



SOCIÉTÉ TUNISIENNE DE BANQUE

ANNUAL REPORT

FINANCIAL YEAR 2023

Société Tunisienne de Banque

Public Limited Company with a capital of TND 776.875.000

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

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

Code: Peterson 4th Edition Acmé

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Websites:

- Commercial : www.stb.com.tn
- Electronic Commerce : ecom.stb.com.tn
- Online banking : stbnet.stb.com.tn
- Facebook : STB BANK-authorized page



El Jem Amphitheater

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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. Ezzeddine CHERIF*

Representing the state



Mrs. Raoudha BEJAOUI**

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

[*] Appointment of Mr Ezzeddine CHERIF on 29/09/2023 to replace Mr Tarek BEN LARBI

[**] Appointment of Mrs Raoudha BEJAOUI on 29/09/2023

[***] Mr Mohamed SOUSSI was appointed to replace Mr Ilyes CHERIF following the letter from 'The Government Audit Corps' dated 31/10/2023 and the Board of Directors on 21/12/2023.

COMMITTEES

The Audit Committee

The fundamental mission of the Committee is to ensure the implementation and proper functioning of the internal control system and 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 Committee of Resolution

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 delisting as well as for transactional settlement.

Markets Committee

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

Appeals Committee for contracts under the jurisdiction of the Markets Committee

Its mission is to rule on requests, disputes and complaints during the various phases of the procurement process (initiation, assignment and execution).

Governance and Subsidiaries Restructuring Committee

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

EXECUTIVE MANAGEMENT

Director General ad Interim



Mr. Lassaad ZNATI JOUINI^(*)

General Secretary



Mr. Nabil FRINI

(*) : Also Deputy Director General

Co-Auditors ^(*)

eXacom & MAC

GROUP OF ACCOUNTING FIRMS

“EXACOM AUDIT” & MOHAMED AMINE CHARFEDDINE FIRM “AMC CONSULTING”

Represented by Mr. ABDERRAZEK SOUEI

- Firm «EXACOM» represented by
- Firm «AMC CONSULTING» represented by

Mr. ABDERRAZEK SOUEI

Mr. MOHAMED AMINE CHARFEDDINE

GEN GENERALE D'EXPERTISE & DE MANAGEMENT

GENERALE D'EXPERTISE ET DE MANAGEMENT «GEM»

Represented by Mr. ABDERRAZEK GABSI

Tasks

The main mission of the Co-Auditors (CAC) is to certify the annual accounts of the bank by carrying out a statutory audit in accordance with international standards applicable in Tunisia. They are independent of the Bank in accordance with the rules of professional ethics that apply to the audit of financial statements in Tunisia.

The objective of this mission is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing the opinion of the Co-Auditors (CAC).

(*) The Co-Auditors were appointed at the Ordinary General Assembly held on 04 July 2023, in accordance with the twelfth resolution of the Ordinary General Assembly held on 28 April 2023 concerning the postponement of the nomination of the Auditors for the period 2023-2025.



Archaeological site of Carthage



CHAIRMAN'S MESSAGE



The year 2023 is representing a new step towards achieving the bank's growing ambitions, combining performance, consolidation of financial foundations, and portfolio consolidation.

After having restored its financial balance at the end of 2022, the bank has demonstrated its resilience in a difficult economic environment, thanks to rigorous risk management and solvency ratios above regulatory requirements, which could give the bank greater growth potential.

As a major actor in financing the economy, STB Bank has intensified its efforts to support all economic sectors and provide adequate funding, particularly to public enterprises. It also committed significant support to public debt financing through the subscription's operations in sovereign securities and participation in the various tranches of government bond issues.

The commitment and the collaboration of the board of directors and management, as well as their synergy, have helped the Bank to ensure the sustainability of the strategic transformation

already happening, in particular through dedicated governance to the implementation of the Horizon 2026 strategy. This has been reflected in continued board of directors' assistance, guidance, and support to ensure the optimal implementation of the strategy, which includes strengthening recovery, internal control, and risk management, as well as business development, information systems modernization, and respect of regulatory requirements, including compliance and anti-corruption, to improve the bank's performance.

Strengthened by these key success factors, STB Bank will continue to meet environmental and social challenges by integrating the principles of societal responsibility and aligning its actions with human rights and international labor standards.

CSR will be a strategic lever to ensure inclusive and sustainable economic development.

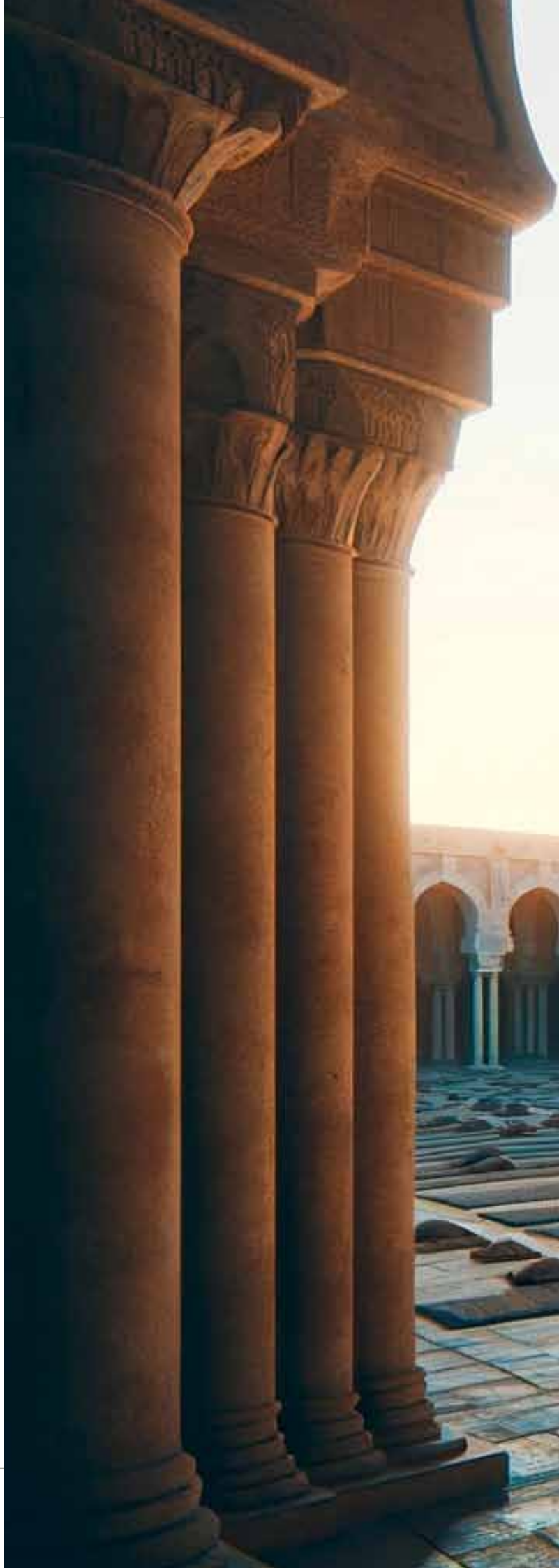
As a citizen and responsible bank, the STB's mission is to support its clients and partners in achieving their objectives and contributing to the sustainability of the national economy.

السلامة
والصحة
والبيئة
والمجتمع





Al Zitouna Mosque





COMPANY PROFILE

SOCIETE TUNISIENNE DE BANQUE

Société Tunisienne de Banque (STB), the country's first bank, was founded just after independence and opened its branches on 26 March 1958. Over the decades of its existence, it has asserted its role as a privileged instrument of the country's financial policy and a forerunner in the mobilisation of national savings. It was able to maintain its position as leader in the corporate market, and to improve at the same time its market share in the Small and Medium Enterprises (SME) and retail segments.

Fully involved 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 taken have enabled it to strengthen its position both nationally and internationally, by forging solid relationships with a wide network of first-class foreign correspondents covering every continent. This has been followed by an appreciable and continuous development of its main growth indicators.

STB, a universal bank, offers a complete range of products and services to all types of customers - individuals, Tunisians resident abroad, professionals,

small and medium enterprises, groups and large companies.

Over the years, STB has also built up a group of considerable economic strength, comprising dozens of subsidiaries operating in all sectors of the economy.

Always focused on innovation and in response to new market and technological developments, STB has focused on implementing a range of digital products in line with customer needs.

It should also be pointed out that, from the outset, the Bank has opted for an approach that favours better proximity to customers and a presence throughout Tunisia. With a dense network of almost 150 branches, STB puts its expertise to work for its increasingly demanding customers.

In terms of sustainable development, STB is seeking to position itself among the leaders by formalising a corporate social responsibility (CSR) strategy and ESG (Environmental, Social and Governance) policies in order to achieve its ambitions as a responsible partner.

ACTIVITY REPORT OF THE BOARD OF DIRECTORS 2023

I- Governance Structures



Mode of Governance

Since the Extraordinary General Meeting of 3 June 2015, STB has suppressed the post of Managing Director and Chief Executive Officer and has opted for the separation of the function of the Chairman of the Board of Directors and the function of Director General. Currently, it is managed by an interim Managing Director, Mr Lassâad ZNATI JOUINI, and the Chairman of the Board of Directors is Mr Atef MAJDOUB.

Consequently, the Director General and the Deputy Director General are prohibited from being members of the Board of Directors.

Structure of the Board of Directors

The Board of Directors is made up of 12 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:

- Six directors representing the State and public companies.
- 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 minority shareholders and is elected following a call for nominations.

Qualification and career path of the members of the Board of Directors

<p>Mr Atef MAJDOUB Chairman of the Board of Directors</p>	<ul style="list-style-type: none"> • Director General at the Presidency of the Government • Director of the Higher Commission for Public Contracts at the Presidency of the Government • Member of the Board of Directors at: <ul style="list-style-type: none"> - Banque Tuniso-Emarati (BTE) - Régie Nationale des Tabacs et des Allumettes (RNTA) • Member of the board of directors - Cité Nationale Sportive • Member of the World Association of PPP Units and Professionals - WAPPP (World Association of PPPs) • 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
<p>Mr Mohamed MRAIDHA</p>	<ul style="list-style-type: none"> • Central Director at BNA • Director General at SICAR INVEST • Director General at SIP SICAR • Administrator at ESSOUKNA • Administrator at SMVDA • Chairman of the Board of Directors SODAL
<p>Mrs Moufida ALOUI</p>	<ul style="list-style-type: none"> • Director of Administrative and Financial Affairs - Ministry of Communication Technologies • Controller General of Public Services - Presidency of the Government • Member of the Board of Directors at: <ul style="list-style-type: none"> - The Tunisian Post - SOTUGAT - L'ONAS
<p>Mrs Raoudha BEJAOU</p>	<ul style="list-style-type: none"> • Assistant Professor in Banking & Finance at ISCAE • Director representing minority shareholders at BNA Bank <ul style="list-style-type: none"> - Chairwoman of the Strategic Orientation Committee - Member of the Risk Committee and the Transactional Recovery Committee • Advisor on access to finance for SMEs (Frankfurt School of Finance & Management) • Expert in skills development (Internationale Projekt Consult GmbH) • Value chain expert (Réseau Entreprendre Tunisie) • Technical expert in entrepreneurship (African Development Bank)
<p>Mr Hatem SALAH</p>	<ul style="list-style-type: none"> • University Professor in Financial & Banking Economics at ESC Tunis • Director of the THÉMA research laboratory (Economic Theory, Modeling and Application), ESC Tunis • Independent consultant to multilateral funders. • Member of the Economic Analysis Council, Presidency of the Government. • Independent member of the investment committee, Regional SICAR SODESIB • Member of the Board of Directors of the association of Tunisian economists (ASECTU).

Mr Ezzeddine CHERIF	<ul style="list-style-type: none"> • Consultant in information system projects • Managing Director of Tunisie Informatique Services • Director of BNA and some of its subsidiaries • Director representing BNA at the company managing the TUNIS CENTRE shopping complex • Director representing the BNA at the agro-alimentary products distribution company 'MAGASIN GENERAL'.
Mr Hassene FEKI	<ul style="list-style-type: none"> • Director General of STAR
Mr Moez BEN ZID	<ul style="list-style-type: none"> • Advisor to several clients in North Africa • Member of the Board of Marina Bizerte • Board member – CAPSA • Managing Director at Deutsche Bank (London, New York, Singapore) • Managing Director in charge of structured credit sales teams. • Fixed Income & Alternative Management Department - JPMorgan Chase Bank • Member of the team responsible for the development of credit derivatives – Société Generale Paris • Member of the interest rate derivatives team responsible for the development of management systems – Crédit Commercial de France
Mr Lassaad ZARROUK	<ul style="list-style-type: none"> • Managing Director of MAE Assurances • President of the General Arab Insurance Union – GAIF • CEO of STAR - Insurance • President of the Tunisian Federation of Insurance Companies (FTUSA)
Mrs Rym OUESLATI	<ul style="list-style-type: none"> • Accounting expert, graduate from the French State • Doctor in management sciences • Teacher at (Tunis Dauphine University / ISG Tunis/ ESSEC Tunis) • Pedagogical manager of training for professionals in the fields of banking, insurance, governance, etc. (ACCA, IFRS, IFRS-Assurance, training of directors, etc.) • Responsible for audit and IFRS reporting missions (UBCI, BTK, Attijari Bank, etc.)
Mr Mohamed Jilani BEJI	<ul style="list-style-type: none"> • Deputy Director General - Directorate General for Financial Stability and Risk Prevention at the Central Bank of Tunisia • Member of the Board of Directors of ONH National Register of Enterprises (RNE)

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.

The selection of members representing the private sector is generally made on the basis of the shareholders' register, according to their profiles and 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

The directors representing public shareholders on the Board of Directors are appointed for a period of three years, renewable once only, and may not be appointed as members of the Board of Directors of another entity with a public shareholding.

The term of office of the independent members and the member representing small shareholders may only be renewed once.

Training of the Board of Directors members

The Bank ensures that members of the Board of Directors receive specific training, particularly in banking and financial transactions.

Evaluation of the Board and its members

A self-assessment questionnaire has been elaborated and sent to the Board of Directors members for their information.

The bank therefore aims to carry out regular assessments of the Board of Directors as a whole and of each of its members.

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 as 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 in the context 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 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 bank 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.
- Approves the provisional operating and investment budgets as well as their methods of financing before the end of the year preceding their execution.
- 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 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 2023, the Board met 15 times respectively on:

25 January 2023	13 June 2023
16 February 2023	04 July 2023
10 March 2023	11 July 2023
04 April 2023	29 September 2023
28 April 2023	31 October 2023
24 May 2023	21 December 2023
06 June 2023	

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 structures. 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 to the permanent items on the agenda, the Board of Directors examined a number of other points relating in particular to:

- Monitoring progress in implementing the Bank’s strategy for the period 2022-2026;
- Monitoring the work on the “TF Bank” restructuring file;
- Settlement of the State allocation (117 million Dinars);
- Approval a series of policies;
- Approval of the recruitment manual;
- Approval of the list of the Bank’s representatives on the Boards of Directors of subsidiaries and affiliates;
- Study of the process for absorbing the losses carried forward by the Bank;
- Examination of the tax optimisation proposal;
- Examination of a procedure relating to the exclusion of ‘Blacklist’ economic operators from participation in the Bank’s calls to tender.



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 five members including a chairman (an independent member), is to ensure that the internal control system is put in place and operates properly, to monitor and supervise its activities and to work closely with the Risk Committee to ensure that internal control and risk management complement each other more effectively.

The Audit Committee also monitors the activities of the Internal Audit Structure and, if necessary, the work of the Bank's other structures responsible for audit missions.

The Committee met 6 times during 2023.

The secretariat of the Audit Committee is provided by the Internal Audit Structure.

Risk Committee

(Created during the Board meeting of 11 December 2012)

The mission of the Risk Committee, composed of 5 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 8 times during 2023.

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 4 members, is to assist the Board of Directors in



Thuburbo Majus archaeological site

determining a remuneration policy in line with the Bank's medium and long-term performance.

It met 6 times during 2023.

The secretariat is provided by the Central Director of Human Capital.

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 4 times during the year 2023.

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 5 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 debt 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 4 times during the year 2023.

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

This committee, made up of 4 members and any member wishing to attend, 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 3 times during the year 2023.

Markets Committee

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

This committee met 6 times during the year 2023.

The secretariat is provided by the Permanent Secretariat of the Markets Commission.

Appeals Committee for contracts under the jurisdiction of the Markets Commission

This committee, composed of 2 members, is responsible for ruling on requests, disputes and complaints during the various phases of the procurement process (launch, award and execution).

This committee, whose secretariat is provided by the Procurement and Budget Management Department, met only once during the year 2023.

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 of Directors

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



Communication of information

The Chairman of the Board of Directors ensures that the management structure 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 87%.

V- ORGANIZATION OF THE BANK

Business lines

STB is a universal bank that handles all banking operations, including:

- Receiving deposits from the public, whatever their duration or 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, more generally, all services intended to facilitate the creation, development and restructuring of business.

- International activities

- Market activities

Structure of subsidiaries

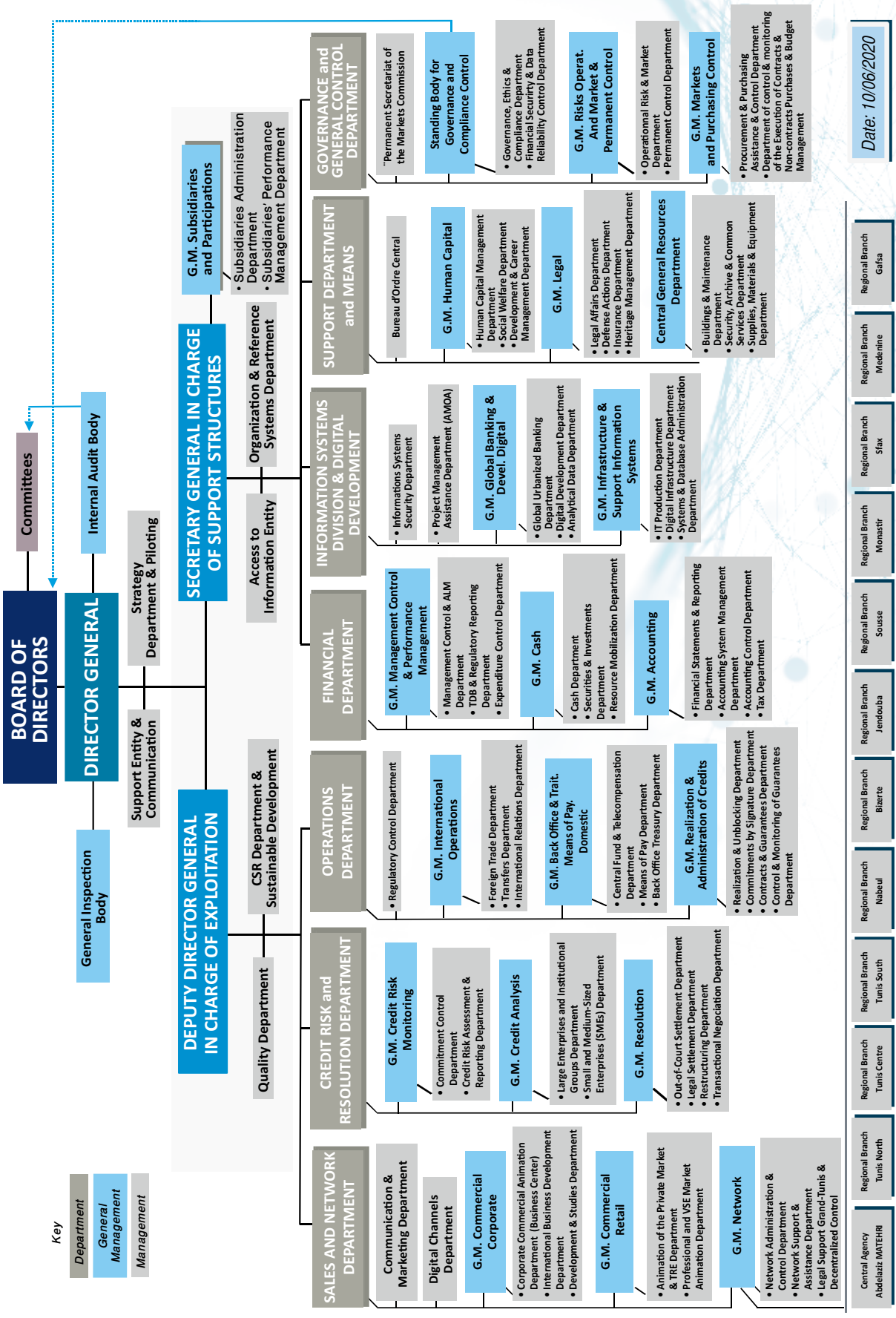
The STB group is formed by the parent company STB and its 12 subsidiaries which operate in the financial, tourism, real estate and services sectors::

Financial Sector

- STB Finance
- STRC
- STB INVEST
- STB SICAR
- STB MANAGER



Ancient city Cartagena



Tourism Sector

- ED-DKHILA
- ACTIVHOTELS

Real Estate Sector (Building)

- IMMOBILIERE DE L'AVENUE

Services Sector

- LA GENERALE VENTE
- STB MOYENS GENERAUX
- STB SECURITE & GARDIENNAGE
- SOCIETE MAGASINS GENERAUX & ENTREPOT REEL DE TUNISIE

Shareholding structure (as at 31 December 2023)

In accordance with the provisions of Article 40 of the Articles of Association, only holders of at least 10 shares, fully paid up, may attend the General Meeting 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 Meeting to STB FINANCE Company, 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 Meeting.

TND in thousands

Shareholders	Number of Shares	Amount	%
Tunisian shareholders	153,886,925	769,435	99.04%
Juristic persons	141,865,646	709,328	91.31%
Public companies	129,597,778	647,989	83.41%
Private companies	12,267,868	61,339	7.90%
Natural persons	12,021,279	60,106	7.74%
Foreign shareholders	1,488,075	7,440	0.96%
Juristic persons	1,382,570	6,913	0.89%
Natural persons	105,505	528	0.07%
Total	155,375,000	776,875	100%

VI. CODES, POLICIES, CHARTERS AND MANUALS

The year 2023 was marked by strengthening of STB's governance and internal control system, through the elaboration and updating of policies, charters, codes and internal procedure manuals that govern the bank's activities in accordance with the circular No. 2021-05 dated 19 August 2021 relating to 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.

The purpose of this code is to define, in accordance with the bank's articles of association and current legislation:

- The mode of governance,
- The principles,

- Governance policies and practices,
- The governance structures, their responsibilities, their compositions and the rules governing their operation,
- The arrangements for ensuring the independence of the control functions,
- The relations of the administrative structure with the management body and the institution's operational structures.

Code of Ethics

The Société Tunisienne de Banque 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,

Every employee working with the Société Tunisienne de Banque is required to apply this code and also to adhere to what is stated. They also undertake to implement all the amendments 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 respect. It also keeps the signed copy in the employee's file.

Prevention and anti-corruption policy

The Société Tunisienne de Banque conducts its activities ethically and in compliance with applicable laws, including the fight against corruption.

It is therefore committed to combating this scourge in its operations, so as to reduce the incentives to do so, the gains to be made from it and the risks associated with it.

The purpose of this policy is to:

- Provide a working definition and conceptual framework for understanding the various forms and types of corruption;
- Specify under what conditions and how corruption can occur in the Bank's operations, and how it can be prevented;
- Define the basic principles of the Bank's policy on preventing and combating corruption.

Conflicts of interest management policy

The Bank has defined a policy for managing conflicts of interest, which sets out the principles and rules of good professional conduct. This policy has been approved by the Bank's Board of Directors.

This policy is based on:

- Identifying situations that give rise or are likely to give rise to a conflict of interest that could be prejudicial to the interests of the bank or its stakeholders;
- Establishing procedures and measures to prevent and manage these conflicts of interest;
- Establishing an effective system of controls and sanctions;
- Maintaining and updating a register of services and activities in which a conflict of interest has arisen.

It also includes :

- A commitment by members of the administrative structure to not to take part in debates on issues

that may give rise to a conflict of interest with regard to the institution and to abstain from voting on such issues;

- The procedures that adequately govern transactions with related parties within the meaning of Article 43 of Law no. 2016-48;
- The procedures by which the administrative body deals with cases of non-compliance with this policy.

Compliance Policy

The bank has drawn up a Compliance Policy which sets out the basic principles that the establishment must respect in the exercise of its activities.

Through this policy, the Société Tunisienne de Banque undertakes to promote a culture of compliance within the bank and to adopt an approach of loyalty and transparency in accordance with national and international standards. To this end, the policy aims in particular to:

- Prevent and manage the risks of non-compliance;
- Ensure compliance with national and international regulations and the rules of good conduct and professional ethics;
- Prevent and combat money laundering, the financing of terrorism and the proliferation of weapons of mass destruction;
- Comply with international embargoes and sanctions;
- Prevent and fight corruption and tax evasion;
- Prevent conflicts of interest and insider trading;
- Ensure respect for the privacy and protection of personal data of its staff, customers and partners, as well as all stakeholders with whom the Bank is involved.

Anti-Money Laundering and Anti-Terrorist Financing Policy

The Société Tunisienne de Banque has an anti-money laundering and anti-terrorist financing policy approved by the Board of Directors.

This policy sets out the principles and rules for preventing and controlling the risks associated with money laundering and the financing of terrorism at the level of Société Tunisienne de Banque and its subsidiaries, in order to comply with legal and regulatory obligations in this area and to preserve the integrity and transparency of recorded financial transactions.

This policy also aims to establish a relationship with customers and correspondent banks based on sound and transparent banking practices in accordance with the laws, regulations and standards in force.

Alerting policy

The Société Tunisienne de Banque has defined an alerting policy which reflects the bank's determination to promote a culture of good management and transparency in the execution of operations.

This policy has been approved by the Board of Directors.

It is a key element in protecting the bank's integrity and aims to improve its transparency and strengthen

its system for combating practices that damage its reputation.

It must also be read in conjunction with the code of governance, the code of professional ethics and the policy for preventing and combating corruption, and cannot be considered a substitute for, but rather a complement to, the actual laws and regulations.

The Société Tunisienne de Banque is therefore required to review, amend and develop this conduct in order to keep pace with regulatory and legal changes.

The alert Policy is not intended to replace reporting to line management or internal reporting procedures.

Risk Appetite Policy

The Société Tunisienne de Banque has defined a risk appetite policy which has been approved by the Board of Directors.

This policy defines:

- The overall and individual level by type of risk that the bank is prepared to assume in order to achieve its business plan;
- The capital and liquidity policy in line with the volume and nature of the risk, in compliance with the legal and regulatory requirements in force.

The risk appetite policy must be communicated to all departments concerned and form part of the institution's risk culture.

The Board of Directors ensures that the policy is effectively implemented and complied with.

Gender and Diversity Policy

The Société Tunisienne de Banque has defined a Gender and Diversity policy, which has been approved by the Board of Directors.

It recognises that gender equality and the empowerment of women are not only human rights issues, but also a prerequisite for achieving more ambitious and equitable development goals and lasting social peace.

The objectives of this policy are to encourage the consideration of gender issues and to promote equality between women and men by supporting the actions undertaken by the bank's stakeholders (customers, partners, suppliers, etc.) to achieve equality between women and men.

This policy also confirms STB's commitment to promoting the consideration of gender issues, both



The ruins of Sbeitla

internally with regard to employees and externally in all its relations with the various stakeholders. It is primarily aimed at the bank's contribution to achieving the 5th sustainable development objective on gender equality by initiating the institutionalisation process that was initiated by the global signature of the Global Compact and by the signature of the Women's Empowerment Principles (WEPs).

It is also intended to be a tool for integrating gender equality into the Bank's structures, programs and projects across the board.

Through this policy, the bank formalises its intention to support the participation of women in decision-making, both within its structures and in the projects and programmes it initiates, reflecting its desire to participate in the establishment of economic and social justice.

Environmental, Social and Governance (ESG) Policy

The Société Tunisienne de Banque has defined an Environmental and Social Policy (ESG), as part of the bank's overall CSR policy, which has been approved by the Board of Directors.

This policy describes the principles to be followed during the preparation and implementation of measures carried out by Société Tunisienne de Banque to assess the environmental and social impacts of its financing activities.

Through this policy, the bank is reaffirming its commitment to environmental and social issues related to its activity, as well as working towards transparency in all its activities in order to strengthen the confidence of the public and stakeholders in its responsible approach to contributing to the achievement of sustainable development objectives.

This is a formal commitment by STB to integrate environmental and social concerns into its business activities and its relations with stakeholders.

CSR policy

The Société Tunisienne de Banque has defined a CSR policy and presented its main lines of action with a view to a structured approach involving all its entities and driving and guiding decisions at all levels in perfect synergy with the pillars of the strategy.

From 2021, the CSR approach in accordance with the international ISO26000 standard has been initiated as part of a national pilot programme.

It has highlighted 6 CSR issues linked to the 4 strategic pillars: economic, environmental, social & societal and governance, which are set out in a 2022-2026 strategic plan in line with the Bank's overall strategy:

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

One of the outcomes of this CSR policy is an environmental and social policy that complies with IFC (World Bank) standards, a prerequisite for the launch of the Environmental and Social risk management system.

The Société Tunisienne de Banque has paid particular attention to extra-financial information and is now committed to publishing an annual extra-financial report that reveals the progress and results of its approach, as well as its involvement and performance in the social, societal, environmental and governance areas, using performance indicators that comply with reference standards

Director's Charter:

Each director undertakes to adhere to the following guiding rules:

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

Committee Charters

All committees have a charter that essentially provides 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.

Purchasing procedures manual

The Société Tunisienne de Banque has updated its purchasing procedures manual and had it approved by the Board of Directors.

The purpose of this manual is to define a framework ensuring the economic interest of STB, in particular for the satisfaction of its needs marked by technological and commercial evolutions in a competitive environment.

It lays down the conditions for the preparation, conclusion, execution, payment and closure of the various contracts and purchases.

This manual is also an internal legal framework which defines the procedures governing the ordering of works, studies and the supply of goods and services to STB, in its capacity as purchaser, in compliance with the principles of right of access to the order, equal treatment of candidates, competition and transparency of procedures in order to ensure their performance and good governance.

The preparation, conclusion, execution, payment, closure and control of these purchases are carried out in accordance with the terms and rules defined in this guide, which aims to make the procedures for placing orders more flexible by adapting them to internal and external constraints, while maintaining effective control at all stages of the purchasing process.

Operation Manual for Social & 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 with Tunisian banks and leasing companies to promote access to finance for SMEs, the Société Tunisienne de Banque has drawn up an operation manual with the aim of defining a management framework for identifying, assessing and managing the environmental and social risks of financed projects.

The main aim of this manual is to provide a minimum standard of due diligence to support informed and responsible decision-making in relation to risks.

In application of its sustainable development policy, STB has set up a social and environmental risk management system with the following main objectives:

- Manage social and environmental risks in the overall project financing cycle;
- Set an example of good social and environmental practice;
- Strive to conserve natural resources, protect the environment and take into consideration the living standards of those affected by its operations;
- Inspire and encourage sustainable practices among all stakeholders, including STB Group's partners, co-investors and financial subsidiaries, in order to improve project development, implementation, monitoring and completion.

VII. COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The Société Tunisienne de Banque attaches great importance to the prevention of money laundering and the fight against the financing of terrorist activities, as well as compliance with national regulatory obligations and international standards (in particular the FATF recommendations).

The Permanent Governance and Compliance Control Structure is responsible for implementing and supervising the entire system for preventing money laundering and the financing of terrorism, in close collaboration with the relevant departments of the bank.

Since 2016, the AML/CFT procedure notes, organisation notes and manuals have been examined by the Audit Committee and approved by the Board of Directors.

VIII- 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 operations, the professional background of its members, their representation qualities and their terms of office 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 statement by the Board on the adequacy of the internal control system and its resources.
- A description of the structure, operations 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 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:

- The special report of the auditor containing a section on agreements concluded between the bank and related parties.
- Any appointment or change of senior audit, risk management and compliance officers.
- Any appointment of the Chairman, a member of the Board of Directors, the Director General, and the Deputy Director General, shall be 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.



Punic port of Carthage

- 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 Meeting 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 Meeting.

To the Ministry of Finance

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

- Program contracts;
- The minutes of meetings of the management and deliberation structures;
- Reports and minutes of meetings of the audit and risk committees and compliance structures issued of the Board of Directors;
- The progress reports of execution of the program contracts;
- The estimated 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 from the various audit structures;
- The reports of the Central Bank of Tunisia and its recommendations;
- The annual activity reports;
- The indicators required by the prudential standards established in accordance with the regulations in force;
- The annual statements 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 preparation or their approval by the Board of Directors or their receipt, 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 Planning 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, for shareholders, market analysts and journalists from the financial press.

IX-SUPERVISION OF GENERAL MANAGEMENT

The General Management is subject to effective supervision by the Board of Directors by making judgments on the decisions taken in the management of the institution's business relating to its profitability and financial soundness.

This supervision extends to monitoring the implementation of strategy and compliance with approved policies.

X- REMUNERATION AND APPOINTMENT

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

The appointment of the members of the management (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 Meeting of Shareholders.

Remuneration of Board members

The remuneration of Board members is as follows, with reference to the decision of the Ordinary General Assembly:

- A net amount of 4,000 Dinars per meeting to be allocated to the Chairman of the Board of Directors.
- A net amount of 2,000 Dinars per actual attendance per meeting to be allocated to the members of the Board of Directors;
- A net amount of 2,000 TD per meeting attended by the Chairman of the Permanent Internal Audit Committee and the Chairman of the Risk Committee;
- A net amount of 1,000 Dinars per meeting to be allocated to each member of the Permanent Internal Audit Committee and the Risk Committee and to each Chairman or member of the other committees of the Board of Directors.

Chairmen and members belonging to more than one committee may only receive a remuneration calculated on the basis of their attendance at a single committee of their choice.

Management remuneration

The Director General

In accordance with the rules of Decree 2015-968 of 15 August 2015, the remuneration of the Director General consists of:

- A fixed component consisting of a monthly salary set in line with the bank's medium and long-term performance in terms of profitability and risk;
- And another variable component which does not exceed 50% of the fixed component.

The Appointments and Remuneration Committee, which reports to the Board of Directors, is responsible for setting the criteria for variable remuneration on the basis of quantitative and qualitative indicators.

The Deputy Director General and the Secretary General

The remuneration package for the Deputy Chief Executive Officer and the General Secretary, as approved by the Bank's Board of Directors, consists of a fixed component and another variable component that does not exceed 25% of the amount of the annual fixed component.

The Appointments and Remuneration Committee, which reports to the Board of Directors, is responsible for setting the methodology for variable remuneration on the basis of quantitative and qualitative indicators.

XI- OBLIGATIONS TO AVOID CONFLICTS OF INTEREST

The Conflicts 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.
- Compliance by the Chairman of the Board of Directors with the obligation to submit agreements entered into between the bank and related parties to the General Meeting of Shareholders for approval on the basis of a special report drawn up by the Statutory 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. The conflict of interest policy and the draft directors' charter include this commitment.
- Undertaking not to use any of the Bank's assets for personal purposes.
- An undertaking to disclose to the Board of Directors any information that has led or could lead to a conflict of interest situation. The conflict of interest policy and the draft directors' charter include this commitment.
- The commitment of the person concerned to carry out their role with complete honesty, placing the interests 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.

- 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 observance of professional secrecy by members of the Board of Directors, in respect of information that has come to their knowledge in the performance of their duties, and not to use such information, other than as permitted by law, for purposes other than those required for the performance of the duties entrusted to them, even after they have ceased to hold office, on pain of the penalties provided for by article 254 of the Penal Code relating to the offence of revealing professional secrecy. The conflict of interest policy and the draft directors' charter include this commitment.

ECONOMIC ENVIRONMENT

INTERNATIONAL ECONOMIC ENVIRONMENT

In its latest report on the world economic outlook, the International Monetary Fund (IMF) noted a slight deceleration in global economic growth to 3.0% in 2023, compared with 3.5% in 2022.

The IMF has also noted a fall in global inflation for 2023 as a whole, to around 6.8% (annual average) compared with 8.7% in 2022.

Against this new backdrop, growth in the **advanced economies** is set to slow from 2.6% in 2022 to 1.6% in 2023, due in particular to the impact of the rigorous tightening of monetary policy.

For **emerging countries**, GDP has fallen slightly to 4.0% in 2023 from 4.1% last year. However, this average conceals divergences between the various countries and regions.

Economic growth in **Japan** has accelerated slightly to 1.9% in 2023, compared with 1.0% in 2022, as a result of the recovery in post-endemic demand, the revival of automobile exports and the improvement in tourism.

Japan's inflation rate will reach 3.3% in 2023, compared with 2.5% in 2022.

Despite higher-than-targeted inflation, the Bank of Japan has continued to pursue an accommodating monetary policy, gradually relaxing its policy of controlling the yield curve.

The unemployment rate has fallen to an average of 2.6%.

In the **Eurozone**, economic activity slowed to 0.5% growth in 2023, compared with 3.3% in 2022 and a rebound to 5.2% in 2021. This slowdown has mainly affected the manufacturing sector, and is mainly attributable to soaring energy prices, which have weighed considerably on household spending and business activity, persistent disruptions to supply chains and the tightening of monetary policy.

Inflationary pressures also continued to ease, bringing the average annual inflation rate down to 3.2%, its lowest level for two years. That being, at its meeting on 26 October 2023, the European Central Bank (ECB) decided to keep its main key rates unchanged.

With regard to the employment situation, the unemployment rate in the Eurozone has remained relatively stable at around 6.5%, compared with 6.4% in December 2022 and 7% in 2021.

In **the United States**, GDP growth is forecast at around 2.5% in 2023, compared with 2.1% in 2022, reflecting stronger-than-expected economic activity.

This trend has been driven in particular by the strengthening of business investment, a revival in activity supported by the expansionary impetus of fiscal policy and increased consumption. Consumption remained solid, underpinned by accumulated savings and higher disposable incomes thanks to one-off tax adjustments.

Against this new backdrop, the inflation rate in the United States stabilised at around 3.8% in September 2023, compared with 6.5% for 2022 as a whole.

At its meeting on 20 September 2023, the US Federal Reserve decided to keep its key interest rates within a range of 5.25% and 5.5%, while closely monitoring the impact of the monetary tightening adopted, in order to ensure that inflation returns as soon as possible to its target value of 2% over the medium term.

With regard to employment, the unemployment rate in the United States has been set at 3.8% in September 2023, compared with 3.5% in 2022.

China has also seen its GDP rebound from 3.0% in 2022 to 5.2% in 2023, due in particular to the complete reopening of the economy and the boost given to consumption by the lifting of restrictions linked to the pandemic.

However, this trend has been lessened by the slowdown in the property sector, due to further falls in sales and prices.

The unemployment rate for all urban areas remained stable at 5% in October 2023, i.e. slightly below its level before COVID.

China's annual inflation rate, measured by consumer prices, remains low, but lasting deflation is unlikely. Monetary policy has remained expansionary, with further cuts in interest rates and reserve requirements.

India, seen as a new power with promising prospects, posted GDP growth of 6.7%, compared with 7.2% in 2022 and 8.7% a year earlier.

This strong growth was driven by public investment and private consumption, despite the repercussions of the war in Ukraine, the slowdown in global demand and the tightening of monetary policy to manage inflationary pressures.

Overall consumer price inflation in the country remained within the monetary authorities' target range of 2% to 6% for most of 2023.

India's large population, which is the driving force behind its economic growth, has posed a number of challenges for the country, particularly in terms of employment.

The unemployment rate has fallen from its peak of 11.9% in May 2021 to 8.3% in December 2023.

In **the Middle East and North Africa**, the latest economic forecasts put GDP growth at around 2.2% in 2023, compared with 5.7% in 2022.

In **Sub-Saharan Africa**, economic growth has moderated to 3.3% in 2023, compared with 4.0% in 2022 and 4.7% in 2021.

In particular, growth in the region's three largest economies - Nigeria, South Africa and Angola - has slowed to an average of 1.8% in 2023.

In **Latin America and the Caribbean**, growth has slowed to 2.5% in 2023.

High inflation, tighter financial conditions and weak trade have dampened investment and output growth in many countries in the region.



Bulla Regia archaeological site

ECONOMIC ENVIRONMENT

TUNISIAN ECONOMY

Tunisian economic growth for 2023 as a whole has been revised downwards to around 0.4%, according to initial INS (National Institute of Statistics) estimates. Excluding agriculture, this rate would have been 1.6%.

This slowdown is essentially attributable to the decline in agricultural production, which has been considerably affected by unfavourable weather conditions and reduced rainfall, the continued contraction in extractive production and the drop in demand from the Eurozone, which has particularly affected exporting manufacturing industries.

The agriculture and fisheries sector saw its value added fall by 11.2% year-on-year in the fourth quarter of 2023, as a result of the continuing drought. Against this backdrop, cereal production fell to 5.4 million quintals, compared with 17.9 million quintals in the 2022-2023 marketing year.

Non-manufacturing industries also saw their value added slow by 2.3% compared with the same period of the previous year, as a result of the 4.8% contraction in oil and natural gas production and the 7.5% year-on-year fall in activity in the mining sector.

In contrast to this trend, and despite the impact of the Russian-Ukrainian crisis and problems in supply chains, manufacturing industries benefited from the resilience of the European economies and saw an improvement in their activity.

The mechanical and electrical industries and the textiles, clothing and leather industries benefited most from this improvement, due in particular to the recovery in world trade and the improvement in industrial activity in the Eurozone's main partners.

The services sector, the main engine of economic growth in Tunisia in the last few months of 2023, recorded an increase in its contribution to national GDP and a rise in its value added of 1.4% year-on-year.

In the fourth quarter of 2023, economic activity in Tunisia benefited from the dynamic performance of the tourism and catering sectors, which maintained a relatively high growth rate of 8.6%, the IT and communications sector and non-market services.

As far as tourism is concerned, the various indicators continued their upward trend during 2023. The flow of foreign tourists reached almost 8.1 million visitors compared with 5.2 million visitors in 2022, which represents a significant increase of 57.4%.

This improvement mainly affected European tourists, and more particularly French and German tourists. In turn, the number of North African tourists has risen to around 5.4 million, compared with 3.2 million a year earlier.

The number of overnight stays by tourists was also up by a substantial 27% at the end of December 2023, reaching almost 24.6 million overnight stays compared with 19.4 million in 2022.

With reference to the above, tourism receipts in foreign currency rose simultaneously by 28.1% to stand at TND 6,943.5 M. Excluding the currency effect, this rise would have been in the region of 25.5%.

In air transport, the number of passengers rose by a remarkable 26.5% to almost 11 million.

By airport, passenger transport improved, particularly at Enfidha-Hammamet, Monastir, Djerba-Zarzis and Tunis-Carthage airports.

Foreign trade in Tunisia was also marked by a significant increase in exports, outstripping that of imports. This performance reflects the competitiveness of certain Tunisian export sectors on international markets.

In fact, Tunisian exports grew by a significant 7.9%, at a faster rate than imports (4.4%).

In view of the above, the trade deficit at the end of December 2023 was close to 17 billions dinars, compared with 25 billions dinars a year earlier.

With regard to the employment situation, the unemployment rate stood at 16.4% at the end of 2023 compared with 15.2% a year earlier.

The inflation rate improved in year-on-year terms following the fall in world commodity prices, falling to 8.1% compared with 10.1% at the end of 2022. This improvement mainly concerned the prices of

manufactured goods, food products and, to a lesser extent, services.

Average inflation stood at 9.3% for all prices, despite the continued monetary tightening policy, the maintenance of the subsidy policy and the freeze on consumer prices.

Against this backdrop, the Central Bank of Tunisia has maintained an accommodating monetary policy, keeping its key rate unchanged at 8% since the end of 2022.

In terms of outlook, Tunisia's development plan for 2024 forecasts annual GDP growth of 2.1%.



Village of Matmata and its troglodyte houses

FINANCIAL POSITION FINANCIAL YEAR 2023

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.

		TND in millions					CAGR (2019-2023)
		Dec.-19	Dec.-20	Dec.-21	Dec.-22	Dec.-23	
Activity	Total balance sheet	11,301,9	12,249,4	13,487,2	14,562,4	14,596,6	6,6%
	Client deposits	7,370,0	8,442,1	9,047,6	9,881,4	10,177,5	8,4%
	Borrowing resources	313,0	363,1	495,8	631,4	670,9	21,0%
	Total of collected resources	7,683,0	8,805,3	9,543,4	10,512,9	10,848,3	9,0%
	Total outstanding client loans	9,803,0	10,747,8	11,350,1	12,622,7	12,185,1	5,6%
	Net outstanding client loans	7,978,2	9,080,4	9,731,1	11,021,0	10,514,7	7,1%
	Net contributions to the company	9,490,6	10,796,2	12,795,5	13,453,0	13,351,4	8,9%
Results	Intermediation margin	363,0	367,9	362,5	374,1	309,4	(3,9%)
	Net commissions	101,2	113,2	125,8	127,3	127,3	5,9%
	Revenue from securities portfolio	137,0	144,5	157,7	195,1	248,4	16,0%
	Net banking income	601,1	625,7	646,1	696,5	685,1	3,3%
	Operating charges	234,2	247,8	282,2	308,3	335,0	9,4%
	Gross operating result	374,5	386,1	374,0	389,4	351,7	(1,6%)
	Net Income before accounting changes	157,3	72,2	112,7	92,0	50,6	(24,7%)
	Net Income after accounting changes	157,3	72,2	104,0	73,1	42,1	(28,1%)
Total revenues	1,048,0	1,089,9	1,119,4	1,290,3	1,448,0	8,4%	
Equity	Capital	776,9	776,9	776,9	776,9	776,9	0,0%
	State grant	117,0	117,0	117,0	117,0	0,0	(100,0%)
	Reserves	485,0	483,8	483,1	482,1	312,7	(10,4%)
	Retained earnings	(508,3)	(349,7)	(285,8)	(180,0)	80,4	
	Net Income	157,3	72,2	112,7	92,0	50,6	(24,7%)
	Total equity	1,027,9	1,100,1	1,203,8	1,287,9	1,220,6	4,4%
KEY FIGURES							
Ratios		Dec.-19	Dec.-20	Dec.-21	Dec.-22	Dec.-23	
Risk	Solvency ratio	12,6%	12,6%	13,3%	13,8%	13,6%	
	Tier 1	9,2%	9,0%	9,3%	9,3%	10,2%	
	LCR	142,8%	102,5%	107,6%	121,1%	216,7%	
	LTD	137,4%	117,0%	118,5%	120,3%	109,8%	
	Classified debt rate	18,3%	14,9%	13,5%	13,5%	18,1%	
	Coverage rate of classified receivables (net of reserved bank charges)	75,4%	75,3%	75,0%	62,9%	46,4%	
Profitability	Return on Equity (ROE)	18,1%	7,0%	10,3%	7,7%	4,3%	
	Return on Assets (ROA)	1,4%	0,6%	0,9%	0,7%	0,3%	
	Net Income / NBI	26,2%	11,5%	17,4%	13,2%	7,4%	
	Net commissions / NBI	16,8%	18,1%	19,5%	18,3%	18,6%	
	Interest margin / NBI	60,4%	58,8%	56,1%	53,7%	45,2%	
	Net commissions/ payroll	67,2%	72,1%	70,0%	64,9%	58,5%	
Productivity	Deposits / employees (in thousand Dinars)	3,822,6	4,457,3	4,602,0	5,176,2	5,522,2	
	Loans / employees (in thousand Dinars)	4,138,1	4,794,3	4,949,7	5,773,2	5,705,2	
	NBP/ employees (in thousand Dinars)	311,8	330,3	328,6	364,8	371,7	
	Operating Ratio	39,0%	39,6%	43,7%	44,3%	48,9%	
Other Indicators	Employees	1,928	1,894	1,966	1,909	1,843	
	Number of branches	149	149	149	149	150	
	Number of ATMs	202	188	191	194	195	
	Number of VSE	1,082	1,386	1,600	1,597	1,637	
Dashboard «Shareholder»	Number of shares (in thousands)	155,375	155,375	155,375	155,375	155,375	
	Closing rate (in TND)	4,7	3,4	3,0	3,8	3,7	
	Market capitalization (in Millions)	727,2	520,5	463,0	590,4	581,1	
	Earnings per share (in TND)	1,0	0,5	0,7	0,6	0,3	

BALANCE SHEET

ENDED AS AT 31 DECEMBER 2023

(Unit: in TND 1 000)

	Notes	2023	2022	Variation	%
Assets					
A1 - Cash and assets with the CBT, PCC and GTT*	5.1	179 804	180 378	(574)	(0,3%)
A2 - Receivables from banking and financial institutions	5.2	546 853	445 503	101 350	22,7%
A3 - Receivables from clients*	5.3	10 514 697	11 021 037	(506 340)	(4,6%)
A4 - Trading securities portfolio*	5.4	438 685	909 507	(470 822)	(51,8%)
A5 - Investment portfolio*	5.5	2 339 511	1 457 008	882 503	60,6%
A6 - Fixed assets	5.6	154 119	136 218	17 901	13,1%
A7 - Other assets*	5.7	422 948	412 707	10 241	2,5%
Total assets		14 596 617	14 562 358	34 259	0,2%
Liabilities					
L1 - Central Bank and Postal Checks Centre	5.8	1 077 234	1 517 934	(440 700)	(29,0%)
L2 - Deposits and assets of banking and financial institutions	5.9	581 591	535 323	46 268	8,6%
L3 - Deposits and assets of client*	5.10	10 177 463	9 881 433	296 030	3,0%
L4 - Borrowings and special resources	5.11	670 851	631 433	39 418	6,2%
L5 - Other liabilities*	5.12	868 869	708 329	160 540	22,7%
Total liabilities		13 376 008	13 274 452	101 556	0,8%
Shareholders' equity					
E1 - Capital	5.13	776 875	776 875	-	-
E2 - State grant	5.13	-	117 000	(117 000)	(100,0%)
E3 - Reserves	5.13	296 845	465 712	(168 867)	(36,3%)
E4 - Treasury stocks	5.13	(5 536)	(5 509)	(27)	(0,5%)
E5 - Other equity	5.13	21 392	21 853	(461)	(2,1%)
E6 - Retained earnings*	5.13	80 432	(180 003)	260 435	144,7%
E7 - Income for the financial year*	5.13	50 601	91 978	(41 377)	(45,0%)
Total equity		1 220 609	1 287 906	(67 297)	(5,2%)
Total equity and liabilities		14 596 617	14 562 358	34 259	0,2%

(*) Data as at 31/12/2022 are restated for comparability purposes.

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

ENDED AS AT 31 DECEMBER 2023

(Unit: in TND 1 000)

	Notes	2023	2022	Variation	%
Contingent Liabilities					
OB1 - Sureties, endorsements and other guarantees given	6.1	1 480 666	1 493 927	(13 261)	(0,9%)
OB2 - Letters of credit		599 693	613 717	(14 024)	(2,3%)
Total contingent liabilities		2 080 359	2 107 644	(27 285)	(1,3%)
Commitments Given					
OB4 - Financing commitments given	6.2	115 199	157 323	(42 124)	(26,8%)
OB5 - Securities commitments		26	26	-	-
Total commitments given		115 225	157 349	(42 124)	(26,8%)
Commitments Received					
OB7 - Guarantees received (*)	6.3	2 856 800	2 980 012	(123 212)	(4,1%)
Total commitments received		2 856 800	2 980 012	(123 212)	(4,1%)

(*) Data as at 31/12/2022 are restated for comparability purposes.



Pappus archaeological site (Hammamet)

STATEMENT OF INCOME

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(Unit: in TND 1 000)

	Notes	2023	2022	Variation	%
Banking Operating Income					
BOI1 - Interest and similar revenue*	7.1	1 060 179	957 442	102 737	10,7%
BOI 2 - Commissions (as income)*	7.2	139 416	137 778	1 638	1,2%
BOI 3 - Gains on trading securities portfolio and financial operations	7.3	90 450	113 937	(23 487)	(20,6%)
BOI 4 - Revenue from investment portfolio	7.4	157 930	81 176	76 754	94,6%
Total banking operating income		1 447 975	1 290 333	157 642	12,2%
Banking Operating Charges					
BOC1 - Interest incurred and similar charges*	7.5	(750 829)	(583 336)	(167 493)	(28,7%)
BOC2 - Commissions incurred*		(12 067)	(10 518)	(1 549)	(14,7%)
Total banking operating charges		(762 896)	(593 854)	(169 042)	(28,5%)
Net Banking Income (*)					
	7.6	685 079	696 479	(11 400)	(1,6%)
BOI5- BOC 4 - Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities	7.7	(234 242)	(216 474)	(17 768)	(8,2%)
BOI6- BOC 5 - Allocations to provisions and result of value adjustments on the investment portfolio	7.8	(11 762)	(459)	(11 303)	(2462,5%)
BOI7 - Other operating income*	7.9	1 579	1 194	385	32,2%
BOC 6 - Staff costs*	7.10	(217 875)	(196 073)	(21 802)	(11,1%)
BOC 7 - General operating charges	7.11	(102 814)	(98 907)	(3 907)	(4,0%)
BOC 8 - Allocations to depreciation and amortization and provisions on fixed assets		(14 295)	(13 279)	(1 016)	(7,7%)
Operating Result		105 670	172 481	(66 811)	(38,7%)
BOI8-BOC9 - Profit/loss balance from other ordinary items	7.12	7 347	19 959	(12 612)	(63,2%)
BOC11 - Taxes	7.13	(51 963)	(92 531)	40 568	43,8%
Income from Ordinary Activities		61 054	99 909	(38 855)	(38,9%)
BOI9-BOC10 - Profit/loss balance from other extraordinary items	7.14	(10 453)	(7 931)	(2 522)	(31,8%)
Net Income for the Financial Year		50 601	91 978	(41 377)	(45,0%)
Effect of accounting changes (Net of taxes)		(8 457)	(18 859)	10 402	55,2%
Income after Accounting Change		42 144	73 119	(30 975)	(42,4%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

STATEMENT OF CASH FLOWS

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(Unit: in TND 1 000)

	Notes	2023	2022	Variation	%
Operating Activities					
Banking income received		1 228 144	1 183 776	44 368	3,7%
Banking operating charges disbursed		(765 844)	(555 064)	(210 780)	(38,0%)
Deposits / withdrawals of deposits with banking and financial institutions		(858)	33 629	(34 487)	(102,6%)
Loans and advances / loans repayments and advances to clients		363 466	(1 314 299)	1 677 765	127,7%
Deposits / withdrawal of client deposits		311 409	811 323	(499 914)	(61,6%)
Investment securities		(203 357)	(60 764)	(142 593)	(234,7%)
Amounts paid to staff and sundry creditors		(96 503)	(150 030)	53 527	35,7%
Other cash flows from operating activities		(151 393)	(62 953)	(88 440)	(140,5%)
Income tax		(151 506)	(106 961)	(44 545)	(41,6%)
Net cash flows from operating activities	8.1	533 558	(221 343)	754 901	341,1%
Investment Activities					
Interest and dividends received on investment portfolio		158 678	70 884	87 794	123,9%
Acquisitions / disposals of investment portfolio		(160 964)	(187 393)	26 429	14,1%
Acquisitions / disposals of fixed assets		(30 633)	(24 485)	(6 148)	(25,1%)
Other investment flows		-	-	-	-
Net cash flows from investments activities	8.2	(32 919)	(140 994)	108 075	76,7%
Financing Activities					
Purchase of treasury stocks		(28)	-	(28)	-
Issuance of shares		-	-	-	-
Issuance of borrowings		-	99 330	(99 330)	(100,0%)
Repayment of borrowings		(43 723)	(49 828)	6 105	12,3%
Increase / decrease of special resources		70 016	66 134	3 882	5,9%
Repayment of State grants		-	-	-	-
Net cash flows used in financing activities	8.3	26 265	115 636	(89 371)	(77,3%)
Impact of changes in exchange rates on Cash & Cash Equivalents		-	-	-	-
Impact of Changes in accountig policies on cash and cash equivalents		-	-	-	-
Net change in cash and cash equivalents		526 904	(246 701)	773 605	313,6%
Cash and cash equivalents at the beginning of the period		(1 224 929)	(978 228)	(246 701)	(25,2%)
Cash and cash equivalents at the end of the period	8.4	(698 025)	(1 224 929)	526 904	43,0%

FINANCIAL POSITION AT 31 DECEMBER 2023

Resources

STB continues its efforts to further consolidate its resources.

The Société Tunisienne de Banque closed the financial year 2023 with an increase of the expanded

resources of TND 270 M or 2.5% to bring their outstanding amount to TND 11.084 M [vs TND 10.813 M one year earlier].

The increase primarily concerned deposits collected from customers and, to a lesser extent, borrowing resources. Investments in monetary and financial instruments fell by TND 65 M or 21.6%.

TND in millions	Dec-22	Dec-23	Variation	%
Client deposits	9 881	10 177	296	3,0%
Financial intermeditation	300	235	(65)	(21,6%)
Borrowing resources	631	671	39	6,2%
Total expanded resources	10 813	11 084	270	2,5%

1. Client deposits

Efforts to mobilize deposits generated an additional total of TND 296 M. This growth (+3%) mainly affected savings deposits, which rose by TND 375 M or 9.7%.

Demand deposits showed a smaller increase (TND +106 M or 2.9%), mainly benefiting deposits in dinars.

With reference to these developments, the structure of customer deposits remains characterised by the predominance of deposits representing relatively lower costs (sight deposits and savings deposits) with a share peaking at 79%.

TND in millions	Dec-22	Part	Dec-23	Part	Variation	%
Sight deposits	3 699	37,4%	3 806	37,4%	106	2,9%
of which foreign currency sight deposits	1 046	10,6%	1 067	10,5%	21	2,0%
Term deposits	1 894	19,2%	1 861	18,3%	(33)	(1,7%)
Saving deposits	3 871	39,2%	4 246	41,7%	375	9,7%
Other amounts due to customers	418	4,2%	265	2,6%	(153)	(36,6%)
Total expanded resources	9 881	100,0%	10 177	100,0%	296	3,0%

2. Financial intermeditation

Customer investments in monetary and financial instruments decreased by TND 65 M, i.e., 21,6% to stand at TND 235 M at the end of 2023, due to the TND 58 M or 24,7% decrease in Treasury bonds investments.

3. Borrowing resources

At the end of the financial year 2023, outstanding borrowing resources stood at TND 671 M, up TND 39

M, i.e., 6,2% compared to its level recorded at the end of December 2022, broken down as follows:

- **Special resources: TND +65 M, or 24,3%**, mainly as a result of the drawdown on certain external credit lines including in particular KFW (TND +42,7 M), the PRASOC line (TND+21,1 M) and the FADES line (TND +10,8 M).

- **Private placement bonds: TND - 26 M, or -7,2%**, resulting from the settlement of maturities due on certain bonds issued.

TND in millions	Dec-22	Dec-23	Variation	%
Private placement bonds	362	336	(26)	(7,2%)
Special resources	269	335	65	24,3%
Total borrowing resources	631	671	39	6,2%

LIABILITIES

STB's lending activity, in all its forms, has been impacted by the economic slowdown. The bank's objective in this area is to clean up its loan portfolio, adopt a much more selective policy favouring loans with a good outcome and avoid concentration.

1. Contribution to the economy

Gross contribution to the economy decreased by TND 21 M, or 0,1%, to TND 15,241 M at the end of 2023, compared with TND 15,262 M at the end of 2022.

TND in millions	déc-22	déc-23	Variation	%
Gross contribution to the economy	15 262	15 241	(21)	(0,1%)
Gross receivables from clients	12 623	12 185	(438)	(3,5%)
Gross securities portfolio	2 574	2 997	424	16%
Commercial paper	65	59	(7)	(10,6%)
Provisions and reserved bank charges	1 809	1 889	81	4,5%
Provisions / receivables	1 149	1 166	16	1,4%
Provisions / securities	207	219	12	5,7%
Reserved bank charges	453	505	52	11,6%
Net contribution to the economy	13 453	13 351	(102)	(0,8%)

2. Net receivables from customers

At the end of financial year 2023, gross customer receivables stood at TND 12.185 M compared with TND 12,623 M a year earlier, marking a fall of TND 438 M or 3.5%. This observation reflects the bank's deliberate choice in terms of credit distribution, based on a more rigorous selection of files to be financed, the requirement of appropriate guarantees and, more generally, controlling its exposure while ensuring its support for certain priority segments, including public companies.

At the same time, the bank continued its efforts to provide for 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 2024-01 of 19 January 2024, which aims to gradually converge towards IFRS standards.

Structure of gross receivables



TND in millions	Dec-22	Dec-23	Variation	%
Gross client receivables	12 623	12 185	(438)	(3,5%)
Management loans	5 707	5 418	(288)	(5,1%)
Investment loans	4 589	4 444	(145)	(3,2%)
Loans to individuals	2 214	2 214	0	0,0%
Other loans	113	108	(5)	(4,3%)
Provisions and reserved bank charges	(1 602)	(1 670)	(69)	4,3%
Provisions	(1 149)	(1 166)	(16)	1,4%
Reserved bank charges	(453)	(505)	(52)	11,6%
Net client receivables	11 021	10 515	(506)	(4,6%)

3. Securities portfolio

At the end of 2023, STB reclassified part of its BTA investment portfolio as BTA investment in accordance with its trading portfolio management policy.

In gross terms, the total outstanding securities portfolio increased by TND 424 M or 16.5% to reach TND 2,997 M at the end of 2023 compared with TND 2,574 M one year earlier. In net terms it rose by TND 412 M or 17.4% from TND 2,367 M to TND 2,778 M over the same period.

TND in millions	Dec-22	Dec-23	Variation	%
Commercial securities portfolio	910	439	(471)	(51,8%)
Gross investment securities portfolio	1 664	2 559	894	53,7%
Gross securities portfolio	2 574	2 997	424	16,5%
Provisions	(207)	(219)	(12)	5,7%
Net securities portfolio	2 367	2 778	412	17,4%

• **Commercial securities portfolio: TND -471 M i.e. 52%.**

The outstanding amount of the commercial securities portfolio fell remarkably (TND -471 M or 52%) to TND 439 M at the end of 2023 following the reclassification of part of its BTA investment portfolio as BTA investment.

• **Net investment securities portfolio: TND +882.5 M i.e. 60.6%.**

Gross investment securities outstandings rose by TND 894 M or 53.7%, rising from TND 1,664 M at the end of 2022 to TND 2,559 M, under the effect of the increase in outstanding bond loans (TND +605 M) and the subscription to the national loan for an amount of TND 274 M.

Taking into account the increase in provisions allocated to cover the depreciation of equity securities (TND +12 M

or 5.7%), the overall net outstandings of the investment securities portfolio stood at TND 2,778 M.

Off-balance commitments

Off-balance sheet commitments changed as follows:

- Contingent liabilities decreased by TND 27 M i.e. 1.3% to TND 2,080 M at the end of 2023. This situation results from the regression observed at the level of documentary credit (TND -14 M or -2.3%) and the issuing of guarantees and sureties (TND -13 M or -0.9%).
- Financing commitments given decreased from TND 157 M at the end of 2022 to TND 115 M at the end of 2023, a decrease of TND 42 M or 27%.
- At the same time, commitments received fell by TND 123 M or 4.1% to TND 2,857 M at the end of 2023 compared with TND 2,980 M a year earlier.

TND in millions	Dec-22	Dec-23	Variation	%
Contingent liabilities	2 108	2 080	(27)	(1,3%)
Sureties, endorsements and other guarantees given	1 494	1 481	(13)	(0,9%)
Letter of credit	614	600	(14)	(2,3%)
Commitments given	157	115	(42)	(26,8%)
Financing commitments given	157	115	(42)	(26,8%)
Commitment on securities	0,0	0,0	-	0,0%
Commitments received	2 980	2 857	(123)	(4,1%)
Guarantees received	2 980	2 857	(123)	(4,1%)

Equity

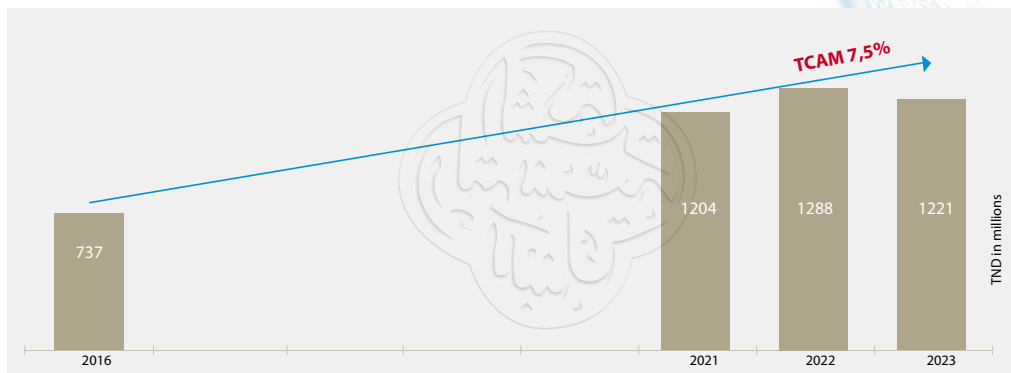
Total equity stood at TND 1,221 M, down by 5.2% compared with its level at the end of 2022, a situation to be linked to the reclassification of the State's endowment which became payable for TND 117 M following the bank's return to a good fortune situation and the absorption of all the deficit results carried

forward. It should be noted on this matter that the bank has already reimbursed TND 40 M of this allocation during 2023 (after the Ordinary General Assembly held to approve the 2022 financial year).

It should also be noted that equity has been increased by the profit recorded for the 2023 financial year (i.e. TND 51 M).

TND in millions	Dec-22	Dec-23	Variation	%
Capital	777	777	-	0,0%
Government grant	117	-	(117)	(100,0%)
Reserves	466	297	(169)	(36,3%)
Equity	(6)	(6)	(0)	0,5%
Other equity	22	21	(0)	(2,1%)
Retained earnings	(180)	80	260	(144,7%)
Result of the year	92	51	(41)	(45,0%)
Total equity	1 288	1 221	(67)	(5,2%)

Equity Evolution



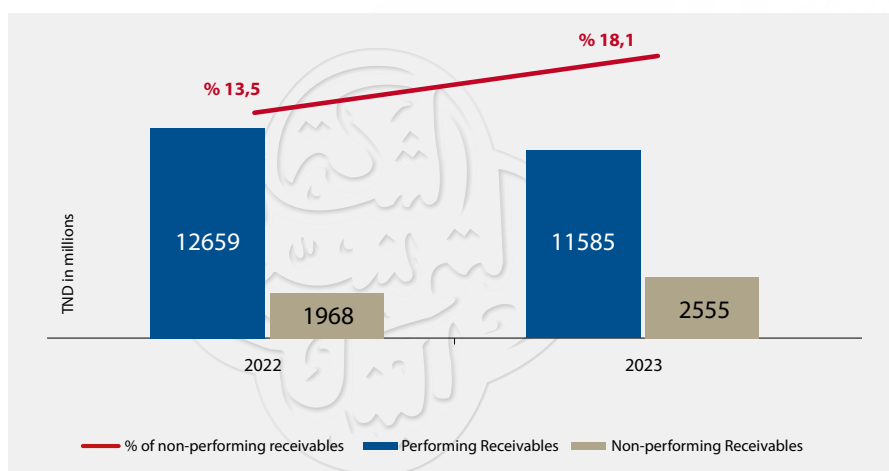
Asset Quality

1. Evolution of non-performing receivables

Performing receivables fell by TND 1,074 M or 8.5%, while non-performing receivables rose by TND 587 M or 29.8%, which explains the 4.6pp increase in non-performing receivables rate from 13.5% to 18.1%.

TND in millions	Dec-22	Dec-23	Variation	%
Gross receivables	14 626	14 139	(487)	(3,3%)
Performing receivables	12 659	11 585	(1 074)	(8,5%)
In % of gross receivables	86,5%	81,9%		
Non-performing receivables	1 968	2 555	587	29,8%
In % of gross receivables	13,5%	18,1%		

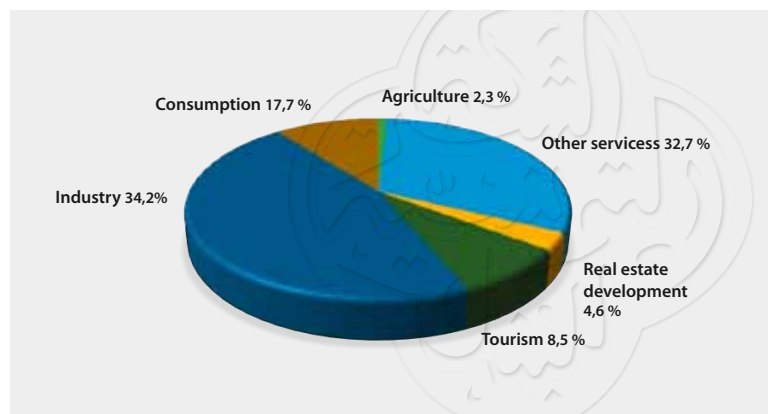
Rate Evolution of Hanging Receivables



The structure of non-performing receivables by sector of activity shows a relatively high concentration in the industrial and service 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

In line with the prudent policy adopted for covering non-performing receivables, the Bank continued its provisioning efforts by deducting the necessary sums from its profits, enabling it to post a coverage rate of 46.4% at the end of 2023.

Compared with the situation at the end of 2022, this level of coverage has fallen, partly due to the impact of the write-offs and disposals of certain impaired receivables.

TND in millions	Dec-22	Dec-23	Variation	%
Non-performing receivables	1 968	2 555	587	29,8%
Reserved bank charges	(404)	(445)	(41)	10,0%
Non-performing receivables net of bank charges	1 563	2 110	546	35,0%
Provisions	(983)	(980)	3	(0,3%)
% of coverage of hanging receivables	62,9%	46,4%	(16,4) pp	

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

A 94 bp improvement in the Tier-1 ratio to 10.22% at end of 2023 (vs. 9.29% at end of 2022).

This is due to:

- The consolidation of net core equity from TND 1,101 M to TND 1,150 M, thanks to the allocation of the entire profit recorded at the end of 2023.
- The TND 602 M or 5% reduction in risks incurred, affecting almost exclusively credit risks (TND -568 M or -6%).

TND in millions	Dec-22	Dec-23	Variation	%
Risks incurred	11 851	11 249	(602)	(5,1%)
Risk-weighted assets – Credit risks	10 145	9 576	(568)	(5,6%)
Risk-weighted assets – Operational risks	1 226	1 267	42	3,4%
Risk-weighted assets – Market risks	480	405	(75)	(15,6%)
Net core capital	1 101	1 150	49	4,5%
Solvency ratio (tier one)	9,29%	10,22%	94 pb	

2. Risk coverage ratio (overall solvency)

At the end of 2023, the overall solvency ratio fell slightly by 12 bp from 13.76% to 13.64%, mainly as a result of the TND 146 M reduction in additional

equity, a direct consequence of the reclassification of the government grant that has become due and the repayment of certain maturities relating to subordinated receivables issued by STB.

TND in millions	Dec-22	Dec-23	Variation	%
Risks incurred	11 851	11 249	(602)	(5,1%)
Risk-weighted assets – Credit risks	10 145	9 576	(568)	(5,6%)
Risk-weighted assets – Operational risks	1 226	1 267	42	3,4%
Risk-weighted assets – Market risks	480	405	(75)	(15,6%)
Net equity	1 631	1 534	(96)	(5,9%)
Basic net equity	1 101	1 150	49	4,5%
Additional equity	530	384	(146)	(27,5%)
Solvency ratio	13,76%	13,64%	(12) pb	

In light of these achievements, the surplus in basic net equity (Tier-1) amounted to TND 363 M, while the surplus recorded in total net equity amounted to

TND 410 M, which is likely to give the bank significant capacity for the future development of its business.

Liquidity

Throughout most of 2023, 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 2023 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.

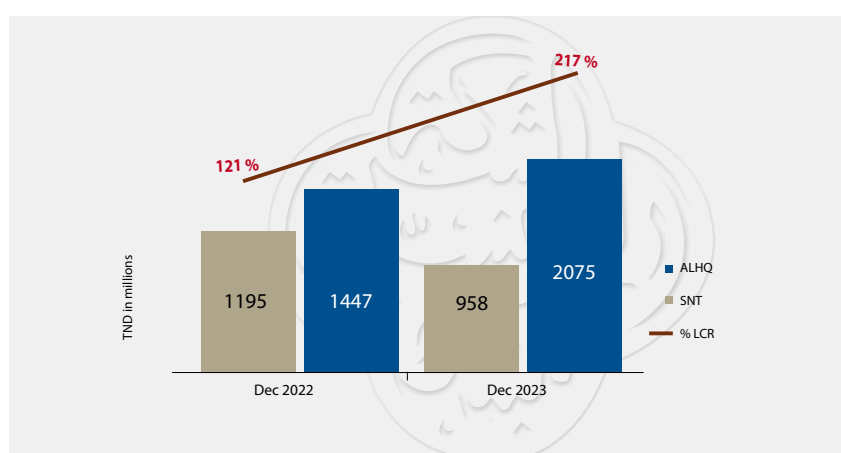
The average LCR, calculated over 12 monthly observations, stood at 153.5%, corresponding to an average of high quality liquid assets of TND 1,223 M and an average of net cash outflows of TND 1,098 M.

It should also be noted that the short-term liquidity ratio stood at 216.7% at the end of the 2023 financial

year (compared with 121.1% a year earlier), against a regulatory requirement of 100%.

TND in millions	Dec-22	Dec-23	Variation	%
Net cash outflows	1 195	958	(237)	(19,9%)
High quality liquid assets	1 447	2 075	628	43,4%
% LCR	121,1%	216,7%		
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 109,8%, an improvement of 10 pp on its level a year earlier (regulatory threshold of 120%).

TND in millions	Dec-22	Dec-23	Variation	%
Receivables from clients	10 551	10 122	(429)	-4,1%
Deposits	8 770	9 218	448	5,1%
% LTD	120,3%	109,8%		
Target LTD ratio (CBT requirement)	123,3%	120,0%		

Income

1. Net banking income

In a fairly difficult economic context, the bank managed to post a NBI of TND 685 M. This change is explained by:

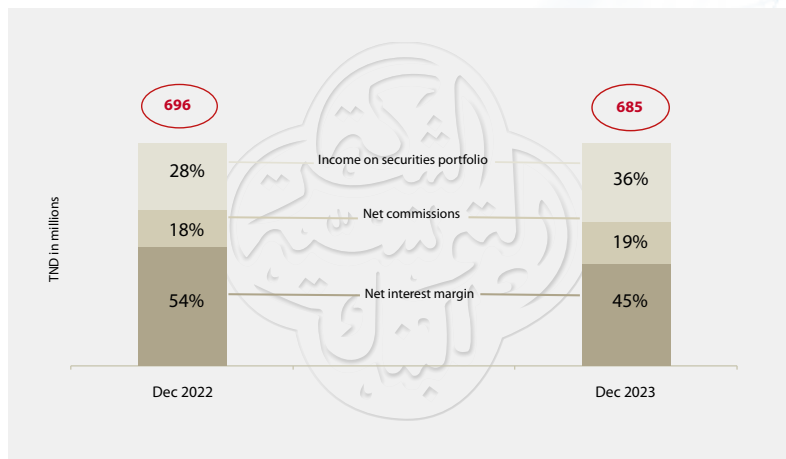
- ✓ A decline in the net interest margin of 65 M or 17,3%, from TND 374 M at the end of 2022 to TND 309 M at the end of 2023;
- ✓ An increase in portfolio revenues of TND 53 M to reach a volume of TND 248 M;
- ✓ The stagnation of the volume of net commissions at TND 127 M.

TND in millions	Dec-22	Dec-23	Variation	%
Net interest margin	374	309	(65)	(17,3%)
Net commissions	127	127	0	0,1%
Revenue on securities portfolio and financial operations	195	248	53	27,3%
Net banking income	696	685	(11)	(1,6%)
Operating income	1 290,3	1 448,0	157,6	12,2%
Operating charges	(593,9)	(762,9)	(169,0)	28,5%

As a result, the structure of NBI has been relatively modified but remains characterised by the predominance of NIM with a share of 45% (vs 54% in

2022) and also shows the rise in the share of income from market operations from 28% to 36%.

Structure of NBP

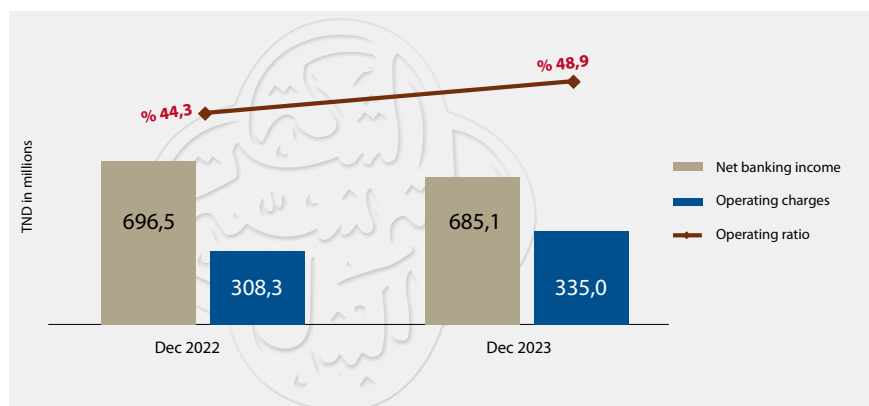


2. Operating result

Gross operating profit increased by TND 38 M or 9.7% to TND 351,7 M at the end of the 2023 financial year. This fall was mainly due to the following variations:

- Net banking income TND -11.4 M or 1.6%.
- Operating charges TND +26.7 M or 8.7%, affecting in particular staff costs under the effect of sectoral legal increases which continue to take up almost 2/3 of the volume of these costs. General operating expenses showed a slight increase of 4%, reflecting the efforts made by the Bank to control operating expenses.

Evolution of Operating Ratio



As a result, the operating ratio was higher than that recorded at the end of 2022 (48.9%).

Operating profit fell from TND 172.5 M to TND 105.7 M during the period under review.

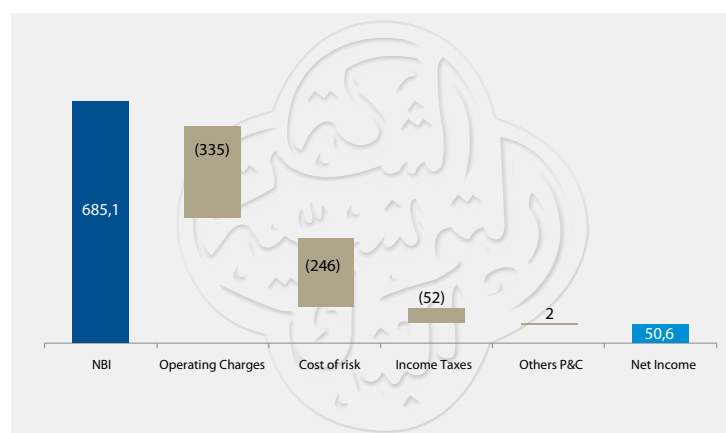
TND in millions	Dec-22	Dec-23	Variation	%
Net banking income	696,5	685,1	(11,4)	(1,6%)
Other operating income	1,2	1,6	0,4	32,2%
Staff costs	(196,1)	(217,9)	(21,8)	11,1%
General operating charges	(98,9)	(102,8)	(3,9)	4,0%
Amortisation charges	(13,3)	(14,3)	(1,0)	7,7%
Gross operating result	389,4	351,7	(37,7)	(9,7%)
Provisions and value adjustments on receivables, off-balance sheet items and liabilities	(216,5)	(234,2)	(17,8)	8,2%
Provisions and value adjustments on investment portfolio	(0,5)	(11,8)	(11,3)	2464,1%
Operating result	172,5	105,7	(66,8)	(38,7%)

3. Net Income

In view of the above, and taking into account an effective tax rate of 43% (35% for corporation tax and

8% for the social solidarity contribution), net profit came to TND 50.6 M.

Net result



TND in millions	Dec.-22	Dec.-23	Variation	%
Interest and similar income	957,4	1 060,2	102,7	10,7%
Accrued interest and similar charges	(583,3)	(750,8)	(167,5)	28,7%
Net Interest Margin	374,1	309,4	(64,8)	(17,3%)
Commissions received	137,8	139,4	1,6	1,2%
Commissions paid	(10,5)	(12,1)	(1,5)	14,7%
Net Commissions	127,3	127,3	0,1	0,1%
Profit on trading securities portfolio and financial operations	113,9	90,4	(23,5)	(20,6%)
Income on investment securities portfolio	81,2	157,9	76,8	94,6%
Income on the Equities Portfolio	195,1	248,4	53,3	27,3%
Net Banking Income	696,5	685,1	(11,4)	(1,6%)
Other operating income	1,2	1,6	0,4	32,2%
Staff costs	(196,1)	(217,9)	(21,8)	11,1%
General operating charges	(98,9)	(102,8)	(3,9)	4,0%
Depreciation charge	(13,3)	(14,3)	(1,0)	7,7%
Gross Operating Result	389,4	351,7	(37,7)	(9,7%)
Provisions and value adjustments on receivables, off-balance sheet items and liabilities	(216,5)	(234,2)	(17,8)	8,2%
Allocations to provisions and value adjustments on investment portfolio	(0,5)	(11,8)	(11,3)	2464,1%
Operating Result	172,5	105,7	(66,8)	(38,7%)
Profit/loss balance from other ordinary items	20,0	7,3	(12,6)	(63,2%)
Corporate tax	(92,5)	(52,0)	40,6	(43,8%)
Result from Ordinary Activities	99,9	61,1	(38,9)	(38,9%)
Profit/loss balance from extraordinary items	(7,9)	(10,5)	(2,5)	31,8%
Net Result before Accounting Changes	92,0	50,6	(41,4)	(45,0%)
Accounting changes	(18,9)	(8,5)	10,4	(55,2%)
Net Result after Accounting Changes	73,1	42,1	(31,0)	(42,4%)



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Positioning

STB was able to confirm its position among the market leaders by maintaining its 3rd place ranking in terms of deposits, loans and the securities portfolio.

**INTERNAL CONTROL
RISK MANAGEMENT
DEVELOPMENT AND MODERNISATION**

INTERNAL CONTROL

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 current laws and regulations.

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 structures 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.

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 Structures 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.

In order 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

This line of defence is provided by 3 levels :

- System control;
- Operational control;
- 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.

- **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 and Control Entities at the level of the regional divisions reporting functionally to the Central Operational Risk and Market and Permanent Control Division.

In addition to its usual control operations and as part of its mission to steer this system, the **Permanent Control function** also ensures functional relations with the various 1st and 2nd level control players and through 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 Structures, 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 structures issue recommendations to improve the effectiveness of the internal control system.

Highlights of the Financial Year 2023

In order to optimise the internal control system, the Bank undertook a number of actions in 2023, including the following:

▶ Permanent control actions:

- Launch of the project to optimise the permanent control system;
- Update of the permanent control system covering several of the bank's business lines, accompanied by training and awareness-raising for network staff in order to strengthen the 1st line of defence.

▶ AML/CFT and compliance actions completed:

- Reliability and continuous enhancement of customer data;
- An assessment of the AML/CFT system was commissioned from a specialist external firm with a view to obtaining AML 30000 certification in this area;
- Development of the governance framework;
- Launch of a strategic project to set up an anti-corruption management system (SMAC) in compliance with the ISO 37001 international standard.

▶ Strengthening information system security:

- Ensuring high availability of Data Centre infrastructure resources (Main Site and Backup Site);
- Redesigning cybersecurity policies and related procedures;
- Carrying out and monitoring audit assignments, in particular the regulatory audit of IT security and the audit of the Swift system, with implementation of the recommendations;
- Launch a strategic project to strengthen IT security;
- Set up an incident monitoring system;
- Conclude an agreement with the CBF to set up a security operations centre (SOC).

▶ 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 currently being finalised. 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.

- Continuation of work to clear suspense items and process origins

► **Control of subsidiaries:**

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

Also, as part of the extension of the scope of internal control to the entire STB Group, the Operational Risk and Market Department and the OPGCC have included the bank's subsidiaries in the scope of their risk control and management activities.

On the other hand, and with the aim of reinforcing this control and in accordance with the audit charter, the Internal Audit Department carries out audit assignments in the subsidiaries as part of its annual action plan.

RISK MANAGEMENT

STB's overall risk management framework is established in accordance with the legislative and regulatory texts of the Central Bank of Tunisia, and with international standards of good management as contained in the recommendations of the Basel Committee. At organisational level, several structures contribute to the management of the various risks to which the bank is exposed, including in particular:

- Central Risk Monitoring Department;
- Central Operational & Market Risks and Permanent Control Department;
- Management Control and ALM Department.

• **Credit risk monitoring**

In accordance with its strategic plan, the Bank has endeavoured to optimise its Credit Risk policy, in particular through:

- The development of a rating model for individuals, enabling the Bank's Rating System to cover the Bank's entire portfolio;

- The overhaul of the credit risk policy with a view to incorporating the new framework for credit granting decisions, in particular those relating to:
 - Financing strategy based on counterparty risk profile;
 - The Bank's internal rating system;
 - The main risk appetite limits;
 - The provisioning and hedging policy.
- A review of the system for setting risk appetite limits and its implementation in the Bank's information system as part of the introduction of an Early Warning System.

• **Operational risk management**

STB continued to strengthen and optimise its operational risk management system, giving it a good level of risk control in line with its strategic orientations.

Continuing its work to cover the Bank's macro-processes through risk mapping, the Bank was able to achieve the objectives relating to:

- Implementing a more quantitative approach to risk assessment, enabling the Bank to focus on action plans covering the most critical risks;
- Focusing efforts on the design and implementation of permanent control points to improve control of the Bank's exposure to operational risks.

On another level, during the 2023 financial year, the bank has defined, as part of its business continuity plan, STB's business continuity management policy, which constitutes a reference framework internally and vis-à-vis the authorities.

• **Market risk management**

The Bank's approach to market risk is comprehensive and proactive, based on a set of standards and procedures covering all market activities. With the aim of optimising the market risk management system, the Bank undertook several tasks during 2023, including:

- Defining STB's market risk appetite framework (Risk Appetite Framework RAF) by setting out the governance, processes and systems by which this appetite is established, communicated and monitored;

- The definition of qualitative guidelines and quantitative measures of market risk appetite (Risk Appetite Statement RAS), framed by limits that make it possible to define and control the Bank's exposure to market risk;
- The calculation of Market Risk Economic Capital for each risk factor, based on the models defined by Basel;
- Strengthening the monitoring and surveillance of market risks through the introduction of internal limits for foreign bank counterparties and for money market transactions in foreign currencies;
- Reviewing and updating the regulatory limits on over-night foreign exchange positions, and breaking them down by authorisation level.

• Liquidity risk management

Liquidity risk management covers the following risks:

- **Financing liquidity risk:** This is the risk that the Bank will be unable to meet its present and future cash flow and collateral requirements, both expected and unexpected, at a reasonable cost, without adversely affecting its day-to-day operations or its financial position.
- **Market liquidity risk:** This is the risk that the bank cannot easily offset or liquidate a position at the market price due to insufficient market depth or market disruption.

In this context, and with the aim of strengthening resilience to liquidity risk, in 2023 the bank completed the development of an emergency financing plan, the purpose of which is to define the governance, roles and responsibilities, procedures and action plans to be put in place and followed in the event of liquidity tensions specific to the bank (idiosyncratic crisis) or generalised (systemic crisis) or combined crisis, throughout the market and which disrupt STB's ability to honour some or all of its commitments.

This emergency financing plan enables the bank to:

- Measure its liquidity risk profile and monitor the indicators that identify the various pre-UFP phases and trigger the implementation of the UFP;
- Clearly define the chain of responsibility and governance in charge of activating the UFP,

specifying the roles and responsibilities of each party;

- Indicate the sources of emergency funding available with an estimate of the amount of funds that can be obtained from each source, as well as the lead times required to apply for these funds.

In addition, as part of its ALM activity, which covers, among other things, liquidity management, STB continues to produce ALM indicators on a recurring basis and to monitor them closely by means of dashboards, periodic reports and alerts.

• Global interest rate risk management

In addition to liquidity management, STB's ALM system aims to optimise the return on equity and maintain an acceptable level of financial risk. In this respect, the ALM activity manages overall interest rate risk, which is defined as the risk incurred in the event of a change in interest rates, measured on all balance sheet and off-balance sheet transactions, with the exception, where applicable, of transactions subject to market risks.

The aforementioned ALM system is strengthened by the Asset and Liability Management Committee (ALCO), which was set up in 2021 and brings together the finance, treasury, risk management, commercial and financing functions. The main tasks of this committee can be summarised 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 solutions and adjustment plans in the event of any deviation;
- Produce quarterly reports to the Board of Directors relating to ALM activity.

With a view to strengthening and optimising the ALM system, STB is committed to two projects as part of the new Horizon 2026 strategy:

- Strengthening the ALM system;
- Implementation of an ILAAP system and optimisation of market risk management.

DEVELOPMENT AND MODERNISATION

Business development

In 2023, Société Tunisienne de Banque has deliberately oriented its commercial strategy towards a customer-centric approach, focusing on the design and implementation of innovative digital solutions to meet the needs of its customers and enhance their experience. The aim is to retain existing customers and attract new ones.

The key point of this strategy is the in-depth analysis of explicit and implicit customer needs through data collection and behavioural analysis of different customer segments in order to fully understand their expectations in terms of banking products and services.

This would enable the Bank to recommend offers tailored to the individual needs of each customer, as well as personalised financial advice provided by dedicated advisers, whether in bank branches, business centres or at the Bank's head office.

In addition, better knowledge of customers and their expectations has enabled STB to develop innovative digital solutions in 2023, based on the insights obtained, such as:

- DIGICORP and EASY TRANSACTION for businesses;
- STB EVERYWHERE for private customers,
- TUNICASH for Tunisians resident abroad (TRE);
- Secure currency trading platforms for exchange offices,
- Automated integration of student registration fees;
- The DECASHING project for farmers, an innovative project on a national scale, which was a huge success during the 2023 campaign.

By combining a customer-centric approach with digital innovation, STB has succeeded in positioning itself. As a leader in the banking sector, offering modern, personalised solutions that meet the evolving expectations of its customers. In doing so, it contributes to its growth and competitiveness in the market.

Communication and Sponsorship

STB has deployed a global strategy based on an omnichannel marketing approach, highlighting several key strategic pillars such as improving the customer experience, building loyalty and effectively promoting its products.

As part of its communication policy, STB has initiated a process to modernise its sales areas in order to support promotional activities and increase in-branch sales. To this end, it has devised a strategy to promote its products through various channels, including points of sale, social networks and its corporate website, while strengthening communication with its customers through sponsorship initiatives and targeted advertising campaigns.

In addition, STB's constant participation in national and international cultural, intellectual and sporting events has firmly positioned it as a leading sponsor in these areas.

In 2023, STB actively participated in various cultural events, such as the "Journées Musicales de Carthage" and the Gabes Cinéma Fen Festival. At the same time, the bank stepped up its efforts in terms of social responsibility by providing school supplies for the start of the 2023-2024 school year and by supporting female entrepreneurship through programmes such as coworking and the 1KUB incubator. It has also consolidated its role in the economic sphere by sponsoring events such as the export morning and the Tunisia Franchise Show. In the sports sector, STB has sponsored various sports teams and events, including football teams in the first professional league and national handball and basketball teams.

At the same time, STB successfully launched a new money transfer platform, Tunicash, developed in-house and exclusive to the bank.

It has also deployed innovative digital communication campaigns to promote its products, in particular the Pack #student and Epargne University products.

Information System

In 2023, STB stepped up its efforts to strengthen its information system and pursue its IT urbanisation strategy. It also consolidated its advances in data management (DATA) and digitalisation, while modernising its IT infrastructure and strengthening its IT security policies.

With regard to IT urbanisation, STB has continued its strategic roadmap aimed at modernising and optimising the bank's IT infrastructures. The aim is to meet current regulatory requirements, strengthen compliance and risk management controls, and reinforce STB's ongoing commitment to innovation and operational efficiency. The main achievements in 2023 are based on:

- Deploying new business applications and improving existing systems
- The integration of communication interfaces between the various business applications and the APIs associated with the new digital products.

As part of its digital transformation, STB has continued its efforts to develop data analysis, in particular through modelling work, the introduction of analysis tools and predictive models, and support for business lines in transforming their business.

Similarly, the Bank has worked to establish secure digital platforms, characterised by the continued development of new products and innovative digital solutions, as well as collaboration with several Fintechs, in particular through:

- The setting up of the TuniCash platform, an instant money transfer platform as part of the STB-TFBank synergy;
- Setting up the electronic signature platform in collaboration with ANCE and a fintech;
- The integration and production of innovative solutions as part of the decashing and financial inclusion strategy, such as the Xpress payment project for farmers;
- Implementing security measures in line with regulatory audit assignments

- Redesigning and putting into production the new generation of self-service solutions;
- Optimising the 'STB Every Where' digital platform, with the aim of delivering an increasingly seamless, fully digital customer experience.

In terms of its IT infrastructure, the Bank has focused on aligning itself with the required needs, taking into account risks, changing priorities and new technical and technological requirements. The main highlights of 2023 were as follows:

- The acquisition and implementation of Vulnerability Audit & Scan, Privilege Access Management (PAM) and Network & Data Centre security solutions;
- Extending and optimising performance to ensure high availability of Data Centre infrastructure resources and business applications (main site and back-up site)
- Assistance and training for business and development teams as part of the ISO 20022 Migration project
- Implementing a management solution for servers and workstations
- Implementing mechanisms for supervising, tuning and optimising the performance of ORACLE databases.

Always striving to offer the best services to its customers, especially in terms of security, the Société Tunisienne de Banque (STB) signed a memorandum of understanding with the Conseil Bancaire et Financier (CBF) on Thursday 03 August 2023 to join the CERT banking services offered by the latter.

This new milestone is the culmination of a long-term effort by STB's various teams. This memorandum of understanding aims to help STB manage the security of its information system, via the Mutualised Co-managed Sector SOC, Incident Handling, Threat Intelligence, DNS Monitoring, Anti-Phishing and Social Network Watch.

This partnership with the CBF is a perfect reflection of STB Bank's new positioning, as part of its forward-looking vision of the bank of the future, combining digital transformation and maximising security.

Human capital

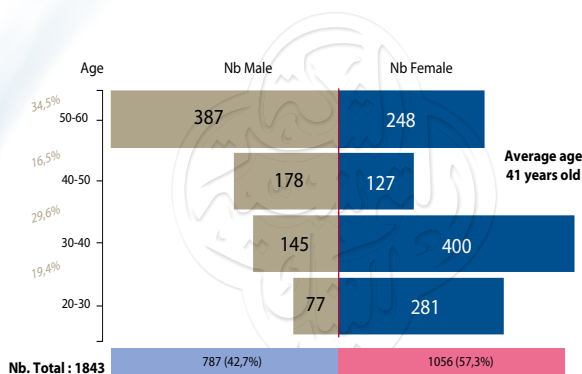
«An approach to move from performance generator to performance driver»

At the end of the 2023 financial year, Société Tunisienne de Banque had 1,843 employees, nearly 60% of whom were assigned to the branch and regional management network. This distribution is in line with the bank's strategic objectives, which aim to further strengthen the teams dedicated to commercial development and the promotion of sales activities.

Human capital, which plays a central role in the execution of the bank's strategy, now has the status of a driver of performance: while respecting diversity and equality. The bank has been able, through forward-looking management of jobs and skills, to adjust its workforce to the needs of the continuous growth it has experienced since the massive waves of recruitment carried out during the first years of its restructuring.

Rightly so, STB is now one of the best performers in the banking sector in terms of the number of university graduates (almost 2/3 of the bank's workforce is made up of executives with higher education qualifications), but also in terms of its extra-financial performance, which shows that diversity and gender equality have taken root (women are in the majority, accounting for 57.3% of the bank's total workforce).

It should also be noted that by the end of 2023, the average age had stabilised at 41, with an average length of service of 15.5 years and an empowerment rate of 24%.



On the social side, and with reference to the objectives relating mainly to improving the quality of life at work, guaranteeing that the needs of active and retired staff are met, and motivating and developing employees, Société Tunisienne de Banque carried out a number of social actions in 2023, including in particular:

- Improved health insurance cover and better management, through more effective monitoring of claims and better mobility of information via a digital portal;
- The finalisation of procedures for signing a charter with the AMEL TOUNES association and the transmission of the first batch of love caps to finance the purchase of wheelchairs for people with special needs;
- Obtaining a trophy from the blood bank in recognition of the valuable contributions made by the bank's staff to public health through the blood donation days organised by STB;
- The organisation of an open day for breast cancer awareness and screening: «Pink October Day», as part of preventive medicine.

In terms of training, and in application of the bank's policy aimed at continuing efforts to develop employees' professional skills, enabling them to evolve and develop at an individual and organisational level, the year 2023 saw the implementation of several actions, including, essentially:

- The organisation of in-company and inter-company training cycles for employees, including in particular:
 - In-house training for 1,201 employees;
 - Courses leading to a diploma and certification cycles and courses for 101 enrollees;
 - Inter-company training for 229 employees;
 - Project management training courses based on PMI (PMP) guidelines for project managers and the strategic steering team;
 - Organising training cycles for operators in the branch network.

Corporate social responsibility - SCR -

STB stands out for its civic commitment and its strong involvement with its community and stakeholders. This approach is formally expressed by its membership of the United Nations Global Compact, which testifies to its desire to contribute actively to the achievement of the sustainable development objectives set by the United Nations.

To this end, STB adopts a socially responsible approach, ensuring that its actions are aligned with the essential principles relating to human rights, international labour standards, environmental protection and the fight against corruption.

STB has drawn up a comprehensive CSR policy covering a number of social responsibility issues such as responsible financing, sustainable customer support, ethical governance, quality employment, eco-responsibility and digital security.

This policy is broken down into four strategic areas, which are integrated into its 2022-2026 strategic plan, in line with its overall vision and long-term objectives.

1. Governance

STB Bank places governance at the heart of its strategic concerns, embodying a strong commitment to transparency, responsibility and ethics.

The Bank's top management and senior executives are made aware of the need to prevent and combat corruption, demonstrating their commitment to transparency and good governance. This has been achieved through a partnership with a local firm to set up an Anti-Corruption Management System (ACMS) in accordance with the ISO 37001 standard.

2. Social and Societal

On the social level, the bank is committed to the professional development of its employees through training programmes and rigorous integration monitoring. It guarantees safe and comfortable working conditions and offers a range of social benefits.

By favouring diversity and equal opportunities, it promotes an inclusive culture and ensures fair remuneration between genders.

At the same time, STB encourages internal communication and mobilises employees around CSR initiatives, developing a culture of commitment and responsibility. The bank also organises awareness-raising events and works with associations to support vulnerable populations.

As part of its corporate social responsibility and its efforts to promote education, STB has provided various schools in disadvantaged areas and SCOUT associations with IT equipment and furniture, while supporting an IT training programme for primary and secondary school students.

The aim of this initiative is to improve access to quality digital education, thereby fostering improved learning conditions, pedagogical innovation, school reintegration and the prevention of juvenile delinquency.

At the same time, STB paid for the transport of 1,500 schoolchildren over 3 years in the regions of Nabeul, Tataouine, Sidi Bouzid, Kasserine and Bizerte, in order to reduce absences and drop-out rates.

In addition, STB contributed to the celebration of National Knowledge Day by awarding prizes to the winners in the form of student savings packs.

In support of social inclusion, STB provided assistance to the «Al Amal» association by purchasing two electric wheelchairs for young sisters with disabilities. This initiative demonstrates STB's commitment to social inclusion and to improving the quality of life of the most vulnerable members of society.

STB has also made donations to various humanitarian associations to meet the essential needs of the elderly, vulnerable families and people with disabilities.

On the health front, STB has supported innovative projects that have a major impact on public health, such as STAND-HTN and TUNCKDH, to improve medical care in Tunisia.

3) Environment

STB is consolidating its environmental commitment through a series of strategic and operational initiatives. Through the «Shitana Trail», a holistic approach combining sporting activities, environmental awareness and socio-economic development, STB is strengthening its support for the preservation of biodiversity and the promotion of sustainable tourism in disadvantaged regions.

Similarly, Société Tunisienne de Banque (STB) is demonstrating its commitment to proactive climate risk management by using Business Intelligence tools to analyse and mitigate environmental risks.

This commitment is also reflected in the gradual integration of the Environmental and Social Management System (ESMS) into its financing processes, with the aim of reducing its ecological footprint while promoting the sustainability of the projects financed.

In addition, the energy transition of the premises, with the completion of works and the planning of a photovoltaic installation, marks a significant step in STB's approach to responsible energy management and the reduction of carbon emissions.

Internally, STB is mobilising its employees in a collective effort to combat climate change.

4) Economy

STB stands out for its central role in promoting national projects, actively inviting its target customers to take part in relevant training programmes. It also provides financial support for these initiatives, demonstrating its commitment to sustainable economic development in Tunisia.

In addition, STB's participation in environmental programmes such as ADAPT underlines its involvement in promoting sustainable development, particularly in Tunisia's agricultural and artisanal fishing sectors. This approach illustrates the bank's commitment to encouraging private investment in fair and job-generating projects, while preserving the country's food sovereignty and environmental security.

The bank is also firmly committed to the transition to a more environmentally-friendly economy. Its membership of the Green Building cluster, set up by the Société de Gestion de la Technopôle de Borj Cédria, reflects its ambition to help promote sustainable practices in the construction sector and to develop environmental networking.

Implementation of the new ifrs framework

In 2018, the Conseil National de la Comptabilité (National Accounting Board) 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 IFRS for the consolidated financial statements for the year 2023.

In this context, the Bank began its project to implement the STB Group's IFRS standards with the assistance of an external firm. A number of actions have been carried out, including

1. Diagnostic work on the accounting policies of STB Group entities that make a significant contribution to financial performance on a consolidated basis;
2. Identification and analysis of the differences between the accounting and prudential policies applied by the STB Group and the IFRS framework;
3. The review of information systems and the identification of the necessary adaptations to enable the production of financial statements in accordance with IFRS;
4. The choice of accounting options and 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 these standards, and the determination of the assumptions for calculating expected credit losses (ECL) in accordance with IFRS 9;
5. A study of the impact on equity for the 2021 financial year. The impact for 2022 is currently being finalised;
6. Completion of the IFRS 9 impact study for the 2021 financial year in accordance with the guidelines issued by the BCT;

7. Drawing up functional specifications and an implementation plan.

Development prospects

In March 2023, Société Tunisienne de Banque unveiled its STB Horizon 2026 strategic transformation plan, which was drawn up using a combined Top-Down and Bottom-Up approach based on a collaborative process and internal focus groups involving, in particular, governance and management, operational committees and strategic thinking teams.

Through this strategic transformation plan, STB has set itself the vision of being proactive and responsible, while at the same time promoting as its mission the reinvention of the customer experience by choosing to improve the quality of its services and the commitment of its teams as the primary vectors for growth, all with the ultimate aim of ensuring healthy and lasting profitability and sustainable development.

The aim is to strengthen its position in high value-added segments, reinforce risk management and diversify the STB Group's activities by asserting itself as a committed and responsible player in the service

of the country's sustainable development.

STB also intends to step up its efforts to improve the quality of its customer portfolio by strengthening risk management processes and improving the overall debt collection system. The new strategic plan will have to respond to the imperative of consolidating the Bank's productivity, operational efficiency and profitability, taking into account the pressure of the economic situation and the Bank's actual capacities. In this respect, the digital transformation, which has already begun, is a major pillar in achieving these objectives.

This being the case, the Bank's new strategy, as defined and communicated to all employees, is based on five major orientations: commercial development, offering and proximity, risk management and operational efficiency, technology and innovation, and the development of more Business. It includes twelve strategic transformation initiatives.

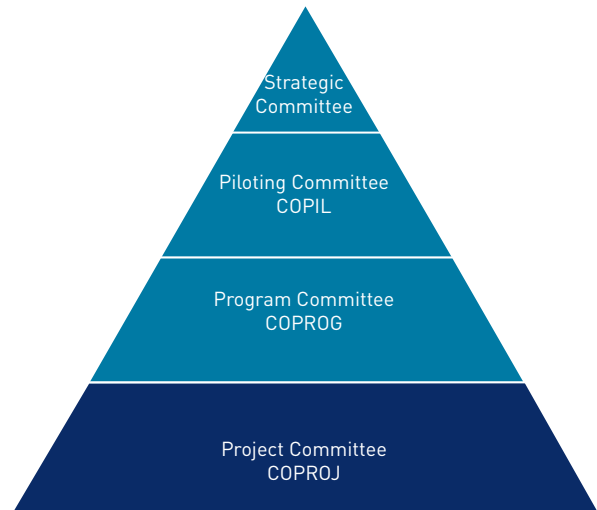
These initiatives have been broken down into a portfolio of 47 strategic projects structured into eight programmes. The effective implementation of this portfolio will enable STB to achieve the levers and objectives anticipated in the strategic orientations.

STB Horizon 2026 Strategy



It goes without saying that one of the keys to the success of this strategy is to implement and consolidate the governance of the steering of the strategic transformation programme through optimal monitoring by the various levels of dedicated committees, i.e. project committees, programme committees, steering committees and strategic committees. The main objective is to guarantee rigorous and close monitoring of the progress of strategic projects and programmes.

STB HORIZON 2026
(Established Strategic Committee)



NOTES TO THE FINANCIAL STATEMENTS

ENDED AS AT 31 DECEMBER 2023

(AMOUNTS EXPRESSED IN TND THOUSAND)

1. PRESENTATION OF THE BANK

The Société Tunisienne de Banque (STB) is a public limited company governed by Law N° 2016-48 of 11 July 2016 pertaining to banks and financial institutions. The 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).

The STB's head office is located at Avenue Hédi Nouira 1001 Tunis. Its network includes 148 branches, 195 ATMs, 11 regional offices and 2 subsidiaries.

The Bank's capital structure as at 31 December 2023 is as follows:

Shareholders	Number of shares	Amount in TND thousand	% of Capital
A - TUNISIAN SHAREHOLDERS	153 886 925	769 435	99,04%
State of Tunisia	111 189 317	555 947	71,56%
Public enterprises	18 408 461	92 042	11,85%
Private Legal Entities	11 580 883	57 904	7,45%
The Bank's redemption of its Securities	686 985	3 435	0,44%
Individuals	12 021 279	60 106	7,74%
B - FOREIGN SHAREHOLDERS	1 488 075	7 440	0,96%
Legal Entities	1 382 570	6 913	0,89%
Individuals	105 505	528	0,07%
TOTAL	155 375 000	776 875	100,00%

2. FINANCIAL STATEMENT REPORTING FRAMEWORK

The financial statements of Société Tunisienne de Banque «STB» ended as at 31 December 2023 are drawn up in accordance with the provisions of Law n° 96-112 of 30 December 1996, pertaining 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.

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 and liabilities at historical cost. The most significant accounting principles are summarized as follows:

3.1. Recognition of Commitments and Related Income

3.1.1 - Off-balance Sheet Commitments

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

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.

3.1.2 - 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.

3.1.3 - 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 2023 for their amounts relating to the 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 pertaining 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.

The 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 8 689 thousand as at 31/12/2023.

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 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 provisions of the BCT Circular No. 91-24 of 17 December 1991, as amended and supplemented by subsequent texts, in particular BCT Circular No. 2024-01 of 19 January 2024, the Bank has set aside general provisions, known as "Collective Provisions", by deducting them from its profits, in order to cover latent risks on current commitments (class 0) and those requiring special monitoring (class 1) as determined by Article 8 of BCT 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. 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.

3.2.1 - 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 unpaid equity interests are recorded as off-balance sheet commitments at their issue value.

The operations of acquisition and disposal of equity securities are recognized either on the date of transfer of the securities' ownership or the date of transaction registration at the Tunis Stock Exchange. The capital gains resulting from the disposal of these securities are presented under the item "Allocations to provisions and the 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 assessed at their value in use, and provisions are made to cover any long-term capital losses.

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 considers 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, namely 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 in the following two cases:

- Existence, due to new circumstances, of a strong probability that the establishment will not hold these securities until maturity;
- Existence of risks of default by the issuer of the securities.

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 the 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 interests.

iv. Funds Managed by SICAR Companies

Contributions in funds managed by SICARs, which are made under retrocession agreements, are assessed at their value in use and taking into account the prospects for recovery. Accordingly, a provision is set aside for investments with unpaid retrocession installments, 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 assessed 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 assessed 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 separately based on their type. Unrealized capital gains on certain 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 relating to these securities is taken into account in the income statement in a manner that is 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 credited to the client's accounts and accounted for quarterly. In accordance with Circular No. 91-22, the dates of value used to calculate interest on the client's current accounts vary depending on the nature of the client's withdrawal or deposit transactions.
- Interest on term accounts is credited to the client's accounts in arrears and is subject to subscription on each closing date.

3.4. Recognition of Resources and Related Charges

Borrowings taken out by the Bank are recognized in the balance sheet as and when they are drawn down. Interest on borrowings is expensed as incurred.

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 assessed 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, pertaining to shareholders' equity:

- The redeemed treasury stocks are presented, on the balance sheet, as a deduction from the shareholders' equity;
- Capital gains or losses realized on redeemed treasury stocks are recognized directly in the shareholders' equity;
- Dividends received on redeemed treasury stocks are recorded in the account of «Retained earnings».

3.6. Accounting for transactions denominated in foreign currencies and exchange rate results

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 a fixed rate equal to the exchange rate at the closing date. The resulting difference is recorded in a balance sheet account called «38.391: Translation difference».

3.7 - Fixed assets and amortization

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

Fixed assets are amortized on a straight-line basis. The amortization 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 as of 1 January 2008.

During the 2000 financial year, the bank revalued lands and buildings. This revaluation led to an increase in the 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 revaluation surplus balance has been transferred to retained earnings to consider the use of revalued assets on the one hand and the transfer of the revaluation surplus related to assets disposed of on the other hand.

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

A provision for employees benefits is recognized by the bank to meet the commitments corresponding to the present value of the rights acquired by the employees in relation to the conventional indemnities (twelve monthly payments) to which they will be entitled upon retirement. It results from a calculation carried out according to the retrospective method of projected credit units (provided for by the International Accounting Standard IAS 19, Employee benefits, which has no equivalent in Tunisia) which considers 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 the estimates of life expectancy of beneficiaries and the annual charges arising from the social insurance contract.

3.9 - Data restatements for comparability purposes

In order to improve the presentation of the financial statements for the year ended 31 December 2023, restatements have been made at the STB level for the year ended 2022. These restatements are presented in the following table:

Heading	Published balance at 31/12/2022	Impact of accounting change (3.9.1)	Impact of reclassification (3.9.2)	Balance after restatement at 31/12/2022
Balance sheet				
A01 - Cash and assets with the CBT, PCC and GTT	175 533	-	4 845	180 378
A03 - Receivables from clients	10 860 414	-	160 623	11 021 037
A04 - Trading securities portfolio	906 582	2 925	-	909 507
A05 - Investment portfolio	1 455 603	1 405	-	1 457 008
A07 - Other assets	707 695	-	(294 987)	412 707
L03 - Deposits and assets of client	9 863 202	-	18 231	9 881 433
L05 - Other liabilities	843 292	12 787	(147 751)	708 329
E06 - Retained earnings	(172 650)	(7 352)	-	(180 003)
E07 - Profit for the year	93 083	(1 104)	-	91 978
Statement of income				
B0I01 - Interest and similar income	951 865	-	5 577	957 442
B0I02 - Commissions (as income)	136 304	-	1 474	137 778
B0C01 - Interest incurred and similar expenses	(584 297)	-	961	(583 336)
B0C02 - Commissions incurred	(9 557)	-	(961)	(10 518)
B0I07 - Other operating income	8 245	-	(7 051)	1 194
B0C06 - Personnel costs	(194 968)	(1 104)	-	(196 073)

3.9.1- Accounting changes

The STB has made accounting adjustments, recorded in the item «Accounting changes affecting retained earnings», amounting to TND 8 457 thousand.

These adjustments concern variable premium charges, deferred income on marketable securities and investment securities (Similar Treasury Bonds), and the reversal of provisions on managed funds.

3.9.2- Reclassification between financial statement headings

In order to improve the presentation of the financial statements ended as at 31/12/2023, reclassifications have been made between headings, mainly concerning staff credit accounts (from A07 to A03), frozen accounts (from A03 to A07 and from L05 to L07) as well as the reclassification of certain provisions initially recorded under provisions for risks and charges (L05) to the corresponding headings (A01 and A07).

3.9.3 -Reclassification of Similar Treasury Bonds

As part of the development of a new business model, the bank has reclassified treasury bonds from the trading portfolio (Similar Treasury Bonds-Placement) to the banking portfolio (Similar Treasury Bonds-Investment).

The amount of the reclassification amounted to TND 736,924 million.

The outstanding amount of Similar Treasury Bonds-Investment as at 31/12/2023 after reclassification amounted to TND 1 419,072 million.

3.9.4 - Restatement of guarantees received in the statement of off-balance sheet commitments

The Migration works to the new IS module has resulted in a restatement of the «guarantees received» heading in the statement of off-balance sheet commitments as at 31/12/2022; this restatement is as follows:

Heading	Balance published on 31/12/2022	Balance after restatement at 31/12/2022	Amount restatement at 31/12/2022 in TND
Statements of off-balance sheet commitments			
OB7- Guarantees received	3 098 907	2 980 012	118 895

4. KEY EVENTS OF THE FINANCIAL YEAR

4.1 - BRUNO POLI Case

Mr. BRUNO POLI filed a lawsuit against the bank in 2011 seeking the restitution of cash vouchers given to the National Tourism Development Bank. As at 29 October 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 the decision and referred the case to Tunis's Court of Appeal. A stay of execution order was granted without payment.

The Court of Appeal has again confirmed the first instance judgment, ordering the bank to return the cash vouchers and, failing this, to pay USD 7 million. As a result, a provision for risks was set aside for risks 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 another appeal in cassation and obtained a stay of execution order without payment.

By judgment no. 39932/32 of 14/06/2022, the court quashed the judgment again and referred the case back to the court of reference.

The first hearing is set before the court of reference for 10/07/2023.

The case is maintained in pleading status and referred to the hearing for 14/05/2024.

4.2 -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 write off the irrecoverable banking debts during the financial year 2023.

And by reference to Law n° 98-4 of 2 February 1998, pertaining to debt collection companies, STB proceeded to assign 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 308 798 million, including TND 71 161 million for past due interest.

4.3- Deposit Guarantee Fund Contribution

Pursuant to Article 149 and following of Law n° 2016-48 of 11 July 2016 pertaining 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 2023 amounts to TND 26 540 thousand.

5. EXPLANATORY NOTES RELATING TO BALANCE SHEET ITEMS

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

The total cash assets with the CBT, PCC and GTT amounted to TND 179.804 thousand as at 31/12/2023 against TND 180.378 thousand as at 31/12/2022, i.e. a decrease of TND -00.574 thousand.

The different headings of this item are as follows:

Particulars	2023	2022	Variation	%
CASH	80 541	81 150	(609)	(0,8%)
Cash in Dinars	72 498	66 769	5 729	8,6%
Cash in foreign currency*	12 028	18 366	(6 338)	(34,5%)
Provisions on CASH, PCC and GTT *	(3 985)	(3 985)		
CBT	98 202	98 167	35	0,0%
CBT in Dinars	(662)	(4 654)	3 992	85,8%
CBT in foreign currency	98 864	102 821	(3 957)	(3,8%)
Deposit facility	-	-	-	-
PCC	1 057	1 057	-	-
GTT	4	4	-	-
Total	179 804	180 378	(574)	(0,3%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

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 2023 and 2022. STB posted these ratios:

Particulars	Regulatory Threshold	2023	Regulatory Threshold	2022
Ratio de liquidité	100%	216,69%	100%	121,10%

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

Description	2022	Allocations	Reversals	Reclassification	2023
Provisions for miscellaneous risks (Assets with CBT in dinars)	5 055	-	662	-	4 393
Total	5 055	-	662	-	4 393

5.2 - Receivables from Banking and Financial Institutions

The total receivables from banking and financial institutions are TND 546.853 thousand as at 31/12/2023 against TND 445.503 thousand as at 31/12/2022.

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

Particulars	2023	2022	Variation	%
Receivables from banking institutions	50 802	75 122	(24 320)	(32,4%)
Current accounts of resident banks	2	2	-	-
Current accounts of non-resident banks	50 754	75 119	(24 365)	(32,4%)
Accounts receivables from correspondents in convertible dinars	46	1	45	4500,0%
Loans to financial institutions	423 762	299 032	124 730	41,7%
Money market loans in Dinars	-	71 849	(71 849)	(100,0%)
Market loans past due	71 828	-	71 828	-
Money market loans in foreign currency	351 934	227 183	124 751	54,9%
Provisions on interbank loans	(1 828)	(1 849)	21	1,1%
Receivables and loans to specialized financial organizations	74 033	73 175	858	0
Receivables and loans to specialized financial organizations (leasing)	45 260	44 402	858	1,9%
Receivables and loans to specialized financial organizations (Tunis Ré)	28 773	28 773	-	-
Related receivables	84	23	61	265,2%
Receivables related to interbank loans in dinars	-	-	-	-
Receivables related to interbank loans in foreign currencies	84	23	61	265,2%
Total	546 853	445 503	101 350	22,7%

Receivables by CBT refinancing due date are as follows:

Particulars	2023	2022	Variation	%
Receivables from banking and financial institutions				
Eligible for refinancing by CBT	5 000	7 000	(2 000)	(28,6%)
Not eligible for refinancing by CBT	541 769	438 480	103 289	23,6%
Total	546 769	445 480	101 289	22,7%

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	2023	2022	Variation	%
Receivables from banking and financial institutions				
Materialized by interbank market securities	-	-	-	-
Not materialized by interbank market securities	546 769	445 480	101 289	22,7%
Total	546 769	445 480	101 289	22,7%

The breakdown of receivables from banking and financial institutions (excluding related receivables) as per the residual term as at 12/31/2023 is detailed as follows:

Particulars	≤ 3 months	3 months Up to 1 year	1 year Up to 5 years	> 5 years	Total
Receivables from banking institutions	50 802	-	-	-	50 802
current accounts of resident banks	2	-	-	-	2
current accounts of non-resident banks	50 754	-	-	-	50 754
accounts receivables from correspondents in convertible dinars	46	-	-	-	46
Loans to banking institutions	423 762	-	-	-	423 762
Money market loans in dinars	-	-	-	-	-
Market loans past due	71 828	-	-	-	71 828
Money market loans in foreign currency	351 934	-	-	-	351 934
Provisions for interbank loans	(1 828)	-	-	-	(1 828)
Loans to specialized financial organizations (leasing)	681	12 201	30 378	2 000	45 260
Receivables from specialized financial organizations (Tunis Ré)	28 773	-	-	-	28 773
Total	502 190	12 201	30 378	2 000	546 769

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

Particulars	2022	Allocations	Reversals	Reclassification	2023
Provisions for miscellaneous risks (Receivables from banking institutions)	32 052	-	8 805	-	23 247
Total	32 052	-	8 805	-	23 247

5.3 - Receivables from Clients

The comparative evolution of net commitments between 2023 and 2022 is as follows:

Particulars	2023	2022	Variation	%
Current accounts receivables*	1 046 606	1 037 696	8 910	0,9%
Credits from special resources*	212 828	186 332	26 496	14,2%
Receivables paid by the State	9 440	9 440	-	0,0%
Bonus paid by the State	4 230	4 230	-	0,0%
Associated current accounts	89 770	89 770	-	0,0%
Other client loans*	10 777 476	11 306 707	(529 231)	-4,7%
Receivables to be waived	4 298	4 298	-	0,0%
Related receivables*	90 906	110 791	(19 885)	-17,9%
Gross total	12 235 554	12 749 264	(513 710)	-4,0%
Provisions	(1 165 538)	(1 149 164)	(16 374)	-1,4%
Provisions on current accounts	(149 429)	(144 889)	(4 540)	-3,1%
Provisions on special resources	(42 127)	(36 576)	(5 551)	-15,2%
Provisions on other client loans	(719 189)	(744 744)	25 555	3,4%
Provisions on associated current accounts	(45 552)	(45 552)	-	0,0%
Provisions on receivables to be waived	(455)	(455)	-	0,0%
Collective provisions	(208 786)	(176 948)	(31 838)	-18,0%
Reserved bank charges	(513 549)	(526 542)	12 993	2,5%
Reserved bank charges on current accounts	(42 844)	(39 828)	(3 016)	-7,6%
Reserved bank charges on other client loans	(413 343)	(434 916)	21 573	5,0%
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	0,0%
Reserved bank charges on special resources	-	-	-	-
Reserved bank charges on receivables to be waived	(3 843)	(3 843)	-	0,0%
Reserved bank charges on related receivables	(18 940)	(13 376)	(5 564)	-41,6%
Income received in advance	(41 770)	(52 521)	10 750	20,5%
Net Total in TND thousand	10 514 697	11 021 037	(506 341)	-4,6%

(*) Data as at 31/12/2022 are restated for comparability purposes.

The structure of client's net receivables outstanding as at 31/12/2023 is as follows:

Particulars	Gross amounts outstanding	Individual Provisions	Additional provisions	Reserved bank charges	Income collected in advance	Net outstanding
Current accounts receivables	1 046 606	(120 336)	(29 092)	(42 844)	-	854 334
Special resources accounts	212 828	(38 972)	(3 155)	-	-	170 701
Associated current accounts	89 770	(32 152)	(13 400)	(34 579)	-	9 639
Other client loans	10 791 146	(548 963)	(170 226)	(413 343)	(41 770)	9 616 844
Receivables to be waived	4 298	(455)	-	(3 843)	-	-
Related receivables	90 906	-	-	(18 940)	-	71 966
Total	12 235 554	(740 878)	(215 873)	(513 549)	(41 770)	10 723 484
Collective provisions	-	-	-	-	-	(208 786)
Net outstanding	-	-	-	-	-	10 514 698

Reserved bank charges: The reserved bank charges accounts closed as at 31/12/2023 are detailed as follows:

Particulars	2023	2022	Variation	%
Reserved bank charges on current accounts	(42 844)	(39 828)	(3 016)	(7,6%)
Reserved bank charges on endorsements and sureties	(1 219)	(3 721)	2 502	67,2%
Reserved bank charges on ordinary medium-term loan interest	(188 738)	(130 042)	(58 696)	(45,1%)
Reserved bank charges on consolidated medium-term loan interest	(213 539)	(225 980)	12 441	5,5%
Reserved bank charges on loans guaranteed by the State	(1 158)	(1 158)	-	-
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	-
Reserved default interest on disputed receivables	(8 689)	(74 015)	65 326	88,3%
Reserved bank charges/receivables to be waived	(3 843)	(3 843)	-	-
Reserved bank charges on related receivables	(18 940)	(13 376)	(5 564)	(41,6%)
Subtotal	(513 549)	(526 542)	12 993	2,5%
Reserved bank charges on receivables paid by the State	-	-	-	-
Total	(513 549)	(526 542)	12 993	2,5%

Reserved default interest on disputed receivables is calculated and recognized automatically by the system and amounts to TND 8.689 thousand as at 31/12/2023.

Particulars	2022	Allocations	Reversals	Reclassification	2023
Provisions on current accounts	(144 889)	(38 866)	38 019	(3 693)	(149 429)
Provisions on special resources	(36 576)	(19 261)	8 376	5 334	(42 127)
Provisions on other client loans	(744 744)	(183 390)	212 916	(3 971)	(719 189)
Provisions on associated current accounts	(45 552)	-	-	-	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(176 948)	(31 838)	-	-	(208 786)
Total	(1 149 164)	(273 355)	259 311	(2 330)	(1 165 538)

Particulars	2022	Allocations	Reversals	Reclassification	2023
Individual provisions for doubtful client receivables	(648 076)	(198 495)	107 686	(1 994)	(740 879)
Additional provisions for doubtful client receivables	(324 140)	(43 022)	151 625	(336)	(215 873)
Collective provisions	(176 948)	(31 838)	-	-	(208 786)
Total	(1 149 164)	(273 355)	259 311	(2 330)	(1 165 538)

- Eligibility for Central Bank Refinancing

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

Description	2023	2022	Variation	%
Receivables eligible for refinancing	1 262 434	1 321 575	(59 141)	(4,5%)

5.3.1 - Guarantees

The guarantees used by the Bank to determine provisions for commitments are determined in certain cases in the absence of an inventory of the legal documents supporting 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 108 267 thousand for the financial year 2023, on commitments with seniority in class 4 greater than or equal to 3 years.

The balance of additional provisions amounted to TND 215 873 thousand as at 31 December 2023.

5.3.3 – Collective Provisions

Pursuant to the circular to banks n° 2024-01 of 19 January 2024 pertaining to the Division, coverage of risks, and monitoring of commitments, the Bank has constituted by deduction from the results of the

financial year, 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 438.685 thousand as at 31/12/2023 against TND 909.507 thousand as at 31/12/2022. The trading securities portfolio comprises fixed-income securities issued by the State and variable-income securities.

Particulars	2022	Acquisition/ Allocation	Disposal of/ Liquidation/ Reversal	Reclassification	2023
I- Investment securities	670 109	316 591	(91 931)	(734 307)	160 462
1.1 Securities issued by the State and public organizations	670 109	316 591	(91 931)	(734 307)	160 462
Gross values*	691 861	299 196	(95 839)	(736 924)	158 294
Receivables and related liabilities*	22 916	17 395	-	(31 252)	9 059
Discount*	(44 668)	-	3 908	33 869	(6 891)
II- Trading securities	239 398	283 639	(244 814)	-	278 223
2.1 Fixed Income Trading Securities	239 398	283 639	(244 814)	-	278 223
Treasury bonds	244 814	285 855	(244 814)	-	285 855
Receivables and related liabilities	(5 416)	(2 216)	-	-	(7 632)
Net total	909 507	600 230	(336 745)	(734 307)	438 685

(*) Data as at 31/12/2022 are restated for comparability purposes.

5.5 – Investment Portfolio

The value of investment securities portfolio amounts to TND 2.339.511 thousand as at 31/12/2023 against TND 1.457.008 thousand as at 31/12/2022 is detailed as follows:

Particulars	2023	2022	Variation	%
Similar investment bonds	1 419 072	798 100	620 972	77,8%
Discount/premiums on similar Investment Bonds (*)	(58 252)	(12 829)	(45 423)	(354,1%)
Related receivables	54 655	25 527	29 128	114,1%
Total Similar Investment Bonds	1 415 475	810 798	604 677	74,6%
Debt securities	12 886	16 326	(3 440)	(21,1%)
National Bonds	551 500	278 000	273 500	98,4%
Debt securities provisions	(8 088)	(2 650)	(5 438)	(205,2%)
Related receivables	20 781	8 108	12 673	156,3%
Total other investment securities	577 079	299 784	277 295	92,5%
SICAR managed funds	93 483	93 678	(195)	(0,2%)
Managed funds provisions (*)	(55 554)	(55 805)	251	0,4%
Total Managed Funds	37 929	37 873	56	0,1%
shares in mutual investment funds	49 148	49 146	2	0,0%
Provisions on shares in mutual investment funds	(3 720)	-	(3 720)	-
Total Mutual Investment Funds	45 428	49 146	(3 718)	(7,6%)
Shares in subsidiaries	223 210	216 009	7 201	3,3%
Shares in associates and joint ventures	50 831	50 831	-	-
Equity securities	123 472	123 480	(8)	(0,0%)
Retrocession participations	18 056	18 056	-	-
Companies in liquidation	30	30	-	-
Equity securities provisions	(151 667)	(148 667)	(3 000)	(2,0%)
Receivables and related liabilities	(332)	(332)	-	-
Total equity securities	263 600	259 407	4 193	1,6%
Grand total	2 339 511	1 457 008	882 503	60,6%

(*) Data as at 31/12/2022 are restated for comparability purposes.

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

Description	2022	Subscription	Assignment/ reimbursement/ restitution	Capitalized results	Reclassification	2023
Similar investment bonds		89 973	(205 925)	-	736 924	1 419 072
Debt securities	16 326	1 160	(4 600)	-	-	12 886
National Bonds	278 000	273 500	-	-	-	551 500
SICAR managed funds	93 678	-	(28)	(167)	-	93 483
Mutual Investment Fund	49 146	2	-	-	-	49 148
Equity securities	123 480	-	(8)	-	-	123 472
Shares in associates and joint ventures	50 831	-	-	-	-	50 831
Shares in subsidiaries	216 009	7 201	-	-	-	223 210
Company in liquidation	30	-	-	-	-	30
Retrocession participation	18 056	-	-	-	-	18 056
Total in TND thousand	1 643 656	371 836	(210 561)	(167)	736 924	2 541 688

The breakdown of investment securities excluding similar investment bonds as at 12/31/2023 into listed and unlisted securities is as follows:

Particulars	2023	2022	Variation	%
Unlisted securities	1 080 801	805 902	274 899	34,1%
Listed securities	40 510	38 349	2 161	5,6%
Undertaking for Collective Investment in Transferable Securities (UCITS)	1 305	1 305	-	-
Gross value in TND thousand	1 122 616	845 556	277 060	32,8%

The list of the main subsidiaries as at 31/12/2023 is detailed as follows:

Subsidiaries	Share of capital held by "STB"	Gross book value	Provision	Net book value
FINANCIAL SECTOR				
STRC	91,93%	36 462	0	36 462
STB SICAR	81,99%	16 205	0	16 205
STB INVEST	93,77%	37 896	0	37 896
STB FINANCE	61,34%	4 749	0	4 749
BFT	78,18%	3 535	3 535	0
TF Bank	49,99%	62 660	29 857	32 803
TOURISTIC SECTOR				
SKANES PALACE INTERNATIONAL	99,76%	6 180	6 180	0
AFRICA SOUSSE	96,94%	9 050	9 050	0
ED-DKHILA	61,21%	3 221	469	2 752
CIE HOTELI CENTRE VILLES	70,28%	2 100	2 488	-388
REAL ESTATE SECTOR				
IMMOBILIERE DE L'AVENUE	84,71%	7 461	2 250	5 211
SERVICES SECTOR				
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 93 484 thousand, and which have been provided for to TND 55 554 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 2023
FG STB 1	8 000	-1 105	2 180	2 216	2 094	59	4 715
FG STB 2	8 000	1 387	4 331	-	299	176	5 056
FG STB 3	5 000	897	2 077	-	1 000	52	3 820
FG STB 4	6 500	1 217	2 008	5 892	-	1 121	5 709
FG STB 5	6 824	1 517	2 931	5 410	231	353	5 410
FG STB 6	2 707	117	2 172	-	80	65	652
FG STB 7	800	67	140	265	390	89	727
FG STB 8	6 752	3 169	4 110	5 370	382	1 378	5 811
FG STB 9	4 800	261	760	-	-	266	4 301
FG STB 10	8 748	165	247	8 523	-	166	8 666
FG STB 11	6 000	562	733	4 821	83	516	5 829
FG STB 12	9 898	1 351	406	-	1 526	2 883	10 843
FG ID 1	2 000	863	1 630	1 289	-	40	1 233
FG ID 2	2 000	219	957	1 639	-	54	1 262
FG ID 3	5 436	1 156	2 839	3 684	140	94	3 753
FG ID 4	360	33	28	335	-	45	365
FG ID 5	1 133	284	173	967	-	348	1 244
FG ID 6	4 000	444	1 023	2 546	-	960	3 421
FG STB 14	10 000	87	0	-	-	599	10 087
FG STB 15	10 000	580	0	-	-	1 693	10 580
Total	108 958	13 271	28 745	42 957	6 225	10 957	93 484

As at 31 December 2023, the employment situation in the Managed Funds is detailed as follows:

Managed Funds	2023	2022	Variation	%
Current accounts of resident banks	108	658	(550)	(83,6%)
Shares (placement)	2 003	2 049	(46)	(2,2%)
Units in UCITS	10 958	11 573	(615)	(5,3%)
Other equity securities	4 559	4 293	266	6,2%
Retrocession holdings	83 695	81 525	2 170	2,7%
Receivables related to retrocession holdings	723	723	-	-
Miscellaneous debtors	116	2 049	(1 933)	(94,3%)
Provisions on retrocession holdings	(58 030)	(60 013)	1 983	3,3%
Assets in accounts of banking institutions in dinars	(267)	(15)	(252)	(1680,0%)
Miscellaneous creditors	(5 937)	(6 606)	669	10,1%
Total	37 928	36 236	1 692	4,7%

5.6 – Fixed Assets

Net fixed assets amounted to TND 154.119 thousand as at 31/12/2023. The movements recorded during the 2023 financial year are detailed as follows:

Particulars	Gross Value 2022	Acquisition/ Disposal 2023	Reclassification	Gross Value 2023	Amortization 2022	Allocations/ Provisions 2023	Amortization adjustment / previous years	Amortization 2023	Net Worth 2023
Intangible assets	38 708	2 540	-	41 248	(32 417)	(3 670)	(347)	(36 435)	4 813
Computer software	38 515	2 540	0	41 055	(32 319)	(3 630)	(371)	(36 321)	4 734
Research & development costs	136	-	0	136	(98)	(40)	24	(114)	22
Leasehold rights	57	-	0	57	-	-	-	-	57
Tangible fixed assets	308 056	28 111	-	336 167	(178 129)	(10 417)	1 684	(186 861)	149 306
Lands	38 844	11 358	0	50 202	-	-	-	-	50 202
Buildings	73 027	-	0	73 027	(39 312)	(1 588)	1 117	(39 783)	33 244
Office furniture	10 485	520	-8	10 997	(7 588)	(869)	146	(8 311)	2 686
Transportation equipment	3 151	457	0	3 608	(1 889)	(314)	0	(2 203)	1 405
Hardware	53 995	4 089	0	58 084	(51 451)	(2 785)	2 351	(51 885)	6 199
Communication equipment	2 063	10	0	2 073	(1 331)	(46)	(584)	(1 961)	112
Office equipment	18 561	1 604	0	20 165	(17 696)	(593)	423	(17 866)	2 299
Safety equipment	7 527	2 952	8	10 487	(4 072)	(632)	(76)	(4 780)	5 707
air conditioning equipment	6 095	-	0	6 095	(5 641)	(106)	(93)	(5 840)	255
Fixtures, fittings and installation	64 771	7 169	564	72 504	(41 754)	(3 918)	(1 607)	(47 277)	25 227
Non-operating office furniture	33	-	0	33	(31)	-	(1)	(33)	-
Non-Operating Mat-tool	403	-	0	403	(371)	(10)	8	(373)	30
Non-operating buildings	28 044	-	0	28 044	(6 993)	444	-	(6 549)	21 495
Work in progress	-	-	445	445	-	-	-	-	445
Buildings pending assignment	1 057	(48)	-1009	-	-	-	-	-	-
TOTAL	346 764	30 651	-	377 415	(210 546)	(14 087)	1 337	(223 296)	154 119

5.7 – Other Assets

The total of other assets is TND 422.948 thousand as at 31/12/2023 against TND 412.707 thousand as at 31/12/2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Staff loans and advances*	12 376	10 727	1 649	15,4%
State, tax and duties*	29 553	259	29 294	11310,4%
Miscellaneous inventories*	2 957	4 770	(1 813)	(38,0%)
Exchange rate difference payable by the State	178	178	-	-
Head office, branches and agencies-Assets *	24 277	10 933	13 344	122,1%
Prepayments and accrued income -Assets*	129 840	114 253	15 587	13,6%
Securities submitted for compensation*	(9 758)	77 406	(87 164)	(112,6%)
Prepaid expenses*	1 000	867	133	15,3%
Accrued income*	1 700	929	771	83,0%
Difference portfolio collection due after encashment (1)	18 374	18 084	290	1,6%
Other asset accounts*	170 658	127 351	43 307	34,0%
Provisions for other assets*	(49 502)	(40 595)	(8 907)	(21,9%)
Other frozen accounts*	91 295	87 545	3 750	4,3%
TOTAL	422 948	412 707	10 241	2,5%

(*) Data as at 31/12/2022 are restated for comparability purposes.

(1) The item of portfolio collection due after encashment shows a debit balance of TND 18 374 thousand. This balance is the result of the compensation between several asset and liability accounts pertaining to securities in collection and securities payable after encashment.

This item is detailed as follows:

Type	2023	2022	Variation	%
Securities upon encashment	135 709	129 242	6 467	5,0%
Securities payable after encashment	(117 335)	(111 159)	(6 176)	(5,6%)
Total	18 374	18 083	291	2%

- (2) Foreign currency account balances are translated into dinars on each reporting date, using the average exchange rate on that date. A provision is set aside for 50% of the resulting translation difference, which is offset against the balances of foreign exchange positions if it has a debit balance.

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

Particulars	Provision 2022	Allocation 2023	Reversals 2023	Reclassification	Provision 2023
Frozen asset accounts*	(13 205)	(6 436)	-	-	(19 641)
Miscellaneous stock	(28)	-	-	-	(28)
Prepayments and accrued income-Asset*	(2 216)	(32)	-	-	(2 249)
Sundry debtors*	(4 921)	-	-	-	(4 921)
Other asset accounts*	(12 229)	-	-	-	(12 229)
Head office, branches, and agencies-Asset *	(7 974)	(27)	56	(2 468)	(10 413)
Cash in hand *	(22)	-	-	-	(22)
Total	(40 595)	(6 495)	56	(2 468)	(49 502)

(*) Data as at 31/12/2022 are restated for comparability purposes.

5.8 – Central Bank and Postal Checks Centre

The total of this item is TND 1.077.234 thousand as at 31/12/2023 against TND 1.517.934 thousand as at 31/12/2022. This item is detailed as follows:

Particulars	2023	2022	Variation	%
Tender	954 000	1 131 000	(177 000)	(15,6%)
Loan facility	10 000	420 000	(410 000)	(97,6%)
Uses with the CBT	112 163	(34 744)	146 907	422,8%
Related liabilities	1 071	1 678	(607)	(36,2%)
TOTAL	1 077 234	1 517 934	(440 700)	(29,0%)

5.9 – Deposits and Assets of Banking and Financial Institutions

The total of this item is TND 581.591 thousand as at 31/12/2023 against TND 535.323 thousand as at 31/12/2022. Its type-wise distribution of banking and financial institution is as follows:

Particulars	2023	2022	Variation	%
Current accounts of banking institutions	66 214	75 972	(9 758)	(12,8%)
- Deposit banks	1	1	-	-
- Non-resident banks	66 213	75 971	(9 758)	(12,8%)
Borrowings from banking institutions	491 154	420 110	71 044	16,9%
- Borrowings in dinars	303 001	168 500	134 501	79,8%
- Borrowings in foreign currency	188 153	251 610	(63 457)	(25,2%)
Equity of financial institutions	22 540	37 637	(15 097)	(40,1%)
Related liabilities	1 683	1 604	79	4,9%
Total	581 591	535 323	46 268	8,6%

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

Particulars	2023	2022	Variation	%
Materialized by securities	-	-	-	-
Not materialized by securities	581 591	535 323	46 268	8,6%
Total	581 591	535 323	46 268	8,6%

The breakdown of deposits and assets of banking and financial institutions (excluding related liabilities) as per residual term as at 31/12/2023 is as follows:

Description	≤ 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Current accounts of banking institutions	66 214	-	-	-	66 214
- Deposit banks	1	-	-	-	1
- Non-resident banks	66 213	-	-	-	66 213
Borrowings from banking institutions	456 381	34 773	-	-	491 154
- Borrowings in dinars	303 001	-	-	-	303 001
- Borrowings in foreign currency	153 380	34 773	-	-	188 153
Equity of financial institutions	22 540	-	-	-	22 540
Related liabilities	1 377	306	-	-	1 683
Total	546 818	34 773	-	-	581 591

5.10 – Client Deposits and Assets

The balance of this item amounts to TND 10.177.463 thousand as at 31/12/2023 against TND 9.881.433 thousand as at 31/12/2022. The deposits are detailed as follows:

Particulars	2023	2022	Variation	%
Call deposits	2 665 643	2 652 164	13 479	0,5%
Savings deposits	4 245 908	3 870 738	375 170	9,7%
Term account	849 395	776 985	72 410	9,3%
Accounts in convertible dinars	117 079	124 272	(7 193)	(5,8%)
Currency deposits	761 335	781 666	(20 331)	(2,6%)
Foreign currency investments	305 325	264 322	41 003	15,5%
Cash vouchers	681 646	686 193	(4 547)	(0,7%)
Other amounts due to clients*	221 301	294 614	(73 313)	(24,9%)
Related liabilities	(5 669)	(8 521)	2 852	33,5%
Certificates of deposits	335 500	439 000	(103 500)	(23,6%)
Total	10 177 463	9 881 433	296 030	3,0%

(*) Data as at 31/12/2022 are restated for comparability purposes.

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
Call deposits	3 661 292	187 784	306	-	3 849 382
Call deposits in Dinar	2 665 643	-	-	-	2 665 643
Accounts in convertible dinars	117 079	-	-	-	117 079
Foreign currency accounts	761 335	-	-	-	761 335
Foreign currency investments	117 235	187 784	306	-	305 325
Savings deposits	4 245 908	-	-	-	4 245 908
Special savings accounts	4 203 762	-	-	-	4 203 762
Other savings accounts	42 146	-	-	-	42 146
Term deposits	827 001	840 883	198 658	-	1 866 542
Term account	372 162	401 135	76 099	-	849 396
Cash vouchers	210 339	348 748	122 559	-	681 646
Certificates of deposits	244 500	91 000	-	-	335 500
Other amounts due to clients	221 300	-	-	-	221 300
Total	8 955 501	1 028 667	198 964	-	10 183 132

The breakdown of deposits and client deposit assets as per the type of relationship as at 31/12/2023 is as follows:

Particulars	Subsidiaries	Associates	Joint ventures	Others	Total
Call deposits in Dinar	15 374	18 311	-	2 749 037	2 782 722
Foreign currency accounts	-	390	-	760 945	761 335
Foreign currency investment	-	-	-	305 325	305 325
Savings deposits	-	-	-	4 245 908	4 245 908
Term account	44 250	31 400	-	773 745	849 395
Cash vouchers	-	-	-	681 646	681 646
Certificates of deposits	4 000	42 500	-	289 000	335 500
Other amounts due to clients	-	-	-	221 301	221 301
Total	63 624	92 601	-	10 026 907	10 183 132

5.11 – Borrowings and Special Resources

The total balance of this item is TND 670.851 thousand as at 31/12/2023 against TND 631.433 thousand as at 31/12/2022, and is broken down as follows::

Particulars	2023	2022	Variation	%
Debt securities & Private Borrowings	281 216	319 617	(38 401)	(12,0%)
Special resources	339 364	275 289	64 075	23,3%
Budget resources	86 414	88 629	(2 215)	(2,5%)
External resources	252 950	186 660	66 290	35,5%
Interest on debt securities	54 741	42 295	12 446	29,4%
Interest payable on external resources	3 069	2 390	679	28,4%
Related liabilities	388	388	-	-
Translation difference on borrowing*	(7 927)	(8 546)	619	7,2%
Total	670 851	631 433	39 418	6,2%

(*) 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 31/12/2023 is as follows:

Description	≤ 3 months	[3 months 1 year]	[1 year - 5 years]	> 5 years	Total
Debt securities and private borrowings	61 098	34 283	185 680	155	281 216

The breakdown of debt securities and private borrowings into long-term and short-term borrowings as at 31/12/2023 is as follows:

Description	Balance 2022	New borrowings	Refunds	Reclassifications	Balance 2023
Long term borrowing	286 152	-	-	(100 317)	185 835
Short term borrowing	33 465	-	(38 401)	100 317	95 381
Total	319 617	-	(38 401)	-	281 216

(b) Special Resources

The breakdown of special resources as per the residual term as at 31/12/2023 is as follows:

Description	≤3 months	[3 months -1 year]	[1 year-5 years]	> 5 years	Total
Special Resources	3 111	21 186	118 971	109 682	252 950
Budget resources	390	7 451	32 573	46 000	86 414

The breakdown of special resources into long-term and short-term resources as at 31/12/2023 is as follows:

Description	Balance 2021	New borrowings	Refunds	Reclassifications	Revaluation	Balance 2022
Long term resources	254 540	82 712	(12 696)	(17 329)	-	307 226
Short term resources	20 749	-	(5 322)	16 710	-	32 138
Total resources before hedging	275 289	82 712	(18 018)	(619)	-	339 364
Hedging on Foreign Currency Resources	(8 546)	-	-	619	-	(7 927)
Total resources	266 743	82 712	(18 018)	-	-	331 437

5.12 – Other Liabilities

The total of this item amounts to TND 868.869 thousand as at 31/12/2023 against TND 708.329 thousand as at 31/12/2022:

Particulars	2023	2022	Variation	%
Provisions for liabilities and charges (1) *	259 014	244 440	14 574	6,0%
State, taxes and social liabilities (2) *	48 343	48 134	209	0,4%
Unmatured financial bonds (3) *	68 272	41 240	27 032	65,5%
Fees payable *	88 217	79 409	8 808	11,1%
Sundry creditors *	73 788	213	73 575	34542,3%
Head office, branches and agencies *	-	1 020	(1 020)	(100,0%)
Accruals and deferred income - Liabilities *	87 698	54 955	32 743	59,6%
Outstanding securities to be tele-set off *	92 326	123 646	92 326	123 646
Translation difference	58 927	21 733	58 927	21 733
Loans to be regularized *	874	868	874	868
Frozen liabilities *	88 420	88 960	(540)	(0,6%)
Accruals and deferrals DEFERRAL/REFERRAL *	2 990	3 711	(721)	(19,4%)
Total in TND thousand	868 869	708 329	160 540	22,7%

(*) data as at 31/12/2022 are restated for comparability purposes.

(1) Provisions for liabilities and charges constituted by the bank at the end of the 2023 financial year amounted to TND 259.014 thousand against TND 244.440 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 2022	Reversals	Allocations	Reassignment and adjustment	Provisions 2023
Provisions on signature pledges	58 710	(3 157)	19 160	(3 168)	71 545
Provisions for retirement	67 902	(2 094)	14 841	-	80 649
Provisions for miscellaneous risks *	117 828	(12 789)	4 249	(2 469)	106 820
Total	244 440	(18 040)	38 250	(5 637)	259 014

(2) This item is detailed as follows:

Items	2023	2022	Variation	%
Corporate income tax payable *	6	3 406	(3 400)	(99,8%)
VAT *	3 565	3 778	(213)	(5,6%)
Withholding tax	28 709	24 410	4 299	17,6%
Exchange Equalization Fund	11 060	10 857	203	1,9%
Social solidarity contribution	1	117	(116)	(99,1%)
Others	5 002	5 566	(564)	(10,1%)
Total	48 343	48 134	209	0,4%

(*) Data as at 31/12/2022 are restated for comparability purposes.

(3) This item is detailed as follows:

Items	2023	2022	Variation	%
Unmatured medium-term financial bonds	1 738	1 583	155	9,8%
Financial bonds on unmatured medium-term interest	4 535	4 466	4 535	4 467
Unmatured collection items sent to electronic clearing	13 967	79	13 967	79
Unmatured discounted bonds sent for collection	48 032	35 111	48 032	35 111
Total*	68 272	41 240	27 032	65,5%

(*) Data as at 31/12/2022 are restated for comparability purposes.

5.13 – Shareholders' 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:

Description	Share capital	State grant	Capital-related premiums	Legal Reserves	Statutory reserves	Special-regime reserves	Tax-exempt reinvestment reserves	Social fund reserves	Banking risk reserves	Treasury stock	Other shareholders' equity	Retained earnings	Net income for the year	TOTAL
Shareholders' equity as at 31/12/2021	776 875	117 000	142 663	12 430	49 479	196 906	9 974	9 779	45 028	(5 509)	22 314	(285 792)	112 681	1 203 828
Appropriation of net income	-	-	-	-	-	-	-	-	-	-	-	112 681	(112 681)	-
Subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of State grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	(547)	-	-	(461)	461	-	(547)
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	-	93 083	93 083
Shareholders' equity as at 31/12/2022	776 875	117 000	142 663	12 430	49 479	196 906	9 974	9 232	45 028	(5 509)	21 853	(172 650)	93 083	1 296 364
Accounting changes	-	-	-	-	-	-	-	-	-	-	-	(7 353)	(1 105)	(8 458)
Restated shareholders' equity at 31/12/2022	776 875	117 000	142 663	12 430	49 479	196 906	9 974	9 232	45 028	(5 509)	21 853	(180 003)	91 978	1 287 906
Appropriation of net income	-	-	-	4 654	-	-	-	-	-	-	-	87 324	(91 978)	-
Subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of State grant	-	(117 000)	-	-	-	-	-	-	-	-	-	-	-	(117 000)
Other movements	-	-	(56 049)	-	-	(116 601)	-	(871)	-	(27)	(461)	173 111	-	(898)
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	-	50 601	50 601
Shareholders' equity as at 31/12/2023	776 875	-	86 614	17 084	49 479	80 305	9 974	8 361	45 028	(5 536)	21 392	80 432	50 601	1 220 609

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	686 985
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 shareholders' 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.

Following the repayment to the State of TND 40.000 thousand during the first half of 2023, the remaining TND 77,000 thousand has been reclassified under «Other liabilities».

5.13.2- Social fund reserves

Reserves for social funds amounted to TND 8,361 thousand as at 31 December 2023, compared with TND 9,232 thousand as at 31 December 2022:

Description	31/12/2023	31/12/2022
Staff loans	6 801	8 557
Treasury	1 560	675
Total	8 361	9 232

5.13.3- Earnings per share

Particulars	2023	2022	Variation	%
Net profit for the financial year before accounting changes (in TND)	50 600 755	93 082 695	(42 481 940)	-45,6%
Number of ordinary shares	155 375 000	155 375 000	-	0,0%
Number of treasury stocks	686 985	679 987	6 998	1,0%
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	154 688 015	154 695 013	(6 998)	0,0%
Weighted average number of shares	155 375 000	155 375 000	-	0,0%
Profits attributable to equity	223 729	407 369	(183 640)	-45,1%
Earnings per share with a nominal value of TND	0,327	0,602	(0)	(83,9%)

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

6.1 - Contingent Liabilities

The item of contingent liabilities comprising the headings «Sureties, endorsements and other guarantees given» and «Letter of credits» is broken down as at 31 December 2023 into the following elements:

Particulars	2023	2022	Variation	%
Client Sureties and endorsements	1 064 191	1 095 262	(31 071)	(2,8%)
Other irrevocable unconditional bank guarantees	416 475	398 665	17 810	4,5%
Total sureties, endorsements and other guarantees given	1 480 666	1 493 927	(13 261)	(0,9%)
Letter of credits and import acceptances	568 387	497 345	71 042	14,3%
Letter of credits and export acceptances	31 306	116 372	(85 066)	(73,1%)
Total Letter of credits	599 693	613 717	(14 024)	(2,3%)
Total contingent liabilities	2 080 359	2 107 644	(27 285)	(1,3%)

Letters of credit

The total letters of credit amounted to TND 599.693 thousand as at 31/12/2023 against TND 613.717 thousand as at 31/12/2022. The breakdown of letters of credit as per the type of relationship is as follows:

Particulars	Subsidiaries	Associates	Joint ventures	Others	Total
Debtors by export currency letters of credit	-	-	-	31 306	31 306
Debtors by import currency letters of credit	-	-	-	568 387	568 387
Total	-	-	-	599 693	599 693

6.2 - Commitments Given

The item of "Commitments Given" amounted to TND 115.225 thousand as at 31 December 2023 against TND 157.349 thousand as at 31 December 2022:

Particulars	2023	2022	Variation	%
Funding commitments	115 199	157 323	(42 124)	(26,8%)
Securities commitments	26	26	-	-
Total	115 225	157 349	(42 124)	(26,8%)

6.3 - Guarantees Received

The balance of item «Guarantees Received» amounted to TND 2.856.800 thousand as at 31 December 2023 against TND 2.980.012 thousand as at 31 December 2022:

Particulars	2022	2021	Variation	%
Counter-guarantees received from foreign-based banks	416 475	398 665	17 810	4,5%
Guarantees received from banks and financial institutions established in Tunisia (*)	-	-	-	-
Guarantees received from the State and insurance organizations (*)	1 886 347	1 903 036	(16 689)	(0,9%)
Guarantees received from clients (*)	553 978	678 311	(124 333)	(18,3%)
Total	2 856 800	2 980 012	(123 212)	(4,1%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

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 1060.179 thousand as at 31 December 2023 against TND 957.442 thousand as at 31 December 2022, and are analyzed as follows:

Particulars	2023	2022	Variation	%
Interest on receivables from banking and financial institutions	33 032	11 925	21 107	177,0%
Interest on money market loans in dinars	6 754	5 047	1 707	33,8%
Interest on foreign currency money market loans	26 278	6 878	19 400	282,1%
Interest on receivables from clients	997 749	912 753	84 996	9,3%
Interest on bank charges on accounts receivable *	109 616	98 225	11 391	11,6%
Interest on loans to clients *	888 133	814 528	73 605	9,0%
Similar income	29 398	32 764	(3 366)	(10,3%)
Total	1 060 179	957 442	102 737	10,7%

(*) Data as at 31/12/2022 are restated for comparability purposes.

7.2 – Commissions (as income)

The amount of commissions amounted to TND 139.416 thousand as at 31 December 2023 against TND 137.778 thousand as at 31 December 2022, and is analyzed as follows:

Particulars	2023	2022	Variation	%
Checks, bills transfers and account management*	60 779	62 649	(1 870)	(3,0%)
Securities transactions *	3 272	837 611	(834 339)	(99,6%)
Foreign exchange transactions	10 067	9 109	958	10,5%
Foreign trade transactions	12 247	7 771	4 476	57,6%
Safe deposit box	41	57	(16)	(28,1%)
Studies	17 828	20 856	(3 028)	(14,5%)
Others *	35 182	(800 275)	835 457	104,4%
Total	139 416	137 778	1 638	1,2%

(*) Data as at 31/12/2022 are restated for comparability purposes.

7.3 – Profit on Trading Securities Portfolio and Financial Transactions

The balance of this item amounted to TND 90.450 thousand as at 31 December 2023 against TND 113.937 thousand as at 31 December 2022, and is analyzed as follows:

Particulars	2023	2022	Variation	%
Net gains on trading securities	19 358	6 144	13 214	215,1%
Net interest on treasury bonds	19 358	6 144	13 214	215,1%
Net gains (losses) on investment securities	20 391	51 547	(31 156)	(60,4%)
Dividends and similar income from investment securities	17 126	45 101	(27 975)	(62,0%)
Losses on investment securities	3 265	6 446	(3 181)	(49,3%)
Net profit on foreign exchange transactions	50 701	56 246	(5 545)	(9,9%)
Result on foreign exchange transactions	48 270	53 612	(5 342)	(10,0%)
Commissions on manual exchange	2 431	2 634	(203)	(7,7%)
Total	90 450	113 937	(23 487)	(20,6%)

7.4 – Income on Investment Securities Portfolio

Income on the investment security portfolio amounted to TND 157.930 thousand as at 31 December 2023 against TND 81.176 thousand as at 31 December 2022, and is analyzed as follows:

Particulars	2023	2022	Variation	%
Interest and similar income on investment securities	40 935	13 819	27 116	196,2%
Interest and similar income on similar treasury bond investment	100 649	55 941	44 708	79,9%
Dividends and similar income / equity securities	16 345	11 415	4 930	43,2%
Total in TND thousand	157 930	81 176	76 754	94,6%

7.5 – Interest Incurred and Similar Charges

Interest incurred and similar charges amounted to TND -750.829 thousand as at 31 December 2023 against TND -583.336 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Transactions with banking institutions	(159 284)	(113 158)	(46 126)	(40,8%)
Transactions with clients	(546 448)	(428 592)	(117 856)	(27,5%)
Borrowings and special resources *	(45 030)	(41 582)	(3 448)	(8,3%)
Other interest and charges	(67)	(4)	(63)	(1575,0%)
Total	(750 829)	(583 336)	(167 493)	(28,7%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

7.6 – Evolution Analysis of Net Banking Income

Net banking income recorded a decrease of -1,6% between the 2022 and 2023 financial years, this change is explained as follows:

Particulars	2023	2022	Variation	%
Interest and similar income *	1 060 179	958 916	101 263	10,6%
Accrued interest and similar charges *	(750 829)	(583 336)	(167 493)	(28,7%)
Net interest margin	309 350	375 580	(66 230)	(17,6%)
Commissions received	139 416	136 304	3 112	2,3%
Commissions paid *	(12 067)	(10 518)	(1 549)	(14,7%)
Net commissions	127 349	125 786	1 563	1,2%
Gains on commercial securities portfolio and financial transactions	90 450	113 937	(23 487)	(20,6%)
Investment securities portfolio income	157 930	81 176	76 754	94,6%
Net banking income	685 079	696 479	(11 400)	(1,6%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

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

Particulars	2023	2022	Variation	%
Allocations to provisions on clients' commitments	(221 112)	(200 622)	(20 490)	(10,2%)
Allocations to provisions for doubtful receivables	(206 185)	(170 525)	(35 660)	(20,9%)
Allocations to additional provisions	(40 973)	(50 695)	9 722	19,2%
Allocations to collective provisions	(31 838)	(38 225)	6 387	16,7%
Reversals of provisions for doubtful receivables	98 947	128 808	(29 861)	(23,2%)
Reversals of additional provisions	149 327	128 128	21 199	16,5%
Receivables assigned to STRC (Tunisian debt collection company) or written off	(234 887)	(262 935)	28 048	10,7%
Receivables written off	(3 439)	(12 480)	9 041	72,4%
Reversal of reserved bank charges on receivables disposed of, written off or abandoned	47 936	77 302	(29 366)	(38,0%)
Allocations to provisions for risks and charges	(13 130)	(15 852)	2 722	17,2%
Allocations to provisions for risks and charges	(25 585)	(23 094)	(2 491)	(10,8%)
Allocations to provisions related to social reorganization	-	-	-	-
Compensation and pensions related to social reorganization	(2 484)	(4 600)	2 116	46,0%
Reversals of provisions for risks and charges	12 845	7 777	5 068	65,2%
Reversals of provisions for retirement and social reorganization	2 094	4 065	(1 971)	(48,5%)
TOTAL	(234 242)	(216 474)	(17 768)	(8,2%)

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

As at 31 December 2023, the balance of this item is detailed as follows:

Description	2023	2022	Variation	%
Allocations to provisions for investment portfolio depreciation	(13 710)	(9 026)	(4 684)	(51,9%)
Allocations to provisions for managed funds	(1 159)	(817)	(342)	(41,9%)
Capital gains or losses on investment portfolio disposal of	156	2 323	(2 167)	(93,3%)
Reversals of provisions for investment portfolio depreciation	1 541	6 284	(4 743)	(75,5%)
Reversals of provisions for managed funds	1 410	777	633	81,5%
Total	(11 762)	(459)	(11 303)	(2462,5%)

7.9 –Other Operating Income

The item of other operating income reached a total of TND 1.579 thousand as at 31/12/2023 against TND 1.194 thousand as at 31/12/2022, and is detailed as follows

Description	2023	2022	Variation	%
Income from buildings	1 536	1 115	421	37,8%
Other incidental income	43	79	(36)	(45,6%)
Total (*)	1 579	1 194	385	32,2%

(*) Data to 31/12/2022 are restated for comparability purposes.

7.10 – Staff Costs

Staff costs reached a total of TND 217.875 thousand as at 31 December 2023 against TND 196.073 thousand as at 31 December 2022, and are detailed as follows:

Description	2023	2022	Variation	%
Staff remuneration*	(164 984)	(146 479)	(18 505)	(12,6%)
Social charges*	(49 352)	(46 042)	(3 310)	(7,2%)
Other staff-related charges	(3 539)	(3 552)	13	0,4%
Total	(217 875)	(196 073)	(21 802)	(11,1%)

(*) Data to 31/12/2022 are restated for comparability purposes.

7.11- General Operating Charges

General operating charges reached a total of TND 102.814 thousand as at 31 December 2023 against TND 98.907 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
General operating charges (*)	(102 815)	(98 908)	(3 907)	(4,0%)
Non-banking operating costs	(67 484)	(63 123)	(4 361)	(6,9%)
Other operating charges	(35 331)	(35 785)	454	1,3%

(*) General operating charges are detailed as follows:

Particulars	2023	2022	Variation	%
Rent	(5 366)	(4 591)	(775)	(16,9%)
Maintenance and repairs entrusted to third parties	(6 509)	(5 248)	(1 261)	(24,0%)
Works and methods executed by third parties	(24 634)	(21 469)	(3 165)	(14,7%)
Deposit guarantee fund membership fee	(26 540)	(24 813)	(1 727)	(7,0%)
Insurance premium	(1 809)	(1 855)	46	2,5%
Others	(2 626)	(5 145)	2 519	49,0%
Taxes and duties	(9 722)	(4 963)	(4 759)	(95,9%)
Supplies made to the company	(2 226)	(2 959)	733	24,8%
Broker remuneration and fees	(4 425)	(2 180)	(2 245)	(103,0%)
Transportation and conveyance	(309)	(307)	(2)	(0,7%)
Miscellaneous management costs	(18 648)	(25 377)	6 729	26,5%
Total	(102 814)	(98 907)	(3 907)	(4,0%)

7.12– Profit / Loss Balance from Other Ordinary Items

The balance of gain/loss from other ordinary items is TND 7.347 thousand as at 31/12/2023 against TND 19.959 thousand as at 31/12/2022, and is detailed as follows:

Particulars	2023	2022	Variation	%
Gains from other ordinary items	19 480	36 300	(16 820)	(46,3%)
- Capital gain on disposal of	226	84	142	169,0%
- Subsidy for Vocational Training Tax	1 746	1 580	166	10,5%
- Other Earnings (1)	17 508	34 636	(17 128)	(49,5%)
Losses from other ordinary items (2)	(12 133)	(16 341)	4 208	25,8%
Total	7 347	19 959	(12 612)	(63,2%)

(1) This balance mainly includes:

- Recoveries on receivables written off for an amount of TND 8.700 thousand.
- Dividends received in respect of previous financial years amounting to TND 3.228 thousand.

(2) This balance mainly includes:

- Adjustments to disbursed premiums in the amount of TND 6.651 thousand.
- Regularization of the Vocational Training Tax for financial years 2019, 2020 and 2021 in the amount of TND 2.629 thousand.

7.13– Corporate Tax

The income tax charge as at 31 December 2023 amounts to TND 51.963 thousand against TND 92.531 thousand as at 31 December 2022.

Particulars	2023	2022	Variation	%
Fiscal result	148 466	264 375	(115 909)	(43,8%)
Corporate tax	(51 963)	(92 531)	40 568	43,8%

7.14– Profit /Loss Balance from Other Extraordinary Items

The gain/loss balance from other extraordinary items amounts to TND 10.453 thousand as at 31 December 2023, and is detailed as follows:

Description	2023	2022	Variation	%
Cyclical contribution	(10 393)	(7 931)	(2 462)	(31,0%)
Social assistance donation	(60)	-	(60)	-
Total	(10 453)	(7 931)	(2 522)	(31,8%)

8 - NOTES RELATING TO THE STATEMENT OF CASH FLOWS

8.1 Net Cash Flows Allocated to Operating Activities

During the financial year 2023, the operating activities generated positive net cash flows of TND 533 558 thousand.

The main variations are detailed as follows:

- The operating income received recorded a surplus of TND 462 300 thousand compared to the operating charges disbursed.
- Loans and repayments on loans made by clients generated net positive cash flows of TND 363 466 thousand. Les crédits et les remboursements sur crédits effectués par la clientèle ont dégagé un flux net positif de 363 466 mDT.
- Client deposits and withdrawals generated net positive flows of TND 311 409 thousand.
- Acquisitions/disposal of investment securities generated negative net cash flows of TND -203 357 thousand.

- Amounts paid to staff and miscellaneous creditors generated negative flows of TND -96 503 thousand.
- Other cash flows from operating activities resulted in net disbursement of TND 151 393 thousand.

8.2 – Net Cash Flow Allocated to Investment Activities

During the financial year 2023, the investment activities generated negative net cash flows of TND -32 919 thousand.

8.3 – Net Cash Flow Allocated to Financing Activities

During the financial year 2023, the financing activities generated positive net cash flows of TND 26 265 thousand.

8.4 – Cash and Cash Equivalents

The bank's cash and cash equivalents reached a balance of TND -698.025 thousand as at 31 December 2023 against TND -1224.929 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Cash, PCC and liquidity recovery	85 587	77 366	8 221	10,6%
CBT	(979 032)	(1 419 766)	440 734	31,0%
Banks and specialized organizations	(15 413)	(850)	(14 563)	(1713,3%)
Money market loans	(67 391)	(121 077)	53 686	44,3%
Trading securities	278 224	239 398	38 826	16,2%
Total	(698 025)	(1 224 929)	526 904	43,0%

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

- * The standalone financial statements for the 2023 financial year were approved and authorized for issue by the Board of Directors on 10/05/2024;
- * Therefore, they do not reflect events occurring after that date.

It should be noted that STB is subject to an in-depth tax audit with respect to all taxes and duties to which it is liable for the period from 01/01/2019 to 31/12/2020.

STB has not yet been notified of the results of this audit. As a result, no provision has been set aside for tax risks.

GENERAL REPORT OF THE STATUTORY AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2023

Ladies and Gentlemen, Shareholders of Société Tunisienne de Banque (STB Bank),

Report on the audit of the financial statements

Qualified opinion

In compliance with the assignment entrusted to us by your Annual General Meeting of 4 July 2023, we have audited the accompanying financial statements of Société Tunisienne de Banque - STB Bank (the «Bank»), which comprise the balance sheet and the statement of off-balance sheet commitments at 31 December 2023, the income statement and the statement of cash flows for the year then ended, and the notes to the financial statements, including the summary of significant accounting policies. These financial statements show positive shareholders' equity of TND 1,220,609 K, including a profit for the year of TND 50,601 K.

In our opinion, except for the effects of the matters described in the «Basis for Qualified Opinion» section, the accompanying financial statements present fairly, in all material aspects, the financial position of the Bank as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Company Accounting System.

Basis for qualified opinion

1) The multi-currency accounts kept by the Bank do not comply with the requirements of accounting standards AS 22, Internal control and accounting organisation in banking institutions, and AS 23, Foreign currency transactions in banking institutions. The treatments carried out over the accounting periods have resulted in the presentation of a «Other liabilities» account among the liabilities in the balance sheet at 31 December 2023 (item L5 : Other liabilities) of a

«Translation adjustments» account, with a credit balance of TND 58,927 K, and a «Foreign exchange position equivalent» account, with a credit balance of TND 1,732 K, which should be cancelled by impacting net profit for the year and shareholders' equity at 31 December 2023 (with the exception of «Foreign exchange adjustment accounts» which are debited or credited, as appropriate, with the foreign exchange gain or loss on off-balance sheet items).

In addition, the reconciliation of the accounting balances of customer foreign currency deposit accounts (before conversion into the reference currency) with the corresponding non-accounting balances (from the business application), as at 31 December 2023, shows significant differences, equivalent to TND 60,073 K. It should be noted that certain customer deposit accounts denominated in foreign currencies are converted into the reference currency (by applying the exchange rates in force at the balance sheet date) on the basis of the extra-accounting balances in foreign currencies, whereas the other accounts in the same category are converted on the basis of the accounting balances in foreign currencies, with an impact on the «Conversion differences» account in the balance sheet of TND 56,752 K.

The Bank's transition to multi-currency accounting, which complies in all respects with the accounting standards in force (a project in progress at the date of our audit), and the related reconciliation of the balance sheet accounts, are likely to have a significant impact on its financial position at 31 December 2023 and on its financial performance for the year then ended. In view of this risk, a provision of TND 12,105 K has been set aside by the Bank ; however, the information provided to us by management does not allow us to express an opinion on the basis or reliability of this provision.

- 2) The reconciliation statements for accounts opened with the CBT (TND and foreign currencies) and correspondents' accounts (NOSTRO), as at 31 December 2023, show old suspense items dating back to years prior to 2023 and totalling the following amounts :

Description	Debit	Credit
CBT (TND and foreign currencies)	192 928	(157 358)
Movements recorded by the Bank and not taken into account by the CBT	149 478	(103 479)
Movements recorded by the CBT and not taken into account by the Bank	43 450	(53 879)
Correspondents (NOSTRO)	648 554	(706 654)
Movements recorded by the Bank and not taken into account by the Correspondents	471 546	(414 641)
Movements recorded by the Correspondents and not taken into account by the Bank	177 008	(292 013)
Total in K TND	841 482	(864 012)

The regularisation and settlement of these suspense items, which have accumulated over the years, could have a significant impact on the Group's financial position at 31 December 2023. A provision of TND 27,533 K has been set aside to cover the risk of a downward adjustment to consolidated shareholders' equity ; however, the information provided to us by management does not allow us to express an opinion on the basis or reliability of this provision.

- 3) The items «A7 : Other assets» and «L5 : Other liabilities», included respectively among the assets and liabilities of the consolidated balance sheet as at 31 December 2023, contain several old accounts opened in particular for the purpose of recording transactions relating to electronic clearing. At 31 December 2023, the frozen balances of these old balance sheet accounts totalled TND 109,305 K for other assets and TND 135,267 K for other liabilities.

In addition to the aforementioned frozen accounts, the items «A7 : Other assets» and «L5 : Other liabilities» comprise a large number of suspense, accruals, order and inter-seat accounts (see notes 5.7 and 5.12 of the financial statements), used in the accounting treatment of transactions relating to remote clearing, electronic banking, the trading room, transfers made and received, etc. These accounts show significant balances

that are not analysed and justified by the Bank as at 31 December 2023 (comparison with actual balances, subsequent settlements, etc.). These accounts contain significant balances that have not been analysed and justified by the Bank as at 31 December 2023 (comparison with actual balances, subsequent settlements, etc.). As a result, their settlement could have a significant impact on the Bank's financial position.

In view of the fact that the majority of the unjustified and/or frozen account balances shown under other assets are offset under other liabilities, a provision of TND 49,502 K has been set aside by the Bank to cover the risk of a downward adjustment to its shareholders' equity ; however, the information provided to us by management does not enable us to express an opinion on the basis or reliability of this provision.

In addition, our audit work enabled us to identify the existence, under the items «L3 : Customer deposits and assets» and «L4 : Borrowings and special resources», included among the liabilities in the balance sheet as at 31 December 2023, of old accounts that have remained unchanged for several years, with balances totalling TND 3,456 K and TND 33,407 K respectively. These old liabilities may no longer represent current obligations for the Bank and must be analysed and cleared in accordance with current regulations.

4) In 2023, the Bank did not carry out an exhaustive physical inventory of its intangible and tangible fixed assets in order to ascertain their existence and value, contrary to the provisions of Article 17 of Law 96-112 dated 30 December 1996 relating to the Company Accounting System. At 31 December 2023, intangible assets and property, plant and equipment had a gross book value of TND 377,415 K, accumulated depreciation of TND 223,296 K and a net book value of TND 154,119 K.

We conducted our audit in accordance with International Standards on Auditing (ISAs) applicable in Tunisia. Our responsibilities under these Standards are described in more detail in the section «Auditor's responsibilities for the audit of the financial statements» of this report. We are independent of the Bank in accordance with the ethical rules applicable to the audit of financial statements in Tunisia and we have fulfilled our other ethical responsibilities under those rules.

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

Key audit matters

Key audit matters are those matters which, in our professional judgement, were of most significance in the audit of the financial statements for the period under review. These matters were discussed in the context of our audit of the financial statements taken as a whole and for the purpose of forming our opinion on them, and we do not express a separate opinion on them.

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

1) Recognition of interest and similar income and commissions as revenue

a) Identified risks

For the year ended 31 December 2023, interest and similar income and commission (income) recognised in the Bank's net income totalled TND 1,199,595 K (approximately 83% of total banking operating income).

The methods used to recognise interest and similar income and commission as income are described in Note 3.1.3 to the financial statements, «Recognition of income on customer loans».

Although most of this income is generated and recognised automatically by the Bank's information system, we considered that the recognition of interest and similar income and commission as income was a key point in our audit because of the large volume of transactions and the importance of this item in relation to total banking income.

b) Audit procedures implemented to address identified risks

As part of our audit of the financial statements, we focused in particular on the following :

- A review of the policies, processes and controls implemented by the Group for the measurement and recognition of revenue;
- An assessment of the IT environment for the automatic generation and recognition of income in the accounts;;
- Verification of compliance with the provisions of accounting standard AS 24 on Commitments and related income in banking institutions, in terms of income recognition and separation of accounting periods;
- Performing analytical procedures on changes in interest and commission income;
- Assessing the reliability of interest reservation methods;
- Verifying the appropriateness of the information provided in the notes to the consolidated financial statements.

2) Classification of customer receivables and estimation of related provisions

a) Identified risks

At 31 December 2023, customer receivables were recorded as assets of the Bank's balance sheet for a net amount of TND 10,514,697 K and represented approximately 72% of total assets. Their gross amount is TND 12,193,784 K, while the provisions set

aside to cover credit risk and the reserved interest and premiums amount to TND 1,165,538 K and TND 513,549 K respectively.

As indicated in Note 3.1 to the financial statements, «Recognition of commitments and related income», the Bank classifies and values commitments and recognises the related provisions as soon as it considers that the criteria defined by CBT circular 91-24 dated 17 December 1991, as amended by subsequent CBT circulars, have been met.

Given the Bank's exposure to credit risk, the estimation of which is based on quantitative and qualitative criteria requiring a high level of judgement, we considered the classification of receivables, the valuation of related provisions and the calculation of reserved interest and agios to be a key point in our audit.

b) Audit procedures implemented to address identified risks

Through discussions with management and a review of the control procedures implemented by the Bank, we were able to obtain an understanding of the method used to assess counterparty risk and to establish the necessary provisions, taking into account the guarantees obtained. The Bank's method of classifying commitments is based mainly on the benchmark criterion of the age of unpaid debts, but also on other mitigating criteria.

We therefore adopted the following audit approach :

- Reconciliation of customer commitments with accounting data ;
- An assessment of the methodology used by the Bank to classify receivables in accordance with the rules issued by the Central Bank of Tunisia ;
- Assessing the reliability of the risk coverage and product reservation system ;
- Verification that certain qualitative criteria derived from the transactions carried out and the behaviour of the relationship in question during the financial year have been taken into account;

- Examining the guarantees used to calculate provisions and assessing their value, having regard to the rules laid down and the methods adopted ;
- Verification of the arithmetical calculation of the amounts of provisions required on customer receivables (on an individual, additional or collective basis), in application of the regulations in force ;
- Verifying that the Bank has taken into account the adjustments proposed in this respect.

3) Valuation of investment securities and related receivables at the reporting date

a) Identified risks

The Bank's investment portfolio is shown in the balance sheet as at 31 December 2023 for a net amount of TND 2,339,511 K (of which OATs : TND 1,419,072 K and domestic bonds : TND 551,500 K) and represents approximately 16% of total assets.

As indicated in Note 3.2.1 to the financial statements, «Investment portfolio and related income», investment securities are initially recognised at acquisition cost and are valued at the balance sheet date by comparing their carrying amount with their fair value in the case of unlisted securities, and with their market value in the case of listed securities. The corresponding provisions are adjusted accordingly.

Estimating the fair value of investment securities requires Management to exercise judgement in selecting the items to be taken into account, depending on the nature and situation of the securities concerned, which items differ from case to case (for some entities, shareholders' equity adjusted for unrealised gains or losses and, for others, the weighted average stock market price at the balance sheet date or the most recent prior date). Other objective criteria may be used to determine fair value, particularly for equity securities, such as the price stipulated in recent transactions, yield, size of profits, activity, size or reputation of the issuing entity.

In this context, and because of the uncertainties inherent in certain items, we considered that the correct valuation of investment securities, related receivables and the corresponding provisions for impairment were a key point in our audit.

b) Audit procedures implemented to address identified risks

In order to assess the reasonableness of the estimate of the fair value of investment securities based on the information provided to us, our audit work mainly consisted of :

- Verifying the stock market prices used to value the listed securities ;
- Ensuring that the shareholders' equity used is consistent with the financial statements of the entities audited and that any adjustments made to this equity are based on documentary evidence ;
- Verifying that the estimate of these values, as determined by Management, is based on an appropriate justification of the valuation method used and the figures used as a basis for recognising the required provisions for impairment ;
- Assessing the recoverability of related receivables in the light of the analyses performed on investment securities.

Observation paragraphs

We draw your attention to the following points :

1) The item «A2 : Receivables from banking and financial institutions», which is included in the assets of the balance sheet at 31 December 2023, includes a receivable from Banque Franco-Tunisienne (BFT), which has been declared insolvent, amounting to TND 71,828 K (including accrued interest of TND 1,828 K which has been fully provided for).

The principal receivable of TND 70,000 K is covered by a State guarantee under the terms of the agreement signed by the Minister of Finance, the Director General of STB and the Director General of BFT on 13 October 2011. According to official correspondence from the Ministry of Finance dated 10 March 2022, this guarantee has been extended until the closure of the liquidation of BFT. As a result, no provision has been recognised to cover

the risk of non-recovery of the principal of this receivable.

2) The item «A3: Customer receivables», included in the assets of the balance sheet as at 31 December 2023, includes receivables from public companies, whose total commitments fell from TND 1,914,204 K (including Office des Céréales: TND 562,675 K) at 31 December 2022 to TND 1,886,824 K (including Office des Céréales: TND 565,330 K) at 31 December 2023, i.e. a downward variation of TND 27,380 K. The commitments of public companies, representing approximately 14% of total customer commitments (on- and off-balance sheet) at 31 December 2023, are covered to the extent of TND 1,596,754 K by government guarantees, TND 203,886 K by other guarantees and TND 13,530 K by provisions set aside as well as agios and interest reserved by the Bank, giving total coverage of TND 1,814,170 K at 31 December 2023.

This item also includes, at the same date, the commitments of three groups of companies, totalling TND 408,729 K (including outstanding principal and interest of TND 124,900 K), classified in the category of financial assets requiring special monitoring (class 1) and for which the Group has not booked provisions on an individual basis and has not reserved agios or interest despite the fact that the age of the outstanding amounts gives them risk classes 2 and above. These criteria were examined and accepted by the Permanent Audit Committee, the Risk Committee and the Board of Directors, which approved the financial statements for the 2023 financial year on this basis at its meeting on 10 May 2024. The classification of these counterparties would not only have an impact on the Bank's risk and profitability indicators, but would also have significant repercussions on the continuity of the activities of these relationships, which play an important economic and social role

3) The item «E2 : State grant», included in shareholders' equity in the balance sheet at 31 December 2023, showed a zero balance at 31 December 2023, compared with TND 117,000 K at 31 December 2022, i.e. a variation of TND 117,000 K explained by the repayment to the State of an amount of TND 40,000 K, given that STB Bank has regained its financial equilibrium following the profit recorded in 2022, and by the reclassification of the balance of TND 77,000 K under «L5 : Other liabilities». It should be noted that an amendment to the agreement of 9 October 2012 was signed on 3 October 2023 to spread the repayment of this balance over the years 2024 and 2025 for the respective amounts of TND 40,000 K and TND 37,000 K.

Our opinion is not modified in respect of this matter.

Management report

The Board of Directors is responsible for preparing the management report. Our opinion on the financial statements does not extend to the management report and we do not express any opinion on this report.

Pursuant to the provisions of Article 266 of the Commercial Companies Code, our responsibility is to verify the accuracy of the information given on the Bank's accounts in the management report by reference to the data contained in the financial statements. Our work consists of reading the management report and, in doing so, assessing whether there is any material inconsistency between it and the financial statements or our knowledge obtained during the audit, or whether the management report otherwise appears to contain a material misstatement. If, based on our work, we conclude that there is a material misstatement in the management report, we are required to report this.

We have nothing to report in this respect.

Responsibility of management and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Company Accounting System, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of Management to assess the Bank's ability to continue as a going concern, to disclose any going concern issues and to apply the going concern basis of accounting unless Management intends to liquidate the Bank or to cease operations, or if there is no realistic alternative.

Management and the Board of Directors are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report on our opinion.

Reasonable assurance represents a high level of assurance, but does not guarantee that an audit conducted in accordance with the International Standards on Auditing (ISAs) applicable in Tunisia will always detect any material misstatement. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could influence the economic decisions that users of the financial statements make in reliance on them.

In an audit performed in accordance with International Standards on Auditing (ISAs) applicable in Tunisia, we exercise professional judgment and critical thinking throughout the audit. In addition, we :

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control ;
- We obtain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances ;
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures made by management ;
- We have assessed the overall presentation, form and content of the financial statements, including the disclosures in the notes, and whether the financial statements present the underlying transactions and events fairly.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements relating to independence, and disclose any relationships and other factors that may reasonably be thought to affect our independence and any related safeguards.

Of the matters communicated to those charged with governance, we determine which were the most significant in the audit of the consolidated financial statements for the period under review : these are the key audit matters. We describe these matters in our report, except where disclosure is precluded by law or regulation or where, in extremely rare circumstances, we determine that we should not disclose a matter in our report because the adverse consequences of so disclosing the matter could

reasonably be expected to outweigh the benefits to the public interest.

Reporting on other legal and regulatory obligations

As part of our audit assignment, we also performed the specific verifications required by the standards issued by the Order of Chartered Accountants of Tunisia and by the relevant regulations in force.

Effectiveness of the internal control system

Pursuant to the provisions of article 3 of law no. 94-117 dated 14 November 1994, as amended by law no. 2005-96 dated 18 October 2005, we have carried out periodic checks on the effectiveness of the internal control systems of STB Bank.

In this respect, we would point out that the responsibility for designing and implementing an internal control system and for periodically monitoring its effectiveness and efficiency lies with Management and the Board of Directors.

Based on our review, nothing has come to our attention that causes us to believe that there are significant deficiencies in the Bank's internal control system that would be likely to affect our opinion on the financial statements, other than those related to the reservations expressed above and concerning in particular certain components of the Bank's information system and accounting controls.

A report on the internal control deficiencies identified during our audit has been provided to management.

Compliance of securities account keeping with regulations in force

In accordance with the provisions of Article 19 of Decree no. 2001-2728 dated 20 November 2001, we have verified that the accounting records relating to securities issued by the Bank comply with the regulations in force.

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

Based on the procedures we considered necessary, we have not detected any irregularities relating to the compliance of the Bank's accounts with the regulations in force.

Cross-shareholdings

In accordance with the provisions of article 466 of the Commercial Companies Code, 'A joint stock company may not own shares in another joint stock company if the latter holds more than ten per cent of its capital'.

However, at 31 December 2023, four of the Bank's financial subsidiaries held lots of STB shares in their securities portfolios, giving them insignificant holdings ranging from 0.001% to 0.028%. These companies, which are required to sell these lots of STB shares, are deprived of the voting rights attached to them until the situation is regularised.

Tunis, 13 May 2024

Les Co-commissaires aux comptes



SPECIAL REPORT OF THE STATUTORY AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2023

Ladies and Gentlemen, Shareholders of Société Tunisienne de Banque (STB Bank),

Pursuant to Articles 43 and 62 of Law 2016-48 dated 11 July 2016 relating to banks and financial institutions, and Articles 200 (et seq.) and 475 of the Code of Commercial Companies, we report below on the agreements and transactions referred to in these texts.

Our responsibility is to ensure that the procedures required by law for the authorisation 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. We are required to report to shareholders, based on the information provided to us and on our audit procedures, about the main terms and conditions of those agreements and transactions, without commenting on their relevance or substance. It is your responsibility to evaluate the benefits resulting from these agreements and transactions prior to their approval.

Agreements newly entered into and/or completed during the year ended 31/12/2023

1. In 2023, STB Bank transferred to its subsidiary STRC - Société Tunisienne de Recouvrement des Créances - a package of compromised receivables as follows :

Description	Gross receivables assigned	Amount of premiums and reserved interest	Amount of provisions	Net receivables assigned
Lot 1	30 305	3 556	25 565	1 184
Total in K TND	30 305	3 556	25 565	1 184

The sale price of this package of impaired loans was TND 2,750 K.

2. During the 2023 financial year, STB Bank subscribed to the 2023 national loan issued by the

Tunisian State (main shareholder), in four tranches, for a total amount of TND 273,500 K broken down as follows :

Instalment	Repayment period	taux d'intérêt	Amount
2023-1	10 years	9,95%	80 000
2023-2	10 years	9,95%	54 000
2023-3	10 years	9,95%	39 500
2023-4	10 years	9,95%	100 000
Total in K TND			273 500

During the 2023 financial year, STB Bank recorded investment income totalling TND 12,057 K in respect of the various instalments of this national loan.

3. STB Bank has entered into four agreements with its subsidiary STB Finance for the retrocession of placement commissions relating to the four instalments of the 2023 national loan. Under the terms of these agreements, STB Finance must retrocede to STB Bank the 1% commission on the amounts it has placed and the 0.15% commission on

the amounts placed by the Fonds de Garantie des Dépôts Bancaires (Bank Deposit Guarantee Fund), as soon as they are received from the issuer. It must also pay the amounts recovered in respect of the costs incurred during subscriptions by the Fonds de Garantie des Dépôts Bancaires and the costs invoiced by Tunisie Clearing.

The placement fees received by STB Bank under these agreements totalled TND 2,735 K (excluding VAT).

4. During the 2023 financial year and by virtue of several decisions issued by the Ministry of Finance, STB Bank benefited from a total envelope of TND 855 K under the State guarantee, granted to cover the commitments of certain public companies.

5. During the 2023 financial year, STB Bank signed foreign currency financing agreements with the Ministry of Finance as part of syndicated loans granted by local banks to the Tunisian State. Details of these agreements are as follows :

Type of agreement	Relationship	Repayment term	Interest rate	Amount of loan in foreign currency	Outstanding at 31/12/2023 in foreign currency	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Syndicated loan	Ministry of Finance	4 years	Euribor 6 months + 1,7%	EUR 30 million	EUR 30 million	101 905	2 465
Syndicated loan	Ministry of Finance	1 year	Euribor 6 months + 0,4%	EUR 10 million	EUR 10 million	50 952	420
Syndicated loan	Ministry of Finance	1 year	Euribor 6 months + 0,2%	USD 5 million	USD 5 million	15 366	171
Total						168 223	3 056

6. In 2023, STB Bank subscribed, for the equivalent of TND 6,290 K, to the capital increase of the company 'Tunisian Foreign Bank - TFB', approved by the general meeting of its shareholders held on 29 December 2023.

7. During the 2023 financial year, STB Bank granted its subsidiary 'L'Immobilière de l'Avenue' a property pre-financing loan for an amount of TND 11,867 K. The details of this agreement are as follows :

Type of loan	Loan amount	Repayment period	Interest	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Property pre-financing	11 867	1 an	TMM+1%	11 867	426
Total in K TND	11 867			11 867	426

8. Cumulative outstanding deposit agreements subscribed during the 2023 financial year by STB

Bank's subsidiaries and associates amounted to TND 121,150 K at 31 December 2023, broken down as follows :

Relationship	Type of deposit	Status (subsidiary or associate)	Period in number of days	Interest rate	Outstanding at 31/12/2023
Magasins Généraux & Entrepôt Réel de Tunisie	Term investment	Subsidiary	365	MMR +1%	6 300
STB INVEST	Term investment	Subsidiary	120	MMR +1%	2 500
STRC	Term investment	Subsidiary	90	MMR +1%	26 200
Société Touristique	Certificate of deposit	Subsidiary	30	8,99%	500
ED-DKHILA	Term investment	Subsidiary	180	MMR +2%	2 500
La Générale de Vente	Term investment	Subsidiary	1 095	MMR +2%	1 000
STB SICAR	Term investment	Subsidiary	90	MMR +1%	4 750
L'Immobilière de l'Avenue	Certificate of deposit	Subsidiary	20	8,99%	1 000
STB Manager	Term investment	Subsidiary	91	MMR +1,8%	200
SICAV L'Investisseur	Certificate of deposit	Subsidiary	90	9%	1 500
ACTIVHÔTELS	Certificate of deposit	Subsidiary	90	8,99%	1 000
ACTIVHÔTELS	Term investment	Subsidiary	91	MMR +1,8%	200
SICAV L'Avenir	Certificate of deposit	Subsidiary	10	9,79%	19 500
SICAV L'Épargnant	Term investment	Subsidiary	90	MMR +1,8%	12 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	91	MMR +1,8%	2 000

Relationship	Type of deposit	Status (subsidiary or associate)	Period in number of days	Interest rate	Outstanding at 31/12/2023
SICAV L'Épargne Obligataire	Term investment	Subsidiary	92	MMR +1,8%	5 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	93	MMR +1,8%	2 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	94	MMR +1,8%	2 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	95	MMR +1,8%	2 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	97	MMR +1,8%	4 000
SICAV L'Épargne Obligataire	Term investment	Subsidiary	98	MMR +1,8%	2 000
SICAV L'Épargne Obligataire	Certificate of deposit	Subsidiary	10	9,79%	23 000
Total in K TND					121 150

During the 2023 financial year, STB Bank recognised a total expense of TND 10,062 K in respect of these various deposit agreements.

Transactions carried out during the financial year ended 31/12/2023 and relating to agreements concluded and authorised during previous financial years

1. Pursuant to Law 2012-17 dated 21 September 2012, during the 2011 financial year, STB Bank recognised as part of its shareholders' equity a State grant of 117 million dinars with a repayment option if the Bank's financial equilibrium is restored.

In 2023, STB Bank repaid the first instalment of this government grant, amounting to TND 40,000 K, as it had returned to financial equilibrium following the profit recorded in the 2022 financial year. It should be noted that an amendment to the agreement of 9 October 2012 was signed on 3 October 2023 to spread the repayment of the balance over the 2024 and 2025 financial years for the respective amounts of TND 40,000 K and TND 37,000 K.

As a result, the amount of the government grant not yet repaid by STB Bank at 31 December 2023 was TND 77,000 K and is included under financial liabilities in the balance sheet at that date.

2. Prior to 2023, STB Bank entered into agreements with the State for the management of several budgetary funds (intended to finance non-refundable subsidies, endowments or loans) in return for management fees.

The cumulative outstanding amount of these budgetary funds was TNK 86,414 K at 31 December 2023. Management fees payable to STB Bank in respect of 2023 totalled TND 69 K (excluding VAT).

3. Prior to the 2023 financial year and by virtue of decisions issued by the Minister of Finance, STB Bank benefited from a package of guarantees granted by the Tunisian State (main shareholder) to cover the commitments of certain public companies. At 31 December 2023, these government guarantees totalled TND 698,000 K.

4. Prior to 2023, STB Bank subscribed to national bonds issued by the Tunisian State (main shareholder). The characteristics of these loans, their amounts outstanding at 31 December 2023 and the related interest, which had an impact on profit for the year then ended, are as follows :

Designation	Year of subscription	Repayment period	Interest rate	Amount subscribed	Outstanding at 31/12/2023	Interest 2023
EMP NAT 2021-1	2021	5 ans	8,8%	25 000	25 000	1 103
EMP NAT 2021-2	2021	5 ans	8,8%	15 000	15 000	459
EMP NAT 2021-3	2021	5 ans	8,8%	35 000	35 000	371
EMP NAT 2022-1	2022	7 ans	MMR+2,5%	25 000	25 000	2 035
EMP NAT 2022-2	2022	7 ans	MMR+2,2%	26 000	26 000	1 420
EMP NAT 2022-3	2022	7 ans	MMR+2,2%	72 000	72 000	2 095
EMP NAT 2022-4	2022	7 ans	MMR+2,2%	80 000	80 000	930
Total in K TND				278 000	278 000	8 413

5. Prior to 2023, STB Bank signed foreign currency financing agreements with the Ministry of Finance as part of syndicated loans granted by local banks to the Tunisian State (main shareholder). The

characteristics of these syndicated loans, their amounts outstanding at 31 December 2023 and the related interest, which impacted profit for the year then ended, are as follows :

Type of agreement	Relationship	Repayment term	Interest rate	Amount of loan in foreign currency	Outstanding at 31/12/2023 in foreign currency	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Syndicated loan	Ministry of Finance	5 years	2,75%	EUR 10 million	EUR 10 million	33 968	934
Syndicated loan	Ministry of Finance	5 years	2,75%	EUR 20 million	EUR 20 million	67 937	1 868
Syndicated loan	Ministry of Finance	4 years	2,9%	EUR 15 million	EUR 15 million	50 952	1 477
Total						152 857	4 279

6. Outstanding loans (excluding syndicated loans) granted by STB Bank to the Tunisian State (main shareholder), via its ministries, amounted to TND 250,902 K at 31 December 2023.

7. Prior to the 2023 financial year, STB Bank granted its subsidiary BFT - Banque Franco-Tunisienne - an interbank loan of TND 70,000 K for a renewable period of 7 days, with an interest rate of 7.25%.

The State guarantee granted to STB Bank to cover this loan, following the decision of the Ministerial Council of 2 June 2011, has been renewed until 15 February 2021. However, according to correspondence received from the Ministry of Finance dated 10 March 2022, the said guarantee has been extended until the completion of the liquidation of BFT.

During the 2023 financial year, STB Bank recognised interest income of TND 99 K in respect of this loan.

8. Prior to 2023, STB Bank granted its subsidiary BFT an interbank loan of USD 560 thousand, equivalent to TND 1,721 K, which matured on 1 March 2022 and remained unpaid until 31 December 2023.

During the 2023 financial year, STB Bank recorded interest income of TND 8 K in respect of this loan.

9. On 18 October 2016, STB Bank subscribed to the private subordinated bond issued by the related

company TFB - Tunisian Foreign Bank - for a total amount of 16 million euros, equivalent to TND 39,560 K, guaranteed by the Tunisian State pursuant to the decision of the Minister of Finance dated 17 October 2016.

Repayments were made on 26 May 2017, 5 July 2018, 1 December 2020, 28 October 2022 and 28 October 2023 for amounts of EUR 6 million, EUR 3 million, EUR 2.289 million, EUR 0.942 million and EUR 0.534 million respectively.

During the 2022 financial year, it also converted part of this loan into TFB shares (as part of an increase in the capital of this related company) for an amount of EUR 1.634 million.

At 31 December 2023, the gross amount outstanding on this loan was 1.601 million euros, equivalent to TND 5,438 K.

During the 2023 financial year, STB Bank recognised interest income of TND 28 K in respect of this subordinated debenture loan.

10. Prior to 2023, certain legal entities, directors, subsidiaries and associates of STB Bank subscribed to the various subordinated bonds issued by STB Bank. The outstanding amounts subscribed, at 31 December 2023, as well as the interest generated by these loans during the financial year ended on that date, are detailed as follows :

Company	Amount subscribed	Outstanding at 31/12/2023	Interest 2023
Magasins Généraux & Entrepôt Réel de Tunisie	100	20	2
STB Finance	1 500	1 625	138
STB Invest	14 200	15 060	1 556
STB SICAR	1 500	1 600	53
SICAV L'Épargnant	24 546	4 396	442
SICAV L'Épargne Obligataire	16 682	6 110	564
SICAV L'Investisseur	233	38	6
SICAV L'Avenir	120	34	3
FCP Capital Plus	736	700	67
FCP STB Évolutif	45	15	1
Total bonds subscribed by subsidiaries and associates	59 662	29 599	2 832
STAR	52 000	15 008	4 000
MAE	7 200	7 200	426
Total bonds subscribed by corporate directors	59 200	22 208	4 426
Total in K TND	118 862	51 807	7 258

11. At 31 December 2023, the cumulative amount outstanding under deposit agreements entered into prior to 2023 by STB Bank's subsidiaries and associates totalled TND 1,000 K and related exclusively to the subsidiary STRC - Société Tunisienne de Recouvrement des Créances.

During the 2023 financial year, STB Bank recognised a total expense of TND 1,149 K in respect of these various deposit agreements.

12. Prior to the 2023 financial year, STB Bank entered into a non-interest-bearing associated current account agreement with the related company 'L'Immobilière de l'Avenue', the outstanding amount of which, at 31 December 2023, was TND 1,162 K.

13. Under the agreements entered into with the SICAVs : L'Épargnant, L'Investisseur, L'Avenir and L'Épargne Obligataire, STB Bank acts as custodian for the securities and funds. In return for the services it provides, STB Bank receives the following fees :

- 0.15% of the net assets of the L'Épargnant SICAV calculated daily. The fee received in respect of the 2023 financial year amounted to TND 130 K (excluding VAT) ;
- 0.2% of the net assets of L'Investisseur SICAV calculated daily. The fee received in respect of the 2023 financial year amounts to TND 1,022 (excluding VAT) ;

- 0.15% of the net assets of the L'Épargne Obligataire SICAV calculated daily. The fee received in respect of the 2023 financial year amounts to TND 120 K (excluding VAT) ;
- A fixed fee of TND 1,000 (excluding VAT) paid annually by the L'Avenir SICAV.

14. Under the terms of agreements entered into with STB Finance, STB Bank acts as custodian of securities and funds for the FCP DELTA and the FCP HIKMA, managed by STB Finance. As remuneration for the services provided, the Bank receives a commission of 0.1% (inclusive of tax) of the net assets of each fund calculated daily. Fees received in respect of the 2023 financial year totalled TND 615 (excluding VAT).

15. Under the terms of agreements entered into with STB Finance, STB Bank acts as custodian of securities and funds for the FCP INNOVATION and the FCP CAPITAL PLUS, managed by STB Finance. In return for the services provided, the Bank receives a commission of 0.1% (excluding tax) of the net assets of each fund calculated daily. Fees received in respect of the 2023 financial year totalled TND 12 K (excluding VAT).

16. Prior to the 2023 financial year, STB Bank entered into agreements with its subsidiary STB Finance conferring on the latter :

- The management of all lines of the securities portfolio, shares and related rights and bonds on deposit in the accounts of STB Bank (which

undertakes to transfer all its own securities portfolios and on behalf of its customers). STB Finance will pass on to STB Bank a brokerage commission equal to 40% of the commissions invoiced by STB Finance and relating to transactions originating from the Bank's network. In return for these services, STB Finance receives a commission of 0.2% on all transactions entrusted to it relating to STB Bank's securities portfolio. However, above a certain amount, a ceiling will be set by mutual agreement between the two parties ;

- The management of STB's shareholding, which includes operations relating to the keeping of STB's register of shareholders as well as the holding of general meetings and related operations. In return for these services, STB Finance receives an annual lump sum of 40 thousand dinars (excluding tax).

During the 2023 financial year, STB Bank recorded a total expense of TND 40 K (excluding VAT) in respect of these agreements with STB Finance.

17. Prior to the 2023 financial year, STB Bank signed a service agreement with the subsidiary 'STB Sécurité et Gardiennage' relating in particular to the guarding of premises and establishments belonging to the Bank for a period of three years from 1 January 2016, renewable by tacit agreement. The price of the guarding services is calculated on the basis of the gross monthly salary of each guard, plus benefits and the head office expenses of STB Sécurité et Gardiennage, with a profit margin of 5%.

In addition, STB Bank entered into three agreements with the subsidiary 'STB Sécurité et Gardiennage', prior to the 2023 financial year, relating to the latter's assumption of responsibility

for the salaries and other benefits of three guards at two hotels acquired by the Bank as part of a legal settlement.

The amounts invoiced during the 2023 financial year in respect of these various agreements totalled TND 8,863 K (excluding VAT).

18. Prior to the 2023 financial year, STB Bank signed a service agreement with the subsidiary 'STB Moyens Généraux' for the cleaning of the premises and establishments belonging to the Bank for a period of three years from 1 February 2015, renewable by tacit agreement. The price of cleaning services is calculated on the basis of the gross monthly salary of each cleaning agent, plus benefits and the head office expenses of STB Moyens Généraux.

The amounts invoiced under this agreement during the 2023 financial year totalled TND 5,665 K (excluding VAT).

19. Prior to the 2023 financial year, STB Bank signed an agreement with the subsidiary 'STB Moyens Généraux' for the provision of human resources, the purpose of which is to define the terms and conditions under which this company undertakes to provide the Bank with human resources for a period of three years from 1 October 2020, renewable by tacit agreement. The price of these services comprises the gross salaries and other benefits of the staff made available, plus all related employer charges, with a profit margin of 5%.

The amounts invoiced under this agreement during the 2023 financial year totalled TND 1,042 K (excluding VAT).

20. STB Bank rents various premises for professional use to some of its subsidiaries. The terms and conditions of the leases and the rental income for 2023 are as follows :

Subsidiaries	Annual rent	Lease start date	Increase per year	Start date of increase	Rent 2023 (EXCL. VAT)
STRC 1 ^{er} étage	10 000 (INCL. VAT)	01/07/2004	5%	Second year of the rent	21 415
STRC 2 ^{ème} étage	10 000 (INCL. VAT)	01/09/2001	5%	Second year of the rent	24 790
STRC 3 ^{ème} étage	10 000 (INCL. VAT)	01/04/2005	5%	Second year of the rent	20 395
STB Manager	19 549 (EXCL. VAT)	01/12/2011	5%	Second year of the rent	35 107
STB Finance	44 983 (EXCL. VAT)	01/01/2011	(every two years) 5%	Second year of the rent	60 282
STB Sécurité et Gardiennage	4 800 (EXCL. VAT)	01/01/2016	(every two years) 5%	Second year of the rent	5 557
STB Moyens	5 400 (EXCL. VAT)	01/01/2016	(every two years) 5%	Second year of the rent	6 251
Généraux	4 927 (EXCL. VAT)	01/04/2023	(every two years) 5%	Second year of the rent	5 216
ACTIVHÔTELS	53 932 (EXCL. VAT)	01/01/2022	2%	Second year of the rent	55 011
L'Immobilière de l'Avenue	35 765 (EXCL. VAT)	01/01/2023	(every two years) 5%	01/01/2025	35 765
Total in TND					269 790

21. STB Bank had signed management agreements with its subsidiary STB SICAR for several venture capital funds, set up during the period 1999-2021, for a cumulative amount of TND 108,958 K. At

31 December 2023, these managed funds had a cumulative balance (net of provisions) of TND 37,929 K, broken down as follows :

Funds under management	Year of subscription	Amount subscribed	Outstanding at 31/12/2023
Managed Fund STB 1	1999	8 000	4 715
Managed Fund STB 2	2000	8 000	5 056
Managed Fund STB 3	2001	5 000	3 821
Managed Fund STB 4	2002	6 500	5 709
Managed Fund STB 5	2003	6 824	5 410
Managed Fund STB 6	2005	2 707	652
Managed Fund STB 7	2006	800	727
Managed Fund STB 8	2007	6 752	5 810
Managed Fund STB 9	2008	4 800	4 301
Managed Fund STB 10	2008	8 748	8 665
Managed Fund STB 11	2009	6 000	5 828
Managed Fund STB 12	2009	9 898	10 842
Managed Fund STB 14	2020	10 000	10 087
Managed Fund STB 15	2021	10 000	10 580
Managed Fund ID STB 1	2002	2 000	1 233
Managed Fund ID STB 2	2002	2 000	1 262
Managed Fund ID STB 3	2003	5 436	3 753
Managed Fund ID STB 4	2005	360	365
Managed Fund ID STB 5	2006	1 133	1 244
Managed Fund ID STB 6	2007	4 000	3 421
Gross amount		108 958	93 483
Less : Provisions			(55 554)
Net amount in K TND			37 929

STB SICAR's remuneration conditions for the management of these venture capital funds set up during the period 1999-2009 are summarised below :

- Annual management fee of 1% deducted from the assets valued at the closing date of the managed fund, paid before deduction of all fees and commissions, with a minimum of 1% of the amount of funds allocated per year ;
- Performance fee of 10% to 20% calculated on capital gains realised on the sale of shares or units and dividends paid ;
- Yield commission of 10% deducted from the investment income generated by the funds.

STB SICAR's remuneration conditions for the management of venture capital funds entrusted in 2020 and 2021 can be summarised 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 losses ;
- Dividend commission of 10% of dividends paid by portfolio companies.

During the 2023 financial year, STB Bank recognised a total expense of TND 1,096 K (excluding VAT) in respect of these various management fees.

22. The balances of bank loans granted by STB Bank to its subsidiaries, associates and legal entities amounted to TND 41,811,200 K at 31 December 2023, broken down as follows :

Group	Relationship	Debit to account	Other commitments	Total
Groupe STB	STRC	-	4 286	4 286
	L'Immobilière de l'Avenue	-	31 786	31 786
	STB Invest	1	-	1
	Sté Touristique ED-DKHILA	-	2 765	2 765
	STB Moyens Généraux	292	-	292
	Magasins Généraux et Entrepôt Réel de Tunis	-	202	202
	STB Sécurité et Gardiennage	299	-	299
	SICAV L'Épargnant	0,2	-	0,2
Directors	STAR	-	2 180	2 180
	Autres	-	-	-
Total in K TND		592,2	41 219	41 811,2

During the 2023 financial year, STB Bank recorded total income of TND 2,401 K (excluding VAT) in respect of these different loans.

23. Prior to 2023, STB Bank granted its subsidiary 'L'Immobilière de l'Avenue' a property pre-financing loan of TND 28,000 K. The details of this agreement are as follows :

Type of loan	Loan amount	Repayment period	Interest rate	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Property pre-financing	28 000	4 ans	TMM+2%	19 372	987
Total in K TND	28 000			19 372	987

24. Prior to the 2023 financial year, STB Bank granted its subsidiary 'Société Touristique ED-DKHILA' a consolidation, reorganisation and restructuring loan of TND 2,765 K. The details of this agreement are as follows :

Type of loan	Loan amount	Repayment period	Interest rate	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Consolidation credit	2 765	7 years (with a 2-year deductible)	MMR+2,5%	2 765	101
Total in K TND	2 765			2 765	101

- 25 STB Bank granted its subsidiary STRC a medium-term investment loan of TND 10,000 k before the 2023 financial year, and the following details are provided :

Type of loan	Loan amount	Repayment period	Interest rate	Outstanding at 31/12/2023 in K TND	Interest 2023 in K TND
Investment credit	10 000	7 years	MMR+1,5%	4 286	563
Total in K TND	10 000			4 286	563

26. The balances of current accounts opened by STB Bank's subsidiaries and associates and the related interest are detailed as follows at 31 December 2023 :

Related party	Current account balances at 31/12/2023		Premiums/interest for the 2023 financial year	
	Debtors	Creditors	Collected	Served
L'Immobilière de l'Avenue	-	1 857	-	-45
STRC	-	3 294	-	-23
Sté Touristique ED-DKHILA	-	101	-	-1
La Générale de Vente - GEVE	-	123	-	-
SICAV L'Épargnant	-	10 737	-	-69
SICAV L'Épargne Obligataire	-	7 494	-	-57
SICAV L'Investisseur	-	49	-	-
SICAV L'Avenir	-	31	-	-
STB Manager	-	55	-	-1
STB Finance	-	4 528	-	-54
STB Invest	-	77	-	-3
ACTIVHÔTELS	-	125	-	-
STB SICAR	-	6 514	-	-521
Sté Magasins Généraux et Entrepôt Réel de Tunis	-	186	-	-
Sté Tunisienne de Contrôle VERITAS	-	2 984	-	-1
Pôle de Compétitivité de Monastir - EL FEJJA	-	357	-	-4
Sté Civile Immobilière « La Maison du Banquier »	-	2	-	-
SONIBANK	-	15 721	-	-
Tunisian Foreign Bank - TFB	-	469	-	-3
Total in K TND	-	54 704	-	-782

Obligations and commitments of STB Bank to its directors

The obligations and commitments of STB Bank towards its directors, as referred to in article 200 (new) II § 5 of the Code of Commercial Companies, are detailed as follows :

1) Général Remuneration and benefits of the Director General

The Director General of the Bank was appointed by decision of the Board of Directors at its meeting held on 7 October 2022.

The remuneration and benefits of the Director General were set by the Board of Directors at its meeting on 30 May 2016, in accordance with government decree no. 2015-968 dated 6 August 2015, setting the remuneration regime for the Directors General of public banks and the Chairmen of their Boards of Directors. They consist of the following components :

- A fixed component consisting of a net monthly salary equal to TND 16,000;
- Benefits in kind consisting of a quota of 500 litres of fuel per month, the provision of a company car and the reimbursement of telephone expenses up to a maximum of TND 250 per month ;
- An annual variable component which does not exceed 50% of the fixed component and which is calculated on the basis of the rate of achievement of the objectives set by the Bank's Board of Directors as well as financial indicators.

2) Remuneration and benefits of the Secretary General

The Secretary General of the Bank was appointed by decision of the Board of Directors at its meeting held on 10 June 2020, on the proposal of the Nomination and Remuneration Committee which met on 29 May 2020 and 2 June 2020.

The remuneration and benefits of the Secretary General, as revised by the Bank's Nomination and Remuneration Committee at its meeting on 14 October 2016, were approved by the Board of Directors on 16 November 2016 and 16 September 2020. They consist of the following elements:

- A fixed component consisting of a gross monthly salary equal to TND 4,767, i.e. a net salary of TND 2,670. In this context, it should be noted that the Secretary General retains the benefits of the balance sheet, profit-sharing, performance and bonus bonuses ;
- A supplementary allowance of TND 2,000 per month ;
- A housing allowance of TND 500 per month ;
- Benefits in kind consisting of a quota of 400 litres of fuel per month, the provision of a company car and the reimbursement of telephone expenses ;
- An annual variable component which does not exceed 25% of the fixed component and which is calculated on the basis of the rate of achievement of the objectives set by the Board of Directors for the Bank as well as financial indicators.

3) Directors' attendance fees and similar remuneration

The amount of directors' fees payable to the directors and the remuneration of the chairmen and members of the committees of the Board of Directors were set by decision of the Ordinary General Meeting held on 28 April 2023, as follows :

- Attendance fees of TND 4,000 (net) per Board meeting for the Chairman ;
- Attendance fees of TND 2,000 (net) per Board meeting for each director ;
- Rémunération de 2 000 DT (en net) par réunion pour les présidents du Comité d'Audit et du Comité des Risques ;
- Remuneration of TND 1,000 (net) per meeting for directors who are members of the Audit Committee and the Risk Committee.

It should be noted that chairmen and members who belong to more than one committee of the Board of Directors receive a single fee calculated on the basis of their attendance at a single committee meeting of their choice.

The aggregate gross amount of directors' fees and other remuneration payable to the Bank's directors for the year ended 31 December 2023 is TND 463,750, broken down as follows :

Designation	Amount
Attendance fees paid to directors	365 000
Remuneration of members of Board committees	98 750
Total in TND	463 750

4) STB Bank's obligations and commitments to its directors as shown in the financial statements for the year ended 31 December 2023

and commitments to its directors, as shown in the financial statements for the year ended 31 December 2023, are as follows :

In view of the foregoing, STB Bank's obligations

Category	Director General		Secretary General	
	Expenses for the year	Liabilities at 31/12/2023	Expenses for the year	Liabilities at 31/12/2023
Short-term benefits	434 104	213 663	159 181	77 732
Post-employment benefits	56 388	22 814	10 192	20 347
Retirement indemnity (12 months)	1 797	117 712	-637	108 515
Total in TND	492 289	353 689	168 736	206 594

Apart from the aforementioned agreements and transactions, our work did not reveal the existence of any other agreements or transactions falling within the scope of the provisions of Articles 43 and 62 of Law n° 2016-48 dated 11 July 2016, relating to banks and financial institutions, Articles 200 (et seq.) and 475 of the Commercial Companies Code.

Tunis, 13 May 2024
Les Co-commissaires aux comptes



RESOLUTIONS OF SOCIETE TUNISIENNE DE BANQUE ORDINARY GENERAL ASSEMBLY OF 07 JUNE 2024 (FINANCIAL YEAR 2023)

FIRST RESOLUTION

The Ordinary General Meeting ratified the delay, which in no way affected the interests of shareholders, and considered that the meeting had been properly held.

This resolution put to the vote was adopted by a majority of those present.

SECOND RESOLUTION

Having heard the report of the Board of Directors for the year ended 31 December 2023 and the General Report of the Statutory Auditors, together with the additional explanations provided, the Ordinary General Meeting approves the financial statements for the year ended 31 December 2023, as presented.

This resolution put to the vote was adopted by a majority of those present.

THIRD RESOLUTION

Having taken note of the special report of the Statutory Auditors in accordance with the provisions of Article 200 and seq. and Article 475 of the Code of Commercial Companies and Articles 43 and 62 of Law no. 2016-48 dated 11 July 2016 relating to banks and financial institutions, the Ordinary General Meeting approves all transactions falling within the scope of the provisions of the said Articles as presented.

This resolution put to the vote was adopted by a majority of those present.

FOURTH RESOLUTION

Having heard the management report on the STB Group and the statutory auditors' general report, the Ordinary General Meeting approves the consolidated financial statements for the year ended 31 December 2023, as presented.

This resolution put to the vote was adopted by a majority of those present.

FIFTH RESOLUTION

The Annual General Meeting gives full, final and unreserved discharge to the members of the Board of Directors in respect of their management of the Company for the year ended 31 December 2023.

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 2023, detailed below:

	In Dinars
- Income for the financial year 2023 :	50.600.754,836
- Retained earnings :	80.432.359,057
- 1 st balance :	131.033.113,893
- Legal reserve :	6 551 655,695
- 2 nd balance :	124.481.458,198
- Reserves for tax-exempt reinvestments :	20.000.000,000
- 3 rd Balance :	104.481.458,198
- Retained earnings :	104.481.458,198

This resolution put to the vote was adopted by a majority of those present.

SEVENTH RESOLUTION

The Ordinary General Meeting sets the amount of attendance fees for members of the Board of Directors and fees relating to committees set up by the Board of Directors, as follows :

- An amount of four thousand Dinars gross (4,000 Dinars) for each meeting attended by the Chairman of the Board of Directors, provided that the gross annual amount does not exceed 24,000 Dinars, regardless of the number of meetings.
- An amount of two thousand Dinars gross (2,000 Dinars) for each effective presence at each meeting and for each member of the Board of Directors, provided that the gross annual amount does not exceed 12,000 Dinars, regardless of the number of meetings.
- An amount of two thousand Dinars net (2,000 Dinars) for each Chairman of the Audit Committee and the Chairman of the Risk Committee, provided that the net annual amount does not exceed 12,000 Dinars, for each attendance.
- An amount of one thousand Dinars net (1,000 Dinars) for each attendance at each meeting, for each member of the Risk Committee and the Audit Committee, and for each chairman or member of one of the other committees emanating from the Board of Directors.

Chairmen and members belonging to more than one committee receive a single allowance calculated on the basis of their attendance at a single committee of their choice, up to a limit of 6 meetings per year. This procedure will come into force from the date of the Ordinary General Meeting of 07 June 2024.

This resolution put to the vote was adopted by a majority of those present.

EIGHTH RESOLUTION

The Ordinary General Meeting ratifies the decision of the Board of Directors of 29 September 2023 appointing Mrs Raoudha BEJAQUI (replacing Mrs Amel MDINI) and Mr Ezzeddine CHERIF (replacing Mr Tarek BEN LARBI) as directors representing the State for the remaining period, which will end with the holding of this Ordinary General Meeting.

This resolution put to the vote was adopted by a majority of those present..

NINTH RESOLUTION

In accordance with the provisions of Decree no. 2013-4953 dated 5 December 2013, applying the provisions of article 22 ter of law no. 89-9 dated 1 February 1989, relating to public shareholdings, companies and

establishments to public banks), the Ordinary General Meeting approves the renewal and appointment of the members of the Board of Directors representing the public participants, as follows, for a term of three years :

Members representing public participants	Term
Mr. Atef MAJDOUB	2024-2026
Mrs. Raoudha BEJAQUI	2024-2026
Mr. Ezzeddine CHERIF	2024-2026
Mr. Salah BEN HAMAD	2024-2026
Mr. Nasser KADRI	2024-2026

This resolution put to the vote was adopted by a majority of those present.

TENTH RESOLUTION

The Ordinary General Meeting resolves to appoint Mr Mohamed Salah HMAIDI, member of the Board of Directors representing the minority shareholders (to replace Mr Moez BEN ZID), for a period of three years ending with the holding of the Ordinary General Meeting called to approve the financial statements for the financial year 2026.

This resolution put to the vote was adopted by a majority of those present.

ELEVENTH RESOLUTION

The Ordinary General Meeting resolves to appoint Mr Mohamed Lassaad MZAH as a member of the Board of Directors representing private individuals (to replace Mr Taiëb BELAID), for a period of three years ending with the Ordinary General Meeting called to approve the financial statements for the 2026 financial year.

This resolution put to the vote was adopted by a majority of those present.



TWELFTH RESOLUTION

Pursuant to the provisions of Article 19 of Law 94-117 dated 14 November 1994 on the reorganisation of the financial market, as amended by Law 99-92 dated 17 August 1999 on the revitalisation of the financial market, and the Order of the Minister of Finance dated 17 November 2000, the Ordinary General Meeting authorises the Board of Directors to buy and resell STB shares on the stock market in order to regulate their price for one year.

This resolution put to the vote was adopted by a majority of those present.

THIRTEENTH RESOLUTION

All powers are granted to the Bank's legal representative or to its agent to carry out the necessary registration, filing and 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

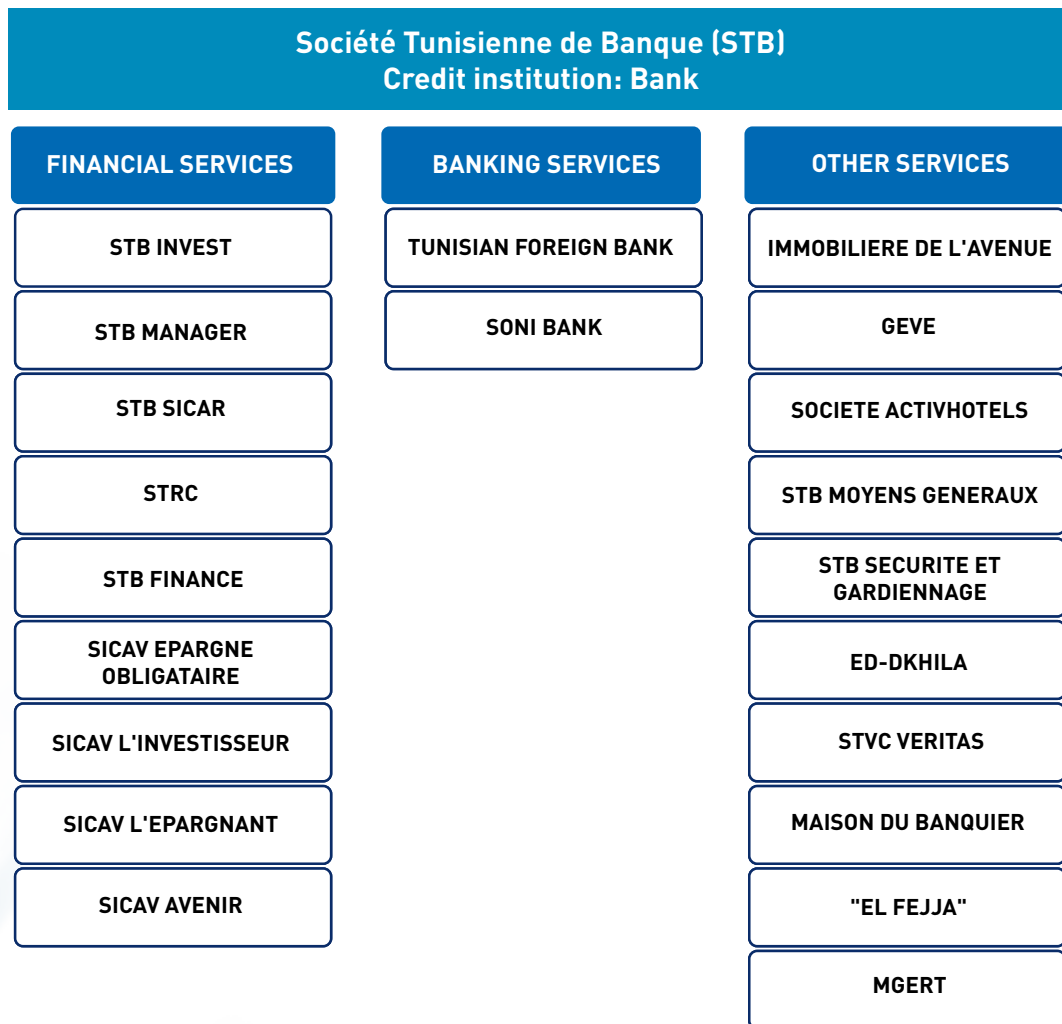
GROUP OUTLOOK



PRESENTATION OF THE SCOPE OF THE GROUP

The Bank's consolidated financial statements include all entities under exclusive control or significant influence, with the exception of those whose consolidation is immaterial to the preparation of the Group's consolidated financial statements.

The STB Group comprises the parent company, 16 subsidiaries and 5 associates, operating mainly in the financial, banking and other services sectors.



Classification of companies included in STB's scope of consolidation

FULLY CONSOLIDATED COMPANIES

Fully consolidated companies are those over which the Group exercises de jure, de facto or de facto exclusive control. The Group has exclusive control of a subsidiary when it is in a position to direct the financial and operating policies of an entity so as to

benefit from its activities. Under this method, the assets, liabilities, income and expenses of each of the consolidated companies are substituted for the value of their equity interests, with minority interests being shown as a percentage of consolidated shareholders' equity and of consolidated profit for the year.

There are 17 fully consolidated companies, including the parent company:

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	1,168
12. SICAV L'AVENIR	FINANCIAL INSTITUTIONS	TUNISIA	1,098
13. SICAV EPARGNE OBLIGATAIRE	FINANCIAL INSTITUTIONS	TUNISIA	171,581
14. SICAV EPARGNANT	FINANCIAL INSTITUTIONS	TUNISIA	173,770
15. STB SECURITE ET GARDIENNAGE	SERVICE	TUNISIA	500
16. MAGASINS GENERAUX ET ENTREPOTS REELS DE TUNIS	SERVICE	TUNISIA	20
17. STB SECURITE ET GARDIENNAGE	SERVICE	TUNISIA	200

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Companies accounted for by the equity method are those over which the Group exercises only a significant influence. The Group exercises significant influence over a company when it is in a position to participate in the financial and operating policy decisions of the investee, without however exercising control over these policies.

Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to reflect the investor's share of the investee's results after the acquisition date. Distributions received from the investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be required for changes in the equity of the investee that have not been included in the income statement. In this case, the value of investments in associates will be replaced by the Group's share of equity, including the profit or loss of associates.

In Thousands of Dinars

CONSOLIDATED COMPANIES	ACTIVITY	COUNTRY	CAPITAL
TUNISIAN FOREIGN BANK	CREDIT INSTITUTION	FRANCE	73 839
S.T.C VERITAS	SERVICE	TUNISIA	649
SONI BANK	CREDIT INSTITUTION	NIGER	25 810
S.C.I " LA MAISON DU BANQUIER"	SERVICE	TUNISIA	1 773
S.P.C.M "ELFEJJA"	SERVICE	TUNISIA	8 000

Changes in controlling and beneficial interests

CONTROL PERCENTAGES

Control is the power to govern the financial and operating policies of a company 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 the deconsolidation methods to 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 2023 and 31 December 2022:

CONSOLIDATED COMPANIES	% of Group Control		
	2023	2022	Var %
1. STB BANK (parent company)	100,00%	100,00%	0,00%
2. STB INVEST	96,85%	95,05%	1,81%
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	77,83%	78,05%	-0,21%
12. SICAV L'AVENIR	98,27%	98,32%	-0,05%
13. SICAV EPARGNE OBLIGATAIRE	1,02%	2,53%	-1,51%
14. SICAV EPARGNANT	7,84%	7,61%	0,22%
15. TUNISIAN FOREIGN BANK	49,99%	49,99%	0,00%
16. STE MOYENS GENERAUX	99,97%	99,98%	-0,01%
17. MAGASINS GENERAUX ET ENTREPOTS 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 2023 and at 31 December 2022:

CONSOLIDATED COMPANIES	% of Group Interest		
	2023	2022	Var %
1. STB BANK (société Mère)	99,99%	99,99%	0,00%
2. STB INVEST	96,53%	94,73%	1,81%
3. STB MANAGER	99,53%	99,40%	0,13%
4. STB FINANCE	95,95%	95,55%	0,39%
5. STB SICAR	98,88%	98,58%	0,30%
6. L'IMMOBILIERE DE L'AVENUE	99,31%	99,16%	0,15%
7. STE TUN.RECOUVR. DES CREANCES "STRC"	99,81%	99,72%	0,09%
8. SOCIETE LA GENERALE DES VENTES	49,99%	49,99%	0,00%
9. SOCIETE ED DKHILA	67,63%	67,51%	0,12%
10. SOCIETE ACTIVHOTELS	99,95%	99,94%	0,02%
11. SICAV L'INVESTISSEUR	76,31%	75,74%	0,58%
12. SICAV L'AVENIR	97,67%	97,52%	0,15%
13. SICAV EPARGNE OBLIGATAIRE	0,99%	2,43%	-1,44%
14. SICAV EPARGNANT	7,77%	7,49%	0,28%
15. TUNISIAN FOREIGN BANK EX «U.T.B»	49,99%	49,99%	0,00%
16. STE MOYENS GENERAUX	97,94%	97,15%	0,78%
17. MAGASINS GENERAUX ET ENTREPOTS REELS DE TUNIS	49,94%	49,94%	0,00%
18. S.T.C VERITAS	27,05%	27,05%	0,00%
19. SONI BANK	25,00%	25,00%	0,00%
20. S.C.I "LA MAISON DU BANQUIER"	19,96%	19,96%	0,00%
21. S.P.C.M "ELFEJJA"	20,00%	20,00%	0,00%
22. STB SECURITE ET GARDIENNAGE	97,84%	97,06%	0,78%

OVERVIEW OF THE EVOLUTION OF THE STB GROUP'S INDICATORS

STB GROUP KEY FIGURES

	In millions of dinars	dec 2019	dec 2020	dec 2021	dec 2022	dec 2023	CAGR
Activity	Total assets	11 406,8	12 348,4	13 583,5	14 903,4	14 909,4	6,9%
	Customer deposits	7 331,9	8 413,7	8 982,9	9 737,1	10 005,0	8,1%
	Outstanding net customer loans	7 974,2	9 081,7	9 718,1	11 002,9	10 493,1	7,1%
Results	Intermediation margin	359,4	361,9	363,4	379,6	325,2	-2,5%
	Volume of net commissions	103,0	115,9	132,1	132,9	131,8	6,3%
	Sales figures	1 043,3	1 083,0	1 119,9	1 317,1	1 459,2	8,7%
	Net banking income	596,6	621,3	650,4	728,7	714,7	4,6%
	Operating expenses	255,7	273,5	314,8	339,4	368,9	9,6%
	Consolidated net profit for the year	178,8	69,5	125,7	99,7	51,2	-26,8%
	Result after accounting modification	178,7	68,4	117,0	115,2	78,5	-18,6%
Equity	Capital	776,9	776,9	776,9	776,9	776,9	0,0%
	Consolidated reserves	132,7	300,8	370,2	512,4	493,0	38,8%
	Treasury shares	-5,5	-5,5	-5,5	-5,5	-5,5	0,1%
	Results for the period	178,7	68,4	125,7	99,7	51,2	-26,8%
	Equity	1 082,7	1 140,6	1 267,3	1 383,5	1 315,6	5,0%
Profitability	Return on equity (ROE)	19,8%	6,4%	11,0%	7,8%	4,1%	-32,7%
	Return on assets (ROA)	1,6%	0,6%	1,0%	0,7%	0,3%	-32,2%
	Net results / NBI	30,0%	11,0%	19,3%	13,7%	7,2%	-30,1%
	Net commissions / NBI	17,3%	18,7%	20,3%	18,2%	18,4%	1,7%
	Intermediation margins / NBI	60,2%	58,2%	55,9%	52,1%	45,5%	-6,8%
	Net commissions / payroll	60,9%	65,1%	64,6%	59,7%	53,5%	-3,2%
	Operating coefficient	42,9%	44,0%	48,4%	46,6%	51,6%	4,8%

Changes in the consolidated balance sheet

Assets:

At the end of 2023, the STB group's total assets stood at TND 14,909.4 M (the same level as last year). This observation is explained by the following differentiated variations:

- A fall in outstanding customer receivables of TND 509.9 M or 4.6% to reach TND 10,493.1 M at the end of the 2023 financial year. This decline was seen almost exclusively at the level of the parent company, which saw its outstandings fall by TND 506.3 M or 5%;
- Decline of the trading securities portfolio by TND 378.7 M or 34.1%, observed essentially at the level of the parent company (TND - 470.8 M or - 52%);
- Increase in the investment securities portfolio of TND +776.8 M or +55.4%, virtually concentrated in the parent company portfolio following the reclassification of treasury bills from the trading portfolio (BTA placement) to the banking portfolio (BTA investissement);

Liabilities:

The Group's total liabilities recorded a slight increase of +0.6% to TND 13,232.4 M, which is mainly explained by the following differentiated variations:

- Increase in customer deposits and assets: TND +267.9 M or +2.8%, bringing the total at the end of 2023 to TND 10,005.0 M compared with TND 9,737.1 M at the end of 2022. In this respect, the Parent Company recorded an increase of TND 296.0 M or +3%.
- Increase in outstanding borrowings and special resources: TND +44.3 M or +7.4% the parent company's outstanding resources in this category rose by TND +39.4 M or +6.2.
- Significant decline in recourse to refinancing on the money market: TND -440.7 M or -29.0.

Equity items:

The STB group's total shareholders' equity stood at TND 1,315.6 M at the end of 2023 compared with TND 1,383.5 M at the end of the 2022 financial year, recording a fall of TND 68.0 M or 4.9%.

This variation is attributed to the implementation of the settlement programme of the TND 117 M Government allocation. .

Evolution of the Group's result and its main components

At the end of December 2023, the STB group's consolidated net profit fell by TND 48.5 M or 48.7% to TND 51.2 M compared with TND 99.7 M at the end of 2022. This result comes essentially from the positive contribution of the parent company (TND 44.2 M).

An analysis of the components of the group's net profit reveals the following:

- ✓ Net banking income came to TND 714.7 M, a 1.9% decline, broken down as follows:
 - Increase in banking operating income: TND + 142.1 M or 10.8%.
 - Increase in banking operating expenses: TND + 156.1 M or 26.5%.
- ✓ Operating expenses rose by 29.5 million dinars to a total of 368.9 million dinars at the end of December 2023. This situation is explained by the increase in :
 - The wage bill: TND + 23.6 M to total TND 246.4 M at the end of 2023.
 - General operating expenses: TND +4.8 M to total TND 106.3 M.
- ✓ The operating ratio stood at 51.6% at the end of 2023. The parent company's operating ratio reached 48.9% in 2023, compared with 44.3% at the end of 2022.
- ✓ The Group's operating profit fell by TND 67.8 M, or 32.9%, to TND 138.2 M at the end of December 2023, compared with TND 206.0 M at the end of 2022.

The 2023 financial year ended with a positive consolidated result of TND 51.2 M, compared with a similar result of TND 99.7 M at 31 December 2022. The evolution of the contribution to the consolidated result of the parent company and its subsidiaries is detailed in the following table:

Description	2023	2022	Variation	%
Contribution of the consolidating parent company	44 214	89 306	(45 092)	(50,5%)
Contribution of entities in the banking sector	(9 121)	(1 326)	(7 795)	(587,9%)
Contribution of entities in the financial services sector	12 760	9 203	3 557	38,7%
Contribution of entities in the other services sector	3 355	2 549	806	31,6%
Total	51 208	99 732	(48 524)	(48,7%)

Breakdown of the Group's net result and reserves in accordance with the consolidation standard:

The breakdown of consolidated reserves and net result is as follows:

In Thousands of Dinars

Consolidated Companies	Consolidated Reserves		Consolidated Results	
	2023	2022	2023	2022
FULLY INTEGRATED COMPANIES	495 133	510 951	58 427	99 319
1 STB BANK (parent company)	502 962	514 986	44 214	89 306
2 STB INVEST	16 659	17 524	4 275	1 043
3 STB MANAGER	-461	-5	-638	-463
4 STB FINANCE	4 663	2 738	1 808	1 842
5 STB SICAR	5 615	5 927	158	95
6 L'IMMOBILIERE DE L'AVENUE	-6 240	-6 367	87	140
7 STE TUN.RECOUVR. DES CREANCES "STRC"	-33 091	-36 475	6 141	5 397
8 SOCIETE LA GENERALE DES VENTES	2 133	2 361	208	271
9 SOCIETE ED DKHILA	-1 151	-1 204	458	59
10 SOCIETE ACTIVHOTELS	-7 044	-446	-172	-322
11 STE MOYENS GENERAUX	-46	-40	32	30
12 MAGASINS GENERAUX ET ENTREPORTS REELS DE TUNIS	-20	-13	46	39
13 STB SECURITE ET GARDIENNAGE	-111	-83	105	260
14 SICAV L'INVESTISSEUR	9 121	10 203	833	960
15 SICAV L'AVENIR	243	-147	-178	275
16 SICAV EPARGNE OBLIGATAIRE	2 016	2 017	959	476
17 SICAV EPARGNANT	-116	-24	90	-90
EQUITY COMPANIES	-2 101	1 498	-7 219	413
18 TUNISIAN FOREIGN BANK EX «U.T.B»	-48 767	-41 526	-8 242	-6 240
19 S.T.C VERITAS	874	950	758	516
20 SONI BANK	41 417	37 697	-879	4 913
21 S.C.I " LA MAISON DU BANQUIER"	-368	-420	90	78
22 S.P.C.M "ELFEJJA"	4 743	4 797	1 054	1 146
TOTAL	493 032	512 449	51 208	99 732

PRESENTATION OF THE MAIN COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

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.

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.

Thanks to the performance of the bond SICAVs managed by STB Finance, the STB Group won the MENA Markets Group Awards 2023 in the Bond category (Best Group over 3 Years Bond).

STB Finance actively participated as co-lead manager in the placement syndicate of the 2023 national loan for an amount of TND 386 M.

Also, in order to get closer to its customers and enable them to better benefit from its products, STB FINANCE is constantly improving its digital channels, its website and its mobile application.

As part of the strengthening of the group's governance rules, STB Finance has drawn up a code of governance and a risk appetite policy.

In support of the culture of social responsibility within the Group, STB FINANCE has taken the necessary steps to obtain the CSR label.

SICAV L'EPARGNANT

Created in 1996, SICAV L'EPARGNANT is a distribution bond fund aimed at prudent investors. Its primary aim is to provide its shareholders with the best possible liquidity, profitability and security.

SICAV L'Épargnant has won the prestigious Lipper Fund Awards 2023 (Best Fund over 10 Years Bond TND).

Lipper's selection of winners is based on total return, which reflects the funds' historical performance relative to their peers.

L'EPARGNE OBLIGATAIRE SICAV

Created in 2017, SICAV L'EPARGNE OBLIGATAIRE is a capitalisation bond SICAV 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'Épargne obligataire will have TND 183 M under management at the end of 2023.

SICAV L'Épargne Obligataire won the Lipper Fund Awards 2023 over a period of 5 years (Best Fund over 5 Years Bond TND).

SICAV L'INVESTISSEUR

Created in 1994, SICAV L'INVESTISSEUR is a mixed distribution-type 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 1.2 million dinars under management at the end of 2023.

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 had 1.1 million dinars under management at the end of 2023.

Offering a regular and stable return since their creation, bond SICAVs managed total assets of TND 367 M at the end of 2023.

Mixed SICAVs are maintaining their size, which could grow depending on stock market conditions.

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 the individual management of SICAF and SICAR portfolios under mandate.

Following the reorganisation of the Bank's subsidiaries by business line, STB Manager specialised in the management of FCPRs from July 2020.

Further affirming its support for start-ups, STB and STB Manager jointly created a new SIF (specialised investment fund) called INNOV INVEST.

STB manager has contributed to the financing of new projects through «FCRP Growth», which closed in 2023.

As part of the drive to strengthen the Group's governance rules, STB Manager has drawn up a code of governance, a risk appetite policy and a procedure manual for combating money laundering and the financing of terrorism (AML/CFT).

STB INVEST SICAF

STB INVEST SICAF is a Société d'Investissement à Capital Fixe (fixed-capital investment company)

governed by Law 88-92 dated 02 August 1988, as amended by Law 92-113 dated 23 November 1992 and Laws 95-87 and 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 holdings, 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 36,000,000 dinars to 39,351,980 dinars.

This operation resulted in a control of expenses and a strengthening of the «Private Equity» activity within the financial division.

During 2023, STB INVEST strengthened its image as a key partner for young companies in the start-up phase thanks to its collaboration with TEMALINK to provide financial support for start-ups.

As part of the drive to strengthen the Group's governance rules, STB INVEST drew up a risk appetite policy and began work on drafting a governance code.

SOCIETE TUNISIENNE DE RECOUVREMENT DES CREANCES (STRC)

Created in 1999, STRC is the first bank debt collection company approved under Law 98-4 dated 02 February 1998, whose corporate purpose is to collect debts on its own behalf and on behalf of others.

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 BCT circular 2022-01 relating to the prevention and resolution of non-performing receivables, STRC has set up a programme to clear old and irrecoverable receivables.

As part of the strengthening of group governance rules, the STRC has drawn up a risk appetite policy.

STB SICAR

STB SICAR, created 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 appropriate financial solutions.

In 2023, STB SICAR manages a portfolio of 58 funds invested in 300 companies in various economic sectors and located in 24 regions of the country.

As part of the strengthening of the Group's governance rules, STB SICAR has drawn up a risk appetite policy.

ACTIVHOTELS

Created in 2006, ACTIVHÔTELS' main purpose is tourism management, as well as the direct or indirect participation in any enterprise relating to any tourism activity, in particular the creation, acquisition, construction, development, sale, rental and operation of any tourism or seaside hotel units or complexes.

ACTIVHÔTELS is responsible for regularising the legal and property situation, and for the valuation and sale procedures for the hotel units in its portfolio.

In 2023, two hotel units were sold to the highest bidders.

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 transaction is in the process of being finalised, in accordance with the regulations in force, through the selection of a specialist firm whose mission is to value and sell this block of shares.

L'IMMOBILIERE DE L'AVENUE

Founded in 1931, Immobilière de l'Avenue is one of the oldest real estate development companies in the sector, which has largely contributed to the development of the real estate sector and the urbanization of the country.

The year 2023 marked a revival in the company's activity, with the sale of most of its old stock and the launch of new projects.

The privatisation of the company has not yet been completed, and is currently being processed by the DGPV before being submitted to the CAREPP.

SÉCURITÉ ET GARDIENNAGE

STB Sécurité et Gardiennage is a limited company set up in 2015 to provide security and guarding services for property and establishments, and generally any service operation directly or indirectly related to its purpose.

STB MOYENS GENERAUX

STB Moyens Généraux is a public limited company created in 2014, whose purpose is to provide cleaning services for premises and establishments and generally any service operation directly or indirectly related to its purpose.

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 for the liquidation of 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.

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 2023, MGERT succeeded in signing a new concession contract with the government.

In view of the company's performance and strong market demand, MGERT plans to diversify and expand its activities in the coming years.

LA SOCIETE LA MAISON DU BANQUIER

«La Maison du Banquier» is a non-trading real estate company established in 1994 under Tunisian law, governed by Articles 1249 et seq. of the Code of Obligations and Contracts and by amendments and supplements thereto. It is involved in the acquisition, construction and leasing of buildings in Tunisia, as well as their management and operation.

To anticipate its future growth, the company is committed to developing a strategic plan detailing a long-term vision of its development, precise strategic objectives and an in-depth analysis of the resources required.

TUNISIAN FOREIGN BANK «TF BANK»

Created in 1977, the Tunisian Foreign Bank «TF Bank» is a bank incorporated under French law whose purpose is to carry out all financial and banking operations.

Its share capital is approximately 55,212,279.72 euros, equivalent to 3,622,853 shares with a nominal value of 15.24 euros each, of which STB, BH and the Government hold 49.997%, 25.787% and 17.056% respectively of TF Bank's capital.

The TFB network comprises five branches: two in Paris, one in Marseille, one in Lyon and an offshore

branch in Tunis. Its activities include collecting deposits from the public, distributing credit, providing and managing means of payment, and providing other related services such as transfers and international transactions.

TF Bank has also positioned itself as the bank for businesses operating between Tunisia and France (France being Tunisia's leading trading partner). TF Bank's flagship products for the Tunisian diaspora include DARI FI TOUNES, Pack STUDENT, TUNICASH, FLOUCI FI TOUNES, etc.

SOCIETE NIGERIEENNE DE BANQUE «SONIBANK»

Created in 1990, Société Nigérienne de Banque «SONIBANK» is a limited company operating in the banking sector in Niger. Its purpose is to collect deposits, grant loans, carry out discounting and bill collection operations and participate in the capital of companies.

Its share capital is in the order of 20,000 million FCFA Euros, equivalent to 2 million shares with a nominal value of 10,000 FCFA per share, of which STB is the leading shareholder with a 25% stake in SONIBANK's capital.

SONIBANK has a network of 13 branches in addition to the Niamey branch and the off-shore branch in Benin.

SOCIETE DU POLE DE COMPETITIVITE DE «MONASTIR EL FEJJA»

A limited company under Tunisian law, incorporated on 26 October 2006 with an initial capital of TND 1 M divided into 10,000 shares of TND 100 each.

The main purpose of the company is to study, develop, build and operate technology centres.

On 24 November 2006, it signed an agreement with the Tunisian government, represented by the Ministry of Industry, Energy and SMEs, setting out the company's obligations and the benefits granted by the government for the Monastir-El Fejja competitiveness cluster project. Under the terms of this agreement, the said project comprises:

- The Monastir textile technology centre located at Karaat Oued Elmaleh in the governorate of Monastir;
- Other industrial areas, in particular the industrial zone at El Fejja in the governorate of Manouba;
- Networks of industrial, training and research partners.

Under the terms of the agreement signed with the Tunisian government, the Monastir - El Fejja Competitiveness Cluster Company is subject to monitoring and evaluation of its activities by the Ministry of Industry, Energy and SMEs.

The company was also approved as a property developer on 6 November 2009 (approval no. 1706-2009).

SOCIETE TUNISIENNE DE CONTROLE VERITAS

The Tunisian control company VERITAS was created in 1980. Its purpose is the technical inspection of all types of real estate construction and industrial materials, as well as related studies, research and expert appraisals, and the classification and certification of ships and similar craft and fixed or mobile marine oil structures.



GROUP OUTLOOK

During the 2023 financial year, the bank worked to successfully implement the strategic projects put in place to strengthen governance within the group and consolidate the bank's role in supporting the country's economic fabric.

• Consolidating the Group's role in financing the economy

- Strengthening the private equity business by adopting a new commercial strategy to provide better assistance to customers;
- Creating new venture capital funds (FCPR) and specialised investment funds to provide financing tailored to customers' needs;
- Active participation in financing the financial market through the development of investment vehicles.

• Strengthening governance within the Group

- Continuing work on implementing IFRS within the Group;
- The introduction of a risk appetite framework for all financial subsidiaries, the STRC and SICAVs;

- The implementation of an appropriate governance framework at the level of each subsidiary;
- The launch of a call for tenders for the acquisition of an intra-Group information system designed to improve the monitoring and control of subsidiaries.

• Progress on the "more Business" strategic program

- Implementation of strategic projects to integrate new sectors into the Group;
- The launch of a call for tenders for the appointment of a firm to assist the bank in the development of the insurance business;
- The implementation of a strategic project to audit and restructure the Group's subsidiaries in order to optimize the profitability of each activity and create synergies between the Group's various entities.



Uthina archaeological site - Oudhna

CONSOLIDATED FINANCIAL STATEMENTS ENDED AS AT 31 DECEMBER 2023

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 2023**

**CONSOLIDATED INCOME STATEMENT BY DIVISION FOR THE
FINANCIAL YEAR 2022**

CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2023

CONSOLIDATED INDICATORS FOR THE FINANCIAL YEAR 2022

CONSOLIDATED BALANCE SHEET

ENDED AS AT 31 DECEMBER 2023

(Unit: Thousand Dinars)

	Notes	2023	2022	Variation	%	
Assets						
A1	Cash and assets with the CBT, PCC and GTT*	6.1	180 439	181 013	(574)	[0,3%]
A2	Receivables from banking and financial institutions	6.2	547 142	446 328	100 814	22,6%
A3	Receivables from clients*	6.3	10 493 060	11 002 934	(509 874)	[4,6%]
A4	Trading securities portfolio *	6.4	730 474	1 109 195	(378 721)	[34,1%]
A5	Investment portfolio*	6.5	2 178 295	1 401 494	776 801	55,4%
A5b	Equity-accounted securities	6.6	107 773	112 719	(4 946)	[4,4%]
A6	Fixed assets	6.7	168 975	153 201	15 774	10,3%
	Deferred tax asset*		-	-	-	-
A7	Other assets*	6.8	503 218	496 557	6 661	1,3%
	Total Assets		14 909 376	14 903 441	5 935	0,0%
Liabilities						
L1	Central Bank and Postal Checks Centre	6.9	1 077 234	1 517 934	(440 700)	[29,0%]
L2	Deposits and assets of banking and financial institutions	6.10	582 379	535 650	46 729	8,7%
L3	Deposits and assets of clients	6.11	10 004 984	9 737 053	267 931	2,8%
L4	Borrowings and special resources	6.12	640 645	596 332	44 313	7,4%
	Deferred tax liability*		-	-	-	-
L5	Other liabilities*	6.13	927 179	767 049	160 130	20,9%
	Total Liabilities		13 232 421	13 154 018	78 403	0,6%
	Non-controlling interests	6.14	361 376	365 875	(4 499)	(1,2%)
Shareholders' equity						
E1	Share capital	6.15	776 875	776 875	-	-
E3	Consolidated reserves*	6.15	493 032	512 449	(19 417)	[3,8%]
E4	Treasury stocks		(5 536)	(5 508)	(28)	[0,5%]
E7	Consolidated income *	6.15	51 208	99 732	(48 524)	[48,7%]
	Total shareholders' equity	6.15	1 315 579	1 383 548	(67 969)	(4,9%)
	Total shareholders' equity and liabilities		14 909 376	14 903 441	5 935	0,0%

(*) Data as at 31/12/2022 are restated for comparability purposes.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

ENDED AS AT 31 DECEMBER 2023

(Unit: Thousand Dinars)

	Notes	2023	2022	Variation	%	
Contingent Liabilities						
OB1	Sureties, endorsements and other guarantees given	1 480 666	1 493 927	(13 261)	(0,9%)	
OB2	Letter of credits	599 693	613 717	(14 024)	(2,3%)	
Total Contingent Liabilities		7.1	2 080 359	2 107 644	(27 285)	(1,3%)
Commitments Given						
OB4	Financing commitments given	101 651	157 302	(55 651)	(35,4%)	
OB5	Commitments on securities	26	26	-	-	
Total Commitments Given		7.2	101 677	157 328	(55 651)	(35,4%)
Commitments Received						
OB7	Guarantees received	2 818 597	2 980 012	(161 415)	(5,4%)	
Total Commitments Received*		7.3	2 818 597	2 980 012	(161 415)	(5,4%)

(*) Data as at 31/12/2022 are restated for comparability purposes.



Kebili Village

CONSOLIDATED STATEMENT OF INCOME

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(Unit: Thousand Dinars)

	Notes	2023	2022	Variation	%
Banking Operating Income					
BOI1	Interest and similar revenue*	1 058 704	959 197	99 507	10,4%
BOI 2	Commissions (as income)*	142 764	141 638	1 126	0,8%
BOI 3	Gains on trading securities portfolio and financial operations	95 204	119 953	(24 749)	(20,6%)
BOI 4	Revenue from investment portfolio	162 494	96 266	66 228	68,8%
	Total Banking Operating Income*	1 459 166	1 317 054	142 112	10,8%
Banking Operating Charges					
BOC1	Interests incurred and similar charges*	(733 493)	(579 620)	(153 873)	(26,5%)
BOC2	Commissions incurred*	(10 995)	(8 734)	(2 261)	(25,9%)
	Total Banking Operating Charges	(744 488)	(588 354)	(156 134)	(26,5%)
	Net Banking Income *	714 678	728 700	(14 022)	(1,9%)
BOI5-BOC4	Allocations to provisions and result of value adjustments on receivables, off balance sheet and liabilities	(222 972)	(204 430)	(18 542)	(9,1%)
BOI6-BOC5	Allocations to provisions and result of value adjustments on the investment portfolio	(5 887)	561	(6 448)	(1149,4%)
BOI7	Other operating income *	21 301	20 536	765	3,7%
BOC6	Staff costs*	(246 357)	(222 786)	(23 571)	(10,6%)
BOC7	General operating charges	(106 271)	(101 477)	(4 794)	(4,7%)
BOC8	Allocations amortization and provisions on fixed assets	(16 281)	(15 140)	(1 141)	(7,5%)
	Operating Income *	138 211	205 964	(67 753)	(32,9%)
BOI11	Share in the results of equity-accounted companies	(7 221)	414	(7 635)	(1844,2%)
BOI8-BOC9	Profit/loss balance from other ordinary items	8 158	20 186	(12 028)	(59,6%)
BOC11	Income tax	(55 444)	(95 604)	40 160	42,0%
	Income from Ordinary Activities	83 704	130 960	(47 256)	(36,1%)
BOI9-BOC10	Profit/loss balance from other extraordinary items	(10 456)	(7 932)	(2 524)	(31,8%)
	Net Income for the Financial Year	73 248	123 028	(49 780)	(40,5%)
PR9-CH10	Net Income for the Financial Year	22 040	23 296	(1 256)	(5,4%)
	Net Income for the Consolidated Financial Year	51 208	99 732	(48 524)	(48,7%)
	Effect of accounting changes	27 314	15 460	11 854	76,7%
	Income after Accounting Change	78 522	115 192	(36 670)	(31,8%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD FROM 1 JANUARY TO 31
DECEMBER 2023

(Unit: Thousand Dinars)

	Notes	2023	2022	Variation	%
Operating Activities					
Income received from banking operations		1 233 430	1 193 353	40 077	3,4%
Banking operating charges disbursed		(747 260)	(550 079)	(197 181)	(35,8%)
Deposits / withdrawals of deposits with banking and financial institutions		(649)	32 803	(33 452)	(102,0%)
Loans and advances/loans repayments and advances to clients		378 168	(1 295 614)	1 673 782	129,2%
Deposits / withdrawal of client deposits		283 310	780 967	(497 657)	(63,7%)
Acquisitions / disposals of investment securities		(295 002)	(34 745)	(260 257)	(749,0%)
Amounts paid to staff and sundry creditors		(131 019)	(193 725)	62 706	32,4%
Other cash flows from operating activities		(120 974)	(41 343)	(79 631)	(192,6%)
Income tax		(154 057)	(113 319)	(40 738)	(35,9%)
Net Cash Flows from Operating Activities	9.1	445 947	(221 702)	667 649	301,1%
Investment Activities					
Interest and dividends received on investment portfolio		162 316	87 067	75 249	86,4%
Acquisitions / disposals of investment portfolio		(68 066)	(187 248)	119 182	63,6%
Acquisitions / disposals of fixed assets		(29 950)	(24 426)	(5 524)	(22,6%)
Net Cash Flows from Investment Activities	9.2	64 300	(124 607)	188 907	151,6%
Financing Activities					
Issuance / repayment of borrowings		(42 148)	43 398	(85 546)	(197,1%)
Issuance / repayment of special resources		70 016	66 134	3 882	5,9%
Dividends paid and other distributions		(11 869)	(9 663)	(2 206)	(22,8%)
Net Cash Flows Used in Financing Activities	9.3	15 999	99 869	(83 898)	(84,0%)
Impact of changes in exchange rates on cash and cash equivalents		(128)	(155)	27	17,4%
Impact of reclassifications and adjustments on cash and cash equivalents		-	139	(139)	(100,0%)
Net Change in Cash and Cash Equivalents	9.3	526 118	(246 456)	772 574	313,5%
Cash and cash equivalents at the beginning of the period		(1 223 499)	(977 043)	(246 456)	(25,2%)
Cash and cash equivalents at the end of the period	9.4	(697 381)	(1 223 499)	526 118	43,0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ENDED AS AT 31 DECEMBER 2023

(Amounts expressed in TND thousand)

NOTE 1 - PRESENTATION OF THE GROUP

The STB Group consists of the bank, the parent company, 16 subsidiaries and 5 associates, operating mainly in the financial, banking and other services sectors. The Group as at 31/12/2023 is presented as follows:

STB : Société Tunisienne de Banque Etablissement de crédit, Banque Siège social : Rue Hédi Nouira - 1001 Tunis - Tunisie	
Financial Services	
STB SICAR Sawarby BLOCK Centre Urbain Nord 1003 Tunis	STB INVEST STB BLOCK -34, Hédi KARRAY Street- 1004 El Menzah
STB FINANCE STB BLOCK – 34 Hédi KARRAY Street 1004 El Menzah	SOCIETE TUNISIENNE DE RECOUVREMENT DES CREANCES Habib Bourguiba Avenue – Africa BLOCK 1000 Tunis
STB MANAGER STB BLOCK – 34 Hédi KARRAY Street 1004 El Menzah	SICAV L'INVESTISSEUR STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah
SICAV L'EPARGNE OBLIGATAIRE STB BLOCK – 34 Hédi KARRAY Street 1004 El Menzah	SICAV L'EPARGNANT STB, Hédi NOUIRA Street 1001 TUNIS
SICAV AVENIR STB BLOCK -34, Hédi KARRAY Street 1004 El Menzah	
Banking Services	
TUNISIAN FOREIGN BANK 19, Pyramids Street 75001 Paris	SONI BANK AVENUE OF LA MAIRIE NIAMEY NE 0891, Africa Avenue, Niamey, Niger
Other Services	
GEVE C / O STB BLOCK Hédi NOUIRA Street 1001 Tunis	SOCIETE ACTIVHOTELS C / O BLOCK STB Med V 1001 Tunis
STB MOYENS GENERAUX 1, Entrepreneurs Street 1001 Tunis	STB SECURITE ET GARDIENNAGE 1, Entrepreneurs Street 1001 Tunis
ED-DKHILA 25, Jean Jaurès Avenue 1002 Tunis	STVC VERITAS BP 728, Les Berges du Lac. 1080 LES BERGES DU LAC Tunis
L'IMMOBILIERE DE L'AVENUE 31, Paris Avenue, 1002 Tunis	MAISON DU BANQUIER 13 Khereddine Pacha Avenue 1002 Tunis
Hôtel d'entreprises, Pôle industriel «EL FEJJA» 1153 Mornaguia - La Mannouba	Magasins Généraux et Entrepôt Réel de Tunisie MGERT I32 bis LA CHIMIE Street, Sidi Rezig

STB's head office is located at Avenue Hédi Nouira 1001 Tunis. Its network includes 147 branches, 195 ATMs, 11 regional offices and 2 subsidiaries.

The Bank's share capital structure as at 31 December 2023 was as follows:

Shareholders	Number of shares	Amount in TND thousand	% of Share capital
A - TUNISIAN SHAREHOLDERS	153 886 925	769 435	99,0%
The State of Tunisia	111 189 317	555 947	71,6%
Public Enterprises	18 408 461	92 042	11,8%
Private Legal Entities	11 580 883	57 904	7,5%
The Bank's redemption of its Securities	686 985	3 435	0,4%
Individuals	12 021 279	60 106	7,7%
B - FOREIGN SHAREHOLDERS	1 488 075	7 440	1,0%
Legal Entities	1 382 570	6 913	0,9%
Individuals	105 505	528	0,1%
TOTAL	155 375 000	776 875	100,0%

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The STB group's consolidated financial statements are drawn up in accordance with the provisions of Law n° 96-112 dated 30 December 1996, pertaining 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 the order of the Minister of Finance of 25 March 1999 as well as Technical Accounting Standards n° 35 to 39 posted by the 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 based on the individual annual accounts of STB and all the significant subsidiaries it controlled.

The most significant accounting principles applied are summarized as follows:

3.1- PRINCIPLES OF CONSOLIDATION

3.1.1- Consolidation Methods

Full incorporation method

Fully incorporated 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, charges 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 through adding similar items such as assets, liabilities, shareholders' equity, income and charges;
- 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 parent company's proprietors;
- Non-controlling interests in the equity of consolidated subsidiaries are identified and presented in the consolidated balance sheet separately from the liabilities and shareholders' equity of the parent company.
- Non-controlling interests in equity include the amount at the date of the original combination, calculated in accordance with Accounting Standard

38, pertaining to business combinations and the non-controlling interests in the movements in shareholders' equity since the combination date;

- 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 the 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 investee's results 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 shareholders' equity of the investee company that have not been included in the income statement.

Thus, the value of equity securities will be replaced by the group's share in the shareholders' equity, including the result of equity-accounted companies.

3.1.2 - Specific Rules for Consolidation

The consolidated financial statements are prepared by 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 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 consolidated financial statements summary**

The presentation of STB Group's consolidated financial statements complies with the provisions of accounting standard AS 21 pertaining 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**

The collections of receivables assigned to the company STRC (batches 2017-2018-2019-2020-2021-2022-2023) are carried out after the elimination of internal income on disposal, the reconstitution of their gross outstanding as well as their coverage.

In the consolidated balance sheet, the 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 the 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 the said uses.

- **Elimination of reciprocal transactions**

Reciprocal balances resulting from the intra-group transactions as well as the transactions themselves, including income, charges, and dividends, are eliminated. Gains and losses from intra-group asset disposals and internal provisions are offset.

- **Variations in the initial consolidation**

The variance in the initial consolidation is the difference at the time of acquisition between the acquisition cost of the securities and the corresponding share in the net book assets of the consolidated company. This difference is broken down between the valuation difference corresponding to the unrealized capital gain or loss on the assets as well as goodwill on acquisition which corresponds to positive or negative goodwill.

When information was available, goodwill on acquisition was identified and recognized as an asset among intangible fixed assets. 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 on acquisition amortized as per the above-specified rules.

The decrease in the Group's percentage interest in a company that remains consolidated, notably due to a dilutive capital transaction for the Group's company holding the interest in the said company, gives rise to the de-recognition of goodwill to the extent of the interest withdrawn.

- **Treatment of losses attributable to non-controlling interests**

In the event that losses attributable to non-controlling interests in a consolidated subsidiary exceed the non-controlling interests' equity in the subsidiary, this excess, as well as any future losses relating to non-controlling interests, are charged to the controlling interests unless they have an irrevocable obligation to, and ability to, offset the losses. If the subsidiary subsequently generates profits, the controlling interests allocate all of these profits until the portion of losses relating to non-controlling interests that were previously allocated to the controlling interests is recovered.

- **De-consolidation**

Securities held by the Group in a de-consolidated subsidiary are carried at their book value on the date of deconsolidation, i.e. the proportion of consolidated shareholders' equity they represent at that date, plus

any corresponding share of residual goodwill on acquisition.

The carrying amount of the investment on the date it ceases to be a subsidiary is considered the subsequent cost thereof. 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 pertaining to medium and long-term loans, letters of credit, and guarantees in the form of endorsements and sureties are recognized under off-balance sheet as they are contracted and transferred to the balance sheet as and when the funds are released at their nominal value.

3.2.2 - Recognition of Client's 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's Loans

Interests, similar income as well as commissions are recognized in the statement of income for the financial year ended as at 31 December 2021 for their amounts relating to the said financial year.

Short-term loans interests are collected in advance and recorded in the accruals accounts when the loans are released, and the accrued portion is subject to a subscription at the end of each month.

The unpaid interests pertaining 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 interests and are presented as subtractions from the item «Receivables from Clients». These interests are recognized in the statement of income when they are actually collected.

The accrued and un-matured interests pertaining 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 actual collection 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 Interests

Past due interests are recognized by the "STB" upon settlement by the client or when a loan consolidation is carried out 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 8 689 thousand as at 31/12/2023.

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. 2024-01 of 19 January 2024 pertaining to Division, coverage of risk and monitoring of commitments, the Bank has set aside, out of its profits, general provisions known as « Collective Provisions » in order to cover latent risks on current commitments (class 0) and those requiring a 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 unpaid equity interests 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 reported under the item "Allocation to 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 assessed 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 interests 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 in the following two cases:

- Existence, due to new circumstances, of a high probability that the institution will not hold these securities until maturity;
- Risk of default by the issuer of the securities.

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 interests) is transferred from receivables accounts to equity accounts. The related reserved bank charges are transferred to the provisions for equity interests.

iv. Funds Managed by SICAR Companies

Holdings in funds managed by SICARs under retrocession agreements are valued at their value in use, taking into account the prospects of recovery. Accordingly, a provision is set aside for equity interests with unpaid retrocession due dates, whose value in use does not cover the acquisition cost of the securities.

3.3.2- Trading Securities Portfolio and Related Income

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

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

i. Transaction Securities

At the end of each accounting period, transaction securities are assessed 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 the end of each accounting period, investment securities must be assessed at market value for listed securities and at fair value for unlisted securities, in order to estimate whether provisions for depreciation should be made.

Securities are valued separately for each type thereof. 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's Deposits and Related Charges

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

- Interest on current accounts is credited to the client's account and accounted for quarterly. In accordance with Circular No. 91-22, the dates of value used to calculate interest on clients' current accounts vary depending on the nature of the client's withdrawal or deposit transactions.
- Interest on term accounts is positioned on client's 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, pertaining to shareholders' equity:

- The repurchased treasury stocks are presented, on the balance sheet, as a deduction from shareholders' equity;
- Capital gains or losses realized on repurchased treasury stocks are recognized directly in shareholders' equity;

- Dividends received on repurchased 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 Amortization

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

Fixed assets are amortized on a straight-line basis. The amortization 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 applied for the acquisitions from 1 January 2008.

Pursuant to IAS 16, part of the revaluation surplus balance 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 disposed of 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 2023 financial year and beyond, the effective tax rates used to calculate the deferred tax stocks of consolidated companies are presented by entity as follows:

CONSOLIDATED COMPANIES	Nominal Rate	Effective Rate
Credit Institutions		
SOCIETE TUNISIENNE DE BANQUE	43%	43%
Financial Sector		
STB INVEST	43%	43%
STRC	43%	43%
STB FINANCE	43%	43%
STB SICAR	43%	43%
STB MANAGER	43%	43%
SOFI ELAN	0%	0%
Building Sector		
IMMOB.DE L'AVENUE "IA"	18%	18%
Service Sector		
GEVE	18%	18%
SOCIETE ACTIVHOTELS	18%	18%
STB MOYENS GENERAUX	18%	18%
STB SECURITE ET GARDIENNAGE	18%	18%
SOCIETE EDDKHILA	18%	18%
SOCIETE MGERT	18%	18%

NOTE 4 - SCOPE OF CONSOLIDATION

4.1 Presentation of the Consolidation Scope

The Bank's consolidated accounts 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 accounts.

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 in which investments have been acquired solely with a view to disposal in the near future are excluded from the scope of consolidation. 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 a court-appointed administrator.

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 2023

- 16 fully-consolidated subsidiaries;
- 5 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:



Ancient Cartagena city of Utica

Consolidating companies	% of the Group's control			Consolidation method		% of the Group's interest		
	2023	2022	Var %	2023	2022	2023	2022	Var %
STB	100,00%	100,00%	0,00%	FI	FI	99,99%	99,99%	0,00%
STB INVEST	96,85%	95,05%	1,81%	FI	FI	96,53%	94,73%	1,81%
STB MANAGER	99,99%	99,99%	0,00%	FI	FI	99,53%	99,40%	0,13%
STB FINANCE	96,71%	96,71%	0,00%	FI	FI	95,95%	95,55%	0,39%
STB SICAR	99,50%	99,50%	0,00%	FI	FI	98,88%	98,58%	0,30%
IMM. AVENUE	99,90%	99,90%	0,00%	FI	FI	99,31%	99,16%	0,15%
STRC	100,00%	100,00%	0,00%	FI	FI	99,81%	99,72%	0,09%
GEVE	50,00%	50,00%	0,00%	FI	FI	49,99%	49,99%	0,00%
EDDKHILA	67,87%	67,87%	0,00%	FI	FI	67,63%	67,51%	0,12%
ACTIVHOTELS	100,00%	100,00%	0,00%	FI	FI	99,95%	99,94%	0,02%
SICAV INVEST	77,83%	78,05%	-0,21%	FI	FI	76,31%	75,74%	0,58%
SICAV AVENIR	98,27%	98,32%	-0,05%	FI	FI	97,67%	97,52%	0,15%
SICAV OBLIG	1,02%	2,53%	-1,51%	FI	FI	0,99%	2,43%	-1,44%
SICAV EPARGNANT	7,84%	7,61%	0,22%	FI	FI	7,77%	7,49%	0,28%
TFB	49,99%	49,99%	0,00%	EMA	EMA	49,99%	49,99%	0,00%
STBMG	99,97%	99,98%	-0,01%	FI	FI	97,94%	97,15%	0,78%
MGERT	49,95%	49,95%	0,00%	FI	FI	49,94%	49,94%	0,00%
STCV	27,06%	27,06%	0,00%	EMA	EMA	27,05%	27,05%	0,00%
SONIBANK	25,00%	25,00%	0,00%	EMA	EMA	25,00%	25,00%	0,00%
SCIMB	19,96%	19,96%	0,00%	EMA	EMA	19,96%	19,96%	0,00%
ELFEJJA	20,00%	20,00%	0,00%	EMA	EMA	20,00%	20,00%	0,00%
STBSG	99,90%	99,90%	0,00%	FI	FI	97,84%	97,06%	0,78%

FI: Full Incorporation
EMA: Equity method of accounting
NC: Unincorporated

4.1.1- Particular treatments

Consolidation of TUNISIAN FOREIGN BANK accounts -TFB: the percentage of control of the STB group in the TFB was ended at 31 December 2023 at the rate of 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.

4.1.2- Changes in the Scope of Consolidation of the STB Group

The 2023 consolidation scope has not been changed compared to the 2022 consolidation scope.

4.2 -Companies Excluded from the Scope of Consolidation

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)
11	CIE HOTELIERE DES CENTRES VILLES (HOTEL ANDALOUS)
12	Sté d'Etudes et de Prom.Tque "Hôtel Mariqueen" JERBA MARITIM

- Companies whose financial statements ended as at 31 December 2022 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	STE RAMLA TOZEUR
2	STE D'ANIMATION TOURISTIQUE BISAT SA
3	STE D'ACTIVITE TQUE "HOTEL ZODIAC"
4	STE HOTEL YOUNES
5	STE TOURISME & ANIMATION "RAIS CLUB"
6	STE DE PROMOTION TOURISTIQUE LES CYCLAMENS
7	STE INTLE DE GEST. HOT. "H. BYBLOS"
8	STE HOTEL BYZANCE
9	STE HOTELIERE « DAR DHIAFA » TROPICANA CLUB

NOTE 5 - KEY EVENTS OF THE PERIOD

5.1 - Restatements impacting the financial year ended 2022

In order to improve the presentation of the financial statements ended as at 31/12/2023, restatements have been made at the level of parent company for the financial year ended 2022. These restatements are presented in the following table:

In TND

Heading	Balance published as of 31/12/2022	Impact of integration of SICAVs as of 31/12/2022 (5.1.1)	Impact of STB accounting modification (5.1.2)	STB reclassification impact (5.1.3)	Adjustment impact of Deferred taxes (5.1.4)	Balance after restatement	
Balance sheet							
A1-	Cash and assets with the CBT, PCC and GTT	176 168	-	-	4 845	-	181 013
A3-	Receivables from clients	10 842 311	-	-	160 623	-	11 002 934
A4-	Trading securities portfolio	932 034	174 237	2 925	-	-	1 109 195
A5-	Investment portfolio	1 286 757	113 333	1 405	-	-	1 401 494
A5b-	Equity-accounted securities	134 902	-22 183	-	-	-	112 719
A7-	Other assets	792 103	-559	-	-294 987	-	496 557
A9-	Deferred tax assets	1 208	-	-	-	-1 208	-
L3-	Client deposits and assets	9 794 435	-75 614	-	18 231	-	9 737 053
L4-	Borrowings and special resources	610 055	-13 723	-	-	-	596 332
L5-	Other liabilities	901 895	118	12 787	-147 751	-	767 049
L6-	Deferred tax liabilities	36 980	-	-	-	-36 980	-
E3-	Consolidated reserves	485 482	-	-7 352	-	34 319	512 449
E7-	Net income	99 384	-	-1 104	-	1 452	99 732
	Non-controlling interests	11 831	354 045	-	-	-1	365 876
Statement of Income							
BOI1-	Interest and similar revenue	950 975	2 645	-	5 577	-	959 197
BOI2-	Commissions (as income)	142 623	-2 460	-	1 474	-	141 638
BOI3-	Gains on trading securities portfolio and financial operations	116 291	3 662	-	-	-	119 953
BOI4-	Revenue from investment portfolio	76 319	19 947	-	-	-	96 266
BOC1-	Interest incurred and similar charges	-580 943	363	-	961	-	-579 620
BOC2-	Commissions incurred	-7 773	-	-	-961	-	-8 734
BOI 7 -	Other operating income	27 535	52	-	-7 051	-	20 536
BOC 6-	Staff costs	-221 682	-	-1 104	-	-	-222 786
BOC 7 -	General operating charges	-100 899	-578	-	-	-	-101 477
BOI11-	Share in the results of equity-accounted companies	1 733	-1 319	-	-	-	414
BOI12-	Share of profit attributable to non-controlling interests	-1 045	-22 313	-	-	62	-23 296

5.1.1-Change in the SICAV consolidation method

In the 2023 financial year, the consolidation method for the SICAVs was reviewed following an assessment of the concept of control. Indeed, the company managing the SICAVs is a subsidiary of the STB group "STB FINANCE", which has the power to govern the financial and operating policies of the SICAVs, thereby demonstrating exclusive control.

For the 2023 financial year, the SICAVs are fully consolidated. In this context, the financial statements as at 31/12/2022 have been restated for comparability purposes.

5.1.2- Accounting modification

STB has made accounting adjustments, noted through the accounting changes affecting the group's consolidated reserves amounting to TND 8 457 thousand.

These adjustments concern charges on variable premiums, deferral income on investment securities (Assimilated Treasury Bonds) and the reversal of provisions on Managed Funds.

Following these modifications, the figures for the financial statements as at 31/12/2022 have been restated for comparability purposes.

5.1.3- Reclassification between financial statement headings

In order to improve the presentation of the financial statements ended as at 31/12/2023, reclassifications have been made at the parent company level between headings, mainly concerning staff credit accounts (from A7 to A3), frozen accounts (from A3 to A7 and from L5 to A7) as well as the attachment of certain outstanding provisions initially recorded in provisions for risks and charges (L5) to the corresponding headings (A1 and A7).

Following these reclassifications, the figures in the financial statements as at 31/12/2022 have been restated for comparability purposes.

5.1.4- Deferred tax adjustment

During the 2023 financial year, STB made adjustments to certain operations impacting the treatment of deferred tax.

For the purposes of comparability, the figures from the financial statements as at 31/12/2022 have been restated.

5.2 - Reclassification of Similar Treasury Bonds

As part of the development of a new business model, the bank proceeded with a reclassification of the treasury bond stubs from the trading portfolio (Similar Treasury Bonds - placement) to the banking portfolio (Similar Treasury Bonds - investment).

The amount of reclassification is TND 736,924 million.

The outstanding similar treasury bonds - investment as at 31/12/2023 after reclassification amounted to TND 1 419,072 million.

5.3- Restatement of guarantees received at the level of the statement of off-balance sheet commitments

The migration works to the new IS module has led to a restatement in the "guarantees received" section of the statement of off-balance sheet commitments as at 31/12/2022; This restatement is as follows:

Heading	Balance published as at 31/12/2022	Balance after restatement as at 31/12/2022	Restatement amount as at 31/12/2022 in TND
Statement of off-balance sheet commitments			
OBS7- Guarantees received	3 059 631	2 980 012	79 619

5.4- 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 which,

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 which, 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 notification of the court of reference's judgment, the bank lodged another appeal in cassation and obtained a stay of execution order without payment.

By judgment no. 39932/32 of 14/06/2022, the court once again quashed and returned the case back to the court of reference.

The first hearing is set before the court of reference for 10/07/2023.

The case is kept in a state of pleading and returned to the hearing scheduled for 14/05/2024.

5.5 - 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 2023.

And by reference to Law n° 98-4 of 2 February 1998, pertaining 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 308 798 million, including TND 71 161 million for past due interests.

5.6- Deposit Guarantee Fund Contribution

Pursuant to Article 149 and following the provisions of Law n°2016-48 of 11 July 2016 pertaining 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 2023 is TND 26 540 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 180 439 thousand as at 31/12/2023 against TND 181 013 thousand as at 31/12/2022, i.e. a decrease of TND 574 thousand.

The various headings of this item are as follows:

Libellé Particulars é	2023	2022	Variation	%
CASH	80 552	81 160	(608)	(0,7%)
Cash in Dinars*	72 509	75 609	(3 100)	(4,1%)
Cash in foreign currency	12 028	9 536	2 492	26,1%
Provisions on Cash with the CBT, PCC and GTT	(3 985)	(3 985)	0	0,0%
CBT	98 201	98 167	34	1
CBT in Dinars	(662)	(4 654)	3 992	85,8%
CBT in foreign currency	98 863	102 821	(3 958)	(3,8%)
PCC	1 057	1 057	-	-
GTT	629	629	-	-
Total	180 439	181 013	(574)	(0,3%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

6.2 - Receivables from Banking and Financial Institutions

The total receivables from banking and financial institutions is TND 547 142 thousand as at 31/12/2023 against TND 446 328 thousand as at 31/12/2022.

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

Particulars	2023	2022	Variation	%
Receivables from banking institutions	51 091	75 947	(24 856)	(32,7%)
Current accounts of resident banks	292	827	(535)	(64,7%)
Current accounts of non-resident banks	50 753	75 119	(24 366)	(32,4%)
Accounts receivables of correspondents in convertible dinars	46	1	45	4500,0%
Loans to financial institutions	423 762	299 032	124 730	41,7%
Money market loans in Dinars	71 828	71 849	(21)	(0,0%)
Money market loans in foreign currency	351 934	227 183	124 751	54,9%
Provisions on interbank loans	(1 828)	(1 849)	21	1,1%
Receivables and loans to specialized financial organizations	74 033	73 175	858	1,2%
Receivables and loans to specialized financial organizations (leasing)	45 260	44 402	858	1,9%
Receivables from specialized financial institutions (Tunis Ré)	28 773	28 773	-	-
Related receivables	84	23	61	265,2%
Receivables related to interbank loans in foreign currencies	84	23	61	265,2%
Total	547 142	446 328	100 814	22,6%

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

Particulars	2023	2022	Variation	%
Receivables from banking and financial institutions			-	-
Not eligible for refinancing by CBT	547 142	446 328	100 814	22,6%
Total	547 142	446 328	100 814	22,6%

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	2023	2022	Variation	%
Receivables from banking and financial institutions			-	-
Not materialized by interbank market securities	547 142	446 328	100 814	22,6%
Total	547 142	446 328	100 814	22,6%

The breakdown of receivables from banking and financial institutions (excluding related receivables) as per the residual term as at 31/12/2023 is detailed as follows:

Particulars	< 3 months	3 months Up to 1 year	1 year Up to 5 years	> 5 years	Total
Receivables from banking institutions	51 091	-	-	-	51 091
current accounts of resident banks	292	-	-	-	292
current accounts of non-resident banks	50 753	-	-	-	50 753
accounts receivables from correspondents in convertible dinars	46	-	-	-	46
Loans to banking institutions	423 762	-	-	-	423 762
Money market loans in dinars	71 828	-	-	-	71 828
Non-money market loans in dinars	-	-	-	-	-
Money market loans in foreign currency	351 934	-	-	-	351 934
Provisions for interbank loans	(1 828)	-	-	-	(1 828)
Loans to specialized financial organizations (leasing)	681	12 201	30 378	2 000	45 260
Receivables from specialized financial organizations (Tunis Ré)	28 773	-	-	-	28 773
Related receivables	84	-	-	-	84
Total	502 563	12 201	30 378	2 000	547 142

6.3 - Receivables from Clients

The comparative evolution of net commitments between 2023 and 2022 is as follows:

Particulars	2023	2022	Variation	%
Current accounts receivables*	1 045 940	1 036 874	9 066	0,9%
Appropriations from special resources*	163 495	146 816	16 679	11,4%
Receivables paid 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*	10 738 439	11 267 356	(528 917)	(4,7%)
Receivables to be waived	4 298	4 298	-	-
Related receivables*	90 613	110 238	(19 625)	(17,8%)
Bank receivables held by STRC	1 113 150	1 083 852	29 298	2,7%
Other appropriations from special resources	49 333	39 516	9 817	24,8%
Gross total	13 307 546	13 791 228	(483 682)	(3,5%)
Provisions	(2 259 419)	(2 209 483)	(49 936)	(2,3%)
Provisions on current accounts	(149 429)	(144 889)	(4 540)	(3,1%)
Provisions on special resources	(42 128)	(36 576)	(5 552)	(15,2%)
Provisions on other client's loans	(719 189)	(744 745)	25 556	3,4%
Provisions on associated current accounts	(45 552)	(45 552)	-	-
Provisions on receivables to be waived	(455)	(455)	-	-
Collective provisions	(208 786)	(176 948)	(31 838)	(18,0%)
Provisions for bank receivables held by STRC	(1 093 880)	(1 060 318)	(33 562)	(3,2%)
Reserved bank charges	(513 297)	(526 290)	12 993	2,5%
Reserved bank charges on current accounts	(42 844)	(39 828)	(3 016)	(7,6%)
Reserved bank charges on other client's loans	(413 091)	(434 664)	21 573	5,0%
Reserved bank charges on associated current accounts	(34 579)	(34 579)	-	-
Reserved bank charges on receivables to be waived	(3 843)	(3 843)	-	-
Reserved bank charges on related receivables	(18 940)	(13 376)	(5 564)	(41,6%)
Income received in advance	(41 770)	(52 521)	10 751	20,5%
Net Total in TND thousand	10 493 060	11 002 934	(509 874)	(4,6%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

The structure of client's net receivables outstanding as at 31/12/2023 is as follows:

Particulars	Gross amounts outstanding	Individual Provisions	Additional provisions	Reserved bank charges	Income collected in advance	Net outstanding
Current accounts receivables	1 045 940	(120 336)	(29 092)	(42 844)		853 668
Special resources accounts	212 828	(38 973)	(3 155)	-		170 700
Associated current accounts	88 608	(32 152)	(13 400)	(34 579)		8 477
Other client's loans	10 752 108	(548 963)	(170 226)	(413 091)	(41 770)	9 578 058
Receivables to be waived	4 298	(455)	-	(3 843)		-
Receivables held by STRC	1 113 150	(1 093 880)				19 270
Related receivables	90 613			(18 940)		71 673
Total	13 307 545	(1 834 759)	(215 873)	(513 297)	(41 770)	10 701 846
Collective provisions		(208 786)				(208 786)
Net outstanding	13 307 545	(2 043 545)	(215 873)	(513 297)	(41 770)	10 493 060

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	1 045 940	-	-	-	1 045 940
Appropriations from special resources	8 213	17 225	91 172	46 885	163 495
Receivables paid 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	10 738 439	-	-	-	10 738 439
Bank receivables held by STRC	1 113 150	-	-	-	1 113 150
Total as at 31 December 2023	13 008 020	17 225	91 172	46 885	13 163 302

The evolution of doubtful receivables and their provisions is detailed as follows:

Particulars	2022	Allocations	Reversals	Reclassification	2023
Provisions on current accounts	(144 889)	(38 866)	38 019	(3 693)	(149 429)
Provisions on special resources	(36 576)	(19 261)	8 376	5 333	(42 128)
Provisions on other client's loans	(744 744)	(183 390)	212 916	(3 971)	(719 189)
Provisions on associated current accounts	(45 552)	-	-	-	(45 552)
Provisions on receivables to be waived	(455)	-	-	-	(455)
Collective provisions	(176 948)	(31 838)	-	-	(208 786)
Provisions for bank receivables held by STRC	(1 060 318)	(5 248)	807	(29 121)	(1 093 880)
Total	(2 209 482)	(278 603)	260 118	(31 452)	(2 259 419)

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 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 2023, on commitments with seniority in class 4 which is greater than or equal to 3 years.

The balance of additional provisions amounted to TND 215 873 thousand as at 31 December 2023.

6.3.3 - Collective Provisions

Pursuant to the circular to banks n° 2024-01 of 19 January 2024 pertaining to the Division, coverage of risks, and monitoring of commitments, the Bank has deducted from the results of the financial year, provisions of a general nature known as «Collective Provisions» to cover 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 2023 at an amount of TND 213 424 million.

6.3.4 - Receivables Consolidated and Assumed by the State without Interests

Receivables paid 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 interests and with the State's guarantee.

6.4 - Trading Securities Portfolio

The balance of this item amounts to TND 730 474 thousand as at 31/12/2023 against TND 1 109 195 thousand as at 31/12/2022. The trading securities portfolio is composed of fixed income securities issued by the State and variable income securities.

Particulars	2022	Acquisition/ Allocation	Disposal of/ Liquidation/ Reversal	Reclassification	2023
I- Investment securities	869 797	364 167	(137 172)	(644 542)	452 251
Shares (Placement)	20 066	8 927	(8 854)	23	20 162
Similar Treasury bonds (Placement)*	712 164	299 196	(95 839)	(695 762)	219 759
Bonds (Placement)	131 485	26	(84)	51 768	183 196
Treasury bills and certificates of deposit (Placement)	5 152	10 127	(698)	(5 329)	9 252
Undertakings for Collective Investment in Transferable Securities (UCITS) (Placement)	29 969	20 790	(28 705)	(719)	21 335
Other investment securities	(5 270)	-	738	-	(4 532)
Receivables related to similar treasury bonds (Placement)*	21 912	17 395	-	(28 711)	10 596
Receivables attached to bonds (Placement)	3 878	6 888	(6 889)	(711)	3 166
Receivables related to other investment securities	(21)	818	(749)	318	366
Premiums/discounts on similar treasury bonds (Placement)*	(42 801)	-	3 908	32 003	(6 890)
Provisions for investment securities	(6 737)	-	-	2 578	(4 159)
II- Trading securities	239 398	283 639	(244 814)	-	278 223
2.1 Fixed Income Trading Securities	239 398	283 639	(244 814)	-	278 223
Short term treasury bonds (Transaction)	244 814	285 855	(244 814)	-	285 855
Receivables and related liabilities	(5 416)	(2 216)	-	-	(7 632)
Net total	1 109 195	647 806	(381 986)	(644 542)	730 474

(*) Data as at 31/12/2022 are restated for comparability purposes.

6.5 - Investment Securities Portfolio

The value of investment securities portfolio amounts to TND 2 178 295 thousand as at 31/12/2023 against TND 1 401 494 thousand as at 31/12/2022, and is detailed as follows:

Particulars	2023	2022	Variation	%
Similar investment treasury bonds	1 419 072	841 367	577 705	68,7%
Discount/premiums on similar investment treasury bonds*	(58 252)	(12 828)	(45 424)	(354,1%)
Related receivables	54 655	25 527	29 128	114,1%
Total Similar Investment Treasury Bonds	1 415 475	854 066	561 409	65,7%
Debt securities	18 307	20 227	(1 920)	(9,5%)
National Bonds	554 650	348 801	205 849	59,0%
Debt securities provisions	(9 088)	(3 650)	(5 438)	(149,0%)
Related receivables	30 458	13 772	16 686	121,2%
Related receivables / National Bonds	-	16	(16)	(100,0%)
Total other investment securities	594 327	379 166	215 161	56,7%
Provisions for managed Funds*	-	1 635	(1 635)	(100,0%)
Total Managed Funds	-	1 635	(1 635)	(100,0%)
Units in mutual investment funds	49 148	49 146	2	0,0%
Provisions on units in mutual investment funds	(3 720)	-	(3 720)	-
Total Mutual Investment Funds	45 428	49 146	(3 718)	(7,6%)
Equity securities	199 408	198 913	495	0,2%
Retrocession equity securities	123 250	120 938	2 312	1,9%
Companies in liquidation	30	30	-	-
Equity securities provisions	(130 314)	(131 860)	1 546	1,2%
Provisions for retrocession equity securities	(69 813)	(70 931)	1 118	1,6%
Receivables and related liabilities	(219)	(332)	113	34,0%
Receivables related to retrocession equity securities	723	723	-	-
Total equity securities	123 065	117 481	5 584	4,8%
Grand total	2 178 295	1 401 494	776 801	55,4%

(*) Data as at 31/12/2022 are restated for comparability purposes.

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

Description	2022	Subscription	Assignment/ reimbursement/ restitution	Reclassification	2023
Similar investment treasury bonds	841 367	89 973	(205 925)	693 657	1 419 072
Debt securities	20 227	2 048	(4 780)	812	18 307
National Bonds	348 801	276 600	-	(70 751)	554 650
Units in mutual investment funds	49 146	2	-	-	49 148
Equity securities	198 913	1 625	(549)	(581)	199 408
Retrocession equity securities	120 938	1 324	(1 371)	2 359	123 250
Company in liquidation	30	-	-	-	30
Total in TND thousand	1 579 422	371 572	(212 625)	625 496	2 363 865

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 2023	Group's stake 2022	Variation %	Equivalence value 2023	Equivalence value 2022	Variation	%
TFB	50,0%	50,0%	0,0%	32 702	35 660	(2 958)	(8,3%)
STCV	27,1%	27,1%	0,0%	1 747	1 581	166	10,5%
SONIBANK	25,0%	25,0%	0,0%	58 134	60 207	(2 073)	(3,4%)
SCIMB	20,0%	20,0%	0,0%	1 392	1 327	65	4,9%
ELFEJJA	20,0%	20,0%	0,0%	13 798	13 944	(146)	(1,0%)
SICAV EPARGNANT	7,8%	7,5%	0,3%	-	-	-	-
SICAV OBLIG	1,0%	2,4%	(1,4%)	-	-	-	-
Total				107 773	112 719	(4 946)	(4,4%)

6.7 - Fixed Assets

Net fixed assets amounted to TND 168 975 thousand as at 31/12/2023. The movements recorded during the 2023 financial year are detailed as follows:

Particulars	Gross Value 2022	Acquisition/ Disposal 2023	Gross Value 2023	Amortization 2022	Allocations/ Provisions 2023	Transfer	Amortization 2023	Net Worth 2023
Intangible Fixed Assets	39 855	2 529	42 384	(33 418)	(3 772)	(322)	(37 512)	4 872
Computer software	39 642	2 529	42 171	(33 300)	(3 732)	(346)	(37 378)	4 793
Study and development costs	136	-	136	(98)	(40)	24	(114)	22
Leasehold rights	57	-	57	-	-	-	-	57
Other intangible fixed assets	20	-	20	(20)	-	-	(20)	-
Tangible fixed assets	361 522	27 714	389 236	(214 757)	(12 946)	2 570	(225 133)	164 103
Lands	39 768	11 358	51 126	-	-	-	-	51 126
Buildings	88 695	-	88 695	(51 973)	(2 020)	1 118	(52 875)	35 820
Office furniture	10 500	512	11 012	(7 589)	(870)	147	(8 312)	2 700
Transportation equipment	4 823	600	5 423	(3 195)	(728)	394	(3 529)	1 894
Hardware	54 623	4 116	58 739	(51 998)	(2 825)	2 366	(52 457)	6 282
Communication equipment	2 074	10	2 084	(1 341)	(47)	(582)	(1 970)	114
Office equipment	19 150	1 609	20 759	(18 205)	(618)	442	(18 381)	2 378
Safety equipment	7 527	2 960	10 487	(4 072)	(632)	(76)	(4 780)	5 707
Air conditioning equipment	6 095	-	6 095	(5 641)	(106)	(92)	(5 839)	256
Fixtures, fittings and installation	75 173	8 511	83 684	(50 031)	(4 771)	(1 597)	(56 399)	27 285
Non-operating office furniture	33	-	33	(31)	-	(2)	(33)	-
Non-Operating Mat-tool	403	-	403	(371)	(10)	8	(373)	30
Touristic equipment and tools	14 141	83	14 224	(13 306)	(317)	-	(13 623)	601
Unused buildings	28 044	-	28 044	(6 993)	-	444	(6 549)	21 495
Buildings in progress	-	445	445	-	-	-	-	445
Buildings pending assignment	1 057	(1 057)	-	-	-	-	-	-
Other tangible fixed assets	9 416	(1 433)	7 983	(11)	(2)	-	(13)	7 970
TOTAL	401 376	30 243	431 620	(248 175)	(16 718)	2 248	(262 645)	168 975

6.8 - Other Assets

The total of other assets is TND 503 218 thousand as at 31/12/2023 against TND 496 557 thousand as at 31/12/2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Staff loans and advances*	15 099	12 675	2 424	19,1%
State, tax and duties*	49 236	18 592	30 644	164,8%
Miscellaneous inventories*	53 639	53 980	(341)	(0,6%)
Exchange rate difference payable by the State	178	178	-	-
Head office, branches and agencies - Assets *	24 277	10 933	13 344	122,1%
Accruals and deferred income - Assets*	137 313	124 235	13 078	10,5%
Securities submitted for compensation*	(9 758)	77 406	(87 164)	(112,6%)
Prepaid expenses*	1 102	1 012	90	8,9%
Accrued income*	3 328	2 171	1 157	53,3%
Difference portfolio collection due after encashment	18 755	19 034	(279)	(1,5%)
Other asset accounts*	170 702	127 594	43 108	33,8%
Clients and related accounts	5 511	5 303	208	3,9%
Provisions for other assets*	(52 762)	(44 101)	(8 661)	(19,6%)
Other frozen accounts*	86 598	87 545	(947)	(1,1%)
TOTAL	503 218	496 557	6 661	1,3%

(*) Data as at 31/12/2022 are restated for comparability purposes.

6.9 - Central Bank and Postal Checks Centre

The total of this item is TND 1 077 234 thousand as at 31/12/2023 against TND 1 517 934 thousand as at 31/12/2022. This item is detailed as follows:

Particulars	2023	2022	Variation	%
Tender	954 000	1 131 000	(177 000)	(15,6%)
Loan facility	10 000	420 000	(410 000)	(97,6%)
Applications with the CBT	112 163	(34 744)	146 907	422,8%
Related liabilities	1 071	1 678	(607)	(36,2%)
TOTAL	1 077 234	1 517 934	(440 700)	(29,0%)

6.10 - Deposits and Assets of Banking and Financial Institutions

The total of this item is TND 582 379 thousand as at 31/12/2023 against TND 535 650 thousand as at 31/12/2022. Its type-wise distribution of banking and financial institutions is as follows:

Particulars	2023	2022	Variation	%
Current accounts of banking institutions	89 034	113 637	(24 603)	(21,7%)
Deposit banks	281	29	252	869,0%
Non-resident banks	88 753	113 608	(24 855)	(21,9%)
Borrowings from financial institutions	491 662	420 409	71 253	16,9%
Borrowings in dinars	303 509	168 800	134 709	79,8%
Borrowings in foreign currency	188 153	251 609	(63 456)	(25,2%)
Equity in accounts of financial institutions and related liabilities	1 683	1 604	79	4,9%
Total	582 379	535 650	46 729	8,7%

- The breakdown by criterion of materialization on the interbank market securities

Particulars	2023	2022	Variation	%
Liabilities not materialized by interbank market securities	582 379	535 650	46 729	8,7%
Total	582 379	535 650	46 729	8,7%

The breakdown of deposits and assets of banking and financial institutions (excluding related liabilities) as per residual term as at 31/12/2023 is detailed as follows:

Description	≤ 3 months	Between 3 months and 1 year	Between 1 year and 5 years	> 5 years	Total
Current accounts of financial institutions	89 034	-	-	-	89 034
Banks of Deposit	281	-	-	-	281
Non-resident Banks	88 753	-	-	-	88 753
Borrowings from financial institutions	456 890	34 772	-	-	491 662
Borrowings in dinars	303 509	-	-	-	303 509
Borrowings in foreign currency	153 381	34 772	-	-	188 153
Equity of financial institutions	1 377	306	-	-	1 683
Total	547 301	35 078	-	-	582 379

6.11 - Client Deposits and Assets

The balance of this item amounts to TND 10 004 984 thousand as at 31/12/2023 against TND 9 737 053 thousand as at 31/12/2022. The deposits are detailed as follows:

Particulars	2023	2022	Variation	%
Call deposits	2 615 314	2 579 825	35 489	1,4%
Savings deposits	4 245 908	3 870 738	375 170	9,7%
Term account	773 745	731 945	41 800	5,7%
Accounts in convertible dinars	117 079	124 272	(7 193)	(5,8%)
Currency deposits	761 335	781 666	(20 331)	(2,6%)
Currency investments	305 325	264 322	41 003	15,5%
Cash vouchers	681 646	686 193	(4 547)	(0,7%)
Other amounts due to clients*	221 301	294 613	(73 312)	(24,9%)
Related liabilities	(5 669)	(8 521)	2 852	33,5%
Certificates of deposits	289 000	412 000	(123 000)	(29,9%)
Total	10 004 984	9 737 053	267 931	2,8%

(*) Data as at 31/12/2022 are restated for comparability purposes.

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
Call deposits	3 610 963	187 784	306	-	3 799 053
Call deposits in Dinar	2 615 314	-	-	-	2 615 314
Accounts in convertible dinars	117 079	-	-	-	117 079
Foreign currency accounts	761 335	-	-	-	761 335
Foreign currency investment	117 235	187 784	306	-	305 325
Savings deposits	4 245 908	-	-	-	4 245 908
Special savings accounts	4 203 762	-	-	-	4 203 762
Other savings accounts	42 146	-	-	-	42 146
Term deposits	704 851	840 882	198 658	-	1 744 391
Term account	296 512	401 134	76 099	-	773 745
Cash vouchers	210 339	348 748	122 559	-	681 646
Certificates of deposits	198 000	91 000	-	-	289 000
Other amounts due to clients	221 301	-	-	-	221 301
Total	8 783 023	1 028 666	198 964	-	10 010 653

6.12 - Borrowings and Special Resources

The total balance of this item is TND 640 645 thousand as at 31/12/2023 against TND 596 332 thousand as at 31/12/2022, and is broken down as follows:

Particulars	2023	2022	Variation	%
Debt securities & private placement bonds	252 333	286 015	(33 682)	(11,8%)
Special resources	339 362	275 288	64 074	23,3%
Budget resources	86 414	88 629	(2 215)	(2,5%)
External resources	252 948	186 659	66 289	35,5%
Interest on debt securities	53 420	40 797	12 623	30,9%
Interest payable on external resources	3 069	2 390	679	28,4%
Related liabilities	388	388	-	-
Translation difference on borrowing	(7 927)	(8 546)	619	7,2%
Total	640 645	596 332	44 313	7,4%

(a) Debt securities & Private Placement Bonds

The breakdown of debt securities and private placement bonds as per the residual term as at 31/12/2023 is as follows:

Description	≤ 3 months	[3 months-1 year]	[1 year -5 years]	> 5 years	Total
Debt securities and private placement bonds	32 215	34 283	185 680	155	252 333

The breakdown of debt securities and private placement bonds into long-term and short-term borrowings as at 31/12/2023 is as follows:

Description	Balance 2022	New borrowings	Refunds	Reclassifications	Balance 2023
Long term borrowing	252 550	-	1 574	(97 172)	156 952
Short term borrowing	33 465	-	(38 401)	100 317	95 381
Total	286 015	-	(36 827)	3 145	252 333

(b) Special Resources

The breakdown of special resources as per the residual term as at 31/12/2023 is detailed as follows:

Description	≤ 3 months	[3 months-1 year]	[1 year-5 years]	> 5 years	Total
Special Resources	3 501	28 637	151 544	155 681	339 363

The breakdown of special resources into long-term and short-term resources as at 31/12/2023 is detailed as follows:

Description	Balance 2022	New borrowings	Refunds	Reclassifications	Revaluation	Balance 2023
Long term resources	254 539	82 712	(12 696)	(17 329)	-	307 226
Short term resources	20 749	-	(5 323)	16 710	-	32 136
Total resources before hedging	275 288	82 712	(18 019)	(619)	-	339 362
Hedging on Foreign Currency Resources	(8 546)	-	-	619	-	(7 927)
Total resources	266 742	82 712	(18 019)	-	-	331 435

6.13 - Other Liabilities

The total of this item amounts to TND 927 179 thousand as at 31/12/2023 against TND 767 049 thousand as at 31/12/2022:

Particulars	2023	2022	Variation	%
Provisions for liabilities and charges (1)*	268 556	253 968	14 589	5,7%
State, taxes and social liabilities (2)*	53 094	55 864	(2 770)	(5,0%)
Un-matured financial instruments (3)*	68 272	41 240	27 032	65,5%
Fees to pay*	83 829	75 689	8 140	10,8%
Sundry creditors*	94 521	22 538	71 983	319,4%
Head office, branches and agencies*	-	1 020	(1 020)	(100,0%)
Accruals and deferred income - Liabilities*	93 843	55 228	38 615	69,9%
Tele-set off securities pending settlement*	92 326	123 646	(31 320)	(25,3%)
Translation difference	58 927	21 733	37 194	171,1%
Loans to be regularized*	963	2 243	(1 280)	(57,1%)
Suppliers of fixed assets	1	1	-	-
Deferred revenues	16 423	16 507	(84)	(0,5%)
Miscellaneous suppliers	5 014	4 702	312	6,6%
Frozen liabilities*	88 420	88 960	(540)	(0,6%)
Accruals and deferrals DEFERRAL/REFERRAL *	2 990	3 711	(721)	(19,4%)
Total in TND thousand	927 179	767 049	160 130	20,9%

(*) Data as at 31/12/2022 are restated for comparability purposes.

(1) Provisions for liabilities and charges constituted by the Group at the end of the 2023 financial year amounted to TND 268 556 thousand against TND 253 968 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 2022	Allocations	Reversals	Reclassification	Provisions 2023
Provisions on signature pledges					
Provisions for retirement	69 934	14 993	(2 094)	-	82 833
Provisions for miscellaneous risks*	125 325	48 821	(12 803)	(47 164)	114 178
Total	253 968	82 975	(18 054)	(50 332)	268 556

(*) Data as at 31/12/2022 are restated for comparability purposes.

(2) This item is detailed as follows:

Items	2023	2022	Variation	%
Corporate income tax payable *	(9)	5 641	(5 650)	(100,2%)
VAT*	3 882	4 018	(136)	(3,4%)
Withholding tax	29 509	26 479	3 030	11,4%
Exchange Equalization Funds	11 060	10 857	203	1,9%
Social solidarity contribution	1	117	(116)	(99,1%)
Others	8 651	8 752	(101)	(1,2%)
Total	53 094	55 864	(2 770)	(5,0%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

(3) This item is detailed as follows:

Items	2023	2022	Variation	%
Un-matured medium-term financial bonds	1 738	1 583	155	9,8%
Un-matured financial bonds on medium-term interest	4 535	4 467	68	1,5%
Un-matured collection items sent to electronic clearing	13 967	79	13 888	17579,7%
Un-matured discounted bonds sent for collection	48 032	35 111	12 921	36,8%
Total*	68 272	41 240	27 032	65,5%

(*) Data as at 31/12/2022 are restated for comparability purposes.

6.14 -Non-controlling Interests

Non-controlling interests are broken down by entity as follows:

Heading Entities	Reserves		Results		Total non-controlling interests			
	2023	2022	2023	2022	2023	2022	Variation	%
STB	(3)	(32)	6	13	3	(19)	22	115,8%
STB INVEST	1 868	2 961	154	59	2 022	3 020	(998)	(33,0%)
STB MANAGER	(4)	(2)	(3)	(3)	(7)	(5)	(2)	(40,0%)
STB FINANCE	445	375	76	86	521	461	60	13,0%
STB SICAR	(467)	194	2	1	(465)	195	(660)	(338,5%)
IMM. AVENUE	(63)	(76)	1	1	(62)	(75)	13	17,3%
STRC	20	24	12	15	32	39	(7)	(17,9%)
GEVE	4 132	4 362	209	272	4 341	4 634	(293)	(6,3%)
EDDKHILA	1 218	1 184	219	28	1 437	1 212	225	18,6%
ACTIVHOTELS	(3)	-	-	-	(3)	-	(3)	-
SICAV INVEST	259	258	10	10	269	268	1	0,4%
SICAV AVENIR	19	18	1	1	20	19	1	5,3%
SICAV OBLIG	170 290	149 339	10 505	10 472	180 795	159 811	20 984	13,1%
SICAV EPARGNANT	159 598	181 957	9 890	11 859	169 488	193 816	(24 328)	(12,6%)
TFB	(7)	(6)	(1)	(1)	(8)	(7)	(1)	(14,3%)
STBMG	6	(4)	(4)	8	2	4	(2)	(50,0%)
MGERT	2 021	2 022	962	478	2 983	2 500	483	19,3%
SONIBANK	5	5	-	1	5	6	(1)	(16,7%)
ELFEJJA	1	1	-	-	1	1	-	-
STBSG	(2)	-	2	(3)	-	(3)	3	100,0%
Total	339 333	342 580	22 041	23 297	361 374	365 877	(4 503)	(1,2%)

Data as at 31/12/2022 are restated for comparability purposes.

6.15 - Shareholders' 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	Restated consolidated reserves	Translation reserves	Treasury stocks	Consolidated income	Balance 2023
Balance as at 31/12/2022 restated	776 875	504 766	7 683	(5 508)	99 732	1 383 548
Profit appropriation		99 732	-	-	(99 732)	-
Capital appreciation		-	-	-	-	-
Dividends distribution		-	-	-	-	-
Translation difference		-	1 928	-	-	1 928
Consolidated income		-	-	-	51 208	51 208
Reclassifications		(116 102)	-	-	-	(116 102)
Change in accounting methods and correction of errors *		(11 158)	-	-	-	(11 158)
Other changes (social funds, subsidies, treasury stocks, etc.)	-	6 184	-	(28)	-	6 156
Balance as at 31/12/2023	776 875	483 422	9 611	(5 536)	51 208	1 315 579

(*)The change in methods and correction of errors stems from the change in opening shareholders' equity for some companies, following the assumption of responsibility for the final version of the financial statements as at 31/12/2022, received after the closing of the Group's financial statements as at 31/12/2022.

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 117.000 thousand, subject to possible restitution in the event of the bank's financial equilibrium being restored.

Following the reimbursement to the State of TND 40,000 thousand during the first half of 2023, the remainder, namely TND 77.000 thousand, has been reclassified under the heading «Other liabilities».

6.15.2 - Earnings per Share

Particulars	2023	2022	Variation	%
Net profit for the financial year before accounting changes (in TND)	51 208	100 836	(49 628)	(49,2%)
Number of common shares	155 375 000	155 375 000	-	-
Number of treasury stocks (including STB shares held by subsidiaries)	1 052 294	992 773	59 521	6,0%
% compared with shares issued	0,68%	0,64%	0	6,0%
Number of common shares outstanding at the beginning of the period	154 322 706	154 382 227	(59 521)	(0,0%)
Number of common shares outstanding at the end of the period	154 322 706	154 382 227	(59 521)	(0,0%)
Weighted average number of shares	154 322 706	154 382 227	(59 521)	(0,0%)
Profits attributable to treasury stocks	347	644	(297)	(46,2%)
Earnings per share with a nominal value of TND	0,332	0,653	(0,321)	(49,2%)

6.15.3 - Consolidated Reserves

Consolidated reserves are the results accumulated by the Group in the entities included in the scope of consolidation from the acquisition to the end of the financial year preceding the one covered by this publication.

Particulars	2023	2022	Variation	%
Contribution of the consolidating parent company *	502 962	514 987	(12 025)	(2,3%)
+ Group share, in the issue premium	59 819	115 860	(56 040)	(48,4%)
+ Group share, in the State grant	-	116 983	(116 983)	(100,0%)
+ Group share, in other reserves *	443 143	282 144	160 999	57,1%
Contribution of subsidiaries in the banking sector *	(7 350)	(3 830)	(3 520)	(91,9%)
Contribution of subsidiaries in the financial services sector	2 331	(225)	2 556	1136,0%
Contribution of subsidiaries in the other services sector	(4 911)	1 516	(6 427)	(423,8%)
Total	493 032	512 449	(19 417)	(3,8%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

Consolidated reserves are broken down by the Group Companies as follows:

Entity	Consolidated reserves	Translation reserves	2023	Consolidated reserves	Translation reserves	2022	Variation	%
STB	503 034	(72)	502 962	514 930	56	514 986	(12 024)	(2,3%)
STB INVEST	16 659	-	16 659	17 524	-	17 524	(865)	(4,9%)
STB MANAGER	(461)	-	(461)	(5)	-	(5)	(456)	(9120,0%)
STB FINANCE	4 663	-	4 663	2 738	-	2 738	1 926	70,4%
STB SICAR	5 614	1	5 615	5 926	1	5 927	(311)	(5,2%)
IMM. AVENUE	(6 240)	-	(6 240)	(6 367)	-	(6 367)	127	2,0%
STRC	(33 091)	-	(33 091)	(36 475)	-	(36 475)	3 384	9,3%
GEVE	2 133	-	2 133	2 361	-	2 361	(228)	(9,7%)
EDDKHILA	(1 151)	-	(1 151)	(1 204)	-	(1 204)	53	4,4%
ACTIVHOTELS	(7 044)	-	(7 044)	(446)	-	(446)	(6 598)	(1479,4%)
SICAV INVEST	(46)	-	(46)	(40)	-	(40)	(6)	(15,0%)
SICAV AVENIR	(20)	-	(20)	(13)	-	(13)	(7)	(53,8%)
SICAV OBLIG	(111)	-	(111)	(83)	-	(83)	(28)	(33,7%)
SICAV EPARGNANT	9 121	-	9 121	10 203	-	10 203	(1 082)	(10,6%)
TFB	(52 718)	3 951	(48 767)	(44 705)	3 179	(41 526)	(7 241)	(17,4%)
STBMG	243	-	243	(147)	-	(147)	390	265,3%
MGERT	2 016	-	2 016	2 017	-	2 017	(1)	(0,0%)
STCV	874	-	874	950	-	950	(76)	(8,0%)
SONIBANK	35 685	5 732	41 417	33 250	4 447	37 697	3 720	9,9%
SCIMB	(368)	-	(368)	(420)	-	(420)	52	12,4%
ELFEJJA	4 743	-	4 743	4 797	-	4 797	(54)	(1,1%)
STBSG	(116)	-	(116)	(24)	-	(24)	(92)	(383,3%)
Total	483 422	9 611	493 032	504 766	7 683	512 449	(19 417)	(3,8%)

6.15.4 - Consolidated Income

The year ended as at 31 December 2023 showed a positive consolidated income of TND 51 208 thousand, compared with an income of TND 99 732 thousand as at 31 December 2022. The contribution of the parent company and its subsidiaries to consolidated income can be broken down comparatively as follows:

Description	2023	2022	Variation	%
Contribution of the consolidating parent company	44 214	89 306	(45 092)	(50,5%)
Contribution of entities in the banking sector	(9 121)	(1 326)	(7 795)	(587,9%)
Contribution of entities in the financial services sector	12 760	9 203	3 557	38,7%
Contribution of entities in the other services sector	3 355	2 549	806	31,6%
Total	51 208	99 732	(48 524)	(48,7%)

The consolidated income is broken down by Group Company as follows:

Heading	2023	2022	Variation	%
STB	44 214	89 306	(45 092)	(50,5%)
STB INVEST	4 275	1 043	3 232	309,7%
STB MANAGER	(638)	(463)	(175)	(37,8%)
STB FINANCE	1 808	1 842	(34)	(1,8%)
STB SICAR	158	95	63	66,3%
IMM. AVENUE	87	140	(53)	(37,9%)
STRC	6 141	5 397	744	13,8%
GEVE	208	271	(63)	(23,2%)
EDDKHILA	458	59	399	676,3%
ACTIVHOTELS	(172)	(322)	150	46,6%
SICAV INVEST	32	30	2	6,7%
SICAV AVENIR	46	39	7	17,9%
SICAV OBLIG	105	260	(155)	(59,6%)
SICAV EPARGNANT	833	960	(127)	(13,2%)
TFB	(8 242)	(6 240)	(2 002)	(32,1%)
STBMG	(178)	275	(453)	(164,7%)
MGERT	959	476	483	101,5%
STCV	758	516	242	46,9%
SONIBANK	(879)	4 913	(5 792)	(117,9%)
SCIMB	90	78	12	15,4%
ELFEJJA	1 054	1 146	(92)	(8,0%)
STBSG	90	(90)	180	200,0%
Total	51 208	99 732	(48 524)	(48,7%)

NOTE 7 - NOTES RELATING 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 2023 into the following elements:

Particulars	2023	20212	Variation	%
Client Sureties and endorsements	1 064 191	1 095 262	(31 071)	(2,8%)
Other irrevocable unconditional bank guarantees	416 475	398 665	17 810	4,5%
Total sureties, endorsements and other guarantees given	1 480 666	1 493 927	(13 261)	(0,9%)
Letter of credits and import acceptances	568 387	497 345	71 042	14,3%
Letter of credits and export acceptances	31 306	116 372	(85 066)	(73,1%)
Total Letter of credits	599 693	613 717	(14 024)	(2,3%)
Total contingent liabilities	2 080 359	2 107 644	(27 285)	(1,3%)

7.2 - Commitments Given

The item of "Commitments Given" amounted to TND 101 677 thousand as at 31 December 2023 against TND 157 328 thousand as at 31 December 2022:

Particulars	2023	2022	Variation	%
Financing commitments	101 651	157 302	(55 651)	(35,4%)
Securities commitments	26	26	-	-
Total	101 677	157 328	(55 651)	(35,4%)

7.3 - Guarantees Received

The balance of «Guarantees Received» item amounted to TND 2 818 597 thousand as at 31 December 2023 against TND 2 980 012 thousand as at 31 December 2022:

Particulars	2023	2022	Variation	%
Counter-guarantees received from foreign-based banks	416 475	398 665	17 810	4,5%
Guarantees received from the State and insurance organizations*	1 886 346	1 903 036	(16 690)	(0,9%)
Guarantees received from clients*	515 776	678 311	(162 535)	(24,0%)
Total *	2 818 597	2 980 012	(161 415)	(5,4%)

(*) Data as at 12/31/2022 are restated for comparability purposes.

- 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 thousands)

8.1 - Interests and Similar Income

Interest and similar income amounted to TND 1 058 704 thousand as at 31 December 2023 against TND 959 197 thousand as at 31 December 2022, and are analyzed as follows:

Particulars	2023	2022	Variation	%
Interest on receivables from banking and financial institutions	33 030	11 811	21 219	179,7%
Interest on money market loans in dinars	6 752	5 047	1 705	33,8%
Interest on foreign currency money market loans	26 278	6 878	19 400	282,1%
Interest on other balances with banks and financial institutions	-	(114)	114	100,0%
Interest on receivables from clients	995 306	910 908	84 398	9,3%
Bank charges interest on accounts receivables*	109 575	98 181	11 394	11,6%
Interest on loans to clients*	885 731	812 727	73 004	9,0%
Similar income	30 368	36 478	(6 110)	(16,7%)
Total	1 058 704	959 197	99 507	10,4%

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.2 - Commissions (as income)

The amount of commissions amounted to TND 142 764 thousand as at 31 December 2023 against TND 141 638 thousand as at 31 December 2022, and is analyzed as follows:

Particulars	2023	2022	Variation	%
Checks, bills, transfers and account management*	60 671	63 427	(2 756)	(4,3%)
Securities transactions	6 295	7 241	(946)	(13,1%)
Foreign exchange transactions	10 067	9 109	958	10,5%
Foreign trade transactions	12 247	7 771	4 476	57,6%
Safe deposit box	41	57	(16)	(28,1%)
Studies	17 828	20 856	(3 028)	(14,5%)
Others*	35 615	33 177	2 438	7,3%
Total	142 764	141 638	1 126	0,8%

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.3 - Gains on Trading Securities Portfolio and Financial Transactions

Particulars	2023	2022	Variation	%
Net gains on trading securities	19 501	6 229	13 272	213,1%
Net interest on treasury bonds	19 358	6 144	13 214	215,1%
Dividends and similar income from trading securities	121	76	45	59,2%
Capital gains on disposal of trading securities	22	9	13	144,4%
Net gains (losses) on investment securities	25 002	57 478	(32 476)	(56,5%)
Dividends and similar income from investment securities	21 816	49 075	(27 259)	(55,5%)
Losses on investment securities	3 548	7 114	(3 566)	(50,1%)
Allocations to provisions for depreciation of investment securities	(745)	(288)	(457)	(158,7%)
Reversals of provisions for depreciation of investment securities	383	1 577	(1 194)	(75,7%)
Net gains on foreign exchange transactions	50 701	56 246	(5 545)	(9,9%)
Net income on foreign exchange transactions	48 270	53 612	(5 342)	(10,0%)
Commissions on manual exchange	2 431	2 634	(203)	(7,7%)
Total	95 204	119 953	(24 749)	(20,6%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.4 - Income on Investment Securities Portfolio

Income on the investment security portfolio amounted to TND 162 494 thousand as at 31 December 2023 against TND 96 266 thousand as at 31 December 2022, and is analyzed as follows:

Particulars	2023	2022	Variation	%
Interest and similar income on investment securities	387	157	230	146,5%
Interest and similar income on similar treasury bond investment	108 877	64 511	44 366	68,8%
Dividends and similar income / equity securities	7 102	4 446	2 656	59,7%
Income from retroceded equity interests	1 135	1 281	(146)	(11,4%)
Interest and similar income from bonds	44 993	25 871	19 122	73,9%
Total in TND thousand	162 494	96 266	66 228	68,8%

8.5 - Interests Incurred and Similar Charges

Interests incurred and similar charges amounted to TND 733 493 thousand as at 31 December 2023 against TND 579 620 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Transactions with banking institutions	(159 319)	(113 401)	(45 918)	(40,5%)
Transactions with clients	(535 893)	(426 081)	(109 812)	(25,8%)
Borrowings and special resources *	(38 213)	(40 083)	1 870	4,7%
Other interests and charges	(68)	(55)	(13)	(23,6%)
Total	(733 493)	(579 620)	(153 873)	(26,5%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.6 – Allocations to Provisions and result of value adjustments on receivables, off-balance sheet and liabilities

Particulars	2023	2022	Variation	%
Allocations to provisions on client commitments	(209 486)	(187 785)	(21 701)	(11,6%)
Allocations to provisions for doubtful receivables	(211 480)	(172 779)	(38 701)	(22,4%)
Allocations to provisions for associates' current accounts	-	48	(48)	(100,0%)
Additional provisions	(40 973)	(50 695)	9 722	19,2%
Collective provisions	(31 838)	(38 225)	6 387	16,7%
Allocations to provisions for depreciation of operating assets of non-financial subsidiaries	-	(50)	50	100,0%
Write-back of provisions for doubtful receivables	99 754	131 256	(31 502)	(24,0%)
Write-back of additional provisions	149 327	128 128	21 199	16,5%
Receivables assigned to STRC (Tunisian debt collection company) or written off	(236 454)	(266 073)	29 619	11,1%
Receivables written off	(3 439)	(9 127)	5 688	62,3%
Write-back of reserved bank charges on receivables disposed of, written off or waived off	64 898	90 208	(25 310)	(28,1%)
Other allocations	(51)	(609)	558	91,6%
Other write-backs	770	133	637	478,9%
Allocations to provisions for risks and charges	(13 486)	(16 645)	3 159	19,0%
Allocations to provisions for risks and charges	(25 956)	(23 852)	(2 104)	(8,8%)
Allocations to provisions related to social reorganization	(186)	(237)	51	21,5%
Compensation and pensions related to social reorganization	(2 484)	(4 600)	2 116	46,0%
Write-back of provisions for risks and charges	13 047	7 979	5 068	63,5%
Write-back of provisions for retirement and social reorganization	2 093	4 065	(1 972)	(48,5%)
TOTAL	(222 972)	(204 430)	(18 542)	(9,1%)

8.7 - Allocations to provisions and Result of Value Adjustments on Investment Portfolio

The balance of this item as at 31 December 2023 is detailed as follows:

Particulars	2023	2022	Variation	%
Provisions for equity securities portfolio depreciation	(3 118)	(2 850)	(268)	(9,4%)
Provisions for other investment portfolio depreciation	(3 720)	-	(3 720)	-
Provisions for retrocession securities depreciation	(2 071)	(817)	(1 254)	(153,5%)
Capital gains or losses on disposals of other investment securities	-	(730)	730	100,0%
Capital gains or losses on the disposal of equity securities	407	5 207	(4 800)	(92,2%)
Losses on SICAR funds	(12)	(10)	(2)	(20,0%)
Write-back of provisions for investment portfolio depreciation	1 143	565	578	102,3%
Write-back of provisions for depreciation of retrocession securities	1 484	840	644	76,7%
Gains/losses on equity securities	-	(1 644)	1 644	100,0%
Total	(5 887)	561	(6 448)	(1149,4%)

8.8 - Other Operating Income

The item of other operating income reached a total of TND 21 301 thousand as at 31/12/2023 against TND 20 536 thousand as at 31/12/2022, and is detailed as follows:

Particulars	2023	2022	Variation	%
Income from buildings	11 069	11 971	(902)	(7,5%)
Change in inventories of work in progress and work completed	1 472	730	742	101,6%
Other incidental income	158	412	(254)	(61,7%)
Other income: Services provided	8 602	7 423	1 179	15,9%
Total*	21 301	20 536	765	3,7%

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.9 - Staff Costs

Staff costs reached a total of TND 246 357 thousand as at 31 December 2023 against TND 222 786 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022 Published	Variation	%
Staff remuneration*	(186 344)	(166 164)	(20 180)	(12,1%)
Social expenses*	(54 883)	(51 113)	(3 770)	(7,4%)
Change in accrued vacation leave	128	(376)	504	134,0%
Other staff-related charges	(5 258)	(5 133)	(125)	(2,4%)
Total	(246 357)	(222 786)	(23 571)	(10,6%)

(*) Data as at 31/12/2022 are restated for comparability purposes.

8.10 - General Operating Charges

General operating charges reached a total of TND 106 271 thousand as at 31 December 2023 against TND 101 477 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Rent	(6 306)	(5 515)	(791)	(14,3%)
Maintenance and repairs entrusted to third parties	(6 843)	(5 663)	(1 180)	(20,8%)
Works and methods executed by third parties	(9 064)	(7 288)	(1 776)	(24,4%)
Deposit guarantee fund membership fees	(26 540)	(24 813)	(1 727)	(7,0%)
Insurance premium	(1 979)	(2 060)	81	3,9%
Others	(12 051)	(14 666)	2 615	17,8%
Taxes and duties	(10 680)	(5 731)	(4 949)	(86,4%)
Supplies made to the company	(2 352)	(3 061)	709	23,2%
Broker remuneration and fees	(6 087)	(3 455)	(2 632)	(76,2%)
Transportation and conveyance	(393)	(373)	(20)	(5,4%)
Attendance fees	(269)	(320)	51	15,9%
Social solidarity contribution	(406)	(338)	(68)	(20,1%)
Change in other inventories	(1 006)	(1 141)	135	11,8%
Miscellaneous management costs	(20 824)	(26 290)	5 466	20,8%
Other adjustment accounts	(1 471)	(763)	(708)	(92,8%)
Total	(106 271)	(101 477)	(4 794)	(4,7%)

8.11–Balance of Profit / Loss from Other Ordinary Items

The balance of gain/loss from other ordinary items is TND 8 158 thousand as at 31/12/2023 against TND 20 186 thousand as at 31/12/2022, and is detailed as follows:

Particulars	2023	2022	Variation	%
Gains from other ordinary items	20 304	36 632	(16 328)	(44,6%)
Capital gain/loss on disposal of	768	192	576	300,0%
Subsidy for Vocational Training Tax	1 753	1 587	166	10,5%
Other Earnings (1)	17 783	34 853	(17 070)	(49,0%)
Losses from other ordinary items (2)	(12 146)	(16 446)	4 300	26,1%
Total	8 158	20 186	(12 028)	(59,6%)

(1) This balance mainly includes:

- Recoveries on receivables written off for an amount of TND 8.700 thousand.
- Dividends received in respect of previous years amounting to TND 3.228 thousand.

(2) This balance mainly includes:

- Adjustments to disbursed premiums in the amount of TND 6.651 thousand.
- Vocational Training Tax regularization for 2019, 2020 and 2021 in the amount of TND 2.629 thousand.

8.12 - Corporate Tax

The income tax charge as at 31 December 2023 amounts to TND 55 444 thousand against TND 95 604 thousand as at 31 December 2022.

Particulars	2023	2022	Variation	%
Corporate income tax	(55 444)	(95 604)	40 160	42,0%
Deferred taxes	-	-	-	-
Total	(55 444)	(95 604)	40 160	42,0%

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

During the financial year 2023, operating activities generated positive net cash flows of TND 445 947 thousand.

The main variations are detailed as follows:

- The operating income received has recorded a surplus of TND 486 170 thousand compared with the operating charges paid out.
- Client's loans and loan repayments have generated positive net cash flows of TND 378 168 thousand.
- Client's deposits and withdrawals have generated positive net cash flows of TND 283 310 thousand.
- Acquisitions/disposals of equity securities have generated negative net cash flows of TND 295 002 thousand.
- Amounts paid to employees and other creditors amounted to TND 131 019 thousand.
- Other cash flows from operating activities amounted to net inflows of TND 120 974 thousand.

9.2 - Net Cash Flow Allocated to Investment Activities

During the financial year 2023, the investment activities generated positive net cash flows of TND 64 300 thousand..

9.3 - Net Cash Flow Allocated to Financing Activities

During the financial year 2023, the financing activities generated positive net cash flows of TND 15 999 thousand.

9.4 - Cash and Cash Equivalents

The bank's cash and cash equivalents reached a balance of TND 697 381 thousand as at 31 December 2023 against TND 1 223 499 thousand as at 31 December 2022, and are detailed as follows:

Particulars	2023	2022	Variation	%
Cash, PCC and liquidity recovery	86 223	78 001	8 222	10,5%
CBT	(979 033)	(1 419 767)	440 734	31,0%
Banks and specialized organizations	(15 403)	(54)	(15 349)	(28424,1%)
Money market loans and borrowings	(67 391)	(121 077)	53 686	44,3%
Trading securities	278 223	239 398	38 825	16,2%
Total	(697 381)	(1 223 499)	526 118	43,0%

NOTE 10 - NOTES RELATING TO EVENTS AFTER THE CLOSING OF THE FINANCIAL STATEMENTS

STB has been the subject of an in-depth tax audit in respect of all taxes to which it is subject for the period 01/01/2019 to 31/12/2020.

STB has not yet been notified of the results of this audit. As a result, no provision has been made for tax risks.

NOTE 11 - NOTES RELATING TO TRANSACTIONS WITH RELATED PARTIES

I- Agreements entered into and/or completed during the 2023 financial year

1) During the 2023 financial year, STB subscribed to the 2023 national loan issued by the Tunisian State, the main shareholder, in four installments for TND 273,5 million distributed by installment as follows:

Installment	Period	Interest rates	Amount
2023-1	10 years with 2 grace period	9,95%	80 000
2023-2	10 years with 2 grace period	9,95%	54 000
2023-3	10 years with 2 grace period	9,95%	39 500
2023-4	10 years with 2 grace period	9,95%	100 000
Total in TND			273 500

During the 2023 financial year, STB Bank recognized investment income amounting to TND 12,057 million under the various installments of this national loan.

2) During the 2023 financial year, and 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 commitments of certain public companies. These guarantees amounted to TND 855 million.

3) During the 2023 financial year, STB signed a foreign currency financing agreement with the Tunisian State, via its ministries, as part of the syndicated loan granted by Tunisian banks to the State. The details of this agreement are as follows:

Type of agreement	Relationship	Period	Interest rates %	Loan amount in foreign currency	Outstanding at 31/12/2023 in foreign currency	Outstanding at 31/12/2023 in TND	Interest 2023 in TND
Syndicated loan	Ministry of Finance	4 years	EuriBor 6months+1.7%	EUR 30 million	EUR 30 million	101 905	2 465
Syndicated loan	Ministry of Finance	1 year	EuriBor 6months+0.4%	EUR 10 million	EUR 10 million	50 952	420
Syndicated loan	Ministry of Finance	1 year	EuriBor 6months+0.2%	USD 5 million	USD 5 million	15 366	171
Total in TND						168 223	3 056

4) During the 2023 financial year, STB subscribed for an amount of TND 6,290 million to the capital increase of the company "TUNISIAN FOREIGN BANK", unanimously approved by its General Meeting of Shareholders held on 29 December 2023.

II- Transactions carried out under previous agreements

1) Under Law No. 2012-17 of 17 September 2012, STB recognized, during the 2011 financial year, a State grant of TND 117 million as part of its shareholders' equity, with the possibility of repayment if the bank's financial equilibrium is restored.

During the 2023 financial year, STB repaid the first installment of the state grant amounting to TND 40 million, as it returned to financial equilibrium following the profit recorded in 2022. It should be noted that an amendment to the agreement of 9 October 2012 was signed during the 2023 financial year to stagger the repayment of this balance.

As at 31 December 2023, the amount of the State grant not yet repaid totaled TND 77 million.

2) Prior to the 2023 financial year, STB Bank entered into management agreements with the State for several budgetary funds (intended to finance non-reimbursable subsidies, endowments or credits) in return for the collection of commissions..

The cumulative outstanding amount of these budgetary funds amounts to TND 86,414 million as at 31 December 2023. The management fees payable to STB Bank for the 2023 financial year totaled TND 0,690 million (excluding VAT).

3) Prior to the 2023 financial year, and in accordance with decisions taken by the Minister of Finance, STB benefited from a package of guarantees granted by the State, the main shareholder, to cover the commitments of certain public companies. As at 31 December 2023, these guarantees totaled TND 698 million.

4) Prior to the 2023 financial year, STB subscribed to national loans issued by the Tunisian State, the main shareholder. The characteristics of these loans, their outstanding amounts as at 31 December 2023, and their impact on the income for the 2023 financial year are as follows:

Designation	Subscription year	Period	Interest rates	Subscribed amount in TND	Outstanding at 31/12/2023 in TND	Interest 2023 in TND
National Loan 2021-1	2021	5 years	8,80%	25 000	25 000	1 103
National Loan 2021-2	2021	5 years	8,80%	15 000	15 000	459
National Loan 2021-3	2021	5 years	8,80%	35 000	35 000	371
National Loan 2022-1	2022	7 years	AMR +2,5%	25 000	25 000	2 035
National Loan 2022-2	2022	7 years	AMR +2,2%	26 000	26 000	1 420
National Loan 2022-3	2022	7 years	AMR +2,2%	72 000	72 000	2 095
National Loan 2022-4	2022	7 years	AMR +2,2%	80 000	80 000	930
Total in TND				278 000	278 000	8 413

AMR : Average Market Rate

5) Prior to the 2023 financial year, STB signed foreign currency financing agreements with the Tunisian State, through its ministries, as part of the syndicated loan granted by Tunisian

banks to the State. The characteristics of these syndicated loans, their outstanding amounts as at 31 December 2023, and their impact on income for the 2023 financial year are as follows:

Type of agreement	Relationship	Period	Interest rates %	Loan amount in foreign currency	Outstanding at 31/12/2023 in foreign currency	Outstanding at 31/12/2023 in TND	Interest 2023 in TND
Syndicated loan	Ministry of Finance	5 years	2,75%	EUR 10 million	EUR 10 million	33 968	934
Syndicated loan	Ministry of Finance	5 years	2,75%	EUR 20 million	EUR 20 million	67 937	1 868
Syndicated loan	Ministry of Finance	4 years	2,90%	EUR 15 million	EUR 15 million	50 952	1 477
Total						152 858	4 280

6) The outstanding amount of loans granted by the STB to the Tunisian State, its main shareholder, through its ministries, amounts to TND 250,902 million as at 31 December 2023 (excluding syndicated loans).

company belonging to the STB Group, for a total amount of EUR 16 million, equivalent to TND 39,560 million, guaranteed by the State under the decision of the Ministry of Finance dated 17 October 2016.

7) Prior to the 2023 financial year, STB granted its subsidiary, Banque Franco-Tunisienne "BFT", an interbank loan of TND 70 million for a renewable period of 7 days at an interest rate of 7.25%.

Subsequently, on 26 May 2017, 5 July 2018, 1 December 2020, 28 October 2022, and 28 October 2023, the company made repayments of EUR 6 million, EUR 3 million, EUR 2,289 million, EUR 0,942 million and EUR 0,534 million respectively.

The State guarantee granted to STB for this loan, i.e. TND 70 million, following the decision of the Ministerial Council on 2 June 2011, was renewed until 15 February 2021, by virtue of the correspondence received in 2020.

During the 2022 financial year, it also converted part of this loan into the said company's capital in the amount of EUR 1,634 million.

During the 2023 financial year, STB Bank recognized an interest income of TND 98 680,556 for this loan.

As at 31 December 2023, the outstanding amount of this loan, amounting to EUR 1,601 million, or the equivalent of TND 5,438 million, has been fully provided.

8) Prior to the 2023 financial year, STB granted its subsidiary, Banque Franco-Tunisienne «BFT», an interbank loan for an amount of USD 560 thousand, or the equivalent of TND 1,721 million, due on 1 March 2022 and remaining unpaid as at 31 December 2023.

During the 2023 financial year, STB Bank recognized interest income of TND 28 409,724 under this subordinated debt security.

During the 2023 financial year, STB Bank recognized interest income of TND 8 356,505 under this loan.

10) Prior to the 2023 financial year, the directors and associated companies of STB subscribed to the various subordinated debt securities issued by the STB.

9) On 18 October 2016, STB subscribed to the private subordinated debt security issued by TFB, a

The outstanding amounts subscribed, as well as the interest generated by these loans as at 31 December 2023, are detailed as follows:

Company	Subscribed amount	Outstanding at 31/12/2023	Interest in 2023
Capital Plus mutual fund	736	700	67
STB Evolutif mutual fund	45	15	1
Total bonds subscribed by subsidiaries and associates	781	715	68
STAR	52 000	15 008	4 000
MAE	7 200	7 200	426
Total bonds subscribed by directors	59 200	22 208	4 426
Total in TND	59 981	22 923	4 494

11) The balances of bank loans granted by STB Bank to its directors and officers totalled TND 2,325 million as at 31 December 2023, are broken down as follows:

Relationship	Account debit	Other commitments	Total commitments
MOHAMED TAHAR BEL LASSOUED	827	0	827
STAR	0	2 180 190	2 180 190
TOTAL MANAGERS	827	2 180 190	2 181 017
LASSAD ZANATI JOUINI	0	4 646	4 646
NABIL FRINI	0	139 176	139 176
TOTAL DIRECTORS	0	143 822	143 822
TOTAL	827	2 324 012	2 324 839

12) As at 31 December 2023, the balances of current accounts opened by STB Bank's subsidiaries and associates and the related interest are detailed as follows:

Related parties	Account balances as at 31/12/2023 in TND		Bank/interest charges relating to the financial year 2023 in TND	
	Debtors	Creditors	Cash in hand	Served
STE TNNE DE CONTROLE VERITAS	-	2 984		-2
POLE DE COMPET MONASTIR EL FEJJA	-	357		-5
S. CIVILE IMMOBIL LA MAISON DUBANQUIER	-	2		0
SONIBANK		15 721		0
TUNISIAN FOREIGN BANK	-	469		-3
Total in TND	-	19 533		-10

III – STB's Obligations and commitments towards the Directors

The obligations and commitments of STB Bank towards its directors, as referred to in Article 200 (new) II paragraph 5 of the Commercial Companies Code, are detailed as follows:

1) Remuneration and benefits of the Director General

The Director General of the Bank was appointed by decisions of the Board of Directors at its meeting held on 7 October 2022, following the addition of an item to the agenda.

The remuneration and benefits of the Bank's Director General were set by the Board of Directors at its meeting dated 30 May 2016, in accordance with the Government Decree No. 2015-968 of 6 August 2015, establishing the remuneration regime for the directors general of public banks and chairmen of their boards of directors. They comprise the following elements:

- A fixed element consisting of a net monthly salary equal to TND 16,000;
- Benefits in kind consisting of a quota of 500 liters of fuel per month, the provision of a company car as well as reimbursement of telephone expenses with a ceiling of TND 250 per month;
- A variable annual element not exceeding 50% of the fixed element's amount, and is calculated based on the rate of achievement of the objectives set by the Board of Directors as well as financial indicators.

2) Remuneration and benefits of the Secretary General

The Bank's Secretary General was appointed by decisions of the Board of Directors at its meeting held on 10 June 2020, on the proposal of the Nomination and Remuneration Committee of 29 May 2020 and 2 June 2020.

The remuneration and benefits of the Secretary General, as revised by the bank's nomination and remuneration committee at its meeting of 14 October 2016, were approved by the STB Board of Directors at its meetings held on 16 November 2016 and 16 September 2020. They comprise the following elements:

- A fixed element consisting of a gross monthly salary set at TND 4 767, or a net salary of TND 2 670. In this context, it should be noted that the General Secretary retains the advantages relating to balance sheet bonuses, profit sharing, performance, and gratuity;
- A function allowance of TND 2 000 per month;
- A housing allowance of TND 500 per month;
- Benefits in kind consisting of a quota of 400 liters of fuel per month, the provision of a company car, and the reimbursement of telephone expenses;
- A variable annual element not exceeding 25% of the fixed element's amount, and is calculated based on the rate of achievement of the objectives set by the Board of Directors as well as financial indicators. Benefits in kind are a company car with a quota of 400 liters of fuel per month as well as reimbursement of telephone expenses.

3) Attendance fees and similar remuneration granted to Directors

The amount of attendance fees payable to directors as well as the remuneration of the chairmen and members of the committees emanating from the Board of Directors were set by decisions of the Ordinary General Meeting held on 28 April 2023, as follows:

- Attendance fees of TND 4 000, net, per Board meeting for the Chairman;
- Attendance fees of TND 2 000, net, per Board meeting for each director;
- Remuneration of TND 2 000, net, per meeting for the Chairmen of the Audit Committee and the Risk Committee;
- Remuneration of TND 1 000, net, per meeting for the directors who are members of the Audit Committee and the Risk Committee.

Please note that the chairmen and members of more than one committee emanating from the Board of Directors benefit from a single remuneration calculated based on their presence on a single committee according to their choice.

The cumulative gross amount of attendance fees and other remuneration payable to the Bank's directors for the financial year ended on 31 December 2023 is TND 463 750, and is broken down as follows:

Designation	Amount
Attendance fees payable to directors	365 000
Remuneration of members of committees from the Council	98 750
Total in TND	463 750

4) STB Bank's Obligations and commitments towards its directors in accordance with the financial statements closed on 31 December 2023

Given the above, STB Bank's obligations and commitments to its directors, as shown in the financial statements for the year ended 31 December 2023, are as follows:

Category	Director General		General secretary	
	Expenses for the financial year	Liabilities as at 31/12/2023	Expenses for the financial year	Liabilities as at 31/12/2023
Short term benefits	434 104	213 663	159 181	77 732
Post-employment benefits	56 388	22 814	10 192	20 347
Retirement compensation (12 months)	1 797	117 712	-637	108 515
Total in TND	492 289	354 189	168 736	206 594

Apart from the above-mentioned agreements and transactions, our work has not revealed the existence of any other agreements or transactions falling within the scope of the provisions of Articles 43 and 62 of Law No. 2016-48 of 11 July 2016, pertaining to banks and financial institutions, Articles 200 (and following) and 475 of the Commercial Companies Code.



Zaghouan Water Temple Ecological Park

CONSOLIDATED INCOME STATEMENT BY DIVISION

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(Unit: in TND thousand)

	2023	Banking	Financial	Others	
Banking Operating Income					
BOI 1	Interest and similar income*	1 058 704	1 057 737	952	15
BOI 2	Commissions (as income)*	142 764	136 320	6 444	-
BOI 3	Gains on trading securities portfolio and financial transactions	95 204	90 450	4 414	340
BOI 4	Income from the investment portfolio	162 494	149 008	13 448	38
	Total Banking Operating Income *	1 459 166	1 433 515	25 258	393
Banking Operating Charges					
BOC 1	Interest incurred and similar charges*	(733 493)	(733 457)	(28)	(8)
BOC 2	Commissions incurred*	(10 995)	(10 930)	(63)	(2)
BOC 3	Losses on trading securities portfolio and financial transactions	-	-	-	-
	Total Banking Operating Charges	(744 488)	(744 387)	(91)	(10)
	Net Banking Income	714 678	689 128	25 167	383
BOI 5-BOC 4	Provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(222 972)	(235 808)	12 859	(23)
BOI 6-BOC 5	Provisions and result of value adjustments on the investment portfolio	(5 887)	(8 080)	2 003	190
BOI 7	Other operating charges*	21 301	1 315	386	19 600
BOC 6	Staff costs*	(246 357)	(217 875)	(9 770)	(18 712)
BOC 7	General operating charges	(106 271)	(115 058)	5 428	3 359
BOC 8	Provisions for amortization and provisions for fixed assets	(16 281)	(14 295)	(320)	(1 666)
	Operating Income	138 211	99 327	35 753	3 131
BOI 11	Share in the results of companies accounted for by the equity method	(7 221)	(9 123)	-	1 902
PR 8-BOC 9	Profit/loss balance from other ordinary items	8 158	7 310	611	237
BOC 11	Income tax	(55 444)	(51 963)	(2 955)	(526)
	Income from Ordinary Activities	83 704	45 551	33 409	4 744
BOI 9-BOC 10	Profit/loss balance from other extraordinary items	(10 456)	(10 453)	(1)	(2)
	Net Income for the Financial Year	73 248	35 098	33 408	4 742
BOI 9-BOC 10	Non-controlling interests share in income	22 040	5	20 647	1 388
	Consolidated Net Income for the Financial Year	51 208	35 093	12 761	3 354
	Effect of accounting changes	27 314	27 314	-	-
	Income After Accounting Change	78 522	62 407	12 761	3 354

CONSOLIDATED INCOME STATEMENT BY DIVISION

PERIOD FROM 1 JANUARY TO 31
DECEMBER 2022

(Unit: in TND thousand)

	2022	Banking	Financial	Others	
Banking Operating Income					
BOI 1	Interest and similar income*	959 197	950 021	3 584	5 592
BOI 2	Commissions (as income)*	141 638	133 601	6 563	1 474
BOI 3	Gains on trading securities portfolio and financial transactions	119 953	113 937	5 352	664
BOI 4	Income from the investment portfolio	96 266	74 449	21 815	2
	Total Banking Operating Income *	1 317 054	1 272 008	37 314	7 732
Banking Operating Charges					
BOC 1	Interests incurred and similar charges*	(579 620)	(580 287)	(51)	718
BOC 2	Commissions incurred*	(8 734)	(7 712)	(60)	(962)
BOC 3	Losses on trading securities portfolio and financial transactions	-	-	-	-
	Total Banking Operating Charges	(588 354)	(587 999)	(111)	(244)
	Net Banking Income	728 700	684 009	37 203	7 488
BOI 5- BOC 4	Provisions and result of value adjustments on receivables, off-balance sheet and liabilities	(204 430)	(216 259)	12 532	(703)
BOI 6- BOC 5	Provisions and result of value adjustments on the investment portfolio	561	3 811	(3 368)	118
BOI 7	Other operating charges*	20 536	7 968	811	11 757
BOC 6	Staff costs*	(222 786)	(194 968)	(9 065)	(18 753)
BOC 7	General operating charges	(101 477)	(84 184)	(5 231)	(12 062)
BOC 8	Provisions for amortization and provisions for fixed assets	(15 140)	(13 279)	(252)	(1 609)
	Operating Income	205 964	187 098	32 630	(13 764)
BOI 11	Share in the results of companies accounted for by the equity method	414	(1 326)	-	1 740
PR 8- BOC 9	Profit/loss balance from other ordinary items	20 186	19 959	102	125
BOC 11	Income tax	(95 604)	(92 531)	(2 600)	(473)
	Income from Ordinary Activities	130 960	113 200	30 132	(12 372)
PR 9-CH 10	Profit/loss balance from other extraordinary items	(7 932)	(7 931)	(1)	-
	Net Income for the Financial Year	123 028	105 269	30 131	(12 372)
BOI 9- BOC 10	Non-controlling interests share in income	23 296	(13)	(22 499)	45 808
	Consolidated Net Income for the Financial Year	99 732	105 282	52 630	(58 180)
	Effect of accounting changes	15 460	15 460		
	Income After Accounting Change	115 192	120 742	52 630	(58 180)

(*) Data as at 31/12/2022 are restated for comparability purposes.

CONSOLIDATED INDICATORS

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(Unit: in TND thousand)

	2023	Banking	Financial	Others
1- Banking Operating Income	1 459 165	1 433 515	25 258	392
a- Interests	1 058 704	1 057 737	952	15
b- Income commissions	142 764	136 320	6 444	-
c- Income from the trading securities portfolio	95 204	90 450	4 414	340
d- Income from the investment portfolio	162 493	149 008	13 448	37
2- Banking Operating Charges	(744 488)	(744 387)	(91)	(10)
a- Interests incurred	(733 493)	(733 457)	(28)	(8)
b- Commissions incurred	(10 995)	(10 930)	(63)	(2)
3- Net Banking Income	714 677	689 128	25 167	382
4- Other Operating Income	21 301	1 315	386	19 600
5- Operating Charges, including :	(368 910)	(347 228)	(4 662)	(17 020)
a- Staff costs	(246 357)	(217 875)	(9 770)	(18 712)
b- General operating charges	(106 272)	(115 058)	5 428	3 358
c- Provisions for amortization	(16 281)	(14 295)	(320)	(1 666)
6- Portfolio Structure	3 016 543	2 684 969	314 369	17 205
a- Trading securities portfolio	730 474	451 647	279 021	(194)
b- Investment portfolio	2 286 069	2 233 322	35 348	17 399
7- Outstanding balance sheet loans	10 493 060	10 473 790	19 270	-
8- Outstanding deposits, including :	10 004 984	10 004 984	-	-
a- Current deposits	3 799 053	3 799 053	-	-
b- Savings deposits	4 245 908	4 245 908	-	-
9- Borrowings and Special Resources	640 645	640 645	-	-
10- Shareholders' equity (excluding income for the FY)	1 264 372	1 266 951	2 331	(4 910)

CONSOLIDATED INDICATORS

PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

(Unit: in TND thousand)

	2022	Banking	Financial	Others
1- Banking Operating Income	1 310 004	1 272 008	37 314	682
a- Interests	953 621	950 021	3 584	16
b- Income commissions	140 164	133 601	6 563	-
c- Income from the trading securities portfolio	119 953	113 937	5 352	664
d- Income from the investment portfolio	96 266	74 449	21 815	2
2- Banking Operating Charges	(588 354)	(587 999)	(111)	(244)
a- Interests incurred	(580 581)	(580 287)	(51)	(243)
b- Commissions incurred	(7 773)	(7 712)	(60)	(1)
3- Net Banking Income	721 650	684 009	37 203	438
4- Other Operating Income	27 587	7 968	811	18 808
5- Operating Charges, including :	(338 300)	(308 604)	(12 977)	(16 719)
a- Staff costs	(221 682)	(194 968)	(9 065)	(17 649)
b- General operating charges	(101 478)	(100 357)	(3 660)	2 539
c- Provisions for amortization	(15 140)	(13 279)	(252)	(1 609)
6- Portfolio Structure	2 622 004	2 255 879	326 982	39 143
a- Trading securities portfolio*	1 109 195	901 645	186 578	20 972
b- Investment portfolio	1 512 809	1 354 234	140 404	18 171
7- Outstanding Balance Sheet Loans	10 842 311	10 818 777	23 534	-
8- Outstanding Deposits, including :	9 718 822	9 718 822	-	-
a- Current deposits	3 750 085	3 750 085	-	-
b- Savings deposits	3 870 738	3 870 738	-	-
9- Borrowings and Special Resources	596 332	596 332	-	-
10- Shareholders' equity (excluding income for the FY) (*)	1 283 816	1 289 877	(225)	(5 836)

(*) Data as at 31/12/2022 are restated for comparability purposes.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Ladies and Gentlemen, Shareholders of Société Tunisienne de Banque (STB Bank),

Report on the audit of the financial statements

1. Qualified opinion

In compliance with the assignment entrusted to us by your Annual General Meeting of 4 July 2023, we have audited the accompanying consolidated financial statements of Société Tunisienne de Banque and its subsidiaries (the «Group»), which comprise the consolidated balance sheet and the consolidated statement of off-balance sheet commitments as at 31 December 2023, the consolidated statement of income and the consolidated statement of cash flows for the year then ended, and the notes thereto, including the summary of significant accounting policies. These consolidated financial statements show positive shareholders' equity (excluding minority interests) of TND 1,315,579 K, including consolidated profit for the year of TND 51,208 K.

In our opinion, except for the effects of the matters described in the section «Basis for qualified opinion», the accompanying consolidated financial statements present fairly, in all material aspects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended, in accordance with the Company Accounting System.

2. Basis for qualified opinion

1) The multi-currency accounts kept by STB Bank (parent company) do not comply with the requirements of accounting standards AS 22, Internal control and accounting organisation in banking institutions, and AS 23, Foreign currency transactions in banking institutions. The treatments carried out over the accounting periods have resulted, in particular, in the presentation among the liabilities of the consolidated balance

sheet at 31 December 2023 (item L5 : Other liabilities) of a «Translation adjustments» account, with a credit balance of TND 58,927 K, and a «Foreign exchange position equivalent» account, with a credit balance of TND 1,732 K, which should be cancelled by impacting consolidated net income for the year and consolidated shareholders' equity at 31 December 2023 (with the exception of «Foreign exchange adjustment accounts» which are debited or credited, as appropriate, with the foreign exchange gain or loss on off-balance sheet items).

In addition, the reconciliation of the accounting balances of customer foreign currency deposit accounts (before conversion into the reference currency) with the corresponding non-accounting balances (taken from the business application), as at 31 December 2023, shows significant differences, equivalent to TND 60,073 K. It should be noted that certain customer deposit accounts denominated in foreign currencies are converted into the reference currency (by applying the exchange rates in force at the balance sheet date) on the basis of the extra-accounting balances in foreign currencies, while the other accounts in the same category are converted on the basis of the accounting balances in foreign currencies, with an impact on the «Translation differences» account in the balance sheet of TND 56,752 K.

The Group's transition to multi-currency accounting, which complies in all respects with current accounting standards (a project which was in progress at the date of our audit), and the related reconciliation of balance sheet accounts, are likely to have a significant impact on its financial position at 31 December 2023 and on its financial performance for the year then ended. In view of this risk, a provision of TND 12,105 K has been set aside by the Group ; however, the information provided to us by management does not allow us to express an opinion on the basis or reliability of this provision.

2) The reconciliation statements for accounts opened with the CBT (TND and foreign currencies) and correspondents' accounts (NOSTRO), as at

31 December 2023, show old suspense items dating back to years prior to 2023 and totalling the following amounts :

Description	Débit	Crédit
CBT (TND et foreign currencies)	192 928	(157 358)
Movements recorded by the Bank and not taken into account by the CBT	149 478	(103 479)
Movements recorded by the CBT and not taken into account by the Bank	43 450	(53 879)
Correspondents (NOSTRO)	648 554	(706 654)
Movements recorded by the Bank and not taken into account by the Correspondents	471 546	(414 641)
Movements recorded by the Correspondents and not taken into account by the Bank	177 008	(292 013)
Total in K TND	841 482	(864 012)

The regularisation and settlement of these suspense items, which have accumulated over the years, could have a significant impact on the Group's financial position at 31 December 2023. A provision of TND 27,533 K has been set aside to cover the risk of a downward adjustment to consolidated shareholders' equity ; however, the information provided to us by management does not allow us to express an opinion on the basis or reliability of this provision.

3) The items «A7 : Other assets» and «L5 : Other liabilities», included respectively among the assets and liabilities of the consolidated balance sheet as at 31 December 2023, contain several old accounts opened in particular for the purpose of recording transactions relating to electronic clearing. At 31 December 2023, the frozen balances of these old balance sheet accounts totalled TND 109,305 K for other assets and TND 135,267 K for other liabilities.

In addition to these frozen accounts, the items «A7 : Other assets» and «L5 : Other liabilities» comprise a large number of suspense, accruals, order and inter-seat accounts (see notes 6.8 and 6.13 of the financial statements), used in the accounting treatment of transactions relating to remote clearing, electronic banking, the trading room, transfers made and received, etc. These accounts show significant balances which are not analysed and justified by the Group as at 31 December 2023 (comparison with actual existing balances, subsequent settlements, etc.). These accounts contain significant balances that have not been analysed and justified by the Group as at 31 December 2023 (comparison with actual balances, subsequent settlements, etc.). As a result, their settlement could have a significant impact on the

In view of the fact that the majority of the unjustified and/or frozen account balances shown under other assets are offset under other liabilities, a provision of TND 49,502 K has been set aside by the Group to cover the risk of a downward adjustment to its shareholders' equity ; however, the information provided to us by management does not enable us to express an opinion on the basis or reliability of this provision.

Our audit also revealed the existence, under the headings «L3 : Deposits and assets of client» and «L4 : Borrowings and special resources», included among the liabilities in the consolidated balance sheet as at 31 December 2023, of old accounts that have remained unchanged for several years, with balances totalling TND 3,456 K and TND 33,407 K respectively. These old liabilities may no longer represent current obligations for the Group and must be analysed and cleared in accordance with current regulations.

- 4) In 2023, STB Bank (the parent company) did not carry out an exhaustive physical inventory of its intangible and tangible fixed assets in order to ascertain their existence and value, contrary to the provisions of article 17 of law no. 96-112 dated 30 December 1996 relating to the Company Accounting System. It should be noted that at 31 December 2023, STB Bank's intangible and tangible fixed assets had a gross book value of TND 377,415 K, accumulated depreciation of TND 223,296 K and a net book value of TND 154,119 K.
- 5) The assets and liabilities in the Group's consolidated balance sheet at 31 December 2023 do not show any deferred tax assets or liabilities, contrary to the requirements of accounting standard AS 35, Consolidated Financial Statements. An exhaustive

inventory of temporary differences (deductible and taxable) between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases, as well as other sources of deferred tax (tax loss carryforwards, etc.), must be carried out by the Group in order to measure and recognise deferred tax assets and liabilities correctly, in accordance with the requirements of international accounting standard IAS 12, Income Taxes. It should be noted that the deferred tax assets and liabilities shown in the Group's consolidated balance sheet at 31 December 2022 have been cancelled, with a net impact of TND 35,772 K on consolidated reserves.

We conducted our audit in accordance with International Standards on Auditing (ISAs) applicable in Tunisia. Our responsibilities under these Standards are described in more detail in the section «Auditor's responsibilities for the audit of the financial statements» of this report. We are independent of the Group in accordance with the ethical requirements applicable to the audit of financial statements in Tunisia and we have fulfilled our other ethical responsibilities under those requirements.

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

3. Key audit matters

Key audit matters are those matters which, in our professional judgement, were of most significance in the audit of the consolidated financial statements for the period under review. These matters were discussed in the context of our audit of the financial statements taken as a whole and for the purpose of forming our opinion on them, and we do not express a separate opinion on them.

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

1) Recognition of interest and similar income and commissions as revenue

a) Identified risks

For the year ended 31 December 2023, interest and similar income and commission (income) recognised in the Group's net income totalled TND 1,201,468 K (approximately 82% of total banking operating income).

The methods used to recognise interest and similar income and commission as income are described in Note 3.2.3 of the financial statements, «Recognition of income on customer loans».

Although most of this income is generated and recognised automatically by the Group's information system, we considered that the recognition of interest and similar income and commissions as income was a key point in our audit due to the large volume of transactions and the importance of this item in relation to total banking operating income.

b) Audit procedures implemented to address identified risks

As part of our audit of the financial statements, we focused in particular on the following :

- A review of the policies, processes and controls implemented by the Group for the measurement and recognition of revenue ;
- An assessment of the IT environment for the automatic generation and recognition of income in the accounts ;
- Verification of compliance with the provisions of accounting standard AS 24 on Commitments and related income in banking institutions, in terms of income recognition and separation of accounting periods ;
- Performing analytical procedures on changes in interest and commission income ;
- Assessing the reliability of interest reservation methods ;
- Verifying the appropriateness of the information provided in the notes to the consolidated financial statements.

2) Classification of customer receivables and estimation of related provisions

a) Identified risks

At 31 December 2023, customer receivables were recorded as assets in the Group's consolidated balance sheet for a net amount of TND 10,493,060 K and represented approximately 70% of total assets. Gross customer receivables amounted to TND 13,265,775 K, while provisions to cover credit risk and reserved interest and premiums amounted to TND 2,259,418 K and TND 513,297 K respectively.

As indicated in Note 3.2 of the consolidated financial statements, «Recognition of commitments and related income», the Group classifies and values commitments and recognises the related provisions when it considers that the criteria defined by CBT circular no. 91-24 dated 17 December 1991, as amended by subsequent CBT circulars, have been met.

Given the Group's exposure to credit risk, the estimation of which is based on quantitative and qualitative criteria requiring a high level of judgement, we considered the classification of receivables, the valuation of related provisions and the calculation of reserved interest and agios to be a key point in our audit.

b) Audit procedures implemented to address identified risks

Through discussions with management and a review of the control procedures implemented by the Group, we were able to obtain an understanding of the method used to assess counterparty risk and to recognise the necessary provisions in light of the guarantees obtained. The Bank's method of classifying commitments is based primarily on the benchmark criterion of the age of outstanding payments, but also on other mitigating criteria.

We have therefore adopted the following audit approach :

- Reconciliation of customer commitments with accounting data ;
- An assessment of the methodology used by the Group to classify receivables in accordance with the rules issued by the Central Bank of Tunisia ;
- Assessing the reliability of the risk coverage and product reservation system ;
- Verification that certain qualitative criteria derived from the transactions carried out and the behaviour of the relationship in question during the financial year have been taken into account ;

- Examining the guarantees used to calculate provisions and assessing their value, having regard to the rules laid down and the methods adopted ;
- Verification of the arithmetical calculation of the amounts of provisions required on customer receivables (on an individual, additional or collective basis), in application of the regulations in force ;
- Verifying that the Group has taken into account the adjustments proposed in this respect.

3) Valuation of investment securities and receivables at the reporting date

a) Identified risks

The Group's investment portfolio is shown in the consolidated balance sheet at 31 December 2023 for a net amount of TND 2,178,295 K (of which OATs : TND 1,419,072 K and domestic bonds : TND 554,650 K) and represents approximately 15% of total assets.

As indicated in Note 3.2.1 of the consolidated financial statements «Investment portfolio and related income», investment securities are initially recognised at acquisition cost and are valued at the balance sheet date by comparing their carrying amount with their fair value in the case of unlisted securities, and with their market value in the case of listed securities. The corresponding provisions are adjusted accordingly.

Estimating the fair value of investment securities requires Management to exercise its judgement in selecting the factors to be taken into consideration, depending on the nature and situation of the securities concerned. These factors differ from case to case (for some entities, shareholders' equity adjusted for any unrealised capital gains or losses, and for others, the weighted average stock market price at the balance sheet date or the most recent prior date). Other objective criteria may be used to determine fair value, particularly for equity securities, such as the price stipulated in recent transactions, yield, size of profits, activity, size or reputation of the issuing entity.

In this context, and due to the uncertainties inherent in certain factors, we considered that the correct valuation of investment securities, related receivables and the corresponding provisions for impairment were a key point in our audit.

b) Audit procedures implemented to address identified risks

In order to assess the reasonableness of the estimate of the fair value of investment securities based on the information provided to us, our audit work mainly consisted of :

- Verifying the stock market prices used to value the listed securities ;
- Ensuring that the shareholders' equity used is consistent with the financial statements of the entities audited and that any adjustments made to this equity are based on documentary evidence ;
- Verifying that the estimate of these values, as determined by Management, is based on an appropriate justification of the valuation method used and the figures used as a basis for recognising the required provisions for impairment ;
- Assessing the recoverability of related receivables in the light of the analyses performed on investment securities.

Observation paragraphs

We draw your attention to the following points :

- 1) The item «A2 : Receivables from banking and financial institutions», which is included in the assets of the balance sheet at 31 December 2023, includes a receivable from Banque Franco-Tunisienne (BFT), which has been declared insolvent, amounting to TND 71,828 K (including accrued interest of TND 1,828 K which has been fully provided for).

The principal receivable of TND 70,000 K is covered by a State guarantee under the terms of the agreement signed by the Minister of Finance, the Director General of STB and the Director General of BFT on 13 October 2011. According to official correspondence from the Ministry of Finance dated 10 March 2022, this guarantee has been extended until the closure of the liquidation of BFT. As a result, no provision has been recognised to cover the risk of non-recovery of the principal of this receivable.

- 2) The item «A3: Customer receivables», included in the assets of the balance sheet as at 31 December 2023, includes receivables from public companies, whose total commitments fell from TND 1,914,204 K (including Office des Céréales: TND 562,675 K) at 31 December 2022 to

TND 1,886,824 K (including Office des Céréales: TND 565,330 K) at 31 December 2023, i.e. a downward variation of TND 27,380 K. The commitments of public companies, representing approximately 14% of total customer commitments (on- and off-balance sheet) at 31 December 2023, are covered to the extent of TND 1,596,754 K by government guarantees, TND 203,886 K by other guarantees and TND 13,530 K by provisions set aside as well as agios and interest reserved by the Group, giving total coverage of TND 1,814,170 K at 31 December 2023.

This item also includes, at the same date, the commitments of three groups of companies, totalling TND 408,729 K (including outstanding principal and interest of TND 124,900 K), classified in the category of financial assets requiring special monitoring (class 1) and for which the Group has not booked provisions on an individual basis and has not reserved agios or interest despite the fact that the age of the outstanding amounts gives them risk classes 2 and above.

These criteria were examined and accepted by the Permanent Audit Committee, the Risk Committee and the Board of Directors, which approved the financial statements for the 2023 financial year on this basis at its meeting on 10 May 2024. The classification of these counterparties would not only have an impact on the Group's risk and profitability indicators, but would also have significant repercussions on the continuity of the activities of these relationships, which play an important economic and social role in Tunisia.

- 3) The item «E2 : State grant», included in shareholders' equity in the balance sheet at 31 December 2023, showed a zero balance at 31 December 2023, compared with TND 117,000 K at 31 December 2022, i.e. a variation of TND 117,000 K explained by the repayment to the State of an amount of TND 40,000 K, given that STB Bank has regained its financial equilibrium following the profit recorded in 2022, and by the reclassification of the balance of TND 77,000 K under «L5 : Other liabilities». It should be noted that an amendment to the agreement of 9 October 2012 was signed on 3 October 2023 to spread the repayment of this balance over the years 2024 and 2025 for the respective amounts of TND 40,000 K and TND 37,000 K.

4) Note 4 to the consolidated financial statements for the year ended 31 December 2023 shows that, in addition to the parent company, the scope of consolidation includes 16 subsidiaries (fully consolidated) and 5 associates (accounted for using the equity method). It also states that 42 companies have been excluded from the scope of consolidation for the following reasons :

- 13 companies in liquidation or in a compromised situation ;
- 12 dormant companies (mainly associates) ;
- 8 companies (associates) whose financial statements for 2023 are unavailable ;
- 9 companies (mainly subsidiaries) acquired and held solely with a view to disposal in the near future or for which disposal proceedings have been initiated, in accordance with paragraph 11 of accounting standard AS 35, Consolidated financial statements.

Investments in these companies excluded from the scope of consolidation have been accounted for as if they were investments.

Note 4 also states that Tunisian Foreign Bank (TFB) has been accounted for using the equity method, even though STB Bank held 49.99% of its share capital at 31 December 2023. Management believes that STB Bank does not have the power to govern the financial and operating policies of this Group company.

Our opinion is not modified in respect of this matter.

5 Group management report

The Board of Directors is responsible for preparing the Group management report. Our opinion on the consolidated financial statements does not extend to the Group management report and we do not express any opinion on this report.

In accordance with Articles 266 and 471 of the Commercial Companies Code, our responsibility is to verify the accuracy of the accounting information given in the Group management report by reference to the consolidated financial statements. Our responsibility is to read the Group management report and, in doing so, to assess whether there is any material inconsistency between it and the consolidated financial statements or our knowledge obtained in the course of our audit, or whether the

Group management report appears to be otherwise materially misstated. If, based on our work, we conclude that there is a material misstatement in the Group management report, we are required to report this.

We have nothing to report in this respect.

6 Responsibility of management and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Company Accounting System, and for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of Management to assess the Group's ability to continue as a going concern, to communicate any going concern issues and to apply the going concern basis of accounting unless Management intends to liquidate the Group or to cease operations, or there is no realistic alternative available.

Management and the Board of Directors are responsible for overseeing the Group's financial reporting process.

7 Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report on our opinion.

Reasonable assurance represents a high level of assurance, but does not guarantee that an audit conducted in accordance with the International Standards on Auditing (ISAs) applicable in Tunisia will always detect any material misstatement. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could influence the economic decisions that users of the consolidated financial statements make in reliance on them.



In an audit performed in accordance with International Standards on Auditing (ISAs) applicable in Tunisia, we exercise professional judgment and critical thinking throughout the audit. In addition, we :

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control ;
- We obtain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances ;
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures made by management ;
- We conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is any material uncertainty related to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of the readers of our report to the information provided in the consolidated financial statements about that uncertainty or, if that information is not adequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. Future events or circumstances may also cause the Group to cease operations ;
- We have assessed the overall presentation, form and content of the consolidated financial statements, including the disclosures in the notes, and whether the consolidated financial statements present the underlying transactions and events fairly.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit work and our significant findings, including any significant deficiencies in internal control that we identify during the course of our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements relating to independence, and disclose any relationships and other factors that may reasonably be thought to affect our independence and any related safeguards.

Of the matters communicated to those charged with governance, we determine which were the most significant in the audit of the consolidated financial statements for the period under review : these are the key audit matters. We describe these matters in our report, except where disclosure is precluded by law or regulation or where, in extremely rare circumstances, we determine that we should not disclose a matter in our report because the adverse consequences of so disclosing the matter could reasonably be expected to outweigh the benefits to the public interest.

Reporting on other legal and regulatory obligations

As part of our audit assignment, we also performed the specific verifications required by the standards issued by the Order of Chartered Accountants of Tunisia and by the relevant regulations in force.

Effectiveness of the internal control system

Pursuant to the provisions of article 3 of law no. 94-117 dated 14 November 1994, as amended by law no. 2005-96 dated 18 October 2005, we have carried out periodic checks on the effectiveness of the internal control systems of STB Bank and its subsidiaries.

To this end, we have consulted the reports of the statutory auditors of the companies belonging to the Group. We recall that the responsibility for the design and implementation of an internal control system and the periodic monitoring of its effectiveness and efficiency rests with the Management and the Board of Directors.

Based on our review, nothing has come to our attention that causes us to believe that there are significant deficiencies in the internal control systems of Group companies that would be likely to affect our opinion on the consolidated financial statements, except for those related to the reservations expressed above and relating in particular to certain components of

STB Bank's information system and to accounting controls within this parent company.

A report dealing with the internal control deficiencies identified during our audit has been submitted to the Management of STB Bank.

Tunis, 13 May 2024
Les Co-commissaires aux comptes

**P/ GÉNÉRALE D'EXPERTISE & DE
 MANAGEMENT - GEM**
Abderrazak GABSI, associé




**P/ Le Groupement :
 eXacom Audit & MAC**
Abderrazak SOUEI, expert-comptable

