



Tunisian Saudi Bank  
البنك التونسي السعودي

# ANNUAL REPORT

## 2021

# Summary

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A limited company with a capital of 100 Million Dinars  
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SWIFT: TSIDTNTT  
Unique Identifier (National Register of Companies): 0013026E

## ADDRESS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL ASSEMBLY

In the Name of God, Most Gracious, Most Merciful,

Honourable Shareholders' Representatives;

On my own behalf and on behalf of the members of the Board of Directors, it is my honor to present you the seventeenth annual report of the Tunisian Saudi Bank since its conversion on 25 April 2005 into a universal bank, as well as the financial statements ended on 31 December 2021.

The Bank's activity for the year 2021 showed an increasing net income as it amounted to 3.7 Million Dinars (M.D), against negative income of 14.8 M.D at the end of the year 2020.

Such increase is due to:

- The development of net allowances amounted to 2.5 M.D at the end of the year 2021, which is mainly due to:
  - Relative improvement in the rate of development of bank operating revenues compared to the rate of increase in the bank operating costs (4.8% against 4%), where it increased from 94.3 MD at the end of 2020 to 98.9 MD at the end of 2021. This is mainly due to the development of received interests and loan income in 2021 by 3.2 MD, against a decrease of 4 MD at the end of 2020.
  - Development in the profits of the commercial portfolio by about 5 MD mainly due to the result of the increase in the interest on the treasury by 6 MD
  - An increase in the bank operating costs by about 2 MD, against an increase of 6 MD at the end of 2020

- While the costs increased as follows:

- An increase in wages and social costs of 5.4 MD, against stability at the end of 2020
- Allocating 3.4 MD as provisions on public savings, which is related to the update of article 54 of the joint agreement for banks, which provides for the increase in the retirement allowance from 6 working months to 12 months
- An increase in general operating costs by 1.6 md
- The increase in net deferred provisions and interests by 2.8 MD is mainly due to the allocation of allocations to collective savings by 3.4 MD as a result of the application of the new exceptional regulations in accordance with the Central Bank of Tunisia Circular No. 2022-02 consisting in changing the criteria for the calculation of allowances for collective provisions

The bank also recorded exceptional profits of 29 MD due to the assignment of shares of TANKMED Company

At the level of activity, despite the medium and weak growth rates in some areas that the Tunisian banking sector witnessed during the year 2021, the deposits of clients increased by 25% to reach 789.6 m d in 2021 against 632.3 m d in 2020, also the net receivables from clients witnessed a development by 7.9%, it increased from 722.1% MD in 2020 to 779.4% MD in 2021.

At the level of activity, despite the medium and weak growth rates in some areas that the Tunisian banking sector witnessed during the year 2021, the deposits of customers increased by 25% to reach 789.6M.D in 2021 compared to 632.3M.D in 2020, which enabled the bank to continue its activity as the net receivables to customers increased from 722.1 M.D in 2020 to 779.4 M.D in 2021 that is an increase of 7.9%.

Dear Shareholders' Representatives,

These are the most salient aspects of the Bank's activities during the year 2021 and their ensuing results. You will have in your hands the activity report containing all the details and clarifications.

In conclusion, I would like to reiterate my sincere thanks to the Tunisian and Saudi authorities for their support to the Bank. My thanks are also to the members of the Board of Directors for their efforts to achieve the Bank's objectives, the Bank's executive management and all employees who strive earnestly and sincerely to push the Bank's path of progress and growth.

Peace be upon you.  
The Chairman of the Board of Directors  
Mr. Abderrahmene Mohamed Ramzi ADDES

## BOARD OF DIRECTORS

### Kingdom of Saudi Arabia

M. Abdulrahman Mohamed Ramzi Addes

Chairman of the Board

M. Jassir Abdulkarem Al Jassir

Member of the Board

M. Khalid Al Rabiah

Member of the Board

M. Meyassar Anwar Nowailati

Member of the Board

M. Omar Ben Mohammed Hashem

Member of the Board

M. Ehab Yousef Linjawi

Member of the Board

### Republic of Tunisia

Ms. Amel Boughdiri

Member of the Board

M. Amor Bouzouada

Member of the Board

Ms. Amel Zaoui

Member of the Board

M. Lotfi Hbaieb

Member of the Board

M. Mondher Khemiri

Member of the Board

M. Abdelhamid Razzam

Independent Member

### Senior Management

M. Jameleddine Ben Haj Abdallah

Director General

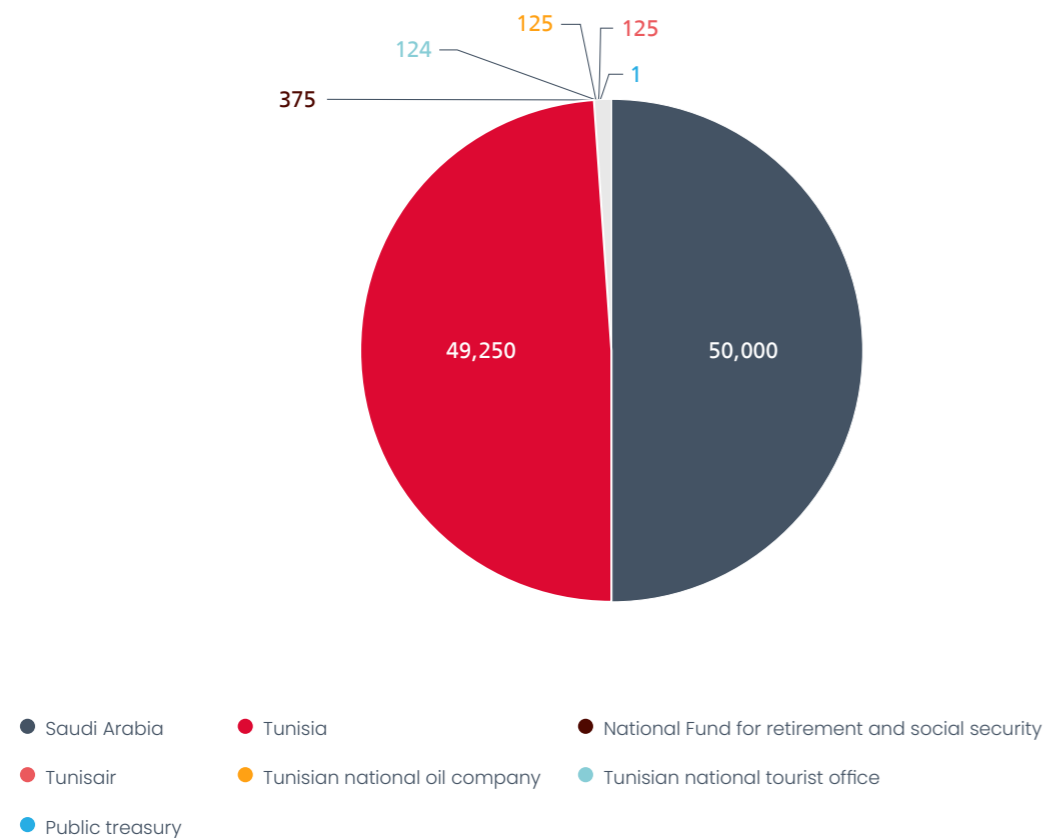
Ms. Amel Rihane

Secretary General

## THE TUNISIAN SAUDI BANK (TSB)

<b>Business Name</b>	TUNISIAN SAUDI BANK
<b>Date of Incorporation</b>	May 30 <sup>th</sup> 1981
<b>Scope</b>	A universal bank authorized on 25 April 2005 to carry out various banking activities
<b>Corporate Capital</b>	100 Million Tunisian Dinars

CAPITAL DISTRIBUTION IN THOUSAND DINARS



## THE ECONOMIC ENVIRONMENT

### INTERNATIONAL ECONOMIC ENVIRONMENT

In accordance with IMF estimates, global growth in 2021 reached 5.9 % against -3.1 % in 2020.

Employment has improved during the last months of 2021 in major industrial countries as the rate of unemployment declined in the United States of America to 3.9% at the end of the year 2021 that is a decrease of 2.8 percentage points compared to the rate recorded at the end of the year 2020. As for the Euro zone the rate of unemployment declined to 7% on December 2021 against 8.3% in the previous year; as for Japan, the unemployment rate was stable at 2.7%.

With regard to the developments in the world prices of basic materials, the majority of the world price indicators for basic commodities calculated by the World Bank recorded a noticeable increase during the month of December 2021 compared to their levels in the previous year. This increase relates mainly to the prices of chemical fertilizers 164 %, energy 76.9 %, and to a lesser extent the prices of food products 17.4 % and minerals 17.1 %.

In particular, the price of crude gasoline increased by 66.5 % in 2021 to reach \$70.4 as a result of the launch of global economic activity and the recovery in demand.

The sudden rise in oil prices can be explained by several factors, especially geopolitical tensions in several regions, supply disruptions in Libya, Nigeria and Angola, and increased demand.

With regard to the international stock markets indicators, international money market recorded an exceptional performance for stock markets indicators in 2021 despite the losses occurred following Covid 19 Pandemic, as both the American indicators Dow Jones and the NASDAQ registered respectively 18.7% and 21.4%, as is the case for the Japanese Nikkei index and the French CAC 40 index, which recorded respectively an increase by 4.9% and 28.9%.

During the year 2021, International exchange markets were characterized by a slight decrease in the European currency against the US dollar, as the euro decreased to 1,1372 dollars at the end of December 2021, compared to 1,2216 dollars at the end of the same month in 2020.

Table: Economic Growth (in %)

Regions	Year 2020	Year 2021
World	-3.1	5.9
Developed Countries	-4.5	5.0
United States of America	-3.4	5.6
Euro Zone	-6.4	5.2
Japan	-4.5	1.6
Emerging Countries	-2.0	6.5
China	2.3	8.1
India	-7.3	9.0
Brazil	-3.9	4.7
Russia	-2.7	4.5

## NATIONAL ECONOMIC ENVIRONMENT

Economic growth in Tunisia is estimated at 2.9% for the year 2021, following the improvement of economic activity in the main productive sectors with the exception of the agriculture and marine fishing sector (-5.4%) as a result of the decrease in the production of olive oil harvest.

Such improvement included the manufacturing sector such as mechanic and electronic industries (+10%) and textile, clothing, leather and food industries of about (+10%) due to the increase in demand in Euro Zone, Market services activities witnessed equally an improvement due mainly to the development recorded in Tourism including hotels, coffees and restaurants of about (14.1%)

### TOURISM

The year 2021 witnessed a development in tourism indicators due to the improvement of the health situation following an unprecedented crisis in the tourism sector after the effects of Covid 19 Pandemic.

The flow of foreign tourists increased in 2021 by 11.8% compared to a decrease by 82.1% in 2020, covering 1.6 million tourists. Such improvement covers mainly European tourists (42% against -85% in 2020)

Correspondingly, foreign currency tourism receipts increased by 12.6% compared to a decline by 63.9% in 2020, to reach approximately 2.286 M.D.

### PRICES

The development of the price index in December 2021 by calculating the annual relapse of 6.6% compared to 4.9% in 2020. This increase in the inflation rate is due to the increase in the development of food prices (7.6% compared to 4.4%) and Laboratory materials (7.6% against 4.9%) and a decline in services prices (4.8% against 5.3%).

For the whole, average inflation amounted to 5,7% compared to 5.6% in 2020.

### FOREIGN TRADE

The balance of payments in 2021 suffered from the effects of a difficult economic situation characterized by economic stagnation at the national levels, in the wake of the severe repercussions of the COVID-19 pandemic. Accordingly, the balance of current payments resulted in a deficit that increased in 2021 to reach 8.0 billion dinars, compared to 7.1 billion dinars in 2020, i.e. 6.3% of GDP (compared to 6.1% in 2020). This result is attributed to the significant decrease in the trade deficit by 27.7% after an increase in imports at a faster pace than exports (22.2% and 20.5%, respectively).

On the other hand, tourism revenues witnessed an increase by 12.6%, and transfers regarding work, an increase of 29.2%.

These developments resulted in a balance of payments surplus of 344 M.D, which contributed to the increase in the currency reserve, which amounted to 23.313 M.D, which is equivalent to 133 days' worth of imports against 23.099 M.D in 2020, i.e. 162 days' worth of imports.

Item	2019	2020	2021
1. Current Payments In % of GDP	-9.949 -8.1	-7.125 -6.1	-8.008 -6.3
- Merchandises (BEFORE SHIPMENT COSTS)	-16.298	-10.144	-13.200
- Services	+3.470	+59	+501
- Income factor and current transfers	+2.779	+2.960	+4.781
2. Financial Operations and Capital	+15.233	+10.932	+8.352
Capital operations	+402	+1.027	+410
- Foreign Investment (Direct and in portfolio)	+2.415	+1.579	+1.362
- Other investments	+12.416	+8.326	+6.580
General Balance	+5.284	+3.807	+344

### INTERBANK MARKET AND MONETARY POLICY OPERATIONS

Average banks' cash requirements continued to decrease for the fourth consecutive quarter of 2021 to reach 9.581 M.D in the last quarter of 2021 against 11.296 M.D in third quarter of 2021.

### THE EXCHANGE MARKET

In 2021, the exchange rate of the Tunisian Dinar on the interbank market increased by 1.3 % against the Euro, by 4.2 % against the Japanese yen, decreased by 6.3 % against the US Dollar and by 2.9 % against the Moroccan dirham.

### THE STOCK MARKET

The TUNINDEX indicator stood at the end of December 2021 at the level of 7.046,01 points, an increase by 2.3 % compared to the end of December 2020, and a decrease by 3.3% for the year 2020.

Nine indicators posted positive return ranging from 1.9% (services to consumers) to 20.8 % (basic materials). While other indicators witnessed negative return with rates ranging from -0.9% (insurances) and -21.1 % for construction materials.

For its part, the daily volume trading amounted to 6.7 M.D in 2021 against 6.3 M.D in 2020.

Foreign investors' transactions in the stock capitalization reached the rate of 23.1% at the end of 2021.

Development of the stock exchange indices

	December 2020	December 2021
TUNINDEX (in points)	7.884,9	7.046,01
Stock capitalization (in MD)	23.092	23.262
Stock capitalization/ Gross Domestic Product (%)	19.7	18,3
Number of listed companies (in units)	80	80

**TUNISIAN SAUDI  
BANK'S INCOME**



## DEVELOPMENT OF BANKING INCOME

### 1. The Net Banking Income

The financial position of the bank at the end of 2021 showed an increase in the net banking income of about 2.5 M.D, which increased from 44.9 M.D at the end of December 2020 to 47.3 M.D at the end of December 2021

Unit: In 1 000 Dinars

	December 2020	December 2021	Variations	
			Amount	%
<b>Banking Operating Income</b>	<b>94349</b>	<b>98 764</b>	<b>4 415</b>	<b>4.7</b>
Interest received and debts income	57345	61 235	3 890	6.9
Placement Interests	3346	2 010	-1 336	-40
Commissions	16065	17 223	1 158	7.2
Gains on Commercial portfolio and Financial Operations	7643	12 593	4 950	64.8
Investment Portfolio Gains	9950	5 705	-4 247	-42.7
<b>Banking Operating Expenses</b>	<b>(49458)</b>	<b>(51 420)</b>	<b>(1 962)</b>	<b>4.0</b>
<b>Net Banking Income</b>	<b>44891</b>	<b>47 344</b>	<b>2 453</b>	<b>5.5</b>

The structure of the Net Banking Income:

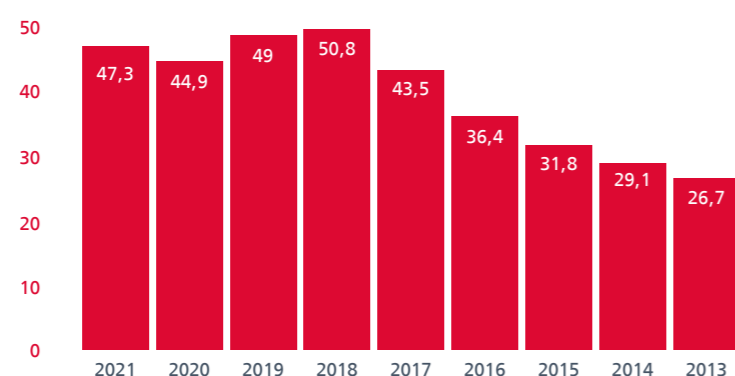
A relative improvement in the evolution of operating revenues, which rose from 94.3 M.D at the end of 2020 to 98.8 M.D in 2021, which is due mainly to:

- An increase by 3.9% in received interests and loans income in 2021 versus a decline by 4 MD in 2020. This is due the increase in the interests on medium loans by 6.3 MD and a record of interests on exceptional loans for Corona Pandemic of about 1.6 MD.
- The increase in Investment Portfolio Gains by 5 MD is due mainly to an increase in the interests received on treasury bonds by 6 MD
- A decline in the profit shares of subsidiaries by 4.3 MD, following the nonpayment of the profits of TANKMED Company of which the bank has assigned its contribution in its capital in 2021

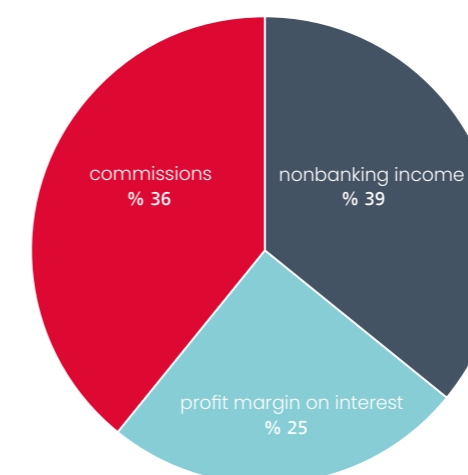
While bank operating costs recorded an increase by 2 MD against an increase by 6 MD at the end of 2020, this is due mainly to:

- Mobilizing the least expensive deposits, as a decrease in the burdens on deposits was recorded by 2.6 MD, which corresponds to an overall development of deposits by 25%.
- Recording an increase in the burdens of treasury and exchange operations, including the burdens of refinancing operations, as a result of the bank's keenness to respect the ordinal indicators and reduce the penalties due to exceeding them, such as the liquidity index and the loans on deposits index, by mobilizing the necessary deposits.

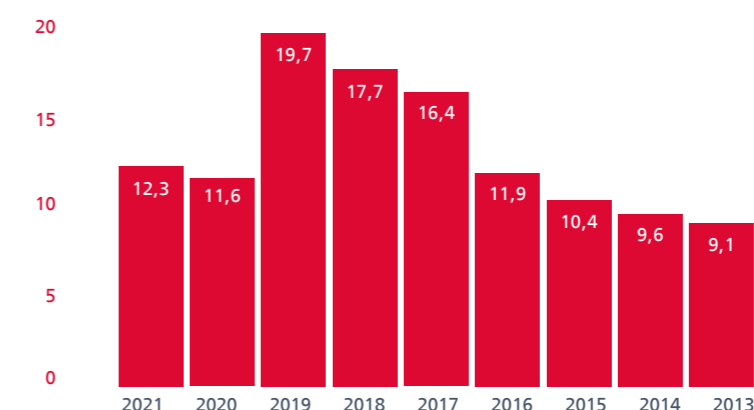
Evolution of Net Banking Income



Structure of the Net Banking Income



Evolution of the profit margin on interest (in MD)



### 2. General Operating Expenses

Wages and general operating expenses showed an increase by 7 MD, as it increased from 30.9 M.D in 2020 to reach 37.9 M.D in 2021.

In 1000 dinars

	2017	2018	2019	2020	2021	Difference
General operating expenses	6 794	9 433	10 031	8 891	10 510	1 619
Wages	19 554	22 179	21 835	21 968	27 398	5 430
<b>General operating costs</b>	<b>26 348</b>	<b>31 612</b>	<b>31 866</b>	<b>30 859</b>	<b>37 908</b>	<b>7 049</b>
Amortizations	2 372	2 361	2 320	2 012	2 073	61
<b>Total</b>	<b>28 720</b>	<b>33 973</b>	<b>34 186</b>	<b>32 871</b>	<b>39 981</b>	<b>7 110</b>

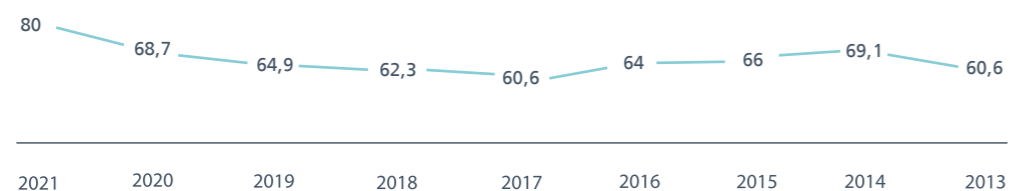
An increase in wages and social costs by 5.4 MD, which is mainly due to:

- Legal augmentation in wages (6.5%) by 2.6 MD for the years 2020 and 2021, which was paid in 2021
- Social costs by 1 MD

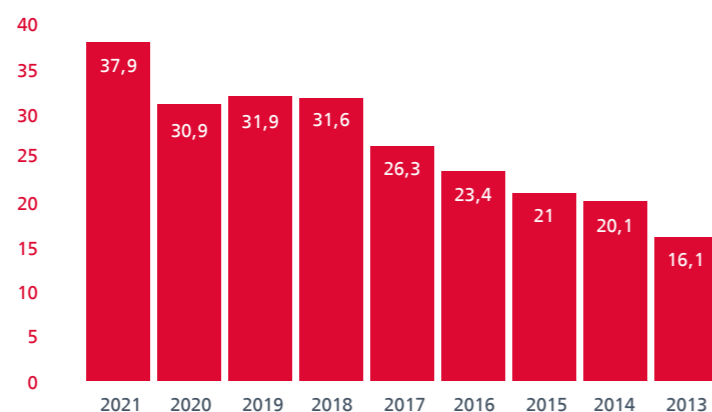
At the end of 2021, the coverage rate of personnel wages including commissions reached 62.9% compared to 73.1% in 2020.

Taking into account the operating expenses, the operating index (excluding amortizations) reached 80% at the end of 2021 against 68.7% in 2020.

### Evolution of the Operating Index



### Evolution of the General Operating Expenses (in M.D)



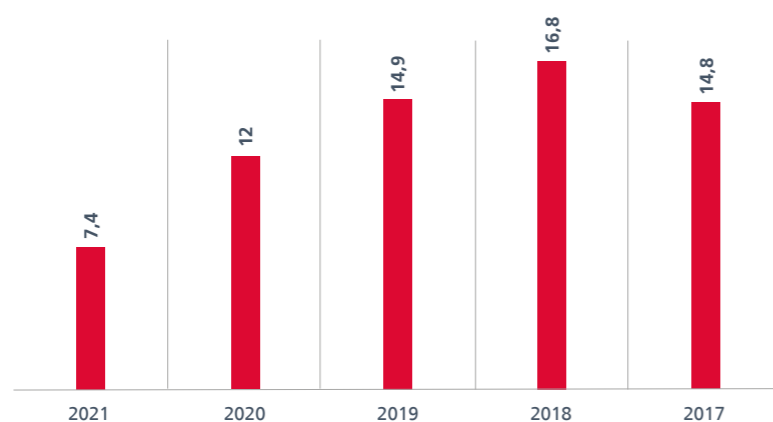
### 3. The Gross Operating Income

The Gross Operating Income reached 7.4 M.D at the end of 2021 versus 12 M.D at the end of 2020, i.e. a decline by 4.7M.D.

In thousand dinars

	2017	2018	2019	2020	2021	Difference
Net banking income	43 505	50 760	49 042	44 891	47 344	2 453
Total general operating costs	26 348	31 612	31 866	30 859	37 908	7 049
Amortizations	2 372	2 361	2 320	2 012	2 073	61
<b>Net operating income</b>	<b>14 785</b>	<b>16 787</b>	<b>14 856</b>	<b>12 020</b>	<b>7 363</b>	<b>-4 657</b>

### Development of the Gross Operating Income (in M.D)



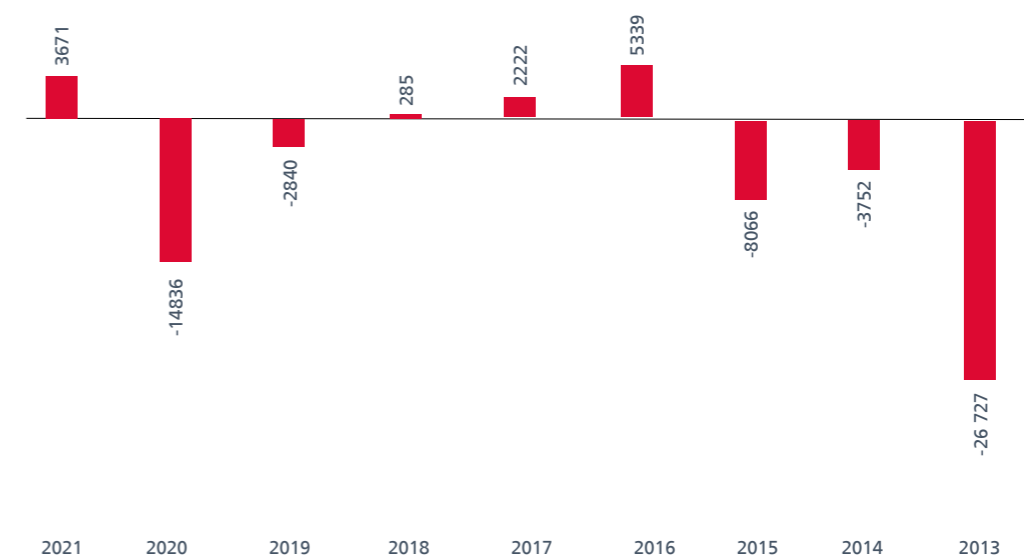
### 4. The Net Income

The Net Income amounted to 3.7 M.D in 2021 against a negative income of about 14.8 M.D in 2020; that is an increase by 18.5 M.D.

	2017	2018	2019	2020	2021	Differences
Net operating income	14 785	16 787	14 856	12 020	7 363	-4 657
Net provisions on receivables	(14 687)	(15 185)	(15 675)	(28 834)	(31 865)	(3 031)
Net provisions on investment portfolio	855	(83)	297	2 977	29 258*	26 281
Profits/losses on ordinary operations	1 440	(1 018)	(2 095)	(778)	(809)	(31)
Corporate Taxes	(166)	(21)	(223)	(253)	(313)	(60)
Profits/losses on extraordinary operations	(5)	(5)	-	32	37	5
<b>Net income</b>	<b>2 222</b>	<b>285</b>	<b>(2 840)</b>	<b>(14 836)</b>	<b>3 671</b>	<b>18 507</b>

\*exceptional profits of 29 MDT due to the assignment of shares of TANKMED company.

### Net income







**TUNISIAN SAUDI  
BANK'S RESOURCES  
AND INTERVENTIONS**

## THE BANK'S FINANCIAL RESOURCES

On December 31<sup>st</sup> 2021, the financial resources of the BANK amounted to 1 004 M.D against 829 M.D on December 31<sup>st</sup> 2020, recording an increase by 21.1%.

In MD

	2020	2021
Shareholders' Equity	123 611	130 477
Foreign loans	49 883	27 928
Other loans	23 382	56 039
Customer Deposits	632 279	789 623
<b>TOTAL</b>	<b>829 155</b>	<b>1 004 067</b>

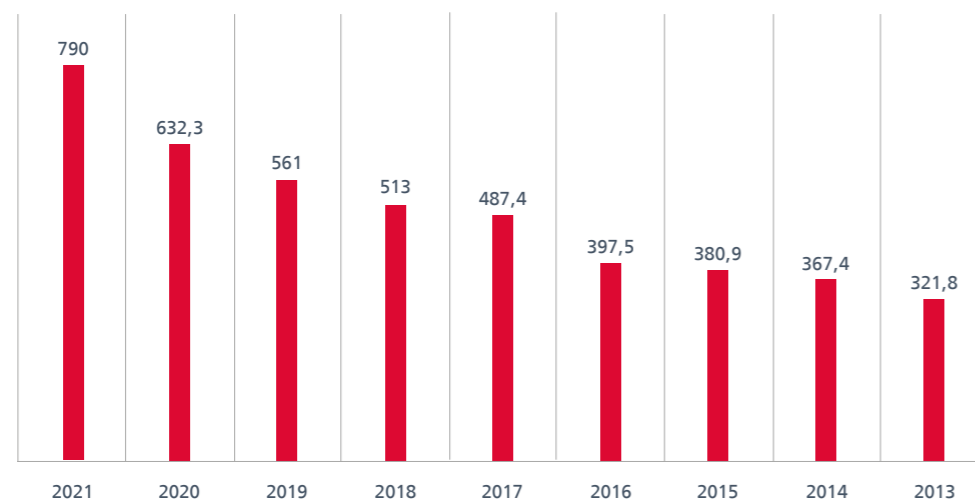
### 1- Customer Deposits

On December 31<sup>st</sup>, 2021, customer deposits amounted to 790 M.D, compared to 632.3 M.D on December 31<sup>st</sup> 2020, recording an increase by 157.3 M.D or 24.9 %.

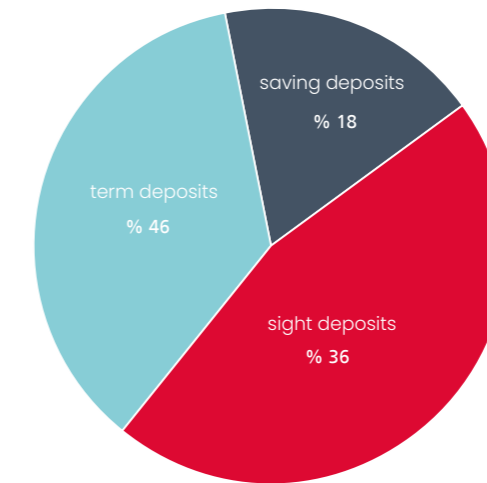
In M.D

	2020	2021	Variations	
			Amount	in %
Sight Deposits	225 769	275 419	49 650	22
Term Deposits (among which deposit certificates)	<b>298 161</b> 74 000	<b>370 168</b> 156 500	<b>72 007</b> 82 500	<b>24.2</b> 111.5
Savings Deposits	97 883	137 664	39 781	40.6
Other Deposits	10 466	6 372	-4 094	-39.1
<b>TOTAL</b>	<b>632 279</b>	<b>789 623</b>	<b>157 344</b>	<b>24.9</b>

Development OF CUSTOMER DEPOSITS (M.D)



STRUCTURE OF CUSTOMER DEPOSITS

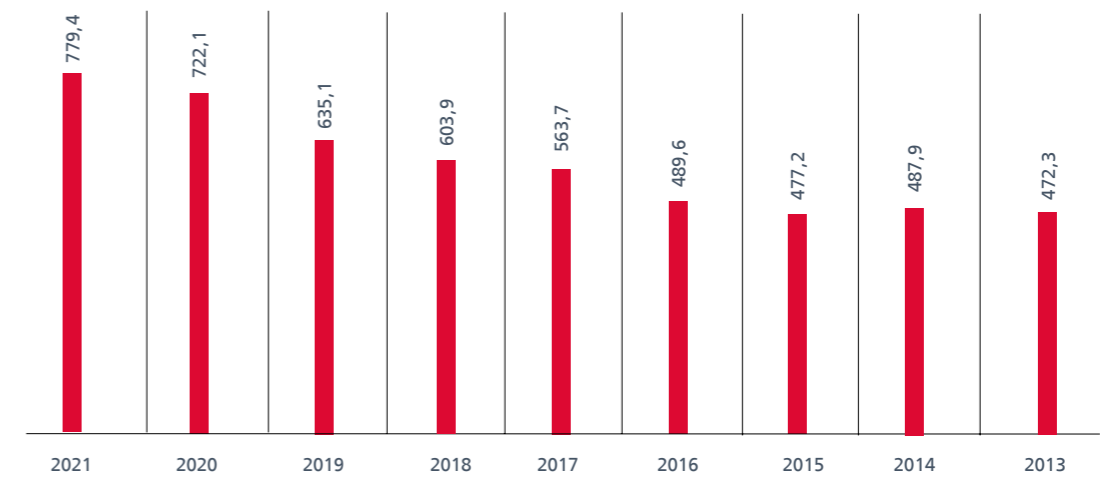


## BANK'S INTERVENTIONS

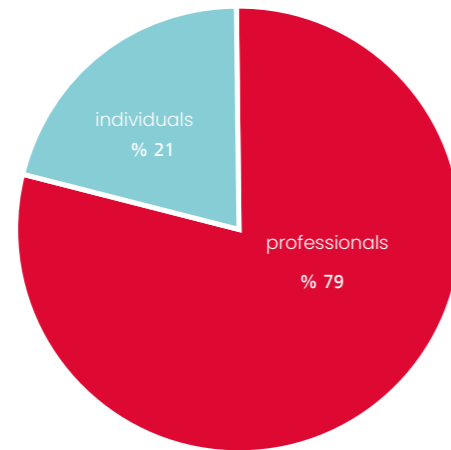
### 1. Net Outstanding customers' debts

On December 31<sup>st</sup> 2021, net outstanding customers' debts increased to reach 779.4 MD against 722.1 MD on December 31<sup>st</sup> 2020, recording an increase by 57.3 MD or 7.9%

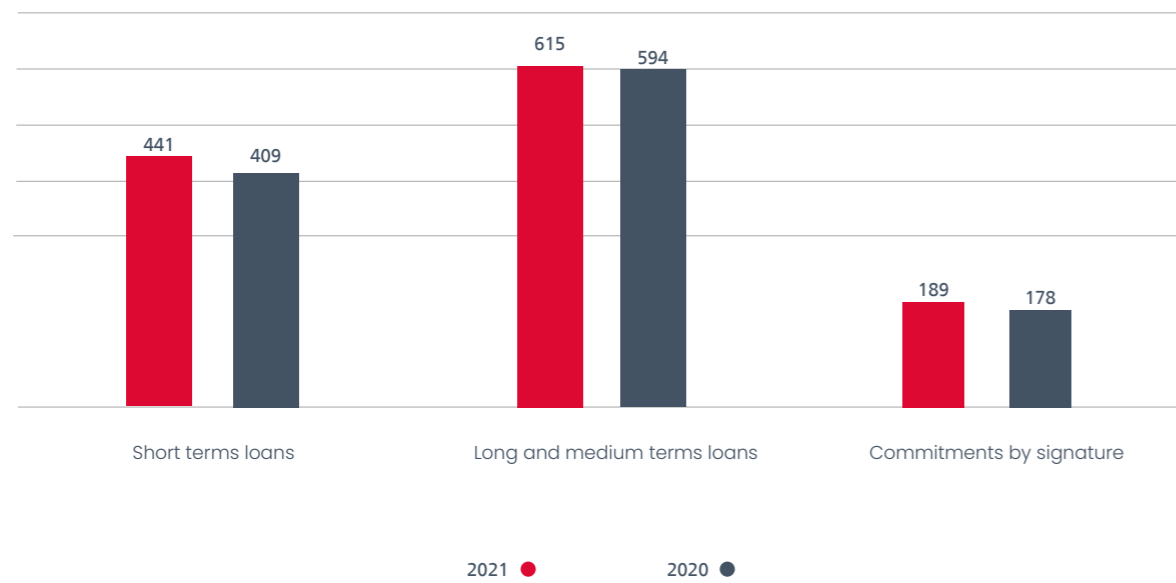
Development of Net Outstanding debts to Customers (in M.D)



Allocation of loans granted to individuals and professionals



On the other hand, the breakdown of gross outstanding debts by maturity is as follows:



2. Commitments classification:

The indicator of classified commitments at the end of 2021 versus 2020 decreased as it reached 28.8% against 29.54 % in the previous year.

	December 2020	December 2021
<b>The rate of commitment coverage classified in allocation and reserved interests</b>	<b>74.50 %</b>	<b>70.60%</b>
• For loans	74.57 %	70.62%
• For participations	67.66 %	68.33%
<b>The index of classified commitments</b>	<b>29.54 %</b>	<b>28.80%</b>
• For Loans	30.31 %	29.46%
• For participations	7.85 %	8.32%



**TUNISIAN SAUDI  
BANK'S ACTIVITIES**

### 1. Operating Activity

The Operating Department followed up on the achievements of the branches in terms of the development of the volume of deposits, bank card sales and account opening, on a weekly basis. A weekly electronic magazine is issued and sent to all branches and the General Administration, in which the branches' achievements and their arrangement are published.

The content of the magazine has been enriched by adding a section dedicated to following up on the development of the collection achievements of the branches in terms of:

- Commercial discount
- liquidated debts
- Medium and long term debts

The bank carried on to focus on opening accounts distributed as follows:

Opened Accounts	2018	2019	2020	2021
Individuals' accounts	1 565	1 541	1 957	2 006
Savings accounts	1 405	1 472	1 746	1 638
Corporate and professional accounts	735	618	650	664
Currency accounts	160	78	54	46
<b>Total</b>	<b>3 865</b>	<b>3 709</b>	<b>4 407</b>	<b>4 354</b>

Bank cards and terminals sale is distributed as follows:

Bank cards and terminals	2018	2019	2020	2021
Cards sale	1 807	1 643	2 920	2 624
Terminals sale	186	156	252	178

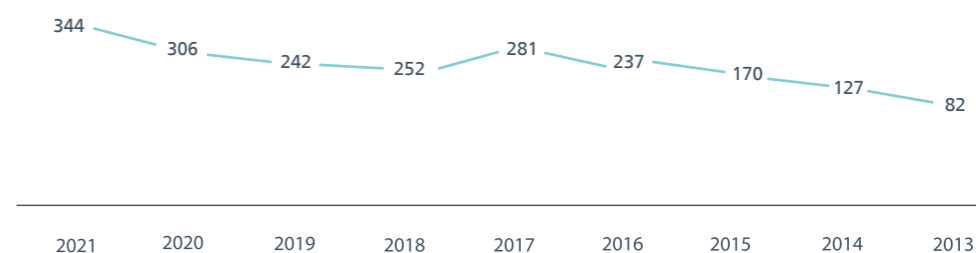
### 2. Commitments' activity development:

Loan financing activity developed in 2021 to reach 344 M.D compared to 306 M.D in 2020, recording an increase by 12% and mainly due to the bank's contribution to strengthening the activity of its customers due to the repercussions of the Corona virus.

The funds are distributed as follows:

Approvals	2020	2021
Total approvals of operating loans	149 488	148 036
Total approvals of loans to finance contracts	13 780	75 823
Total medium -to -long term loan approvals	80 920	50 247
Total loan approvals to individuals	62 105	69 615
<b>Total</b>	<b>306 293</b>	<b>343 721</b>

### Approved loans



### 3. Activity of the collection department

In 2021, the total classified commitments amounted to 396 M.D, recording an increase by 38 M.D, which is equivalent to an increase of 10.6% compared to the total classified commitments on December 31<sup>st</sup>, 2020, which is a high rate (5.8% increase during the period 2018-2019). It is mainly due to :

- The increase in 5 classified commitments due to failure to suspend the calculation of delay interest: 5 M.D.
- Classification of proper commitments (0 and 1) for a group of customers and their inclusion among the classified customers during the year 2021 25 M.D including:
  - 26 files classified within category 2 at commitments value of about 17.6 MD
  - 300 files of a total value of 0.7MD, classified within category 3
  - 208 files classified within category 4 and 5 of a total value of 6.8 MD, the most important of them 5 files of about 5.6 M

Total receivables made during the year 2021:

Collector	Collected amounts in 2020 (M.D)	Collected amounts in 2021 (MD)
TSB amicable debt recovery	9536	9681
TSB amicable debt recovery for unclassified customers commitments belonging to classified groups (3 customers)	700	0
TSR Debt Recovery Subsidiary (Out of Disputes)	80	8
The competent collection company (amicable debt recovery) GLOBAL RECOUVREMENT	285	75
TSB legal collection	2789	3128
TSR legal collection	660	131
GLOBAL RECOUVREMENT legal collection	21	28

#### 4. Monetary activities

The indicators of the results of the various monetary activities from bank cards, electronic payment terminals and Automated Teller Machines ATM have evolved compared to the year 2020 as follows:

	2020	2021	%
<b>TSB banking cards</b>			
Number of banking cards	12 687	15 311	21%
Number of transactions carried out using the T.S.B Bank's cards in thousand	394	275 000	-30%
volume of transactions in M.D	41	36	-12%
<b>ATM for TSB (GAB/DAB)</b>			
Number of ATM	40	43	8%
Number of Transactions via ATM of TSB in thousand	353 000	395 000	12%
Number of Transactions in M.D	55	66	20%
<b>Electronic payment terminals TPE</b>			
the number of electronic payment terminals	890	1 068	20%
Income of lease	176	172	-2%
Number of transactions using electronic payment terminals in thousand	394 000	583 000	48%
Number of transactions in M.D	41	59	44%
Total of commissions on payment activity in thousand dinars*	1 464	1 621	11%

#### 5. Human resources

The year 2021 is characterized by the accomplishment of projects starting in 2020 consisting in:

- Follow-up on developments in the health situation following the Corona pandemic and take the necessary measures in order to provide officials with information and take the necessary precautions within the framework of the work continuity scheme to limit the effects of the Corona virus on the work system,
- Updating work memos related to officials,
- Developing and updating the human resources system,
- Preparing a policy of appointments and payment in accordance with the laws and regulations in force, especially Circular No. 5 of 2021, with the aim of strengthening the rules of corporate governance in banks and financial institutions,
- Updating the appointment conditions in the bank's functions,
- Follow up the succession program of the bank,
- Follow up the implementation of the training program where:

- 133 officials from all departments of the bank benefited from this program, with 50 training sessions outside the bank or remotely with qualified offices, and 02 sessions inside the institution.

- 03 officials attended training courses to obtain a certificate in the specialty (02 employees at the Academy of Banking and Finance ABF and 01 official at the Technical Institute of Banks ITB).

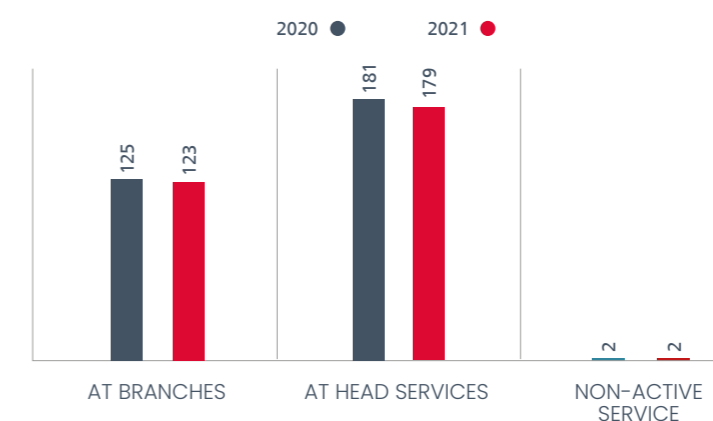
#### Statistics pertaining to human resources:

- The Tunisian Saudi Bank recorded a small decrease in the number of its officials during 2021 to reach 304 officials, compared to 308 in 2020. This decrease, recorded in 2021, consists in the departure of 8 officials in 2021 (including 2 resignations, 3 employees being retired) and the assignment of 4 officials at the headquarters
- While the percentage of senior officials in the bank increased by 4% to reach 74% of the total officials, or about 225 officials.

Category	2020	2021
Executives	71%	74%
Agents	29%	26%

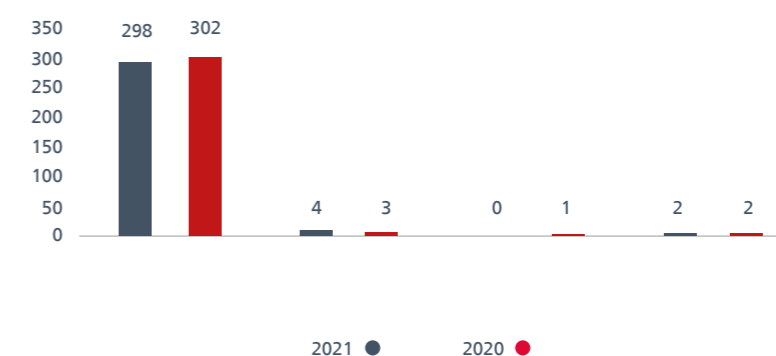
The distribution of officials between the headquarters and branches in 2020 compared to 2021 regarding 2020 is as follows:

DISTRIBUTION OF STAFF BETWEEN HEADQUARTERS AND BRANCHES:



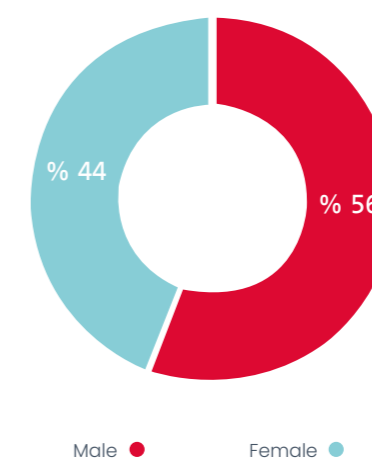
The Tunisian Saud Bank employees are classified as follows:

STAFF CLASSIFICATION



The bank's Officials are distributed according to gender as follows:

Classification of employees by gender 2021



A man in a dark suit is pushing a large, textured wall in a dimly lit room. The room has a tiled floor and walls made of large, rectangular panels. A bright light source from the right casts a long shadow of the man onto the wall he is pushing. The overall mood is one of struggle and determination.

**FINANCIAL STATEMENTS  
AS OF DECEMBER 31<sup>ST</sup>, 2021**

COMPARATIVE BALANCE SHEET as of December 31<sup>st</sup>, 2021  
(In 1000 Dinars)

	31 Dec. 2020	31 Dec. 2021
<b>ASSETS</b>		
Balance in the fund and in the Central Bank of Tunisia	22 987	22 547
Deposits and Loans to banking Institutions	16 984	49 268
Loans to customers	722 142	779 429
Commercial portfolio	107 234	182 482
Investment portfolio	98 671	91 191
Fixed assets	13 344	12 907
Other Assets	65 471	69 901
<b>TOTAL ASSETS</b>	<b>1 046 833</b>	<b>1 207 725</b>
<b>LIABILITIES</b>		
Deposits from the Central Bank & CCP	136 075	106 143
Deposits and cash of banking and financial Institutions	23 382	56 040
Customers Deposits	632 279	789 623
Foreign loans	49 883	27 928
Other Liabilities	81 603	97 514
<b>TOTAL LIABILITIES</b>	<b>923 222</b>	<b>1 077 248</b>
<b>STOCKHOLDERS' EQUITY</b>		
Corporate Capital	100 000	100 000
Reserves	83 289	83 286
Other equity	-	-
Results Carried Forward	-44 842	-56 481
Net Income for the Year	-14 836	3 672
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>123 611</b>	<b>130 477</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1 046 833</b>	<b>1 207 725</b>

COMPARATIVE OFF-BALANCE SHEET COMMITMENTS  
AS OF DECEMBER 31<sup>st</sup>, 2021  
(In 1000 Dinars)

Items	31 Dec. 2020	31 Dec. 2021
Securities and provided guarantees	92 997	102 378
Documentary Credits	6 335	5 091
Assets submitted as guarantees	136 000	106 000
<b>TOTAL POTENTIAL LIABILITIES</b>	<b>235 332</b>	<b>213 469</b>
Funding Commitments Made	78 369	79 307
Commitments on Securities	188	188
<b>TOTAL COMMITMENTS ISSUED TO CUSTOMERS</b>	<b>78 557</b>	<b>79 495</b>
Pledged and undrawn Loans	-	-
Received Guarantees	715 428	889 539
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>715 428</b>	<b>889 539</b>



COMPARATIVE INCOME STATEMENTS FROM JANUARY 1<sup>st</sup> TO DECEMBER 31<sup>st</sup> 2021  
(In 1000 Dinars)

Items	31 Dec. 2020	31 Dec. 2021
<b>Banking Operating Income</b>		
Received Interests and related revenues	60 691	63 245
Commissions	16 065	17 223
Profits on Commercial Portfolio and Financial Operations	7 643	12 593
Revenue of Investment Portfolio	9 950	5 703
<b>Total Banking Operating Income</b>	<b>94 349</b>	<b>98 764</b>
<b>Banking Operating Expenses</b>		
Interests paid and Related Expenses	-49 458	-51 420
<b>Total Banking Operating Expenses</b>	<b>-49 458</b>	<b>-51 420</b>
<b>NET BANKING INCOME</b>	<b>44 891</b>	<b>47 344</b>
Allocation to Provisions and Results of Value Corrections on Loans Outstanding	-28 834	-31 865
Allocation to provisions and results of corrections on investment portfolio	2 901	29 193
Other operating income	77	65
Personnel and social expenses	-21 967	-27 398
General operating expenses	-8 891	-10 510
Allocations to amortizations and resorptions	-2 012	-2 073
<b>OPERATING RESULT</b>	<b>-13 835</b>	<b>4 756</b>
Ordinary gains and losses	-779	-808
Corporate tax	-253	-313
<b>Result of ordinary activities</b>	<b>-14 867</b>	<b>3 635</b>
Extraordinary gains and losses	31	37
<b>NET INCOME FOR THE YEAR AFTER ACCOUNTING ADJUSTMENTS</b>	<b>-14 836</b>	<b>3 672</b>

COMPARATIVE CASH FLOW STATEMENTS AS OF 31<sup>st</sup> DECEMBER 2021  
(In 1000 Dinars)

Items	Note	31 Dec. 2020	31 Dec. 2021
<b>OPERATING ACTIVITIES</b>			
Collected Banking Operating Income		88 963	97 277
Banking Operating Expenses Paid out		-59 897	-89 823
Deposits and Loans to Banking and Financial Institutions		3 122	17 682
Loans and Advances/Repayment of Loans and Advances Granted to Customers		-113 635	-52 980
Deposits/Withdrawals of Customers Deposits		74 435	156 118
Placement Bonds		- 76 037	- 74 247
Sums Paid to Personnel and Various Creditors		- 23 206	- 27 386
Other Cash Flow Generated by Operating Activities		6 958	36 005
Taxes on Profits		-263	-313
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>	<b>1.15</b>	<b>-99 561</b>	<b>62 333</b>
<b>INVESTMENT ACTIVITIES</b>			
Interests and Dividends Collected on Investment Portfolio		5 454	1 486
Acquisitions/Assignments of Investment Portfolio		7 086	6 573
Acquisitions/Assignments of Fixed Assets		-1 421	-1 636
<b>NET CASH FLOW GENERATED BY INVESTMENT ACTIVITIES</b>	<b>2.15</b>	<b>11 119</b>	<b>6 423</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of shares		0	0
Issued loans		-	-
Payment of loans		-	-
Increase/Decrease in Special Resources		39 912	-21 954
Disbursed Dividends		-	-
<b>NET CASH FLOW GENERATED BY FINANCING ACTIVITIES</b>	<b>3.15</b>	<b>39 912</b>	<b>-21 954</b>
NET VARIATION OF CASH AND CASH EQUIVALENTS DURING FINANCIAL YEAR		-48 530	46 802
CASH AND CASH AT THE BEGINNING OF THE FINANCIAL YEAR		- 47 500	- 96 030
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>15</b>	<b>- 96 030</b>	<b>- 49 228</b>

## GENERAL AUDITORS' REPORT APRIL 2022

GENERAL AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31<sup>st</sup>, 2021

Honorable Shareholders of the Tunisian Saudi Bank

### I. Report on the audit of the financial statements

#### Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying financial statements of the TSB BANK's Group, which comprise the balance sheet, the off-balance sheet commitments as of 31 December 2021, the income statement and the cash flows for the year ended on that date, and the notes to the financial statements that contain a summary of significant accounting policies.

The bank's financial statements for the year ended on December 31st, 2021 were adjusted by the Board of Directors held on April 08th, 2022 in the light of the information available on the same date. These financial statements show a total of net assets after amortization and provisions amounting to 1.207.725 thousand dinars and a negative income of 3.672 thousand dinars.

In our opinion, the accompanying financial statements, give, in all significant aspects, a true and fair view of the financial position of the TSB BANK's Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with the accounting principles adopted in Tunisia.

#### Basis for our opinion

The audit was conducted in accordance with international auditing standards adopted in Tunisia. Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report. We conducted our audit engagement in compliance with the independence rules and the professional standards and the codes of ethics applicable for statutory auditors in Tunisia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Main audit issues

The main audit matters are the issues that were dealt with, which are, in our professional opinion, the most important in the audit of the financial statements for the period concerned with the report. We dealt with these matters in the context of our audit of the financial statements as a whole and for the purpose of forming our opinion on them, and not for the purpose of expressing a separate opinion on these matters.

Key audit matters	Performed audit procedures
<p><b>Loans and commitments:</b></p> <p>As a lending company, the Tunisian Saudi Bank's Group faces loan risks, which are the risks incurred in the event of default of the counterparty or several counterparties that are considered as the same beneficiary according to the current regulations.</p> <p>The methods of assessing and covering these risks are stipulated in the Circular of the Central Bank of Tunisia No. 24-91 issued on December 17th 1991, as amended and supplemented by the texts and subsequent accounting standards.</p> <p>According to the notes on the financial statements, the risks of loans granted to customers are covered by placing two types of provisions stipulated in this circular, which are:</p> <ul style="list-style-type: none"> <li>• Private provisions: it is determined on the basis of the individual classification of the receivables that are subject to quantitative and qualitative criteria, taking into account the guarantees that are considered deductible according to the regulations of the Central Bank of Tunisia.</li> <li>• Additional private provisions: aim to cover the risk of not achieving mortgage guarantees.</li> <li>• Collective provisions: aim to cover risks inherent in current undertakings (class 0) and those that require special follow-up (class 1).</li> </ul> <p>As detailed in the notes on the financial statements, the total receivables to customers amounted, on December 31st 2021, to 1.276.940 thousand Tunisian dinars, the incurred interests and the provisions related to it on the same date, respectively, amounted to 144.724 thousand dinars and 166.010 thousand dinars.</p> <p>In view of the complexity of the process of evaluating commitments and calculating provisions on commitments by customers, which are subject to quantitative and qualitative criteria and which require a significant level of estimates, we consider this item an important element of auditing.</p>	<p>As part of our estimate of the evaluation process and coverage of customers' receivables at the end of the financial year. Our business consists of:</p> <ul style="list-style-type: none"> <li>• To identify the counterparty risk assessment procedures and related controls implemented by the bank;</li> <li>• Conducting analytical procedures on the evolution of outstanding loans, income and related interests;</li> <li>• An assessment of the extent to which the methodology adopted by the bank matches the rules issued by the Central Bank of Tunisia;</li> <li>• Evaluating the reliability of the loan rating, risk coverage, and suspended interest system;</li> <li>• Evaluate the merits of rating estimates;</li> <li>• Verifying the quality standards resulting from the executed operations and the behavior of the relationship during the accounting year;</li> <li>• Examining the guarantees used to calculate the provisions and assessing their value, taking into account the approved rules and methods;</li> <li>• Check the calculations for provisions and the incurred interest;</li> <li>• Verifying the appropriateness of the information provided in the notes about the financial statements.</li> </ul>

Key audit matters	Performed audit procedures
<p><b>Loan and commission income</b></p> <p>Loan and commission income for the year 2021 amounted to 80.468 thousand dinars, Compared to 76.756 thousand dinars in 2020.</p> <p>The inclusion of interest and commissions is a key matter for auditing because of the importance of this item, and given the correlation of bank revenues with valid interest rates and approved commissions and loan collection schedules.</p> <p>Given the importance of revenues, their diversity, and the specificity of their accounting recording methods, we consider revenues an important component of auditing.</p>	<p>We assessed the bank's internal control system for recording loan and commission income in the results.</p> <p>The control work we carried out mainly included:</p> <ul style="list-style-type: none"> <li>• An evaluation of the information technology system as the automatic integration of revenue into accounting;</li> <li>• The bank's compliance with the provisions of Accounting Standard No. 24 relating to "Related commitments and income in banking institutions";</li> <li>• Evaluating policies, procedures and controls in recognizing and recording revenue;</li> <li>• Reliability of the approved methods of suspending interest and commissions;</li> <li>• Implementing analytical procedures regarding the evolution of interest and commissions according to the bank's activity indicators, pricing policies and laws related to them;</li> <li>• Verifying the information contained in the notes about the financial statements.</li> </ul>
<p><b>Investment portfolio</b></p> <p>At the end of each accounting year, the bank evaluates the investment portfolio, which records a net value of 91.191 thousand dinars at the end of 2021, and allocates provisions regarding it. The notes include methods of evaluating this portfolio and the related revenues.</p> <p>Given the importance of the process of evaluating the contributions portfolio and calculating the provisions and savings related to it, we consider this item an important element in the audit.</p>	<p>In response to that, the most important elements of audit is represented in the following acts:</p> <ul style="list-style-type: none"> <li>• Evaluating the bank's internal control system related to follow up and evaluating the investment portfolio</li> <li>• Verification of respect of the accounting standard No. 25 related to investment portfolio in banking institutions</li> <li>• Evaluating the appropriateness of the methodology adopted by the bank in terms of the comprehensiveness of recording the incomes from the investment portfolio, its evaluation and the extent of its relevance to the financial year, particularly by adjusting the foundations and methods of determining them according to the available information.</li> <li>• Evaluating the appropriateness of the methodology adopted by the bank in the method of evaluating the contributions and dividing the shares owed by it according to their traded value on the basis of stock exchange prices for shares that have been floated on the stock exchange and according to the fair value in relation to non-marketed shares.</li> <li>• Verification of the authenticity and honesty of the amounts that are included in the notes about the financial statements according to the information and documents that we have obtained.</li> </ul>

## Observation paragraph

Without affecting the reliability of our view above, we would like to draw your attention to the following points:

- The risks related to the customer «SOTACIB», a subsidiary of SOTACIB Group, amounted on December 31<sup>st</sup> 2021 to 13.108 MD thousand dinars including 11.700 Thousand dinars for contributions in the corporate capital. This customer has experienced difficulties and the Bank has allocated provisions amounting to 4.263 thousand dinars for its shareholding in the Company using the anticipated cash flow method set forth in the operational plan.
- The customer «SITEX» is going through financial difficulties. As the bank's total commitments rose to 11.848 thousand dinars on December 31<sup>st</sup>, 2021, 8,570 million dinars for contributions to the company's capital, and the value of the share in the financial market has witnessed a deterioration during the year 2021, and no provisions were made in this regard during the year 2021.
- The bank's contribution exceeds 20% of the capital of the affiliated companies that are not activated in financial sector, this contrary to the provisions of article 75 of bank's law no. 2016-48

## Other information contained in the 2021 annual report

The Board of Directors is responsible for the information contained in the Group's annual report.

Our opinion on the financial statements does not include the content of the Board of Directors' report and we therefore express no form of conclusive remark as to the content of the said report.

In accordance with the provisions of article 266 of the Code of Commercial Companies, our responsibility is to verify the information contained in the GROUP's accounts contained in the Board of Directors' report by referring to the data presented in the financial statements. Our work consists in reading the report of the Board of Directors in order to determine whether there are fundamental inconsistencies between the report and the financial statements or the information that has been brought to our attention within our audit engagement or whether the report of the Board otherwise contains significant errors. If, based on the work we have done, we conclude that there are substantial deficiencies in the Board of Directors' report; we are required to report them.

We have nothing to mention in this regard.

## Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Tunisia; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the TSB BANK to operate as a going concern and the disclosure, if any, of all matters relating to the going concern principle, including the use of the going concern principle in the preparation of financial statements, unless the Board of Directors has the intention of dissolving the TSB Group or suspending its operations or the absence of any realistic alternative other than to do so.

Corporate governance is responsible for overseeing the TSB BANK Group's financial reporting procedures.

## Responsibilities of the Auditors relating to the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with professional standards applicable in Tunisia, the auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the related disclosures;
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TSB BANK Group's ability to continue as a going concern. If we find out that a material uncertainty exists, then we have to mention in the audit report related disclosures in the financial statements or rectify our opinion if these disclosures are not sufficient. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation of the financial statements including the disclosures and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We communicate with the Group heads of governance on the audit scope and its time and the main audit issues pertaining to the internal control system that we noted during our audit.
- We also provide the Board of Directors with what confirms our commitment to the ethical requirements related to independence, and we inform them about all relationships and other matters that may affect our independence and what would preserve this independence.

Among those matters communicated with the governance officials of the Tunisian Saudi Bank, the scope and schedule of the audit work and the main audit matters, including any significant deficiencies in the internal control system that we noticed during our audit work.

## II. Report on other regulatory requirements

In the framework of our mission of auditing, we have carried out the audits stipulated in the standards published by the Accounting Experts Organization in Tunisia and all the regulating texts in force in this regard.

### 1- The effectiveness of the internal control system

Pursuant to the provisions of Article 3 of Law 117-94 of November 14th, 1994 as revised by Law 96-2005 of October 18th, 2005, we conducted a general assessment of the effectiveness of the Bank's internal control system. In this regard, we mention that the responsibility for creating and implementing the internal control system, as well as periodic monitoring of its effectiveness and efficiency, rests with the administration and the Board of Directors.

Based on our review, we have provided the administration and the Board of Directors with a report on internal control that includes our observations and suggestions on administrative, financial and accounting procedures.

### 2- Conformity of keeping securities account to the laws in force

Pursuant to the provisions of Article No. 19 of Decree No. 2728-2001 of November 20th, 2001, we have carried out the audits regarding the compliance of the bank's securities account-keeping with the applicable laws. The responsibility for ensuring compliance with the requirements of the texts in force lies with the administration.

Based on the actions that we deemed necessary, we did not detect any breach related to the compliance of the bank's securities accounts with the laws in force.

Done in Tunis on April 20th, 2022

THE AUDITORS

ZIAD KHADIMALLAH  
Audit and Consulting Business

Nedra SAMMAR JLASSI  
Nedra SAMMAR JLASSI's Office

## AUDITOR'S SPECIAL REPORT APRIL 2022

### The auditors' special report on the regulating agreements (According to Articles 200 and 475 of the Tunisian Code of Commercial Companies and Article 62 of Law 48-2016)

For the year ended on December 31<sup>st</sup>, 2021

#### Honorable Shareholders

Pursuant to the implementation of the mission of auditing and in accordance with the provisions of Articles 200 and 475 of the Tunisian Code of Commercial Companies and Article 62 of Law 48-2016, we have the honor to inform you that your Board of Directors has informed us that the Tunisian-Saudi Bank has entered into agreements stipulated in the above-mentioned Articles.

Our responsibilities are to ensure the respect of legal procedures for licensing and ratification of these agreements and processes and for their proper translation in the financial statements.

It is not our responsibility to search specifically and in an extensive way on the possible existence of these agreements and processes, but it is our duty to inform you of the basic characteristics and data of these agreements and processes according to the information provided to us or that we can access through audit procedures, without giving our opinion about the reasons for their formation and their feasibility.

### 1- Agreement signed in 2021:

#### 1.1 Agreements on the assignment of receivables concluded with the TSR:

Contracts for the assignment of receivables between the Tunisian Saudi Bank and the TSR Company were signed:

- The first contract dated June 25th, 2021, whereby the bank under the aforementioned contract assigned 12 files classified 5 for the benefit of TSR, with a value of commitments amounting to 314.4 thousand dinars, fully covered by provisions and deferred interest. The assignment took place in the symbolic dinars, i.e. a total amount of 12 dinars.
- The second contract dated October 01st, 2021 and the amending appendix dated December 30th, 2021, whereby the bank under the aforementioned contract assigned 87 files classified 5 for the benefit of TSR, with a value of commitments amounting to 38,922 million dinars, fully covered by provisions and deferred interest. The assignment took place in the symbolic dinars, i.e. a total amount of 87 dinars.
- The third contract, dated October 01st, 2021, where the bank, according to the aforementioned contract, assigned to TSR 6 files classified 5, with a value of pledges amounting to 11,092 million dinars, fully covered by provisions and deferred interest. The transfer took place in the symbolic dinars, i.e. a total amount of 6 dinars.

### 2- Agreements signed in previous years and remain in effect in 2021

#### 2.1 Office rental agreement for professional use:

A lease contract was signed between the Tunisian Saudi Bank and the TSR on November 04<sup>th</sup>, 2016 and was amended on April 01<sup>st</sup>, 2019, according to which the bank rents a premise consisting mainly of 7 offices and a place for an ATM, located on the ground floor of TSR building for 42 692 dinars (165.4 dinars per m<sup>2</sup>) paid annually in the beginning of each trimester and an increase by 5% took place each year. The costs recorded on 2021 amounted to 55.348 Dinars

A lease contract was signed between the Tunisian Saudi Bank and the Tuniso-Saoudienne d'Intermédiation on October 20th, 2016, according to which the bank rents a commercial store with an area of approximately 160 square meters and the right to use 02 car parks from November 01st, 2016 to December 31st, 2019, implicitly renewed for one year against 96.000 dinars without taking into account the VAT, paid annually in the beginning of each trimester and an increase by 5% each year as from January 01<sup>st</sup> 2019. The costs recorded on 2021 amounted to 128.538 Dinars

#### 2.3 The Director-General, Mr. Jamel Eddine BELHAJ, benefits from a loan from the Tunisian Saudi Bank:

The Director-General, Mr. Jamel Eddine BELHAJ, is entitled since October 19, 2016, to a loan of 120,000 dinars over 10 years, with a surplus rate of TMM + 0.75%

Such transaction was authorized by the Board of Directors held on September 27th 2016. The remaining sum of credit amounted to 65.473 Dinars on December 31<sup>st</sup> 2021

#### 2.4 Agreements concluded with Tuniso-Saoudienne d'Intermédiation Company in connection with FCP KOUNOUZ:

The Bank concluded two agreements with Tuniso-Saoudienne d'Intermédiation Company as the managing company of FCP KOUNOUZ.

These two agreements include:

- An agreement whereby the Tunisian-Saudi Bank deposits the funds and bonds of FCP KOUNOUZ. In return, the bank receives a daily commission of 0.25% of the net assets of the fund. The total revenues recorded in 2021 amount to 1.637 Dinars
- An agreement whereby the Tunisian-Saudi Bank will distribute the shares of FCP KOUNOUZ in its various branches. In return, the bank receives a commission equal to the bank's share in the commission paid by the fund to Tuniso-Saoudienne d'Intermédiation Company. This share is calculated daily by using 0.35% of the net assets of FCP KOUNOUZ multiplied by net subscriptions from the returns to subscribers mediated by the Tunisian Saudi Bank / the total net ongoing subscriptions from the returns. The total revenues recorded in 2021 amount to 0 Dinars

#### 2-5 Agreements with Variable Capital Investment Company AL HIFADH:

The Bank has entered into agreements with Variable Capital Investment Company AL HIFADH, consisting in:

- An agreement related to the deposit of funds and securities belonging to HIFADH in the bank. In return, the bank will receive a commission equal to 0.15% of the company's net assets, calculated daily.
- A distribution agreement whereby the bank will commercialize AL HIFADH FOR INVESTMENT in its branches, according to which it will receive a commission that is calculated daily by using 0.25% of the net assets for AL HIFADH FOR INVESTMENT, multiplied by the net subscriptions from the returns to the subscribers mediated by the Tunisian Saudi Bank / the current total net subscriptions of returns. The total revenues recorded in 2021 amounted to 4.696 Dinars.

#### 2.6 Agreements concluded with Tuniso-Saoudienne d'Intermédiation Company related to FCP AFEK:

The Bank has entered into two agreements with Tuniso-Saoudienne d'Intermédiation Company as the managing company of FCP AFEK.

These two agreements include:

- An agreement whereby the Tunisian-Saudi Bank deposits the funds and bonds of FCP AFEK. On the other hand, the bank receives a daily commission of 0.2% of the net assets of the fund. The total revenues recorded in 2021 amounted to 365 Dinars.
- An agreement whereby the Tunisian-Saudi Bank will distribute the shares of FCP AFEK in its various branches. In return, the bank receives a commission equal to the bank's share in the commission paid by the fund to Tuniso-Saoudienne d'Intermédiation Company. This share is calculated daily by appropriating 0.4% of the net assets of FCP AFEK multiplied by net ongoing subscriptions from returns to subscribers mediated by the Tunisian Saudi Bank / total net ongoing subscriptions of returns. The total revenues recorded in 2021 amounted to 0 Dinar.

#### 2.7 Agreements concluded with Tuniso-Saoudienne d'Intermédiation Company related to FCP IMTIYAZ:

The Bank entered into two agreements with Tuniso-Saoudienne d'Intermédiation Company in its capacity of the managing company of FCP IMTIYAZ.

These two agreements include:

- An agreement whereby the Tunisian-Saudi Bank deposits the funds and bonds of FCP IMTIYAZ. On the other hand, the bank receives a daily commission of 0.2% of the net assets of the fund. The total revenues recorded in 2021 amounted to 925 Dinars.
- An agreement whereby the Tunisian-Saudi Bank will distribute the shares of FCP IMTIYAZ in its various branches. In return, the bank receives a commission equal to the bank's share in the commission paid by Tuniso-Saoudienne d'Intermédiation Company. This share is calculated daily by appropriating 0.3% of the net assets of FCP IMTIYAZ multiplied by net ongoing subscriptions from returns to subscribers mediated by the Tunisian Saudi Bank / total net ongoing subscriptions of returns. The total revenues recorded in 2021 amounted to 577 Dinars.

#### 2.8 Agreements concluded with Tuniso-Saoudienne d'Intermédiation Company related to FCP WAFA:

The Bank has entered into two agreements with Tuniso-Saoudienne d'Intermédiation Company as the managing company of FCP WAFA.

These two agreements include:

- An agreement whereby the Tunisian-Saudi Bank deposits the funds and bonds of FCP WAFA. In return, the bank receives a daily commission of 0.15% of the net assets of the fund. The total revenues recorded in 2021 amounted to 51.735 Dinars.
- An agreement whereby the Tunisian-Saudi Bank will distribute the shares of FCP WAFA in its various branches. In return, the bank receives a commission equal to the bank's share in the commission paid by the fund to Tuniso-Saoudienne d'Intermédiation Company. This share is calculated daily by appropriating 0.25% of the net assets of FCP WAFA multiplied by net ongoing subscriptions from returns to subscribers mediated by Tuniso-Saoudienne d'Intermédiation Company according to the percentage of subscriptions. The total revenues recorded in 2021 amounted to 2.525 Dinars.

#### 2.9 Management agreements for the account of the bank concluded with TSR:

An agreement dated October 20th, 2016 under which debts are collected for the bank's account by the subsidiary company for debt collection, and the latter shall receive:

- 250 dinars for each file submitted to it
- A commission ranging from 3% to 15%, depending on the outcome of the file collection

The total costs recorded on 2021 amounted to 119.336 Dinars

### 3-The bank's commitments towards the managers:

#### 3.1 Commitments:

The gross monthly salary of the Director-General was determined in accordance with the decision of the Prime Minister on May 05th, 2016.

- The Director-General shall have a car and the bank bears all expenses related to it.
- Annual attendance bonuses of 6600 dinars have been allocated to the members of the Board of Directors, net of tax for each member, according to the minutes of the ordinary general meeting held on August 04th, 2021.
- The members of the Board of Directors, who are at the same time members of the Audit Committee, the Risk Committee, or the Appointment and Leasing Committee, and for each meeting for attendance at the meetings of the aforementioned committees, have been allocated 2000 dinars, net of tax for each member.

#### 3.2 Amounts related to commitments according to the financial statements

The bank's commitments towards the managers, as stated in the financial statements for the year 2021, are as follows:

- The salaries and bonuses of the Director-General, Mr. Jamel Eddine BELHAJ ABDALLAH, amounted to a total of 88.591 dinars in 2021, detailed in the following table:

(In Dinars)

	Gross amount of burdens on 31/12/2021	Liabilities on 31/12/2021
<b>1- Short term benefits:</b>		
Ordinary salary and benefits	82.512	-
Paid leave	-	13.803
<b>2- End of service benefits:</b>		
Additional Retirement Bonus	-	95.305
Group insurance fees (*)	6.079	-
<b>Total</b>	<b>88.591</b>	<b>109.108</b>

(\*) This amount represents the grant allocated by the Bank to cover group insurance costs.

- The members of the Board of Directors who are at the same time members of the Audit Committee, Appointment and Leasing Committee and the Risk Committee received an allowance for attendance at committee meetings as shown in the following table:

(In Dinars)

	The members of the Board of Directors who are at the same time members of the Audit Committee, Appointment and Leasing Committee and the Risk Committee the Executive Committee for Loans	
	Burdens on 31/12/2021	Liabilities on 31/12/2021
Short term benefits	-	
Independent members	30.000	7.500
Non-independent members	230.326	32.500
<b>Total</b>	<b>260.326</b>	<b>40.000</b>

- The members of the Board of Directors received the allowance for attendance at the meetings of the Board, as indicated in the following table:


	The members of the Board of Directors	
	Burdens on 31/12/2021	Liabilities on 31/12/2021
Short term benefits		
Independent members	16.500	-
Non-independent members	66.000	99.000
<b>Total</b>	<b>82.500</b>	<b>99.000</b>

We have not been notified of any other agreement subject to the requirements of Articles 200 and 475 of the Code of Commercial Companies, nor have our business led to the disclosure of such agreements.

Tunis on April 20th, 2022  
THE AUDITORS

ZIAD KHADIMALLAH  
Audit and Consulting Business

Nedra SAMMAR JLASSI  
Nedra SAMMAR JLASSI's Office



**CONSOLIDATED FINANCIAL  
STATEMENTS OF THE TSB  
FOR THE YEAR ENDED  
DECEMBER 31<sup>ST</sup>, 2021**

CONSOLIDATED BALANCE SHEET As at December 31<sup>st</sup> 2021  
(In 1 000 Dinars)

Items	Dec.31 <sup>st</sup> 2020	Dec.31 <sup>st</sup> 2021
<b>ASSETS</b>		
Central Bank of Tunisia & fund holdings	22 998	22 567
Deposits and Loans to Banking Institutions	17 095	49 673
Credits to Customers	721 204	777 986
Consolidated Commercial Portfolio	114 060	194 730
Consolidated Investment Portfolio	92 720	89 130
Securities submitted to equivalence	43 566	21 678
Consolidated Fixed assets	15 531	15 170
Other Assets	110 077	129 832
Taxes Deferred	9 652	7 882
<b>TOTAL ASSETS</b>	<b>1146 903</b>	<b>1 308 648</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Central Bank of Tunisia & fund holdings	136 000	106 000
Deposits and Loans of Banking and Financial Institutions	23 456	56 182
Customers Deposits	628 274	786 237
Foreign Loans and Private Resources	49 845	27 890
Other Liabilities	119 342	150 662
<b>TOTAL LIABILITIES</b>	<b>956 917</b>	<b>1126 971</b>
<b>Equity and minority Interests</b>		
Corporate Capital	100 000	100 000
Consolidated Reserves	136 828	117 475
Consolidated Results Carried Forward	(44 842)	(56 481)
Consolidated Net Income for the Year	(11 151)	6 268
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>180 835</b>	<b>167 262</b>
<b>MINORITY INTERESTS</b>	<b>9 151</b>	<b>14 415</b>
<b>TOTAL EQUITY</b>	<b>189 986</b>	<b>181 677</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1146 903</b>	<b>1 308 648</b>

CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS As at December 31<sup>st</sup> 2021  
(In 1000 Dinars)

Items	December 31 <sup>st</sup> 2020	December 31 <sup>st</sup> 2021
Securities and guarantees provided	92 997	102 378
Documentary Credits	6 335	5 091
Assets submitted as guarantees	136 000	106 000
<b>TOTAL POTENTIAL LIABILITIES</b>	<b>235 332</b>	<b>213 469</b>
Funding Commitments Made	78 369	79 308
Commitments on Securities	188	188
<b>Total Commitments issued to customers</b>	<b>78 557</b>	<b>79 496</b>
Undertaken credits and Undrawn Commitments		
Guarantees Received	715 428	889 539
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>715 428</b>	<b>889 539</b>

CONSOLIDATED INCOME STATEMENTS AS OF 31<sup>st</sup> DECEMBER 2021  
(In 1000 Dinars)

Items	Dec.31 <sup>st</sup> 2020	Dec.31 <sup>st</sup> 2021
<b>Banking Operating Income</b>		
Interests and assimilated Revenues	61 663	63 968
Commissions	16 059	17 209
Profits on Commercial Portfolio and Financial Operations	10 682	16 560
Income from Investment Portfolio	5 846	2 542
<b>Total Banking Operating Income</b>	<b>94 250</b>	<b>100 279</b>
Banking Operating costs		
Interests Incurred and other costs	(49 434)	(51 416)
<b>Total Banking Operating Costs</b>	<b>(49 434)</b>	<b>(51 416)</b>
<b>NET BANKING INCOME</b>	<b>44 816</b>	<b>48 863</b>
Appropriation to Provisions and Results of Corrections on loans outstanding	(28 884)	(31 970)
Appropriation to Provisions and Results of Corrections on Investment Portfolio	43	104
Other Operating Income	289	357
Personnel and social expenses	(23 306)	(28 911)
Operating overheads	(9 199)	(10 998)
Appropriations to Amortiz. and Resorpt.	(2 313)	(2 256)
<b>OPERATING RESULT</b>	<b>(18 554)</b>	<b>(24 811)</b>
Other ordinary Gains and losses	2 535	28 897
Corporate Tax	2 332	(2 119)
Shares in Consolidated Companies	2 624	4 576
Share of Minority Shareholders	(88)	(275)
<b>NET INCOME FOR THE YEAR</b>	<b>(11 151)</b>	<b>6 268</b>
EFFECT OF ACCOUNTING ADJUSTMENTS	-	-
<b>NET INCOME FOR THE YEAR AFTER EFFECT OF ACCOUNTING ADJUSTMENTS</b>	<b>(11 151)</b>	<b>6 268</b>

CONSOLIDATED CASH FLOW STATEMENT AS OF DECEMBER 31<sup>st</sup>, 2021  
(In 1 000 Dinars)

ITEMS	December 31 <sup>st</sup> 2020	December 31 <sup>st</sup> 2021
<b>OPERATING ACTIVITIES</b>		
Banking Operating Income Collected	90 385	98 510
Banking Operating Expenses Paid out	(60 231)	(90 265)
Deposits of Other Banking and Financial Institutions	3 122	17 682
Loans and Advances/Repayment of Loans and Advances Granted to Customers	(115 106)	(75 681)
Deposits/Withdrawals of Customers Deposits	74 629	157 708
Placement Bonds	(76 416)	(80 666)
Sums Paid to Personnel and various Creditors	(23 004)	(5 975)
Other Cash Flow Generated by Operating Activities	7 166	36 085
Taxes on Profits	(327)	(350)
<b>Net cash flow generated by operating activities</b>	<b>99 782</b>	<b>57 049</b>
<b>INVESTMENT ACTIVITIES</b>		
Interests and Dividends Collected on Investment Portfolio	4 785	1 765
Acquisitions/Assignments on Investment Portfolio	11 655	30 705
Acquisitions/Assignments on Fixed Assets	(1 439)	(1 881)
<b>Net cash flow generated by investment activities</b>	<b>15 001</b>	<b>30 589</b>
<b>FINANCING ACTIVITIES</b>		
Increase in capital/Issuance of shares	-	-
Effect of change in environment of consolidation	(3 794)	(18 580)
Issuance of loans	-	-
Increase/Decrease in Special Resources	39 912	(21 954)
Dividends Paid	67	-
<b>Net cash flow generated by financing activities</b>	<b>36 185</b>	<b>(40 535)</b>
<b>Net variation of cash and cash equivalents during the financial year</b>	<b>(48 596)</b>	<b>47 103</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>(47 311)</b>	<b>(95 907)</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>(95 907)</b>	<b>(48 804)</b>



# AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

May 2022

Honourable Shareholders of Tunisian Saudi Bank's

## Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying consolidated financial statements of the TSB BANK's Group, which comprise the consolidated balance sheet, the consolidated off-balance sheet commitments as of 31 December 2021, the consolidated income statement for the year ended on that date, and the notes to the consolidated financial statements that contain a summary of significant accounting policies. These consolidated financial statements show a total of net assets after depreciation and provisions amounting to 1 308 648 thousand dinars and a positive income of 6 268 thousand dinars.

In our opinion, the accompanying consolidated financial statements, give, in all significant aspects, a true and fair view of the financial position of the TSB BANK's Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with the accounting principles adopted in Tunisia.

## Basis for our opinion

The audit was conducted in accordance with international auditing standards adopted in Tunisia. Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report. We conducted our audit engagement in compliance with the independence rules and the professional standards and the codes of ethics applicable for statutory auditors in Tunisia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Main audit issues

The main audit matters are the issues that were dealt with, which are, in our professional opinion, the most important in the audit of the financial statements for the period concerned with the report. We dealt with these matters in the context of our audit of the financial statements as a whole and for the purpose of expressing our opinion on them, and not for the purpose of expressing a separate opinion on these matters.

Key audit matters	Performed audit procedures
<p><b>Loans and commitments:</b></p> <p>In accordance with the activity of the mother company, the Tunisian Saudi Bank's Group faces loan risks, which are the risks incurred in the event of default of the counterparty or several counterparties that are considered as the same beneficiary according to the current regulations.</p> <p>The methods of assessing and covering these risks are stipulated in the Circular of the Central Bank of Tunisia No. 24-91 issued on December 17th 1991, as amended and supplemented by the texts and subsequent accounting standards.</p> <p>According to the notes on the financial statements, the risks of loans granted to customers are covered by placing two types of provisions stipulated in this circular, which are:</p> <ul style="list-style-type: none"> <li>• Private provisions: it is determined on the basis of the individual classification of the receivables that are subject to quantitative and qualitative criteria, taking into account the guarantees that are considered deductible according to the regulations of the Central Bank of Tunisia.</li> <li>• Additional private provisions: aim to cover the risk of not achieving mortgage guarantees.</li> <li>• Collective provisions: aim to cover risks inherent in current undertakings (class 0) and those that require special follow-up (class 1).</li> </ul> <p>As detailed in the notes on the financial statements, the total receivables to customers amounted, on December 31st 2020, to 1 242 385 thousand Tunisian dinars, the incurred interests and the provisions related to it on the same date, respectively, amounted to 234 031 thousand dinars and 230 238 thousand dinars.</p> <p>In view of the complexity of the process of evaluating commitments and calculating provisions on commitments by customers, which are subject to quantitative and qualitative criteria and which require a significant level of estimates, we consider this item an important element of auditing.</p>	<p>As part of our estimate of the evaluation process and coverage of customers' receivables at the end of the financial year. Our business consists of:</p> <ul style="list-style-type: none"> <li>• To identify the counterparty risk assessment procedures and related controls implemented by the bank;</li> <li>• Conducting analytical procedures on the evolution of outstanding loans, income and related interests;</li> <li>• An assessment of the extent to which the methodology adopted by the bank matches the rules issued by the Central Bank of Tunisia;</li> <li>• Evaluating the reliability of the loan rating, risk coverage, and suspended interest system;</li> <li>• Evaluate the merits of rating estimates;</li> <li>• Verifying the quality standards resulting from the executed operations and the behavior of the relationship during the accounting year;</li> <li>• Examining the guarantees used to calculate the provisions and assessing their value, taking into account the approved rules and methods;</li> <li>• Check the calculations for provisions and the incurred interest;</li> <li>• Verifying the appropriateness of the information provided in the notes about the financial statements.</li> </ul>

Key audit matters	Performed audit procedures
<p><b>Loan and commission income</b></p> <p>Loan and commission income for the year 2021 amounted to 81 177 thousand dinars, representing more than 81% of the total of bank exploitation income. The inclusion of interest and commissions is a key matter for auditing because of the importance of this item, and given the correlation of bank revenues with valid interest rates and approved commissions and loan collection schedules.</p> <p>Given the importance of revenues, their diversity, and the specificity of their accounting recording methods, we consider revenues an important component of auditing.</p>	<p>We assessed the bank's internal control system for recording loan and commission income in the results. The control work we carried out mainly included:</p> <ul style="list-style-type: none"> <li>• An evaluation of the information technology system as the automatic integration of revenue into accounting;</li> <li>• The bank's compliance with the provisions of Accounting Standard No. 24 relating to "Related commitments and income in banking institutions";</li> <li>• Evaluating policies, procedures and controls in recognizing and recording revenue;</li> <li>• Reliability of the approved methods of suspending interest and commissions;</li> <li>• Implementing analytical procedures regarding the evolution of interest and commissions according to the bank's activity indicators, pricing policies and laws related to them;</li> <li>• Verifying the information contained in the notes about the financial statements.</li> </ul>
<p><b>Investment portfolio</b></p> <p>At the end of each accounting year, the bank evaluates the investment portfolio, which records a net value of 89 130 thousand dinars at the end of 2021, and allocates provisions regarding it. The notes include methods of evaluating this portfolio and the related revenues.</p> <p>Given the importance of the process of evaluating the contributions portfolio and calculating the provisions and savings related to it, we consider this item an important element in the audit.</p>	<p>In response to that, the most important elements of audit is represented in the following acts:</p> <ul style="list-style-type: none"> <li>• Evaluating the bank's internal control system related to follow up and evaluating the investment portfolio</li> <li>• Verification of respect of the accounting standard No. 25 related to investment portfolio in banking institutions</li> <li>• Evaluating the appropriateness of the methodology adopted by the bank in terms of the comprehensiveness of recording the incomes from the investment portfolio, its evaluation and the extent of its relevance to the financial year, particularly by adjusting the foundations and methods of determining them according to the available information.</li> <li>• Evaluating the appropriateness of the methodology adopted by the bank in the method of evaluating the contributions and dividing the shares owed by it according to their traded value on the basis of stock exchange prices for shares that have been floated on the stock exchange and according to the fair value in relation to non-marketed shares.</li> <li>• Verification of the authenticity and honesty of the amounts that are included in the notes about the financial statements according to the information and documents that we have obtained</li> </ul>

## Observation paragraph

Without affecting the reliability of our view above, we would like to draw your attention to the following points:

- The bank's commitments towards the customer «SOTACIB», a subsidiary of SOTACIB Group, amounted on December 31<sup>st</sup> 2021 to 13.108 MD thousand dinars including 11.700 Thousand dinars for contributions in the corporate capital. This customer has experienced difficulties and the Bank has allocated provisions amounting to 4.263 thousand dinars for its shareholding in the Company using the anticipated cash flow method set forth in the operational plan.

- The customer «SITEX» is going through financial difficulties. As the bank's total commitments rose to 11.848 thousand dinars on December 31<sup>st</sup>, 2021, 8,570 million dinars for contributions to the company's capital, and the value of the share in the financial market has witnessed deterioration during the year 2021, and no provisions were made in this regard during the year 2021.

- The bank's contribution exceeds 20% of the capital of the affiliated companies that are not activated in financial sector, this contrary to the provisions of article 75 of bank's law no. 2016-48

- The consolidated financial statements of TSB GROUP were conducted in accordance with individual financial statements not audited by the auditor for all the companies entering into clustering. We did not take into consideration subsidiaries in which the bank has direct and indirect contributions, within the field of collection because it is in the process of liquidation or judicial settlement.

## Other information contained in the 2021 annual report

The Board of Directors is responsible for the information contained in the Group's annual report.

Our opinion on the consolidated financial statements does not include the content of the Board of Directors' report and we therefore express no form of conclusive remark as to the content of the said report.

In accordance with the provisions of article 266 of the Code of Commercial Companies, our responsibility is to verify the information contained in the GROUP's accounts contained in the Board of Directors' report by referring to the data presented in the financial statements. Our work consists in reading the report of the Board of Directors in order to determine whether there are fundamental inconsistencies between the report and the consolidated financial statements or the information that has been brought to our attention within our audit engagement or whether the report of the Board otherwise contains significant errors. If, based on the work we have done, we conclude that there are substantial deficiencies in the Board of Directors' report; we are required to report them.

We have nothing to mention in this regard.

## Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Tunisia; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible for assessing the ability of the TSB BANK to operate as a going concern and the disclosure, if any, of all matters relating to the going concern principle, including the use of the going concern principle in the preparation of consolidated financial statements, unless the Board of Directors has the intention of dissolving the TSB Group or suspending its operations or the absence of any realistic alternative other than to do so.

Corporate governance is responsible for overseeing the TSB BANK Group's consolidated financial reporting procedures.

## Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether resulting from fraud or error, and issuing an audit report that includes our opinion

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with professional standards applicable in Tunisia, the statutory auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the related disclosures;

- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TSB BANK Group's ability to continue as a going concern. If we find out that a material uncertainty exists, then we have to mention in the audit report related disclosures in the consolidated financial statements or rectify our opinion if these disclosures are not sufficient. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation of the consolidated financial statements including the disclosures and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- We communicate with the Group heads of governance on the audit scope and its time and the main audit issues pertaining to the internal control system that we noted during our audit.

- We also provide the Board of Directors with what confirms our commitment to the ethical requirements related to independence, and we inform them about all issues and other matters that may affect our independence and what would preserve this independence.

Among those matters communicated with the governance officials of the Tunisian Saudi Bank, the scope and schedule of the audit work and the main audit matters, including any significant deficiencies in the internal control system that we noticed during our audit work.

Tunis on May 12th, 2022

THE AUDITORS

ZIAD KHADIMALLAH  
Audit and Consulting Business

Nedra SAMMAR JLASSI  
Nedra SAMMAR JLASSI's Office

## RESOLUTIONS OF THE ORDINARY GENERAL ASSEMBLY HELD ON MAY 12<sup>TH</sup> 2022

### First Resolution

The assembled shareholders certify that the ordinary general assembly is held at a later date than the planned date according to the regulations and laws in force, due to exceptional considerations. As such date does not affect shareholders' interests; they discharge the members of the board of directors and acknowledge the legitimacy of such assembly and the resolutions thereof.

**This resolution was put to the vote and adopted unanimously.**

### Second Resolution

The Ordinary General Assembly of shareholders, after examination of Board of Directors' report on the TUNISIAN SAUDI BANK activities during the financial year of 2021, the financial statements for the year ended 31 December 2021, and the auditors' reports related to the financial statements, hereby approves the Board of Director's agreements included in the auditors' special report and the financial statements for the year ended 31 December 2021, as presented by the Board of Directors,

**This resolution was put to the vote and adopted unanimously.**

### Third Resolution

The Ordinary General Assembly, after the examination of the consolidated financial statements for the year ended 31 December 2021 and the auditors' reports on the consolidated financial statements of the T.S.B Group, hereby approves the consolidated financial statements of the Group for the year ended 31 December 2021, as presented by the Board of Directors.

**This resolution was put to the vote and adopted unanimously.**

### Fourth Resolution

The Ordinary General Assembly hereby gives the directors full and unconditional discharge from their duties within the board of directors and their activities' income for the financial year ended December 31st, 2021.

**This resolution was put to the vote and adopted unanimously.**

### Fifth Resolution

The Ordinary General Assembly of shareholders decides to allocate the net income relating to financial year 2021 and amounting to TND 3 671 634,836 TND as follows:

Deferred losses	TND-59 678 316,184
Accounting modifications on December 31st 2021 (1)	TND 3 197 368,508
Total losses carried forward on December 31st 2021	TND -56 480 947,676
Gross Net income	TND 3 984 247,888
Income tax	TND -312 613,052
Net income	TND 3 671 634,836
Losses carried forward after allocation	TND -52 809 312,840

(1) Accounting modifications: Provision recoveries following the assignment of commitments categorized 4 and 5 and wholly covered by provisions and deferred interest to the debt recovery subsidiary.

**This resolution was put to the vote and adopted unanimously**

### Sixth Resolution

In accordance with article 29 of the Articles of incorporation of the TSB BANK, the Ordinary General Assembly decides

- To set the attendance allowance for the financial year 2021 in the amount of 6.600 Tunisian dinars after tax deduction for each director.

- To grant the amount of 2. 000 Tunisian dinars after tax deduction to each member of the Standing Audit Committee, the Credit Executive Committee, the Risk Committee, and the Nomination and Remuneration Committee.

**This resolution was put to the vote and adopted unanimously.**

### Seventh Resolution

In accordance with the provisions of article 19 of the Articles of Incorporation of the T.S.B BANK, the Ordinary General Assembly has decided the following nominations as members of the Board of Directors for a period of three years that expires when holding the Ordinary General Assembly examining the accounts of the financial year 2024.

**This resolution was put to the vote and adopted unanimously.**

### Eighth Resolution

In accordance with the provisions of article 19 dated May 02nd 2006, the Ordinary General Assembly of shareholders approves to renew the nomination of the Audit Office SNJ represented by Mrs Nedra SAMMAR to prepare the individual financial statements of the Bank for the years 2021-2022-2023. It decides as well as to renew its nomination as an auditor for the consolidated financial statements for the financial years 2021, 2022 and 2023

**This resolution was put to the vote and adopted unanimously.**

## RESOLUTIONS OF THE EXTRAORDINARY GENERAL ASSEMBLY HELD ON MAY 12<sup>TH</sup> 2022

### First Resolution

The extraordinary general assembly of the shareholders of the Tunisian Saudi Bank, after approving the report of the Board of Directors on the increase in the capital of the bank, decided to raise the capital, which currently amounts to 100,000,000 Tunisian dinars, divided into one million (1,000,000) shares, with a nominal value of 100 dinars per share, fully paid-up, as follows:

- An amount of 70,000,000 Tunisian dinars in cash to become 170,000,000 Tunisian dinars; by creating 700,000 new shares with a nominal value of 100 dinars per share.

The extraordinary general assembly delegates to the board implementing the capital increase once or several times while defining the methods for carrying out such increase and examining its realization and revising the articles of Association accordingly.

**This resolution was put to the vote and adopted unanimously.**

### The second resolution

The Extraordinary General Assembly decided to postpone consideration of the revision of some chapters of the Bank's Articles of Association.

**This resolution was put to the vote and adopted unanimously.**

### The third resolution

The ordinary general assembly of shareholders authorizes the legal representative of the bank or his representative to carry out all registration and publication procedures.

**This resolution was put to the vote and adopted unanimously.**

A limited company with a capital of 100 Million Dinars  
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