

(In MTD unless otherwise indicated)

Description	2008	2009	2010
Regulatory net capital	3,782	4,404	4,933
Basic net core capital	3,406	3,838	4,322
Supplementary core capital	376	566	611
<i>of which : subordinated loans and bonds convertible into shares</i>	<i>304</i>	<i>491</i>	<i>537</i>
Capital adequacy ratio (in %)	11.7	12.2	11.6

Still, the global capital adequacy ratio in the sector fell by 0.6 percentage point in 2010 to 11.6%, in line with rapid development in loan activity.

Ratio	2008		2009		2010	
	Nbr. of banks	Share in total assets of the sector (in %)	Nbr. of banks	Share in total assets of the sector (in %)	Nbr. of banks	Share in total assets of the sector (in %)
Less than 8%	2	8.1	1	0.9	1	1.0
Between 8% and 10%	3	34.8	3	26.4	5	46.4
Between 10% and 15%	5	34.4	6	58.3	4	36.5
15% and more	10	22.7	10	14.4	10	16.1

Breakdown of capital adequacy ratio by banks shows that the 14 banks that hold 52.6% of total assets in the sector post ratios exceeding 10%.

SECTION 2 – LEASING ESTABLISHMENTS

1. Activity

The leasing sector posted a 2.7 percentage point increase in its contribution to financing of the economy in 2010, which brings the rate of penetration in private GFCF to 15.4%. This was made possible by the faster pace of growth in disbursements, up from 23.9% in 2009 to 36.6% in 2010 for a total of 1391.9 MTD, of which 93.8% involved financing of moveable goods, notably in the form of rolling stock.

(In MTD unless otherwise indicated)

Description	2008	2009	2010	June 2010	June 2011 ¹
Disbursements	822.7	1.019.3	1.391.9	739.0	560.2
<i>of which : real estates</i>	<i>43.6</i>	<i>48.8</i>	<i>86.4</i>	<i>43.7</i>	<i>29.6</i>
Rate of penetration (in %)	10.3	12.7	15.4	-	-
Average effective rate (in %)	11,524	11,109	10,484	10,645	10,113

Expansion of the sector's network in 2010 (9 new branches) contributed to this growth. But events in Tunisia in 2011 affected activity in the sector, with disbursements dropping by one quarter despite opening of another four agencies, bringing the total to 50 as of end June 2011.

Growing activity in the sector has been accompanied by a significant drop in the global effective rate over the past three years. Continuing in the first half of 2011, this trend reflected the tough competition that has marked the sector.

The outstanding balance of leasing rose by a quarter in 2010 to 2068.5 MTD, 80% of which was financed from borrowed resources, of which 41% were bank loans and 45% debenture loans. In effect, leasing companies were the main actors on the bond market, with 380 MTD (57.6%) of issues on this market in 2010.

¹ Provisional figures.

(In MTD unless otherwise indicated)

Description	2008	2009	2010	June 2011 ¹
Outstanding balance of leasing	1,381.1	1,655.3	2,068.5	2,153.8
Capital stock equity²	228.0	288.8	314.4	318.8
Borrowed resources	1,012.1	1,243.2	1,670.6	1,716.8
<i>of which : Bank resources (share in %)</i>	<i>40.2</i>	<i>43.4</i>	<i>41.0</i>	<i>40.5</i>
<i>Bond resources (share in %)</i>	<i>38.6</i>	<i>40.8</i>	<i>45.0</i>	<i>45.6</i>
Borrowed resources cost (in %)	7.0	6.3	5.8	6.0

These borrowed resources, indexed at 47% of the money market average rate, helped the sector bring the cost of refinancing down to 5.8%, which offset the drop in the global effective rate. But this drop, which continued into the first half of 2011, impacted the sector's interest margin as at end June 2011 because of the higher cost of refinancing due in turn to tighter liquidity both at banks and on the bond market.

2. Operating results and profitability indicators

Activity in the sector in 2010 generated 176.9 MTD in income, a 9.8% yield for leasing.

(In MTD unless otherwise indicated)

Description	In MTD				Variation 2010/2009		Variation June 2011/2010 ¹	
	2009	2010	June 2010	June 2011 ¹	In MTD	In %	In MTD	In %
Interest margin	82.5	94.2	48.8	46.9	11.7	14.2	-1.9	-3.9
Net proceeds	88.2	102.6	53.8	53.6	14.4	16.3	-0.2	-0.4
Operating charges	30.5	33.8	17.2	17.2	3.3	10.8	0	0
Net allotment to provisions ³	6.0	10.6	1.2	7.4	4.6	76.7	6.2	516.7
Net result	39.7	47.7	27.8	20.2	8.0	20.2	-7.6	-27.3

Growth in net proceeds in 2010 along with efforts to keep operating charges down led to a 1.5 percentage point increase in the operating ratio, coming to 32.9%.

In the first half of 2011, net proceeds remained virtually unchanged from the June 2010 figure, affected by fallout from the events in the country on activity in the sector and the cost of refinancing.

Earnings in the sector went up by 20.2% in 2010, despite a 76.7% increase in the provisioning effort, an important factor being anticipation of upcoming events in assessing risk. The impact of these events on the sector's profitability was especially strong in the first half of 2011, as reflected in a net provisioning effort that multiplied by five, having led to a more than 25% drop in profits for the period.

(In %)

Description	2008	2009	2010
Leasing yield	10.2	10.2	9.8
ROA	2.1	2.5	2.4
ROE	14.0	15.9	17.9

¹ Provisional figures.

² Taking into account the financial year result.

³ Allotments net of provisions and result of correction of values on claims and portfolio investment.

3. Financial situation

At the end of 2010 the sector posted a satisfactory financial situation, as illustrated by a higher quality portfolio, with a 7.5% share for non performing loans and a comfortable rate of coverage (76%) at the end of 2010, in favour of keeping down additional risk and adopting a provisioning policy based on major discounts for guarantees. This situation however was affected by events in the first half of 2011, leading to worsening of non performing loans and decline in provisioning rates for these claims.

(In %)

Description	2008	2009	2010	June 2011 ¹
NPL's ratio	11.5	8.7	7.5	10.3
Rate of coverage of non performing loans by provision and reserved margin	77.3	78.9	76.0	56.9
Capital adequacy ratio	19.9	20.0	17.0	-

The solvency ratio dropped by three percentage points, in line with greater activity, but it remained at the satisfactory level of 17%, thanks in particular to adoption of prudent policy regarding distribution of dividends, capital increase at a number of leasing companies, and recourse to subordinated loans.

SECTION 3 – FACTORING COMPANIES

1. Activity

The factoring sector played a greater role in managing and financing commercial claims, as reflected in the higher volume of invoices purchased and the greater number of clients.

(In MTD unless otherwise indicated)

Indicators	2009	2010	June 2010	June 2011 ¹	Variation 2010/2009	
					In MTD	In %
Volume of purchased invoices	485.4	549.9	261.7	246.8	64.5	13.3
<i>of which : domestic invoices</i>	<i>406.6</i>	<i>485.1</i>	<i>228.3</i>	<i>223.1</i>	<i>78.5</i>	<i>19.3</i>
Outstanding balance of financing	121.2	137.7	128.8	132.0	16.5	13.6
Number of adherents	640	740	-	-	100.0	15.6

The events that took place in the first half of 2011 were not without effect on activity in the sector, as seen in the lower volume of purchased invoices and a drop in the outstanding balance of financing, 5.7% and 4.1% respectively, at the end of June 2011.

(In MTD unless otherwise indicated)

Indicators	2009	2010	June 2010	June 2011 ¹	Variation 2010/2009	
					In MTD	In %
Capital stock equity	21.7	30.1	23.6	31.6	8.4	38.7
Borrowed resources	87.5	94.3	88.1	88.6	6.8	7.8
Bank borrowings (in %)	44.7	47.8	35.8	40.7	-	3.1
Treasury bills (in%)	37.0	43.7	48.3	41.2	-	6.7
Debenture loans (in %)	18.3	8.5	15.9	18.1	-	-9.8

Activity in the sector was financed in 2010 by borrowed resources, notably in the form of short term bank loans and treasury bills. Accessory recourse to debenture loans is in line with the objective of stabilising a portion of resources.

¹ Provisional figures.