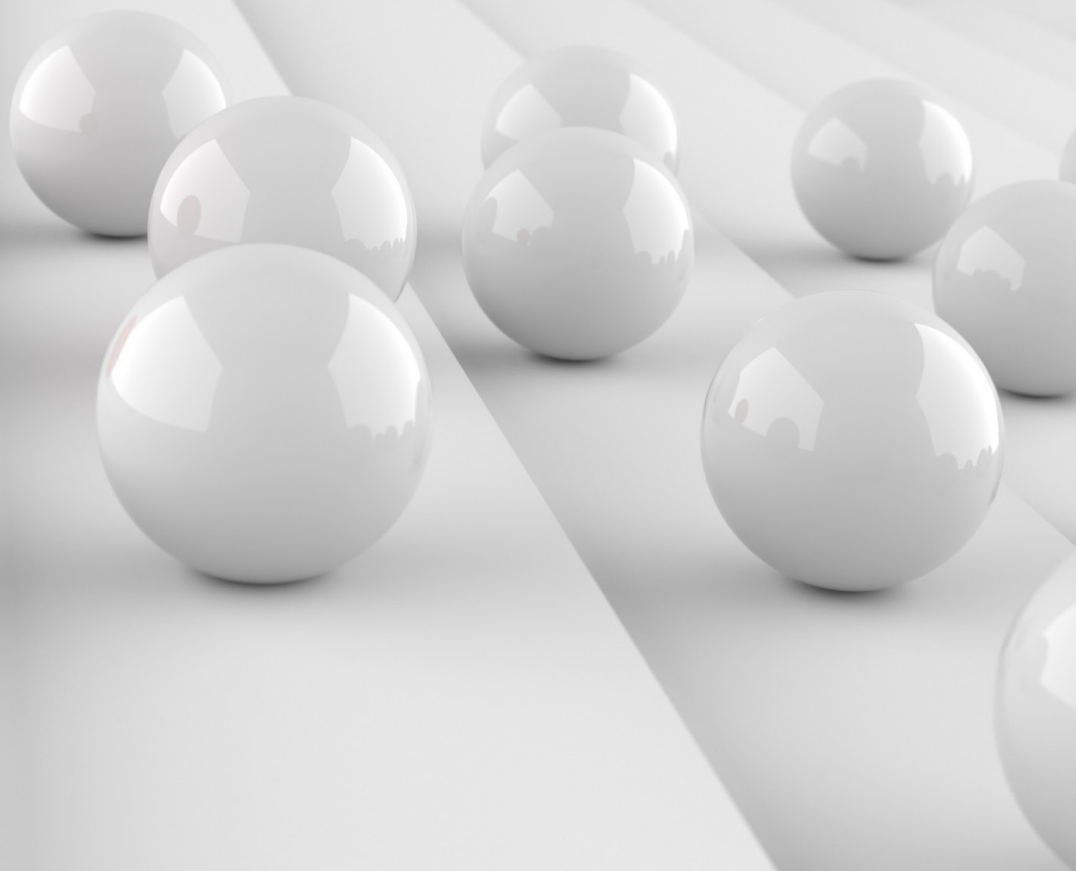


ANNUAL REPORT

2020



Tunisian Saudi Bank
البنك التونسي السعودي

ANNUAL REPORT

2020

**A limited company with a capital of 100 Million Dinars
32, rue Hédi KARRAY - 1082 TUNIS
Phone: (+216) 70 243 000 - Fax: (+216) 71 753 233
SWIFT: TSIDTNTT
Unique Identifier (National Register of Companies): 0013026E**

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FOR THE YEAR
ENDED DECEMBER 31ST, 2020**

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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

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 sixteenth 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 2020.

The year 2020 was considered exceptional in terms of the repercussions of the Corona pandemic on the general economic situation. The Bank's activity for the year 2020 showed a negative income of 14.8 Million Dinars (M.D), against negative income of 2.8 M.D as a result of the year 2019.

Such decrease is due to various reasons particularly the following:

- The development of net allowances and deferred interest amounted to 13.1 M.D, which is an exceptional development mainly as a result of:
 - The Central Bank's decision to change the criteria for the process of calculating allowances on collective savings according to the Central Bank circular No. 01-2021 as a result of the repercussions of the Corona virus, which resulted in a development of 4.8 M.D in this item.
 - Allocations made on the total bank software SAB of 3.3 M.D due to the failure to engage in the consensual solution aimed at replacing the SAB system with the SOPRA system.
- The restrictive monetary policy of the Central Bank of Tunisia in general and the ordinal indicators in line with the liquidity index and the loans-on-deposit index, whose respect was required by mobilizing the necessary deposits for this, which resulted in an increase in the cost of deposits on the one hand, by about 6 M.D.
- The decrease of interest received and loan income by 4.6 M.D as a result of the exceptional measures of the Central Bank that provide for postponing loan installments for institutions and individuals in order to counter the Corona pandemic and the difficulties experienced by most economic sectors and the decrease in the interest rate in the monetary market (March 2020).
- The decrease of profit shares in subsidiaries by 2 M.D as a result of the liquidation of the Company "SOCIETE MONTAZAH TABARKA", knowing that it is expected to be transferred to cession results by 1.2 MD before the end of 2021.

Note that the bank continued to control general operating costs as it decreased from 10 M.D in 2019 to 8.9 M.D in 2020, with wage costs stabilizing by nearly 21.9 M.D.

At the level of the activity, despite the crisis that the Tunisian banking sector witnessed during the year 2020, the deposits of customers increased by 12.8% to reach 632.3 M.D in 2020 compared to 560.6 M.D in 2019, which enabled the bank to continue its activity as the net receivables to customers increased from 635.1 M.D in 2019 to 722.1 M.D in 2020 that is an increase of 13.7%.

Dear Shareholders' Representatives,

These are the most salient aspects of the Bank's activities during the year 2020 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 due to the members of the Board of Directors for all their efforts to achieve the Bank's objectives and to all the staff for their dedication and professionalism.

Peace be upon you.

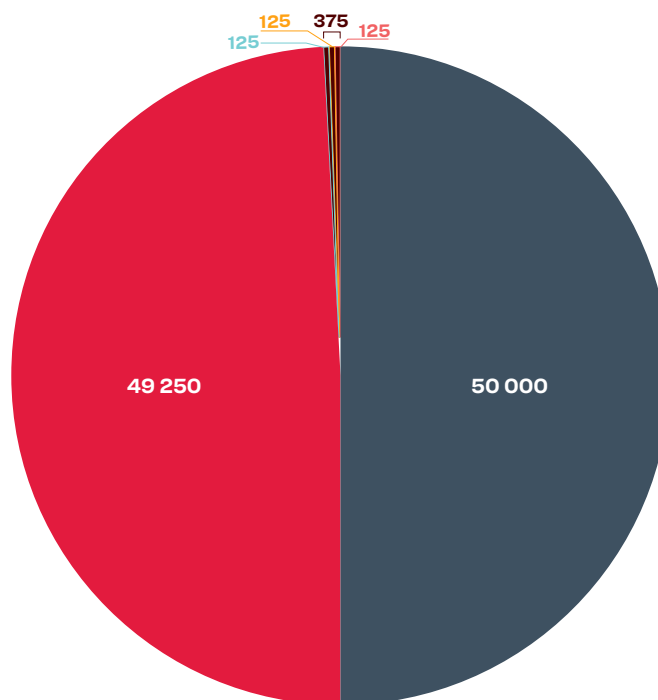
**The Chairman of the Board of Directors
M. Abderrahmen Mohamed Ramzi ADDES**

THE TUNISIAN SAUDI BANK



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

CAPITAL DISTRIBUTION IN THOUSAND DINARS



● Saudi Arabia
● Tunisia

● National Fund for Retirement and Social Prudence
● Tunisian National Tourist Office

● Tunisian National Oil Company
● TUNISAIR

THE ECONOMIC ENVIRONMENT

INTERNATIONAL ECONOMIC ENVIRONMENT

In accordance with IMF estimates, global growth in 2020 reached -3,5% against 2.8 % in 2019.

Employment has improved during the last months of 2020 in major industrial countries as the rate of unemployment declined in the United States of America to 6.7% that is a decrease of 8 percentage points compared to the rate recorded at the beginning of the first wave of the Covid-19 pandemic. As for Japan and the Eurozone, the unemployment rate was stable at 2.9% and 8.3% respectively.

Concerning consumer prices, Inflation rates in Japan continued to be negative on December for the third month consecutively (-1.2% against -0.9% a month ago), the same for the Euro Zone as the inflation rate recorded a recession and remained negative for the five months consecutively (-0.3%) and in the United States the inflation rate recorded 1.4% against 1.2% on November.

With regard to the international stock markets indicators, international money market recorded an exceptional performance for stock markets indicators in 2020 despite the losses occurred following Corona Pandemic, as both the American indicators DowJones and the NASDAQ registered respectively 7.2% and 43.6%, it is due to renewed confidence for investors in the United States of America as is the case for the Japanese Nikkei index. It witnessed a rise of 16% in the context of the deployment of vaccines, which allows greater confidence to resolve the crisis. As for the French CAC 40 index, it recorded a decline of 7.1% after the re-emergence of the epidemic in Europe.

During the year 2020, International exchange markets were characterized by a slight rise in the European currency against the US dollar, as the euro rose to 1,221 dollars at the end of December 2020, compared to 1,121 dollars at the end of the same month in 2019. This is due in particular to the lack of vision for investors after the political transition happening in the United States.

ECONOMIC GROWTH (IN %)		
Regions	Year 2019	Year 2020
World	2,8	-3,5
Developed Countries	1,6	-4,9
United States of America	2,2	-3,4
Euro Zone	1,3	-7,2
Japan	0,3	-5,1
Emerging Countries	3,6	-2,4
China	6,0	2,3
India	4,2	-8,0
Brazil	1,4	-4,5
Russia	1,3	-3,6

NATIONAL ECONOMIC ENVIRONMENT

Economic growth in Tunisia is estimated at -8.8% for the year 2020, which reflects the weakness of economic activity in the main productive sectors with the exception of the agriculture and marine fishing sector which benefited from the exceptional season of olive oil harvest. The repercussions of the health crisis resulting from the Covid-19 pandemic severely affected the activity of market services, especially tourism and transport, the main indicators of which deteriorated sharply. The main branches of the manufacturing industries, apart from the food industries, witnessed a recession mainly due to the decline in demand in Europe, as well as the decline in the main sectors of non-processing industries, especially mining and energy.

TOURISM

The COVID-19 pandemic and containment measures adopted in many countries have led to an unprecedented crisis in the tourism sector.

The flow of foreign tourists decreased in 2020 by 18.1% compared to 15.4% in 2019, covering 1.4 million tourists. It covers all tourists particularly European tourists (-85% against 15.6% in 2019) and Maghrebians tourists (-80.8% against 15.5% in 2019)

Correspondingly, foreign currency tourism receipts decreased by 64.1% compared to 35.6% in 2019, to reach approximately 2.018 M.D.

PRICES

The development of the price index in December 2020 by calculating the annual relapse of 4.9% compared to 6.1% in 2019. This decrease in the inflation rate is due to the slowdown in the development of food prices (4.3% compared to 7.3%) and Laboratory materials (4.9% against 7.7%) and services (5.3% against 4.6%).

For the whole, average inflation was 5,6% compared to 6,7% in 2019.

FOREIGN TRADE

The balance of payments in 2020 suffered from the effects of a difficult economic situation characterized by economic stagnation at the national and international levels, in the wake of the severe repercussions of the COVID-19 pandemic.

Accordingly, the balance of current payments resulted in a deficit that decreased sharply in 2020 to reach 7.5 billion dinars, compared to 9.7 billion dinars in 2019, or 6.8% of GDP (compared to 8.4% in 2019). This result is attributed to the significant decrease in the trade deficit by 34.4% after a decline in imports at a faster pace than exports (-18.7% and -11.7%, respectively).

On the other hand, tourism revenues witnessed a decrease of 64.1%, and transfers under the title of work, an increase of 11.3%, and net transfers amounted to 11.4 billion dinars.

These developments resulted in a balance of payments surplus of 3.878 M.D, which contributed to the increase in the currency reserve, which amounted to 23.113 M.D, which is equivalent to 162 days' worth of imports against 19.465 M.D in 2019, i.e. 111 days' worth of imports.

Item	2018	2019	2020
1) Current Payments In % of GDP	-11.761	-9.686	-7.500
	-11.1	-8.4	-6.8
Merchandises (BEFORE SHIPMENT COSTS)	-15.747	-15.955	-9.927
Services	+1.897	+3.470	-167
Income factor and current transfers	+2.089	+2.799	+2.594
2) Financial Operations and Capital	+13.414	+14.914	+11.378
Capital operations	+340	+402	+1.003
Foreign Investment (Direct and in portfolio)	+2.509	+2.415	+1.479
Other investments	+10.565	+12.097	+8.896
General Balance	1.653	+5.228	+3.878

INTERBANK MARKET AND MONETARY POLICY OPERATIONS

Average banks' cash requirements continued to decrease for the second consecutive quarter to reach 9.573 M.D in the last quarter of 2020 against 10.092 M.D in third quarter of 2020.

Interest rate on the money market

As a direct result of the decision of the Board of Directors of the Central Bank of Tunisia to reduce the key interest rate by 50 basis points to 6.5% as of October 7th, 2020, the average money market rate decreased from 6.79% in the third quarter of the year 2020 to 6.18% in the last quarter of the year 2020 i.e. a drop of 61 basis points.

THE EXCHANGE MARKET

In 2020, the exchange rate of the Tunisian Dinar on the interbank market increased by 4.4 % against the US dollar, by 2.4 % against the Euro, by 2.0 % against the Japanese yen and by 2.8 % against the Moroccan dirham.

THE STOCK MARKET

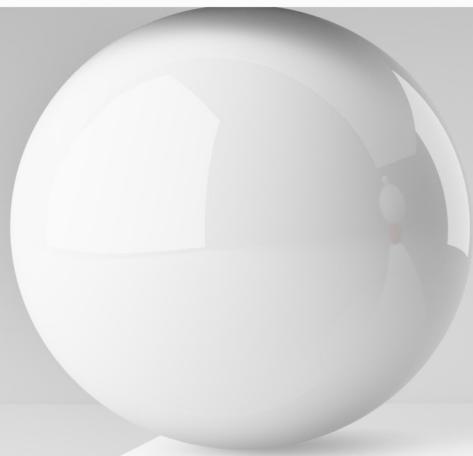
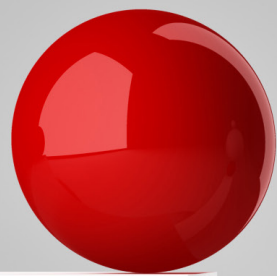
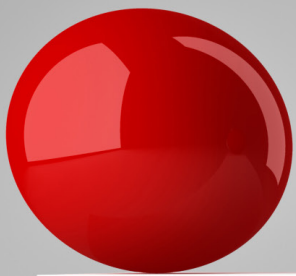
The TUNINDEX indicator stood at the level of 6.884,9 points, a decrease by 3.3 % compared to the end of December 2019, and a decrease by 2,1% for the year 2019.

Four of the sectoral indicators witnessed negative return with rates ranging from -16.1% for financial institutions and -21.3 % for raw materials while only nine indicators posted positive return ranging from 2.1% (services to consumers) to 38.8 % (construction material).

For its part, the daily volume trading amounted to 6.3 M.D in 2020 against 6.4 M.D in 2019.

Foreign investors' transactions in the stock capitalization reached the rate of 25,3% in 2020.

EVOLUTION OF THE STOCK EXCHANGE INDICES		
	December 2019	December 2020
TUNINDEX (in points)	7.271,1	6.884,9
Stock capitalization (in MD)	23.724	23.092
Stock capitalization/ Gross Domestic Product (%)	20,8	20,8
Number of listed companies (in units)	81	80
Monthly liquidity rate (%)	37	64





**TSB BANK'S
RESULTS**

TSB BANK'S RESULTS

DEVELOPMENT OF BANKING INCOME

1- The Net Banking Income

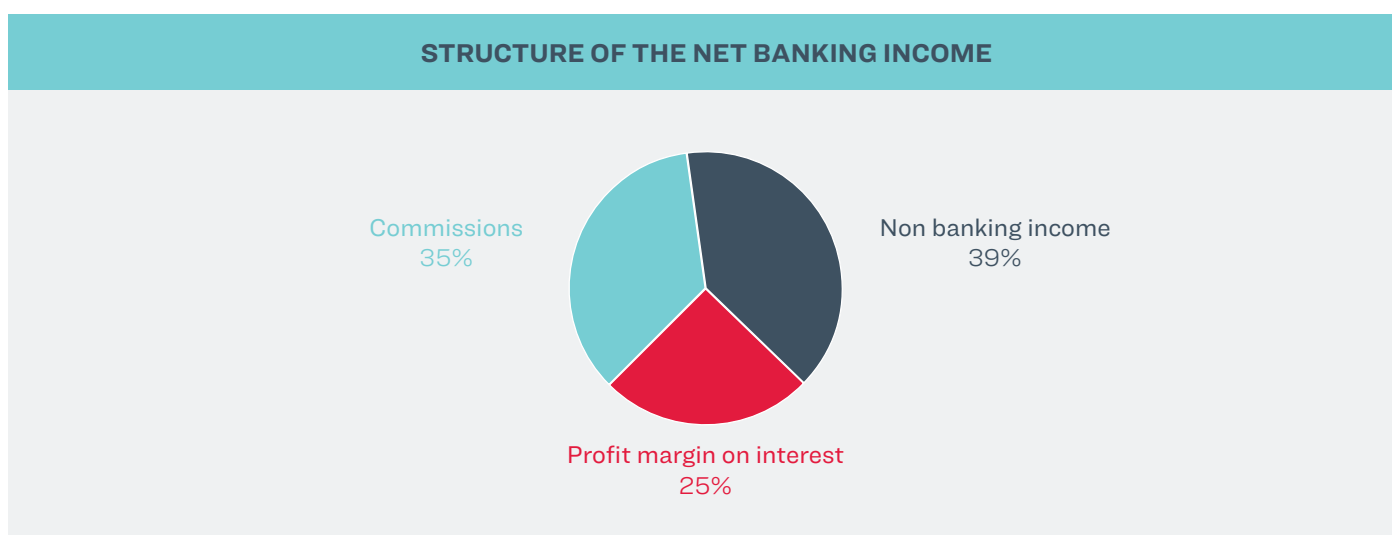
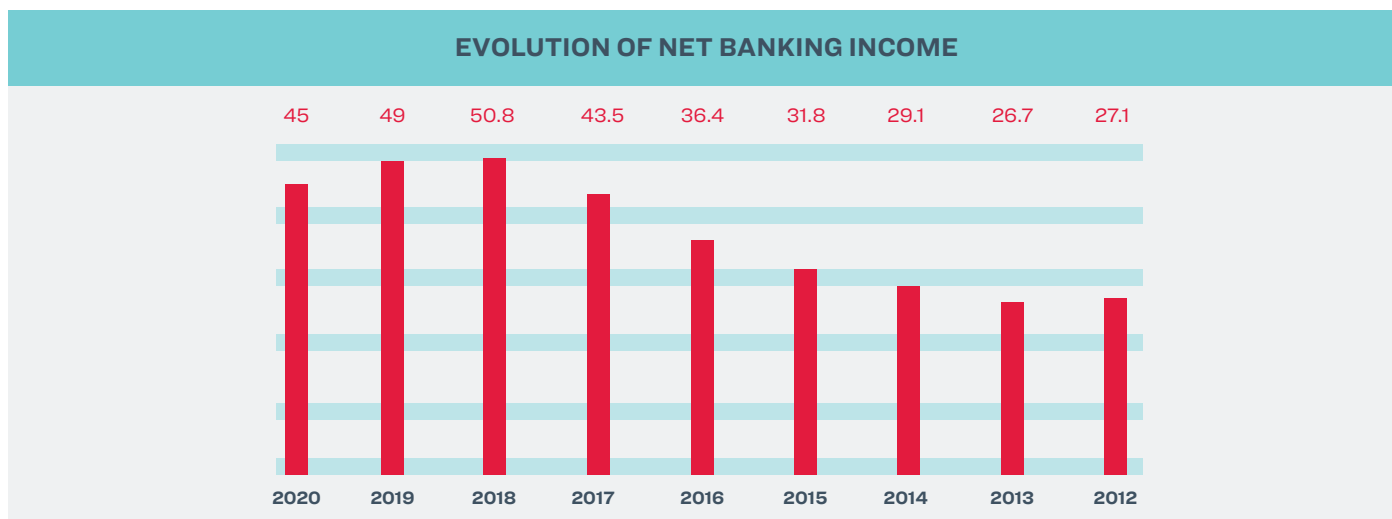
The financial position of the bank at the end of 2020 showed a decrease in the net banking income, which declined from 49 M.D at the end of December 2019 to 44.9 M.D at the end of December 2020, a decrease of 4,1 M.D or 8.5%:

Unit: In 1 000 Dinars	December 2019	December 2020	Variations	
			Amount	%
Banking Operating Income	92458	94349	1891	2
Interest and debts income	61986	57345	-4641	7,5
Placement Interests	716	3346	2630	363,3
Commissions received	14632	16065	1433	9,8
Gains of Commercial portfolio and Financial Operations	3123	7643	4520	144,7
Investment Portfolio Revenue	12001	9950	-2051	-17,1
Banking Operating Expenses	(43416)	(49458)	(6042)	13,9
Net Banking Income	49042	44891	(4151)	-8,5

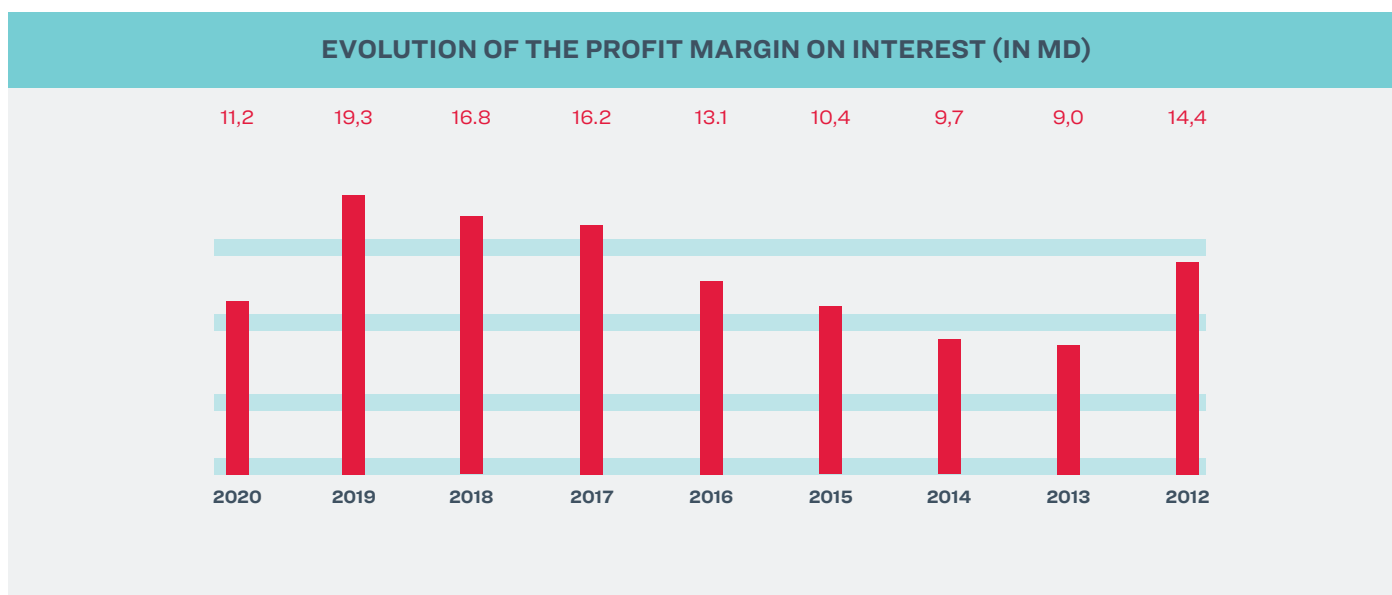
The structure of the Net Banking Income:

- A deceleration in the evolution of operating revenues, which rose from 92 M.D in 2019 to 94 M.D in 2020 that is an increase by 2% versus an increase by 5,5% at the end of 2019.
- A decrease by 7,5% in received interests and loans income in 2020 versus an evolution by 17% in 2019, this is due to deferred loan installments for institutions and individuals in order to counter the Corona pandemic, the difficulties experienced by most economic sectors, and the decrease in the interest rate in the monetary market (March 2020).
- An increase in commissions by 9.8%, compared to a decrease of 5.7% at the end of 2019.
- The non-banking revenues resulting from financial transactions and shares portfolio reached 17.5 M.D compared to 15.1 M.D in 2019. The recorded development is mainly due to the increase in the profits of the commercial portfolio by 4.5 M.D, mainly as a result of the development of interests received on treasury bonds by 3.5 M.D, taking into account the decline recorded in the profits of the investment portfolio as a result of the liquidation of the "SOCIETE MONTAZAH TABARKA", knowing that it is expected to be transferred to cession results before the end of the year by 1.2 M.D.

While the banking amortization burdens have seen a development by 13.9%, as a result of the bank's keenness to respect the ordinal indicators and reduce the irregularities incurred by exceeding them, such as the liquidity and loans indicators on deposits, by mobilizing the necessary deposits. The following table shows the development of these indicators:



The profit margin on interest showed an evolution in regard of 2019 as it decreased from 19.3 M.D to 11.2 M.D.



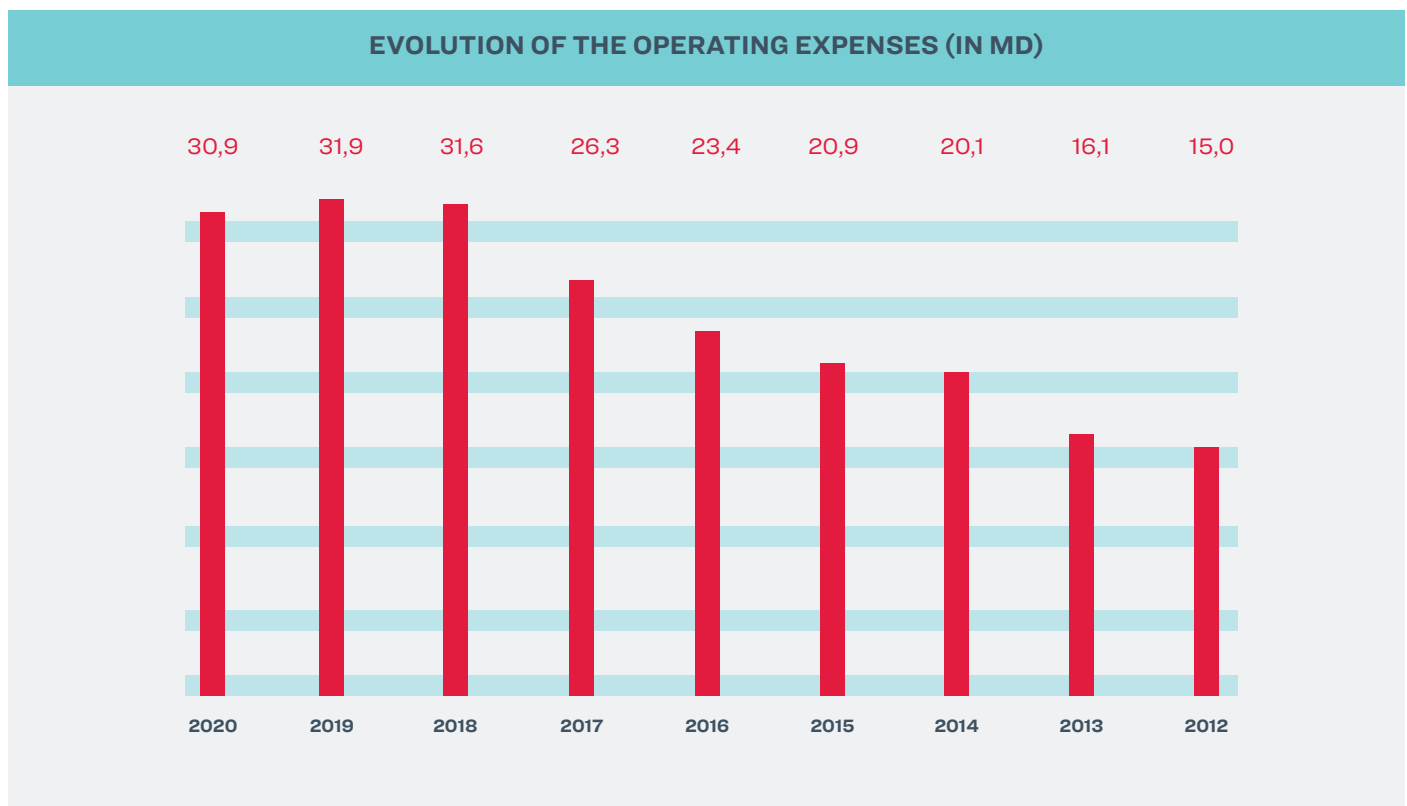
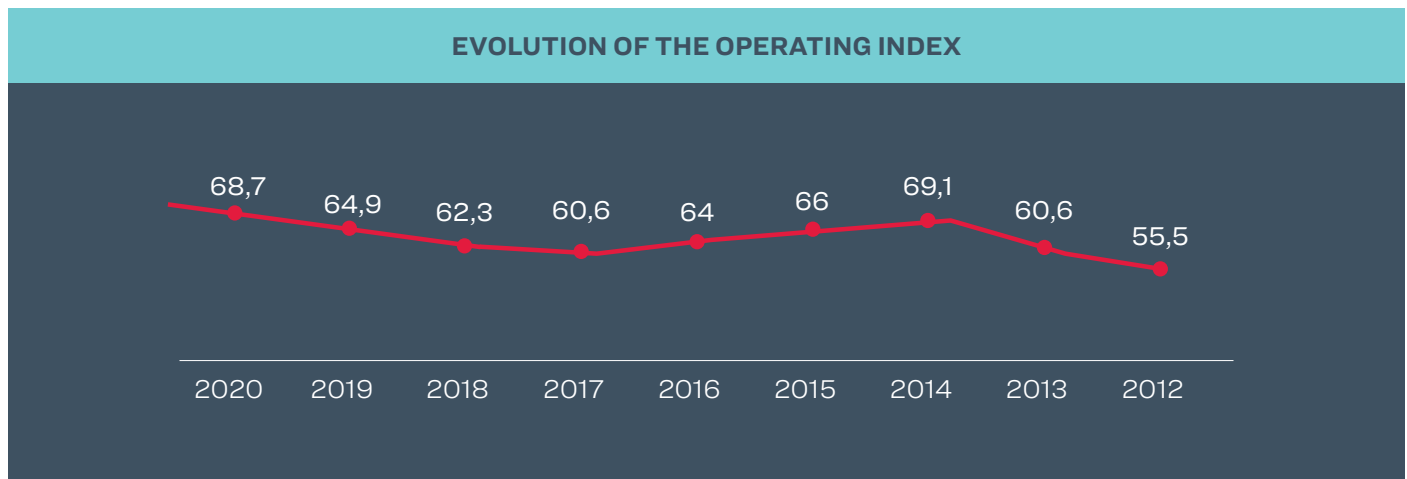
2- General Operating Expenses

In 2019, wages and operating expenses showed a decrease, as it declined to 30.9 M.D in 2020 against 31.9 M.D in 2019.

<i>In 1000 dinars</i>	2017	2018	2019	2020	variation
General operating expenses	6 794	9 433	10 031	8 891	-1140
Wages	19 554	22 179	21 835	21 968	133
TOTAL	26 348	31 612	31 866	30 859	-1 007

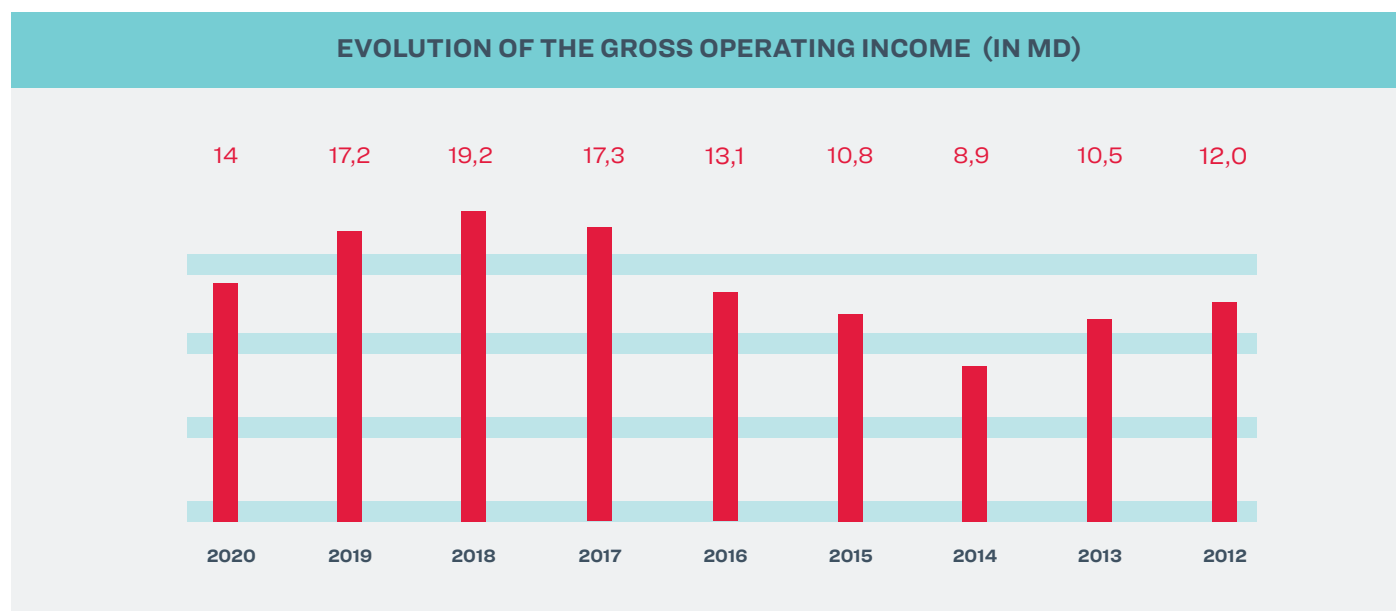
At the end of 2020, the coverage rate of personnel wages including commissions reached 73.1 % compared to 67 % in 2019.

Taking into account the operating expenses, the operating index (excluding amortizations) reached 68.7% at the end of 2020 against 64.9 % in 2019.



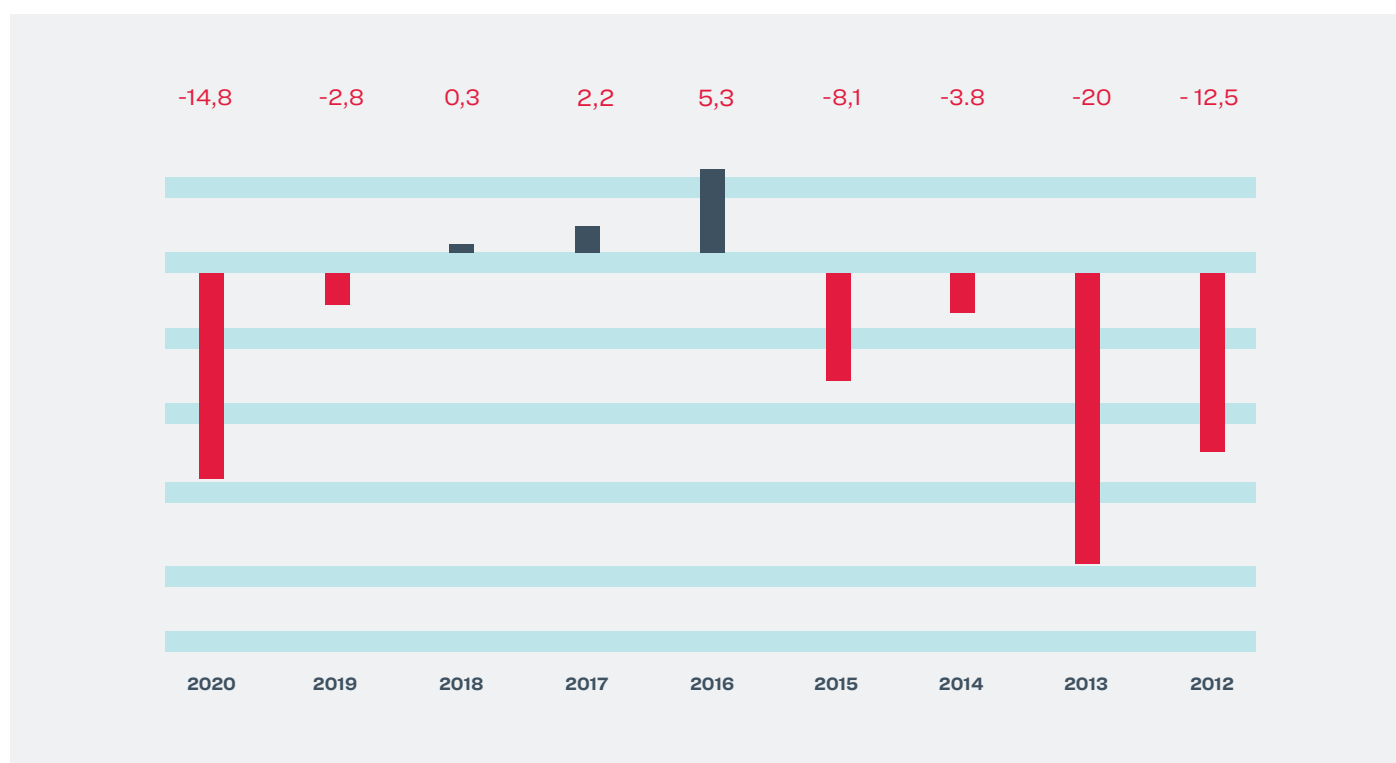
3- The Gross Operating Income

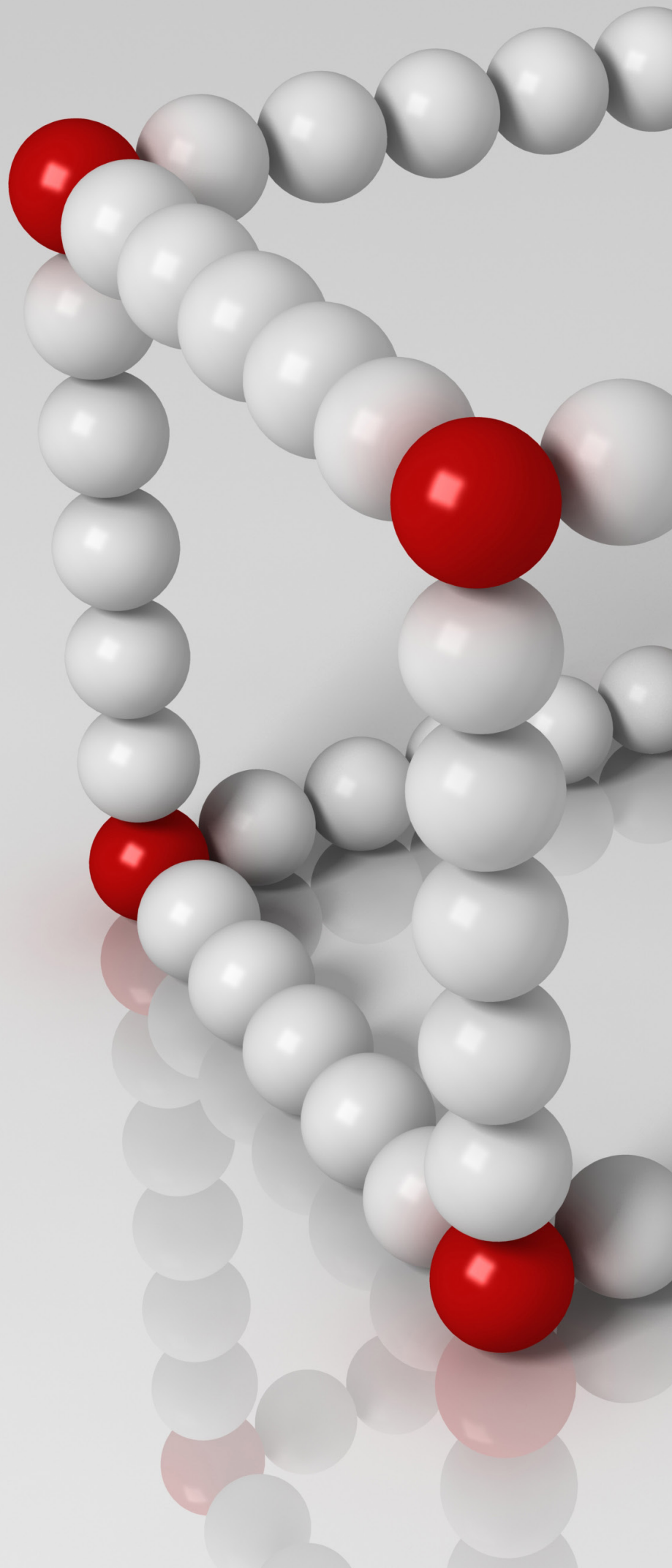
The Gross Operating Income (i.e before provisions and amortizations), reached 14 M.D in the end of 2020 versus 17.2 M.D in the end of 2019, a decline by 3.2 M.D or 18.6%.

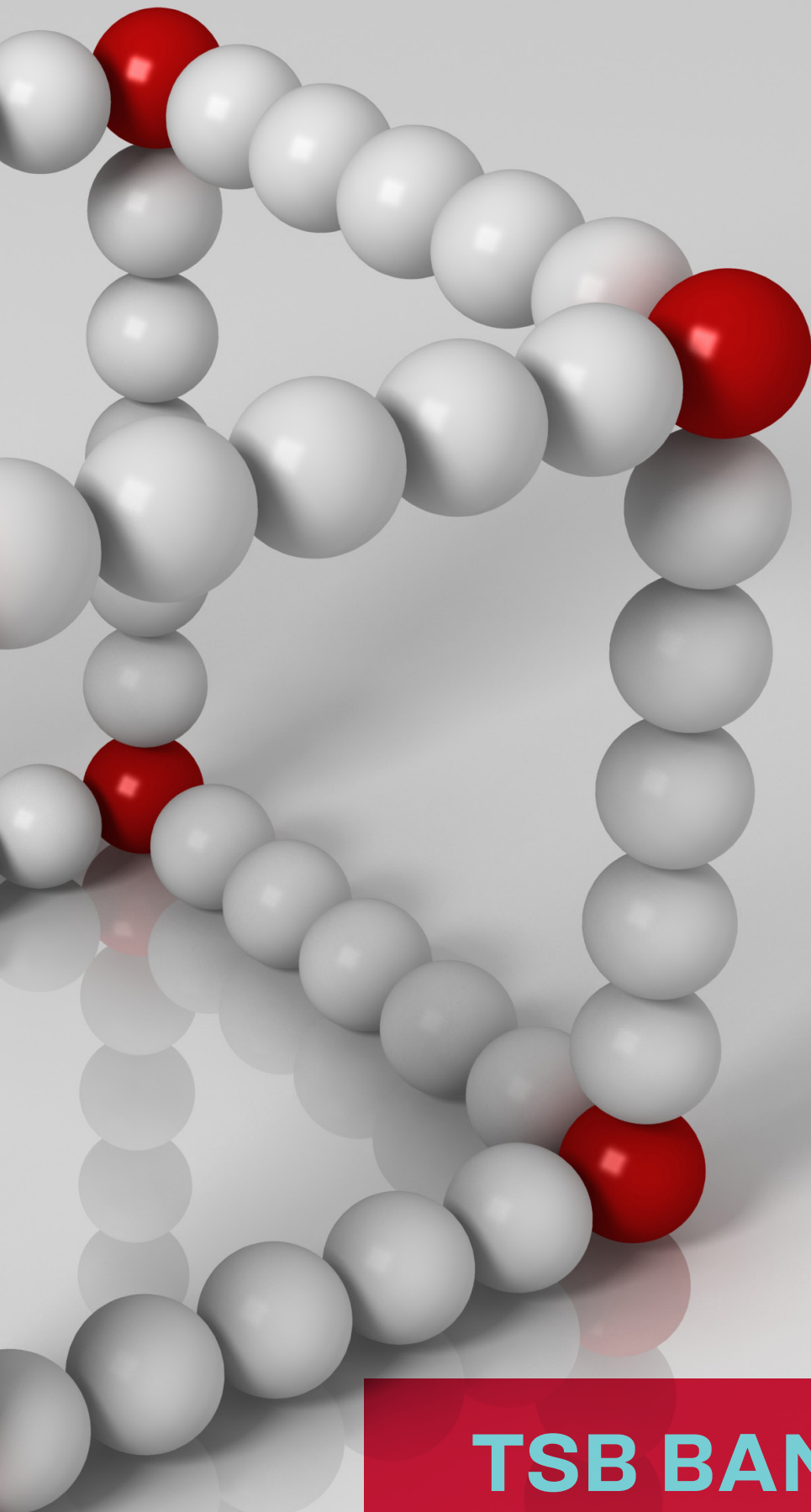


4- The Net Income

The Net Income amounted to 14.8 M.D in 2020 against 2.8 M.D in 2019, that is a decrease by 12 M.D.







TSB BANK'S
RESOURCES AND
INTERVENTIONS

TSB BANK'S RESOURCES AND INTERVENTIONS

THE BANK'S FINANCIAL RESOURCES

On December 31st 2020, the financial resources of the BANK amounted to 829.2 M.D against 729 M.D on December 31st 2019, recording an evolution by 13.7%.

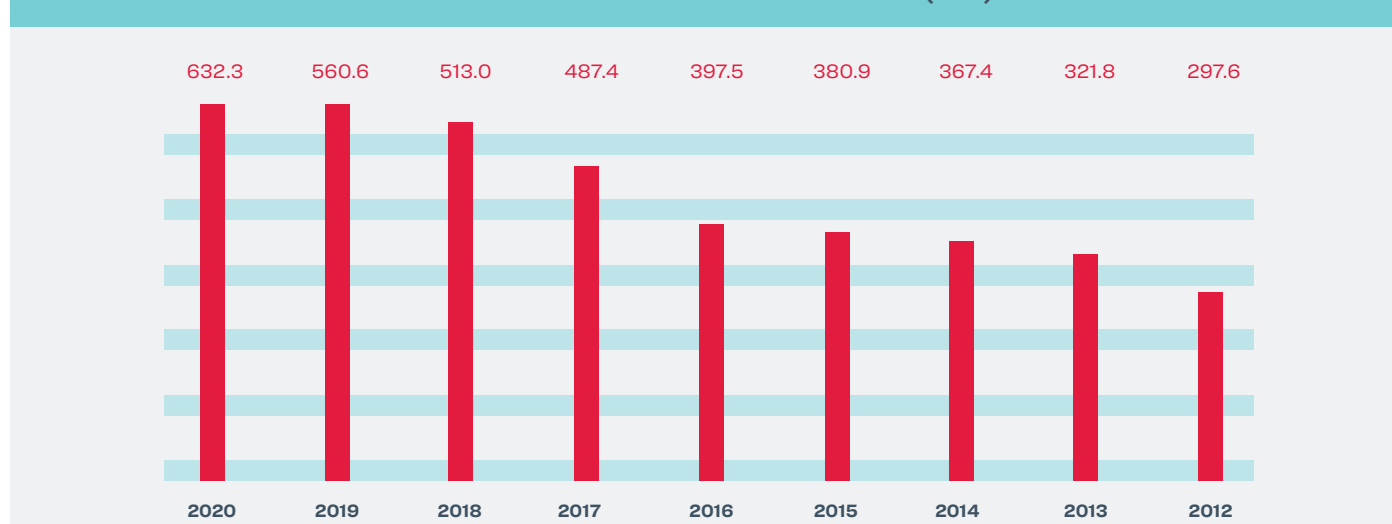
<i>In MD</i>	2019	2020
Shareholders' Equity	138 380	123 611
Foreign loans	9 933	49 883
Other loans	20 086	23 382
Customer Deposits	560 586	632 279
TOTAL	728 985	829 155

Customer Deposits

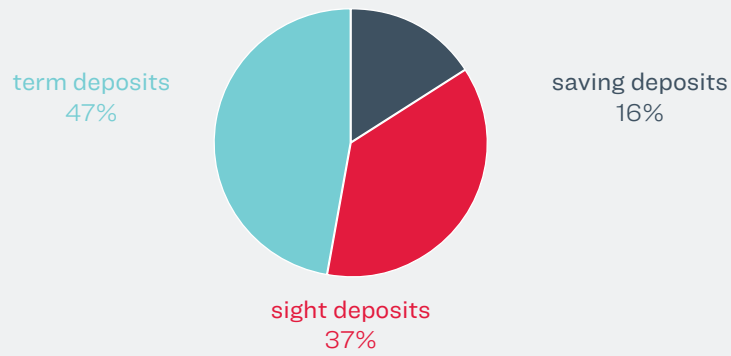
On December 31st, 2020, customer deposits totaled 632.3 M.D, compared to 560.6 M.D on December 31st 2019, recording an increase by 71.7 M.D or 12.8 %.

<i>In M.D</i>	2019	2020	Variations	
			Amount	in %
Sight Deposits	175 122	225 769	50 647	28,9
Term Deposits (among which deposit certificates)	300 637	298 161	-2 476	-0,8
	26 500	74 000	47 500	179,2
Savings Deposits	77 530	97 883	20 353	26,3
Other Deposits	7 297	10 466	3 169	43,3
TOTAL	560 586	632 279	71 693	12,8

EVOLUTION OF CUSTOMER DEPOSITS (M.D)



STRUCTURE OF CUSTOMER DEPOSITS

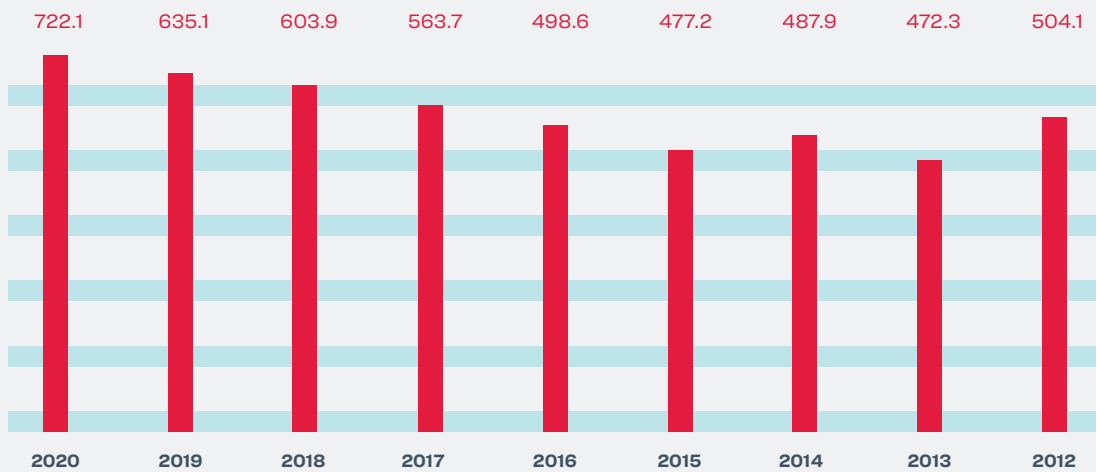


BANK'S INTERVENTIONS

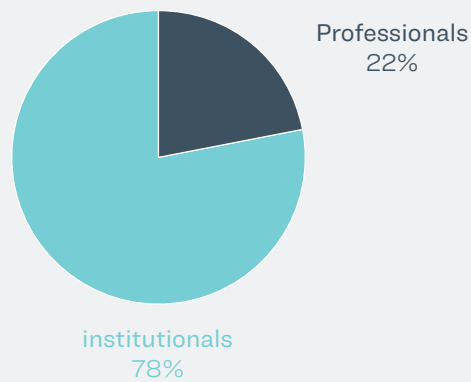
1- Net Outstanding customers' debts

In 2020, net outstanding customers' debts to customers increased by 87 M.D or 13.7% compared to the figures of 2019..

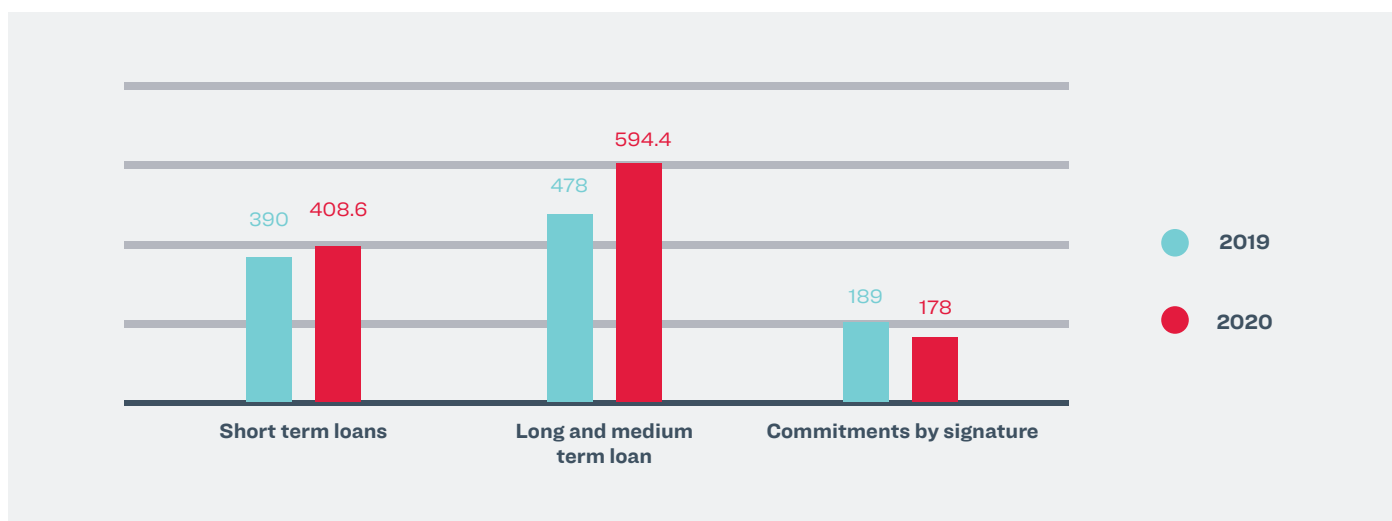
EVOLUTION OF NET OUTSTANDING DEBTS TO CUSTOMERS (IN M.D)



ALLOCATION OF LOANS GRANTED TO PROFESSIONALS AND INSTITUTIONALS

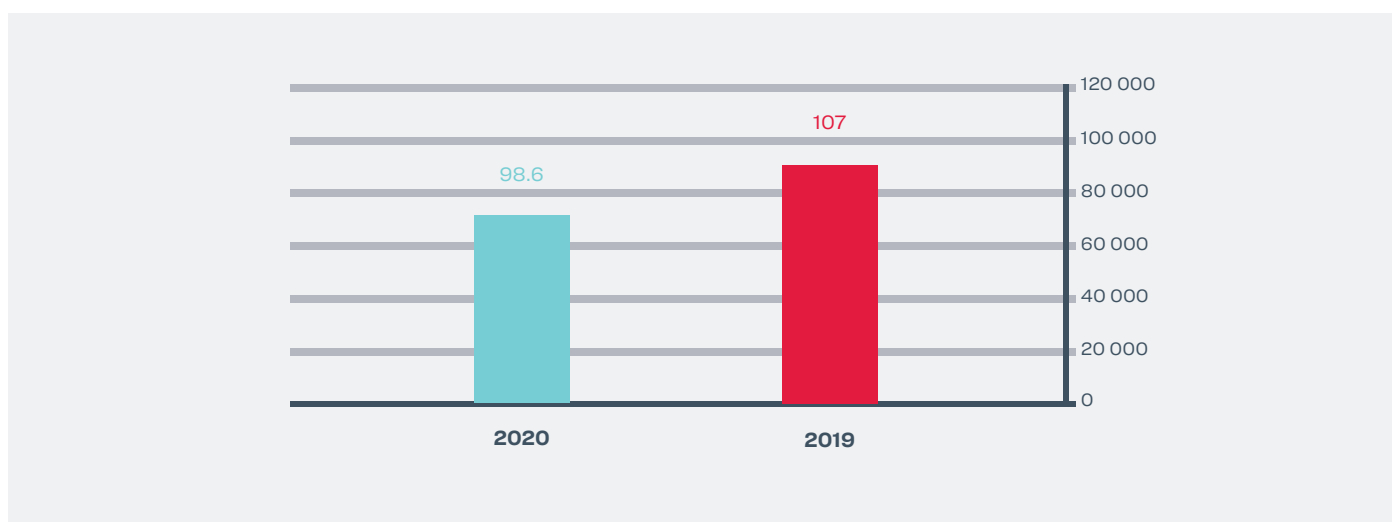


On the other hand, the breakdown of gross outstanding debts by maturity is as follows:



2- Investment portfolio

In 2020, the net investment portfolio recorded 98.6 M.D against 107 M.D in 2019, thus posting a decrease by 8.4 M.D.



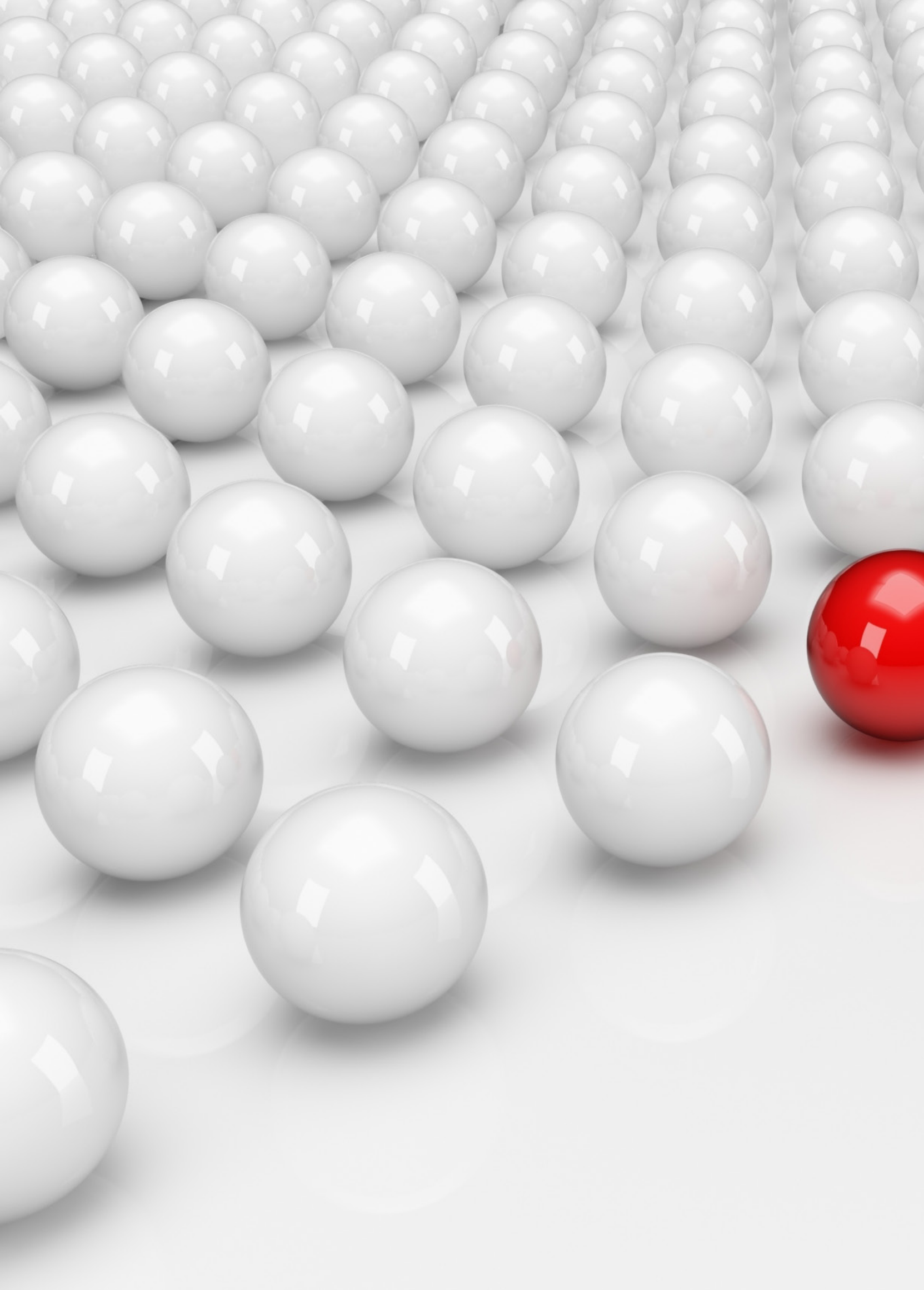
3- Commitments classification

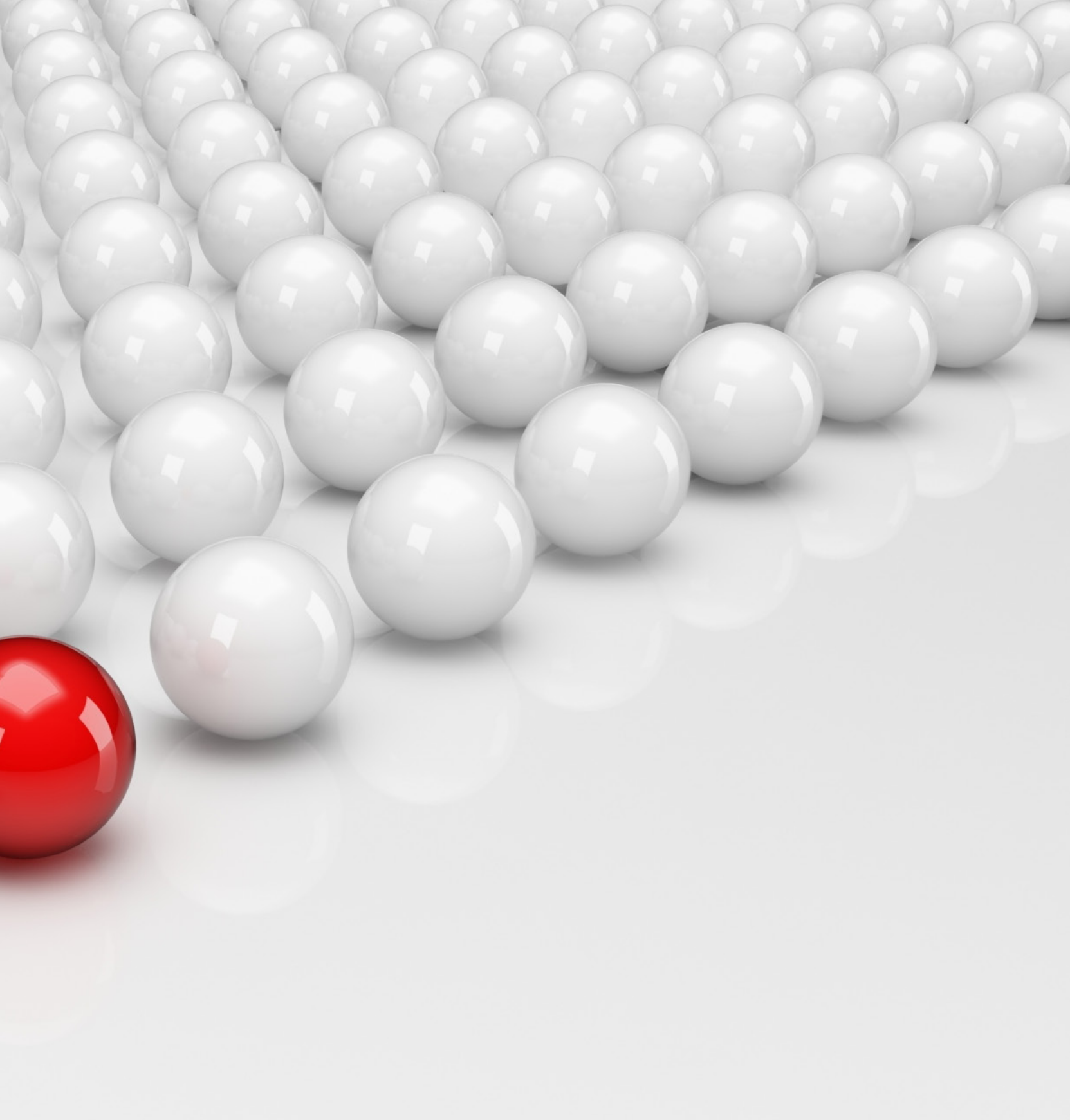
The indicator of classified commitments at the end of 2020 versus 2019 decreased as it reached 29.54% against 29.69 % in the previous year.

	December 2019	December 2020
The rate of commitment coverage classified in allocation and reserved interests	69.98%	74.50 %
• For loans	70.02%	74.57 %
• For participations	65.69%	67.66 %
The index of classified commitments	29.69%	29.54 %
• For loans	30.67%	30.31 %
• For participations	7.20%	7.85 %

4- Index

	2019	2020	Legal minimum
Liquidity index	145,2 %	80,4 %	100%
Solvency index	15,59 %	13,50 %	10 %
Loan/deposit index	176,69 %	162,7 %	120 %





TSB BANK'S
ACTIVITIES

TSB BANK'S ACTIVITIES

OPERATING ACTIVITIES

Customers' total deposits on December 31st, 2020, witnessed an important development, reaching 632 M.D, compared to 561 M.D on December 31st, 2019, registering an increase of 71 M.D or 13%, and the largest share is due to term deposits, which represented 50% of the total deposits.

The Operating Department followed up on the achievements of the branches in terms of the development of the volume of deposits, 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 recorded an increase in the level of opening customers' accounts by 19%, or 698 new accounts, compared to the year 2019, bringing the total number of accounts to 48 671 accounts in the year 2020 distributed as follows:

Opened Accounts	2018	2019	2020
Individuals' accounts	1 565	1 541	1 957
Savings accounts	1 405	1 472	1 746
Corporate and professional accounts	735	618	650
Currency accounts	160	78	54
TOTAL	3 865	3 709	4 407

COMMITMENTS' ACTIVITY DEVELOPMENT

Loan financing activity developed in 2020 to reach 306 M.D compared to 242 M.D in 2019, registering a growth of 26% 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	2019	2020
Total approvals of operating loans	125 062	149 488
Total approvals of loans to finance contracts	41 285	13 780
Total medium -to -long term loan approvals	32 424	80 920
Total loan approvals to individuals	43 714	62 105
TOTAL	242 485	306 293



TRANSACTIONS ABROAD

The total volume of transactions abroad decreased from 305 M.D in 2019 to 279 M.D in 2020, a decrease of 8.5%. The commissions generated by these transactions decreased to 1 M.D in 2020 compared to 1.2 M.D in 2019, a decrease of 17%, and this decrease is mainly due to the bank's lack of a correspondent account in dollars.

ACTIVITY OF THE COLLECTION DEPARTMENT

On December 31st, 2020, the total classified commitments amounted to 358 M.D, recording an increase of 34 M.D, which is equivalent to an increase of 10.5% compared to the total classified commitments on December 31st, 2019, which is a high rate (5.8% increase during the period 2018-2019). It is mainly due to :

- The increase in classified commitments 5 due to failure to suspend the calculation of delay interest. 8.6 M.D.
- Classification of proper commitments (0 and 1) for a group of customers and their inclusion among the classified customers during the year 2020 : 31 M.D, which resulted in a decrease in the net banking results by allocating deferred interest in the amount of 5 M.D.

Total receivables made during the year 2020:

COLLECTOR	COLLECTED AMOUNTS (M.D)
TSB amicable debt recovery	9536
TSB amicable debt recovery for unclassified customers commitments belonging to classified groups (3 customers)	700
TSR Debt Recovery Subsidiary (Out of Disputes)	80
The competent collection company (amicable debt recovery) GLOBAL RECOUVREMENT	285
TSB legal collection	2789
TSR legal collection	660
GLOBAL RECOUVREMENT legal collection	21

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 2019 as follows:

	2019	2020	%
TSB banking cards			
Number of banking cards	11 700	12 687	8%
Number of transactions carried out using the T.S.B Bank's cards in thousand	228	394	73%
volume of transactions in M.D	29	41	41%
ATM FOR TSB (GAB/DAB)			
Number of ATM	39	40	3%
Number of Transactions via ATM of TSB in thousand	342	353	3%
Number of Transactions in M.D	53	55	4%
ELECTRONIC PAYMENT TERMINALS TPE			
the number of electronic payment terminals	750	890	19%
Income of lease	159	176	11%
Number of transactions using electronic payment terminals in thousand	425	394	-7%
Number of transactions in M.D	46	41	-11%
TOTAL OF COMMISSIONS ON PAYMENT ACTIVITY IN THOUSAND DINARS*	1 461	1 434	-2%

* The relative decline in total commissions on monetary activity is due to the quarantine period, whereby it was decided to exempt customers from commissions to encourage the use of bank cards, and to the decline of the tourism sector activity, which led to a decline in transactions with foreign bank cards.

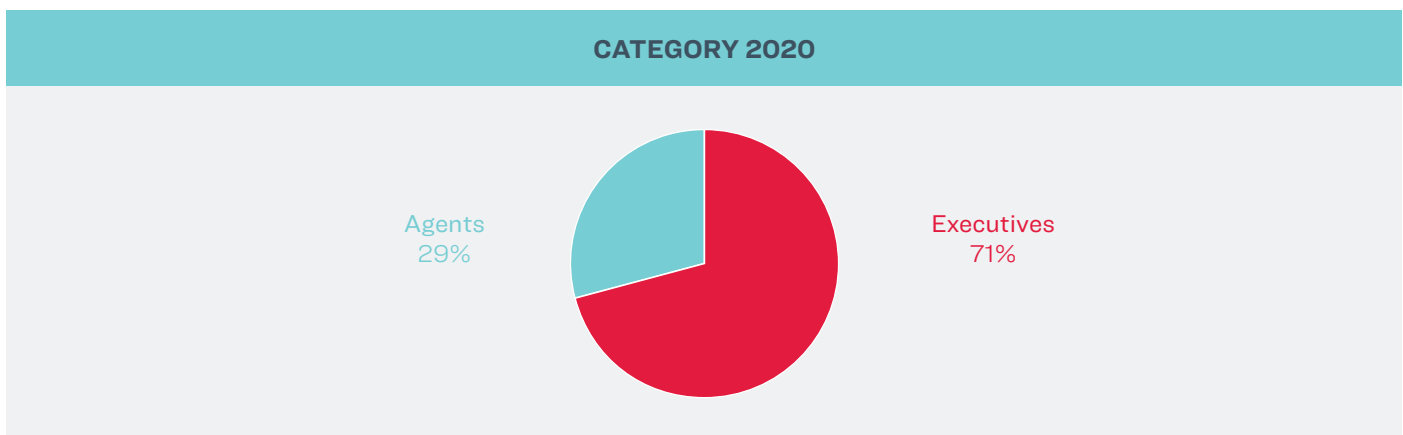
HUMAN RESOURCES

The Tunisian Saudi Bank continued to work on the development of human resources. The Human Resources Department during the year 2020 implemented some initiatives, which were as follows:

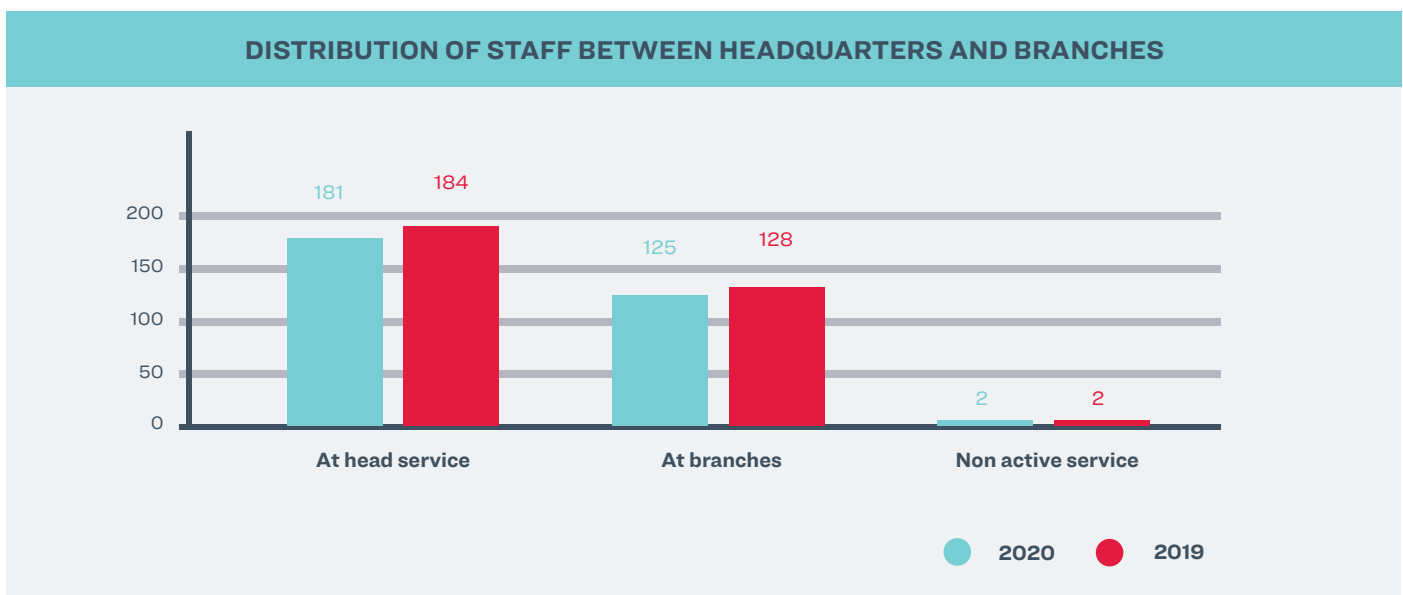
- Follow up to the bank's health situation according to the Corona pandemic, as the Tunisian Saudi Bank, within the framework of the work continuity plan, took the necessary preventive measures and measures to preserve the health and safety of its employees and customers,
- Monitor the work program of the Exploitation Department to develop the activities of the branches and the commercial capabilities of its employees,
- Monitor the succession program of the bank,
- Reconsider the staff appraisal system based on performance measurement criteria according to the various activities of the bank,
- Approval of the results of the task of evaluating the bank's frameworks by an office specialized in appointments, staff redistribution and training
- Follow-up to the training program despite the Corona pandemic, as:
 - 81 employees from all departments of the bank benefited from 69 training sessions outside the bank or remotely and 2 sessions inside the institution.
 - Enabling 4 employees to pursue training sessions to obtain specialty certificates (3 at the Academy of Banks and Finances (A.B.F) and one employee within the Banking Techniques Institute (I.T.B).
 - Continuing the SOFT SKILLS training program to develop the personal skills of the employees.

Statistics pertaining to human resources

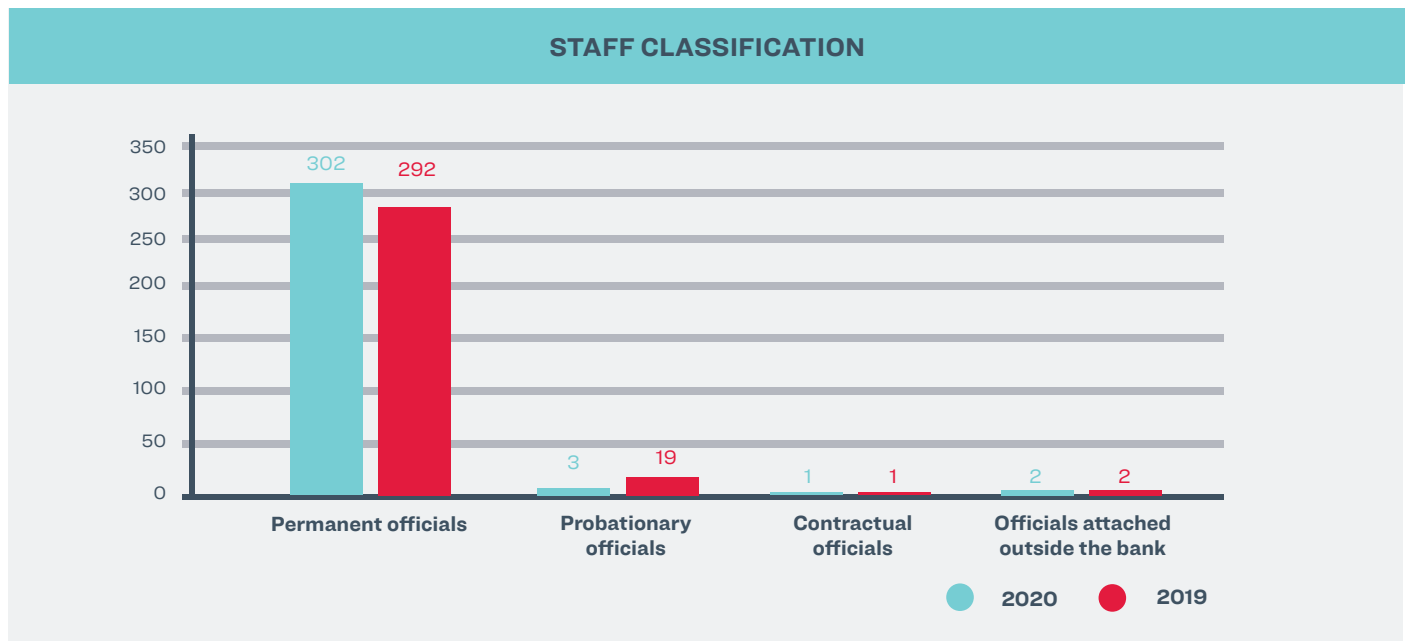
In 2020, the number of bank staff decreased by 2% as it reached 308 compared to 314 in 2019. The rate of bank senior executives reached about 70% of the overall officials.



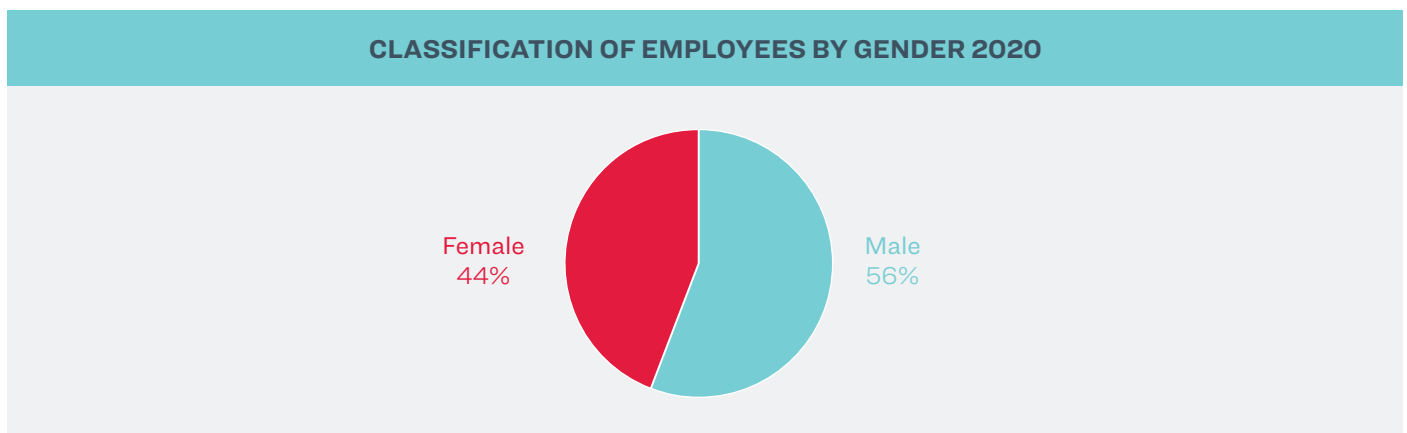
The distribution of employees between the headquarters and branches in 2020 compared to 2019 is as follows:

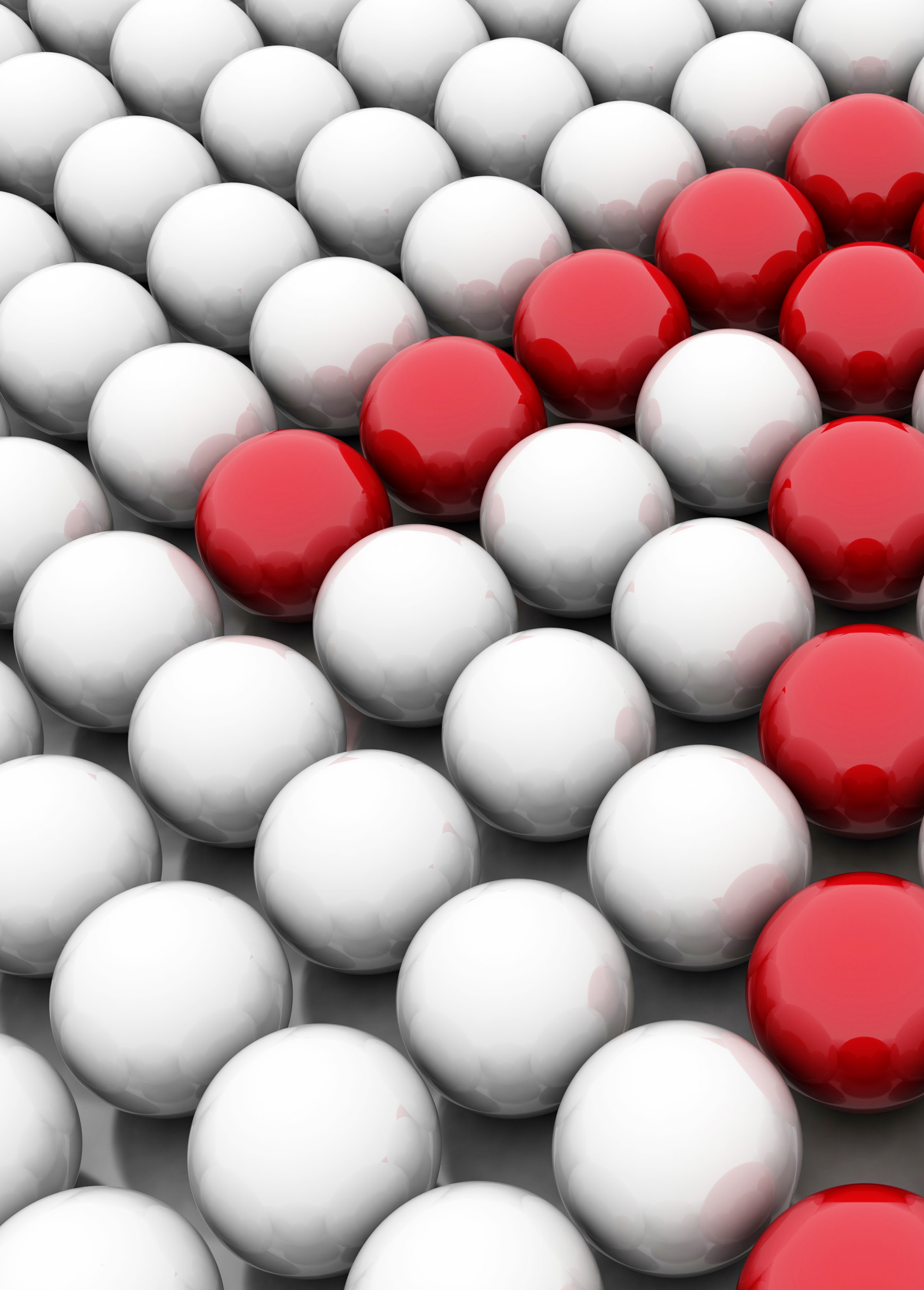


The Tunisian Saudi Bank employees are classified as follows:



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







FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDING ON
DECEMBER 31ST 2020

COMPARATIVE BALANCE SHEET
as at December 31, 2020 (In 1000 Dinars)

ASSETS	31/12/2019	31/12/2020
Central Bank of Tunisia & fund holdings	25 184	22 987
Deposits and Loans to banking and financial Institutions	31 352	16 984
Receivables to customers	635 101	722 142
Commercial portfolio	30 197	107 234
Investment portfolio	107 010	98 671
Fixed assets	13 934	13 344
Other Assets	83 835	65 471
TOTAL ASSETS	926 613	1 046 833
LIABILITIES		
the Central Bank & CCP	104 284	136 075
Deposits and cash of banking and financial Institutions	20 085	23 382
Customers Deposits	560 586	632 279
Foreign loans	9 933	49 883
Other Liabilities	93 345	81 603
TOTAL LIABILITIES	788 233	923 222
EQUITIES		
Corporate Capital	100 000	100 000
Reserves	83 291	83 289
Other equities	-	-
Results Carried Forward	-42 071	-44 842
Accounting result	-2 840	-14 836
TOTAL EQUITIES	138 380	123 611
TOTAL LIABILITIES AND EQUITIES	926 613	1 046 833

COMPARATIVE OFF-BALANCE SHEET COMMITMENTS
as at December 31, 2020 (In 1000 Dinars)

ITEMS	31/12/2019	31/12/2020
Securities and other guarantees provided	84 325	92 997
Documentary Credits	5 397	6 335
Assets submitted as guarantees	104 000	136 000
TOTAL POTENTIAL LIABILITIES	193 722	235 332
Funding Commitments Made	99 297	78 369
Commitments on Securities	188	188
TOTAL COMMITMENTS ISSUED TO CUSTOMERS	99 485	78 557
Loans submitted to Commitments and undrawn	-	-
Guarantees Received	600 603	715 428
TOTAL COMMITMENTS RECEIVED	600 603	715 428

INCOME STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020
(In 1000 Dinars)

ITEM	31/12/2019	31/12/2020
BANKING OPERATING INCOME		
Interests and related revenues	62 702	60 691
Commissions	14 632	16 065
Profits on Commercial Portfolio and Financial Operations	3 123	7 643
Revenue of Investment Portfolio	12 001	9 950
TOTAL BANKING OPERATING INCOME	92 458	94 349
BANKING OPERATING EXPENSES		
Interests paid and Related Expenses	-43 416	-49 458
TOTAL BANKING OPERATING EXPENSES	-43 416	-49 458
NET BANKING INCOME	49 042	44 891
Appropriation to Provisions and Results of Value Corrections on Loans Outstanding	-15 675	-28 834
Appropriation to provisions and results of corrections on investment portfolio	221	2 901
Other operating income	76	77
Personnel and social expenses	-21 835	-21 967
General operating expenses	-10 031	-8 891
Appropriations to amortizations and amortizations	-2 230	-2 012
OPERATING RESULT	-522	-13 835
Ordinary gains and losses	-2 095	-779
Corporate tax	-223	-253
RESULT OF ORDINARY ACTIVITIES	-2 840	-14 867
Extraordinary gains and losses		31
INCOME FOR THE YEAR AFTER ACCOUNTING ADJUSTMENTS	-2 840	-14 836

COMPARATIVE CASH FLOW STATEMENTS FOR THE YEAR ENDED DECEMBER 31st 2020
(In 1000 Dinars)

ITEMS	31/12/2019	31/12/2020
OPERATING ACTIVITIES		
Banking Operating Income Collected	84 574	88 963
Banking Operating Expenses Paid out	-62 631	-59 897
Deposits and Loans to Banking and Financial Institutions	9 561	3 122
Loans and Advances/Repayment of Loans and Advances Granted to Customers	-32 461	-113 635
Deposits/Withdrawals of Customers Deposits	40 755	74 435
Placement Bonds	-18 050	- 76 037
Sums Paid to Personnel and Various Creditors	-17 972	- 23 206
Other Cash Flow Generated by Operating Activities	-3 125	6 958
Taxes on Profits	-223	-263
NET CASHFLOW GENERATED BY OPERATING ACTIVITIES	428	-99 561
INVESTMENT ACTIVITIES		
Interests and Dividends Collected on Investment Portfolio	7 336	5 454
Acquisitions/Assignments of Investment Portfolio	1 010	7 086
Acquisitions/Assignments of Fixed Assets	-1860	-1 421
NET CASHFLOW GENERATED BY INVESTMENT ACTIVITIES	6 486	11 119
FINANCING ACTIVITIES		
Issuance of shares	375	0
Issued loans	-	-
Payment of loans	-	-
Increase/Decrease in Special Resources	2 836	39 912
Paid Dividends	-	-
NET CASHFLOW GENERATED BY FINANCING ACTIVITIES	3 211	39 912
NET VARIATION OF CASH AND CASH EQUIVALENTS DURING FINANCIAL YEAR	10 125	-48 530
CASH AND CASH AT THE BEGINNING OF THE FINANCIAL YEAR	-57 625	- 47 500
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	-47 500	- 96 030

GENERAL AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31st, 2020

Honorable Shareholders of the Tunisian Saudi Bank

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 2020, the income statement for the year ended on that date, and the notes to the financial statements that contain a summary of significant accounting policies.

These financial statements show a total of net assets after depreciation and provisions amounting to 1 046 833 thousand dinars and a negative income of 14 836 thousand dinars.

The bank's financial statements for the year ended on December 31st, 2020 were adjusted by the Board of Directors held on June 23rd, 2021 in the light of the information available on the same date in light of the development of conditions resulting from the Covid-19 pandemic.

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 2020 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>LOANS AND COMMITMENTS</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. 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"> • 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. • Additional private provisions: aim to cover the risk of not achieving mortgage guarantees. • Collective provisions: aim to cover risks inherent in current undertakings (class O) and those that require special follow-up (class 1). <p>As detailed in the notes on the financial statements, the total receivables to customers amounted, on December 31st 2020, to 1 207 159 thousand Tunisian dinars, the incurred interests and the provisions related to it on the same date, respectively, amounted to 137 777 thousand dinars and 169 539 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"> • To identify the counterparty risk assessment procedures and related controls implemented by the bank; • Conducting analytical procedures on the evolution of outstanding loans, income and related interests; • An assessment of the extent to which the methodology adopted by the bank matches the rules issued by the Central Bank of Tunisia; • Evaluating the reliability of the loan rating, risk coverage, and suspended interest system; • Evaluate the merits of rating estimates; • Verifying the quality standards resulting from the executed operations and the behavior of the relationship during the accounting year; • Examining the guarantees used to calculate the provisions and assessing their value, taking into account the approved rules and methods; • Check the calculations for provisions and the incurred interest; • Verifying the appropriateness of the information provided in the notes about the financial statements.
<p>LOAN AND COMMISSION INCOME</p> <p>Loan and commission income for the year 2020 amounted to 76 756 thousand dinars, Compared to 77 334 thousand dinars in 2019.</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. The control work we carried out mainly included:</p> <ul style="list-style-type: none"> • An evaluation of the information technology system as the automatic integration of revenue into accounting; • The bank's compliance with the provisions of Accounting Standard No. 24 relating to "Related commitments and income in banking institutions"; • Evaluating policies, procedures and controls in recognizing and recording revenue; • Reliability of the approved methods of suspending interest and commissions; • Implementing analytical procedures regarding the evolution of interest and commissions according to the bank's activity indicators, pricing policies and laws related to them; • Verifying the information contained in the notes about the financial statements.

INVESTMENT PORTFOLIO

At the end of each accounting year, the bank evaluates the investment portfolio, which records a net value of 98 671 thousand dinars at the end of 2020, and allocates provisions regarding it. The notes include methods of evaluating this portfolio and the related revenues.

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.

In response to that, the most important elements of audit is represented in the following acts:

- Evaluating the bank's internal control system related to follow up and evaluating the investment portfolio
- Verification of respect of the accounting standard No. 25 related to investment portfolio in banking institutions
- 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.
- 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.
- 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.

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» amounted to 11 700 thousand dinars for contributions. This customer has experienced difficulties and the shareholdings have been assessed based on the future prospects included in the 2017-2022 operational plan. The Bank has allocated provisions amounting to 3948 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 12 207 thousand dinars on December 31st, 2020, 8 million dinars are entitled contributions to the company's capital, and the value of the share in the financial market has witnessed a deterioration during the year 2020, and no provisions were made in this regard during the year 2020.

Other information contained in the 2020 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.

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.

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.

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 July 09th, 2020

THE AUDITORS

ZIAD KHADIMALLAH
Audit and Consulting Business

Nedra SAMMAR JLASSI
Nedra SAMMAR JLASSI's Office

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 DECEMBER 31st, 2020

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.

AGREEMENTS SIGNED IN PREVIOUS YEARS AND REMAIN IN EFFECT IN 2019

Agreement on the distribution of the burdens of tax disposal

A memorandum of understanding was signed between the Tunisian Saudi Bank and the following companies: Tuniso-Seoudienne de Participation et D'investissement (TSPP), Tuniso-Seoudienne De Recouvrement (TSR), Tuniso-Seoudienne de Participations et Investissement (TSPI) and Societe Montazah Tabarka regarding the distribution of the burdens of tax disposal, and it estimated the fees related to the completion of this mission is worth 15 000 dinars annually, which is disbursed by the Tunisian Saudi Bank and is distributed among the rest of the companies according to the annex signed on January 01st, 2016 as follows:

The Tunisian Saudi Bank	7 500 TND
TSPP	1 875 TND
TSR	1 875 TND
TSPI	1 875 TND
Societe Montazah Tabarka (*)	1 875 TND

(*)After the liquidation of Societe Montazah Tabarka in 2019, the annual total amount of fees related to the burden of tax disposal became 13 125 dinars.

Office rental agreement for professional use

A lease contract was signed between the Tunisian Saudi Bank and the TSR on November 04th, 2016. Its revision took place on April 01st, 2019, according to which the bank rents a place 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 m²) paid annually in the beginning of each trimester.

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%

During the session of the Bank's Board of Directors held on September 27th, 2016, a license for this operation was signed.

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

The Bank entered into 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.
- 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 appropriating 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.

Agreements with AL HIFADH-SICAV

The Bank has entered into agreements with AL HIFADH-SICAV, which are:

- An agreement related to the monetary and bond deposit of AL HIFADH-SICAV with 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 market AL HIFADH-SICAV in its branches, according to which it will receive a commission that is calculated daily by appropriating 0.25% of the net assets for the preservation of the 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.

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.
- 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 on going subscriptions from returns to subscribers mediated by the Tunisian Saudi Bank / total net on going subscriptions of returns.

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

The Bank entered into two agreements with Tuniso-Saoudienne d'Intermédiation Company as 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.
- 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 on going subscriptions from returns to subscribers mediated by the Tunisian Saudi Bank / total net on going subscriptions of returns.

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.

- 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 on going subscriptions from returns to subscribers mediated by Tuniso-Saoudienne d'Intermédiation Company according to the percentage of subscriptions.

Disposal 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 BANK'S COMMITMENTS TOWARDS THE MANAGERS

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 6 600 dinars were assigned 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 July 01st, 2020.
- 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 entitled attendance at the meetings of the aforementioned committees, have been assigned 2 000 dinars, net of tax for each member.

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 2020, are as follows:

- The salaries and bonuses of the Director-General, Mr. Jamel Eddine BELHAJ ABDALLAH, amounted to a total of 87 221 dinars in 2020, detailed in the following table :

<i>(In Dinars)</i>	Gross amount of burdens on 31/12/2020	Liabilities on 31/12/2020
1- Short term benefits		
Ordinary salary and benefits	81 388	-
Attendance Allowance Executive Committee for Loans	-	-
Paid leave	-	13 498
2- End of service benefits		
Additional Retirement Bonus	-	53 993
Group insurance fees (*)	5 833	-
TOTAL	87 221	67 491

(*) 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:

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

<i>(In Dinars)</i>	Burdens on 31/12/2020	Liabilities on 31/12/2020
Short term benefits		
Independent members	30 000	-
Non-independent members	117500	-
TOTAL	147 500	-

- 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		
<i>(In Dinars)</i>	Burdens on 31/12/2020	Liabilities on 31/12/2020
Short term benefits		
Independent members	16 500	-
Non-independent members	66 000	66 000
TOTAL	82 500	66 000

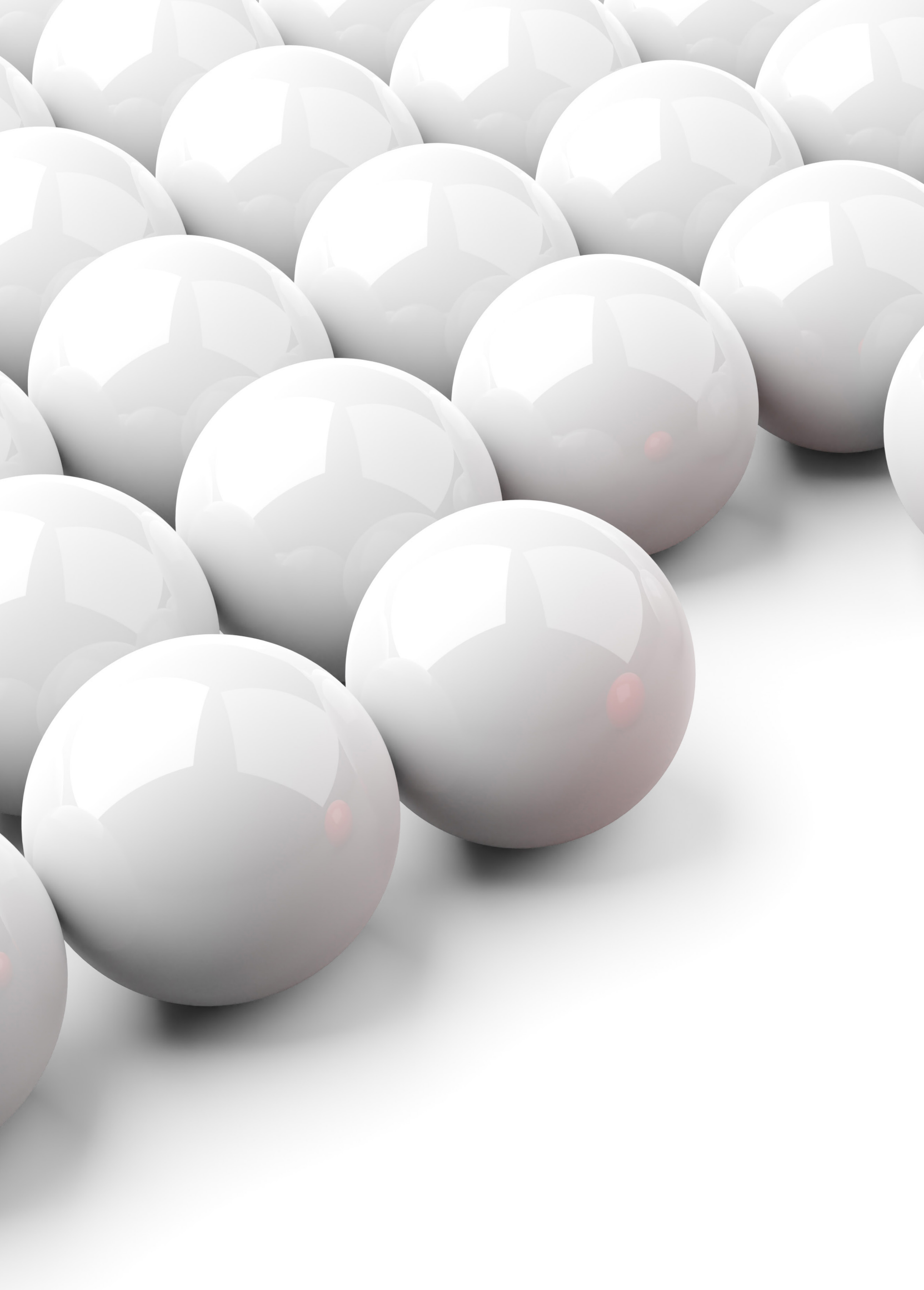
We have not been notified of any other agreement subject to the requirements of Articles 200 and 475 of the Code of Commercial Companies, nor have our business led to the disclosure of such agreements.

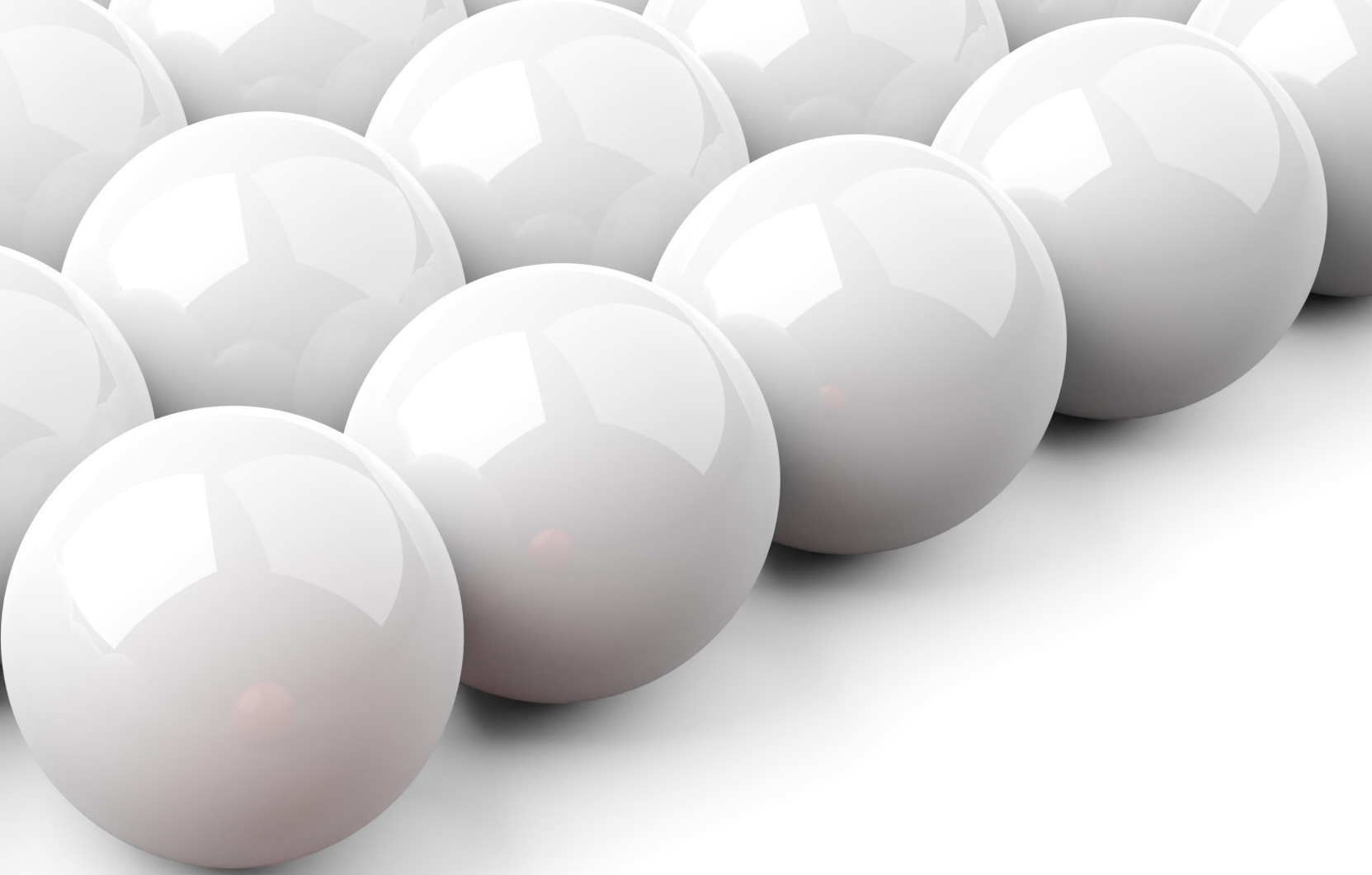
Done in Tunis on July 09th, 2020

THE AUDITORS

ZIAD KHADIMALLAH
Audit and Consulting Business

Nedra SAMMAR JLASSI
Nedra SAMMAR JLASSI's Office





**CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED
DECEMBER 31ST, 2020

CONSOLIDATED BALANCE SHEET
As at December 31st 2020
(In 1 000 Dinars)

ITEMS	NOTES	Dec.31 st 2019	Dec.31 st 2020
ASSETS			
Central Bank of Tunisia & fund holdings	1	26 181	22 998
Deposits and Loans to Banking Institutions	2	31 526	17 095
Credits to Customers	3	634 374	721 204
Consolidated Commercial Portfolio	4	37 656	114 060
Consolidated Investment Portfolio	5	101 591	92 720
Securities submitted to equivalence	6	44 374	43 566
Consolidated Fixed assets	7	16 283	15 531
Other Assets	8	96 749	110 077
Taxes Deferred	9	23 204	26 558
TOTAL ASSETS		1 011 938	1 163 809
LIABILITIES AND SHAREHOLDERS' EQUITY			
Central Bank of Tunisia & fund holdings		105 003	136 000
Deposits and Loans of Banking and Financial Institutions	10	20 350	23 456
Customers Deposits	11	556 510	628 274
Foreign Loans and Private Resources	12	9 933	49 845
Other Liabilities	13	99 368	119 342
Taxes Deferred		16 212	16 906
TOTAL LIABILITIES		807 376	973 823
EQUITY AND MINORITY INTERESTS			
Corporate Capital		100 000	100 000
Consolidated Reserves	14.1	134 758	136 828
Consolidated Results Carried Forward	14.2	(36 361)	(44 842)
Consolidated Net Income for the Year	14.3	(2 217)	(11 151)
TOTAL STOCKHOLDERS' EQUITY	14	196 180	180 835
MINORITY INTERESTS	14.4	8 382	9 151
TOTAL EQUITY		204 562	189 986
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		1 011 938	1 163 809

CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
As at December 31st 2020
(In 1 000 Dinars)

ITEMS	NOTES	Dec.31 st 2019	Dec.31 st 2020
Securities and guarantees provided		84 325	92 997
Documentary Credits		5 397	6 335
Assets submitted as guarantees		104 000	136 000
TOTAL POTENTIAL LIABILITIES	15.1	193 722	235 332
Funding Commitments Made		99 297	78 369
Commitments on Securities		188	188
TOTAL COMMITMENTS ISSUED TO CUSTOMERS	15.2	99 485	78 557
UNDERTAKEN CREDITS AND UNDRAWN COMMITMENTS			
Guarantees Received		600 603	715 428
TOTAL COMMITMENTS RECEIVED	15.3	600 603	715 428

CONSOLIDATED INCOME STATEMENTS
As at December 31st 2020
(In 1 000 Dinars)

ITEMS	NOTES	Dec.31 st 2019	Dec.31 st 2020
BANKING OPERATING INCOME			
Interests and assimilated Revenues	16.1.1	64 238	61 663
Commissions	16.1.2	14 617	16 059
Profits on Commercial Portfolio and Financial Operations	16.1.3	7 000	10 682
Income from Investment Portfolio	16.1.4	3 234	5 846
TOTAL BANKING OPERATING INCOME		89 089	94 250
BANKING OPERATING COSTS			
Interests Incurred and other costs	16.1.5	(43 352)	(49 434)
TOTAL BANKING OPERATING COSTS		(43 352)	(49 434)
NET BANKING INCOME	16.1	45 737	44 816
Appropriation to Provisions and Results of Corrections on loans outstanding	16.2	(15 206)	(28 884)
Appropriation to Provisions and Results of Corrections on Investment Portfolio	16.3	166	43
Other Operating Income	16.4	289	289
Personnel and social expenses	16.5	(23 036)	(23 306)
Operating overheads	16.6	(10 232)	(9 199)
Appropriations to Amortiz. and Resorpt.	16.7	(2 538)	(2 313)
OPERATING RESULT		(4 820)	(18 554)
Other ordinary Gains and losses	16.8	(2 007)	2 535
Corporate Tax	16.9	(1 397)	2 332
Shares in Consolidated Companies	16.10	6 183	2 624
Share of Minority Shareholders	16.11	(176)	(88)
NET INCOME FOR THE YEAR		(2 217)	(11 151)
Effect of accounting adjustments		-	-
NET INCOME FOR THE YEAR AFTER EFFECT OF ACCOUNTING ADJUSTMENTS		(2 217)	(11 151)

CONSOLIDATED CASH FLOW STATEMENT
AS OF DECEMBER 31st, 2020
(In 1 000 Dinars)

ITEMS	Dec.31 st 2019	Dec.31 st 2020
OPERATING ACTIVITIES		
Banking Operating Income Collected	87 035	90 385
Banking Operating Expenses Paid out	(62 750)	(60 231)
Deposits of Other Banking and Financial Institutions	9 561	3 122
Loans and Advances/Repayment of Loans and Advances Granted to Customers	(33 778)	(115 106)
Deposits/Withdrawals of Customers Deposits	44 501	74 629
Placement Bonds	(14 889)	(76 416)
Sums Paid to Personnel and various Creditors	(18 709)	(23 004)
Other Cash Flow Generated by Operating Activities	(4 630)	7 166
Taxes on Profits	(746)	(327)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	5 595	99 782
INVESTMENT ACTIVITIES		
Interests and Dividends Collected on Investment Portfolio	2 004	4 785
Acquisitions/Assignments on Investment Portfolio	6 283	11 655
Acquisitions/Assignments on Fixed Assets	(1 923)	(1 439)
NET CASH FLOW GENERATED BY INVESTMENT ACTIVITIES	6 364	15 001
FINANCING ACTIVITIES		
Increase in capital/Issuance of shares	-	-
Effect of change in environment of consolidation	9 292	(3 794)
Issuance of loans	-	-
Increase/Decrease in Special Resources	2 836	39 912
Dividends Paid	4 147	67
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	(2 309)	36 185
NET VARIATION OF CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	9 650	(48 596)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	(56 961)	(47 311)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(47 311)	(95 907)

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31st, 2020

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 2020, 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 1 163 809 thousand dinars and a negative income of -11 151 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 2020 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 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>LOANS AND COMMITMENTS</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"> 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. 	<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"> To identify the counterparty risk assessment procedures and related controls implemented by the bank; Conducting analytical procedures on the evolution of outstanding loans, income and related interests; An assessment of the extent to which the methodology adopted by the bank matches the rules issued by the Central Bank of Tunisia; Evaluating the reliability of the loan rating, risk coverage, and suspended interest system; Evaluate the merits of rating estimates; Verifying the quality standards resulting from the executed operations and the behavior of the relationship during the accounting year; Examining the guarantees used to calculate the provisions and assessing their value, taking into account the approved rules and methods;

<ul style="list-style-type: none"> • Additional private provisions: aim to cover the risk of not achieving mortgage guarantees. • Collective provisions: aim to cover risks inherent in current undertakings (class 0) and those that require special follow-up (class 1). <p>As detailed in the notes on the financial statements, the total receivables to customers amounted, on December 31st 2020, to 1 138 406 thousand Tunisian dinars, the incurred interests and the provisions related to it on the same date, respectively, amounted to 205 998 thousand dinars and 211 214 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>	<ul style="list-style-type: none"> • Check the calculations for provisions and the incurred interest; • Verifying the appropriateness of the information provided in the notes about the financial statements.
<p>LOAN AND COMMISSION INCOME</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"> • An evaluation of the information technology system as the automatic integration of revenue into accounting; • The bank’s compliance with the provisions of Accounting Standard No. 24 relating to “Related commitments and income in banking institutions”; • Evaluating policies, procedures and controls in recognizing and recording revenue; • Reliability of the approved methods of suspending interest and commissions; • Implementing analytical procedures regarding the evolution of interest and commissions according to the bank’s activity indicators, pricing policies and laws related to them; • Verifying the information contained in the notes about the financial statements.
<p>Loan and commission income for the year 2020 amounted to 77 722 thousand dinars, representing more than 82% of the total of bank exploitation income.</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>In response to that, the most important elements of audit is represented in the following acts:</p> <ul style="list-style-type: none"> • Evaluating the bank’s internal control system related to follow up and evaluating the investment portfolio • Verification of respect of the accounting standard No. 25 related to investment portfolio in banking institutions • 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. • 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. • 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
<p>INVESTMENT PORTFOLIO</p>	
<p>At the end of each accounting year, the bank evaluates the investment portfolio, which records a net value of 92 720 thousand dinars at the end of 2020, 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>	

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» amounted to 11 700 thousand dinars for contributions. This customer has experienced difficulties and the shareholdings have been assessed based on the future prospects included in the 2017-2022 operational plan. The Bank has allocated provisions amounting to 3948 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 12 207 thousand dinars on December 31st, 2020, 8 million dinars are entitled contributions to the company's capital, and the value of the share in the financial market has witnessed a deterioration during the year 2020, and no provisions were made in this regard during the year 2020.
- The consolidated financial statements of TSB GROUP were conducted in accordance with individual financial statements carried out by the auditor excepting Société d'Investissement du Cap Bon (SICAB). 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 2020 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 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.

Done in Tunis on July 29th, 2021

THE AUDITORS

ZIAD KHADIMALLAH
Audit and Consulting Business

Nedra SAMMAR JLASSI
Nedra SAMMAR JLASSI's Office

