

- FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2010

(In dinars)

A S S E T S	<u>NOTES</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Gold holding	1	4 379 907	4 394 852
Subscriptions to international organisations	2	2 371 793	2 371 793
IMF reserve position	3	124 565 132	42 588 253
Assets and investments in special drawing rights	4	540 944 488	501 914 258
Foreign currency assets		13 002 890 772	13 397 463 081
Refinancing to lending institutions related to monetary policy transactions	5	305 000 000	
Security purchased / open market	6	25 577 500	26 296 700
Advance to the State pertaining to Monetary Funds subscription	7	648 606 335	616 661 533
Standing advance to the State	8	25 000 000	25 000 000
Bills in collection	9	38 529 001	32 585 816
Shareholding portfolio	10	32 522 250	31 650 065
Fixed assets		28 440 340	30 481 678
Miscellaneous debtors	11	26 868 079	25 732 926
Memorandum accounts and accounts calling for adjustment	12	25 808 299	25 647 207
<u>TOTAL ASSETS</u>		<u>14 831 503 896</u>	<u>14 762 788 162</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2010

(In dinars)

<u>LIABILITIES AND EQUITY</u>	<u>NOTES</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<u>LIABILITIES</u>			
Banknotes & coins in circulation	13	5 789 745 378	5 276 088 906
Bank and financial institutions current accounts		863 126 316	381 185 428
Government accounts	14	1 617 864 441	1 359 555 247
Commitments towards lending institutions related to monetary policy transactions			1 669 000 000
Allocation of special drawing rights	15	604 394 212	560 733 448
Current accounts in dinar of foreign institutions	16	522 741 339	573 320 850
Commitments in foreign currency towards Tunisian authorised intermediaries	17	1 509 753 020	1 691 022 042
Foreign accounts in foreign currency	18		44 610 581
Current collection of values	19	11 220 120	10 971 754
Depositors of bills in collection	20	40 190 795	34 234 477
Differences on conversion and revaluation	21	335 192 622	151 643 818
Miscellaneous creditors	22	16 481 995	16 043 744
Provisions for costs to manufacture banknotes and coins	23	3 064 413	2 894 117
Memorandum accounts and accounts calling for adjustment	24	3 164 699 596	2 636 831 369
<u>TOTAL LIABILITIES</u>		<u>14 478 474 247</u>	<u>14 408 135 781</u>
<u>EQUITY</u>			
	25		
Capital		6 000 000	6 000 000
Reserves		94 758 045	90 434 099
Results carried forward		218 282	141 757
<u>TOTAL EQUITY PRIOR TO FINANCIAL YEAR RESULTS</u>		<u>100 976 327</u>	<u>96 575 856</u>
Financial year results		252 053 322	258 076 525
<u>TOTAL EQUITY PRIOR TO ALLOCATION</u>		<u>353 029 649</u>	<u>354 652 381</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>14 831 503 896</u>	<u>14 762 788 162</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

STATEMENT OF OFF BALANCE SHEET COMMITMENTS

AS AT 31 DECEMBER 2010

(In dinars)

	<u>NOTES</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<u>Commitments for guarantee</u>	26	<u>8 529 454 580</u>	<u>8 446 638 369</u>
Debenture loans		7 793 936 016	7 737 761 932
Other external borrowings		735 518 564	708 876 437
<u>Commitments on foreign currency swap transactions</u>			
Commitments given			348 895 824
Commitments received			257 070 185

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

STATEMENT OF RESULTS AS AT 31 DECEMBER 2010

(In dinars)

	<u>NOTES</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
<u>PROCEEDS</u>			
Proceeds from intervention on the money market		28 290 256	2 018 298
Interest on forward investments in foreign currency		93 189 450	156 965 320
Other proceeds on foreign currency transactions	27	87 997 711	94 156 811
Proceeds on transactions with international organisations		4 202 219	4 490 988
Interest on claims on the State		125 000	133 297
Interest on banks and financial institutions' accounts		1 332 216	316 154
Miscellaneous proceeds	28	3 121 679	4 017 456
Write back of provisions for costs to manufacture banknotes and coins		3 829 703	26 726 076
Write back of provisions on securities		3 135	2 046
Gains on exchange/readjustment of foreign currency accounts		150 000 000	129 230 813
<u>TOTAL PROCEEDS</u>		<u>372 091 369</u>	<u>418 057 259</u>
<u>COSTS</u>			
Costs related to money market intervention		15 587 421	39 682 316
Interest paid on transactions in foreign currency	29	4 524 924	9 195 693
Other costs on transactions in foreign currency	30	28 496 806	24 006 889
Costs on transactions with international organisations		1 968 353	620 927
Interest paid on banks and financial institutions accounts		1 147 455	
Miscellaneous costs		1 572 584	209 063
Staff costs		46 725 100	44 113 840
General operating costs		12 551 657	11 571 985
Costs for banknotes and coins manufacturing		3 829 703	26 726 076
Allocations for fixed asset depreciation		3 580 711	3 797 477
Allocation for absorption of costs carried forward		53 333	53 333
Allocation for provisions/depreciation of securities			3 135
<u>TOTAL COSTS</u>		<u>120 038 047</u>	<u>159 980 734</u>
<u>FINANCIAL YEAR RESULTS</u>		<u>252 053 322</u>	<u>258 076 525</u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**NOTES RELATED TO FINANCIAL STATEMENTS
OF THE CENTRAL BANK OF TUNISIA
AS AT 31/12/2010**

GENERAL PRESENTATION

The total of the Central Bank of Tunisia's balance sheet for the year ending 31 December 2010 came to 14,831.5 MTD, compared to 14,762.8 MTD in 2009, an increase of 68.7 MTD or 0.5%.

Results for the year came to 252.1 MTD vs. 258.1 MTD in 2009, a drop of 6 MTD or 2.3%.

As for asset entries, foreign currency assets totalled 13,002.9 MTD at end 2010 compared to 13,397.5 MTD in 2009, posting a drop of 394.6 MTD or 2.9% from one year to the next. This decrease is due, notably, to wider deficit in the balance of trade, to reimbursements of external debt, of which mainly those relative to "Global Samurai I" debenture loan of 35 billion Japanese yen, the equivalent of 597 MTD. However, drawings on external debt helped offset the effect of the above-mentioned drop.

On the other hand, the IMF reserve position posted an increase of 82 MTD, totalling 124.6 MTD following, mainly, inclusion of Tunisia in the programme of financial transactions of the Fund. In this framework, the Fund has called for the transfer of the equivalent in US dollar of 36 million SDR for Ukraine against deduction of its exchange value in dinars from account N°1 of the IMF, logging Tunisia's share subscribed in dinar in the capital of this institution.

Assets in special drawing rights went up by 39 MTD from one year to the next following SDR appreciation against the dinar by 7.8% over the period going between end December 2009 and end December 2010.

In this same regard is explained the 31.9 MTD increase at the level of "Advance to the State for subscription to Monetary Funds" heading. In fact, the impact of SDR appreciation against the dinar was reflected at the level of the stated heading following revaluation of Tunisian Republic participation, in dinar, in the capital of the IMF. Further to the revaluation operations carried out at end April, the Fund exceptionally effected a revaluation operation on 28 July 2010 after inclusion of Tunisia in the above-mentioned financial transactions programme.

As for refinancing operations in the framework of monetary policy conducting, the net outstanding balance of facilities granted to lending institutions came to 305 MTD as at 31 December 2010, compared to a net outstanding commitment of 1669 MTD on 31 December 2009. Worth of note in this framework that over the first five months of 2010, the banking sector recorded an excess liquidity situation that has required intervention of the Central Bank on the money market to mop up liquidity surplus. This situation was reversed progressively over the following months of 2010. In effect, after the two increases, over 2010, in the reserve requirement rate, the global volume of refinancing moved from a negative position to a rather positive one.

For liabilities entries, banknotes and coins in circulation went up by 513.6 MTD, from 5276.1 MTD in 2009 to 5789.7 MTD in 2010. The rate of increase regressed from 13.7% in 2009 to 9.7% in 2010. The outstanding balance of banks and financial institutions accounts went up markedly by 481.9 MTD, totalling 863.1 MTD at end 2010 compared to 381.2 MTD as at 31 December 2009. This trend reflects, mainly, the effect of increase, on two occasions in 2010, in the reserve requirement rate.

Government accounts posted an increase of 258.3 MTD, due, mainly, to an increase in the outstanding balance of the Treasury current accounts (up by 208.8 MTD), and an increase in the balance of Government Special accounts in foreign currency (up by 34 MTD) in the wake of drawings on loans and foreign grants to the State throughout the year.

Memorandum accounts and accounts calling for adjustment posted an increase of 527.9 MTD due, largely, to registry in a suspense account, of the share going to the State from the Central Bank profit in 2009 financial year (250 MTD), pending the Ministry of Finance request for transfer of funds. The increase was also led by higher balance of foreign currency pending account (up by 196.3 MTD), notably, in the wake of revaluation of the remainder from receipts of privatization of “Tunisie Telecom” company in US dollar, still held in the mentioned account.

On the other hand, revaluation operations of accounts denominated in foreign currency yielded net gains of 334.3 MTD that was added to the 150 MTD carried forward from the previous financial year. This result reflects, mainly, an appreciation of the US dollar and the euro against the dinar throughout the year. The net amount of gains that was recorded in 2010 (334.3 MTD) was retained in the account “differences on conversions” in order to make provision for hedging the risk inherent to exchange rate fluctuations in 2011 ; whereas the balance carried forward from 2009 financial year (150 MTD) was resumed and integrated in 2010 result compared to 129.2 MTD in 2009.

As for the statement of results, interest on investment in foreign currency came to 93.2 MTD, regressing by 63.8 MTD or 40.6% following erratic movements on the financial markets over 2010 and sharp drop in yield by US and German Treasury bonds in the wake of worsening indebtedness crises in Europe.

Other proceeds on transactions in foreign currency dropped also by 6.2 MTD, attributable largely to lower gains on foreign exchange for current transactions, coming to 9.2 MTD in 2010 compared to 49.4 MTD in 2009.

As for financial charges, interest paid on transactions in foreign currency dropped, influenced in particular by the decrease in interest on loans on the money market in foreign currency (-4.6 MTD), reflecting the downward trend over 2010 in interest rates on the main foreign currencies.

Intervention transactions on the money market generated a net proceed of 12.7 MTD compared to net charge of 37.7 MTD in 2009. In fact, the negative position of the global volume of refinancing which marked the first five months of 2010, yielded 15.6 MTD in charge. Yet, reversal of the situation over the following months helped encash some 28.3 MTD in interest from intervention of the Issuing Institution on the money market through liquidity injection.

Operating costs went up by 3.5 MTD from one year to the next, coming to 59.2 MTD compared to 55.7 MTD in 2009. In effect, staff costs went up by 2.6 MTD and general operating costs by 0.9 MTD.

I. LEGAL FRAMEWORK AND ACCOUNTING REFERENTIAL

The Central Bank of Tunisia’s financial statements are drawn up in conformity with the terms of law n°58-90 of 19 September 1958 governing its founding and organisation (as modified in subsequent texts) and Tunisian accounting standards, taking into account the specific nature of the Central Bank’s activities.

Central Bank of Tunisia financial statements include :

- a balance sheet,
- a statement of off balance sheet commitments,
- a statement of results, and
- notes related to the financial statements.

II. ACCOUNTING PRINCIPLES AND RULES OF ASSESSMENT

1) Gold holdings

The Bank's gold holdings are assessed at the official price for gold as per decree-law n°64-18 of 28 September 1964, which defines the dinar. Article 2 of this decree specifies that «official parity for the dinar is set at 1.69271 gram of fine gold for one dinar». Thus a gram of fine gold is worth 0.590768649 dinar. Following devaluation of the dinar in 1986, as per decree n°86-785 of 18 August 1986, the official price for gold became 0.6498475 dinar for one gram of fine gold.

2) Assets and liabilities in foreign currency

Assets and liabilities labelled in foreign currency are converted to dinars at «accounting reference rates» that remain valid for a period of one month. Accounting reference rates represent average rates ($[\text{bid rate} + \text{offer rate}] / 2$) set by the Central Bank of Tunisia on the last working day of each month.

Assets and liabilities labelled in foreign currency are revalued at the end of each month. Latent losses and gains resulting from monthly revaluation are entered under the balance sheet account «differences on conversion».

3) Assumption of proceeds and costs

3.1 The entering of proceeds and costs is based on the accounting principle of «independence of financial years». Thus proceeds and costs accruals are recognised in the accounting year in which they were acquired or due.

3.2 Proceeds and costs resulting from transactions in foreign currency are converted into dinars at the rate of exchange in effect on the day of the transaction.

3.3 At the end of the period, the balance of the account «differences on conversion» is processed as follows:

- Debit balance : The total amount of the balance is entered as a cost for the financial year.
- Credit balance : The only amount entered on the statement of results as gain on exchange for adjustment of accounts in foreign currency is that remaining after assessing the portion of the above-mentioned balance to be carried forward to the subsequent financial year to hedge against any possible losses on exchange to be entered for that financial year.

3.4 Differences between the exchange rates in effect on the day of the transaction and accounting reference rates are entered on the statement of results as gains or losses on exchange. Such gains and losses, in effect, result from actual transactions.

4) Fixed assets

Tangible and intangible fixed assets are accounted for by applying the rule of «historic cost», that is to say the cost of acquisition or the actual amount disbursed to cover costs in the case of construction. Aside from land, fixed assets are to be depreciated in a straight-line method over the projected lifespan of the fixed asset by applying the usual rates for each category of fixed asset. For certain equipment that is specific to the Central Bank of Tunisia (such as cash register equipment), lifespan and applied depreciation rate are determined by reference to the experience of their users. Tangible fixed assets involve mostly land, buildings, technical equipment, computer hardware, cash register equipment, transport material, and office equipment. Intangible fixed assets are made up mainly of computer software.

5) Securities in foreign currency

Securities labelled in foreign currency that are part of «*foreign currency assets*» are assessed at market price on the closing day of the financial year. Latent losses from the difference between accounting value (possibly corrected by depreciation of premiums and discounts) and market value of securities are recorded as provisions for depreciation. Latent gains are not recorded.

6) Securities in dinar

Securities in dinars purchased in the framework of open market transactions are assessed at market price on the balance sheet's closing date. Latent losses or gains resulting from revaluation are entered in the balance sheet account «*differences on revaluation*».

7) Shareholding portfolio

The Central Bank of Tunisia's shareholding portfolio is made up of securities that it has acquired in the framework of article 53 of its articles of association that represent its share in the capital of a number of non resident organisations and companies as well as resident companies that manage common banking services. These shares are recorded at the price of acquisition.

III – DETAILED EXPLANATION OF THE HEADINGS IN THE FINANCIAL STATEMENTS

NOTE 1 : GOLD HOLDING

Under this heading is found gold money assets which came at 6.7 tonnes of fine gold as at 31 December 2010, corresponding to 4.4 MTD as per the official rate of gold. This heading recorded a slight drop compared to 2009 following use of 23 gold bars as from the holding at the Bank, weighing some 23 kilograms, to manufacture commemorative coins.

	2010		2009	
	In dinars	In grams	In dinars	In grams
<u>GOLD HOLDING</u>	<u>4 379 907</u>	<u>6 739 902</u>	<u>4 394 852</u>	<u>6 762 900</u>
Gold in BCT coffers	3 471 738	5 342 391	3 486 683	5 365 389
Gold held at the Bank of England	908 169	1 397 511	908 169	1 397 511

NOTE 2 : SUBSCRIPTIONS TO INTERNATIONAL ORGANISATIONS

The amount recorded under this heading represents the total of sums paid by the BCT to certain international financial organisations as shares subscribed to in gold or foreign currency by the Republic of Tunisia in the capital of these institutions as per prevailing legislation authorising the Central Bank to enter these shares under the assets heading of the Bank's balance sheet. The date of the last transaction entered in this framework goes back to 1969. The State has since then taken responsibility for all subscriptions, whether in local or foreign currency.

The following institutions are involved :

Institution	Subscribed amount (In TND) ¹
International Bank for Reconstruction and Development	215 408
International Development Association	87 202
International Financial Corporation	76 808
African Development Bank	1 992 375

¹ This concerns the exchange value in TND of amounts subscribed in gold or in foreign currency at historic exchange rates.

NOTE 3 : IMF RESERVE POSITION

The amount recorded under this heading (124.6 MTD)¹, represents the exchange value in dinars of the portion of Tunisia's shares subscribed to in foreign currency (56.2 million SDRs) in the capital of IMF. This represents the difference between Tunisia's full share (286.5 million SDR) and IMF's holdings in dinars, held in its account n°1 on the books of the Central Bank of Tunisia. As for assets in foreign currency, the IMF reserve position is part of Tunisia's international reserves. In effect, if support for the balance of payments is required, these reserve assets labelled in SDRs can be withdrawn from IMF without any prior conditions, converting them to the most freely convertible currencies.

NOTE 4 : ASSETS AND INVESTMENT IN SDRS

This heading includes :

- the balance of the SDR account opened in the name of the Central Bank of Tunisia (BCT) on the books of the IMF, which on 31 December 2010 came to 241.8 million SDRs (the equivalent of 535.7 million dinars²).

- the amount in SDRs represents the Central Bank of Tunisia's contribution to the PRGF³-HIPC⁴ fiduciary fund administered by the International Monetary Fund, which amounted to 2.4 million SDRs, the equivalent of 5.2 million dinars⁵.

	2010	2009
<u>ASSETS AND INVESTMENT IN SPECIAL DRAWING RIGHTS</u>	<u>540 944 488</u>	<u>501 914 258</u>
Assets in Special Drawing Rights	535 711 838	497 059 608
Investment in Special Drawing Rights	5 232 650	4 854 650

NOTE 5 : REFINANCING TO LENDING INSTITUTIONS RELATED TO MONETARY POLICY TRANSACTIONS

This heading includes the net outstanding balance of the Central Bank intervention on the money market. This outstanding balance totalled 305 MTD as at 31 December 2010, reflecting the position of need for liquidity which marked the last months of 2010 financial year.

NOTE 6 : SECURITIES PURCHASED IN THE FRAMEWORK OF OPEN MARKET TRANSACTIONS

This heading posted a drop of 0.7 MTD, following depreciation of the value of relevant securities on 31 December 2010 compared to their value on 31 December 2009.

	2010	2009
<u>SECURITIES PURCHASED IN THE FRAMEWORK OF OPEN MARKET TRANSACTIONS</u>	<u>25 577 500</u>	<u>26 296 700</u>
Bonds equivalent to Treasury bonds purchased firm	25 577 500	26 296 700

¹ 1 TND = 0.451561 SDR, as per IMF quotation in effect since 28 July 2010.

² 1 SDR = 2.215718 TND as of 31/12/2010.

³ Poverty Reduction and Growth Facility.

⁴ Heavily Indebted Poor Countries.

⁵ 1 SDR = 2.215718 TND as of 31/12/2010.

NOTE 7 : ADVANCE TO THE STATE PERTAINING TO MONETARY FUNDS SUBSCRIPTION

This heading enters as an advance to the Treasury the counter value in dinars of amounts paid out for subscriptions corresponding to Tunisia's shares in the capital of the International Monetary Fund and the Arab Monetary Fund, in application of the terms of law n°77-71 of 7 December 1977 governing relations between the Central Bank of Tunisia and these two financial institutions.

- *International Monetary Fund* : The overall amount of Tunisia's subscription in the capital of this institution comes to 286.5 million SDRs, 230.3 million in dinars credited to account n°1 in the name of the International Monetary Fund and 56.2 million in convertible currency.

- *Arab Monetary Fund* : Tunisia holds a 12.85 million Arab accounting dinar share in the capital of this institution. This includes 7 million Arab accounting dinars as a cash subscription (6.9 million in convertible currencies and 0.1 million in local currency, credited to the AMF's dinar account on the books of the Central Bank of Tunisia) and 5.85 million Arab accounting dinars as Tunisia's new share as per decision n°3/2005 of the Fund's board of governors approving release of the remaining portion of capital by incorporation of reserves and distribution of new shares to member states, proportionate to their initial shares. The Arab accounting dinar is worth 3 SDRs.

Subscriptions in dinars to the capital of these two institutions, recorded as a credit to their respective accounts on the books of the Central Bank, are adjusted annually to take into account trends in the exchange rate for the SDR against the Tunisian dinar, with reference to prices set by the International Monetary Fund. Worth of note that this Fund carried out on 28 July 2010 an exceptional adjustment operation following inclusion of Tunisia in the programme of financial transactions.

NOTE 8 : STANDING ADVANCE TO THE STATE

Under this heading is found the amount of the standing advance to the State, as per the terms of the agreement signed by the Central Bank and the Ministry of Finance on 29 June 1970, as per law n°70-22 of 7 May 1970 governing restructuring of public finances. In return for this advance, the State pays interest at an annual rate of 0.5%.

NOTE 9 : BILLS IN COLLECTION

The amount recorded under this heading represents the outstanding balance of securities subscribed to in favour of the State, notably underwritten bonds subscribed to in favour of the State and remitted by the Treasury for encashment. These securities are held in the portfolio of the Central Bank of Tunisia until they fall due.

NOTE 10 : SHAREHOLDING PORTFOLIO

The amount recorded under this heading represents the paid-up portion of the Central Bank of Tunisia's holdings in the capital of the following institutions :

Institution	Balance by currency		Balance as of 31/12/2010 in TND ¹
▪ Tunisian Foreign Bank	6 658 090.98	EUR	12 734 930
▪ SWIFT Company	5 330.00	EUR	10 195
▪ African Import Export Bank	10 000 000.00	USD	14 307 000
▪ Maghreb Bank for Investment and Foreign Trade	2 500 000.00	USD	3 576 750
▪ Programme to finance inter Arab Trade	1 250 000.00	USD	1 788 375
▪ Interbank Clearing Company (SIBTEL)	105 000.000	TND	105 000
Total			32 522 250

NOTE 11 : MISCELLANEOUS DEBTORS

The main entry under this heading is the outstanding balance of various kinds of loans granted to Central Bank staff, financed from reserves for social fund.

NOTE 12 : MEMORANDUM ACCCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (ASSETS)

This heading includes mainly costs paid in advance, proceeds to be received, and various other debit amounts awaiting adjustment. This is broken down as follows :

	2010	2009
<u>MEMORANDUM ACCCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (ASSETS)</u>	<u>25 808 299</u>	<u>25 647 207</u>
Accrued income and accrued expenses	20 121 960	20 346 697
Gold to be sold to jewellers	1 237 179	1 154 735
Advances and instalments for staff	3 527 763	3 431 735
Other memorandum and adjustment accounts	921 397	714 040

NOTE 13 : BANKNOTES AND COINS IN CIRCULATION

Banknotes and coins in circulation went up by 513.6 MTD (9.7%) to 5,789.7 MTD, compared to 5,276.1 MTD in 2009. They are broken down as follows :

	2010	2009
<u>BANKNOTES AND COINS IN CIRCULATION</u>	<u>5 789 745 378</u>	<u>5 276 088 906</u>
Banknotes	5 557 356 770	5 052 439 135
Coins	232 388 608	223 649 771

NOTE 14 : GOVERNMENT ACCOUNTS

The main entries under this heading are the balance of the Treasury's current account (604.8 MTD), the balance of the Tunisian Government special accounts in foreign currency recording drawings on external loans and grants made to the State or public institutions with State guarantee (782.6 MTD), as well as the balances of other accounts relating to miscellaneous funds

¹ As per rates of exchange in effect on 31 December 2010 :
1 EUR = 1.9127 TND
1 USD = 1.4307 TND

held by the Central Bank on behalf of the State, such as the fund for industrial promotion and decentralisation (*FOPRODI*) and the national fund to promote handicrafts and small trades (*FONAPRA*).

	2010	2009
<u>GOVERNMENT ACCOUNTS</u>	<u>1 617 864 441</u>	<u>1 359 555 247</u>
Tunisian Treasury current account	604 768 325	396 012 647
Tunisian Government special account in foreign currency	782 609 539	748 605 063
Tunisian Government grants accounts	1 821 835	1 053 791
FOPRODI	1 914 180	479 201
Tunisian Government – miscellaneous accounts	218 332 896	190 933 568
Special account/1969 IBRD loan		280 000
FONAPRA	4 744 369	3 566 694
Tunisian Government – loans accounts	3 673 297	18 624 283

NOTE 15 : ALLOCATION OF SPECIAL DRAWING RIGHTS

This item includes the counterpart of the cumulated amounts of SDRs allotted by the International Monetary Fund to Tunisia in its quality of member state. Coming to 272.8 million SDRs¹ as at 31 December 2010, these allocations are to be returned to the International Monetary Fund if SDRs are cancelled. Thus they constitute an open-ended commitment towards the International Monetary Fund.

NOTE 16 : CURRENT ACCOUNTS IN DINARS OF FOREIGN INSTITUTIONS

This heading posts the balances of accounts opened in dinars in the name of foreign institutions such as the International Monetary Fund, the World Bank, the African Development Bank, and the Arab Monetary Fund. The balance of International Monetary Fund account n°1, including the amount of Tunisia's subscription in dinars to the capital of the Fund, is the major component of this heading (509.9 MTD).

NOTE 17 : COMMITMENTS IN FOREIGN CURRENCY TOWARDS TUNISIAN AUTHORISED INTERMEDIARIES

This heading includes the sight assets in foreign currency of authorised intermediaries and the outstanding balance of borrowings by the Central Bank on the money market in foreign currency.

NOTE 18 : FOREIGN ACCOUNTS IN FOREIGN CURRENCY

This heading records the overall credit balance of accounts in foreign currency or convertible Tunisian dinars in the name of non resident banks or institutions. Thus, and since the overall balance of these accounts was in debit as at 31 December 2010, it was included in foreign currency assets under balance sheet assets.

NOTE 19 : CURRENT COLLECTION OF VALUES

The amount recorded under this heading represents the net credit balance of values collection accounts, notably cheques made out to collect the Treasury.

NOTE 20 : DEPOSITORS OF BILLS TO BE COLLECTED

This category represents the counterpart of the assets heading «bills to be collected». The difference between these two items represents the value of securities due that are sent for collection, the amount of which is still not collected.

¹ 1 SDR = 2.215718 TND on 31 December 2010.

NOTE 21 : DIFFERENCES ON CONVERSION AND REVALUATION

This category includes that portion of the credit balance for the account «differences on conversion», retained as a provision to hedge risk from exchange rates' variations in 2011 (334.3 MTD) and gains on revaluation at market price for securities purchased in the framework of open market transactions (0.9 MTD).

NOTE 22 : MISCELLANEOUS CREDITORS

This heading includes mainly the deposit accounts of Bank agents, withholding taxes due to the State, contributions for social coverage pending payment, and the attachment orders on current accounts.

	2010	2009
<u>MISCELLANEOUS CREDITORS</u>	<u>16 481 995</u>	<u>16 043 744</u>
Trust fund accounts (staff accounts, staff association account...)	7 170 839	6 583 298
Withheld tax, VAT collected and other taxes and levies due to the State	875 741	1 319 344
Social coverage – suspense account	1 292 057	1 283 694
- CNSS (<i>national social security fund</i>)	616 168	600 067
- STAR (<i>Tunisian insurance and reinsurance company</i>)	674 411	681 977
- CNRPS (<i>national retirement and social security fund</i>)	1 478	1 650
Other miscellaneous creditors	7 143 358	6 857 408
<i>of which :</i>		
- Attachment orders on current accounts	6 620 071	6 116 827
- Blocked amounts for attachment orders already enacted	156 864	156 864
- Other attachment orders put in practice, in the hands of the BCT	4 788	52 225
- Account for enhanced competitiveness in the textile/clothing sector	136 220	209 704
- Outstanding petrol vouchers	79 438	96 237
- Intervention of the regime to encourage innovation in information technologies	106 718	180 375
- Unclaimed amounts from the suspense account «credits pending assignment»	5 110	7 072

NOTE 23 : PROVISIONS FOR COSTS TO MANUFACTURE BANKNOTES AND COINS

The amount entered on this line represents the balance of resources allocated to fund programmes to manufacture banknotes and coins when profits from previous periods are distributed.

NOTE 24 : MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (LIABILITIES)

This line shows mainly credit amounts pending settlement, costs to be paid, proceeds paid in advance, and the counterpart of the IMF's reserve position.

	2010	2009
<u>MEMORANDUM ACCOUNTS AND ACCOUNTS CALLING FOR ADJUSTMENT (LIABILITIES)</u>	<u>3 164 699 596</u>	<u>2 636 831 369</u>
Counterpart of the IMF reserve position	124 565 132	42 588 253
Foreign currency pending assignment	2 322 991 913	2 126 675 549
<i>of which : income from privatisation of Tunisie Telecom</i>	2 320 245 928	2 124 418 924
Costs to be paid and miscellaneous proceeds paid in advance	5 279 194	4 415 264
Interest paid in advance on securities in foreign currency	18 641 341	19 903 722
Expenditure to be paid for specific and exceptional purposes	2 013 792	2 339 949
Staff costs to be paid	7 641 482	7 194 900
Other memorandum and adjustment accounts	683 144 379	433 713 732
<i>of which : share due to the State from BCT profits for 2008 & 2009</i>	682 000 000	432 000 000

NOTE 25 : EQUITY

Equity prior to the appropriation of 2010 result came to 353 MTD as at 31 December 2010, compared to 354.6 MTD on 31 December 2009, a drop of 1.6 MTD. Breakdown is as follows:

	2010	2009
Capital	6 000 000	6 000 000
Reserves	94 758 045	90 434 098
Results carried forward	218 282	141 757
Total equity prior to financial year results	100 976 327	96 575 855
Financial year results	252 053 322	258 076 525
TOTAL EQUITY PRIOR TO APPROPRIATION	353 029 649	354 652 380

NOTE 26 : OFF BALANCE SHEET COMMITMENTS

The statement of off balance sheet commitments includes guarantee commitments.

Recorded under this heading are debenture loans issued by the Central Bank of Tunisia on behalf of the Tunisian Government on foreign financial markets (Japanese, American and European) and external borrowings by the State in the framework of bilateral economic cooperation. These borrowings are managed by the Central Bank on behalf of the State against signature of commitments to the foreign party (foreign bank or financial institution) for settlement of relevant payments due. These loans are recorded specifying principal and interest, except those with variable interest rates, for which only the amount of principal is recorded.

These commitments are in fact considered to be surety bonds (off balance sheet), in accordance with the accounting convention «pre-eminence of content over form». The Central Bank's financial commitments from the above mentioned borrowings mean a similar commitment on the part of the State for repayment of all scheduled amounts as well as settlement of all related financial costs.

This heading posted an increase of 82.8 MTD between 2009 and 2010, mainly because of the increase in the exchange rate of the euro and the US dollar and this despite reimbursement of the "Global Samurai I" debenture loan for 35 billion Japanese yen.

NOTE 27 : OTHER PROCEEDS ON FOREIGN CURRENCY TRANSACTIONS

This includes mainly commissions on foreign exchange transactions (48.6 MTD), gains on net foreign exchange from the difference between exchange rates in effect on the date of the transactions in foreign currency and accounting reference rates (9.2 MTD) and gains on sale of securities in foreign currency (25.8 MTD).

NOTE 28 : MISCELLANEOUS PROCEEDS

	2010	2009
MISCELLANEOUS PROCEEDS	3 121 679	4 017 456
Proceeds on unused budget allocations	876 230	1 136 882
Commissions on sale of gold to jewellers	61 426	172 518
Cost recovery	481 797	441 220
Late fees on implementation of orders for manufacturing banknotes, coins and medals	169 211	
Recovery of complementary retirement pensions for seconded staff	164 899	172 546
Income from shareholding securities	791 906	1 331 596
Proceeds from services related to transfer of gross amounts	244 310	231 108
Portion entered as proceeds from the investment subsidy		116 667
Other proceeds	331 900	414 919

NOTE 29 : INTEREST PAID ON TRANSACTIONS IN FOREIGN CURRENCY

Interest paid on transactions in foreign currency came to 4.5 MTD as at 31 December 2010 compared to 9.2 MTD as at 31 December 2009, a drop of 4.7 MTD, due mainly to a drop in interest paid for intervention on the domestic money market in foreign currency.

	2010	2009
<u>INTEREST PAID ON TRANSACTIONS IN FOREIGN CURRENCY</u>	<u>4 524 924</u>	<u>9 195 692</u>
Interest on money market intervention in foreign currency	4 496 768	9 083 970
Interest on deposit accounts in foreign currency		91 674
Interest on sight overdrafts in foreign currency	28 156	20 048

NOTE 30 : OTHER COSTS ON TRANSACTIONS IN FOREIGN CURRENCY

This heading includes mainly costs relating to instruments to hedge foreign exchange risk (foreign exchange swaps, foreign currency swaps, forward foreign exchange...) and costs for extension of the premium on securities in foreign currency.

BREAKDOWN OF RESULTS FOR 2010

In line with the terms of article 68 of law n°58-90 dated 19 September 1958 governing the founding and organisation of the Central Bank of Tunisia, the Bank's Executive Board at its meeting on 30 March 2011 approved breakdown of 2010 results as follows (Amounts in TND) :

Results for the year	252.053.322
Results carried forward from previous financial years	218.282
Results to be broken down	252.271.604
Special reserve	2.500.000
Provisions for costs to manufacture banknotes and coins	20.000.000
Reserves for social fund	800.000
Results carried forward	271.604
Share due to the State	228.700.000