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
Rent	2 303	2 076
Maintenance and repairs contracted to third parties	1 984	1 949
Works and contractual work	2 781	3 898
Insurance premiums	508	533
Other	1592	2 008
Taxes and levies	1 120	970
Supplies made to the company	1 310	1 181
Payments to intermediaries and fees	354	372
Transport and travel	199	261
Miscellaneous management costs	8 671	7 047
Total	20 295	20 295

Note 4.25: Corporate tax

Corporate tax for 2012 came to 12,881,000 dinars, vs. 8,489,000 for 2011, an increase of 4,392,000 dinars, broken down as follows.

Description	2 012	2 011
Tax base prior to deduction of provisions	134 781	134 551
Deductible provisions (1)	96 734	110 296
Tax result	38 047	24 255
Tax-free reinvestment	0	0
Corporate tax	13 316	8 489

Note 4.26: Liquidity and quasi-liquidity

LThe Bank's liquidity and quasi-liquidity as at 31 December 2012 amounted to a balance of 473,340,000 dinars vs. 189,664,000 dinars as at 31 December 2011, broken down as follows

Description	31 Dec 2012	31 Dec 2011
Cash, postal check centre and recovery of liquidity	342 955	30 543
Central bank of Tunisia BCT	-17 753	-53 205
Banks and specialised structures	-61 553	-35 378
Loans, borrowings on the money market	128 076	174 127
Trading securities	81 615	73 577
Total	473 340	189 664

General Audit Report concerning
the year ending 31 December 2012

LADIES AND GENTLEMEN, STOCKHOLDERS IN
THE TUNISIAN BANKING COMPANY (STB)

In line with the mandate entrusted to us, we hereby submit to you our report on the financial statements of the Tunisian Banking Company (STB) as at 31 December 2012, as appended to this report, along with our report on other legal and regulatory requirements.

I. Report on annual financial statements

We have conducted our audit of the attached financial statements issued by STB, which includes the balance sheet as at 31 December 2012, the off balance sheet statement of commitments, the results statement and the cash flow statement for the year ending on this date, along with a summary of the main accounting methods and other explanatory notes.

1. Responsibility of upper management for the financial statements

The Bank's structures for upper management and administration are responsible for drawing up and presenting in all good faith the financial statements in line with Tunisia's corporate accounting system. This responsibility includes:

- ✔ the design, putting into place and monitoring of internal control for the preparation and faithful presentation of financial statements that show no significant anomalies (be it through fraud or error),
- ✔ the choice and application of appropriate accounting methods, and
- ✔ the determination of accounting estimates that are reasonable in light of circumstances

2. Responsibility of the auditors

We are responsible for giving an opinion on the financial statements on the basis of our audit exercise. Aside from the issues raised in paragraph 3.1, we have carried out our audit exercise in line with the norms for the profession generally applied in Tunisia. These norms require that we follow ethical rules and that we plan and carry out the audit in a manner that gives reasonable assurance that the financial statements do not contain any significant anomalies.

An audit implies the use of procedures to obtain conclusive evidence about the amounts and information disclosed in the financial statements. The choice of procedures is a matter of judgement on the part of the auditor, notably his or her assessment of the risk that these financial statements could include material misstatement, whether due to fraud or error. In making these risk assessments, the auditor takes into consideration internal control relevant to the entity's preparation and faithful presentation of financial statements, in order to design audit procedures that are appropriate to the circumstances.

An audit also includes an assessment of the appropriateness of the accounting methods retained, the reasonable character of accounting estimates made by upper management, as well as assessment of the overall presentation of financial statements.

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

The attached financial statements for the period 1 January to 31 December 2012 show a net balance sheet total of 7.544 million dinars, a negative result prior to accounting modifications in the amount of 4.707 million dinars, accounting modifications (net of the impact of tax) of 119.612 million dinars entered as a deduction from opening equity, and a negative result after accounting modifications of 124.319 million dinars.

3. Justification for a qualified opinion

3.1 Our audit exercise was limited by:

- ✔ a less than exhaustive data base of guarantees received by STB as well as the non availability of documentation (registration of mortgages, AFI and AFT commitment to participate, expertise reports...) justifying the value of certain guarantees held by STB;
- ✔ the lack of response to our requests for information on disputed claims currently being handled by STB-mandated lawyers;
- ✔ the lack of data reflected in a valid manner in the accounting system concerning off balance sheet commitments, the off balance sheet commitments statement having been drawn up on the basis of non accounting information provided by internal STB structures;

  (The actual guarantees received by STB to cover incurred risks on its clients are not taken into account under «guarantees received», which as reported above is due to the lack of an exhaustive inventory of these guarantees.)
- ✔ the absence of multi-currency accounting maintained in an autonomous manner as per a double entry system, which means that it is not possible to clearly identify the impact of transactions in foreign currency on results for the year.

3.2 As indicated in our 2011 general audit report, this audit exercise has highlighted the existence of risk from previous years insufficiently covered by provisions. Following that report, the Bank worked in 2011 and 2012 to establish the additional provisioning required to cover such risk, at 287 million dinars of which 159 million were identified and entered as accounting modifications in 2011 and 128 million dinars identified and entered as accounting modifications in 2012.

These accounting modifications, entered as an adjustment of opening equity, did not give rise to reprocessing in pro forma of 2011 financial statements presented for purposes of comparison, due to the inherent limits of the Bank's information system, which does not allow for linkage of additional provisions to the relevant years.

Consequently, we consider that trends in financial status and Bank performance cannot be established with the comparative data from 2011 that has not been processed anew.

3.3 The commitments table includes actual guarantees in the amount of 303 million dinars, taken into account by the bank for estimating provisions for compromised assets (claims classified 4 and 5, mostly in tourism), which date back to 2006 and prior years.

The fact that these guarantees date so far back is reason enough to question the hypothesis of quick liquidation on the market, as required by article 10 of central bank of Tunisia circular n°91-24 if these guarantees are to be taken as valid.

Estimating the corrections that would be needed to put a fair value on these guarantees (and consequently to determine the additional provisions needed) requires, in our opinion, new independent expertise and reconsideration at the level of the commitments table of legal and procedural components that would prevent this happening.

3.4 Under the heading of equity is a line entitled «reserves for social fund» that represents amounts assigned to financing of the activities of the social fund. Reconciliation of the balance of this line came to seven million dinars, with the outstanding balance of loans from the social fund amounting to 23 million dinars. This means an imbalance of 16 million dinars between resources and uses, the origin of which cannot be justified by the Bank.

3.5 Contrary to the terms of article 17 of law n°96-112 of 30 December 1996 concerning promulgation of the corporate accounting system, STB did not in 2012 draw up a physical inventory of its fixed assets, entered at a net total of 82 million dinars. Consequently, we are unable to certify the physical existence of the fixed assets entered on the STB's balance sheet or to assess the impact of adjustments on equity, which might well be necessary if a physical inventory had been drawn up and reconciled with accounting figures.

3.6 As per the information given in notes 4.1, 4.2, 4.7, 4.8 and 4.11, the headings «cash and assets at the central bank of Tunisia, postal checks centre and Tunisian general treasury», «claims on banking and financial institutions» and «deposits and assets of banking and financial institutions» include accounts with outstanding items pertaining mainly to central bank of Tunisia dinar accounts, central bank of Tunisia foreign currency accounts and miscellaneous correspondents.

During the audit exercise and on the basis of individual identification of these outstanding items, an additional provision of 38.630 million dinars was entered. This provision was assigned in the amount of 30.661 million dinars to old outstanding items and 7.969 million to outstanding items for the year. «Local correspondent» lines as well as that entitled «BCT account BDET/BNDT» present old balances that are provisioned but not reconciled. Moreover, certain lines under the headings «other assets» and «other liabilities» present frozen balances and outstanding items that refer mainly to inter-head office accounts in dinars and foreign currency.

Pending work to clear up this situation, we are unable to establish whether or not these accounts contain significant anomalies (whether from error or unauthorised transactions) or to assess the impact of adjustments on the Bank's equity of what might be revealed if such an effort were made.

Qualified opinion

In our opinion, subject to the possible impact of the issues raised in paragraphs 3.1 to 3.6, the attached financial statements faithfully present in all significant aspects the financial status of the Tunisian Banking Company STB as at 31 December 2012, as well as its financial performance and cash flows for the year ending on this date, in line with the accounting principles generally applied in Tunisia..

Paragraphs of comment

Without prejudice to the above-mentioned opinion, we think it useful to attract your attention to the following points.

1. The commitments of the members of the deposed president's family and the companies they controlled (as per the latest perimeter determined by the central bank of Tunisia) amounted to 443 million dinars as at 31 December 2012, representing 5% of STB's overall commitments. Provisions in the amount of 30.551 million dinars were constituted to cover risk incurred with regard to these relations.

2. With reference to the terms of circular n° 2011-04 of 12 April 2011 concerning measures taken in the context of current economic conditions to help businesses and in light of circular n° 2012-02 of 11 January 2012 as further elaborated in note to loan institutions n° 2012-08 of 2 March 2012 regarding assessment of commitments in the framework of these measures, the commitments of companies benefitting from such support have been maintained under cur-

rent assets or those requiring particular monitoring. A provision said to be «collective» amounting to 54 million dinars was constituted to cover latent risk on these current commitments.

3. The Bank's assets include major commitments that are not covered by sufficient guarantees, with regard to public enterprises that are encountering financial difficulties, notably the Tunisian steelworks company El Fouladh. Assessment of the risk inherent in these commitments is dependent on the concrete application of plans to restructure these companies.

4. In application of the terms of article 270 of the commercial companies code, we have revealed to the District Attorney on 28 November 2012 certain criminal activities uncovered by our audit exercise. These involve mainly correction of the value of guarantees taken in calculating the provisions required for commitments.

5. In virtue of legislation approved by the constituent national assembly in September 2012, STB in 2011 entered under equity an amount of 117 million dinars along with the possibility of restitution, should the Bank regain financial balance.

II. Report on other legal and regulatory requirements

In line with norms for the profession, we carried out the specific verifications provided for in legislation.

1. In application of the terms of article 266 of the commercial companies code, we proceeded to examine the report submitted by the board of directors to the ordinary general assembly. The information on accounts that is found in this report calls up the same comments expressed in the paragraph «justification for a qualified opinion».

2.In application of the terms of article 266 (line 2) of the commercial companies code and article 3 of law n°94-117 of 14 November 1994, as modified by law n°2005-96 of 18 October 2005, we have assessed the effectiveness of the internal control system. Our reports tell of major inadequacies in the information system which could well have an impact on the effectiveness of the internal control system.

3. In application of the terms of article 19 of decree n°2001-2728 of 20 November 2001, we conducted our audit on the conformity of bookkeeping pertaining to securities issued by the Bank to regulations currently in force. We have pointed out the lack of a signature and of registration of specifications with the capital market council, as provided for in minister of finance decree of 28 August 2006.

4. As at 31 December 2012, STB posted a liquidity ratio (the ratio between useable assets and liabilities due) of 94.04%, which is 5.96% short of the minimum of 100% provided for in article 13 of central bank of Tunisia circular n° 91-24 of 17 December 1991.

Tunis, 22 August 2013

Co-auditors

CFA
Fathi Saidi

SNJ-IMAC Grouping
Nedra Jlassi Semmar

Rapport Spécial des Commissaires aux Comptes relatif à l'exercice
clos le 31 decembre 2012

LADIES AND GENTLEMEN, STOCKHOLDERS
IN THE TUNISIAN BANKING COMPANY STB

In application of the terms of article 29 of law n°65-2001 of 10 July 2001 governing loan institutions and articles 200 and 475 of the commercial companies code, we hereby report on the agreements and operations covered by these texts. It is our role to ensure that the legal procedures for authorising and approving these agreements or operations and their faithful representation in the financial statements have in fact been followed. It is not our role to specifically seek in an extended fashion the possible existence of such agreements or operations, but rather to transmit to you, on the basis of information given to us as well as that obtained in the exercise of our audit work , the main characteristics and modalities thereof, without commenting on their usefulness or merit. It is however up to us to assess the reason for making these agreements and carrying out such operations with a view to their approval.

I. Newly applied conventions and operations

1. STB on 24 August 2012 signed an agreement with Mr. Abdelkader Hamrouni, a member of the board of directors, pertaining to subscription to the private loan «STB 2012/1». Under the terms of this agreement, Mr. Hamrouni subscribed to a private loan issued by STB in the amount of 20 million dinars at a fixed rate of 6.15%, with repayment of capital to be made in a linear manner by fifths. The cost of interest paid by STB for 2012 came to 421,233 dinars.

II. Operations relating to earlier agreements

2. In virtue of legislation approved by the constituent national assembly in September 2012, STB in 2011 entered under equity a State allotment of 117 million dinars, with possible restitution should the Bank regain financial balance. STB in 2012 encashed 70 million dinars as per the payment schedule, in principal and interest for guaranteed loans, paid by STB in 2011 and 2012.

3. In virtue of the State guarantee agreement signed after the cabinet meeting of 2 June 2011, STB approved an interbank loan to its affiliate the Franco-Tunisian Bank BFT in the

amount of 70 million dinars for a period of three months, renewable, at an interest rate of 4.33%.

4. STB on 1 November 2011 signed an agreement with its affiliate the Tunisian claims recovery company STRC that sets the modalities for reimbursing the outstanding balance of the associated current account CCA-STRC. The main terms of this agreement are as follows.

• The amount entered in the STRC associated current account as of 31 December 2010 (109 million dinars) will generate interest for STB at the money market rate +0.5%. This interest will begin to accrue starting 1 January 2011 and will be calculated on the basis of the capital remaining due and payable on 31 December of each year.

• Debt principal will be drawn down on the basis of claims collected by STRC throughout

In the framework of this agreement, interest calculated by STB for 2012 came to 3,488,000 dinars. As at 31 December 2012, the balance of the associated current account «CCA-STRC » (which is the object of this agreement) as it appears in the financial statements came to 78 million dinars.

5. Prior to the year audited, STB signed agreements pertaining to associated current accounts with companies in the Group other than STRC for an outstanding balance as at 31 December 2012 of

Company	Outstanding balance 31 Dec 2012
MEDITERRANEAN TOURISM	1 623 000
ACTIVHOTELS	12 800 000
L'IMMOBILIERE DE L'AVENUE (real estate)	26 607 000
Total in dinars	**41 030 000**

6. Prior to the year audited, STB had signed with its affiliate STB SICAR several agreements pertaining to management of capital risk funds. The status of these managed funds is found in the table below.

(in thousand dinars)

Management funds	Date of subscription	Amount subscribed	Outstanding balance as at 21 Dec 2012
Managed funds STB 1	1999	8 000	4 894
Managed funds STB 2	2000	8 000	5 652
Managed funds STB 3	2001	5 000	4 415
Managed funds STB 4	2002	6 500	6 002
Managed funds STB 5	2003	6 824	6 206
Managed funds STB 6	2005	2 707	2 121
Managed funds STB 7	2006	800	872
Managed funds STB 8	2007	9 371	9 983
Managed funds STB 9	2008	4 800	5 065
Managed funds STB 10	2008	8 748	9 298
Managed funds STB 11	2009	6 000	6 483
Managed funds STB 12	2009	9 898	10 594
Managed funds STB 13	2010	10 000	10 664
Managed funds ID STB 1	2002	2 000	1 258
Managed funds ID STB 2	2002	2 000	1 275
Managed funds ID STB 3	2003	5 436	3 848
Managed funds ID STB 4	2005	360	357
Managed funds ID STB 5	2006	1 133	1 381
Managed funds ID STB 6	2007	4 000	4 531
Total	**101 577**	**94 900**	

Conditions for compensating STB SICAR for managing these funds are summarised below.

- ✔ Management fee of 1% of assets valued on the date of closure of the managed fund, to be paid prior to deduction of any costs, with a minimum of 1% of the amount of funds allotted each year
- ✔ A performance fee of 10-30%, calculated on the basis of gains made on sale of stock or shares paid
- ✔ A productivity fee of 10% taken from proceeds from investments made by the fund

In 2012, STB entered into accounting an overall charge of 1 316 497 TD for these various commissions.

7. As stipulated in the agreements signed with the open-ended mutual investment companies L'Epargnant, L'Investisseur and L'Avenir, STB acts as depository for the securities and funds of these companies.

In compensation for these services, the Bank receives the following commissions:

- ✔0.05% (exclusive of tax) of the amount of net assets of L'Epargnant, calculated daily, the commission for 2012 coming to a tax-inclusive amount of 356,773 TD, the encashed net amount for 2012 being 311,611 TD
- ✔0.1% (exclusive of tax) of the amount of net assets of L'Investisseur, calculated daily, the commission for 2012 coming to a tax-inclusive amount of 1,585 TD, the encashed net amount for 2012 being 1,355 TD
- ✔1,000 TD (exclusive of tax), as a set commission paid yearly by l'Avenir

8. STB rents to its affiliates STRC, STB INVEST, STB MANAGER, SOFIGES and SOFI-ELAN part of its premises. Conditions per year for the rental contracts pertaining to these premises are detailed below.

(in dinars)

Affiliate	Amount of rent for the year (in dinars)	Date when rental began	Yearly increase	Date of first increase	2012 rent (tax incl)
SSTRC 2nd floor	10000 (tax incl)	1 July 2004	5%	Second year of rental	14 775
STRC 3rd floor	10000 (tax incl)	1 Sept 2001	5%	Second year of rental	17 103
STRC 4th floor	10000 (tax incl)	1 May 2005	5%	Second year of rental	14 071
STB INVEST	8400 (excl of tax)	1 July 2004	5%	Second year of rental	14 296
STB MANAGER	5400 (excl of tax)	1 January 2003	5%	Second year of rental	10 379
SOFIGES	27875 (excl of tax)	1 January 2010	5% (every other year)	Third year of rental	32 892
SOFI-ELAN	5 227 (excl of tax)	1 December 2011	5% (every other year)	Third year of rental	5 227
		TOTAL		**108 743**	

9. Loans taken out by STB administrators came to 39,754,750 TD as at 31 December 2012, broken down as follows. :

Administrators	Loan ref	Amount	Outstanding balance as at 31 Dec 2012
STAR	EO 2008-1	7 000 000	5 800 000
STAR	EO 2008-2	10 000 000	8 125 000
STAR	EO 2010	20 000 000	12 829 750
Hamrouni Abdelkader	EO 2011	8 000 000	8 000 000
ETAP oil exploration activities	EO 2011	5 000 000	5 000 000
Total		**50 000 000**	**39 754 750**

10. Bank financing granted by STB to its administrators came to 159,134, 326 TD as at 31 December 2012, broken down as follows. :

(in dinars)

Administrators	Outstanding balance as at 31 December 2012
ETAP Tunisian oil exploration activities	36 560 074
STAR Tunisian insurance and reinsurance company	10 920 991
GROUPE HAMROUNI ABDELKADER	7 588 123
GROUPE KHALFALLAH BECHIR	75 852 171
GROUPE DRISS MOHAMED	27 936 035
Deputy directors general	124 875
Advisors	152 057
TOTAL	**159 134 326**

III. STB's obligations and commitments to its directors

11. Obligations and commitments to directors as specified in article 200 (new) II § 5 of the commercial companies code are listed below. :

✔ The pay package for the President Director General was set by decision of the Prime Minister on 4 June 2011, broken down as follows :

Nature	Monthly remuneration
Base salary	900
Housing allowance	200
Management allowance	350
Representational allowance	1 580
Temporary allowance to reimburse responsibility costs	2 670
Gross total	**5 700**

In-kind benefits include use of an office car, with up to 500 litres of fuel a month as well as meal vouchers.

- ✔ The deputy directors general and the two advisors currently in place are remunerated in line with the terms of the national collective agreement for bank and financial institution staff.
- ✔ The amount for directors fees was set by decision of the ordinary general assembly at its 12 October 2012 meeting at 5,000 TD for each administrator, for an overall amount paid out by the bank and entered on the 2012 accounts coming to 60,000 TD.
- ✔ Remuneration of the chair people for the risk committee and the standing committee for internal audit was set by decision of the ordinary general assembly at its 12 October 2012 meeting at 1,000 TD per meeting.

12. STB's obligations and commitments to its upper management, as entered on the financial statements for the year ending 31 December 2012, are presented in the following table.

	President Director General		Deputy Directors General and Advisors		Administrateurs	
Nature of remuneration	Costs for the year	Liabilities as at 31 Dec 12	Costs for the year	Liabilities as at 31 Dec 12	Costs for the year	Liabilities as at 31 Dec 12
Short term benefits	96 469	16 633	369 186	162 363	60 000	71 151
Benefits prior to employment			7 198	73 784		
TOTAL	96 469	16 633	376 384	236 147	60 000	71 151

Aside from the agreements and operations mentioned above, our audit exercise has not turned up the existence of any other agreements or operations falling within the framework of the above-mentioned legislation.

Tunis, 22 August 2013

Co-Auditors

CFA
Fathi Saidi

Groupement SNJ-IMAC
Nedra Jlassi Semmar

RESOLUTIONS OF THE ORDINARY GENERAL ASSEMBLY OF THE TUNISIAN BANKING COMPANY (STB)

held Tuesday 29 October 2013 (concerning 2012)

FIRST RESOLUTION

The Ordinary General Assembly took note of the delay in convening and holding this meeting, which is nonetheless considered to be a regularly scheduled meeting.

This resolution was put to a vote and adopted unanimously.

SECOND RESOLUTION

After listening to the report of the Board of Directors pertaining to 2012, the general audit report and the additional explanations provided, the General Ordinary Assembly approved the Board's report and the financial statements for the year ending 31 December 2012, as presented, on the understanding that there will be follow up to correct the insufficiencies raised in the audit report.

This resolution was put to a vote and adopted unanimously.

THIRD RESOLUTION

After taking note of the special audit report, in line with the terms of article 200 et seq. and article 475 of the commercial companies code as well as article 29 of law n° 2001-65 of 10 July 2001 (as modified by law n° 2006-19 pertaining to loan institutions), the Ordinary General Assembly approved all operations that fall within the scope of these articles, as presented.

This resolution was put to a vote and adopted unanimously.

FOURTH RESOLUTION

After having heard reading of the Board's report on the STB Group and the general audit report, the ordinary general assembly approved the Board's report along with consolidated financial statements for the year ending 31 December 2012, as presented.

This resolution was put to a vote and adopted unanimously.

FIFTH RESOLUTION

Consequently, the Ordinary General Assembly gives the members of the Board full, definitive and unconditional discharge of their management in 2012.

This resolution was put to a vote and adopted unanimously.

SIXTH RESOLUTION

At the proposal of the Board of Directors, the Ordinary General Assembly has decided to carry forward 2012 results, as detailed below:

	(in dinars)
- 2012 results :	-4 707 077.936
- 2012 accounting modifications :	-119 612 475.654
- 2012 results following accounting modifications	-124 319 553.590
- 2011 results carried forward :	-105 889 810.170
- Results carried forward	-230 209 363.760

This resolution was put to a vote and adopted unanimously.

SEVENTH RESOLUTION

The Ordinary General Assembly ratifies the decision of the Board of Directors on 25 March 2013 to co-opt naming of Mr. Abdelwaheb Nachi as administrator representing the State, replacing Mrs. Samira Ghribi, for the period remaining in the mandate of his predecessor.

This resolution was put to a vote and adopted unanimously.

EIGHTH RESOLUTION

The Ordinary General Assembly, in application of the terms of the statutes, has decided on the amount of 60,000 dinars for 2012 directors fees for the Board of Directors, which will distribute this amount among its members. As proposed by stockholders, it was decided to exempt the members of the Board from the premium for attendance for 2012.

This resolution was put to a vote and adopted unanimously.

NINTH RESOLUTION

With the mandates of the members of the Board of Directors ending on 31 December 2012, the Ordinary General Assembly has decided on the new composition of the Board for a period of three years, which will end at the Ordinary General Assembly that examines the 2015 accounts. The new members are listed below.

Members	Mandate
Tunisian State	
Mr. Abdelwaheb NACHI	2013-2015
Mr. Amel MEDINI	2013-2015
Mr. Mourad JAMOUSSI	2013-2015
Mr. Hassen GHENIA	2013-2015
Public enterprises	
Tunisian oil exploration company ETAP	2013-2015
National social security administration CNSS	2013-2015
Companies with public holdings	
Tunisian insurance and reinsurance company STAR	2013-2015
Private	
Mr. Abdelkader HAMROUNI	2013-2015
Mr. Mohamed Salah KHALFALLAH	2013-2015
Representative of small-scale shareholders	
Mr. Mohamed DRISS	2012-2014
Independent member	
Mr. Abderrazak LOUATI (Chairman of the audit committee)	2013-2015
Mrs. Olfa BENOUDA SIOUD (Chairman of the risk committee)	2013-2015

This resolution was put to a vote and adopted unanimously.

TENTH RESOLUTION

In application of the terms of article 19 of law n° 94-117 of 14 November 1994 pertaining to reorganisation of the capital market (as modified by law n° 99-92 of 17 August 1999 pertaining to kick-starting of the financial market and Minster of Finance decree of 17 November 2000), the Ordinary General Assembly authorizes the Board to Directors to buy and sell STB shares on the stock exchange in order to maintain their price.

This resolution was put to a vote and adopted unanimously.

ELEVENTH RESOLUTION

All powers are conferred to the Bank's legal representative or his or her legally mandated representative to carry out the administrative formalities pertaining to legally required registry, submission and information sharing activities.

This resolution was put to a vote and adopted unanimously.

MANAGEMENT REPORT OF THE STB GROUP

2012

1. PRESENTATION OF THE PERIMETER OF THE STB GROUP

1.1. GENERAL PRESENTATION OF THE STB GROUP

The STB Group is made up of 25 companies working in various sectors of activity: claim collection, management of mutual investment funds dealing in securities, stock brokerage, the hotel industry, services and real estate. The parent company, STB, is a loan institution set up in 1958. It is governed by the terms of law n° 2001-65 of 10 July 2001. STB is listed on the stock exchange and its 124,300,000 TD in capital is fully paid in. The 24,860,000 shares of ordinary stock have a face value of five Tunisian dinars each..

The STB Group for the most part carries out its activities in the following four main areas.

✔ **Financial pole:** This pole is made up of structures authorised by law 2001/65, which governs the activity of loan institutions as well as closely related structures: stock brokerage, management of mutual investment funds dealing in securities (law n°88-92 of 2 August 1988 and law n°2001-83 of 24 July) and capital risk funds (law n°95-87 of 30 October 1995).

✔ **Real estate pole:** This pole is made up of structures authorised by law n° 90-17 of 26 February 1990 to subdivide and develop land intended mainly for housing, but also construction or renovation of shared or partially shared buildings to be used for housing, commerce, professional or administrative premises.

✔ **Tourism pole:** This pole is made up of structures authorised to manage hotels and tourism facilities.

✔ **Services pole:** This pole is made up of structures that are specialised in studies, commercial and intellectual services, consulting and claim collection.

1.2. PRESENTATION OF THE MAIN COMPANIES BELONGING TO THE STB GROUP

• FRANCO TUNISIAN BANK (BFT) :

Founded in 1879, the Franco-Tunisian Bank (BFT) is a limited liability company that provides the full range of financial and banking services. For several years, BFT has been posting a deficit. As at 31 December 2012, STB held 78.18% of capital in BFT, which amounts to 5 000 000 TD divided into 1 000 000 shares worth five dinars each. It has been decided to privatise BFT but this has not yet taken place.

• TUNISIAN FOREIGN BANK (TFB, ex UTB)

CFounded in 1977, the Tunisian Foreign Bank (TFB) is a limited liability company that provides the full range of financial and banking services. Its network consists of two branches in Paris, one in Marseille and an off-shore branch in Tunis. After restructuring of its capital based on a hard core of stockholders (central bank of Tunisia BCT, STB and the bank for housing BH), TFB needs to step up its business activities, reduce recourse to the interbank market and secure financing. TFB posted a deficit for 2012. As at 31 December 2012, STB held 43.41% of TFB's capital, which amounts to 49 594 008 euros divided into 3 254 200 shares worth 15.24 euros each.

• ED DKHILA

Founded in 1966, ED DKHILA operates in the setting up and management of hotel and tourism facilities. It has since 1968 run the vacation village Résidence Club Skanes located in Monastir's tourism zone. In the framework of the programme to sell off companies in the competitive sector, the decision was made to privatise this hotel property, which includes 33 hectares of land. Given the size of this land and the desirability of its location, it was then decided to postpone privatisation until after an advisability and optimisation study is carried out with regard to the income that could be derived from this land. The hotel's physical plant covers about 16 hectares and it is currently subcontracted out under a rental agreement that ends on 31 December 2013. Given the difficulties encountered in the tourism sector, it was agreed with the renter that rent would be reduced by 50%, which had an impact on results. The company was able to maintain balanced performance in 2012. Before envisaging a new rental contract, investment will have to be made for maintenance and renovation. As at 31 December 2012, STB held 61.21% of ED DKHILA's capital, which amounted on that date to 7 500 000 dinars, divided into 1 500 000 shares with a face value of five dinars each.

• L'IMMOBILIERE DE L'AVENUE (real estate company)

Founded in 1931, l'Immobilière de l'Avenue is one of the oldest real estate promotion companies in the sector. With demand falling and tough competition in the sector, the company posted a deficit. Efforts are being made to re-focus activity on mid-market undertakings and housing that is affordable and of reasonable size, which will need to be underpinned by

- ✔ policy to keep costs down
- ✔ more rigorous control of construction costs
- ✔ a search for the most opportune plots, with a view to facilitating sale of the units constructed

It was decided in 2010 to open capital to the public by listing this company on the stock exchange. Implementation of this decision however depends on the achievement of positive results as well as on economic and political conditions in Tunisia. Although it posted a deficit in 2012, the company expects to turn this around in 2013 thanks to the sale of a number of properties. As at 31 December 2012, STB held 84.71% of capital in l'Immobilière de l'Avenue, which at that time amounted to 9 400 000 dinars, divided into 1 880 000 shares with a face value of five dinars each.

• STB INVEST

STB INVEST was founded in 1991 to promote investment in Tunisia under the conditions accorded to close-ended capital investment companies. Capital currently stands at 36 000 000 dinars, divided into 3 600 000 shares with a face value of 10 dinars each. STB Invest turns a profit and dividends are issued regularly. As at 31 December 2012, STB held 94.39% of capital.

• L'INVESTISSEUR

Founded in 1994, the open-ended investment company L'INVESTISSEUR manages a portfolio of securities using its own funds. Its investment policy is oriented mainly toward fixed and variable income securities in diversified economic sectors and branches, and to a lesser degree financial investment. Its goal is to secure a significant level of regular income for its stockholders, along with optimal liquidity. L'Investisseur posts a profit and issues dividends on a regular basis. As at 31 December 2012, STB held 30.53% and the STB Group 70.90% of capital in this open-ended investment company, with overall capital standing at 1 479 000 dinars.

• L'AVENIR

Founded in 1994, l'AVENIR is an open-ended investment company that manages a securities portfolio using its own funds. It seeks to provide a mutual investment product that is relatively secure, easily cashed in, and profitable. Its portfolio is made up of bonds and equivalent securities, shares in companies listed on the stock exchange, mutual investment funds dealing in securities, and liquidity. The structure of its investments varies with market opportunities, so as to meet its objectives. It turns a profit and issues dividends on a regular basis. As at 31 December 2012, STB held 67.18% of capital, which on that date amounted to 1 324 000 dinars.

• STB MANAGER

Founded in 2002, this company's corporate mandate is to manage the portfolios of mutual investment companies dealing in securities belonging to the STB Group. STB Manager turns a profit. Its capital currently stands at 500 000 dinars, divided into 5 000 shares with a face value of 100 dinars each. As at 31 December 2012, STB held 29.96% of STB MANAGER's capital.

• THE TUNISIAN CLAIMS COLLECTION COMPANY (STRC)

Founded in 1999, STRC was the first company set up to collect banking claims, as authorised by law 98-4 of 2 February 1998. It seeks to carry out this mission both for itself and on behalf of others. As at 31 December 2012, STRC posted a deficit. On that same date, STB held 91.35% of STRC's capital, which stood at 37 000 000 dinars, divided into 370 000 shares with a face value of 100 dinars each.

• STB SICAR (capital risk fund)

Founded in 1998, the STB Group's capital risk investment fund seeks to secure profit sharing retrocession for itself or for a third party, with a view to further reconveyance. In 2012, STB SICAR increased its capital from 16,945,500 dinars to 19,495,000 dinars, an increase that took place in cash, limited to STB. Balanced activity was recorded as at 31

December 2012, with STB holding 55.83% of capital standing at 19 495 000 dinars. In 2009, in the form of a merger, STB SICAR acquired the company ID SICAR.

• The FINANCIAL MANAGEMENT COMPANY (SOFIGES)

Founded in 1967, this company works in the field of stockbrokerage. Its mission is to carry out all kinds of transactions and other work in the area of securities management. With a market share that remains low (2%) and a rating compared to other brokerages that has slipped to 13th out of 22, SOFIGES is not very competitive. 2012 results were balanced. As at 31 December 2012, STB held 61.34% of capital, which amounted to 6 500 000 dinars.

• SOFI ELAN SICAF

Founded in 1994, the close-ended investment company SOFI ELAN manages securities portfolios. The company turns a profit and issues dividends on a regular basis. As at 31 December 2012, STB directly held 15.52% (and indirectly 43.07%) of capital, which amounted on that date to 5 000 000 dinars, divided into 500 000 shares with a face value of 10 dinars each.

• La GENERALE DE VENTE « GEVE »

GEVE was founded in application of CAREPP decision of 12 March 2007, in the framework of privatisation of STIA. Its mission is to acquire and resell those assets of the food industries company STIA that are no longer in use: shares, land and premises. In 2012 GEVE posted a deficit because of a delay in sale of assets and bank deductions for financial fees. As at 31 December 2012, STB held 50% of GEVE's capital, which amounted on that date to 4 000 000 dinars, divided into 4 000 000 shares with a face value of one dinar each.

• ACTIV HOTELS

Founded in 2006, ACTIV HOTELS is a limited liability company that seeks to create, acquire, sell, rent, operate and manage hotel, tourism or seaside facilities. Since beginning operations, the company has acquired two units linked to tourism. There have been deficits due to difficulties in selling these two units and because of bank deductions for financial fees. As at 31 December 2012, STB directly held 30% of capital, amounting to 1,000,000 dinars divided into 10,000 shares with a face value of 100 dinars each.

1.3. THE MAIN INDICATORS OF ACTIVITY FOR COMPANIES IN THE STB GROUP AS AT 31 DECEMBER 2012

in thousand dinars

Company	Capital	Turnover	Operational result	Net result	Area of activity
STB BANK (parent company)	124 300	400 479	7 736	-4 707	loan institutions
STB INVEST	36 000	2 926	1 742	1 641	financial institutions
SOFI ELAN (close-ended investment company)	5 000	604	258	424	financial institutions
STB MANAGER	500	2 050288	211		financial institutions
SOFIGES	6 500	313	-1 578	197	financial institutions
BFT	5 000	14 067	27 401	-27 392	loan institutions
STB SICAR	19 495	2 305	467	445	financial institutions
L'IMMOBILIERE DE L'AVENUE (real estate)	9 400	19 839	15	-1 592	services
STRC claims collection company	37 000	14 394	2 712	-1 463	services
LA GENERALE DES VENTES	4 000	73	-74	-554	services
ED DKHLA	7 500	1 306	76	88	tourism
ACTIVHOTELS	1 000	0	-78	-800	tourism
LA BANQUE D'AFFAIRES DE TUNISIE BAT (Tunisian business bank)	3 711	1 581	476	422	services
TFB (ex UTB)	101 549	23 695	-1 155	-966	loan institutions
STC VERITAS	2 400	7 782	2 026	1 497	tourism
SICOAC	10 032	19 062	-68	13	services
SONIBANK	37 456			14 614	loan institutions

1.4. IDENTIFICATION OF THE COMPANIES THAT ENTERED INTO THE PERIMETER OF THE STB GROUP AS AT 31 DECEMBER 2012

COMPANIES CONSOLIDATED BY GLOBAL INTEGRATION

The companies consolidated by global integration as at 31 December 2012 are listed in the table below.

in thousand dinars

Company	Capital	Net result	Area of activity
STB BANK	124 300	-4 707	loan institution
STB INVEST	36 000	1 641	financial institution
SOFI ELAN (close-ended investment company)	5 000	424	financial institution
STB MANAGER	500	211	financial institution
SOFIGES	6 500	197	financial institution
STB SICAR	19 495	445	financial institution
L'IMMOBILIERE DE L'AVENUE (real estate)	9 400	-1 592	services
STRC claims collection company services	37 000	-1 463	
LA GENERALE DES VENTES services	4 000	-554	
ED DKHLA	7 500	88	tourism
ACTIVHOTELS	1 000	-800	tourism
FRANCO-TUNISIAN BANK BFT	5 000	-27 392	loan institution

COMPANIES CONSOLIDATED USING THE EQUITY METHOD

Consolidation of the two open-ended investment companies in the group using the equity method

- The two open-ended investment companies in the Group were set up by STB, which acts as depository, holding fairly major shares in the capital of each.
- The boards of directors of these open-ended investment companies are controlled by STB, directly or through the intermediary of its authorised financial agents. (In the

case of the STB Group, holdings are indirect through STB MANAGER, a linked affiliate set up by STB, set up to manage the Group's UCITS. This explains the high percentage of control and the adoption of the global integration method for consolidation for these undertakings in collective investment in transferable securities.

Yet the regulatory framework for open-ended investment companies in Tunisia stipulates that these companies are subject to oversight by market authorities, in this case the capital market council CMF. Special rules apply to them concerning the nature of assets they can hold and their distribution. Indeed, exclusive control presumed to be exercised by STB on these two open-ended investment companies is incompatible with the regulatory framework for open-ended investment companies, especially since, at this time, STB does not guarantee the performance of its open-ended investment companies nor does it cover risk linked to their activities or their assets, despite the fact that holding the securities of these companies enters into the classic context of the parent company's intention to hold on to its shares for an extended period and not the context of trading activity. It is proper that the Group opted for consolidation of these two open-ended investment companies (l'Avenir & l'Investisseur) using the equity method.

Companies consolidated using the equity method (IAS 28.5 and NCT 36)

This concerns those companies over which STB is presumed to exercise notable influence, in the form of power that allows it to participate in decisions on financial and operational policy for each company held, without however exercising control over these policies.

STB Group companies accounted for using the equity method operate in diverse sectors such as open-ended investment companies, services and especially tourism. Thus, in the framework of support to Tunisia's economy, the parent company shows notable influence in the following ways:

- representation on the board of directors or on the equivalent upper management structure at the companies in question
- participation in the process to draw up policies, through advice as well as logistic and financial assistance
- significant transactions between STB and the company held, in terms of commitment to participation and/or loans (banking pool)
- an exchange of upper management staff (seconded staff members)

in thousand dinars

Company	Capital	Net result	Area of activity
L'Investisseur	1 479	11	financial institution
L'Avenir	1 324	27	financial institution
Tunisian Business Bank BAT	3 710	422	services
SICOAC	10 032	13	services
STCV VERITAS	2 400	1 497	services
Tunisian Banking Union UIB	101 549	-966	loan institution
El Weafak Leasing	15 000	3 930	financial institution
SIDCO	16 226	-1 015	financial institution
SONI BANK	37 456	14 614	loan institution
MAISON BLANCHE	3 640	-312	tourism
EL FEJJA	18 000	2 720	services
MAISON DU BANQUIER	8 885	188	services
SED SOUSSE NORD	6 500	1 201	tourism

1.5. TRENDS IN PERCENTAGE OF CONTROL, PERCENTAGE OF INTEREST AND VARIATION IN THE PERIMETER

Definition of control

Control is the power to orient the financial and operational policies of a company in order to get the most out of its activities.

Percentages of control

The percentage of control translates the link of direct and/or indirect dependency between STB and consolidated companies. It allows for determination of which companies are to be retained in the perimeter of consolidation as well as the method of consolidation to be used. The percentage of control expresses the number of voting rights that STB has in the consolidated company. It is calculated by adding up all the voting rights held directly or indirectly by companies placed under the exclusive control of STB.

The following table shows the percentages of control as at 31 December 2012 as well as those in effect as at 31 December 2011.

Trends in the percentage of control by the Group

Companies in the Group	2011	2012	Variation 2011-2012 in percentage points
1.STB BANK (parent company)	99.53%	99.43%	-0.10%
2.STB INVEST	99.01%	99.01%	0.00%
3.SOFI ELAN (close-ended investment company)	58.59%	58.59%	0.00%
4.STB MANAGER	99.96%	99.96%	0.00%
5.SOFIGES	96.70%	96.70%	0.00%
6.STB SICAR (capital risk)	99.43%	99.51%	0.00%
7.L'MMOBILIERE DE L'AVENUE	99.91%	99.91%	0.00%
8.STRC	99.99%	99.99%	0.00%
9.SOCIETE LA GENERALE DES VENTES	50.00%	50.00%	0.00%
10.ED DKHILA	67.87%	67.87%	0.00%
11.ACTIVHOTELS	99.97%	99.97%	0.00%
12.BFT	78.77%	78.77%	0.00%
13.L'INVESTISSEUR (open-ended investment company)	68.08%	70.89%	2.81%
14.L'AVENIR (open-ended investment company)	98.68%	98.69%	0.01%
15.TUNISIAN BUSINESS BANK (BAT)	30.00%	30.00%	0.00%
16.TUNISIAN FOREIGN BANK (ex UTB)	43.42%	43.42%	0.00%
17.EL WEAFAK LEASING	21.71%	21.71%	0.00%
18.STCV VERITAS	27.06%	27.06%	0.00%
19.SICOAC	23.57%	23.57%	0.00%
20.SONI BANK	25.00%	25.00%	0.00%
21.S.E.D. SOUSSE NORD	24.92%	24.92%	0.00%
22.S.C.I. LA MAISON DU BANQUIER	21.64%	21.64%	0.00%
23.S.P.C.M. EL FEJJA	20.00%	16.67%	-3.33%
24.SMT (MAISON BLANCHE)	39.01%	38.90%	0.11%
25.SICO SICAR	-	34.34%	-

Percentages of interest or financial dependency of the Group

The percentage of interest expresses the share of capital held by STB directly and/or indirectly in each consolidated company. Contrary to the percentage of control, which determines the method of consolidation, the percentage of interest allows for implementation of consolidation. In effect, it is the basis for evaluating STB's rights in the net assets of consolidated companies, as well as the share due to minority shareholders. It is also used as the main tool in drawing up consolidation accounts at the time reciprocal transactions and distribution of equity are eliminated.

The percentage of interest is calculated by adding up the percentages of capital held directly by the parent company in the capital of the affiliate and the product of percentages in capital held directly or indirectly in sub-affiliates.

The following statement shows the percentages of interest as at 31 December 2012, as well as those established as at 31 December 2011.

Companies in the Group	2011	2012	Variation 2011-2012 in percentage points
1.STB BANK (parent company)	99.78%	99.43%	-0.35%
2.STB INVEST	95.55%	98.24%	-0.31%
3.SOFI ELAN (close-ended investment company)	57.20%	57.05%	-0.15%
4.STB MANAGER	91.10%	91.20%	0.1%
5.SOFIGES	93.01%	92.99%	-0.02%
6.STB SICAR (capital risk)	83.53%	85.37%	1.84%
7.L'MMOBILIERE DE L'AVENUE	98.13%	97.82%	-0.31%
8.STRC	99.70%	99.36%	-0.34%
9.SOCIETE LA GENERALE DES VENTES	49.89%	49.72%	-0.17%
10.ED DKHILA	67.64%	67.41%	-0.23%
11.ACTIVHOTELS	96.17%	96.27%	0.1%
12.BFT	78.55%	78.26%	-0.27%
13.L'INVESTISSEUR (open-ended investment company)	67.33%	69.90%	2.57%
14.L'AVENIR (open-ended investment company)	96.96%	95.83%	-0.13%
15.TUNISIAN BUSINESS BANK (BAT)	29.93%	29.83%	-0.1%
16.TUNISIAN FOREIGN BANK (ex UTB)	43.32%	43.17%	-0.15%
17.EL WEAFAK LEASING	20.77%	20.70%	-0.07%
18.STCV VERITAS	27.00%	26.91%	-0.09%
19.SICOAC	23.52%	23.44%	-0.08%
20.SONI BANK	24.94%	24.86%	-0.08%
21.S.E.D. SOUSSE NORD	24.86%	24.78%	-0.08%
22.S.C.I. LA MAISON DU BANQUIER	21.23%	21.16%	-0.07%
23.S.P.C.M. EL FEJJA	19.96%	16.58%	-3.38%
24.SMT (MAISON BLANCHE)	38.92%	38.68%	-0.24%
25.SICO SICAR	-	32.07%	-

1.6. JUSTIFICATION FOR VARIATION IN THE PERIMETER

Entries into the perimeter of the group in 2012

The STB Group's perimeter of consolidation as at end December 2012 was affected by just one variation compared to 2011: the entry of SIDCO SICAR, which submitted its financial statements on time.

Exclusions from the Group's perimeter in 2012

Companies that would normally have been eligible for consolidation but that were excluded from the perimeter of consolidation in line with paragraph n°11 of NCT m°35 are listed below.

Companies in the Group	Net value of capital	% held	Reason for exclusion
1.SKANES PALACE	6 195 000	99.76%	In the process of liquidation
2.AFRICA SOUSSE	9 800 000	96.94%	In the process of liquidation
3.SACEM (electromechanical construction)	5 174 000	85.84%	In the process of liquidation
4.CIE HOTELIERE DES CENTRES VILLES (HOTEL ANDALOUS)	3 540 000	70.28%	On hold
5.STDCA (film & audio development)	10 000	50.00%	In the process of liquidation
6.AIN DRAHAM TOURISM COMPANY :			
NOUR EL AIN HOTEL	2 299 500	49.66%	In the process of liquidation
7.RAMLA TOZEUR	5 947 800	47.88%	STB has no control over this affiliate.
8.BISAT TOURISM ACTIVITIES	4 259 840	42.68%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
9.ARTEMIS HOTEL NEPTUNIA	2 555 000	46.81%	On hold
10.HOTEL DALIA Mediterranean Tourism Company	3 429 000	45.29%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.

11.LELLA HADHRIA development company	725 000	42.07%	On hold
12.RAIS CLUB tourism & leisure activities	1 523 000	41.96%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
13.HOTEL ZODIAC tourism activities	4 637 000	37.44%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
14.HOTEL BYZANCE company	2 675 000	35.07%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
15.EL MARASSI	1 380 000	34.78%	In the process of liquidation as at 31 Dec 2012
16.HOTEL MARIQUEEN JERBA MARITIME tourism/studies company	4 087 500	36.70%	As at 31 Dec 2012 STB had no control on this affiliate.
17.PARADISE PARK/HOTEL PHEDRA entertainment and leisure activities	2 059 000	31.03%	In the process of liquidation as at 31 Dec 2012
18.SEDHS studies & development company Hammamet south	1 000 000	30.00%	In the process of liquidation as at 31 Dec 2012
19.Company for the development of the greater Korbous area	250 000	30.00%	On hold
20.SEDAT audio-visual development company of Tunisia	1 015 000	23.33%	This affiliate was unable to submit financial statements as at 31 Dec 2012 to STB.
21.Arab tourism company CTA/Monastir Marina	15 098 120	28.00%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
22.HOTEL BYBLOS international hotel management company	3 520 000	25.00%	STB had no notable influence on this affiliate as at 31 Dec 2012.

23.CIP printing & advertising company	532 525	26.24%	In the process of liquidation as at 31 Dec 2012
24.Studies and development company of Sousse	1 000 000	25.00%	On hold
25. ZOUARAA studies & development company	200 000	25.00%	On hold
26.HOTEL YOUNES	3 987 600	24.76%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
27.HOTEL DREAMS BEACH tourism development company	3 182 000	24.58%	STB had no notable influence on this affiliate as at 31 Dec 2012.
28.BELAIR hotel company	5 423 510	23.97%	In receivership, run by a court appointed administrator.
29.SODEK capital risk economic development company of Kasserine	6 236 055	23.56%	STB had no notable influence on this affiliate as at 31 Dec 2012.
30.SOCIK international trade company of Kebili	200 000	22.50%	In the investment stage and thus financial statements are not yet issued.
31.Arab tourism company CTA/Monastir Marina	2 025 000	21.47%	In the process of liquidation as at 31 Dec 2012.
32.CYCLAMENS tourism promotion company management company	4 319 000	21%	STB had no notable influence on this affiliate as at 31 Dec 2012.
33.SHT LES BERGES 2000 HOTEL ATRIUM	1 375 000	20.18%	Continuation of operations is compromised and it is not expected that any assets will be recovered.
34.COPRAT Hammamet Garden Hotel	2 150 000	20%	As at 31 Dec 2012, this affiliate was subject to strict lasting restrictions that limited in a major way its ability to transfer funds to STB.
35.PALMYRE Saharan tourism & leisure activities	8 808 500	26.86%	STB had no notable influence on this affiliate as at 31 Dec 2012.

2. ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. MAIN TRENDS IN THE CONSOLIDATED BALANCE SHEET

At the end of 2012, the overall consolidated balance sheet of the STB Group amounted to 7856.1 million dinars, an increase of 696.1 million dinars or 9.7% compared to end 2011 figures. The main trends concerned the following headings.

at the level of asset lines

The posted increase involved mainly:

- ✔ cash and assets at the central bank of Tunisia (BCT), the postal checks centre (CCP) and the Tunisian general treasury (TGT), with an increase of 384.6 million dinars corresponding almost entirely to trends in the parent company's accounts (+387.4 million dinars)
- ✔ the outstanding balance of claims on banking and financial institutions: +151.2 million dinars, with this increase involving the other companies in the group, while investment by the parent company dropped by 47.1 million dinars
- ✔ claims on clients (up 98.9 million dinars or 1.8%) and the securities portfolio (up 67.4 million dinars or 27.1%), these increases evident mainly at the level of the parent company

at the level of liability lines:

The total of the Group's liabilities went up by 11.6%, corresponding to an increase of 786.3 million dinars. This increase involved mainly the following lines:

- ✔ Client deposits and assets: +260.3 million dinars or 4.8%, bringing their outstanding balance at the end of 2012 to 5667.6 million dinars vs. 5407.3 million dinars at the end of 2011, this variation due mainly to an increase in client deposits at the parent company (+277.2 million dinars)
- ✔ Deposits and assets of banking institutions: +242.5 million dinars or 155.7%
- ✔ Borrowings and special resources: +97.1 million dinars or 20%, characterising in particular the accounts of the parent company (+91.8 million dinars)
- ✔ Other liabilities: +132.1 million dinars or 22.1%
- ✔ Differed tax liability: +16.2 million dinars or 116.0%

at the level of equity lines:

The STB Group's total equity came to 303.5 million dinars, a drop of 84.2 million dinars or -21.7%. This situation was the result of the combined impact of the following factors:

- ✔ A 65.8 million dinar decrease in consolidated reserves, which fell from 274.7 million dinars at the end of 2011 to 208.9 million dinars at the end of 2012
- ✔ An 18.4 million dinar increase in the deficit of the consolidated result, which widened over this same period from -8.5 million dinars to -26.9 million dinars

2.2. TRENDS IN THE GROUP'S RESULTS AND THE MAIN COMPONENTS THEREOF

At the end of December 2012, the STB Group posted net results prior to the impact of accounting modifications of -32.6 million dinars, compared to -13.5 million dinars at the end of 2011. This deepening of the deficit was due for the most part to the deficits generated by the parent company and the Franco-Tunisian Bank. An analysis of the components of the Group's net results points out the following.

- ✔ Net banking proceeds came to 220.5 million dinars, an increase of 10.5 million dinars or 5% as a result of expenses for banking operations (-9.5%) decreasing at a faster pace than the drop in proceeds from banking operations (-2.1%).

Expenses for banking operations came to 180.8 million dinars as at end December 2012, a drop of 19.4 million, mainly in incurred interest and related costs, especially at the parent company (-11.6 million dinars or 6.4%), under the impact of lower costs in the wake of the central bank of Tunisia's decision to lower key interest rates. Proceeds from banking operations in turn dropped by 8.9 million dinars, made up entirely of interest and related income at STB.

Operations results for the Group remained at virtually the same level as in 2011, posting a slight drop of 0.3 million dinars despite the 10.5 million dinar increase in net banking proceeds. This was due to differentiated variations affecting the following headings.

- ❍ Staff costs: + 5.1 MD, with the wage burden for the parent company increasing by 4.6 million dinars
- ❍ Other operational proceeds (in proceeds) +2.4 million dinars
- ❍ General operating costs +7.6 million dinars
- ❍ Net allotments to provisions and result of correction of values on claims and the investment portfolio: -1.3 million dinars

The breakdown of the Group's net results in accordance with the norm for consolidation is given in the following table.

Consolidated companies	Consolidated 2011	Consolidated 2012	companies reserves 2011	2012
◇ Globally integrated companies	255 657	187 217	-12 748	-32 164
1.STB BANK (parent company)	378 666	330 615	4 111	-15 665
2.STB INVEST	11 331	12 854	616	331
3.SOFI ELAN (close-ended investment company)	1 539	1 570	445	233
4.STB MANAGER	85	415	689	552
5.SOFIGES	4 252	4 123	-501	40
6.STB SICAR (capital risk)	139	449	-267	1083
7.L'MMOBILIERE DE L'AVENUE	357	-970	-557	1 977
8.STRC	-7 715	-7 815	2 347	1 112
9.SOCIETE LA GENERALE DES VENTES	-882	-1 038	-60	-194
10.ED DKHILA	2 384	2 337	57	81
11.ACTIVHOTELS	-1 471	-2 091	-514	-270
12.BFT	-133 028	-153 232	-19 115	-21 444
Companies accounted for using the equity method	19 054	21 717	4 213	5 256
13.L'INVESTISSEUR (open-ended investment company)	234	233	25	7
14.L'AVENIR (open-ended investment company)	-4	-6	27	26
15.TUNISIAN BUSINESS BANK (BAT)	-289	-357	-63	126
16.TUNISIAN FOREIGN BANK (ex UTB)	2 265	2 162	7	3
17.EL WEAFAK LEASING	805	870	352	403
18.STCV VERITAS	-101	2 317	293	-222
19.SICOAC	215	-1 446	580	728
20.SONI BANK	-	290	-	-115
21.S.E.D. SOUSSE NORD	11 185	11 515	2 831	3 633
22.S.C.I. LA MAISON DU BANQUIER	-1 372	0	-48	-121
23.S.P.C.M. EL FEJJA	-5	1	18	451
24.SMT (MAISON BLANCHE)	-912	-824	36	40
25.SICO SICAR	7 033	6 962	155	297
TOTAL FOR THE GROUP	274 711	208 934	-8 535	-26 908

The breakdown of the Group's net results by sector is given below.

Sector	Consolidated results	Consolidated reserves
LOAN INSTITUTIONS	31 853	-199 100
FINANCIAL INSTITUTIONS	-2 239	-19 411
TOURISM	189	-246
SERVICES	-2 895	9 823
TOTAL	26 908	-208 934

3. PROSPECTS FOR THE STB GROUP

With a view to optimizing management of its portfolio, the parent company has launched discussions pertaining to the introduction of greater synergy within the STB Group, seeking in particular:

✔ to ensure an optimal return on the bank's portfolio of financial holdings while also taking advantage of the changes currently taking place on Tunisia's financial market

✔ putting into place the instruments required to ensure better management and maintenance of the hotels that the bank holds, over the short and medium term

✔ Promote, create and launch new products (open-ended investment companies, closed-end investment companies, capital risk funds, mutual investment funds...) and services (consulting in financial engineering...)

STB BANK

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31/12/2012

SOCIETE TUNISIENNE DE BANQUE

CONSOLIDATED BALANCE SHEET as at 31 December 2012

ASSETS	Notes	31-12-2012	31-12-2011
Cash and assets at the central bank of Tunisia (BCT), the postal checks centre (CCP) and the Tunisian general treasury (TGT)		507 269	122 625
Claims on banking and financial institutions		287 661	136 500
Claims on clients		5 749 835	5 650 916
Commercial securities portfolio	2.1	315 982	248 580
Investment portfolio	2.2	169 412	158 837
Securities accounted for using the equity method	2.3	94 184	80 470
Goodwill		-974	-496
Fixed assets		97 063	96 320
Differed tax assets		4 483	4 607
Other assets		631 223	661 668
TOTAL ASSETS		7 856 138	7 160 027
LIABILITIES			
Central bank of Tunisia and postal checks centre		182 689	144 641
Deposits and assets of banking and financial institutions		398 250	155 756
Client deposits and assets		5 667 627	5 407 286
Borrowings and special resources		581 963	484 864
Differed tax liability		30 257	14 008
Other liabilities		729 054	596 982
TOTAL LIABILITIES		7 589 840	6 803 537
MINORITY INTERESTS	2.4	-37 169	-31 135
EQUITY			
Capital		124 300	124 300
Consolidated reserves	2.5	208 934	274 711
Treasury shares *	2.7	-2 859	-2 851
Consolidated results	2.5	-26 908	-8 535
TOTAL EQUITY		303 467	387 625
TOTAL LIABILITIES, MINORITY INTERESTS AND EQUITY		7 856 138	7 160 027

STATEMENT OF OFF BALANCE SHEET COMMITMENTS

as at 31 December 2012

in thousand dinars

	Notes	31-12-2012	31-12-2011
CONTINGENT LIABILITIES			
Deposits, endorsement and other guarantees given		1 033 836	1 114 031
Documentary credit		517 595	617 709
Assets given as a guarantee			0
TOTAL CONTINGENT LIABILITIES		1 551 431	1 731 740
COMMITMENTS GIVEN			
Financing commitments given		139 623	189 776
Commitments on securities		3 953	3 942
TOTAL COMMITMENTS GIVEN		143 576	193 718
COMMITMENTS RECEIVED			
Financing commitments received			
Guarantees received		1 569 358	1 574 655
TOTAL COMMITMENTS RECEIVED		1 569 358	1 574 655

STATEMENT OF CONSOLIDATED RESULTS
for the period 1 January to 31 December 2012

in thousand dinars

		Notes	31-12-2012	31-12-2011
PROCEEDS FROM BANKING OPERATIONS				
PPR 1	Interest and related income		312 024	323 781
PR 2	Commissions (proceeds)		57 263	58 550
PR 3	Gains on the commercial securities portfolio and financial transactions		27 065	22 440
PR 4	Income from the investment portfolio		9 162	9 621
Total Proceeds from banking operations			**405 514**	**414 392**
EXPENSES FOR BANKING OPERATIONS				
CH 1	Incurred interest and related costs		-180 828	-200 373
CH 2	Incurred commissions		-3 982	-3 976
CH 3	Losses on the commercial securities portfolio and financial operations		-171	-56
Total expenses for banking operations			**-184 981**	**-204 405**
NET BANKING PROCEEDS			**220 533**	**209 987**
PR5/CH4	Allotments to provisions and result of correction of values on claims, off balance sheet and liabilities		-95 369	-100 509
PR6/CH5	Allotments to provisions and result of correction of values on the investment portfolio		-7 018	-536
PR7	Other proceeds from operations		42 475	40 097
CH6	Staff costs		-112 432	-107 331
CH7	General operating costs		-47 515	-39 952
CH8	Allotments to depreciation and to provisions for fixed assets		-8 116	-7 891
CH8	Share in the results of companies accounted for using the equity method		5 256	4 213
OPERATIONAL RESULTS			**-2 186**	**-1 922**
PR8/CH9	Balance as gains/losses from other ordinary components		974	-1 517
CH11	Tax on profits		-31 398	-10 034
RESULT OF ORDINARY ACTIVITIES			**-32 610**	**-13 473**
PR 9/CH10	Balance as gains/losses from extraordinary components		0	0
NET RESULTS FOR THE YEAR			**-32 610**	**-13 473**
PR 9/CH10	Minority interest in results	2.4	-5 702	-4 938
SHARE IN THE RESULTS OF MINORITY INTERESTS CHARGED TO CONTROLLING INTERESTS			0	0
CONSOLIDATED NET RESULT FOR THE YEAR PRIOR TO ACCOUNTING MODIFICATION		2.5	-26 908	-8 535
Impact of the accounting modification			-119 612	-117 276
CONSOLIDATED NET RESULT FOR THE YEAR FOLLOWING ACCOUNTING MODIFICATION		2.8	-152 222	-130 749

CASH FLOW STATEMENT

for the period 1 January to 31 December 2012

in thousand dinars

	Notes	31-12-2012	31-12-2011
OPERATIONAL ACTIVITIES			
Proceeds from banking operations that have been encashed		387161	406 930
Expenses for banking operations that have been disbursed		-214042	-199 611
Deposits /Withdrawals at other banking and financial institutions		1366	-5 400
Loans and advances / Reimbursement of loans and advances to clients		328012	244 896
Client Deposits/Withdrawals		-230969	-382 361
Acquisitions/sale of investment securities		-70494	-49 574
Sums paid to staff and miscellaneous creditors		-112755	-133 388
Other cash flows from operational activities		102618	32 277
Corporate tax paid		-16233	-23 133
Net cash flow assigned to operational activities		174 664	-109 364
INVESTMENT ACTIVITIES			
Interest and dividends from the investment portfolio that have been encashed		8 942	8 134
Acquisitions / sales on the investment portfolio		4 703	-15 811
Acquisitions / sales on fixed assets		-8 730	-6 009
Net treasury flows assigned to investment activities		4 915	-13 686
FINANCING ACTIVITIES			
Stock issues		2550	0
Issue / Reimbursement of loans and special resources		92 565	37 489
Dividends paid		-796	-207
Net treasury flow assigned to financing activities		94 319	37 282
Net variation of liquidity and quasi liquidity for the period		273 898	-85 768
Adjustment following variation of the perimeter			-7 699
Liquidity and quasi liquidity at the start of the period		91 515	184 982
Liquidity and quasi liquidity at the end of the period		365 413	91 515

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2012

NOTE 1 – ACCOUNTING PRINCIPLES FOR EVALUATING AND PRESENTING THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. REFERENTIAL FOR DRAWING UP CONSOLIDATED FINANCIAL STATEMENTS

LThe consolidated financial statements of the STB Group are prepared and presented in line with accounting principles generally applied in Tunisia, with particular reference to:

- ✔ the general accounting norm (NCT 1)
- ✔ banking accounting norms (NCT 21 to 25)
- ✔ accounting norms pertaining to consolidation (NCT 35 to 37)
- ✔ the accounting norm pertaining to grouping of companies (NCT 38)
- ✔ regulations of the central bank of Tunisia, as per circular n° 91-24 of 17 December 1991 and as modified by circulars n° 99-04 of 19 March 1999 and n° 2001-12 of 4 May 2001

1.2. PERIMETER AND METHOD OF CONSOLIDATION

1.2.1. Perimeter of consolidation

The perimeter of consolidation of the STB Group includes:

- ✔ the parent company: STB
- ✔ affiliates: those companies over which STB has exclusive control
- ✔ associated companies: those companies on which STB has notable influence

Are excluded from the perimeter of consolidation:

- ✔ companies in the process of liquidation
- ✔ companies for which financial statements are not available
- ✔ companies over which STB has lost control following a court decision
- ✔ companies on which STB no longer has notable influence
- ✔ companies acquired and held with the sole intention of selling them in the near future, as well as companies that have launched plans to sell
- ✔ companies that are unable to transfer funds to STB or that are under constraints that are likely to last

SOCIETE TUNISIENNE DE BANQUE

The following table shows the perimeters, the methods of consolidation and the percentage of interest used to draw up the consolidated financial statements of the STB Group. This consolidation work has been done on the basis of non certified financial statements for four companies out of the 25 companies in the perimeter of consolidation.

Companies eligible for consolidation	% of control by the Group			Method of consolidation		% of the interest Group's			2012 FINANCIAL STATEMENTS
	2012	2011	Var %	2012	2011	2012	2011	Var %	
1. STB BANK (parent company)	99.43 %	99.53%	-0.1%	I-G	I-G	99.43 %	99.78%	-0.35%	C.E
2. STB INVEST	99.01 %	99.01%	0.00%	I-G	I-G	98.24 %	98.55%	-0.31%	C.E
3. SOFI ELAN SICAF	58.59 %	58.59%	0.00%	I-G	I-G	57.05 %	57.20%	-0.15%	C.E
4. STB MANAGER	99.96 %	99.96%	0.00%	I-G	I-G	91.20 %	91.10%	0.1%	C.E
5. Financial management company SOFIGES	96.70 %	96.70%	0.00%	I-G	I-G	92.99 %	93.01%	-0.02%	C.E
6. STB SICAR (capital risk)	99.51 %	99.43%	0.08%	I-G	I-G	85.37 %	83.53%	1.84%	C.E
7. IMMOBILIERE DE L'AVENUE (real estate)	99.91 %	99.91%	0.00%	I-G	I-G	97.82 %	98.13%	-0.31%	C.E
8. Claim collection company STRC	99.99 %	99.99%	0.00%	I-G	I-G	99.36 %	99.70%	-0.34%	C.E
9. SOCIETE LA GENERALE DES VENTES	50.00 %	50.00%	0.00%	I-G	I-G	49.72 %	49.89%	-0.17%	C.E
10. SOCIETE ED DKHILA	67.87 %	67.87%	0.00%	I-G	I-G	67.41 %	67.64%	-0.23%	C.E
11. SOCIETE ACTIVHOTELS	99.97 %	99.97%	0.00%	I-G	I-G	96.27 %	96.17%	0.1%	C.E
12. BFT (Franco-Tunisian Bank)	78.77 %	78.77%	0.00%	I-G	IG	78.28 %	78.55%	-0.27%	C.E
13. SICAV L'INVESTISSEUR (variable rate mutual investment)	70.89 %	68.08%	2.81%	M-E	M-E	69.90 %	67.33%	2.57%	C.E
14. SICAV L'AVENIR (variable rate mutual investment)	98.69 %	98.68%	0.01%	M-E	M-E	95.83%	95.96%	-0.13%	
15. Tunisian business bank B.A.T.	30.00 %	30.00%	0.00%	M-E	M-E	29.83 %	29.93%	-0.1%	
16. TUNISIAN FOREIGN BANK EX « U.T.B»	43.42 %	43.42%	0.00%	M-E	M-E	43.17 %	43.32%	-0.15%	
17. STE EL WEAFAK LEASING	21.71 %	21.71%	0.00%	M-E	M-E	20.70 %	20.77%	-0.07%	
18. S.T.C.V VERITAS	27.06 %	27.06%	0.00%	M-E	M-E	26.91 %	27.00%	-0.09%	
19. SICOAC	23.57 %	23.57%	0.00%	M-E	M-E	23.44 %	23.52%	-0.08%	
20. SONI BANK	25.00 %	25.00%	0.00%	M-E	M-E	24.86 %	24.94%	-0.08%	
21. S.E.D SOUSSE NORD	24.92 %	24.92%	0.00%	M-E	M-E	24.78 %	24.86%	-0.08%	
22. S.C.I « LA MAISON DU BANQUIER»	21.64 %	21.64%	0.00%	M-E	M-E	21.16 %	21.23%	-0.07%	
23. S.P.C.M «ELFEJJA»	16.67 %	20.00%	-3.33%	M-E	M-E	16.58 %	19.96%	-3.38%	
24. SMT (MAISON BLANCHE)	38.90 %	39.01%	-0.11%	M-E	M-E	38.68 %	38.92%	-0.24%	
25. SIDCO SICAR	34.34%	-	-	M-E	-	32.07%	-	-	

- I-G: consolidation by global integration
- M-E: consolidation using the equity method
- (-): See the table entitled Variation of the perimeter of the STB Group (2012-2011)

1.2.2. Variation in the perimeter of consolidation of the STB Group (2012-2011)

The perimeter of consolidation of the STP Group as at 31 December 2012 was affected by just one addition to the previous year's list, following the entry of SIDCO SICAR (a capital risk fund), which met the deadline for submission of its financial statements.

The list of companies excluded from the perimeter of consolidation as well as the reasons for exclusion are given in annex 1 to these notes.

1.2.3. Method of consolidation

● Companies consolidated by global integration

Companies integrated globally are those affiliates of the Bank in which the parent company has exclusive control, be it by right, presumed or in fact.

The global integration method consists of the following successive stages:

- ✔ The individual financial statements of the parent company and its affiliates are combined line by line by adding similar components under assets, liabilities, equity, proceeds and costs.
- ✔ Reciprocal transactions between companies in the group are eliminated in a symmetrical manner.
- ✔ Minority interests in the net results of consolidated affiliates are identified and subtracted from the Group's results in order to obtain the net result attributable to the owners of the parent company.
- ✔ The accounting value of the Group's participation in each affiliate and the Group's share in equity are eliminated in order to determine the consolidated reserves and the share of minority partners in reserves.

● Companies accounted for using the equity method

Companies accounted for using the equity method are those affiliates of the Bank in which it does not exercise notable influence. Accounting using the equity method in this case consists of the following successive steps:

- ✔ Reprocess the equity of the company accounted for using the equity method by eliminating reciprocal transactions that have an impact on results or reserves
- ✔ Enter the share of the Group in the equity of the company being accounted for using the equity method by means of an asset line entitled «securities treated on the basis of the equity method»

1.3. RULES SPECIFIC TO CONSOLIDATION

1.3.1. Processing of goodwill upon acquisition

Goodwill on acquisition is the difference between the cost of acquisition of securities and corresponding share in the net accounting assets of the consolidated company. This difference is broken down between difference in evaluation (corresponding to latent gains or losses on assets) and difference in acquisition (corresponding to positive or negative goodwill). When information is available, differences on acquisition have been identified and entered as such under intangible fixed assets. Goodwill upon acquisition is depreciated in a linear manner over a period of five years.

1.3.2. Processing of differed tax

Only elimination of reciprocal transactions that have an impact on results and reserves are entered under differed tax. Temporary differences arising from the individual financial statements of the group's companies do not give rise to possible entry of differed tax.

NOTE 2 - NSOLION THE LINES OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Commercial securities portfolio

The balance of this line as at 31 December 2012 came to a total of 315,981,000 dinars, compared to

248,580,000 dinars as at 31 December 2011, broken down as follows:

Description	31 Dec 2012	31 Dec 2011
STB portfolio	209 546	132 557
Portfolio of affiliates consolidated by global integration	106 435	116 023
TOTAL	315 981	248 580

2.2. Investment securities portfolio

The balance of this line as at 31 December 2012 came to 169,412,000 dinars, up from

158,837,000 dinars as at 31 December 2011, broken down as follows.

Description	31 Dec 2012	31 Dec 2011
STB Portfolio	111 024	74 414
Portfolio of affiliates consolidated by global integration	58 388	84 423
TOTAL	169 412	158 837

2.3. Securities accounted for using the equity method

As at 31 December 2012, the total for this line shot up from 80,470,000 dinars as at 31 December 2011 to 94,184,000 dinars.

Companies accounted for using the equity method	2012	2011
1. SICAV L'INVESTISSEUR (variable rate mutual investment fund)	1 039	1 058
2. SICAV L'AVENIR (variable rate mutual investment fund)	1 272	1 269
3. BANQUE D'AFFAIRE DE TUNISIE (Tunisian business bank)	1 118	997
4. SICOAC	2 687	2 795
5. STCV VERITAS	1 387	1 272
6. UNION TUNISIENNE DE BANQUE UTB Tunisian banking union	39 561	38 042
7. STE EL WEAFAK LEASING	5 607	5 118
8. SONI BANK	23 335	16 493
9. EL FEJJA	3 452	3 013
10. MAISON DU BANQUIER	1 021	929
11. SED SOUSSE NORD	9 555	9 484
12. SIDCO SICAR (capital risk fund)	4 150	-
TOTAL	94 184	80 470

2.4. Minority interests

As at 31 December 2012, the total for this line came to -37,169,000 dinars, compared to -31,135,000 dinars as at 31 December 2011, broken down as follows.

Company	31 Dec 2012 Minority interests in results	Minority interests in reserves	Total	31 Dec 2011 Minority interests in results	Minority interests in reserves	Total
1. S.T.B	-59	1721	1 662	19	766	785
2. STB INVEST	6	592	598	9	527	536
3. SOFI ELAN SICAF (fixed rate mutual investment fund)	175	3 348	3 523	333	3 280	3 613
4. S.T.B MANAGER	53	42	95	67	10	77
5. SOFIGES (financial mgt)	3	563	566	-37	575	538
6. S.T.B SICAR capital risk fund	186	143	329	-53	90	37
7. L'IMMOBILIÈRE DE L'AVENUE (real estate)	44	-58	-14	-11	-32	-43
8. S.T.R.C (claims collection)	7	-48	-41	7	-21	-14
9. GENERALE DES VENTES	-197	950	753	-60	1 114	1 054
10. STE ED DKHILA	39	2 904	2 943	27	2 914	2 941
11. ACTIVHOTELS	-10	-77	-87	-20	-58	-78
12. BFT (Franco-Tunisian Bank)	-5 948	-41 548	-47 496	-5 219	-35 362	-40 581
TOTAL	(-5 701)	(-31 468)	(- 37 169)	(-4 938)	(-26 197)	(- 31 135)

2.5. Consolidated reserves and results

As at 31 December 2012, consolidated results posted -26,908,000 dinars, compared to -8,535,000 dinars as at 31 December 2011. Consolidated reserves, posting 208,934,000 dinars, were adjusted by Group assumption of insufficient provisions (2.6), the breakdown of which follows.

Consolidated company	Consolidated reserves 2 012	Consolidated reserves 2 011	Consolidated results 2 012	Consolidated results 2 011
◇ GLOBALLY INTEGRATED COMPANIES	188 336	255 657	-32 164	-12 748
STB	331 734	378 666	-15 665	4 111
STB INVEST	12 854	11 331	331	616
SOFI ELAN SICAF (fixed rate mutual investment fund)	1 570	1 539	233	445
STB MANAGER	415	85	552	689
SOFIGES (financial management)	4 123	4 252	40	-501
STB SICAR (capital risk fund)	449	139	1 083	-267
IMMOB.DE.L'AVENUE (real estate)	-970	357	1 977	-557
STRC (claims collection)	- 7 815	- 7 715	1 112	2 347
LA GENERALE DES VENTES	-1 038	-882	-194	-60
ED DKHILA	2 337	2 384	81	57
ACTIVHOTELS	-2 091	-1 471	-270	-514
BFT (Franco-Tunisian Bank)	-153 232	-133 028	-21 444	-19 115
◇ COMPANIES ACCOUNTED FORUSING THE EQUITY METHOD	20 598	19 054	5256	4 213
SICAV L'INVESTISSEUR (variable rate mutual investment fund)	233	234	7	25
SICAV L'AVENIR (variable rate mutual investment fund)	-6	-4	26	27
BANQUE D'AFFAIRE DE TUNISIE (Tunisian Business Bank)	-357	-289	126	-63
SICOAC	2 162	2 265	3	7
STCV VERITAS	870	805	403	352
UNION TUNISIENNE DE BANQUE «UTB» (Tunisian Banking Union)	2 317	-101	-222	293
STE EL WEAFAK LEASING	-1 446	215	728	580
SIDCO SICAR (capital risk fund)	290	-	-115	-
SONI BANK	11 515	11 185	3 633	2 831
MAISON BLANCHE	-1 119	-1372	-121	-48
EL FEJJA	1	-5	451	18
MAISON DU BANQUIER	-824	-912	40	36
SED SOUSSE NORD	6 962	7 033	297	155
TOTAL	208 934	274 711	-26 908	-8 535

2.6. Insufficient provisions charged to the Group's reserves

Insufficient provisions charged to the Group's reserves	Company	Amount
1.Provision for risks and charges.	Activhotels	100 000
TOTAL	100 000	

2.7. Buy back of equity by companies in the Group:

As at 31 December 2012, this line posted a balance of 2,859,000 dinars, with buy back of shares by the consolidating company now being closed.

Annex I

List of companies that would normally be eligible for consolidation, but that were excluded from the perimeter of the STB Group as at 31 December 2012, as per the terms of NCT n°35

Corporate name	Nominal value Nominal value	% held	Reason for exclusion
1 SKANES PALACE	6 195 000	99.76%	In the process of liquidation
2 AFRICA SOUSSE	9 800 000	96.94%	In the process of liquidation
3 STE ANONYME DE CONSTR. ELECTROMECANIQUES «SACEM»	5 174 000	85.94%	In the process of liquidation
4 CIE HOTELIERE DES CENTRES VILLES (HOTEL ANDALOUS)	3 540 000	70.28%	On hold
5 STE TUN. DE DEVPT. DU CINEMA & DE L'AUDIOV.»STDCA»	10 000	50%	In the process of liquidation
6 STE TOURISTIQUE AIN DRAHAM «HOTEL NOUR EL AIN»	2 299 500	49.66%	In the process of liquidation
7 STE RAMLA TOZEUR	5 947 800	47.88%	STB does not have any control over this affiliate
8 STE D'ANIMATION TOURISTIQUE BISAT SA	4 259 840	42.68%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
9 ARTEMIS HOTEL NEPTUNIA	2 555 000	46.81%	On hold
10 CIE MED. DE TOURISME «HOTEL DALIA»	3 429 000	45.29%	In receivership, being managed by a court-appointed administrator
11 CIE DE DEVELOPPEMENT «LELLA HADHRIA»	725 000	42.07%	On hold
12 STE TOURISME & ANIMATION «RAIS CLUB»	1 523 000	41.96%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
13 STE D'ACTIVITE TQUE «HOTEL ZODIAC»	4 637 000	37.44%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
14 STE HOTEL BYZANCE	2 675 000	35.07%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
15 EL MARASSI	1 380 000	34.78%	As at 31 December 2012, this affiliate was in the process of liquidation.
16 Sté d'Etudes et de Prom.Tque « Hôtel Mariqueen» JERBA MARITIM	4 087 500	36.70%	STB does not have any control over this affiliate
17 STE D'ANIMATION ET DE LOISIRS PARADISE PARK (H PHEDRA)	2 059 000	31.03%	As at 31 December 2012, this company was in the process of liquidation.

18 STE D'ETUDES ET DE DEV. HAMMAMET SUD «SEDHS»	1 000 000	30%	As at 31 December 2012, this company was in the process of liquidation.
19 COMPAGNIE DE DEVELOPPEMENT DU GRAND KORBOUS	250 000	30%	On hold
20 STE D'ET. DEVPT AUDIO-VISUEL DE TSIE «SEDAT»	1 015 000	28.33%	This affiliate was unable to submit to STB its financial statements as at 31 December 2012.
21 CIE TQUE ARABE «CTA» (MARINA MONASTIR)	15 098 120	28%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
22 STE INTLE DE GEST. HOT. «H. BYBLOS»	3 520 000	25%	STB did not have any control over this affiliate as at 31 December 2012
23 STE COND. IMPR. & PUBLICITE «CIP»	532 525	26.24%	As at 31 December 2012, this affiliate was in the process of liquidation.
24 STE D'ETUDES ET DE DEVELOPPEMENT DE SOUSSE	1 000 000	25%	On hold
25 STE D'ET. & DE DEVPT «ZOUARAA»	200 000	25%	On hold
26 STE HOTEL YOUNES	3 987 000	24.76%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
27 STE HOT ET DE DEV TQUE «HOTEL DREAMS BEACH»	3 182 000	24.58%	STB did not have any control over this affiliate as at 31 December 2012
28 STE HOTELIERE «BEL AIR»	5 423 510	23.97%	In receivership, being managed by a court-appointed administrator
29 STE DE DEV.ECO. DE KASSERINE SODEK-SICAR	6 236 055	23.56%	STB did not have any control over this affiliate as at 31 December 2012
30 STE DE COMMERCE INTERNATIONAL DE KEBILI «SOCIK»	200 000	22.50%	This affiliate is in the investment phase and thus does not yet issue financial statements.
31 STE DES IND. METALLURGIQUES «SIMET»	2 025 000	21.47%	As at 31 December 2012, the affiliate was in the process of liquidation.
32 STE DE PROMOTION TOURISTIQUE LES CYCLAMENS	4 319 000	21%	STB did not have any control over this affiliate as at 31 December 2012
33 S.H.T. LES BERGES 2000 «Hôtel l'Atrium»	1 375 000	20.18%	The continuity of operations is compromised and it is not expected that any assets will be recovered.
34 COPRAT HAMMAMET GARDEN HOTEL	2 150 000	20%	As at 31 December 2012, this affiliate was subject to stiff ongoing restrictions that limit in a major way its ability to transfer funds to STB.
35 STE DE DEVPT DU TOUR.SAHARIEN « PALMYRE »	8 808 500	26.86%	STB did not have any control over this affiliate as at 31 December 2012

LADIES AND GENTLEMEN, STOCKHOLDERS
OF THE TUNISIAN BANKING COMPANY STB

As per the mandate entrusted to us, we hereby submit to you our report on the STB Group's consolidated financial statements as at 31 December 2012 as appended to this report, along with our report on other legal and regulatory requirements. .

I. Report on consolidated financial statements

We have carried out our audit of the consolidated financial statements of the STB Group, which includes the balance sheet as at 31 December 2012, the off balance sheet statement of commitments, the results statement and the cash flow statement for the year ending on this date, along with a summary of the main accounting methods and other explanatory notes.

1. Responsibility of upper management for the financial statements

The Bank's structures for upper management and administration are responsible for the drawing up and faithful presentation of consolidated financial statements in line with the corporate accounting system applied in Tunisia. This responsibility includes the design, introduction and monitoring of internal control for the preparation and faithful presentation of financial statements that show no significant anomalies (be it through fraud or error), the choice and application of appropriate accounting methods, as well as the determination of accounting estimates that are reasonable in light of circumstances.

2. Responsibility of auditors

Our responsibility is limited to giving an opinion on the consolidated financial statements on the basis of our audit. Aside from the issues raised in paragraph 3.1, we have carried out our audit in line with the norms for the professional generally applied in Tunisia. These norms require that we follow ethical rules and that we plan and carry out the audit in a manner that give reasonable assurance that the financial statements contain no significant anomalies.

An audit involves performing procedures in order to obtain conclusive evidence about the amounts and information disclosed in the financial statements. The choice of procedures depends on the judgement of the auditor, notably his or her assessment of the risk that the financial statements contain significant anomalies (be it from fraud or error). In assessing these risks, the auditor takes into consideration internal control relating to the preparation and faithful presentation of financial statements, so as to design audit procedures that are appropriate in the circumstances.

An audit also includes assessment of the appropriate character of the accounting methods retained and the reasonable character of accounting estimates made by upper management, along with assessment of the overall presentation of financial statements.

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

3. Justification for a qualified opinion

3.1 Our audit exercise of STB as parent company was restricted by:

✔ a less than exhaustive data base of guarantees received by STB as well as the non availability of certain documents (registration of mortgages, AFI and AFT commitment to participate, expertise reports...) justifying the value of a number of actual guarantees held by STB

✔ the lack of response to our requests for information concerning ongoing disputes from lawyers mandated by STB

✔ the absence of information reflected in a valid manner in the accounting system for off balance sheet commitments, the statement of off balance sheet commitments having been drawn up extra-accounting on the basis of information provided by internal STB structures, meaning that the actual guarantees received by STB to cover client risk were not taken into account under the heading «guarantees received», which – as pointed out above – was due to the lack of an exhaustive inventory of these guarantees; and

✔ the absence of multi-currency accounting autonomously maintained in foreign currency as per a double entry system, which does not allow for clear identification of the impact of transactions in foreign currency on the result for the period.

3.2 The financial statements of the Franco-Tunisian Bank BFT, which is globally integrated, were the object of an unfavourable opinion because of the significant uncertainty weighing on its capacity to pursue operations, recover its assets and pay its debts in the normal course of its activities. A possible departure of BFT from the perimeter of consolidation of the STB Group would have a significant impact on many components of the consolidated financial statements of the STB Group.

3.3 As stated in our general audit report concerning 2011, our audit of STB as parent company has underlined the existence of risk from previous years insufficiently covered by provisions. In follow up to our report, work undertaken by the bank in 2011 and 2012 has helped establish the additional provisioning required to cover this risk, at 287 million dinars of which 159 million dinars were identified and entered as accounting modifications in 2011 and 128 million dinars identified and entered as accounting modifications in 2012. These accounting modifications, entered as an adjustment of opening equity, did not give rise to reprocessing in pro forma of financial statements for 2011 presented for purposes of comparison, because of the inherent limits of the Bank's information system, which does not allow for linking additional provisions to the appropriate years. Consequently, we consider that trends in the financial status and performance of the STB Group should not be compared to data that has not been reprocessed for 2011.

3.4 The table of STB as parent company commitments includes actual guarantees in the amount of 303 million dinars, taken into consideration by the bank to estimate provisions concerning compromised assets (class 4 and 5 claims, mainly in tourism) that date back to 2006 and prior years. The fact that these guarantees are so old is reason enough to question the hypothesis of liquidation on the market as required by article 10 of central bank of Tunisia circular n°91-24 for taking these guarantees into consideration.

Estimating corrections to be posted at the proper value of these guarantees and consequently of additional provisions to be constituted requires, in our opinion, new independent expertise and reconsideration on the commitments table of the legal and procedural aspects that would prevent this happening.

3.5 The equity of the STB as parent company includes an account entitled «reserves for social fund» which represents the amounts assigned to financing of the activities of the social fund. Reconciliation of the balance of this account, which comes to 7 million dinars with the outstanding balance of loans from the social fund in the amount of 23 million dinars yields an imbalance between resources and uses of some 16 million dinars, the origin of which cannot be justified by the bank.

3.6 Contrary to the terms of article 17 of law n°96-112 of 30 December 1996 enacting the corporate accounting system, STB as parent company did not in 2012 draw up a physical inventory of its fixed assets, which amounted to a net 82 million dinars.

3.7 Lines «cash and holdings at the central bank of Tunisia, the postal checks centre and the Tunisian general treasury», «claims on banking and financial institutions» and «deposits and assets of banking and financial institutions» on the financial statements of STB as parent company include lines that present longstanding outstanding amounts that have not been cleared, relating mainly to central bank of Tunisia dinar accounts, central bank of Tunisia foreign currency accounts, and foreign currency correspondents.

During the year audited and on the basis of individual identification of these outstanding items, a complementary provision of 38.630 million dinars has been entered. Assignment of this provision goes to old outstanding items (30.661 million dinars) and to outstanding items for the year (7.969 million dinars).

«Local correspondent» accounts as well as the account entitled «central bank of Tunisia BDET / BNDT» posts old frozen balances that have not been reconciled. Similarly, certain lines under «other assets» and «other liabilities» present frozen balances and outstanding items pertaining mainly to inter-head office accounts (in dinars and in foreign currency).

Pending the results of work to clear up these issues, we are not able to establish whether or not these accounts contain significant anomalies (whether by error or unauthorised transactions) nor can we determine what effect work to clear them up might have at the level of adjustments to the group's equity.

3.8 As stated in note 1.3.2, differed tax has been entered solely for elimination of intra-group transactions. Contingent tax assets and liabilities over time emerging from the individual financial statements of companies retained in the perimeter of consolidation are not entered in the group's financial statements.

Qualified opinion

In our opinion, subject to the outcome of the issues raised in paragraphs 3.1 to 3.8, the consolidated financial statements present fairly, in all material respects, the financial status of the STB Group as at 31 December 2012, as well as its financial performance and cash flows for the year ending on this date, in line with accounting principles generally applied in Tunisia

II. Report on other legal and regulatory requirements

We have conducted the specific verifications provided for in legislation, in line with the norms for the profession. The information contained in the STB Group's consolidated accounts, which is found in the board of directors' report to the general assembly, leads to the same remarks, expressed in the paragraph entitled « justification for a qualified option».

Tunis, 22 August 2013
Co-auditors

CFA
Fathi Saidi

SNJ-IMAC Group
Nedra Jlassi Semmar