



# SOCIÉTÉ TUNISIENNE DE BANQUE

## ANNUAL REPORT

### FINANCIAL YEAR 2022

Public Limited Company with a capital of TND 776.875.000

**Headquarters:** Hédi Noura Street – 1001 Tunis - **RCB** 182331996

**Phone:** 70.140.000 - **Telegraphic Address :** SOTUBANK

**Code:** Peterson 4th Edition Acmé

**Telex:** N° 14135 – 14815 – 15376 – 15377

SWIFT address : STBK TN TT

**Websites:**

- Commercial: [www.stb.com.tn](http://www.stb.com.tn)
- Electronic Commerce: [ecom.stb.com.tn](http://ecom.stb.com.tn)
- Online banking: [stbnet.stb.com.tn](http://stbnet.stb.com.tn)
- Facebook: STB BANK-authorized page







# CONTENTS

<b>GOVERNANCE BODIES</b>	<b>4</b>
BOARD OF DIRECTORS	4
COMMITTEES	5
EXECUTIVE MANAGEMENT	6
CO-AUDITORS	7
CHAIRMAN'S MESSAGE	8
DIRECTOR GENERAL'S MESSAGE	10
<b>COMPANY PROFILE SOCIETE TUNISINNE DE BANQUE</b>	<b>14</b>
BOARD OF DIRECTORS ACTIVITY REPORT 2022	15
ECONOMIC ENVIRONMENT	30
INTERNATIONAL ECONOMIC ENVIRONMENT	30
TUNISIAN ECONOMY	32
FINANCIAL POSITION AT 31 DECEMBER 2022	35
KEY FIGURES	36
BALANCE SHEET FINANCIAL YEAR 2022	37
STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	38
STATEMENT OF INCOME	39
STATEMENT OF CASH FLOWS	40
RESOURCES	41
LIABILITIES	42
EQUITY	45
ASSET QUALITY	45
SOLVENCY	47
LIQUIDITY	48
INCOME	49
INTERNAL AUDIT	54
RISK MANAGEMENT	56
DEVELOPMENT AND MODERNISATION	59
HUMAN CAPITAL	61
CORPORATE SOCIAL RESPONSIBILITY - SCR - IMPLEMENTATION OF THE NEW IFRS FRAMEWORK	61 64
DEVELOPMENT PROSPECTS	64
<b>NOTES TO THE FINANCIAL</b>	
NOTES TO THE FINANCIAL STATEMENTS ENDED AT 31 DECEMBER 2022	66
GENERAL REPORT OF THE STATUTORY AUDITORS	95
SPECIAL REPORT OF THE STATUTORY AUDITORS	100
<b>RESOLUTIONS OF SOCIETE TUNISINNE DE BANQUE ORDINARY GENERAL ASSEMBLY</b>	<b>109</b>
<b>STB GROUP MANAGEMENT REPORT</b>	<b>113</b>
PRESENTATION OF THE SCOPE OF THE GROUP	114
OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS	121
GROUP OUTLOOK	124
<b>CONSOLIDATED FINANCIAL STATEMENTS ENDED AT 31 DECEMBER 2022</b>	<b>125</b>
CONSOLIDATED BALANCE SHEET	126
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	127
CONSOLIDATED STATEMENT OF INCOME	128
CONSOLIDATED STATEMENT OF CASH FLOWS	129
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ENDED AS AT 31 DECEMBER 2022	130
CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE FINANCIAL YEAR 2022	170
CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE FINANCIAL YEAR 2021	171
CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2022	172
CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2021	173
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STB GROUP FOR THE YEAR ENDED 31 DECEMBER 2022	174



## GOVERNANCE BODIES

### Board of Directors



**Mr. Atef MAJDOUB**

Chairman of the Board of Directors  
Representing the State



**Mrs. Moufida ALOUI**

Representing the State



**Mr. Mohamed MRAIDHA**

Representing the state



**Mr. Hatem SALAH**

Representing the state



**Mr. Tarek BEN LARBI**

Representing the state



**Mrs. Rym OUESLATI**

Independent member



**Mr. Mohamed Jilani BEJI**

Independent member



**Mr. Hassen FEKI**

Representing STAR



**Mr. Lassaad ZARROUK**

Representing MAE



**Mr Moez BEN ZID**

Representing minority  
shareholders



**Mr. Ilyes CHERIF**

State auditor



## COMMITTEES

### **The Audit Committee**

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

### **The Risk Committee**

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

### **The Appointments and Remuneration Committee**

Its mission is to assist the Board of Directors in determining a compensation policy that is consistent with the Bank's medium- and long-term performance.

### **The Strategic Committee**

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

### **Higher Resolution Committee**

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

### **Market Committee**

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

### **Governance and Subsidiary Restructuring Committee**

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

## EXECUTIVE MANAGEMENT

### Director General



Mr. Lassaad ZNATI JOUINI<sup>(1)</sup>

### Secretary General



Mr. Nabil FRINI

### Deputy Director General



Mr. Lassaad ZNATI JOUINI

(1) : Appointment of Mr. Lassaad ZNATI JOUINI as Deputy Director General by the Board of Directors on 07/10/2022 to replace Mr. Mohamed CHOUIKHA.



## Co-Auditors

### CFA-CBC Group

Represented by Mr. Fathi SAIDI



- Firm «CFA»  
represented by Mr. Fathi SAIDI



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

### CSL - CNH Group

Represented by Mr. Samir LABIDI



- Firm «CSL»  
represented by Mr. Samir LABIDI



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

### Tasks

The main mission of the Co-Auditors (CAC) is to certify the annual accounts of the bank by carrying out a legal audit, the procedure of which is strictly defined by law and in accordance with the accounting principles generally accepted in Tunisia.

The certification of the accounts by the CAC consists in validating the sincerity, regularity and veracity of the financial data provided in the accounts and the annual accounts of the bank (balance sheet, income statement, off-balance sheet, cash flow statement and legal annexes).

## CHAIRMAN'S MESSAGE



Despite operating in a gloomy economic environment following the negative implications of the recent crises related to the Covid pandemic and the international geopolitical instabilities, Société Tunisienne de Banque (STB) was able to rise to the challenges by managing to close the 2022 financial year with achievements in line with both expected operational and prudential objectives.

Driven by a concern for continuous improvement of its profitability, the bank was able to further consolidate its financial assets while striving to meet regulatory requirements in terms of solvency, through the realization of profitable results combined with better control of the potential risks.

Fully committed to a process of transformation, STB, as a socially responsible bank, has extended its efforts to support all economic sectors, both public and private, through a much more rigorous credit policy based on more objective criteria for assessing risk and return profiles. At the same time, this effort was accompanied by the bank's active presence and significant contribution to government bond issues.

From a prudential point of view, STB has always been able to post indicators that strictly comply with the required thresholds, and to generate a fairly comfortable surplus of shareholders' equity, attesting to the restoration of its financial balances and its resilience in the face of major risks. In this respect, it is worth noting that shareholders' equity has almost doubled since 2015, reaching 1,296 MD at the end of 2022, thanks to the accumulation of profits over the years and their entire allocation to the absorption of losses carried forward. This situation reflects the achievement of the expected objective of enabling the bank to resume dividend distribution in future years.

At the same time and from a qualitative perspective, the bank continued its endeavour to protect the interests of depositors, creditors, shareholders and staff through sound, prudent and transparent management based on a strong culture of risk control and compliance.

As part of a continuous improvement process, and bolstered by these successful achievements, STB has started the implementation of a new strategy covering the period 2022-2026, designed around a more ambitious vision of becoming the best bank in the marketplace, a pro-active and responsible bank focused on sustainable development.



Through this new strategy, STB will, among other objectives, further consolidate its position and exploit the various performance levers and strengthen synergies within the STB Group. It will also pay particular attention to the development of more business through the launch of new professions and the envisioning of a banking service in the digital era and Big Data.

It goes without saying that the integrity, reputation and commitment of the Bank's governance and management bodies will be key factors in the success of this new strategy, as well as the usual support of the Bank's human capital.

## DIRECTOR GENERAL'S MESSAGE



Despite the difficult economic environment, the Bank was able to close the 2022 financial year with impressive performances in terms of both activity and performance indicators, enabling it to further consolidate its financial assets and thus maintain its position as one of the most competitive banks in the marketplace.

In line with its strategy of consolidating and diversifying its commercial base, the Bank has continued its efforts to mobilize resources in its various categories, giving priority to those with the best characteristics in terms of cost and maturity.

In this respect, deposits collected from customers grew at a higher rate than the sector as a whole, rising by 9% to reach a significant amount of 9,863 MD. This effort was rightly reflected in the consolidation of the stable portion of its deposits.

At the same time, it should be noted that this increase was accompanied by the provision of an additional

allowance of 136 MD in the form of long-term resources, thanks, in particular, to the successful closing of a private bond issue. This situation should be seen in the context of strategic orientations aimed at consolidating better support for jobs over the long term.

On the employment side, customer receivables increased by 1,129 MD or 11.6% in net terms, far outstripping the sector's achievements. This growth reflects the bank's sustained efforts made on behalf of the various economic players, both private and public, particularly in terms of financing their operating cycles.

Needless to say that the Bank has continued the deductions, from its profits, of the amounts required to cover the impairment of its receivables, in line with its prudent policy of risk management and hedging potentially depreciating receivables in preparation for the imminent adoption of IFRS.

This being said, the coverage ratio stood at 62.9% at the end of 2022, and it rightly reflects the build-up of substantial provisions and reserved bank charges over the years.

In parallel with its contributions to the economy, STB BANK has also actively participated in the financing of the public debt through subscriptions to treasury bills and the various installments of national loan issued by the State. In this context, the overall outstanding amount of the Bank's Securities Portfolio increased by 26.3% to total 2,362 MD at the end of December 2022.

Regarding performance indicators, STB BANK closed the 2022 financial year with a net banking income of 689 MD, up 6.7% compared with the end of December 2021, with a particular increase in the net interest margin which remains the main component of this aggregate with a share of 53%.

Net income fell by 17.4% to 93.1 MD due to several exceptional factors relating, in particular, to a fairly significant cost of the risk associated with



the recognition of substantial collective provisions in application of the new rules of the Central Bank of Tunisia on the one hand, and the depreciating receivables in certain troubled sectors, on the other.

As a result, shareholders' equity rose by 7.7% to 1,296.3 MD, a level that further strengthened the overall and Tier 1 solvency ratios to 3.83% and 9.36% respectively, compared with 13.25% and 9.25% a year ago.

Also, it should be pointed out that STB Bank managed to regain to financial balance in 2022, and it is now able to overcome any serious obstacles that might prevent it from distributing dividends in the coming years.

In this respect, thanks to the accumulation of profits during the recent years and their allocation in full to the absorption of losses carried forward, which peaked at 749 million dinars at the end of 2013, the retained earnings stood at 172.6 million dinars at the end of the financial year 2022.

The absorption of the carried forward losses was in line with a resolution approved by the Annual General Meeting in which it was decided to remedy them in full through the use of available reserves.

Fortunately, these factors will enhance the Bank's position and consolidate the confidence of its various stakeholders: shareholders, depositors, correspondents, lenders, investors, etc..., thus developing the Bank's business, boosting its share price and regaining confidence.

On the commercial aspect, STB BANK has further confirmed its strategy of winning over retail customers, with the aim of attracting new potential retails, professional and commercial institutions, and better meeting and serving their needs.

This approach has also been extended to the corporate segment, by boosting customer acquisition in the most buoyant sectors, enriching the range of products and services designed to meet the needs

of targeted sectors, and developing the activity of business centers, all with the aim of providing customers with diversified offers and tailor-made support.

At the same time, STB BANK has been working to consolidate its achievements in urbanization of the Information System, DATA strategy development, digitalization, IT infrastructure modernization and the implementation of IT and cyber security policies.

In addition to enhancing existing functionalities in certain business applications, new developments have been implemented in response to new regulatory requirements, strengthening of controls and interfacing standards related in particular to the implementation of new digital products.

STB BANK has also focused on aligning its IT infrastructure with required needs as well as on continuing to manage IT and cyber risks, through a sound understanding of the risks and opportunities of the digitalization era, and the development of an information security roadmap.

With regard to Human Capital, STB BANK has worked to establish a strong corporate culture aimed, inter alia, at involving staff in its business and its values, and improving cohesion between employees. This has helped to maintain a healthy and fulfilling climate conducive to better management of skills and careers, while continuously assessing staff performance in line with qualitative and quantitative criteria designed to reinforce the responsibility of line managers in the monitoring, supervision and social promotion of their staff.

STB BANK is also committed to its values, and has made a transparent commitment to further asserting its position as a responsible corporate citizen and key player in a number of corporate social responsibility projects benefiting the country in areas such as Culture, Education and Health.









## COMPANY PROFILE SOCIÉTÉ TUNISIENNE DE BANQUE

### **Pioneer bank: nearly 65 years of achievements and performance in promoting the industrial, tourism and commercial sectors**

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

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

The STB group was already a major economic force, with dozens of subsidiaries in all sectors of the economy.

STB is a universal bank offering a complete range of services to all types of customers: Individuals,

Tunisians residing abroad, Professionals, Small and Medium Enterprises, Groups and Large Enterprises.

Leaning its development on the proximity and the societal commitment, it puts its expertise to the benefit of its customers, its partners and the economy of the country.

STB has a dense network in Tunisia with 149 branches spread throughout the country.

On the side of performance and with reference to the success recorded in the execution of the plan 2016-2020, the bank launched its new strategy 2022-2026 based on a vision, missions and strategic directions horizon 2026.

Through its new strategy, STB is committed to providing human and logistical efforts to achieve further success, allowing it to have a place on the podium of successful banks at the end of the plan period.



# BOARD OF DIRECTORS ACTIVITY REPORT 2022

## I- ADMINISTRATIVE BODY



### Mode of Governance

Since the Extraordinary General Assembly of 3 June 2015, STB has abolished the position of Chief Executive Officer and Managing Director and opted for the separation of the function of Chairperson of the Board of Directors and the function of Director General. Currently:

- Mr. Atef MAJDOUB performs the function of Chairman of the Board of Directors since 30 November 2022, in succession of Mrs. Amel MDINI.

- Mr. Lassaad ZNATI JOUINI performs the function of Director General by interim since 7 October 2022, in succession of Mr. Mohamed CHOUIKHA.

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

### Structure of the Board of Directors

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

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

## Qualification and professional background of the members of the Board of Directors

<p><b>Mr Atef MAJDOUB</b> Chairman of the Board of Directors</p>	<ul style="list-style-type: none"> <li>• Head of Department/Deputy Director/Director Higher Commission for Public Procurement in the Presidency of the Government</li> <li>• Director General of the Concession Monitoring Unit at the Presidency of the Government</li> <li>• President of the Departmental Commission for the Control of Public Procurement at the Presidency of the Government</li> <li>• President of the General Instance of PPP - General Instance of PPP within the Presidency of the Government</li> <li>• Member of the Board of Directors of Banque Tuniso-Emarati (BTE)</li> <li>• Member of the Risk Committee of Banque Tuniso-Emarati (BTE)</li> <li>• Member of the construction committee of the new headquarters of Banque Tuniso-Emarati (BTE)</li> <li>• Member of the nomination and remuneration committee Banque Tuniso-Emarati (BTE)</li> <li>• Member of the board of directors - Cité Nationale Sportive</li> <li>• Member of the board of the Régie Nationale des Tabacs et des Allumettes (RNTA)</li> <li>• Member of the commission nationale des approbations (CNAPP) - Ministry of Economy and Planning</li> <li>• Member of the specialized authority in charge of the examination of the problems related to the projects of electricity production from renewable energies - Ministry of Energy</li> <li>• Member of the World Association of PPP Units and Professionals - WAPPP (World Association of PPPs)</li> </ul>
<p><b>Mr Mohamed MRAIDHA</b></p>	<ul style="list-style-type: none"> <li>• Central Director at BNA</li> <li>• Director at SICAR INVEST</li> <li>• Director General at SIP SICAR</li> <li>• Administrator at ESSOUKNA</li> <li>• Administrator at SMVDA</li> <li>• Chairman of the Board of Directors SODAL</li> </ul>
<p><b>Mrs Moufida ALOUI</b></p>	<ul style="list-style-type: none"> <li>• Deputy Controller of Public Services – Presidency of the Government</li> <li>• Comptroller of Public Services - Presidency of the Government</li> <li>• Chief Controller of the Public Service - Presidency of the Government</li> <li>• Comptroller General of Public Services - Presidency of the Government</li> <li>• Director of Administrative and Financial Affairs - Ministry of Communication Technologies</li> <li>• Member of the National Commission for Investigation of Corruption and Embezzlement Cases - National Commission for Investigation of Corruption and Embezzlement</li> <li>• Head of Section of Investigations, Special Missions and Consultations - Presidency of the Government</li> <li>• Member of the Board of Directors – The Tunisian Post</li> <li>• Member of the Board of Directors – SOTUGAT</li> <li>• Member of the Board of Directors - L'ONAS</li> </ul>
<p><b>Mr Tarek BEN LARBI</b></p>	<ul style="list-style-type: none"> <li>• Director General of Privatization at Presidency of the Government</li> </ul>



<b>Mr Hatem SALAH</b>	<ul style="list-style-type: none"> <li>• University Professor in Financial &amp; Banking Economics at ESC Tunis</li> <li>• Director of the THÉMA research laboratory (Economic Theory, Modeling and Application), ESC Tunis.</li> <li>• Independent consultant to multilateral donors.</li> <li>• Member of the Economic Analysis Council, Presidency of the Government.</li> <li>• Independent member of the investment committee, SICAR Régionale SODESIB</li> <li>• Member of the Board of Directors of the association of Tunisian economists (ASECTU)</li> <li>• Member of the scientific council of the ESC of Tunis</li> <li>• Member of the jury for promotion to the rank of Professor of Higher Education in economics.</li> <li>• Deputy Director, Director of Internships, ESC de Tunis.</li> <li>• Director of Research Masters: Banking, Finance &amp; International Trade, ESC de Tunis</li> </ul>
<b>Mr Hassene FEKI</b>	<ul style="list-style-type: none"> <li>• Director General of STAR</li> </ul>
<b>Mr Moez BEN ZID</b>	<ul style="list-style-type: none"> <li>• Advisor to several clients in North Africa</li> <li>• Member of the Board of Marina Bizerte</li> <li>• Board member – CAPSA</li> <li>• Managing Director at Deutsche Bank (London, New York, Singapore)</li> <li>• Managing Director in charge of structured credit sales teams.</li> <li>• Fixed Income &amp; Alternative Management Department - JPMorgan Chase Bank</li> <li>• Member of the team responsible for the development of credit derivatives – Société Générale Paris</li> <li>• Member of the interest rate derivatives team responsible for the development of management systems – Crédit Commercial de France</li> </ul>
<b>Mr Lassaad ZARROUK</b>	<ul style="list-style-type: none"> <li>• Managing Director of MAE Assurances</li> <li>• President of the General Arab Insurance Union – GAIF</li> <li>• CEO of STAR - Insurance</li> <li>• President of the Tunisian Federation of Insurance Companies (FTUSA)</li> </ul>
<b>Mrs Rym OUESLATI</b>	<ul style="list-style-type: none"> <li>• Chartered accountant, graduate from the French State</li> <li>• Doctor in management sciences</li> <li>• Teacher at Tunis Dauphine University</li> <li>• Pedagogical manager of training for professionals in the fields of banking, insurance, governance, etc. (ACCA, IFRS, IFRS-Assurance, training of directors, etc.)</li> <li>• Teacher at the Higher Institute of Management (ISG of Tunis)</li> <li>• Teacher at the Higher School of Economics and Commercial Sciences Tunis (ESSEC Tunis)</li> <li>• Responsible for audit and IFRS reporting missions (UBCI, BTK, Attijari Bank, etc.)</li> </ul>
<b>Mr. Mohamed Jilani BEJI</b>	<ul style="list-style-type: none"> <li>• Head of the Credit Control Department - Directorate General of Credit and Banking at the Central Bank of Tunisia</li> <li>• Head of Credit Analysis and Control Department - Directorate General of Credit and Capital Markets at the Central Bank of Tunisia</li> <li>• Director of Credit Risk Monitoring - Directorate General Financial Stability and Risk Prevention at the Central Bank of Tunisia</li> <li>• Deputy Director General - Directorate General of Financial Stability and Risk Prevention at the Central Bank of Tunisia</li> <li>• Member of the Board of Directors - Office Nation de l'Huile ONH</li> <li>• Member of the Board of Directors - National Register of Enterprises (RNE)</li> </ul>

## Appointment of the Board of Directors Members

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

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

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

## Renewal of terms

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

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

## Training of the Board of Directors members

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

## Evaluation of the Board and its members

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

## Prohibitions / Conflicts of Interest

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

## II- FUNCTIONING OF THE BOARD OF DIRECTORS

### Main responsibilities of the Board of Directors

#### The Board of Directors:

- Ensures the implementation of an efficient governance system of the bank, which guarantees the efficiency of operations, the protection of assets and the control of risks within the framework of compliance with the laws and legislation organizing their activities.
- Evaluates the bank's governance system periodically in terms of its adaptation to significant changes that have occurred at the bank, particularly in terms of the size of the activity, the complexity of operations, market developments and organizational requirements.
- Approves the framework laws, organizational charts, conditions procedures for recruitment and the conditions of appointment and withdrawal from functional jobs.
- Approves arbitration policies and arbitration clauses and reconciliation agreements, the amounts of which are set by the Board of Directors for the settlement of disputes in accordance with the legislation and regulations in force.
- Monitors all major changes affecting the bank's business in order to safeguard the interests of depositors, shareholders, all stakeholders and, in general, the long-term interests of the bank.
- Ensures that the institution acts in compliance with all applicable laws.
- Sets the overall strategic orientations and approves program contracts and business plans and explicitly defines profitability objectives consistent with maintaining the bank's financial soundness.
- Defines the quantitative and qualitative indicators for monitoring the bank's performance, particularly in terms of solvency, liquidity and profitability.
- Analyzes in depth the technical issues that fall within the remit of the committees.
- Monitors the execution of the bank's strategy.
- Ensures that the human, financial and logistical resources are permanently in line with the strategy and intervention policies adopted.
- Approves the provisional operating and investment budgets as well as their methods of financing before the end of the year preceding their execution.

- Approves and monitors the implementation of capital adequacy measurement models in relation to the volume and nature of risks, liquidity management policies, compliance requirements with laws and regulations governing the activity and the internal control system.
- Approves the financial statements
- Prepares the bank's annual report.

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

### Frequency of meetings of the Board of Directors

The Board of Directors meets at least six times a year and when necessary, to consider matters on the agenda submitted at least ten days before the meetings are held to all members of the Board of Directors and the Ministry of Finance. During the financial year 2022, the Board met 15 times respectively on:

4 January 2022	2 September 2022
1 March 2022	7 October 2022
5 April 2022	27 October 2022
12 April 2022	10 November 2022
21 April 2022	27 November 2022
16 June 2022	30 November 2022
21 July 2022	22 December 2022
31 August 2022	

### Agenda of the Board of Directors

The agendas of the Board of Directors cover all the important issues and include the following points that are discussed on a permanent basis:

- Report on the Bank's financial situation: The Board of Directors is regularly informed of the bank's situation concerning the following points: Analysis of the bank's financial situation, its positioning, and analysis of achievements in relation to the objectives...
- Audit Committee report: The Board of Directors must include in its agenda via the report of the Audit Committee, the resolutions taken to remedy the shortcomings mentioned in the reports of the auditors and external audit bodies. Resolutions taken in this respect are monitored by the Internal

Audit Department and periodically submitted to the Audit Committee. The minutes of the Audit Committee retracing the monitoring of these points are submitted to the Board of Directors.

- Risk committee report: The Board of Directors examines the reports of the Risk Committee relating mainly to the design and updating of a risk management policy as well as the analysis and monitoring of the institution's exposure to risks, particularly credit, market, liquidity and operational risks.
- Reports from other committees: Appointments and Remuneration Committee, Strategy Committee, Higher Resolution Committee, Governance and Subsidiary Restructuring Committee and Markets Commissions.
- Approval of activity indicators and individual quarterly financial statements
- Approval of the annual consolidated financial statements
- Follow-up of the Statutory Auditors' reservations and the internal audit letter
- Procurement follow-up
- Follow-up on Board decisions

In addition, the Board of Directors examined a number of other points relating in particular to:

- The status of the work carried out in the context of the migration to the IFRS standards.
- Approval of the strategy and business plan for the period 2022-2026, the program contract 21-25, as well as the budgets for the financial year 2023.
- Approval of the bank's various policies and charters (Risk Appetite Framework RAF, Compliance Policy, Environmental and Social Policy, Gender Policy etc.)
- The implementation of the restructuring program and the evaluation of the anti-money laundering and terrorism financing system and the follow-up of the BCT recommendations on the non-compliance with the investment regulations.
- Appointment of STB's new Director General by interim on 7 October 2022.
- Appointment of the new Chairman of the Board and revision of the composition of the committees of the Board of Directors on 30 November 2022.





### Secretariat of the Board of Directors

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

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

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

## III- COMMITTEES OF THE BOARD OF DIRECTORS

### Audit Committee

(created during the Board meeting of 12 December 2006)

The fundamental mission of the Audit Committee, which is composed of four members including a chairman (independent member), consists in overseeing the implementation and proper functioning of the internal control system, and

ensuring its monitoring and supervision of its activities, in particular the close collaboration with the Risk Committee in order to guarantee better complementarity in terms of internal control and risk management.

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

The committee met 9 times during the year 2022.

### Risk Committee

(Created during the Board meeting of 11 December 2012)

The mission of the Risk Committee, composed of 4 members including a chairman (an independent member), is to assist the Board of Directors to fulfill its responsibilities relating to the management and monitoring of risks and compliance with relevant regulations and policies.

The committee met 6 times during 2022. The secretariat is provided jointly by the Central Credit Risk Monitoring Department and the Central Operational Risks and Markets and Permanent Control Department.



### Appointment and Remuneration Committee (Created during the Board meeting of 15 November 2011)

The mission of this committee, composed of 3 members, is to assist the Board of Directors in determining a remuneration policy in line with the Bank's medium and long-term performance.

It met 07 times during the year 2022. The secretariat is provided by the Support and Means Division.

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

The Strategy Committee is composed of 4 Board members including one independent and is chaired by the Chairman of the Board of Directors. The role of this committee is to participate in the design of the Bank's strategy, to monitor its implementation and therefore to examine the implementation of the Strategic projects.

The committee met three times during the year 2022. The secretariat is provided by the Strategy and Steering Department.

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

The committee is composed of 4 members of the Board of Directors including one independent, the Director General and/or the Deputy Director General, the Head of the Credit and Resolution Risk Division, the Head of the Commercial and Network Division, the Central Resolution Director, the Central Credit Risk Monitoring and any Manager whose presence may be deemed useful.

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

The committee, whose secretariat is provided by the Credit and Resolution Risks Division, met 5 times during the year 2022.

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

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

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

It also ensures that the subsidiaries set up a quarterly reporting system on the main activity indicators.

The committee, whose secretariat is provided by the Central Directorate of Subsidiaries and Participations, met 4 times during the year 2022.

### Markets Committee

The said commission, composed of 3 members in addition to the State Auditor, has the mission of examining the regularity of the procedures for recourse to competition, the awarding of contracts, the sincerity and transparency in the procedures for awarding contracts. It also ensures that the administrative, financial and technical conditions are acceptable.

The secretariat is provided by the Permanent Secretariat of the Procurement Commission. This committee met 9 times during the year 2022.

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

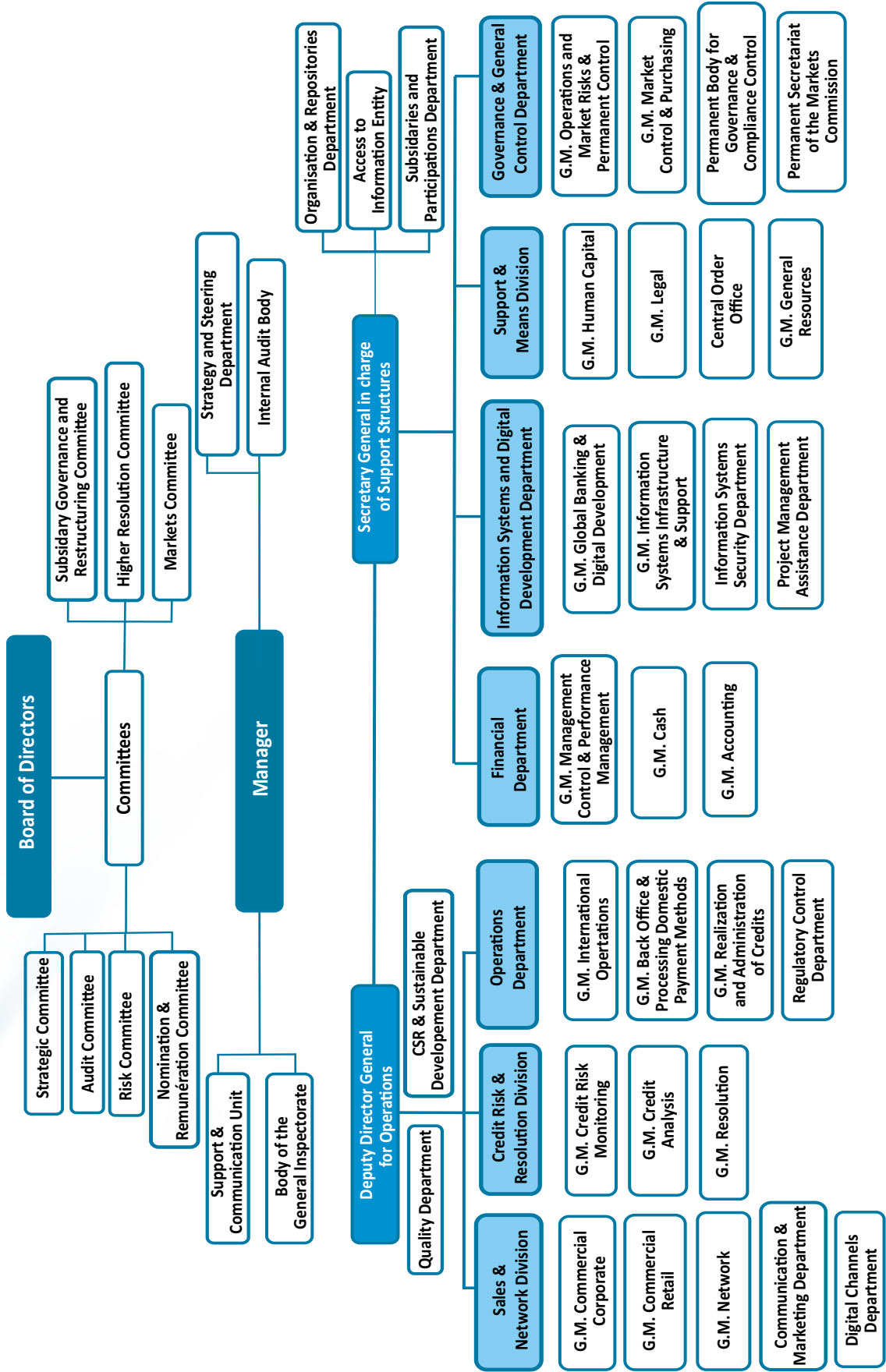
### Confidentiality

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

### Contribution to the work of the Board

The members actively contribute to the work of the Board of Directors by constructively questioning the Director General and seeking clarification on the various points on the agenda.

V- ORGANIZATION OF THE BANK





### Communication of information

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

### Attendance at Board meetings

The members regularly participate in the meetings of the Board of Directors. The attendance rate is 84%.

### Business lines

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

- Receiving deposits from the public, whatever their duration and form
- The granting of loans in all its forms
- The provision of customers and the management of means of payment

- Operations related to its activity such as counselling and assistance in asset management, financial management, financial engineering and generally all services intended to facilitate the creation, development and restructuring of businesses.

- International activities

- Market activities

### Structure of subsidiaries

The STB group is formed by the parent company STB and its subsidiaries in which it directly or indirectly holds at least 50% of the capital. STB as the parent company has exclusive control over the companies of the group.

The STB group is composed of 13 companies and operates in the financial, tourism, real estate and services sectors.







### Shareholding structure (as at 31 December 2022)

In accordance with the provisions of Article 40 of the Articles of Association, only holders of at least 10 shares, paid up with the due payments, may attend the General Assembly or be represented by another shareholder by means of power of attorney that

they must hand over to their proxy or return it duly signed, at least three days before the Assembly to the Company STB FINANCE, Subsidiary of the Bank, located at Hédi Karray Street – 1004 Tunis.

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

TND TND in thousands

Shareholders	Number of Shares	Amount	%
<b>Tunisian shareholders</b>	<b>153,891,933</b>	<b>769,460</b>	<b>99.05%</b>
<b>Juristic persons</b>	141,074,238	705,371	90.80%
Public companies	129,568,465	647,842	83.39%
Private companies	11,505,773	57,529	7.41%
<b>Natural persons</b>	12,817,695	64,088	8.25%
<b>Foreign shareholders</b>	<b>1,483,067</b>	<b>7,415</b>	<b>0.95%</b>
<b>Juristic persons</b>	1,382,570	6,913	0.89%
<b>Natural persons</b>	100,497	502	0.06%
<b>Total</b>	<b>155,375,000</b>	<b>776,875</b>	<b>100%</b>

## VI- MANUALS, POLICIES, CODES AND CHARTERS

The year 2022 was marked by the reinforcement of the governance and internal control system at the level of the STB, through the elaboration and updating of policies, charters, codes and internal procedures manuals that govern the bank's activity in accordance with the circular No. 2021-05 dated 19 August 2021 having for object the governance framework of banks and financial institutions.

### Code of Governance

The Société Tunisienne de Banque has a code of governance approved by the Board of Directors and duly signed by all its members. This code aims to defining, in accordance with the bank's bylaws and the legislation in force:

- The mode of governance,
- The principles,
- Governance policies and practices,
- The governance bodies, their responsibilities, their composition and the rules governing their operation,
- The arrangements for ensuring the independence of the control functions,
- The relationship of the administrative body with the management body and the institution's operational structures.

### Code of ethics

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

This code aims to:

- Determine the behaviors and attitudes expected of bank employees, as well as the behaviors and attitudes that are incompatible with the Bank's values.
- Establish ethical standards, ground rules and principles of professional etiquette,

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

The Human Resources Department undertakes to provide this code to be signed by all bank employees

and show commitment to abide by it. It also keeps the signed copy in the employee's file.

### Director's Charter:

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

- Defense of the corporate interest
- Protection of the Bank's reputation
- Compliance with laws and bylaws
- Independence
- Professionalism and involvement
- Avoidance of conflict of interest
- Integrity and loyalty

### Committee Charters:

All committees have a charter that essentially provides for the principles of confidentiality and the avoidance of conflict of interest.

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

### Bank Policies:

The Bank has several policies:

- Anti-Corruption and Prevention Policy
- Conflict of Interest Policy
- Compliance Policy
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Alerting Policy
- Risk Appetite Policy
- Gender and Diversity Policy
- General Environmental and Social Policy
- CSR Policy

The bank will update these policies and have them approved by the Board of Directors whenever there is an update or modification imposed by the regulations.

### Manuals of the bank

The bank has developed several manuals, namely:

- The recruitment manual
- The manual of procedures of purchasing which sets the conditions of preparation, conclusion, execution, payment and closure of contracts and purchases.



- The operation manual of social and environmental risk management following the partnership signed between the Ministry of Finance, the Central Bank of Tunisia and KfW on behalf of the German Government to promote access to financing for EPTs

## VII- COMMUNICATION OF INFORMATION

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



### To the public

Annual publication of a detailed report to the public, on the activities of the Board, setting forth:

- The governance code and the details of its implementation, the internal code of ethics and the charters of the institution's committees.
- The nominative composition of the Board, the rules of its operation, the professional background of its members, their representation qualities and their mandates and a summary of the work of the committees.
- The organization of the institution, its business lines and the structure of its subsidiaries.
- The frequency of board and committee meetings, including the number of members who attended each meeting.
- A presentation by the Board on the adequacy of the internal control system and its resources.
- A description of the structure, operation and activities of risk management.
- The institution's risk profile, the composition of its equity and its adequacy in relation to the risk profile.
- The provisioning policy for risk coverage.
- The shareholder structure, in particular the main shareholders, their representation on the board and voting rights.
- Detailed information on the remuneration of the members of the Board, the management body and senior management.
- Significant transactions with related parties, including the names of the related parties, the nature of the transactions, their amount and a confirmation that these transactions have been carried out.

### To the Central Bank of Tunisia

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

- The special report of the auditor containing a section on agreements concluded between the bank and persons related to it.
- Any appointment or change occurring at the level of the first managers in charge of audit, risk management and compliance control.
- Any appointment of the Chairman, a member of the Board of Directors, the Director General, and the Deputy Director General, is notified within a period not exceeding seven days.
- A detailed Curriculum Vitae of the person appointed (Chairman, member of the Board of Directors, Director General and Deputy Director General) is provided accompanied by a cover letter.
- The identity and curriculum vitae of the internal audit manager responsible for ensuring the consistency and effectiveness of periodic control missions.
- A copy of the detailed annual reports of the activities of the audit committee and the risk committee are provided 15 days before the Ordinary General Assembly of shareholders.
- A report on the conditions under which internal control is ensured, and a report on the measurement and monitoring of the risks to which the bank and the group are exposed, no later than four months after the end of the financial year and at least fifteen days before the Ordinary General Assembly.

### To the Ministry of Finance

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

- Program contracts;
- The minutes of the management and deliberation bodies;
- Reports and minutes of meetings of the audit and risk committees and compliance audit bodies issued by the Board of Directors;
- The progress of execution of the program contracts;
- The projected operating and investment budgets and their financing methods, as well as the reports

on their implementation;

- The financial statements, the reports of the auditors and the reports emanating from the various control structures;
- The reports of the Central Bank of Tunisia and its recommendations;
- The annual activity reports;
- The indicators provided for by the prudential standards established in accordance with the regulations in force;
- The annual situations relating to the number of employees and payroll.

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

### To the Presidency of the Government

The documents sent to the Presidency of the Government are detailed as follows:

- The operating and investment budget estimates and their methods of financing;
- The annual activity reports;
- The financial statements;
- The auditors' reports.

The above-mentioned documents are transmitted to the Presidency of the Government within ten days from the date of their establishment or their approval by the Board of Directors or their receipt, as the case may be.

### To the Ministry of Economy and Planning

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

In addition, information sessions are sometimes organized at Tunis Stock Exchange (BVMT) by the institution's senior executives, in particular the Director General and the Head of the Financial Division and are intended for shareholders, market analysts and journalists from the financial press.

## VIII- SUPERVISION OF GENERAL MANAGEMENT

The bank's General Management is fully committed to the implementation of the governance system.

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

This oversight extends to the compliance of the Director General's actions with the approved strategy and policies, including risk policy.

## IX- REMUNERATION AND APPOINTMENT

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

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

The appointment of the members of the Board and the Committees is made by the Ordinary General Assembly of Shareholders.

## X- OBLIGATIONS TO AVOID CONFLICTS OF INTERESTS

The conflict of interest management policy, which was updated by the Governance, Ethics and Compliance Department, detailed the following obligations:

- The adoption of an effective management policy for conflicts of interest.
- The duty of every board member to avoid activities that could create conflicts of interest.
- Prohibiting the concerned person to participate in the vote concerning the approval of the agreements concluded with the bank and the persons related to it.
- The shares of the concerned person shall not be taken into account for the calculation of the quorum and the majority.
- The obligation to submit the agreements concluded between the bank and the persons related to it to the General Assembly of shareholders for approval on the basis of a special report drawn up by the or auditor(s).
- An undertaking to refrain from participating and voting in matters where there may be a conflict of interest or where the director's objectivity or ability to properly discharge duties to the bank may be impaired.
- A commitment not to use bank assets for personal use.
- An undertaking to disclose to the Board of Directors any information that has led or could lead to a conflict of interest situation.
- The commitment to perform their roles honestly by placing the interest of the institution above their own interests.
- An undertaking by the concerned person not to be a member of the board of another bank at the same time.
- Notifying the Central Bank of Tunisia of any agreement concluded between the bank and the persons having links with it within the meaning of article 43 (relating to the management of conflicts of interest) of Law n° 2016-48 that the Director General, the Deputy Director General may not exercise the function of manager of an economic enterprise.
- The Director General and the Deputy Director General may not hold any of these positions in another bank, financial institution, insurance company, stock market intermediation company, securities portfolio management company or investment company.



- The respect of professional secrecy by the members of the Board of Directors and this for the information of which they have become aware as a result of the exercise of their missions and not to use this information, apart from the cases allowed by law, for purposes other than those required for the execution of the missions entrusted to them, even after the loss of their qualities, and this, under penalty of the sanctions provided for by article 254 of the penal code relating to the offence of disclosing confidential information. The conflict of interest policy and the draft director's charter include this commitment.



# ECONOMIC ENVIRONMENT

## INTERNATIONAL ECONOMIC ENVIRONMENT

For the year 2022, the International Monetary Fund (IMF) has maintained its forecast for global economic growth unchanged at 3.4% against a growth of 6% recorded in 2021 and a recession of 3.5% in 2020.

This development is attributable, in particular, to the slowdowns observed at the level of the largest economic powers, namely a contraction of the American GDP, a downturn in the euro zone and a recession in the Chinese economy due to the new surge in cases of contamination and new travel restrictions.

The global economy also suffered from the Russo-Ukrainian war, increased inflationary pressures and a tightening of financial conditions in most countries already affected by the persistence of the COVID-19 pandemic.

In particular, **the advanced economies** are expected to show a slowdown in GDP growth to 2.7% in 2022 from 5.2% in 2021, mainly due to an expected weakening of activity in the United States as a result of rising prices and a decline in consumption and investment.

In **emerging and developing countries**, GDP is expected to grow by 3.7% in 2022, compared with 6.6% in 2021. This change is largely due to a net slowdown in the Chinese economy as a result of the reappearance of the pandemic and the new travel restrictions imposed, and to a slowdown in economic growth in India.

In this new context, **Japan** is expected to return to its pre-pandemic level of economic growth thanks to a sustained recovery in consumption, in addition to the reopening of the country's borders to tourists and a revival of exports with foreign trading partners. In this sense, the country's growth outlook has been maintained at 1.7% for the year 2022.

Inflation in Japan has risen to 3% in September 2022 due in part to a shift from producer price increases to consumer prices.

Despite rising inflation, Japan has benefited from an ultra-accommodative monetary policy by the Bank of Japan. Similarly, the Japanese authorities have pursued a massive fiscal support policy while adopting new measures to improve household purchasing power.

The unemployment rate reached 2.6% in August 2022.

In **the Eurozone**, the IMF has forecast a GDP growth rate of 3.3% in 2022, compared with a rebound of 5.2% in 2021. This slowdown is largely attributable to the considerable repercussions of the Russo-Ukrainian war and, in particular, to soaring energy prices and persistent disruptions in supply chains, the tightening of monetary policies and the general slowdown in the world economy.

The inflation rate has worsened, moreover, reaching a peak of 10% in September 2022 compared with 4.1% in 2021, which has led several countries to introduce additional aid plans to protect households and companies from soaring prices.

With regard to employment, and continuing its downward trend, the unemployment rate remained stable in 2022 at 6.7% in December 2022 compared with 7.0% in 2021 and 8.2% in 2020. It should also be noted that the largest decreases were recorded in Austria, France, Greece and Lithuania.

In addition, the European Central Bank (ECB) has begun to tighten its monetary policy and decided, at its meeting on September 8, 2022, to raise its main policy rates by 0.75 percentage points.

For **the United States of America**, GDP growth is expected to slow to 2.1% in 2022, according to the latest projections, compared with a recovery of 5.9% in 2021 and a recession of 2.8% in 2020. This growth was driven mainly by household consumption, non-residential investment and foreign trade.

Consumption, the engine of the U.S. economy has remained particularly strong despite the tightening of monetary policy adopted by the U.S. Federal Reserve (FED). It should be noted that the FED decided, on September 21, 2022, to raise its key interest rate of 0.75%

and this, to slow down a too high inflation and plans additional increases in interest rates until it reaches its inflation targets. In this context, the inflation rate has been estimated at 6.5% for the whole of 2022.

On the employment front, the unemployment rate has declined to its lowest level in half a century and to its pre-pandemic level of 3.5% in 2022. In its release, the labor department reported that notable job creation occurred in leisure and hospitality, health services, construction and social services.

**China**, for its part, has observed a GDP growth of 3.2% in 2022, its lowest rate in more than four decades, due in particular to the new outbreak of COVID-19 cases, the new vigorous sanitary restrictions and the crisis in real estate, a sector that represents, with construction, more than a quarter of the Asian giant's GDP.

Since 2020, the real estate sector has been suffering from the Chinese authorities' tightening of the conditions of access to credit for real estate developers in order to reduce their indebtedness. However, in recent weeks, the Chinese government seems to be adopting a more conciliatory approach in order to revive this essential sector.

The unemployment rate rose slightly to 5.5% in December 2022 from 5.7% a month earlier.

China's annual inflation rate was 2.8% at the end of September 2022, reaching its highest level since May 2020. Indeed, despite the numerous repercussions of the Russian-Ukrainian crisis and the notable increases in the prices of agricultural products, energy and raw materials, the Chinese economy has not seen its inflation rates rise to the levels seen in Western countries.

After the shock of the COVID-19 pandemic, **India's economy** regained its growth potential in 2022 by being one of the fastest growing economies in the world, with GDP growth of 7% in 2022 compared to 8.7% a year earlier, despite the impact of the war in Ukraine, the slowdown in global demand and the tightening of monetary policy to manage inflationary pressures.

Average annual inflation was estimated at 6.7% in 2022, compared with 5.1% in 2021, i.e., below the Central Bank's target level.

The unemployment rate, returning from its peak of 11.9% in May 2021, i.e. its highest level in the DELTA variant wave, stood at 8.3% at the end of December 2022.

**The Middle East and North African countries**, for their part, will post a broad economic recovery of 5.7% in 2022, under the impact of exceptional gains due to an increase in oil and gas production and the related price increases on world markets.

In **Sub-Saharan Africa**, GDP growth is expected to slow by more than 1 percentage point to 3.6% from 4.7% in 2021 due to a global recession, sluggish investment and a general deterioration in the trade balances of the region's countries.

In particular, oil-exporting countries and countries rich in other natural resources are projected to grow by 3.3% and 3.1% respectively. The resource-poor countries, whose economies are more diversified, are expected to grow by 4.6%.

Inflation in the region is expected to reach 8.7% by the end of 2022. Echoing global trends, this has been driven largely by essential food and energy products that are imported in many countries.

In order to limit inflationary pressures, central banks around the world have adopted restrictive measures at a faster pace than initially anticipated. The tightening of monetary policy in advanced economies combined with a strong U.S. currency, geopolitical tensions and high inflation has resulted in reduced risk appetite and increased capital outflows from emerging and developing countries.



# ECONOMIC ENVIRONMENT

## TUNISIAN ECONOMY

The significant repercussions of the war in Ukraine, the global rise in commodity prices, and the after-effects of the COVID-19 health crisis have had a significant impact on the growth of the Tunisian economy in 2022.

Nevertheless, taking into account the good performance of the mining and manufacturing sectors, the recovery of the tourism and trade sectors and the increased control of the pandemic, international institutions forecast a GDP growth rate of 2.4% for the year 2022 as opposed to 4.3% in 2021.

In this sense, the manufacturing industries have experienced an improvement in their value added by showing a growth of 3.1% in 2022. This improvement has affected, essentially, the activity of textile industries, clothing and leather and to a lesser degree, mechanical and electrical industries and this, despite the impact of the Russian-Ukrainian crisis and problems in supply chains.

In contrast to this trend, the non-manufacturing industries have shown a deceleration attributable to the activity of oil and natural gas extraction against an improvement in the activity of mining products in connection with the resumption of phosphate production.

The agriculture and fisheries sector has shown, moreover, an increase of 2% against a contraction of 4.8% a year earlier due mainly to the increase in the production of olive oil and grain.

Similarly, the activity of services recorded an increase in its contribution to national GDP and this, following the growth of value added achieved in the hotel and restaurant sector and transport.

Regarding the tourist activity, the various indicators have continued, during the year 2022, their upward trend. The flow of foreign tourists has indeed experienced a recovery of 160% compared to the end of December 2021. This development has particularly concerned European tourists such as the French, English and Germans and at a lower level, tourists from the Maghreb. The overall tourist nights have progressed, so amply is 140% more compared to the year 2021.

With reference to the above, the tourist receipts in foreign currency recorded, at the end of December 2022, an improvement of 83.1% to reach TND 4 279 M while remaining, nevertheless, below the levels of pre-Covid performance.

In addition and concerning the activity of the Air Transport, the Tunisian national airline reported to have achieved a growth in the number of passengers of 97.8% compared to the end of December 2021. By airport, this improvement has been observed in particular, at the level of airports Djerba-Zarzis and Tunis-Carthage.

In addition, the investments declared in the industry sector reached TND 1 796,2 M during the first ten months of the year 2022 what corresponds to a regression of 11,2% compared to the same period of the previous year. This regression is due mainly to the food and chemical industries.

The number of declared projects is registered, in parallel, down to 2 438 projects allowing the creation of 37 326 jobs.

The investments declared one hundred percent foreign or in partnership have shown a decline of 14.8% to TND 665.4 M during the first ten months of the year 2022.

The investments declared in the zones of regional development accused, moreover, a regression of 27% to be situated in TND 819,5 M against TND 1 122,3 M one year earlier.

During the same period, the investments declared in the service activities have shown an increase of 11.7%. The number of declared projects related to it has increased accordingly, to 7 874 projects that have created 25 339 jobs.

Regarding trade with foreign countries, exports have recorded an increase of 23.4% for the year 2022 at a rate less pronounced than the increase in imports of 31.7%.

Exports of textiles, clothing and leather industries and food industries have continued, in fact, their progression during the year 2022 against a deceleration of exports

related to mechanical and electrical industries that have been strongly impacted by the effects of the Russian-Ukrainian crisis on industrial production and foreign demand.

In addition, exports related to the mining and energy sectors have recorded a significant improvement due, in particular, to the surge in international prices of energy and raw materials.

The rise in imports is due, moreover, to the excessive increase in imports of energy products, raw materials and semi-finished goods, consumer goods and capital goods imports.

With reference to what precedes, the deficit of the balance of trade worsened more to be located at TND 25 216 M in 2022 against TND 16 210,7 M one year earlier. That said, the coverage rate deteriorated by 4.7 points to 69.5%.

As regards employment, the unemployment rate fell slightly during the fourth quarter of 2022 to 15.2%.

The inflation rate increased to 10.1% at the end of 2022, the highest rate since August 1987, compared with 9.8% in the previous month and 6.6% in December 2021. A development attributable, essentially, to inflationary pressures from global markets. The consumer index has been in this sense, particularly high for food and manufactured goods.

Average inflation for the whole of 2022 was 8.3%, compared with 5.7% a year earlier.

Core inflation excluding food and energy rose to 7.7% from 5.4% a year earlier.

In this context, the Central Bank of Tunisia has decided to increase its key rate by 75 basis points to 8% in December 2022 and to raise the rate of return on savings to 7%. The CBT aims, thus to slow down the upward trends of inflation bringing it back to sustainable levels in the medium term.







# **FINANCIAL POSITION FINANCIAL YEAR 2022**

**KEY FIGURES**

**FINANCIAL STATEMENTS**

**RESOURCES**

**LIABILITIES**

**EQUITY**

**ASSET QUALITY**

**SOLVENCY**

**LIQUIDITY**

**INCOME**



## KEY FIGURES

**Continued upward trend of indicators conferring on the Bank the status of an economic player of choice in the country's economic development.**

### Activity indicators

TND in millions		Dec.-18	Dec.-19	Dec.-20	Dec.-21	Dec.-22	CAGR (2018-2022)
Activity	Total balance sheet	10,519.8	11,301.9	12,249.4	13,487.2	14,687.5	8.7%
	Client deposits	6,357.0	7,370.0	8,442.1	9,047.6	9,863.2	11.6%
	Borrowing resources	284.8	313.0	363.1	495.8	631.4	22.0%
	Total of collected resources	6,641.8	7,683.0	8,805.3	9,543.4	10,494.6	12.1%
	Total outstanding client loans	9,092.7	9,803.0	10,747.8	11,350.1	12,462.1	8.2%
	Net outstanding client loans	7,133.4	7,978.2	9,080.4	9,731.1	10,860.4	11.1%
	Net contributions to the company	8,655.7	9,490.6	10,796.2	11,666.3	13,288.0	11.3%
Results	Intermediation margin	254.6	363.0	367.9	362.5	367.6	9.6%
	Net commissions	85.9	101.2	113.2	125.8	126.7	10.2%
	Revenue from securities portfolio	132.8	137.0	144.5	157.7	195.1	10.1%
	Net banking income	473.4	601.1	625.7	646.1	689.4	9.9%
	Operating charges	219.8	234.2	247.8	282.2	307.2	8.7%
	Gross operating income	261.5	374.5	386.1	374.0	390.5	10.5%
	Net income before accounting changes	66.9	157.3	72.2	112.7	93.1	8.6%
	Net income after accounting changes	66.9	157.3	72.2	104.0	81.6	5.1%
Total revenues	846.2	1,048.0	1,089.9	1,119.4	1,283.3	11.0%	
Equity	Capital	776.9	776.9	776.9	776.9	776.9	0.0%
	State grant	117.0	117.0	117.0	117.0	117.0	0.0%
	Reverses	485.1	485.0	483.8	483.1	482.1	[0.2%]
	Retained earnings	[575.6]	[508.3]	[349.7]	[285.8]	[172.6]	[26.0%]
	Net income	66.9	157.3	72.2	112.7	93.1	8.6%
	Total equity	870.2	1,027.9	1,100.1	1,203.8	1,296.4	10.5%

### Key Figures

		Dec.-18	Dec.-19	Dec.-20	Dec.-21	Dec.-22
Risk	Solvency ratio	10.7%	12.6%	12.6%	13.3%	13.8%
	Tier 1	7.7%	9.2%	9.0%	9.3%	9.4%
	LCR	96.9%	142.8%	102.5%	107.6%	121.1%
	LTD	150.0%	137.4%	117.0%	118.5%	120.3%
	Classified debt rate	20.8%	18.3%	14.9%	13.5%	13.5%
	Coverage rate of classified receivables (net of reserved bank charges)	75.4%	75.4%	75.3%	75.0%	62.9%
Profitability	Return on Equity (ROE)	8.3%	18.1%	7.0%	10.3%	7.7%
	Return on Assets (ROA)	0.7%	1.4%	0.6%	0.9%	0.7%
	Net income / NBP	14.1%	26.2%	11.5%	17.4%	13.5%
	Net commissions / NBP	18.1%	16.8%	18.1%	19.5%	18.4%
	Interest margin / NBP	53.8%	60.4%	58.8%	56.1%	53.3%
	Net commissions/ payroll	59.9%	67.2%	72.1%	70.0%	65.0%
Productivity	Deposits / employees (in thousand Dinars)	3,426.9	3,822.6	4,457.3	4,602.0	5,166.7
	Loans / employees (in thousand Dinars)	3,845.5	4,138.1	4,794.3	4,949.7	5,689.1
	NBP/ employees (in thousand Dinars)	255.2	311.8	330.3	328.6	361.1
	Operating Ratio	46.4%	39.0%	39.6%	43.7%	44.6%
Other indicators	Employees	1.855	1.928	1.894	1.966	1.909
	Number of branches	143	149	149	149	149
	Number of ATMs	197	202	188	191	194
	Number of VSE	901	1.082	1.386	1.600	1.597
Dashboard «shareholder»	Number of shares (in thousands)	155.375	155.375	155.375	155.375	155.375
	Closing rate (in TND)	3.7	4.7	3.4	3.0	3.8
	Market capitalization (in Millions)	571.8	727.2	520.5	463.0	590.4
	Earnings per share (in TND)	0.4	1.0	0.5	0.7	0.6

# BALANCE SHEET

## FINANCIAL YEAR 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%
<b>Assets</b>					
A1 - Cash and assets with the CBT, PCC and GTT	5.1	175,533	532,828	(357,295)	(67,1%)
A2 - Receivables from banking and financial institutions	5.2	445,503	571,397	(125,894)	(22,0%)
A3 - Receivables from clients	5.3	10,860,414	9,731,138	1,129,276	11,6%
A4 - Commercial securities portfolio (*)	5.4	906,582	612,350	294,232	48,0%
A5 - Investment portfolio	5.5	1,455,603	1,258,378	197,226	15,7%
A6 - Fixed assets	5.6	136,218	124,928	11,290	9,0%
A7 - Other assets	5.7	707,696	656,179	51,517	7,9%
<b>Total assets</b>		<b>14,687,548</b>	<b>13,487,197</b>	<b>1,200,352</b>	<b>8,9%</b>
<b>Liabilities</b>					
L1 - Central Bank and Postal Cheques Centre	5.8	1,517,934	1,461,625	56,309	3,9%
L2 - Deposits and assets of banking and financial institutions	5.9	535,323	545,025	(9,702)	(1,8%)
L3 - Deposits and assets of client	5.10	9,863,202	9,047,593	815,609	9,0%
L4 - Borrowings and special resources	5.11	631,433	495,760	135,673	27,4%
L5 - Other liabilities (*)	5.12	843,292	733,367	109,925	15,0%
<b>Total liabilities</b>		<b>13,391,184</b>	<b>12,283,370</b>	<b>1,107,814</b>	<b>9,0%</b>
<b>Equity</b>					
E1 - Capital	5.13	776,875	776,875	-	-
E2 - State grant	5.13	117,000	117,000	-	-
E3 - Reserves	5.13	465,712	466,258	(545)	(0,1%)
E4 - Treasury stock	5.13	(5,509)	(5,509)	-	-
E5 - Other equity	5.13	21,853	22,314	(461)	(2,1%)
E6 - Deferred results (*)	5.13	(172,650)	(285,792)	113,142	(39,6%)
E7 - Result for the financial year (*)	5.13	93,083	112,681	(19,599)	(17,4%)
<b>Total Equity</b>		<b>1,296,365</b>	<b>1,203,827</b>	<b>92,537</b>	<b>7,7%</b>
<b>Total equity and liabilities</b>		<b>14,687,548</b>	<b>13,487,197</b>	<b>1,200,352</b>	<b>8,9%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.



# STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

## FINANCIAL YEAR 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%
<b>Contingent Liabilities</b>					
OB1 - Sureties, endorsements and other guarantees given	6.1	1,493,927	1,461,294	32,633	2,2%
OB2 - Letters of credit		613,717	488,692	125,025	25,6%
OB3 - Assets pledged as collateral		-	-	-	-
<b>Total contingent liabilities</b>		<b>2,107,644</b>	<b>1,949,986</b>	<b>157,658</b>	<b>8,1%</b>
<b>Commitments Given</b>					
OB4 - Financing commitments given	6.2	157,323	115,592	41,731	36,1%
OB5 - Securities commitments		26	101	(75)	(74,1%)
<b>Total commitments given</b>		<b>157,349</b>	<b>115,693</b>	<b>41,656</b>	<b>36,0%</b>
<b>Commitments Received</b>					
OB7 - Guarantees received	6.3	3,098,907	2,251,533	847,374	37,6%
<b>Total commitments received</b>		<b>3,098,907</b>	<b>2,251,533</b>	<b>847,374</b>	<b>37,6%</b>



# STATEMENT OF INCOME

## FINANCIAL YEAR 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%
<b>Banking Operating Income</b>					
BOI1 - Interest and similar revenue	7.1	951,865	829,417	122,448	14,8%
BOI 2 - Commissions (as income)	7.2	136,304	132,236	4,069	3,1%
BOI 3 - Gains on trading securities portfolio and financial operations (*)	7.3	113,937	89,220	24,717	27,7%
BOI 4 - Revenue from investment portfolio (*)	7.4	81,175	68,496	12,679	18,5%
<b>Total banking operating income</b>		<b>1,283,282</b>	<b>1,119,369</b>	<b>163,913</b>	<b>14,6%</b>
<b>Banking Operating Charges</b>					
BOC1 - Interest incurred and similar charges	7.5	(584,297)	(466,907)	(117,390)	25,1%
BOC2 - Commissions incurred		(9,557)	(6,387)	(3,169)	49,6%
<b>Total banking operating charges</b>		<b>(593,854)</b>	<b>(473,294)</b>	<b>(120,569)</b>	<b>(25,5%)</b>
<b>Net Banking Income (*)</b>	<b>7.6</b>	<b>689,428</b>	<b>646,075</b>	<b>43,354</b>	<b>6,7%</b>
BI5- BOC 4 - Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities	7.7	(216,474)	(138,193)	(78,281)	56,6%
BI6- BOC 5 - Allocations to provisions and result of value adjustments on the investment portfolio	7.8	(459)	(8,022)	7,563	(94,3%)
BI7 - Other operating income	7.9	8,245	10,076	(1,831)	(18,2%)
BOC 6 - Staff costs	7.10	(194,968)	(179,724)	(15,244)	8,5%
BOC 7 - General operating charges	7.11	(98,908)	(88,606)	(10,302)	11,6%
BOC 8 - Allocations to depreciation and provisions on fixed assets		(13,279)	(13,843)	565	(4,1%)
<b>Operating Income (*)</b>		<b>173,586</b>	<b>227,763</b>	<b>(54,177)</b>	<b>(23,8%)</b>
BI8-BOC9 - Profit/loss balance from other ordinary items	7.12	19,959	(3,523)	23,483	(666,5%)
BOC11 - Income tax (*)	7.13	(92,531)	(89,822)	(2,710)	3,0%
<b>Income from Ordinary Activities (*)</b>		<b>101,014</b>	<b>134,418</b>	<b>(33,404)</b>	<b>(24,9%)</b>
BI9-BOC10 - Profit/loss balance from other extraordinary items	7.14	(7,931)	(21,736)	13,805	(63,5%)
<b>Net Income for the Financial Year</b>		<b>93,083</b>	<b>112,681</b>	<b>(19,599)</b>	<b>(17,4%)</b>
Effect of accounting changes (Net of tax)		(11,506)	(8,720)	(2,786)	31,9%
<b>Income after Accounting Change (*)</b>		<b>81,576</b>	<b>103,961</b>	<b>(22,385)</b>	<b>(21,5%)</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.



# STATEMENT OF CASH FLOWS

## FINANCIAL YEAR 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%
<b>Operating Activities</b>					
Banking income received		1,183,776	994,207	189,569	19,1%
Banking operating charges disbursed		(555,064)	(432,110)	(122,954)	(28,5%)
Deposits / withdrawals of deposits with banking and financial institutions		33,629	41,106	(7,477)	(18,2%)
Loans and advances / loans repayments and advances granted to clients		(1,314,299)	(696,609)	(617,690)	(88,7%)
Deposits / withdrawal of client deposits		811,323	613,627	197,696	32,2%
Investment securities		(60,764)	(183,957)	123,193	67,0%
Amounts paid to staff and sundry creditors		(150,030)	(218,463)	68,433	31,3%
Other cash flows from operating activities		(62,953)	(23,700)	(39,253)	(165,6%)
Income tax		(106,961)	(104,525)	(2,436)	(2,3%)
<b>Net cash flows from operating activities</b>	<b>8.1</b>	<b>(221,343)</b>	<b>(10,424)</b>	<b>(210,919)</b>	<b>(2023,4%)</b>
<b>Investing Activities</b>					
Interest and dividends received on investment portfolio		70,884	65,721	5,163	7,9%
Acquisitions / disposals of investment portfolio		(187,393)	(71,739)	(115,654)	(161,2%)
Acquisitions / disposals of fixed assets		(24,485)	(11,137)	(13,348)	(119,9%)
Other investment flows		-	-	-	-
<b>Net cash flows from investing activities</b>	<b>8.2</b>	<b>(140,994)</b>	<b>(17,155)</b>	<b>(123,839)</b>	<b>(721,9%)</b>
<b>Financing Activities</b>					
Issuance of borrowings		99,330	88,451	10,879	12,3%
Repayment of borrowings		(49,828)	(33,062)	(16,766)	(50,7%)
Increase / decrease of special resources		66,134	66,822	(688)	(1,0%)
Dividends paid		-	-	-	-
<b>Net cash flows used in financing activities</b>	<b>8.3</b>	<b>115,636</b>	<b>122,211</b>	<b>(6,575)</b>	<b>(5,4%)</b>
Impact of changes in exchange rates on Cash & Cash Equivalents		-	-	-	-
Impact of Changes in Methods on Cash & Cash Equivalents		-	-	-	-
<b>Net change in cash and cash equivalents</b>		<b>(246,701)</b>	<b>94,632</b>	<b>(341,333)</b>	<b>(360,7%)</b>
Cash and cash equivalents at the beginning of the period		<b>(978,228)</b>	<b>(1,072,860)</b>	<b>94,632</b>	8,8%
<b>Cash and cash equivalents at the end of the period</b>	<b>8.4</b>	<b>(1,224,929)</b>	<b>(978,228)</b>	<b>(246,701)</b>	<b>(25,2%)</b>

# FINANCIAL POSITION AT 31 DECEMBER 2022

## Resources

**Upward trend of resources mobilization testifying to the efforts aimed at further consolidating its commercial base.**

The Société Tunisienne de Banque closed the financial year 2022 with an increase of the expanded

resources of TND 902 M or 9.1% to bring their outstanding amount to TND 10.795 M (vs TND 9.893 M one year earlier).

The increase noted characterized first of all the deposits collected from customers and to a lesser degree the borrowing resources. As for investments in monetary and financial instruments, they showed a decrease of TND 49 M or 14.1%.

TND in millions	Dec-21	Dec-22	Variation	%
Client deposits	9 048	9 863	816	9,0%
Financial intermeditation	349	300	(49)	(14,1%)
Borrowing resources	496	631	136	27,4%
<b>Total expanded resources</b>	<b>9 893</b>	<b>10 795</b>	<b>902</b>	<b>9,1%</b>

### 1. Client deposits

Efforts to mobilize deposits generated an additional total of TND 816 M. This growth (+9%) affected the various categories of deposits, particularly time deposits, which rose by TND 449 M or 31.1%. This situation is explained by the fact that some depositors are investing their surpluses in the various types of mature deposits, which offer an attractive rate of return.

At the same time, the bank continued its success in collecting savings deposits, increasing their volume

by TND 285 M or 7.9%. Total savings deposits thus stood at TND 3,871 M at the end of 2022.

Demand deposits showed a smaller increase (+ TND 49 M or 1.3%), mainly benefiting dinar deposits.

Against this backdrop, the structure of client deposits remains characterized by the predominance of relatively lower-cost deposits (savings and call deposits) at 77%.

TND in millions	Dec-21	Part	Dec-22	Part	Variation	%
Demand deposits	3 650	40,3%	3 699	37,5%	49	1,3%
of which foreign currency call deposits	1 107	12,2%	1 046	10,6%	(61)	(5,5%)
Term deposits	1 445	16,0%	1 894	19,2%	449	31,1%
Saving deposits	3 586	39,6%	3 871	39,2%	285	7,9%
Other amounts due to customers	368	4,1%	399	4,1%	33	8,9%
<b>Total expanded resources</b>	<b>9 048</b>	<b>100,0%</b>	<b>9 863</b>	<b>100,0%</b>	<b>816</b>	<b>9,0%</b>



## 2. Financial intermediation

Customer investments in monetary and financial instruments decreased by TND 49 M, i.e., 14,1% to stand at TND 300 M at the end of 2022, due to the TND 50 M or 17.6% decrease in Treasury bonds investments.

## 3. Borrowing resources

At the end of the financial year 2022, outstanding borrowing resources stood at TND 631 M, up TND 136 M, i.e., 27.4% compared to its level recorded at the end of December 2021, broken down as follows:

- **Private placement bonds:** + TND 82 M, ie; 29.1%, resulting mainly from the successful closing of the private placement issued at the beginning of the year for TND 100 M.
- **Special resources:** +54 MD or 25.1%, mainly as a result of the drawdown on certain external credit lines including AFSED (Arab Fund for Economic and Social Development) (TND +17,8 M), KFW (TND+10,1 M), the Italian line (TND+12,4 M) and the Spanish line (TND +8,5 M).

TND in millions	Dec-21	Dec-22	Variation	%
Private placement bonds	281	362	82	29,1%
Special resources	215	269	54	25,1%
<b>Total borrowing resources</b>	<b>496</b>	<b>631</b>	<b>136</b>	<b>27,4%</b>

## Liabilities

Against a difficult economic backdrop, the bank played its full role in financing the economy in the form of operating loans, particularly for companies affected by the economic crisis.

### 1. Contribution to the economy

Gross contribution to the economy increased by TND 1,607 M, or 11.9%, to TND 15,099 M at the end of 2022, compared with TND 13,491 M at the end of 2021.

TND in millions	Dec-21	Dec-22	Variation	%
<b>Gross contribution to the economy</b>	<b>13 491</b>	<b>15 099</b>	<b>1 607</b>	<b>11,9%</b>
Gross receivables from clients	11 350	12 462	1 112	9,8%
Gross securities portfolio	2 077	2 571	494	24%
Commercial paper	64	65	1	1,6%
<b>Provisions and reserved bank charges</b>	<b>1 825</b>	<b>1 810</b>	<b>(14)</b>	<b>(0,8%)</b>
Provisions / receivables	1 140	1 149	9	0,8%
Provisions / securities	206	209	3	1,3%
Reserved bank charges	479	453	(26)	(5,5%)
<b>Net contribution to the economy</b>	<b>11 666</b>	<b>13 288</b>	<b>1 622</b>	<b>13,9%</b>

## 2. Net receivables from customers

At the end of financial year 2022, gross customer receivables stood at TND 12,462 M compared with TND 11,350 M a year earlier, marking an increase of TND 1,112 M? i.e. 9.8%. This growth reflects the bank's efforts to support economic players, especially public companies.

Parallèlement, la banque a continué ses efforts en At the same time, the bank continued its efforts to provision its overdue loans by allocating the sums required to cover their depreciation.

In addition to allocations to traditional and additional provisions, it set aside additional collective provisions, in accordance with BCT circular 2023-02 of 24 February 2023, which aims to gradually converge towards IFRS standards.

### Structure of gross receivables



TND in millions	Dec-21	Dec-22	Variation	%
<b>Gross client receivables</b>	<b>11 350</b>	<b>12 462</b>	<b>1 112</b>	<b>9,8%</b>
Management loans	4 764	5 711	9 474	19,9%
Investment loans	4 224	4 594	170	3,8%
Loans to individuals	2 053	2 044	(9)	-0,4%
Other loans	109	113	4	3,7%
<b>Provisions and reserved bank charges</b>	<b>(1 619)</b>	<b>(1 602)</b>	<b>17</b>	<b>(1,1%)</b>
Provisions	(1 140)	(1 149)	(9)	0,8%
Reserved bank charges	(479)	(453)	26	(5,5%)
<b>Net client receivables</b>	<b>9 731</b>	<b>10 860</b>	<b>1 129</b>	<b>11,6%</b>

## 3. Securities portfolio

**Active participation of the bank in the financing of the public debt through subscriptions in Treasury Bonds and in the various tranches of the national borrowing.**

In gross terms, the total outstanding securities portfolio increased by TND 494 M i.e., 23.8% to reach TND 2,571 M at the end of 2022 compared with TND 2,077 M one year earlier. In net terms, it increased by TND 491 M i.e., 26.3%, rising over the same period from TND 1,871 M to TND 2,362 M.

TND in millions	Dec-21	Dec-22	Variation	%
Commercial securities portfolio	612	907	294	48,0%
Gross investment securities portfolio	1 464	1 664	200	13,7%
<b>Gross securities portfolio</b>	<b>2 077</b>	<b>2 571</b>	<b>494</b>	<b>23,8%</b>
Provisions	(206)	(209)	(3)	1,3%
<b>Net securities portfolio</b>	<b>1 871</b>	<b>2 362</b>	<b>491</b>	<b>26,3%</b>

• **Commercial securities portfolio: + TND 294 M i.e. 48%.**

The outstanding amount of the commercial securities portfolio increased remarkably (+ TND 294 M i.e. 48%) and reached TND 907 M at the end of 2022. This increase mainly concerned the stock of short-term Treasury bills (+ TND 235 M).

The investment portfolio rose by TND 58.9 M to TND 667 M to meet client demand for investments.

• **Net investment securities portfolio: + TND 197 M i.e. 15,7%.**

The gross outstanding amount of investment securities rose by TND 200 M i.e. 13.7%, from TND 1,464 M at the end of 2021 to TND 1,664 M, mainly as a result of the TND 196 M or 184% increase in outstanding bond loans following the TND 203 M subscription to the national loan.

Taking into account the increase in provisions allocated to cover the depreciation of equity securities (+ TND 3 M or 1.3%), the total net outstanding amount of the investment securities portfolio stood at TND 1,456

M, of which TND 811 M (or a 56% share) represented the net volume of the stock of Assimilable Treasury Bonds held in the investment portfolio.

## Off-balance commitments

Off-balance sheet commitments changed as follows:

- Contingent liabilities increased by TND 158 M i.e. 8.1% to TND 2,108 M at the end of 2022. This situation results from the improvement observed in the opening of documentary credits (+ TND 125 M or +25.6%) and the issuing of guarantees and sureties (+ TND 33 M or +2.2%).
- Financing commitments given increased from TND 116 M at the end of 2021 to TND 157 M at the end of 2022, an increase of TND 42 M or 36%.
- At the same time, commitments received rose by TND 847 M or 37.6% to total TND 3,099 M at the end of 2022 compared with TND 2,252 M a year earlier.

TND in millions	Dec-21	Dec-22	Variation	%
<b>Contingent liabilities</b>	<b>1 950</b>	<b>2 108</b>	<b>158</b>	<b>8,1%</b>
Sureties, endorsements and other guarantees given	1 461	1 494	33	2,2%
Letter of credit	489	614	125	25,6%
<b>Commitments given</b>	<b>116</b>	<b>157</b>	<b>42</b>	<b>36,0%</b>
Financing commitments given	116	157	42	36,1%
Commitment on securities	0,1	0,0	(0)	(74,1%)
<b>Commitments received</b>	<b>2 252</b>	<b>3 099</b>	<b>847</b>	<b>37,6%</b>
Guarantees received	2 252	3 099	847	37,6%



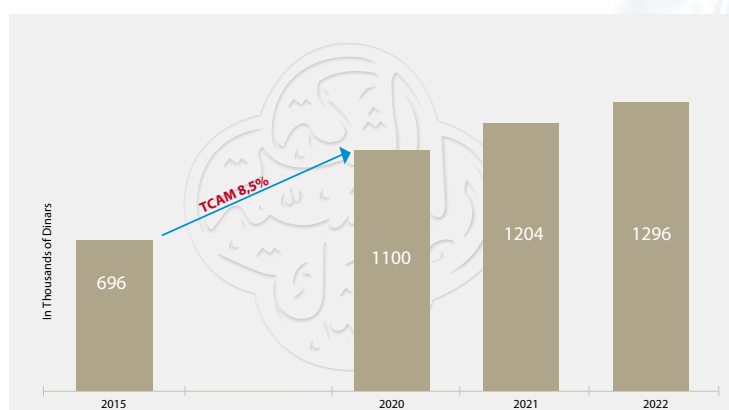
## Equity

With reference to the net income by the end of 2022, i.e. TND 93 M, total equity stood at TND 1,296 M, up 7.7% compared with its level at the end of 2021.

Thanks to its efforts, and assuming that all of this income is used to absorb losses carried forward, STB's retained earnings would be TND 83 M [compared with TND 694.7 M in 2015].

TND in millions	Dec-21	Dec-22	Variation	%
Capital	777	777	-	0,0%
Government grant	177	117	-	0,0%
Reserves	466	466	(1)	-0,1%
Equity	(6)	(6)	-	0,0%
Other equity	22	22	(0)	(2,1%)
Retained earnings	(286)	(173)	113	(39,6%)
Income of the year	113	93	(20)	(17,4%)
<b>Total equity</b>	<b>1 204</b>	<b>1 296</b>	<b>93</b>	<b>7,7%</b>

### Equity Evolution



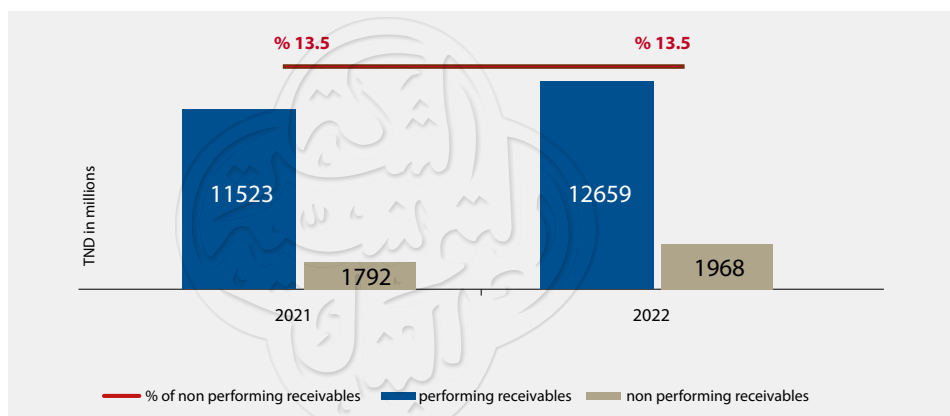
## Asset Quality

### 1. Evolution of non-performing receivables

Performing receivables increased by TND 1 136 M or 9.9% at almost the same rate as non-performing receivables (TND 175 M or 9.8%), which explains the stabilisation of the non-performing receivables rate at 13.5%.

TND in millions	Dec-21	Dec-22	Variation	%
<b>Gross receivables</b>	<b>13 315</b>	<b>14 626</b>	<b>1 311</b>	<b>9,8%</b>
Performing receivables	11 523	12 659	1 136	9,9%
<b>In % of gross receivables</b>	<b>86,5%</b>	<b>86,5%</b>		
Non-performing receivables	1 792	1 968	175	9,8%
<b>In % of gross receivables</b>	<b>13,5%</b>	<b>13,5%</b>		

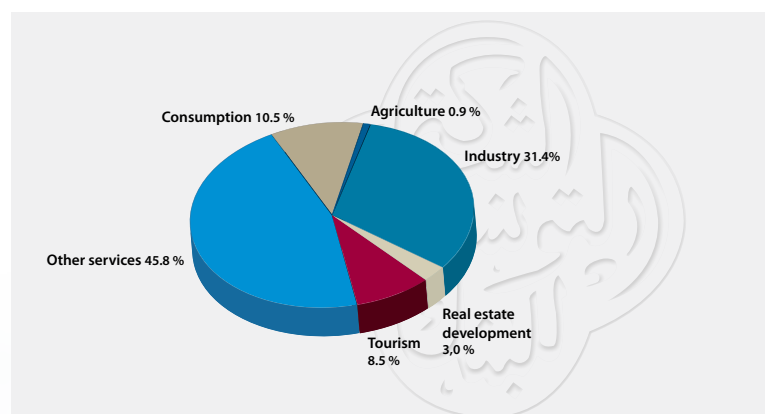
### Rate Evolution of Hanging Receivables



It should be noted that the structure of non-performing receivables by sector of activity shows a relatively high concentration in the industry

and tourism sectors, reflecting the difficulties encountered by promoters, particularly since 2020, when the health crisis linked to covid-19 broke out.

### Commitments by sector



## 2. Coverage of Non-performing receivables

The level of cover for non-performing receivables remains high, as a direct result of the large volume of provisions and premiums set aside in previous years.

In line with the prudent policy adopted for covering non-performing receivables, the Bank has continued

its provisioning efforts by deducting the necessary sums from its profits, enabling it to post a fairly substantial coverage rate of 62.9% at the end of 2022.

Compared with the situation at the end of 2021, this level of cover has fallen, a finding that can be linked in part to the impact of the write-offs and disposals of certain impaired loans.

TND in millions	Dec-21	Dec-22	Variation	%
Non-performing receivables	1 792	1 968	175	9,8%
Reserved bank charges	(431)	(404)	27	(6,2%)
<b>Non-performing receivables net of bank charges</b>	<b>1 361</b>	<b>1 563</b>	<b>202</b>	<b>14,8%</b>
<b>Provisions</b>	<b>(1 021)</b>	<b>(983)</b>	<b>38</b>	<b>(3,7%)</b>
<b>% of coverage of hanging receivables</b>	<b>75,0%</b>	<b>62,9%</b>	<b>(12,1) pp</b>	

## Solvency

**Solvency ratios in excess of regulatory thresholds, with fairly comfortable capital surpluses, demonstrating the bank's resilience in the face of major risks and improved financial strength.**

### 1. Tier-1 solvency ratio

Net core capital (NCB) was further consolidated, rising from TND 1,023 M to 1,109 M. The increase (TND +86 MD or 8.4%) corresponds to the allocation

of the entire profit recorded at the end of 2022 to the reserve accounts.

At the same time, the risks incurred have also increased, but at a slower rate than that of the net banking income, resulting in an improvement in the Tier 1 ratio, which stood at 9.36% at the end of 2022 (compared with 9.25% at the end of 2021).

It should also be noted that credit and counterparty risk continue to account for a large proportion of the risks incurred (87%).

TND in millions	Dec-21	Dec-22	Variation	%
<b>Risks incurred</b>	<b>11 062</b>	<b>11 851</b>	<b>789</b>	<b>7,1%</b>
Risk-weighted assets – Credit risks	9 571	10 145	574	6,0%
Risk-weighted assets – Operational risks	1 173	1 226	52	4,5%
Risk-weighted assets – Market risks	319	480	162	50,8%
<b>Net core capital</b>	<b>1 023</b>	<b>1 109</b>	<b>86</b>	<b>8,4%</b>
<b>Solvency ratio (tier one)</b>	<b>9,25%</b>	<b>9,36%</b>	<b>11 pb</b>	

### 2. Risk coverage ratio (overall solvency)

In addition to the increase in Tier-1 capital, total net equity, which is used to calculate the overall solvency ratio, was strengthened thanks to an increase in additional equity of TND 88 M as a direct consequence of the issue of an STB 2021 debt securities for TND 100 M.

In light of these achievements, the surplus in net core capital (Tier-1) amounted to TND 280 M, while the surplus recorded in total net equity amounted to TND 454 M, which is likely to give the bank significant capacity for the future development of its business.

TND in millions	Dec-21	Dec-22	Variation	%
<b>Risks incurred</b>	<b>11 062</b>	<b>11 851</b>	<b>789</b>	<b>7,1%</b>
Risk-weighted assets – Credit risks	9 571	10 145	574	6,0%
Risk-weighted assets – Operational risks	1 173	1 226	52	4,5%
Risk-weighted assets – Market risks	319	480	162	50,8%
<b>Net equity</b>	<b>1 466</b>	<b>1 639</b>	<b>173</b>	<b>11,8%</b>
Net core capital	1 023	1 109	86	8,4%
Additional equity	442	530	88	19,8%
<b>Solvency ratio</b>	<b>13,25%</b>	<b>13,83%</b>	<b>58 pb</b>	



## Liquidity

Throughout most of 2022, the bank succeeded in complying with the required regulatory thresholds, thanks to the strengthening of the tools used in the proactive management of liquidity ratios and, consequently, in further optimising its cash position.

### 1. Liquidity Coverage Ratio (LCR)

During the 2022 financial year, the bank was able to post LCR levels above the required standard

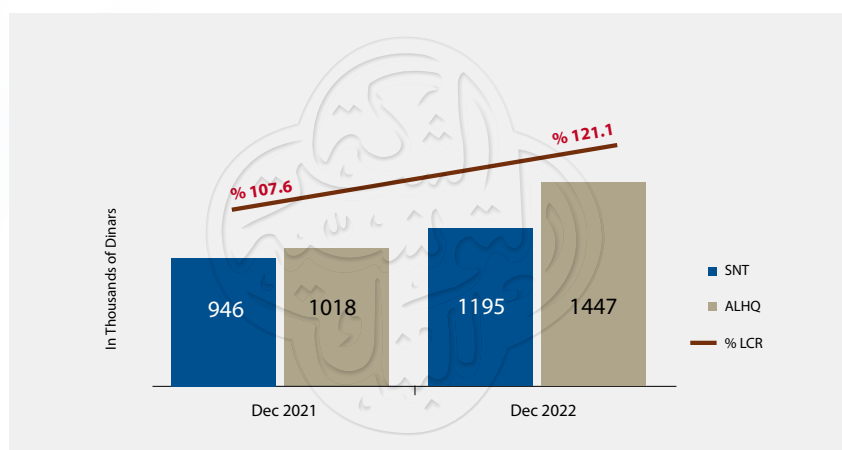
throughout the year, mainly by consolidating its high-quality assets to cover net cash outflows.

The average LCR, calculated over 12 monthly observations, stood at 112.8%, corresponding to an average of high quality liquid assets of TND 1,223 M and an average of net cash outflows of TND 1,098 M.

It should also be noted that the short-term liquidity ratio stood at 121.1% at the end of the 2022 financial year (compared with 107.6% a year earlier), against a regulatory requirement of 100%.

TND in millions	Dec-21	Dec-22	Variation	%
Net cash outflows	946	1 195	250	26,4%
High quality liquid assets	1 018	1 447	430	42,2%
<b>% LCR</b>	<b>107,64%</b>	<b>121,11%</b>		
Regulatory level	100%	100%		

### Evolution of liquidity ratio LCR



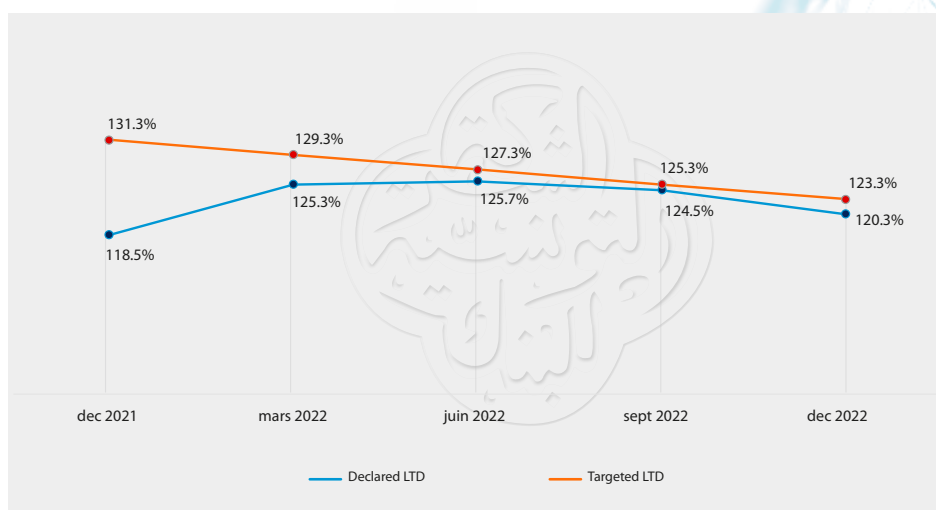
## 2. Loan to Deposit Ratio (LTD)

As a direct consequence of a faster increase in gross receivables compared with deposits, the LTD stood at

120.3%, up 2.8 pp on its level a year earlier. However, this threshold remains below 123.3%, the dynamic target required by the CBT.

TND in millions	Dec-21	Dec-22	Variation	%
Receivables from clients	9 463	10 608	1 145	12,1%
Deposits	7 989	8 749	760	9,5%
<b>% LTD</b>	118,5%	<b>120,3%</b>		
Target LTD ratio (CBT requirement)	131,3%	123,3%		

The evolution of LTD by quarter is illustrated in the following graph:



## Income

### 1. Net banking income

In a fairly difficult economic context, the bank managed to post a NBI of TND 689 M, up TND 43 M or 6.7% compared with its level at the end of 2021. This change is explained by:

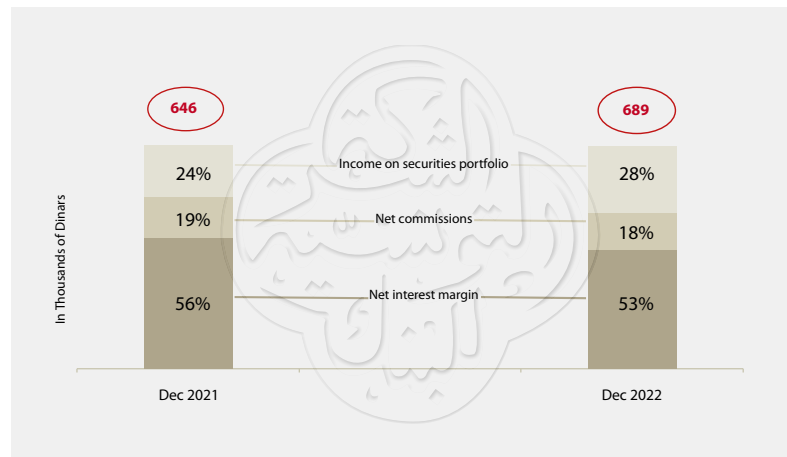
- ✓ An improvement in the net interest margin of 5 M or 1.4%, from TND 363 M at the end of 2021 to TND 368 M at the end of 2022;
- ✓ An increase in portfolio revenues of TND 37 M to reach a volume of TND 195 M;
- ✓ The stagnation of the volume of net commissions at TND 127 M.



TND in millions	Dec-21	Dec-22	Variation	%
Net interest margin	363	368	5	1,4%
Net commissions	126	127	1	0,7%
Revenue on securities portfolio and financial operations	158	195	37	23,7%
<b>Net banking income</b>	<b>646</b>	<b>689</b>	<b>43</b>	<b>6,7%</b>
<b>Operating income</b>	<b>1 119,4</b>	<b>1 283,3</b>	<b>163,942</b>	<b>14,6%</b>
<b>Operating charges</b>	<b>(473,3)</b>	<b>(593,9)</b>	<b>(120,6)</b>	<b>25,5%</b>

As a result, the structure of NBI has changed slightly but remains characterised by the predominance of NIM with a share of 53% (vs 56% in 2021).

### Structure of NBP



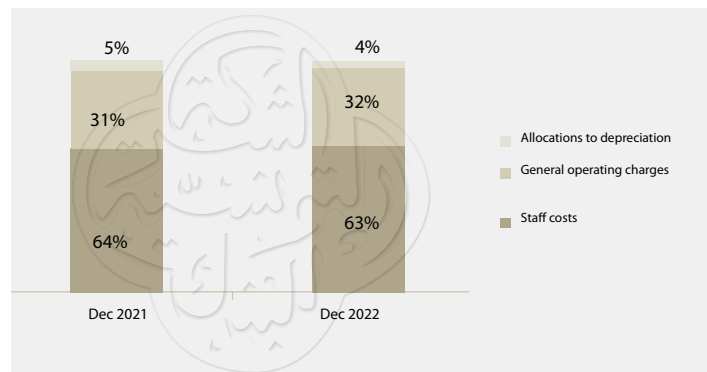
## 2. Operating income

Gross operating profit increased by TND 17 M or 4.4% to TND 390,5 M at the end of the 2022 financial year. This increase was mainly due to the following variations

- Net banking income + TND 43.4 M or 7%.
- Operating charges + TND 25.0 M or 8.9%.

Total operating expenses amounted to TND 307 M, 63% of which were personnel costs..

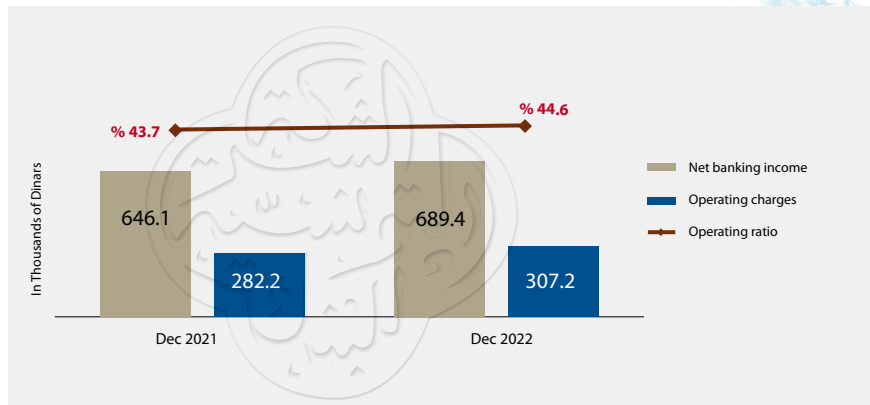
### Operating Expenses Structure



As a result, the operating ratio was higher than at the end of 2021 (44.6%).



### Evolution of Operating Ratio



As for the operating income, it decreased during the analysis period from TND 227,8 M to TND 173,6 M.

This decrease was mainly due to the recognition of a net risk charge of TND 217 M.

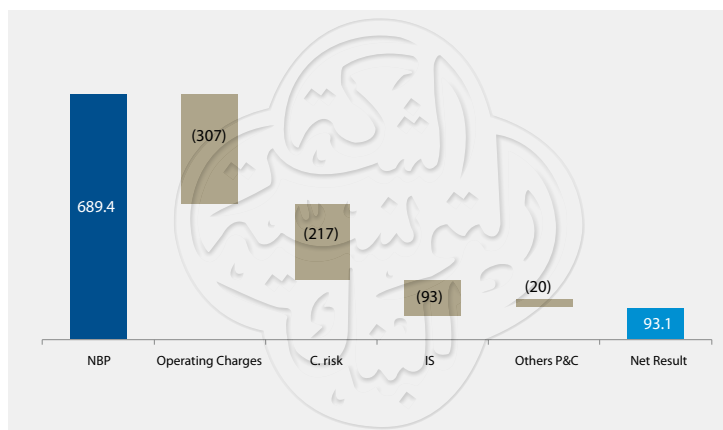
TND in millions	Dec-21	Dec-22	Variation	%
<b>Net banking income</b>	<b>646,1</b>	<b>689,4</b>	<b>43,4</b>	<b>6,7%</b>
Other operating income	10,1	8,2	(1,8)	(18,2%)
Staff costs	(179,7)	(195,0)	(15,2)	8,5%
General operating charges	(88,6)	(98,9)	(10,3)	11,6%
Amortisation charges	(13,8)	(13,3)	0,6	(4,1%)
<b>Gross operating income</b>	<b>374,0</b>	<b>390,5</b>	<b>16,5</b>	<b>4,4%</b>
Provisions and value adjustments on receivables, off-balance sheet items and liabilities	(138,2)	(216,5)	(78,3)	56,6%
Provisions and value adjustments on investment portfolio	(8,0)	(0,5)	7,6	(94,3%)
<b>Operating income</b>	<b>227,8</b>	<b>173,6</b>	<b>(54,2)</b>	<b>(23,8%)</b>

### 3. Net Income

In view of the above, and taking into account an effective tax rate of 39% (35% for corporation tax and

4% for the social solidarity contribution), net profit came to TND 93.1 M.

### Net Result



TND in millions	Dec.-21	Dec.-22	Variation	%
Interest and similar income	829,4	951,9	122,4	14,8%
Accrued interest and similar charges	(466,9)	(584,3)	(117,4)	25,1%
<b>Net Interest Margin</b>	<b>362,5</b>	<b>367,6</b>	<b>5,1</b>	<b>1,4%</b>
Commissions received	132,2	136,3	4,1	3,1%
Commissions paid	(6,4)	(9,6)	(3,2)	49,6%
<b>Net Commissions</b>	<b>125,8</b>	<b>126,7</b>	<b>0,9</b>	<b>0,7%</b>
Profit on trading securities portfolio and financial operations	89,2	113,9	24,7	27,7%
Income on investment securities portfolio	68,5	81,2	12,7	18,5%
<b>Income on the Equities Portfolio</b>	<b>157,7</b>	<b>195,1</b>	<b>37,4</b>	<b>23,7%</b>
<b>Net Banking Income</b>	<b>646,1</b>	<b>689,4</b>	<b>43,4</b>	<b>6,7%</b>
Other operating income	10,1	8,2	(1,8)	(18,2%)
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<b>Operating Income</b>	<b>227,8</b>	<b>173,6</b>	<b>(54,2)</b>	<b>(23,8%)</b>
Profit/loss balance from other ordinary items	(3,5)	20,0	23,5	(666,5%)
Corporate tax	(89,8)	(92,5)	(2,7)	3,0%
<b>Income from Ordinary Activities</b>	<b>134,4</b>	<b>101,0</b>	<b>(33,4)</b>	<b>(24,9%)</b>
Profit/loss balance from extraordinary items	(21,7)	(7,9)	13,8	(63,5%)
<b>Net Result before Accounting Changes</b>	<b>112,7</b>	<b>93,1</b>	<b>(19,6)</b>	<b>(17,4%)</b>
Accounting changes	(8,7)	(11,5)	(2,8)	32,0%
<b>Net Result after Accounting Changes</b>	<b>104,0</b>	<b>81,6</b>	<b>(22,4)</b>	<b>(21,5%)</b>



**INTERNAL AUDIT  
RISK MANAGEMENT  
DEVELOPMENT AND MODERNISATION**



# INTERNAL AUDIT

## Presentation of the internal control system

The internal control system refers to all the processes, methods and measures designed to ensure the security, effectiveness and efficiency of operations, the protection of assets, the reliability of financial information and the compliance of these operations with the laws and regulations in force.

According to CBT circular 2006-19 dated 28 November 2006, this system includes in particular:

- A system for controlling operations and procedures;
- An accounting and information processing organisation;
- Risk measurement, monitoring and control systems;
- A documentation and information system.

The internal control system is organised around the governance bodies provided for by Tunisian banking regulations, in particular the Audit Committee and the Risk Committee, three lines of defence, which incorporate operational and hierarchical control, 2nd level control and 3rd level control, and aims to achieve the following objectives:

- Financial performance, through the efficient and appropriate use of the Bank's assets and resources and protection against the risk of loss;
- Exhaustive, accurate and regular knowledge of the data required for decision-making and risk management;
- Compliance with laws and regulations and with internal and external standards;
- The accuracy and completeness of accounting records and the provision of reliable financial information.

To this end, the system is based on a set of notes defining procedures and delegations of authority, and on an information system for collecting, processing and analysing data and disseminating results.

In addition to the Internal Audit and Inspectorate General bodies and the structures attached to the Governance and General Control division, the internal control system also includes a set of structures, divided by division and dedicated to the area of control.

To optimise the effectiveness of the internal control and risk management system and ensure better coordination between the control activities of the 2nd and 3rd lines of defence, an Internal Control Coordination Committee (ICCC) has been set up, reporting to the Executive Board.

An internal control charter has also been drawn up, the purpose of which is to set out the principles, organisational framework and minimum provisions necessary for the proper functioning of the internal control system and coordination between its various components.

## Organisation of the various levels of the internal control system

### • Permanent control system

Permanent control is performed at two levels: 1st level control, which is performed by operational staff and supplemented by line management control, and 2nd level control, which is the responsibility of dedicated structures at business line level and those reporting to the Governance and Compliance division.

### • The 1st line of defence

In addition to the system and validation controls implemented in the IT applications, in particular the agency and commitment applications, operational control, which is an a priori control of operations and/or transactions carried out by operational staff, is consolidated by a hierarchical or functional control.

• **The 2nd line of defence**

The 2nd line of defence consists of a set of a posteriori controls performed by:

- Cross-functional control functions that are independent of the business lines: Governance and Compliance Control, Operational and Market Risks and Permanent Control, Credit Risk. These functions help to protect the bank and its managers by preventing the risks of non-compliance, money laundering and terrorist financing, as well as operational and credit risks.
- And control functions dedicated to a given scope and not independent of the operational divisions: Legal Support, Guarantee Control and Monitoring, Regulatory Control, Expense Control, Information Systems Security, Network Administration and Control, Payment Control, Purchasing Control, Back Office Treasury and Accounting Control.

It should be noted that in 2022, and with the aim of strengthening the Bank's internal control system, **Control Entities have been created in the Regional Departments**, reporting functionally to the Central Operational Risk and Market and Permanent Control Department.

These Regional Units are responsible for:

- Ensuring the effectiveness and efficiency of operations handled by the Regional Management and the branches attached to it;
- Ensuring that the information reported is reliable.
- Ensuring compliance with the working methods and procedures set out in the regulations (internal memos, CBT regulations, etc.).

In addition to its usual control operations and as part of its main task of steering this system, the **Permanent Control function** ensures that the system operates smoothly by maintaining functional relations with the various 1st and 2nd level control players and by ensuring coordination between them.

• **Periodic control structures:**

Periodic control, defined as the 3rd line of defence, is carried out by the Internal Audit and Inspectorate General bodies, which report hierarchically to the Director General. In accordance with current regulations and to guarantee its independence, the Internal Audit Department reports functionally to the Audit Committee.

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

**Highlights of the Financial Year 2022**

In order to optimise the internal control system, the Bank undertook a number of actions in 2022, including the following:

▶ **Permanent control actions:**

- Continuation of work to optimise the permanent control system;
- Review of the control responsibilities of the second-in-command of branch directors, branch directors and regional directors.
- Continued implementation of the assessment of the central services control system
- Finalisation of work on an internal control and permanent control charter
- Establishment of a corps of regional controllers and related training activities
- Set up a control portal in collaboration with the DATA structure

▶ **AML/CFT and compliance actions completed:**

- Production of the «STB Everywhere» digital platform dedicated to online customer relations.
- Continuous improvement in the reliability and enhancement of customer data
- Introduction of new training material based on new AML/CFT typologies, practical anti-money laundering techniques and including the new regulatory provisions.
- Updating the code of ethics and professional conduct.
- Update of STB's conflict of interest management policy.

▶ **Strengthening information system security**

- Implementation of a secure Hyper Converged Data Centre Infrastructure (HCI).
- Strengthening the security of STB's Cloud infrastructure, Main Site and Backup Site.

- Upgrading the backup solution for the bank's servers and data.
  - Securing IS access (multifactor authentication (MFA), remote VPN access and Internet access).
  - Upgrading network and Data Centre security solutions (Firewall, Proxy, SIEM, etc.)
  - Implementation of SWIFT CSP security programme requirements
  - High availability of Data Centre infrastructure resources (Main Site and Backup Site)
- **Projects relating to the organisation of the bank's accounting system**
- Implementation of multi-currency accounting, which is in its final phase of implementation
  - Adoption and implementation of IFRS:

This project was officially launched in January 2022. The kick-off was attended by the bank's top managers and an initial series of workshops was held to define the framework, the accounting diagnostic methodology and the differences between NCT and IFRS. The project is now in the implementation phase, as the work on accounting diagnosis, IS review, choice of options and impact has been completed. In accordance with regulatory requirements, the bank is required to prepare a consolidated IFRS balance sheet for the 2023 financial year, with the 2021 financial year being the year of first-time adoption.

► **Control of subsidiaries:**

- Monitoring the activity of subsidiaries and steering their operational activities as well as evaluating their performance.

On the other hand, and with the aim of reinforcing this control and in accordance with the audit charter, the Internal Audit Body carries out, within the framework of its annual action plan, audit missions of the subsidiaries.

## Risk management

Following its reorganisation in 2020, risk management at STB is mainly carried out through the following structures:

- A Credit Risk and Resolution division, to which the Central Risk Supervision Department now reports
- A Governance and General Control division, to which the Central Operational & Market Risks and Permanent Control Division is now attached.
- As for ALM risks (liquidity risk and overall interest rate risk), STB has chosen to manage them at the level of:
  - The functional remit of the Management Control and ALM Department, attached to the Central Management Control and Performance Management Department, which is attached to the Finance Division.
  - The ALCO Committee, created in 2021 and bringing together the finance, treasury, risk management, commercial and financing functions.

**With regard to credit risk monitoring,** and in order to improve default risk management and control the quality of the credit portfolio, in 2022 the Bank continued to develop its system by upgrading its risk measurement and monitoring tools, developing its risk appetite and reviewing the process for preventing non-performing loans.

Also, in response to the economic slowdown and the slow post-crisis recovery, STB has stepped up its specific efforts to monitor the sectors and segments impacted by the crisis and the proactivity of its commercial teams and defensive lines in order to act at the right time and put in place the measures needed to control risks.

In 2022, particular importance has also been attached to the adoption of International Financial Reporting Standards (IFRS), which will revolutionise the classification and valuation of financial instruments.

In this respect, the main actions carried out during the 2022 financial year focused on:

► **Revision of the system for preventing non-performing receivables**

Circular No. 2022-01 dated 1 March 2022 on the prevention and resolution of non-performing receivables introduces the obligation to systematically assess the viability of debtors' situations throughout the life cycle of the loan. This system should make it possible to set up an early warning system to identify counterparties in difficulty in good time and to take the necessary measures to monitor them or bring them into default. In the same context, STB has initiated work to bring its credit risk management process into line with this preventive system, in order



to improve control of the risks incurred and reduce the level of non-performing receivables to below 7% within 5 years.

► **Drawing up internal risk appetite and limits**

In order to comply with national regulatory requirements, in particular CBT Circular No. 2021-05, and to improve the risk management process, the Risk Departments have begun work on drawing up a consolidated risk appetite policy.

Two documents have been drawn up:

- The first is a general Risk Appetite Framework which defines the overall approach, including the organisation, processes, controls and systems by which risk appetite is established, communicated and monitored.
- The second document is a Risk Appetite Statement, which is the articulation in written form of the aggregate level and types of risk that the STB is prepared to accept or avoid in order to achieve its objectives. It includes qualitative statements and quantitative measures.

The risk appetite project is based on a system of risk limits divided into 3 levels;

- Overall limits;
- Limits by risk category;
- Limits by business line.

► **Adoption of IFRS and study of the impact of IFRS9**

As part of the process of adopting International Financial Reporting Standards (IFRS), STB has undertaken impact simulations, including those relating to IFRS9, which revolutionises the classification and measurement of financial instruments.

IFRS9 introduces a new impairment model based on expected losses, which requires faster recognition of expected credit losses.

The simulations were carried out by the Bank using assumptions in line with its risk profile and the specific nature of its portfolio. This work has been adjusted to comply with the guidelines issued by the regulator.



#### ► **The internal rating system**

STB's internal rating system is currently an integral part of the credit assessment and decision-making process.

This rating system is based on a set of models specific to each group of assets and covers all relationships entered into with the Bank, excluding retail customers, and is characterised by :

- Models that take into account qualitative and behavioural factors in addition to financial factors, using a proven statistical approach;
- Ratings that reflect the probability of default by counterparties over a one-year observation horizon and that are assigned to a risk class (with a rating scale of eight risk classes, including one in default). These ratings are re-examined each time a file is renewed and at least once a year.
- An annual review (back-testing) to test the predictive power of the models and ensure that the default probabilities are correctly calibrated.

In addition, the Bank has planned a project to revise its internal rating models to bring them into line with regulatory developments and the calculation of expected losses under IFRS 9.

**As regards the management of Operational and Market Risks and Permanent Control**, the year 2022 was marked by the development of a consolidated risk appetite policy (RAF & RAS) and the definition of a risk appetite for the Group's subsidiaries.

To this end, the Bank has begun to implement its risk management system by taking a number of actions, including the following:

#### ► **Operational risk management:**

- Finalisation of the mapping of operational risks for two business macro-processes and the launch of risk mapping work for 6 macro-processes.
- Incremental implementation of the DATA Operational Risk & Control project, which has added significant value to the work of quantifying and calculating the criticality of risks.

In addition, as part of its internal capital calculation work, the Bank simulated the calculation of capital requirements using the SMA method and assessed the impact of this new approach on the Bank's solvency and Tier I ratios.

#### ► **Business Continuity Plan management**

- Updating business continuity procedures;
- Updating technical procedures for restarting critical applications.
- Drawing up the business continuity policy governing operational risks of the Business Interruption Crisis type.

#### ► **Market risk:**

- Diagnosis of the Bank's current market risk management system, based on the sixteen-block ERM methodology;
- Calculation of Market Risk Economic Capital separately for each risk factor (exchange rates, interest rates, securities) based on the internal models defined by Basel;
- The operational implementation of over-night cash limits held at branch level, in dinars and foreign currencies in the Carthago Agence application;
- Revision of limits on over-night foreign exchange positions in accordance with Article 17 of Circular 2021-03.

**The ALM function covers aspects relating to the management of overall liquidity and interest rate risks.**

The main responsibilities of this function can be summarised as follows:

- Actively managing the resources and uses of the balance sheet, and ensuring the balance and consistency of its development.
- Developing ALM models for behavioural analysis, sensitivity measurement and stress tests, etc.
- Carrying out preparatory work for the ALM Committee.
- Ensuring proactive management to ensure compliance with the prudential rules and standards in force.

### Asset and Liability Management Committee:

In 2021, the Bank created the Asset and Liability Management Committee (ALCO). The main tasks of this committee are as follows:

- Regularly coordinating asset and liability management operations in accordance with policies (risk management, credit, recovery, etc.).
- Recommending an optimal composition of assets and liabilities, taking into account risk



thresholds and limits, and issuing the decisions to the operational structures needed to ensure an efficient balance sheet structure.

- Guaranteeing a sufficient level of profitability through sound management of liquidity and interest rate risks, so as to bolster shareholders' equity over the long term.
- Monitoring and ensuring compliance with ALM limits and constraints, and approving any necessary solutions and adjustment plans;
- Produces quarterly reports to the Board of Directors relating to ALM activity.

The ALCO Committee is convened by its Chairman to meet at least once a quarter and whenever necessary.

## Development and modernisation

### Business development

Relying on its analytical models and improved customer segmentation, the bank has continued its efforts to understand its customer portfolio and optimise its commercial base.

In this respect, the bank has confirmed its strategy of winning over retail customers, with the aim of attracting new clients in order to serve private individuals, professionals and Tunisians living abroad.

STB's network of 149 branches covers the whole of Tunisia, consolidating its commitment to providing better service to the retail segment. This approach is reinforced by a multi-channel network: web banking, mobile banking, self-service areas, ATMs, etc.

In this respect, STB has been able to increase the number of facilities available to retail clients by extending the use of electronic payment methods (including electronic banking) and digital consultation and transaction methods (M-banking).

As regards the Corporate segment, the bank continued its commercial development efforts through:

- Boosting client acquisition in the most buoyant and resilient sectors and providing more selective support for businesses;

- Enhancing its range of corporate products and services to meet the needs of all newly targeted sectors, in particular by developing its cash management and trade finance offerings and strengthening its e-banking offering to provide businesses with a fully digital service;
- The development of the Business Centres business aimed at providing clients with a diversified offering and tailor-made support provided by the bank's experts in the field.

In terms of diversifying and consolidating the range of products, the Bank has broadened the range of products it offers by improving product marketing and better targeting the different social and professional categories in order to satisfy existing clients and build loyalty, and to develop their use by new clients.

To this end, in 2022 the Bank succeeded in developing the following platforms and products:

- "Ekseb Fi Bledek" platform for TRE customers,
- A 100% online account opening platform for all types of individual (TRE, student, employee, etc.) or legal entity.
- A new range of ecological loans: Crédit Eco-car, Crédit Eco-équipement and Crédit Eco-home.
- Digital credit as part of the STB-AMAD partnership,
- The STB Pay & STB Pay Pro application.

### Communication and sponsorship

The Bank's development strategy is based on an omni-channel marketing policy focused on improving the customer experience, building loyalty and improving the labelling of product offerings.

As part of its communication policy, which is an integral part of its development strategy, STB has embarked on a process of modernising its sales areas to support promotional activities and encourage in-branch sales.

To this end, it has put in place a strategy aimed, on the one hand, at promoting its products at points of sale as well as on social networks and the corporate website and, on the other hand, at strengthening communication with clients through sponsorship and communication campaigns.





In addition, STB has for years followed a communication strategy based on participation in intellectual and sporting activities, with a strong and visible commitment to culture, art and science. Through the choice of these communication vectors, it aims to orientate its positioning and stand out above all as the sponsor of culture par excellence.

In this context, in addition to its participation in economic events such as the Finance Investment & Trade in Africa (FITA), eco-construction, property and business fairs, the Bank is present at key events on the Tunisian cultural scene. The aim is to be associated with events that encourage creation and innovation, known for their high public profile, including the Journées Cinématographiques de Carthage (JCC), the Tunisian Mediterranean Film Festival (Manarat), the GABES CINEMA FEN, the Hammamet Malouf and Testour Pomegranate Festival, the Douz International Festival and the Tozeur Sahara Festival.

STB also took part in two major events, TICAD8 and the Francophonie Summit.

Aware of its role in supporting youth and young talent, STB has also sponsored a number of sporting activities, in particular collective activities (professional league 1 football teams, national handball and basketball teams, triathlon teams, etc.).

The Bank is continuing to programme its communication campaigns on its products and services, using a number of media and communication channels, including urban billboards, the media, social networks and communication at branch level through adverts and capsules.

In addition, five flagship campaigns were carried out: the Digi Transfert Scolarité campaign, the Crédits Ecologiques campaign, the TRE campaign, the STB PAY campaign and the Carte Epargne campaign.

## Information System

The year 2022 was marked by the consolidation of efforts to improve the functional coverage of the current IS, while continuing to develop the **IS urbanisation** strategy adopted. The bank has also worked to consolidate its achievements in the development of **DATA** and digitisation, as well as modernising its **IT infrastructure** and implementing robust **IT and cyber security policies**. The aim is to provide customers with a local service and a comprehensive solution tailored to their needs, by leveraging technology and imagining the banking service of the future in the digital age, based on Big Data and the knowledge economy.

In terms of **IS urbanisation**, in 2022 the bank worked to develop its business applications, mainly relating to foreign banking, electronic banking and the trading room. In addition to enhancing existing functionalities, developments were implemented in response to new regulatory requirements, tighter controls and interfacing standards linked in particular to the implementation of new digital products.

It should be noted that 2022 is considered to be a benchmark year for digital banking and financial inclusion on a national scale, following the implementation of the national Mobile Payment project and the national Grand Facturier project, in which STB was at the centre of both projects, given that it was the first acquiring bank. These innovations complement the introduction of STB EveryWhere, the first 100% online platform for young people and Tunisians living abroad.

With regard to **DATA**, an essential pillar of the transformation already underway, the Bank has continued its development efforts, notably through data reliability initiatives, while focusing on the collection, processing, security and protection of personal data in order to further consolidate this transformation and thus establish a culture based on data and a client- and value-oriented approach.

The achievements observed at DATA level concerned:

- The implementation of a solution to optimise the corporate financing process;
- The implementation of an analysis of ATM anomalies and a study of usage behaviour;
- Implementation of Api Data as part of the virtual assistant project.

With regard to the modernisation of its **IT infrastructure**, the bank has focused on aligning this infrastructure with required needs, taking into account regulatory risks and changing priorities. All in line with the IS master plan.

The year 2022 was mainly marked by:

- The implementation of a Hyper Converged Infrastructure (HCI) and a Full Flash NVMe storage array.
- Hosting and administration of Cloud infrastructures.
- Implementing the requirements of the SWIFT CSP 2022 programme.

- Strengthening the security of IS access (multifactor authentication (MFA), network isolation, implementation of a SWIFT Secure Zone).
- Upgrading network and Data Centre security solutions.
- Optimising the performance and availability of Data Centre infrastructure resources (main site and back-up site).
- Implementation of database supervision and security tools.

As regards **IT and cyber risks**, STB continues to manage them mainly through:

- Solid knowledge of the risks (and opportunities) of the digital era.
- The development of an information security roadmap to identify priorities, as well as governance, organisational effectiveness and risk management.

The bank has also placed particular emphasis on strengthening the role of the Information Systems Security function with sufficient organisational skills, resources and an external network to enable it to carry out its tasks effectively.

## Human capital

At the end of December 2022, the Bank had 1,908 employees, 44% of whom worked at head office and 56% in the branch network and Regional Directorates. This breakdown is in line with the Bank's policy of giving substantial priority to sales activities.

In addition, and taking into account the new recruitment operations carried out during the years 2016-2021, the Bank's human capital was marked by an average age of 41 years in 2022 with an average seniority of 15 years and a rate of responsibility of 21% in 2022.

In addition, STB has worked to establish a strong corporate culture aimed at involving staff in the news of the Bank's activities and maintaining cohesion among employees so as to create a healthy and fulfilling working environment and thus get employees to adhere to the «ultimate cause», which is the good and development of STB, for the good of all.

At the same time, and as part of the ongoing efforts to develop employees' professional skills, and in order to better support the transformation of the Bank's various business lines and the integration of new technical, managerial, digital and data analysis skills, and to comply with the new prudential regulations, training courses were organised in 2022 for 861 employees, i.e. 45.12% of the Bank's total workforce.

It should be noted that the last two years have seen the launch of the «Académie STB» e-learning platform, which provides a real-time response to employees' training needs and currently offers courses covering a wide range of business lines. This platform is regularly enhanced with links, MOOCs and studies on various subjects.

## CORPORATE SOCIAL RESPONSIBILITY - SCR -

STB has always identified itself as a socially responsible bank, committed to its community and always at the service of its stakeholders.

In this sense, and by joining the United Nations Global Compact, STB has expressed its commitment to achieving the sustainable development objectives adopted by the United Nations and targets a socially responsible attitude, in compliance with the principles relating to human rights, international labour standards, the environment and the fight against corruption.

At the same time, STB has embarked on a CSR process in accordance with ISO26000 standards, with technical support from the Tunis International Centre for Environmental Technologies (CITET). This approach has made it possible to integrate CSR into the bank's strategy and to improve the way in which ESG aspects are taken into account in its activities by strengthening its policies and procedures.

To this end, STB has drawn up a CSR policy that includes the following social responsibility issues:

- Responsible financing;
- Sustainable client support;
- Governance and ethical practices;
- Branded employer;
- Eco-responsibility;
- Digitalisation, data protection and cybercrime.



This policy incorporates four strategic areas, which are set out in a 2022-2026 strategic plan in line with STB’s overall strategy.

The 4 strategic areas are as follows:

Governance	Social and Societal aspects	Environmental aspects	Economic aspects
<ul style="list-style-type: none"> <li>• The adoption of good governance in the sense of normativity and responsible commitment.</li> <li>• The adoption of a panoply of policies.</li> <li>• Strengthening procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Human capital as a lever for performance.</li> <li>• Encouraging its stakeholders to adopt more sustainable, equitable and inclusive business models</li> </ul>	<ul style="list-style-type: none"> <li>• Managing environmental and climate risks.</li> <li>• Promoting disruptive innovation and changing business models.</li> <li>• Developing green products.</li> <li>• Encourage transition.</li> </ul>	<ul style="list-style-type: none"> <li>• Boost the productive entrepreneurial fabric.</li> <li>• Create jobs.</li> <li>• Create transformational ecosystems.</li> <li>• Set up value chains.</li> </ul>

• Governance

**STB constantly strives to adopt good governance in a sense of normativity and responsible commitment,** in accordance with current practice and regulations, in this case the provisions of circular No. 2021-05 of 19 August 2021 relating to the strengthening of good governance in credit institutions.

To this end, efforts are being made to combat corruption, money laundering and conflicts of interest, in particular by adopting a policy for managing conflicts of interest, a code of conduct and a code of ethics that illustrate the values, rules and commitments, as part of a transparent and accountable approach.

In addition, the year 2022 was marked by the development of various policies aimed at establishing the general framework for taking account of environmental and social issues in the bank’s governance: CSR Policy - Environmental and Social Policy - Gender Policy.

With regard to the protection of personal information, STB is committed to being a trusted player by preserving the confidentiality of all the information at its disposal, through a Charter on the protection of personal data. The bank also guarantees the right of any person to object to the processing of personal data for advertising purposes or direct commercial canvassing by providing them with a bank data protection officer.

• Social and Societal aspects

**STB is a pioneer in the social field. It strives to respect human rights in its operations and to promote diversity and equality within its teams.**

The bank supports its employees’ careers through an annual skills development plan. As part of this, training programmes are organised on a variety of topics. The integration of new recruits is also systematically monitored.

The bank ensures the quality of working conditions and the safety of its employees. It provides safe workplaces and a suitable working environment. In addition, numerous initiatives have been deployed to ensure the well-being and quality of life of employees, in particular by offering them various social benefits.

Thanks to a recruitment policy based on merit and equal opportunities, the rejuvenation of the workforce has helped to promote generational diversity in the teams and to increase the number of women in the workforce.

In terms of discrimination, the bank promotes diversity and adopts a non-discriminatory culture. In terms of remuneration, it ensures pay equity, which means that there can be no discrimination between men and women. It also promotes gender equality in recruitment, career development and promotion.

As part of its social responsibility, STB has taken part in a number of initiatives in various sectors (health, education and sustainable development), including:

The STAND-HTN project, which aims to improve access to healthcare in disadvantaged regions (telemedicine);

The HEALTH AND PSYCHOLOGY project, which provides support for disabled children deprived of a family environment;

- The organisation of two health caravans in the governorate of Kef;
- A project to rehabilitate schools in Ghardaïa and Collège 9 Avril in Menzel Bourguiba;
- The creation of a CODING and robotics club in a school...);
- Supporting financial inclusion by donating recycled IT equipment to the «Association de Développement de Sidi Thabet» (Sidi Thabet Development Association), a player in the field of community work and development.



### 3. Environmental aspects

#### **STB incorporates climate aspects into its Environmental and Social Risk Management System.**

STB's environmental strategy aims to integrate environmental issues into the bank's activities, particularly in terms of financing and investment.

To this end, STB has put in place an Environmental and Social Policy and has begun to implement an Environmental and Social Risk Management System (ESRMS), which aims to identify, assess and manage the risks associated with the environmental and social impacts of the bank's financing, as well as developing procedures for assessing the environmental and social impacts of projects before financing them.

STB is also concerned about preserving biodiversity and the energy transition, and has joined the national BIODEV2030 project run by the WWF to preserve biodiversity in Tunisia. It has signed a charter defining its commitment to supporting the emergence of a shared vision and agreeing sectoral commitments in favour of biodiversity in key sectors of the economy.

STB has also supported the ATAS association «l'association tunisienne pour aider les personnes sourdes section Ben GUERDANE», by installing photovoltaic panels on its premises, thereby making sustainable savings on electricity costs and providing the association with additional resources.

This action, which establishes the harmony between environmental and social impact, is another step on the long road taken by the bank to boost the energy transition and the use of renewable energies.

STB also sponsored the 3rd edition of the «SHITANA» event. This event took place in the delegation of NEFZA in the governorate of Beja and brought together the sporting aspect through a trail organised in djebel SHITANA, the environmental aspect through awareness-raising workshops on the importance of the region's nature reserves and the socio-economic aspect through the promotion of local products from NEFZA.

In fact, this event is an opportunity to contribute to actions to raise awareness of biodiversity and to underline STB's commitment to disadvantaged regions with strong potential for the development of eco-tourism.

Finally, and in line with the bank's strategy, STB has launched 3 new green products for individuals and businesses with attractive rates:

- Eco-Car: a loan to finance the purchase of a new or second-hand environmentally-friendly car (electric or hybrid)
- Eco-Equipement: a loan to finance environmentally-friendly equipment and energy-saving work (purchase of insulating materials for homes and insulation work, renewable energy equipment: solar water heaters, photovoltaic panels, etc.).
- Eco-Home: Loan to finance the construction of a sustainable home.

### 4. Economic aspects

**Economic responsibility within STB represents a strategic axis, not only at bank level but also at national level.** As part of its CSR approach, it is essential to review the organisation of its various activities, to innovate its business models, to integrate fintechs and to create socio-economic ecosystems capable of generating income and profits and developing in a sustainable manner.

In this context, STB has made good progress with its «NeO by STB» programme and has forged solid partnerships in the AGRITECH, tourism and health sectors in order to set up blockchains, water and energy saving solutions and develop solutions to transform the tourism sector towards a more sustainable business model on a national and international scale and towards an offering more in tune with current trends. Still working with its partners, STB is developing projects and experiments in the field of telemedicine and tele-coaching, linking them with the tourism sector in order to offer a complete national solution for a new model of health tourism in Tunisia.

STB's vision of the economic pillar will support financial inclusion, stimulate equal opportunities and economic equity, and ensure the continuity and development of its clients' activities in a responsible and sustainable manner.

## IMPLEMENTATION OF THE NEW IFRS FRAMEWORK

In 2018, the Conseil National de la Comptabilité decided to adopt IFRS for the consolidated financial statements of financial institutions and listed companies in 2021. This date was postponed following the decision of its general meeting on 31 December 2021 to adopt the 2023 financial year as the year of adoption of IFRS for consolidated financial statements.

As a result, STB began its project to implement the STB Group's IFRS standards with the assistance of an external firm in January 2022. During the year, a number of actions were carried out, including:

1. The finalisation of diagnostic work on the accounting policies of STB Group entities that make a significant contribution to the Group's financial performance.
2. The launch of functional analysis work.
3. The choice of accounting options and the majority of STB's IT options: the selection of the accounting options planned for the first transition to IFRS, as well as the most appropriate IT scenarios to meet the functionalities required by the said standards, and the determination of the assumptions for calculating expected credit losses (ECL) in accordance with IFRS 9.
4. The launch of the IFRS 9 impact study for the 2021 financial year in accordance with the guidelines issued by the CBT.

The project is currently in the implementation phase:

An IFRS implementation plan is being drawn up, along with an in-depth analysis of the context, taking into account IFRS 9 standard requirements and STB's strategic orientations, in order to decide on the technological solutions.

In accordance with regulatory requirements, the bank is required to prepare a consolidated IFRS balance sheet for the 2023 financial year, with the 2021 financial year as the year of first-time adoption (FTA).

In addition, training sessions on IFRS have been held for the Bank's directors and top management to raise awareness of the challenges of the project and the expected impact on key performance indicators.

## DEVELOPMENT PROSPECTS

As part of a continuous improvement approach and following the completion of the 2016 - 2020 strategic plan, Société Tunisienne de Banque has launched work to put in place the new five-year plan in order to define and develop its 2021 - 2026 strategy and achieve the following objectives:

- Improve the Bank's positioning and performance
- Respond effectively to market expectations
- Exploit the Bank's key growth drivers
- Strengthen the synergy of the «STB Group».

With this in mind, and in order to ensure the success of this mission, the Société Tunisienne de Banque has launched a call for tenders to consultancy firms, established in Tunisia and internationally, experts in the fields of management consultancy and the strategic development of financial institutions, with a view to assisting the Bank in drawing up its «STB Horizon 2026» strategy. As the assignment drew to a close, it focused on:

- ✓ **Assessing and diagnosing the 2016-2020 strategy**
- ✓ **Identification of the Bank's strategic positioning through :**
  - In-depth evaluation of the STB 2016-2020 strategy
  - Drawing up a diagnosis of the national environment
  - Carrying out an international benchmarking study
- ✓ **Designing a STB Horizon 2026 strategic transformation programme**

which consists of defining :

- Vision and mission
- Strategic orientations
- Strategic initiatives
- The portfolio of strategic programmes / projects

STB's new Horizon 2026 strategic transformation plan has been drawn up using a combined Top-Down and Bottom-Up approach based on a collaborative co-construction process involving bilateral interviews and internal focus groups, as well as governance and management bodies, operational committees and strategic thinking teams.

For its new strategic transformation programme, horizon 2026, STB has set itself:

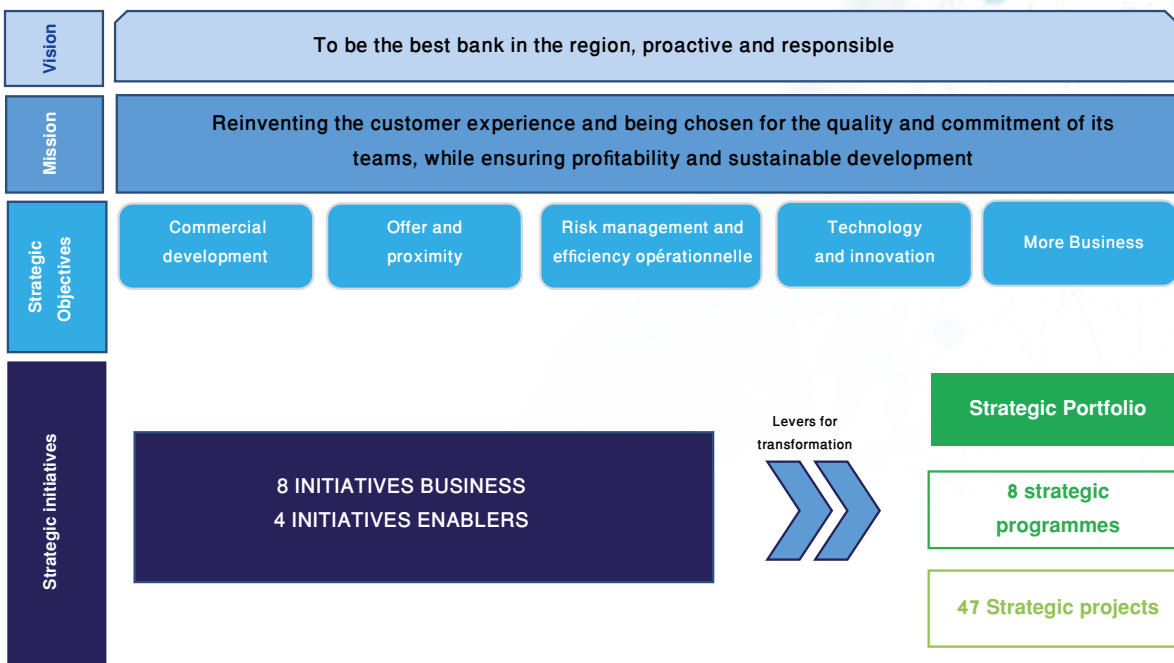
- ▶ **A vision** to be the best bank in the market, proactive and responsible.
- ▶ **A mission** to reinvent the customer experience and to be chosen for the quality and commitment of its teams, while ensuring profitability and sustainable development.
- ▶ **5 major strategic orientations:**
  - Business development
  - Offer and proximity
  - Risk management and operational efficiency
  - Technology and Innovation
  - More Business
- ▶ **12 strategic transformation initiatives**, including 8 business initiatives and 4 Enablers initiatives.

- ▶ A Strategic Portfolio comprising 8 strategic programmes broken down into 47 strategic projects.

It should be noted that for the coming years, the strategic challenge for STB is to strengthen its position in high value-added segments with better risk management, to diversify the STB Group's activities with the aim of guaranteeing healthy and sustainable profitability while asserting itself as a committed and responsible player at the service of the country's sustainable development.

In this respect, the digital transformation, which has already begun, is a major pillar for both increasing added value and controlling costs.

Broadly speaking, the Strategic Transformation programme is as follows:





# NOTES TO THE FINANCIAL STATEMENTS

## ENDED AT 31 DECEMBER 2022

### (AMOUNTS EXPRESSED IN TND THOUSAND)

#### 1. PRESENTATION OF THE BANK

La Société Tunisienne de Banque (STB) is a public limited company governed by Law N ° 2016-48 of 11 July 2016 relating to banks and financial institutions. STB's constitutive general assembly was held on 18 January 1957. STB's share capital amounts to TND 776.875 thousand and it is composed of 155.375.000

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

STB's head office is located at Avenue Hédi Nouira 1001 Tunis. Its network includes 147 branches, 194 ATMs, 11 regional offices and 2 subsidiaries.

The capital structure of the Bank as at 31 December 2022 is as follows:

Shareholders	Number of shares	Amount in TND thousand	% of Capital
<b>A - TUNISIAN SHAREHOLDERS</b>	<b>153 891 933</b>	<b>769 460</b>	<b>99,05%</b>
State of Tunisia	111 160 004	111 160 004	555 800
Public companies	18 408 461	18 408 461	92 042
Private Legal Entities	10 825 786	10 825 786	54 129
Redemption of the Bank's Securities	679 987	679 987	3 400
Individuals	12 817 695	12 817 695	64 088
<b>B - FOREIGN SHAREHOLDERS</b>	<b>1 483 067</b>	<b>7 415</b>	<b>0,95%</b>
Legal Entities	1 382 570	1 382 570	6 913
Individuals	100 497	100 497	502
<b>TOTAL</b>	<b>155 375 000</b>	<b>776 875</b>	<b>100,00%</b>

#### 2. FINANCIAL STATEMENT REPORTING FRAMEWORK

The financial statements of Société Tunisienne de Banque «STB» ended as at 31 December 2022 are drawn up in accordance with the provisions of Law n° 96-112 of 30 December 1996, relating to the Accounting System for Companies and Tunisian Accounting Standards including in particular the Accounting Sectoral Standards (TAS 21, 22, 23, 24 and 25) relating to banking institutions.

the form of endorsements and sureties are recorded as off-balance sheet items, as they are contracted and are transferred to the balance sheet as and when the funds are released at their nominal value..

#### 3. RELEVANT MEASUREMENT BASES AND ACCOUNTING PRINCIPLES APPLIED

The financial statements of the "S.T.B" are prepared on the basis of the measurement of assets at historical cost. The most significant accounting policies are summarized below:

##### 3.1.2 - Accounting for Loans to Clients

Loans net of discounts are shown in the balance sheet at their nominal value less interest deducted in advance and not yet accrued.

Disbursed loans and current accounts receivables are presented net of reserved interest and bank charges, income received or recognized in advance, and related provisions.

##### 3.1. Recognition of Commitments and Related Income

##### 3.1.1 - Off-balance Sheet Commitments

Financing commitments relating to medium and long-term loans, letters of credit, and guarantees in

##### 3.1.3 - Accounting for Income on Loans to Clients

Interest, similar revenue as well as commissions are taken into account in the result of the financial year ended as at 31 December 2022 for their amounts relating to said financial year.

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

Unpaid interest relating to non-performing long and medium-term loans (class 2, 3 and 4), as determined by the circular of the "CBT" n° 91-24, are recorded as reserved interest and are presented as subtractions from the item «Receivables from clients». This interest is taken into account in the income statement when it is actually received.

The accrued interest and not yet due on loans classified as current assets (class 0) or under assets requiring special monitoring (class 1) as determined by the circular of the «CBT» n° 91-24 and for which actual collection is reasonably assured, is recorded in the income statement as accrued.

The reservation of income on current accounts receivables is made on the basis of the criterion «Account Freezing» and risk class.

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

Bank charges on disputed receivables in closed current accounts are not recognized.

### 3.1.4 - Accounting for Past Due Interest

Past due interests are recognized as income by the "STB" upon settlement by the client or upon completion of a loan consolidation for a given client.

However, past due interests on disputed receivables are calculated, recognized, and reserved at the level of the Carthago-Engagement module; their amounts are TND 74,015 thousand as at 31/12/2022.

### 3.1.5 - Provisions on Commitments

#### i. Individual Provisions

The provisions required on client commitments have been determined in accordance with divisional prudential standards, coverage of risks, and monitoring of obligations, which are provided for by the CBT Circular No. 91-24, as amended by subsequent texts, which define the classes of risks and minimum provisioning rates as follows:

Classes	Description	Provisioning rate
0	Current assets	0%
1	Assets requiring a special monitoring	0%
2	Contingent assets	20%
3	Assets of concern	50%
4	Impaired assets	100%

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

Provisions on loans and accounts receivables are presented as deductions from the relevant items.

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

#### ii. Collective Provisions

Pursuant to the circular to banks No. 2023-02 of 24 February 2023 relating to Division, coverage of risk and monitoring of commitments, the Bank has set aside general provisions called «Collective Provisions» in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) as determined by Article 8 of the CBT Circular No. 91-24 of 17 December 1991.

#### iii. Additional Provisions

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

- 40% for assets with seniority of 4 to 5 years in class 4;
- 70% for assets with seniority of 6 to 7 years in class 4;
- 100% for assets with seniority of 8 years or more in class 4.

### 3.2. Investment Portfolio and Related Income

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

#### 3.2.1 - Investment Portfolio and related Income

The investment portfolio is divided as follows:

- Securities representing capital shares in companies whose sustainable ownership is deemed useful for the Bank's activity (sustainable equity securities): Equity securities, shares in associates and subsidiaries;

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

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

#### i. Sustainable Equity Securities

These securities are recognized in the balance sheet at the acquisition consideration, excluding costs and expenses.

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

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

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

At each balance sheet date, equity securities are valued at their value in use, and provisions are made to cover any capital losses of a lasting nature that may be incurred.

This value takes into account:

- The stock market value for listed securities;
- The mathematical value calculated on the basis of the last available balance sheet for investments in projects other than hotels;
- The mathematical value calculated on the basis of the last available balance sheet adjusted for the

capital gain on fixed assets for investments in hotel projects;

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

#### ii. Fixed Income Investment Securities

Revenue from fixed-income is recognized as income over the relevant period.

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

At each balance sheet date, the acquisition cost of investment securities is compared with the market value.

Unrealized capital gains on investment securities are not recognized. Unrealized capital losses arising from the difference between the book value (eventually adjusted for amortization or reversal of premiums or discounts) and the market value or the fair value of the securities are provided for.

#### iii. Securities Representing Financing Contributions

Financing contributions are considered an extension of the main financing activity and the capital gains resulting from their disposal are treated as interest and are included in banking operating income. These capital gains are recognized as income only once at the time of disposal and are presented under «Income from the investment portfolio».

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

Unpaid capitalized interest (converted into equity participations) is transferred from receivables accounts to equity accounts. The related reserved bank charges are transferred to the provisions for equity participations.

#### iv. Funds Managed by SICAR Companies

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



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

### 3.2.2- Trading Securities Portfolio and Related Income

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

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

#### i. Transaction Securities:

At each balance sheet date, transaction securities are valued at market value. The market value corresponds to the weighted average stock market price on the closing date or the most recent previous date. Price variations resulting from the mark-to-market valuation are taken to the income statement. Revenue from transaction securities is recognized in the income statement upon realization.

#### ii. Investment securities:

At each balance sheet date, investment securities must be valued at market value for listed securities and at fair value for unlisted securities, in order to assess whether provisions for depreciation should be made.

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

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

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

### 3.3. Accounting for Client Deposits and Related Charges

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

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

### 3.4. Recognition of Resources and Related Charges

The Bank's borrowings are recognized on the balance sheet as they are drawn down. Interest on borrowings is recognized as an expense as accrued.

External borrowings denominated in foreign currencies are converted into dinars, according to the release exchange rate. The risk of exchange rate fluctuation is covered by the National Guarantee Fund managed by the reinsurance company "Tunis - Ré".

Debts denominated in foreign currencies are discounted at the exchange rate on the closing date. The hedging contract, entered into with Tunis-Ré, against fluctuations in the exchange rate is recognized as a hedging instrument, in accordance with the International Financial Reporting Standards (IFRS) 9. It is then valued at its fair value, which corresponds to the risk of exchange incurred and estimated at the closing date.

### 3.5. Redemptions of Treasury Stocks

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

- The redeemed treasury stocks are presented, on the balance sheet, as a deduction from equity;
- The redeemed treasury stocks are presented, on the balance sheet, as a deduction from equity;
- Dividends received on redeemed treasury stocks are recorded in the «Retained earnings» account.

### 3.6. Accounting for Foreign Currencies Transactions and Foreign Exchange Result

Manual foreign exchange transactions in banknotes are recorded daily at the rate of the transaction date. The exchange result in this case represents the difference between the buying and selling rate of the relevant day.

Balance sheet accounts denominated in foreign currencies, including foreign exchange positions, are revalued at the fixed rate at the exchange rate prevailing at the closing date. The resulting difference is recorded in a balance sheet account "38.391: Translation difference".

### 3.7 - Fixed Assets and Depreciation

Fixed assets are recognized at their acquisition cost taking into account the previous year's VAT recovery percentage.

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

-Buildings	2%
-Transportation equipment	20%
	10%
-Furniture and office equipment	15%
	20%*
-Security, communication and air conditioning equipment	10%
	15%
-Hardware	33%*
-Software	33%
- Fixtures, fittings and installations	10%
- Leasehold rights	5%
- Non-operating Office furniture	10%
- Non-operating buildings	2%
- Non-operating tool equipment	10%

(\*). Ratios are applied for the acquisitions from 1 January 2008.

During the 2000 financial year, the bank revalued lands and buildings. This revaluation led to an increase in shareholders' equity amounted to TND 37 324 thousand, which is presented under the item «Other shareholders' equity».

Pursuant to paragraph 41 of IAS 16, part of the balance of the revaluation surplus has been transferred to retained earnings to take account of the use of revalued assets on the one hand and the transfer of the revaluation surplus relating to assets sold on the other hand.

### 3.8 - Provisions for End-of-Service Benefits and Other Post-employment Benefits

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

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

## 4. KEY EVENTS OF THE FINANCIAL YEAR

### 4.1 - Accounting Changes

STB carried out accounting restatements, recognized through the accounting changes account affecting the retained earnings amounting to TND 11 506 thousand.

These restatements relate to income associated with certain transactions on repurchase agreements and treasury bonds.

### 4.2 - BRUNO POLI Case

A lawsuit was filed against the bank in 2011 by Mr. BRUNO POLI for the restitution of cash vouchers given to the National Tourism Development Bank. As at 29/10/2015, a first instance judgment, confirmed on appeal, was pronounced against the bank ordering it to return the cash vouchers and failing to settle USD 7 million. The Court of Cassation overturned and referred the case to the Court of Appeal of Tunis. A stay of execution order was obtained without payment.

The Court of Appeal has confirmed the first instance judgment again ordering the bank to return the cash vouchers and, failing that, to pay USD 7 million. Consequently, a provision for risks was made on 31 December 2020 for an amount of TND 36 533 thousand.

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

Pursuant to judgment no. 39932/32 of 14/06/2022, the court overturned the case again and referred it back before the court of reference.

A request for enrolment before the court of reference was formulated.

#### 4.3- Write-off and Assignment of Receivables

Pursuant to the seventh paragraph, fourteenth bis of Article No. 48 of the Code of Personal Income Tax and Corporate Income, the STB proceeded to the writing off the irrecoverable banking debts during the financial year 2022.

And by reference to Law n°98-4 of 2 February 1998, relating to debt collection companies, STB proceeded to the assignment of batches of bank receivables to its subsidiary Société Tunisienne De Recouvrement Des Créances (STRC).

The total amount of receivables written off and assigned amounts to TND 370 740 million, including TND 102 852 million for past due interest.

#### 4.4- Deposit Guarantee Fund Contribution

Pursuant to Article 149 and following of Law n°2016-48 of 11 July 2016 relating to banks and financial institutions as well as the provisions of Decree n° 2017-268 of 1 February 2017 relating to the setting of intervention rules, organization and operation of the said fund, STB is obliged to join the Deposit Guarantee Fund in return for an annual contribution of 0.3% of the outstanding amount of its deposits. The contribution relating to the financial year 2022 is TND 24 813 thousand.

## 5. EXPLANATORY NOTES RELATING TO BALANCE SHEET ITEMS

### 5.1 - Cash and Assets with the CBT, PCC and GTT

The total cash assets and with the CBT, PCC and GTT amounted to TND 175.533 thousand as at 31/12/2022 against TND 532.828 thousand as at 31/12/2021, i.e. a decrease of TND -357.295 thousand.

The different headings of this item are as follows:

Particulars	2022	2021	Variation	%
<b>CASH</b>	<b>76 305</b>	<b>78 510</b>	<b>(2 205)</b>	<b>(2,8%)</b>
Cash in Dinars	66 769	68 856	(2 087)	(3,0%)
Cash in foreign currency	9 536	9 654	(118)	(1,2%)
<b>CBT</b>	<b>98 167</b>	<b>453 916</b>	<b>(355 749)</b>	<b>(78,4%)</b>
CBT in Dinars	(4 654)	7 156	(11 810)	(165,0%)
CBT in foreign currency	102 821	396 760	(293 939)	(74,1%)
Deposit facility	-	50 000	(50 000)	(100,0%)
<b>PCC</b>	<b>1 057</b>	<b>398</b>	<b>659</b>	<b>165,6%</b>
<b>GTT</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>175 533</b>	<b>532 828</b>	<b>(357 295)</b>	<b>(67,1%)</b>



### Liquidity Ratio

Pursuant to the provisions of CBT circular n°2014-14 of 10 November 2014, banks are required to comply with a minimum liquidity ratio of 100% for the years 2022 and 2021. STB posted these ratios:

Particulars	Regulatory Threshold	2022	Regulatory Threshold	2021
Liquidity ratio	100%	121,10%	100%	107,64%

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

Description	2021	Allocations	Covers	Reclass .	2022
Provisions for miscellaneous risks (Assets with CBT in dinars)	6 796	-	1 741		5 055
<b>Total</b>	<b>6 796</b>	<b>-</b>	<b>1 741</b>	<b>-</b>	<b>5 055</b>

### 5.2 - Receivables from Banking and Financial Institutions

The total receivables from banking and financial institutions are TND 445.503 thousand as at 31/12/2022 against TND 571.397 thousand as at 31/12/2021.

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

Particulars	2022	2021	Variation	%
<b>Receivables from banking institutions</b>	<b>75 122</b>	<b>43 061</b>	<b>32 061</b>	<b>74,5%</b>
Current accounts of resident banks	2	2	-	-
Current accounts of non-resident banks	75 119	43 058	32 061	74,5%
Accounts receivables of correspondents in convertible dinars	1	1	-	-
<b>Loans to financial institutions</b>	<b>299 032</b>	<b>423 044</b>	<b>(124 012)</b>	<b>(29,3%)</b>
Money market loans in Dinars	71 849	322 000	(250 151)	(77,7%)
Non-market loans in Dinars	-	-	-	-
Money market loans in foreign currency	227 183	101 044	126 139	124,8%
<b>Provisions on interbank loans</b>	<b>(1 849)</b>	<b>(1 616)</b>	<b>(233)</b>	<b>(14,4%)</b>
<b>Receivables and loans to specialized financial organizations</b>	<b>73 175</b>	<b>106 804</b>	<b>(33 629)</b>	<b>(1)</b>
Receivables and loans to specialized financial organizations (leasing)	44 402	50 582	(6 180)	(12,2%)
Receivables and loans to specialized financial organizations (Tunis Ré)	28 773	56 222	(27 449)	(48,8%)
<b>Related receivables</b>	<b>23</b>	<b>104</b>	<b>(81)</b>	<b>(77,9%)</b>
Receivables related to interbank loans in dinars	-	86	(86)	(100,0%)
Receivables related to interbank loans in foreign currencies	23	18	5	27,8%
<b>Total</b>	<b>445 503</b>	<b>571 397</b>	<b>(125 894)</b>	<b>(22,0%)</b>

CBT refinancing receivables as per the due date are as follows:

Particulars	2022	2021	Variation	%
<b>Receivables from banking and financial institutions</b>				
<b>Eligible for refinancing by CBT<sup>(*)</sup></b>	<b>7 000</b>	<b>9 000</b>	<b>(2 000)</b>	<b>(22,2%)</b>
<b>Not eligible for refinancing by CBT<sup>(*)</sup></b>	<b>438 480</b>	<b>562 293</b>	<b>(123 813)</b>	<b>(22,0%)</b>
<b>Total</b>	<b>445 480</b>	<b>571 293</b>	<b>(125 813)</b>	<b>(22,0%)</b>

(\*) 2021 figures have been restated for comparability purposes

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

Particulars	2022	2021	Variation	%
<b>Receivables from banking and financial institutions</b>				
Materialized by interbank market securities	-	-	-	-
Not materialized by interbank market securities	445 480	571 293	(125 813)	(22,0%)
<b>Total</b>	<b>445 480</b>	<b>571 293</b>	<b>(125 813)</b>	<b>(22,0%)</b>

The breakdown of receivables from banking and financial institutions (excluding related receivables) as per the residual term as at 12/31/2022 is detailed as follows:

Particulars	↖ 3 months	3 months Up to 1 year	1 year Up to 5 years	→ 5 years	Total
<b>Receivables from banking institutions</b>	<b>75 122</b>	-	-	-	<b>75 122</b>
current accounts of resident banks	2	-	-	-	2
current accounts of non-resident banks	75 119	-	-	-	75 119
accounts receivables from correspondents in convertible dinars	1	-	-	-	1
<b>Loans to banking institutions</b>	<b>289 101</b>	<b>9 931</b>	-	-	<b>299 032</b>
Money market loans in dinars	71 849	-	-	-	71 849
Non-money market loans in dinars	-	-	-	-	-
Money market loans in foreign currency	217 252	9 931	-	-	227 183
<b>Provisions for interbank loans</b>	<b>(1 849)</b>	-	-	-	<b>(1 849)</b>
<b>Loans to specialized financial organizations (leasing)</b>	<b>44 402</b>	-	-	-	<b>44 402</b>
<b>Receivables from specialized financial organizations (Tunis Ré)</b>	<b>28 773</b>	-	-	-	<b>28 773</b>
<b>Total</b>	<b>435 549</b>	<b>9 931</b>	-	-	<b>445 480</b>

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

Particulars	2021	Allocations	Reversals	Reclassification	2022
Provisions for miscellaneous risks (Receivables from banking institutions)	23 387	8 558	-	-	31 945
<b>Total</b>	<b>23 387</b>	<b>8 558</b>	-	-	<b>31 945</b>

### 5.3 - Receivables from Clients

The comparative evolution of net commitments between 2022 and 2021 is as follows:

Particulars	2022	2021	Variation	%
Current accounts receivables	1 038 016	994 143	43 873	4,4%
Appropriations from special resources	192 797	148 853	43 944	29,5%
Receivables paid by the State	9 440	13 711	(4 271)	(31,2%)
Bonus paid by the State	4 230	4 230	-	-
Associated current accounts	89 770	89 770	-	-
Other client loans	11 171 012	10 205 578	965 434	9,5%
Receivables to be waived	4 298	3 562	736	20,7%
Related receivables	79 078	94 678	(15 600)	(16,5%)
<b>Gross total</b>	<b>12 588 641</b>	<b>11 554 525</b>	<b>1 034 116</b>	<b>8,9%</b>
<b>Provisions</b>	<b>(1 149 164)</b>	<b>(1 139 962)</b>	<b>(9 202)</b>	<b>-0,8%</b>
Provisions on current accounts	(144 889)	(150 255)	5 366	3,6%
Provisions on special resources	(36 576)	(34 441)	(2 135)	(6,2%)
Provisions on other client loans	(744 744)	(770 536)	25 792	3,3%
Provisions on associated current accounts	(45 552)	(45 552)	-	-
Provisions on receivables to be waived	(455)	(455)	-	-
Collective provisions	(176 948)	(138 723)	(38 225)	(27,6%)
<b>Reserved bank charges</b>	<b>(526 542)</b>	<b>(646 251)</b>	<b>119 709</b>	<b>18,5%</b>
Reserved bank charges on current accounts	(39 828)	(47 463)	7 635	16,1%
Reserved bank charges on other client loans	(434 916)	(547 322)	112 406	20,5%
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	-
Reserved bank charges on special resources	-	-	-	-
Reserved bank charges on receivables to be waived	(3 843)	(3 107)	(736)	(23,7%)
Reserved bank charges on related receivables	(13 376)	(13 780)	404	2,9%
<b>Income received in advance</b>	<b>(52 521)</b>	<b>(37 174)</b>	<b>(15 347)</b>	<b>-41,3%</b>
<b>Net Total in thousand TND</b>	<b>10 860 414</b>	<b>9 731 138</b>	<b>1 129 276</b>	<b>11,6%</b>

The structure of client's net receivables outstanding as at 12/31/2022 is as follows:

Particulars	Gross amounts outstanding	Individual Provisions	Additional provisions	Reserved bank charges	Income collected in advance	Net outstanding
Current accounts receivables	1 038 016	(110 436)	(34 453)	(39 828)	-	<b>853 299</b>
Special resources accounts	192 797	(32 936)	(3 640)	-	-	<b>156 221</b>
Associated current accounts	89 770	(32 152)	(13 400)	(34 579)	-	<b>9 639</b>
Other client loans	11 184 682	(472 097)	(272 647)	(434 916)	(52 521)	<b>9 952 501</b>
Receivables to be waived	4 298	(455)	-	(3 843)	-	<b>-</b>
Related receivables	79 078	-	-	(13 376)	-	<b>65 702</b>
<b>Total</b>	<b>12 588 641</b>	<b>(648 076)</b>	<b>(324 140)</b>	<b>(526 542)</b>	<b>(52 521)</b>	<b>11 037 362</b>
Collective provisions						<b>(176 948)</b>
<b>Net outstanding</b>						<b>10 860 414</b>



The gross outstanding amount of the client's receivables excluding unpaid debts and related receivables is broken down by residual term as follows:

Particulars	< 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Gross outstanding amounts
Current accounts receivables	1 038 016	-	-	-	<b>1 038 016</b>
Other client loans	2 592 849	2 250 789	3 581 655	1 360 266	<b>9 785 559</b>
Appropriations from special resources	3 262	13 337	83 534	53 146	<b>153 279</b>
<b>Total 2022</b>	<b>3 634 127</b>	<b>2 264 126</b>	<b>3 665 189</b>	<b>1 413 412</b>	<b>10 976 854</b>

Reserved bank charges: The reserved bank charges accounts closed on 31/12/2022 are detailed as follows:

Particulars	2022	2021	Variation	%
Reserved bank charges on current accounts	(39 828)	(47 463)	7 635	16,1%
Reserved bank charges on endorsements and sureties	(3 721)	(3 468)	(253)	(7,3%)
Reserved bank charges on ordinary medium-term loan interest	(130 042)	(148 083)	18 041	12,2%
Reserved bank charges on consolidated medium-term loan interest	(225 980)	(227 040)	1 060	0,5%
Reserved bank charges on loans guaranteed by the State	(1 158)	(1 448)	290	20,0%
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	-
Reserved default interest on disputed receivables	(74 015)	(167 283)	93 268	55,8%
Reserved bank charges/receivables to be waived	(3 843)	(3 107)	(736)	(23,7%)
Reserved bank charges on related receivables	(13 376)	(13 780)	404	2,9%
<b>Subtotal</b>	<b>(526 542)</b>	<b>(646 251)</b>	<b>119 709</b>	<b>18,5%</b>
Reserved bank charges on receivables paid by the State	-	(2 519)	2 519	100,0%
<b>Total</b>	<b>(526 542)</b>	<b>(648 770)</b>	<b>122 228</b>	<b>18,8%</b>

Reserved default interest on disputed receivables is calculated and recorded automatically by the system and amounts to TND 74.015 thousand as at 31/12/2022.

Particulars	2021	Allocations	Reversals	Reclassification	2022
Provisions on current accounts	(150 255)	(36 269)	39 787	1 848	(144 889)
Provisions on special resources	(34 441)	(7 147)	7 636	(2 624)	(36 576)
Provisions on other client loans	(770 536)	(166 055)	191 164	683	(744 744)
Provisions on associated current accounts	(45 552)	-	-	-	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(138 723)	(38 225)	-	-	(176 948)
<b>Total</b>	<b>(1 139 962)</b>	<b>(247 696)</b>	<b>238 587</b>	<b>(93)</b>	<b>(1 149 164)</b>

Particulars	2021	Allocations	Reversals	Reclassification	2022
Individual provisions for bad debts to clients	(600 445)	(160 008)	112 638	(261)	(648 076)
Additional provisions for bad debts to clients	(400 794)	(49 463)	125 949	168	(324 140)
Collective provisions	(138 723)	(38 225)	-	-	(176 948)
<b>Total</b>	<b>(1 139 962)</b>	<b>(247 696)</b>	<b>238 587</b>	<b>(93)</b>	<b>(1 149 164)</b>

### - Eligibility for Central Bank Refinancing

The receivables (after discounting) eligible for central bank refinancing are as follows:

Description	2022	2021	Variation	%
Receivables eligible for refinancing	1 321 575	933 849	387 726	41,5%

#### 5.3.1 - Guarantees

The guarantees used by the Bank to determine provisions on commitments are determined in certain cases in the absence of an inventory of the legal documents justifying them (Certificates of ownership, Tourism Real Estate Agency, and Tourism Industry Agency, etc...).

#### 5.3.2 - Additional Provisions

Pursuant to the provisions of CBT circular n°2013-21 of 30 December 2013, STB has constituted a net recovery on additional provisions around of TND 76 654 thousand for the financial year 2022, on commitments with seniority in class 4 greater than or equal to 3 years.

The balance of additional provisions amounted to TND 324 140 thousand as at 31 December 2022.

#### 5.3.3 - Collective Provisions

Pursuant to the circular to banks n° 2023-02 of 24 February 2023 relating to the Division, coverage of risks, and monitoring of commitments, the Bank has constituted by deduction from the results of the

financial year 2022, provisions of a general nature known as «Collective Provisions» with a view to covering latent risks on current commitments (class 0) and those requiring particular monitoring (class 1) as determined by Article 8 of the CBT Circular No. 91-24 of 17 December 1991.

#### 5.3.4- Receivables Consolidated and Assumed by the State without Interest

Receivables taken over by the State are the receivables of certain public enterprises assumed by the State within the framework of the Finance Law of 1999, and whose total outstanding amount is TND 9 440 thousand. These receivables were consolidated over a period of 20 to 25 years, without interest and with the State's guarantee.

### 5.4 - Trading Securities Portfolio

The balance of this item amounts to TND 906.582 thousand as at 31/12/2022 against TND 612.349 thousand as at 31/12/2021. The trading securities portfolio is composed of fixed income securities issued by the State and variable income securities.

Particulars	2021	Acquisition/ Allocation	Disposal of/ Liquidation/ Reversal	Reclassification	2022
<b>I- Investment securities</b>	<b>608 242</b>	<b>100 292</b>	<b>(41 350)</b>	-	<b>667 184</b>
<b>1.1 Securities issued by the State and public organizations</b>	<b>608 242</b>	<b>100 292</b>	<b>(41 350)</b>	-	<b>667 184</b>
Gross values	630 055	100 292	(39 528)		690 819
Receivables and related liabilities <sup>(*)</sup>	22 261	-	(1 220)	-	21 041
Discount	(44 074)	-	(602)	-	(44 676)
<b>II- Trading securities</b>	<b>4 107</b>	<b>244 814</b>	<b>(9 523)</b>	-	<b>239 398</b>
<b>2.1 Fixed Income Trading Securities</b>	<b>4 107</b>	<b>244 814</b>	<b>(9 523)</b>	-	<b>239 398</b>
Treasury bonds	4 408	244 814	(4 408)	-	244 814
Receivables and related liabilities	(301)	-	(5 115)	-	(5 416)
<b>Net total</b>	<b>612 349</b>	<b>345 106</b>	<b>(50 873)</b>	-	<b>906 582</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

### 5.5 – Investment Portfolio

The value of investment securities portfolio amounts to TND 1.455.603 thousand as at 31/12/2022 against TND 1.258.378 thousand as at 31/12/2021 is detailed as follows:

Particulars	2022	2021	Variation	%
Equivalent investment treasury bonds	798 100	798 100	-	-
Discount/premiums on equivalent Investment Bonds	(12 598)	(17 467)	4 869	27,9%
Related receivables	25 527	25 527	-	-
<b>Total Equivalent Investment Bonds</b>	<b>811 029</b>	<b>806 160</b>	<b>4 869</b>	<b>0,6%</b>
Debt securities	16 326	103 696	(87 370)	(84,3%)
National Bonds	278 000	-	278 000	-
Debt securities provisions	(2 650)	(2 650)	-	-
Related receivables	8 108	2 688	5 420	201,6%
	-	-	-	-
<b>Total other investment securities</b>	<b>299 784</b>	<b>103 734</b>	<b>196 050</b>	<b>189,0%</b>
SICAR managed funds	93 678	96 235	(2 557)	(2,7%)
Managed funds provisions	(57 441)	(57 401)	(40)	(0,1%)
<b>Total Managed Funds</b>	<b>36 237</b>	<b>38 834</b>	<b>(2 597)</b>	<b>(6,7%)</b>
shares in mutual investment funds	49 146	49 146	-	-
Provisions on shares in mutual investment funds	-	(996)	996	100,0%
<b>Total Mutual Investment Funds</b>	<b>49 146</b>	<b>48 150</b>	<b>996</b>	<b>2,1%</b>
Shares in subsidiaries	216 009	195 179	20 830	10,7%
Shares in associates and joint ventures	50 831	41 591	9 240	22,2%
Equity securities	123 480	151 556	(28 076)	(18,5%)
Retrocession participations	18 056	18 416	(360)	(2,0%)
Companies in liquidation	30	30	-	-
Equity securities provisions	(148 667)	(144 940)	(3 727)	(2,6%)
Receivables and related liabilities	(332)	(332)	-	-
<b>Total equity securities</b>	<b>259 407</b>	<b>261 500</b>	<b>(2 093)</b>	<b>(0,8%)</b>
<b>Grand total</b>	<b>1 455 603</b>	<b>1 258 378</b>	<b>197 225</b>	<b>15,7%</b>

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

Description	2021	Souscription	Cession / remboursement / restitution	Résultats capitalisés	2022
Equivalent investment treasury bonds	798 100	4 464	(4 464)	-	798 100
Debt securities	103 696	-	(12 370)	-	16 326
National Bonds	-	203 000	-	-	278 000
SICAR managed funds	96 235	-	(3 109)	551	93 678
Mutual Investment Fund	49 146	-	-	-	49 146
Equity securities	151 556	-	(28 077)	-	123 480
Shares in associates and joint ventures	41 591	9 404	(164)	-	50 831
Shares in subsidiaries	195 179	20 830	-	-	216 009
Company in liquidation	30	-	-	-	30
Retrocession participation	18 416	-	(360)	-	18 056
<b>Total in thousand TND</b>	<b>1 453 949</b>	<b>237 698</b>	<b>(48 544)</b>	<b>551</b>	<b>1 643 656</b>



The breakdown of investment securities excluding equivalent investment treasury bonds as at 12/31/2022 into listed and unlisted securities is as follows:

Particulars	2022	2021	Variation	%
Unlisted securities	805 902	595 584	210 318	35,3%
Listed securities	38 349	58 961	(20 612)	(35,0%)
Undertaking for Collective Investment in Transferable Securities (UCITS)	1 305	1 305	-	-
<b>Gross value in thousand TND</b>	<b>845 556</b>	<b>655 850</b>	<b>189 706</b>	<b>28,9%</b>

The list of the main affiliate companies as at 12/31/2022 is detailed as follows:

Affiliates	Share of capital held by "STB"	Gross book value	Provision	Net book value
<b>FINANCIAL SECTOR</b>				
STRC	91,93%	36 462	0	36 462
STB SICAR	81,99%	16 205	0	16 205
STB INVEST	92,00%	36 986	0	36 986
STB FINANCE	61,34%	4 749	0	4 749
BFT	78,18%	3 535	3 535	0
TF Bank	49,99%	56 370	25 944	30 426
<b>TOURIST SECTOR</b>				
SKANES PALACE INTERNATIONAL	99,76%	6 180	6 180	0
AFRICA SOUSSE	96,94%	9 050	9 050	0
ED-DKHILA	61,21%	3 221	0	3 221
CIE HOTELI CENTRE VILLES	59,32%	2 100	2 488	-388
<b>REAL ESTATE SECTOR</b>				
IMMOBILIERE DE L'AVENUE	84,71%	7 461	2 324	5 137
<b>SERVICES SECTOR</b>				
STE LA GENERALE DE VENTE	50,00%	2 000	0	2 000
ACTIVHOTELS	97,57%	28 084	7 515	20 569

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

Managed Funds	Initial funds	Capitalized results	Previous Refunds	Participation in retrocession	Direct Participation	SICAV securities	Balance
MF STB 1	2022	-1 121	2 180	2 216	2 094	55	4 699
MF STB 2	8 000	1 386	4 331	4 402	299	175	5 055
MF STB 3	5 000	897	2 077	2 537	1 000	52	3 820
MF STB 4	6 500	1 201	2 008	5 772	120	731	5 693
MF STB 5	6 824	1 576	2 931	5 108	533	149	5 469
MF STB 6	2 707	151	2 172	1 326	80	93	686
MF STB 7	800	74	140	265	390	96	734
MF STB 8	6 752	3 175	4 082	2 720	3 032	1 412	5 845
MF STB 9	4 800	269	760	3 931	-	267	4 309
MF STB 10	8 748	166	247	8 523	-	165	8 667
MF STB 11	6 000	551	733	4 821	83	602	5 818
MF STB 12	9 898	1 313	406	5 998	1 526	2 105	10 805
MF ID 1	2 000	862	1 630	1 289	-	40	1 232
MF ID 2	2 000	218	957	1 639	-	54	1 261
MF ID 3	5 436	1 155	2 839	3 684	140	93	3 752
MF ID 4	360	30	28	335	-	30	362
MF ID 5	1 133	271	173	967	-	311	1 231
MF ID 6	4 000	442	1 023	2 546	-	958	3 419
MF STB 14	10 000	293	0	8 000	-	1 341	10 293
MF STB 15	10 000	528	0	6 150	-	2 843	10 528
<b>Total</b>	<b>108 958</b>	<b>13 437</b>	<b>28 717</b>	<b>72 229</b>	<b>9 297</b>	<b>11 572</b>	<b>93 678</b>

As at December 31, 2022, the situation of uses on the Managed Funds is detailed as follows:

Managed Funds	2022	2021	Variation	%
Current accounts of resident banks	658	16	642	4012,5%
Shares (investment)	2 049	2 596	(547)	(21,1%)
Units in UCITS	11 573	15 381	(3 808)	(24,8%)
Other equity securities	4 293	2 579	1 714	66,5%
Retrocession participations	81 525	82 917	(1 392)	(1,7%)
Receivables from retrocession participations	723	723	-	-
Miscellaneous debtors	2 049	252	1 797	713,1%
Provisions on retrocession participations	(60 013)	(59 192)	(821)	(1,4%)
Assets in accounts of banking institutions in dinars	(15)	(15)	-	-
Miscellaneous creditors	(6 606)	(6 423)	(183)	(2,8%)
<b>Total</b>	<b>36 236</b>	<b>38 834</b>	<b>-2 598</b>	<b>-6,7%</b>

## 5.6 – Fixed Assets

Net fixed assets amounted to TND 136.218 thousand as at 31/12/2022. The movements recorded during the 2022 financial year are detailed as follows

Particulars	Gross Value 2021	Acquisition/ Disposal 2022	adjustment gross value / previous years	Gross Value 2022	Amortization 2021	Allocations/ Provisions 2022	Amortization adjustment / previous years	Amortization 2022	Net Worth 2022
<b>Intangible assets</b>	<b>34 834</b>	<b>3 874</b>	<b>-</b>	<b>38 708</b>	<b>(28 738)</b>	<b>(3 679)</b>	<b>-</b>	<b>(32 417)</b>	<b>6 291</b>
Computer software	34 777	3 874	0	38 651	(28 738)	(3 679)	-	(32 417)	6 234
Leasehold rights	57	-	0	57	-	-	-	-	57
<b>Tangible fixed assets</b>	<b>290 597</b>	<b>17 459</b>	<b>-</b>	<b>308 056</b>	<b>(171 765)</b>	<b>(9 600)</b>	<b>3 236</b>	<b>(178 129)</b>	<b>129 927</b>
Lands	38 844	-	0	38 844	-	-	-	-	38 844
Buildings	73 027	-	0	73 027	(37 844)	(1 467)	-	(39 312)	33 715
Office furniture	8 961	1 524	0	10 485	(6 969)	(619)	-	(7 588)	2 897
Transportation equipment	3 151	-	0	3 151	(1 335)	(554)	-	(1 889)	1 262
Hardware	49 795	4 200	0	53 995	(48 992)	(2 459)	-	(51 451)	2 544
Communication equipment	2 061	2	0	2 063	(1 310)	(21)	-	(1 331)	732
Office equipment	18 025	536	0	18 561	(17 173)	(523)	-	(17 696)	865
Safety equipment	6 077	1 450	0	7 527	(3 636)	(436)	-	(4 072)	3 455
air conditioning equipment	6 088	8	0	6 095	(5 506)	(136)	-	(5 642)	453
Fixtures, fittings and installation	55 244	9 526	0	64 771	(38 381)	(3 373)	-	(41 753)	23 018
Non-operating office furniture	33	-	0	33	(31)	-	-	(31)	2
Non-Operating Mat-tool	403	-	0	403	(359)	(12)	-	(371)	32
Unused buildings	28 229	(185)	0	28 044	(10 229)	-	3 236	(6 993)	21 051
Buildings pending assignment	659	398	0	1 057	-	-	-	-	1 057
<b>TOTAL</b>	<b>325 431</b>	<b>21 333</b>	<b>-</b>	<b>346 764</b>	<b>(200 503)</b>	<b>(13 279)</b>	<b>3 236</b>	<b>(210 546)</b>	<b>136 218</b>

## 5.7 – Other Assets

The total of other assets is TND 707.695 thousand as at 31/12/2022 against TND 656.179 thousand as at 31/12/2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Staff loans and advances	184 853	169 447	15 406	9,1%
Medical costs to be recovered	3 147	3 147	-	-
State , tax and duties	83 820	77 171	6 649	8,6%
Miscellaneous inventories	5 353	3 274	2 079	63,5%
Exchange rate difference payable by the State	178	39	139	356,4%
Assets of Head office, branches and agencies	10 946	31 921	(20 975)	(65,7%)
Accruals and deferred income	128 320	163 238	(34 918)	(21,4%)
Securities submitted for compensation	81 997	60 663	21 334	35,2%
Financial instruments as revenue	107	107	-	-
Debits to be regularized	761	812	(51)	(6,3%)
Prepaid expenses	621	1 026	(405)	(39,5%)
Accrued income	(2 403)	(281)	(2 122)	(755,2%)
Assigned receivables	2 081	2 361	(280)	(11,9%)
Difference portfolio collection due after encashment (1)	18 084	18 071	13	0,1%
Other asset accounts	189 830	125 183	64 647	51,6%
<b>TOTAL</b>	<b>707 695</b>	<b>656 179</b>	<b>51 516</b>	<b>7,9%</b>

(1) The portfolio collection item due after collection shows a debit balance of TND 18 083 thousand. This balance is the result of the compensation between several asset and liability accounts relating to securities in collection and securities payable after encashment.



This item is detailed as follows:

Type	2022	2021	Variation	%
Securities upon encashment	129 242	173 020	(43 778)	(25,3%)
Securities payable after encashment	(111 159)	(154 949)	43 790	28,3%
<b>Total</b>	<b>18 083</b>	<b>18 071</b>	<b>12</b>	<b>0%</b>

(2) The balances of the accounts in foreign currencies are translated into dinars on each closing date by applying the average rate on that date. A provision is made for 50% of the translation difference generated and offset against the balances of the position and counter-value accounts if they show a debit balance.

The provisions recorded on the element of other assets are detailed as follows:

Particulars	Provision 2021	Allocation 2022	Reversals 2022	Provision 2022
Staff loans	(1 732)	-	-	<b>(1 732)</b>
State, tax and duties	(829)	-	-	<b>(829)</b>
Miscellaneous inventories	(28)	-	-	<b>(28)</b>
Translation difference	(12 105)	-	-	<b>(12 105)</b>
Accruals and deferred income	(8 133)	-	-	<b>(8 133)</b>
Securities submitted for compensation	(156)	-	71	<b>(85)</b>
Financial instruments as revenue	(111)	-	-	<b>(111)</b>
Debits to be regularized	(1 069)	-	25	<b>(1 044)</b>
Prepaid charges	(134)	-	-	<b>(134)</b>
Assigned receivables	(2 137)	-	-	<b>(2 137)</b>
Difference portfolio collection due after encashment	(471)	-	-	<b>(471)</b>
Litigations	(59 983)	(11 322)	5 709	<b>(65 596)</b>
Others	(11 230)	(82)	98	<b>(11 213)</b>
<b>Total</b>	<b>(98 118)</b>	<b>(11 404)</b>	<b>5 903</b>	<b>(103 619)</b>

### 5.8 – Central bank and Postal Cheque Centre

The total of this item is TND 1.517.934 thousand as at 31/12/2022 against TND 1.461.625 thousand as at 31/12/2021. This item is detailed as follows:

Particulars	2022	2021	Variation	%
Tender	1 131 000	1 427 000	(296 000)	(20,7%)
Loan facility	420 000	-	420 000	-
Uses with the CBT	(34 744)	33 278	(68 022)	(204,4%)
Related liabilities	1 678	1 347	331	24,6%
<b>TOTAL</b>	<b>1 517 934</b>	<b>1 461 625</b>	<b>56 309</b>	<b>3,9%</b>

### 5.9 – Deposits and Assets of Banking and Financial Institutions

The total of this item is TND 535.322 thousand as at 31/12/2022 against TND 545.024 thousand as at 31/12/2021. Its type-wise distribution of banking and financial institution is as follows:

Particulars	2022	2021	Variation	%
<b>Current accounts of banking institutions</b>	<b>75 972</b>	<b>49 479</b>	<b>26 493</b>	<b>53,5%</b>
- Deposit banks	1	1	-	-
- Non-resident banks	75 971	49 478	26 493	53,5%
<b>Borrowings from banking institutions</b>	<b>420 109</b>	<b>470 167</b>	<b>(50 058)</b>	<b>(10,6%)</b>
- Borrowings in dinars	168 500	209 000	(40 500)	(19,4%)
- Borrowings in foreign currency	251 609	261 167	(9 558)	(3,7%)
<b>Equity of financial institutions</b>	<b>37 637</b>	<b>23 346</b>	<b>14 291</b>	<b>61,2%</b>
<b>Related liabilities</b>	<b>1 604</b>	<b>2 032</b>	<b>(428)</b>	<b>(21,1%)</b>
<b>Total</b>	<b>535 322</b>	<b>545 024</b>	<b>(9 702)</b>	<b>(1,8%)</b>

The breakdown of borrowings from banking and financial institutions according to the materialization of borrowings through interbank market securities is as follows:

Particulars	2022	2021	Variation	%
Materialized by securities	-	-	-	-
Not materialized by securities	535 322	545 024	(9 702)	(1,8%)
<b>Total</b>	<b>535 322</b>	<b>545 024</b>	<b>(9 702)</b>	<b>(1,8%)</b>

The breakdown of deposits and assets of banking and financial institutions (excluding related liabilities) as per residual term as at 31/12/2022 is as follows:

Description	≤ 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
<b>Current accounts of banking institutions</b>	<b>75 972</b>	-	-	-	<b>75 972</b>
- Deposit banks	1	-	-	-	1
- Non-resident banks	75 971	-	-	-	75 971
<b>Borrowings from banking institutions</b>	<b>325 605</b>	<b>94 504</b>	-	-	<b>420 109</b>
- Borrowings in dinars	168 500	-	-	-	168 500
- Borrowings in foreign currency	157 105	94 504	-	-	251 609
<b>Equity of financial institutions</b>	<b>37 637</b>	-	-	-	<b>37 637</b>
<b>Related liabilities</b>	<b>1 604</b>	-	-	-	<b>1 604</b>
<b>Total</b>	<b>440 818</b>	<b>94 504</b>	-	-	<b>535 322</b>

### 5.10 – Client Deposits and Assets

The balance of this item amounts to TND 9.863.202 thousand as at 31/12/2022 against TND 9.047.593 thousand as at 31/12/2021. The deposits are detailed as follows:

Particulars	2022	2021	Variation	%
Call deposits	2 652 164	2 616 904	35 260	1,3%
Savings deposits	3 870 738	3 585 871	284 867	7,9%
Term account	776 985	608 453	168 532	27,7%
Accounts in convertible dinars	124 272	108 603	15 669	14,4%
Currency deposits	781 666	841 117	(59 451)	(7,1%)
Currency investments	264 322	266 122	(1 800)	(0,7%)
Cash vouchers	686 193	586 999	99 194	16,9%
Other amounts due to customers	276 383	184 331	92 052	49,9%
Related liabilities	(8 521)	(12 807)	4 286	33,5%
Certificates of deposits	439 000	262 000	177 000	67,6%
<b>Total</b>	<b>9 863 202</b>	<b>9 047 593</b>	<b>815 609</b>	<b>9,0%</b>

The breakdown of client deposits and assets as per the residual term excluding related liabilities is as follows:

Particulars	Less than 3 months	3 months up to 1 year	1 up to 5 years	more than 5 years	Gross outstanding amount
	<b>3 678 004</b>	<b>144 421</b>	-	-	<b>3 822 425</b>
Call deposits	2 652 164	-	-	-	2 652 164
Call deposits in Dinar	124 272	-	-	-	124 272
Accounts in convertible dinars	781 666	-	-	-	781 666
Currency accounts	119 902	144 421	-	-	264 323
<b>Currency investment</b>	<b>3 870 738</b>	-	-	-	<b>3 870 738</b>
Savings deposits	3 827 530	-	-	-	3 827 530
Special savings accounts	43 208	-	-	-	43 208
<b>Other savings accounts</b>	<b>949 377</b>	<b>746 283</b>	<b>206 517</b>	-	<b>1 902 177</b>
Term deposits	384 496	305 115	87 374	-	776 985
Term account	226 381	340 668	119 143	-	686 192
Cash vouchers	338 500	100 500	-	-	439 000
<b>Certificates of deposits</b>	<b>276 383</b>	-	-	-	<b>276 383</b>
<b>Other amounts due to clients</b>	<b>8 774 502</b>	<b>890 704</b>	<b>206 517</b>	-	<b>9 871 723</b>
<b>Total</b>					

The breakdown of deposits and client deposit assets as per the type of relationship as at 31/12/2022 is as follows:

Particulars	Subsidiaries	Associates	Joint ventures	Others	Total
Call deposits in Dinar	14 969	-	-	2 761 467	<b>2 776 436</b>
Currency accounts	-	1 183	-	780 483	<b>781 666</b>
Currency investment	-	-	-	264 322	<b>264 322</b>
Savings deposits	-	-	-	3 870 738	<b>3 870 738</b>
Term account	36 640	8 400	-	731 945	<b>776 985</b>
Cash vouchers	-	-	-	686 193	<b>686 193</b>
Certificates of deposits	2 000	25 000	-	412 000	<b>439 000</b>
Other amounts due to clients	-	-	-	276 383	<b>276 383</b>
<b>Total</b>	<b>53 609</b>	<b>34 583</b>	-	<b>9 783 531</b>	<b>9 871 723</b>

### 5.11 – Borrowings and Special Resources

The total balance of this item is TND 631.433 thousand as at 31/12/2022 against TND 495.760 thousand as at 31/12/2021, and is broken down as follows:

Particulars	2022	2021	Variation	%
Debt securities & Private Borrowings	319 617	257 450	62 167	24,1%
Special resources	275 289	220 564	54 725	24,8%
Budget resources	88 629	78 404	10 225	13,0%
External resources	186 660	142 160	44 500	31,3%
Interest on debt securities	42 295	22 740	19 555	86,0%
Interest payable on external resources	2 390	1 908	482	25,3%
Related liabilities	388	388	-	-
Translation difference on borrowing	(8 546)	(7 290)	(1 256)	(17,2%)
<b>Total</b>	<b>631 433</b>	<b>495 760</b>	<b>135 673</b>	<b>27,4%</b>

(\*) Hedging against exchange rate fluctuation is covered by the National Guarantee Fund managed by Tunis Ré.

#### (a) Debt securities & Private Borrowings

The breakdown of debt securities and private borrowings as per the residual term as at 12/31/2022 is as follows:

Description	≤ 3 months	[3 months 1 year]	[1 year - 5 years]	> 5 years	Total
Debt securities and private borrowings	23 502	9 963	133 712	152 440	319 617

The breakdown of debt securities and private borrowings into long-term and short-term borrowings as at 12/31/2022 is as follows:

Description	Balance 2021	New borrowings	Refunds	Reclassifications	Balance 2022
Long term borrowing	220 287	90 202	-	(24 337)	286 152
Short term borrowing	37 163	9 128	(37 163)	24 337	33 465
<b>Total</b>	<b>257 450</b>	<b>99 330</b>	<b>(37 163)</b>	<b>-</b>	<b>319 617</b>

#### (b) Special Resources

The breakdown of special resources as per the residual term as at 12/31/2022 is as follows:

Description	≤3 months	[3 months-1 year]	[1 an-5 year]	> 5 year	Total
Special Resources	1 649	11 131	81 150	92 730	186 660
Budget resources	46	7 923	33 033	47 627	88 629

The breakdown of special resources into long-term and short-term resources as at 12/31/2022 is as follows:

Description	Balance 2021	New borrowings	Refunds	Reclassifications	Revaluation	Balance 2022
Long term resources	204 072	66 134	-	(15 666)	-	254 540
Short term resources	16 492	-	(12 665)	16 922	-	20 749
<b>Total resources before hedging</b>	<b>220 564</b>	<b>66 134</b>	<b>(12 665)</b>	<b>1 256</b>	<b>-</b>	<b>275 289</b>
<b>Hedging on Foreign Currency Resources</b>	<b>(7 290)</b>	<b>-</b>	<b>-</b>	<b>(1 256)</b>	<b>-</b>	<b>(8 546)</b>
<b>Total resources</b>	<b>213 274</b>	<b>66 134</b>	<b>(12 665)</b>	<b>-</b>	<b>-</b>	<b>266 743</b>



## 5.12 – Other Liabilities

The total of this item amounts to TND 843.292 thousand as at 31/12/2022 against TND 733.367 thousand as at 31/12/2021:

Particulars	2022	2021	Variation	%
Provisions for liabilities and charges (1)	289 020	284 185	4 835	1,7%
State, taxes and social liabilities (2) (*)	131 000	123 190	7 810	6,3%
Unmatured financial instruments (3)	41 787	21 964	19 823	90,3%
Reserved bank charges assumed by the State	-	2 519	(2 519)	(100,0%)
Fees to pay	68 401	61 852	6 549	10,6%
Sundry creditors	2 298	2 213	85	3,8%
Suspension to be regularized	5 915	5 915	-	-
Head office, branches and agencies	1 082	3 974	(2 892)	(72,8%)
Accruals and deferred income – Liabilities	88 050	54 551	33 499	61,4%
Outstanding securities to be tele-set off	178 437	154 690	23 747	15,4%
Translation difference	21 733	2 123	19 610	923,7%
Other loans	501	501	-	-
Loans to be regularized	1 352	1 975	(623)	(31,5%)
Interest to be recovered on special resources	13 716	13 715	1	0,0%
<b>Total in thousand TND</b>	<b>843 292</b>	<b>733 367</b>	<b>109 925</b>	<b>15,0%</b>

(\*) data as at 31/12/2021 are restated for comparability purposes.

(1) Provisions for liabilities and charges constituted by the bank at the end of the 2022 financial year amounted to TND 289.020 thousand against TND 284.185 thousand at the end of the previous financial year. The created provisions cover the risks on off-balance sheet items and miscellaneous risks, and are detailed as follows:

Particulars	Provisions 2021	Reversals	Allocations	Reassignment and adjustment	Provisions 2022
Provisions on signature pledges	65 126	(18 349)	10 348	1 585	58 710
Provisions for retirement	69 423	(4 065)	2 544	-	67 902
Provisions for miscellaneous risks	<b>149 636</b>	<b>(7 777)</b>	<b>20 549</b>	-	<b>162 408</b>
<b>Total</b>	<b>284 185</b>	<b>(30 191)</b>	<b>33 441</b>	<b>1 585</b>	<b>289 020</b>

(2) This item is detailed as follows:

Rubrique	2022	2021	Variation	%
Corporate income tax payable <sup>(1)</sup>	85 946	84 945	1 001	
VAT	4 104	4 283	(179)	(4,2%)
Withholding tax	24 410	17 095	7 315	42,8%
Exchange Equalization Fund	10 857	11 975	(1 118)	(9,3%)
Social solidarity contribution	117	105	12	11,4%
Others	5 566	4 787	779	16,3%
<b>Total</b>	<b>131 000</b>	<b>123 190</b>	<b>7 810</b>	<b>6,3%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

(3) This item is detailed as follows:

Items	2022	2021	Variation	%
Unmatured medium-term financial instruments	1 583	1 432	151	10,5%
Unmatured short-term financial instruments	-	-	-	-
Unmatured financial effects on medium-term interest	4 467	4 531	(64)	(1,4%)
Unmatured financial instruments received from clearing	547	547	-	-
Unmatured bills of exchange sent to electronic clearing	79	3 683	(3 604)	(97,9%)
Unmatured discounted bills sent for collection	35 111	11 771	23 340	198,3%
<b>Total</b>	<b>41 787</b>	<b>21 964</b>	<b>19 823</b>	<b>90,3%</b>

### 5.13 – Equity

As at the balance sheet date, the share capital amounted to TND 776.875 thousand. It is composed of 155.375.000 shares with a fully paid-up nominal value of TND 5. The movements in the bank's equity are detailed as follows:

(1) These are revaluation reserves for an amount of TND 37 324 thousand (lands: TND 15 328 thousand and operating buildings: TND 21 996 thousand). In accordance with accounting regulations, part of the balance of the revaluation difference, i.e. TND 461 thousand in 2022, was transferred to retained earnings to take account of the use of revalued assets.

Particulars	balance 2021	Accounting change	Balance restated 2021	Allocation Result 2021	Distribution of dividends	Result for the financial year	Other movements	Balance 2022
Social capital	776 875		776 875	-	-	-	-	776 875
State grant	117 000		117 000	-	-	-	-	117 000
Capital-related premiums	142 663		142 663	-	-	-	-	142 663
Legal reserves	12 430		12 430	-	-	-	-	12 430
Statutory reserves	49 479		49 479	-	-	-	-	49 479
Special Reserves	196 906		196 906	-	-	-	-	196 906
Reserves for exempt reinvestments	9 974		9 974	-	-	-	-	9 974
Reserves for social fund	9 779		9 779	-	-	-	(547)	9 232
Reserves for banking risks	45 028		45 028	-	-	-	-	45 028
Treasury stock	(5 509)		(5 509)	-	-	-	-	(5 509)
Other Treasury stock <sup>(1)</sup>	22 314		22 314	-	-	-	(461)	21 853
Deferred income <sup>(1)</sup>	(277 072)	(8 720)	(285 792)	112 681	-	-	461	(172 650)
Net income for the financial year <sup>(1)</sup>	115 468	(2 786)	112 681	(112 681)	-	93 083	-	93 083
<b>Total</b>	<b>1 215 335</b>	<b>(11 506)</b>	<b>1 203 828</b>	<b>-</b>	<b>-</b>	<b>93 083</b>	<b>(547)</b>	<b>1 296 364</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

The percentage of shares held by the bank in relation to the total shares outstanding is as follows:

Total number of ordinary shares	155 375 000
Number of treasury stock	679 987
The percentage of shares held by the bank in relation to the total shares outstanding.	0,44%

#### 5.13.1 – State Grant

In accordance with law n°2012-17 of 17 September 2012, STB has recorded among its equity a state grant of TND 117,000 thousand with a possibility of restitution in the event of the bank's financial equilibrium being restored.

### 5.13.2- Earnings per Share

Particulars	2022	2021	Variation	%
Net profit for the financial year before accounting changes (in TND) <sup>(*)</sup>	93 082 695	112 681 373	(19 598 678)	-17,4%
Number of ordinary shares	155 375 000	155 375 000	-	0,0%
Number of treasury stocks	679 987	679 987	-	0,0%
Number of ordinary shares outstanding at the beginning of the period	155 375 000	155 375 000	-	0,0%
Number of ordinary shares outstanding at the end of the period	154 695 013	154 695 013	-	0,0%
Weighted average number of shares	155 375 000	155 375 000	-	0,0%
Profits attributable to equity	407 369	493 141	(85 772)	-17,4%
<b>Earnings per share with a nominal value of TND</b>	<b>0,602</b>	<b>0,728</b>	<b>(0)</b>	<b>(17,4%)</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

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

### 6.1 - Contingent Liabilities

The contingent liabilities item comprising the headings «Sureties, endorsements and other guarantees given» and «Letter of credits» is broken down as at 31 December 2022 into the following elements:

Particulars	2022	2021	Variation	%
Client Sureties and endorsements	1 095 262	1 027 143	68 119	6,6%
Other irrevocable unconditional bank guarantees	398 665	434 151	(35 486)	(8,2%)
<b>Total sureties, endorsements and other guarantees given</b>	<b>1 493 927</b>	<b>1 461 294</b>	<b>32 633</b>	<b>2,2%</b>
Letter of credits and import acceptances	497 345	424 259	73 086	17,2%
Letter of credits and export acceptances	116 372	64 433	51 939	80,6%
<b>Total Letter of credits</b>	<b>613 717</b>	<b>488 692</b>	<b>125 025</b>	<b>25,6%</b>
<b>Total contingent liabilities</b>	<b>2 107 644</b>	<b>1 949 986</b>	<b>157 658</b>	<b>8,1%</b>

### Letters of credit

The total letters of credit amounted to TND 613.717 thousand as at 31/12/2022 against TND 488.692 thousand as at 31/12/2021. The breakdown of letters of credit as per the type of relationship is as follows:

Particulars	Subsidiaries	Associates	Joint ventures	Others	Total
Debtors by letter of credit export currencies	-	-	-	116 372	116 372
Debtors by letter of credit import currencies	-	-	-	497 345	497 345
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>613 717</b>	<b>613 717</b>

### 6.2 - Commitments Given

The "Commitments Given" item amounted to TND 157.349 thousand as at 31 December 2022 against TND 115.693 thousand as at 31 December 2021:

Particulars	2022	2021	Variation	%
Funding commitments	157 323	115 592	41 731	36,1%
Securities commitments	26	101	(75)	(74,3%)
<b>Total</b>	<b>157 349</b>	<b>115 693</b>	<b>41 656</b>	<b>36,0%</b>

### 6.3 - Guarantees Received

The balance of the «Guarantees Received» item amounted to TND 3.098.907 thousand as at 31 December 2022 against TND 2.251.533 thousand as at 31 December 2021:

Particulars	2022	2021	Variation	%
Counter-guarantees received from foreign-based banks	398 665	434 151	(35 486)	(8,2%)
Guarantees received from banks and financial institutions established in Tunisia	82 157	43 669	38 488	88,1%
Guarantees received from the State and insurance organizations	1 918 721	1 177 962	740 759	62,9%
Guarantees received from clients	699 364	595 751	103 613	17,4%
<b>Total</b>	<b>3 098 907</b>	<b>2 251 533</b>	<b>847 374</b>	<b>37,6%</b>

These are the non-accounting figures provided by the bank's various departments.

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

Real guarantees received from clients to cover loans granted are not taken into consideration.

## 7 - NOTES RELATING TO THE STATEMENT OF INCOME

### 7.1 – Interest and Similar Income

Interest and similar income amounted to TND 951.865 thousand as at 31 December 2022 against TND 829.417 thousand as at 31 December 2021, and are analyzed as follows:

Particulars	2022	2021	Variation	%
<b>Interest on receivables from banking and financial institutions</b>	<b>11 925</b>	<b>18 771</b>	<b>(6 846)</b>	<b>(36,5%)</b>
Interest on money market loans in dinars	5 047	8 365	(3 318)	(39,7%)
Interest on foreign currency money market loans	6 878	10 406	(3 528)	(33,9%)
<b>Interest on receivables from clients</b>	<b>907 176</b>	<b>786 508</b>	<b>120 668</b>	<b>15,3%</b>
Interest on bank charges on accounts receivable	99 699	98 367	1 332	1,4%
Interest on loans to clients	807 477	688 141	119 336	17,3%
<b>Similar income</b>	<b>32 764</b>	<b>24 138</b>	<b>8 626</b>	<b>35,7%</b>
<b>Total</b>	<b>951 865</b>	<b>829 417</b>	<b>122 448</b>	<b>14,8%</b>

### 7.2 – Commissions (as income)

The amount of commissions amounted to TND 136.304 thousand as at 31 December 2022 against TND 132.236 thousand as at 31 December 2021, and is analyzed as follows:

Particulars	2022	2021	Variation	%
Cheques, bills transfers and account management	62 649	64 022	(1 373)	(2,1%)
Securities transactions	2 762	1 065	1 697	159,3%
Foreign exchange transactions	9 109	10 087	(978)	(9,7%)
Foreign trade transactions	7 771	5 652	2 119	37,5%
Safe deposit box	57	42	15	35,7%
Studies	20 856	21 606	(750)	(3,5%)
Others	33 100	29 762	3 338	11,2%
<b>Total</b>	<b>136 304</b>	<b>132 236</b>	<b>4 068</b>	<b>3,1%</b>



### 7.3 – Profit on Trading Securities Portfolio and Financial Transactions

The balance of this item amounted to TND 113.937 thousand as at 31 December 2022 against TND 89.220 thousand as at 31 December 2021, and is analyzed as follows:

Particulars	2022	2021	Variation	%
<b>Net gains on trading securities</b>	<b>6 144</b>	<b>1 171</b>	<b>4 973</b>	<b>424,7%</b>
Net interest on treasury bonds	6 144	1 171	4 973	424,7%
Unrealized capital gain on treasury bonds	-	-	-	-
<b>Net gains (losses) on investment securities</b>	<b>51 547</b>	<b>46 045</b>	<b>5 502</b>	<b>11,9%</b>
Dividends and similar income from investment securities (*)	45 101	36 927	8 174	22,1%
Losses on investment securities	6 446	9 118	(2 672)	(29,3%)
Provisions for impairment of investment securities	-	-	-	-
Reversals of provisions for impairment of investment securities	-	-	-	-
<b>Net profit on foreign exchange transactions</b>	<b>56 246</b>	<b>42 004</b>	<b>14 242</b>	<b>33,9%</b>
Result on foreign exchange transactions	53 612	42 004	11 608	27,6%
Commissions on manual exchange	2 634	-	2 634	-
<b>Total</b>	<b>113 937</b>	<b>89 220</b>	<b>24 717</b>	<b>27,7%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

### 7.4 – Income on Investment Securities Portfolio

Income on the investment security portfolio amounted to TND 81.176 thousand as at 31 December 2022 against TND 68.496 thousand as at 31 December 2021, and is analyzed as follows:

Particulars	2022	2021	Variation	%
Interest and similar income on investment securities	13 819	4 316	9 503	220,2%
Interest and similar income on similar treasury bond investment (*)	55 941	54 936	1 005	1,8%
Dividends and similar income / equity securities	11 415	9 244	2 171	23,5%
<b>Total in thousand TND</b>	<b>81 176</b>	<b>68 496</b>	<b>12 680</b>	<b>18,5%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

### 7.5 – Interest Incurred and Similar Charges

Interest incurred and similar charges amounted to TND -584.297 thousand as at 31 December 2022 against TND -466.907 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Transactions with banking institutions	(113 158)	(81 334)	(31 824)	(39,1%)
Transactions with client	(428 592)	(354 897)	(73 695)	(20,8%)
Borrowings and special resources	(42 543)	(30 619)	(11 924)	(38,9%)
Other interest and charges	(4)	(57)	53	93,0%
<b>Total</b>	<b>(584 297)</b>	<b>(466 907)</b>	<b>(117 390)</b>	<b>(25,1%)</b>

## 7.6 – Evolution Analysis of Net Banking Income

The net banking income recorded an increase of 6.7% between FY 2021 and FY 2022, and this evolution is explained as follows:

Particulars	2022	2021	Variation	%
Interest and similar income	951 865	829 417	122 448	14,8%
Accrued interest and similar charges	(584 297)	(466 907)	(117 390)	(25,1%)
<b>Net interest margin</b>	<b>367 568</b>	<b>362 510</b>	<b>5 058</b>	<b>1,4%</b>
Commissions received	136 304	132 236	4 068	3,1%
Commissions paid	(9 557)	(6 387)	(3 170)	(49,6%)
<b>Net commissions</b>	<b>126 747</b>	<b>125 849</b>	<b>898</b>	<b>0,7%</b>
Gains on commercial securities portfolio and financial operations (*)	113 937	89 220	24 717	27,7%
Investment securities portfolio income (*)	81 176	68 496	12 680	18,5%
<b>Net banking income</b>	<b>689 428</b>	<b>646 075</b>	<b>43 353</b>	<b>6,7%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

## 7.7 - Allocations to Provisions and Result of Value Adjustments on Receivables, Off-balance Sheet and Liabilities

Particulars	2022	2021	Variation	%
<b>Allocations to provisions on client commitments</b>	<b>(200 622)</b>	<b>(108 047)</b>	<b>(92 575)</b>	<b>(85,7%)</b>
Allocations to provisions for doubtful receivables	(170 525)	(136 512)	(34 013)	(24,9%)
Allocations to additional provisions	(50 695)	(35 865)	(14 830)	(41,3%)
Allocations to collective provisions	(38 225)	(6 901)	(31 324)	(453,9%)
Reversals of provisions for doubtful receivables	128 808	100 098	28 710	28,7%
Reversals of additional provisions	128 128	85 395	42 733	50,0%
Receivables assigned to STRC (Tunisian debt collection company) or written off	(266 288)	(152 162)	(114 126)	(75,0%)
Receivables written off	(9 127)	(18 801)	9 674	51,5%
Reversal of reserved bank charges on receivables sold, written off or abandoned	77 302	56 701	20 601	36,3%
<b>Allocations to provisions for risks and charges</b>	<b>(15 852)</b>	<b>(30 146)</b>	<b>14 294</b>	<b>47,4%</b>
Allocations to provisions for risks and charges	(23 094)	(36 053)	12 959	35,9%
Allocations to provisions related to social reorganization	-	-	-	-
Compensation and pensions related to social reorganization	(4 600)	(7 602)	3 002	39,5%
Reversals of provisions for risks and charges	7 777	8 036	(259)	(3,2%)
Reversals of provisions for retirement and social reorganization	4 065	5 473	(1 408)	(25,7%)
<b>TOTAL</b>	<b>(216 474)</b>	<b>(138 193)</b>	<b>(78 281)</b>	<b>(56,6%)</b>

## 7.8 – Allocations to Provisions and Result of Value Adjustments on Investment Portfolio

As at 31 December 2022, the balance of this item is detailed as follows:

Description	2022	2021	Variation	%
Allocations to provisions for investment portfolio depreciation	(9 026)	(11 067)	2 041	18,4%
Allocations to provisions for managed funds	(817)	(1 173)	356	30,3%
Capital gains or losses on investment portfolio disposal of	2 323	(368)	2 691	731,3%
Reversals of provisions for investment portfolio depreciation	6 284	4 429	1 855	41,9%
Reversals of provisions for managed funds	777	156	621	398,1%
<b>Total</b>	<b>(459)</b>	<b>(8 023)</b>	<b>7 564</b>	<b>94,3%</b>

## 7.9 – Other Operating Income

The item of other operating income reached a total of TND 8.245 thousand as at 31/12/2022 against TND 10.076 thousand as at 31/12/2021, and is detailed as follows

Description	2022	2021	Variation	%
Income from buildings	1 115	2 365	(1 250)	(52,9%)
Interest on staff loans	7 052	7 701	(649)	(8,4%)
Other incidental income	78	10	68	680,0%
<b>Total</b>	<b>8 245</b>	<b>10 076</b>	<b>(1 831)</b>	<b>(18,2%)</b>

## 7.10 – Staff Costs

Staff costs reached a total of TND 194.968 thousand as at 31 December 2022 against TND 179.724 thousand as at 31 December 2021, and are detailed as follows:

Description	2022	2021	Variation	%
Staff remuneration	(145 602)	(130 233)	(15 369)	(11,8%)
Social expenses	(45 814)	(46 590)	776	1,7%
Other staff-related expenses	(3 552)	(2 901)	(651)	(22,4%)
<b>Total</b>	<b>(194 968)</b>	<b>(179 724)</b>	<b>(15 244)</b>	<b>(8,5%)</b>

## 7.11– General Operating Charges

General operating expenses reached a total of TND 98.907 thousand as at 31 December 2022 against TND 88.606 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
General operating charges (*)	(98 908)	(88 606)	(10 302)	(11,6%)
Non-banking operating costs	(63 123)	(57 089)	(6 034)	(10,6%)
Other operating charges	(35 785)	(31 517)	(4 268)	(13,5%)

(\*) General operating charges are detailed as follows:

Particulars	2022	2021	Variation	%
Rent	(4 591)	(4 046)	(545)	(13,5%)
Maintenance and repairs entrusted to third parties	(5 248)	(5 508)	260	4,7%
Works and methods executed by third parties	(21 469)	(20 199)	(1 270)	(6,3%)
Membership fee Deposit Guarantee Fund	(24 813)	(23 052)	(1 761)	(7,6%)
Insurance premium	(1 855)	(1 624)	(231)	(14,2%)
Others	(5 145)	(2 661)	(2 484)	(93,3%)
Taxes and duties	(4 963)	(4 348)	(615)	(14,1%)
Supplies made to the company	(2 959)	(2 432)	(527)	(21,7%)
Broker remuneration and fees	(2 180)	(1 490)	(690)	(46,3%)
Transportation and conveyance	(307)	(202)	(105)	(52,0%)
Miscellaneous management costs	(25 377)	(23 044)	(2 333)	(10,1%)
<b>Total</b>	<b>(98 907)</b>	<b>(88 606)</b>	<b>(10 301)</b>	<b>(11,6%)</b>

#### 7.12- Profit / Loss Balance from Other Ordinary Items

The balance in gain/loss from other ordinary items is TND 19.959 thousand as at 31/12/2022 against TND -3.523 thousand as at 31/12/2021, and is detailed as follows:

Particulars	2022	2021	Variation	%
<b>Gains from other ordinary items</b>	<b>36 300</b>	<b>13 623</b>	<b>22 677</b>	<b>166,5%</b>
- Capital gain on disposal of	84	669	(585)	(87,4%)
- Vocational Training Tax Grant	1 580	1 380	200	14,5%
- Other Earnings (1)	34 636	11 574	23 062	199,3%
<b>Losses from other ordinary items</b>	<b>(16 341)</b>	<b>(17 146)</b>	<b>805</b>	<b>4,7%</b>
<b>Total</b>	<b>19 959</b>	<b>(3 523)</b>	<b>23 482</b>	<b>666,5%</b>

(1) This balance mainly includes:

- Recoveries on receivables written off for an amount of TND 26.064 thousand.
- Cancellation of accumulated depreciation on non-operating buildings for an amount of TND 3.225 thousand.

(2) This balance mainly includes:

- The payment of social charges on a contentious case with the National Social Security Fund (Caisse Nationale de Sécurité Sociale / CNSS) for an amount of TND 5.750 thousand.
- An amount of withholding tax claimed by the tax authorities which amounts to TND 5.009 thousand.



### 7.13- Corporate Tax

The income tax charge as at 31 December 2022 amounts to TND 92.531 thousand against TND 89.822 thousand as at 31 December 2021.

Particulars	2022	2021	Variation	%
Fiscal result	264 375	261 513	2 862	1,1%
Corporate tax	(92 531)	89.822	(2 709)	3,0%

### 7.14- Profit /Loss Balance from Other Extraordinary Items

The gain/loss balance from other extraordinary items amounts to TND 7.931 thousand as at 31 December 2022, and is detailed as follows:

Description	2022	2021	Variation	%
Cyclical contribution	(7 931)	(5 230)	(2 701)	(51,6%)
Covid-19 donation	-	(16 506)	16 506	100,0%
<b>Total</b>	<b>(7 931)</b>	<b>(21 736)</b>	<b>13 805</b>	<b>63,5%</b>

## 8 - NOTES TO THE STATEMENT OF CASH FLOWS

### 8.1 – Net Cash Flows Allocated to Operating Activities

Operating activities generated negative net cash flows of TND 221 343 thousand during the financial year 2022.

The main variations are detailed as follows:

- The operating income received recorded a surplus of TND 628 712 thousand compared to the operating expenses paid out.
- Loans and repayments on loans made by clients generated net negative flows of TND -1 314 299 thousand.
- Client deposits and withdrawals generated net positive flows of TND 811 323 thousand.
- Acquisitions/disposal of investment securities generated negative net cash flows of TND -60 764 thousand.
- Amounts paid to staff and miscellaneous creditors generated negative flows of TND -150 030 thousand.
- Other cash flows from operating activities resulted in net cash outflows of TND -62 953 thousand.

### 8.2 – Net Cash Flow Allocated to Investing Activities

Investing activities generated negative net flows of TND -140 994 thousand during the financial year 2022.

### 8.3 – Net Cash Flow Allocated to Financing Activities

Financing activities generated net cash flows of TND 115 636 thousand during the financial year 2022.

#### 8.4 – Cash and Cash Equivalents

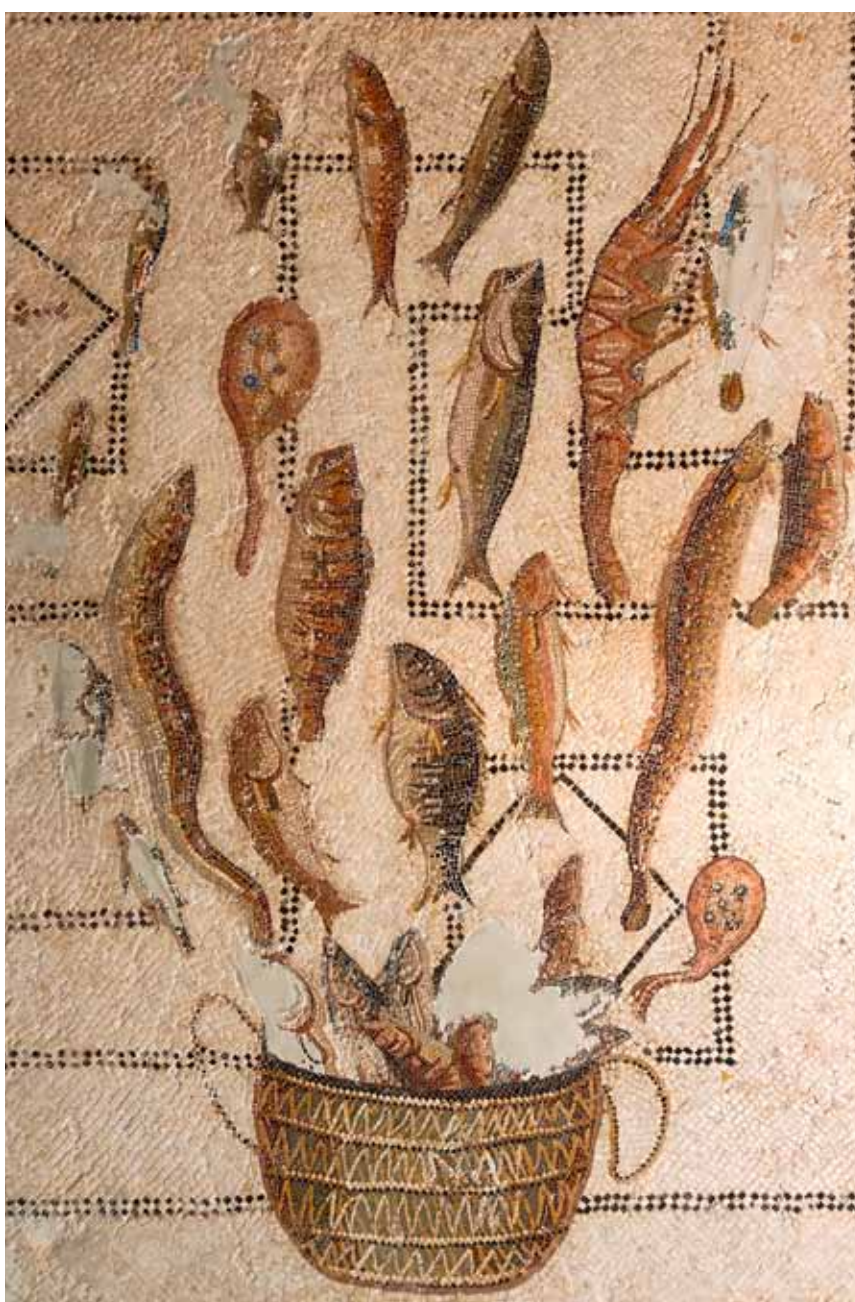
The bank's cash and cash equivalents reached a balance of TND -1.224.929 thousand as at 31 December 2022 against TND -978.228 thousand as at 31 December 2021, and are detailed as follows:

Description	2022	2021	Variation	%
Cash, PCC and liquidity recovery	77 366	78 913	(1 547)	(2,0%)
CBT	(1 419 766)	(1 007 709)	(412 057)	(40,9%)
Banks and specialized organizations	(850)	(6 418)	5 568	86,8%
Money market loans	(121 077)	(47 122)	(73 955)	(156,9%)
Trading securities	239 398	4 108	235 290	5727,6%
<b>Total</b>	<b>(1 224 929)</b>	<b>(978 228)</b>	<b>(246 701)</b>	<b>(25,2%)</b>

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

- \* The standalone financial statements for the 2022 financial year were approved and authorized for issue by the Board of Directors on 04/04/2023;
- \* Therefore, they do not reflect events occurring after that date.

However, no particular events have occurred till date.



# GENERAL REPORT OF THE STATUTORY AUDITORS

## FOR THE YEAR ENDED 31 DECEMBER 2022

### I. Report on the Annual Financial Statements

#### 1. Qualified Opinion

To carry out the mission that was entrusted to us by your General Assembly, we have audited the accompanying financial statements of SOCIÉTÉ TUNISIENNE DE BANQUE -STB, which comprise the balance sheet as at 31 December 2022, the statement of off-balance sheet commitments, the statement of income, and the statement of cash flow for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, subject to the implications of the matters described in the section «Basis for Qualified Opinion,» the accompanying financial statements present fairly, in all material respects, the financial position of the SOCIÉTÉ TUNISIENNE DE BANQUE - BA as at 31 December 2022, and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting standards in Tunisia.

#### 2. Basis for qualified opinion

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

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

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

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

Likewise, certain accounts under the headings «Other assets» and «Other liabilities» have blocked and outstanding balances.

The bank has initiated work to justify and clear the outstanding transactions, which it has entrusted to external accounting firms. This action is in progress at the year end 2022, the potential impact on the financial statement items cannot be identified.

#### 3. Key audit matters

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

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



### 3.1 Classification of receivables and estimation of provisions

#### Key audit matter

As at 31 December 2022, the receivables came to 14 716 million dinars, the provisions constituted to cover the risks associated with these receivables were 1 208 million dinars and the interest and reserved bank charges at 436 million dinars.

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

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

#### Audit procedures implemented

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

We have therefore applied the following audit approach:

- Reconciliation of the situation of customer commitments to accounting data;
- The assessment of the methodology adopted by the Bank in terms of classification of receivables in relation to the rules issued by the Central Bank of Tunisia;
- Assessment of the reliability of the risk coverage and product reservation system;

- Verification of the inclusion of certain qualitative criteria resulting from the operations carried out and the behavior of the relationship during the financial year;
- Examination of the guarantees retained for the calculation of provisions and the appreciation of their values, having regard to the rules enacted and the methods adopted;
- Verification of the arithmetic calculation of the amount of provisions required on customer receivables on an individual, collective and additional basis, in application of the regulations in force;
- Verification that the proposed adjustments have been taken into account by the Bank.

### 3.2 Accounting for interest and commissions

#### Key audit matter

The interest on the commitments and commissions brought to the level of the result of the 2022 financial year amounted to TND 1 088 million.

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

#### Audit procedures implemented

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

- A review of the policies, processes and audits implemented by the bank for the recognition and accounting treatment of revenues;
- Assessment of the IT environment due to the generation and automatic inclusion of revenue in accounting;
- Verification of compliance with accounting standard NCT 24 relating to «commitments and related income in banking institutions» in terms of taking income into account and separation of accounting periods;



- Carrying out analytical procedures on the evolution of interests and commissions;
- Verification of the reliability of the interests of booking methods;
- Verification of the appropriateness of the information provided in the notes to the financial statements.

### 3.3 Recognition and presentation of Assimilable Treasury Bonds –ATBs

#### Key audit matter

The presentation of ATBs in an investment portfolio or in a commercial portfolio is based on the Bank's policy.

At 31 December 2022, the ATB portfolio value of the Bank came at 1 432 million dinars. The application of the policy adopted by the bank resulted in the presentation of an ATB portfolio of 646 million dinars in the Commercial securities portfolio (A4) and 786 million dinars in the Investment securities portfolio (A5).

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

#### Audit procedures implemented

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

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

### 4 Observation paragraphs

Without qualifying our opinion expressed above, we believe it is useful to draw your attention to the following points:

1. The bank's equity includes an allocation from the State amounting to 117 million dinars constituted under Law No. 2012-17 of 21 September 2012 and provided with a possibility of restitution in the event of restoration of the bank's financial balance.
2. The assets of the bank include 9 million dinars as receivables assumed by the State, over a period of 25 years without interest, and this within the framework of the finance law for the year 1999.

### 5 Management report

The management report is the responsibility of the Board of Directors. Our opinion on the financial statements does not extend to the management report and we do not express any form of assurance whatsoever thereon.

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

We have nothing to report in this regard.

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

The Board of Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with the corporate accounting system and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due from fraud or error .

In preparing the financial statements, the Board of Directors and Management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless unless the Board of Directors and the Management either intend to liquidate the bank, or to cease its operations or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

## 7 Co-Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with International Auditing Standards applicable in Tunisia, we exercise our professional judgment and maintain professional scepticism throughout the audit. We also:

- - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## II. Report on legal and regulatory requirements

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

### 1. Effectiveness of the internal auditing system

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

A report on the weaknesses and deficiencies identified during our audit was submitted to the Bank's management. This report discloses deficiencies that impact the procedures and processes for processing and presenting financial information.

## 2. Compliance of securities accounts with the regulations in force

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

Management is responsible for ensuring compliance with the requirements of the regulations in force.

Based on the procedures we deemed necessary, we did not detect any irregularities relating to the compliance of accounts securities of the Bank with current regulations.

## 3. Cross-holdings

In accordance with the provisions of article 466 of the Code of Commercial Companies " A joint-stock company may not own shares in another joint-stock company if the latter holds a fraction of its capital that is exceeding than ten percent. « . As at 31 December 2022, two companies of the STB group hold 305 712 shares in STB's capital.

These companies will be deprived of the voting rights attached to them at the Ordinary General Assembly approving the financial statements for the year ended 31 December 2022.

## 4. Foreign exchange position

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

### Tunis, 10 April 2023 The Co-Auditors

CFA - CBC Group  
Fathi Saidi



CSL- CNH Group  
Samir Labidi





# SPECIAL REPORT OF THE STATUTORY AUDITORS

## FINANCIAL YEAR ENDED 31 DECEMBER 2022

Pursuant to the provisions of articles 43 and 62 of law n° 2016-48 dated 11 July 2016, relating to banks and financial institutions, and articles 200 and 475 of the Code of Commercial Companies, we report below on the agreements and transactions covered by these texts.

Our responsibility is to ensure that the legal procedures for the authorization and approval of these agreements and transactions are complied with and that they are properly reflected in the financial statements.

Our responsibility does not include identifying any undisclosed agreements or transactions, but consists of reporting to you, based on the information provided to us and on information obtained in the course of our audit procedures, about the principal terms and conditions of those agreements or transactions, without expressing an opinion on their usefulness or appropriateness. It is your responsibility to evaluate the benefits resulting from these agreements and transactions prior to their approval.

### I. Newly completed agreements and operations

1. STB signed a foreign exchange financing agreement with the Tunisian State, its main shareholder, for an amount of 15 million Euros within the framework of the syndicated loan granted by the Tunisian banks to the State for a global amount of EUR 81,5 million and USD 25 million .

The outstanding amount of this loan as at 31 December 2022 was EUR 15 million, i.e. the equivalent of TND 49,211 million.

2. Société Tunisienne de Banque «STB» concluded with its subsidiary Société Tunisienne de Recouvrement des Créances, «STRC», an agreement for the assignment of a batch of bank debt for an amount of TND 37,223 million and its accessories. The assignment was granted at a price of a symbolic Tunisian dinar.

3. Société Tunisienne de Banque «STB» concluded with its subsidiary Société Tunisienne de Recouvrement des Créances, «STRC», an agreement for the assignment of a batch of bank debt for an amount of TND 12,514 million and its accessories. The assignment was granted at a price of one million six hundred thousand Dinars.

4. STB concluded with its subsidiary STB FINANCE, four agreements of retrocession of the investment commissions relating to the four quarters of the 2022 national loan. Under this agreement, STB FINANCE must pay to STB a retrocession of investment commissions with a rate of 1% of the amounts invested and 0,15% on the amount invested by the guarantee fund of the banking deposits and this upon collection of the investment commission from the issuer. It must also pay the recovery of the expenses incurred following the subscription of the guarantee fund for bank deposits and the expenses invoiced by Tunisie Clearing. The amount invoiced under these agreements is around 2,283 million dinars.

5. STB entered into an investment and management agreement with its subsidiary "STB FINANCE" for the investment and management of private subordinated bond STB SUB 2021-2.

Under this agreement, STB FINANCE received a fee of 0,6% of the amount of the loan as an arrangement fee and investment commissions. This commission is around 600,000 dinars excluding tax.

As part of the preparation of the prospectus and the arrangement of the transaction, STB FINANCE received a flat-rate commission of 50,000 dinars excluding tax.

6. During the financial year 2022, STB subscribed to the 2022 national loan issued by the Tunisian State, its main shareholder, on four instalments for 203 million dinars distributed by instalment as follows:



Quarter	period	Interest rate	Amount
2022-1	7 years 2 grace	MMR+2,5%	25 000
2022-2	7 years 2 grace	MMR +2,2%	26 000
2022-3	5 ans	MMR +2,25%	72 000
2022-4	7 years 2 grace	2,05%	80 000
<b>Total in thousand Dinars</b>			<b>203 000</b>

7. During the financial year 2022, STB provided a medium term loan for consolidation, reorganization and restructuring amounted to TND 2,765 million to its subsidiary ED-DKHILA. The amount released amounted to TND 3,542 million.

The information relating to this new loan is as follows:

- Duration: 7 years including 2 years of exemption;

- Rate: MMR+2%;
- Guarantee: First mortgage of ten lands object of the land deed n° 76977 Monastir.

8. During the financial year 2022, STB's subsidiaries, associates and directors subscribed to STB's 2021-2 private subordinated bond for a total amount of 100 million dinars. The subscribed amount, up to 9 million dinars, is detailed as follows:

Company	Category	Amount
SICAV L'EPARGNANT	CAT D FR 9,35%	1 725 200
SICAV L'EPARGNE OBLIGATAIRE	CAT D FR 9,35%	4 500 000
STB SICAR	CAT E FR 8,7%	1 000 000
<b>Total liabilities subscribed by subsidiaries and associates</b>		<b>7 225 000</b>
MAE	CAT B FR 8,95%	2 000 000
<b>Total liabilities subscribed by directors</b>		<b>2 000 000</b>
<b>Total in dinar</b>		<b>9 225 000</b>

9. In accordance with the decisions of the Minister of Finance, STB benefited from a package of guarantees granted by the State, the main shareholder, to cover the liabilities of certain public companies. These guarantees amount to TND 1 161 million.

10. At 31 December 2022, the outstanding term deposits subscribed during the year 2022, by STB's subsidiaries, associates and directors amounted to TND 105,040 million, distributed as follows:

Relationship	Certificate of deposit	Term deposit	Total
IMMOBILIERE DE L'AVENUE	-	5 140 000	5 140 000
MAGASINS GENERAUX ET ENTREPOT REEL	-	5 700 000	5 700 000
SICAV INVESTISSEUR	-	200 000	200 000
SICAV AVENIR	-	200 000	200 000
SICAV L'EPARGNE OBLIGATAIRE	11 000 000	4 000 000	15 000 000
STB MANAGER	1 500 000	-	1 500 000
STB GROWTH FUNDS	8 000 000	-	8 000 000
STE TUNISIENNE DE RECOUVREMENT	-	17 200 000	17 200 000
STE SICAV L'EPARGNANT	14 000 000	4 000 000	18 000 000
STE TOURISTIQUE ED-DKHILA EXTENSION	500 000	-	500 000
GEVE	-	3 600 000	3 600 000
STAR	-	25 000 000	25 000 000
STB INVEST	-	4 000 000	4 000 000
ACTIVHOTELS	1 000 000	-	1 000 000
<b>Total in dinars</b>	<b>36 000 000</b>	<b>69 040 000</b>	<b>105 040 000</b>



## II. Transactions carried out relating to previous agreements

1. By virtue of Law No. 2012-17 dated 21 September 2012, STB recorded, during the financial year 2011, among its equity, a State endowment in the amount of 117 million dinars, together with a possibility of restitution in the event of the restoration of the bank's financial balance.
2. Prior to the audited financial year, STB entered into agreements with the Tunisian State for the management of several budgetary funds (intended to finance either non-reimbursable subsidies, endowments, or loans) in return for fees.

The outstanding amount of these budgetary funds at 31 December 2022 amounted to TND 88,629 million compared to TND 78,404 million at 31 December 2021.

3. Prior to the audited financial year and by virtue of the decisions of the Minister of Finance, STB has benefited from a package of guarantees granted by the State, its main shareholder, to cover commitments of some public companies. At 31 December 2022, these guarantees amounted to TND 379,515 million.

4. Prior to the audited financial year, STB subscribed to the 2021 national loan issued by the Tunisian State, its main shareholder, for TND 75 million in three instalments at maturity after five years with an interest rate of 8,8% (category B). As at 31 December 2022, the outstanding amount of this loan is TND 75 million.
5. Prior to the audited financial year, STB signed financing agreements in foreign currencies with the Tunisian State, its main shareholder. As at 31 December 2022, the outstanding amount of these loans is EUR 56,667 million, i.e., TND 185,906 million.
6. The loans granted by STB to the Tunisian State, its main shareholder, via the ministries amounted to TND 171,949 million (excluding syndicated loans).
7. Pursuant to the correspondence received in 2022, the State guarantee signed following the decision of the Ministerial Council dated 2 June 2011 was renewed until the completion of liquidation procedures. By virtue of this decision, STB granted its subsidiary the Banque Franco-Tunisienne «BFT» an interbank loan of TND 70.



8. At 31 December 2022, STB granted to its subsidiary the Banque Franco-Tunisienne «BFT» a foreign currency short-term interbank loan of an amount USD 560 thousand, equivalent to TND 1,742 million.

9. On 18 October 2016, STB subscribed to the private subordinated bond loan issued by TFB, a company belonging to the STB group, for a total amount of EUR 16 million, i.e. the equivalent of TND 39,560 million guaranteed by the State by virtue of the decision of the Minister of Finance dated 17 October 2016.

On 26 May 2017, 28 March 2018 and 1 December 2020, STB converted the above-mentioned loan into the capital of the aforementioned company for EUR 6

million, EUR 3 million and EUR 2,289 million, i.e. the equivalent of TND 27,913 million.

During the financial year 2022, STB proceeded to the capital conversion of EUR 1,634 million, i.e. the equivalent of TND 4,040 million.

At 31 December 2022, the outstanding amount of the loan amounted to EUR 2,134 million equivalent to TND 5,277 million.

10. Prior to the audited financial year, the directors, associates and subsidiaries of STB subscribed to the various bond issues issued by STB .

The outstanding amounts subscribed are detailed as follows:

Relationship	Amount subscribed	Outstanding at 31/12/2022
SICAV L'EPARGNANT	12 260 100	4 817 100
SMGERT	100 000	30 000
STB FINANCE	700 000	237 500
STB INVEST	16 175 000	10 903 125
SICAV L'EPARGNE OBLIGATAIRE	3 180 000	2 544 000
SICAV L'INVESTISSEUR	50 000	103 000
SICAV L'AVENIR	30 000	30 000
STB SICAR	2 000 000	1 200 000
<b>Total liabilities subscribed by subsidiaries and associates</b>	<b>34 495 100</b>	<b>19 864 725</b>
STAR	52 000 000	18 867 000
MAE	3 000 000	3 000 000
<b>Total liabilities subscribed by directors</b>	<b>55 000 000</b>	<b>21 867 000</b>
<b>Total in Dinars</b>	<b>89 495 100</b>	<b>41 731 725</b>

11. At 31 December 2022, the outstanding term deposits subscribed, prior to the financial year 2022, by STB's subsidiaries, associates and directors amounted to TND 31 million, distributed as follows:

Relationship	Amount
la société tunisienne d'assurance et de réassurance « STAR	30 000 000
STE TUNISIENNE DE RECOUVREMENT	1 000 000
<b>Total in dinars</b>	<b>31 000 000</b>

12. Prior to the audited financial year, STB concluded associated current account agreements with companies belonging to the group whose outstanding amount totaled TND 1,162 million at 31 December 2022 detailed as follows :

Company	Outstanding at 31/12/2022	Remuneration rate
L'IMMOBILIERE DE L'AVENUE- avance CCA	1 162	Not remunerated
<b>Total in thousand Dinars</b>	<b>1 162</b>	



13.13. Prior to the audited financial year, STB signed several venture capital fund management agreements with its subsidiary STB SICAR. The situation of these managed funds is detailed as follows:

Managed funds	Subscription date	Subscribe damount	Outstanding at 31/12/2022
STB managed funds 1	1999	8 000	4 699
STB managed funds 2	2000	8 000	5 055
STB managed funds 3	2001	5 000	3 820
STB managed funds 4	2002	6 500	5 692
STB managed funds 5	2003	6 824	5 469
STB managed funds 6	2005	2 707	687
STB managed funds 7	2006	800	734
STB managed funds 8	2007	9 371	5 844
STB managed funds 9	2008	4 800	4 309
STB managed funds 10	2008	8 748	8 666
STB managed funds 11	2009	6 000	5 818
STB managed funds 12	2009	9 898	10 805
STB managed funds 14	2020	10 000	20 293
STB managed funds 15	2021	20 000	528
ID STB managed funds 1	2002	2 000	1 232
ID STB managed funds 2	2002	2 000	1 261
ID STB managed funds 3	2003	5 436	3 752
ID STB managed funds 4	2005	360	362
ID STB managed funds 5	2006	1 133	1 231
ID STB managed funds 6	2007	4 000	3 419
<b>Total in thousand dinars</b>		<b>121 577</b>	<b>93 678</b>

STB SICAR's remuneration conditions for the management of these funds are summarized as follows:

- 1% Management fee deducted from the assets valued at the closing date of the managed fund, paid before the deduction of all fees and commissions with a minimum of 1% of the amount of allocated funds per year ;
- 10% to 20% performance fee calculated on capital gains realized on the sale of shares or company shares and dividends paid ; ;
- 10% Return commission deducted from the investment income generated by the funds.

The conditions of remuneration of the STB SICAR, as part of the management of the fund entrusted in 2020 and 2021, are summarized as follows:

- Management fee of 1,25% of the amount of the fund allocated at the end of each financial year;
- Performance fee of 25% calculated on realised capital gains net of recorded losses;
- Commission on dividends of 10% of the dividends paid by the companies in the portfolio.

During the financial year 2022, STB recorded total expenses of TND 1,251 million under these various commissions.

14.E14. By virtue of the agreements concluded with SICAV L'Épargnant , SICAV Investisseur, SICAV Avenir and SICAV l'épargne obligataire , STB acts as custodian and / or distributor of securities and funds for these SICAVs.

As remuneration for the services provided in this respect, the bank receives the following commissions :

- 0,15 % of the amount of net assets of SICAV l'Épargnant calculated daily. The commission on the financial year 2022 amounted to TND 343 577 Tax incl.
- 0, 2 % of the amount of net assets of SICAV L'investisseur calculated daily. The commission on the financial year 2022 amounted to TND 2 420.
- TND 1 190 (including taxes), fixed commission paid annually by SICAV Avenir.
- 0,15% of the amount of the net assets of SICAV l'épargne obligataire calculated daily. The commission on the financial year 2021 amounted to TND 266 512 Tax incl.



15. By virtue of agreements concluded with its subsidiary STB FINANCE, STB provides securities and fund depository for the FCP and FCP DELTA HIKMA funds, managed by STB FINANCE.

In remuneration for the services provided in this regard, the bank receives a fee of 0.1% (including tax) of the amount of the net assets of each fund calculated daily. The commission relating to the financial year 2022 amounted to TND 594 including taxes.

16. By virtue of the agreements concluded with its subsidiary STB FINANCE, STB provides securities and fund depository for the funds FCP INNOVATION and FCP CAPITAL PLUS, managed by STB FINANCE.

In remuneration for the services provided in this regard, the bank receives a commission of 0.1% (excluding tax) of the amount of the net assets of each fund calculated daily. The commission relating to financial year 2022 amounted to TND 10 949 excluding taxes.

17. By virtue of agreements with its subsidiary STB FINANCE, the latter performs the following functions :

- Management of all securities portfolio lines, shares and related rights and bonds on deposit in the accounts of STB which undertakes to transfer all of its own securities portfolios on behalf of its clients. STB-Finance will retrocede to STB a commission, called brokerage commission, equal to 40% of the commissions invoiced by STB Finance relating to transactions emanating from the Bank's network.
- In remuneration for these services, STB FINANCE receives a 0,2% commission on all transactions entrusted to it and relating to the STB securities portfolio. However, beyond a certain amount, a ceiling will be fixed by mutual agreement between the two parties.
- STB shareholding management which includes operations relating to the keeping of the STB shareholder register as well as the holding of meetings and related operations. In return for these services, STB FINANCE receives an annual flat-rate amount of 40 thousand dinars (excluding taxes).

18. STB leases some of its premises to its subsidiaries. The annual terms of the lease contracts are detailed as follows :

Subsidiaries	Amount of annual rent in Dinars	Lease start date	Increase per year	Start date of the increase	2022 Lease VAT
STRC 1st floor	10000 (inc Tax)	01/07/2004	5%	Second lease year	23 692
STRC 2nd floor	10000 (Inc Tax)	01/09/2001	5%	Second lease year	27 092
STRC 3rd floor	10000 (inc Tax)	01/05/2005	5%	Second lease year	22 839
STB INVEST	8400 (Exc VAT)	01/07/2004	5%	Second lease year	30 513
STB INVEST	5 227(Exc VAT)	01/12/2011	5% (once in 2 years)	Third lease year	
STB MANAGER	5400 (Exc VAT)	01/01/2003	5%	Second lease year	38 052
STB FINANCE	27875 (Exc VAT)	01/01/2010	5% (once in 2 years)	Third lease year	71 735
STB SECURITE ET GARDIENNAGE	4 800 (Exc VAT)	01/01/2016	5% (once in 2 years)	Third lease year	6 612
STB MOYENS GENERAUX	5 400 (Exc VAT)	01/01/2016	5% (Once in 2 years)	Third lease year	7 439
ACTIVHOTELS	5 515 (Exc VAT)	01/07/2020	5%	Second lease year	7 063
L'IMMOBILIERE DE L'AVENUE	26 966 (Exc VAT)	01/01/2022	2%	Second lease year	64 180
<b>TOTAL IN DINARS</b>					<b>299 218</b>

19. Prior to the audited financial year, STB signed a service agreement with its subsidiary, STB Sécurité et Gardiennage, to provide security services for the premises and establishments belonging to STB for a period of three years from 1 st January 2016 renewable by tacit agreement. The price of security services is calculated on the

basis of the gross monthly salary of each security guard plus benefits as well as the expenses of the STB Sécurité et Gardiennage headquarters.

Amounts invoiced for services provided for the year 2022 amounted to TND 8 933 thousand including taxes.

20. Prior to the audited financial year, STB signed a service agreement with its subsidiary, STB Sécurité et Gardiennage, to provide security services for the premises and establishments belonging to STB for a period of one year from the date of signature, renewable by tacit agreement. The price of these services is composed of the the gross salaries including the advantages of the agents increased by all the related employer charges with a profit margin of 5%.

Amounts invoiced for services provided for the year 2022 amounted to TND 503 thousand including taxes.

21. Prior to the audited financial year, STB signed a service agreement with its subsidiary, STB Moyens Généraux, to provide cleaning services for the premises and establishments belonging to STB for a period of three years from 1 st February 2015 renewable by tacit agreement. The price of cleaning services calculated on the basis of the gross monthly salary of each cleaning agent plus benefits as well as the headquarters expenses of the STB Moyens Généraux.

Amounts invoiced for services provided for the year 2022 amounted to TND 6 376 thousand including taxes.

22. Prior to the audited financial year, STB signed with its subsidiary STB Moyens Généraux, an agreement for the provision of human resources designed to define the terms and conditions under which the company undertakes to provide STB with human resources for a period of three years from 1 October 2020, renewable by tacit agreement. The price of these services is composed of gross salaries including the benefits of the agents plus all the related employer charges with a profit margin of 5%.

The amounts invoiced for the services provided for the year 2022 amounted to 1082 thousand dinars including taxes.

23. The bank loans granted by the STB to companies, related parties and its managers amounted to TND 45,277 million as at 31 December 2022, distributed as follows:

Group	Relationship	Account debit	Other commitments	Total
GROUPE STB	STE EDDKHILA	-	2 765 000	2 765 000
	SED SOUSSE NORD	206 865	2 479 671	2 686 536
	L'IMMOBILIERE DE L'AVENUE	-	30 874 181	30 874 181
	STB INVEST	979	-	979
	STRC	-	5 714 286	5 714 286
	STB SICAR/FG STB 1ID	12 124	-	12 124
	STB MOYENS GENERAUX	267 821	-	267 821
	S.T.B SECURITE GARDIENNAGE	479 082	-	479 082
	MAGASINS GENERAUX	-	202 300	202 300
	STB SICAV	61	-	61
	<b>Total loans/subsidiaries</b>	<b>966 932</b>	<b>42 035 438</b>	<b>43 002 370</b>
	STAR	-	2 184 190	2 184 190
	BEL LASSOUED MOHAMED TAHAR	643	-	643
<b>Total directors</b>		<b>643</b>	<b>2 184 190</b>	<b>2 184 833</b>
<b>Secretary General</b>		-	<b>74 034</b>	<b>74 034</b>
<b>Director General</b>		-	<b>16 181</b>	<b>16 181</b>
<b>Total managers</b>		-	<b>90 215</b>	<b>90 215</b>
<b>Total in dinar</b>		<b>967 575</b>	<b>44 309 843</b>	<b>45 277 418</b>

### III. STB's liabilities and commitments towards managers

1. The liabilities and commitments towards managers as referred to in article 200 (new) II § 5 of the Code of Commercial Companies are detailed as follows :

- The former Director General was appointed by decision of the Board of Directors meeting on 22 March 2021. The items of remuneration are the same items as those set by the bank's compensation committee and approved by STB's board of directors meeting on 30 May 2016. The items of remuneration are detailed as follows :

- A fixed item which consists of a monthly net salary fixed at 16 thousand dinars,
- And a variable annual item which does not exceed 50% of the amount of the fixed item, ie 96 thousand dinars and which will be calculated on the basis of the rate of achievement of the objectives set by the board of directors as well as financial indicators.

The benefits in kind consist of a company car with a quota of 500 liters of fuel per month, the payment of telephone communication costs with a ceiling of 250 dinars per month as well as the reimbursement of all expenses incurred within the framework of the exercise of his activity on presentation of the related invoices.

- The items of remuneration of the former Deputy Director General and the Secretary General as revised by the nomination and remuneration committee of the bank, were approved by STB's Board of Directors meeting on 16 September 2020. The items of compensation for the CEO have been revised as follows :

- A fixed element which consists of a monthly gross salary fixed at TND 4,767 thousand dinars, ie a net salary of TND 2,670 thousand ;
- An additional executive premium TND 1 500 (Remuneration revised from TND 600 to TND 2000);
- And a variable annual item which does not exceed 25% of the amount of the fixed element and which will be calculated on the basis of the rate of achievement of the objectives set by the Board of Directors as well as financial indicators.

The benefits in kind consist of a company car with a quota of 400 liters of fuel per month as well as reimbursement of telephone expenses.

- The amount of attendance fees due to the directors of STB was fixed by decision of the Ordinary General Meeting held on 29 April 2022 at 4000 dinars net per meeting for the chairperson of the board of directors and at 2000 dinars net per meeting for members of the Board of Directors.
- The amount of attendance fees due to the directors who are members of the Standing Audit Committee and the Risk Committee has been fixed by decision of the Ordinary General Meeting convened on 29 April 2022 at 2000 dinars net and per meeting for the Chairperson of each committee and 1000 dinars net and per meeting for committee members. Chairpersons and members of more than one committee will be paid on the basis of their attendance on a single committee of their choice.

2. STB's liabilities and commitments towards its managers, as shown in the financial statements for the year ended 31 December 2022 , are as follows (in TND) :

Nature of remuneration	Director General		Dep DG and SG		Managers	
	Expenses of the year	Liabilities at 31/12/2022	Expenses of the year	Liabilities at 31/12/2022	Expenses of the year	Liabilities at 31/12/2022
Short-term benefits	328 856	-	405 764	40 695	305 000	208 265
Post-employment benefits(*)	-	-	30 753	245 833	-	-
<b>TOTAL</b>	<b>328 856</b>	<b>-</b>	<b>436 517</b>	<b>286 528</b>	<b>305 000</b>	<b>208 265</b>

(\*) Post-employment benefits are determined by reference to the terms of the national collective agreement for staff of banks and financial institutions.



Furthermore, and apart from the aforementioned agreements and operations, our audit work did not reveal the existence of other agreements or

operations falling within the scope of the above-mentioned legal texts.

**Tunis, 10 April 2023**  
**The Co-Auditors**

CFA -CBC Group  
Fathi Saidi



CSL- CNH Group  
Samir Labidi





# RESOLUTIONS OF SOCIETE TUNISIENNE DE BANQUE ORDINARY GENERAL ASSEMBLY 28 APRIL 2023 (FINANCIAL YEAR 2022)

## FIRST RESOLUTION:

After having heard the report of the Board of Directors for the year ended 31 December 2022 and the general report of the statutory auditors as well as the additional explanations provided, the Ordinary General Assembly approves the financial statements of the financial year ended 31 December 2022, as presented.

**This resolution put to the vote was adopted by a majority of those present.**

## SECOND RESOLUTION

After having taken note of the special report of the auditors in accordance with the provisions of article 200 and following and article 475 of the Code of Commercial Companies as well as articles 43 and 62 of law n° 2016-48 dated 11 July 2016 relating to banks and financial institutions, the Ordinary General Assembly approves all transactions falling within the scope of the provisions of the aforesaid articles as they have been presented.

**This resolution put to the vote was adopted by a majority of those present.**

## THIRD RESOLUTION

After having heard the management report relating to the STB Group and the general report of the statutory auditors, the Ordinary General Assembly approves the consolidated financial statements for the financial year ended 31 December 2022, as presented.

**This resolution put to the vote is adopted by a majority of those present.**

## FOURTH RESOLUTION

The Ordinary General Assembly gives the members of the Board of Directors full, final and unreserved discharge for their management of the financial year 2022.

**This resolution put to the vote was adopted by a majority of those present.**

## FIFTH RESOLUTION

The Ordinary General Assembly decides to charge the deficit brought forward which amounts to 172.649.962,345 dinars as at 31 December 2022 to the available special reserves for an amount of 116.601.329,412 dinars and to the issue premiums for an amount of 56.048.632,933 dinars.

Consequently, the deficit carried forward and the reserves under special regime are modified as follows:

	In Dinars
Special reserves	116.601.329,412
Share premium	56.048.632,933
Allocation of carried forward losses	(172.649.962,345)
Remaining balance of special reserves after deduction of carried forward losses	80.304.444,310
Remaining share premium after settlement of carried forward losses	59.827.367,067
Carried forward deficits	-

**This resolution put to the vote was adopted by a majority of those present.**

## SIXTH RESOLUTION

On the proposal of the Board of Directors, the Ordinary General Assembly decides to allocate the result for the financial year 2022, detailed below:

	In Dinars
- Income for the financial year 2022:	93.082.694,886
- Retained earnings:	-
- 1st balance:	93.082.694,886
- Legal reserve :	4.654.134,744
- 2nd balance:	88.428.560,142
- Income dividends for the year:	-
- Retained earnings:	88.428.560,142

**This resolution put to the vote was adopted by a majority of those present.**

## SEVENTH RESOLUTION

Pursuant to the provisions of article 19 of law 94-117 dated 14 November 1994 on the reorganization of the financial market as modified by law 99-92 dated 17 August 1999 relating to the revival of the financial market and of the decree of Minister of Finance dated 17 November 2000, the Ordinary General Assembly authorizes the Board of Directors to buy and resell STB shares on the stock market in order to regulate their prices for one year.

**This resolution put to the vote was adopted by a majority of those present.**

## EIGHTH RESOLUTION

The Ordinary General Assembly fixes:

- a net amount of 4.000 Dinars per meeting to be allocated to the Chairperson of the Board of Directors.
- a net amount of 2.000 Dinars per effective attendance per meeting to be allocated to the members of the Board of Directors.
- a net amount of 2.000 Dinars per effective attendance per meeting to be allocated to the Chairperson of the Permanent Internal Audit Committee and to the Chairperson of the Risk Committee.
- a net amount of 1.000 Dinars per session to be allocated:
  - to each member of the Permanent Internal Audit Committee and the Risk Committee
  - to each chairperson or member of other committees of the Board of Directors.

Chairpersons and members belonging to more than one committee may only receive one remuneration calculated on the basis of their attendance at a single committee of their choice.

**This resolution put to the vote was adopted by a majority of those present.**

## NINTH RESOLUTION

The Ordinary General Assembly approves the appointment of two members of the Board of Directors representing public participants, for a term of three years (Decree No. 2013-4953 dated

5 December 2013, implementing the provisions of Article 22 ter of Law No. 89-9 dated 1 February 1989, relating to public participations, companies and institutions to public banks).

Members representing public participants	Term
Mr Atef MAJDOUB (replacing Mr Mohamed Tahar BELLASSOUED)	(for the remaining period) 2021-2023
Mrs Moufida ALOUI	2022-2024

**This resolution put to the vote was adopted by a majority of those present.**

## TENTH RESOLUTION

In view of the decision of the Board of Directors of la Société Tunisienne de Banque dated 16 June 2022, relating to the renewal of the term of each of:

- Mr. Hassen FEKI representative of la Société Tunisienne d'Assurance et de Réassurance «STAR»
- Mr. Lassaad ZARROUK representative of la Mutuelle d'Assurance de l'Enseignement «MAE»

The Ordinary General Assembly approves, for regularization, the renewal of the term of the above-mentioned members for a period of three years, ending at the end of the Ordinary General Assembly which will have to approve the financial statements for the financial year 2024.

**This resolution put to the vote was adopted by a majority of those present.**

## ELEVENTH RESOLUTION

Following the termination of the functions of Mr. Taïeb BELAID, member of the Board of Directors representing private individuals following his resignation, the Ordinary General Assembly decides to reappoint him for a period of three three years, ending at the end of the Ordinary General Assembly which will have to approve the financial statements for the financial year 2025.

**This resolution put to the vote was adopted by a majority of those present.**

## TWELFTH RESOLUTION

After having noted the end of the term of the current statutory auditors and following the correspondence of the Audit Committee for the Accounts of Public Companies and Establishments on 28 April 2023, the Ordinary General Assembly decides to postpone the appointment of the statutory auditors for the period 2023-2025 at the earliest opportunity.

**This resolution put to the vote was adopted by a majority of those present.**

## THIRTEENTH RESOLUTION

All powers are given to the legal representative of the Bank or its agent for the purpose of carrying out the necessary registration, filing and legal publication formalities.

**This resolution put to the vote was adopted by a majority of those present.**







# **STB GROUP MANAGEMENT REPORT**

**PRESENTATION OF THE SCOPE OF THE GROUP**

**OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS**

**GROUP OUTLOOK**

# PRESENTATION OF THE SCOPE OF THE GROUP

## General Presentation of the STB Group

The STB Group is made up of the parent company STB and subsidiaries in which it directly or indirectly holds at least 50% of the capital.

As the parent company, STB therefore exercises exclusive control over the group companies.

In order to offer its customers a complete range of services, STB is present in various economic sectors through 204 participations and a group made up of 13 companies (including the parent company) and 4 SICAVs. The Group is divided into the following areas of activity:

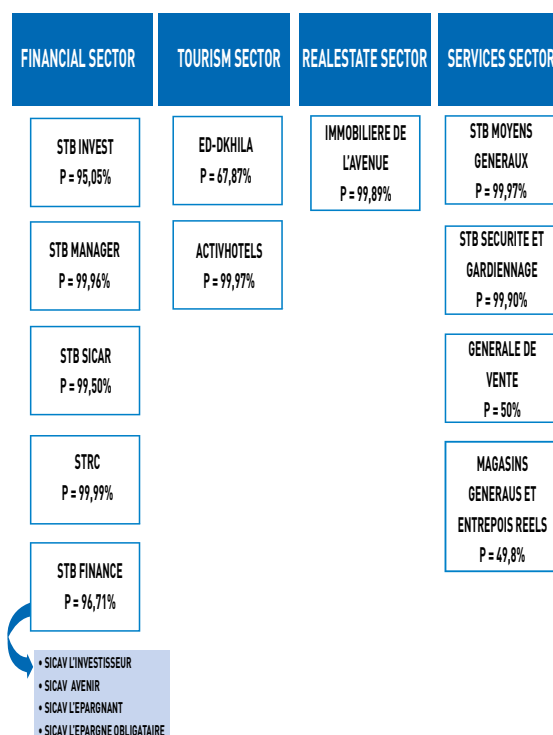
Financial: 5 companies and 4 SICAVs

Services: 4 companies

Tourism: 2 companies

Real Estate: 1 company

- **Financial sector:** This division comprises entities authorised under Law 2016/48 governing the activity of credit institutions and entities whose activity is an extension thereof, namely: stock market intermediation, management of UCITS in the form of SICAVs, FCPs and FCPRs, investment companies in the form of SICAFs and SICARs.
- **Tourism sector:** This division includes hotel units and entities authorised to manage hotel and tourist units.
- **Services sector:** This division groups together the support and logistics entities on behalf of STB and its Subsidiaries.
- **Real Estate sector:** This division comprises the entities authorised under Law No. 90-17 dated 26 February 1990 to carry out professional subdivision and land development operations intended mainly for residential use, as well as the construction or renovation of collective or semi-collective buildings for residential, commercial, professional or administrative use.



## Financial sector

### STB FINANCE

STB Finance is a stock market intermediation company governed by Law 94/117 on the reorganisation of the financial market and Decree 99-2478 of 1 November 1999 on the articles of association of stock market intermediaries.

Its purpose is to trade and register securities on the stock exchange, manage individual and collective portfolios, keep registers of securities accounts, provide advice and arrange financial packages.

STB FINANCE is also approved as a Listing Sponsor to assist companies with their listing on the alternative market.

As part of the reorganisation of the STB group's subsidiaries by business line, STB Finance has been managing the group's UCITS (4 SICAVs and 4 FCPs) since July 2020.

**SICAV L'EPARGNANT**

Created in 1996, SICAV L'EPARGNANT is a distribution bond fund aimed at prudent investors. Its priority is to provide its shareholders with the best possible liquidity, profitability and security. SICAV L'Epargnant will have 210 million dinars under management by the end of 2022.

**SICAV L'EPARGNE OBLIGATAIRE**

Created in 2017, SICAV L'EPARGNE OBLIGATAIRE is a capitalisation bond mutual fund aimed at cautious investors, particularly individuals who are looking for capitalisation of their investments in addition to the advantages of collective management. Its priority is to provide its shareholders with the best possible liquidity, profitability and security. SICAV L'Epargne obligataire will have 164 million dinars under management at the end of 2022.

**SICAV L'INVESTISSEUR**

Created in 1994, SICAV L'INVESTISSEUR is a mixed distribution SICAV. At least 30% of its assets are permanently invested in listed equities. It is designed for investors wishing to invest in the stock market while benefiting from the advantages of collective management and accepting stock market risk. SICAV l'Investisseur will have TND 1,2 million under management at the end of 2022.

**SICAV AVENIR**

Created by the former BDET in 1994, SICAV AVENIR is a mixed distribution-type SICAV. No more than 10% of its assets are invested in listed shares. It is intended primarily for shareholders wishing to invest in the stock market while tolerating a low stock market risk. SICAV AVENIR will have TND 1.2 million dinars under management at the end of 2022.

**STB MANAGER**

STB MANAGER is the first management company on the Tunisian market, created in 2002 to manage the STB Group's UCITS.

Operating in a rapidly changing financial landscape and aware of the importance of private equity as an essential tool for financing companies, in 2015 STB Manager obtained a second authorisation from the CMF to extend its field of activity to include the management of FCPRs and seed capital funds, as well as individual management under mandate of the portfolios of SICAFs and SICARs.

Following the reorganisation of the Bank's subsidiaries by business line, STB Manager will specialise in the management of FCPRs from July 2020.

In 2022, STB Manager will manage 2 FCPRs:

FCPR ESSOR FUND, of a size of TND 5 million, intended for the financing of projects within the framework of regional development.

FCPR GROWTH FUND, worth TND 11.3 million, designed to finance SMEs and companies operating in innovative sectors.

Since their creation, the two FCPRs have contributed to the financing of several projects operating in different economic sectors and located in different regions of the country.

STB Manager plans to create new venture capital funds to support the bank's clients in their investment and development projects.

**STB INVEST SICAF**

STB INVEST SICAF is a Société d'Investissement à Capital Fixe (fixed-capital investment company) governed by law No. 88-92 dated 02 August 1988, as amended by law No. 92-113 dated 23 November 1992 and laws no. 95-87 and No. 95-88 dated 30 October 1995.

Created in 1991, the purpose of the SICAF is to manage a portfolio of transferable securities using its own funds, and to carry out all related operations, including the acquisition of equity interests.

STB INVEST participates in the financing of companies in a number of ways: direct equity participations, free portfolios and exits, stock market acquisitions, and purchases of private and public debt securities.

In 2019, STB INVEST merged with the second SICAF in the SOFI-ELAN group, increasing its capital from TND 36.000.000 to TND 39.351.980.

This operation resulted in a reduction in costs and a strengthening of the Private Equity activity within the financial division.

## **SOCIÉTÉ TUNISIENNE DE RECOUVREMENT DES CRÉANCES (STRC)**

Created in 1999, STRC is the first bank debt collection company approved under Law 98-4 dated 2 February 1998, whose corporate purpose is to collect receivables on its own behalf and on behalf of third parties.

In order to meet the objectives of effectiveness and efficiency, STRC has modernised its information system and organisation in line with the requirements of the business, which has enabled it to achieve ambitious objectives in terms of debt collection and results.

In accordance with the requirements of CBT circular 2022-01 on the prevention and resolution of non-performing receivables, STRC has set up a programme to clear old and irrecoverable receivables.

### **STB SICAR**

STB SICAR, founded in 1998, is a venture capital investment company. Its purpose is to acquire holdings in the share capital of companies on its own behalf or on behalf of third parties, with a view to retrocession.

STB SICAR's aim is to finance and support SMEs at the start-up or development stage with tailored financial solutions.

In 2022, STB SICAR manages a portfolio of 58 funds invested in 300 companies in various economic sectors and located in 24 regions of the country.

Aware of the importance of sustainable development objectives, STB SICAR has drawn up an ESG charter for the selection of projects to be financed and has initiated procedures to support its partners in their CSR initiatives.

STB SICAR has also strengthened its governance by setting up committees to carry out controls at several levels in order to clean up its portfolio and launch a new revival by participating in new promising projects.

### **Tourism sector**

#### **ACTIVHÔTELS**

Created in 2006, ACTIVHÔTELS' main purpose is tourism management, as well as direct or indirect participation in any company involved in any tourism

activity, in particular the creation, acquisition, construction, development, sale, rental and operation of any tourist or seaside hotel units or complexes.

ACTIVHÔTELS takes care of the regularisation of the legal and land situations, the evaluation and the procedures for the transfer of the hotel units in its portfolio.

### **ED-DKHILA**

Société Touristique ED-DKHILA was founded in 1966 to create and manage hotel and tourist facilities. Since 1968, it has operated the «Résidence Club Skanès» holiday village in the Monastir tourist zone, which has been rented out for several years.

In order to comply with the regulations in force (Law 2016-48), CAREPP gave its agreement on 06/12/2018 for the sale of the STB Group's share (67,87%) in the company's capital.

This operation is in the process of becoming a reality in accordance with the regulations in force and this, through a call for tenders on the basis of specifications and a prior evaluation of the company by a specialist firm.

The company has drawn up terms of reference for the selection of a specialist firm to value and sell this block of shares.

### **Real Estate sector**

#### **L'IMMOBILIERE DE L'AVENUE**

Founded in 1931, Immobilière de l'Avenue is one of the oldest property development companies in the sector and has played a major role in the development of the property sector and the urbanisation of the country.

With the aim of boosting the company's performance and enhancing its value, an EGM was held to approve the extension of its corporate purpose by adding the activity of «fitting out and refitting premises and managing works on behalf of the Société Tunisienne de Banque group».

### **Services sector**

#### **SECURITY AND GUARDING**

STB Sécurité et Gardiennage is a limited liability company created in 2015, whose purpose is to provide security and guarding for property and establishments, and generally any service operation directly or indirectly related to its purpose.



### STB MOYENS GENERAUX

STB Moyens Généraux is a limited liability company created in 2014, whose purpose is to provide cleaning services for premises and establishments, and generally any service operation directly or indirectly related to its purpose.

The company has extended its corporate purpose by adding a secondary activity «provision of human resources».

As a result, the company is now in a position to meet the human resources needs of the Bank and its various subsidiaries for support and back-up activities.

### GENERALE DE VENTE «GEVE»

La Générale de Vente «GEVE» was set up in 2007 pursuant to a decision by the CAREPP to wind up the STIA.

Its purpose is to hold, purchase and resell any real estate or movable assets or assets held by the STIA.

GEVE successfully completed the sale of the STIA Sousse site with a significant capital gain, and has

made good progress in finalising the sale of the remaining assets.

### LES MAGASINS GENERAUX & ENTREPOT REEL DE TUNISIE «MGERT»

Created in 1889 by a beylical decree, «Les Magasins Généraux & Entrepôt Réel de Tunisie» is a public warehouse operating under customs control in the following two areas:

- The reception and storage of goods in temporary transit destined for the local market or for export,
- The reception and storage of vehicles belonging to dealers and non-residents.

In 2022, the MGERT settled the Concession Right to operate the public warehouse in order to regularise its legal situation and drew up a draft Concession Contract with the State, which is currently being validated.

In view of the company's performance and strong market demand, MGERT plans to diversify and expand its activities in the coming years.

## List of companies within the scope of the STB Group as at 31 December 2022

In Thousands of Dinars

	CONSOLIDATED COMPANIES	ACTIVITY POLE	COUNTRY	CAPITAL
1.	STB BANK (parent company)	CREDIT INSTITUTION	TUNISIA	776,875
2.	STB INVEST	FINANCIAL INSTITUTIONS	TUNISIA	39,352
3.	STB MANAGER	FINANCIAL INSTITUTIONS	TUNISIA	2,500
4.	STB FINANCE	FINANCIAL INSTITUTIONS	TUNISIA	6,500
5.	STB SICAR	FINANCIAL INSTITUTIONS	TUNISIA	19,495
6.	L'IMMOBILIERE DE L'AVENUE	SERVICE	TUNISIA	9,400
7.	STE TUN.RECOUVR. DES CREANCES "STRC"	FINANCIAL INSTITUTIONS	TUNISIA	39,662
8.	SOCIETE LA GENERALE DES VENTES	SERVICE	TUNISIA	4,000
9.	SOCIETE ED DKHILA	SERVICE	TUNISIA	7,500
10.	SOCIETE ACTIVHOTELS	SERVICE	TUNISIA	28,784
11.	SICAV L'INVESTISSEUR	FINANCIAL INSTITUTIONS	TUNISIA	912
12.	SICAV L'AVENIR	FINANCIAL INSTITUTIONS	TUNISIA	1,082
13.	SICAV EPARGNE OBLIGATAIRE	FINANCIAL INSTITUTIONS	TUNISIA	3,920
14.	SICAV EPARGNANT	FINANCIAL INSTITUTIONS	TUNISIA	15,142
15.	TUNISIAN FOREIGN BANK (in Euro)	CREDIT INSTITUTION	FRANCE	59,695
16.	STE MOYENS GENERAUX	SERVICE	TUNISIA	500
17.	MAGASINS GENERAUX ET ENTREPOTS REELS DE TUNIS	SERVICE	TUNISIA	20
18.	S.T.C VERITAS	SERVICE	TUNISIA	649
19.	SONI BANK (in thousands of FCFA)	CREDIT INSTITUTION	NIGER	23,367
20.	S.C.I " LA MAISON DU BANQUIER"	SERVICE	TUNISIA	1,773
21.	S.P.C.M "ELFEJJA"	SERVICE	TUNISIA	8,000
22.	STB SECURITE ET GARDIENNAGE	SERVICE	TUNISIA	200

## Classification of STB Group companies

### FULLY CONSOLIDATED COMPANIES

Under IAS 28.5 and NCT36, full consolidation is applied when the parent company has exclusive control over the company to be consolidated, i.e. the power to govern the financial and operating

policies so as to obtain benefits from its activities, and the power to appoint or remove the majority of the members of the Board of Directors or equivalent management body.

There are 13 fully consolidated companies, including the parent company:

In Thousands of Dinars

CONSOLIDATED COMPANIES	ACTIVITY	COUNTRY	CAPITAL
STB	CREDIT INSTITUTION	TUNISIA	776,875
STB INVEST	FINANCIAL INSTITUTIONS	TUNISIA	39,352
STB MANAGER	FINANCIAL INSTITUTIONS	TUNISIA	2,500
STB FINANCE	FINANCIAL INSTITUTIONS	TUNISIA	6,500
STB SICAR	FINANCIAL INSTITUTIONS	TUNISIA	19,495
IMM. AVENUE	SERVICE	TUNISIA	9,400
STRC	FINANCIAL INSTITUTIONS	TUNISIA	39,662
GEVE	SERVICE	TUNISIA	4,000
EDDKHILA	SERVICE	TUNISIA	7,500
ACTIVHOTELS	SERVICE	TUNISIA	28,784
STBMG	SERVICE	TUNISIA	500
MGERT	SERVICE	TUNISIA	20
STBSG	SERVICE	TUNISIA	200

### COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

In accordance with IAS 28.5 and NCT36, STB Group companies accounted for by the equity method operate in diversified business sectors such as SICAVs, services and mainly tourism. As a result, and as part of its support for the national economy, the parent company demonstrates its significant influence through the following actions:

- Representation on the Board of Directors or equivalent management body of the investee company;
- Participation in the policy-making process through advice and logistical and financial assistance;
- Significant transactions between STB and the investee: in terms of equity and/or loan commitments (banking pool);
- An exchange of management personnel (seconded staff).

In Thousands of Dinars

CONSOLIDATED COMPANIES	ACTIVITY POLE	COUNTRY	CAPITAL
SICAV L'INVESTISSEUR	FINANCIAL INSTITUTIONS	TUNISIA	912
SICAV L'AVENIR	FINANCIAL INSTITUTIONS	TUNISIA	1,082
SICAV EPARGNE OBLIGATAIRE	FINANCIAL INSTITUTIONS	TUNISIA	3,920
SICAV EPARGNANT	FINANCIAL INSTITUTIONS	TUNISIA	15,142
TUNISIAN FOREIGN BANK	CREDIT INSTITUTION	FRANCE	59,695
S.T.C VERITAS	SERVICE	TUNISIA	649
SONI BANK	CREDIT INSTITUTION	NIGER	23,367
S.C.I " LA MAISON DU BANQUIER"	SERVICE	TUNISIA	1,773
S.P.C.M "ELFEJJA"	SERVICE	TUNISIA	8,000

## Evolution of the percentage of control and interest percentage

### CONTROL PERCENTAGES

Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The percentage of control reflects the direct and/or indirect relationship of dependence between STB and the consolidated companies. It is used to

determine which companies should be included in the scope of consolidation and which deconsolidation methods should be applied. The percentage of control expresses the number of voting rights held by the STB in the consolidated company. It is calculated by adding together all the voting rights held directly or indirectly by the companies under the exclusive control of STB.

The following table shows the controlling percentages at 31 December 2022 and 31 December 2021:

CONSOLIDATED COMPANIES	% of Group Control		
	2022	2021	Var %
1. STB BANK (parent company)	100,00%	100,00%	0,00%
2. STB INVEST	95,05%	95,05%	0,00%
3. STB MANAGER	99,99%	99,99%	0,00%
4. STB FINANCE	96,71%	96,71%	0,00%
5. STB SICAR	99,50%	99,50%	0,00%
6. L'IMMOBILIERE DE L'AVENUE	99,90%	99,90%	0,00%
7. STE TUN.RECOUVR. DES CREANCES "STRC"	100,00%	100,00%	0,00%
8. SOCIETE LA GENERALE DES VENTES	50,00%	50,00%	0,00%
9. SOCIETE ED DKHILA	67,87%	67,87%	0,00%
10. SOCIETE ACTIVHOTELS	100,00%	100,00%	0,00%
11. SICAV L'INVESTISSEUR	78,05%	78,17%	(0,12%)
12. SICAV L'AVENIR	98,32%	98,35%	(0,03%)
13. SICAV EPARGNE OBLIGATAIRE	2,53%	1,61%	0,91%
14. SICAV EPARGNANT	7,61%	8,83%	(1,22%)
15. TUNISIAN FOREIGN BANK	49,99%	49,46%	0,53%
16. STE MOYENS GENERAUX	99,98%	99,98%	0,00%
17. MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	49,95%	49,95%	0,00%
18. S.T.C VERITAS	27,06%	27,06%	0,00%
19. SONI BANK	25,00%	25,00%	0,00%
20. S.C.I " LA MAISON DU BANQUIER"	19,96%	19,96%	0,00%
21. S.P.C.M "ELFEJJA"	20,00%	20,00%	0,00%
22. STB SECURITE ET GARDIENNAGE	99,90%	99,90%	0,00%

### PERCENTAGE INTERESTS OR FINANCIAL DEPENDENCE ON THE GROUP

The percentage interest expresses the share of capital held by STB directly and/or indirectly in each consolidated company. Unlike the percentage of control, which determines the consolidation method, the percentage of interest enables consolidation to be implemented. It is used to evaluate STB's rights in the net assets of consolidated companies, as well as the share attributable to minority shareholders.

It is also used as the main tool for making consolidation entries when eliminating intercompany transactions and allocating shareholders' equity. The percentage interest is calculated as the sum of the percentage of capital held directly by the parent company in the capital of the subsidiary and the product of the percentage of capital held directly and indirectly in the sub-subsidiaries.

The following table shows the percentage interests at 31 December 2022 and at 31 December 2021:

CONSOLIDATED COMPANIES		% of Group Interest		
		2022	2021	Var %
1.	STB BANK (parent company)	99,99%	99,98%	0,00%
2.	STB INVEST	94,73%	94,72%	0,00%
3.	STB MANAGER	99,40%	99,40%	0,00%
4.	STB FINANCE	95,55%	95,55%	0,00%
5.	STB SICAR	98,58%	98,58%	0,00%
6.	L'IMMOBILIERE DE L'AVENUE	99,16%	99,16%	0,00%
7.	STE TUN.RECOUVR. DES CREANCES "STRC"	99,72%	99,72%	0,00%
8.	SOCIETE LA GENERALE DES VENTES	49,99%	49,99%	0,00%
9.	SOCIETE ED DKHILA	67,51%	67,51%	0,00%
10.	SOCIETE ACTIVHOTELS	99,94%	99,93%	0,00%
11.	SICAV L'INVESTISSEUR	75,74%	75,85%	(0,12%)
12.	SICAV L'AVENIR	97,52%	97,55%	(0,03%)
13.	SICAV EPARGNE OBLIGATAIRE	2,43%	1,56%	0,87%
14.	SICAV EPARGNANT	7,49%	8,68%	(1,19%)
15.	TUNISIAN FOREIGN BANK EX « U.T.B»	49,99%	49,45%	0,54%
16.	STE MOYENS GENERAUX	97,15%	97,15%	0,00%
17.	MAGASINS GENERAUX ET ENTREPOTS REELS DE TUNIS	49,94%	49,93%	0,00%
18.	S.T.C VERITAS	27,05%	27,05%	0,00%
19.	SONI BANK	25,00%	25,00%	0,00%
20.	S.C.I " LA MAISON DU BANQUIER"	19,96%	19,96%	0,00%
21.	S.P.C.M "ELFEJJA"	20,00%	20,00%	0,00%
22.	STB SECURITE ET GARDIENNAGE	97,06%	97,06%	0,00%





# OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS

## STB Group key figures

	In millions of dinars	dec 2018	dec 2019	dec 2020	dec 2021	dec 2022	CGAR
<b>Activity</b>	Total assets	10,615,0	11,406,8	12,348,4	13,583,5	14,765,0	8,6%
	Customer deposits	6,340,1	7,331,9	8,413,7	8,982,9	9,794,4	11,5%
	Outstanding net customer loans	7,074,1	7,974,2	9,081,7	9,718,1	10,842,3	11,3%
<b>Income</b>	Intermediation margin	247,9	359,4	361,9	363,4	370,0	10,5%
	Volume of net commissions	86,2	103,0	115,9	132,1	134,9	11,8%
	Sales figures	835,5	1,043,3	828,0	1,119,9	1,286,2	11,4%
	Net banking income	465,0	596,6	621,3	650,4	697,5	10,7%
	Operating charge	240,7	255,7	273,5	314,8	337,7	8,8%
	Net income for the year	59,9	178,7	68,4	125,7	99,4	13,5%
<b>Equity</b>	Capital	776,9	776,9	776,9	776,9	776,9	0,0%
	Consolidated reserves	79,8	132,7	300,8	370,2	485,5	57,1%
	Treasury shares	-5,5	-5,5	-5,5	-5,5	-5,5	0,0%
	Income for the period	59,9	178,7	68,4	125,7	99,4	13,5%
	Equity	911,1	1,082,7	1,140,6	1,267,3	1,356,2	10,5%
<b>Profitability</b>	Return on equity (ROE)	7,0%	19,8%	6,4%	11,0%	7,9%	3,0%
	Return on assets (ROA)	0,6%	1,6%	0,6%	1,0%	0,7%	3,6%
	Net results / NBI	12,9%	30,0%	11,0%	19,3%	14,2%	2,6%
	Net commissions / NBI	18,5%	17,3%	18,7%	20,3%	19,3%	1,1%
	Intermediation margins / NBI	53,3%	60,2%	58,2%	55,9%	53,1%	(0,1%)
	Net commissions / payroll	54,0%	60,9%	65,1%	64,6%	60,8%	3,0%
	Operating coefficient	51,8%	42,9%	44,0%	48,4%	48,4%	(1,7%)

## Changes in the consolidated balance sheet

### Assets:

At the end of 2022, the STB group's total assets amounted to TND 14,765.0 M, up TND 1,181.5 M or 8.7% compared with its level at the end of 2021. The growth recorded is explained by the following main differentiated variations:

- Increase in outstanding customer loans of + TND 1,124,2 M or +11.6%, which amounted to TND 10,842,3 M at the end of the 2022 financial year. This increase is attributable to the parent company, which saw its outstandings rise by TND 1,129,3 M or 11,6%;
- Increase in the commercial securities portfolio of + TND 279,8 M or +42,9%, mainly at the level of the company (+TND 294,2 M or +48,0%);
- Increase in the investment securities portfolio of + TND 164,9 M or +14,7%, almost entirely concentrated in the parent company portfolio;
- A TND 357,3 M drop in assets and cash with the CBT and a TND 125,6 M drop in receivables from banking and financial institutions. These changes were mainly recorded in the parent company's accounts.

### Liabilities:

The Group's total liabilities recorded an increase of + TND 1,092,3 M or +8.9%, which is mainly explained by the following differentiated variations:

- Increase in customer deposits and assets: + TND 811,5 M or +9,0%, bringing the total at the end of 2022 to TND 9,794,4 M compared with TND 8,982,9 M at the end of 2021. In this respect, the Parent Company recorded an increase of TND 815,6 M or 9,0%.
- Increase in borrowings and special resources: + TND 129,7 M or +27,0% the parent company's outstanding resources in this category rose by + TND 135,7 M or +27,4%
- Decrease in deposits and assets of banking and financial institutions: - TND 10,6 M or -1,9%

### Equity items:

The STB group's total shareholders' equity stood at TND 1,356,2 M at the end of 2022 against TND 1,267,3

M at the end of the 2021 financial year, thus recording an increase of + TND 88,9 M or +7,0%.

This change is attributable to the TND 115,3 M or 31,1% increase in consolidated reserves and the TND 26,4 M or 21,0% decrease in group profit.

## Evolution of the Group's income and its main components

At the end of December 2022, the STB group's consolidated net profit fell by TND 26,4 M or 21,0% to TND 99,4 M compared with TND 125,7 M at the end of 2021. This result comes essentially from the positive contribution of the parent company (TND 93,1 M).

An analysis of the components of the group's net profit reveals the following:

✓ Net banking income came to TND 697,5 M, up TND 47,0 M or 7,2%, broken down as follows:

- Increase in banking operating income: + TND 166,3 M or 14,8%
- Decrease in banking operating charge: - TND 119,3 M or 25,4%

✓ Operating charge increased by TND 23,0 million to total TND 337,7 million at the end of December 2022. This situation is explained by the increase in :

- The wage bill: + TND 17,0 M to total TND 221,7 M at the end of 2022
- General operating charge: + TND 6,5 M to total TND 100,9 M

✓ The operating ratio stabilised at 48,5% at the end of 2022. The parent company's operating ratio reached 44,6% in 2022, compared with 43,7% at the end of 2021.

✓ The Group's operating profit fell by TND 63,7 million, or 25,8%, to TND 183,4 million at the end of December 2022, compared with TND 247,2 million at the end of 2021.

The financial year 2022 ended with a positive consolidated result of TND 99,4 M, compared with a similar result of TND 125,7 M at 31 December 2021. The contribution to consolidated profit by the parent company and its subsidiaries can be broken down as follows:

Description	2022	2021	Variation	%
Contribution of the consolidating parent company	87,732	113,221	(25,489)	(22,5%)
Contribution of entities in the banking sector	(1,326)	(1,693)	367	21,7%
Contribution of entities in the financial services sector	10,359	8,269	2,090	25,3%
Contribution of entities in the other services sector	2,619	5,941	(3,322)	(55,9%)
<b>Total</b>	<b>99,384</b>	<b>125,738</b>	<b>(26,354)</b>	<b>(21,0%)</b>

## Breakdown of the Group's net income and reserves in accordance with the consolidation standard:

The breakdown of consolidated reserves and net income is as follows:

In Thousands of Dinars

Consolidated Companies	Consolidated Reserves		Consolidated Incomes	
	2022	2021	2022	2021
<b>FULLY INTEGRATED COMPANIES</b>	<b>473 917</b>	<b>352 247</b>	<b>97 682</b>	<b>123 777</b>
1 STB BANK (parent company)	489 538	375 636	87 732	113 221
2 STB INVEST	16 823	16 364	2 120	1 510
3 STB MANAGER	-5	800	-463	-687
4 STB FINANCE	2 330	1 162	1 831	1 163
5 STB SICAR	5 926	5 563	83	36
6 L'IMMOBILIERE DE L'AVENUE	-6 225	-4 965	265	-1 259
7 STE TUN.RECOUVR. DES CREANCES "STRC"	-36 040	-39 494	5 499	4 919
8 SOCIETE LA GENERALE DES VENTES	2 360	-936	271	3 754
9 SOCIETE ED DKHILA	-1 204	-273	59	-932
10 SOCIETE ACTIVHOTELS	-1 404	-2 929	-367	1 526
11 STE MOYENS GENERAUX	-147	-174	244	17
12 MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	2 017	1 646	479	358
13 STB SECURITE ET GARDIENNAGE	-52	-153	-71	151
<b>EQUITY COMPANIES</b>	<b>11 565</b>	<b>17 982</b>	<b>1 702</b>	<b>1 961</b>
14 SICAV L'INVESTISSEUR	-40	355	30	-37
15 SICAV L'AVENIR	-14	9	39	12
16 SICAV EPARGNE OBLIGATAIRE	-83	-161	260	154
17 SICAV EPARGNANT	10 203	14 226	960	1 198
18 TUNISIAN FOREIGN BANK EX «U.T.B»	-41 525	-35 801	-6 240	-6 154
19 S.T.C VERITAS	950	1 033	516	549
20 SONI BANK	37 697	34 762	4 913	4 461
21 S.C.I " LA MAISON DU BANQUIER"	-420	-455	78	35
22 S.P.C.M "ELFEJJA"	4 797	4 014	1 146	1 743
<b>TOTAL</b>	<b>485 482</b>	<b>370 229</b>	<b>99 384</b>	<b>125 738</b>

## GROUP OUTLOOK

During the financial year 2022, a number of strategic projects have been put in place with a view to complying with regulatory requirements, and also as part of the Group's performance management. Some projects are being supported by external consultants, while others have been set up and monitored by the bank's internal structures in consultation with the group's subsidiaries.

The main projects are as follows

- **Preparing for the implementation of International Financial Reporting Standards (IFRS) within the STB Group:**

STB has begun to participate in collaboration with the subsidiaries and other structures of the bank in the work and meetings initiated by the firm «PWC» responsible for supporting the STB group for the implementation of International Financial Reporting Standards (IFRS).

- **Bringing the STB group's governance framework into line with the requirements of CBT circular 2021-05:**

As part of the group's compliance with the requirements of the provisions of circular 2021-05, which defines the governance framework that banks and financial institutions are required to observe, STB participated with the selected subsidiaries in the work of defining and implementing a risk appetite framework for each subsidiary in collaboration with the relevant structures of the bank and the MAZARS firm in charge of the mission. Furthermore, the subsidiaries are invited to comply with the

requirements of the aforementioned circular by adopting the same approach adopted within the bank, in collaboration with the relevant STB structures.

- **The acquisition of a grouped information system between STB and the 3 Private Equity subsidiaries (STB SICAR, STB Invest and STB Manager):**

With the aim of strengthening the control of subsidiaries and improving the quality of information and synergy within the group, STB has decided to make a group purchase of a software package that will serve as an information system between STB (the DCFP) and the private equity subsidiaries (STB SICAR, STB INVEST and STB MANAGER). This project aims to ensure the rigorous monitoring of the equity portfolio and the steering of the subsidiaries' performance.

- **The implementation of a more Business strategy for STB as part of the «STB horizon 2026» strategic plan:**

Within the framework of the elaboration of the strategic plan «STB Horizon 2026», STB has elaborated its more Business development strategy which consists in establishing proposals for the integration of new growth sectors and restructuring plans aiming at reinforcing the synergy between the different entities composing the Group to ensure a complete solution to the bank's customers through the services and products offered by the subsidiaries and to increase the bank's revenues coming from the activities of the entities of the STB Group while ensuring a control of the risks and a healthy profitability.





# **CONSOLIDATED FINANCIAL STATEMENTS ENDED AT 31 DECEMBER 2022**

**CONSOLIDATED BALANCE SHEET**

**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET  
COMMITMENTS**

**CONSOLIDATED STATEMENT OF INCOME**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE  
FINANCIAL YEAR 2022**

**CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE  
FINANCIAL YEAR 2021**

**CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2022**

**CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2021**

# CONSOLIDATED BALANCE SHEET

## ENDED AS AT 31 DECEMBER 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%
<b>Assets</b>					
A1	Cash and assets with the CBT, PCC and GTT	176 168	533 470	(357 302)	(67,0%)
A2	Receivables from banking and financial institutions	446 328	571 959	(125 631)	(22,0%)
A3	Receivables from clients	10 842 311	9 718 101	1 124 210	11,6%
A4	Trading securities portfolio*	932 034	652 252	279 782	42,9%
A5	Investment portfolio	1 286 757	1 121 828	164 929	14,7%
A5b	Equity-accounted securities	134 902	108 153	26 749	24,7%
A6	Fixed assets	153 201	143 724	9 477	6,6%
	Deferred tax asset	1 208	580	628	108,3%
A7	Other assets	792 103	733 460	58 643	8,0%
	<b>Total Assets</b>	<b>14 765 012</b>	<b>13 583 527</b>	<b>1 181 485</b>	<b>8,7%</b>
<b>Liabilities</b>					
L1	Central Bank and Postal Cheques Centre	1 517 934	1 461 625	56 309	3,9%
L2	Deposits and assets of banking and financial institutions	535 650	546 276	(10 626)	(1,9%)
L3	Client deposit and assets	9 794 435	8 982 913	811 522	9,0%
L4	Borrowings and special resources	610 055	480 350	129 705	27,0%
	Deferred tax liability	36 980	34 962	2 018	5,8%
L5	Other liabilities *	901 894	798 515	103 379	12,9%
	<b>Total Liabilities</b>	<b>13 396 948</b>	<b>12 304 641</b>	<b>1 092 307</b>	<b>8,9%</b>
	Non-controlling interest	11 831	11 551	280	2,4%
<b>Equity</b>					
E1	Share capital	776 875	776 875	-	-
E2	State grant	-	-	-	-
E3	Consolidated reserves *	485 482	370 229	115 253	31,1%
E4	Treasury stocks	(5 508)	(5 508)	-	-
E5	Other equity	-	-	-	-
E6	Retained earnings	-	-	-	-
E7	Consolidated income *	99 384	125 739	(26 355)	(21,0%)
	<b>Total Equity</b>	<b>1 356 233</b>	<b>1 267 335</b>	<b>88 898</b>	<b>7,0%</b>
	<b>Total Equity and Liabilities</b>	<b>14 765 012</b>	<b>13 583 527</b>	<b>1 181 485</b>	<b>8,7%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

# CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS ENDED AS AT 31 DECEMBER 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Variation	%	
<b>Contingent Liabilities</b>						
OB1	Sureties, endorsements and other guarantees given	1 493 927	1 461 294	32 633	2,2%	
OB2	Letter of credits	613 717	488 692	125 025	25,6%	
OB3	Assets pledged as collateral	-	-	-	-	
	<b>Total Contingent Liabilities</b>	<b>7.1</b>	<b>2 107 644</b>	<b>1 949 986</b>	<b>157 658</b>	<b>8,1%</b>
<b>Commitments Given</b>						
OB4	Financing commitments given	157 302	115 590	41 712	36,1%	
OB5	Securities commitments	26	101	(75)	(74,3%)	
	<b>Total Commitments Given</b>	<b>7.2</b>	<b>157 328</b>	<b>115 691</b>	<b>41 637</b>	<b>36,0%</b>
<b>Commitments Received</b>						
OB7	Guarantees received	3 059 631	2 208 276	851 355	38,6%	
	<b>Total Commitments Received</b>	<b>7.3</b>	<b>3 059 631</b>	<b>2 208 276</b>	<b>851 355</b>	<b>38,6%</b>





# CONSOLIDATED STATEMENT OF INCOME

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Écart	%
<b>Banking Operating Income</b>					
BOI1	Interest and similar revenue	8.1	950 975	827 974	123 001 14,9%
BOI 2	Commissions (as income)	8.2	142 623	137 014	5 609 4,1%
BOI 3	Gains on trading securities portfolio and financial operations *	8.3	116 291	89 473	26 818 30,0%
BOI 4	Revenue from investment portfolio *	8.4	76 319	65 442	10 877 16,6%
<b>Total Banking Operating Income</b>			<b>1 286 208</b>	<b>1 119 903</b>	<b>166 305 14,8%</b>
<b>Banking Operating Charges</b>					
BOC1	Interest incurred and similar charges	8.5	(580 943)	(464 569)	(116 374) (25,0%)
BOC2	Commissions incurred		(7 773)	(4 887)	(2 886) (59,1%)
BOC3	Losses on trading securities portfolio and financial operations		-	-	- -
<b>Total Banking Operating Charges</b>			<b>(588 716)</b>	<b>(469 456)</b>	<b>(119 260) (25,4%)</b>
<b>Net Banking Income *</b>			<b>697 492</b>	<b>650 447</b>	<b>47 045 7,2%</b>
BOI5- BOC4	Provisions and result of value adjustments on receivables, off balance sheet and liabilities	8.6	(204 430)	(123 631)	(80 799) (65,4%)
BOI6- BOC5	Provisions and result of value adjustments on the investment portfolio	8.7	561	(2 708)	3 269 120,7%
BOI7	Other operating income	8.8	27 535	37 834	(10 299) (27,2%)
BOC6	Staff costs	8.9	(221 682)	(204 664)	(17 018) (8,3%)
BOC7	General operating charges	8.10	(100 899)	(94 399)	(6 500) (6,9%)
BOC8	Provisions for depreciation and amortization and provisions on fixed assets		(15 140)	(15 705)	565 3,6%
<b>Operating Income *</b>			<b>183 437</b>	<b>247 174</b>	<b>(63 737) (25,8%)</b>
BOI11	Share in the results of companies accounted for using the equity method		1 733	1 988	(255) (12,8%)
BOI8-BOC9	Profit/loss balance from other ordinary items	8.11	20 186	(1 292)	21 478 1662,4%
BOC11	Income tax *	8.12	(96 995)	(96 540)	(455) (0,5%)
<b>Income from Ordinary Activities *</b>			<b>108 361</b>	<b>151 330</b>	<b>(42 969) (28,4%)</b>
BOI9-BOC10	Profit/loss balance from other extraordinary items		(7 932)	(21 736)	13 804 63,5%
<b>Net Income for the Financial Year *</b>			<b>100 429</b>	<b>129 594</b>	<b>(29 165) (22,5%)</b>
BOI9-BOC10	Non-controlling interest share in income		1 045	3 855	(2 810) (72,9%)
<b>Net Income for the Consolidated Financial Year *</b>			<b>99 384</b>	<b>125 739</b>	<b>(26 355) (21,0%)</b>
Effect of accounting changes			(11 506)	(8 720)	(2 786) (31,9%)
<b>Income after Accounting Change *</b>			<b>87 878</b>	<b>117 019</b>	<b>(29 141) (24,9%)</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.



# CONSOLIDATED STATEMENT OF CASH FLOWS

## PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

(Unit: in TND 1 000)

	Notes	2022	2021	Écart	%
<b>Operating Activities</b>					
Banking operating income received		1 189 736	997 319	192 417	19,3%
Banking operating charges disbursed		(550 442)	(428 555)	(121 887)	(28,4%)
Deposits / withdrawals of deposits with banking and financial institutions		32 803	40 003	(7 200)	(18,0%)
Loans and advances / loans repayments and advances granted to clients		(1 295 614)	(666 573)	(629 041)	(94,4%)
Deposits / withdrawal of client deposits		807 737	576 899	230 838	40,0%
Acquisitions / disposals of investment securities		(44 001)	(189 775)	145 774	76,8%
Amounts paid to staff and sundry creditors		(193 803)	(243 756)	49 953	20,5%
Other cash flows from operating activities		(41 056)	5 688	(46 744)	(821,8%)
Income tax		(113 315)	(109 674)	(3 641)	(3,3%)
<b>Net Cash Flows from Operating Activities</b>	<b>9.1</b>	<b>(207 955)</b>	<b>(18 424)</b>	<b>(189 531)</b>	<b>(1028,7%)</b>
<b>Investing Activities</b>					
Interest and dividends received on investment portfolio		68 140	62 777	5 363	8,5%
Acquisitions / disposals of investment portfolio		(192 087)	(61 770)	(130 317)	(211,0%)
Acquisitions / disposals of fixed assets		(24 426)	(11 735)	(12 691)	(108,1%)
Other investment flows		-	-	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>9.2</b>	<b>(148 373)</b>	<b>(10 728)</b>	<b>(137 645)</b>	<b>(1283,0%)</b>
<b>Financing Activities</b>					
Redemption of Treasury Stocks		-	-	-	-
Issuance of shares		-	-	-	-
Issuance / repayment of borrowings		43 437	52 423	(8 986)	(17,1%)
Issuance / repayment of special resources		66 134	66 821	(687)	(1,0%)
Dividends paid and other distributions		317	(23)	340	1478,3%
<b>Net Cash Flows Used in Financing Activities</b>	<b>9.3</b>	<b>109 888</b>	<b>119 221</b>	<b>(9 333)</b>	<b>(7,8%)</b>
Impact of changes in exchange rates on cash and cash equivalents		(155)	(145)	(10)	(6,9%)
Impact of changes in the scope of consolidation on cash and cash equivalents		-	-	-	-
Impact of reclassifications and adjustments on cash and cash equivalents		139	-	139	-
<b>Net Change in Cash and Cash Equivalents</b>	<b>9.3</b>	<b>(246 456)</b>	<b>89 924</b>	<b>(336 380)</b>	<b>(374,1%)</b>
Cash and cash equivalents at the beginning of the period		(977 043)	(1 066 967)	89 924	8,4%
<b>Cash and cash equivalents at the end of the period</b>	<b>9.4</b>	<b>(1 223 499)</b>	<b>(977 043)</b>	<b>(246 456)</b>	<b>(25,2%)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## ENDED AS AT 31 DECEMBER 2022

(Amounts expressed in TND thousand)

### NOTE 1 - PRESENTATION OF THE GROUP

The STB Group consists of the bank, the parent company, 12 subsidiaries and 9 associates, operating mainly in the financial, banking and other services sectors. The Group is presented as at 31/12/2022 as follows:

<b>STB : Société Tunisienne de Banque</b> Etablissement de crédit, Banque Siège social : Rue Hédi Nouria - 1001 Tunis - Tunisie	
<b>Financial Services</b>	
<b>STB SICAR</b> Sawarby BLOCK Centre Urbain Nord 1003 Tunis	<b>STB INVEST</b> STB BLOCK -34, Hédi KARRAY Street- 1004 El Menzah
<b>STB FINANCE</b> STB BLOCK - 34 Hédi KARRAY Street 1004 El Menzah	<b>SOCIETE TUNISIENNE DE RECOUVREMENT DES CREANCES</b> Habib Bourguiba Avenue - Africa BLOCK 1000 Tunis
<b>STB MANAGER</b> STB BLOCK - 34 Hédi KARRAY Street 1004 El Menzah	<b>SICAV L'INVESTISSEUR</b> STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah
<b>SICAV L'EPARGNE OBLIGATAIRE</b> STB BLOCK - 34 Hédi KARRAY Street 1004 El Menzah	<b>SICAV L'EPARGNANT</b> STB, Hédi NOUIRA Street 1001 TUNIS
<b>SICAV AVENIR</b> STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah	
<b>Banking Services</b>	
<b>TUNISIAN FOREIGN BANK</b> 19, Pyramids Street 75001 Paris	<b>SONI BANK</b> AVENUE OF LA MAIRIE NIAMEY NE 0891, Africa Avenue, Niamey, Niger
<b>Other Services</b>	
<b>GEVE</b> C / O STB BLOCK Hédi NOUIRA Street 1001 Tunis	<b>SOCIETE ACTIVHOTELS</b> C / O BLOCK STB Med V 1001 Tunis
<b>STB MOYENS GENERAUX</b> 1, Entrepreneurs Street 1001 Tunis	<b>STB SECURITE ET GARDIENNAGE</b> 1, Entrepreneurs Street 1001 Tunis
<b>ED-DKHILA</b> 25, Jean Jaurès Avenue 1002 Tunis	<b>STVC VERITAS</b> BP 728, Les Berges du Lac. 1080 LES BERGES DU LAC Tunis
<b>L'IMMOBILIERE DE L'AVENUE</b> 31, Paris Avenue, 1002 Tunis	<b>MAISON DU BANQUIER</b> 13 Khereddine Pacha Avenue 1002 Tunis
<b>Hôtel d'entreprises, Pôle industriel «EL FEJJA»</b> 1153 Mornaguia - La Mannouba	<b>Magasins Généraux et Entrepôt Réel de Tunisie MGERT</b> I32 bis LA CHIMIE Street, Sidi Rezig

STB's head office is located at Avenue Hédi Nouria 1001 Tunis. Its network includes 149 branches, 186 ATMs, 11 regional offices and 2 subsidiaries.

The Bank's share capital structure as at 31 December 2022 was as follows:

Shareholders	Number of shares	Amount in thousand TND	% of Share capital
<b>A - TUNISIAN SHAREHOLDERS</b>	<b>153 891 933</b>	<b>769 460</b>	<b>99,0%</b>
The State of Tunisia	111 160 004	555 800	71,5%
Public Enterprises	18 408 461	92 042	11,8%
Private Legal Entities	10 825 786	54 129	7,0%
Redemption of the Bank's Securities	679 987	3 400	0,4%
Individuals	12 817 695	64 088	8,2%
<b>B - FOREIGN SHAREHOLDERS</b>	<b>1 483 067</b>	<b>7 415</b>	<b>1,0%</b>
Legal Entities	1 382 570	6 913	0,9%
Individuals	100 497	502	0,1%
<b>TOTAL</b>	<b>155 375 000</b>	<b>776 875</b>	<b>100,0%</b>

## NOTE 2 - REPORTING FRAMEWORK OF THE CONSOLIDATED FINANCIAL STATEMENTS

STB group's consolidated financial statements are drawn up in accordance with the provisions of Law n° 96-112 dated 30 December 1996, relating to the Company Accounting System, decree n° 96-2459 dated 30 December 1996, approving of the Conceptual Framework of Accounting and the Tunisian Accounting Standards, including in particular Sectoral Accounting Standards n° 21 to 25 published by order of the Minister of Finance of 25 March 1999 as well as Technical Accounting Standards n° 35 to 39 posted by order of the Minister of Finance of 1 December 2003.

## NOTE 3 - BASIS OF MEASUREMENT AND ACCOUNTING PRINCIPLES APPLIED

The consolidated accounts are drawn up on the basis of the individual annual accounts of STB and all the significant subsidiaries controlled by it.

The most significant accounting principles applied are summarized as follows:

### 3.1- PRINCIPLES OF CONSOLIDATION

#### 3.1.1- Consolidation Methods

##### Full Incorporation Method

Fully integrated companies are those entities over which the group exercises de jure, de facto or presumed exclusive control. The group has exclusive control of a subsidiary when it is able to direct the

financial and operating policies of an entity in order to benefit from its activities.

This method consists of substituting for the amount of equity securities with the assets, liabilities, expenses and income of each of the consolidated companies, indicating the share of non-controlling interests in consolidated equity, and in the consolidated result of the financial year.

The full incorporation method consists of the following successive steps:

- The individual financial statements of the parent company and its subsidiaries are combined line by line by adding similar items such as assets, liabilities, equity, income and expenses;
- The book value of the parent company's stake in each subsidiary and the parent company's share in the equity of each subsidiary are eliminated;
- Non-controlling interests in the net income of consolidated subsidiaries for the financial year are identified and subtracted from the group's income in order to obtain the net income attributable to the owners of the parent company;
- Non-controlling interests in the equity of consolidated subsidiaries are identified and presented in the consolidated balance sheet separately from the liabilities and equity of the parent company.
- Non-controlling interests in equity include the amount at the date of the original combination, calculated according to Accounting Standard 38, relating to business combinations and the Non-controlling interests in the movements in equity since the date of the combination;

- Intra-group balances and transactions and the resulting unrealized profits are reciprocally eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless the cost cannot be recovered;
- Temporary differences resulting from the elimination of unrealized profits and losses resulting from intra-group transactions are treated in accordance with accounting rules relating to income tax.

#### Equity Accounting Method

Equity-accounted companies are those over which the group exercises only significant influence. The group exercises significant influence over a company when it is in a position to participate in the financial and operational policy decisions of the investee, without, however, exercising control over these policies.

In accordance with the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to reflect the investor's share in the results of the investee post the acquisition date. Distributions received from the investee reduce the book value of the investment. Carrying amount adjustments may also be required for changes due to variations in the investee's equity that have not been included in the income statement.

Thus, the value of equity securities will be replaced by the group's share in equity, including the result of companies that are accounted for by the equity method.

#### 3.1.2 - Specific Rules for Consolidation

The consolidated financial statements are prepared using the standard accounting policies for similar transactions and other events in similar circumstances.

- **Full incorporation for subsidiaries engaged in activities dissimilar to those of entities operating in the financial services field**

All subsidiaries exclusively controlled by STB are fully consolidated, regardless of their sector of activity. The financial statements of consolidated companies are restated in order to bring them into conformity with the accounting rules, valuation and presentation rules of the STB group. The accounting principles and valuation rules specific to non-banking activities have been maintained in the consolidated accounts of the STB group.

- **Presentation of the summary consolidated financial statements**

The presentation of STB Group's consolidated financial statements complies with the provisions of accounting standard AS 21 relating to the presentation of financial statements of banking institutions.

Non-banking revenues generated by subsidiaries are included within the item «Other Operating Income».

- **Restatement of bank receivables assigned to the collection company**

For the batches of receivables transferred to the company STRC (batches 2017-2018-2019-2020-2021-2022), it is undertaken after the elimination of internal income on disposal, upon the reconstitution of their gross outstanding, as well as their coverage.

In the consolidated balance sheet, receivables net of provisions and reserved bank charges are presented under the item «Receivables from Clients».

- **Restatement of managed funds**

The outstanding amounts of funds managed by SICARs are replaced by uses made on these funds in accordance with the financial statements of each fund, thus provisions and results on managed funds are reclassified as provisions and results on said uses.

- **Elimination of reciprocal transactions**

Reciprocal balances resulting from the intra-group transactions as well as the transactions themselves, including income, expenses and dividends, are eliminated. Gains and losses from intra-group asset disposals and internal provisions are neutralized.

- **Variances in the initial consolidation**

The variances in the initial consolidation are the difference at the time of acquisition between the acquisition cost of the securities and the corresponding share in the net book assets of the consolidated company. This difference is broken down into valuation difference corresponding to unrealized capital gains or losses on assets as well as goodwill on acquisition corresponding to positive or negative goodwill.

Whenever information has been available, goodwill has been identified and recognized as such among



intangible fixed assets as an asset. The goodwill on acquisition determined has been amortized on a straight-line basis over a period of 5 years.

- **Change in the percentage of interest in a consolidated company**

The increase in the percentage of interest held in a company included in the scope of consolidation gives rise to the recognition of additional goodwill amortized according to the rules specified above.

The decrease in the percentage of interest in a company that remains consolidated, in particular as a result of a dilutive capital transaction for the group company holding the interest in the said company, results in the de-recognition of goodwill to the extent of the interest removed.

- **Treatment of losses attributable to non-controlling interests**

In the event that the losses attributable to non-controlling interests in a consolidated subsidiary exceed the non-controlling interests in the subsidiary's equity, this excess and any future losses relating to non-controlling interests are charged to controlling interests unless the non-controlling interests have an irrevocable obligation to, and is able to, offset the losses. If the subsidiary subsequently generates profits, the controlling interests are allocated all of these profits until the portion of losses relating to non-controlling interests previously allocated to the controlling interests has been recovered.

- **De-consolidation**

Securities retained by the Group in a de-consolidated subsidiary are recognized on the date of being de-consolidated at their consolidation book value, i.e. the share of consolidated equity that they represent on that date, plus, where applicable, the corresponding share of residual goodwill on acquisition.

The carrying amount of the investment on the date it ceases to be a subsidiary is considered its subsequent cost. This remains unchanged unless there is a subsequent impairment in value when its value in use falls below this new book value.

## 3.2 - Recognition of Commitments and Related Income

### 3.2.1- Off-balance Sheet Commitments

Financing commitments relating to medium and long-term loans, letters of credit, and guarantees in the form of endorsements and sureties are recognized under the off-balance sheet as they are contracted and are transferred to the balance sheet as and when the funds are released at their nominal value

### 3.2.2 - Recognition of Client Loans

Loans net of discounts are shown in the balance sheet at their nominal value less interest deducted in advance and not yet accrued.

Loans disbursed and current accounts receivables are presented after the deduction of reserved interest and bank charges, income received or recognized in advance, and related provisions.

### 3.2.3 - Recognition of Revenue from Client Loans

Interest, similar income as well as commissions are recognized in the statement of income for the financial year ended as at 31 December 2022 for their amounts relating to said financial year.

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

The unpaid interest relating to non-performing long and medium-term loans (class 2, 3 and 4), as determined by circular of the "CBT" n° 91-24, are recorded as reserved interest and are presented as subtractions from the item «Receivables from Clients». This interest is recognized in the statement of income when it is actually collected.

The accrued and un-matured interests relating to loans classified as current assets (class 0) or among assets requiring special monitoring (class 1) as determined by the circular of the «CBT» n° 91-24 and whose collection workforce is reasonably assured are recognized in the income statement as accrued.

The reservation of income on current accounts receivables is made on the basis of the criterion «Account Freeze» and risk class.

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

The bank charges on disputed receivables in closed current accounts receivables are not recognized.

### 3.2.4 - Accounting for Past Due Interest

Past due interests are recognized by the "STB" upon settlement by the client or upon completion of a loan consolidation for a given client.

However, past due interests on disputed receivables are calculated, recognized, and reserved at the level of the Carthago-Engagement module; their amounts are TND 74 015 thousand as at 31/12/2022.

### 3.2.5 - Provisions on Commitments

#### i. Individual Provisions

The provisions required on client commitments have been determined in accordance with divisional prudential standards, coverage of risks, and monitoring of commitments, which are provided for by the CBT Circular No. 91-24, as amended by subsequent texts, which define the classes of risks and minimum provisioning rates as follows:

Classes	Description	Provisioning Rate
0	Current assets	0%
1	Assets requiring a special monitoring	0%
2	Contingent assets	20%
3	Assets of concern	50%
4	Impaired assets	100%

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

Provisions on loans and accounts receivables are presented as a deduction from the relevant items.

Provisions for off-balance sheet commitments are presented under "Other Liability Items".

#### ii. Additional Provisions [CBT Circular n° 2013-21]

Pursuant to the Circular to Banks No. 2013-21 of 30 December 2013, STB has made additional provisions

on assets with seniority in class 4 greater than or equal to 3 years to cover net risk, in accordance with the following minimum quotas:

- 40% for assets with a useful life of 3 to 5 years in class 4;
- 70% for assets with a useful life of 6 and 7 years in class 4;
- 100% for assets with a useful life greater than or equal to 8 years in class 4.

#### iii. Collective Provisions

Pursuant to the circular to banks No. 2023-02 of 24 February 2023 relating to Division, coverage of risk and monitoring of commitments, the Bank has set aside, out of the results for the year 2022, general provisions called « Collective Provisions» in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) as determined by Article 8 of the CBT Circular No. 91-24 of 17 December 1991.

## 3.3 - Accounting for the Securities Portfolio and Related Income

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

### 3.3.1 - Investment Portfolio and Related Income

The investment portfolio comprises the following:

- Securities representing capital shares in companies whose long-term ownership is deemed useful for the Group's activity;
- Fixed income securities acquired by the Group with the intention of holding them until their maturity (investment securities including in particular debt securities);
- Securities issued by the State "Treasury bonds" acquired by the Group with the intention of holding them until their maturity;
- Securities representing financing contributions which have been the subject of a retrocession agreement but which have not yet been definitively disposed of;

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

### i. Sustainable Equity Securities

These securities are recognized in the balance sheet at the acquisition consideration, excluding costs and charges.

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

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

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

At each balance sheet date, equity securities are valued at their value in use, and provisions are made to cover any capital losses of a lasting nature that may be incurred.

This value takes into account:

- The stock market value for listed securities;
- The mathematical value calculated on the basis of the last available balance sheet for investments in projects other than hotels;
- The mathematical value calculated on the basis of the last available balance sheet adjusted for the capital gain on fixed assets for investments in hotel projects;
- The fair value taking into account several objective criteria such as the consideration stipulated in the recent transactions, the mathematical value, the yield, the importance of profits, the activity, the size or reputation of the company, and this for equity stakes in telecom operators.

### ii. Fixed Income Investment Securities

Revenue from fixed-income is recognized as income over the relevant period.

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

At each balance sheet date, the acquisition cost of investment securities is compared with the market value.

Unrealized capital gains on investment securities are not recognized. Unrealized capital losses arising from the difference between the book value (eventually adjusted for amortization or reversal of premiums or discounts) and the market value or the fair value of the securities are provided for.

### iii. Securities Representing Financing Contributions

Financing contributions are considered an extension of the main financing activity and the capital gains resulting from their disposal are treated as interest and are included in banking operating income. These capital gains are recognized as income only once at the time of disposal and are presented under «Income from the Investment Portfolio».

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

Unpaid capitalized interest (converted into equity participations) is transferred from receivables accounts to equity accounts. The related reserved bank charges are transferred to the provisions for equity participations.

### iv. Funds Managed by SICAR Companies

Contributions in funds managed by SICARs, which are made under retrocession agreements, are valued at their value in use and taking into account the prospects for recovery. Thus, provision is made for shareholdings with unpaid retrocession due dates and whose value in use does not cover the acquisition cost of the securities.

### 3.3.2- Trading Securities Portfolio and Related Income

Le portefeuille titre commercial détenu par la Banque est classé en deux catégories :

- **Transaction securities:** securities characterized by their liquidity and whose holding period does not exceed three months.

- **Investment securities:** securities acquired with the intention of holding them over a period not exceeding one year.

#### i. Transaction Securities

At each balance sheet date, transaction securities are valued at market value. The market value corresponds to the weighted average stock market price on the closing date or the most recent previous date. Price variations resulting from the mark-to-market valuation are taken to the income statement. Revenue from transaction securities is recognized in the income statement upon realization.

#### ii. Investment Securities

At each balance sheet date, investment securities must be valued at market value for listed securities and at fair value for unlisted securities, in order to assess whether provisions for depreciation should be made.

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

The income from these securities is recognized in the income statement over the relevant period.

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

### 3.4 - Accounting for Client Deposits and Related Charges

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

- Interest on current accounts is posted to the client's accounts and accounted for quarterly. The value dates used for the calculation of interest on the client's current accounts vary according to the nature of the withdrawal or deposit transactions carried out by the client, in accordance with Circular No. 91-22.

- Interest on term accounts is positioned on client accounts in arrears and is subject to subscription on each closing date.

### 3.5 - Recognition of Resources and Related Charges

The borrowings taken out by the Bank are recognized in the balance sheet as and when they are drawn down. Interest on borrowings is recognized as an expense as accrued.

External borrowings denominated in foreign currencies are converted into dinars, according to the release exchange rate. The risk of exchange rate fluctuation is covered by the National Guarantee Fund managed by the reinsurance company "Tunis - Ré".

Debts denominated in foreign currencies are discounted at the exchange rate on the closing date. The hedging contract, entered into with Tunis-Ré, against fluctuations in the exchange rate is recognized as a hedging instrument, in accordance with the International Financial Reporting Standards (IFRS) 9. It is then valued at its fair value, which corresponds to the risk of exchange incurred and estimated at the closing date.

### 3.6 - Redemptions of Treasury Stocks

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

- The redeemed treasury stocks are presented, on the balance sheet, as a deduction from equity;
- Capital gains or losses realized on redeemed treasury stocks are recognized directly in equity;
- Dividends received on redeemed treasury stocks are recorded in the «Retained earnings» account.

### 3.7 - Accounting for Foreign Currencies Transactions and Foreign Exchange Result

Manual foreign exchange transactions in banknotes are accounted for daily at the rate of the transaction date. The exchange result in this case represents the difference between the buying and selling rate of the relevant day.

Balance sheet accounts denominated in foreign currencies, including foreign exchange positions, are revalued at the fixed rate at the exchange rate prevailing at the closing date. The resulting difference



is recorded in a balance sheet account "38.391: Translation difference".

### 3.8 - Fixed Assets and Depreciation

Fixed assets are recognized at their acquisition cost taking into account the previous year's VAT recovery percentage.

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

- Buildings	2%
- Transportation equipment	20%
	10%
- Furniture and office equipment	15%
	20%*
- Security, communication and air conditioning equipment	10%
	15%
- Hardware	33%*
- Software	33%
- Fixtures, fittings and installations	10%
- Leasehold rights	5%
- Non-operating Office furniture	10%
- Non-operating buildings	2%
- Non-operating tool equipment	10%

(\*) Ratios are applied for the acquisitions from 1 January 2008.

During the 2000 financial year, the STB revalued lands and buildings. This revaluation led to an increase in shareholders' equity amounted to TND 37 324 thousand, which is presented under the item «Other Shareholders' Equity».

Pursuant to IAS 16, part of the balance of the revaluation surplus has been transferred to retained earnings to take account of the use of revalued assets on the one hand and the transfer of the revaluation surplus relating to assets sold on the other hand.

### 3.9 - Provisions for End-of-Service Benefits and Other Post-employment Benefits

A provision for employee benefits is recognized by the STB to meet the commitments corresponding to the present value of the rights acquired by the

employees relating to the conventional indemnities (twelve monthly payments) to which they will be entitled on their retirement. It results from a calculation carried out according to the retrospective method of projected credit units (provided for by the International Accounting Standard IAS 19, Employee benefits, having no equivalent in Tunisia) which takes into account in particular the risk of mortality, the forecasted evolution of salaries, the staff turnover and a financial discount rate.

An additional provision is also recognized to cover the STB's commitments towards the retired staff in respect of social insurance, using the same accounting method and based on estimates of the life expectancy of beneficiaries and the annual charges arising from the social insurance contract.

### 3.10- Income Taxes:

In accordance with generally accepted principles in Tunisia, the Group distinguishes between current taxes and deferred taxes.

#### 3.10.1 - Current Taxes

The current income tax charge is determined on the basis of the rules and rates in force for each of the Group companies in the period to which the results relate.

#### 3.10.2 - Deferred Taxes

Only the elimination of intercompany transactions with an impact on income and reserves has resulted in the recognition of deferred taxes.

Temporary differences resulting from the individual financial statements of group companies have not given rise to the possible recognition of any deferred taxes.

Current and deferred taxes are recognized as income or tax charge in the income statement.

For the 2022 financial year and beyond, the effective tax rates used to calculate the deferred tax stocks of consolidated companies are presented by entity as follows:

CONSOLIDATED COMPANIES	Nominal Rate	Effective Rate
<b>Credit Institutions</b>		
SOCIETE TUNISIENNE DE BANQUE	35%	36%
<b>Financial Sector</b>		
STB INVEST	35%	36%
STRC	35%	36%
STB FINANCE	35%	36%
STB SICAR	35%	36%
STB MANAGER	35%	36%
<b>Building Sector</b>		
IMMOB.DE L'AVENUE "IA"	15%	16%
<b>Service Sector</b>		
GEVE	15%	16%
SOCIETE ACTIVHOTELS	15%	16%
STB MOYENS GENERAUX	15%	16%
STB SECURITE ET GARDIENNAGE	15%	16%
SOCIETE EDDKHILA	15%	16%
SOCIETE MGERT	15%	16%

## NOTE 4 - SCOPE OF CONSOLIDATION

### 4.1 Presentation of the Consolidation Scope

The Bank's consolidated financial statements include all entities that are exclusively controlled or significantly influenced by the Bank, except for those whose consolidation is immaterial to the preparation of the Group's consolidated financial statements.

The scope of consolidation comprises all companies over which STB exercises exclusive control, directly or indirectly, through its consolidated companies, and companies over which it exercises significant influence.

A subsidiary is consolidated from the date on which the Group effectively obtains control.

Entities are excluded from the scope of consolidation if they were acquired solely with a view to their subsequent disposal in the near future. If the group's ability to control the operating policies and assets of a subsidiary or an investment is severely and permanently restricted, it is also excluded from the scope of consolidation. This is the case for subsidiaries in liquidation or under the control of an insolvency practitioner.

The companies included in the scope of consolidation as well as the business segments and countries of residence of each company are as follows:

CONSOLIDATED COMPANIES	NAME	BUSINESS UNIT	COUNTRY
1. STB BANK (parent company)	STB	CREDIT INSTITUTION	TUNISIA
2. STB INVEST	STB INVEST	FIN. ESTABLISHMENTS	TUNISIA
3. STB MANAGER	STB MANAGER	FIN. ESTABLISHMENTS	TUNISIA
4. STB FINANCE	STB FINANCE	FIN. ESTABLISHMENTS	TUNISIA
5. STB SICAR	STB SICAR	FIN. ESTABLISHMENTS	TUNISIA
6. L'IMMOBILIERE DE L'AVENUE	IMM. AVENUE	SERVICE	TUNISIA
7. STE TUN.RECOUVR. DES CREANCES "STRC"	STRC	FIN. ESTABLISHMENTS	TUNISIA
8. SOCIETE LA GENERALE DES VENTES	GEVE	SERVICE	TUNISIA
9. SOCIETE ED DKHILA	EDDKHILA	SERVICE	TUNISIA
10. SOCIETE ACTIVHOTELS	ACTIVHOTELS	SERVICE	TUNISIA
11. SICAV L'INVESTISSEUR	SICAV INVEST	FIN. ESTABLISHMENTS	TUNISIA
12. SICAV L'AVENIR	SICAV AVENIR	FIN. ESTABLISHMENTS	TUNISIA
13. SICAV EPARGNE OBLIGATAIRE	SICAV OBLIG	FIN. ESTABLISHMENTS	TUNISIA
14. SICAV EPARGNANT	SICAV EPARGNANT	FIN. ESTABLISHMENTS	TUNISIA
15. TUNISIAN FOREIGN BANK EX " UTB"	TFB	CRREDIT INSTITUTION	FRANCE
16. STE MOYENS GENERAUX	STBMG	SERVICE	TUNISIA
17. MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	MGERT	SERVICE	TUNISIA
18. STC VERITAS	STCV	SERVICE	TUNISIA
19. SONI BANK	SONIBANK	CREDIT INSTITUTION	NIGER
20. SCI "LA MAISON DU BANQUIER"	SCIMB	SERVICE	TUNISIA
21. SPCM "ELFEJJA"	ELFEJJA	SERVICE	TUNISIA
22. STB SECURITE ET GARDIENNAGE	STBSG	SERVICE	TUNISIA

The scope of consolidated financial statements includes, in addition to the parent company, 21 entities as at 31 December 2022:

- 12 fully consolidated subsidiaries;
- 9 associates accounted for by the equity method.

The percentages of control and the group's interest as well as the consolidation methods of each entity within the scope of consolidation are presented as follows:



Consolidating companies	% of the Group's control			Consolidation method		% of the Group's interest		
	2022	2021	Var %	2022	2021	2022	2021	Var %
STB	100,00%	100,00%	0,00%	IG	IG	99,99%	99,98%	0,00%
STB INVEST	95,05%	95,05%	0,00%	IG	IG	94,73%	94,72%	0,00%
STB MANAGER	99,99%	99,99%	0,00%	IG	IG	99,40%	99,40%	0,00%
STB FINANCE	96,71%	96,71%	0,00%	IG	IG	95,55%	95,55%	0,00%
STB SICAR	99,50%	99,50%	0,00%	IG	IG	98,58%	98,58%	0,00%
IMM. AVENUE	99,90%	99,90%	0,00%	IG	IG	99,16%	99,16%	0,00%
STRC	100,00%	100,00%	0,00%	IG	IG	99,72%	99,72%	0,00%
GEVE	50,00%	50,00%	0,00%	IG	IG	49,99%	49,99%	0,00%
EDDKHILA	67,87%	67,87%	0,00%	IG	IG	67,51%	67,51%	0,00%
ACTIVHOTELS	100,00%	100,00%	0,00%	IG	IG	99,94%	99,93%	0,00%
SICAV INVEST	78,05%	78,17%	-0,12%	MEE	MEE	75,74%	75,85%	-0,12%
SICAV AVENIR	98,32%	98,35%	-0,03%	MEE	MEE	97,52%	97,55%	-0,03%
SICAV OBLIG	2,53%	1,61%	0,91%	MEE	MEE	2,43%	1,56%	0,87%
SICAV EPARGNANT	7,61%	8,83%	-1,22%	MEE	MEE	7,49%	8,68%	-1,19%
TFB	49,99%	49,46%	0,53%	MEE	MEE	49,99%	49,45%	0,54%
STBMG	99,98%	99,98%	0,00%	IG	IG	97,15%	97,15%	0,00%
MGERT	49,95%	49,95%	0,00%	IG	IG	49,94%	49,93%	0,00%
STCV	27,06%	27,06%	0,00%	MEE	MEE	27,05%	27,05%	0,00%
SONIBANK	25,00%	25,00%	0,00%	MEE	MEE	25,00%	25,00%	0,00%
SCIMB	19,96%	19,96%	0,00%	MEE	MEE	19,96%	19,96%	0,00%
ELFEJJA	20,00%	20,00%	0,00%	MEE	MEE	20,00%	20,00%	0,00%
STBSG	99,90%	99,90%	0,00%	IG	IG	97,06%	97,06%	0,00%

FI: Full Incorporation

EMA: Equity method of accounting

NC: Unincorporated

#### 4.1.1- Special Treatments

##### Consolidation of TUNISIAN FOREIGN BANK accounts

**-TFB:** the percentage of control of the STB group in the TFB was ended at 31 December 2021 at 49.99%. However, TFB has been consolidated using the equity method of accounting given that STB considers that it does not have the power to govern the financial and operating policies of the said company.

**Consolidation of SICAVs' accounts:** the percentages of control of the STB group in certain SICAVs exceed 50%. However, the SICAVs have been consolidated using the equity method of accounting since the STB does not have the power to govern their financial and operational policies.

Concerning **SICAV EPARGNANT and SICAV EPARGNE OBLIGATAIRE**, although the percentage of control of the STB group does not exceed 20%, these 2 Sicavs

have been included in the scope of consolidation given that influence exists as soon as the management of 2 companies is ensured by the STB FINANCE.

#### 4.1.2- Changes in the Scope of Consolidation of the STB Group

The 2022 consolidation scope has not been changed compared to the 2021 consolidation scope.

#### 4.2 - Changes in the Scope of Consolidation of the STB Group

The following 42 companies are excluded from the scope of consolidation of the STB Group for the reasons presented below:

- Companies in liquidation or in a compromised situation:



S.N	Company Name
1	SKANES PALACE INTERNATIONAL
2	AFRICA SOUSSE
3	STE TOURISTIQUE AIN DRAHAM "HOTEL NOUR EL AIN"
4	EL MARASSI
5	STE D' ANIMATION ET DE LOISIRS PARADISE PARK (H PHEDRA)
6	STE D'ETUDES ET DE DEV. HAMMAMET SUD "SEDHS "
7	STE D'ET. DEVPT AUDIO-VISUEL DE TSIE "SEDAT
8	STE DES IND. METALLURGIQUES "SIMET"
9	CIE MED. TOURIST "HOTEL DALIA"
10	IMACO
11	STIA
12	LA BANQUE FRANCO-TUNISIENNE BFT
13	KURIAT PALACE

- Dormant companies:

S.N	Company Name
1	COMPAGNIE DE DEVELOPPEMENT DU GRAND KORBOUS
2	STE D'ETUDES ET DE DEVELOPPEMENT DE SOUSSE
3	STE D'ET. & DE DEVPT "ZOUARAA"
4	STE DE COMMERCE INTERNATIONAL DE KEBILI "SOCIK"
5	CIE DE DEVELOPPEMENT "LELLA HADHRIA"
6	OPTIMA SICAR
7	S.H.T. LES BERGES 2000 "Hôtel l'Atrium"
8	COPRAT HAMMAMET GARDEN HOTEL
9	DUNES DE NEFZAOUA
10	STE HOTELIERE "BEL AIR" (DORMANT)

- Companies whose financial statements as at 31 December 2021 are unavailable:

S.N	Company Name
1	SIDCO SICAR
2	CIE TQUE ARABE « CTA » (MARINA MONASTIR)
3	STE DE DEV.ECO. DE KASSERINE SODEK-SICAR
4	STE TANIT INTERNATIONAL
5	MARINA HAMMAMET
6	SOPINO
7	SOPIC
8	SED SOUSSE NORD

- Companies acquired and held with the sole intention of being disposed of in the near future, as well as companies for which a sale procedure has been initiated:

S.N	Company Name
1	CIE HOTELIERE DES CENTRES VILLES (HOTEL ANDALOUS)
2	STE RAMLA TOZEUR
3	STE D'ANIMATION TOURISTIQUE BISAT SA
4	STE D'ACTIVITE TQUE "HOTEL ZODIAC"
5	Sté d'Etudes et de Prom.Tque " Hôtel Mariqueen" JERBA MARITIM
6	STE HOTEL YOUNES
7	STE TOURISME & ANIMATION "RAIS CLUB"
8	STE DE PROMOTION TOURISTIQUE LES CYCLAMENS
9	STE INTLE DE GEST. HOT. "H. BYBLOS"
10	STE HOTEL BYZANCE
11	STE HOTELIERE « DAR DHIAFA » TROPICANA CLUB

## NOTE 5 - KEY EVENTS OF THE PERIOD

### 5.1 - Accounting Changes

STB has carried out accounting restatements, recognized through the accounting changes account affecting the retained earnings amounting to TND 11 506 thousand.

These restatements relate to income associated with certain transactions on repurchase agreements and similar treasury bonds.

### 5.2 - Bruno Poli Case

A lawsuit was filed against the bank in 2011 by Mr. BRUNO POLI for the restitution of cash vouchers given to the National Tourism Development Bank. On 29/10/2015, a first instance judgment, confirmed on appeal, was pronounced against the bank ordering it to return the cash vouchers and failing to settle USD 7 million. The Court of Cassation overturned and referred the case to the Court of Appeal of Tunis. A stay of execution order was obtained without payment.

The Court of Appeal has confirmed the first instance judgment again ordering the bank to return the cash vouchers and, failing that, to pay USD 7 million. Consequently, a provision for risks was made on 31 December 2020 for an amount of TND 36 533 thousand.

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

A request for enrolment before the court of reference was formulated.

### 5.3- Write-off and Assignment of Receivables

Pursuant to the seventh paragraph, fourteenth bis of Article No. 48 of the Code of Personal Income Tax and Corporate Income, the STB has written off the irrecoverable banking debts during the financial year 2022.

And by reference to Law n° 98-4 of 2 February 1998, relating to debt collection companies, STB has assigned the batches of bank receivables to its subsidiary Société Tunisienne De Recouvrement Des Créances (STRC).

The total amount of receivables written off and assigned amounts to TND 370 740 million, including TND 102 852 million for past due interest.

### 5.4- Deposit Guarantee Fund Contribution

Pursuant to Article 149 and following of Law n°2016-48 of 11 July 2016 relating to banks and financial

institutions as well as the provisions of Decree n° 2017-268 of 1 February 2017 relating to the setting of intervention rules, organization and operation of the said fund, STB is obliged to join the Deposit Guarantee Fund in return for an annual contribution of 0.3% of the outstanding amount of its deposits. The contribution relating to the financial year 2022 is TND 24 813 thousand.

## NOTE 6 - NOTES RELATING TO CONSOLIDATED BALANCE SHEET ITEMS (Figures are expressed in TND: thousands of Tunisian Dinars)

### 6.1 - Cash and Assets with the CBT, PCC and GTT

The total cash and assets with the CBT, PCC and GTT amounted to TND 176 168 thousand as at 31/12/2022 against TND 533 470 thousand as at 31/12/2021, i.e. a decrease of TND 357 302 thousand.

The various headings of this item are as follows:

Particulars	2022	2021	Variation	%
<b>CASH</b>	<b>76 315</b>	<b>78 527</b>	<b>(2 212)</b>	<b>(2,8%)</b>
Cash in Dinars	66 779	68 873	(2 094)	(3,0%)
Cash in foreign currency	9 536	9 654	(118)	(1,2%)
<b>CBT</b>	<b>98 167</b>	<b>453 916</b>	<b>(355 749)</b>	<b>(3)</b>
CBT in Dinars	(4 654)	7 156	(11 810)	(165,0%)
CBT in foreign currency	102 821	396 760	(293 939)	(74,1%)
Deposit facility	-	50 000	(50 000)	(100,0%)
<b>PCC</b>	<b>1 057</b>	<b>398</b>	<b>659</b>	<b>165,6%</b>
<b>GTT</b>	<b>629</b>	<b>629</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>176 168</b>	<b>533 470</b>	<b>(357 302)</b>	<b>(67,0%)</b>

### 6.2 - Receivables from Banking and Financial Institutions

The total receivables from banking and financial institutions is TND 446 328 thousand as at 31/ 12/2022 against TND 571 959 thousand as at 31/ 12/2021.

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

Particulars	2022	2021	Variation	%
<b>Receivables from banking institutions</b>	<b>75 947</b>	<b>43 623</b>	<b>32 324</b>	<b>74,1%</b>
Current accounts of resident banks	827	564	263	46,6%
Current accounts of non-resident banks	75 119	43 058	32 061	74,5%
Accounts receivables of correspondents in convertible dinars	1	1	-	-
<b>Loans to financial institutions</b>	<b>299 032</b>	<b>423 044</b>	<b>(124 012)</b>	<b>(29,3%)</b>
Money market loans in Dinars	71 849	322 000	(250 151)	(77,7%)
Non-market loans in Dinars	-	-	-	-
Money market loans in foreign currency	227 183	101 044	126 139	124,8%
<b>Provisions on interbank loans</b>	<b>(1 849)</b>	<b>(1 616)</b>	<b>(233)</b>	<b>(14,4%)</b>
<b>Receivables and loans to specialized financial organizations</b>	<b>73 175</b>	<b>106 804</b>	<b>(33 629)</b>	<b>(31,5%)</b>
Receivables and loans to specialized financial organizations (leasing)	44 402	50 582	(6 180)	(12,2%)
Receivables from specialized financial institutions (Tunis Ré)	28 773	56 222	(27 449)	(48,8%)
<b>Related receivables</b>	<b>23</b>	<b>104</b>	<b>(81)</b>	<b>(77,9%)</b>
Receivables related to interbank loans in dinars	-	86	(86)	(100,0%)
Receivables related to interbank loans in foreign currencies	23	18	5	27,8%
<b>Total</b>	<b>446 328</b>	<b>571 959</b>	<b>(125 631)</b>	<b>(22,0%)</b>

CBT refinancing receivables as per the due date are as follows:

Particulars	2022	2021	Variation	%
<b>Receivables from banking and financial institutions</b>				
Eligible for refinancing by CBT (*)	7 000	9 000	(2 000)	(22,2%)
Not eligible for refinancing by CBT (*)	439 305	562 855	(123 550)	(22,0%)
<b>Total</b>	<b>446 305</b>	<b>571 855</b>	<b>(125 550)</b>	<b>(22,0%)</b>

\* 2021 figures have been restated for comparability purposes

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

Particulars	2022	2021	Variation	%
<b>Receivables from banking and financial institutions</b>			-	-
Materialized by interbank market securities			-	-
Not materialized by interbank market securities	446 305	571 855	(123 550)	(22,0%)
<b>Total</b>	<b>446 305</b>	<b>571 855</b>	<b>(125 550)</b>	<b>(22,0%)</b>

The breakdown of receivables from banking and financial institutions (excluding related receivables) as per the residual term as at 12/31/2022 is detailed as follows:

Particulars	< 3 months	3 months Up to 1 year	1 year Up to 5 years	> 5 years	Total
<b>Receivables from banking institutions</b>	<b>75 947</b>	-	-	-	<b>75 947</b>
current accounts of resident banks	827	-	-	-	827
current accounts of non-resident banks	75 119	-	-	-	75 119
accounts receivables from correspondents in convertible dinars	1	-	-	-	1
<b>Loans to banking institutions</b>	<b>289 101</b>	<b>9 931</b>	-	-	<b>299 032</b>
Money market loans in dinars	71 849	-	-	-	71 849
Non-money market loans in dinars	-	-	-	-	-
Money market loans in foreign currency	217 252	9 931	-	-	227 183
<b>Provisions for interbank loans</b>	<b>(1 849)</b>	-	-	-	<b>(1 849)</b>
<b>Loans to specialized financial organizations (leasing)</b>	<b>44 402</b>	-	-	-	<b>44 402</b>
<b>Receivables from specialized financial organizations (Tunis Ré)</b>	<b>28 773</b>	-	-	-	<b>28 773</b>
<b>Related receivables</b>	<b>23</b>	-	-	-	<b>23</b>
<b>Total</b>	<b>438 246</b>	<b>9 931</b>	-	-	<b>446 328</b>

### 6.3 - Receivables from Clients

The comparative evolution of net commitments between 2022 and 2021 is as follows:

Particulars	2022	2021	Variation	%
Current accounts receivables	1 037 195	993 367	43 828	4,4%
Appropriations from special resources	153 281	112 269	41 012	36,5%
Receivables paid by the State	9 440	13 711	(4 271)	(31,2%)
Bonus paid by the State	4 230	4 230	-	-
Associated current accounts	88 608	88 608	-	-
Other client loans	11 131 660	10 170 783	960 877	9,4%
Receivables to be waived	4 298	3 562	736	20,7%
Related receivables	78 525	94 119	(15 594)	(16,6%)
Bank receivables held by STRC	1 083 852	1 036 835	47 017	4,5%
Other appropriations from special resources	39 516	36 585	2 931	8,0%
<b>Gross total</b>	<b>13 630 605</b>	<b>12 554 068</b>	<b>1 076 537</b>	<b>8,6%</b>
<b>Provisions</b>	<b>(2 209 483)</b>	<b>(2 152 544)</b>	<b>(56 939)</b>	<b>(2,6%)</b>
Provisions on current accounts	(144 889)	(150 255)	5 366	3,6%
Provisions on special resources	(36 577)	(34 441)	(2 136)	(6,2%)
Provisions on other client loans	(744 744)	(770 537)	25 793	3,3%
Provisions on associated current accounts	(45 552)	(45 552)	-	-
Provisions on receivables to be waived	(455)	(455)	-	-
Collective provisions	(176 948)	(138 723)	(38 225)	(27,6%)
Provisions for bank receivables held by STRC	(1 060 318)	(1 012 581)	(47 737)	(4,7%)
<b>Reserved bank charges</b>	<b>(526 290)</b>	<b>(646 249)</b>	<b>119 959</b>	<b>18,6%</b>
Reserved bank charges on current accounts	(39 828)	(47 461)	7 633	16,1%
Reserved bank charges on other client loans	(434 664)	(547 322)	112 658	20,6%
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	-
Reserved bank charges on receivables to be waived	(3 843)	(3 107)	(736)	(23,7%)
Reserved bank charges on related receivables	(13 376)	(13 780)	404	2,9%
Reserved bank charges on bank receivables held by STRC	-	-	-	-
<b>Income received in advance</b>	<b>(52 521)</b>	<b>(37 174)</b>	<b>(15 347)</b>	<b>(41,3%)</b>
<b>Net Total in thousand TND</b>	<b>10 842 311</b>	<b>9 718 101</b>	<b>1 124 210</b>	<b>11,6%</b>



The structure of client's net receivables outstanding as at 12/31/2022 is as follows:

Particulars	Gross amounts outstanding	Individual Provisions	Additional provisions	Reserved bank charges	Income collected in advance	Net outstanding
Current accounts receivables	1 037 195	(110 436)	(34 453)	(39 828)		852 478
Special resources accounts	192 797	(32 937)	(3 640)	-		156 220
Associated current accounts	88 608	(32 152)	(13 400)	(34 579)		8 477
Other client loans	11 145 330	(472 097)	(272 647)	(434 664)	(52 521)	9 913 401
Receivables to be waived	4 298	(455)	-	(3 843)		-
Receivables held by STRC	1 083 852	(1 060 318)				23 534
Related receivables	78 525			(13 376)		65 149
<b>Total</b>	<b>13 630 605</b>	<b>(1 708 395)</b>	<b>(324 140)</b>	<b>(526 290)</b>	<b>(52 521)</b>	<b>11 019 259</b>
Collective provisions		(176 948)				(176 948)
<b>Net outstanding</b>	<b>13 630 605</b>	<b>(1 885 343)</b>	<b>(324 140)</b>	<b>(526 290)</b>	<b>(52 521)</b>	<b>10 842 311</b>

The gross outstanding amount of the client's receivables excluding unpaid debts and related receivables is broken down as per the residual term as follows:

Particulars	< 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Gross outstanding amounts
Current accounts receivables	1 037 195	-	-	-	1 037 195
Appropriations from special resources	3 264	13 337	83 534	53 146	153 281
Receivables assumed by the State	9 440	-	-	-	9 440
Bonus paid by the State	4 230	-	-	-	4 230
Associated current accounts	88 608	-	-	-	88 608
Other client loans	3 938 950	2 250 789	3 581 655	1 360 266	11 131 660
Bank receivables held by STRC	1 083 852	-	-	-	1 083 852
<b>Total as at 31 December 2022</b>	<b>6 165 539</b>	<b>2 264 126</b>	<b>3 665 189</b>	<b>1 413 412</b>	<b>13 508 266</b>

The evolution of bad debts and their provisions is detailed as follows:

Particulars	2021	Allocations	Reversals	Reclassification	2022
Provisions on current accounts	(150 255)	(36 269)	39 787	1 848	(144 889)
Provisions on special resources	(34 441)	(7 147)	7 636	(2 625)	(36 577)
Provisions on other client loans	(770 536)	(166 055)	191 164	683	(744 744)
Provisions on associated current accounts	(45 552)	-	-	-	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(138 723)	(38 226)	-	-	(176 948)
Provisions for bank receivables held by STRC	(1 012 581)	(2 254)	2 504	(47 987)	(1 060 318)
<b>Total</b>	<b>(2 152 543)</b>	<b>(249 951)</b>	<b>241 091</b>	<b>(48 081)</b>	<b>(2 209 483)</b>

### 6.3.1 - Guarantees

The guarantees used by the Bank to determine the provisions on commitments are determined in certain cases in the absence of an inventory of the legal documents justifying them (Certificates of ownership, Tourism Real Estate Agency, and Tourism Industry Agency, etc...).

### 6.3.2 - Additional Provisions

Pursuant to the provisions of CBT circular n°2013-21 of 30 December 2013, STB has recovered additional provisions around of TND 76 486 thousand for the financial year 2022, on commitments with seniority in class 4 which is greater than or equal to 3 years.

The balance of additional provisions amounted to TND 324 140 thousand as at 31 December 2022.

### 6.3.3 - Collective Provisions

Pursuant to the circular to banks n° 2023-02 of 24 February 2023 relating to the Division, coverage of risks, and monitoring of commitments, the Bank has deducted from the results of the financial year 2022, provisions of a general nature known as «Collective

Provisions» with a view to covering latent risks on current commitments (class 0) and those requiring particular monitoring (class 1) as determined by Article 8 of the CBT Circular No. 91-24 of 17 December 1991.

The collective provision was estimated at the end of 2022 at an amount of TND 176 948 million thousand.

### 6.3.4 - Receivables Consolidated and Assumed by the State without Interest

Receivables taken over by the State are the receivables of certain public enterprises assumed by the State within the framework of the Finance Law of 1999, and whose total outstanding amount is TND 9 440 thousand. These receivables were consolidated over a period of 20 to 25 years, without interest and with the State's guarantee.

## 6.4 - Trading Securities Portfolio

The balance of this item amounts to TND 932 034 thousand as at 31/12/2022 against TND 652 252 thousand as at 31/12/2021. The trading securities portfolio is composed of fixed income securities issued by the State and variable income securities.

Particulars	2021	Acquisition/ Allocation	Disposal of/ Liquidation/ Reversal	Reclassification	2022
<b>I- Investment securities</b>	<b>648 145</b>	<b>163 838</b>	<b>(109 949)</b>	<b>(9 399)</b>	<b>692 636</b>
Shares (Investment)	23 176	458	(3 938)	-	19 696
Similar Treasury bonds (Investment)	630 055	100 292	(39 528)	-	690 819
Bonds (Investment)	8	75	27	(111)	-
Commercial paper and certificates of deposit (Investment)	5 595	63 989	(61 191)	(3 277)	5 116
Undertakings for Collective Investment in Transferable Securities (UCITS) (Investment)	15 690	(281)	(3 470)	708	12 647
Other investment securities	241	(695)	(27)	(4 789)	(5 270)
Receivables related to similar treasury bonds (Investment) (*)	22 261	-	(1 220)	-	21 041
Receivables related to other investment securities	-	-	-	-	-
Premiums/discounts on similar treasury bonds (Investment)	(44 074)	-	(602)	-	(44 676)
Provisions for investment securities	(4 807)	-	-	(1 930)	(6 737)
<b>II- Trading securities</b>	<b>4 107</b>	<b>244 814</b>	<b>(9 523)</b>	<b>-</b>	<b>239 398</b>
<b>2.1 Fixed Income Trading Securities</b>	<b>4 107</b>	<b>244 814</b>	<b>(9 523)</b>	<b>-</b>	<b>239 398</b>
Short term treasury bonds (Transaction)	4 408	244 814	(4 408)	-	244 814
Receivables and related liabilities	(301)	-	(5 115)	-	(5 416)
<b>Net total</b>	<b>652 252</b>	<b>408 652</b>	<b>(119 472)</b>	<b>(9 399)</b>	<b>932 034</b>

\* Data as at 31/12/2021 are restated for comparability purposes.

## 6.5 - Investment Securities Portfolio

The value of investment securities portfolio amounts to TND 1 286 757 thousand as at 31/12/2022 against TND 1 121 828 thousand as at 31/12/2021 is detailed as follows:

Particulars	2022	2021	Variation	%
Similar investment treasury bonds	798 100	798 100	-	-
Discount/premiums on similar investment treasury bonds	(12 596)	(17 468)	4 872	27,9%
Provisions / Treasury bonds (investment)	-	-	-	-
Liabilities related to similar treasury bonds (Investment)	-	-	-	-
Related receivables	25 527	25 527	-	-
<b>Total Similar Investment Bonds</b>	<b>811 031</b>	<b>806 159</b>	<b>4 872</b>	<b>0,6%</b>
Debt securities	20 227	111 577	(91 350)	(81,9%)
National Bonds	278 750	700	278 050	39721,4%
Debt securities provisions	(3 650)	(3 650)	-	-
Related receivables	13 772	6 753	7 019	103,9%
Related receivables / National Bonds	-	-	-	-
<b>Total other investment securities</b>	<b>309 099</b>	<b>115 380</b>	<b>193 719</b>	<b>167,9%</b>
Units in mutual investment funds	49 146	49 146	-	-
Provisions on units in mutual investment funds	-	(996)	996	100,0%
<b>Total Mutual Investment Funds</b>	<b>49 146</b>	<b>48 150</b>	<b>996</b>	<b>2,1%</b>
Equity securities	198 913	230 714	(31 801)	(13,8%)
Retrocession participations	120 938	121 294	(356)	(0,3%)
Companies in liquidation	30	30	-	-
Equity securities provisions	(131 860)	(131 719)	(141)	(0,1%)
Provisions for retrocession shareholdings	(70 931)	(68 571)	(2 360)	(3,4%)
Receivables and related liabilities	(332)	(332)	-	-
Receivables related to retrocession shareholdings	723	723	-	-
<b>Total equity securities</b>	<b>117 481</b>	<b>152 139</b>	<b>(34 658)</b>	<b>(22,8%)</b>
<b>Grand total</b>	<b>1 286 757</b>	<b>1 121 828</b>	<b>164 929</b>	<b>14,7%</b>

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

Description	2021	Subscription	Assignment/ reimbursement/ restitution	Reclassification	2022
Similar investment treasury bonds	798 100	4 464	(4 464)	-	798 100
Debt securities	111 577	1 877	(16 790)	(76 437)	20 227
National Bonds	700	203 050	-	75 000	278 750
Units in mutual investment funds	49 146	-	-	-	49 146
Equity securities	230 714	2 596	(35 245)	848	198 913
Retrocession participation	121 294	2 310	(1 839)	(827)	120 938
Company in liquidation	30	-	-	-	30
<b>Total in thousand TND</b>	<b>1 311 561</b>	<b>214 297</b>	<b>(58 338)</b>	<b>(1 416)</b>	<b>1 466 104</b>

## 6.6 - Equity-accounted Investments

The Group's stake in companies accounted for using the equity method concern the following companies:

Company	Group's stake 2022	Group's stake 2021	Variation %	Equivalence value 2022	Equivalence value 2021	Variation	%
SICAV INVEST	75,7%	75,9%	(0,1%)	935	896	39	4,4%
SICAV AVENIR	97,5%	97,5%	(0,0%)	1 117	1 115	2	0,2%
TFB	50,0%	49,5%	0,5%	35 660	20 641	15 019	72,8%
STCV	27,1%	27,1%	0,0%	1 581	1 696	(115)	(6,8%)
SONIBANK	25,0%	25,0%	0,0%	60 207	47 418	12 789	27,0%
SCIMB	20,0%	20,0%	0,0%	1 327	1 249	78	6,2%
ELFEJJA	20,0%	20,0%	0,0%	13 944	13 758	186	1,4%
SICAV EPARGNANT	7,5%	8,7%	(1,2%)	15 985	18 968	(2 983)	(15,7%)
SICAV OBLIG	2,4%	1,6%	0,9%	4 146	2 412	1 734	71,9%
<b>Total</b>				<b>134 902</b>	<b>108 153</b>	<b>26 749</b>	<b>24,7%</b>

## 6.7 - Fixed Assets

Net fixed assets amounted to TND 153 201 thousand as at 31/12/2022. The movements recorded during the 2022 financial year are detailed as follows:

Particulars	Gross Value 2021	Acquisition/ Disposal 2022	Gross Value 2022	Amortization 2021	Allocations/ Provisions 2022	transfer	Amortization 2022	Net Worth 2022
<b>Intangible Fixed Assets</b>	<b>35 944</b>	<b>3 910</b>	<b>39 854</b>	<b>(29 624)</b>	<b>(3 794)</b>	-	<b>(33 418)</b>	<b>6 436</b>
Computer software	35 867	3 910	39 777	(29 604)	(3 794)	-	(33 398)	6 379
Leasehold rights	57	-	57	-	-	-	-	57
Other intangible fixed assets	20	-	20	(20)	-	-	(20)	-
<b>Tangible fixed assets</b>	<b>344 174</b>	<b>17 348</b>	<b>361 522</b>	<b>(206 771)</b>	<b>(11 346)</b>	<b>3 360</b>	<b>(214 757)</b>	<b>146 765</b>
Lands	39 768	-	39 768	-	-	-	-	39 768
Buildings	88 695	-	88 695	(50 074)	(1 899)	-	(51 973)	36 722
Office furniture	8 976	1 524	10 500	(6 969)	(619)	-	(7 588)	2 912
Transportation equipment	4 717	106	4 823	(2 487)	(709)	-	(3 196)	1 627
Hardware	50 492	4 131	54 623	(49 609)	(2 495)	106	(51 998)	2 625
Communication equipment	2 071	3	2 074	(1 319)	(22)	-	(1 341)	733
Office equipment	18 569	581	19 150	(17 672)	(543)	10	(18 205)	945
Safety equipment	6 077	1 450	7 527	(3 636)	(436)	-	(4 072)	3 455
air conditioning equipment	6 088	7	6 095	(5 506)	(135)	-	(5 641)	454
Fixtures, fittings and installation	65 535	9 638	75 173	(45 875)	(4 164)	8	(50 031)	25 142
Non-operating office furniture	33	-	33	(31)	-	-	(31)	2
Non-Operating Mat-tool	403	-	403	(359)	(12)	-	(371)	32
Touristic equipment and tools	14 141	-	14 141	(12 994)	(312)	-	(13 306)	835
Unused buildings	28 229	(185)	28 044	(10 229)	-	3 236	(6 993)	21 051
Buildings in progress	-	-	-	-	-	-	-	-
Buildings pending assignment	659	398	1 057	-	-	-	-	1 057
Other tangible fixed assets	9 721	(305)	9 416	(11)	-	-	(11)	9 405
<b>TOTAL</b>	<b>380 117</b>	<b>21 258</b>	<b>401 376</b>	<b>(236 395)</b>	<b>(15 140)</b>	<b>3 360</b>	<b>(248 175)</b>	<b>153 201</b>



## 6.8 - Other Assets

The total of other assets is TND 792 103 thousand as at 31/12/2022 against TND 733 460 thousand as at 31/12/2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Staff loans and advances	186 802	171 182	15 620	9,1%
Medical costs to be recovered	3 147	3 147	-	-
State , tax and duties	8 852	8 808	44	0,5%
Advance on corporate income tax	82 488	74 987	7 501	10,0%
Miscellaneous inventories	26 019	16 187	9 832	60,7%
Exchange rate difference payable by the State	178	39	139	356,4%
Assets of head office, branches and agencies	10 946	31 921	(20 975)	(65,7%)
Prepayments and accrued income	123 423	158 394	(34 971)	(22,1%)
Securities submitted for compensation	81 997	60 663	21 334	35,2%
Financial instruments as revenue	107	107	-	-
Debts to be settled	761	812	(51)	(6,3%)
Prepaid expenses	766	1 203	(437)	(36,3%)
Accrued income	(498)	(595)	97	16,3%
Assigned receivables	2 081	2 361	(280)	(11,9%)
Difference portfolio collection due after encashment	19 034	18 099	935	5,2%
Other asset accounts	190 071	133 155	56 916	42,7%
Miscellaneous debtors	14 777	15 810	(1 033)	(6,5%)
Inventory of completed real estate work	28 544	27 713	831	3,0%
Clients and related accounts	5 303	4 761	542	11,4%
Current income taxes - Assets	10 811	7 300	3 511	48,1%
Provisions for state accounts, taxes and duties	(115)	(115)	-	-
Provisions for other assets	(2 596)	(1 779)	(817)	(45,9%)
Provisions for Clients and related accounts	(795)	(700)	(95)	(13,6%)
<b>TOTAL</b>	<b>792 103</b>	<b>733 460</b>	<b>58 643</b>	<b>8,0%</b>

## 6.9 - Central Bank and Postal Cheques Centre

The total of this item is TND 1 517 934 thousand as at 31/12/2022 against TND 1 461 625 thousand as at 31/12/2021. This item is detailed as follows:

Particulars	2022	2021	Variation	%
Tender	1 131 000	1 427 000	(296 000)	(20,7%)
Loan facility	420 000	-	420 000	-
Applications with the CBT	(34 744)	33 278	(68 022)	(204,4%)
Related liabilities	1 678	1 347	331	24,6%
<b>TOTAL</b>	<b>1 517 934</b>	<b>1 461 625</b>	<b>56 309</b>	<b>3,9%</b>

## 6.10 - Deposits and Assets of Banking and Financial Institutions

The total of this item is TND 535 650 thousand as at 31/12/2022 against TND 546 276 thousand as at 31/12/2021. Its type-wise distribution of banking and financial institution is as follows:

Particulars	2022	2021	Variation	%
<b>Current accounts of banking institutions</b>	<b>113 637</b>	<b>72 951</b>	<b>40 686</b>	<b>55,8%</b>
- Deposit banks	29	16	13	81,3%
- Non-resident banks	113 608	72 935	40 673	55,8%
<b>Borrowings from financial institutions</b>	<b>420 409</b>	<b>471 293</b>	<b>(50 884)</b>	<b>(10,8%)</b>
- Borrowings in dinars	168 800	210 126	(41 326)	(19,7%)
- Borrowings in foreign currency	251 609	261 167	(9 558)	(3,7%)
<b>Equity in accounts of financial institutions and related liabilities</b>	<b>1 604</b>	<b>2 032</b>	<b>(428)</b>	<b>(21,1%)</b>
<b>Total</b>	<b>535 650</b>	<b>546 276</b>	<b>(10 626)</b>	<b>(1,9%)</b>

- The breakdown by criterion of materialization in interbank market securities

Particulars	2022	2021	Variation	%
Deposits and assets of banking institutions	113 637	72 951	40 686	55,8%
Borrowings from financial institutions	420 409	471 293	(50 884)	(10,8%)
Deposits and assets of financial institutions	1 604	2 032	(428)	(21,1%)
<b>Total</b>	<b>535 650</b>	<b>546 276</b>	<b>(10 626)</b>	<b>(1,9%)</b>

- The breakdown by criterion of materialization in interbank market securities

Particulars	2022	2021	Variation	%
Liabilities evidenced by interbank market securities	-	-	-	-
Liabilities not evidenced by interbank market securities	535 650	546 276	(10 626)	(1,9%)
<b>Total</b>	<b>535 650</b>	<b>546 276</b>	<b>(10 626)</b>	<b>(1,9%)</b>

The breakdown of deposits and assets of banking and financial institutions (excluding related liabilities) as per residual term as at 31/12/2022 is detailed as follows:

Description	≤ 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
<b>Current accounts of banking institutions</b>	<b>113 637</b>	-	-	-	<b>113 637</b>
- Banks of Deposit	29	-	-	-	29
- Non-resident Banks	113 608	-	-	-	113 608
<b>Borrowings from banking institutions</b>	<b>325 906</b>	<b>94 503</b>	-	-	<b>420 409</b>
- Borrowings in dinars	168 800	-	-	-	168 800
- Borrowings in foreign currency	157 106	94 503	-	-	251 609
<b>Equity of financial institutions</b>	<b>1 604</b>	-	-	-	<b>1 604</b>
<b>Total</b>	<b>441 147</b>	<b>94 503</b>	-	-	<b>535 650</b>

## 6.11 - Client Deposits and Assets

The balance of this item amounts to TND 9 794 435 thousand as at 31/12/2022 against TND 8 982 913 thousand as at 31/12/2021. The deposits are detailed as follows:

Particulars	2022	2021	Variation	%
Call deposits	2 622 038	2 586 224	35 814	1,4%
Savings deposits	3 870 738	3 585 870	284 868	7,9%
Term account	740 345	581 453	158 892	27,3%
Accounts in convertible dinars	124 272	108 603	15 669	14,4%
Currency deposits	781 666	841 117	(59 451)	(7,1%)
Currency investments	264 322	266 122	(1 800)	(0,7%)
Cash vouchers	686 193	586 999	99 194	16,9%
Other amounts due to clients	276 382	184 331	92 051	49,9%
Related liabilities	(8 521)	(12 306)	3 785	30,8%
Certificates of deposits	437 000	254 500	182 500	71,7%
<b>Total</b>	<b>9 794 435</b>	<b>8 982 913</b>	<b>811 522</b>	<b>9,0%</b>

The breakdown of client deposits and assets as per the residual term excluding related liabilities is as follows:

Particulars	Less than 3 months	3 months up to 1 year	1 up to 5 years	more than 5 years	Gross outstanding amount
<b>Call deposits</b>	<b>3 647 877</b>	<b>144 421</b>	-	-	<b>3 792 298</b>
Call deposits in Dinar	2 622 038	-	-	-	2 622 038
Accounts in convertible dinars	124 272	-	-	-	124 272
Foreign currency accounts	781 666	-	-	-	781 666
Foreign currency investment	119 901	144 421	-	-	264 322
<b>Savings deposits</b>	<b>3 870 738</b>	-	-	-	<b>3 870 738</b>
Special savings accounts	3 827 530	-	-	-	3 827 530
Other savings accounts	43 208	-	-	-	43 208
<b>Term deposits</b>	<b>910 738</b>	<b>746 283</b>	<b>206 517</b>	-	<b>1 863 538</b>
Term account	347 856	305 115	87 374	-	740 345
Cash vouchers	226 382	340 668	119 143	-	686 193
Certificates of deposits	336 500	100 500	-	-	437 000
<b>Other amounts due to clients</b>	<b>276 382</b>	-	-	-	<b>276 382</b>
<b>Total</b>	<b>8 705 735</b>	<b>890 704</b>	<b>206 517</b>	-	<b>9 802 956</b>

## 6.12 - Borrowings and Special Resources

The total balance of this item is TND 610 055 thousand as at 31/12/2022 against TND 480 350 thousand as at 31/12/2021, and is broken down as follows:

Particulars	2022	2021	Variation	%
<b>Debt securities &amp; private placement bonds</b>	<b>299 737</b>	<b>243 635</b>	<b>56 102</b>	<b>23,0%</b>
<b>Special resources</b>	<b>275 289</b>	<b>220 564</b>	<b>54 725</b>	<b>24,8%</b>
Budget resources	88 629	78 404	10 225	13,0%
External resources	186 660	142 160	44 500	31,3%
<b>Interest on debt securities</b>	<b>40 797</b>	<b>21 145</b>	<b>19 652</b>	<b>92,9%</b>
<b>Interest payable on external resources</b>	<b>2 390</b>	<b>1 908</b>	<b>482</b>	<b>25,3%</b>
<b>Related liabilities</b>	<b>388</b>	<b>388</b>	<b>-</b>	<b>-</b>
<b>Translation difference on borrowing</b>	<b>(8 546)</b>	<b>(7 290)</b>	<b>(1 256)</b>	<b>(17,2%)</b>
<b>Total</b>	<b>610 055</b>	<b>480 350</b>	<b>129 705</b>	<b>27,0%</b>

### (a) Debt securities & Private Placement Bonds

The breakdown of debt securities and private placement bonds as per the residual term as at 12/31/2022 is as follows:

Description	≤ 3 months	[3 months - 1 year]	[1 year - 5 years]	> 5 years	Total
Debt securities and private placement bonds	3 622	9 963	133 712	152 440	299 737

The breakdown of debt securities and private placement bonds into long-term and short-term borrowings as at 12/31/2022 is as follows:

Description	Balance 2021	New borrowings	Refunds	Reclassifications	Balance 2022
Long term borrowing	206 472	90 202	(6 065)	(24 337)	266 272
Short term borrowing	37 163	9 128	(37 163)	24 337	33 465
<b>Total</b>	<b>243 635</b>	<b>99 330</b>	<b>(43 228)</b>	<b>-</b>	<b>299 737</b>

### (b) Special Resources

The breakdown of special resources as per the residual term as at 12/31/2022 is as follows:

Description	≤ 3 months	[3 months-1 year]	[1 year-5 years]	> 5 years	Total
Special Resources	1 695	19 055	114 182	140 357	275 289

The breakdown of special resources into long-term and short-term resources as at 12/31/2022 is as follows:

Description	Balance 2021	New borrowings	Refunds	Reclassifications	Revaluation	Balance 2022
Long term resources	204 072	66 134	-	(15 666)	-	254 539
Short term resources	16 492	-	(12 664)	16 922	-	20 750
<b>Total resources before hedging</b>	<b>220 564</b>	<b>66 134</b>	<b>(12 664)</b>	<b>1 256</b>	<b>-</b>	<b>275 289</b>
<b>Hedging on Foreign Currency Resources</b>	<b>(7 290)</b>	<b>-</b>	<b>-</b>	<b>(1 256)</b>	<b>-</b>	<b>(8 546)</b>
<b>Total resources</b>	<b>213 274</b>	<b>66 134</b>	<b>(12 664)</b>	<b>-</b>	<b>-</b>	<b>266 744</b>



### 6.13 - Other Liabilities

The total of this item amounts to TND 901 894 thousand as at 31/12/2022 against TND 798 515 thousand as at 31/12/2021:

Particulars	2022	2021	Variation	%
Provisions for liabilities and charges (1)	298 549	292 880	5 669	1,9%
State, taxes and social liabilities (2)	50 523	42 084	8 439	20,1%
Un-matured financial instruments (3)	41 787	21 964	19 823	90,3%
Reserved bank charges assumed by the State	-	2 519	(2 519)	(100,0%)
Fees to pay	64 681	64 088	593	0,9%
Sundry creditors	21 491	32 693	(11 202)	(34,3%)
Suspension to be regularized	5 915	5 915	-	-
Head office, branches and agencies	1 082	3 974	(2 892)	(72,8%)
Accruals and deferred income – Liabilities	89 738	51 514	38 224	74,2%
Tele-set off securities pending settlement	178 437	154 690	23 747	15,4%
Translation difference	21 733	2 123	19 610	923,7%
Other loans	276	276	-	-
Loans to be regularized	2 728	2 043	685	33,5%
Interest to be recovered on special resources	13 716	13 716	-	-
Suppliers of fixed assets	1	1	-	-
Deferred revenues	16 507	16 467	40	0,2%
State, corporate income tax payable (*)	86 399	85 040	1 359	1,6%
Miscellaneous suppliers	4 702	3 720	982	26,4%
Dividends payables	3 065	2 245	820	36,5%
Other staff loans interest and expenses	338	338	-	-
Other staff loans interest and expenses	226	225	1	0,4%
<b>Total in thousand TND</b>			<b>103 379</b>	<b>12,9%</b>

(\*) data as at 31/12/2021 are restated for comparability purposes.

(1) (1) Provisions for liabilities and charges constituted by the bank at the end of the 2022 financial year amounted to TND 298 549 thousand against TND 292 880 thousand at the end of the previous financial year. The created provisions cover the risks on off-balance sheet items and miscellaneous risks, and are detailed as follows:

Particulars	Provisions 2021	Allocations	Reversals	Reassignment and adjustment	Provisions 2022
Provisions on signature pledges	65 127	10 346	(18 349)	1 585	58 709
Provisions for retirement	71 276	2 785	(4 142)	15	69 934
Provisions for miscellaneous risks	156 477	21 405	(8 013)	37	169 906
<b>Total</b>	<b>292 880</b>	<b>34 536</b>	<b>(30 504)</b>	<b>1 637</b>	<b>298 549</b>

(2) This item is detailed as follows:

Items	2022	2021	Variation	%
VAT	4 344	4 596	(252)	(5,5%)
Withholding tax	26 454	18 136	8 318	45,9%
Exchange Equalization Funds	10 857	11 975	(1 118)	(9,3%)
Social solidarity contribution	117	105	12	11,4%
Others	8 751	7 272	1 479	20,3%
<b>Total</b>	<b>50 523</b>	<b>42 084</b>	<b>8 439</b>	<b>20,1%</b>

(3) This item is detailed as follows:

Items	2022	2021	Variation	%
Un-matured medium-term financial effects	1 583	1 432	151	10,5%
Un-matured financial effects on medium-term interest	4 467	4 531	(64)	(1,4%)
Un-matured financial effects received from clearing	547	547	-	-
Un-matured bills of exchange sent to electronic clearing	79	3 683	(3 604)	(97,9%)
Un-matured discounted bills sent for collection	35 111	11 771	23 340	198,3%
<b>Total</b>	<b>41 787</b>	<b>21 964</b>	<b>19 823</b>	<b>90,3%</b>

## 6.14 - Non-controlling interests

Non-controlling interests are broken down by entity as follows:

Heading	Reserves		Results		Total non-controlling interests			
	Entities	2022	2021	2022	2021	2022	2021	Variation
STB	(31)	25	12	19	(19)	44	(63)	(143,2%)
STB INVEST	2 923	2 898	119	84	3 042	2 982	60	2,0%
STB MANAGER	(2)	2	(3)	(4)	(5)	(2)	(3)	(150,0%)
STB FINANCE	357	302	85	54	442	356	86	24,2%
STB SICAR	194	188	1	1	195	189	6	3,2%
IMM. AVENUE	(75)	(64)	2	(11)	(73)	(75)	2	2,7%
STRC	25	14	15	14	40	28	12	42,9%
GEVE	4 360	1 066	273	3 754	4 633	4 820	(187)	(3,9%)
EDDKHILA	1 184	1 632	28	(448)	1 212	1 184	28	2,4%
ACTIVHOTELS	(1)	(2)	-	1	(1)	(1)	-	-
SICAV INVEST	(1)	20	1	(1)	-	19	(19)	(100,0%)
SICAV AVENIR	-	-	-	-	-	-	-	-
SICAV OBLIG	(16)	1	11	6	(5)	7	(12)	(171,4%)
SICAV EPARGNANT	(147)	(35)	16	21	(131)	(14)	(117)	(835,7%)
TFB	(6)	(6)	(1)	(1)	(7)	(7)	-	-
STBMG	(4)	(6)	7	1	3	(5)	8	160,0%
MGERT	2 022	1 660	480	359	2 502	2 019	483	23,9%
STCV	-	-	-	-	-	-	-	-
SONIBANK	5	5	1	1	6	6	-	-
SCIMB	-	-	-	-	-	-	-	-
ELFEJJA	1	1	-	-	1	1	-	-
STBSG	(2)	(5)	(2)	5	(4)	-	(4)	-
<b>Total</b>	<b>10 786</b>	<b>7 696</b>	<b>1 045</b>	<b>3 855</b>	<b>11 831</b>	<b>11 551</b>	<b>280</b>	<b>2,4%</b>

(\*) data as at 31/12/2021 are restated for comparability purposes.

## 6.15 - Equity

As at the balance sheet date, the share capital amounted to TND 776 875 thousand. It is composed of 155.375.000 shares with a fully paid-up nominal value of TND 5. The movements in the bank's equity are detailed as follows:

Particulars	Share capital	Consolidated Reserves	Restated consolidated reserves	Translation reserves	Treasury stocks	Consolidated income	Balance 2022
Balance as at 31/12/2021	776 875	372 691	363 971	6 258	(5 508)	125 738	1 267 334
Appropriation of net income		128 525	125 738	-	-	(125 738)	-
Capital appreciation		-	-	-	-	-	-
Dividends distribution		-	-	-	-	-	-
Translation difference		-	-	1 425	-	-	1 425
Consolidated income		-	-	-	-	99 384	99 384
Reclassifications		(67)	(67)	-	-	-	(67)
Change in accounting methods and correction of errors (*)		(12 632)	(12 632)	-	-	-	(12 632)
Other changes (social funds, subsidies, treasury stocks, etc.)	-	(10 718)	789	-	-	-	789
<b>Balance at 31/12/2022</b>	<b>776 875</b>	<b>477 799</b>	<b>477 799</b>	<b>7 683</b>	<b>(5 508)</b>	<b>99 384</b>	<b>1 356 233</b>

(\*) The change in accounting methods and correction of errors includes TND 11 506 relating to accounting changes recorded in the parent company's financial statements and TND 1 126 resulting from the change in the opening equity of certain companies, following the adoption of the final version of the financial statements as at 12/31/2022, received after the closing of the Group's financial statements as at 12/31/2022.

### 6.15.1 - State Grant

Pursuant to Law n°2012-17 of 17 September 2012, STB has recognized among its shareholders' equity a State grant amounted to TND 117 million, subject to possible restitution in the event of the bank's financial equilibrium being restored.

### 6.15.2 - Earnings per Share

Particulars	2022	2021	Variation	%
Net profit for the financial year before accounting changes (in TND)	99 384	128 525	(29 141)	(22,7%)
Number of ordinary shares	155 375 000	155 375 000	-	-
Number of treasury stocks (including STB shares held by subsidiaries)	992 773	1 006 499	(13 726)	(1,4%)
% compared with shares issued	0,64%	0,65%	(0)	(1,4%)
Number of ordinary shares outstanding at the beginning of the period	154 382 227	154 368 501	13 726	0,0%
Number of ordinary shares outstanding at the end of the period	154 382 227	154 368 501	13 726	0,0%
Weighted average number of shares	154 382 227	154 368 501	13 726	0,0%
Profits attributable to treasury stocks	635	833	(198)	(23,7%)
<b>Earnings per share with a nominal value of TND</b>	<b>0,644</b>	<b>0,833</b>	<b>(0,189)</b>	<b>(22,7%)</b>

### 6.15.3 - Consolidated Reserves

Consolidated reserves correspond to the results accumulated by the Group in the entities included within the scope of consolidation since the acquisition of control until the closing date of the financial year preceding that covered by the publication.

Particulars	2022	2021	Variation	%
Contribution of the consolidating parent company (*)	489 537	375 636	113 901	30,3%
+ Group share, in the issue premium	115 860	115 857	3	0,0%
+ Group share, in the State grant	116 983	116 981	3	0,0%
+ Group share, in other reserves	256 694	142 798	113 896	79,8%
Contribution of subsidiaries in the banking sector	(3 828)	(1 038)	(2 790)	(268,8%)
Contribution of subsidiaries in the financial services sector	(900)	(1 178)	278	23,6%
Contribution of subsidiaries in the other services sector	672	(3 191)	3 863	121,1%
<b>Total</b>	<b>485 482</b>	<b>370 229</b>	<b>115 253</b>	<b>31,1%</b>

Consolidated reserves are broken down by the Group Companies as follows:

Entity	Consolidated reserves	Translation reserves	2022	Consolidated reserves	Translation reserves	2021	Variation	%
STB (*)	489 482	56	489 538	375 425	211	375 636	113 902	30,3%
STB INVEST	16 823	-	16 823	16 364	-	16 364	459	2,8%
STB MANAGER	(5)	-	(5)	800	-	800	(805)	(100,6%)
STB FINANCE	2 330	-	2 330	1 162	-	1 162	1 168	100,5%
STB SICAR	5 925	1	5 926	5 562	1	5 563	363	6,5%
IMM. AVENUE	(6 225)	-	(6 225)	(4 965)	-	(4 965)	(1 260)	(25,4%)
STRC	(36 040)	-	(36 040)	(39 494)	-	(39 494)	3 454	8,7%
GEVE	2 360	-	2 360	(936)	-	(936)	3 296	352,1%
EDDKHILA	(1 204)	-	(1 204)	(273)	-	(273)	(931)	(341,0%)
ACTIVHOTELS	(1 404)	-	(1 404)	(2 929)	-	(2 929)	1 525	52,1%
SICAV INVEST	(40)	-	(40)	355	-	355	(395)	(111,3%)
SICAV AVENIR	(14)	-	(14)	9	-	9	(23)	(255,6%)
SICAV OBLIG	(83)	-	(83)	(161)	-	(161)	78	48,4%
SICAV EPARGNANT	10 203	-	10 203	14 226	-	14 226	(4 023)	(28,3%)
TFB	(44 704)	3 179	(41 525)	(38 369)	2 568	(35 801)	(5 724)	(16,0%)
STBMG	(147)	-	(147)	(174)	-	(174)	27	15,5%
MGERT	2 017	-	2 017	1 646	-	1 646	371	22,5%
STCV	950	-	950	1 033	-	1 033	(83)	(8,0%)
SONIBANK	33 250	4 447	37 697	31 284	3 478	34 762	2 935	8,4%
SCIMB	(420)	-	(420)	(455)	-	(455)	35	7,7%
ELFEJJA	4 797	-	4 797	4 014	-	4 014	783	19,5%
STBSG	(52)	-	(52)	(153)	-	(153)	101	66,0%
<b>Total</b>	<b>477 799</b>	<b>7 683</b>	<b>485 482</b>	<b>363 971</b>	<b>6 258</b>	<b>370 229</b>	<b>115 253</b>	<b>31,1%</b>



#### 6.15.4 - Consolidated Income

The year ended as at 31 December 2022 showed a positive consolidated income of TND 99 384, against a similar income of TND 125 738 as at 31 December 2021. The contribution of the parent company and its subsidiaries to consolidated income can be broken down comparatively as follows:

Description	2022	2021	Variation	%
Contribution of the consolidating parent company	87 732	113 221	(25 489)	(22,5%)
Contribution of entities in the banking sector	(1 326)	(1 693)	367	21,7%
Contribution of entities in the financial services sector	10 359	8 269	2 090	25,3%
Contribution of entities in the other services sector	2 619	5 941	(3 322)	(55,9%)
<b>Total</b>	<b>99 384</b>	<b>125 738</b>	<b>(26 354)</b>	<b>(21,0%)</b>

The consolidated income is broken down by Group Company as follows:

Heading	2022	2021	Variation	%
STB (*)	87 732	113 221	(25 489)	(22,5%)
STB INVEST	2 120	1 510	610	40,4%
SOFELAN	-	-	-	-
STB MANAGER	(463)	(687)	224	32,6%
STB FINANCE	1 831	1 163	668	57,4%
STB SICAR	83	36	47	130,6%
IMM. AVENUE	265	(1 259)	1 524	121,0%
STRC	5 499	4 919	580	11,8%
GEVE	271	3 754	(3 483)	(92,8%)
EDDKHILA	59	(932)	991	106,3%
ACTIVHOTELS	(367)	1 526	(1 893)	(124,0%)
SICAV INVEST	30	(37)	67	181,1%
SICAV AVENIR	39	12	27	225,0%
SICAV OBLIG	260	154	106	68,8%
SICAV EPARGNANT	960	1 198	(238)	(19,9%)
TFB	(6 240)	(6 154)	(86)	(1,4%)
STBMG	244	17	227	1335,3%
MGERT	479	358	121	33,8%
STCV	516	549	(33)	(6,0%)
SONIBANK	4 913	4 461	452	10,1%
SCIMB	78	35	43	122,9%
ELFEJJA	1 146	1 743	(597)	(34,3%)
STBSG	(71)	151	(222)	(147,0%)
<b>Total</b>	<b>99 384</b>	<b>125 738</b>	<b>(26 354)</b>	<b>(21,0%)</b>

## NOTE 7 - NOTES TO THE CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

[The figures are expressed in TND thousands]

### 7.1 - Contingent Liabilities

The contingent liabilities item comprising the headings «Sureties, endorsements and other guarantees given» and «Letter of credits» is broken down as at 31 December 2022 into the following elements:

Particulars	2022	2021	Variation	%
Client Sureties and endorsements	1 095 262	1 027 143	68 119	6,6%
Other irrevocable unconditional bank guarantees	398 665	434 151	(35 486)	(8,2%)
<b>Total sureties, endorsements and other guarantees given</b>	<b>1 493 927</b>	<b>1 461 294</b>	<b>32 633</b>	<b>2,2%</b>
Letter of credits and import acceptances	497 345	424 259	73 086	17,2%
Letter of credits and export acceptances	116 372	64 433	51 939	80,6%
<b>Total Letter of credits</b>	<b>613 717</b>	<b>488 692</b>	<b>125 025</b>	<b>25,6%</b>
<b>Total contingent liabilities</b>	<b>2 107 644</b>	<b>1 949 986</b>	<b>157 658</b>	<b>8,1%</b>

### 7.2 - Commitments Given

The item of "Commitments Given" amounted to TND 157 328 thousand as at 31 December 2022 against TND 115 691 thousand as at 31 December 2021:

Particulars	2022	2021	Variation	%
Financing commitments	157 302	115 590	41 712	36,1%
Securities commitments	26	101	(75)	(74,3%)
<b>Total</b>	<b>157 328</b>	<b>115 691</b>	<b>41 637</b>	<b>36,0%</b>

### 7.3 -Guarantees Received

The balance of the «Guarantees Received» item amounted to TND 3 059 631 thousand as at 31 December 2022 against TND 2 208 876 thousand as at 31 December 2021:

Particulars	2022	2021	Variation	%
Counter-guarantees received from foreign-based banks	398 665	434 152	(35 487)	(8,2%)
Guarantees received from banks and financial institutions established in Tunisia	42 881	412	42 469	10308,0%
Guarantees received from the State and insurance organizations	1 918 721	1 177 962	740 759	62,9%
Guarantees received from clients	699 364	595 750	103 614	17,4%
<b>Total</b>	<b>3 059 631</b>	<b>2 208 276</b>	<b>851 355</b>	<b>38,6%</b>

- This heading includes non-accounting figures communicated by the bank's various departments.
- Counter-guarantees received from banks are shown under contingent liabilities and guarantees received from banks.
- Actual guarantees received from clients to cover granted loans are not taken into account.

## NOTE 8 - NOTES RELATING TO THE CONSOLIDATED STATEMENT OF INCOME

(The figures are expressed in TND thousand)

### 8.1 - Interest and Similar Income

Interest and similar income amounted to TND 950 975 thousand as at 31 December 2022 against TND 827 974 thousand as at 31 December 2021, and are analyzed as follows:

Particulars	2022	2021	Variation	%
<b>Interest on receivables from banking and financial institutions</b>	<b>11 811</b>	<b>18 772</b>	<b>(6 961)</b>	<b>(37,1%)</b>
Interest on money market loans in dinars	5 047	8 365	(3 318)	(39,7%)
Interest on foreign currency money market loans	6 878	10 407	(3 529)	(33,9%)
Interest on other balances with banks and financial institutions	(114)	-	(114)	-
<b>Interest on receivables from clients</b>	<b>905 332</b>	<b>784 632</b>	<b>120 700</b>	<b>15,4%</b>
Bank charges interest on accounts receivables	99 656	98 319	1 337	1,4%
Interest on loans to clients	805 676	686 314	119 362	17,4%
Reversal of reserved interest on receivables	-	(1)	1	100,0%
<b>Similar income</b>	<b>33 832</b>	<b>24 570</b>	<b>9 262</b>	<b>37,7%</b>
<b>Total</b>	<b>950 975</b>	<b>827 974</b>	<b>123 001</b>	<b>14,9%</b>

### 8.2 - Commissions (as income)

The amount of commissions amounted to TND 142 622 thousand as at 31 December 2022 against TND 137 014 thousand as at 31 December 2021, and is analyzed as follows:

Particulars	2022	2021	Variation	%
Cheques, bills, transfers and account management	62 592	63 976	(1 384)	(2,2%)
Securities transactions	7 241	3 996	3 245	81,2%
Foreign exchange transactions	9 109	10 087	(978)	(9,7%)
Foreign trade transactions	7 771	5 652	2 119	37,5%
Safe deposit box	57	42	15	35,7%
Studies	20 856	21 606	(750)	(3,5%)
Others	34 997	31 655	3 342	10,6%
<b>Total</b>	<b>142 623</b>	<b>137 014</b>	<b>5 609</b>	<b>4,1%</b>

### 8.3 - Profit on Trading Securities Portfolio and Financial Transactions

Particulars	2022	2021	Variation	%
<b>Net gains on trading securities</b>	<b>6 229</b>	<b>1 211</b>	<b>5 018</b>	<b>414,4%</b>
Net interest on treasury bonds	6 144	1 171	4 973	424,7%
Unrealized capital gain on treasury bonds	-	-	-	-
Dividends and similar income from trading securities	76	37	39	105,4%
Capital gains on disposal of trading securities	9	3	6	200,0%
<b>Net gains (losses) on investment securities</b>	<b>53 816</b>	<b>46 258</b>	<b>7 558</b>	<b>16,3%</b>
Dividends and similar income from investment securities (*)	46 299	38 122	8 177	21,4%
Losses on investment securities	6 228	9 103	(2 875)	(31,6%)
Provisions for impairment of investment securities	(288)	(1 519)	1 231	81,0%
Reversals of provisions for impairment of investment securities	1 577	552	1 025	185,7%
<b>Net profit on foreign exchange transactions</b>	<b>56 246</b>	<b>42 004</b>	<b>14 242</b>	<b>33,9%</b>
Result on foreign exchange transactions	53 612	42 004	11 608	27,6%
Commissions on manual exchange	2 634	-	2 634	-
<b>Total</b>	<b>116 291</b>	<b>89 473</b>	<b>26 818</b>	<b>30,0%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes..

### 8.4 - Income on Investment Securities Portfolio

Income on the investment security portfolio amounted to TND 76 319 thousand as at 31 December 2022 against TND 65 442 thousand as at 31 December 2021, and is analyzed as follows:

Particulars	2022	2021	Variation	%
Interest and similar income on investment securities	169	115	54	47,0%
Interest and similar income on similar treasury bond investment (*)	55 941	54 935	1 006	1,8%
Dividends and similar income / equity securities	3 966	3 731	235	6,3%
Income from managed funds	-	-	-	-
Income from retroceded equity investments	1 281	1 329	(48)	(3,6%)
Income from disposal of securities (consolidated)	-	-	-	-
Interest and similar income from bonds	14 962	5 332	9 630	180,6%
<b>Total in thousand TND</b>	<b>76 319</b>	<b>65 442</b>	<b>10 877</b>	<b>16,6%</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

### 8.5 - Interest Incurred and Similar Charges

Interest incurred and similar charges amounted to TND 580 943 thousand as at 31 December 2022 against TND 464 569 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Transactions with banking institutions	(113 409)	(81 781)	(31 628)	(38,7%)
Transactions with client	(426 333)	(353 500)	(72 833)	(20,6%)
Borrowings and special resources	(41 044)	(29 022)	(12 022)	(41,4%)
Other interest and charges	(157)	(266)	109	41,0%
<b>Total</b>	<b>(580 943)</b>	<b>(464 569)</b>	<b>(116 374)</b>	<b>(25,0%)</b>



## 8.6 – Provisions and Value Adjustments on Receivables, Off-balance Sheet, and Liabilities

Particulars	2022	2021	Variation	%
<b>Provisions on client commitments</b>	<b>(187 785)</b>	<b>(92 825)</b>	<b>(94 960)</b>	<b>(102,3%)</b>
Provisions for doubtful receivables	(172 779)	(141 497)	(31 282)	(22,1%)
Provisions for associates' current accounts	48	131	(83)	(63,4%)
Additional provision charges	(50 695)	(35 865)	(14 830)	(41,3%)
Collective provisions charges	(38 225)	(6 901)	(31 324)	(453,9%)
Provisions for depreciation of operating assets of non-financial subsidiaries	(50)	(10)	(40)	(400,0%)
Write-back of provisions for doubtful receivables	131 256	100 849	30 407	30,2%
Write-back of additional provisions	128 128	85 395	42 733	50,0%
Receivables assigned to STRC (Tunisian debt collection company) or written off	(266 073)	(154 630)	(111 443)	(72,1%)
Receivables written off	(9 127)	(15 448)	6 321	40,9%
Write-back of reserved bank charges on receivables disposed of, written off or waived off	90 208	75 756	14 452	19,1%
Other allocations	(609)	(651)	42	6,5%
Other write-backs	133	46	87	189,1%
<b>Provisions for risks and charges</b>	<b>(16 645)</b>	<b>(30 806)</b>	<b>14 161</b>	<b>46,0%</b>
Provisions for risks and charges	(23 852)	(36 400)	12 548	34,5%
Provisions related to social reorganization	(237)	(445)	208	46,7%
Compensation and pensions related to social reorganization	(4 600)	(7 602)	3 002	39,5%
Write-back of provisions for risks and charges	7 979	8 168	(189)	(2,3%)
Write-back of provisions for retirement and social reorganization	4 065	5 473	(1 408)	(25,7%)
<b>TOTAL</b>	<b>(204 430)</b>	<b>(123 631)</b>	<b>(80 799)</b>	<b>(65,4%)</b>

## 8.7 - Provisions and Result of Value Adjustments on Investment Portfolio

The balance of this item as at 31 December 2022 is detailed as follows:

Particulars	2022	2021	Variation	%
Provisions for equity securities portfolio depreciation	(2 850)	(3 396)	546	16,1%
Provisions for other investment portfolio depreciation	-	-	-	-
Provisions for retrocession securities depreciation	(817)	(1 443)	626	43,4%
Provisions for managed funds	-	-	-	-
Capital gains or losses on disposals of other investment securities	(730)	(478)	(252)	(52,7%)
Capital gains or losses on the disposal of equity securities	5 207	279	4 928	1766,3%
Capital gains or losses on the disposal of retroceded securities	-	-	-	-
Losses on SICAR funds	(10)	-	(10)	-
Write-back of provisions for investment portfolio depreciation	565	1 998	(1 433)	(71,7%)
Write-back of provisions for depreciation of retrocession securities	840	332	508	153,0%
Gains/losses on equity securities	(1 644)	-	(1 644)	-
<b>Total</b>	<b>561</b>	<b>(2 708)</b>	<b>3 269</b>	<b>120,7%</b>

## 8.8 - Other Operating Income

The item of other operating income reached a total of TND 27 535 thousand as at 31/12/2022 against TND 37 834 thousand as at 31/12/2021, and is detailed as follows:

Particulars	2022	2021	Variation	%
Income from buildings	11 971	20 128	(8 157)	(40,5%)
Interest on staff loans	7 052	7 701	(649)	(8,4%)
Change in work in progress and completed work	730	4 739	(4 009)	(84,6%)
Other incidental income	359	403	(44)	(10,9%)
Other income: Services provided	7 423	4 863	2 560	52,6%
<b>Total</b>	<b>27 535</b>	<b>37 834</b>	<b>(10 299)</b>	<b>(27,2%)</b>

## 8.9 - Staff Costs

Staff costs reached a total of TND 221 682 thousand as at 31 December 2022 against TND 204 664 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021 Publié	Variation	%
Staff remuneration	(165 287)	(148 513)	(16 774)	(11,3%)
Social expenses	(50 886)	(51 290)	404	0,8%
Change in accrued vacation leave	(376)	(475)	99	20,8%
Other staff-related expenses	(5 133)	(4 386)	(747)	(17,0%)
<b>Total</b>	<b>(221 682)</b>	<b>(204 664)</b>	<b>(17 018)</b>	<b>(8,3%)</b>

## 8.10 - General Operating Charges

General operating charges reached a total of TND 100 900 thousand as at 31 December 2022 against TND 94 399 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Rent	(5 516)	(4 947)	(569)	(11,5%)
Maintenance and repairs entrusted to third parties	(5 663)	(5 831)	168	2,9%
Works and methods executed by third parties	(7 288)	(6 598)	(690)	(10,5%)
Membership fee Deposit Guarantee Fund	(24 813)	(23 052)	(1 761)	(7,6%)
Insurance premium	(2 060)	(1 770)	(290)	(16,4%)
Others	(14 644)	(11 760)	(2 884)	(24,5%)
Taxes and duties	(5 672)	(5 246)	(426)	(8,1%)
Supplies made to the company	(3 061)	(2 525)	(536)	(21,2%)
Broker remuneration and fees	(3 036)	(2 277)	(759)	(33,3%)
Transportation and conveyance	(373)	(263)	(110)	(41,8%)
Attendance fees	(304)	(345)	41	11,9%
Social solidarity contribution	(338)	(145)	(193)	(133,1%)
Change in building land inventories	-	-	-	-
Change in other inventories	(1 141)	(5 826)	4 685	80,4%
Miscellaneous management costs	(26 260)	(23 535)	(2 725)	(11,6%)
Other adjustment accounts	(731)	(279)	(452)	(162,0%)
<b>Total</b>	<b>(100 900)</b>	<b>(94 399)</b>	<b>(6 501)</b>	<b>(6,9%)</b>

### 8.11- Balance of Profit / Loss from Other Ordinary Items

The balance of gain/loss from other ordinary items is TND 20 186 thousand as at 31/12/2022 against TND 1 292 thousand as at 31/12/2021, and is detailed as follows:

Particulars	2022	2021	Variation	%
<b>Gains from other ordinary items</b>	<b>36 632</b>	<b>15 953</b>	<b>20 679</b>	<b>129,6%</b>
- Capital gain/loss on disposal of	192	1 009	(817)	(81,0%)
- Subsidy of Vocational Training Tax	1 587	1 386	201	14,5%
- Other Earnings (1)	34 853	13 558	21 295	157,1%
<b>Losses from other ordinary items (2)</b>	<b>(16 446)</b>	<b>(17 245)</b>	<b>799</b>	<b>4,6%</b>
<b>Total</b>	<b>20 186</b>	<b>(1 292)</b>	<b>21 478</b>	<b>1662,4%</b>

(1) This balance mainly includes:

- Recoveries on receivables written off for an amount of TND 26.064 thousand.
- Cancellation of accumulated amortization on non-operating buildings for an amount of TND 3.225 thousand.

(2) This balance mainly includes:

- The payment of social charges on a contentious case with the National Social Security Fund (Caisse Nationale de Sécurité Sociale / CNSS) for an amount of TND 5.750 thousand.
- An amount of withholding tax claimed by the tax authorities which amounts to TND 5.009 thousand.

### 8.12 - Corporate Tax

The income tax charge as at 31 December 2022 amounts to TND 96 995 thousand against TND 96 540 thousand as at 31 December 2021.

Particulars	2022	2021	Variation	%
Corporate income tax	(95 604)	(93 858)	(1 746)	(1,9%)
Deferred taxes	(1 391)	(2 682)	1 291	48,1%
<b>Total</b>	<b>(96 995)</b>	<b>(96 540)</b>	<b>(455)</b>	<b>(0,5%)</b>

## NOTE 9 - NOTES RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Figures are expressed in TND thousands)

### 9.1 - Net Cash Flows Allocated to Operating Activities

Operating activities generated negative net cash flows of TND 207 955 thousand during the financial year 2022.

The main variations are detailed as follows:

- The operating income received has recorded a surplus of TND 639 294 thousand compared with the operating expenses paid out.
- Client loans and loan repayments have generated net negative cash flows of TND 1 295 614 thousand.
- Client deposits and withdrawals have generated net positive flows of TND 807 737 thousand.
- Acquisitions/disposals of equity securities have generated negative net cash flows of TND 44 001 thousand.

- Amounts paid to employees and other creditors amounted to TND 193 803 thousand.
- Other cash flows from operating activities amounted to net inflows of TND 41 056 thousand.

### 9.2 - Net Cash Flow Allocated to Investing Activities

Investing activities generated negative net flows of TND 148 373 thousand during the financial year 2022.

### 9.3 - Net Cash Flow Allocated to Financing Activities

Financing activities generated positive net cash flows of TND 109 888 thousand during the financial year 2022.

### 9.4 - Cash and Cash Equivalents

The bank's cash and cash equivalents reached a balance of TND 1 223 499 thousand as at 31 December 2022 against TND 977 043 thousand as at 31 December 2021, and are detailed as follows:

Particulars	2022	2021	Variation	%
Cash, PCC and liquidity recovery	78 001	79 553	(1 552)	(2,0%)
Deposit facility	-	50 000	(50 000)	(100,0%)
CBT	(1 419 767)	(1 057 709)	(362 058)	(34,2%)
Banks and specialized organizations	(54)	(5 871)	5 817	99,1%
Money market loans and borrowings	(121 077)	(47 123)	(73 954)	(156,9%)
Trading securities	239 398	4 107	235 291	5729,0%
<b>Total</b>	<b>(1 223 499)</b>	<b>(977 043)</b>	<b>(246 456)</b>	<b>(25,2%)</b>

## NOTE 10 - NOTES RELATING TO TRANSACTIONS WITH RELATED PARTIES

### 10.1 - New Agreements and Completed Transactions

- On 29 November 2022, the shareholders of TFB "Tunisian Foreign Bank" met in an Extraordinary General Meeting and unanimously approved an increase in the bank's share capital.
- Shareholders voted for a capital increase of 13,000,009.56 €, thereby raising the bank's capital from 26,912,255.04 € to 39,912,264.60 €.

- STB subscribed to this increase for an amount of TND 20,830 thousand, to reach a share of 49.997% of TFB's share capital.
- On 09/03/2022, SONIBANK shareholders met at an Extraordinary General Meeting and unanimously approved the bank's share capital increase..
- STB subscribed to this share capital increase on an irreducible basis for an amount of TND 9,404.2 thousand, thereby retaining its 25% share in SONIBANK's share capital.
- In 2022, STB signed a syndicated loan with the Tunisian State for €15 million over 4 years (from 02-06-2022 to 02-06-2026).



The outstanding amount of this loan as at 12/30/2022 is 15 € million, equivalent to TND 49,210 million.

Outstanding syndicated loans amount to 71,666 € million, equivalent to TND 235,116 million.

- In accordance with decisions taken by the Minister of Finance, STB has benefited from a package of guarantees granted by the State, its main shareholder, to cover the commitments of certain

public companies. These guarantees amounted to TND 1,161 million.

- The outstanding amount of term deposits subscribed, during the 2022 financial year, by the STB's associated companies totaled, as at 31 December 2022, an amount of 33,200 million, broken down as follows:

Relation	Cash voucher	Deposit certificate	Term deposit	Grand total
SICAV AVENIR			200 000	200 000
SICAV L'EPARGNE OBLIGATAIRE		11 000 000	4 000 000	15 000 000
SICAV L'INVESTISSEUR		14 000 000	4 000 000	18 000 000
<b>Total in dinars</b>		<b>25 000 000</b>	<b>8 200 000</b>	<b>33 200 000</b>

- On 31/12/2022, current deposit accounts (accounts payable) opened by associated companies showed the following balances (in thousands of dinars):

COMPANY	AMOUNT
TUNISIAN FOREIGN BANK	1 183,181
STE TNNE DE CONTROLE VERITAS	1 797,088
S. CIVILE IMMOBIL LA MAISON DUBANQUIER	2,154
POLE DE COMPET MONASTIR EL FEJJA	352,612
L'INVESTISSEUR STE SICAV	71,358
STE SICAV L'EPARGNANT	22 244,196
SICAV AVENIR	30,329
<b>Total</b>	<b>25 680,918</b>

- During the 2022 financial year, STB Moyens Généraux carried out subscriptions and redemptions of STB Group SICAV bond savings shares. The outstanding investments and income from these operations were as follows as at 12/31/2022:

Subscription	Redemptions	Outstanding amounts	Net Income
SICAV L'EPARGNE OBLIGATAIRE	3 698 580	3 707 932	- 9 352
<b>Total in dinars</b>			<b>- 9 352</b>

- During the year 2022, STB's associates and directors subscribed to the STB 2021-1 subordinated debt security issued by STB for a total amount of TND 100,000 million. The amount subscribed, up to TND 7,925,200, is detailed as follows:

Company	Category	Amount
SICAV EPARGNANT	Catégorie D	1 725 200
SICAV EPA OBLG	Catégorie D	4 200 000
<b>Total bonds subscribed by subsidiaries and associates</b>		<b>5 925 200</b>
MAE	Catégorie B	2 000 000
<b>Total bonds subscribed by directors</b>		<b>2 000 000</b>
<b>Grand total in dinars</b>		<b>7 925 200</b>

## 10.2 – Transactions Entered Into Under Previous Agreements

- Pursuant to Law No. 2012-17 of 21 September 2012, in the financial year 2011, STB recognized a State grant of TND 117 million as part of its shareholders' equity, with the possibility of repayment in the event of the bank's financial position being restored.

During the 2022 financial year, in accordance with decisions taken by the Minister of Finance, STB benefited from a package of guarantees granted by the State, its main shareholder, to cover the commitments of certain public companies. As at 12/31/2022, these guarantees amounted to TND 379,515 million.

- In 2022, STB signed a foreign currency financing agreement with the Tunisian State, its main shareholder, for an amount of 15 € million, as part of the syndicated loan granted by Tunisian banks to the State for a total amount of 81.5 € million and USD 25 million.

The outstanding amount of this loan as at 31 December 2022 is 15 € million, equivalent to TND 49,210 million.

- Loans granted by STB to the Tunisian State, its main shareholder, via the ministries, amounted to TND 171,949 million (excluding syndicated loans).

- An interbank loan in favor of Tunisian Foreign Bank-Tunis (TFB) in the amount of €5 million (equivalent to TND 16,133 million) is due in 2022 (repayment on 15-12-2022).
- On 18 October 2016, STB subscribed to the private subordinated placement of bonds issued by TFB, a company belonging to the STB group, for a total amount of €16 million, i.e. the equivalent of TND 39,560 million, guaranteed by the State under the decision of the Minister of Finance dated 17 October 2016.
- On 26 May 2017, 07 April 2018, and 01 December 2020, STB converted the above-mentioned borrowing into the capital of the aforementioned company for €6 million, €3 million, and €2,289 million respectively, i.e. the equivalent of TND 27,913 million.
- Outstanding borrowings as at 12/31/2022 amount to €2,134 million, equivalent to 5,277 million. L'encours de l'emprunt au 31/12/2022 s'élève à 2,134 millions d'Euros soit l'équivalent de 5,277 millions de dinars.
- Prior to the 2022 financial year, STB's directors and associates subscribed to the various debt securities issued by STB.
- Amounts outstanding as at 12/31/2022 are detailed as follows:

Relation	Subscribed amount	Outstanding as at 12/31/2022
SICAV L'EPARGNANT	12 260 100	4 817 100
SICAV L'EPARGNE OBLIGATAIRE	3 180 000	2 551 200
SICAV L'INVESTISSEUR	50 000	104 283
SICAV L'AVENIR	30 000	30 000
<b>Total bonds subscribed by associated companies</b>	<b>15 520 100</b>	<b>7 502 583</b>
STAR	52 000 000	18 875 000
MAE	3 000 000	3 000 000
<b>Total bonds subscribed by directors</b>	<b>55 000 000</b>	<b>21 875 000</b>
<b>Grand total in Dinars</b>	<b>70 520 100</b>	<b>29 377 583</b>

- Under agreements with SICAV L'Épargnant, SICAV Investisseur, SICAV Avenir and SICAV l'épargne obligataire, STB acts as custodian and/or distributor of securities and funds for these SICAVs.

In return for the services provided in this respect, the bank receives the following commissions:

- 0.15% of the net assets of the SICAV are calculated daily. The commission relating to 31/12/2022 amounts to TND 343 577, all taxes included.
  - 0.2% of the net assets of the investor SICAV are calculated daily. The commission relating to 31/12/2022 amounts to TND 2 420 inclusive of all taxes.
  - Fixed commission of TND 1 190 paid-up annually by SICAV Avenir including all taxes.
  - 0.15% of the net assets of the SICAV l'épargne obligataire calculated daily. The commission as at 31/12/2022 amounts to TND 266 512, including all taxes.
- The amount of dividends (in Dinars) received from related parties as at 31/12/2022 is detailed as follows :

Relation	Amount
SICAV AVENIR	23 977,684
SICAV L'EPARGNANT	2 667,500
SONIBANK	1 341 856,261
SICAV L'INVESTISSEUR	9 611,016
STC VERITAS	633 165,000
SOCIETE DU POLE DE COMPETITIVITE DE MONASTIR EL FEJJA	960 000,000

- Prior to the 2022 financial year, STB entered into agreements with the Tunisian State for the management of several budgetary funds (intended to finance non-refundable subsidies, grants, or loans) in return for commissions.

As at 31/12/2022, these budget funds amounted to TND 88,629 million, compared with TND 78,404 million as at 31/12/2021.

- Bank loans granted by STB to companies, related parties, directors, and officers totaled TND 28,496 million as at 31/12/2022, are broken down as follows:

Relation	Debit Account	Other Commitments	Total Commitments
BEL LASSOUED MOHAMED TAHAR	0	643	643
STAR	0	2 184 190	2 184 190
<b>Total directors</b>	<b>0</b>	<b>2 184 833</b>	<b>2 184 833</b>
General secretary		74 034	74 034
General manager		16 181	16 181
<b>Total officers</b>	<b>0</b>	<b>90 215</b>	<b>90 215</b>
<b>Total</b>	<b>0</b>	<b>2 275 048</b>	<b>2 275 048</b>

- As a member of the Board of Directors of SICAV L'EPARGNE Obligataire, STB MANAGER received an attendance fee of TND 1,250 (gross amount).

- Prior to the 2022 financial year, the Board of Directors of SICAV L'EPARGNANT decided to revise the management fee entrusted to STB Finance. STB Finance is responsible for selecting investments and for the administrative and accounting management of the company for remuneration including all taxes of 0.412% p.a., calculated on the basis of net assets. .

This remuneration amounts to TND 944 thousand in 2022.

- The company «SICAV L'INVESTISSEUR» has entrusted the management to the company «STB MANAGER» for remuneration of 0.5% exclusive of tax of net assets (previously set at 0.8% inclusive of all tax) calculated daily at the new rate, from 01/01/2019. This update takes into account the decision of the company's Board of Directors meeting on 07 June 2018, which also provides for the SICAV to bear all costs associated with its management from the same aforementioned date.



In addition, the Board of Directors of the «SICAV L'INVESTISSEUR», meeting on 07 June 2018, decided to change the manager to entrust the latter to the company «STB FINANCE». The SICAV has received the relevant approval from the Financial Market Council, dated 31/10/2019, and has submitted it to the extraordinary general meeting held on 22/01/2020 to update the Articles of Association.

- The new management agreement entered into with STB Finance was signed on 07/07/2020. However, the date of its enforcement is 16/07/2020, according to a press release published by the SICAV in the Official Bulletin of the Financial Market Council dated 10/07/2020. The manager's remuneration conditions remain unchanged.

For the 2022 financial year, the management fee recorded by the company amounts to TND 7,198.

- The SICAV EPARGNE OBLIGATAIRE has entered into a management agreement with STB Finance in return for a remuneration of 0.50% inclusive of all taxes. This annual remuneration is calculated daily on the basis of the SICAV's net assets.

For the 2022 financial year, this remuneration amounts to TND 888 371.

### 10.3 – STB's Liabilities and Commitments towards Directors

- The FORMER General Manager was appointed by the decision of the Board of Directors at its meeting held on 22 March 2021. The remuneration elements are the same elements as those set by the bank's Remuneration Committee and approved by STB's Board of Directors meeting on 30 May 2016. The remuneration elements are composed as follows:
  - A fixed element consisting of a net monthly salary of TND 16,000; and
  - An annual variable element not exceeding 50% of the fixed element, i.e. TND 96,000, calculated on the basis of the rate of achievement of targets set by the Board of Directors and financial indicators.

Benefits in kind include a company car with a quota of 500 liters of fuel per month, reimbursement of telephone communication costs with a ceiling of TND 250 per month as well as the reimbursement of all costs incurred in the course of his work, provided that the relevant invoices are presented.

- The remuneration elements for the Deputy General Manager and the General Secretary as revised by the bank's Nomination and Remuneration Committee, were approved by STB's Boards of Directors meeting on 16 November 2016 and 16 September 2020. The remuneration elements have been revised as follows:
  - A fixed element consisting of a gross monthly salary of TND 4,767 thousand, i.e. a net salary of TND 2,670 thousand;
  - A supplementary allowance of TND 2,000;
  - A current consumption allowance of TND 400;
  - A housing allowance of TND 500;
- And an annual variable element not exceeding 25% of the fixed element, calculated on the basis of the rate of achievement of targets set by the Board of Directors and financial indicators.

Benefits in kind include a company car with a quota of 400 liters of fuel per month and reimbursement of telephone expenses.

- The amount of directors' attendance fees payable to STB directors was set by the decision of the Ordinary Shareholders' Meeting held on 29 April 2021 at TND 4,000 net per meeting for the Chairman of the Board of Directors and TND 2,000 net per meeting for the members of the Board of Directors.
- The amount of directors' attendance fees payable to members of the Audit Committee and the Risk Committee was set by a resolution of the Ordinary General Meeting held on 29 April 2021 at TND 2,000 net per meeting for the Chairman of the Audit Committee and the Chairman of the Risk Committee, and at TD 1,000 net per meeting for the Chairmen and members of the other committees.

Chairmen and members of more than one committee will be remunerated on the basis of their attendance at a chosen committee only.



STB's liabilities and commitments to its directors, as shown in the financial statements for the year ended 31 December 2022, are as follows (in TND):

Type of remuneration	General Manager		Deputy General Manager et General Company		Managers	
	Financial Year Expenses	Liabilities as at 31/12/2022	Financial Year Expenses	Liabilities as at 31/12/2022	Financial Year Expenses	Liabilities as at 31/12/2022
Short-term benefits	328 856		365 069		305 000	208 265
Post-employment benefits (*)	-	-	30 753	245 833	-	-
<b>TOTAL</b>	<b>328 856</b>		<b>395 822</b>	<b>245 833</b>	<b>305 000</b>	<b>208 265</b>

\* Post-employment benefits are set by reference to the terms of the national collective agreement for staff of banks and financial institutions.



# CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE FINANCIAL YEAR 2022

Period from 1 January to 31 December 2022

(Unit: in TND thousand)

	2022	Banking	Financial	Others
<b>Banking Operating Income</b>				
BOI1 Interest and similar income	950 975	950 021	939	15
BOI 2 Commissions (as income)	142 623	134 214	8 409	-
BOI 3 Gains on trading securities portfolio and financial transactions	116 291	113 937	1 662	692
BOI 4 Income from the investment portfolio	76 319	74 454	1 864	1
<b>Total Banking Operating Income</b>	<b>1 286 208</b>	<b>1 272 626</b>	<b>12 874</b>	<b>708</b>
<b>Banking Operating Charges</b>				
BOC1 Interest incurred and similar charges	(580 943)	(580 539)	(23)	(381)
BOC2 Commissions incurred	(7 773)	(7 712)	(60)	(1)
BOC3 Losses on trading securities portfolio and financial transactions	-	-	-	-
<b>Total Banking Operating Charges</b>	<b>(588 716)</b>	<b>(588 251)</b>	<b>(83)</b>	<b>(382)</b>
<b>Net Banking Income</b>	<b>697 492</b>	<b>684 375</b>	<b>12 791</b>	<b>326</b>
BOI5-BOC4 Provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(204 431)	(216 259)	12 532	(704)
BOI6-BOC5 Provisions and result of value adjustments on the investment portfolio	561	3 811	(3 368)	118
BOI7 Other operating charges	27 535	7 968	759	18 808
BOC6 Staff costs	(221 682)	(194 968)	(9 065)	(17 649)
BOC 7 General operating charges	(100 900)	(100 724)	(2 828)	2 652
BOC 8 Provisions for depreciation and amortization and provisions for fixed assets	(15 140)	(13 279)	(252)	(1 609)
<b>Operating Income</b>	<b>183 435</b>	<b>170 924</b>	<b>10 569</b>	<b>1 942</b>
BOI11 Share in the results of companies accounted for by the equity method	1 733	(1 326)	1 319	1 740
PR8-CH9 Profit/loss balance from other ordinary items	20 186	19 959	102	125
BOC11 Income tax	(96 995)	(95 210)	(1 385)	(400)
<b>Income from Ordinary Activities</b>	<b>108 359</b>	<b>94 347</b>	<b>10 605</b>	<b>3 407</b>
BOI9-BOC10 Profit/loss balance from other ordinary items	(7 932)	(7 931)	(1)	-
<b>Net Income for the Financial Year</b>	<b>100 427</b>	<b>86 416</b>	<b>10 604</b>	<b>3 407</b>
PR9-CH10 Non-controlling interest share in income	1 045	12	246	787
<b>Consolidated Net Income for the Financial Year</b>	<b>99 382</b>	<b>86 404</b>	<b>10 358</b>	<b>2 620</b>
Effect of accounting changes	(11 506)	(11 506)		
<b>Income After Accounting Change</b>	<b>87 876</b>	<b>74 898</b>	<b>10 358</b>	<b>2 620</b>



# CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE FINANCIAL YEAR 2021

Period from 1 January to 31 December 2021

(Unit: in TND thousand)

		2021	Banking	Financial	Others
<b>Banking Operating Income</b>					
BOI1	Interest and similar income	827 974	827 537	409	28
BOI 2	Commissions (as income)	137 014	132 188	4 826	-
BOI 3	Gains on trading securities portfolio and financial transactions	89 473	91 642	409	(2 578)
BOI 4	Income from the investment portfolio	65 442	66 091	1 409	(2 058)
	<b>Total Banking Operating Income *</b>	<b>1 119 903</b>	<b>1 117 458</b>	<b>7 053</b>	<b>(4 608)</b>
<b>Banking Operating Charges</b>					
BOC1	Interest incurred and similar charges	(464 569)	(463 913)	(2)	(654)
BOC2	Commissions incurred	(4 887)	(4 840)	(44)	(3)
BOC3	Losses on trading securities portfolio and financial transactions	-	-	-	-
	<b>Total Banking Operating Charges</b>	<b>(469 456)</b>	<b>(468 753)</b>	<b>(46)</b>	<b>(657)</b>
	<b>Net Banking Income</b>	<b>650 447</b>	<b>648 705</b>	<b>7 007</b>	<b>(5 265)</b>
BOI5-BOC4	Provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(123 631)	(137 307)	13 883	(207)
BOI6-BOC5	Provisions and result of value adjustments on the investment portfolio	(2 708)	(2 540)	(171)	3
BOI7	Other operating charges	37 834	9 391	635	27 808
BOC6	Staff costs	(204 664)	(179 724)	(8 308)	(16 632)
BOC7	General operating charges	(94 399)	(75 101)	(5 983)	(13 315)
BOC8	Provisions for depreciation and amortization and provisions for fixed assets	(15 705)	(13 843)	(239)	(1 623)
	<b>Operating Income</b>	<b>247 174</b>	<b>249 581</b>	<b>6 824</b>	<b>(9 231)</b>
BOI 11	Share in the results of companies accounted for by the equity method	1 988	(1 694)	1 354	2 328
PR8-BOC9	Profit/loss balance from other ordinary items	(1 292)	(3 523)	198	2 033
BOC11	Income tax	(96 540)	(93 758)	(2 727)	(55)
	<b>Income from Ordinary Activities</b>	<b>151 330</b>	<b>150 606</b>	<b>5 649</b>	<b>(4 925)</b>
BOI9-BOC10	Profit/loss balance from other ordinary items	(21 736)	(21 736)	-	-
	<b>Net Income for the Financial Year</b>	<b>129 594</b>	<b>128 870</b>	<b>5 649</b>	<b>(4 925)</b>
BOI9-BOC10	Non-controlling interest share in income	3 855	(19)	(175)	4 049
	<b>onsolidated Net Income for the Financial Year</b>	<b>125 739</b>	<b>128 889</b>	<b>5 824</b>	<b>(8 974)</b>
	Effect of accounting changes	(8 720)	(8 720)		
	<b>Income After Accounting Change *</b>	<b>117 019</b>	<b>120 169</b>	<b>5 824</b>	<b>(8 974)</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

# CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2022

Period from 1 January to 31 December 2022

(Unit: in TND thousand)

	2022	Banking	Financial	Others
<b>1- Banking Operating Income</b>	<b>1 286 208</b>	<b>1 272 626</b>	<b>12 874</b>	<b>708</b>
a- Interests	950 975	950 021	939	15
b- Income commissions	142 623	134 214	8 409	-
c- Income from the commercial securities portfolio	116 291	113 937	1 662	692
d- Income from the investment portfolio	76 319	74 454	1 864	1
<b>2- Banking Operating Charges</b>	<b>(588 716)</b>	<b>(588 251)</b>	<b>(83)</b>	<b>(382)</b>
a- Interests incurred	(580 943)	(580 539)	(23)	(381)
b- Commissions incurred	(7 773)	(7 712)	(60)	(1)
<b>3- Net Banking Income</b>	<b>697 492</b>	<b>684 375</b>	<b>12 957</b>	<b>1 090</b>
<b>4- Other Operating Income</b>	<b>27 535</b>	<b>7 968</b>	<b>759</b>	<b>18 808</b>
<b>5- Operating Charges, including :</b>	<b>(337 723)</b>	<b>(308 971)</b>	<b>(12 145)</b>	<b>(16 607)</b>
a- Staff costs	(221 682)	(194 968)	(9 065)	(17 649)
b- General operating charges	(100 901)	(100 724)	(2 828)	2 651
c- Provisions for depreciation and amortization	(15 140)	(13 279)	(252)	(1 609)
<b>6- Portfolio Structure</b>	<b>2 353 693</b>	<b>2 274 438</b>	<b>61 595</b>	<b>17 660</b>
a- Trading securities portfolio	932 034	920 204	12 341	(511)
b- Investment portfolio	1 421 659	1 354 234	49 254	18 171
<b>7- Outstanding balance sheet loans</b>	<b>10 842 311</b>	<b>10 818 777</b>	<b>23 534</b>	<b>-</b>
<b>8- Outstanding deposits, including :</b>	<b>9 794 435</b>	<b>9 794 435</b>	<b>-</b>	<b>-</b>
a- Current deposits	3 792 298	3 792 298	-	-
b- Savings deposits	3 870 738	3 870 738	-	-
<b>9- Borrowings and Special Resources</b>	<b>610 055</b>	<b>610 055</b>	<b>-</b>	<b>-</b>
<b>10- Equity (excluding income for the year)</b>	<b>1 256 849</b>	<b>1 257 076</b>	<b>(900)</b>	<b>673</b>



# CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2021

Period from 1 January to 31 December 2021

(Unit: in TND thousand)

	2021	Banking	Financial	Others
<b>1- Banking Operating Income</b>	<b>1 119 903</b>	<b>1 117 458</b>	<b>7 053</b>	<b>(4 608)</b>
a- Interests	827 974	827 537	409	28
b- Income commissions	137 014	132 188	4 826	-
c- Income from the trading securities portfolio (*)	89 473	91 642	409	(2 578)
d- Income from the investment portfolio (*)	65 442	66 091	1 409	(2 058)
<b>2- Banking Operating Charges</b>	<b>(469 456)</b>	<b>(468 753)</b>	<b>(46)</b>	<b>(657)</b>
a- Interests incurred	(464 569)	(463 913)	(2)	(654)
b- Commissions incurred	(4 887)	(4 840)	(44)	(3)
<b>3- Net Banking Income</b>	<b>650 447</b>	<b>648 705</b>	<b>7 099</b>	<b>(3 951)</b>
<b>4- Other Operating Income</b>	<b>37 834</b>	<b>9 391</b>	<b>635</b>	<b>27 808</b>
<b>5- Operating Charges, including :</b>	<b>(314 770)</b>	<b>(283 204)</b>	<b>(11 735)</b>	<b>(19 831)</b>
a- Staff costs	(204 664)	(179 724)	(8 308)	(16 632)
b- General operating charges	(94 401)	(89 637)	(3 188)	(1 576)
c- Provisions for depreciation and amortization	(15 705)	(13 843)	(239)	(1 623)
<b>6- Portfolio Structure</b>	<b>1 882 233</b>	<b>1 783 381</b>	<b>75 504</b>	<b>23 348</b>
a- Trading securities portfolio (*)	652 252	630 326	16 701	5 225
b- Investment portfolio	1 229 981	1 153 055	58 803	18 123
<b>7- Outstanding Balance Sheet Loans</b>	<b>9 718 101</b>	<b>9 693 847</b>	<b>24 255</b>	<b>(1)</b>
<b>8- Outstanding Deposits, including :</b>	<b>8 982 913</b>	<b>8 982 913</b>	<b>-</b>	<b>-</b>
a- Current deposits	3 802 066	3 802 066	-	-
b- Savings deposits	3 585 871	3 585 871	-	-
<b>9- Borrowings and Special Resources</b>	<b>480 350</b>	<b>480 350</b>	<b>-</b>	<b>-</b>
<b>10- Equity (excluding income for the year) (*)</b>	<b>1 141 597</b>	<b>1 154 685</b>	<b>(1 177)</b>	<b>(11 911)</b>

(\*) Data as at 31/12/2021 are restated for comparability purposes.

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STB GROUP FOR THE YEAR ENDED 31 DECEMBER 2022

## 1. Qualified opinion

In compliance with the assignment entrusted to us by your General Assembly, we have audited the accompanying consolidated financial statements of the STB Group -STB Société Tunisienne de Banque, which comprise the balance sheet as at 31 December 2022, the statement of off-balance sheet commitments, the statement of income, and the statement of cash flows for the year then ended, as well as notes to the financial statements, including the summary of the significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Société Tunisienne de Banque -STB Group as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies generally in Tunisia.

## 2. Basis of qualified opinion

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

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

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

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

Likewise, certain accounts under the headings «Other assets» and «Other liabilities» have blocked and outstanding balances relating mainly to inter-headquarters accounts (in dinars and foreign currencies).

The bank has initiated work to justify and clear the outstanding transactions, which it has entrusted to external accounting firms. This action is in progress at the financial year ended 2022, the potential impact on the financial statement items cannot be identified.

2.3 Bank receivables transferred by STB (parent company) to its subsidiary, Société Tunisienne de Recouvrement des Créances (STRC) before 2017, are not restated to bring them back to their fair value by reconstituting the gross outstanding amount, on a consolidated basis, as well as covering them in the form of provisions and reserved bank charges after eliminating the results of internal transfers.

Thus, STRC's assets include receivables acquired more than 4 years ago for TND 104 million and provisioned for TND 77 million, which are not subject to a discount policy.

The corrections to be made to the fair value of these receivables, and consequently, the additional

provisions to be made, are likely to impact the group's financial situation and performance.

2.4 The consolidation work was carried out in the absence of the statutory auditors' reports of six companies on a scope made up of 22.

We therefore are not in a position to estimate the effect of any adjustments that the auditors' work might bring to light.

2.5 As mentioned in Note 3.11.2 «Treatment of deferred taxes», the deferred tax is recognised only for disposals of intra-group transactions. Contingent tax assets and liabilities on other temporary differences arising from the individual financial statements of the consolidated companies are not recognised in the Group's financial statements.

### 3. Key audit matters

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

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

#### 3.1 Classification of receivables and estimate of provisions

##### Key audit matter

The Group proceeds with the classification, the evaluation of the commitments and the recognition of the provisions relating thereto as soon as it considers that the criteria defined by the CBT circular n° 91-24 of 17 December 1991, as amended by subsequent circulars are fulfilled.

Given the STB Group's exposure to credit risk, the estimation of which is based on quantitative and qualitative criteria requiring a high level of judgment, we have considered the classification of receivables, the evaluation of the related provisions and the calculation of interests and reserved bank charges as a key point in our audit.

##### Audit procedures implemented

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

We have therefore applied the following audit approach:

- Reconciliation of the situation of customer commitments to accounting data;
- The assessment of the methodology adopted by the Group in terms of classification of receivables in relation to the rules issued by the Central Bank of Tunisia;
- Assessment of the reliability of the risk coverage and product reservation system;
- Verification of the inclusion of certain qualitative criteria resulting from the operations carried out and the behavior of the relationship during the financial year;
- Examination of the guarantees retained for the calculation of provisions and the appreciation of their values, having regard to the rules enacted and the methods adopted;
- Verification of the arithmetic calculation of the amount of provisions required on customer receivables on an individual, collective and additional basis, in application of the regulations in force;
- Verification that the proposed adjustments have been taken into account by the Group.

#### 3.2 Accounting for interest and commissions

##### Key audit matters

The interest on the commitments and commissions brought to the level of the result of the 2022 financial year amounted to TND 1 094 million .

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

### Audit procedures implemented

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

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

### 3.3 Recognition and presentation of Assimilable Treasury Bonds –ATBs

#### Key audit matter

The presentation of ATBs in an investment portfolio or in a commercial portfolio is based on the policy adopted by STB (parent company) .

At 31 December 2022, the ATB portfolio value of the STB (parent company) amounted to TND 1 432 million. The implementation of the policy adopted by the STB resulted in the presentation of ATB portfolio of TND 646 million in the Commercial securities portfolio (A4) and TND 786 million in investment securities portfolio (A5) .

Due to the material nature of ATB's outstandings and the use of assumptions and intentions of the Group's governance with regard to the allocation of these securities, we believe that considering the portfolio and its valuation constitutes a key point in the audit.

#### Audit procedures implemented

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

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

### 3.4 Scope of Consolidation

#### Key audit matter

The scope of consolidation of the STB Group comprises 22 companies, including 13 fully consolidated companies and 9 companies consolidated using the equity method. In addition, 45 companies have been excluded from scope of consolidation for various reasons.

We considered that the audit of the scope of consolidation constitutes a key matter of the audit due to the large number of excluded companies.

#### Audit procedures implemented

As part of our audit of the scope of consolidation of the STB Group, our work focused more particularly on the following elements:

- Verification of compliance with Tunisian accounting standards No.35- 37 relating to consolidated financial statements with respect to the determination of the scope of consolidation ;
- Verification of the method for determining the percentage of control exercised by the Group over each entity ;
- Assessment of the nature of the control exercised taking into account several rules enacted by the accounting standards, including in particular the power to direct the entity's financial and operational policies, the power to obtain the majority of voting rights in meetings of the Board of Directors or equivalent management body... ;
- Examination of the merits of the grounds for excluding certain companies from the Group's consolidation scope;
- Verification of the appropriateness of disclosures in the notes to the financial statements.



#### 4 Observation paragraphs

Without qualifying our opinion expressed above, we believe it is useful to draw your attention to the following points:

1. The Group's equity includes an allocation from the State amounting to 117 million dinars constituted under Law No. 2012-17 of 21 September 2012 and provided with a possibility of restitution in the event of restoration of the bank's financial balance.
2. The assets of the bank include 9 million dinars as receivables assumed by the State, over a period of 25 years without interest, and this within the framework of the finance law for the year 1999.

#### 5 Management report

The management report is the responsibility of the Board of Directors. Our opinion on the consolidated financial statements does not extend to the management report and we do not express any form of assurance whatsoever thereon.

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

We have nothing to report in this regard.

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

The Board of Directors and Management are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the corporate accounting system and for such internal control as they determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due from fraud or error .

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

#### 7 Co-Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with International Auditing Standards applicable in Tunisia, we exercise our professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Tunis, 10 April 2023**

**The Co-Auditors**

CFA -CBC Group

Fathi Saidi


CSL- CNH Group

Samir Labidi

